

WEST MIDLANDS

INTERNATIONAL STRATEGY

DRAFT

Contents

Foreword	3
Executive summary	3
Strategy on page	5
Introduction.....	6
Our international ambition	8
Leveraging our competitive advantage	10
<i>Global West Midlands Partnership</i>	12
A Rolling Programme.....	13
Markets	13
Prime Markets.....	14
Developing Markets	14
Drivers of Change and Key Activities	16
Trade	16
Investment	18
Innovation	20
Visitor economy	22
Measuring success.....	23

Foreword

Executive summary

The West Midlands can be proud of its past performance and its heritage: from our SME exporting base, our world-class universities and our globally-**recognised** cultural assets, the region is home to a range of actors across the public, private and academic sectors that already play a prominent role on the international stage.

[infographics on the region's performance]

[Graphics - leading brands – modern and heritage]

We have earned the right to be bold with our international ambition:

By 2030, the West Midlands will have grown its profile and reputation by leveraging its key assets and opportunities on the global stage to be seen as a leading destination in the UK and world-wide with which to trade, invest in and to visit.

The role of an international strategy in this context is twofold: to increase the overall volumes of trade, investment, innovation and visitors; to increase the value in areas where we have a competitive advantage.

[infographics on projected performance]

[infographic distinguishing assets as being regionally significant / nationally significant / globally significant P4G clusters]

As we showed during the Birmingham 2022 Commonwealth Games, when we come together as a region and with Government, we can deliver extraordinary things – our challenge is to make that approach part of our “business as usual.” To deliver the ambitions, this strategy proposes a set of three strategic priorities for the region’s international activity, each with a series of strategic objectives:

- Unlock the region’s enablers - Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit.
- Boost trade and investment - Accelerate the development of the region’s economy by boosting exports and attracting more FDI and Capital attraction
- Enable the national growth agenda - Play a prominent role in the UK’s international agenda.

Accordingly, this strategy proposes the formation of the *Global West Midlands (Global WM) Partnership* with the following mission:

To co-ordinate the region's approach to international activity by focusing our collective effort on maximising our competitive advantages in key markets, and to collectively identify areas of development and co-operation that will enable various actors' own delivery plans to come together as more than the sum of their parts – maximising value and return on investment.

This approach is more important than ever, given the increasingly volatile, uncertain, complex and ambiguous environment that is the global stage, the region has much to consider in determining how to do so:

- the future prosperity and inclusivity of the UK and its regions depends on our ability to shift towards a more productive and innovative economy
- the UK continues to reorient its relationship with Europe in the context of geopolitical instability

- there is a pressing need to transition to a net-zero carbon economy at global, national and local levels
- all of the above must be delivered in the context of resource constraints at local, regional and national levels

This strategy therefore proposes the primary areas of focus for the Global WM Partnership across key pillars and markets, identified through research and tested through consultation, around which partners can coalesce:

Market	Trade	Investment		Innovation	Visitor Economy
		FDI	FCI		
United States					
Europe					
China					
India					
UAE					

This Strategy cannot be the sum total of all of the region’s international activity. But further developing the partnerships and approaches that can both increase the volumes of trade, investment, innovation and the visitor economy; and, crucially, increase value by linking together activity the pillars of to ensure that they are more than the sum of their parts is the key, immediate priority for the region.

And of course, no International Strategy can exist independently of the various strategies and approaches in the region. Accordingly, this strategy not only enables the delivery of the *Plan for Growth*, the region’s Investment Zone and other local strategies, it is cognisant of future developments – such as *West Midlands Futures*, which will be a key input for the Global WM Partnership in shaping the region’s narrative.

This is not about control. No single organisation can lead this charge. However, the Global WM Partnership – by helping to articulate priority pillars, markets and approaches – will:

- Deliver key activity – agree and collaborate on campaigns and trade missions
- Coordinate – join up international activity to achieve maximum impact across the West Midlands
- Enable all partners indirectly – providing access to data, insight and narratives to support their own international activity

The Global WM Partnership will be underpinned by robust governance, overseen by the region’s Economic Growth Board.

Ambition: *By 2030, the West Midlands will have grown its profile and reputation by leveraging its key assets and opportunities on the global stage to be seen as the leading destination in the UK and world-wide with which to trade, invest in and to visit.*

Three strategic priorities for the region's international activity have been identified, each with a series of strategic objectives:

- 1. Unlock the region's enablers** - Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit
- 2. Boost trade and investment** - Accelerate the development of the region's economy by boosting exports and attracting more FDI & Capital
- 3. Enable the national growth agenda** - Play a prominent role in the UK's international agenda

A delivery model - the 'Global West Midlands Partnership' - will bring together and align the efforts of stakeholders around international activity. The purpose of such a delivery model would be to:

- **Deliver together** – bringing partners and agencies together to maximise the value of international opportunities, such as trade missions, across the region.
- **Co-ordinate** – ensuring that there is a mechanism by which planned activity can be shared to avoid duplication and identify opportunities to deliver together
- **Enable International** – providing the insights, data and information which can be shared across the region so that all stakeholders undertaking international activity can actively promote the region and its opportunities.

