

Lancashire Internationalisation Strategy

A 10-YEAR PROGRAMME FOR GLOBAL GROWTH



1
GLOBAL TRADE
& EXPORTS

2
FOREIGN
DIRECT
INVESTMENT

3
INTERNATIONAL
CAPITAL
INVESTMENT

4
WORLD-CLASS
INNOVATION

5
VIBRANT
VISITOR
ECONOMY

EXECUTIVE SUMMARY

Introduction



As Chair of the Lancashire Enterprise Partnership, I am always genuinely thrilled when I hear a story about a Lancashire business, organisation, community group, or individual who is making a big splash somewhere else in the world.

From a global scientific breakthrough at one of our universities to a local producer exporting their goods into a new overseas market, the county continually comes up with products, services and ideas which we can sell around the globe.

It's also great to hear about how many foreign tourists continue to visit and spend time here, exploring our rich heritage offer, our exciting coastal resorts, our stunning countryside, and our bustling towns and cities.

However, what the county has arguably lacked in

the past is an integrated and strategic approach to international economic growth which involves all aspects of Lancashire's global trade, foreign investment, and our international visitor market.

We have also historically punched below our weight across several internationalisation measures including our levels of exports, our number of Foreign Direct Investment projects, and our share of overseas tourists.

Add to that the fact that UK businesses who export tend to grow more than those who don't - and foreign companies who locate here are typically more productive, more innovative, and pay higher wages - and you begin to appreciate how by upping our global game we could really supercharge our economy in several areas.

That is why the LEP recently commissioned a deep dive into our all-round international economic performance.

This not only assessed where we are currently (and how that compares to others) but also, more importantly, what we could potentially achieve in the future.

The result is a new, comprehensive ten-year *Internationalisation Strategy* for Lancashire covering both outbound international activities (such as exports), and inbound activities (such as Foreign Direct Investment and International Capital Investment).

Further, it looks at the significant global value we could leverage from our thriving innovation economy and the dynamic R&D assets we have across the county.

Our international visitor economy - encompassing leisure tourism, business tourism, and friends & family visits - is also included.

The strategy is unashamedly bold and far reaching, and it highlights that to truly maximise our full international economic potential we need to be ambitious, creative, and work more collaboratively.

And while this *Executive Summary* captures the headline elements of the *Lancashire Internationalisation Strategy* - including details of the five key pillars we've identified to help us increase our global growth - I would strongly encourage you to download the full document from the LEP website to explore all of the specific actions, opportunities and evidence which has informed our approach and recommendations.



In the meantime, I hope you find this snapshot of where we could be going internationally in the years to come - and how we can work together to start our new global journey right now - is as exciting for you as it is for me.

Debbie Francis OBE
Chair, Lancashire Enterprise Partnership

Contents

	2-3	Introduction
	4-5	What, Why & How?
	6-7	Where
	8-9	Exports
	10-11	Foreign Direct Investment
	12-13	International Capital Investment
	14-15	Innovation
	16-17	The Visitor Economy
	18	Methodology
	19	Making It Happen
	20	Acknowledgements



Internationalisation

What, Why & How?

WHAT IS THE LANCASHIRE INTERNATIONALISATION STRATEGY?

The *Lancashire Internationalisation Strategy* is both an in-depth review of where we are currently with regards to global commercial activity, and a dynamic strategic roadmap of where we could be in the future.

At its heart is a 10-year growth programme, focussed on five core pillars of internationalisation:

- Exports
- Foreign Direct Investment (FDI)
- Capital Investment
- Innovation
- The Visitor Economy

These pillars have been used to benchmark Lancashire's existing international strengths within the five respective areas and their future economic potential.

This analysis has then informed a range of short, medium and long-term actions assigned to each pillar which are designed to make Lancashire's economy more globally active, competitive, and attractive to investors.

And while this *Executive Summary* captures the main findings and strategic recommendations of the full *Internationalisation Strategy*, we would encourage anyone interested in finding out how we can boost our economy through increased international activity to download the complete 88-page document from the LEP's website.

WHAT COULD THE INTERNATIONALISATION STRATEGY MEAN FOR LANCASHIRE?

Lancashire has one of the largest economies in the northwest, but across several international activity KPIs we currently perform below the national average. Our new *Internationalisation Strategy* seeks to address this, and it has been calibrated to fulfil a clear strategic ambition:

- Position Lancashire as being at the forefront of innovation
- Build a globally competitive county
- Promote the Lancashire brand more explicitly internationally
- Establish Lancashire as a place which attracts, retains and grows both talent and investment

This bold vision is underpinned by the five internationalisation pillars outlined earlier, and each individual pillar contains specific growth targets and projected potential outcomes.

These range from boosting exports and attracting more international investment to generating significant increases in overseas visitor numbers - creating thousands of new jobs along the way.

Maximizing our innovation strengths, and leveraging more value from our universities and international student cohorts, are also recommended.

HOW WAS THE LANCASHIRE INTERNATIONALISATION STRATEGY DEVELOPED?

The *Internationalisation Strategy* is underpinned by a set of strategic objectives which are ambitious and aspirational. But it is also focused on achievable long-term goals which will enhance Lancashire's overall economic performance.

