



Report to:	Business, Economy and Innovation Committee
Date:	31 January 2024
Subject:	Trade and Inward Investment
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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 To provide the Committee with an update on the key trade and inward investment achievements since March 2023.
- 1.2 To seek the Committee's steer, input and support for planned inward investment activity from 2024/25 onwards, especially in the proposed areas of focus.

2. Information

- 2.1 Mission 1 of the WY plan sets out our ambitions for a prosperous WY – an inclusive economy with well paid jobs. Attracting investment into the region is a critical part of this, engaging with inward investors and foreign owned businesses currently in the region.
- 2.2 Foreign owned businesses are typically 69% more productive than domestic owned businesses according to ONS data, supporting regional ambitions to drive up productivity. While only 4% of business units in the UK are foreign owned, they account for 16% of total business employment and 36% of business turnover in the UK.

- 2.3 Foreign owned businesses provide more than 50% of UK exports of goods and services, even though they only make up 4% of business units, as stated above. This implies that there is significant untapped export potential within our diverse business community. With the appropriately designed and targeted interventions, a range of businesses could embrace international opportunities. This matters because there is a strong link between international trade and business productivity, innovation and resilience, and businesses who trade internationally also create higher quality direct and indirect jobs.

Key Achievements 2023/2024

KPI performance

- 2.4 The table below sets out achievements against the core KPIs in the current financial year. Further inward investment projects are expected to land by the end of the financial year, and these will be reported in due course to the Committee.

Performance indicator	Targets for 2023/24	Progress as of Nov 23
New inward investment enquiries generated	100	49
Inward investment successes	25	19
Jobs created / safeguarded	1,750	1,120
R&D collaborations brokered between investors and universities in WY	10	15
Strategic international trade initiatives / programmes delivered	15	16
Businesses assisted with international trade initiatives	350	116

- 2.5 Although investment enquiries are lower than forecast, progress in the other KPIs is strong and spread across the region. The conversion rate from enquires is higher than the 25% projected at the beginning of the year, and this highlights the quality of support that an inward investor receives from the CA. The Department of Business and Trade

(DBT) has reported fewer enquiries UK wide as they shift their strategy to focus on high value enquiries. There are currently nine live high value enquiries from DBT for West Yorkshire.

- 2.6 To increase the number of enquires, there has been proactive engagement with international investors by attending events and conferences to meet intermediaries, property developers, universities and local authorities. Linking investors to the expertise within the region's higher education institutions has been a particularly effective way of landing new projects in the region this year. Much of the international focus this year has been on India, the US, Canada and the Nordics (informed by the EY Attractiveness Survey), including a market entry accelerator programme. The CA partnered with the DBT and Health Innovation Yorkshire and Humber to deliver a programme for Indian Health Tech companies called Propel. This has already led to two businesses taking up virtual membership in Nexus and a further two exploring the options in the region.

Inward Investment Successes

- 2.7 This year, to date, 19 businesses have been supported to invest in the region. This includes 13 foreign owned businesses who have been supported to expand, retain and also recruit more staff. As well as attracting businesses to Leeds as the core city, 42% of investment has been outside of the Leeds district.
- 2.8 This year, there has been particular success in the Health and Life Science sector through close working with Leeds Teaching Hospital Trust, Health Innovation Yorkshire and Humber and University of Leeds to support 5 businesses investing in the region. The investments will create 90 highly skilled jobs over the next 3 years.

Trade and Investment in-market activity 23/24

Trade and Investment Mission to North America

- 2.9 The Mayor, accompanied by her Business Adviser took part in a five-day mission to North America in November 2023, visiting Toronto, Boston, New York, and Lititz. The trip included 24 meetings and events with over 100 new contacts met. This visit focused on strengthening relationships with key cities and states in North America to share learnings and promote trade and investment activity. Key activity included strengthening relationships with major US and Canadian headquartered businesses to promote West Yorkshire as a welcoming region for businesses to invest in; and showcasing West Yorkshire businesses as providers of innovative and high-quality goods and services to the UK's largest trading partner.

Outbound Mission to Ireland

- 2.10 The Mayor, CEO and Director for Mass Transit visited Ireland primarily to share and exchange knowledge and to learn from our Irish equivalents across two key areas: Transportation and Culture. The delegation focused on outcomes that could deliver joint

programmes, opportunities for collaboration and strategic partnerships, especially in the delivery of mass transit, bus, and cultural programmes in West Yorkshire.

- 2.11 Visits were undertaken to the Guinness Enterprise Centre in Dublin to explore opportunities to forge ties with this centre and the wider Health and Life Science ecosystem in Ireland and to develop opportunities for high growth Irish businesses to enter the UK market. Several members of the Centre are already existing investors in the region and strengthening links may lead to further investment.

