



## **THE WEST MIDLANDS**

**One Region, Many Opportunities** 





## **MATT HAMMOND**

**Chairman - West Midlands Growth Company Chairman of Midlands Regional and Senior Partner - PwC** 











An Introduction to the West Midlands



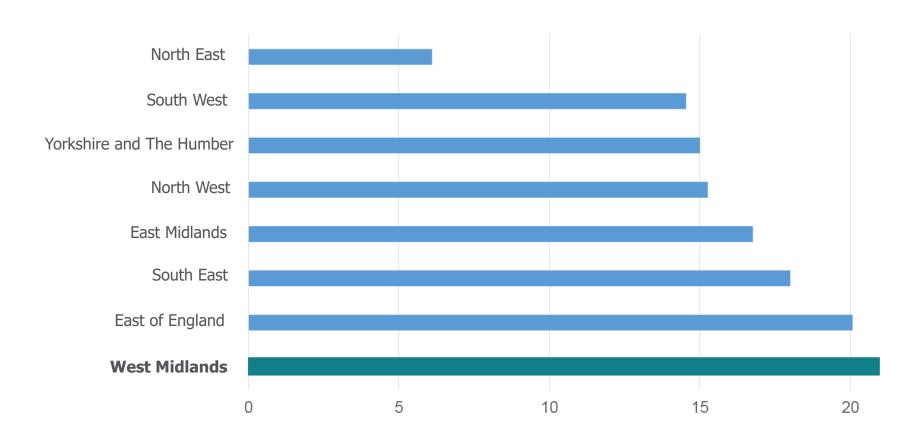
# INTERNAL MIGRATION FROM LONDON TO ENGLISH CITIES, 2018-2022



## **HIGHEST GROWTH REGION PRE-COVID**



## % Change in Regional GDP (CVM), 2010 to 2019



## **REMARKABLE PANDEMIC RECOVERY**





27% FDI Growth

Secured in 22/23, 27% yoy growth. At 10%, the largest share of all UK regions outside London



22% Export Growth

Increasing by £6.2bn to £34.1bn, from Q3 2022 to Q3 2023



2022 141.2m visitors. Spend up 7% to £14.1bn





**THE WEST MIDLANDS** 

**One Region, Many Opportunities** 





## **DAN STORER**

**Chief Investment Officer West Midlands Growth Company** 

## **ONE REGION, MANY CLUSTERS**



Reflecting the world-class industry and innovation strengths of the West Midlands region:













Creative & Digital Technologies

Business, Professional & Financial Services

Data Driven Healthcare & Life Sciences

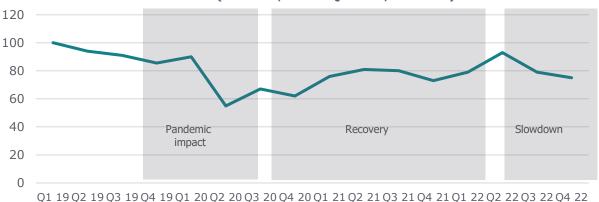
Low Carbon

# CHALLENGING GLOBAL FDI ENVIRONMENT AFTER PANDEMIC

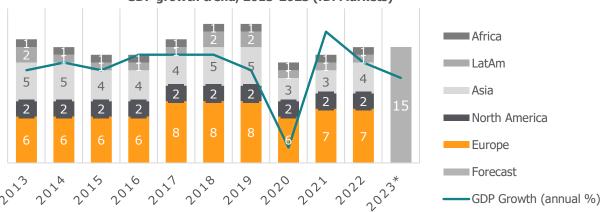


- **Global slump in FDI:** Global crises have hindered recovery of FDI, which is expected to slow or contract in 2023 as many major global economies see stagnant growth or enter recessions
- In 2022, new greenfield project announcements in Europe were down (-15%) with declines across most large economies
- Much of the initial post-Covid FDI growth is contributed to pent up demand during the pandemic
- Downward pressure on FDI is coming from:
  - Negative/slow growth in many global economies
  - Deteriorating financial conditions
  - Investor uncertainty
  - Increasing risks associated with debt levels in developing countries
- Cause for optimism: Many major economies saw FDI growth slow, and even in some cases, fall in 2023. However, this slump was not universal as some traditional markets, and some non-traditional markets are investing in greater number than before
- As investment in traditional sectors declines, the growth of renewable energy, electric vehicles and modern business services is growing exponentially

