# THE WEST MIDLANDS CREATIVE, DIGITAL & TECHNOLOGY

The West Midlands One region, many worlds

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### From Singapore to the UK: Growth Opportunities in the UK's fastest-growing Tech cluster

West Midlands Growth Company Investment Seminar Thursday 16 February 2023



#### Thursday 16 February 2023 – West Midlands Growth Company (WMGC)

WMGC Investment Seminar Programme – 15:30pm to 17:00pm

15:30 – 15:35pm Introduction: Sarath Menon, Orissa International (In-market representative of WMGC)

15:35 – 15:40pm Welcome Remarks: Natalie Black CBE, HMTC for Asia Pacific, DIT

15:40 – 16:15pm Presentation: Jon Baty and Chris Lau, WMGC

16:15 – 16:30pm Presentation: Aga Manhao, Founder and Managing Director, Primacy Technology

16:30 - 17:00pm Q&A

17:00 – 17:30pm Networking Reception



### NATALIE BLACK CBE

HM Trade Commissioner for Asia Pacific **Department for International Trade** 





### JON BATY Head of Inward Investment West Midlands Growth Company





# WHY THE UK FOR TECH & SERVICES INVESTMENT?



## WHY THE UK?

As the 5th largest economy in the world and home to 67.1 million people, the UK offers investors a significant, globally connected market.

Its unique mix of world-class expertise and talent, flexible and liberal labour laws, and streamlined **corporate governance systems** make the UK one of the easiest places in the world to set up and conduct business.



1st most attractive investment destination in Europe.



1st in Europe and 3rd globally for growing and scaling-up business.



**1st** in G7 for research, impact and reach.



1st quality of green financial products in world's financial centres.



**1st** in G20 as a globally connected economy.



4th in the global innovation index.



5th largest economy with a market of 67.1 million potential customers.



# A GLOBALLY COMPETITIVE TAX OFFER

#### **Corporation Tax**



**Tax Rate** 

- Payable 9 months after year end.
- Losses carry forward without limit, or back one year for a refund.
- No tax on dividends received unless from a tax haven.
- No withholding tax on dividends paid.

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- Capital allowances and super deduction.
- A rate of 25% will apply on profits >£50k from April 2023.

#### VAT



• Register if turnover exceeds GBP85k in any 12 months.

**Unless Exempt** 

- 20% on most things.
- Pay every 3 months.
- Mistakes under GBP10k just correct next time.
- First late payment in any 12 months no penalty.

#### Shares



less.

 0.5% Stamp Duty on transfer of shares. Exempt if GBP5 or

shares

On issue of new

## **INCENTIVES TO PROMOTE R&D**

### From April 1st 2023, the two mechanisms available to businesses under the UK's generous R&D tax regime are:

**For SMEs**: An additional deduction of 86% of R&D costs from taxable profits (so a total deduction of 186% of cost). Where this creates or furthers taxable losses, a cash payment of 10% of the relevant losses may be available.

**For larger companies (or certain SMEs)**: The Research & Development Expenditure Credit ("RDEC") gives a credit of up to 20% of qualifying R&D expenditure to companies as cash or reduced tax or duties (it will increase taxable profits or reduce losses as relevant).

#### The definition of claimable R&D costs is broad and generous, including:

1) Expenditure incurred as a direct result of R&D, including subcontractors; software & licences, storage & web-hosting; consumables (including stationery & sundry goods).

2) UK Employee and directors' wages, UK employers NI, employers pension contributions, based on percentage of time individual spends on R&D.

3) 'Reimbursed' travelling expenses relating to R&D work.



### **TAX RELIEF TO PROMOTE INVESTMENT**

Both the Enterprise Investment Scheme (EIS) and the Seed Enterprise Investment Scheme (SEIS) give tax relief to investors.

**Income Tax** – For EIS up to 30% of the amount invested can be set against Income Tax on investments up to GBP 1 million. For SEIS this is 50% on investments up to GBP 100k.

