

APPENDIX 1

Leeds City Region Trade Analysis (2015) - Report by MDS Transmodal

Background

- MDS Transmodal were commissioned to look at trade activity in Leeds City Region;
- Official data from HMRC is only available at regional (Yorkshire & Humber) level. Official LEP-level data is unavailable, so this is the first independent assessment of trade activity in Leeds City Region;
- The report looked at trade in goods, not services, and estimates the value of Leeds City Region trade by destination country and commodity (SITC code);
- Estimates for Leeds City Region trade are based on 2015 data from:
 - HMRC Regional Trade Statistics (tonnes and value);
 - Lists of Importers' and Exporters' names (HMRC);
 - The Valuation Office Agency (VOA) database of land values
- The findings are summarised below to help inform planning for trade priorities in 19/20, in particular to highlight potential areas to develop post BREXIT.

Key Findings

Volume of Export of Goods

- Leeds City Region exported an estimated **£9.75bn worth of goods** in 2015, amounting to 2.8 million tonnes;
- Leeds City Region accounted for **67%** of Yorkshire & Humber goods exports by value, and **54%** by volume in 2015;
- The City Region imported goods worth £14.35bn, resulting in a trade balance of approximately **1.48:1 by value** in favour of imports;
- The trade balance is broadly in line with the UK figures of 1.44:1 by value and lower than the City Region balance **by volume of 2.6:1** reflecting the value added by manufacturing firms in the City Region;
- **Medicinal and pharmaceutical products** are the most important export commodity sub-group by value at £2.56bn in 2015;
- **Medicinal & pharmaceutical products, organic chemicals and general industrial machinery and equipment** were the **top 3 commodity sub-groups** accounting for **44%** of the City Region's total exports in 2015

- The **top 10 commodity sub-groups** account for **72%** of total export value in 2015;

Leeds City Region Top 10 exports by commodity sub-groups, 2015

Commodity sub-group	Exports by value (£ billion)
54: Medicinal & pharmaceutical products	2.56
51: Organic chemicals	0.87
74: General industrial machinery & equipment	0.84
67: Iron & steel	0.65
77: Electrical machinery, apparatus & appliances	0.49
84: Articles of apparel & clothing accessories	0.36
65: Textile yard, fabrics, made up articles	0.34
69: Manufactures of metal	0.32
78: Road vehicles	0.31
72: Machinery specialised for particular industries	0.28
Other	2.73
Total	9.75

Source: MDS Transmodal, based on HMRC Regional Trade Statistics

Trade at District Level

- The largest contributors to the **value of exports** at a district level are Leeds (£4.1bn), Bradford (£1.6bn), Kirklees (£1.3bn) & Wakefield (£1.3bn). The greatest **value of imports** relate to businesses in Leeds, Bradford, Harrogate, Wakefield & Kirklees.
- The largest **volume of exports** are generated by businesses in Leeds and Bradford, whilst the largest **volume of imports** relate to businesses in Leeds, Bradford & Barnsley.
- Exports by value are broadly in line with district level GVA. By volume however, levels in Barnsley and Bradford are relatively high and York low. Reflective of the value and volume mix of goods. This suggests Barnsley & Bradford are trading in relatively low value goods per tonne and York is trading in relatively high value per tonne.

Exporters

- In 2015/16, there were 638 **major exporting businesses** (to non-EU markets) in Leeds City Region, 60% of the Yorkshire & Humber total.

Key Commodities

- The Leeds City Region has 15 key *(which are particularly significant in terms of their contribution to the City Region's export sector in percentage terms compared to the Yorkshire and Humber region, the rest of the North and the UK as a whole)* export commodity sub groups which are significant contributors to the **value of export** trade in 2015. Nine are key in terms of both value & volume.

Commodity	LCR Export Value (£m)	Key export by value	Key export by volume
54: Medicinal & pharmaceutical products	2,458	Yes	Yes
51: Organic chemicals	874	Yes	Yes
74: General industrial machinery & equipment	841	Yes	Yes
77: Electrical machinery, app, parts	448	Yes	Yes
89: Miscellaneous manufactured articles n.e.s.	380	No	Yes
84: Articles of apparel & clothing accessories	357	Yes	No
65: Textile yarn, fabrics, made up articles etc	336	Yes	Yes
59: Chemical materials & products	226	No	Yes
26: Textile fibres not manufactured & their waste	202	Yes	Yes
62: Rubber manufactures n.e.s.	76	Yes	No
09: Miscellaneous edible products & preparations	69	No	Yes
82: Furniture & parts thereof; bedding, mattresses etc	62	No	Yes
29: Crude animal & vegetable materials	51	Yes	Yes
21: Hides, skins & furskins, raw	48	Yes	Yes
61: Leather, leather manufactures	18	Yes	Yes

Key Markets

- In general terms, the Leeds City Region is more likely to be exporting to European markets (particularly to North West Europe, rather than to Italy and Iberia) and to the USA, rather than to markets in the Far East and South America;
- 21%** of the city region's exports relates to **extra-EU trade**.
- Comparing the top 10 markets for the City Region with the top 10 export markets worldwide suggests potential opportunities may exist for key commodities in:
 - Canada
 - China
 - Hong Kong
 - Japan
 - Mexico