Trade

Investment

Innovation

Visitor Economy

Introduction

This International Strategy for the West Midlands has been developed for and with stakeholders across the region and with Government. As the first such strategy for the region, its primary purpose is to create the conditions for the West Midlands Combined Authority and local authorities to come together with businesses, investors, Universities and the region's cultural, sporting and reputational assets to identify areas of development and co-operation to enable us to enhance our position on the global stage.

The West Midlands can rightly be proud of its past performance. In recent years, we have:

- Delivered the Birmingham 2022 Commonwealth Games and Business & Tourism Programme
- Attracted more FDI than ever before, including 181 new projects in 2022/23 alone, with major firms – such as Jaguar Land Rover, HSBC, Goldman Sachs and the British Broadcasting Corporation having long-term commitments in the region
- Exported £40.5bn worth of goods & Services, representing 6% [£654bn] of the UK's total in 2021
- More recently, in 2022 the West Midlands Exported £29.9bn of Goods, 8% of UK Goods Exports
- Invested £2.2bn in research & development (2020), with £747m (2021) coming from government funding
- In 2021/22 attracted 242,640 HE Students (10% of England total) with 192,305 from across the UK, and 50,340 international students
- Been awarded top positions in the Meetings, Incentives, Conferences & Events industry's leading international rankings and reports, including ICCA, BMEIS and CVENT – meaning we were the natural home for the SportAccord World Sport & Business Summit 2024
- Secured the West Midlands "trailblazer" development deal – one of two in the country – and the West Midlands Investment Zone, the only one in the country with three sites across the region

What's more, the West Midlands has been propelled into the international spotlight and captured the imagination of millions worldwide through the hit BBC series *Peaky Blinders*, created by the region's own Steven Knight. The region offers an enviable choice of visitor attractions making it a destination for a weekend break or family outing, while our dynamic culture and arts scene is home to some of the world's most renowned performing arts companies and state of the art performance spaces, as showcased through Coventry City of Culture.

Building on the Birmingham 2022 Commonwealth Games, we have an exciting pipeline that is set to further cement our status as a leading international host of major sporting events. Visitors can enjoy Michelin-star food, classical concerts and ballet world premieres, contemporary exhibitions, home grown productions, alternative shopping, drinking and dining experiences, large-scale commercial shopping outlets and major attractions. This quality of life offer, coupled with a cost-of-living ratio that exceeds the national average, means the West Midlands is a compelling destination for talent.

The region's firms are continuing to adapt to the UK's new role in the global market, with a 25% upturn in exports in the year to February 2023. While export levels are yet to return to their pre-pandemic highs, the confidence of West Midlands firms is rising and being driven by client demand, new product development and diversification. Following the establishment of the UK-EU Trade & Cooperation Agreement, the Government has established trade agreements with Australia, New Zealand, Singapore and Japan amongst others, with more – such as India and China – in the pipeline.

Linked to this, a set of new market opportunities are emerging – for example:

- The industrial structure of global trade is very different to GDP – goods sectors dominate trade. But global trade is expected to gradually become more services-oriented over time. Service sectors are expected to account for 28% of global trade by 2035, up from 25% pre-pandemic.
- Sectors such as digital and creative and financial and professional services continue to deliver the highest absolute numbers of projects. While absolute numbers in 2021 were down by 25% since 2019, locations offering high specification, flexible space with good low carbon and EDI credentials are in a strong position to attract investors looking for hybrid working solutions.
- In the wake of supply chain disruptions, manufacturers are increasingly opting for local and near-shore supply chain footprints. This has led to a 11% increase in foreign owned first tier suppliers and others lower down the supply chain establishing operations in the UK's manufacturing heartlands in the Midlands and the North.
- Growth in investment is being led by emerging technologies in net zero and 'clean tech' segments such as electric vehicles, battery technologies and advanced methods of construction.
- Project numbers in markets which have traditionally dominated such as the EU, US and China volumes are significantly down on their pre-pandemic peaks. They are rising strongly, however, in new emerging ones where companies are looking to strengthen their UK presence post-Brexit. These include Turkey and especially India which leap-frogged Germany and France to become the second largest source market for UK inward investment.

The region has a huge opportunity now to maintain its momentum and establish itself as a major player on the global stage – building on its strong economic fundamentals and the game-changing “gearshift” interventions being developed and delivered by our anchor institutions and strategic innovation assets. But this is not a strategy which attempts to pick winners: rather, its purpose is to create a new way of working for the region to leverage its strengths, opportunities and competitive advantages in international markets, increasing both the volume and value of trade, investment, and visitors, to enable the West Midlands to achieve its wider economic development objectives.