**Capital Gains Tax** – for both EIS and SEIS the investor will not pay any tax on their profit when the shares are sold if the investment has been held for at least 3 years.

**Loss on sale of the shares** – again for both EIS and SEIS if the shares are sold at a loss the amount of the loss can be offset against the investors Income Tax for that year or the previous year.

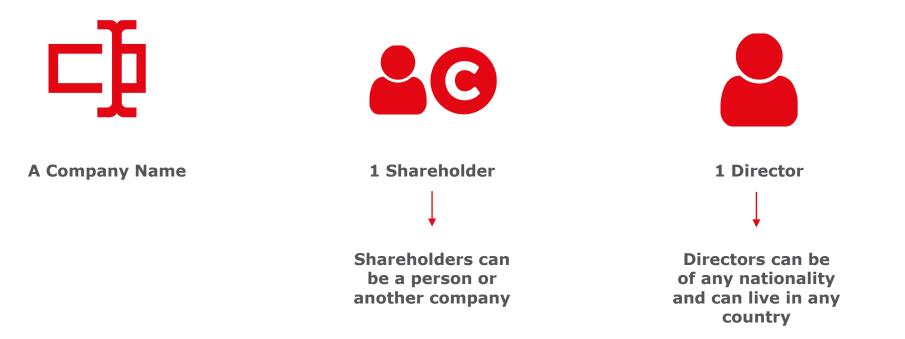
This is clearly very attractive, but there are a lot of quite complicated rules to prevent misuse. Always take specialist advice.





## **ESTABLISHING A UK COMPANY IS EASY**

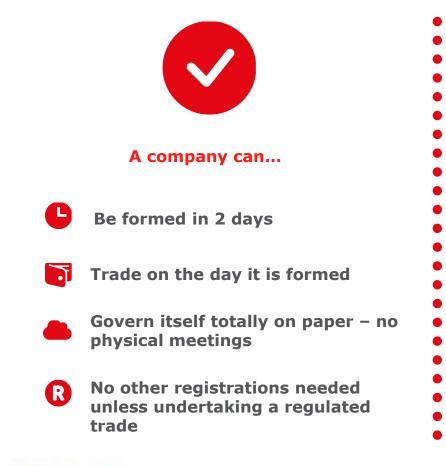
#### Each UK Limited company only needs:



Identify the Directors and any person ultimately controlling 25% or more



### **ESTABLISHING A UK COMPANY IS EASY**





A company does not need to...

Visit the UK

**E** Specify the trade in the Constitution ('Articles')

### HOME TO A SGD1.7 TRILLION TECH SECTOR

UK Tech Sector now worth more than £1tn, and growing significantly faster than the wider economy.

**1st** in Europe and third in the world for VC investment

- attracting a third of the European total in 2021

**1st in Europe for tech unicorns** with 123 Unicorns now roaming the UK.

63% Non-UK investment into UK tech has grown to 63% in 2020, up from 50% in 2016.







# INTRO TO THE WEST MIDLANDS



## AN INTERNATIONALLY SIGNIFICANT ECONOMY



A **SGD188bn**, fastgrowing economy



UK's second biggest cityregion economy Equivalent to Hungary



GVA increased every year 2009-2019



UK's top Foreign Direct Investment (FDI) location outside London & South East 2017-21



Birmingham - UK's highest rate of for start-ups outside of London for last five years



UK's biggest region for manufacturing output



**185,000** students Nine world-class higher education establishments



**2.9m** workforce 4.7m population 190 countries



Full-service economy 200,000 businesses



100+ R&D assets Commercial testbeds & accelerators

## UNRIVALLED CONNECTIVITY AT THE HEART OF THE UK

#### Rail:

- Tripling the West Midlands Metro with a £1.3billion (SGD2.1bn) investment, adding 50 additional trams by 2026 and increasing passengers from 7.2 million to 30 million.
- £1.2billion (SGD1.9bn) of infrastructure investment within the region by 2028.
- Potential to add £14billion (SGD22.5bn) to the West Midlands economy
   already 350 firms in HS2 supply chain across the region.
- 1 hour 20 minutes from London, with HS2 to reduce West Midlands to London journey to 38 minutes.

