

new economy



Public-private partnerships and investment in Greater Manchester

John Holden, New Economy

Tim Newns, MIDAS Chief Executive

Today

Two linked presentations

- Governance, growth and investment through public private partnerships
- Delivering growth through greater internationalisation

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**Delivering economic growth through
public private partnerships**

Today

- Greater Manchester economic background
- The development, and role of, governance
- Creating an investment framework

About New Economy



Governed by:

GMCA

GREATER MANCHESTER
COMBINED AUTHORITY



Greater Manchester
Local Enterprise Partnership

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Greater Manchester's Economy



2.7m people
+186,000 since 2000



1m international visitors p/a
£820m p/a conferences



93,000 businesses
81%: 0-9 employees



40 FDI projects 2012-13
33% N. America; 18%
Asia Pacific; 5% M East

Source: ONS

Gross Value Added

Source: ONS, GVA estimates 2012

GM ECONOMY, 2011

£48.2bn

BIGGER THAN

WALES ECONOMY, 2011

£47.3bn

NORTH EAST
ECONOMY, 2011

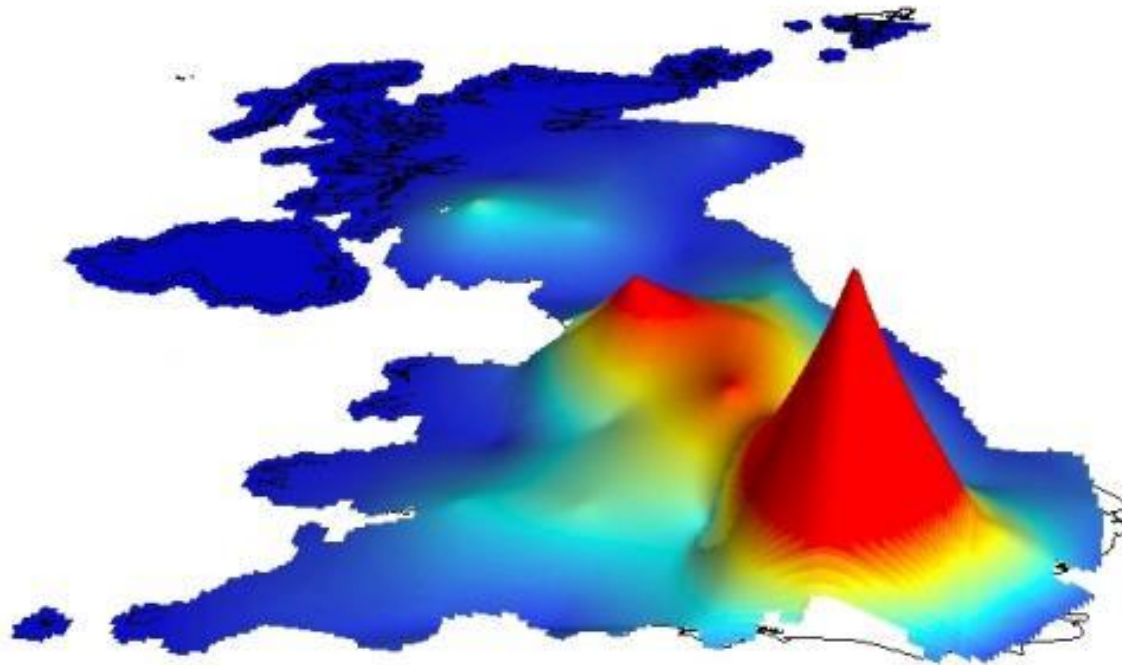
£41.6bn

NORTHERN
IRELAND
ECONOMY, 2011

£29.9bn

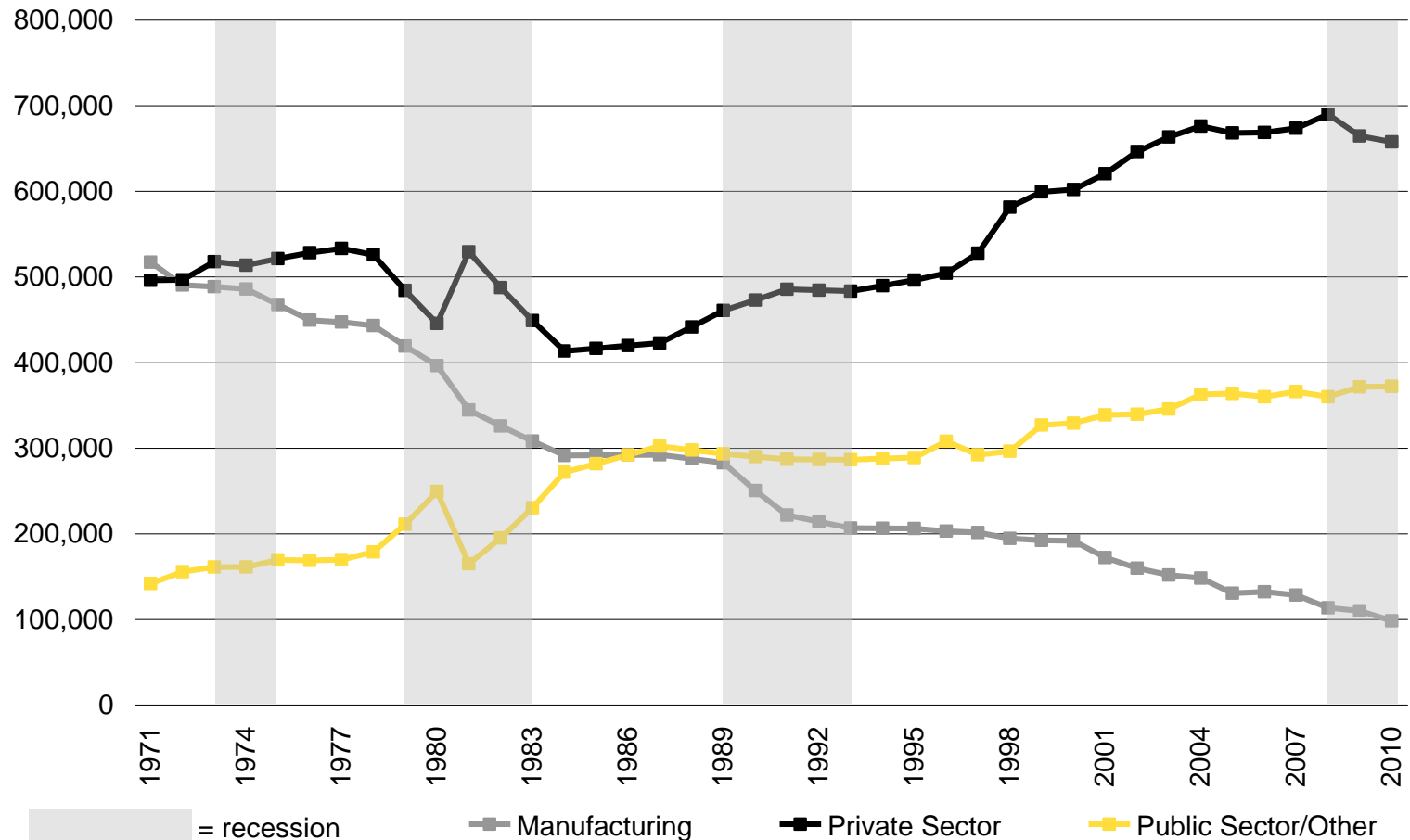
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The UK's second growth pole