## Greenfield FDI Investment Trends, 2019-2022 (Indexed, 2019: Q1=100, UNCTAD)



## Number of Greenfield FDI projects by global region (in thousands) and GDP growth trend, 2013-2023 (fDi Markets)



# STRONG FDI INVESTMENT PERFORMANCE IN WEST MIDLANDS 22/23

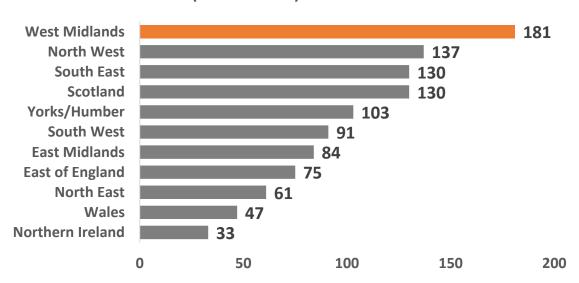


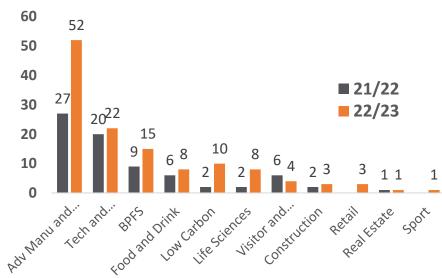
## **West Midlands outperforming the UK for FDI**

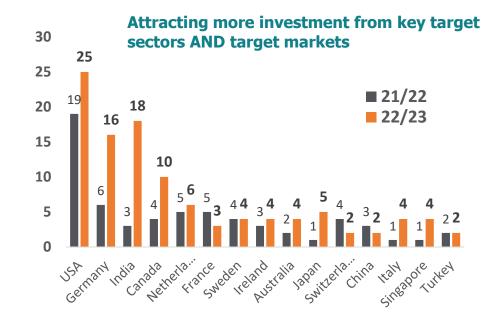
FDI	Project Growth 21/22 to 22/23	Job Growth 21/22 to 22/23
West Midlands	+27%	+48%
UK	+4%	-6%

## WM is best performing Region outside London for project and jobs

FDI Project Wins by Region 2022/23 (excl. London)







## **BIG NAMES, WIDE RANGE OF SECTORS**

















**ASTON MARTIN** 





























































## **LOOKING FORWARD**

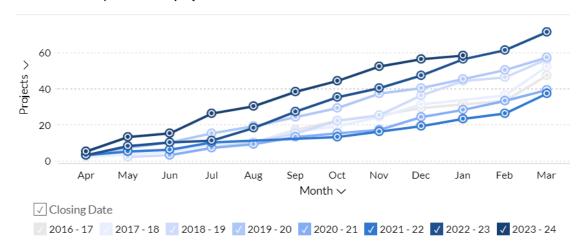


#### On track to continue increasing investment due to a strong and growing pipeline

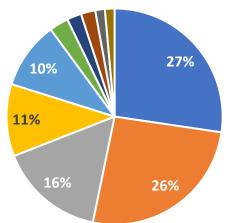
## **Pipeline Growth by Fin Qtr for Leads created in last 2 years**



#### Historic monthly cumulative projects won

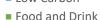


## **Pipeline by Target Sector**





Adv Manu & Transport









## **GLOBAL WEST MIDLANDS**





## **Deeper Devolution Deal**

- Pushing through devolution with WMGC as lead agency for buy-in from government and a single frame of reference as a region
- Gain additional powers from government for attracting investment, addressing lack of investment incentives and changing national positioning of the region



## **International Strategy**

- Identify key markets and improve the region's international standing
- Addresses slowing tap of investment from traditional sources



## **Global Growth Programme**

- Make West Midlands the place for high-growth tech businesses to validate products and services and launch in the UK, including network of local landing sites
- Addresses local investment distribution, embraces innovation ecosystem, and targets emerging markets and high-growth tech



## **Strategic Relationship Management**

- Encourage growth and cluster formation from companies already operating in the region
- Addresses slowing tap of investment and strengthens existing clusters



## **Capital Investment and Investment Zones**

- Create marketable sites for investment
- Marketable proposition for Investment Zones
- Addresses uneven local investment distribution



## **Tech That Makes Tomorrow** Work

- Marketing project co-delivered between WMGC and WMGCA to raise the profile of innovative assets in the West Midlands
- Addresses lack of profile for key assets