#### Car:

- 90% of the UK's population being within a four-hour drive.
- Excellent road connectivity via UK motorways.
- Central London is only a 2-hours, 30-minute drive.

#### Air:

- Birmingham Airport UK's most accessible airport by road and rail
- Birmingham Airport UK's third largest regional airport.
- 133 direct flights (including US & Asia), and 424 further onward connections.
- Birmingham Airport is undergoing a £500million (SGD803m) upgrade to boost capacity.



### WORLD LEADING TALENT & UNIVERSITIES

The **West Midlands thriving tech sector** is underpinned by a **workforce of 76,000 highly-talented professionals**, playing an integral role in the growth of corporate, SME and start-up businesses. This talent pool is supplemented by **85,850 students studying Science, Maths, Engineering, Tech and Computing**.



**9 world-leading universities** producing over **60,000 graduates every year**. Over 50% remain in-region.



Companies can access an **additional 127,000** graduates from **20 universities** within one hours drive of the West Midlands.



Regional strengths in **Software Development, Data Science Analytics and SAP Consultancy** 



More **software developers and computer science graduates** than any City-Region outside of London.













### A MAGNET FOR GLOBAL RELOCATIONS AND EXPANSIONS

Attracting the world's biggest names across a wide range of sectors:-



### A HIGH-QUALITY AND COMPETITIVE LOCATION

Maximise your ROI. We offer 30% – 40% savings on the cost of skills and property when compared to London yet we're less than 1.5 hours away by train.

- UK Government has named the West Midlands the **fastest-growing tech sector in the UK** with regional growth outpacing London.
- **52,000** new tech jobs expected in the region by 2025.
- Development and Data salary inflation significantly below London & Manchester in 2022.
  - Lower job posting density

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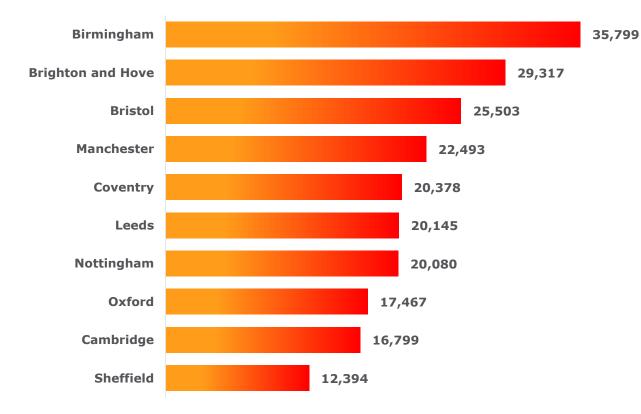
- Higher average employee tenure
- The WMCA continues to pioneer the largest specialist digital skills and talent re-training programme in the UK, offering further diversity of talent available.

#### Price per square foot office space (rent, rates & service)



### IT'S NOT JUST COMPANIES RELOCATING HERE

#### **INTERNAL UK MIGRATION FROM LONDON, 2015-2020**



	LONDON	BIRMINGHAM
Average House Price (Zoopla, 2022)	£704,136 (SGD1,129,846)	£235,681 (SGD378,170)
Affordability Index (Zoopla, 2022)	18.8	8.1
Average Monthly Rent - 1 bed flat (Valuation Office Agency, 2022)	£1,390 (central) £1,095 (outer) SGD2230 SGD1756	£650 (SGD1043)
Disposable Income p.a. (Yahoo Finance, 2019)	£1,078 (SGD1730)	£9,692 (SGD15,553)

