

SUBJECT: GM Internationalisation Strategy

DATE: 19th September 2016

FROM: New Economy, Manchester Growth Company

Purpose

The purpose of this report is to seek the views of the LEP Board to the GM Internationalisation Strategy for Greater Manchester which is attached to this report.

Context

The Internationalisation Strategy for 2017 – 2020 has a comprehensive scope covering exports, foreign direct investment, capital investment, civic/business links, marketing, tourism, talent attraction, culture and education. It has been informed by better intelligence about our key sectors (through the recent deep dives, analysis of Northern Powerhouse capabilities and the Science and Innovation audit work) and the opportunities to grow those sectors within the priority markets identified.

The Strategy will direct the work programmes of GMCA/LEP/MGC resources and aligns with the activities and ambition of key GM partners including Manchester Airport and our universities.

The Strategy development has been overseen by the Internationalisation and Marketing (I&M) Board which recognised the considerable uncertainty the Brexit vote had created across many areas of this Strategy – particularly in relation to future UK trading relationships and the free movement of people. However, its view was that GM should be proactive and move forward to adopt the Strategy. It was felt that the Strategy could be positive platform for GM to use to increase confidence in the business and wider community about our future economic and internationalisation ambitions. Adopting the Strategy will also be a statement of intent to underpin ongoing engagement with the Government, particularly in relation to its Industrial Strategy. The Strategy was approved at the I&M Board meeting on 4th August.

The Strategy sets out our internationalisation ambitions over the next three years and provides a framework for action which will be worth over £2.2bn to our economy. It is based on extensive research and consultation with partners across Greater Manchester and its implementation will also enable us to make significant progress towards achieving our longer term vision to be a top 20 global city by 2035.

- It confirms GM key sector strengths and specialisms.
- Highlights the global market opportunities where GM can best leverage its assets/sectors.
- Identifies eight key areas of strategic focus with interventions aimed at elevating our performance, global status and profile.

The I&M Board agreed that the Strategy will be reviewed annually so that we are able to adapt to changing circumstances and new opportunities. The activity detail will be set out in its Implementation Plan, which is currently being prepared.

This Strategy will also inform the refresh of the Greater Manchester Strategy and the new GM Spatial Framework - which are both being developed and is in line with their our overall objective to deliver improved productivity and inclusive economic growth. The Strategy also draws from the GM and East Cheshire Science and Innovation Audit which is one of five being undertaken across the UK. This Audit will enable GM to be well positioned for future Government funding for world leading research.

Changes in the Machinery of Government

The Brexit vote has created uncertainty across the economy which is likely to continue for the foreseeable future. A significant impact has been the substantial restructure of the Government.

Key changes have included the:

- Establishment of the new Department for International Trade (DIT) which has replaced UKTI
- Reshaping of Department for Business Innovation and Skills into the Department for Business Energy and Industrial Strategy (BEIS).

BEIS has already commenced work on an industrial Strategy which GM, working with the North and the other Core Cities will seek to influence and shape.

The Department for Culture, Media and Sport has remained largely unchanged.

We are already actively engaging with the key people across these areas of Government to establish strong relationships that will ensure we maintain the high levels of influence in the direction of policy and action in this area. We are also continuing to work closely with the Northern Powerhouse cities and the DIT in the development of the trade and investment offer across the North in the run up to the Autumn Statement.

The wider economic impacts of the Brexit vote will emerge over time and these are summarised in another paper on this agenda.

Implementation & Resources

The detailed actions required to deliver the Strategy will be set out in its implementation Plan, which is currently being prepared. That Implementation Plan will include a full assessment of resource implications and where needs are identified, how these can be addressed

RECOMMENDATIONS

That subject to the views of the LEP Board, the Internationalisation Strategy is agreed for consideration by the GM Combined Authority.

That the Strategy is reviewed on an annual basis and any adjustments required to take account of changing circumstances in the interim will be considered under the direction of the GM Internationalisation and Marketing Board.

GM Internationalisation (Final Draft) Strategy 2017 - 2020

A. AMBITION

Internationalisation¹ is embedded within the DNA of Greater Manchester and is fundamental to our continued economic success. The Greater Manchester Strategy (GMS) confirms that we will “**compete on the international stage for talent, investment, trade and ideas**”.

Our hunger to connect and trade with international markets has driven the transformation of our economy over the past two hundred years. In the 19th century it led to building of the Ship Canal and the world's first inland port. In the 20th century it was expressed in the rapid growth and development of Manchester Airport, now one of the largest airports in Europe. In the 21st Century it led to Manchester becoming established as a key node on the global internet – and before the next decade is over we will be at the hub of the UK's new high speed rail network which will further extend our international connectivity.

We are now firmly established both as a key international gateway to the UK and as a prime gateway for the UK to the world.

Our long term vision is become a top 20 global city by 2035 measured by:

- Our **attractiveness to international investors, visitors, business and academic talent and students**;
- Our **international cultural and place offer** and the **propensity of our business base to trade internationally**;
- Our success as a **key international gateway to the UK** – and a **gateway to the world** for our UK businesses and communities.
- The **quality and ease of access and interconnectivity** to all places across the city region to maximise the local benefits of Internationalisation across Greater Manchester communities.

This Strategy, which has been prepared following wide consultation with partners across Greater Manchester and the UK, sets out our internationalisation ambitions over the next three years and provides **a framework for action which will be worth over £2.2bn to our economy**.

The work we have undertaken during the preparation of this Strategy has highlighted the growing strength, depth and quality of our international networks across the private and public sectors, academia and key organisations, including GM Chamber. This is a significant competitive advantage that we aim to leverage and translate into a co-ordinated and integrated approach to implementation, working closely with the UK Department for International Trade (DIT)².

The role of our business community in the implementation of this Strategy is critical and we have identified areas where there is the opportunity to work collectively within the

¹ This Strategy defines internationalisation as **the full engagement of business, organisations and communities in international markets, partnerships and relationships to drive the growth of the UK and Greater Manchester economy**.

² Formerly UKTI

target markets identified. This includes embedding international thinking to grow level of export trade; supporting the growth of Manchester Airport through demand evidence, strengthening our international “in market” presence and communicating key messages about Greater Manchester and its opportunities through international networks.

This Strategy **aligns closely with the key markets and strategic objectives of DIT** and we will continue to work jointly with DIT to exploit these shared objectives and draw upon its resources where there is mutual benefit – whilst recognising the areas where GM is best placed to deliver its key priorities.

B. PRODUCTIVITY & ECONOMIC IMPACTS

There is overwhelming evidence that internationalisation has a transformational impact on productivity performance. Internationally active SMEs are three times more likely to introduce products or services that are new to their sector than those which are entirely domestic in orientation³. Foreign owned companies invest more readily in skills, are more productive, and far more likely to export. Internationalisation is also a route through which we can translate more of our employment growth into increased productivity. In 2014 our businesses also exported £5.36bn in goods.

