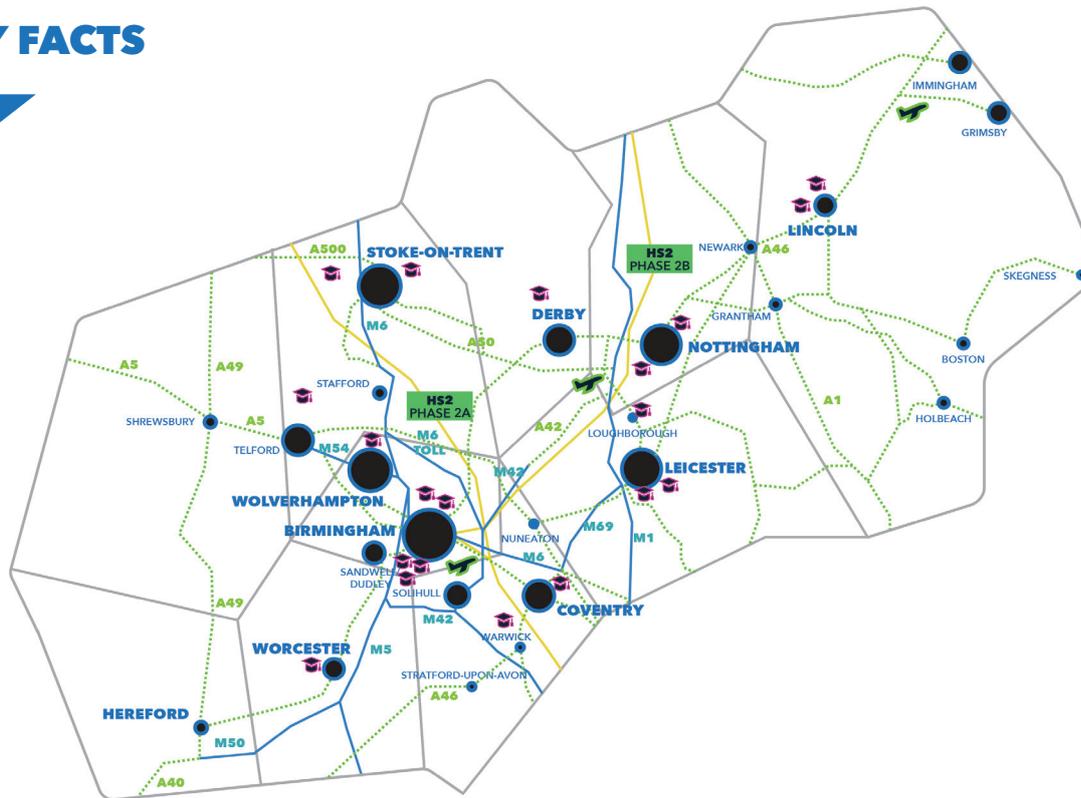


GLOBAL & INVESTMENT

KEY FACTS



TRADE

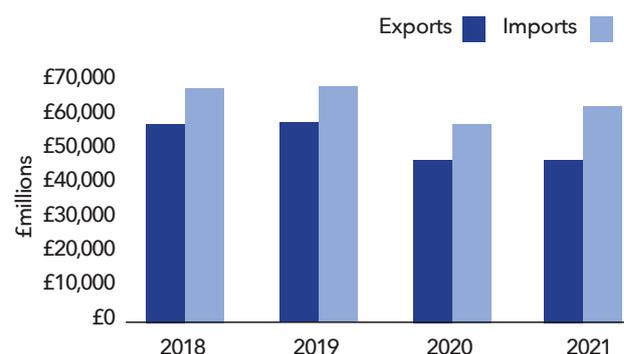
- Trade is vital to the Midlands economy and its future potential. In 2021, goods exports from the region were worth **£45.6bn**, representing **20.1%** of England's goods exports
- Goods exports increased by **£259m** between 2020 and 2021. Imports to the region were worth **£60.5bn**, an increase of **£5.1bn** from 2020
- The United States is the Midlands Engine's biggest goods export market, representing **16.4%** of the total, followed by Germany, France and China. It is also its biggest services export market, at **£4.5bn**
- Seven of the ten SITC commodity sections saw value increases compared to 2020, with high export growth in categories such as **fats & oils, coins, telecoms & sound equipment, and cork & wood**
- 2019 saw service exports worth **£23.4bn** and service imports worth **£21bn**, resulting in a services trade surplus of **£2.4bn** in the region.