However, we are also aware that the county has finite resources, and that attempting to pursue every new international opportunity, in every global territory, would be neither practical nor sustainable.

Therefore, the strategy is based on 'aggregated analysis'. This approach considers our historic, current and future international strengths and weaknesses; our domestic and international competitors; existing and anticipated demand for new international investment opportunities; and other economical, political and geographical criteria.

In addition, we consulted extensively with a wide range of stakeholders and asked them about their views and experiences in relation to exporting, inward investment, perceptions of the Lancashire 'brand' globally, and other aspects of international trade.

Locally this included the LEP's six business-led Sector Groups, large local employers, our universities, major local authorities, skills and training providers, Marketing Lancashire, the county's Chambers of Commerce, and regional trade associations.

Through these encounters we were able to gauge a number of potential 'hidden' barriers to future global growth, and such insights have been incorporated into the strategy's recommended actions.

WHAT TYPE OF OPPORTUNITIES DOES THE INTERNATIONALISATION STRATEGY REVEAL?

The strategy's aggregated analysis has helped us identify opportunities for potential international growth especially where we have a blend of expertise, resources, assets and capacity which can give us a strong competitive advantage.

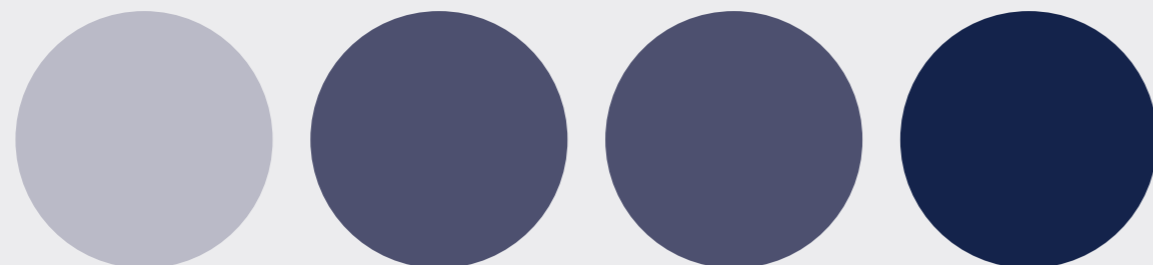
This includes identifying specific interventions which could help us ramp up our levels of export activity to meet emerging global demand; secure more Foreign Direct Investment through more targeted engagement; leveraging our domestic infrastructure project pipeline to attract more international capital investment; using our universities' strong international links to access new commercial opportunities; and calibrating our visitor offer to appeal to specific overseas audiences and the lucrative 'friends and family' market.

Many of the growth opportunities identified in the strategy are also linked to Lancashire's core industrial sectors and R&D strengths. These include aerospace and advanced manufacturing, energy and low carbon technologies, the digital industries, and food production.

It also recommends we look at developing several broad and cross-cutting offers in areas like cybersecurity, digitalisation and sustainability. In addition, Lancashire being positioned as a world-class innovation testbed could also generate significant international interest and investment.

Several Lancashire destinations with strong tourist appeal are further highlighted as specific drivers to grow our visitor economy, as are new ways to potentially increase our share of both the urban tourism and business tourism markets.

Across all our international activities the strategy also highlights how we could increase our levels of global engagement through the promotion of a more visible and distinctive Lancashire brand.



Internationalisation Strategy

Where: A Targeted Approach for Global Growth

Aggregated Modelling

Lancashire's *Internationalisation Strategy* has used aggregated analysis modelling to identify target overseas territories, priority sectors, and recommended activities.

This map indicates the countries where we have the greatest growth potential based on this approach, but it is important to note that not all activities and sectors are applicable to all destinations.

Please refer to the detailed breakdown for each internationalisation pillar to see which recommendations are specific to which countries.

You can also find out more about how and why certain countries have been prioritised in the full, downloadable *Internationalisation Strategy* document.



Our Five Internationalisation Pillars



1 GLOBAL TRADE & EXPORTS



2 FOREIGN DIRECT INVESTMENT



3 INTERNATIONAL CAPITAL INVESTMENT



4 WORLD-CLASS INNOVATION



5 VIBRANT VISITOR ECONOMY

Our Priority Growth Sectors



DIGITAL & CYBER SECURITY



AEROSPACE



ADVANCED MANUFACTURING



ENERGY & LOW CARBON



FOOD & DRINK



EDUCATION



LIFE SCIENCES



Exports

1

WHERE WE ARE NOW

With over £8bn of exports per year, and employing over 123,000 people, Lancashire is ranked 7th in terms of export value out of the 11 northern regions. In terms of exports per business we rank 5th.

Nationally, our volume of exported goods is lower than the national average (27.4% vs 30.7%).

And while Lancashire's exporting of services sees us outperform our northwest neighbours (14% vs 11%), we are below the 15% national average for services exports.

Also, when compared to several international regions of a comparable size (economically, demographically and geographically), we export significantly less.

WHAT WE EXPORT

We punch above our weight with regards to machinery, chemicals and manufactured goods

exports. Within services we are also increasing our share of finance, insurance, and digital exports.

But with regards to many key global growth sectors, we are not as competitive as we could be.