Our international ambition

The West Midlands has shown that it has what it takes to compete on the international stage, while our assets and opportunities mean that we have the right to be bold in our ambition:

By 2030, the West Midlands will have grown its profile and reputation by leveraging its key assets and opportunities on the global stage to be seen as the leading destination in the UK and world-wide with which to trade, invest in and to visit.

To achieve our international ambition, we have put in place three headline strategic priorities – each with their own strategic objectives. These strategic objectives are intended to shape the work of regional partners on international activity. Through these objectives, the region will be able to identify areas of development and co-operation and set the conditions for a business/partner-led approach which will maximise the impact of resources we have to align an international approach with our regional objectives:

Strategic priorities	Unlock the region's enablers	Boost trade and investment	Enable the national growth agenda
	<p>Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit</p>	<p>Accelerate the development of the region's economy by boosting exports and attracting more FDI and Capital Attraction.</p>	<p>Play a prominent role in the UK's international agenda</p>
<p>Strategic objectives</p>	<ul style="list-style-type: none"> • Develop ecosystems and partnerships within the region which support trade, investment, innovation and the visitor economy • Support the attraction of global talent into regional higher education institutions and fast-growing firms • Supporting the growth of tourism and the wider visitor economy 	<ul style="list-style-type: none"> • Increase the value of our trade within global value chains and supporting the specialisation of our exporters. • Attract investment through both Foreign Direct Investment and Foreign Capital Investment to the region in support of economic priorities. • Contribute to the delivery of the <i>Plan for Growth</i> by supporting established clusters and developing a forward view to help nascent clusters grow. This will include working with regional cluster lead bodies. • Increase support for local firms to encourage exports, including by increasing a culture of export, especially within the SMEs of our key sectors. 	<ul style="list-style-type: none"> • Influence national trade, investment and tourism agendas, and the negotiation of Free Trade Agreements • Proactive engagement of the regional business community to gauge their needs and opportunities, and inform national policy • Establish clear narratives for the region in international markets that harnesses our competitive advantages.

To achieve this, we have identified a set of outcomes which will be used to focus activity: [targets being developed]

Trade	Investment	Innovation	Visitor Economy
<ul style="list-style-type: none"> • Increase number of exporting firms within the West Midlands • Increase the percentage of SMEs within the West Midlands who are exporting • Increase West Midlands service exports 	<ul style="list-style-type: none"> • Increase the number of high-value FDI projects landing in the West Midlands – classified by high-employing, R&D focused or sustainability driven. • Support regional growth through attracting projects outside of the traditional FDI destinations in the West Midlands. • Increase foreign capital investment (FCI) into the West Midlands start-up and scale-up ecosystem. • Support the identification and development of investable propositions for capital to support Inclusive Growth 	<ul style="list-style-type: none"> • Increase public sector funding through programs such as Horizon to further improve the region’s innovation ecosystem. • Position the region as a national and global leader in research across key clusters. • Attract more international talent and students from key markets to the West Midlands. • Work with inward investment teams to prioritise attracting FDI with an R&D focus. 	<ul style="list-style-type: none"> • improve both the visibility of the region and positive perception. • Increase the number of international overnight stays in the West Midlands. • Work with Birmingham Airport to increase the number of international arrivals into the West Midlands through more flight links with target markets. • Increase the number of Business Conferences, Sporting Events, international trade shows and exhibitions hosted in the West Midlands.

Leveraging our competitive advantage

This is about a regional stock of “**soft power**” - which is accumulated across the West Midlands when its people, businesses and anchor institutions engage with the global community. Accordingly, soft power is **the influence that a place has around the world to drive the desire of people to visit, trade and engage with a region over the long-term**. Those assets and connections are therefore crucial in pursuit of our ambition – but their presence of those assets and connections alone will not be enough if we are to make a step-change.

Maximising the region's soft power to effectively leverage our competitive advantage requires the development of a **clear identity and unique selling point** for the region. To do so relies upon a clear understanding of our assets – and particularly those that confer a genuine competitive advantage on the global stage – to tell compelling stories to the world about who we are and why it should invest in, trade with or visit us.

Rather than a single narrative for the region to be applied in all circumstances, this International Strategy proposes developing **a strategic approach** to narrative which partners and Government alike can utilise in various forms of marketing and engagement. This includes **positioning specific opportunities in specific places in the most relevant and powerful wider regional or national context** for that audience and that purpose.