AT THE HEART OF WATERWAYS AND SHIRES

TOP UK ATTRACTIONS FOR ALL THE FAMILY

INCLUDING 11 MICHELIN

**STAR RESTAURANTS** 

IGI UYP

#### SPORT, FESTIVALS & EVENTS THAT CAN'T STAY AWAY



VIBRANT NIGHTLIFE

VIBRANT NIGHTLIFE HOME TO A ROYAL BALLET, SYMPHONY ORCHESTRA AND OPERA

AWARD WINNING FOOD SCENE

### BUSINESS, PROFESSIONAL & FINANCIAL SERVICES

The largest UK Regional Business, Finance & Professional Services cluster with 45,000 companies and a work force of **330,000 highly skilled professionals.** 

#### **Our Strengths**

**Credibility:** 



30% 30% Sector

Growth 2017-21

#### **45**k **Companies In The Region**

Who is **here?** 



**Midshoring Hotspot:** 

- 40% lower operating costs vs London - 'Close enough' for easy access but far enough to benefit from lower costs.

**Talent:** 

HSBC

23,000 STEM graduates each year & a diverse, educated population.



Goldman Sachs

**ProfTech:** Strong cluster attracting high-growth international businesses. Home to SuperTech

Deutsche Bank

#### **Our Opportunities**

HSBC (X) WESLEYAN





### ADVANCED MANUFACTURING

At the centre of the **UK's largest automotive, rail and aerospace clusters**, the West Midlands is at the vanguard of solving many of the key global future mobility challenges.

#### **Our Strengths**

Scale, breadth & talent:

UK's leading automotive cluster. 30% of UK cars. UK's largest cluster employing 211,000; 85,850 students studying STEM subjects

UK's automotive R&D

**60**%



automotive employees – **biggest talent pool** in UK

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# 4

UK's Electrification Heartland Home to UK Battery Industrialisation Centre Gigafactory, Coventry UK.

#### Manufacturing 4.0:

5G test-bed. Enabling IoT and private networks. Manufacturing Tech/Automation cluster.

#### **Mobility Innovation**

WMG, MTC, HORIBA MIRA



Rail/Light Rail/Very Light Rail/ DIGI-RAIL expertise Home to HS2

**Our Opportunities** 

#### **Future Mobility**

- Automotive
- Future Rail
- Aerospace
- OEM Supply Chain

#### Tech

- Electrification Power Electronics, Machines & Drives
- Alternative Propulsion & Hydrogen Power
- Lightweighting and Advanced Materials

#### Industry 4.0



### LIFE SCIENCES

A leading **UK centre** of Data-Driven Healthcare **expertise**, **innovation and commercialisation**. Offering companies to **design**, **test and commercialise** their innovation, from **bench to bedside**.

#### **Our Strengths**

### SGD16.5bn

Full-service healthcare & Life Sciences economy

**5**G

Scale: 600 companies employing 17,000+ Eight hospital trusts & 35 regional centres of clinical research



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**Data:** Accessible **integrated clinical and genomic data** from a 4.7 million regional population

Test bed M opportunities, De real-world testing su

MedTech Manufacturing: Deep MedTech and Digital Health supply chains – AI, 3D printing, Advanced Manufacturing, Sensors



#### **Expertise & Talent:**

Largest **genomics lab hub** in the country. One of the **world's largest concentrations** of clinical trial activity for both drugs and medical devices **7,500 medical sciences graduates** each year.



### **Our Opportunities**



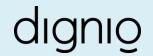
**Devices** MedTech development

**Diagnostics** Precision/genetic medicine



**Digital and Data** 











### LOW CARBON

The UK's fastest growing cluster with 5,100 companies and the UK's largest green talent pool with a 94,000 strong workforce – generating £12bn (SGD19.3bn) Low Carbon revenue pa.

Your Gas Network



#### Circular Economy & Resource Management

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With a strong history in the recycling and metals industry, the region is taking the lead in cleantech solutions and circular economy approaches across manufacturing and construction.

