

GREATER MANCHESTER LOCAL ENTERPRISE

DATE: 8th September 2020
SUBJECT: Greater Manchester International Strategy Refresh
REPORT OF: Mike Blackburn

PURPOSE OF REPORT

In July 2017, Greater Manchester launched a three year internationalisation strategy which outlined the city region's ambitions on a global stage to grow international exports, investment and research and innovation partnerships as well as continue to attract international visitors and students.

This report provides a summary of the work to date and the approach taken to refreshing the International Strategy in the context of COVID and our departure from the EU.

A first draft of the full strategy can be found in **Appendix.1**.

RECOMMENDATIONS

LEP Members are asked to:

- Note and comment on the report

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Risk Management – n/a

Legal Considerations – n/a

Financial Consequences – n/a

BACKGROUND PAPERS

- Greater Manchester 2017 to 2020 Internationalisation Strategy. Available here:
<https://www.greatermanchester-ca.gov.uk/media/1947/internationalisation-report.pdf>

1. Background

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 city-region’s performance against the existing strategy, in short the city-region performed well against its strategic objectives. It saw improved global recognition, further connectivity and an increase in trade, investment, student and visitor numbers over the three-year period.

The evidence review brought to light the city region’s year on year growth in international engagement. This can be attributed to its strong asset base, understanding of its sector strengths, clear strategy frameworks and a more coordinated and sophisticated approach to delivering activity had. Over the three year period this led to better performance and positioning.

2. COVID-19 and Greater Manchester’s International Strategy

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 GM’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, although recent figures show trade volumes are starting to partly recover. Many of the region’s 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 experts expect an 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 region’s tourism and leisure sector as well as business conferencing;

- **Up to a 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 GM's international delivery bodies has led to resourcing and operational challenges.

The impact of COVID on the city 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. The UK's response to COVID and the departure from the EU may also increase negative sentiment towards the UK and lead to a 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 hard task.

3. Refresh Approach

To address the identified challenges, work on the refresh of the International Strategy was resumed in May. The refreshed strategy has been developed by working closely with a wide range of Greater Manchester partners and stakeholders including Local Authorities, businesses, The Growth Company, MIDAS, Marketing Manchester, the Local Enterprise Partnership, The Greater Manchester Chamber of Commerce, the airport, our universities and other regional stakeholders.

Whilst the refresh builds on the current Greater Manchester international priorities and successes of last three years, COVID has brought a new dimension to this work, which needed to be addressed.

The approach to the refresh is therefore twofold:

- Review our long-term international vision and enhanced strategic framework, identifying new and continued strategic objectives that supports the delivery of Greater Manchester's long-term ambitions in-light of new challenges and opportunities;
- Address the immediate and emerging issues brought about by COVID-19 and any emerging challenges and opportunities from the UK's new relationships with the EU.

Consequently, and to support the latter, the refresh take on a 12 month time frame, **in line with the publication of the Greater Manchester one year Living with COVID-19 Resilience Plan**. The Strategy will be reviewed in 2021 to include a more detailed analysis of our priority markets and any further challenges post-COVID.

In summary, this refresh aims to:

- Reflect on the achievements of the last three years and begin to re-define the city-region's global ambitions, 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;

- Considers 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 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 these shared goals using global frameworks such as the UN Sustainable Development Goal

4. Refresh Approach

4.1 Key Issues

The one-year refresh looks to address the following areas for update or re-orientation:

- **Vision** - Considering updated global benchmarking, positioning and marketing intelligence, COVID and a fast-changing international landscape to define a new international vision and shared ambitions;
- **International as an Accelerator** – the refresh considers how international engagement can support the ambitions and actions set out in the Local Industrial Strategy, Greater Manchester Strategy and Greater Manchester Living with COVID-19 Resilience Plan, emphasising the importance that international engagement plays for re-building and continuing to grow a globally competitive city region.
- **Global Target Markets** – Short-term priority markets have been identified to reflect the global implications of COVID and the UK’s planned future trade agreements.
- **Priorities** – the refresh reviews 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 aims to be a platform for engaging with Government (BEIS, DIT, DCMS and FCO) ensuring alignment with national priorities and highlights areas of potential joint activity and development of future policies for the benefit of Greater Manchester. The refresh also considers how it aligns with and supports the delivery of the UK’s new Export and Investment strategy and the UK’s broader international objectives.

4.2 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. For example the UK's departure from the European Union, the publication of the Local Industrial Strategy and the election of a Mayor. 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.

4.3 Key Messages

The International refresh was 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.

4.4 A New Strategic Framework

The priority areas from the 2017 to 2020 strategy will remain 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**. The refreshed strategy also considers the addition of a new priority, “City Region Diplomacy” in response to the election of a Greater Manchester Mayor and the increased recognition of the role city regions play in driving international engagement.

It is also important to consider Greater Manchester's place in the world and our responsibility in delivery the global agendas of equality, sustainability and social cohesion. This strategy will be a firm commitment to the UN Sustainable Development Goals

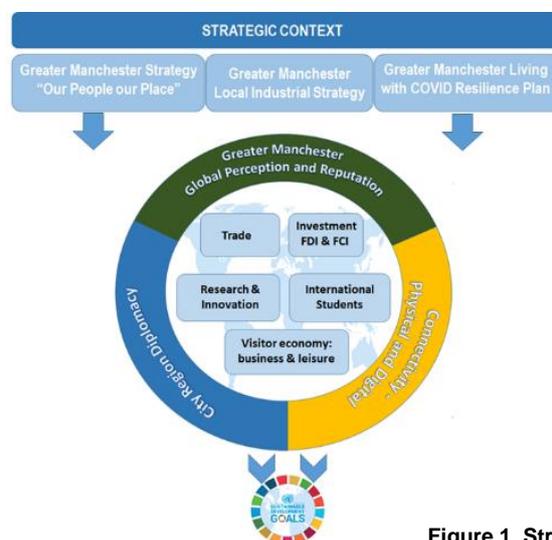


Figure 1. Strategic Framework

Appendix.1 – DRAFT – Greater Manchester’s One Year International Strategy – Living with COVID-19

Foreword

Greater Manchester is recognised internationally for its role in creating the modern world. Not only is the city region renowned for its inspiring history of world firsts, radical thinking and social value, but its rich sporting, musical and cultural offer continues to attract and delight visitors from across the globe.

As the birthplace of the industrial revolution, innovation runs in the city region’s blood. Greater Manchester is the place where the world’s first intercity railway was constructed; where the co-operative movement was pioneered; where the Suffragette movement was born, and where graphene was first isolated.

Our residents and leaders have always acknowledged and understood the importance of being globally connected, as well as the benefits of internationalisation, perhaps most clearly demonstrated by the creation of the Manchester Ship Canal, that allowed a city region 40 miles inland to become Britain’s third busiest port. Today, we are clear that our international links are vital to the city region’s prosperity, allowing us to do business, share and learn from our international partners. Our desire to connect, trade and collaborate with international markets has driven the transformation of our economy over the last 200 years and remains a key priority today.

Today, our city region is one of the most culturally diverse in the UK and is home to over 200 different nationalities. We recognise that this diversity is a significant asset as we look to global partners. Our international reputation draws talent and investment to our cities, towns and villages, attracting visitors, investors and students from around the world and we continue to pride ourselves on our reputation as an inclusive, welcoming, liveable and socially responsible city region, supporting our residents, communities and businesses to thrive locally, nationally and internationally.

The international landscape today is very different to 2017, when the last International Strategy was written. The UK has now left the European Union and due to the ongoing COVID-19 pandemic, global networks, trade and travel have been disrupted to an unprecedented degree. Nonetheless, the challenges we have seen in recent months have only served to reinforce our interconnectedness and have highlighted the importance of working across borders for the greater good. It is within this new global context that Greater Manchester’s refreshed international strategy re-states our commitment to becoming a top global city across our priority areas, re-affirms our openness to working with partners across the world and recognises the wider benefits of internationalisation.

1. Executive Summary

In 2017, Greater Manchester published a three-year internationalisation strategy, building on the city region’s international successes, outlining a long term ambition to become “A Top 20 Global City by 2035” and playing a critical role in delivering the ambitions of the Greater Manchester Strategy. This strategy measured our success against a series of international objectives including our attractiveness to global audiences as a place to invest, visit and study, increasing exports, securing direct routes and developing new partnerships overseas.

Despite an increasingly complex national and international landscape, 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 has led to better performance

across our international priority areas. Today Greater Manchester's long history of international appeal and success is recognised globally. This international reputation draws talent and investment to our cities, towns and villages and our strong sporting and cultural offer draws in visitors from around the world.

The impact of COVID-19 has caused huge disruption to our global relationships and some of the key institutions at the heart of driving them. While the full implications are unlikely to emerge for some time, the initial impacts of COVID-19 have been widespread, affecting all of our priority areas. Our new relationship with the EU, the end of free movement and changes in national foreign and trade policy present us with new opportunities and challenges.

It is within this new and rapidly evolving context that Greater Manchester has agreed a one-year international strategy refresh, published in-line with our one year Living with COVID-19 Resilience Plan to address the most pressing challenges facing our international activity to support us in remaining globally competitive. These uncertain times present the region with an opportunity to reflect on our experience and performance in recent years, assess the initial, and ongoing impacts of COVID on our businesses and communities, learn what has worked and what has not and look to identify new opportunities.

The objectives of this one-year refresh are two-fold:

- Review our long-term international vision and enhanced strategic framework, identifying new and continued strategic objectives that supports the delivery of Greater Manchester's long-term ambitions in-light of new challenges and opportunities;
- Address the immediate and emerging issues brought about by COVID-19 and any challenges and opportunities emerging from the UK's new relationship with the EU.

Greater Manchester's new international framework builds on the 2017 strategy, recognising the interconnectivity and mutual dependence between our international priorities. To illustrate this, priorities have been grouped under two different categories – **Core Priorities** and **Enablers**.

- Core Priorities – Trade, Investment, Research and Innovation, the Visitor Economy (Business and Leisure) and International Students.
- Enablers - Connectivity (Digital and Physical), City-Region Diplomacy and Greater Manchester Global Perception and Reputation.

Core Priorities are the central blocks of internationalisation, adding economic value to the region, driving growth and creating jobs. **Enablers** help drive and deliver our Core Priorities, help us connect us with the world, learn from others, share our values and tell Greater Manchester's story well.

The new framework provides a blueprint for 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.

Our international strategy builds on Greater Manchester's **reputation** as welcoming, safe and responsible place. We will work with our partners at home and overseas to deliver on our economic priorities and raise our profile internationally as a great place to visit, live, work and study.

The impacts of COVID-19 on Greater Manchester's international **connectivity** have been detrimental with a full recovery likely to take years. This strategy places connectivity as one of our priorities over the next year to support the re-establishment of direct routes with our key priority markets, working to ensure we can continue to trade and attract international visitors, students and investors to the city region and the North. The physical movement of students, talent and academics is also crucial for our universities and a vital ingredient to Greater Manchester's position as a significant research, science and innovation hub in the UK.