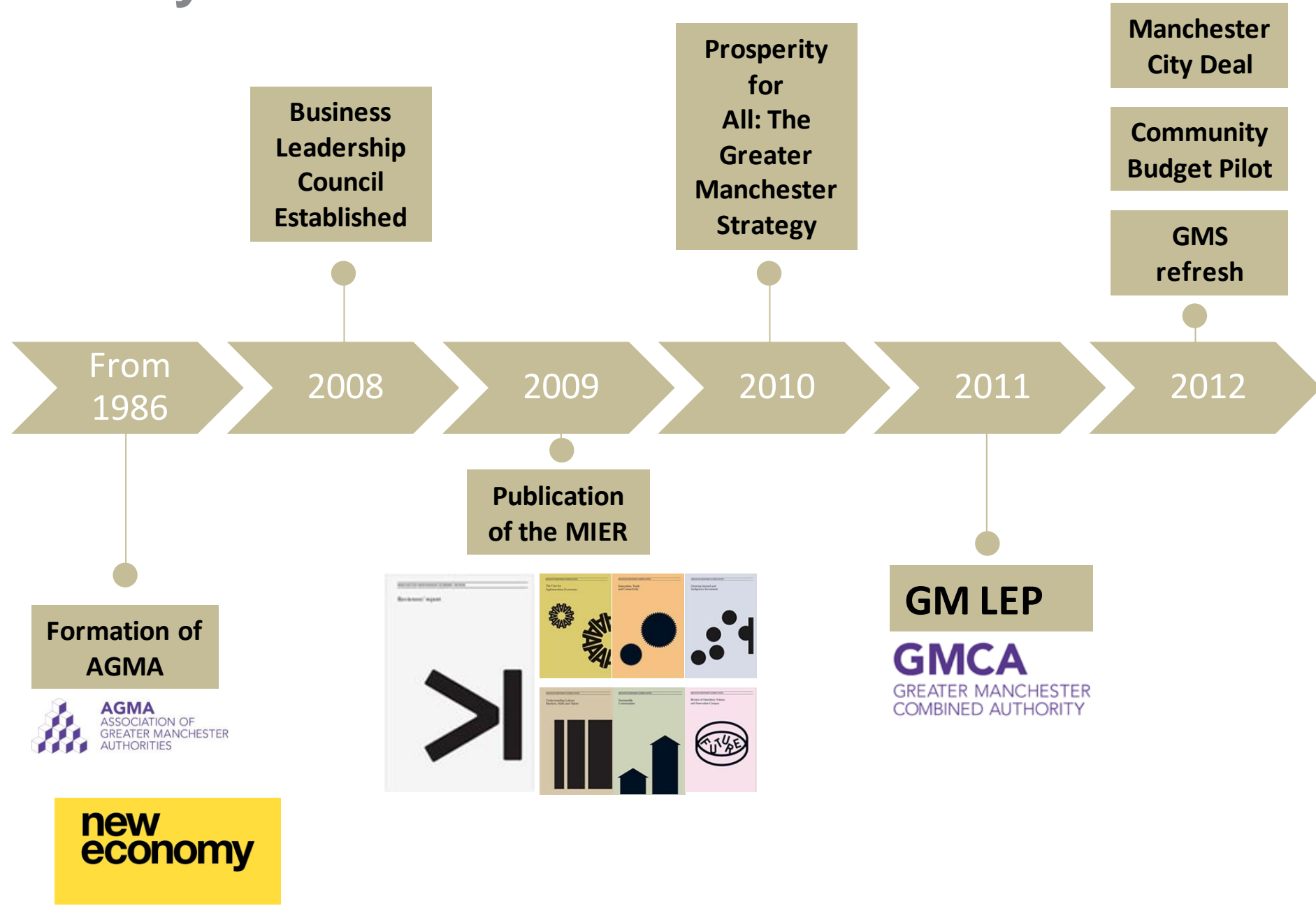


Source: Yale University Geocon Project

From manufacturing to services



History of collaboration



Governance: it's complex, but it works



A robust but flexible investment framework

Our investment strategy is targeted across three areas

Infrastructure

Projects that typically support the development of strategic sites thereby creating jobs for Greater Manchester.

Current available funds

Growing Places
European Regional Development Fund
Evergreen

Business

Projects that typically support the expansion of business thereby creating jobs for Greater Manchester.

Current available funds

Regional Growth Funds
Greater Manchester Loan Fund
Growth Hub

Low Carbon

Projects that support the transition of Greater Manchester to a low carbon economy (e.g. Energy efficiency, eco-innovation and low carbon infrastructure).

Current available funds

Regional Growth Funds
Greater Manchester Loan Fund
GIB

Conclusions: critical success factors

- Trust built up over a long period of time between public and private sector partners
- Commitment to a single shared strategy, with a flexible and pragmatic approach to implementation
- Multiple formal and informal networks and structures

