



**MIDLANDS  
ENGINE**

# **EXTRACTIVE INDUSTRIES**

**MIDLANDS CLUSTER SNAPSHOT 2023**

# Extractive Industries



Smaller than other clusters in both number of businesses and employees, clustering in extractive industries is found in Derbyshire, with a number of aggregate exporters and 21 active quarry sites. While related business activity (such as offices) are recorded across the Midlands, there are further extraction and aggregate sites clustered in Leicestershire, Herefordshire and Shropshire.

Built on existing extraction facilities and strong talent - notably the British Geological Society (based in Nottinghamshire), and evidenced through receipt of almost 20% of all Innovate UK, funding to businesses in the wider sector and the hosting 32% of all FDI into the UK in this area since 2017. There are a number of high growth companies offering extraction as well as consultation services, and innovative propositions for decarbonisation such as the Peak Cluster proposal in Derbyshire and Staffordshire.

## Cluster in context

-  Over 15,000 jobs; 5% of national.
-  41 high growth companies (9% of UK) and 30 £100m+ turnover companies (16% of UK).
-  1% of Midlands university graduates studied relevant subjects to extractive industries, including from 4 of the top 25 UK universities for Engineering & Technology.
-  18% of Innovate UK funding to extractive industries since 2005 has been awarded to those with a Midlands address.
-  Over 900 businesses; 9% of UK total and 75% growth since 2013.
-  32% of cluster relevant UK Foreign Direct Investment Capex and 0.3% of cluster relevant UK extractive industries Domestic Direct Investment Capex 2017-2021.