City Region **diplomacy** is an essential enabler for delivering our international ambitions. By leveraging the city region's recognised strengths, soft power assets and global connections, we will develop further links at a city region level to promote trade, investment and innovation collaboration, furthering policy and people-to-people exchange. Our innovation and social credentials have already received recognition from international bodies, including the UN. Looking forward Greater Manchester will continue to build on these credentials, working with other global city regions to deliver on global agendas of equality, sustainability and social cohesion, by using global frameworks such as the UN's Sustainable Development Goals.

Greater Manchester has strong partnerships across the world with partner city regions in Europe, China, India and United States. Over the next year, we will further strengthen and develop those relations to promote **trade, investment and research** partnerships that bring benefit to our partners, businesses and communities. We will also monitor the opportunities that may emerge from national government's new trade negotiations and the UK's new relationship with the EU, strategically leveraging new partnerships and connections with other city regions and countries.

Greater Manchester's unique spirit, shaped by generations of residents from all parts of the globe, built on a fusion of cultures, talent and creativity, supported by an internationally competitive economy are what make Greater Manchester the global city region it is today. By bringing these strengths, assets and ambitions together under the framework of the refreshed international strategy, we position ourselves in the best possible way to achieve our global ambitions and support our recovery from COVID-19.

2. Ambition

Our long-term vision for Greater Manchester is to become an internationally recognised centre of visionary thinkers, innovative businesses and entrepreneurs, a place where our businesses trade and thrive internationally and our frontier sectors attract investment from across the globe. A place that recognises the benefits internationalisation can bring its residents and promotes its strong values on an international stage.

Our long-term ambitions are to:

- Raise the profile of Greater Manchester as a safe, welcoming and diverse city region and one of the best places in the world to live, visit, study and invest;
- Build a globally competitive city-region by increasing trade, foreign investment and fostering business development and cross-border partnerships that support our local growth ambitions and bring benefits to local businesses and residents;
- Position Greater Manchester at the forefront of innovation, with cutting-edge research and visionary thinkers, a place where ideas turn in to solutions and are shared with the world;

- Establish Greater Manchester on the global stage, and raise its reputation as an international responsible city region that places people and our natural environment at its centre, and recognises the value of working towards shared Global Goals.

This strategy, developed in consultation with partners across Greater Manchester and the UK; it builds on our ambitions set out in the 2017-2020 Greater Manchester Internationalisation Strategy and outlines a revised vision and our refreshed long-term international ambitions. Given the significant short and medium term challenges brought about by COVID-19 and other global developments, this one-year strategy also outlines short to medium term strategic objectives to respond to the most pressing challenges.

3. A New Context – New Challenges and Opportunities

Since the publication of the 2017 Internationalisation Strategy, the local, national and international landscape has changed dramatically. The launch of the Greater Manchester strategy and the Local Industrial Strategy, the election of our first Mayor, the UK's exit from the EU and one of the biggest health and economic crisis of our times. This new context has changed the foundations and principles of Greater Manchester's international engagement.

Global: COVID-19

In March 2020 as the challenges of COVID-19 emerged, much of Greater Manchester's international activity was paused. An impact assessment, completed in April indicated the adverse impact of the pandemic and the subsequent travel restrictions were having on all of our international ambitions, including:

- Drop in Exports - UK export performance decreasing 8.5% in Q1 compared to last year;
- Fall in Investment – 30% to 40% reduction in investment in 2020 globally due to the emerging economic recession¹;
- Reduced passenger numbers at Manchester Airport - to approximately 1000 per day in April compared to a 90k daily average in peak season;
- A significant fall in both business and leisure visitors;
- Drop off in international students – initially expected to be between 50% and 75% across the UK;

National: UK Foreign Policy

Following the UK's departure from the EU, national government is developing and negotiating its independent international policy including the development of a new export and investment strategy due to be published in summer 2020. At the centre of the UK's new international policy is its future agreement with the EU and the development of free trade agreements with Australia, New Zealand, the US and Japan.

The UK government also recently announced its desire to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) as well as developing an enhanced trade partnership with India (India-UK Joint Economic and Trade Committee - JETCO). India is expected to become the third largest economy by 2030 and presents significant growth opportunities for the city-region.

Wherever possible, we will align our global markets and international ambitions with those of the UK Government. We will continue working jointly with the UK Foreign Commonwealth and Development Office, the Department for International Trade and other key government departments as well as national agencies to exploit our international shared objectives and work in partnerships where there is mutual benefit.

Local: Mayoral Combined Authority

The success of Greater Manchester and its devolution story is well-known around the globe. In recent years we have seen an increasing number of requests from key global players wanting to learn from Greater Manchester's devolution journey, and more importantly, interested to work closely and to do business with local partners.

Going forward, we will strategically leverage these connections, prioritise partnerships and cities to ensure that we deliver practical benefits from those relationships. We will work with other partners across the Northern Powerhouse region, including other Mayoral Combined Authorities to identify shared international priorities and global markets where we can share resources and work together.

4. Internationalisation, Growth and Productivity

Greater Manchester is a city region that recognises internationalisation has a transformational impact on the productivity and prosperity of our city region, unlocking growth opportunities for our businesses and institutions, helping to create and sustain good quality jobs for the residents of Greater Manchester. Exporting supply chains, high value foreign investment and capitalising on our key assets and competitive advantages are three international growth opportunities the city region has identified to unlock this growth².

Business that trade internationally are more resilient and competitive than those that do not. It is estimated that exporting alone presents millions of pounds of untapped economic productivity. Foreign-owned firms in Greater Manchester are more productive, invest more readily in skills and are more likely to export. The promotion of our core strengths and key assets internationally helps to attract leading global companies and top talent, supporting Greater Manchester to become world leading, achieve our sectoral ambitions and growth aspirations.

Although the monetary value of a successful international strategy is difficult to quantify due to its wide scope and varying benefits, there is overwhelming evidence of the catalytic impacts international trade, investment, research, visitors and students have on Greater Manchester. The economic disruption caused by COVID-19 has been felt across the entire city region, a strong international strategy can play a role in supporting elements of economic recovery, ensuring Greater Manchester remains relevant on an increasingly competitive international stage and drives international priorities which bring substantial benefits to our residents.

5. Progress

Greater Manchester is a city region with a long history of international appeal and success. Over the previous 2017 to 2020 International strategy period, improvement has been made across all our international priority areas. The city region's strong asset base, understanding of its sector strengths, clear strategy frameworks and a more coordinated and sophisticated approach to international delivery has led to better performance and position.

In 2019, Greater Manchester was recognised as the Best UK City to Live by the Economist Global Liveability Index for the 5th year in a row as well as the Best UK City for Business in 2019³. Our thriving start up environment has led to the Start-Up Genome identifying Greater Manchester as a Top Ten Emerging Global Centre for Start Ups (joint with Liverpool).

Other 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 average⁴;

- Over the last three years FDI has contributed over £524m⁵ 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 population⁶;
- Over £6.8bn worth of exports and imports from Manchester Airport alone in 2019⁷;
- The establishment of a 3 year partnership between Visit Britain and Marketing Manchester, the first non-nation deal of its kind to target international visitors leveraging Greater Manchester's Gateway to the North branding to support the delivery of campaigns on behalf of nine Northern destinations;
- 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;
- The successful delivery of three Mayoral led "Team Manchester" missions to the US, China and India with the India mission alone securing seven pipeline projects estimated to create more than 600 jobs for Greater Manchester.

6. A Strong Foundation

6.1 A Diverse Population

Greater Manchester is a place where social diversity and inclusion sits at its heart.. Our people and diverse communities are our greatest asset and central to being an inclusive city region where everyone and every place can succeed.

The birth place of women's suffrage, the co-operative movement and trade unions, we have a proud history of welcoming and supporting people from different communities to make Greater Manchester their home. Currently home to 2.7 million people, 34% of Greater Manchester residents are aged between 16-24 and 30% are BAME. Despite our young and vibrant population, we also has a fast growing ageing population. We celebrate the fact that we are living longer and the opportunities that brings for us individually and as a society. Is this for this reason that Greater Manchester was recognised as the UK's first age-friendly city-region by World Health Organization in 2016.

Over 200 languages are spoken by our communities, making us the most linguistically cosmopolitan city-region in Western Europe. Our largest ethnic community group is of Pakistani heritage (5% of population), followed by Indian, Irish, Bangladeshi and Chinese ethnic groups.

We work with these communities and groups to showcase their diversity in many different ways, including a wide range of celebrations and annual festivals bringing communities together to share and celebrate what makes us different. Some of these annual events include the UK's longest running Pride festival, Chinese New Year, the Manchester Irish Festival and St Patrick's Parade, the Diwali celebrations (the largest in North of England), the International Women's Day Programme, the Manchester Refugee Cultural Festival, the Mega Mela, the Caribbean Carnival, Sparkle Weekend, Disability History Month, and many others.

Greater Manchester recognises diversity is its biggest asset and will continue to strive for equality of opportunity for all its citizens to ensure that everyone and every place can succeed.

6.2 A Strong Sector Base

Greater Manchester's economy is one of the most economically diverse in the UK with over 124,000 businesses; our biggest employers operate in Financial and Professional Services, Wholesale & Retail and Health and Social Care. Other significant sectors include Construction, Digital and Creative, Hospitality, Tourism, and Sport, Manufacturing and Logistics⁸.

Business start-up rates in Greater Manchester have improved sharply since 2008 and is now one of the best performing city regions outside of London for business births. Our excellent academic institutions, with sector strengths in health innovation, advanced materials and digital technologies, underpin our innovative ecosystem of companies. In recent years, large corporates and innovative high growth SME's have chosen to invest in Greater Manchester due to its increasingly recognised reputation as an innovative, diverse, well-connected and outward looking city region.

The Greater Manchester Local Industrial Strategy published in 2019, in partnership with national government sets out our vision for the future building on our recognised strengths. In the long term, we aspire to become a global leader on health innovation, position ourselves as a leading place for the development and adoption of advanced materials in manufacturing and build on our reputation as a leading European digital city. Greater Manchester also aspires to build on its strengths in low carbon technology and achieve carbon neutral living by 2038.

While we have a strong business and talent base locally, central to delivering our future economic vision is our ability to connect with the world, promoting our strengths, attracting investment, driving international research collaboration and increasing our export propensity across our priority sectors.

6.3 Unique Assets

Building on our sectoral strengths, Greater Manchester benefits from key assets that contribute to our unique position within the regional, national and wider global economy. The dynamic regional centre, lies at the core of the conurbation and is home to the city region's largest concentration of **economic activity**. It contains the largest office market outside of London and encompasses an internationally significant cluster of digital and creative activities including at Salford Quays/MediaCity UK and Corridor Manchester/Northern Quarter. Stretching outwards from the regional centre, and benefitting from the agglomeration of activity at the core is a wider economic area including Trafford Park, one of Europe's largest industrial parks. Alongside this sits the conurbation's town centres, important locations for shops, services and local employment, and increasingly important as places to live. Greater Manchester has **8 principal town centres**, 20 smaller towns and over 50 further significant local and suburban centres.