Internationalisation is also a multi-billion pound inbound trade generator. In Greater Manchester International students created £220m income for Manchester University alone in 2015. International visitors made a significant contribution towards the £882m generated from business conferences and contributed towards the £7.5bn⁴ total economic impact generated from domestic and international tourism in GM in 2014. Manchester Airport connects our businesses and communities to over 200 global destinations and has itself generated nearly £1bn in revenue over the past three years.

C. PROGRESS

The 2013 Internationalisation Strategy has been substantially delivered with significant progress over the past three years.

We are now recognised internationally as;

- The most competitive business location in Europe (2016)⁵
- The most liveable place in UK (2015 & 16)⁶
- One of the Top 10 world cities to visit according to Lonely Planet (2016)

Successes have included:

- A transformed relationship at the highest level with the largest economy in the world: China – and the opportunity to deepen it following the Presidential visit in Nov 2015.
- Continued foreign direct investment successes – 10,278 secured jobs from EU and USA and 46 direct investment projects from China, India, UAE, Japan – predominantly in our growth sectors, with Greater Manchester the most invested in location in the UK outside London.
- Major foreign capital investment successes from China, UAE, EU and USA in projects across Greater Manchester.
- Substantial airport growth since 2013 with an increase of 210,000 international visitors (now 1.3m in total⁷) and ambitious £1bn airport expansion plans.

³ Goldman Sacs

⁴ STEAM / New Economy 2015

⁵ KPMG

⁶ Liveability city index

- Significant investment in marketing and development of the Greater Manchester brand has been made by Department for Culture Media and Sport, Department of International Trade, Visit England, Manchester Airport and MCC, the GMCA and GM's businesses.
- European City of Science designation
- Further acceleration of the globalisation of our universities. Twenty five percent of University of Manchester students are now from overseas. Its research and study activities are linked with 180 countries across the world. Our other universities are expanding into international markets as they implement their ambitious internationalisation plans.

D. NEW CHALLENGES AND OPPORTUNITIES

The EU referendum result has created uncertainty across many aspects of internationalisation covered in this strategy. It has precipitated political change and led to some market instability that is likely to pose risks for the foreseeable future⁸. We will aim to mitigate against these as far as we can and also be fleet of foot to take advantage of new challenges and opportunities as they arise. One key emerging opportunity will be increased emphasis upon building deeper **city to city international trading relationships**, which Greater Manchester is well placed to develop.

Greater Manchester specific challenges include improving our **trade export performance**; increasing the number of international stays; increasing our UK share and diversity of our **international students** – as well as **retaining and attracting more young and world-leading researchers and expert talent**. We also need to build our **gateway role, across the North** leveraging the benefits of £1bn investment in air connectivity at Manchester Airport and supporting longer term commitment to transform intercity access through HS2 and new Transpennine linkages. We also want to ensure that the benefits of internationalisation are delivered inclusively across the whole of Greater Manchester, and **build on our reputation as a gateway to the world**.

Technology is accelerating businesses' international growth and disrupting traditional internationalisation pathways. It is important that we take account of the way that technology is providing businesses with opportunities to scale faster. **"Going global early"** has become an accessible option for businesses across our sectors.

We are also operating in a global market with **increased competition from cities across the world**. Many cities are less constrained by resources and the availability of grants and financial incentives for investment than we are. This means that we need to be **smarter; have a more nuanced and differentiated offer**; become more effective in **leveraging our partnerships and growing international networks** and elevating our profile and influence to maintain our competitive edge. We also need to work with Central Government to **identify strategic interventions that retain the UK's competitiveness in highly mobile investment**. We will also want to work with Government to ensure we are able to continue to attract and retain the best international talent – whilst also growing the necessary skills and talent within our own communities.

E. A STRONG FOUNDATION FOR TRANSFORMATIONAL ACTION

⁷ MAG

⁸ Economist Intelligence Unit highlights potential China economic slowdown; continued terrorist threats, new cold war as key threats.

Greater Manchester is now in a very different place from 2013 having created a strong platform from which we can build including:

- Much **greater control** and influence through devolution agreements
- The creation of the **Greater Manchester Combined Authority and MGC** as its delivery arm.
- A sound and **constructive relationship with UK Government** (with increased access to UK international programmes)
- A **leading role in the North** where we can better leverage the international benefits of having a market of 21.5 million people within our two hour catchment.

This means we can be **much bolder and proactive** than we were in 2013. We know what our strengths and challenges are, and we also know where the opportunities lie. If we are serious about transforming our international standing then we will need to do more than just do things better – we also **need to make significant step changes** with focused investment in those areas that offer the best prospects for growth.

We want to **work with UK Government, to help shape its Industrial Strategy** and become an exemplar City in developing positive actions and initiatives to **support the UK's international growth ambitions during and post Brexit.**

F. STRATEGY FRAMEWORK

We have identified **eight key priorities** which frame our internationalisation ambitions for the next three years.

These have been determined through analysis of our performance and the challenges and opportunities tested through wide consultation across the private and public sectors, academia and other key organisations. Our Priorities are summarised below and set out in detail from page 10. The layout illustrates the cross cutting importance of cementing our role as a key global gateway for the UK and the North – and the value of communicating our story effectively across all our priorities.



Each Priority will leverage the opportunities derived from the GM **sector, specialisms and niche strengths** and the **key global markets** we have identified which are summarised over the following three pages.

This framework will form the basis for the development of an Implementation Plan that will detail the actions under each priority.

G. LEVERAGING GM SECTOR STRENGTHS, SPECIALISMS AND NICHE OPPORTUNITIES

Our sector intelligence has improved significantly over the past two years. The **sector deep dive research** has greatly strengthened our understanding of our key growth sectors and the sub sector opportunities. This has deepened our knowledge of the issues identified through the other key strategic work including the **GM Manufacturing Strategy** which was adopted in 2015 and the preparation of the **Greater Manchester Spatial Framework** which has enhanced our knowledge of spatial issues for our key sectors and will be an important tool to identify opportunities as it moves forward to adoption.

The **GM and East Cheshire Science and Innovation Audit** has similarly improved our understanding of our academic research strengths and highlights the areas where there are commercialisation opportunities.

This work, together with the **Northern Powerhouse Independent Economic Review**, has led to the identification of our “**prime capabilities**” and “**enabling**” sectors, and the **niche opportunities**.

This has provided us with the foundations for a **more proactive and targeted approach** in identifying Foreign Direct Investment (FDI) and Foreign Capital Investment (FCI) investment opportunities and **deeper understanding about where we should focus attention to improve our trade performance**.

The sectors described below are evidenced strengths for Greater Manchester and the sub sectors we have identified within them are key opportunities that we intend to exploit within international market we will be targeting.

Manufacturing

The sector supports over **114,000 jobs in GM and generates £7.7bn GVA**.

Specialist/Niche opportunities include: advanced materials including 2D materials, semi-conductors; composites & coatings; process metallurgy exploiting links to defence, food and drink, automotive/transport, aerospace and life science supply chains.

Digital & Creative Technologies

The sector supports **105,000 jobs in GM and generates £4.7bn GVA**.

