

Greater Manchester Local Enterprise Partnership

DATE: 4th August 2020

SUBJECT: Greater Manchester International Strategy Refresh – Emerging Framework and Approach

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PURPOSE OF REPORT

This paper provides the GM LEP with an update on progress regarding the refresh of the Greater Manchester International Strategy. This paper aims to provide details on the proposed approach, strategic framework, key messages and planned metrics for identifying Greater Manchester's priority markets.

RECOMMENDATIONS

GM LEP is asked to comment on the proposed framework and approach to the refresh of the Greater Manchester International Strategy.

GM LEP is also asked to consider the following questions:

- What parts of the framework do you endorse, are there any components missing and how can you play a role in helping to shape it further?
- What are the current and future blockers that may prevent Greater Manchester from delivering its international vision? How can we work to address them?
- How can Greater Manchester's International Strategy help to deliver Greater Manchester's priorities as businesses, residents and local government look to recover from the impact of COVID?
- What international opportunities are emerging due to COVID and or future international and foreign national policy?

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EXECUTIVE SUMMARY

In July 2017, Greater Manchester launched its first three-year “Internationalisation Strategy” which ran through to 2020. Significant work was already underway before COVID struck to evaluate the performance of the Strategy against targets and to refresh and redefine the priorities and international ambitions going forward.

In addition to COVID, the context for the International Strategy Refresh – locally, nationally and internationally – has changed significantly since it was first launched. Locally, Greater Manchester’s governance structures had developed considerably - the election of a Mayor, enhanced profile of the GMCA and the publication of a broad suite of strategies including the Local Industrial Strategy and the Greater Manchester Strategy (GMS) meant the foundations and principles for Greater Manchester’s international engagement had changed. Over the last few years, Greater Manchester stakeholders and international delivery organisations have taken a more coordinated and targeted approach to delivering our international agenda both in Greater Manchester and across the Northern Powerhouse. The new “Team Manchester” approach, that brings together a coordinated narrative on trade, investment and tourism and the development of market strategies for China, India and the US have helped driving a more targeted, integrated and intelligence led approach to increasing investment, trade and attracting more visitors and students.

Both nationally and internationally, the context of the refresh is a challenging and complex one. The uncertainty surrounding the UK’s relationship with the EU, two national elections and fear of a trade war between China and the US, means the UK’s future position on a global stage is unclear. Despite the uncertain landscape, Greater Manchester’s commitment to developing overseas links has led to the growth of its international reputation. The city region’s strong asset base, understanding of its sector strengths, clear strategy frameworks and a more coordinated and sophisticated approach to delivering activity had, over the 3 year period, has led to better performance and positioning.

Notable highlights include:

- From 2013 to 2018 International business visitor numbers increased by 46% and leisure visitors by 31%, increasing Greater Manchester’s UK market share by 38%, 22% ahead of UK average;
- Over the last three years FDI has contributed over £524m to the local economy and Greater Manchester has maintained recognition as the most popular regional UK destination outside of London for FDI projects;
- An increase of international students from 14% to 19% of the total student population over strategy period;
- £6.8bn worth of exports and imports from Manchester Airport alone in 2019;
- A 3 year partnership between Visit Britain and Marketing Manchester, the first non-nation deal of its kind to target international visitors, including the development of a Northern Gateway partnership where Marketing Manchester led international delivery campaigns on behalf of nine Northern destination;
- Further development of the Manchester China Forum and launch of the Manchester India Partnership, two examples of the region taking a unique, long-term approach to developing its relationships with high growth markets.

In March 2020 as the challenges of COVID emerged, much of Greater Manchester’s international activity was paused along with the refresh of the international strategy. An impact assessment, completed in April indicated the adverse impact of COVID and the subsequent travel restrictions were having on all of our international ambitions.

To address these challenges, work on the refresh of the International Strategy was resumed in May, working closely with partners across Greater Manchester, including the International and Marketing Board (IMAB).

The Refresh builds on the current Greater Manchester international priorities and successes of the last three years, but the impact of COVID has brought a renewed urgency and need for the strategy to contribute to recovery planning. The current approach to the Refresh is therefore two-fold:

- Agree the long-term international vision and framework in light of COVID and broader global challenges.
- Address the most immediate and emerging issues brought about by COVID and Brexit.

Consequently, and to support the latter, the Refresh will include a 12 month strategic plan in line with the publication of the Greater Manchester One Year Recovery Plan. The Strategy will be reviewed once again in 2021 to include a more detailed analysis about priority markets and long-term actions post-COVID.