Through its civic leadership, heritage, global brands and firms, world-class universities and diaspora communities, the West Midlands already has an array of networks with, connections to and influence in international markets. In particular, our research indicates the a number of them have particular resonance on the global stage:

Economic	Historical and reputational	Cultural, sport, leisure, and hospitality	Innovation & research	Institutional & civic
HS2, and the wider development at Birmingham Curzon and Arden Cross Birmingham Airport West Midlands Investment Zone, including the Green Innovation Corridor, Birmingham Knowledge Quarter and Gigapark Mindforge National Exhibition Centre WM5G	Shakespeare Cadbury’s & Bournville Peaky Blinders The home of heavy metal Joseph Chamberlain Innovation and manufacturing heritage, particularly in automotive and jewellery	Alexandra Stadium Cultural Gateway Black Country Living Museum Aston Villa Football Club and Villa Park Wolverhampton Wanderers Football Club and the Molineux Stadium Warwickshire County Cricket Club and Edgbaston Stadium City of Birmingham Symphony Orchestra Birmingham Royal Ballet The Grand Hotel New Art Gallery	UK Battery Industrialisation Centre Warwick Manufacturing Group and Manufacturing Technology Centre The National Brownfield Institute Birmingham Health Innovation Campus Energy & Bioproducts Research Institute STEAMHouse Innovation Accelerators Energy Capital Black Country Innovation Manufacturing Organisation	Elected mayor and “trailblazer” devolution deal Mature partnerships with national government Seven metropolitan authorities Globally competitive universities Global diaspora community Twin city/borough links

		Birmingham Museum & Art Gallery Six Michelin		
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Underpinning the assets listed above and opportunities is the region's *Plan for Growth*, it identifies a competitive advantage (and significant growth potential) in eight established clusters:

- Professions & financial services and supply chain
- Health-tech and med-tech
- Creative content production and gaming
- Manufacturing of electrical light vehicles and associated battery storage devices
- Aerospace (including manufacturing of alternative fuels)
- Modern and low carbon utilities
- Logistics and distribution
- Manufacturing of future housing

The *Plan for Growth* alongside the regions development of Investment Zone with Government and its Devolution Deal confer an array of mechanisms which in tandem with the assets identified above encapsulate our competitive advantage as a region. The value of each of these is that they should be central the activity undertaken to secure trade, investment, innovation or attracting visitors to the West Midlands.

These assets together, individually, and collectively are our sense of ourselves, our brand and the identity that makes what we have, and what we do unique. However, these advantages that we have are only effective when part of a wider approach which brings the relevant partners together to truly utilise the value that these assets bring in the pursuit of an array of international objectives.

Global West Midlands Partnership

Taken together, from our International Ambitions through to our Competitive Advantages as a region the International opportunity for the West Midlands requires **a holistic response at a local, regional and national level**. This is about more than simply promoting the region and facilitating trade and investment – it must ensure that key partners have coordinated, long-term plans to provide the connectivity, land and wider infrastructure, skills development, business support and place-making required to attract long-term investment in the sectors, clusters and outcomes the region needs. This strategy therefore proposes that:

- We must **focus on leveraging the unique opportunities** in the region that give us a competitive advantage
- **In the face of evolving geopolitics, we must prioritise agility** – balancing new market penetration alongside developing of existing markets
- To enable **the sustainable and inclusive decarbonisation of the region's economy**, we must focus on opportunities that will drive the actions of #WM2041
- We need to **take multifaceted approach** – one that values partnership and collaboration over silos and targets

While the region has earned the right to be ambitious, given the resource pressures on public sector budgets, the need for closer, more deeply embedded partnership working is clear.

How we mobilise the region to deliver against the priorities will be dependent on how effective we are in bringing together key stakeholders around international activity and creating the conditions for the public, private and academic sectors to identify areas of interest, priorities and mutual need and benefit which can be delivered in partnership.

Hence, **we propose the Global West Midlands Partnership** – comprised of the West Midlands Combined Authority (and organisations including the West Midlands Growth Company and Business Growth West Midlands), Government (including the Department for Business & Trade and VisitBritain), the region's local authorities and universities, leading businesses and cultural & sporting organisations.

Its mission to co-ordinate the region's approach to international activity by focusing our collective effort on maximising our competitive advantages in key markets, and to collectively identify areas of development and co-operation that will enable various actors' own delivery plans to come together as more than the sum of their parts – maximising value and return on investment.

In practice, its role will be to act as the **guardian of the region's International Strategy** and its objectives; **establish a rolling programme**, including identifying and securing resource; and **ensure coordination and alignment of activities to deliver trade, investment, innovation and visitor economy** outcomes.

The Partnership will be **supported by an Expert Reference Panel**, made up of experts and academics with an interest in the work of the International Strategy, who will help shape the programme and in doing so will ensure that the the Partnership is appraised of the latest developments around the four pillars. The Partnership – and the rolling programme – will be overseen by the Economic Growth Board, which would approve the programme of activity, including agreement of priority markets, and providing oversight and scrutiny of inbound FDI from regions/countries of concern as defined by national government.