#### **Future Mobility**

The UK's first Future Mobility Zone and multi-city 5G testbed for 'real world' EV, CAV and 5G enabled transport R&D

Who is here? *e.on* nationalgrid Cadent ARCADIS







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### CHRIS LAU International Markets Lead West Midlands Growth Company







### THE WEST MIDLANDS THE UK'S FASTEST GROWING TECH SECTOR

The West Midlands One region, many worlds ENERCYM



## CREATIVE AND **DIGITAL TECHNOLOGIES**

The West Midlands is the **UK's fastest growing regional tech sector** and considered a leader in emerging technologies. International companies can enjoy unrivalled market access to **digital transformation opportunities** and world-class infrastructure, enabling the trial of innovative new products and applications.

#### **Our Strengths**

### SGD24.1bn

Unrivalled breadth & expertise in applied digital technologies.

Markets: from Advanced

Manufacturing to Financial Services.

**Breadth & Capability:** 



Value of the West Midlands tech sector; an increase of SGD6.1bn on 2021

In Tech Related Jobs (45 min commute)

65k



Talent 9,100 computing science students - UK's 2nd largest concentration

Growth The UK's fastest growing tech cluster (DCMS)



Innovation

University eco-system & world-class R&D accelerator hubs.

#### **Opportunities**



Gaming & **Esports** 

**Digital Enterprise Technologies** 





5G & Telecoms

**Mid-Shore Tech Services** 







MICROLAND®





# A SELECTION OF OUR TECH ECOSYSTEM

Some of the **world's leading companies operate from the West Midlands**, providing an extensive range of service across **Telecoms**, **5G**, **Gaming**, **FinTech** and **Digital Enterprise Solutions**.



### THE WEST MIDLANDS: AT THE HEART OF EMERGING TECHNOLOGIES

Home to a world-leading research and innovation ecosystem, globally respected universities and an unrivalled pool of diverse talent, the West Midlands is a UK leader in the field of emerging technologies.



**The West Midlands** has the **highest number of emerging tech companies** (2,946), followed by Manchester (2,020) and Leeds (1,594).

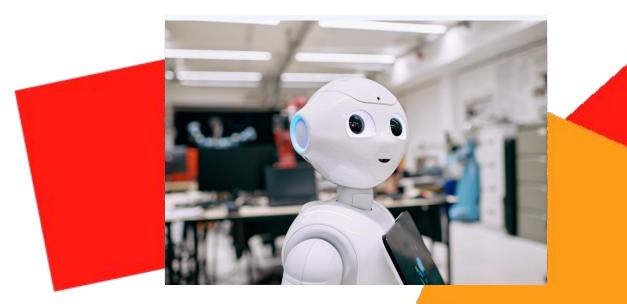


**Second** in the UK behind London for the region with the **highest number of tech and creative companies**.



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Leading in 10 out of 13 areas within the tech & creative sector, including digital transformation, gaming, immersive tech, process automation & software development.



## HOME TO A WORLD-CLASS GAMES CLUSTER

**The West Midlands is responsible for 25% of the UK's games market output**; predominantly produced in Leamington Spa where over **130 companies employ a workforce of circa 3,000 games professionals**. The region's cluster offers a superb pool of talent with transferable skills across development, AI, VR, AR and UX.



### PIONEERING CUTTING-EDGE 5G INNOVATION

The West Midlands is home to the UK's first and only multi-city 5G testbed, offering new and dynamic opportunities to test, prove and scale up new 5G products and services.



UK's best region for 5G coverage with greater capacity to handle next-generation innovations.



**5PRING,** the UK's first 5G commercial accelerator **for enterprise growth & innovation.** 



The **UK Telecoms Lab** is being built in Solihull, West Midlands; an £80m (SGD128m), state-of-the-art facility researching and testing 5G & 6G technologies.



Designated the UK's first Future Mobility Zone, connecting and testing Connected Autonomous Vehicles.



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**WM5G's Connected Ambulance trial** oversaw the **UK's** first remote-controlled ultrasound scan conducted over a public 5G network.