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Questions



Internationalisation

Combined Approach and Inward Investment

Tim Newns

Chief Executive, MIDAS

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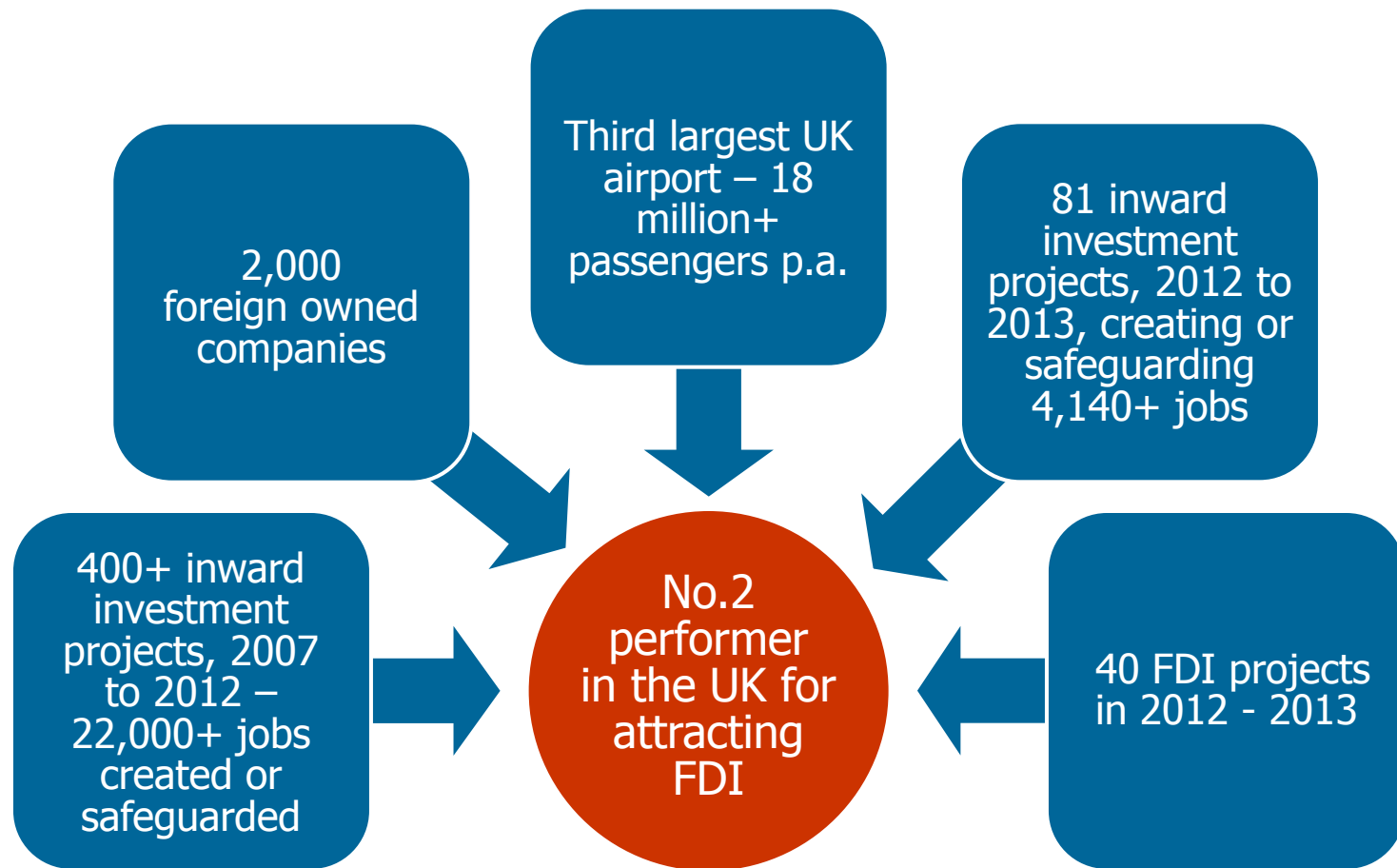


MIDAS

MANCHESTER INVESTMENT
DEVELOPMENT AGENCY SERVICE

www.investinmanchester.com

Introduction – Current Position



Development of Overarching Strategy

Various types of research

Considerable evidence base

Discussed collaboratively between partners: how to do it

Joint agreement

- By sector
- By market

Following this process, GM has a strong, joint overall strategy



Wider Stakeholders



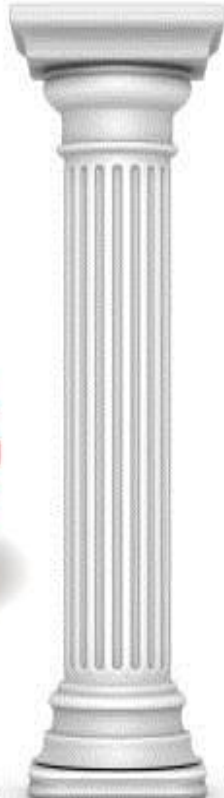
Greater Manchester
Chamber of Commerce



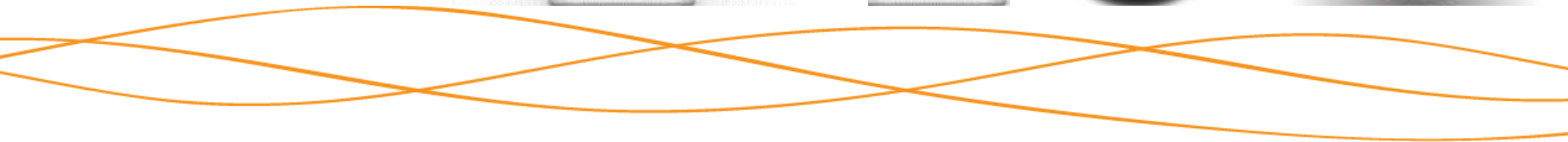
Agreed target markets

The 6 markets that scored highest on GM-agreed criteria

MAINTAIN THE LEVEL OF
ACTIVITY WITH MAIN CURRENT
MARKETS



REALISE POTENTIAL FOR
GROWTH WITH IDENTIFIED
GROWTH MARKETS



Priority Markets & Sectors



Priority sectors

Financial and Professional Services

Life sciences (including health and biotechnology)