Developing this will be about **aligning what is already being done, identifying gaps which can be filled and improving communication between** areas of work to ensure that opportunities in one area can be utilised in multiple ways to maximise the impact of resources. An immediate priority is to develop and standardise the delivery model in established markets and then utilise these models to support access to new markets. The development of the programme will then depend on the mobilisation of the region, including the allocation of resource.

A Rolling Programme

A proposed structure is as follows. Although it is presented in sequence, in reality these elements will run concurrently:

- **Planning:** process with businesses and cluster / representative bodies that looks at pillar priorities and identify markets over next 12- 24mths. Supported by research and insight from DBT, WMGC and partners.
- **Delivery:** execute activities e.g. trade missions, targeting of strategically-important firms, targeted capital attraction in those markets. This could also include either specific country target strategies including sub-regional operations linked to key sectors or indeed specific sector development such as those identified through the innovation accelerators.
- **Impact & Evaluation:** relationship management and soft-landing activities; assess impact; ensure client feedback/lessons are factored back into planning (e.g. skills, business support, fiscal incentives, digital or energy capabilities).

The rolling programme is itself based on three forms of activity; this allows the Global WM Partnership to be clear about what the expected impacts are for a given activity. The three types of activity are:

Delivering together

Planning and executing joint campaigns to maximise impact through the Global West Midlands Partnership and with the Economic Growth Board. This is primarily through the areas identified in the Primary Areas of Focus, and should be aimed at defining and resourcing activities which can deliver across all four pillars with partners and delivery agencies working together.

Coordinating the region

This is focused on the ensuring that the operations of individual agencies around international are co-ordinated to ensure that individual partners' activity is aligned to agreed markets and opportunities is proactively planned, delivered and evaluated for potential wider links within the region and/or the development of future campaigns. This will include the alignment of agendas such as infrastructure, business support and skills development.

Enabling International

The International Strategy is not about narrowing the region's ambition or ability to undertake international activity. However, partners that are doing international work which is beyond the scope of the International Strategy should still have access to data, insights, as well as narratives and promotional materials to ensure that their own work is complementary to the priorities of the rolling programme.

Markets

A key element of any international strategy is the need to identify markets. In doing so, this Strategy does not define the limits of our partners' activities – rather, it provides a critical mass of opportunities to drive trade, investment, innovation and visitors around which partners can coalesce, in order to maximise our impact and return on investment.

To enable this, the Strategy outlines a set of Prime Markets and a set of Developing Markets that have been identified based on:

1. Established business need or opportunity
2. Established or potential innovation partnerships linked to Plan for Growth clusters
3. Stakeholder presence (e.g. presence of HEI campus), including the region's civic and cultural connections.

Prime Markets

The following Prime Markets have been identified based on their current propensity to trade with, invest in and visit the West Midlands, and with the potential to drive further outcomes with the right package of interventions, and validated through the consultation.

Prime Markets reflect places where the region already has established links in at least three out of four pillars. This means that additional activity is likely to build on long-term links. For example, the United States of America will reflect the UK's long-term relationship and there is likely to be extensive opportunities across the country at a sub-regional level for different stakeholders. This should act as a point of focus for activities with clearly identified sub-national locations within the USA being developed in support of key stakeholders within the Pillars (for example the Aerospace linkages with Aerospace firms based in Ohio).

The Global WM Partnership is responsible for agreeing the Prime Markets and if activity within a Prime Market declines across the pillars then the Partnership can agree to replace it. It is expected that, over time, developing markets will become prime markets either expanding from the initial list of five or replacing one of the others. The list of initial Prime Markets are highlighted below:

Market	Trade	Investment		Innovation	Visitor Economy
		FDI	FCI		
United States					
Europe					
China					
India					
UAE					

Developing Markets

Through the development of the strategy numerous countries and regions have been suggested for inclusion across the pillars. Whilst the following table is not exhaustive, it represents markets that were identified through research (such as untapped opportunities based on sector similarities or the in-market presence of regional institutions) and validated through consultation with partners and industry. It is worth noting that references to regions or regional partnerships such as (CPTPP) have been taken to mean all of the countries within those areas.

Trade	Investment		Innovation	Visitor Economy
	FDI	FCI		
Australia/New Zealand	Middle East	Australia/New Zealand	Canada	South East Asia
Canada	Australia	Canada	Israel	Australia/New Zealand
Egypt	China	Japan	Japan	
Indonesia	Singapore	Saudi Arabia	South Korea	
Turkey				
South Africa				
Vietnam				

As the delivery model is put into practice, the identification, research and planning of activity around developing markets will be finalised as part of the rolling-three year programme and be determined by the Global WM Partnership.