Specialist/Niche opportunities include: cyber security; Internet of Things; media; digital communications; software and data⁹.

Life Science and Health Innovation

⁹ Not directly aligned to the deep dive sector analysis which takes a narrower sector definition excluding cyber security and internet of things

The sector supports an estimated **157,000 jobs in GM and generates £4bn GVA.**

Specialist/Niche opportunities include: Genetics; connected data; precision medicine (including diagnostics); cancer research, clinical medical devices, clinical trials, cardiac services, health informatics, education and training, remote diagnosis and primary care.

GM is in a strong position to exploit these opportunities directly with our health services having won autonomy of the £6bn health budget through the devolution agreements.

Financial and professional services

This is a key “enabling” sector which supports the **employment of 240,000 people generates in access of £12bn GVA.**

Sub sector opportunities are in fin tech; financial services & insurance; back middle office functions; legal, accounting, management consultancy and shared services.

Exploiting research specialism strengths

GM has strong research capabilities across manufacturing, digital and life science. We also have a number of key research specialisms which have been identified as important assets that can support our international ambitions. These are in nuclear, LED technologies; heat networks; smart grid and building management systems.

Visitor Economy

Although not specified as one of the prime capabilities or an enabling sector, a vibrant visitor economy is fundamental if we are to achieve our ambition to be a top 20 global city. The visitor economy **employs 99,000 people and generates £2.1 billion GVA¹⁰.**

A TOP 20 GLOBAL CITY BY 2035

Our longer term vision is to be **a top 20 global city by 2035** measured by our attractiveness to **international investors, visitors, business and academic talent and students**; Our international **cultural and place offer** and the propensity of our **business base to trade internationally**; Our success as a key **international gateway to the UK** – and a **gateway to the world** for our UK businesses and communities; The **quality and ease of access and interconnectivity** to all places across the city region.

In order to determine progress towards the achievement of our vision we have identified a range of City indexes that measure performance across economic and social criteria¹¹.

Individually, none of these indexes is a perfect measure of our strategic ambition. They vary in terms of the number of cities assessed and how performance is measured. However, collectively this does enable us to understand our relative performance currently and the cities we should aspire to be clustered with to achieve our top 20 global city vision.

We will be undertaking further work to determine our progress relative to our competitor cities. This will provide a framework within which we can identify key essential assets and attributes needed to be considered to be a top 20 Global City and measure progress. This is likely to include the extent to which its visitor cultural offer is internationally orientated;

¹⁰ Based on sector deep dive analysis

¹¹ These include Anholt; Innovation Cities Index; Best Cities to Do Business JLL; AT Kearney Global Cities Index; QS Best Student Cities Index; PwC's Cities of Opportunity

the propensity of our business base to trade internationally; the international travel horizons of our local communities; the extent to which our hospitality services and organisations are internationally focused and having an international brand recognition and reputation that builds on existing our assets, including football.

Our current position and current peer cities under each index is shown in the table below. Our aspiration for 2035 is also indicated together with the Cities currently clustered in that position.

Greater Manchester’s current position and aspiration by 2035 across key Global City Indexes

Index	Measures	Current Position	Peer cities	2035 Aspiration	Aspirant cities
Anholt City Brands Index 2015 (analyses 50 cities)	Presence, Place, Amenities, People, Pulse, Potential.	27 th	Philadelphia Prague Hong Kong	19 th	Milan Munich Barcelona
IESE Cities in Motion 2016 (181 cities)	Economy, People, Urban Planning, Environment, Technology, Governance, Social Cohesion, Mobility & Transport.	43 rd	Phoenix Hamburg Basel	19 th	Melbourne Baltimore Dallas
Global Metro Monitor 2014 (300 cities)	Compares growth performance of world’s 300 largest city economies on growth rate of GDP and growth rate of employment.	60 th	Singapore Calgary Edmonton	29 th	Austin Houston Jakarta
QS Best Student Cities Index 2016 (75 cities)	University Rankings, Student Mix, Desirability, Graduate Employer Activity, Affordability.	36 th	Edinburgh Helsinki Perth	19 th	Canberra Auckland Brisbane
UN City Prosperity Index 2015 (60 cities)	Productivity, Infrastructure, Water, Quality of Life, Equity and Social Inclusion, Environmental Sustainability, Governance.	16 th	Amsterdam Brussels Tokyo	9 th	Melbourne Montreal Toronto
IBM Top Global Investment Location Index 2016	Number and value of investment projects; mergers and acquisitions & Joint ventures	9 th ¹²	Brussels Frankfurt Munich	5 th	Dubai Amsterdam Singapore

H. GLOBAL MARKET OPPORTUNITIES 2017 - 2020

A full evaluation of our global market opportunities has been undertaken and is summarised in the table overleaf. It considers a range of factors: economic size, forecast growth, investment performance, relationships and networks, international students, academic partnerships, tourist visitors and ease of doing business. It also indicates the key market opportunities for Greater Manchester over the next three years and will inform the market focus under each of the eight priorities we have identified. It aligns very closely with the key UK international market opportunities identified by DIT¹³

This analysis confirms **Europe and USA** are two of the largest and most significant and important mature markets for GM for international trade, investors, visitors, academic research and students.

Within Europe, a number of EU countries stand out as key markets for GM. **Germany** (2.3%), **France** (1.8%), **Netherlands** (2%) and **Italy** (1.5%) are likely to experience the strongest growth of all EU countries next year. Germany, Netherlands, France and

¹² Manchester with Liverpool

¹³ Formerly UKTI

Ireland are our most important EU trading partners. Germany, France, Netherlands, **Spain, Belgium** and Italy are the leading EU countries for GM business visitors. 2015 figures suggest that FDI projects are likely to be sourced from Germany, France, Netherlands and **Switzerland**.

Europe will continue to be a critical market for GM over the three year strategy period during which it is hoped that EU Brexit negotiations will address most of the uncertainty about our trading and other relationships with the Union.

During this period it will also be important to establish stronger global connections outside of the EU. In that context **USA** will be the other key “Prime market” which will be a focus of attention for Greater Manchester. We will be looking to build upon our strong relationships with key USA cities including **New York, Boston** and also **Silicon Valley** where we want to leverage our competitive strengths in Health Innovation, Digital and Advanced Materials.

Analysis confirms that our “Opportunity Markets” are **China, India, Japan and UAE** where there is clear growth potential and where we are well placed to build upon existing trade, investment and other relationships. Of these four, **China** offers the most significant opportunities to build upon strong existing connections and the emerging “special” relationship at Government level. Considerable progress has also been made in the **India** market over the past three years. There is a clear strategy in place for this market which is already leading to the identification of a range of new investment and trade opportunities which are likely to be converted over the next three years. **Japan** is now emerging from a long period of stagnation and there is now the opportunity for us to strengthen existing linkages. **UAE** will continue to offer investment opportunities on the back of large scale capital investment that has already been made.

