“International”

Prepared By Joanne Rogers, MD, Prowse & Co. Ltd: February 2019
## 1. Report Aims

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investigate</strong></td>
<td>The Gatwick Diamond ‘International Offer’ &amp; understand to link our key sectors to spread the benefits of inward investment &amp; exports across all LA’s.</td>
</tr>
<tr>
<td><strong>Look</strong></td>
<td>How does the Gatwick Diamond offer compare to other UK and global locations.</td>
</tr>
<tr>
<td><strong>Understand</strong></td>
<td>Research global FDI trends since Brexit decision in 2016.</td>
</tr>
<tr>
<td><strong>Identify</strong></td>
<td>Gatwick Diamond key sector threats &amp; opportunities (e.g. tech &amp; AI).</td>
</tr>
<tr>
<td><strong>Research</strong></td>
<td>How our key sectors could benefit from the UK industrial strategy &amp; sector deals.</td>
</tr>
<tr>
<td><strong>Learn</strong></td>
<td>Review top performing comparable global investment promotion agencies.</td>
</tr>
<tr>
<td><strong>Agree</strong></td>
<td>How the Gatwick Diamond Initiative can evolve and add value.</td>
</tr>
<tr>
<td><strong>Act</strong></td>
<td>Implement a collaborative post-BREXIT strategy to secure FDI &amp; encourage exports using a strong location offer, and inform the direction of the upcoming LEP Industrial strategy.</td>
</tr>
</tbody>
</table>
2. Executive Summary

• Competition is increasing nationally and globally with locations committing large resources & budgets to FDI.

• The Gatwick Diamond is not achieving its potential as an international location for business, but national sector plans & industrial strategies present an opportunity to build new collaborations and access funds NOW.

• Two key location differentiators for the Gatwick Diamond are its proximity to London & Gatwick Airport. These are major selling points for FDI & exports. It’s time for Gatwick Diamond International!
2. Executive Summary

• A holistic approach by policy-makers & business is required across our key sectors to counter threats of disruptive AI technologies, whilst creating new opportunities for innovation & inward investment around emerging sectors as traditional boundaries fall away.

• Significantly more collaboration is required across business, govt, sectors & education to ensure the Gatwick Diamond has the knowledge & foresight to retain & attract businesses & make compelling cases to Govt. around key sectors.

• The Gatwick Diamond Initiative has an opportunity to influence the marketing of strategic sites to encourage clusters of tenants with supporting tech firms to aid inward investment programmes.
3. BREXIT impacts on UK FDI

- UK has maintained its position as the top destination for FDI in Europe BUT neighbouring countries are reaping the benefits of Brexit uncertainty & proactively targeting UK firms.

- FDI in business services, support centres, headquarters & sales marketing and support all in decline in the UK, while neighbouring countries are witnessing growth.

- The London School of Economics estimates that Brexit will lead to a 22% decrease of FDI over the next decade.

- The tech, media & telecoms sectors are driving London’s economy.

- Whilst London may be able to withstand the ‘Brexitous’, UK regions are much more vulnerable, particularly in manufacturing + low value services.

- Devolved regions are strengthening their ties internationally (Manchester & Liverpool targeting Asian partners; Cornwall opening Brussels office; Derby targeting China/India; Dorset targeting US, Canada & Qatar).
4. The Global FDI Perspective: Global Cities of the Future 2018/19

### Top 25 Emerging Market Cities Only
- **Rank**
- **City**
- **Country**
  1. Bangalore
  2. Ho Chi Minh City
  3. Silao
  4. Pune
  5. Chongqing
  6. Suzhou
  7. Chengdu
  8. Gurgaon
  9. Santiago
  10. Hyderabad
  11. Chennai
  12. Mumbai
  13. San José
  14. Monterrey
  15. Panama City
  16. Mexico City
  17. Bogotá
  18. Tangier
  19. Queretaro
  20. San Luis Potosí
  21. Manila
  22. Hanoi
  23. New Delhi
  24. Guadalajara
  25. Jeddah

### Top 25 Overall (Includes Emerging and Developed Markets)
- **Rank**
- **City**
- **Country**
  1. Singapore
  2. London
  3. Dublin
  4. Hong Kong
  5. Shanghai
  6. Dubai
  7. New York
  8. Amsterdam
  9. San Francisco
  10. Tokyo
  11. Paris
  12. Frankfurt
  13. Zürich
  14. Belfast
  15. Helsinki
  16. Seoul
  17. Montreal
  18. Seattle
  19. Beijing
  20. Copenhagen
  21. Sydney
  22. Munich
  23. Toronto
  24. Houston
  25. Miami

