
Report to: Leeds City Region Enterprise Partnership Board

Date: 27 March 2018

Subject: **Trade and Investment Forward Plan**

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1 Purpose of this report

- 1.1 To provide the LEP Board with a report on the work of the Trade and Investment team and submit the 2018-19 Forward Plan for approval.

2. Information

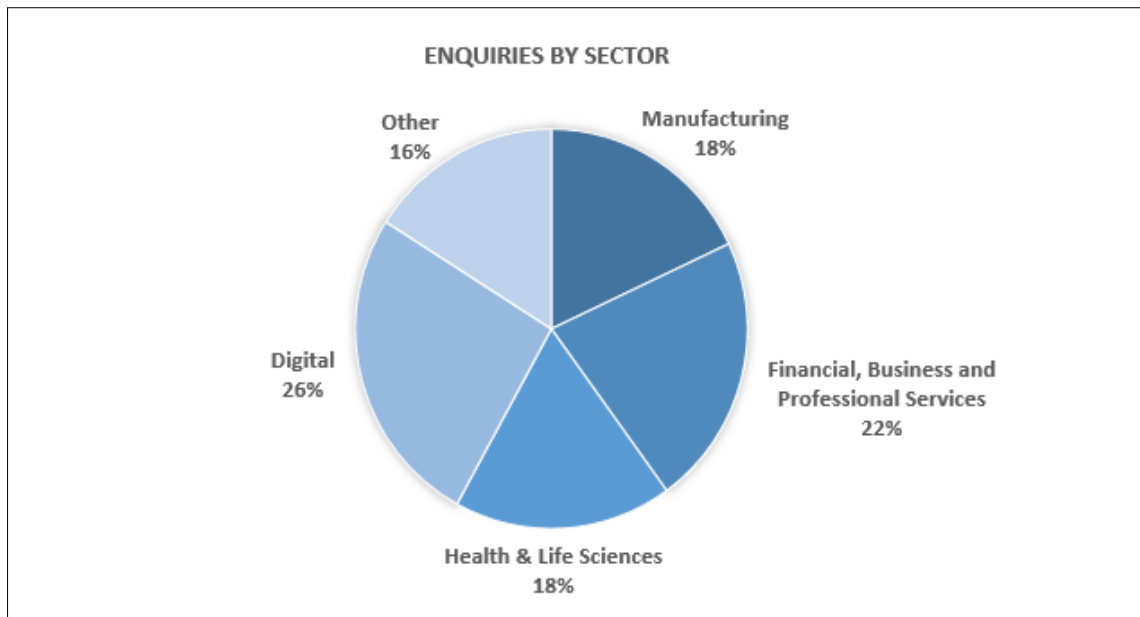
2.1 Progress on Trade and Investment Plan 2017/18

Inward Investment - New Investments

- 2.2 The team has exceeded its target for 1000 new jobs created, having secured commitment for 2,505 new jobs and is close to its project target of securing 20 new inward investment projects, with 18 successes in the year to date. There have been six new investments since the last panel report in January, creating 61 new jobs, and safeguarding 400 jobs. These are as follows:

- **Kora Healthcare** – 20 new jobs
- **Metaldyne International UK Ltd** – 17 new jobs
- **Sonocent** – 10 new jobs
- **Hudl** – 12 new jobs
- **IMC** – 2 new jobs
- **Project Raspberry** – 400 safeguarded jobs

- 2.3 On the enquiry pipeline there is a strong mix of enquiries across priority sectors as shown below.



- 2.4 There are 27 Category A enquiries which receive higher priority and the Trade and Investment team have received 6 new enquiries since the last board meeting in January.

Inward Investment - Recent developments

- 2.5 The LEP submitted an entry to the Financial Times Foreign Direct Investment Awards 2018 on behalf of the Leeds City Region. The awards assess the activities of investment promotion agencies as part of a benchmarking report. The Trade and Investment team have been informed that the LEP has won an award for best LEP FDI Strategy.
- 2.6 Working in partnership with Medilink, the City Region exhibited in the UK Pavilion at Arab Health, from 29 January to 1 February 2018 with a joint trade and inward investment focus. The stand generated a high level of interest, including for local companies participating. Objectives at the event were to raise the profile of Leeds City Region as a key centre for innovative healthcare businesses and expertise in the UK and explore future trade opportunities/initiatives for the Leeds City Region healthcare sector in the Gulf States. Plans are now being considered to attend again in 2019 with a larger cohort of businesses.
- 2.7 The Trade and Investment team continued its attendance at Fintech Connect Live in London, a key promotional event of Fintech in the Leeds City Region, with a stand being taken to the Excel Centre in London. Attendance at this event produced seven potential leads and 45 new contacts made in the digital sector.