Cultural and Creative / Digital and Media / ICT

Education

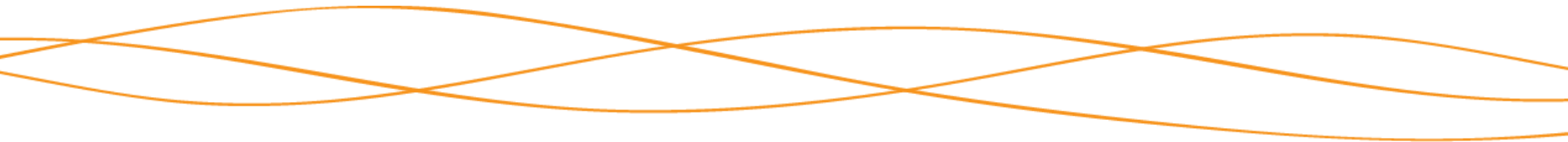
Advanced Engineering and Manufacturing

Tourism and Sport

Strategy & Evidence Base

- Wide-ranging consultation reviewing demand, links and activities across 50 key global cities
- Ensure that the strategy works with and adds to approaches and links of key organisations and firms.

The exercise uncovered valuable insights:

- Priority activity and key GM contacts
 - Synergies, e.g. Chonqing, who have worked with Rochdale MBC, existing Chonqing investors in Manchester like CQME and Shaanxi Mining, who can open up further opportunities
 - Institutional agreements and presence with GM universities in China, India, Brazil, UAE and the US
 - A calendar of forthcoming events, eg in Bangalore and Mumbai hosted by Midas and UKTI
- 

Market & Sector Prioritisation

	United States	Europe	China	India	Brazil	UAE
Inward Investment	Maintain existing levels:	Maintain existing levels:	Increasing growth:	Increasing growth:	Increasing growth:	Increasing growth:
Priority 1	FPS	FPS	AEM	ICT/C&D	AEM	ICT/Digital
Priority 2	BIO	ICT/Digital	ICT/Digital	FPS	ICT/C&D	Energy
Priority 3	ICT/Digital	BIO	Healthcare	BIO	BIO	
Trade	Maintain existing levels:	Maintain existing levels:	Increasing growth:	Increasing growth:	Increasing growth:	Increasing growth:
Priority 1	C&D	C&D	FPS	AEM	AEM	FPS
Priority 2	F&D	F&D	AEM	FPS	ETS	F&D
Priority 3	ETS	AEM	Education	Education	FPS	
International Visitors	Maintain existing levels and explore growth states:	Maintain existing levels:	Increasing growth:	Increasing growth:	Increasing growth:	Increasing growth:
Priority 1	Washington	Germany	Beijing	Mumbai	Rio	Abu Dhabi
Priority 2	New York	Nordics	Shanghai	Bangalore	Sao Paulo	Dubai
Priority 3	West Coast	Spain	Chengdu	Chennai		

Public/Private Sector Governance



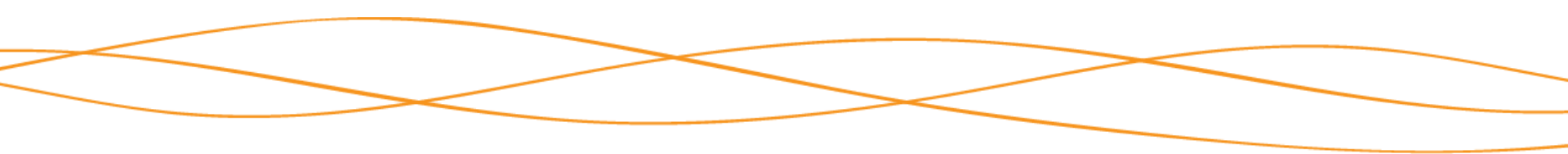
Inward Investment - MIDAS

- ❁ Manchester's Inward Investment Agency
- ❁ Focussed on attracting new companies in to Manchester and supporting the expansion of existing investors
- ❁ Targeted by job creation and projects secured
- ❁ Owned by the Combined Authority



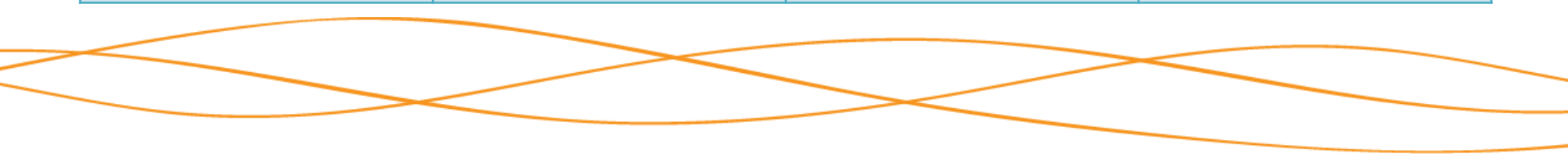
Inward Investment Performance 12/13

Target Area	Target 12/13	Actual 12/13
Jobs Created (UK and FDI)	3000	3,038
FDI Jobs Created + Safeguarded+ Relocated	2000	2,529
Total Number of Successful Projects (Indigenous & FDI)	80	81
Total Number of FDI Projects	40	40
Total Number of indigenous Projects	40	41
Jobs Safeguarded (UK and FDI)	1000	1,105
Total Jobs Created, Safeguarded, Relocated (UK and FDI)	4000	4,143