See Appendix 1 for Key FDI Indicators

(Source: FDI Intelligence)
4. The Global FDI Perspective: Global Cities of the Future 2018/19 (2)

**Mega Cities**

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shanghai</td>
<td>China</td>
</tr>
<tr>
<td>2</td>
<td>London</td>
<td>UK</td>
</tr>
<tr>
<td>3</td>
<td>New York</td>
<td>US</td>
</tr>
<tr>
<td>4</td>
<td>Beijing</td>
<td>China</td>
</tr>
<tr>
<td>5</td>
<td>Bangalore</td>
<td>India</td>
</tr>
<tr>
<td>6</td>
<td>Tokyo</td>
<td>Japan</td>
</tr>
<tr>
<td>7</td>
<td>Paris</td>
<td>France</td>
</tr>
<tr>
<td>8</td>
<td>Seoul</td>
<td>South Korea</td>
</tr>
<tr>
<td>9</td>
<td>Bangkok</td>
<td>Thailand</td>
</tr>
<tr>
<td>10</td>
<td>Guangzhou</td>
<td>China</td>
</tr>
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</table>

**Large Cities**

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dublin</td>
<td>Ireland</td>
</tr>
<tr>
<td>2</td>
<td>Frankfurt</td>
<td>Germany</td>
</tr>
<tr>
<td>3</td>
<td>Seattle</td>
<td>US</td>
</tr>
<tr>
<td>4</td>
<td>Helsinki</td>
<td>Finland</td>
</tr>
<tr>
<td>5</td>
<td>Doha</td>
<td>Qatar</td>
</tr>
<tr>
<td>6</td>
<td>Stuttgart</td>
<td>Germany</td>
</tr>
<tr>
<td>7</td>
<td>Düsseldorf</td>
<td>Germany</td>
</tr>
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<td>8</td>
<td>Copenhagen</td>
<td>Denmark</td>
</tr>
<tr>
<td>9</td>
<td>Gurgaon</td>
<td>India</td>
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<td>10</td>
<td>Vancouver</td>
<td>Canada</td>
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**Major Cities**

<table>
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<th>Rank</th>
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<tr>
<td>1</td>
<td>Singapore</td>
<td>Singapore</td>
</tr>
<tr>
<td>2</td>
<td>Dubai</td>
<td>UAE</td>
</tr>
<tr>
<td>3</td>
<td>San Francisco</td>
<td>US</td>
</tr>
<tr>
<td>4</td>
<td>Amsterdam</td>
<td>Netherlands</td>
</tr>
<tr>
<td>5</td>
<td>Hong Kong</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>6</td>
<td>Abu Dhabi</td>
<td>UAE</td>
</tr>
<tr>
<td>7</td>
<td>Munich</td>
<td>Germany</td>
</tr>
<tr>
<td>8</td>
<td>Bucharest</td>
<td>Romania</td>
</tr>
<tr>
<td>9</td>
<td>Sydney</td>
<td>Australia</td>
</tr>
<tr>
<td>10</td>
<td>Ho Chi Minh City</td>
<td>Vietnam</td>
</tr>
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**Mid-size & Small Cities**

<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Country</th>
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<tbody>
<tr>
<td>1</td>
<td>Luxembourg</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>2</td>
<td>Zürich</td>
<td>Switzerland</td>
</tr>
<tr>
<td>3</td>
<td>Geneva</td>
<td>Switzerland</td>
</tr>
<tr>
<td>4</td>
<td>Silao</td>
<td>Mexico</td>
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<tr>
<td>5</td>
<td>Belfast</td>
<td>UK</td>
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<tr>
<td>6</td>
<td>Edinburgh</td>
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</tr>
<tr>
<td>7</td>
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<td>UK</td>
</tr>
<tr>
<td>8</td>
<td>Manama</td>
<td>Bahrain</td>
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<tr>
<td>9</td>
<td>Vilnius</td>
<td>Lithuania</td>
</tr>
<tr>
<td>10</td>
<td>San José</td>
<td>Costa Rica</td>
</tr>
</tbody>
</table>

(Source FDI Intelligence)
4. The Global FDI Perspective: Global Cities of the Future 2018/19 (3)

London* has been named fDi’s Digital Economy of the Future for 2018/19, followed by Dublin and Singapore.

* Major digital companies have established or expanded regional headquarters in London incl. Netflix, Facebook & Time Warner. US-based SAAS provider ThousandEyes credited its 2017 office opening to the city’s reputation as a hub of technological innovation in Europe. The Centre for London (think-tank) tech manifesto to made London a digital capital city via initiatives such as open data charter for public service delivery; promotion of digital apprenticeships & taskforce to increase schemes to provide investors with a well-qualified, technically enabled workforce; & making broadband the city’s fourth utility.

