
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 26 January 2022

Subject: **West Yorkshire Trade Strategy**

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1. Purpose of this report

- 1.1 This report sets out the purpose and scope of a Trade Strategy for the Combined Authority and Leeds City Region Enterprise Partnership (the LEP), and seeks endorsement from the LEP Board.

2. Information

- 2.1 This item follows discussion with the LEP at their November 2021 meeting regarding the development of a West Yorkshire Trade Strategy. Feedback on the draft strategy has been taken on board and the Strategy has been revised and included as an appendix to this item.

Updates since November 2021

- 2.2 At their last meeting of 2021, the LEP Board had a detailed discussion on the draft West Yorkshire Trade Strategy and raised a number of comments and areas for further development. These included:
- Support for having a strong SME focus, particularly as the focus of Department for International Trade is towards larger / more frequent existing exporters. Can we support collectives of SMEs to grasp opportunities as well as individual businesses.
 - Recognising that given the small amount of money currently available for trade related support, signposting will be important
 - Support for the recognition of importance of services but a question about whether we can we better capture the value and impact of services export - including by sector
 - A challenge to better articulate our overall ambition - what's our equivalent to the UK Export Strategy's "Race to £1tn"?
 - An ask around whether we can look at the impact of international students when we come to developing delivery plans

- A challenge as to how the strategy reflects learnings from the work on the local industrial strategy
- A question about how might we engage with trade envoys amongst our MPs (currently one West Yorkshire MP has an envoy role)
- Can we include climate success metrics around trade

2.3 These comments have been taken on board in revising the Trade Strategy document, which is appended to this report.

Articulation of the overall ambition for Trade in West Yorkshire

2.4 In relation to the articulation of the overall West Yorkshire ambition, it has been proposed that this is progressed further through a commission that is currently being tendered to bring in external expertise to help define the baseline, targets and methodology based on most recent data. Whilst the region will look to make its contribution to the UK Government target of £1trillion exports set within the new Export Strategy, it was rightly felt at the last LEP Board that the West Yorkshire Trade Strategy needed a meaningful and realistic picture of what is achievable in the region and to provide a robust measure of that over the period of the strategy.

2.5 As data on international trade is not often timely and difficult to capture exclusively on a regional basis, the commission will help to articulate appropriate measurable targets that can be tracked on an annual basis to understand the trends and to measure the progress that is being achieved toward the targets. This could include targets like the number of West Yorkshire businesses involved in export activity by 2026 for example.

2.6 Further updates on the progress of this commission will be brought back to the Business, Economy and Innovation Committee, and will accompany the final endorsed Trade Strategy when approved by the Combined Authority.

Summary of the Trade Strategy

2.7 A more detailed overarching summary of the purpose and the approach to the West Yorkshire Trade Strategy were provided in the report to the LEP Board in November 2021. As the Strategy has been updated following feedback from that discussion at the LEP Board, a brief summary is provided below for completeness. The full revised draft strategy is provided as appendix 1 to this report.

- The Strategy coincides with the end of the LEP's current International Trade Plan (2016-21), recognising the significant changes and challenges to international trade that have happened since the previous plan was produced.
- The Strategy provides the region's response to the UK Government Export Strategy¹ - and how West Yorkshire can contribute to national success
- The Strategy is a result of collaboration across Trade Partners in West Yorkshire, including Chambers of Commerce, universities, Innovate UK EDGE

¹ UK Export Strategy (2021) <https://www.gov.uk/government/publications/export-strategy-made-in-the-uk-sold-to-the-world>

and the Department for International Trade – recognising the importance of this ecosystem for delivery.