In summary, this Refresh will aim to:

- Reflect on the achievements of the last three years and begin to re-define the city-region's long-term global ambitions, as well as target markets over the next 12 months and the strengths and values it hopes to be known for on an international stage, re-aligning our focus in light of COVID, growing competition and an uncertain landscape;
- Introduce a new strategic framework for international delivery that builds on the 2017 strategy and priorities, begins to consider a series of new metrics and indices to better monitor performance moving forward;
- Consider the accelerating impact that international can have for COVID-19 economic recovery, the delivery of both the GMS and Local Industrial Strategy and how a more coordinated approach on international can help address the new challenges we face;
- Outline how we can better maximise on our sector strengths, increase trade and continue to attract investment, international visitors and students to live, visit and study which will support economic growth and realise benefits for Greater Manchester residents;
- Under the theme of building back better and striving for the development of a cleaner, fairer and greener city region, consider how international engagement can address some of the challenges we face including inequalities, social cohesion and climate change;
- Ensuring that businesses and communities from across the 10 boroughs benefit from the new opportunities that may arise from the International Strategy;
- Highlight our long and proud history of being a welcoming and responsible city region with vibrant and diverse communities across the world with a firm commitment to playing our part in the delivery the UN Sustainable Development Goals.

By building these considerations in to the Refresh, we will have the foundations in place for a full update of the strategy next year, which will become a blueprint for Greater Manchester's international engagement moving forward, bringing together a refreshed international vision, revised priorities and target markets under an enhanced strategic framework. This strategy will help drive growth, support recovery, make Greater Manchester more internationally competitive and in turn bring benefit to our residents and businesses.

The proposal is that the core priorities from the 2017 to 2020 strategy will remain broadly the same, albeit, framed differently and grouped in to two different categories. We have also

proposed added a new priority “City Region Diplomacy” in to the refreshed strategy. Core priorities and Enablers outlined below:

- Five Core Priorities – Investment (Foreign Direct Investment and Foreign Capital Investment), Trade, International Students, Research and Innovation, the Visitor Economy (Business and Leisure)
- Three Enablers – Connectivity (Digital and Physical), City-Region Diplomacy and Greater Manchester Marketing and Branding

1. Introduction

1.1 Context

In 2017, the Greater Manchester Local Enterprise Partnership and GMCA agreed a three-year internationalisation strategy with an overarching aim for Greater Manchester to become a “Top 20 Global City by 2035”. The success of this strategy is measured against a series of objectives:

- Our attractiveness to international investors, visitors, business and academic talent and students;
- Our international cultural and place offer and the propensity of our business base to trade internationally;
- Our success as a key international gateway to the UK – and a gateway to the world for our UK businesses and communities;
- The quality and ease of access and interconnectivity to all places across the city region to maximise the local benefits of Internationalisation across Greater Manchester communities.

In February 2020, a full evidence review was undertaken to understand the regions performance against the existing strategy, in short the region performed well against its strategic objectives. The region saw improved global recognition, further connectivity and an increase in trade, investment, student and visitor numbers over the three-year period.

In March 2020, the refresh of the International Strategy was put on hold as the significant implications of COVID developed. It became clear that the economic uncertainty and restrictions on travel were likely having an adverse impact on Greater Manchester’s international ambitions. To understand this impact, an international COVID impact assessment was delivered in consultation with a range of Greater Manchester partners including Manchester Airport, Marketing Manchester, Greater Manchester Chamber of Commerce, MIDAS, DIT, Greater Manchester’s Universities and Local Authorities. It highlighted the following challenges:

- **Drop in Exports** - Excessive shipping costs, manufacturing bottlenecks and shrinking economies has resulted in UK export performance decreasing 8.5% in Q1 compared to last year. Many of the regions top trading partners (US, France, Germany) have been significantly affected by COVID and it’s likely Greater Manchester’s export performance will be reflective of UK total;
- **Fall in Investment** – In April UNCTAD predicted a 30% to 40% reduction in investment in 2020 due to the emerging economic recession. Despite the predicted fall in investment, some predict an expected increase in sectors such as Biotechnology, E-commerce and Cyber;
- **Reduced flights at Manchester Airport** – Passenger numbers at Manchester Airport decreased to approximately 1000 per day in April compared to a 90k daily average in peak season, while these numbers are recovering slowly as short haul flights return to normality, the impact of COVID is likely to be felt for the next 2-3 years;

- **A significant fall in both business and leisure visitors** – Lock down and restrictions on travel has had a detrimental impact on the regions tourism and leisure sector as well as business conferencing;
- **50% drop off in international students** – While the true picture won't be clear until October 2020, early estimates predicted up to a 50% fall off in international students;
- **Signs of increased negative sentiment towards the UK** – The UK's response to COVID has had a big impact on global perceptions of the UK, and early sentiment surveys show an increase in certain markets, primarily in Asia viewing the UK as un-safe and un-welcoming;
- **Financial challenges for our international delivery agencies** – The uncertain economic landscape and a reliance on private sector funding for some of Greater Manchester's international delivery bodies has led to resourcing and operational challenges.