Drivers of Change and Key Activities

Part of the development of this strategy has been a review of the background evidence which can be used for determining the main elements of why there is a need for the Global WM Partnership. The overriding strength of the partnership is its ability to complement what is already being done within the West Midlands (including the Plan for Growth, the Inclusive Growth Framework, #WM2041, the region's Investment Zone and forthcoming West Midlands Futures) and at national level (such as the UK Battery Strategy, Advanced Manufacturing Plan, Net Zero Strategy and British Energy Security Strategy) to support the expansion of trade, investment, encourage innovation and draw visitors to the West Midlands.

The following section explains how we will deliver our International Ambition which reflects a set of three strategic objectives:

- Unlock the region's enablers - Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit.
- Boost trade and investment - Accelerate the development of the region's economy by boosting exports and attracting more FDI and Capital.
- Enable the national growth agenda - Play a prominent role in the UK's international agenda.

These Strategic Objectives are complimented by a set of outcomes set against four pillars of Trade, Investment, Innovation and Visitor Economy. These four pillars are grouped under the first two objectives and the third objective, Enabling the National Growth Agenda, reflects the development of a set of cross pillar approaches which will draw on the advantages which the West Midlands has through its Devolution powers to play a role in the development of national international approaches.

Each pillar has a summary of the key research undertaken on the key challenges and opportunities which the region can address through the International Strategy. This is followed by a summary of activity linked back to the delivery model pillars - this is high-level at this stage and would be reviewed and developed further through the Delivery Model.

Trade

- There is significant uncertainty around the global economy, the development of industrial strategy (such as the Inflation Reduction Act in the USA) and geopolitical tensions all of which create the conditions for further changes in Global Value Chains.
- Global trade is expected to gradually become more services-oriented over time. Service sectors are expected to account for 28% of global trade by 2035, up from 25% pre-pandemic.
- However, trade growth elsewhere means that, if past trends continue and absent policy changes, the UK share of global exports is likely to fall to 2.5% of global exports by 2050, down from 3.1% in 2021.
- The region is strong on goods exports rather than services, however Goods exports are driven by a small number of large exporters. There is a need to develop both the volume of exports from the region's different sectors as well as increasing the value of exports by focusing on new sectors.
- Due to an array of factors (such as the Covid-19 Pandemic) which have impacted on the number of firms exporting there is a need to try and support a culture of exporting & trade to encourage more firms the export.

- Part of such a culture is creating the support which expands both the types of sectors and firms need to start and continue to export with consideration of the needs of specific sectors such as those firms in the creative industries in terms of access to specific markets like Europe.

In 2022, the West Midlands region exported nearly £29.9bn and imported £42.6bn worth of goods, leading to a trade in goods deficit of £12.7bn. The West Midlands region accounted for 8.0% of UK total exports in 2022. The West Midlands Services exports is around 34% of exports for the region, the national average for services exports is around 41%, growing this share is crucial to both increasing the overall volume and value of trade .¹

More widely, the region's trade is reasonably concentrated in goods rather than services, and both are also reliant upon a narrow number of sectors around financial services and advanced manufacturing. The need to both expand the number of exporting sectors within both goods and services is key to ensuring that the region benefits from trade in future. This includes capturing the global growth in services, digital economy as well as the potential for future trade around advanced manufacturing.

Outcome	Delivering Together	Co-ordinating the Region	Enabling International
Increase number of exporting firms within the West Midlands	Joint WMGC/DBT trade missions to key markets to include open invitation for non-exporting firms	Linking region export priorities with International Trade Advisers (DBT) and aligning to DBT Global Network	Building import, export, and investment into all aspects of the WM Business Support ecosystem
Increase the percentage of SMEs within the West Midlands who are exporting	Identify a selection of SMEs to engage in trade missions and promote to International Trade Advisers	Develop an overview of SME programmes within the region between BROs, HEIs and others.	WM Partners to promote exporting through the supply chain
Increase West Midlands service exports	Jointly commission pilot projects supporting service exports in new sectors.	Commission research into support needs around service exports.	Aligning Business Support WM with DBT and WMGC activities to promote SME trade.

¹ ONS International trade in UK nations, regions and cities: 2021

Investment

- Investment performance has been good in the region through its ability to utilise events such as the Birmingham 2022 Commonwealth Games to attract opportunities. Yet the region is a relatively middle of the pack performer compared to international competitors.
- Global Investment is working through a major shift in monetary policy with higher interest rates, inflation, and financial conditions likely to impact across the globe.
- There is an opportunity for the region to utilise the networks, links and intelligence which are held by multiple partners across the region to cultivate long-term investment relationships.
- Through developments such as the Investment Zone within WM, there is an opportunity to focus our efforts on a few key strategic opportunities which can be utilised across the region offer.
- However, there is also a need for investment across the wider region especially in areas where traditionally investment has been difficult to secure.
- There is a lot of potential Capital to be attracted on a global basis, but it requires clear set of propositions and sites. This includes the development of an overview of how that capital is brought into the UK in the first place, versus the development of a direct approach to investors.