(Source FDI Intelligence)
• The top 3 sectors by number of projects in 2017 were software and IT services, business services, and financial services – all well represented in the Gatwick Diamond.

• Software and IT services again maintained its place as the top sector for project numbers, with 2,237 in 2017, up 5% from 2016.

• Of the top 5 sectors by number of projects, software & IT services and financial services were the only two to achieve growth.

• The biggest decline in project numbers were in communications (-14%), automotive components (-14%) and business services (-7%) – all represented in the Gatwick Diamond.
5. Taking a closer look at the Gatwick Diamond
# 5.1 Probability of Automation by Place of Work, England, 2017 (ONS Data)

<table>
<thead>
<tr>
<th>Local authority</th>
<th>% Probability of automation 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arun</td>
<td>52.61</td>
</tr>
<tr>
<td>Adur</td>
<td>50.45</td>
</tr>
<tr>
<td><strong>Tandridge</strong></td>
<td>47.41</td>
</tr>
<tr>
<td>Tonbridge and Malling</td>
<td>45.67</td>
</tr>
<tr>
<td><strong>Crawley</strong></td>
<td>44.39</td>
</tr>
<tr>
<td><strong>Horsham</strong></td>
<td>43.90</td>
</tr>
<tr>
<td>Tunbridge Wells</td>
<td>43.56</td>
</tr>
<tr>
<td>Chichester</td>
<td>43.50</td>
</tr>
<tr>
<td><strong>Mid Sussex</strong></td>
<td>43.09</td>
</tr>
<tr>
<td><strong>Reigate and Banstead</strong></td>
<td>42.82</td>
</tr>
<tr>
<td><strong>Epsom and Ewell</strong></td>
<td>42.24</td>
</tr>
<tr>
<td>Wokingham</td>
<td>41.01</td>
</tr>
<tr>
<td>Mole Valley</td>
<td>40.32</td>
</tr>
<tr>
<td>Brighton and Hove</td>
<td>39.64</td>
</tr>
<tr>
<td>Woking</td>
<td>38.95</td>
</tr>
</tbody>
</table>

## 5.2 Key Sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Crawley</th>
<th>Epsom &amp; Ewell</th>
<th>Horsham</th>
<th>Mid Sussex</th>
<th>Mole Valley</th>
<th>Reigate &amp; Banstead</th>
<th>Tandridge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Transport</td>
<td>x</td>
<td></td>
<td></td>
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<tr>
<td>Automotive Manufacturing</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Computer &amp; Consumer Electronic Manufacturing</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Computer Software Programming &amp; Publishing</td>
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<td>x</td>
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<td></td>
<td></td>
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<tr>
<td>Communications &amp; Navigation Equipment Manufacturing</td>
<td></td>
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<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Data Processing &amp; Hosting</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Power Generation &amp; Transmission</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Horticulture &amp; Food Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Insurance &amp; Financial Services</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Med-Tech</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telecoms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visitor Economy &amp; Support Services</td>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table: (Arrows indicate growth/decline FDI trends)

Source: Coast to Capital LEP
5.3 The Med Tech / Life Sciences Sector
The life sciences industry is one of the dominant economic sectors in the UK.

‘Health life sciences includes medical technology, genomics, diagnostics and digital health.

Very high productivity & generates a wide range of products including drugs, medical technology, diagnostics and digital tools.

Govt has agreed a multi-billion pound deal, ensuring that the UK remains at the forefront of innovation in this sector.

The sector is export focused,

EU exit may be used as a catalyst to take steps to speed the growth of the life sciences sector in the UK.

Healthcare is a global business and the UK should seek to expand and develop its global markets as well as being a destination for inward investment.
Life Sciences in the Regions

UK Life Sciences Employment 2016 (map)

All life sciences

Biopharma

Medtech

Source: Strength and Opportunity 2016
Successful clusters are typically backed by a cluster organisation providing signposting for investment & collaboration, offer funding opportunities, business support and incubator, laboratory and office space.

Centre for Cities research suggests brand identity of key clusters in the UK is weak, & the UK needs to be better & more coherent in selling this UK offer to the rest of the world.

Given the SE has the largest clusters of LS organisation, there is an opportunity for the Gatwick Diamond to build a brand profile through collaboration and effective marketing by establishing a sector-specific cluster organisation backed by business.
Medtech Centres of Excellence Ambitions

• The UK needs to grow centres that are globally-leading in specific medtech or diagnostic domains.

• Academic centres & NHS regional partnerships should provide support for specific medtech themes, focusing on research capability in a single medtech domain (e.g. orthopaedics, cardiac). This would align regional capabilities with a single medtech focus, allowing them to compete globally.