## Business Ecosystem

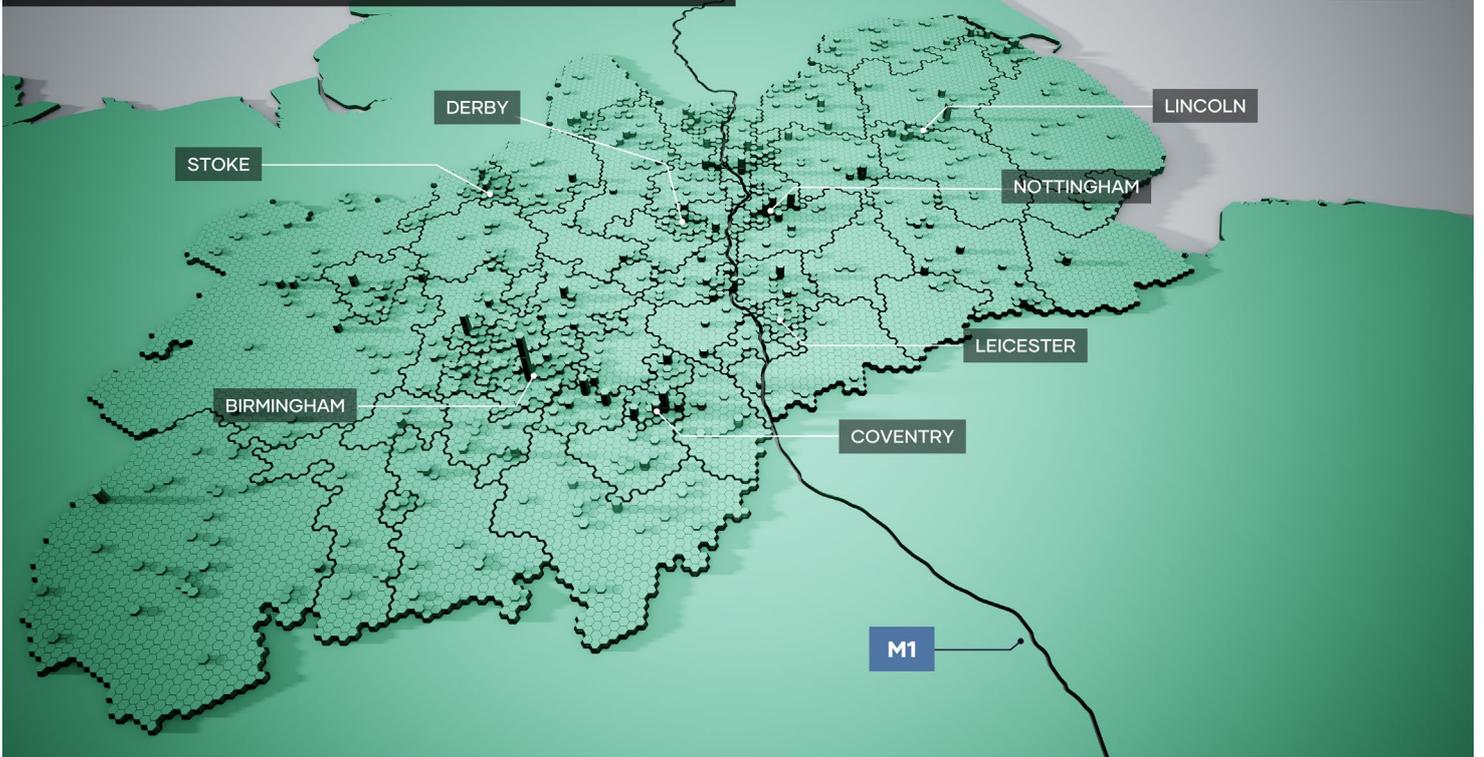


<b>Total Cluster Business Count:</b>	<b>910</b>
9% of UK; 75% growth since 2013. <sup>1</sup>	
<b>£100m+ Turnover Companies:</b>	<b>30</b>
16% of all in the UK have a Midlands location. <sup>2</sup>	
<b>High Growth Companies:</b>	<b>41</b>
9% of all in the UK have a Midlands location. <sup>3</sup>	
<b>Incorporations 2017-22:</b>	<b>287</b>
7% of UK extractive industries incorporations between 2017 and 2022 have a Midlands location. <sup>4</sup>	
<b>Foreign-owned enterprises:</b>	<b>9%</b>
79 are known to be foreign-owned; same proportion of foreign-owned than national average. <sup>5</sup>	

<sup>1,2,4,5</sup> Data City 2023; <sup>3</sup>Data City 2023: 20%+ company growth percentage per year.

