

The British Midlands //

Zukunftsmarkt der steirischen Mobilitätsindustrie



Next Stop UK

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British Embassy Vienna, Department for International Trade,
Investment Team

16. November 2017

DIT Overview

The UK's **Department for International Trade** (DIT) is a government ministry responsible for promoting UK trade across the world and attracting foreign investment to the UK.



100 markets throughout the world



3000+ staff in the UK and overseas



400+ International Trade Advisers & Investment Sector Specialists (e.g. **leading experts** in rail, automotive, construction, technology)



40 DIT offices in the UK & **39 Local Enterprise Partnerships** to help you make a success of your UK operations



DIT works closely with trade associations, chambers, business groups and specific sector networks both at home and overseas

Services for Investors

- 

Support with **setting up a company, opening a bank account, establishing a base** in the UK
- 

Help to **build connections** with businesses across your sector
- 

Share tailored **sector insights** from our market intelligence team
- 

Assist with **visa applications** and other migration issues
- 

Help to find **grants and incentives** to help your business grow
- 

Advice on **hiring staff**, from salary benchmarking through to recruitment and training
- 

Support to export to worldwide markets

Investment Case Study: How DIT Can Help

2016

- 16. Feb UK Tax Accountant refers Austrian company to us
- 18. Feb Company makes contact with **DIT Investment Services Team (AT)**
- 1. Mar Identification of **suitable UK locations** meeting company's specific needs
- 10. Mar Visits of selected locations along with Local Enterprise Partnership (LEP)
- 14. Mar Incorporation of a UK Ltd company
- 16. Mar Support with finding suitable suppliers in UK
- 11. Apr Assistance with submitting a local authority **funding application**
- 19. May Signing of the lease agreement on new UK location
- 16. Nov Participation at **Investors Roundtable** event at British Embassy in Vienna
- 2017 → DIT support with global export activity from the UK. **Dedicated DIT account manager in the UK** on hand to provide ongoing support for any other issues



UK Market General Overview

Over 250 Austrian companies in the UK employing 38,000 people

Fundamentals of the UK economy remain strong:

- Deficit reduced by three quarters
- Employment rate highest on record at 75.3%
- UK remains open for business and ranked as 7th best place to do business by World Bank
- UK independently confirmed as number one destination in Europe for foreign direct investment (No.2 in the World behind the US)
- Over 65 Million potential customers

Brexit – Facts

Brexit negotiations dominate the headlines and there are challenges ahead, but...

- Implementation period – **continued access to one another's markets on current terms** until 2021
- Future migration – new system currently being designed -> **UK will remain open and tolerant**
- UK wants to provide as much certainty as possible – **only one set of changes for businesses once we leave**
- **Tariffs & Customs** – UK position paper for a future trading relationship:
 - As free and frictionless trade as possible
 - No hard border between Northern Ireland and Ireland
- EU citizens living in the UK will be able to carry on living their lives as before
- EU member states will not need to pay more or receive less money under the current EU budget

Key Message

The UK Remains Open For Business





We're here to help!

Talk to us!



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AC Styria Export Day

16/11/2017

The Midlands Engine: Strengths in Mobility



Mark Goldby – AEM Specialist



Where is the Midlands Engine Region?