Many of these challenges have been exacerbated due to continued uncertainty, the global nature of the crisis and limited guidance from Government. The impact assessment also concluded the significant importance international activity has for the region's anchor institutions including Manchester Airport, the universities and conference venues, and in particular the additional economic value that they create.

The impact of COVID on the region's international ambitions and activity is hugely significant; however, it is not the only issue challenging our competitiveness on an international stage. The current geo-political climate, the lack of clarity around the UK's relationship with the EU and the rest of the world creates further complexities and challenges. The UK's response to COVID and departure from the EU may increase negative sentiment towards the UK and lead to growing perception of the UK as an unwelcoming place. While reaffirming Greater Manchester's commitment to international engagement is important at these difficult times, the current geopolitical and economic uncertainty make the refresh of a long term, detailed and specific international strategy a challenging task.

1.2 Refresh Process

A one year COVID recovery plan is being developed and implemented until the full Greater Manchester Strategy refresh next year. For consistency, a similar approach is being taken to approaching the refresh of the International Strategy. The proposal is to publish a One Year International Strategy Refresh and action plan in September 2020. This refresh will address the most pressing challenges facing our international activity and global competitiveness as well as provide a strong framework for a full refresh in 2021.

2. Refresh Approach

2.1 Key Issues

The one-year refresh will look to address the following areas for updating or re-orientation:

- **Vision** - Considering updated global benchmarking, positioning and marketing intelligence, COVID and a fast-changing international landscape, a new long term international vision and shared ambitions will be defined.
- **International as an Accelerator** – the refresh will consider how international engagement can support the ambitions and actions set out in the Local Industrial Strategy, Greater Manchester Strategy and Greater Manchester Economic Recovery plan, emphasising the importance that international engagement plays for re-building and continuing to grow a globally competitive city region. The strategy will also consider how it can align to and support the delivery of a broader suite of strategies and priority policy areas.

- **Global Target Markets** – Short-term priority markets will be identified to reflect the global implications of COVID and the UK's planned foreign policy. New metrics for further analysis will also be considered in preparation for a full refresh in 2021.
- **Priorities** – the refresh will review current international priorities in light of COVID and the new local, national and international context.
- **Monitoring and Performance** – the refresh will begin to consider how a series of new metrics and indices could better monitor performance across priority areas, building on proposals outlined in the Business of Cities report that will measure our strategic position internationally and performance at an implementation level.
- **Implementation and Delivery** - A series of thematic action plans will be developed and embedded within GMCA/partner delivery plans to ensure all stakeholders are actively delivering on their elements of the strategy.
- **Engagement with Government** – the refreshed strategy should be a platform for engaging with Government (BEIS, DIT, DCMS and FCO) to ensure alignment with national priorities and highlight areas of potential joint activity and development of future policies for the benefit of Greater Manchester. The refresh will also consider how it aligns with and supports the delivery of the UK's new Export and Investment strategy and the UK's broader international objectives.

2.2 A New Context

In addition to the significant impact of COVID there have been substantial developments since 2017 in a local, national and international context which must be considered as part of the refresh. A full summary can be found in **Appendix 1**. It is however, important to highlight that National government are also currently re-considering future UK foreign policy including the UK's national trade and investment strategies. We must work closely with government where appropriate on the development of both the one-year and full International Strategy refresh to ensure strategic alignment.

2.3 Key Messages

The refresh will be drafted with a wide range of audiences in mind:

1. **Residents of Greater Manchester** – Recognising the transformational impact internationalisation can bring to a city region and its residents as well as the advantages a culturally diverse population can have for supporting internationalisation;
2. **Businesses of Greater Manchester** – Supporting our businesses to become more aware of the opportunities international engagement present and help them to utilise global trade, investment and R&D partnerships to become more competitive and resilient creating a stronger economy for Greater Manchester;
3. **Greater Manchester Partners and Stakeholders** – Providing a framework for respective international plans and ambitions;
4. **National Government and Opinion Leaders**– Greater Manchester as a key city region for supporting UK's growth ambitions;
5. **International Audience** – Greater Manchester as a globally competitive, diverse and welcoming city region that inspires global leaders, visitors, investors and businesses across the world through our strong sector base, talent and unique offering.