- The Mission statement of the strategy is *“to inspire, empower and provide access to international markets for small and medium size businesses (SMEs), for the benefit of workers and businesses across West Yorkshire.”*
- To achieve our mission, the Trade Strategy identifies three areas of collective action with partners that will support SMEs on their journey to trading internationally, Influence, Inform & Inspire, and Impact
- The strategy focuses particularly on the role that public support can play in encouraging a diverse range of SME businesses from across all communities to explore and benefit from international trade
- The strategy outlines the distinct offer in West Yorkshire - key sectoral strengths in goods and services, our strong academic ecosystem and outturn of graduates, the diversity and youth of our workforce, and links to national institutions based in the region, such as the newly created UK Infrastructure Bank.

Next steps

- 2.12 Subject to views of the LEP Board and the approval of the Combined Authority, the Strategy will be adopted as part of the West Yorkshire Strategic Economic Framework.
- 2.13 The strategy will then provide the framework for the development of annual delivery plans for international trade overseen by the Combined Authority’s Trade and Inward Investment team. Separate but connected delivery plans for Inward Investment are also developed by that team.

3 Tackling the Climate Emergency Implications

- 3.1 Tackling the climate emergency is covered as a chapter in the Trade Strategy and recognises our ambitions to be a net-zero carbon economy by 2038. The strategy recognises that the transition to net zero is an export market opportunity for the region, but also that international trade currently makes a significant contribution to global emissions. Positively responding to the opportunities whilst minimising the potential negative impacts of trade on the environment is seen as an important priority in future trade support.

4 Inclusive Growth Implications

- 4.1 The Trade Strategy covers the West Yorkshire Inclusive Growth Framework and outlines our approach to ensure that international trade contributes positively to inclusive growth, in particular through maximising high-quality employment opportunities as a result of increased trade activity.
- 4.2 Traditional economic theories point to the overall positive correlations between trade and wages and real income ([IME](#), 2021). This is supported by evidence that trade is associated with generating high-quality employment opportunities, with median wages on average higher for both direct and indirect jobs ([FAI](#), 2021). The Strategy sets out how trade can support such opportunities

particularly for individuals that face barriers to securing good work, including those with protected characteristics.

- 4.3 It is also understood that whilst there are overall benefits of trading internationally, there are also potential 'losers' to increased international trade, which can include diverting trade away from some areas. When implementing the Trade Strategy we will look to understand potential negative impacts - including how Free Trade Agreements might 'divert trade' ([Department for International Development](#), 2015) away from businesses in the region, potentially making them less resilient or viable.

5 Equality and Diversity Implications

- 5.1 As part of the Trade Strategy's priorities, it is recognised that there is a role for trade partners including the Combined Authority and LEP in supporting all businesses across West Yorkshire to realise their productivity potential through international trade. This includes proactively supporting localities and business owners who may not otherwise consider international trade.
- 5.2 Although only a small sample size, findings from the KADA research utilised in developing the Trade Strategy indicate that female led businesses are the businesses most likely to consider trading with existing non-EU partner countries, and that BAME-led businesses are most likely to consider new international markets. The strategy therefore outlines how consideration will be given to how to increase opportunities for female and BAME-led businesses to access these markets and to ensure they have the relevant support, and how we can maximise the potential of connected programmes such as entrepreneurship in increasing the diversity of our export base.

6 Financial Implications

- 6.1 There are no financial implications directly arising from this report. However, in delivering the priorities of the Trade Strategy this may require further financial resources to support the activities, which will be subject to further approvals.

7 Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8 Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9 External Consultees

- 9.1 In developing the Trade Strategy, officers of the Combined Authority have engaged with a number of key stakeholder groups, including the LEP Business Communications Group, regional Trade Partners and with Universities in the region. Further consultation will take place before the Strategy is brought to the Combined Authority for endorsement.

10 Recommendations

- 10.1 That the LEP Board endorses the West Yorkshire Trade Strategy (2022-2026), providing any comments on the draft document and priorities.

11 Background Documents

Department for International Trade, UK Export Strategy: Made in the UK, Sold to the World:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033912/made-in-the-uk-sold-to-the-world.pdf

12 Appendices

Appendix 1 – Draft West Yorkshire Trade Strategy: 2022-2026