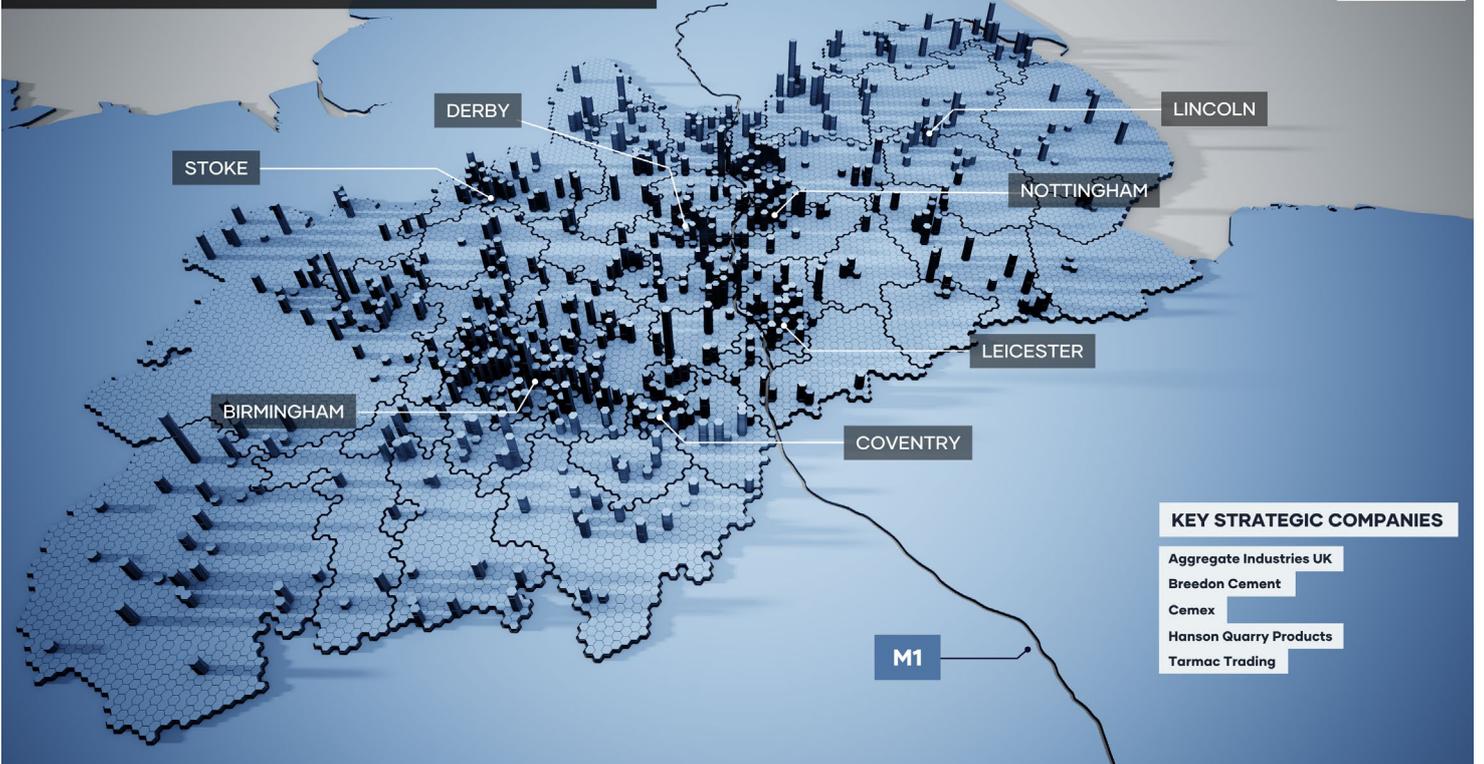
### EXTRACTIVE INDUSTRIES - Business Counts

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### EXTRACTIVE INDUSTRIES - Turnover

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# Extractive Industries



## Innovation Ecosystem



Accelerator Engagement:<sup>1</sup>

9

Relevant Cluster Organisations:

British Aggregates Association; British Geological Society;  
Institute of Quarrying; Institute of Materials, Mining and Minerals

Relevant Spinouts:<sup>2</sup>

5

Relevant high performing HEI research:

Universities of Birmingham; Keele; Leicester; Loughborough;  
Nottingham; Nottingham Trent; Warwick

7 Midlands universities with high research ranking in relevant subjects.<sup>3</sup>

Significant Innovation Hubs:

British Geological Study; University of Derby Centre  
for Mineral Products

High Growth Company Grants:<sup>4</sup>

51

Innovate UK funding:

**£3m** since 2005

18% of Innovate UK funding to extractive industries businesses had a Midlands location.<sup>5</sup>



<sup>1</sup>Beauhurst 2022: High growth companies utilised accelerators <sup>2</sup>Beauhurst, 2022, <sup>3</sup>REF 2021 GPA >3.0 in any of Geography and environmental studies; engineering <sup>4</sup>Beauhurst 2022, <sup>5</sup>Data City 2023.