WHERE WE EXPORT

Lancashire currently exports nearly as many goods to non-EU countries as to the EU (49% vs 51%). In terms of services, we export over 80% outside of Europe.

Our largest individual trading partners for exports are the USA, Germany, France and Ireland.

However, our new *Internationalisation Strategy* has identified major export growth potential in territories such as India, Australia, Singapore, China, Canada, and Sweden.

WHERE WE COULD BE

A Leading UK Region For Exports

Lancashire's export GDP could be surpassing the UK's 30% national average, and we could be contributing billions more towards the government's £1 trillion export target.

Home To Many More New Exporting Businesses

Lancashire could be home to more world class exporting businesses, and an enabler of significant export-led international growth across the county.

Forging New International Trade Partnerships

Lancashire could create new international trading partnerships within key overseas territories.

Building Regional Resilience While Growing Globally

Our exporters could be onshoring activities to support supply chains, while also growing their international capabilities and capacity, bringing wider benefits to the whole Lancashire economy.

HOW WE CAN GET THERE

Capability Mapping

Continue to build on existing regional sector strengths - such as aerospace, advanced manufacturing and energy - and explore new technology-based subsectors (such as electech) which may offer additional opportunities. Our food and drink export proposition, and our agricultural expertise, could also be utilised to support more global export activity.

Develop New Trade Corridors

Leverage the government's *Global Britain* initiative to diversify Lancashire's offer into new markets, both current and emerging, and create several new dynamic trading corridors. We could also take advantage of the growing number of new Free Trade Agreements being negotiated by government across the world.

Upskill & Support Businesses

Encourage more Lancashire exporters (both established and new entrants) to take advantage of support offered by DIT, Lancashire's Growth Hub (Boost), local Chambers of Commerce, and others, to help them explore new export opportunities. This could also lead to the creation of a larger and more integrated export and advice service for local businesses.

Increased Global Promotion & Engagement

Build more global awareness of the Lancashire brand - and articulate what that brand stands for - through more proactive marketing, trade missions and international events. Also explore how our major diasporas and our international student base could be used to help unlock new exporting opportunities through existing relationships and networks.

Thinking Beyond 'Product'

Many people still think of exports as involving the movement of goods from one country to another. And while Lancashire has incredible growth potential in terms of making, selling and shipping more physical products, we also have significant opportunities to increase our share of service-led exports across many sectors. Commercialising and selling Intellectual Property to an international client base (including R&D expertise from our universities) should also be considered as a major exporting opportunity.

ASSETS & DRIVERS

Technology, Digital & Cyber

We have a cluster of world-class technology and digital businesses supported by strong R&D from our universities. The National Cyber Force HQ at Samlesbury will cement our position as a global leader in cyber, while our evolving electech sector has significant international potential. medtech, cleantech and agritech could also all offer new tech-based export opportunities.

Aerospace

Lancashire, as the UK's largest aerospace employer, is already home to global industry names and world-class aerospace innovation. As a sector based on collaboration, Lancashire can also build on its existing networks to increase global exporting opportunities across supply chains. This could include working with aerospace clusters in Toulouse, Seattle, Singapore, and beyond.

Advanced Manufacturing

Lancashire's manufacturing excellence, combined with a history of trading globally, can be built upon to boost exporting opportunities in aerospace, automotive, chemicals and textiles. Further, many of Lancashire's advanced manufacturing firms are located in and around the county's four Enterprise Zones, creating the right conditions for exporter clustering.

Energy & Low Carbon

Being one of the UK's biggest generators of renewable energy, and hosting several key energy assets (such as the Clean Energy Technology Park, the National Nuclear Laboratory, AMRC North West's Low Carbon Demonstrator, and Blackpool's Energy HQ) we could create significant new export opportunities. Expertise in nuclear decommissioning, and the changing energy needs of manufacturers, could also drive growth. Developing and commercialising new low carbon technologies is another potential market for exports.

Food & Drink

Lancashire is a major hub of farming and food manufacturing. World-leading food and beverage brands are based here, as are hundreds of specialist food producers. Our food sector is further strengthened by agricultural expertise and R&D, and our wider technology strengths could help accelerate new agritech opportunities through collaboration.

Education

Lancashire's four universities have in-demand sector expertise in disciplines such as health, engineering, cybersecurity, and the digital industries. This, combined with strong university links in major overseas territories (including Europe, Asia and the Middle East), could see our HE sector acting as a bridge for a number of new exporting opportunities.

TARGET SECTORS
TARGET TERRITORIES

Foreign Direct Investment



WHERE WE ARE NOW

Between 2015-2020, the county secured nearly 100 FDI investments which helped to create around 8,000 jobs.

This puts us in 7th place for number of FDI projects - and 6th in terms of total jobs created - when compared to the 11 other northern regions. With regards to numbers of FDI jobs per project, we are ranked 1st across the north.

Nationally, our overall FDI performance is proportionally lower than average in relation to the size of our economy.

CURRENT FDI PERFORMANCE (SECTORS)
Traditionally, manufacturing has accounted for more than 50% of the county's FDI projects across a range of industries including food and drink, aerospace, automotive, chemicals, metals,

plastics, textiles and industrial equipment. Other FDI activity has been primarily based around logistics, renewable energy, health, and business services.