However...

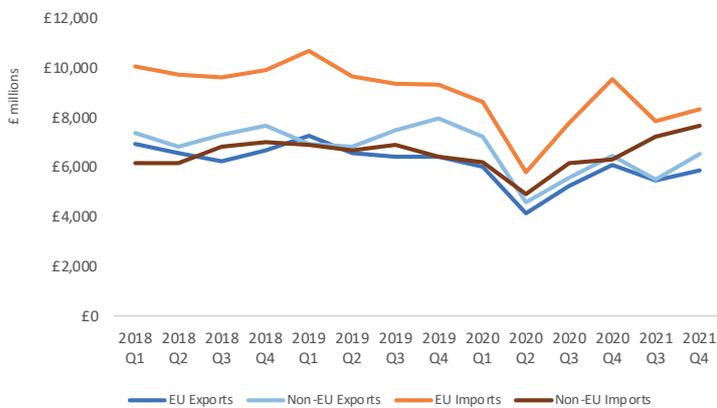
- In 2021, the Midlands Engine had a trade in goods deficit of **£14.9bn**, the fourth highest of all UK regions
- The value of goods exports to the EU has increased by **£483m (+2.2%)** from 2020, the lowest EU export growth between 2020 and 2021 of all English regions outside London

- Modest growth or decline in exports is caused by the region's reliance on trade of machinery and transport-related equipment, a category which has experienced a challenging trading environment in recent years
- The value of goods exports to key export markets such as the US, China, Germany and France have decreased in recent years
- The latest data (2018 to 2019) shows a year-on-year decline in the value of service exports from the Midlands Engine (from **£25.8bn** to **£23.4bn**), with service imports increasing (from **£19.4bn** to **£21.0bn**).

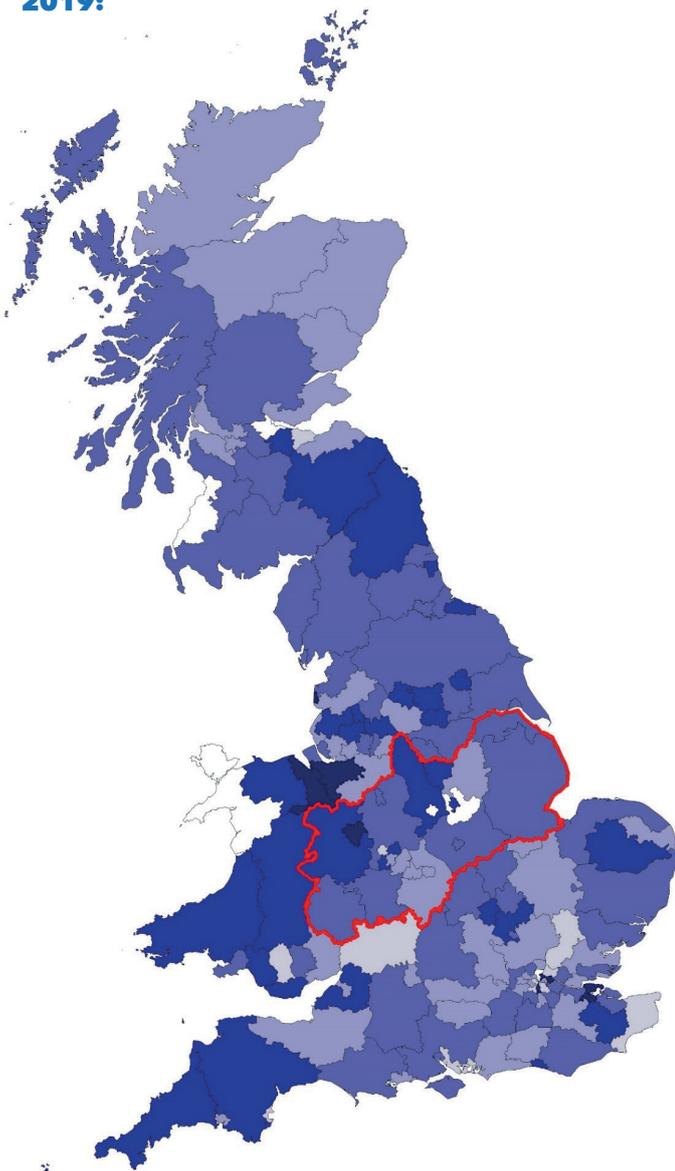
Midlands total value of goods exported and imported, 2018 - 2021:



