

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: International Update - International Strategy Refresh and Recent Engagements

DATE: 22nd September 2021

FROM: Cllr Elise Wilson, Leader of Stockport Council and GM Economy Portfolio Lead and Mike Blackburn, Internationalisation Lead, GM LEP

PURPOSE OF REPORT:

This report provides LEP members with:

1. An outline of the GMCA's planned approach to refreshing Greater Manchester's International Strategy.
2. An update of GM's recent international engagements and a forward plan of activity

RECOMMENDATIONS:

The LEP Board is asked to provide feedback on the following:

1. Review and consider the updated strategic context for the refresh of GM's International Strategy, highlighting any gaps or further challenges and opportunities.
2. Provide feedback on the outlined principles for the refresh of GM's International Strategy, suggesting further principles if required.
3. Agree and formally approve refresh approach.

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

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Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target Although the International Strategy does not directly contribute to achieving the GM Carbon Neutral 2038 it potentially enables it through a number of GM's International priorities. For example, the City-region Diplomacy encourages policy exchange and best practice learning with other places around the world. A key topic of collaboration identified in this area is not asse		
Further Assessment(s):	N/A	
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.
 Negative impacts overall.		
Carbon Assessment		
Overall Score	<input type="text"/>	
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New Build Commercial/Industrial	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	
 No associated carbon impacts expected.	 High standard in terms of practice and awareness on carbon.	 Mostly best practice with a good level of awareness on carbon.
 Partially meets best practice/ awareness, significant room to improve.	 Not best practice and/ or insufficient awareness of carbon impacts.	

Risk Management: N/A

Legal Considerations: N/A

Financial Consequences – Revenue: There are no specific financial consequences in terms of revenue associated with this work.

Financial Consequences – Capital: There are no specific financial consequences in terms of revenue associated with this work.

Number of attachments to the report:? 0

BACKGROUND PAPERS:

Greater Manchester One Year International Strategy - [International - Greater Manchester Combined Authority \(greatermanchester-ca.gov.uk\)](http://greatermanchester-ca.gov.uk)

1. INTRODUCTION/BACKGROUND

- 1.1 Greater Manchester is a place that recognises the transformational impact internationalisation can have on the city-region. The International Strategy brings together our ambition and priorities under a single framework, giving us a shared international vision and narrative for engaging internationally.
- 1.2 The strategy aims to ensure that where appropriate we coordinate our international efforts and activity to ensure our efforts are greater than the sum of their parts.
- 1.3 In 2017, the GM LEP and GMCA agreed a three-year internationalisation strategy. A three-year refresh of this strategy was due in 2020, however the challenges of the pandemic meant this process was delayed and GM's attention shifted to focusing on measuring the impact CV-19 was having on our international priorities.
- 1.4 In response to the challenges that emerged, a one-year roll over international strategy was agreed, published in-line with the Living with COVID Resilience plan in October 2020.
- 1.5 Preparations have now begun full a refresh of GM's International Strategy which is due to be finalised in November 2021, published in-line with the GMS. To date the GMCA have:
 - Completed a full evidence base update
 - Review performance against the 2020/2021 strategy and implementation plan
 - Established the core principles of the refresh
 - Begun wider consultations with GM stakeholders and the 10 districts.

2. One Year On – An Evolving and Uncertain Context

- 2.1 **Impact of COVID and Brexit on GM's International Priorities** - Although still evolving, the impact of COVID on GM's international activity has been hugely significant. The Brexit transition has also exacerbated some of these issues.
 - 2.1.1 **Foreign Direct Investment** - In 2020 the OECD reported a 38% fall in global FDI. This is broadly in line with the 35% drop off in investment projects experienced by the UK and the 31% decrease in project wins experienced in GM. It is expected this will recover
 - 2.1.2 **Trade** – GM Export Data is not currently available; however, ONS statistics show that UK goods exports were down 15% and service exports down 18.5% from 2019. It is difficult at present to differentiate between the impact Brexit and the pandemic has had on our trade volumes.
 - 2.1.3 **Visitor Economy** – Figures estimate a 73% decline in visits to GM with recovery to normal levels not currently expected. Suppressed demand for city destinations, fall in corporate business travel, conferences and major events will impact the speed of GM tourism recovery.
 - 2.1.4 **Connectivity** – Aviation connectivity has fallen dramatically throughout the CV-19 pandemic as borders. While routes are opening up again, there is significantly reduced long-haul connectivity outside of London and the Southeast.
 - 2.1.5 **International Students** – International student numbers and applications to GM's universities have remained broadly unaffected and are increasing. International

student applications from Europe are anticipated to decrease following our departure from the EU.