CURRENT FDI PERFORMANCE (TERRITORIES)
Since 2015, the USA has been Lancashire's largest individual source of FDI (26%), but Europe is our largest overall contributing region (50%).

In recent years France has been our biggest source of European FDI with five projects, while Ireland, Germany and Sweden have each brought three companies to the county. Since 2015, Japan and India have also both established three businesses here.

WHERE WE COULD BE

Creating Thousands of New FDI-Led Jobs

Increased FDI growth could see Lancashire adding thousands of new, high-value jobs to the county's economy.

Becoming a Hub of Innovation-Led FDI Projects

By promoting Lancashire as a multidisciplinary testbed, we could see a 15% increase in innovation-led FDI activity.

Significantly Increasing Our Number of FDI Projects

By taking a more targeted and strategic approach, Lancashire could aim to secure 150 additional Foreign Direct Investment projects.

Promoting a Wider FDI Offer to Access New Opportunities

Promoting our growing specialisms across areas like the digital industries, technology, and low carbon, could open up new FDI opportunities.

HOW WE CAN GET THERE

Build on Existing FDI Strengths

Use Lancashire's FDI track record (including being the highest ranked northern region for FDI jobs per project) to create engaging case studies and compelling FDI propositions. These would also be shared with partners (e.g., DIT) to increase awareness of our FDI offer. Extending our existing Ambassador programme could further boost FDI potential.

Increase Our Global Promotion & Engagement

Work more closely with government partners (e.g., DIT, Northern Powerhouse) and local partners (such as employers, universities, local leaders etc.) to market the Lancashire FDI opportunity to wider audiences. Channels to include trade shows, trade missions and industry events (both physical and virtual).

Maximise Our FDI Account Management

Optimise existing FDI account management resources to strategically target new FDI prospects while also encouraging existing foreign-owned businesses to expand their Lancashire footprint. Increasing FDI account management capabilities - and utilising additional inward investment support - is also recommended.

Develop a Dynamic 'Innovation Testbed' FDI Positioning

In addition to promoting the Lancashire brand globally as strong investment destination, we could seek to develop a unique 'testbed' FDI proposition aligned to Lancashire's dynamic innovation assets, world-class R&D facilities, and collaborative ecosystem. This to include both sector-specific and cross-cutting activities.

ASSETS & DRIVERS

Cyber & Cybersecurity

The National Cyber Force located in Samlesbury, the cyber R&D strengths of our universities, and the development of a government-backed north west Cyber Corridor, will position Lancashire as a world-class centre of cyber excellence. The region's extensive critical infrastructure, aerospace and defence expertise will further enhance our cyber and cybersecurity offer.

Digital Industries & Emerging Technologies

Lancashire's significant software, coding and telecoms capabilities will complement our cyber proposition. Specialisms within high-value, globalised sectors (e.g., electech, cleantech, medtech and future mobility), and our extensive digital skills provision, will also help boost our FDI potential.

Advanced Manufacturing

Lancashire's has a strong track record of manufacturing FDI upon which to build. New advanced manufacturing R&D assets, together with the globally renowned aerospace, automotive, textiles and chemical businesses based here, will increase FDI investor confidence.

Energy & Low Carbon

Energy and low carbon are high priority global sectors. As home to world-leading energy firms like Westinghouse, and specialisms within subsectors like nuclear energy, wind power, and low carbon electricity, we can promote the county as an integrated, sustainable and secure energy cluster. FDI growth could also be driven through increased low carbon technology innovation and commercialisation.

Aerospace & Aviation

The growing convergence between aerospace, aviation, telecoms and electech could create major FDI opportunities across the space and satellite sectors. Further, with two operational airstrips at Wharton and Blackpool, and R&D assets such as UCLan's Civic Drone Centre, Lancashire has strong aviation and UAV assets to drive FDI interest in future flight opportunities.

Food & Drink

Food and drink is one of our largest sectors, and we have enjoyed previous FDI success in this market which can be exploited. New opportunities in agritech, precision farming, and sustainable farming (leveraging R&D assets such as Myerscough's Food & Farming Innovation Centre) could also be pursued, complementing our food and drink FDI offer.

TARGET SECTORS

TARGET TERRITORIES

Capital Investment

3



WHERE WE ARE NOW

Since 2013 there have been nearly 60 private equity deals in Lancashire with a capital value of £2.9bn. This represents 7.5% of all northwest investment deals, but very few have involved international investors.

However, recent research from BEIS has revealed that across the wider region – including the investment hotspots of Liverpool and Manchester – the northwest as a whole only accounts for 3% of all overseas capital investment. In contrast, London and the southeast account for 73% of all international investment deals in the UK.

Despite this, the overall trend for domestic private investments is currently one of growth for Lancashire, which could potentially be replicated internationally.

OUR CURRENT CAPITAL INVESTMENT MARKET

There is lack of accurate data regarding Lancashire's historic international investments, but we can look to sectors which have generated the highest levels of domestic investment as an indicator of potential foreign investment growth.