Manchester Airport is the UK's third largest regional airport, making Greater Manchester the global gateway to the North, facilitating trade, cultural and visitor economies. The Airport's freight terminal imported and exported cargo totalling over £6.8bn in 2019, the further development of Airport City is creating one of the North's largest logistics clusters.

Greater Manchester's five **Universities and knowledge economy** result in a globally significant concentration of science, research and innovation assets. Corridor Manchester is the strongest single location with its concentration of universities, NHS and private sector assets, whilst leading research is also undertaken at the universities of Salford and Bolton as well as public/private facilities across the city-region. Greater Manchester has particular strengths in:

- *Health Innovation* - with the largest concentration of health research nationally outside of South East of England;
- *Advanced Materials* - world leading science around the National Graphene Institute and the Graphene Engineering Innovation Centre as well as the Sir Henry Royce Centre and BP-ICAM;
- *Digital, Creative and Media* – globally recognised clusters in broadcasting, content creation and media, and cyber security. The city-region also has one of the largest student populations in Europe, just under 100,000 people studying across its five Higher Education Institutions.

A vibrant cultural offer is vital for any global city and Greater Manchester boasts an **internationally renowned cultural and sporting** identity. The region is home to national assets such as: The theatre at the Lowry and The Royal Exchange; galleries at Manchester Art Gallery and the Whitworth; the conurbation's world renowned music scene; new, original works at the Manchester International Festival and Factory; the Halle orchestra: globally leading football and rugby league clubs including Manchester United and Manchester City; and world-class sporting facilities for cycling, cricket, and swimming.

6.4 A Coordinated Approach to Delivery

Innovative forms of cooperation between Greater Manchester's private and public sector mean we continue to be an example of effective leadership with a co-ordinated approach to delivery for the Northern Powerhouse, the UK and the World.

Devolution has enabled a more co-ordinated approach to delivery across the city region with greater alignment of strategic planning and investment. The **Greater Manchester Strategy, Our People, Our Place**, developed by partners, sets out the shared city region vision: "...to make Greater Manchester one of the best places in the world to grow up, get on and grow old".

This coordinated approach has led to the development of further Greater Manchester strategies including the Local Industrial Strategy, GM Digital Blueprint, Cultural Strategy and Five Year environment Plan, all of which state the desire for top level international recognition and recognise the importance of international collaboration.

This coordinated cooperation has resulted in a strong group of international delivery organisations including the inward investment agency MIDAS, Greater Manchester Chamber of Commerce, The Growth Company, Marketing Manchester and the Greater Manchester Local Enterprise Partnership who support the delivery of the city region's international engagement, aligning priorities to our local growth ambitions.

7. Enhanced Strategic Framework

The refreshed international strategy builds on the priority areas from 2017, with its core outputs of trade, investment, tourism, research and innovation and international students remaining broadly the same. To illustrate the close synergy and inter-connectivity between different priorities the new strategic framework groups the city region's eight priorities in to 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.

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|---|-------------------------------|--|---|----------|------------------------------|---|-------------------------------|
| Trade | Investment FDI and FCI | – | Visitor Economy leisure business | – | and | Research and Innovation Capabilities | International Students |
| <p>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.</p> | | | | | | | |
| Global Perception and Branding | | Connectivity (Physical and Digital) | | | City-Region Diplomacy | | |

Across each priority, strategic objectives have been agreed. Some take on a short-term timeframe in response to addressing the issues arising from COVID-19 and the EU Exit. Recognising the long-term strategic vision and complexity of delivering an international strategy, other strategic objectives are long term and will be carried over and re-considered in the full strategy refresh next year. Where appropriate strategic objectives from the 2017 to 2020 strategy have also rolled over in to this one-year strategy to support the continued development and delivery of Greater Manchester’s international ambitions.

Given Greater Manchester’s commitment to building back a fairer, greener and more equitable society, the one-year refresh also considers Greater Manchester’s place in the world in delivering the global shared agendas of equality, sustainability and social cohesion. We will use the United Nations Sustainable Development Goals (SDGs) as the framework to focus our international ambitions around inclusion, equality and sustainability.

The SDGs provide a common and cohesive global narrative on rebuilding better economies. We will work with local partners to measure and report progress on the SDGs using a similar format to that used by nations reporting progress to the UN.

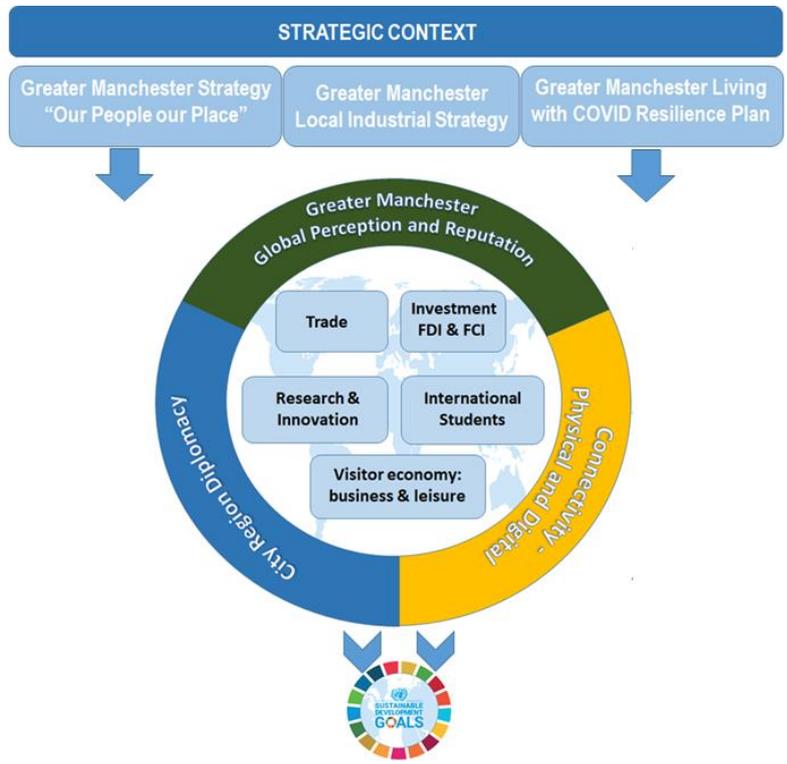


Figure 2. Strategic Framework

The Greater Manchester International Strategy Refresh has been informed by and will complement our other local strategies including the Greater Manchester Local Industrial Strategy and the Greater Manchester Strategy ‘Our People, Our Place’. This strategy will also be considered in the delivery of the Greater Manchester Living with COVID Resilience Plan to ensure alignment of relevant priorities and actions.

8. Strategic Priorities

8.1 Trade

The Greater Manchester Independent Prosperity Review highlights that Greater Manchester’s exporters are more likely to have much higher productivity than non-exporters across all business age groups and size of firms. Growth in trade export performance is central to improving productivity, living with, and recovering from the COVID-19 pandemic and ensuring the benefits of internationalisation are felt across the city-region.

In 2017, Greater Manchester set the target of increasing export performance by £900m by 2020 to a total of £6.25bn. Despite the uncertainty over the last few years, the city region’s businesses have continued to look for new opportunities to trade with international markets and exports rose by 1% in 2018 to total over £6.8bn with the number of exporting businesses in 2018 reaching 13,043, an increase of 8% from 2017⁹.

| Sector | Value of Exports | Country | Value of Exports (£) |
|-------------------------------------|------------------|----------------|----------------------|
| Machinery and Transport Equipment | £1.8bn (27%) | Germany | 820m |
| Miscellaneous manufactured articles | £1.6bn (24%) | Irish Republic | 714m |
| Chemicals and related products | £1.3bn (20%) | USA | 633m |
| Manufactured Goods | £0.9bn (14%) | France | 455m |
| Food and Live Animals | £0.5bn (7%) | Netherlands | 339m |

Table 1. Greater Manchester Export Summary (Goods) – Top Sectors and Markets in 2018¹⁰

Over the last three years, Greater Manchester has maintained strong trading relationships with its top trading partners but also has also seen substantial growth in markets such as Canada, Vietnam and Australia.

Due to the mix of the city region’s business base, Greater Manchester performs well in service exports, particularly in services such as Finance and Insurance, Information and Communications and Professional, scientific and technical activities (including Real Estate). While international trade data for services is currently limited, it is estimated that in 2017 Greater Manchester was the eighth largest exporter of services, totalling £8.2bn¹¹.

New Challenges and Opportunities – COVID-19 and EU-Exit

The new context we find ourselves is arguably one of the most complex for generations. Shrinking economies, dampening demand, re-shoring of supply chains and an emerging trend

of hyper-localisation means the global trading landscape is more challenging and uncertain for new and experienced exporters alike.

The impact of COVID-19 on trade emerged early on in the pandemic with local businesses facing high shipping costs due to a reduction in freight services and manufacturing bottlenecks. Flight restrictions and the inability to travel is also causing significant challenges for some businesses trading overseas. While the true implications of COVID-19 on global trade are unlikely to appear for some time, experts predict that global trade is likely to decline between 13% and 32% this year¹². Data published by HMRC earlier this year shows that in Q1 of 2020 total exports were down 8.5% and imports down 12% on the same period last year although more recent statistics show exports are starting to recover as business returns to normal. A fall off in Greater Manchester's total exports is to be anticipated due to many of the city region's key export markets such as the US and Europe suffering from the impacts of COVID-19.

The UK's departure from the single market on the 31st of January 2020 may create new uncertainty for Greater Manchester's Exporters. Currently, 8 out of 10 of our strongest trading partners are with the EU with experts anticipating increased border and custom requirements for goods, which may initially result in border delays, additional admin and inventory build-up. Greater Manchester is committed to working with our partners and businesses to ensure they are prepared for any new processes and procedures to prevent supply chain challenges, additional costs and ensure export levels are sustained. While the UK's departure from the EU will result in changes and present new challenges, new national foreign policy presents the opportunity for Greater Manchester businesses to have new trading terms with markets such as Japan, the US and Australia and support our market diversification.

Looking Forward

Despite the current uncertainty, insight shows us that Greater Manchester businesses are continuing to look for growth opportunities overseas with 50% of 600 surveyed businesses by The Growth Company indicating a desire to explore new international markets.

The Greater Manchester Local Industrial Strategy recognises that exporting businesses are more productive and resilient than those that do not and that better coordination of export support services are required to improve export productivity in under-performing sectors including Health Innovation and Creative, Digital and Tech. In the digital future, competitor firms will be global, it is more important than ever to support our businesses to unlock export productivity. The city region also has a strong service sector with recognised untapped exporting potential. Further work is required to understand our business base and the specific opportunity areas.