**One Region, Many Opportunities** 

**Thank you** 



Dan Storer, Chief Investment Officer

dan.storer@wmgrowth.com www.investwestmidlands.com







**GLOBAL WEST MIDLANDS: THE TECH THAT MAKES TOMORROW WORK** 

**2024 DBT Investment Conference** 

Wednesday 7 February 2024





## **Karolina Kuszowska**

Investment Operations and Delivery Lead West Midlands Growth Company

## **AGENDA**



09:25 - 09:30 Event Opening Remarks and Welcome: West Midlands Growth Company

09:30 - 09:35 Video: Goldman Sachs

09:35 - 09:50 Presentation: The West Midlands Overview

09:50 – 10:00 Presentation: Introduction to the Global Growth Programme 2024

10:00 – 10:40 Panel Session: "How can locating in the West Midlands help companies to scale-up and thrive in the UK marketplace?"

10:40 - 11:30 Networking





## **Jon Baty**

Head of Inward Investment West Midlands Growth Company





THE WEST MIDLANDS:
PRIORITY OPPORTUNITIES
& COMPETITIVE ADVANTAGE

# A MAGNET FOR GLOBAL RELOCATIONS AND EXPANSIONS



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





















**Deutsche Bank** 



Your Gas Network











# 5 SECTORS: 20 PRIORITY INVESTMENT OPPORTUNITIES



## BUSINESS, PROFESSIONAL & FINANCIAL SERVICES

**Proftech** 

Priority 1: FinTech

Priority 2: InsurTech

Priority 3: LawTech

Priority 4: PropTech

**Back and Middle Office** 

**Priority 1:** Shared Services

Centres/ BPOs

Priority 2: Innovation Centres

**Front Office** 

Priority 1: Consultancies/

Advisory

Priority 2: Financial Services/

Corporate Finance

**Priority 3:** Legal

**UK Central Government Relocation** 

Priority 1: Existing

Departments with West Midlands presence

**Priority 2:** Other New & Existing Departments

## CREATIVE & DIGITAL TECH

**5G and Telecoms** 

**Priority 1:** Telecoms companies building private 5G networks

**Priority 2:** O-RAN software & Hardware providers

Digital Enterprise Technologies

**Priority 1:** Systems Integration & Managed Service Providers

**Priority 2:** IOT & Industrial Automation

**Priority 3:** Cyber Security for Industrial Applications

Games

**Priority 1:** New Games Companies/ Silicon Spa

**Priority 2:** E-sports

**Priority 3:** Serious Games

**Mid-shoring of Tech Services** 

**Priority 1:** Multinationals moving tech functions from UK South

## ADVANCED MANUFACTURING

Future Mobility / Automotive and Electrification

**Priority 1:** Battery Tech/ Power Electronics & other Electrification Supply Chains

Priority 2: Autonomous Vehicles (CAV) / Traditional Automotive Supply Chain not already in the Region.

#### **Industrial Automation**

Priority 1: Automation (e.g., Control Systems such as SCADA & PLCs: Automated Machinery & tools)

**Priority 2:** Robotics & Co Robotics

**Priority 3:** Cyber Security for Industrial Applications

**Future Mobility/Rail** 

Priority 1: Rail Systems/
Digitisation & Decarbonisation

Priority 2: HS2

## DATA-DRIVEN HEALTHCARE

**Diagnostics** 

**Priority 1:** DTV, Liquid Biopsies

**Priority 2:** Digital Diagnostics Imaging

Digital

**Priority 1:** Health Data Research Hub

Priority 2: Patient Monitoring,

IoT, Digital Therapy

**Priority 3:** 5G Testbed

Devices

**Priority 1:** Device Development

**Priority 2:** MedTech Manufacturing

**Priority 3:** Assistive Implants Surgical

Data

Underpinning all the above top tier priorities.

#### **LOW CARBON**

**Future Mobility** 

**Priority 1:** See Advanced Manufacturing

**Energy Systems** 

**Priority 1:** Local Heat & Power Generation & Grids

**Priority 2:** Smart System Management

Priority 3: Built Environment

**Smart Grid and Storage** 

**Priority 1:** Smart Power Grid Supply Chain

Priority 2: Smart Bio-Gas

Supply Chain

**Low Carbon Solutions** 

**Priority 1:** High Carbon Emitting Industries

**Resource Management** 

## THE WEST MIDLANDS: AT THE HEART OF THE UK

- A unique three-city region, anchored by three dynamic city centres Birmingham, Coventry and Wolverhampton.
- Quarter of the population is under 20, making it one of Europe's youngest regions.
- Best 5G coverage of any UK region.
- At the heart of UK rail, home the to the UK's busiest station outside the capital, with direct links to 17 of the UK's 20 largest cities.
- 133 direct flights (including US & Asia), and 424 further onward connections from BHX.
- 90% of the UK is within a 4-hour drive.