Midlands value of goods exported and imported split by quarter and EU/Non EU, 2018 - 2021



Percentage of EU exports in goods by ITL3 in 2019:



BUSINESSES

- As of 2019, there were around **36,800** businesses across the Midlands exporting goods and/or services, **41,000** importing goods and/or services and around **16,100** both importing and exporting
- The Midlands comprises **15%** of the UK's exporters and **17%** of importers
- The number of Midlands exporters rose by **39%** from between 2017-2019, while the number of importers rose by **36%** - the fastest pace of growth of any UK region.

However...

- Growth in has been largely driven by the West Midlands, with a less strong performance in the East Midlands
- The data reflects the economy before the major economic shocks of the last few years, which is likely to have damaged the ability for businesses to import and export.

FOREIGN DIRECT INVESTMENT (FDI)

- According to official Department for International Trade (DIT) data, there were **242** FDI projects into the Midlands Engine area in 2021-22, an increase of **11.5%** from 2020-21
- FDI projects created **12,459** new jobs in 2021-22, an increase of **89%** from 2020-21
- FDI international investment position continues to increase for the Midlands, with the latest data showing an increase of **10%** in 2018-2019
- The highest FDI international investment position value was in manufacturing at **£48.2bn**, **39.4%** of the total in 2019
- The Midlands has attracted ~\$45bn in FDI & DDI (domestic) investments over the past five years, creating 208k+ new jobs.¹

However...

- FDI in the UK is still largely concentrated in Greater London, clearly outperforming other regions of the UK
- Official data from DIT suggests a fall in the number of FDI projects and jobs in the West Midlands: there were **143** FDI projects in the region in 2021-22, a decrease of **1.4%** compared to 2020-21
- The Midlands market share of UK FDI projects had a compound annual growth rate (CAGR) of **-2%** from 2017-2021, reflecting the disproportionate impact of the pandemic on the region.¹

¹Source: Wavteq based on fDi Markets from the Financial Times and Wavteq InvestmentFlow (Capex and jobs figures include estimates, retail projects excluded).

Overall greenfield FDI and DDI attraction in the East and West Midlands, 2017-2021

		FDI	DDI
	CapEx (£ Bns)	\$23.1	\$21.8b
	Number of projects	575	2,251
	Jobs Created	51k	157k
	Firms Invested	468	1,664

HIGHER EDUCATION

- Midlands universities and institutions attracted **£105.9m** of foreign funding in the 2019/20. Levels of investment to the West Midlands has grown by **8.8%** since 2015/16
- 22 Higher Education Institutions (HEIs) in the Midlands experienced annual higher percentage increases in international students compared to UK-wide increases until 2019-20 (excluding 2014-15 and 2015-16) where it reached a record high of 81,085
- International students in the Midlands accounted for **13.2%** of the UK total.

However...

- FDI into Midlands universities has decreased by **2.6%** since 2015-16, driven by a decline in the East Midlands
- Between 2019-20 and 2020-21, the number of international students dropped from **81,085** to **79,855**, equating to a **1.5%** decrease for the Midlands compared to a UK-wide increase of **8.7%**.

TOURISM

- There were record highs in the Midlands for international visitors in 2019, reaching **3.63m** and bringing a total spend of **£1.51m**
- The top market for the West Midlands between 2017-2019 was from the Irish Republic with **868,000** visitors spending **£250m**, while in the East Midlands **390,000** visitors from Poland spent **£59m**
- Hosting prestigious events such as Coventry: UK City of Culture 2021 and the Birmingham 2022 Commonwealth Games boosted visitor numbers to the region.

However...

- There has been a large decrease in visits and spend recently, mainly due to Covid 19. There were **584,840** international visitors to the Midlands in the first quarter of 2020, significantly lower than **795,050** international visitors at the same time the previous year
- There were **112,000** visits from air passengers in the third quarter of 2021, an average decrease of **86%** since the third quarter of 2019. Spend from air passengers saw an average decrease of **81%** in this period, too
- New restrictions on freedom of movement could also be potentially damaging for tourism.