The region's Investment needs are either in terms of Foreign Direct Investment and capital (real estate & infrastructure) attraction. Both serve distinct purposes in terms of the impact and role they will play in the regions economy.

In general, the West Midlands has been successful at generating investment into the region. The West Midlands attracted 181 Foreign Direct Investment projects landed in the West Midlands during the 2022/23 financial year overtaking the South East for the first time and representing 10% of the UK's total FDI wins – much of this was bolstered by the advent of the 2022 Commonwealth Games held in Birmingham. However, compared to international competitors the West Midlands performs at middle of the pack for FDI attraction, and the majority of FDI still lands within London and the South East predominately. It has also been concentrated, with FDI has focused largely on opportunities in and around Birmingham and our cities. This has reflected a market led approach of firms being supported to access sites which meet their needs.

There is also a challenge around the attraction of Capital investment into the region. Whilst the West Midlands has had some success in attracting capital into the region, it still lacks an array of high-quality investible propositions that compete with either wider UK or global opportunities. Any international targeting strategy for investment into real estate & infrastructure must be in the context of a vast majority of investment into UK real estate coming via UK-based Investment Management teams, largely operating from London. Moreover, investment requires a continued general promotion of the West Midlands with audiences within the UK and in Global markets. This can include developing links with Sovereign Wealth Funds, but requires either large scale single projects or a series of parallel medium-to large scale projects.

More broadly, initial priority sectors were identified in the West Midlands Plan for Growth– advanced engineering and future mobility, tech and creative, data driven healthcare and life sciences and modern business services. Utilising both FDI and Capital investment to deliver against these areas, as well increasing investment into SMEs and start-ups, should be seen as a key enabler for the development of trade within the region. Linking regional firms to potential investment, or bringing new firms into the region are key parts of growing the overall value of our trade through links to Global Value Chains.

Outcome	Delivering Together	Co-ordinating the Region	Enabling International
Increase the number of high-value FDI projects landing in the West Midlands – classified by high-employing, R&D focused or sustainability driven.	Support the delivery of the regions Investment Zones including the creation of site specific and region wide approaches.	Develop an Investment Framework to prioritise place-based and sector-based activity including way of working between WMGC and DBT on investment.	Support the development of inward investment capacity within universities
Support regional growth through attracting projects outside of the traditional FDI destinations in the West Midlands.	Deliver a comprehensive soft-landing package for new investor including developing links with trade missions and wider trade activity.	Work with Universities, Local Authorities on case development and promotion for FDI into the West Midlands.	Develop shared collateral for promoting wider region for investment.
Increase foreign capital investment (FCI) into the West Midlands start-up and scale-up ecosystem.	Develop a regional M&A framework for supporting the development of capital into the start-up approach.	Identify potential areas for WM support for 'Universities as a driver of Trade & Investment' Midlands Project.	Ensure HEIs, Cluster bodies (e.g. Creative Central) have access to insights, data, and surveys to promote through their own campaigns.
Support the identification and development of investable propositions for capital to support Inclusive Growth	Joint work between WMGC and DBT on support for Place-Based Strategies	Use Global West Midlands Partnership to coordinate Capital investment projects and ensure delivery links to Inclusive Growth Framework.	Establish clear insights briefings and promotional material which can be used with investors – identifying common infrastructure needs over the next 10-20 years.

Innovation

- The West Midlands benefits from an array of world class research linked sites, campuses, industry hubs as well as science and business parks.
- In 2021/22 WM attracted 242,640 HE Students (10% of England total) with 192,305 from across the UK, and 50,340 international students.
- The region has benefited from around £2.2bn in research & development (2020), with £747m (2021) coming from government funding.
- However, the region has a relatively low level of public sector investment into R&D (8th UK region) and a lot of private sector investment is in narrow fields of manufacturing and engineering.
- Being able to utilise key clusters from within the Innovation Accelerators could be a major enabler of both trade and investment within the region. This would involve a focus on Creative-Tech, Med-Tech and Clean-Tech and the sub-cluster technologies such as AI, 5G and Additive Manufacturing.

Innovation in the West Midlands is an enabler of growth, trade and investment. The region's approach to innovation through the Innovation Accelerators, the work of its universities and its focus on supporting critical areas of green technology, clean technology and advanced manufacturing are essential elements for supporting an expansion of trade, securing investment and delivering against the Plan for Growth and a more inclusive economy within the West Midlands.

The main challenge is securing the means to keep the pace around innovation. This is as much about securing talent for the region as it is about increasing the level of public R&D invested within the region. The International Strategy provides a means to support a broadening out of private R&D into new sectors and this should, if done successfully, link with an increase in goods and services which the West Midlands can develop and then use either across the UK or can become the new sectors for export which are needed.