# Extractive Industries



## Talent Ecosystem



**Estimated Employees:** **15,043**  
5% of national total.<sup>1</sup>

**Earnings:** **Average salary £35,267**  
National average £36,613 (9.2% lower in Midlands).<sup>2</sup>

**Further Education Leavers:** **980**  
More FE leavers in relevant subjects than all other regions outside London.<sup>3</sup>

**Relevant HEI High-Ranking Department:**  
**Universities of Nottingham; Birmingham; Warwick, and Loughborough**  
4 universities high ranked: international presence and expertise.<sup>4</sup>

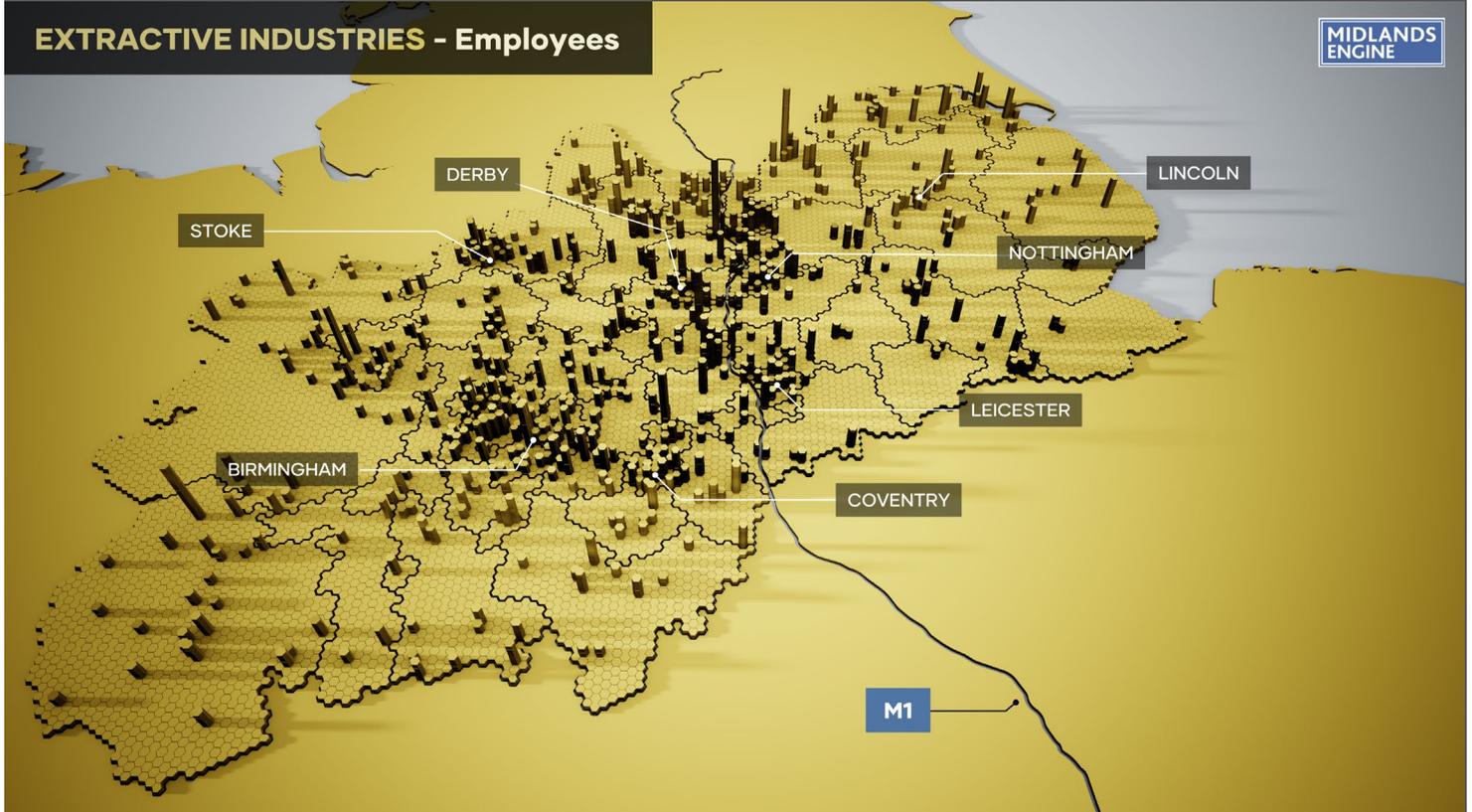
**University Graduates:** **770**  
1% of Midlands graduates studied relevant subjects to extractive industries.<sup>5</sup>