Outbound Mission to India

- 2.12 Representatives from WY also joined a DBT delegation to Mumbai and Bangalore Tech Summit, to champion the region's strengths, build relationships with key stakeholders, and develop a greater understanding of the India market and the synergies with West Yorkshire.
- 2.13 Conference attendance:
- Web Summit, in Lisbon, which brings together 70,000 leaders from the digital and Tech industry, to gain further insight into the sector and meet with global businesses who could be interested in investing in the region.
 - UK Space Conference in Belfast with Space Hub Yorkshire to promote the strength of the sector in our region to key organisations from the sector. This was an opportunity to meet with leading businesses interested in the Space supply chain in the UK to explore opportunities for West Yorkshire businesses to get involved.
 - Money 20/20 in Amsterdam as part of a FinTech North delegation alongside Manchester, Liverpool and the North East. Having a joint stand amplified the strengths of the north in FinTech and the wider Financial and Professional Services sector to an international audience.
 - Arab Health, following on from Mayor's successful visit to Arab Health in 2023, WY will be represented at Arab Health in January 2024 as part of the Medilink delegation alongside key stakeholders from the region.

2024/25

- 2.14 Proposed activity in 2024/25 is set out below for Committee's consideration. To underpin this, work is underway to explore priority sectors and markets as part of the emerging Economic Strategy. These findings will be presented at the March 2024 BEIC.

Venture Capital (VC) activity

- 2.15 To support the ambitions of the WY Plan and the emerging Economic Strategy, work is underway to increase the supply of VC finance in the region to support SME business growth.
- 2.16 West Yorkshire has a low number of VC funds with a local office. There are only 36 funds with an office in West Yorkshire that are actively looking for new investments (Greater Manchester has 75). If West Yorkshire had the same amount of deals and investment as the UK when weighted to high-growth business populations, it would have had 785 extra deals worth an extra £2.8bn.
- 2.17 The gap in VC supply is at the venture stage, after businesses have had regulatory approval or have started generating turnover. Nationwide, 32% of deals are at this stage, compared with 27% in WY. Median deal size is £75k larger nationwide as a result.

Trade missions

- 2.18 Potential international activities for 2024/25 focus on key target markets including the US, Canada, India, and the Nordics:
- **US Trade Mission:** this trip will build on the links made with Boston by the Mayor and emerging markets such as Nashville, Tennessee and Houston, Texas. The focus will be on Health and Lifesciences with a view to signing a partnership with Nashville and a potential visit to the Texas Medical Centre. There is also an opportunity to work with DBT to partner on a trade mission to North America with a Space and Innovation focus.
 - **India Trade Mission:** Building on the Mayor's successful visit to Mumbai and Bangalore in 2022, a business delegation to India in 2024/2025 is proposed. This visit would align with relevant sector focused trade shows to maximise opportunities for business promotion.

Conferences

- 2.19 Potential conferences include the following:

The CA proposes to sponsor a select few strategic events which will deliver inward investment and trade opportunities, including Convention of the North and UKREiiF as detailed in the Key Strategic Events paper (Item 14)

Business, Financial and Professional Services

- Money 2020 (Amsterdam) –potentially partnering with Fintech North on hosting an event at the conference in 2024.
- Climb 24 (Leeds) –a West Yorkshire stand at the event with key speaking slots and discussions about opportunities in all sectors.

- Sifted Summit (London) – scoping trip to understand the opportunities at this international event, targeting the VC network.

Creative and Digital

- London Tech Week (London) – key activities to engage digital and Tech businesses and promote the region’s HPO in Data and AI.
- GaMaYo (Leeds) – there is an opportunity to sponsor this gaming event to raise the profile of the sector in the region to national and international attendees, and for the Mayor to award a prize.
- Mobile World Conference (Barcelona) – plan to scope this connectivity sector event with partners and possible activity to promote West Yorkshire with DBT.

Health and Life Sciences

- Hlth Europe (Amsterdam) – this event presents an opportunity to engage with healthtech firms from the US and other key markets looking to invest in Europe. It is proposed that West Yorkshire have a stand with local partners.
- Arab Health (Dubai)- a West Yorkshire stand has been organised for the last 5 years to showcase the sector expertise within the region and promote the SMEs based here to a targeted and significant international audience. Joint events are held in partnership with key regional stakeholders and DBT, identifying speaker opportunities for West Yorkshire organisations.

Advanced Manufacturing

- Food and Drink Trends and Innovation Conference (London) – there is an opportunity to launch the food and drink showcase with local producers at this event, bringing in partners.
- Ignite Space (Leeds tbc) – national SME event with Space Hub Yorkshire, sponsorship and speaker support.
- SmartCities (Barcelona) - there is an opportunity to work with our mass transit team to look at digital, transport and earth observation technology opportunities.
- Farnborough International Airshow – This show takes place every two years and hosts the aerospace, aviation and defence industries for the world’s best airshow to pioneer change, build new connections, engage with thought leaders and get access to unparalleled business development opportunities. A delegation of local SME businesses would attend to engage with potential customers.

3. Tackling the Climate Emergency Implications

3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

4.1 There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

5.1 There are no equality and diversity implications directly arising from this report.

6. Financial Implications

6.1 Activities planned are within the proposed trade and investment budget however additional funding may be required to make the most of these opportunities.

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 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee notes the content of the report.

10.2 That the Committee notes the key trade and inward investment achievements provided in the update.

10.3 That the Committee evaluate the international activities and achievements of the Trade and Investment team in 2023/2024. Members are asked to provide feedback on the outcomes against key performance indicators (KPIs) and the success of in-market activities and offer insights on the planned international activities for 2024/25.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

None.