As we adapt to live with COVID-19 and look to recovering from the arising economic challenges, we must look to further understand our business base and its exporting potential, and streamline our support services to encourage and support internationalisation.

National governments on-going Free Trade Negotiations, once finalised, present opportunities for some of Greater Manchester's industry base, particularly the US and Japan. In the short term however, due to strong existing links, the city region's immediate economic interests are served working with our strongest partners such as the US and markets closer to home such as countries within the EU. Priority lies in supporting our businesses to understand and overcome the challenges EU exit may present for their business in order to retain our market share.

COVID-19 however, has brought to light the associated risks that an over dependence on specific markets can create and resulted in a seismic shift to global trade patterns. Longer term, Greater Manchester must remain up to date on future trade agreements, understand the opportunities they may present for our businesses as well as monitor global trading patterns with the long-term ambition of diversifying our top trading markets to more effectively spread risk.

Over the next year Greater Manchester aims to maintain its 2018 export value of £6.8bn. To achieve this, Greater Manchester will work alongside the Department of International Trade and with local export delivery partners such as the Greater Manchester Chamber of Commerce and The Growth Company, supporting existing exporters and enabling new businesses to access opportunities overseas.

Strategic Objectives

- Work with national government on the development of their new national export strategy and regional export strategy, coordinating efforts to identify sector and market opportunities for the city region;
- Support our exporters to address the challenges emerging from EU Exit and COVID, ensuring where possible, we maintain export market value share within our top markets such as the EU, the United States and China;
- Monitor the development of UK Free Trade Agreements and global trends, exploring and identifying opportunities to diversify Greater Manchester's International trading markets to countries such as India, Japan, the Middle East and Australia;
- Coordinate efforts across Greater Manchester to improve our international trade intelligence, including better understanding the opportunity that lower exporting sectors and the international trading of services presents for increasing our export productivity;
- Continue working to create a fully integrated business export offer through strong joint working with the Department for International Trade, Greater Manchester Chamber of Commerce and the Business Organisations in delivery planning, sharing of sector/market expertise and maximising 'Northern' export presence at key missions and events, maximising the level of intensive support to exporters and ensuring they have the tools and resources to expand into new markets;
- Develop and enhance existing relationships with the UK's priority markets including the US, Japan and EU, leveraging the region's existing relationships and city-to-city links to support Exporters to access new opportunities overseas;
- Explore the opportunity that national government's new Freeports policy presents for Greater Manchester as a means of supporting export growth.

8.2 Investment

Foreign Direct Investment

Over the last three-year's Inward Investment from foreign companies has resulted in the creation of 7,484 jobs and added over £524m to the city region's economy¹³. Although investment trends are likely to be impacted by COVID, investment is a key tool for re-capitalising and re-invigorating Greater Manchester's economy, continuing to drive job creation, enhance our business environment and support the delivery of our growth strategies.

According to the EY annual Attractiveness Survey, Greater Manchester is the second most attractive place for Foreign Direct Investment (FDI) after London¹⁴, receiving 5% of the UK's total FDI market share. While this is 16 times lower than that of London, Greater Manchester continues to rise up the value chain with the average project value in GVA terms rising year on year.

| Country | Projects | New Jobs | Safeguarded Jobs |
|---------------|----------|----------|------------------|
| United States | 45 | 3489 | 726 |
| Germany | 18 | 932 | 545 |
| India | 15 | 792 | 25 |
| Netherlands | 8 | 299 | |
| Spain | 7 | 260 | 90 |
| Australia | 7 | 88 | 1 |
| China | 7 | 194 | |
| Sweden | 6 | 240 | 15 |
| Ireland | 4 | 165 | |
| Canada | 4 | 163 | |

Table 2. Greater Manchester's Top 10 FDI Markets (2017 to 2020)

The Department of International Trade's Annual Investment Report published in July 2020 indicated that the UK's Top FDI source markets were reflective of Greater Manchester's although other parts of the UK have a large number of projects from Japan.

| Sector | Projects | Jobs |
|-------------------------------------|----------|------|
| Manufacturing | 48 | 1441 |
| Technology | 36 | 2112 |
| Financial and Professional Services | 18 | 1407 |
| Creative and Digital | 16 | 298 |
| Life Sciences | 16 | 686 |
| Business Services | 6 | 589 |
| Construction and Engineering | 6 | 166 |
| Energy and Environment | 5 | 143 |
| Logistics | 4 | 643 |

Table 3. FDI Sector Breakdown (2017 to 2020)

In recent years, as technology has become pervasive across all industries the sector has become one of the city region's largest job contributors, as digital transformation of industries

accelerates, this is only set to continue. The city region's successes in manufacturing derives mainly from the expansion of existing investors with new projects being challenging to secure due in part to EU Exit and the current availability of large sites, which the Greater Manchester Spatial Framework will address.

Foreign Direct Investment and COVID

In April 2020, the United Nations Conference on Trade and Development (UNCTAD) predicted a 30% to 40% reduction in investment in 2020 with energy, basic materials, airlines and the automotive sector suffering hardest. A major decrease in GDP for major economies is expected to impact FDI flows and any prolonged recession in addition to further challenges caused by EU Exit may undermine our competitiveness as an investment destination.

Despite the ongoing challenges of COVID, a potential uplift in certain sectors including Biotechnology, E-Commerce and Cyber is anticipated as well as new opportunities emerging as a result of a shift to "localisation" and companies begin to re-shore facilities to address future supply chain challenges¹⁵. COVID-19 has also caused a seismic shift in workplace strategy with global companies such as Google, Twitter and RBS informing staff to work home for the foreseeable future. Recent MIDAS project successes indicate a shift with some businesses choosing to invest in the city region through people rather than property. Changes in workplace strategy such as these are likely to continue over the next year although it is too early to predict future trends and understand the broader implications these may have spatially, on footfall and the real estate market.

Foreign Direct Investment and EU Exit

Prior to the outbreak of COVID-19, the UK's departure from the EU was proving to be a challenging obstacle for attracting investment in to the city region. Since the referendum, Manchester's Inward Investment Agency (MIDAS) noted a doubling of the sales cycle between project identification and closure (between 9 and 18 months). The political uncertainty over the last three years meant this sales cycle continued to lengthen.

The uncertainty surrounding the UK's Free Trade negotiations may result in reduced investment flows until the details of agreements emerge. Free Trade Agreements (FTA's) with markets such as Australia and Japan may present an opportunity for the city region due to rising project numbers nationally. Greater Manchester will continue to monitor the opportunities the details of these FTA's presents and respond appropriately although not use these as a primary driver for priority market selection.

Looking Forward

Greater Manchester's long-term ambition is to become a consistent Top 10 global location for FDI attraction, with an emphasis on creating high value inclusive jobs across the 10 Local Authorities. Given the rapidly changing business environment and continuous global uncertainty, there are likely to be short, medium and long-term challenges and opportunities that emerge in certain sectors and markets in coming years which will require close monitoring.

In the present climate, the core industries that Greater Manchester prioritises through the Local Industrial Strategy including Low Carbon, Digital and Health Innovation appear to be on a growth trajectory. Greater Manchester will continue to promote the below sector specialisms to a target audience of corporates and high growth SME's.

| Sector | Sub Sectors Focus | | |
|---|--------------------|------------------------|-----------------------|
| Financial and Professional Services (FPS) | FinTech (Payments) | Banking | Professional Services |
| Creative, Digital and Tech (CDT) | Cyber | E-Commerce | A.I/Data |
| Industrial | Advanced Materials | Industry 4.0 | Low Carbon |
| Life Sciences | MedTech | Healthy Ageing/AgeTech | Digital HealthTech |

Table 4. Priority FDI Sectors and Sub Sectors

| Market | Sector |
|--|--|
| United States | FPS, CDT, Life Sciences, Industrial |
| Europe (Germany, Netherlands, Sweden, Ireland and Spain) | FPS, CDT, Life Sciences, Industrial |
| India | FPS, CDT, Life Sciences, Industrial |
| China | CDT, Life Sciences (Precision Medicine) and Industrial (Materials) |
| Australia | FPS |
| Japan | Life Sciences, Industrial |

Table 5. FDI Priority Markets and Sectors

Strategic Objectives

- Work across Greater Manchester to re-instil confidence in the investor community, rebuilding Greater Manchester's reputation as a top destination to live, work and invest with investment opportunities for businesses across a range of sectors including Creative & Media, Digital & Tech, Advanced Manufacturing, Clean Growth and Health Innovation;
- Continue to monitor short term trends and implications emerging from COVID-19 and the UK's departure and the EU on FDI, identifying any challenges and future opportunities ensuring the city region's FDI strategy is steered accordingly;
- Coordinate efforts across our business support organisations to protect our existing investor base, offering support where possible to minimise job losses, providing solutions for redeployment and identifying potential expansion projects;
- Work with national government on the development of the new national investment strategy to support the levelling up agenda and ensure a fairer distribution of foreign investment across UK regions – over the next three years we aim to increase our share of UK investment by 8%, addition approximately £114m to the city region's economy;
- Increase the proportion of high value jobs to improve the city region's productivity and support Greater Manchester's inclusive outcomes;
- Translate the city region's strategic vision in to strong sector propositions and defined market opportunities for international investors and businesses through the development of new propositions around emerging sectors such as Clean Tech, Digital and Cyber, including working with government on the delivery and roll out of additional High Potential Opportunities (HPO).

Foreign Capital Investment

The current evidence base for Greater Manchester's Foreign Capital Investment (FCI) is incomplete and largely driven by the large-scale investments in major property schemes – rather than venture capital - type investment and investment in to research - giving us an unclear picture of the full nature and scale of FCI in Greater Manchester. Although figures are hard to measure and track, estimates indicate that over the previous strategy period capital investment in to property totalled over £4bn, primarily originating from the UAE, Hong Kong and Mainland China.

Like with Foreign Direct Investment, COVID-19 and EU Exit will likely result in a drop off in FCI flowing in to Greater Manchester although some experts believe a depreciated pound and struggling economy may lead to opportunistic investment from certain investors, which Greater Manchester must monitor closely. Pre-COVID the region was beginning to see an increase in investors, primarily from China, Japan and Hong Kong exploring opportunities to diversity investments from property in to local venture capital and investor funds.

To date there has been limited local coordination of FCI across Greater Manchester, with Local Authorities and organisations such as MIDAS (including the Manchester China Forum) engaging only on high value strategic projects such as FECIL's Northern Gateway. Greater Manchester has worked closely with the Department of International Trade on developing new international FCI relationships, providing local support when interest develops.

In the context of living with, and recovering from COVID-19, Foreign Capital Investment presents an opportunity for Greater Manchester to drive investment in to local infrastructure projects, growth funds, innovation hubs and future property developments.

8.3 Research and Innovation

Innovation has always been at the heart of Greater Manchester, the city region has an impressive history of “world firsts” with innovation embedded in our culture. As recognised in our Independent Prosperity Review, the city region is home to a strong integrated innovation system with strengths in areas such as Health Innovation, Digital, CleanTech and Advanced Manufacturing/Materials as well as leading academics in Global Inequalities.