Recent Benchmarking

City	FDI Projects 2003 - 2012	Population	GDP (€m 2010)
Dusseldorf	259	592,393	179,595
Barcelona	406	1,615,908	143,030
Stockholm	348	1,489,127	103,797
Hamburg	171	1,786,448	92,890
Copenhagen	327	1,950,522	88,366
Lyon	207	1,226,249	75,532
Amsterdam	330	779,808	70,258
Helsinki	134	1,007,611	69,173
Dublin	412	1,119,624	66,001
Manchester	202	2,682,500	62,283
Antwerp	181	472,071	40,367



Introduction

- ☼ Manchester is 2nd only to London for FDI in UK
- ☼ However Manchester 23rd in Europe for FDI Projects
- ☼ London most dominant domestic city out of top 8 European Economies – 60%
- ☼ Business Services & Software most successful sectors
- ☼ Three tiers of agency structure – city - level, regional and national



Manchester's Ranking by Jobs

Overall	4th
Advanced Manufacturing	3 rd
Business Services	3 rd
Creative & Digital	4 th
Chemicals Energy & Environment	4 th
Financial Services	2 nd
ICT	8 th
Life Sciences	9 th

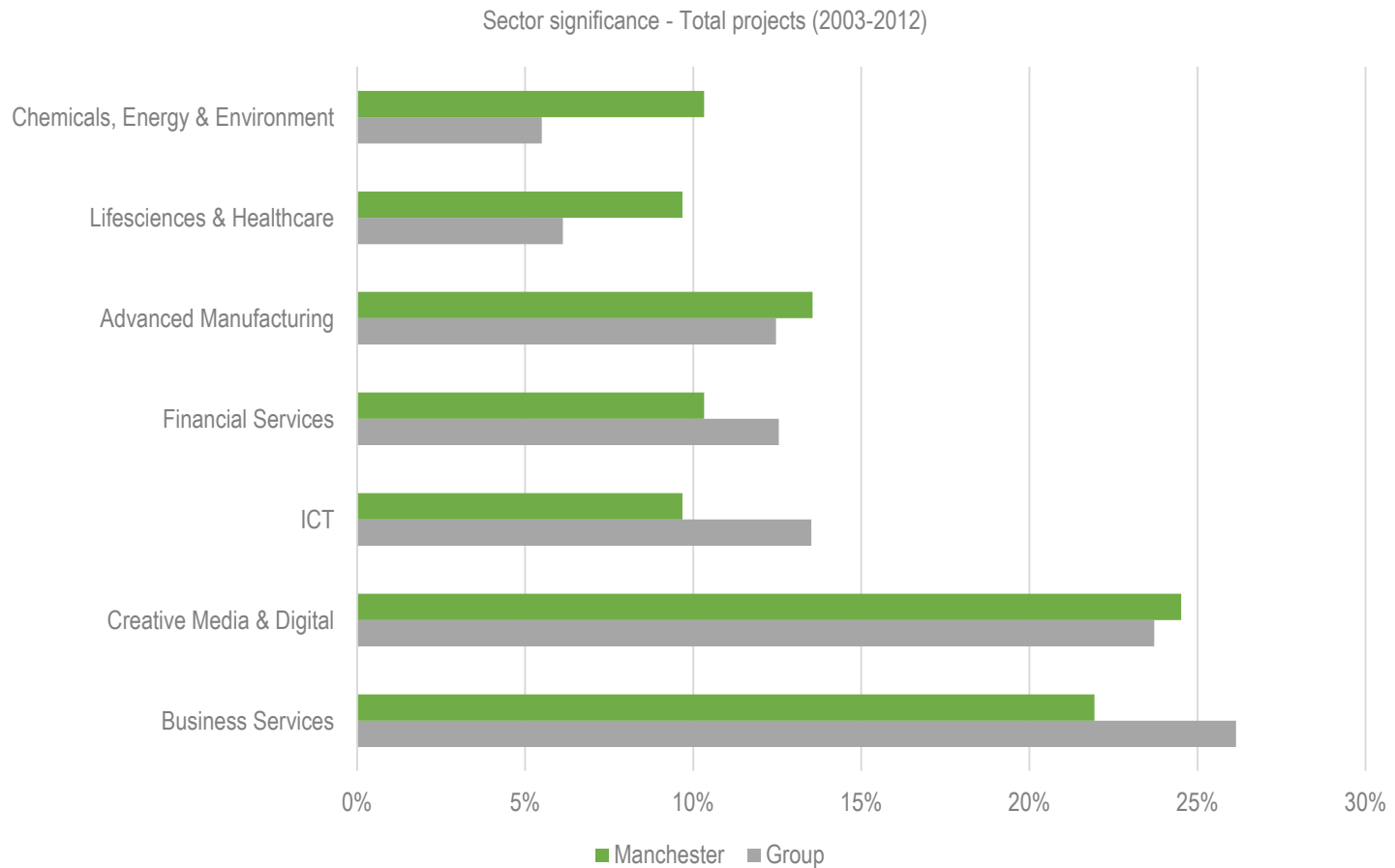


Analysis

- ❁ Manchester performs well on job creation, less well on sheer project volume
- ❁ Only Barcelona and Dublin have significantly higher job creation than Manchester
- ❁ Manchester has low percentage of sales offices
- ❁ If sales offices are removed, Manchester ranks 4th
- ❁ Manchester came top for reinvestment projects – suggests perception gap at local and national level

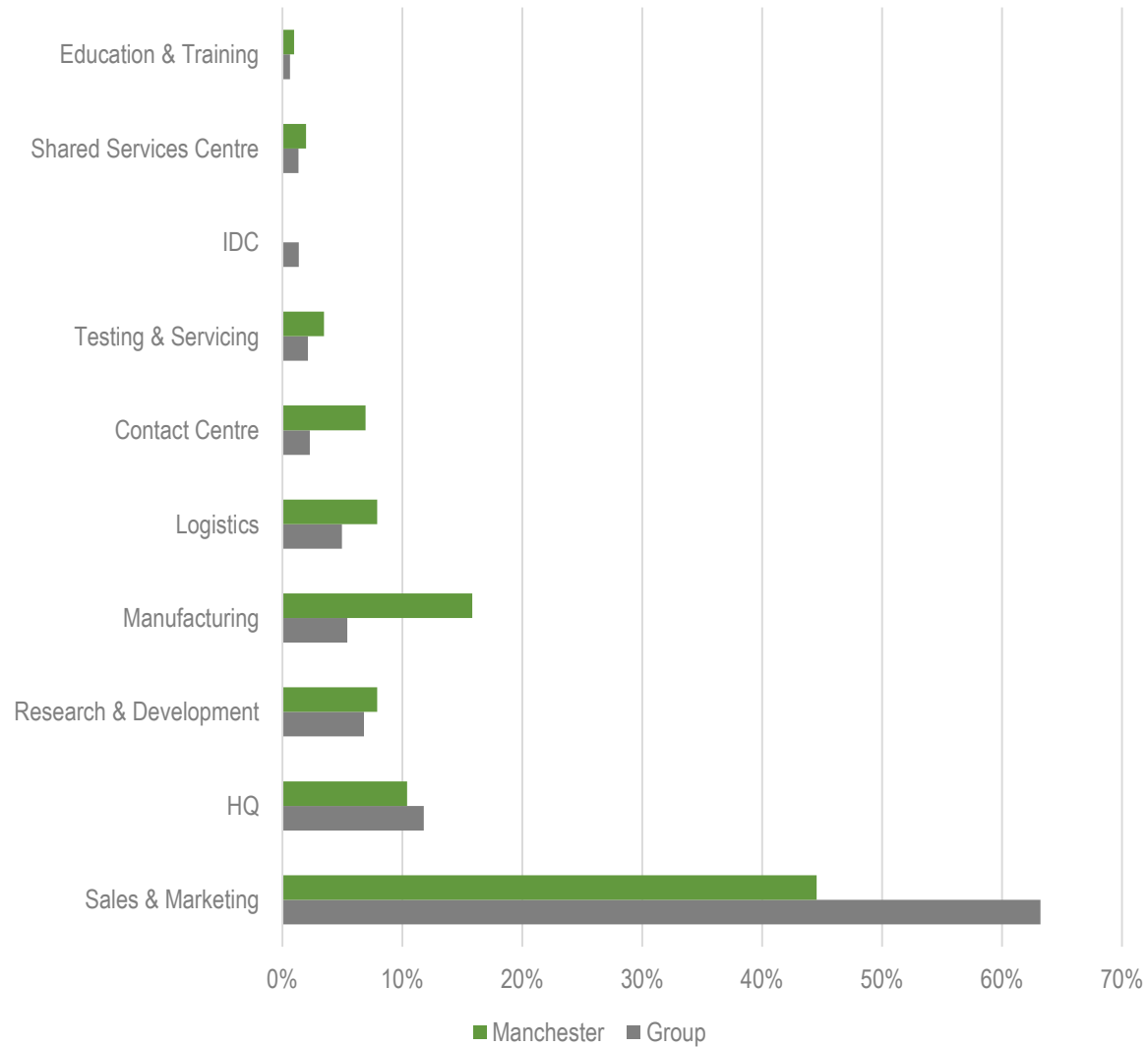


Sector Breakdown



Functional Breakdown

Graph 20 - Total Projects by Activity Type (2003-2012)