• There are relatively few examples of this currently in the UK. Leeds is a global centre for orthopaedic device R&D and manufacturing & an example that could be built on.

• The Govt. would like the UK to host four to six such centres of excellence dedicated to a single medtech theme as magnets for FDI

• Could the Gatwick Diamond exploit its Cancer Diagnostics expertise by working with Elekta and Varian & London Francis Crick Institute) to bid to host a centre of excellence and attract international academia to invest in the region?

Source: Life Sciences Industrial Strategy
The Aims: to put the UK at the forefront of the use of AI and data in early diagnosis, innovation, prevention and treatment.

The Opportunity - working to harnessing the power of AI and data technologies - is considerable. It should lead to a whole new industry of diagnostic and tech companies which would drive UK economic growth.

Q: How can the Gatwick Diamond take advantage of the LS Sector Deal to attract FDI in the future?
Gatwick Diamond Data Hub Opportunity?

• An early opportunity has emerged for the UK to create a regional system of data hubs called ‘Digital Innovations Hubs.

• 2-5 hubs would provide data across regions of 3-5 million people, set up as part of a national approach, building towards full population coverage.

• The UK is looking to host 4-6 Centres of Excellence providing support for specific MedTech themes.

Q: Is there an opportunity to link the Gatwick Diamond’s Data Hubs and Med-Tech Centres to attract FDI in the future, perhaps in partnership with the Digital Catapult?
The US is the global leader in the life sciences industry.

Key global UK competitors – Germany, US, Switzerland, Ireland and Singapore have prioritised life sciences manufacturing.

Ireland has landed manufacturing investments from 9 out of 10 top pharmaceutical companies and 13 of 15 top med-tech companies. It has become a European manufacturing base for many US firms.

Singapore established its Economic Development Board & (like Ireland) provided it with autonomy to implement specific economic development programmes, backed by attractive fiscal and financial incentives. 30 of the world’s leading biopharma companies have HQs in Singapore.
The Global Competition or Partner? – New York Inward Investment Agency - MedTech Sector

New York ranks third for FDI Strategy, where more than 50 people employed at the New York City Economic Development Corporation promote the city and facilitate inward investment.

LifeSci NYC is a 10-year, $500m initiative that aims to create a world-class hub for life sciences, while CyberNYC is a $30m investment to grow the cybersecurity ecosystem in the city.

New York’s Digital Health Marketplace initiative has matched more than 900 growth-stage start-up companies and market-ready products with local hospitals and healthcare providers.

https://www.lifesci.nyc/ten-point-plan
The Global Competition or Partner? - Singapore Inward Investment Agency - MedTech Sector

An island nation located in the heart of Asia, Singapore’s robust economy, highly-educated workforce, excellent connectivity, and high standard of living offer businesses the ideal landscape to invest with confidence.

The Asia Medical Technology market is expected to grow 8% and is projected to overtake the EU as the second largest market globally by 2020.

Today, Singapore is home to more than 60 multinational MedTech companies undertaking a range of activities from regional headquarters and manufacturing, to research and development.

Gatwick Diamond based Roffey Park has a key site in Singapore. Could this be a springboard for establishing partnerships there?
5.4 Business & Financial Services + HQs
Global FDI: Business Services, HQ’s, Marketing & Sales

<table>
<thead>
<tr>
<th>Services FDI into Western Europe by project numbers in 2017</th>
<th>Business services</th>
<th>Contact/support centres</th>
<th>Headquarters</th>
<th>Sales, marketing and support</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>% change</td>
<td>2017</td>
<td>% change</td>
</tr>
<tr>
<td>UK</td>
<td>212</td>
<td>-9.4%</td>
<td>15</td>
<td>-34.8%</td>
</tr>
<tr>
<td>Germany</td>
<td>177</td>
<td>-5.9%</td>
<td>7</td>
<td>250.0%</td>
</tr>
<tr>
<td>France</td>
<td>183</td>
<td>117.9%</td>
<td>4</td>
<td>-55.6%</td>
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<tr>
<td>Spain</td>
<td>63</td>
<td>18.9%</td>
<td>3</td>
<td>0.0%</td>
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<td>Netherlands</td>
<td>61</td>
<td>69.4%</td>
<td>1</td>
<td>-66.7%</td>
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<td>Ireland</td>
<td>52</td>
<td>10.6%</td>
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<td>-45.5%</td>
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<td>Denmark</td>
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<td>27.3%</td>
<td>1</td>
<td>N/A</td>
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<tr>
<td>Finland</td>
<td>32</td>
<td>68.4%</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>42</td>
<td>7.7%</td>
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<td>0.0%</td>
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<td>Sweden</td>
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<tr>
<td>Luxembourg</td>
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<td>71.4%</td>
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<tr>
<td>Other</td>
<td>46</td>
<td>N/A</td>
<td>3</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>977</td>
<td>21.4%</td>
<td>42</td>
<td>-28.8%</td>
</tr>
</tbody>
</table>

Source: FDI Markets
Global FDI: Financial Services Source Countries

- **The US was the leading source market** in terms of projects (103 or 26% of total projects), jobs created (almost 4,500 jobs or 27% of total projects) and capital investment (over £1.5bn or 24% of total investment).

