

**West of England Local Enterprise Partnership
Board meeting – 1.10.20**

West of England International Market Prioritisation Study

Purpose of the report

To share with the LEP Board a first draft of the West of England International Market Prioritisation study commissioned by the West of England Combined Authority (WECA) and delivered by OCO Ltd.

Recommendations

The LEP Board to consider the draft report and advise on the draft conclusions and recommendations.

Background

1. The West of England Local Industrial Strategy recognises the region's strengths and assets, setting out clear priorities to drive sustainable economic growth. It was determined that in order to fully capitalise on global market resources and capabilities, a coherent long-term approach to international market engagement was needed to ensure that the region continues to attract high quality foreign direct investment, raises its international profile, and further supports businesses in overseas trade and international collaboration. The importance of inward investment and trade in driving economic recovery, has also been recognised as a key 'strategic priority' by the Regional Recovery Taskforce.
2. The study results would also be used to help develop a more evidence based and targeted business plan to guide the work of Invest Bristol and Bath (IBB) – the combined authority's inward investment service.
3. To help deliver this ambition, WECA commissioned OCO Ltd to undertake a detailed market prioritisation strategy that identifies and categorises a series of source markets based on level of fit with current capabilities, demands and pre-existing regional plans and activities. This included 5 main areas of focus:
 - *Review of Regional Priorities* - analysis of the markets which are most commonly cited by each regional agency and the drivers behind the selection of this market;
 - *Supply & Demand Side Analysis* - analysis outlining those markets which show the greatest FDI potential for WECA's priority sectors;
 - *Review of WECA and partnership organisations* - a series of recommended potential engagement activities by sector and market that would be both feasible and beneficial to the region's efforts in growing FDI, trade and collaboration;

- *Benchmarking Competitor Agencies* - SWOT analysis of select competitor agencies and implications for the region; and
 - *Stakeholders Consultations* - final report that presents the market prioritisation strategy with accompanying evidence, including any views shared by select teams on proposed prioritisation.
4. The attached report presents the outputs of the study including the supporting evidence, findings and recommendations.

Next Steps

5. Section five of the report sets out a series of insights and recommendations, which will now be worked through in detail. These include, for example:
- Explore new methods of FDI attraction using technology to access global resources – changing work patterns, such as the move to remote working and virtual conferencing present an opportunity to access a globalised market for resources, FDI and trade.
 - Conduct scenario planning to prepare for a variety of circumstances – political, economic, social and natural. Using market insights and external databases can support this preparatory planning.
 - Creative, Aerospace and Advanced Manufacturing are some of the West of England's key sectors, and certain subsectors within these are likely to be some of the hardest hit by Covid-19. The region should consider focusing short term efforts towards job retention and account management of businesses in the region, rather than seeking new businesses and projects. FDI attraction and Trade activities should be focused towards subsectors which are more resilient or are bucking the trend and growing.
 - The West of England should help to develop and shape a trade and investment strategy for the Western Gateway area. To help this, a new steering group could be created, bringing together a variety of economic development organisations in the region - this could be aligned/integrated with the governance structure of the Western Gateway to enable a broader strategic view of opportunities.
6. In relation to the final two points above, WECA is leading with partners an extension of the study to cover the Western Gateway geography. This will follow a similar methodology and create a robust evidence base to inform any future trade and investment activity across the partnership. A draft report is expected in late October/early November 2020.

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Annex 1: Draft Study