The refreshed strategy will build on several key messages that demonstrate the regions bold international ambitions, the recognition locally of the role that international has in support economic growth and what we hope to be known for on an international stage.

Summary of Key Messages

- A global, diverse, safe and welcoming city region that maximises Greater Manchester’s economic diversity and puts social diversity and inclusion at the centre as we continue to strive for equality and opportunity for all of our citizens;
- A city region that recognises internationalisation has a transformational impact on the productivity and prosperity of our city region – a strong international strategy can help create and sustain good quality jobs for the residents of Greater Manchester;
- A city region with a long history of resilience, international appeal and success that strives to remain relevant post-COVID on an increasingly competitive global stage;
- A city region with a pioneering ethos and history of world firsts that today is home to an innovative ecosystem underpinned by our academic institutions and world leading sector strengths, attracting companies from all over the world;
- A globally connected city region both in terms of international route connectivity and our spirit of driving international collaboration;
- A city region with a global reputation for success drawing talent and investment to cities, towns and villages, both within Greater Manchester and across the North, working with and sharing our growth and successes with partners across the North;
- A globally recognised sport, music and cultural offering and a spirit of radicalism and social value, these soft power assets make Greater Manchester unique and a top UK destination for visitors.

2.4 A New Strategic Framework

The priority areas from the 2017 to 2020 strategy will remain broadly the same. To illustrate the close synergy and inter-connectivity between the different priorities they have been grouped under two different categories – **Core Priorities** and **Enablers**.

Core Priorities are defined as the central blocks of the internationalisation. They play a key role in adding significant economic value to the region, are easily measured by specific metrics and indices, drive growth and create jobs.

Trade	Investment – FDI and FCI	Visitor Economy – leisure and business	Research and Innovation Capabilities	International Students
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Enablers are what gives Greater Manchester its competitive edge and make us unique. They help us connect with the world, learn from others, share our values, and tell Greater Manchester’s story well.

Global Perception and Reputation	Connectivity – physical and digital	City-Region Diplomacy
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It is also important to consider Greater Manchester’s place in the world and our responsibility in delivering the global agendas of equality, sustainability and social cohesion. This strategy will be a firm commitment to the UN Sustainable Development Goals.

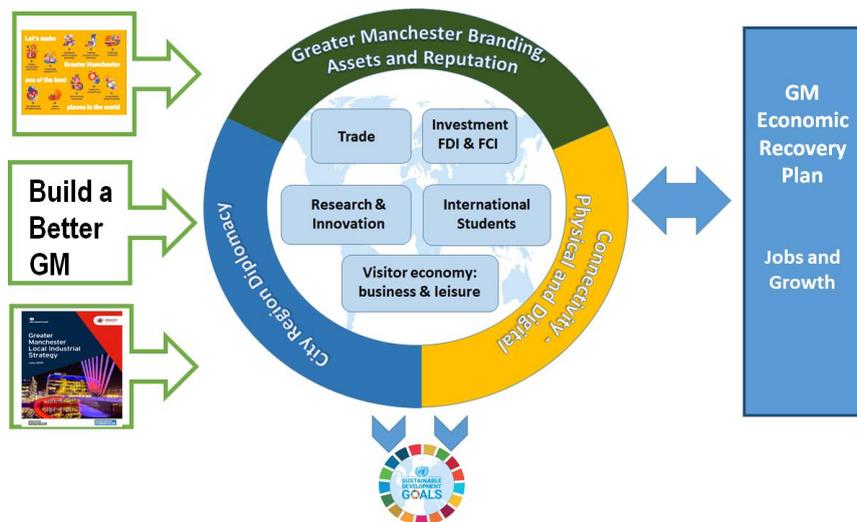


Figure 1 2020 Greater Manchester International Strategy Refresh – Proposed Draft Strategic Framework

2.4.1 Core Priorities

TRADE

Since 2017, the number of Greater Manchester businesses exporting to overseas markets has increased by 8% to 13,043 (2018), leading to an increase of 6% in total exports (£6.8bn).

Both Brexit and COVID have created unprecedented challenges for exporting businesses, experts predict that global trade is likely to decline between 13% and 32% this year as a result of COVID. Despite the significant challenges facing industry and exporters, this continued uncertainty also presents us with a timely opportunity to reconsider Greater Manchester's international trade priorities and activity.