Outcome	Delivering Together	Co-ordinating the Region	Enabling International
Increase public sector funding through programs such as Horizon to further improve the region's innovation ecosystem		Support HEI's to continue to target opportunities, such as Horizon Europe, to bring in more international public funding into regional R&D projects and programmes.	
Position the region as a national and global leader in research across key clusters	Identifying exemplar projects and concepts to share through trade missions to promote the regions innovation assets.	Utilise Innovation Accelerators linked activity & the Global Growth Programme to test support models for soft-landing support for investment.	
Attract more international talent and students from key markets to the West Midlands	Campaign to promote the region offer to international students, researchers and academics.	Ensure upcoming trade missions and international activity is available to HEI recruitment teams to co-ordinate effort.	All trade missions have access to latest collateral and materials from WM universities.

<p>Work with inward investment teams to prioritise attracting FDI with an R&D focus</p>	<p>Investment & trade link – map the identified clusters and sub-clusters against potential export, import and investment needs and link to DBT International trade advisers and WMGC to develop campaigns.</p>	<p>Develop support programmes – linking in the Global Growth Programme accelerator model – to support Innovative firms to export.</p>	<p>Mapping the innovation subclusters against investment, export and import needs.</p>
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Visitor economy

- The value of international travellers stems from the higher spend than domestic travellers, on average three times more on each trip (IPS, 2017). However, the global travel market is increasingly competitive, with the size of the potential market increasing as more tourists have the means to travel.
- Yet, the UK's share of that market dropping even pre-pandemic from 6th most visited country in the world in 2016 to 10th in 2019. Boosting the competitiveness of the UK as a global visitor destination through marketing and promotion and by ensuring that the country is welcoming to tourists in terms of visa offer and border welcome are key elements to address.
- Linked to this the inbound visitor economy is heavily skewed towards London and the South East, with London accounting for 52% of all international inbound overnight stays and 56% of all international visitor spend in 2019.
- The WM visitor market is highly consumer and domestic-focused. International familiarity with Birmingham (43%) and West Midlands (26%) remains low (WMGC perceptions survey).
- Part of the solution will stem from the work which the region is already doing to develop its Destination Delivery Partnership, deliver against the regions Tourism Strategy. There is a considerable opportunity through the development of global links through travel trade. The travel trade remains highly effective in reaching larger numbers of potential clients in multiple markets via existing channels and opportunities (VisitBritain, 2022).

On the back of the Commonwealth Games and Coventry City of Culture, the West Midlands welcomed 141.2 million visitors in 2022, exceeding the previous record set before the COVID-19 pandemic. Spending by visitors to the West Midlands in 2022 rose to £14.1 billion, up by £4 billion (39%) from 2021 and £1 billion (7%) more than pre-Covid figures in 2019.

Around the Visitor Economy, the region's competitive advantages stem as much from its reputation as home to unique brands, sites and places which are part of the wider story of the UK to global audiences. This is more than attracting visitors, its about growing our reputation for hosting global events, its about travel trade links its about how the region works together.

Outcome	Delivering Together	Co-ordinating the Region	Enabling International
Improve both the visibility of the region and positive perception.	International Campaigns to promote region including visitor offer.	Use the Global WM Partnership to build the renewed Tourism Strategy priorities into the rolling programme.	Ensure a common set of promotional material is available to partners to promote the region and its visitor offer.
Increase the number of international overnight stays in the West Midlands.	Ensure Travel Trade and Tourism offer is built into Trade missions.	Back a UK-leading approach to the development and distribution of the travel trade offer	
Work with Birmingham Airport to increase the number of international arrivals into the	Through the Global WM Partnership identify activity through other pillars to	Work closely with the Airport to understand existing and new routes as well as trends in visitor data to increase the number of	Ensure collateral promoting Birmingham Airport is available to support trade mission's preparations.

West Midlands through more flight links with target markets.	support delivery of Birmingham Airports strategy.	international passengers coming through Birmingham Airport.	
Increase the number of Business Conferences, Sporting Events, international trade shows and exhibitions hosted in the West Midlands.	Mobilise a region-wide programme to attract and host more international business events.		

Measuring success

The development of our measures of success will be primarily linked back to the delivery of the outcomes identified. The Global WM Partnership rolling programme also includes a stage for evaluation for activity which is intended to provide insights to shape future activity. Beyond the specific outcomes above, we will have regard to the following measures which act as indicators of general progress within the region against our overall strategic priorities:

- The profile and reputation of the West Midlands in key markets
- The region's position in global rankings, such as FDIintelligence's European Cities of the Future and the International Congress & Convention Association
- The volume and value of foreign direct investment, and its impact on the clusters identified in the Plan for Growth
- The volume and value of goods and services exports
- The volume and value of visitors, conferences and events
- The international reputation of our universities
- The number of direct, point-to-point connections from Birmingham Airport

Crucially, no single institution will be accountable for performance against any of the above – rather, they are a reflection of the collective effort the region makes to establish itself on the global stage.