- After the US, **Sweden, China, Switzerland and Germany invested the most** in the UK in terms of capital investment (£m), and created the most jobs

- The UK’s innovative financial services sector plays a key role in attracting these investors – **accounting for more than double the foreign direct investment of any other UK sector in 2016.**
Financial Services Inward Investor Motives: into the UK

- **Proximity to markets & customers is the number one motive** to invest in both FS and non-FS sectors in the UK.

- Investors invest in London (and the UK) because of a **highly skilled workforce and cluster of expertise**

- **The UK is deepening its specialism in FS areas**, which will be beneficial to attracting FDI subject to BREXIT & UK regulatory environment.

- **The ranking of these motives overall fit well with the Gatwick Diamond offer and its proximity to LONDON:**
In 2017, London secured the most FS FDI (by projects number) compared with other global centres: Dublin, Frankfurt, Paris, Luxembourg, New York, Hong Kong and Singapore.

London’s success in attracting FS FDI is a result of its cluster of specialised and globally competitive services – London has the largest FS cluster in the world with 64,000 FS companies.

London is at the forefront of the development of new industries - 16 of the top 50 Fintech companies are in London, & nine of the top 1,000 world banks are headquartered in the city. It is the base for one-third of all UK holding & investment offices.

London also offers a wider talent pool for foreign investors – 57% of London’s 25-64 year-old population is educated to tertiary-level, the highest share compared with other global centres. (Combined with 60,000 finance-related students studying annually in London-based universities worldwide.)
While London is clearly the leading UK region in terms of attracting Financial Services FDI, the spread of job creation across the UK reflects the UK’s competitive strengths in financial services as a whole.

Insurance FDI is widespread throughout the UK. Regions outside of London accounted for over 70% of jobs created in the subsector.

Q: What more can the Gatwick Diamond do to capitalize upon its proximity to London and develop partnerships with sector bodies?
Economic output: 48% of UK GVA in financial services (or £56 billion) was created outside of London in 2016, with the South East (excluding London), Scotland & North West each contributing over £7 billion to UK’s FS GVA. Source: ONS, Regional GVA by industry (2016).

Clusters of FS companies: c70% of all FS companies in the UK are located outside London. By subsector, UK regions (except London) account for:
- two-thirds of holding & investment offices & insurance companies;
- 70% of non-depository institutions;
- three-quarters of security & commodity brokers, dealers, exchanges & services companies;
- 84% of depository institutions;
- 83% of insurance agents, brokers & services companies.

Pools of talent: Monetary intermediation is the largest subsector (includes activities linked to banks and building societies with c248,000 employed in regions outside London. Insurance (and activities auxiliary to insurance) and pension funding are sectors where there are significant clusters outside of the capital – 79% and 71% respectively.

Global competitiveness - UK is a global leader in exporting financial services, with a higher trade surplus than any other country. The South East accounted for 25% of UK insurance and pension service exports, with Scotland (10.4%) and the North West (9.7%) other notable contributors.

(Source: Centre for Cities and City of London Corporation (2018), London links: financial services UK wide.)
The UK is regarded as a centre of expertise in research and application of AI.

The Government is putting the UK at the forefront of the AI and Data Revolution via its Industrial Strategy.

This has big implications for business services, med-tech & other sectors prevalent in the Gatwick Diamond.
New subsectors are emerging and the Gatwick Diamond needs to adapt fast to retain & attract new companies operating in **Fintech, Legaltech, Regtech & Proptech** which are all of huge interest to large corporates and HQs.

**Example: FINTECH SECTORS**

- Cyber security
- Machine learning/AI
- Blockchain
- Insurtech

Q. There is an opportunity to attract these companies to the Gatwick Diamond to service our cluster of Bus/FS/Prof Services companies.

**Opportunity 1:** Encourage inward investment in new sectors by co’s attracted by existence of FS + HQ clients

**Opportunity 2:** Encourage existing tech co’s to develop expertise in these areas & grow.

**Opportunity 3:** Retain existing FS & HQ’s with strong supply chain in emerging SAAS

FINTECH WEEK IN MAY – Check out Manchester!
The Global Competition: Hong Kong
Inward Investment Agency Case study - FinTech Sector

• **Hong Kong** has impressed with its FDI FinTech Strategy.