Excluding the recent one-off mega deal involving Blackburn's Euro Garages, our three largest investment sectors have been communications, financial services and plastics. Electronics and health are our next two highest (but these are some way behind the others).

WHERE WE COULD BE

Seeing a 15% Rise in Overseas Equity Deals

Lancashire could increase its share of international investment by 15% through more targeted engagement with qualified prospects and intermediaries.

Working With Others on Targeted Investment Propositions

Lancashire could be working more closely with other regions (including London and Manchester) to target international investors with UK-wide capital investment opportunities aligned to global demand and sector specialisms.

Using Domestic Investments to Unlock More Global Interest

Leveraging Lancashire's significant anticipated pipeline of infrastructure investments, and other large-scale capital projects, could help unlock more international investment opportunities.

Being Far More Visible to International Investors

Lancashire's capital investment offer could be recalibrated and more carefully targeted specifically towards the international investment market. Raising awareness of international investment opportunities, especially in areas like innovation, could also be supported by being more closely aligned with the FDI pillar.

HOW WE CAN GET THERE

A Consolidated & Shareable Investment Proposition

By bringing all of Lancashire's investment strengths, assets and marketing collateral into one central hub – which can be shared with key partners such as DIT – we will be able to respond to investment opportunities in a more agile and strategic way.

A More Targeted Approach to Reach Investors

A new *Lancashire Capital Investment Prospectus*, which clearly articulates our offer and the potential ROI from investing here, could be used to target both institutional and private investors. This could run alongside a proactive lead generation programme which identifies new global prospects.

Using Low Carbon & Green Finance as Investment Drivers

Lancashire moving towards a net zero future, including the decarbonisation of its key industrial sectors, will create opportunities to pursue specific low carbon investments. Forging links with London's 'green finance' ecosystem could further strengthen our position as a sustainable investment destination.

Leveraging Infrastructure Investment to Secure More International Deals

International capital investments can be driven by the presence of major domestic infrastructure programmes. These include deals relating to property (commercial and residential), energy, transport, and civic amenities. Lancashire could look to leverage its extensive pipeline of anticipated infrastructure projects to generate more global investor interest.

ASSETS & DRIVERS

Digital & Technology

Lancashire's fast-growing technology, telecoms and electech offer, combined with its strong track record of securing investment through major deals linked to the communications and e-commerce sectors, could help attract more technology-led investor interest.

Healthcare

Lancashire's commercial health sector is growing, and partnerships between private sector firms and the NHS are driving digital health and medtech innovation. With investors constantly seeking new health and wellbeing solutions to global challenges, Lancashire's healthcare offer could unlock new international investment opportunities going forward.

Energy & Low Carbon

Lancashire's blend of traditional energy expertise, and its growing reputation for cleaner, greener energy generation and distribution, could drive global investment interest. The county's evolving specialisms in areas like net zero infrastructure could also attract international investors looking for sustainable and low carbon opportunities.

Advanced Manufacturing

As manufacturing becomes more digitalised, investors are increasingly seeing the sector as a technology-led investment opportunity. Lancashire's advanced manufacturing strengths, together with the presence of several major Industry 4.0 R&D assets, therefore has the opportunity to capitalise on this changing investor perception.

The UK's Infrastructure Investment Pipeline

While proactively bidding for major funding from pots such as the *Levelling Up Fund*, Lancashire could also win a significant share of the government's £650bn national infrastructure pipeline. Such government-backed investments can act as a powerful catalyst for increased private investment, both domestically and internationally.

TARGET SECTORS
TARGET TERRITORIES

Innovation



WHERE WE ARE NOW

Investment in domestic innovation activity - a good indicator of global potential - sees Lancashire falling behind other regions in the north.

Figures from *UK Research and Innovation*, which funds innovation through UK universities, reveals we ranked 8th out of the 11 northern regions in 2018/19 with £28m of funding.

In comparison, Greater Manchester secured £176m, while West Yorkshire received £82m. South Yorkshire, seen as a national benchmark for strong regional innovation, also enjoyed twice as much *UK Research and Innovation* funding as Lancashire.

Innovate UK funding, which is targeted directly at innovative businesses, saw us ranked 9th across the north in the same period.

OUR UNTAPPED POTENTIAL

Despite the perception that major cities are at the heart of commercial innovation, it is often smaller areas - with strong collaborative relationships between business, academia and government - which attract investors seeking innovation-led opportunities.

Lancashire's blend of high-quality universities (with cohorts of overseas students, overseas campuses, and other strong international links) and our industry-led R&D facilities, together with diverse sector strengths and a growing business ecosystem, is therefore well placed to become a hub of investable innovation activity.

The opportunity to develop a global reputation as a major innovation testbed, which is both sector-specific and cross-cutting, could also unlock significant international growth.

WHERE WE COULD BE

The UK's Innovation Leader in One or More Core Technologies

Lancashire could be recognised and promoted globally as an innovation hotspot for at least one fast-growth technology sector.

Forging New International Innovation Partnerships

Based on increased innovation R&D and collaborations, Lancashire could establish stronger trading relationships within several new overseas markets.

Implementing a Dynamic Innovation Roadmap

By developing a more integrated, innovation-based strategy for all stakeholders - focused on key themes and shared strengths - Lancashire could boost its global growth potential.