Beyond these six markets our analysis identified a number of “Monitor Markets” which didn’t register as highly but these are markets where we do have important existing links (e.g. through students, tourist visitors and academic research). It is therefore proposed to retain a watching brief so that we can take advantage of opportunities (particularly in our niche areas of strength e.g. health innovation and 2D materials) as they emerge. These Monitor Markets are **Malaysia, Singapore, Canada, Australia, Saudi Arabia, Taiwan & South Korea, Nigeria & Brazil**.

GM GLOBAL MARKET OPPORTUNITIES 2017 – 2020

Level of activity: HIGH MED LOW	GM INTERNATIONALISATION ACTIVITIES/ THEMES & TARGET MARKETS							GM SECTOR & SUB SECTOR – TARGET MARKETS													
								FDI				TRADE				ACADEMIC RESEARCH					
								Manufacturing				Digital & Creative		Life Science /Health Innovation			Finance & Professional		Research specialisms		
	FDI	FCI	Trade	Academic Research	International Students.	International. visits	Int. air connectivity	Advanced Materials,	Automotive transport infrastructure	Aerospace& supply chain	Food & Drink	Digital Tech, cyber security, data	Media Creative	Health Informatics/ data	Cancer Research, Genetics	Medical devices	Fin tech, financial services	Legal, shared services	Nuclear	Heat networks, smart grid, BIM	
PRIME MARKETS																					
EU (Germany, France, Italy, Netherlands focus)																					
USA																					
OPPORTUNITY MARKETS																					
CHINA																					
INDIA																					
JAPAN																					
UAE																					
MONITOR MARKETS																					
Australia																					
Canada																					
Taiwan																					
Saudi Arabia																					
Singapore																					
South Korea																					
Brazil																					
Malaysia																					

Nigeria																				
----------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

STRATEGIC PRIORITIES

The following eight **Strategic Priorities provide the framework our Internationalisation Strategy over the next three years**. These take account of the global market opportunities we have identified and our key sectors strengths within those markets. Each priority includes a number of strategic enablers that will form the basis for the Strategy Implementation Plan which will set out the operational detail.

1. Global Gateway for the UK and the North

Greater Manchester through its airport and internationally facing business base has a key role in **strengthening the competitive advantage of the UK in international markets**. We will therefore continue to work closely with Government to inform and shape the vision for the North and the UK Industrial Strategy.

The next decade will see **Manchester Airport invest over £1bn to increase its capacity by 10m passengers by 2025**. That investment will transform airport facilities and road access. It will lead to more international routes (currently 210) and extend its current catchment (currently 21 million within a two hour drive) across the North and further south to the Midlands attracting more people who currently travel internationally via London airports.

Our gateway role will be further strengthened through **High Speed 2**, which, allied with new **Trans-Pennine linkages to Leeds and Sheffield** will have a transformative impact upon the ability for UK core cities in the north and the Midlands to gain ready access to international markets through Manchester Airport.

The North is becoming **a hub for investment for innovative global companies attracted by world leading assets**. We want to build upon and integrate the approach to investment and trade across the North **aligning with the DIT's asset-based strategy** with the opportunities identified by the NPH Independent Economic Review.

The EU referendum outcome has created near term instability and uncertainties, with opportunities as well as challenges. We expect that **significant extra effort and resource will be necessary in pan Northern trade and investment activity**.

It is therefore imperative that we **work proactively with Government** to promote the UK offer globally sharing international platforms and developing collaborative opportunities with the Department for Business Energy and Industrial Strategy (DBEIS), Department for Culture Media and Sport (DCMS) and the Foreign and Commonwealth Office (FCO) to add value to UK wide trade, investment and visitor destination programmes e.g. Cross Government Prosperity Fund which supports economic growth in partner countries. In addition, there is the opportunity to leverage Greater Manchester's governance excellence as a "foot in the door" with Cities in important emerging markets.

Strategic enablers

Co-ordinated working

- **Shape how investment and trade support services are delivered in GM and across the North of England** working with DBEIS and the DIT; promote GM as a UK success story and cement our position as a UK international gateway for trade and investment into the North.
- **Bring together demand evidence and marketing capacity across the North**, working with the wider business community to create a unified case that Manchester Airport can use with airlines

to implement its international route development strategy. Focus will include securing direct flights to India, ensuring the success of new routes to China and the US as well as increasing capacity to its key cities.

- Work with UK Government to accelerate investment commitments in **HS2 and NHP Trans-Pennine strategic road and rail transport infrastructure**
- Develop our role as the **destination gateway for the north** - working with DIT, FCO, Visit Britain (VB), CO and partners across the north to deliver cross sector campaigns to grow the international visitor, student, trade and inward investment.
- Develop **strategic destination and airline partnerships**, leveraging private and public partner resource including exploring twin city route options.¹⁴

Improved intelligence

- **Deepen the knowledge base of our assets within the Northern Powerhouse (NPH)** prime capabilities (Advanced Manufacturing, Health Innovation, Digital & Energy) improving our understanding of the wider opportunities for international investors.
- Work with DBEIS and DIT to **determine the international markets where NPH assets would particularly resonate** to determine the combination of assets across the North that will create a far stronger offer to inward investors.
- Undertake further specific research into **international passenger itineraries and motivations** to understand GM's role as the gateway to the UK and the north.

Over the Strategy period we aim to:

- **Increase the number of passengers using Manchester Airport from 23,000,000 in 2016 to 26,000,000 by 2020.**

2. World centre for trade across the GM prime and enabling sectors

Growth in trade export performance is central to the delivery of improvements in our productivity and supports our ambition to spread the benefits of internationalisation to businesses and communities across GM.

International trade in goods is worth £5.36bn¹⁵ to Greater Manchester economy¹⁶. In 2015 GM exported £3.1bn to the EU (57%), the USA came in a distant second at £798m. The importance of China is increasing with GM exports now at £449m. Trade with Japan is strong (£224m), because of our historic connections. The size of the India economy and strong growth forecasts will mean that it is be an important trading partner (currently £125m and growing).

Over the Strategy period we will transform our trade performance by fully exploiting our prime and enabling sector strengths in our business base (in manufacturing, digital technology, life science and financial and professional services) across our target international markets. There will be particular emphasis on the key sub sector opportunities identified in our market analysis. This will include advanced materials, health informatics, media creative, cyber security & fin tech.

We aim to leverage our key assets and strengths to provide our business base with access to the tools, evidence, finance and confidence they need to identify, realise and then fully exploit new international export trade opportunities – focusing on those businesses with the best potential for export growth or to exploit new markets.

¹⁴ Potential to work with London & Partners to develop twin city routes e.g. Etihad inbound to London and outbound out of Manchester.

¹⁵ HMRC 2014

¹⁶ excludes exported business services which are equally important but cannot be easily measured

However, a significant proportion of our business base is not internationally orientated. Taking into account our sector mix, **our firms export around half the value than would be expected for a conurbation of the size of GM¹⁷.**

Part of the problem can be attributed to a risk-averse culture of GM businesses highlighted in our Manufacturing Strategy and further research is being undertaken to better understand the underlying issues.