Potential strategic priorities:

- Re-align Greater Manchester's trade priority sectors to the Greater Manchester Local Industrial Strategy priority areas;
- Retain and gain export market value share in our Greater Manchester Top 20 Markets (**Appendix 2**);
- Diversify the regions International Trading Markets – explore other future opportunity markets such as India, Japan, and countries in the Middle East and South Asia;
- Work in partnership with Government and DIT to understand the development of their new Export Strategy (to be published in September 2020);
- Support Greater Manchester businesses to ensure they reach their exporting potential;
- Strategically leverage Greater Manchester's city-to-city links and develop further connections to support businesses access new trade opportunities overseas.

INVESTMENT

Between 2017 and 2020, FDI created 7,485 jobs and added £524m GVA to Greater Manchester's economy. According to the Ernst & Young Attractiveness survey, Greater Manchester is the second most attractive place to invest in the UK after London. In relation to FCI, estimates indicate that over the strategy period Greater Manchester has received over £4bn investment, primarily from UAE, Hong Kong and Mainland China.

The severe economic disruptions caused by COVID will likely have a significant impact on the foreign direct investment decisions of firms. The United Nations Conference on Trade and Development predicts a 30% to 40% reduction in investment in 2020 with energy, basic materials, airlines and the automotive sector suffering the biggest hits. Despite these challenges experts predict a potential uplift in certain sectors including biotechnology, e-commerce and cyber as well as opportunities emerging as a result of a shift to “localisation” and companies beginning to re-shore facilities to address future supply chain challenges.

Potential strategic priorities:

- Re-align Greater Manchester’s investment priorities to the new Local Industrial Strategy frontier sectors;
- Work in partnership with Government to understand the development of their new Investment Strategy (to be published in summer 2020);
- Re-instil confidence in investor community that Greater Manchester is a safe place to live, work and invest;
- Work across Greater Manchester to develop and define market/business opportunities for companies to support the delivery of the Local Industrial Strategy.

VISITOR ECONOMY

In 2019, tourism contributed over £9bn to Greater Manchester’s economy and supported approximately 101,000 jobs. The conferencing and business tourism sector alone contributed £862m in the same year indicating the significant economic benefit both business and leisure tourism contributes to the region.

Since lockdown measures were introduced Greater Manchester’s Visitor Economy sector, which includes hospitality, culture, leisure and retail have all been heavily impacted. It is estimated that by August, Greater Manchester’s previous buoyant tourism industry will have lost 47% of its economic value, decreasing its economic contribution from £9bn to £4.2bn.

Potential Strategic Priorities:

- Position Greater Manchester as a strategic city region and promotional partner with national promotional organisations;
- Recover the economic scars created by COVID within the Tourism & Hospitality industry, working with the sector and re-instilling confidence in consumers to travel locally, nationally and internationally;
- Retain and increase Greater Manchester’s international visitor market share as the alternative gateway to the UK and level up the economic opportunity of tourism for the NW region (Currently the breakdown of international visits to the UK is split as follows 54% visit London, 10% Scotland, 2% Wales and 33% to the ‘rest of England’);
- Maximise opportunities for Greater Manchester’s as a result of the UK’s transition out of the EU by attracting leisure visitors and business conferences to the region;
- Identify and attract valuable domestic and international business conferences and events that align with and reinforce Greater Manchester’s priority sector;
- Promote Greater Manchester’s cultural, sporting and hospitality assets collectively to gain recognition as a vibrant global city region;

- Support the delivery of an excellent welcome and leading edge customer service offering including developing essential skills and workforce development.

INTERNATIONAL STUDENTS

Greater Manchester's universities attract students from over 160 countries around the world. The promotion of Greater Manchester as a welcoming place with a strong educational offer will continue to be a priority in the Refresh, recognising the importance international students play in supporting the local economy and also as future ambassadors for the city region.

Greater Manchester universities were initially anticipating a 50% drop off on international students for 2020/2021, although the latest signs are more promising. Availability of flights and airline capacity, the closure of visas offices and financial difficulties from families and sponsors are some of the challenges faced by international students, although the Universities and Airport are working closely to try to overcome as many physical barriers as possible.