Enjoying 20%+ More Innovation Funding

Lancashire could be securing significantly more support from government innovation funding pots, as well as attracting investment from the likes of the *Wellcome Trust* and the *Bill Gates Foundation*.

Becoming Known as World-Class Innovation Testbed

By leveraging out extensive R&D assets, Lancashire can position itself as a world-class testbed for new products, services and concepts. This could be based on both discrete sector activity and via cross-cutting applications.

HOW WE CAN GET THERE

Take a More Thematic Approach

Work with all key stakeholders to agree strategic priorities - based on innovation themes and technologies - which are aligned to the other internationalisation pillars.

Ramp Up Innovation Lobbying

Take a more proactive and targeted approach to lobbying government agencies for a bigger share of research funding for both commercial and academic R&D activities.

Develop an Innovation Roadmap

Create a robust, accessible and shareable innovation roadmap which can be used as both a standalone piece and support wider international investor propositions.

Increase Awareness of Our Innovation Offer

Use events, trade missions and marketing campaigns to promote the county's innovation proposition to more segmented target audiences within priority global sectors and core target territories.

Develop a World-Class 'Innovation Testbed' Positioning

By combining a range of businesses, academic and enterprise strengths, Lancashire has the capability to serve as a testbed for innovation in a number of different sectors. This could be used to develop and market an innovation-led proposition in areas such as industrial digitisation, low carbon aviation, future flight, low carbon energy, and precision farming. As many of these and other sectors converge, the testbed positioning could also be used to open more multidisciplinary opportunities.

ASSETS & DRIVERS

Technology, Digital & Cyber

Innovation is central to many of Lancashire's strongest technology sectors, and we have the potential to be a global player in several markets. Cyber is one, underpinned by the presence of the National Cyber Force, while strengths in electech, agritech, cleantech and 5G could also offer new innovation-led opportunities.

Aerospace & Advanced Manufacturing

Two of Lancashire's key manufacturing industries - aerospace and automotive - are renowned for embracing innovations which then permeate the wider sector globally. Lancashire's increasing adoption of Industry 4.0, and the arrival of the AMRC Northwest, the 5G Factory of the Future, and UCLan's Engineering Innovation Centre, could further enhance our innovation offer on an international scale.

Energy & Low Carbon

With R&D strengths in renewables, nuclear and low carbon electricity, and as home to one of the largest concentrations of environmental researchers in Europe, Lancashire has a compelling energy and low carbon innovation proposition. Linking our low carbon and net zero expertise to other key sectors, such as transport and the built environment, will add to this.

Food & Drink

Innovation within farming and food production is in demand globally, and Lancashire's agricultural and food manufacturing strengths could support significant international growth. Combining this with the county's technology offer, our advanced manufacturing expertise, and agritech R&D assets such as Myerscough's *Food & Farming Innovation Centre*, could further enhance our food innovation proposition.

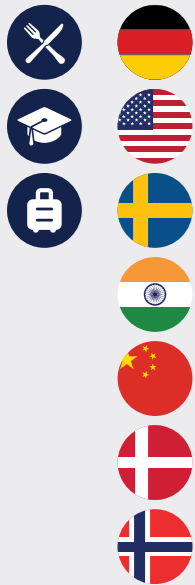
Health

Increasing collaborations between dynamic private businesses and the NHS is already driving healthcare innovations across the county. Lancashire's diverse population could also offer major opportunities for clinical trial R&D, and other data-driven healthcare initiatives.

TARGET SECTORS
TARGET TERRITORIES

Visitor Economy

5



WHERE WE ARE NOW

Pre-pandemic, international visits to Lancashire generated between £120m-£160m per year, based on 250,000-330,000 overseas visits.

This equates to around 6% of the North of England market, putting us ahead of Cumbria, on a par with Cheshire, and behind Merseyside, Tyne & Wear, and Yorkshire's three subregions (West, North and South).

Nationally, our share is around 0.6%, but this rises to nearer 1% with regards to the proportion of total nights stayed.

WHERE OUR OVERSEAS VISITORS COME FROM

In 2019, our largest number of overseas visitors came from the USA and Australia. This was followed by Germany, Ireland, France, and the Netherlands.

Despite Lancashire's large South Asian diaspora, and high numbers of students from both China and India, visitors from these territories are lower than we might expect.

WHERE OUR OVERSEAS VISITORS GO

Based on the available tourism data (which combines international and domestic visitor figures), Blackpool remains Lancashire's most popular tourist destination, accounting for around 25% of all visits to the county. The next most visited destination is Lancaster, followed by Preston, Wyre, and the Ribble Valley.

WHERE WE COULD BE

Creating 5,000 New Visitor Economy Jobs

We could be creating 5,000 new jobs across the county's visitor, hospitality and tourism sectors through more sustained and strategic growth specifically aligned to Lancashire's visitor economy.

Increasing Business Visits to Lancashire by 15%

By ramping up our international conferences, events and meetings activity we could boost our global business tourism market by 15%.