This will **improve the quality of our trade data intelligence** which is currently limiting our ability to target effectively and enable us to identify our key support chains and pinpoint companies within our key and enabling sectors with export potential. This intelligence will also enable GM to develop **a more forensic approach in identifying opportunities to grow the trading volumes of existing exporters.**

The **EU** will continue to be a key focus for trade and there are a number of key markets within the EU where we will leverage sector strengths. These will include Germany (incl. manufacturing/materials/transport, finance & professional sectors), France (incl. medical/health, materials/machinery, energy/nuclear) and Netherlands (incl. medical/health, materials).

The **USA** market will continue to provide trade opportunities for businesses across the GM economy. We expect to increase exports to the USA market over the strategy period and we will focus efforts on supporting our business base to increase trade relationships across manufacturing, finance and professional, technology and health innovation fields.

Our other key markets for export growth will be **China, Japan, India** and, to an extent, the **UAE**.

We aim to take advantage of strong relationships with key cities within these markets where we can leverage sector strengths to improve our trade performance. Key opportunities include Beijing, Shanghai and Wuhan in China; New York, Silicon Valley and Boston in the USA; Mumbai, Delhi, Bangalore, Pune and Hyderabad in India; Abu Dhabi & Dubai in UAE.

Collectively these markets are forecast to be 78% of GM trade value over the Strategy period and therefore will be the focus of attention.

There is a strong alignment between the target markets and sectors we have identified and those of the Department for International Trade (DIT).¹⁸ We will therefore work closely with DIT to build much better connections between our manufacturers, services companies and other exporters to international networks and ecosystems – to ensure we are able to maximise the mutual benefits.

Our objective in EU markets, taking into account Brexit uncertainty, will be to maintain existing levels of trade and increase trade growth in our other key markets – with a focus on sectors of strength - as set out below. We will aim to increase growth in trade within our other Priority and Opportunity markets and work with DIT to support the development of emerging markets, including South East Asia.

	Trade Export focus in GM Priority and Opportunity Markets					
	EU	USA	China	India	Japan	UAE
Market	Maintaining	Increasing	Increasing	Increasing	Increasing	Increasing

¹⁷ Greater Manchester Strategy

¹⁸ Formerly UKTI

Objective >>	existing levels	growth	growth	Growth	growth	growth
Core GM Sectors	Finance & Professional	Finance & Professional	Finance & Professional	Finance & Professional	Finance & Professional	Finance & Professional
	Life science / health innov.	Life science / health innov.	Life science / health			
	Manufacturing / Materials	Manufacturing / Materials	Manufacturing / Materials	Manufacturing / Materials	Manufacturing / Materials	Manufacturing / Materials
	Digital / Creative / tech	Digital / Creative / tech	Digital / Creative / tech	Digital / Creative / tech	Digital / Creative / tech	Digital / Creative / tech
Research Specialisms	Nuclear, smart grid	Nuclear, smart grid	Nuclear, smart grid	Nuclear, smart grid	Nuclear, smart grid	Nuclear, smart grid

Four key enabling opportunities have been identified to support this priority.

Strategic enablers

- **Build an “export orientated” business culture through specific activities developed by the Trade Export Task and Finish Group, working with successful trade exporters.**
These can include: Creation of export exemplars through an accelerator programme; improved promotion of best practice; application of behavioural economics to challenge risk averse business cultures.
- **Create a fully integrated business export offer through strong joint working with the Department for International Trade, Chamber of Commerce and the Business Organisations** in delivery planning, sharing of sector/market expertise and maximising ‘Northern’ export presence at key missions and events.
- Maximise the level of **intensive support to existing exporters which will provide both the tools and access to resources to enable them to extend into new markets** (to include those businesses that are well established exporters, businesses that have tried exporting previously and need further encouragement, and businesses that are “accidental”¹⁹ exporters with significant potential). This will include exploring the potential for financial support for premises modernisation programmes.
- **Identify gaps and weaknesses within existing international supply chains** that GM businesses across the north and foreign owned businesses could exploit through research undertaken in collaboration with Original Equipment Manufacturers (OEM’s) across the North.

We aim to improve our export performance by £900m over the Strategy period. This would increase the total value GM trade from £5.35bn to £6.25bn and narrow the gap between our actual and “expected”²⁰ export performance by 17%.

3. A UK magnet for Foreign Direct Investment in key GM growth sectors and specialisms.

GM is already taking a proactive approach in attracting FDI. Enhanced sector intelligence has led to the development of more focused propositions in sectors where GM has a competitive advantage. This is being further enhanced by work commissioned to determine potential target international companies in key sub sectors across our “priority” (EU & USA) and “opportunity” markets (China, India, Japan and UAE) at more specific niche levels.

The value of FDI to GM has been £1.3bn since 2013. Performance analysis confirmed that the primary focus of attention for FDI over the next three years should be on the **EU and**

¹⁹ These are often businesses that have fallen into exporting as a result of digital presence

²⁰ Based on the size and sector mix of our economy

USA markets – historically this is where our largest FDI projects have originated. Whilst there may be some impact from Brexit, both will remain Priority Markets over the strategy period. Together those markets accounted for 60% of all GM FDI projects from 2013 to 2016.

Within the EU, **Germany, Switzerland and France** will be important focus for FDI projects within the finance and Business Professional Sector. Within the digital and manufacturing sectors we will be particularly proactive in pursuing EU project opportunities from **Germany and France**.

FDI activity from **China** has increased and is expected to gain momentum with opportunities arising from the successful visit of the China President in October 2015 and the work of the high level membership of the China Forum.

The **India** market, after suffering from the effects of currency devaluation is now yielding a good pipeline of opportunities supported by a clear business plan and an emerging India Forum.

Japan will also be an important market with FDI project and R&D opportunities emerging as a result of close academic connections and networks through the Japan Consulate, which is based in Greater Manchester. Our relationship with the **UAE** at Government level continues to be strong and is expected to lead to some new FDI opportunities over the next three years.

The table below highlights the sectors and subsector opportunities that will be pursued within our priority and opportunity markets over the next three years. The key sub sector opportunities in each market are highlighted in brown.