Despite our strengths and strong history, there is further opportunity to leverage Greater Manchester's significant science and innovation assets internationally and translate our R&D excellence in to economic growth. By increasing our international research collaborations and connecting our innovation ecosystems with global equivalents more effectively we will position Greater Manchester as an innovative city region that partners with global players, to turn ideas into business opportunities, and become a place where solutions to societal challenges are developed tested and commercialised.

Greater Manchester is a nationally leading city-region for the application and delivery of research innovation partnerships. Our Universities are the main participant in EU programmes however in recent years the region has seen an increase in private sector SME's and public sector bodies participating in transnational research and innovation projects. Latest EU figures suggests that Greater Manchester institutions have been involved in over 440 cross-border research and innovation partnerships in the last seven years, with an investment value of €238,110,075 (£213,941,902).

The two main drivers of Greater Manchester's Innovation and Research priority are:

- The 2019 Local Industrial Strategy sectors and our Grand Challenges
 - Sectors - Health Innovation, Advanced Materials, Clean Growth and Digital

- Grand Challenges - Artificial Intelligence and Data, Clean Growth, the Future of Mobility and the Ageing Society
- The National International and Innovation Strategy.

Research and Innovation – COVID-19 and EU Exit

Early on in the COVID-19 crisis, mitigation measures and social distancing have affected the work of researchers and research groups making lab work and international travel challenging. Feedback from our universities suggests that international research and partnership dialogue continues, indicating an appetite to continue collaborating despite the ongoing challenges of COVID-19.

The Department for Business, Energy and Industrial Strategy (BEIS), supported by UKRI and Universities UK, has recently launched a survey to understand the implications of the COVID-19 pandemic on the activities of researchers with results expected in September.

The outcome of the UK-EU negotiations remains a concern for Greater Manchester's research and innovation players due to the uncertainty surrounding funding. The UK's participation in the future R&D and Innovation EU programme, Horizon Europe has been one of the main sources of funding for research partnerships over recent years.

Case studies

GrowGreen is a Horizon 2020 funded project led by Manchester City Council aimed to create climate and water resilient, healthy and livable cities by investing in nature-based solutions. The project involves partners from Manchester (UK), Valencia (Spain), Wroclaw (Poland), Wuhan (China), Brest (France), Zadar (Croatia) and Modena (Italy). Website: <http://growgreenproject.eu/i>

MARIO was a project addressing challenges of loneliness, isolation and dementia in older people through innovative and multi-faceted inventions delivered by service robots. Funded by Horizon 2020, the project assembled a team from Stockport Council together with international experts from academia, industry and dementia groups from Italy, Ireland, Germany and Greece. Website: <http://www.mario-project.eu/portal/>

Looking Forward

The 2017 Internationalisation Strategy measured our international research reputation based on our universities performance on international ranking tables. Looking forward Greater Manchester must broaden its international ambitions for research and innovation, supporting the delivery of the Local Industrial Strategy, responding to our Grand Challenges and working with international partners to support the commercialisation of research both in the UK and internationally.

Strategic Objectives

- Position Greater Manchester as an innovative and ambitious city region committed to solving societal challenges through science and technology;
- Attract investment and talent in to Greater Manchester's leading research areas and innovation assets, leveraging the impact of investment to support the strategic needs of the Greater Manchester economy;

- Foster international research and innovation partnerships and promote our research and innovation capabilities globally;
- Promote Greater Manchester as a top location for global companies to establish their R&D operations across the city region’s frontier sectors;
- Lobby national government to ensure the UK’s participation in the Horizon Europe Programme (2021-2028)
- Develop City-to-City collaborations and cluster partnerships that promote collaboration between institutions, innovation hubs and businesses and connect international scale up programmes to support cross border R&D;
- Explore the opportunity to develop soft landing platforms locally for international businesses and partner with international landing hubs in our priority markets to support Greater Manchester’s businesses access and establish new operations overseas.

8.4 Visitor Economy (Business and Leisure)

In 2019, tourism contributed £9bn to Greater Manchester’s economy, sustaining over 101,000 jobs. Conferences alone contributed £862m spend, indicating the significant economic contribution both business and leisure tourism make for the city region’s economy.

Visits have grown consistently since 2008 with visits increasing 38% between 2013 and 2018, 22% ahead of the national average. Other achievements over the last three years include:

- Securing a first of its kind devolved regional tourism agreement with Visit Britain to deliver campaign activity for the North of England in our role as gateway to the North;
- Securing a £1m marketing partnership with New York and Company, a first of its kind between a UK city region and New York;
- The publication of the Greater Manchester Business Tourism Strategy (2019 to 2025), which delivered jointly with industry, sets out the city region’s ambition to be a leading conference destination.

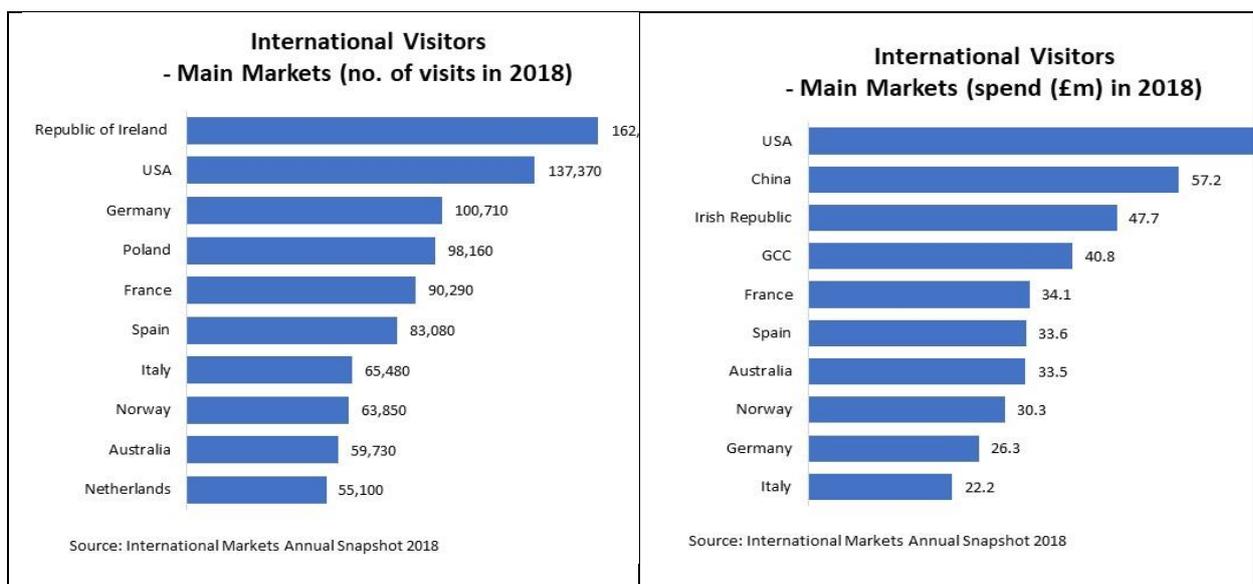


Table 6. Greater Manchester’s Visitor Economy Breakdown (2018)

While Europe and the United States tops Greater Manchester's international visits list in terms of volume, the last decade has seen more rapid growth from the rest of the world particularly Asia and North America with China and the Gulf Cooperation Council (GCC) joining the US in our top four visitor spend markets. The city region has seen growth in visitor value and volume, however, the share of international visits to the UK is dominated by London, receiving 53% of all visitors to the UK¹. Greater Manchester as a gateway to the North and alternative gateway to the UK has an important role to play in levelling-up the economy by increasing tourism share outside of London.

COVID and the Visitor Economy

Since lockdown measures were introduced, the visitor economy sector has been heavily impacted. The effects of lockdown are severe and far-reaching on tourism operators, employees and wider supply-chains. The city region's previously buoyant tourism industry is anticipated to have lost 47% of economic value by August this year with wide spread business conference cancellations and hotel occupancy down 65%¹⁶.

It is widely recognised that recovery of the visitor economy will take longer for city region destinations. Limited route connectivity between Manchester and our top travel markets make accessing Manchester challenging and there is still much uncertainty about how quickly visitor attractions will be able to operate at capacity including events, concerts, sport matches, nightlife and broader corporate travel.

Looking Forward

Despite the challenges of COVID-19, the ambition continues for Greater Manchester to be "A world class visitor hub for business and leisure tourism". Immediate priorities focus on building on recent successes and looking to support the sustainability and recovery of the sector.

In the short term, priority will be given to activity that will restore confidence in Greater Manchester as a visitor destination. Activity will focus on generating business and investing in longer-term growth markets with additional emphasis being placed on growing the city region's international conference and events market. Longer term, in order to remain internationally competitive in both business and leisure tourism a significant step change is required to drive positive change for the future of Greater Manchester's visitor economy including Greater Manchester's hospitality, culture, music leisure and sports offer.

Ambition – Business Tourism - By 2025 Greater Manchester aims to increase business tourism earnings from £862m in 2017 by at least 40%, generating an additional £345m to the regional economy.

Ambition – Leisure Tourism - By 2025 Greater Manchester aims to be a global destination of choice for leisure visitors and trade partners, working to ensure that the economic impact and benefits of tourism are felt across the whole of Greater Manchester.

Strategic Objectives

- Support and sustain the visitor economy sector as we live with COVID-19 and then support the rebuilding and recovery, working with the private sector Local Authorities, other destination marketing organisations and Visit Britain to re-instil confidence in consumers to travel locally, nationally and internationally;
-

- Work with travel trade in-market to grow back passenger numbers and increase the number of international passengers arriving at Manchester Airport
- Retain and increase Greater Manchester's International visitor market share as the alternative gateway to the UK;
- Support and sustain the business and conference sector as we live with COVID-19 and as we shift to rebuilding and recovery, identify and attract major new sporting and cultural events to be held in the city region as well as domestic and international business conferences and events that align with and reinforce Greater Manchester's priority sectors;
- Promote Greater Manchester's cultural, sporting and hospitality assets to gain further recognition as a vibrant global city region;
- Build on the successes of Greater Manchester's devolved delivery contract with Visit Britain to secure a new sustainable structure focused on greater devolved delivery anchored around a new 10-year tourism strategy;
- Work with the Department of Culture Media and Sport (DMCS) to establish a network of Destination Marketing Organisations that improves the UK's competitiveness and productivity within the Visitor Economy Sector.