# THE WEST MIDLANDS CITY REGION: DIVERSITY, MATURITY, SCALE





A **£117bn**, fast-growing 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 (DBT, FY22/23)



**Birmingham** - UK's **highest rate** of **startups** 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

# A COMMERCIAL ADVANTAGE, WITH NO COMPROMISE ON QUALITY



Maximise your ROI. We offer 30% – 40% savings on the cost of skills and property 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.
- The West Midlands has more people employed in digital tech than any other UK region.
- **52,000 new tech jobs** expected in the region by 2025.
- The WMCA continues to pioneer the largest specialist digital skills and talent re training programme in the UK, offering further diversity of talent available.
- Development and Data salary inflation significantly below London & Manchester in 2022:
  - 1. Lower job posting density.
  - 2. Lower average salary.
  - 3. Higher average employee tenure.

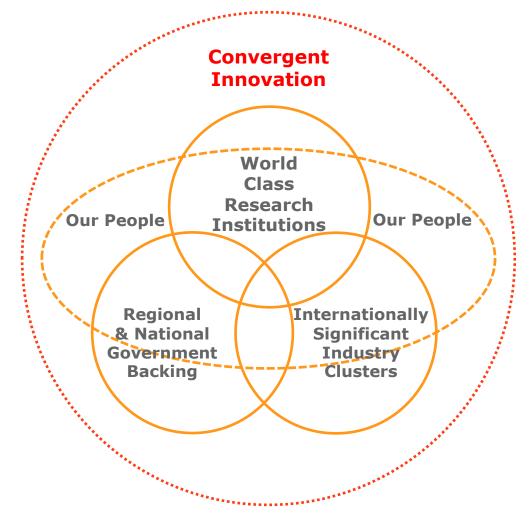
# Price per square foot office space 160 140 120 100 80 60 40 20 Birmingham London New Build Old Build

# THE WEST MIDLANDS QUAD HELIX, A CATALYST FOR INNOVATION



Accelerating sustainable business growth and competitiveness for investors.

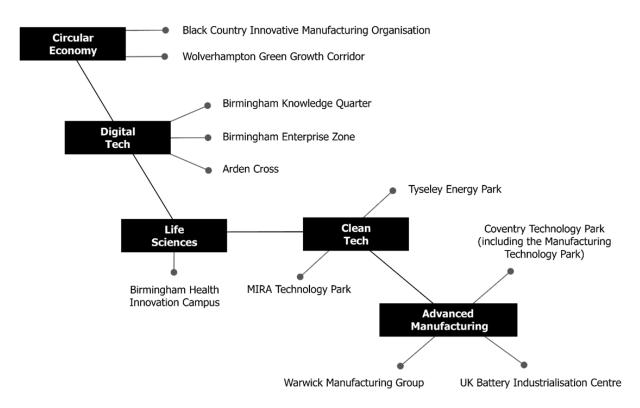
- Creating new synergies between UK government and local authority policy makers, university R&D and connected infrastructure, industry tech clusters, and talent.
- **Building a more inclusive economy** that fosters resilience through diversification.
- Supply chain expertise, with linkages and technology transfers across high growth industry clusters.



# THE WEST MIDLANDS RESEARCH INSTITUTIONS AND CONNECTED INFRASTRUCTURE



- **Connect with like-minded innovators** through the region's Innovation Programme.
- Nine world-class higher education institutions.
- National exemplar testbeds, including the UK's first Future Mobility Zone and the UK's first multi-city 5G test bed.
- 4 of 9 UK Catapult Centres Energy Systems, High Value Manufacturing (MTC & WMG), and Connected Places Catapult.
- 100+ tech hubs, commercial test beds, accelerators and collaboration facilities.
- 11 science parks facilitating cross-sector tech convergence.
- Spillover benefits from corporate investment within clusters and across the value chain.