Foreign Direct Investment – GM Sub Sector Focus						
CORE SECTORS	Priority Markets		Opportunity Markets			
	EU	USA	China	India	Japan	UAE
Manufacturing	Adv. materials	Adv. materials	Adv. materials	Adv. materials	Adv. materials	Adv. materials
	Auto/ transport	Auto/ transport	Auto/ transport	Auto/ transport	Auto/ transport	Auto/ transport
	Aerospace	Aerospace	Aerospace	Aerospace	Aerospace	Aerospace
	Food & drink	Food & drink	Food & Drink	Food & drink	Food & drink	Food & drink
Digital	Digital tech	Digital tech	Digital tech	Digital tech	Digital tech	Digital tech
	Media Creative	Media Creative	Media Creative	Media Creative	Media Creative	Media Creative
Life Science /Health Innov.	Health data	Health data	Health data	Health data	Health data	Health data
	Cancer research	Cancer research	Cancer research	Cancer research	Cancer research	Cancer research
	Medical devices	Medical devices	Medical devices	Medical devices	Medical devices	Medical devices
Finance and professional	Fin tech	Fin tech	Fin tech	Fin tech	Fin tech	Fin tech
	Legal/shrd. serv.	Legal/shrd. serv.	Legal/shrd. serv	Legal/shrd. serv.	Legal/shrd. serv.	Legal/shrd. serv.
RESEARCH SPECIALISMS	Nuclear	Nuclear	Nuclear	Nuclear	Nuclear	Nuclear
	Smart grid	Smart grid	Smart grid	Smart grid	Smart grid	Smart grid

Strategic enablers:

- **Create new FDI opportunities by exploiting operational synergies between trade/exports, investment & tourism activities** by leveraging their international networks.
- **Establish strong “in market” partnerships with the private sector** to extend our presence in international markets – focused on our prime and opportunity markets including developing US in-market marketing resource in 2017 in line with the successful in-market China model and exploring in-market presence opportunities for India in 2018 following detailed market analysis.

- Build a **symbiotic working relationship with the new Department for International Trade** to attract new inward investment projects to GM exploiting the prime capabilities of the North.
- Create a **portfolio of global commercial collaborative R&D opportunities**, in partnership with GM academia, which have the potential to attract funding and ultimately lead to FDI projects.
- **Target major international heads of key supply chains (OEMs) based in emerging markets** or active in an emerging technology where GM has evidenced strengths - supported by large strategic employment site offer.

We aim to **increase our proportion of UK FDI from 3.5% currently to 5%. This would be worth up to an additional £300m²¹ investment over the strategy period.**

4. An attractive multi billion pound portfolio of prime foreign capital investment opportunities promoted globally

Greater Manchester has made significant progress in attracting large scale foreign capital investment over the past three years from new markets, in particular China (Airport City & Middlewood Locks) and the UAE (Manchester City and East Manchester). This has led to enhanced traditional investment from Europe and the USA. FCI investment in GM from 2013 to 2016 was valued at £2.5bn and large scale FCI is now also evident outside of the Regional Centre²².

Recent devaluation of sterling has made UK assets significantly cheaper. This is likely to increase demand for any higher value assets which are more insulated against economic turbulence.

The UK's market openness to FCI means that **a significant proportion will take place without intervention**. Although it should be noted that UK Government has signalled that it may be more protective of UK owned industry as it introduces a new industrial strategy

It makes sense for GM to **focus attention on those FCI opportunities (i.e. infrastructure, housing and industrial development) which will add most value to the GM economy**. In particular we intend to identify opportunities where FCI would take a much longer term view on returns compared than other funding sources. This would be manifested in a portfolio of prime FCI opportunities which can be promoted internationally. Over the Strategy period, it is intended to concentrate on attracting FCI with **China and the UAE**, given established traction in those markets where we will also be in a strong position in both markets to continue to leverage our football assets and strengths.

Strategic Enablers:

- **Develop a portfolio of FCI opportunities**, working with GM local authorities, to take full advantage of the strategic site work undertaken through the development of the **Greater Manchester Spatial Framework**.
- Work with DIT and through the NPH, to **promote globally that portfolio of strategic investment (or co-investment) opportunities for FCI** including: mixed use regeneration; industrial development (particularly in GM north), visitor attractions and infrastructure.

²¹ FDI investment in GM 2013 to 2016 was valued at £2.5bn

²² For example, G-Suite Holdings, a Hong Kong based property company is investing £50million redevelopment of Warwick Mill in Rochdale – its biggest project in Europe

- Evaluate the GM capacity/capabilities to develop and exploit FCI opportunities identified.

A continued proactive approach to identify, promote and win large scale FCI projects can be expected to enable GM to secure a minimum additional £1bn FCI during the Strategy period.

5. Strengthened world leading international research capabilities and international entrepreneurial talent base

We have a strong community of world leading research talent which has enabled us to build our international reputation across key sectors of industry: energy, bio tech and health innovation, digital technologies and advanced materials.

Greater Manchester **needs to continue to attract and retain the world's best researchers and also draw in international entrepreneurial talent** capable of exploiting the commercialisation opportunities derived from these research strengths.

We will work with UK Government to find the tools we will need to strengthen further the international research and entrepreneurial talent base that will drive the next generation of innovation and breakthroughs.

Attention will be focused on the potential for a Visa that is specific to GM's economic needs and ensuring that the loss of EU funding does not negatively impact on our ability to attract and retain the best research talent.

Strategic enablers

- Open up discussions with Government about the **creation of a Greater Manchester Visa**, in line with the London Visa proposal that will enable skilled international talent in our key growth sectors to live and work in Greater Manchester.
- Work closely with Government to ensure that the level of **public investment in world leading international research in GM (and therefore our ability to attract global research talent)** is not adversely impacted by Brexit – leveraging our strategic positioning set out in the GM and East Cheshire Science and Innovation Audit.

These enablers will support the enhancement of the international research reputations of Greater Manchester universities measured through improvements in University league table rankings.

6. The best UK destination for International students

Greater Manchester has the largest number of international students in the UK outside of London. International students were worth £220m to Manchester University alone in 2015. In 2014/15 overseas students represented 25% of all students at Manchester University; 11.5% Salford University; 6.6% Bolton University and 6.3% MMU²³.

The attraction and retention of international students remains critical to the growth of Greater Manchester particularly in our **skills shortage areas, particularly digital and engineering.**

²³ HESA 2014/15

International students are also an **important source of entrepreneurial talent** and former students (International alumni) in high level positions in foreign companies can help push our inward investment offer. International students also support the growth and development of Manchester Airport. Education has been identified as one of the top sector for international business travellers²⁴.

Visa restrictions have both impacted on the ability of Greater Manchester and the UK to attract international students, and limited the opportunities to support the growth of our economy after their studies. The numbers of international students choosing the UK has declined by 1% in 2015 (for the first time in three decades). The UK is also facing fierce competition from other academic providers, especially in USA and Australia – which are successfully targeting students from India and East Asia. They have advantage of offering degrees in English and also have a reputation of stable academic systems. Australia is currently loosening its visa restrictions and US students have the opportunity to stay working in the USA for 18 months after they graduate.

There is uncertainty about how the Government will now deal with student visas following Brexit referendum. However, it can be assumed that rules will be tightened that will reduce numbers and limit post study employment opportunities over the Strategy period.

Minimum salary thresholds currently determine the salaries international graduates have to earn in key employment areas to be allowed to stay. In this context Greater Manchester and the north are disadvantaged because the thresholds are applied uniformly across the UK, taking no account of geographical disparities.

Greater Manchester is well placed to be the **best UK destination for international students** outside of London. However, to achieve this it will be essential that we better connect students with the opportunities and experiences available outside of University life, whilst they are studying here.

China, India, Japan, USA and EU are expected to remain important sources of foreign student talent for GM universities. However, our Universities will also be targeting other countries including **Malaysia, Singapore, Taiwan, South Korea and Brazil**.