8.5 International Students

Greater Manchester has the largest international student populations outside of London with over 19,000 international students across five universities from over 160 different countries. In 2018 and 2019, 19% of Greater Manchester's total student population came from outside of the UK and made up 4% of the UK's total international student population.

| Rank | Market | % | Rank | Market | % |
|------|--------------|--------------|------|----------------------|--------------|
| 1 | China | 30 | 11 | Greece | Less than 2% |
| 2 | Malaysia | 4.67 | 12 | Spain | |
| 3 | India | 4.11 | 13 | France | |
| 4 | Saudi Arabia | 3.66 | 14 | United States | |
| 5 | Romania | Less than 3% | 15 | Ireland | |
| 6 | Kuwait | | 16 | Germany | |
| 7 | Nigeria | | 17 | Korea | |
| 8 | Hong Kong | | 18 | Pakistan | |
| 9 | Cyprus | | 19 | United Arab Emirates | |
| 10 | Italy | | 20 | Bulgaria | |

Table 7. Top 20 International Student Markets in Greater Manchester (2018-2019)¹⁷

International students are not only a source of tuition income, enabling our universities to improve their offer and research capabilities; additionally they bring significantly broader benefits to the city region, including:

- **Adding to our diversity and culture** – International students enrich our university campuses and city region both academically and culturally, helping make Greater Manchester one of the most culturally diverse city region's in the UK.
- **Help drive growth and jobs** – The net economic contribution of international students and any visiting friends and relatives not only helps drive growth and jobs within universities but their wider off campus expenditure has broader positive implications on the local property, retail and leisure sectors in Greater Manchester. A report published by Oxford Economics in 2018 calculated that for every 11 Non-EU students to the UK there was a £1m net economic benefit (tuition fees, non-tuition expenditure and average visitor income)¹⁸. Based on this methodology Greater Manchester's 15,005 International students supported the generation of over £1bn to the city-region's economy.
- **Entrepreneurial talent and unique skill sets** - International students are a source of entrepreneurial talent and help to address skills shortages, particularly in areas such as technology, science and engineering.
- **Life-long Ambassadors** - International students are life-long ambassadors to Greater Manchester, many alumni have strong professional and personal links to the city region and it is important to recognise the soft power benefits these networks bring longer term.

International Student Recruitment and COVID

The impact of COVID-19 on Greater Manchester's student population is still uncertain with the universities anticipating a drop off between 25% and 75%. This predicted fall is due to a number of short and longer term challenges come about because of COVID-19. In the short term, physical barriers such as availability of flights, closure of visa offices and inability to sit required tests and entrance exams mean students are unable to take up offered places. Longer term, economic barriers caused by the financial implications of COVID-19, negative sentiment towards the UK, increased competition from other top international student markets and broader geo-political challenges are all presenting their respective challenges for the recruitment of international students.

The UK's departure from the European Union is also likely to affect student recruitment from within the EU. While countries such as Germany and France are likely to sustain, EU Exit is expected to impact student recruitment from countries such as Romania where there is a heavy reliance on loans and funding. EU Exit will also affect the UK's ability to participate in student exchange programs such as Erasmus.

Looking Forward

Due to the importance of international students to the city-region, despite the challenges ahead, prioritising their attraction remains a top priority. The city-region must coordinate efforts to protect its international student pipeline, working to ensure Greater Manchester is perceived a safe and welcoming place, remaining a top study location in an increasingly uncertain and competitive market.

The recent pandemic has brought to light the significant risk that an over dependence on one particular market can have. Greater Manchester should also consider how it can take advantage of the new Graduate Immigration Route to diversify its student population across a wider range of markets, including increasing student numbers from markets such as India, Malaysia, Nigeria, Hong Kong, UAE and Pakistan.

Increased competition for international students means the region must come together to support Greater Manchester's universities with providing a strong place offer in addition to our institutions academic excellence. Opportunities could include coming together to tell our place and sector story well, development of work experience programs and supporting the coordination of volunteering; supporting students to be more involved in the community, providing an opportunity for students to connect more closely with the city region, be part of its growth as well as develop work.

Over the next year, Greater Manchester will aim to maintain a 4% market share of the UK's total student population.

- Coordinate efforts across Greater Manchester to remove as many physical barriers as possible for the 2020/2021 international student intake;
- Coordinate efforts across Greater Manchester to promote the region as a safe and welcoming place to study in response to increased negative sentiment towards the UK;
- Stride ahead of our competitor cities to enhance Greater Manchester's student offer and remain competitive globally as a Greater place to study;
- Explore what opportunities the new Graduate Immigration Route presents for supporting the diversification of Greater Manchester's international student population and how the city-region can come together to tell our place and sector story well to prospective students;
- Consider how Greater Manchester can better engage with the city region's universities to engage with the international Alumni network, recognising that international students are life-long ambassadors to the city-region.

9. Strategic Enablers

9.1 Greater Manchester's Global Perception and Reputation

Over the last few years, Greater Manchester has successfully continued to communicate its story to the world, making strides to increase its rankings in a range of global indexes. As a city region with long history of international appeal and success, we regularly outrank large competitor regions to join capital cities in global indices. In the last three years, we have proudly moved up three places on the Anholt index from 27th (2016) to 24th (2019).

It is widely acknowledged that the increase in Greater Manchester's visibility can be attributed to a proactive strategy of international promotion over the past decades that has achieved recognition with influential audiences, investors and institutions. In 2018, the Greater Manchester Brand Framework was developed as a key tool for coordinating clear messaging across our priority areas to all audiences.

Research was commissioned in 2019 to gain detailed intelligence on the city region's global performance across over 500 indices to understand how we benchmark in perception and performance. Research shows that Greater Manchester has made improvements in performance indexes such as Innovation Ecosystems, Workforce & Talent and Global Reach. The city region is also stand out, ranking in a top 25 position for Millennial, student appeal and attraction, social diversity and inclusion, business and real estate friendliness and visibility and buzz.

Looking Forward

Greater Manchester's recent strategies such as the Local Industrial Strategy, GM Digital Blueprint and Environmental Plan recognise the city region's desire to achieve top-level achievement as a means to provide increased productivity and attract external investment. The challenges of COVID-19, the UK's new relationship with the EU and increasing global competition mean it is more important than ever to demonstrate and communicate that Greater Manchester remains open for business and is ambitious in improving its international recognition.

Strategic Objectives

- In response to the emerging challenges of COVID, continue promoting Greater Manchester as a safe, welcoming and diverse city region and a great place to visit, invest, meet, study and live;
- Recognise the critical importance our place assets have in building a globally competitive region, coordinating efforts across Greater Manchester to lobby government and secure additional investment in our offering recognising the importance that culture and life enriching qualities bring to our residents;
- Tell Greater Manchester's story to the world, initiating focused and sustained communication of Greater Manchester's ambitions, unique selling points and Greater Manchester's Local Industrial strategy sectors, positioning Greater Manchester at the forefront of innovation
- Strengthen Greater Manchester's global position and perceptions by implementing the Business of Cities research recommendations, defining our target indices and setting out a process to improving and tracking performance against our defined metrics of success;
- Explore a new public, private model for promoting Greater Manchester and delivering international activity.

9.2 Connectivity

In the 19th century, Greater Manchester built the Ship Canal and world's first in-land port, in the 20th century the region invested heavily in to the rapid growth and development of Manchester Airport. Over the last two hundred years, Greater Manchester has continued to recognise the importance of global connectivity for the creation of a thriving and prosperous economy.

Connectivity, both physical and digital is an important enabler for the delivery of Greater Manchester's international ambitions. Physical connectivity, particularly through Manchester Airport has broader economic benefits including supporting trade and investment and increasing international students and visitors.

Digital connectivity is critical to our international competitiveness and plays an enabling role in supporting connections overseas, facilitating trade, investment and collaboration. The COVID-19 crisis has also led to an increased adoption and further acceptance of digital technologies, presenting a window of opportunity for the region to utilise these "Digital Wins", understand how our strengths in digital can give us competitive edge and explore new ways to connect overseas.

Direct Connectivity - Manchester Airport

Manchester Airport, as the UK's third largest airport is a critical growth asset and key driver for internationalisation. In 2019, Manchester Airport added £4.5bn GVA and 76,000 jobs to the local economy¹⁹. The success of the Airport is critical for enabling the growth of the city region's trade, investment, visitor and international student priorities and is recognised as a key asset for supporting the economic prosperity in Greater Manchester and the broader Northern regions.

Over the last three years, Manchester's Airport has continued to grow as a key gateway to the north of England, serving approximately 29 million passengers a year, up 6% from 2017 and boasting direct routes to over 200 destinations. In 2019 Manchester Airport's freight terminal managed import and export cargo that totalled over £6.8bn, with the further development of Airport City continuing to attract large e-commerce and logistics businesses, creating one of the North's largest freight clusters. A further £1bn investment is underway to transform Manchester Airport in to a world-class operation, allowing it to further increase capacity and drive additional benefit in to the region.

COVID and the Airport

COVID-19 has spread worldwide without acknowledging borders and has had a devastating impact on Manchester Airport. The International Civil Aviation Organisation estimate that global capacity in Q1 2020 is down 45% with Europe's international traffic down 41% on last year. Notwithstanding the on-going uncertainty of the pandemic, experts predict that recovery from the aviation sector will be slower than other domestic sectors, with a full recovery likely to take years.

Figures from Manchester Airport in April show passenger numbers dropped to approximately 1000 per day from 90,000 in peak times last year. While these are likely to increase slowly over the summer months, these flights are primarily to European destinations. Significant uncertainty still surrounds the re-instatement of long-haul direct routes to key markets such as the US, China and India. The reduced number of flights also has broader implications for the importing and exporting of goods from the World Freight Terminal, the visitor economy and international students travelling to the UK.

Looking Forward

It is important that the Airport receive the required support to ensure they can remain internationally competitive and connected to as many international markets as possible. Due to the complexities and unprecedented challenges facing the aviation industry, this requires a coordinated effort from across the city region to ensure the importance of the airport is recognised nationally, that it is positioned well against competitors and that both in-bound and out-bound travel continues to attract demand.

Strategic Objectives

- Continue to lobby government on the support needed to ensure a full and speedy recovery of the UK aviation sector and regional airports – emphasising the important role that Airports and long-haul connectivity play in supporting re-balancing and levelling up the UK;
- Ensure that Greater Manchester is well positioned against peer Airports by developing a coordinated and clear proposition of Greater Manchester and the North including its surrounding business, leisure and student travel to ensure the city region's route proposition remains competitive and the Airport is able to win back and secure routes with markets such as the US, China, India and Japan;

- Monitor the announcement of travel corridors and support Manchester Airport to reinstate and attract additional routes and work with travel trade in-market to grow back passenger numbers and increase the number of international passengers arriving at Manchester Airport;
- Work with government to accelerate investment commitments to HS2 and NPH rail to improve Greater Manchester's ground connectivity to the broader Northern Powerhouse region. Better connectivity enables Manchester Airport to increase its public transport catchment airport and improves the viability of new services to priority markets, makes use of existing capacity, maximises the city region's global competitiveness and ensures the benefits of the airport to flow to all parts of the North.

Digital Connectivity

In 2019, Greater Manchester published its GM Digital Blueprint outlining our ambition to be a top five European digital city region. COVID-19 has led to digital connectivity and infrastructure being more important than ever to remain internationally competitive and drive our international ambitions.