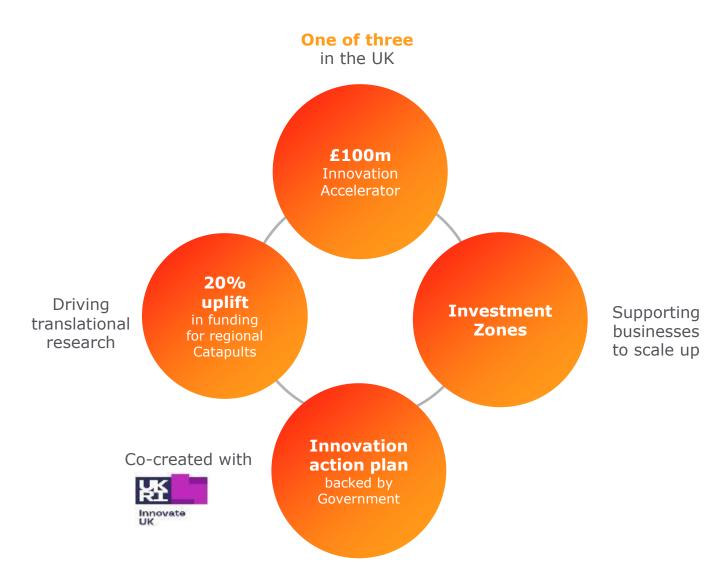
# UK GOVERNMENT BACKING AND VOTE OF CONFIDENCE



WMCA is one of the most cohesive Mayoral Combined Authorities in the UK, and at the forefront of devolution from Central Government.

**Backed by UK government and industrial partners** to run multiple unique pilots and testbeds in supporting the UK to become global science and technology superpower.

One of only three UK city region's to receive a share of £100m 'Innovation Accelerator' funding, awarded to projects building globally significant innovation infrastructure within the region.



## **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:**

International and National Centre - Big Four, Goldman Sachs, Deutsche Bank & HSBC



## ProfTech



**Our Opportunities** 



## **Midshoring Hotspot:**

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



**Back & Middle Office** 

**Companies In** The Region

30% Sector

Growth 2017-21

#### Talent:

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



## Front Office



#### **ProfTech:**

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



**UK Government** 

Who is here?

Goldman Sachs











## **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**

#### **Breadth & Capability:**

Unrivalled breadth & expertise in applied digital technologies.



#### Markets:

From Advanced Manufacturing to Financial Services



#### **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

## **Our Opportunities**



**Gaming & Esports** 

Digital Enterprise Technologies





**5G & Telecoms** 

**Mid-Shore Tech Services** 



Who is here?

**76**k

In Tech Jobs (within

45 min commute of

**Central Birmingham)** 











## **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.

**60**% Of the UK's automotive R&D expenditure

46.5k

**Automotive** employees - biggest talent pool in UK

## **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 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

## **Our Opportunities**

#### **Future Mobility**

- Automotive
- Future Rail
- Aerospace
- **OEM Supply Chain**



**Industry 4.0** 

#### **Tech**

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



Who is here?



















## LIFE SCIENCES



A leading **UK centre** of Data-Driven Healthcare **expertise**, **innovation and commercialisation**. The West Midlands offers companies the capability to **design**, **test and commercialise** their innovation, from **bench to bedside**.

£10.3bn

Full-service healthcare & Life Sciences economy

**5G** 

Test bed opportunities, real-world testing

## **Our Strengths**

#### Scale:

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



#### Data:

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

## **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** 



Who is here?

dignio







## **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 Low Carbon revenue pa.

2041

Five-year plan for region to be Net **Zero by 2041** 

20,000

**New Low Carbon** jobs in next five years

+7% revenues pa +9% new businesses pa

### **Our Strengths**

### **Leadership & Policy:**

Energy Capital: RESO, EIZs, NZN, SMARTHub, 3 Cities Retro-fit projects.





#### **Research & Innovation:**

- Unrivalled University led innovation eco-system.
- Strategic Infra; Energy Systems Catapult; UKBIC; Gigafactory; The National Brownfield Institute: Birmingham Energy Institute

#### **Talent:**

Highest concentration of energy professionals in UK and a 211,000strong manufacturing workforce



### **Our Opportunities**

### **Future of Energy**

Geographic and strategic centre of the UK's power distribution network, and a region embracing an innovative, whole-systems approach to smart energy.



### The Built Environment

Quickly becoming the national centre for sustainable construction, with Europe's largest built environment campus.

### **Circular Economy & Resource Management**

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











## OUR PEOPLE, OUR INNOVATION MINDSET



- Innovating is in our nature. Dedication, enthusiasm and ingenuity with a progressive mindset.
- **186,000 students** at higher education institutions, compared with Greater Manchester's 121,000.
- **Diverse talent: 64,000 graduates per year** from 157 countries, and 28,000 qualifying with postgraduate degrees.
- Stability: 55% of graduates remain in the West Midlands, compared to 47% in the South-East.
- Young and entrepreneurial talent, with over 500 graduate-led start-ups still active after three years.
- Over one million WMCA residents qualified to degree level or higher – highest in UK outside Greater London.
- 40% of residents hold a technical or higher-level skills qualification amongst the highest in the UK.