- 2.8 The Trade and Investment team has begun to establish its Key Account Management programme with support from the Department for International Trade (DIT). This will provide crucial support and engagement to foreign owned businesses in the region, working with and complementing existing activity in local authorities. Interviews and appointment of members of staff for the new Investor Development team will take place in March.
- 2.9 West Yorkshire Combined Authority attended MIPIM 2018 with a strong private sector and local authority delegation. This year record levels of private sector sponsorship have been raised, which will fund an enhanced exhibition space and event programme.

International Trade

Trade Performance and Outlook

- 2.10 An overview of the current trade performance and outlook is attached at **Appendix 1**.

Trade Plan Progress

- 2.11 In December, the UK representative of Kaola.com made her first visit to the region and met with five businesses from the list of potential suppliers submitted to Kaola.com. Initial feedback was very positive and her return to the UK in March is now awaiting confirmation when a further visit to meet with a wider selection of businesses is anticipated.
- 2.12 Also in December, a Regional Supplier Event was hosted on behalf of the Department for International Development (DFID), which had 45 organisations in attendance. With a keynote speech by the Minister of State for International Development, The Rt. Hon Lord Bates, the event focused on helping local businesses and organisations explore opportunities to win business delivering overseas aid and development contracts. Feedback from those who attended was very positive with requests for further activity looking in more detail at the DFID supply chain and specific opportunities.
- 2.13 Between 15 and 17 January, a group of food and drink buyers from European markets of Germany, France, Switzerland and Austria was hosted at a Meet the European Food & Drink Buyer Event, which took place at the Pavilions of Harrogate. The event included workshops, 1:1 meetings and a marketplace event. During the event, there were 154 meetings with the buyers and over 50 companies participating in the marketplace activity. Partners for this event were the Department for International Trade (DIT), RTC, Deliciously Yorkshire and Santander.

Trade Delivery Partners Progress

- 2.14 A new Exporting for Growth (EfG) Export Co-ordinator has now been appointed for the Leeds City Region by the delivery contractor, to work with

partners across the City Region to support the work to improve the reach, quality, co-ordination and take-up of export services.

- 2.15 The European funded EfG grant programme has issued 189 grant offer letters to the end of January 2018 offering a total of £747,712 in grant support to 53 businesses in the City Region. Of those 32 are new exporters.
- 2.16 In terms of the businesses accessing the support, the greatest interest is from the creative and media, food and drink and business and consumer services sectors. The most popular activity supported is trade missions and market visits with Dubai/UAE, USA and Germany/Europe being the most popular markets.
- 2.17 Export Exchange has continued with its regular events with a China focused event at Huddersfield Town FC in November and a networking event in Leeds in February which attracted 51 attendees. The next event will take place on 19 March in Harrogate with a panel featuring some of the region's leading exporters discussing the various routes chosen by them when entering new markets, whether via direct set up in the overseas territory, through a distributor or an agent, or online.

Trade and Investment Plan 2018-19

- 2.18 To focus the work of the team, and maximise the effectiveness of activities within available resources, a number of objectives are proposed as follows.

Inward Investment

- Greater emphasis on identifying and securing high value projects (50+ jobs)
- Attract global investors to the region via the promotion of the Leeds City Region key sector propositions
- Refine key sector messages to be more focused on core sub sector strengths, capabilities and academic centres of excellence. The key sectors and core subsectors are as follows:
 - Digital technologies (data analytics, cyber security, media & sports tech)
 - Healthcare and life sciences (health informatics, Medtech, diagnostics & precision medicine)
 - Advanced engineering and manufacturing (particularly mission critical components – gears, pumps, valves and turbos)
 - Business, professional and financial services (payment processing, Fintech)
- Strengthen relationships with London and in key overseas markets with greatest opportunity aligned to the sectors above
- Execute a more campaign-led international place marketing strategy
- Establish an Investor Development team, which will deliver strategic support to foreign owned business within the region. This project will allow further encouragement in terms of job creation, safeguarding and foreign

investment into key projects within our city region, particularly under the current climate of uncertainty surrounding Brexit.