- 2.1.6 Despite the challenges outlined above and many international borders being closed, GM has continued to progress its internationalisation efforts by building on existing and developing new relationships. A summary of these engagements can be found in section

2.2 A New GM Context

- 2.2.1 Since the publication of GM's One-year International Strategy in 2020, the Mayor has been re-elected and GM's wider Strategy Portfolio has continued to develop. Key developments include the publication of the LEP's Economic Vision, InnovationGM and the GM Independent Inequalities Commission, all of which will feed in to the refreshed.
- 2.2.2 The refresh will align itself with the new Greater Manchester Strategy, drawing on its place-based approach, themes, timeframes and ensuring that any relevant shared commitments, outcomes and indicators are aligned.

2.3 International Context

- 2.3.1 The international context continues to evolve. Global trends such as changing international supply chains, economic nationalism and growing international competition are all important within the context of the international strategy.
- 2.3.2 GM must also consider wider trends that have accelerated as a result of the pandemic such as digital transformation, home working and the growing importance of decarbonization and the CSR agenda.

2.4 National Context

- 2.4.1 Following the UK's departure from the EU, the UK continue to sign Free Trade Agreements (70 to date) in its efforts to reduce or eliminate tariffs on exports.
- 2.4.2 In March 2021 government published the Integrated Review, setting out the UK's new international ambitions and foreign policy ambitions. Narrative focuses on the UK as a "force for good" with priority markets shifting towards the Commonwealth and high-growth emerging markets.
- 2.4.3 In Autumn 2021 UK government are expected to publish new Investment and Export strategies. We will engage with government on the development of these strategies, ensuring we clearly demonstrate how Greater Manchester can support the delivery of Global Britain.

3. Refresh Approach – Key Principles

3.1 As consultations continue and the drafting of the refresh begins, a number of core key principles have been defined.

- 3.1.1 **Strategy Timeline** - Strategy will adopt the same timeframe as the upcoming GMS – 10 Year Strategy with 3-year implementation.

- 3.1.2 **Vision and Ambitions:** Strategy will introduce an international vision and ambitions for GM which will be shared and owned by our international delivery partners across the city-region.
- 3.1.3 **Strategic Alignment:** Strategy will draw on the place-based approach being taken for the GMS refresh as well as support the delivery of GM's wider strategy portfolio and the work of our 10 districts.
- 3.1.4 **Strategic Framework:** Based on positive feedback, the strategic framework with its five core priorities and three enabling priorities will remain the same, continuing to showcase the inter-connectivity between all our international activity and promoting partnership working.
- 3.1.5 **Strategic Objectives:** The Strategic objectives which sit under GM's eight international priorities will be reviewed and updated by GM's key delivery agencies and the GMCA to reflect new challenges and opportunities.
- 3.1.6 **A New Baseline:** Due to the impacts of Brexit and the pandemic, in some instances there is limited value in comparing pre-2019 and post-2021 data. The refreshed strategy will look to take what we can from pre-2019 trends and identify a new baseline for success (inc. new measures) in this new and uncertain context.
- 3.1.7 **Success and Performance Measures:** New measures will be identified to help measure performance and identify areas for improvement, where possible these will relate to the GMS measures and the GM Economy Dashboard.
- 3.1.8 **Flexibility:** In-light of continued uncertainty, new ambitions and targets must be well thought-out and flexible, enabling us to monitor and respond to future challenges and opportunities.
- 3.1.9 **International Markets:** International priority markets will likely remain the same although these will be reviewed against UK Gov's future priorities as outlined in the integrated review and soon to be published Export and Investment strategies. "Monitor" markets will also be re-introduced as per 2017 strategy.
- 3.1.10 **Governance:** The International Strategy will continue to be jointly owned by the GMCA and LEP and its delivery will continue to be monitored by the International Marketing and Advisory Board (IMAB).
- 3.1.11 **GM's Districts** –GM will consult with all 10 districts providing an opportunity to feed into the International Strategy ensuring where possible work aligns, and connections are made. While the benefits of internationalisation will differ across the 10 boroughs depending on their place assets, more generally a strong international strategy will enable GM to better coordinate its international activity and in turn help to drive trade and investment, improving productivity across the city-region.
- 3.1.12 **Engagement with Government and Global Britain:** Refreshed strategy provides a platform to engage with government, particularly DIT, FCDO, DCMS and BEIS. We will use strategy to outline how GM can support UK Gov in delivery Global Britain and outline further opportunities for closer joint working – eg. Re-instating connectivity to MAN, DMO funding, closer joint working with the new Office for Investment and City-region Diplomacy.