### STATE-OF-THE-ART CYBERSECURITY

A thriving cybersecurity ecosystem has developed across the West Midlands, with public and private sector organisations utilising the region's **extensive R&D infrastructure** and **innovative talent development initiatives** to position the region at the forefront of Cybersecurity technologies.



Network among a **vibrant community of cybersecurity experts**, with groups including the **Innovation Alliance** and **Midlands Cyber** promoting growth and innovation in the region.



The West Midlands is developing the **next-generation of** cybersecurity talent via the West Midlands Combined Authority's Bootcamps and organisations such as School of Code and CGI.



The region has NCSC-accredited Academic Centre's of Excellence (ACE) at the University of Warwick and the University of Birmingham respectively, as well as the University of Wolverhampton's Cyber Quarter – the Midlands Centre for Cyber Security.



The **UK National Telecoms Laboratory** will be based in Solihull, providing a world-class environment for **security experts to test groundbreaking technology.** 

#### The West Midlands: Where Innovative, Award-Winning Companies Thrive



### NEXT-GENERATION FINTECH & PROFTECH SERVICES

The West Midlands is home to a thriving community pioneering next-generation technologies in Business, Finance & Professional Services. This includes the UK's first dedicated **ProfTech** supercluster.



One of the UK's largest & growing FinTech clusters



**1 of 3 established FinTech hubs** recognised by the **UK Government.** 

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Home to Europe's largest asset management FinTech innovation hub, The Engine Room



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Home to SuperTech West Midlands - the UK's first Professional Technology (ProfTech) supercluster



### HOME TO A THRIVING **MEDTECH HUB**

The **West Midlands has a diverse and growing MedTech sector** backed by world-leading research institutions, and large teaching hospitals. The West Midlands' healthcare sector presents a major investment opportunity for technology businesses.



With access to the **UK's largest multi-site testbed for 5G applications,** Digital Health innovators can pilot and stresstest new, real- time mobile applications and services.



Home to one of the most advanced electronic patient record systems in the UK, with **digitised healthcare data drawn from a static population of 4.7m people.** 



The **largest genomics R&D cluster in the country,** driving new technology-led solutions including Predictive Health and Personal Medicine.



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**Birmingham Health Innovation Campus (BHIC),** one of the UK's seven Life Science Opportunity Zones (LSOZ), is a 133,000sqft site opening later this year and will harness world-leading academic and clinical strengths with commercial power to accelerate life sciences research.



### THE UK'S FIRST FUTURE MOBILITY ZONE

The UK's leading centre for automotive innovation, the West Midlands is at the vanguard of next generation vehicle technologies, delivering transformational innovation in Connected and Autonomous Vehicles (CAV).



Home to the UK's first 5G multi-city testbed and with 200 miles of viable, 5G-connected road for CAM technology, the West Midlands is an ideal location for exciting collaborations between tech companies and automotive manufacturers.



The Centre for Connected & Autonomous Automotive Research (CCAAR), jointly run by Coventry University and Horiba MIRA, provides unrivalled access to design, build, test and validate CAV solutions for end-to-end connectivity solutions such as vehicle-to-vehicle (V2V) or vehicle-to-everything (V2X).



#### Locally based companies are developing autonomous systems. RDM's Aurigo'AUTO-POD®' is a four-seat autonomous pod designed for first and last mile transportation in urban areas.



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CAV trials have already taken place locally.

A self-driving Jaguar Land Rover Sport successfully maneuvered the busy Coventry Ring Road, changing lanes and merging with traffic.





### THE WEST MIDLANDS INVESTOR SUPPORT



#### WEST MIDLANDS GROWTH COMPANY INVESTOR SUPPORT

#### The West Midlands Growth Company promotes inward investment into the West Midlands, driving business growth, new job creation and exciting opportunities across the region.

WMGC delivers complimentary support to prospective and new investors through its **Investor Catalyst** programme:



In-depth research, tailored insights and benchmarking against other locations



Consultative support throughout business case creation



Comprehensive, impartial property searches



Tailored launch communications and PR consultancy support



Facilitated access to world-leading universities, to explore R&D and graduate talent



Signposting & support when accessing public and private finance



Networking and intros to over 100+ WMGC partners (ranging from global MNCs to local service providers)



Bespoke familiarisation and visit programmes.