Potential Strategic Priorities:

- Support students that wish to travel to the UK this year – a Greater Manchester Universities group has been established to develop a coordinated approach to address challenges surrounding flights, quarantine and accommodation;
- Protect and grow Greater Manchester's future international student pipeline;
- Ensure that Greater Manchester is perceived as a safe and welcoming city region to study – British Council sentiment surveys show increased negative perceptions towards the UK due to its COVID response;
- Build on Greater Manchester's excellent study offer through the development of unique experience and opportunities such as work and volunteering placements;
- Leverage Greater Manchester's Global Alumni Networks – International students are life-long Ambassadors to Greater Manchester;

RESEARCH AND INNOVATION

Greater Manchester has a strong community of world leading research talent with an international reputation across key sectors of industry including energy, biotech, health innovation, digital technologies, advanced materials and global inequalities. By increasing our international research collaborations and connecting our innovation ecosystems with global equivalents more effectively we can create new business opportunities and work with global partners to develop, test and commercialise new solutions to address societal challenges.

Mitigation measures and social distancing have affected the work of researchers and research groups. Feedback from the universities suggests that conversations are continuing with overseas partners indicating that there is an appetite to collaborate, despite the limitations and challenges caused by COVID. Looking forward concerns around funding and the outcome of the UK-EU negotiations remain a concern for Greater Manchester's research and innovation players, in particular the participation of the UK in the future R&D&I EU funding programme, Horizon Europe, which has been one of the main source of funding for research partnerships over the years.

Potential Strategic Priorities:

- Position Greater Manchester as an innovative and ambition city region committed to solving societal challenges through science and technology;

- Attract investment and talent into Greater Manchester's leading research areas and innovation assets, increasing the impact of investment to meet the strategic needs of the Greater Manchester economy;
- Foster international research and innovation partnerships and promoting our research and innovation capabilities globally;
- Promote Greater Manchester as a top location for global companies to establish their R&D operations across the regions priority sectors;
- Develop City-to-City Collaborations that create partnerships between international scale-up programmes and promotes collaboration between institutions, innovation hubs and businesses.

2.4.2 Enablers

GLOBAL PERCEPTION AND REPUTATION

Over the last three years, significant work has been undertaken promoting Greater Manchester on an international stage. Highlights include the recent development of the Greater Manchester Brand Framework, helping to coordinate clear Greater Manchester messaging across priority areas and detailed intelligence of the regions global performance across a number of indices. The Business of Cities work, published in 2019 provides Greater Manchester with additional intelligence and competitor analysis against over 500 global city indices, enabling us to understand how the region benchmarks in comparison to other peer cities in perception and performance. Not only has Greater Manchester's position on the Anholt City Band index rose from 27th in 2016 to 24th in 2019 but the region has also made improvements in several global city perception and performance indexes including Innovation Ecosystems, Workforce & Talent and Global Reach. There are several areas where Greater Manchester stands out; ranking in a top 25 global position for: Millennial and student appeal and attraction; Social Diversity and Inclusion; Business and real estate friendliness and investor readiness; and Visibility and Buzz.

The impact of COVID and the lockdown have significantly affected several sectors that are vital to the Greater Manchester's vibrant place shaping and economy including hospitality, retail, culture and sports industries. The UK's transition out of the EU may also affect our global brand positioning and cause reputational damage if left unchecked. Sentiment surveys already indicate that the UK is perceived as unwelcoming place due Brexit. The UK's response to COVID has now also resulted in the country being perceived as unsafe. Increased competition from other city regions where countries may have responded more positively may reduce Greater Manchester's international standing and market share. Looking forward, Greater Manchester must re-think and adapt its brand messaging to rebuild confidence in the region as a great place to visit, live, work and study.

Potential Strategic Priorities:

- Further investment in assets across Greater Manchester that are required to create a truly global city region;
- Strengthen Greater Manchester's global positioning and perceptions by implementing Business of Cities Research recommendations;
- Promoting Greater Manchester as a safe, welcoming and diverse city region as a place to visit, do business, meet, invest, live and study (Find Your Space campaign);
- Initiate focussed and sustained communication of Greater Manchester's ambitions, unique selling points and Greater Manchester Local Industrial Strategy priority

sectors, creating new opportunities to strengthen the regions brand both nationally and globally.

CONNECTIVITY

International and national connectivity (by air or land), along with digital connectivity is a key driver and enabler for delivering our international priorities and connecting residents, policy makers and businesses with the world.

Manchester Airport, as the UK's third largest airport is recognised widely across Greater Manchester as a critical growth asset for the North of England and key driver for internationalisation. In 2019, Manchester Airport added £4.5bn GVA and 76,000 jobs to the region. COVID and the travel restrictions implemented across the world have had a detrimental impact on Manchester Airport. The unknown of how the pandemic will develop, limited financial support from Government and lack of clarity around travel corridors have all intensified the challenges and resulted in scenario planning being more complex and uncertain.