Adding £650m Visitor Spend to the Lancashire Economy

By increasing our volume of international visits, and by increasing the amount spent per visit, we could add £650m to our visitor economy every year. Ways to boost spend could include more proactive promotion of Lancashire's high quality hospitality and fine dining offer (which could also help leverage new retail income from the sale of local produce). The creation of new events, and more diverse types of visitor experiences, could also help generate more income per head.

Doubling Our Number of International Visitors

We could be increasing our international visitor share from 0.5% to 1% nationally, and our share regionally from 6% to 15%.

WHAT WE NEED TO DO

Align Our Visitor Economy with Other Investment Activity

Growth in visitor economies can be directly linked to increases in international investment. A closer alignment between both Lancashire's investment and visitor strategies could therefore be mutually beneficial, especially within territories and sectors where there are obvious synergies.

Take a More Market Specific Approach

Increasingly, generic tourism offers can struggle to generate a significant uplift in visitor numbers or boost visitor spend. To help mitigate this, more segmented visitor campaigns - which are targeted at priority territories and audiences - could be developed.

Maximise Visitor Attraction Schemes

Being part of national tourism campaigns have brought tangible benefits to Lancashire in the past and could be utilised again. However, to maximise resources, we should focus on schemes which are aligned to priority international markets and specific tourism assets.

Develop a Pipeline of Tourism Talent

Recent shifts and disruption within the labour market have combined to create significant recruitment shortages within Lancashire's visitor economy. In addition, evidence suggests many young people do not aspire to work in the hospitality industry. By working with local employers and skills providers we could develop a tourism talent pipeline which will help us fulfil our visitor economy aspirations.

ASSETS & DRIVERS

The Fylde Coast

Blackpool, Lytham St Annes and Morecambe already attract high volumes of visitors, while Lancaster (just four miles inland from Morecambe) is another extremely popular destination. These locations - and their respective business and leisure tourism assets - could be amplified to attract more international visits. If the Eden Project North scheme is progressed, the wider Morecambe Bay district could also become a major tourism hub.

Our Post-Industrial Towns & Cities

Visits to towns and cities continue to be popular, and conurbations such as Preston, Blackburn and Burnley offer a wide range of leisure, heritage and cultural attractions which could drive more international footfall. New festivals and events, and a more high-profile business tourism offer, could also add further value to Lancashire's urban tourism proposition and increase spend.

Our Rural & Outdoor Activities Offer

Lancashire is 80% rural, with large swathes of unspoilt countryside, an Area of Outstanding Natural Beauty, and over 130 miles of coastline. We could therefore look to target more international visitors specifically looking for a rural break, a heritage tour, or an outdoor activity holiday. Positioning the county as a gateway to the Lake District and Yorkshire Dales could also help support this positioning.

Our Universities

Lancashire's four universities have strong international academic connections, numerous overseas campuses, and significant numbers of international students. All of these can help to create more international visitor and business tourism opportunities through peer-to-peer academic networks, student friends and family connections, and internationally focused events.

Our Diverse Diasporas

People visiting friends and family living in Lancashire has always been one of our biggest tourism drivers. Leveraging the county's diverse diasporas - including our Pakistani, Indian, Polish and Irish communities - through specific promotional activity could increase our overall market share of international visitors.

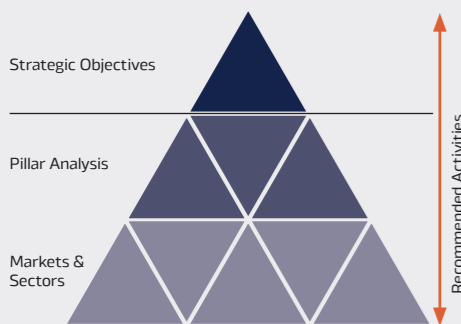
Internationalisation Methodology

The *Lancashire Internationalisation Strategy* has been informed by a wide range of quantitative and qualitative factors, together with anecdotal evidence garnered from a diverse group of stakeholders.

At its heart has been extensive baseline data gathering, trend analysis, and economic mapping and modelling, which have been subject to a rigorous aggregated analysis process.

This aggregated approach has been designed to ensure the strategy's priorities - and recommended actions and projected outcomes - have the best chance of success.

STRATEGIC OBJECTIVES



UNPACKING THE FIVE PILLARS

The five internationalisation pillars are based on the aggregated analysis approach.

This includes considering Lancashire's past and present performance, current and emerging sector strengths, competitor comparisons, and anticipated global demand for goods, services, and investment opportunities, in the future.

As a result, each pillar contains actions and targets which are designed to maximise Lancashire's international growth potential based on specific strengths.

PRIORITISING LANCASHIRE'S TARGET SECTORS & MARKETS

Potential growth sectors, and target global markets, were also subjected to the aggregated analysis process.

As a result, a series of pillar-specific activities and interventions have been developed for each of Lancashire's priority international sectors.

For target international markets, a similarly strategic methodology was applied. This included separating target markets into two groups:

- Core: large, stable markets with pre-existing relationships with Lancashire and aligned to the county's strengths (such as Germany, USA, France and Sweden).
- Emerging: markets which offer longer-term potential based on projected demand and/or have less developed relationships with Lancashire which could be developed further.

For exporting there is also a third group, *Starter Markets*. These are places which have been identified as being easy to do business with, especially for newer exporters.