COVID-19 has led to increased acceptance and acceleration of digital adoption in our daily lives. Social distancing measures and travel restrictions mean that international events and conferences previously held physically are moving to online platforms, universities are shifting to online learning and the leisure and tourism industry is becoming more reliant on digital booking platforms. In the current landscape, digital platforms are more important than ever before as a key tool in connecting us to the rest of the world. Our recognised strengths in Cyber give us a unique digital offer and put us in strong footing to capitalise on these opportunities.

Looking Forward

Looking forward Greater Manchester should consider how it better utilises digital assets to tell our story to international audiences. By shifting more of our international activity online, we are able to amplify our voice and interests in policy making, accelerate the dissemination of information and connect with partners overseas more easily.

Greater Manchester must continue to drive investment in to its digital infrastructure as outlined in the GM Digital Blueprint and recognise that post-COVID, digital connectivity and a competitive digital asset base also play an enabling role in the delivery of our international priorities. Digital connectivity can help us to collaborate across borders, improve our international partners, connect with partners more easily, attract inward investment, international visitors and facilitate international trade. Looking forward Greater Manchester is committed to considering how, across all of our international priority areas, we can look to better utilise the power of digital connectivity to facilitate, collaborate and connect overseas.

9.3 City Region Diplomacy

City Region Diplomacy is a powerful enabler for supporting Greater Manchester's international ambitions, enabling us to engage on a global stage on agendas that are important to us and connect with other global cities to support the delivery of our core international ambitions.

By leveraging the cities recognised strengths, soft power assets and connections, Greater Manchester can develop further links at a city region level to participate in global debates, help shape global politics as well as develop strong tangible relations that drive trade, investment, innovation collaboration, policy and people-to-people exchange.

COVID and City Region Diplomacy

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. Living with and recovering from COVID 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. Our recognised strengths in Cyber put us on a strong footing to capitalise on these opportunities

Looking Forward

As the UK's relationship with the rest of the world remains in a period of uncertainty, connections forged by Greater Manchester are more important than ever to support the city region drive forward international collaboration that is aligned to our economic and civic needs, in partnership with industry, cities and national government.

The Greater Manchester Local Industrial Strategy outlines our ambition to establish a *Global Prosperity Partnership*, which aims to grow high value city-to-city trade and technology or IP exchange, attract inward investment, visitors and global talent, and supports exporters and high growth companies to scale operations globally and attract investment.

By embracing City Region Diplomacy as a new enabling priority, Greater Manchester will take a more coordinated approach, working with partners across the city region to develop links internationally, connect with other global cities and develop strong partnerships with embassies, consulates and international institutions to support the delivery of our vision and international priorities.

Strategic Priorities

- Strengthen and broaden existing city region collaboration agreements with Barcelona, Lyon, Ulsan, Tianjin and Bangalore identifying opportunities that promote further trade, investment and research collaboration between businesses and institutions;
- Develop a City Region Diplomacy Plan which identifies a small and strategic number of city relations and cluster partnerships that align with Greater Manchester's sector opportunities, policy interest and priority markets;
- Develop a 2020-21 Mayoral Mission Plan in partnerships with key Greater Manchester stakeholders and government to support the delivery of our international ambitions and raise our profile overseas;
- 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;
- Promote Greater Manchester as an active and strong voice in global issue on the international stage, map Greater Manchester's international networks and identify opportunities for joint international working across the city region.

10. Global Target Markets

In 2017, Greater Manchester completed a full evaluation of our global target markets based on existing strength, economic size, forecasted growth and ease of doing business in order to identify the city region's prime, opportunity and monitor markets. A similar analysis was

completed in spring 2020 with findings confirming Europe and the US continue to be our largest and most significant markets across our international priority areas. Over the last three years, we have also seen significant growth in markets such as China and India, thanks partly to the establishment of the Manchester China Forum and the Manchester India Partnership.

Three critical factors inform our prime and opportunity markets for the next 12 months:

- Greater Manchester’s strongest markets and existing relationships;
- New National Foreign Policy;
- The economic impact of COVID-19 and future growth projections.

Greater Manchester’s Strongest International Relationships

The below table summarises the city region’s top international markets based on our historical performance in trade, investment, international student recruitment, academic research and visitor numbers. A more detailed analysis of Greater Manchester’s international relationships can be found in Appendix.1.

| Country | Trade Activity | Investm’t Activity | Intern’l Students | Academic Research | Visitor Numbers |
|----------------------|----------------|--------------------|-------------------|-------------------|-----------------|
| USA | | | | | |
| Germany | | | | | |
| France | | | | | |
| China | | | | | |
| Spain | | | | | |
| Italy | | | | | |
| Ireland | | | | | |
| India | | | | | |
| Netherlands | | | | | |
| Australia | | | | | |
| South Korea | | | | | |
| Canada | | | | | |
| Japan | | | | | |
| Malaysia | | | | | |
| Poland | | | | | |
| Switzerland | | | | | |
| Turkey | | | | | |
| Indonesia | | | | | |
| Singapore | | | | | |
| New Zealand | | | | | |
| United Arab Emirates | | | | | |
| Brazil | | | | | |
| Saudi Arabia | | | | | |
| Nigeria | | | | | |

Table 8. Greater Manchester's strongest international relationships across core priority areas

Europe, primarily Germany, Ireland, France, the Netherlands and Spain -, the US and China have remained some of Greater Manchester's closest international partners with a total trade value of over £3.4bn in 2018. At present, most of our strongest markets have a consular or trade office presence in Greater Manchester, actively engaging and working with local partners for mutual benefit.

The significant growth of Greater Manchester's relationship with China and India can be attributed to the long-term, coordinated approach the city region has taken to developing and delivering international engagement. The formation of the Manchester China Forum (MCF) in 2015 and the Manchester India Partnership (MIP) in 2018, bring together public and private sector to create a strong platform for Greater Manchester to capitalise on China and India's future growth opportunities to support the delivery of our international ambitions and economic development in the region. These special purpose vehicles have received acclaim from national government, policy makers and international partners as a highly innovative approach to driving international engagement at a city level with models now being replicated across other regions of the UK. Long term, Greater Manchester is considering how similar models can be replicated for the development of future market strategies in markets such as the US and Japan.

Global Impact of COVID-19

The IMF anticipate a wide sweeping global recession with the global economy predicted to contract by -3% in 2020. The IMF anticipate markets such as the US shrinking by -5.9%, the EU -7.1%, ASEAN by -0.6% and previous high growth markets such as India, China and growing at 1.9% and 1.2% respectively²⁰. While these growth projections are a useful tool for contextualising the broad sweeping implications of COVID-19 on the global economy, it is necessary to consider that as a global economy, many countries are still living with the virus and any future scenarios and their implications on Greater Manchester's future international opportunities are still uncertain.

Looking Forward

Traditionally Greater Manchester's priority market selection has been centred on an evidence-based approach that analyses key markets that present the strongest strategic alignment and growth opportunities. COVID-19 has caused a corporate reset on how the world lives, works and engages with international policy makers anticipating an acceleration of economic power to the East. Looking forward there is a huge amount of uncertainty and anticipated change, we therefore cannot only rely on past data to predict future opportunities. As clarity emerges, we must monitor the global implications of COVID-19 and new relation with the EU on our global target markets, coordinating efforts across Greater Manchester to ensure our international strategy responds accordingly.

Over the years, Greater Manchester has developed strong partners across the world and now boasts a strong network of both city led and national relationships with Europe, China, India and the United States. Given the huge amount of uncertainty at present, over the next year our immediate economic interests are best served further strengthening and developing our strongest existing links. However, based on historical performance, new national trade policy and planned free trade agreements, Greater Manchester should also consider exploring further future opportunities with Japan, Canada, Australia and South Korea, working across these priority markets to promote trade, investment and research partnerships that bring benefits to our partners, businesses and communities.

In times of geopolitical uncertainty, Greater Manchester also recognises the important role that city regions play in driving international collaboration locally. Looking forward Greater

Manchester will continue to strengthen and develop new links with peer city regions in our global target markets to support the delivery of our international priorities.

| Greater Manchester's Priority Markets Summary | |
|--|--|
| Prime Markets | Europe (in particular Germany, the Netherlands, Ireland, France and Spain), the US, China and India. |
| Opportunity Markets | Japan, South Korea, Australia and Canada |

GREATER MANCHESTER PRIME MARKET OPPORTUNITIES 2020

| | | GM SECTOR & SUB SECTOR STRENGTHS – TARGET MARKETS | | | | | | | | | | | | | | | |
|-----------------|--|---|--------------------|---|----------------|--------------|---|----------------------------|---|---------------------------------|---------|---|---------------------|---|----------|---------------------------------|---------------------------------|
| | |  FDI | | | | |  TRADE | | | | |  ACADEMIC RESEARCH | | | | | |
| | | Advanced Manufacturing | | | | | Digital & Creative | | | Life Science /Health Innovation | | | Energy / Low Carbon | | | Finance & Professional Services | |
| | | Advanced and Lightweight Materials | Technical Textiles | Transport, Infrastructure and Logistics | Food and Drink | Industry 4.0 | Cyber and Security | Content Creation and Media | Digital Technologies (Inc. AI and Data) | Life science | MedTech | Healthy Ageing | Nuclear | Heat Networks and Smart Energy Transition | Hydrogen | FinTech | Legal and Professional Services |
| United States | | | | | | | | | | | | | | | | | |
| Germany | | | | | | | | | | | | | | | | | |
| France | | | | | | | | | | | | | | | | | |
| Spain | | | | | | | | | | | | | | | | | |
| Italy | | | | | | | | | | | | | | | | | |
| Ireland | | | | | | | | | | | | | | | | | |
| The Netherlands | | | | | | | | | | | | | | | | | |
| China | | | | | | | | | | | | | | | | | |
| India | | | | | | | | | | | | | | | | | |