• **In 2016**, a dedicated fintech team was established to promote Hong Kong as a leading destination for investment in the sector & facilitate investors with a one-stop-shop service. It also committed to accelerating and empowering start-up companies.

• The team has assisted about 350 fintech companies & sponsored 20+ events across Europe, mainland China and the US in 2017.

• The city’s FinTech Week is the world’s first crossborder fintech event, hosted in both Hong Kong & Shenzhen.

5.5 The Visitor Economy & Support Services
The UK attracted the majority of Europe’s tourism FDI projects and had the highest level of job creation (10,500 jobs), between 2013 and 2017.

Between 2013 & 2017, 547 tourism FDI projects were recorded in Europe resulting in the creation of 58,000 jobs and investment of over $21.4bn.
Business projects

• Globally between 2013 and 2017, the top three business activities for tourism FDI were sales, marketing and support, construction and headquarters. Sales, marketing and support operations account for almost 46% of all tourism FDI projects, construction 43% and headquarters almost 5%.

Subsector projects

• The top three subsectors globally between 2013 and 2017 were accommodation, travel arrangement and reservation services and software publishers, all of which were driven by higher investments in North America and Europe.

Q: How can the Gatwick Diamond exploit the broader visitor economy FDI given its proximity to Gatwick Airport and London, its Corporate HQ offer and its strong tourism sector? How can business tourism be linked to our key sectors?
Global Overview of Tourism Investment FDI in 2018

Global tourism FDI, 2013-2017*

Projects

Capital investment (Bln)*

Jobs *

Top 10 countries globally, by number of projects, 2013-2017

Source: FDI Markets (www.fdimarkets.com)
Tourism & the Visitor Economy Impacts Beyond Traditional Tourism Subsectors

Q: How can the Gatwick Diamond exploit this for the benefit of its key sectors as well as FDI?
The Global Competition: 
Inward Investment Agency – ‘The Belfast Boost’

Invest Northern Ireland’s regional capital Belfast has offices in Europe, the Americas, the Middle East and Asia-Pacific.

The city council employs more than **100** people to promote Belfast as a leading destination for investment, tourism and study, and enjoys sister city networks with Boston, Nashville and Shenyang.

Belfast was ranked number one in a list of 10 small to mid-sized world cities for business friendliness by FDI Magazine in Dec 2018.

Significantly, the efforts of Invest NI appear to have helped Belfast leapfrog New York and Frankfurt to be recognised for its strategy in attracting foreign direct investment.

As part of an agreement with the UK government, Belfast stands to benefit from a £1bn ($1.28bn) deal to develop infrastructure, boost innovation and improve employability.
6. Recommendations for the Gatwick Diamond Initiative
6.1 A NEW GDI Proposition...?

Gatwick Diamond International

OR

Gatwick Diamond Invest

OR

Gatwick Diamond Trade & Investment

OR

Gatwick Diamond City Region
6.2 A NEW Gatwick Diamond Initiative Sense of Purpose...

To:

Connect
Collaborate
Retain
Unlock
Promote

ensuring the potential of the Gatwick Diamond as a trade & investment location is fully realised.

Delivered by commercial experts - business development team supported by LA EDOs
6.3 Actions

PROMOTE:

• Agree new GDI proposition with Management Group & stakeholders, **evolving the GDI into a dedicated trade & investment promotion agency**.
• Create a Gatwick Diamond Initiative brand (as **Gatwick Diamond International** or similar) to fit with new proposition & purpose.
• **Identify two or three core international markets** & pro-actively promote the GDI brand.
• Encourage local authorities areas to **combine ED efforts for maximum benefits to build the Gatwick Diamond brand in key global markets**.
• Complete the interim update of the GDI website, with a view to renewing it in 2020.

UNLOCK:

• **Further research core and emerging sectors** to understand and fully understand the core Gatwick Diamond inward investment offer.
• **Conduct further desk research into global IPAs (with matching sector focuses)** to understand their business models and activities. Identify areas for co-operation and collaboration.
• **Identify opportunities for local firms/organisations to collaborate & access key UK national sector deals** eg. around adoption of AI across the Gatwick Diamond economy with the Digital Catapult/Wired Sussex etc. or establishment of MedTech Hub.
6.3 Actions /2

CONNECT:

• Engage with London & Partners and the City of London to identify potential partnerships.

• Visit other UK Centres of Excellence in related sectors eg. Leeds MedTech.

• Meet with other Gatwick Diamond organisations with overseas operations e.g. Roffey Park; Chichester College Group; Universities.

• Connect different elements of the business support chain to work together more effectively on the FDI process across key sectors.