4. Next Steps

September	<ul style="list-style-type: none"> Planned refresh approach and framework to be presented at September meetings (IMAB, Growth Board, WLT, Leaders Strategy and LEP) Continue to consult GM's international stakeholders and the 10 districts on the International Strategy refresh Sign off new indicators, measures, set new targets Meet with relevant strategy partners to refresh and update strategy's narrative and content, including reviewing and updated the strategies strategic priorities
October	<ul style="list-style-type: none"> Pull together consultation feedback and update strategy copy, testing narratives and priorities throughout process
November	<ul style="list-style-type: none"> Final Strategy copy to Growth Board, WLT, Leaders Strategy, LEP and CA on 26th Nov Work with GM LEP and Marketing Manchester to develop International Strategy Communications Plan Formally Launch Strategy

5. International Engagements and Activity

5.1 Since the launch of the refreshed international strategy in October 2020, the GMCA International team has worked with partners in GM, UK and internationally, to deliver the actions of the City-region Diplomacy priority of the International Strategy. Focus has been given to the primary and opportunity markets. These include:

5.2 Japan

- 5.2.1 Establish a GM-Japan Steering Group chaired by the Honorary Consul of Japan in the UK, Jo Ahmed.
- 5.2.2 Delivered a GM-Japan Free Trade Agreement virtual event co-hosted by Ambassador Hayashi and Mayor Andy Burnham
- 5.2.3 Plans to host a GM-Tokyo Olympians reception with Ambassador Hayashi in October.
- 5.2.4 Successfully secured support from the European Commission (IURC programme) to develop a city-to-city partnership with Osaka.
- 5.2.5 Plans to host a virtual mission for Japanese businesses in London in late 2021

5.3 Germany

- 5.3.1 Visit of Ambassador Michaelis to Manchester in July.
- 5.3.2 Signing of a Memorandum of Understanding with the Ruhr Metropole in September – MoU was endorsed by the British Embassy and the State of North Rhine Westphalia
- 5.3.3 Visit of State Minister for Economic Affairs, Digitalization, Innovation and Energy in NRW,
- 5.3.4 Appointment of Richard Carter, Former MD of BASF for UK & Ireland as the GMCA's Special Advisor for Germany

5.4 India

5.4.1 Mayor to sign Memorandum of Understanding with the State of Maharashtra.

5.5 Ireland

5.5.1 Virtual Irish-GM-LCR Summit with Mayor Andy Burnham, Mayor Rotherham, Minister Coveney, Minister Stuart, Ambassador O'Neill and Ambassador Johnston in November 2021.

5.5.2 Opening of the Irish Consulate General in July.

5.5.3 Visit of Minister Coveney, Minister for Foreign Affairs in October

5.5.4 Planned Mayoral Mission to Ireland in March 2022

5.6 Other senior diplomats and official we have hosted or planned to host this year – Ambassador of Israel, Ambassador of Spain, Ambassador of Ireland, High Commissioner of Pakistan, High Commissioner of India and British High Commissioner to Omar.

5.7 The Mayor has also agreed his International Mission Plans for his current term in office:

- 2021 – Germany
- 2022 – Ireland (March) then Pakistan and Bangladesh (September)
- 2023 – Japan and India (March)
- Additional visits to key markets in the US will also be considered for other GMCA political representatives