International Trade

- Continue the international marketing campaign to drive export awareness and performance, with a particular focus on market opportunities in the Gulf States, China, and further consideration of the Indian market.
- Ensure the Leeds City Region Enterprise Partnership (LEP) services continue to support the export agenda (i.e. Growth Managers)
- Use the Investor Development team to engage with the Leeds City Region's major foreign owned exporters
- Develop a robust narrative around the Leeds City Region export trends and performance
- Deliver 10 relevant Leeds City Region export initiatives (focus particularly on business-to-business initiatives i.e. high value campaigns (HVCs), trade delegations
- Encourage Leeds City Region regional trade delivery bodies to cross sell each other's services
- Develop a regional trade model that all partners subscribe to and can be publicised
- Influence the delivery / operational model of the next national DIT Trade Delivery contract
- Promote major exporters in the city region to repatriate their export performance to the Leeds City Region via HMRC data

2.19 Key performance indicators for the above are given in the Combined Authority's draft business plan, which will be finalised in April 2018.

2.20 The Trade and Investment team is committed to aligning its objectives with the West Yorkshire Combined Authority's focus on inclusive growth. This will be achieved through creating and attracting additional investment and exports, providing job opportunities in industries which may be otherwise inaccessible to people in the City Region. The team is also committed to supporting companies that contribute to the inclusive growth agenda and attracting investment into districts within the City Region which may currently have lower levels of opportunity.

Key Sector Messages

2.21 The key sector messages have been further refined. The objective behind this is to project a sharper message to potential inward investors and portray the leading sector capabilities in a much clearer way – especially in those sub-sectors and markets where investment flows are occurring most frequently. These messages can be found for information in **Appendix 2**.

Forward Plan of Activity for 2018/19

- 2.22 There are six major initiatives which the team is proposing to undertake across key sectors and markets, informed by experience from previous involvement and alignment to the objectives above. A number of relevant supporting initiatives have also been identified, which will be dependent on time and resources. The Trade and Investment team will be running an ongoing exercise in cross checking the effectiveness of these initiatives, in order to assess whether substitution for an alternate activity would provide greater opportunity to fulfil its objectives.
- 2.23 A breakdown of anticipated costs for each of these events has been added to the tables below, which represents a full allocation of the Trade and Investment team's proposed budget for 2018-19, however it should be noted that these costs are subject to change. The team expects many of these initiatives to come in at a lower cost than these maximum projections, and any remaining budget will make allowance for inward investor meetings, investor development visits and other lead generation costs throughout the year.
- 2.24 Major initiatives:

Month	Event	Key Sector	Summary	Rationale	Location	Estimated Cost
June	London Tech Week	Digital Technologies	Technology and Digital showcase events throughout the week.	This event is the largest Tech event in Europe, and gives a unique opportunity for the City Region to achieve its objectives twofold, in reaching this key market globally, as well as strengthening connections with London. Attendance at this event last year provided an excellent chance for Leeds City Region to work with London and Partners and showcase itself as an	London, UK	£5k-£10k
June/July	China/ Hong Kong delegation	Trade	Civic and private sector delegation to key focus areas including Hangzhou (Hi-Tech zone), Qingdao (UNESCO and Hisense),	As China has one of the fastest growing economies in the world, it represents a major trade and investment opportunity to Leeds City Region. A delegation to key	Hangzhou, Qingdao, Shanghai and Hong Kong	£25-£50k

			Shanghai and Hong Kong	<p>regions of China would allow the team to undertake a number of objectives, including:</p> <ul style="list-style-type: none"> • Accelerating trade relations and bi-lateral investment flows • Identifying export opportunities, and encouraging Leeds City Region businesses to embrace these opportunities and the commercial benefits • Increasing awareness in China of our critical assets, growth plans, and investment opportunities in Leeds City Region • Attracting major Chinese firms to establish a presence in Leeds City Region, with a focus on Chinese businesses which have already invested in the UK and are looking to expand • The team has established good contacts in China from past trips, which require further attendance to maintain close and positive relationships. 		
September	MedTech Conference	Healthcare and Life Sciences	An outward mission to attend the Med-Tech exhibition in Philadelphia.	The MedTech Conference is the leading gathering of global MedTech executives in North America. As MedTech is one of Leeds City Region's biggest subsectors, this event has been assessed to be a	Philadelphia, USA	£15k-£25k