• Identify relevant DiT overseas/inbound missions.

• Meet Overseas Embassies in target markets to build relationships in common areas of interest.

COLLABORATE:

• Work with Coast to Capital LEP to ensure the Gatwick Diamond proposition supports & is included within the local industrial strategy.

• Meet with regional ‘Big5’ sector specialists to scope the extent of new tech sub-sectors in the Gatwick Diamond and identify new initiatives.

• Review Higher and FE education establishments to identify key skills strengths/gaps/offers in priority sectors and prime focus for attracting international students.

• Connect investors to market opportunities rather than just treating the inward investment process as a piece of place marketing.

• Work internationally with London Gatwick Airport to promote the Gatwick Diamond brand nationally & globally.
6.3 Actions /3

RETAI N:

• Identify up-to-date list of Foreign-owned companies in the Gatwick Diamond.

• Agree pro-active ‘retention strategy’ with local authorities to develop a shared, proactive engagement programme to share intelligence; promote strategic development sites and sector initiatives.

• Work with HE & FE to ensure apprenticeship & training programmes meet their needs.

• Consider the need to adapt key sectors. Establish emerging sector groups to identify areas of opportunity or need for FDI in tech business services. (There is a big threat to Gatwick Diamond jobs within its Business Services /HQ sectors. This impacts not just back office functions, but customer facing operations as well. Healthcare / Life Sciences - seen as one of the most important sectors for AI both for better services and for better efficiency)

• Connect existing firms with foreign-owned companies to encourage innovation among supply chains post-BREXIT.

• Create a Gatwick Diamond International Ambassadors programme to encourage business leaders to promote the Gatwick Diamond as they go about their international business.
Appendix 1: Key FDI Indicators

### Data Points

**Economic Potential**
- Population
- Average annual population growth rate (2013-2017)
- Unemployment rate
- Inflation
- GDP (PPP current $)
- GDP per capita (PPP current $)
- Average annual growth in GDP 2013-2017
- Average annual forecasted GDP growth (2018-2022)
- Outward FDI (Jan 2013-Dec 2017)
- Outward FDI per 100,000 people (Jan 2013-Dec 2017)
- Inward FDI (Jan 2013-Dec 2017)
- Inward FDI per 100,000 people (Jan 2013-Dec 2017)
- FDI in advanced manufacturing (Jan 2013-Dec 2017)
- FDI in R&D and DIT (Jan 2013-Dec 2017)
- Number of megaprojects by capex (over $100m) (Jan 2013-Dec 2017)
  - In estimates
- Number of megaprojects by capex (over $100m) per 100,000 people (Jan 2013-Dec 2017)
  - In estimates
- Number of megaprojects by jobs (over 1000 jobs) (Jan 2013-Dec 2017)
  - In estimates
- Number of megaprojects by jobs (over 1000 jobs) per 100,000 people (Jan 2013-Dec 2017)
  - In estimates
- Capital expenditure on R&D and DIT projects

**Human Capital and Lifestyle**
- Labour force as % of population aged 15+
- Secondary enrollment rate (%)
- Tertiary enrollment rate (%)
- Education expenditure 6% of GDP
- Number of higher education institutions
- Number of higher education institutions per 100,000 population
- Number of B schools
- Number of I schools
- Number of I schools per 100,000 population
- Number of Top 500 universities
- Number of students
- Third-level students as % of population
- Human Development Index
- Number of physicians per 1000 population
- Life expectancy
- Ability to attract and retain talent

**Cost Effectiveness**
- Average salary $/hr for unskilled worker
- Average salary $/hr for semi-skilled worker
- Average salary $/hr for skilled worker
- Annual rent for prime Grade A office space ($ per sq m)
- Annual rent for prime Grade A industrial space ($ per sq m)
- 4*/5* hotel in city centre (3 per night)
- Minimum wage ($ per month)
- Cost of establishing a business (absolute value using GNI)
- Cost of registering a property (absolute value using GNI)
- Cost of construction permits as % of warehouse value
- Petrol prices ($ per litre)
- Cost of establishing an electricity connection (absolute value using GNI)
- Corporation tax rate (%)
- VAT/common indirect tax rate (%)
- Total tax rate as % of profit

**Connectivity**
- Upload speed (kb/s)
- Download speed (kb/s)
- Percentage of people using the internet
- ICT Development Index
- Mobile phone subscribers (2017) per 100,000 people
- Number of airports within 50 miles of the city
- Number of international destinations served
- Number of ports (medium+)
- Liner Shipping Connectivity Index (2017)
- Environmental Performance Index (2017)
- Logistics Performance Index 2017
- Networked Readiness Index 2017