Strategic enablers

- Work with UK Government to reduce the **minimum salary thresholds** to reflect reduced salaries in the North to enable more graduates to work in the key skills shortage areas in Greater Manchester following qualification.
- Explore the potential for Universities and private sector partners to create a “**blended learning**” **degree** that can be offered to international students and can combine study and full time work place opportunities. Potentially offering 2 years work experience.
- Examine the opportunity to create a fast track scheme for teams of **international graduate entrepreneurs to be based in business accelerators** in Greater Manchester.
- Support the expansion of collaborative work of MMU, Salford and University of Manchester which developing a **foundation degree offer** aimed at attracting international students under the Northern Consortium of Universities (NCUK).

²⁴ York aviation for Northern Powerhouse 2016

- Develop a “**Study Manchester**” **promotional platform** for international students to attract them to GM and then encourage them to discover all aspects of life in Greater Manchester during their studies so that more foreign students become post study advocates for the City.

Our target is for **20% of students studying in Greater Manchester to be from overseas** by 2020 (currently 15%).

7. A world class visitor hub

Greater Manchester is firmly established as a leading tourist and international business events destination. The contribution of the leisure and business visitor economy to Greater Manchester has grown significantly over the past ten years, increasing from £4.6bn in 2005 to £7.5bn in 2014²⁵. This 61% growth far exceeds the growth of the GM economy over the same period (12.5%).

This growth has been **underpinned by investment in transport connectivity, sport, cultural and event facilities**²⁶. There has also been direct support to bring business conferences to the city, investment in international marketing and in airport route development and the marketing of new routes including from China and US.

The supply of **hotel accommodation in Manchester city centre will continue to increase strongly over the next two years.** Across Greater Manchester, an additional 600 hotel rooms are expected to come onto the market in 2016 and a further 1200 in 2017.

The number of international visitors has increased by 18% from 1.17million in 2013 to 1.38million in 2015²⁷.

Over the Strategy period we will increase the number and the length of stay of visitors – who spend considerably more than day visitors. We will achieve this by **creating an integrated offer which is found in other global cities**, such as Barcelona, which will support wider tours and link visitors to the City’s and the region’s key attractions – this will increase leisure and business visitor duration and spend. **It will position Greater Manchester as the natural hub from which visitors can connect with well-known locations** including Chester, The Lake District, the Peak District and Liverpool.

The principal focus of tourist and business visitor market promotion will be **USA and China**, followed by the **EU, Australia, the UAE, India and Japan**.

Strategic enablers:

Create a **commercial integrated solution to deliver welcome packages, itineraries, tours and visits within GM and across the North** for international visitors positioning Greater Manchester as the hub for staying visitors. Secure ‘Discover England’ funding for **feasibility work to determine the best way the private and public sector can deliver it.**

Adopt **an integrated promotional approach to marketing investment**, using the cross sector 2016 China campaign as a model and secure funding to continue the high value China campaign and high volume US campaigns as priorities.

²⁵ STEAM/New Economy – a measured on economic impact represents a 61% increase. (Visit Britain figures suggest UK wide growth of 72% between 2006 and 2015 - which is heavily weighted by London).

²⁶ including Manchester Central, and improving visitor attractions and festivals such as the Whitworth museum, Home and M IF

²⁷ 31% are business visitors, 53% are leisure visitors either on holiday or visiting friends/ relatives and 2% are students (IPS).

Build on the success of the destination partnership created during the 2015/16 Northern Tourism Growth Fund international campaign with a joint northern approach including bids for continuation funding

Establish a **new public/ private partnership to attract more, high value international events into the region and position Greater Manchester to bid for the major world events** and fund pilot events to test ideas aimed at international audiences. This will include the development of an **action plan to attract or create the world's premier business events in our key niche industry areas** which can bring the primary influencers to the city.

Determine the gaps that we need to address to increase Greater Manchester's attractiveness to international visitors and their length of stay by commissioning research to better understand international visitor profile and motivations to visit GM and the North

GM Growth over the period 2011-14 was 4.3%, compared to a UK average of 12%.

Our target is to match UK average growth (12%) by the end of the Strategy period through additional investment to activate the implementation of the above Strategic enablers. This would result in additional £64million of visitor spend.

8. Build the Manchester brand and reputation by telling our story brilliantly to the global audience

The Greater Manchester success story, told in the right way, is **a compelling narrative that will build our brand and grow our reputation internationally** – and it needs to be told in the context of our overall ambition.

To further enhance our reputation we need to **extend the network of influencers telling the Greater Manchester story globally in target markets** and will include **enhancing GM's profile as the gateway to the UK and the north**. Profile will be raised through taking the Global Ambassador programme to the next level, inspirational global content pushed out by the Greater Manchester digital channel and sharing content amongst stakeholders to ensure that the message is magnified across the globe.

A shared distinct narrative and collaborative partnerships are needed to communicate our key sector strengths including: creative/tech, advanced manufacturing and life sciences, as well as financial and professional services and property development as well as cross cutting sectors including art, culture and sport that provide the richness, attractiveness, sense of place and quality of life for all. Inspiring photography and film along with welcoming messaging and diverse content is essential to convey the opportunities and aspirations to attract people to GM to visit, invest, do business, study and live.

Strategic enablers:

- **Develop the inspiring Greater Manchester narrative**, brand toolkit and world class content to share with stakeholders that communicates our track record and success story to the global audience including: education, culture, sport and other key sector organisations.
- **Create a cross sector digital platform** including: visit, invest, meet (conferences), study and live (essential info for people who are considering moving to GM) which is optimised for mobile and integrated with our social media channels.
- **Develop strategic partnerships and establish GMs brand assets, collaborating and influencing public and private sectors to enhance our profile. This will include** partnering with GREAT, DIT, Foreign Commonwealth Office and Visit Britain to develop and

share content across their networks and strengthen the Global Mbassador programme, involving our key sectors to create awareness about all of Greater Manchester's brand assets

Our aim is to improve our international status and standing measured by Anholt from 26th to 23rd over the Strategy period.