Appendix A. Global Market Analysis

| Country | GDP (2) | Trade Activity (1) | Investment Activity (1) | International Students (1) | Academic Research (1) | Visitor Numbers (1) | Ease of Doing Business (1) | Trade Negotiations (1) | Total |
|----------------------|------------|--------------------|-------------------------|----------------------------|-----------------------|---------------------|----------------------------|------------------------|-------|
| USA | High (2) | High (1) | High (1) | Medium (0.5) | Medium (0.5) | High (1) | High (1) | High (1) | 8 |
| Germany | High (2) | High (1) | High (1) | Medium (0.5) | Medium (0.5) | High (1) | High (1) | High (1) | 8 |
| France | High (2) | High (1) | Medium (0.5) | Medium (0.5) | Medium (0.5) | Medium (0.5) | High (1) | High (1) | 7 |
| China | High (2) | High (1) | Medium (0.5) | High (1) | | High (1) | High (1) | | 6.5 |
| Spain | High (2) | Medium (0.5) | Medium (0.5) | Medium (0.5) | Medium / Low (0.375) | Medium (0.5) | High (1) | High (1) | 6.375 |
| Italy | High (2) | Medium (0.5) | Low (0.25) | Medium (0.5) | High / Medium (0.625) | Medium (0.5) | Medium (0.5) | High (1) | 5.875 |
| Ireland | Medium (1) | Medium (0.5) | Medium (0.5) | Medium (0.5) | Medium / Low (0.375) | High (1) | High (1) | High (1) | 5.875 |
| India | High (2) | Low (0.25) | High (1) | High (1) | Medium (0.5) | | Medium (0.5) | Medium (0.5) | 5.75 |
| Netherlands | Medium (1) | High (1) | Medium (0.5) | Low (0.25) | Medium / Low (0.375) | Medium (0.5) | High (1) | High (1) | 5.625 |
| Australia | High (2) | Low (0.25) | Low (0.25) | | Low (0.125) | Medium (0.5) | High (1) | High (1) | 4.875 |
| South Korea | High (2) | Medium (0.5) | Low (0.25) | Medium (0.5) | | Medium (0.5) | High (1) | | 4.75 |
| Canada | High (2) | | Medium (0.5) | Low (0.25) | | Low (0.25) | High (1) | Medium (0.5) | 4.5 |
| Japan | High (2) | | Low (0.25) | | | | High (1) | High (1) | 4.25 |
| Malaysia | Medium (1) | | Low (0.25) | High (1) | Medium (0.5) | | High (1) | Medium (0.5) | 4.25 |
| Poland | Medium (1) | Medium (0.5) | | Low (0.25) | Low (0.125) | | High (1) | High (1) | 3.875 |
| Switzerland | Medium (1) | | Medium (0.5) | | Low (0.25) | Medium (0.5) | High (1) | Medium (0.5) | 3.75 |
| Turkey | Medium (1) | Medium (0.5) | Medium (0.5) | Low (0.25) | | | High (1) | | 3.25 |
| Indonesia | High (2) | | | Low (0.25) | Low (0.125) | | Medium (0.5) | | 2.875 |
| Singapore | Medium (1) | | | Low (0.25) | | | High (1) | Medium (0.5) | 2.75 |
| New Zealand | Low (0.5) | Low (0.25) | Low (0.25) | | | | High (1) | High (1) | 2.75 |
| United Arab Emirates | Medium (1) | | Low (0.25) | Medium (0.5) | | | High (1) | | 2.75 |
| Brazil | High (2) | | Low (0.25) | | Low (0.125) | | Low (0.25) | | 2.625 |
| Saudi Arabia | Medium (1) | | | High (1) | | | Medium (0.5) | | 2.5 |
| Nigeria | Medium (1) | | | Medium (0.5) | | | Low (0.25) | | 1.75 |

Appendix B. Case Studies

Trade

Case Study - Greater Manchester Global Scale Up Program - The Global Scale Up program, launched in 2019 as a key action from the 2017 International Strategy to support SME's access growth opportunities overseas. Successful applicants are given access to set of global experts, international growth tools and a peer-to-peer network of companies who have scaled their business globally. Since its establishment, the program has supported businesses to access 33 new markets, supported the increase of £24m worth of revenue and enabled the establishment of two overseas offices. In Q1 of 2020, cohort 2 since been recruited and the team are now delivering completely digitally!

Case Study - Grand Lyon and Greater Manchester Big Booster Partnership builds on Greater Manchester and Grand Lyon's strong city-to city relationships, highlighting the opportunity that strong civic links can have on creating new trade, investment and innovation opportunities for businesses locally. The Big Booster Partnership formed between the Growth Company and Grand Lyon's equivalent aims to support inward investment and soft landing of Lyon businesses in to the region and support outward trade and soft landing of Greater Manchester businesses to France.

International Students

Business Growth Hub International Student Business Support Program - Greater Manchester's international student placement programme delivered through the Business Growth Hub matches international students from across the city region's universities with our local businesses. This match provides businesses with useful language skills and cultural context for international expansion and international students with valuable work experience in the UK.

Connectivity

Manchester to Beijing – “2-Years In” – Economic Impact Study²¹

In June 2016 the first ever direct flight service between the North of England and mainland China launched with Hainan Airlines. The two-year economic impact study jointly published by Manchester Airport and the Manchester China Forum looks to capture the positive impact direct connectivity with a high growth market can have in facilitating the flow of people, goods and services. The economic impact study indicated that in many cases the city region's increasing levels of trade, tourism, investment and knowledge exchange were outstripping national averages.

Key stats include:

- Export values from Manchester Airport to China grew at 41% to £1.29bn in the two years after route launch, while national values fell 30%;
- Inward investment enquiries to Greater Manchester have more than trebled in the two years since the Manchester-Beijing launch;
- A 38% increase in the number of Chinese visitors in the North since 2015 with Northern attractions reporting a 200% uplift in bookings from Chinese tourists;
- Chinese student numbers growing at 9% between 2015 and 2017 5% ahead of national growth.

Appendix C. Strategy Partners

Local Government

Bolton Council
Bury Council
Greater Manchester Combined Authority
Manchester City Council
Oldham Council
Salford City Council
Stockport Council
Tameside Council

National Government

British Council
Department for Business, Energy & Industrial Strategy
Department for International Trade
Foreign & Commonwealth & Development Office

Local Delivery Partners

Business Growth Hub
Manchester China Forum
Manchester India Partnership
The Growth Company
Marketing Manchester
MIDAS

Private Sector

Greater Manchester Chamber of Commerce
Greater Manchester Local Enterprise Partnership

Universities

The University of Bolton
The University of Manchester
Manchester Metropolitan University
The University of Salford

Other Key Stakeholders

Foreign Embassies and Consulates
Global Networks
Manchester Airport
Manchester City Football Group
Manchester United Football Club
Partner Cities and Regions

Appendix D. Evidence Base

Details of the Greater Manchester Independent Prosperity Review are available here: <https://www.greatermanchester-ca.gov.uk/news/independent-prosperity-review/>

Details of the Manchester Independent Economic Review are available here: <http://manchester-review.co.uk/>

Details of the Greater Manchester Local Industrial Strategy are available here: <https://www.greatermanchester-ca.gov.uk/media/2132/gm-local-industrial-strategy-web.pdf>

Details of the Greater Manchester Audit of Productivity are available here: https://www.greatermanchester-ca.gov.uk/media/1911/gmipr_tr_auditofproductivity.pdf

Appendix E. Greater Manchester Global Network Connections

| | |
|---|--|
|  | <p>Eurocities is a network of large cities in Europe, established to further economic, political and social development in its member cities.</p> |
|  | <p>Metropolis is a global network of major cities and metropolitan areas. It serves a hub and platform for metropolises to connect, share experiences, and work together.</p> |
|  | <p>EMA is an initiative creating spaces for political debate among European metropolitan authorities aimed at sharing experiences, fostering joint projects as well as positioning themselves and defending their interests in front of the European Union and states.</p> |
|  | <p>The Covenant on Demographic Change gathers European public authorities, at local, regional and national level, and other relevant stakeholders, committed to develop environments that support active and healthy ageing, enhance independent living and well-being of older persons, and create a society for all ages.</p> |
|  | <p>The Global Covenant of Mayors for Climate & Energy is an international coalition of cities and local governments with a shared long-term vision.</p> |
|  | <p>100 Resilient Cities, pioneered by the Rockefeller Foundation, was dedicated to helping cities around the world become more resilient to the physical, social and economic challenges of the 21st century. The initiative came to an end in 2019 but two new organisations has emerged from 100 Resilient Cities - Resilient Cities Catalyst and Global Resilient Cities Network.</p> |
|  | <p>The Under2 Coalition is a global community of state and regional governments committed to ambitious climate change targets.</p> |
|  | <p>EIP AHA Reference Sites are regions, cities, integrated hospitals or care organisations and their quadruple helix partners from industry, civil society, academia and government authorities that focus on a comprehensive, innovation-based approach to active and healthy ageing. Greater Manchester is currently a 4 star Reference Site.</p> |
|  | <p>The WHO Global Network for Age-friendly Cities and Communities was established in 2010 to connect cities, communities and organizations worldwide with the common vision of making their community a great place to grow old in.</p> |
|  | <p>The United Nations Making Cities Resilient Campaign addresses issues of local governance and urban risk. Greater Manchester's ten districts became role models of the Campaign in 2014.</p> |

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- ¹ United Nations Conference On Trade and Development, *Global foreign direct investment projected to plunge 40% in 2020*. Available at: <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2396>
- ² The Greater Manchester Productivity Review published, 2019. Available at: https://www.greatermanchester-ca.gov.uk/media/1911/gmipr_tr_auditofproductivity.pdf
- ³ Management Today, 2019
- ⁴ Marketing Manchester
- ⁵ MIDAS
- ⁶ HESA, *Higher Education Student Statistics, UK, 2018/19*. Available at: <https://www.hesa.ac.uk/news/16-01-2020/sb255-higher-education-student-statistics>
- ⁷ HMRC, *UK Trade Info*. Available at: <https://www.uktradeinfo.com/Pages/Home.aspx>
- ⁸ The Greater Manchester Independent Prosperity Review, 2019
- ⁹ HMRC, *UK Trade Info*. Available at: <https://www.uktradeinfo.com/Pages/Home.aspx>
- ¹⁰ HMRC, *UK Trade Info*. Available at: <https://www.uktradeinfo.com/Pages/Home.aspx>
- ¹¹ ONS, *International Trade in Services*. Available at: <https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/datasets/internationaltradeinservicesreferencetables>
- ¹² OECD, *COVID-19 and International Trade: Issues and Actions*. Available at: - <https://www.oecd.org/coronavirus/policy-responses/covid-19-and-international-trade-issues-and-actions-494da2fa/>
- ¹³ MIDAS
- ¹⁴ EY, *EY Attractiveness Survey 2020*. Available at: https://www.ey.com/en_uk/attractiveness/20/uk-attractiveness-survey
- ¹⁵ Buck Consultants International, *Which sectors will be hardest hit by COVID-19?*. Available at: <https://www.williambuck.com/which-sectors-will-be-hardest-hit-by-covid-19/>
- ¹⁶ Marketing Manchester
- ¹⁷ HESA, *Higher Education Student Statistics, UK, 2018/19*. Available at: <https://www.hesa.ac.uk/news/16-01-2020/sb255-higher-education-student-statistics>
- ¹⁸ London Economics, *The costs and benefits of international students by parliamentary constituency*. Available at: <https://www.hepi.ac.uk/wp-content/uploads/2018/01/Economic-benefits-of-international-students-by-constituency-Final-11-01-2018.pdf>
- ¹⁹ Manchester Airports Group
- ²⁰ IMF, *World Economic Outlook 2020*. Available at: <https://www.imf.org/en/Publications/WEO>
- ²¹ Steer Economic Development, *The China Dividend: Two Year's In- Economic Impact Study*. Available at: <https://www.investinmanchester.com/dbimsgs/FINAL%20COPY%20The%20China%20Dividend%20-%20Two%20Years%20In-ilovepdf-compressed.pdf>