Potential Strategic Priorities:

- Continue to lobby government on the support needed to ensure a full and speedy recovery of the UK aviation sector;
- Look to work with government on the development of a new UK Aviation Strategy to support the industry and its broader supply chain to recover from the implications of COVID;
- Re-instate long haul routes and look to secure further direct flights. Secure further connectivity with Greater Manchester's priority markets including the US and India;
- Work with government to accelerate investment commitments to HS2 and NPH rail to improve Greater Manchester's ground connectivity to the broader Northern region, maximising Greater Manchester's global competitiveness and ensuring benefits flow to all parts of the North.

CITY REGION DIPLOMACY

City Region Diplomacy and city-to-city collaborations can play a significant role in driving the regions international ambitions and supporting economic recovery. By leveraging the cities recognised strengths, soft power assets and connections, Greater Manchester can develop further links at a city region level to promote trade, investment, innovation collaboration, policy and people-to-people exchange.

As COVID has brought the global economy to a standstill, some global diplomatic relationships have become fractured. Despite rising tensions at a national level, city regions are continuing to collaborate and cooperate both independently and through city networks such as the C40, Covenants of Mayors, Resilient Cities Catalyst, World Economic Forum and Eurocities. These global networks have created strong platforms for city regions to share ideas, collaborate and challenge the norm.

Global cities share similar challenges such as inequality, poverty and climate change, many of which have been exacerbated as a result of COVID. COVID recovery presents an opportunity for Greater Manchester to work together with other global cities to address these global challenges and consider how our recovery from COVID can be focused on developing a greener, more resilient and equitable society, working together to ensure these values become the new normal.

The Mayor, Deputy Mayors, and the GMCA Economy Portfolio Lead will be the leading political voices supporting Greater Manchester international agenda. They will champion Greater Manchester's values internationally, be a leading voice on both a national and international stage on policy debates that are important to the region as well as promote the region as the best place to invest, visit, study and live.

Potential Strategic Priorities:

- Strengthen and broaden existing city-to-city collaboration agreements with Barcelona, Lyon, Ulsan, Tianjin and Bangalore to include business to business partnerships that promote further trade, investment and research collaboration between businesses and institutions;
- Develop a City Region Diplomacy Plan which identifies a small number of new strategic city relationships Greater Manchester hopes to develop over the next 12 months;
- Develop a 2020-21 Mayoral Mission Plan in partnerships with key Greater Manchester stakeholders – initial focus will be on developing a virtual trade and investment missions program;
- Explore opportunities emerging from the 10 boroughs that may benefit from city-to-city international partnerships and missions, for example, investment, trade and diaspora links.

3. Global Target Markets

Greater Manchester has many strong relationships around the world. A detailed analysis of these existing links was carried out during the development of the 2017 international strategy and a refreshed analysis was completed in 2020 as part of evidence base review. A further analysis of Greater Manchester's city-to-city collaborations was also to understand where in the world we have the most active city relationships. This research has led to Greater Manchester having a clear understanding of its main international partners across a range of priority areas.

While this in-depth understanding would in normal times be a strong evidence base for identifying future opportunities, over the last few months the world has changed drastically. This change is likely to continue over coming months as the further implications of COVID are understood, and details behind the UK's future trading relationships emerge. While this international refresh presents a timely opportunity to review the regions long-term priority target markets, the current uncertainty makes the exercise a challenging one.

The proposed refresh will instead consider short-term priority markets based on the following metrics:

- **Greater Manchester's strongest markets based on historical performance data including export, import, FDI, FCI students, research and visitors.**
- **Existing Relationships**
 - China – Manchester China Forum
 - India – Manchester India Partnership
 - United States – Building on MIDAS US strategy and MM's partnership with New York and Partners
 - Europe – existing partnerships with France, Ireland, Spain, Germany and The Netherlands
- **UK Future Foreign Policy**

- UK Free Trade Agreements with the US and Japan;
- **Economic impact of COVID and future growth projections**
 - IMF Economic Outlook Growth Projections
 - World Bank Growth Projections
 - OECD Growth Projections

A more comprehensive review of Greater Manchester priority markets will be undertaken for the full refresh in 2021 when there is further clarity on the UK's future trading relationships and the broader economic implications of COVID. Future metrics will also likely consider:

- **Greater Manchester Family Priority Markets**
 - Manchester Airport target routes;
 - University priority markets for international students and research collaboration;
- **Other International Considerations**
 - DIT/DCMS and GEAT Target markets
 - UK's plans to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) a free trade agreement between Canada and 10 other countries in the Asia-Pacific region including Australia, Japan, Malaysia, Mexico, New Zealand, Singapore and Vietnam.
 - LIS opportunity markets
 - Refreshed IMF and World Bank Growth Projections
 - Ease of Doing Business;
 - Soft power opportunity;
 - Geopolitical tensions and challenges;
 - LIS sector target markets for business conferences and events;
 - Leading international cities