**Business Friendliness**
- Total number of companies within the knowledge-based sector (2017)
- Percentage of companies within the knowledge-based sector
- Number of companies within the knowledge-based sector per 100,000 population
- Number of jobs created by all inward FDI (2013-2017)
- Number of jobs created by all inward FDI (Jan 2013-Dec 2017)
- Number of expansion/core-location projects (2013-2017)
- Top 1000 World Banks
- Corporation tax rate (%)
- Days taken to start a business
- Filing costs
- Ease of Doing Business Index 2017
- Index of Economic Freedom
- Corruption Perception Index 2017
- Strength of Investor Protection Index
- Country risk score
- Fragile States Index 2017
Appendix 2: Some Life Sciences Companies based in the Gatwick Diamond

- **Elekta Oncology** is a world-leading human care company that develops sophisticated state of the art tools and treatment planning systems for radiation therapy, radiosurgery and brachytherapy, and workflow enhancing software systems across the spectrum of cancer care.

- **Toshiba Medical Systems** are specialists in diagnostic imaging, developing technologies that respond to the demands of the healthcare environment.

- **Varian Medical Systems** is the world's leading manufacturer of medical devices and software for treating cancer and other medical conditions with radiotherapy, radiosurgery, proton therapy, and brachytherapy.

- **Fisher Clinical Services** provide primary packaging, secondary packaging, and distribution, supporting manufacturing, comparator purchasing, and drug-sourcing activities to the health care sector.

- **Roche Diagnostics** employs 500 skilled people at its UK headquarters in Burgess Hill, and provides a broad range of diagnostics and monitoring products and services for the healthcare sector, including small hand held devices to large diagnostic instruments found in hospital laboratories.

- **Welland Medical** is one of the leading international brands specialising in the design, development and manufacture of stomacare pouches and accessories.

- **Novo Nordisk** a leading healthcare manufacturer, with products in diabetes care, hormone replacement therapy, haemostasis management and growth hormone therapy, has its UK headquarters in Crawley.
Appendix 3: Fintech in the UK

Why the UK for Fintech?

1. The UK is the 1st for fintech in the world with 64,000 financial and professional firms providing a huge and vibrant fintech sector.
2. London is home to the highest concentration of fintech firms in the world.
3. The UK accounts for 11% of the global fintech industry.
4. Venture capital investment into the UK's fintech sector increased by 50% in 2017 and UK fintech firms attracting £2.99bn in investment.

UK's fintech adoption rate is 42% well above the global average of 33%.

Why Fintech for the UK?

1. 76,500 people work in fintech UK-wide, the number is set to grow to 116,000 by 2020.
2. 82% of global financial services firms expect to increase fintech partnerships over the next 3-5 years.
3. The UK offers a vibrant fintech ecosystem.
4. The UK’s job market for fintech has grown by 5% in 2018.

The UK is what you get if you take the best of other regions like Silicon Valley and New York.

Fintech on the Cutting Edge, UK

Fintech is worth £6.6bn to the UK economy.

The UK accounts for 42% of workers in fintech are from overseas.
### Industry Concentrations

- **Farnborough and Aldershot:** Defence and Aerospace clusters
- **Guildford, Aldershot and Basingstoke:** Gaming, software development, electronic equipment and software sales
- **Other high value centres for Space and Satellite technology, Digital/Cyber Security; Life Sciences, (especially Med Tech), & Professional services.**
- **There are significant opportunities for growth and enhanced productivity where these sectors intersect with digital technologies such as 5G, cyber security, & AI.**

### Inward Investment Sector Priorities

- Advanced Automotive
- Agri-Tech (incl F&B)
- Creative Media Technologies (Film, Video)
- Cyber Security
- Life Sciences
- Oil & Gas
- Space & Satellite
Appendix 5: SELEP LEP’s Key Sector Priorities

Industry Concentrations

- North Kent: Manufacturing
- Brighton: Gaming
- Kent & East Sussex: Marine & Maritime
- South Essex: Med-Tech
- Essex: Building and Construction
- Essex: Offshore Energy
Appendix 6: Greater Brighton City Region Key Sector Priorities

### Figure 2.3 Greater Brighton’s Diverse Sector Specialisms

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<th>Main Sector</th>
<th>Detailed Sector</th>
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<th>Crawley</th>
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**Note:**

colour coding denotes level of specialism relative to national average:

- Pale blue = slight specialism
- Dark blue = moderate specialism
- Orange = strong specialism.

Source: Regeneris Consulting, based on Office for National Statistics (ONS), Business Register and Employment Survey.
Report by Joanne Rogers, MD
Prowse & Co.

Marketing clients have included:

Contact: joanne@prowse.co.uk
Telephone: 07974 773989