#### **FUNDED MARKET ENTRY SUPPORT** TO HELP ESTABLISH AND SCALE QUICKLY

Designed to overcome barriers new international investors face when setting up in the UK, the Global Growth Programme is designed to help companies thrive at the heart of the UK's fastest growing technology cluster.

In addition to WMGC's **investor support**, successful applicants will benefit from:



Nine month's funded, high-quality commercial workspace



Extensive calendar of industry integration and networking opportunities



UK company set-up, market entry & innovation services support



Tailored professional service offerings



# THE WEST MIDLANDS GLOBAL GROWTH PROGRAMME







#### **AGA MANHAO**

Founder and Managing Director Primacy Technology







### **Pack Your Bags** How to pick the perfect place to grow your startup



### About me

Founder & Managing Director, Primacy Technology





## Myjourney

### Welcome to Birmingham Proud Host City of the 2022 Commonwealth Games

### **#BeBoldBeBham**



### Closer look at

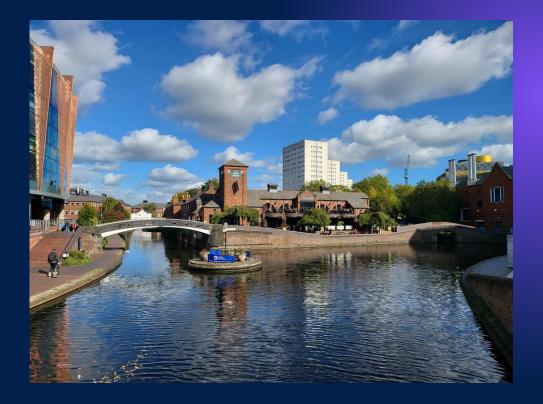
- Cost of doing business
- Fund raising, investors & grants
- Access to talent
- Access to business ecosystem
- Infrastructure
- Cultural vibrancy
- Quality of life



### Cost of doing business



VS



### Fund Raising



Investors

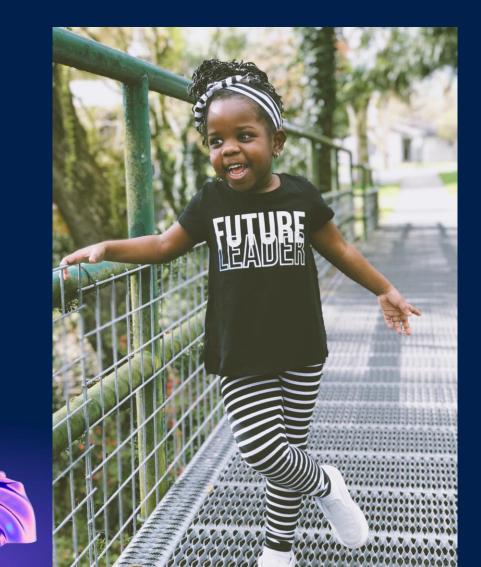


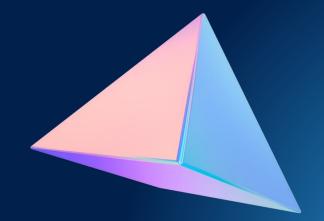
**Fund Raising** 



Grants

### Access to talent















#### **BIRMINGHAM** LITERATURE FESTIVAL



Digbeth Dining Club.



### Quality of life

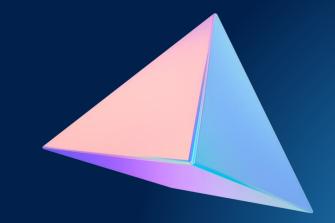


#### Housing

### Education Healthcare

#### Transportation

#### **Green Space**



# Thank You Ask Me Anything



### THANK YOU

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#### **Contact:**

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