				<p>major opportunity against the team's key objectives, particularly with relation to North American markets.</p> <p>The team attended this event in 2017 in collaboration with the Association with British Healthcare Industries. The event allows the team to network with international investors and professionals in North America, whilst also strengthening relationships with a key UK-based healthcare organisation. Last year, attendance at the event led to over 45 contacts being made, alongside producing 5 potential leads with businesses in the sector.</p>		
November	Smart City Expo World Congress	Digital Technologies	Attending with a delegation of Digital Technology companies from the region.	<p>Smart City Expo World Congress is the world's leading event for smart cities and the international summit of reference for the development of cities.</p> <p>The exhibition is a global event, with editions taking place in countries such as India, Mexico and Argentina. The team evaluated these and decided that the Barcelona based event will prove the most effective in accessing key markets in this subsector.</p> <p>The event provides an opportunity for the</p>	Barcelona, Spain	£25k-£50k

				<p>Trade and Investment team to exhibit as a prominent UK City Region in the Smart City Space with senior businesses and strategic leads from exhibitors attending on behalf of their respective City regions and companies.</p> <p>It further presents a Trade opportunity for existing Smart Tech companies in Leeds City Region to exhibit. In 2017, the City Region had seven companies present as part of its delegation.</p> <p>Last year Leeds City Region was the only UK City Region exhibiting at the event. This provided a unique opportunity for the team to network and target potential investors. The Trade and Investment team made over 50 contacts, with 7 potential leads.</p>		
January	Arab Health	Healthcare and Life Sciences/ Trade	Returning to the exhibition after a successful trip in January 2018.	<p>Arab Health is the largest healthcare and trade conference in the MENA; a key market for the City Region, making it a crucial event for the team to attend in comparison to alternative trade shows. This allows the Trade and Investment team to link Leeds City Region's leading healthcare sector to key market opportunities and active sector</p>	Dubai, UAE	£15k-£25k

				<p>investment flows in the Gulf States.</p> <p>Attendance in 2018 proved to be very successful, with news coverage of the City Region's stand being broadcast on Sky News Arabia. Alongside this, the team made over 100 contracts from countries across the Middle East, as well as South America, Europe and Asia, and over 10 potential enquiries were generated.</p>		
March	MIPIM Property Conference	Other	<p>MIPIM Cannes is the world's leading property conference, we will be delivering our most ambitious programme to date, in order to build on our reputation as the North's leading location for FDI.</p>	<p>Further background on the City Region's continued attendance can be found in Item 14 – MIPIM Feedback.</p>	Cannes, France	Over £100k

2.25 Other relevant supporting initiatives that the Trade and Investment Team propose to be involved with include:

Month	Event	Key Sector	Location	Cost
March	Innovate Finance	Financial and Professional Services/Digital Technologies	London, UK	Less than £1k
April	FinTech North	Digital Technologies	Leeds, UK	£1k-£5k
April	Leeds Digital Festival	Digital Technologies	Leeds, UK	£1k-£5k
June	Automekanicha	Advanced Manufacturing	Birmingham, UK	Less than £1k

September	Innotrans	Advanced Manufacturing	Berlin, Germany	£5k-£10k
October	MIPIM UK (TBC)	Other	London, UK	TBC
October	Boston – LCR Outward Delegation (TBC)	Other	Boston, USA	TBC
November	Valve World Expo	Advanced Manufacturing	Dusseldorf, Germany	£5k-£10k
November	The City UK Conference	Financial and Professional Services	Birmingham, UK	£1k-£5k
December	FinTech Connect	Digital Technologies	London, UK	£1k-£5k

3 Financial Implications

- 3.1 Private sector contributions are secured which cover the majority cost of the MIPIM programme each year. There are no additional financial implications beyond existing approved budgets directly arising from this report.

4 Legal Implications

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

5 Staffing Implications

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

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 That the update on Trade and Investment activity in 2017-18 be noted.
- 7.2 That the Trade and Investment Business Plan for 2018-19 be given approval and feedback provided.

8 Background Documents

None.

9 Appendices

Appendix 1 – Trade Performance and Outlook
Appendix 2 – Key Sector Messages