What Determines Success

- ☼ Being a capital city or having high GVA increases the volume of projects
- ☼ Dublin's tax regime in addition to grants and promotional spend sets it apart
- ☼ International networks do have an effect particularly in non-capital cities
- ☼ Both Dublin and Barcelona have huge budgets for FDI promotion which supports performance



Current FDI Trends

- UK growth low – requirement for FDI & Exports
- US remains strong source of FDI with growth markets such as India and China Increasing – European demand weak
- Although FDI down 8% globally – up 16% in UK – London dominant
- UK dependent on US, BRIC investment reducing as is UK's European share
- Transport Equipment top sector, Chemicals growing, all GM sectors in top 10
- Competition is increasing – value propositions must be tighter
- Work with wider NW supply chains important
- Need for more lead generation in priority markets



Inward Investment Market Analysis

Top Ranking FDI Origin Countries by Estimated Jobs

2011 Rank (2010)	Country	% Change
1 (1)	United States	-8%
2 (2)	Japan	-16%
3 (3)	Germany	+11%
4 (4)	France	+9%
5 (7)	China	+34%
6 (5)	United Kingdom	-13%
7 (6)	India	-24%
8 (11)	Canada	+7%
9 (14)	Netherlands	+11%
10 (12)	Italy	0%

Top Ranking FDI Sectors by Estimated Jobs – 2011

2011 Rank (2010)	Sector	% Change 2010 – 2011
1 (1)	Transport equipment	+10
2 (4)	Chemicals	-6
3 (2)	Electronics	-34
4 (3)	Business services	-30
5 (5)	ICT	-1
6 (6)	Industrial machinery and equipment	+14
7 (7)	Metals	-2
8 (5)	Food, Beverages and tobacco	-2
9 (-)	Wholesale and retail	+61
10 (10)	Pharma, medical and healthcare	+7

Market Priorities - MIDAS

Priority Markets

- USA
- Europe (France and Germany)
- Japan
- China
- India
- Brazil
- UAE

Priority Sectors

- Financial & Business Services
- Advanced Manufacturing
- Media, Digital & ICT
- Life Sciences & Medtech
- Energy & Environment

Business Development Priorities

Sector	Core Value Propositions
Financial & Business Services	<ul style="list-style-type: none">• Global Footprint Optimisation for FS companies - High value functions• Near-shore service centres• European HQ Campaign
Digital, Media & ICT	<ul style="list-style-type: none">• 3D content production• Children's & Sports Broadcast• Gaming• Connected/Digital Healthcare (Digital)
Biomedical & Life Sciences	<ul style="list-style-type: none">• Bio-pharma – Stratified Medicine• Connected/Digital Healthcare (Healthcare)• Mid-sized Medtech• Clinical Trials – High Value
Advanced Manufacturing & Engineering	<ul style="list-style-type: none">• Graphene/Advanced Materials R&D• Food Processing• Large Supply Chain Opportunities
Energy & Environment	<ul style="list-style-type: none">• Smartgrid• Nuclear Process & Design Engineering

Sector/Market Matrix

Country - Non Europe	Lead Gen	Acc Mgt	P1 sector	P2 sector	P3 sector
USA	√	√	Financial & Professional	ICT & Digital/Creative	Bio-Tech
India	√	√	ICT & Digital/Creative	Business Services	Bio-Tech & Pharmaceuticals
China	√	√	Advanced Engineering & Manufacturing	ICT & Digital/Creative	Energy & Environment
Japan		√	Bio-Tech	ICT & Digital/Creative	Advanced Engineering & Manufacturing
Brazil	√		Food, Drink & Chemicals	ICT & Digital/Creative	Bio-Tech
Country - Europe	Lead Gen	FOC	Priority Sectors		
Germany	√	√	<ul style="list-style-type: none"> •Energy & Environment •Food, Drink & Chemicals •ICT & Digital/Creative •Financial & Professional Services •Bio-Tech & Pharmaceuticals 		
France	√	√			
Other European markets		√			

Routes to Market

- 🌀 Direct pro-active work supported by research
- 🌀 Intermediaries
 - 🌀 UKTI
 - 🌀 Wider Intermediaries
- 🌀 Account Management
- 🌀 Reactive Contact





Questions/Discussion

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