4. Next Steps

Action	Date
Discuss and agree strategic framework and key messages	July - September
Agree metrics to identifying target markets and complete further research and analysis	
Work across relevant Greater Manchester partners and delivery bodies to further develop and agree content, goals and relevant actions across the five priority areas and three drivers	
One Year Strategy Launch	September 2020
<i>Publish full international refresh – October 2021</i>	<i>October 2021</i>

Appendix 1. Refresh – A New Context

In addition to the significant impact of COVID there have been substantial developments since 2017 in a local, national and international context which must be considered as part of the refresh.

Local

- Since 2017 a significant amount of work has gone into the development of new strategies and ambitions including the launch of **The Greater Manchester Local Industrial Strategy** which places importance on increasing exports, inward investment and R&D for productivity and growth in the region, **The Greater Manchester Strategy** and a broader suite of strategies including **Digital Strategy, Cultural Strategy, Business Tourism Strategy** and **5 Year Environment Plan**;
- Development of specific market strategies for China, India and the US which have supported a more strategic and intelligence led approach to attracting inward investment;
- A significant amount of work on coordinating an approach to the Marketing of Greater Manchester;
- A large amount of research through Business of Cities to better understand how Greater Manchester benchmarks against other cities globally;
- The election of a Mayor and enhanced profile of the GMCA leading to a significant increase in international visit requests including from High Commissioners, Ambassadors, Foreign Ministers and Mayors;
- Increased emphasis on the importance of city region and cluster partnerships including the signing of agreements with Barcelona, Ulsan, Tianjin, Sylhet and Bangalore;
- Increased coordination of NPH activity in relation to trade and investment through the Greater Manchester Local Enterprise Partnership and Growth Company;
- Further development of the Manchester China Forum and creation of the Manchester India Partnership;
- A 3 year partnership with Visit Britain, the first non-nation DMO for a UK region;
- Two Mayoral Missions (India and China);
- Promotional partnership with NYC & Company and strengthening relationships with the tourism offices in Berlin and Barcelona.

National

- Uncertainty around the UK's future relationship with the European Union;
- development of new free trade agreements with US, Canada, Australia, New Zealand, Japan and the future UK membership to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership;
- Global Britain and the UK's future ambitions;
- The development of a new Export and Investment strategy for the UK;
- Publication of the International Research and Innovation Strategy by BEIS;
- Two general elections and the "levelling up" agenda placing significant emphasis on rebalancing the UK, creating a window of opportunity for Greater Manchester to work more closely on the drafting of international policy that's beneficial for Greater Manchester;
- New emerging markets and increased global competition;
- An increase in activity of global city regions such as Amsterdam and Barcelona promoting a greener, fairer and more equal agenda on the international stage through global city networks to create a fairer more inclusive global recovery with cities and people at the centre of the new normal;
- An increasing global trend of "localisation", supply chain re-shoring, growing protectionism and further tensions between the US and China.

International

- An increasing global trend of "localisation", supply chain re-shoring;
- Growing protectionism and growing tensions between the US and China;
- Huawei, UK security decisions and the implications certain choices may have on the UK's relationship with the US;
- A growing negative sentiment towards the UK in certain markets as a result of COVID and Brexit.

Appendix 2 - Greater Manchester Top Export Markets (2018)

Country	Value of Exports (£ million)
Germany	820
Irish Republic	714
USA	633
France	455
Netherlands	339
China	279
Belgium	271
Italy	264
Spain	247
Poland	180
Sweden	138
Turkey	132
India	90
Other Asia and Oceania	80
Denmark	75
Hong Kong	65
South Korea	46
Vietnam	36
Pakistan	32
Slovakia	18

Appendix 3. Further Research and Existing Gaps

- Analysis of HMRC Export and Imports
 - 2019 Trade Data
 - Q1 2020 Trade Data
- Analysis of short-term future priority markets based on - existing relationship strength, IMF Growth Projections, World Bank Growth Projections, OECD Growth Projections, UK FTA's and Existing relationships.
- Economic impact and GVA (where possible) of each core international priority area to Greater Manchester
- Break down of the communities and diaspora that make up Greater Manchester
- Case studies across all 8-priority areas to bring the strategy to life, to show case the breadth of international activity across the region and the benefit it has for the residents and businesses of Greater Manchester