APPENDIX A: GLOBAL MARKET ANALYSIS

	% of Global GDP(2)	GDP Growth to 2020 (0.5)	Greater Manchester Linkages							Ease of doing business (1)	Score		
			Trade Activity (1)	Investment Activity (FDI, FCI, M&A)	Gov't/City rel./Net (1)	Int. Students (1)	Acad./Comm Research (1)	Tourist visitors (1)	Football (0.5)				
EU	17% (2)	1.8% (0.25)	High (1)	High FDI, FCI, M&A (2)	High (1)	High (1)	High (1)	High (1)	High (0.5)	High (1)	10.75	"PRIME" MARKETS	
USA	16% (2)	2.4% (0.25)	High (1)	High FDI, FCI & M&A (2)	High (1)	Low/Med. (0.25)	High (1)	Med/ High (0.75)	Med. (0.5)	High (1)	9.75		
CHINA	17% (2)	7% (1)	Med/High (0.75)	High major FCI (0.5) Emerging FDI (0.25)	High (1)	High (0.75)	Med. (0.5)	Med/High (0.75)	High (0.5)	Med. (0.5)	8.5		"OPPORTUNITY" MARKETS
INDIA	7% (1)	7.9% (1)	Med. (0.5)	Med FDI (0.5) Med M&A (0.5)	Med./ High (0.75)	Low /Med. (0.25)	Med. (0.5)	Low /Med. (0.25)	Low	Low / Med. (0.25)	5.50		
JAPAN	4% (0.5)	1.7% (0.25)	Med. (0.5)	Med FDI (0.5) Med M&A (0.5)	Med. (0.5)	Low / Med. (0.25)	Med. (0.5)	Low/ Med. (0.25)	Med. (0.25)	Med/High (0.75)	4.75		
UAE	0.5%	3% (0.5)	Low	FCI (0.5) Med FDI (0.5)	High (1)	Med (0.5)	Low	Low / Med. (0.25)	High (0.5)	Med / High. (0.75)	4.50		
AUSTRALIA	1%	3% (0.5%)	Low/Med (0.25)	Low	Low	Low	Low	Low/med (0.25)	Low	High (1)	2.00	"MONITOR" MARKETS	
CANADA	1.4%	1.2%	Low/Med. (0.25)	Med. (0.5)	Low	Low	Low	Low/Med. (0.25)	Low	Med/High (0.75)	1.75		
TAIWAN	0.85%	1.3%	Med (0.5)	Low/Med (0.25)	Low	Low	Low	Low	Low	High (1)	1.75		
SAUDI ARABIA	1.2%	3% (0.5)	Med (0.5)	Low	Low	Low	Low	Low/Med (0.25)	Low	Med (0.5)	1.75		
MALAYSIA	0.7%	3.8% (0.5)	Low	Low	Low	Med/High (0.75)	Low	Low	Low	Med. (0.5)	1.75		
SINGAPORE	0.5%	2% (0.25)	Low	Low	Low	Med (0.5)	Low	Low	Low	Med (0.5)	1.25		
SOUTH KOREA	1.6%	3% (0.5)	Low	Low	Low	Low/ med (0.25)	Low	Low	Low	High (1)	1.75		
BRAZIL	2.8% (0.25)	-3%	Low	Low	Low	Med (0.5)	Low/ Med. (0.25)	Low	Med (0.25)	Low/ Med (0.25).	1.5		
NIGERIA	1%	3.5% (0.5)	Low	Low	Low	Low/med (0.25)	Low	Low	Low	Low	0.75		
MEXICO	2%	2.5%	Low	Low	Low	Low	Low	Low	Low	Low	0.25		

APPENDIX B – Market Analysis Summary

PRIORITY MARKETS

EUROPE – The EU is our largest trade partner (led by France and Germany). Slow growth is forecast (1.8%) over the strategy period but it remains the most important economy for Greater Manchester. The EU provided the highest number of foreign direct investment projects to GM since 2013. We benefit from accessing key EU networks including Euro cities and Enterprise Europe Network (which provides a “dating” service for business seeking partnership opportunities). Our academic institutions have strong links with Universities across Europe and draw significant funding from EU led research programmes. The market also provides by far the highest number of our tourist visitors with 984,000 total visits from Europe to GM and £316million spend (International Passenger Survey 2015).

USA – Now the world’s third largest economy and a key trading partner for GM. Solid growth is forecast (2.7%) for the next three years. The market delivered the highest number of FDI jobs in GM between 2013 and 2016. It also provided the second highest number of tourist visitors with 97,000 total visits to GM and £55million spend (IPS 2015). . There are strong academic connections. Alliance Manchester Business School has recruited 150 top executives from the USA since 2011. The University has 7445 alumni in the USA and its BP International Centre for Advanced Materials is partnered with the University of Illinois. Salford University has also established partnerships with universities including Carnegie Mellon in Pittsburgh. GM receives 97,000 US visitors spending £55.1 million (International Passenger Survey 2015).

OPPORTUNITY MARKETS

CHINA – Now the world’s largest economy forecast to grow by 6% in 2017. It is our third largest trading partner, worth £449m in 2014. There has been a transformation in our relationship with China over the past three years which culminated in the visit of the China President in November 2015. There is the potential to build upon the major foreign capital investments in Airport City and Man City FC. FDI opportunities are also growing. New direct flights to Beijing and Shanghai commence in 2016. Greater Manchester has a strong China community (the largest outside London) and a China student population of over 4,000 (also the largest outside London). The establishment of the Manchester China Forum as a coordination vehicle has proven to be a major success. It is estimated that there is a two year window of opportunity for GM to exploit the opportunities gained from the Presidents visits in 2015 and an action plan drawn up through the Forum is now being implemented. Marketing Manchester is coordinating a cross sector 2016/17 campaign including a summer of in-territory activity in 2016 involving Manchester United and Manchester City football clubs, MCC, Manchester University and MMU, FCO, VB, BC and UK TI. The aim is to achieve the status of friendliest city for Chinese visitors. There are 33,000 total visits from China to GM spending £32million. Chinese visitors spend on average £962 per person, almost three times more than visitors from the EU (IPS 2015).

INDIA – It is the world’s fourth largest economy responsible for 7% of global output. Strong growth (in excess of 7%) is forecast during the 2016 strategy period. This growth will exceed China growth in 2016. GM has good links to India, due to historical trade connections and a large Indian population in the conurbation. There have been an encouraging number of FDI projects in the last three years and there is a good pipeline of FDI project opportunities. An India market Strategy has been developed to better exploit the emerging investment

opportunities. Academic links are also very good. Manchester University is the largest recruiter of India students in the UK. Our other academic institutions also see India as a target market. Manchester University alone has 3,374 India based alumni. Greater Manchester is seen as leading work on the UK-India Year of Culture 2017. Manchester Airport have ambitions to secure a direct flight to Mumbai and further analysis into the visitor potential will be conducted. GM receives 13,200 visitors from India spending £5.6million (International Passenger Survey 2015).

JAPAN – Provides 4% of global output and is a significant trading partner for GM, worth £224m in 2014. Greater Manchester is the base for many of Japanese owned companies including Brother and Diodes Inc. Japan provided the fourth highest number of FDI projects in GM over the past three years. There are also strong connections with academia. University of Manchester has 1,500 Japan based alumni and it is currently exploring Life Science Research opportunities with the Japan government.

UNITED ARAB EMIRATES – Provides 0.5% of global output. Although it not a significant trading partner its influence in GM is strong. UAE delivered the third highest FDI job total to GM (480 over the past three years through five projects). Abu Dhabi has extensive links with Greater Manchester, through investments in Manchester City Football Club a large capital investment in housing. It is also strongly connected with Etihad's operations at Manchester Airport. A potential twin city Etihad 'open jaws' route inbound to London and outbound from Manchester will be explored if Discover England funding is secured. UAE is a key target market for international students for the University of Manchester.