### **Part of The Russell Group:**















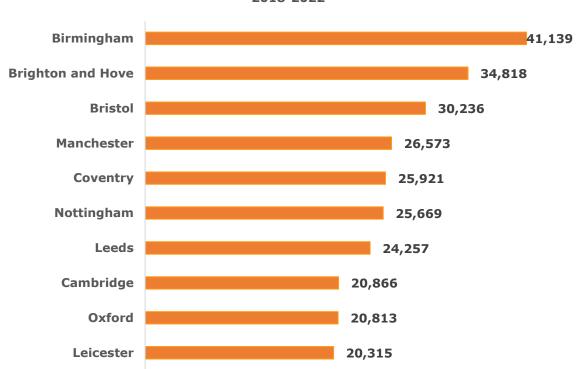




# IT'S NOT JUST COMPANIES RELOCATING HERE



### INTERNAL MIGRATION FROM LONDON TO ENGLISH CITIES, 2018-2022



	LONDON	BIRMINGHAM
Average House Price (Zoopla, 2022)	£750,000	£244,203
Affordability Index (Zoopla, 2022)	17.9	7.2
Average Monthly Rent - 1 bed flat (Valuation Office Agency, 2022)	<b>£1,625</b> (central) <b>£1,300</b> (outer)	£725
Disposable Income p.a. (Yahoo Finance, 2019)	£1,078	£9,692

## LIVING IN THE WEST MIDLANDS



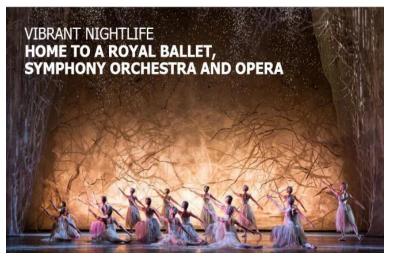












## WEST MIDLANDS GROWTH COMPANY INVESTOR SUPPORT



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.





## **Ashlene Smith**

Innovation & Scale Up Manager West Midlands Growth Company





## **GLOBAL GROWTH PROGRAMME**



**Building on the success of the Pilot launched during the Commonwealth Games.** 



International tech businesses landed at Innovation Birmingham

jobs created (Target 300)

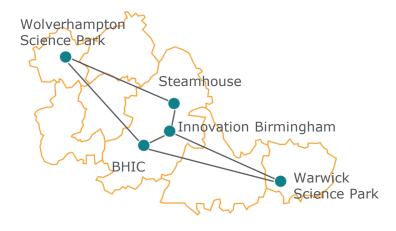
## **GLOBAL GROWTH PROGRAMME 2024**



Boosting the West Midlands as a destination for International tech businesses.

Accessing the whole region

### **5 Landing Hubs**



Designed for the needs of target customers

### **4 Tech Sectors**



Access to the whole WM Ecosystem

## 3 Layers of support



New tech businesses landing across the West Midlands in 2024/5

400 High value jobs to be created

## **JOINING THE PROGRAMME**



For High Growth Tech Businesses and Corporates seeking to Innovate.



Businesses will be carefully selected based on their fit with the West Midlands.

## **PROGRAMME TIMELINE**





## **APPLICATIONS ARE NOW OPEN**







Scan here for more information



## **PANEL DISCUSSION**





Hilary
Smyth-Allen
Executive Director at
SuperTech WM



**Bartosz Kozinski**Director – Foreign
Direct Investment
Poland and CEE DBT



Raman Chauhan Co-founder & CEO at Lumiere32



## BIRMINGHAM TECH WEEK: GLOBAL WEST MIDLANDS

Major activation at Birmingham Tech Week provided a strong platform to showcase regional innovation to potential investors and regional strategic companies.

- The 'Global West Midlands' day saw over 300 delegate registrations, with international delegations spanning 23 countries.
- Communications activity achieved a total of 650 media hits and 600m reach from four media announcements, alongside interviews with Sunday Times.
- Announcements included a strategic collaboration between WMGC and London & Partners to support the region's tech scale-ups in exporting globally; and the planned opening of the Government's new UK Telecoms Lab in the West Midlands.
- Announced 1000 new West Midlands tech jobs over three years.















**Contact:** 

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Global Growth Programme