The overall employee data for this cluster is likely to be slightly overestimated given company address discrepancies in the data and the existence of several large companies. SIC code data for ONS suggests there are around two-thirds less jobs in the extractive industries compared to the data presented from Data City (5,000 vs 15,000). The real number is likely to be somewhere inbetween.

<sup>1</sup>Data City, 2023, <sup>2</sup>ONS ASHE, 2021, <sup>3</sup>DfE Unit for Future Skills: Further Education leavers 18/19 in relevant fields, <sup>4</sup>QS 'Engineering and Technology' world subject ranking 2022 - institutions appearing in the UK top 25), <sup>5</sup>Graduates from relevant subjects 2021 (HESA).

## EXTRACTIVE INDUSTRIES - Employees



# Extractive Industries



## Investment Ecosystem



<b>Investment/Venture Capital Firms:</b> Funds HQ'd in Midlands Engine area 313 Funds have offices in region. <sup>1</sup>	<b>200</b>	<b>FDI Jobs 2017-2021:</b> 61% of UK total. <sup>6</sup>	<b>165 jobs</b>
<b>FDI into High Growth Companies:</b> 50 of 95 investments in High Growth Companies. <sup>2</sup>	<b>53%</b>	<b>DDI Jobs 2017-2021:</b> 2% of UK total. <sup>7</sup>	<b>30 jobs</b>
<b>FDI Capex 2017-21:</b> 32% of UK total. <sup>3</sup>	<b>\$102.00m</b>	<b>FDI Projects 2017-2021:</b> 33% of UK total. <sup>8</sup>	<b>1 project</b>
<b>DDI Capex 2017-21:</b> 0.3% of UK total. <sup>4</sup>	<b>\$10.86m</b>	<b>DDI projects 2017-2021:</b> 13% of UK total. <sup>9</sup>	<b>1 project</b>

**Fundraising Volumes:**

Mean av. **£1.04m** fundraising investment  
 £99.7m in 95 investments (inc. £4.4m across 36 seed investments; £16.5m across 31 venture investments).<sup>5</sup>

<sup>1</sup>Beauhurst 2022, <sup>2</sup>Beauhurst 2022, <sup>3</sup>Wavteq 2022, <sup>4</sup>Wavteq 2022, <sup>5</sup>Beauhurst 2022, <sup>6</sup>Wavteq 2022, <sup>7</sup>Wavteq 2022, <sup>8</sup>Wavteq 2022, <sup>9</sup>Wavteq 2022.





## COMMENTARY

- DDI jobs in the UK in this cluster saw a large decline in the pandemic era and recorded no investment in 2021 – The Midlands DDI capex for this cluster in the Midlands was concentrated on one project in the Midlands.
- Midlands-based materials production/mining companies received 20.91% of equity raised in the UK from 2017 to 2021 by high-growth companies in this sector, while making up 24.4% of the sector's population. They also received 26.4% of the grant money received by the sector, suggesting that they are receiving a roughly proportionally appropriate amount of grant funding compared to the population size.
- The top countries for foreign ownership of businesses in this cluster are Germany, Switzerland, Canada, USA and France.



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**wavteq**

**Beauhurst**

*This data has been compiled from multiple sources, using classifications based on clusters as proposed by Midlands Engine Partners. Where necessary wider sector data has been used as a 'best proxy'. Unless otherwise stated, all data is contemporary as of May 2023, and is an aggregation of all known counts/data within the Midlands Engine's 65 Local Authorities. Unless otherwise stated, business, employee and turnover figures have been calculated via DataCity based on trading addresses within the Midlands Engine.*