The strategy also identifies international markets where a county-wide approach could be taken, maximising the clear linkages found across several of the pillars as they pertain to certain countries.

IDENTIFYING CROSS-CUTTING THEMES AND OPPORTUNITIES

The strategy identified several cross-cutting strengths, including digitisation, sustainability and security, which Lancashire could look to leverage across the various internationalisation pillars.

Further, some specialist subsectors (such as drones, nuclear, and cyber security) were highlighted as offering additional international opportunities based on growing global demand.

CONSULTING WITH KEY PARTNERS & STAKEHOLDERS

Consultation was undertaken with a broad range of stakeholders - drawn from both the private and public sector - on a regional, national and international level.

The objectives of the consultation were to gain insights into Lancashire's internationalisation strengths, weaknesses, current activity, and future opportunities.

Lancashire's global reputation, and perceptions of what the 'Lancashire brand' stood for, were also central to the stakeholder consultation process.

For a detailed breakdown of the methodology which underpins the Lancashire Internationalisation Strategy, including the baseline data, modelling methods, summary of stakeholder evidence, and other reference material, download the full document at www.lancashirelep.co.uk/publications-documents

Making It Happen

While the *Lancashire Internationalisation Strategy* outlines a comprehensive roadmap to increase economic growth, its objectives, recommendations and projected outcomes are also underpinned by a series of action plans which are aligned to each of the five pillars.

Each individual plan includes detailed recommendations setting out how we will build the foundations to take our *Internationalisation Strategy* forward, what the different pillar workstreams could look like, and what some the indicative costs and resourcing implications might be to implement them.

But the action plans are also packed with useful reference material and potential 'quick win' opportunities.

For example, one of the action plans includes a list of every international conurbation which is twinned with a Lancashire town or village, a calendar of every forthcoming international trade show which relates to our sector strengths, and details of every current government global trade agreement.

Further, the action plans act as an insightful audit of Lancashire's current international capacity and capabilities. This includes highlighting several *Department of International Trade* initiatives which actively support the county across areas like exporting, international trade, and managing the foreign-owned companies already based here.

Other internationalisation assets (such as local MPs who are also official UK trade envoys to a number of overseas territories) are mapped, as are regional trade associations, and other business networks, which have strong international connections.

The international campuses managed by our universities, and organisations like Marketing Lancashire, the county's three Chambers of Commerce, the *Boost* business support service, and the LEP itself, are also profiled.

In addition, each pillar's action plan includes a timetable for stages of recommended activity, together with an outline of what the anticipated outcomes could be if implemented successfully.

And while the main *Internationalisation Strategy* is a long term aspiration which has been designed to evolve over a ten-year period, each separate action plan has been calibrated to commence immediately, with a shared completion target of 2025.

You can download the individual action plans, and the complete *Lancashire Internationalisation Strategy*, at www.lancashirelep.co.uk/publications-documents

You can also keep up to date with regional news, events and opportunities linked to international trade, global investment, exports and tourism by following: @tradegovuk_NW, @lancslep, @Boostinfo and @MarketingLancs on Twitter.

CORE AND EMERGING MARKETS IN EACH PILLAR

	Germany	USA	France	Sweden	Ireland	India	Canada	China	Denmark	Norway	Australia	Netherlands	Singapore	Malaysia
Exports	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core
FDI	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core
Capital Investment	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core
Innovation	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core
Visitor Economy	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core	Core

Core Market (Dark Blue) Emerging Market (Light Blue)

ACKNOWLEDGEMENTS

The *Lancashire Internationalisation Strategy* was produced on behalf of the Lancashire Enterprise Partnership by consultants OCO Global and Metro Dynamics.

OCO Global is an international trade and investment consultancy which works with governments around the world to promote trade and investment, and advises private sector clients on international expansion.

Metro Dynamics works with local government, local enterprise partnerships, and private sector investors and developers across the UK, providing strategic inward investment advice and guidance.

This *Executive Summary* was written and produced by Bond Consulting, an agency which specialises in inward investment content and communications.

The LEP's *Lancashire Internationalisation Strategy* is also part of a suite of deep dive reports and publications produced by the *Lancashire Independent Economic Review* (LIER).

The LIER is overseen by an independent panel, made up of specialists from a range of fields, whose purpose is to give Lancashire an expert, external perspective on the challenges and opportunities facing the local economy.

You find out more about the Review and access other LIER publications at www.lancashireier.org



PHOTO CREDITS

We would like to thank following organisations for the use of images:

- Edge Hill University
- Creative Lancashire
- Force Technology
- LeftCoast
- Made Smarter
- Marketing Lancashire
- The National Festival of Making
- outdoorsmanning.com
- Peel Ports
- Pendle Borough Council
- UCLan

GET THE FULL DOCUMENT

This Executive Summary highlights the central elements of *Lancashire's Internationalisation Strategy* and its key objectives.

For a more detailed analysis, and a comprehensive review of the strategy's recommended actions, its projected outcomes, and indicative costs to implement it, you can download the full 88-page document at www.lancashirelep.co.uk/publications-documents

Alternatively you can request a PDF copy by emailing enquiries@lancashirelep.co.uk



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