£222bn
GVA



11.5m
population



31% under
25 years old



27
universities



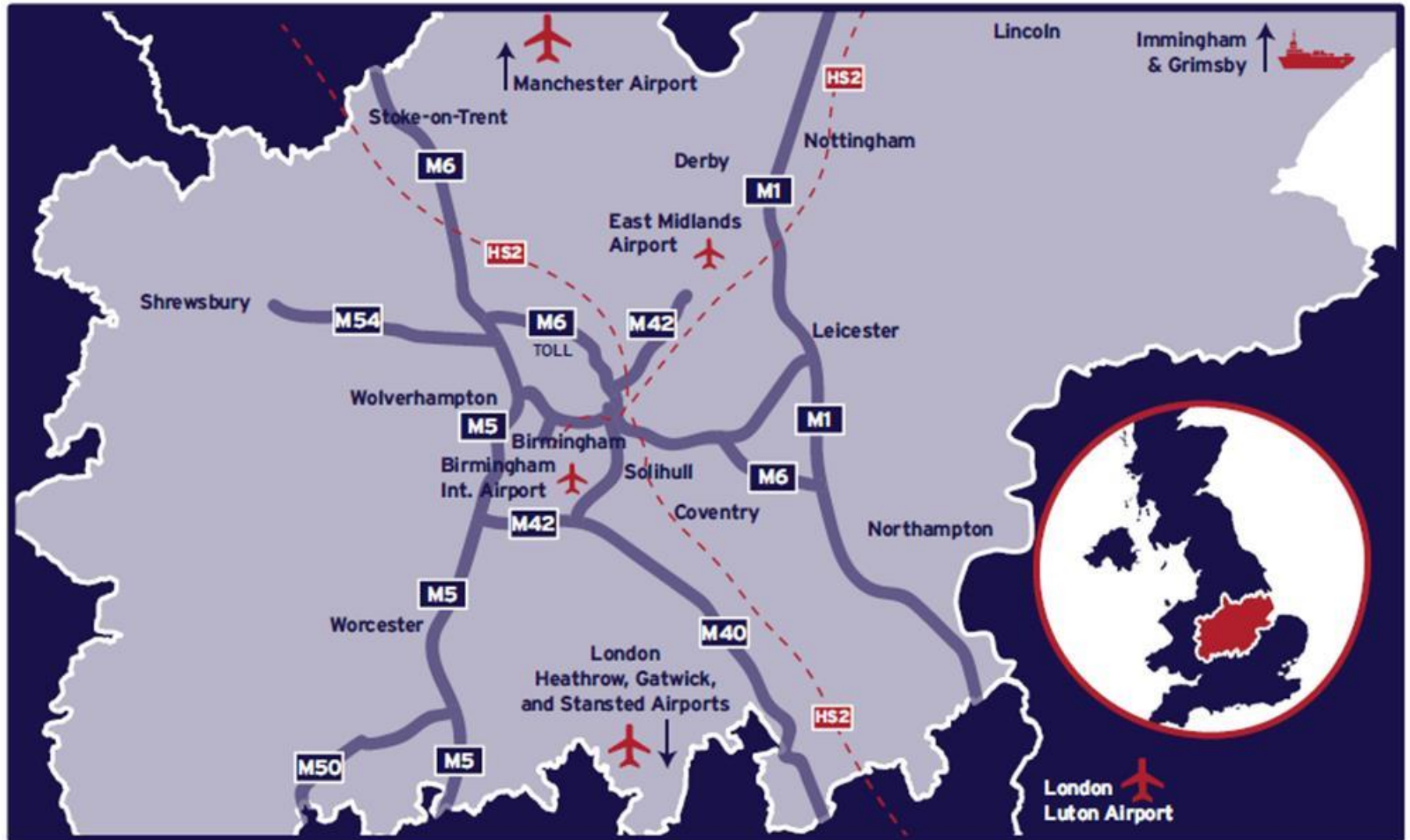
2.2m
educated to
degree level

The Midlands Engine is a collaboration between local and national Government, local business and universities to grow the Midlands economy.





Major cities in the Midlands





Key sectoral strengths

- Automotive
- Aerospace
- Advanced Manufacturing
- Creative, Digital & Cyber
- Financial and Professional Services
- Food and Drink
- Life Sciences
- Rail





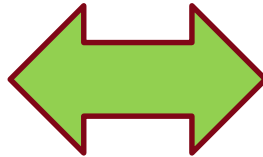
Strengths in Mobility

- Leading UK Rail Cluster
- Leading UK Automotive Cluster
- Largest Aerospace Cluster Organisation - MAA





We are the same but also different



- Economic Model: Stakeholder composition is very similar
- 2nd Largest economic regions in respective countries
- Strengths in Mobility

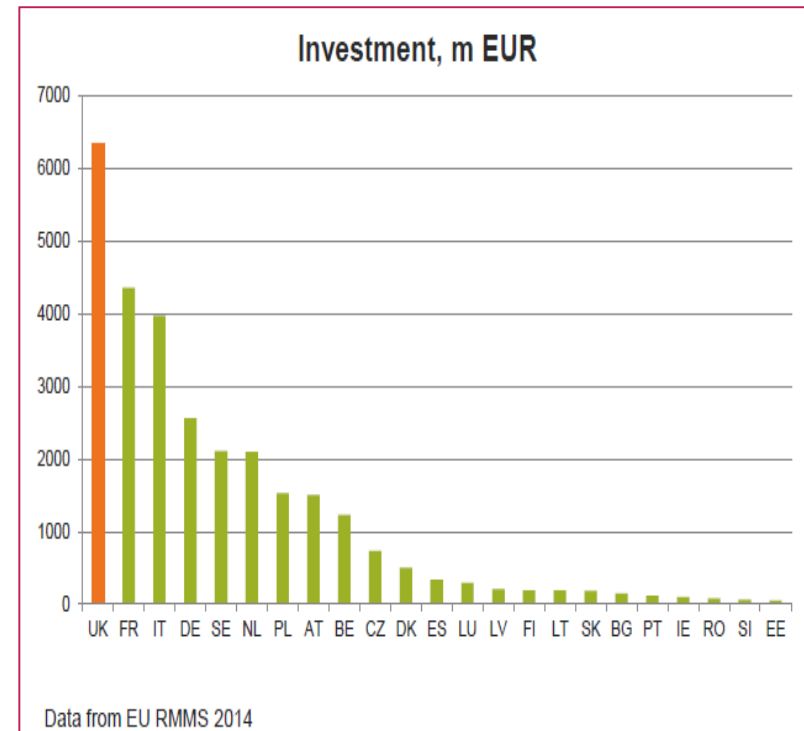
What are the opportunities in rail?





Reasons to Invest in the UK Rail sector

- Within Europe, the UK is making the biggest investment in rail, investing over €6 billion per annum in mainline rail. In comparison, France, the UK's nearest competitor spends €2 billion less a year on rail investment. (Source: Network Rail 2015)
- The UK government has committed to invest over £100 billion in rail by 2020
- Passenger numbers and freight volumes are rising. Over the past 20 years passenger numbers have increased to over 3 billion a year and freight volumes have increased by 70%.
- The UK's privatised rail network provides investors with an open and competitive market.
- Access to an advanced, well-connected ecosystem of world-class universities, centres of excellence, companies, networks and associations in the rail sector.





The UK Rail Network (2016)



The length of route open to all traffic: 15,800 kilometres



33.7% of this route is electrified



There were 1.7 billion passenger journeys (2nd highest in EU)



There were 64.7 billion passenger km's travelled (3rd highest in EU)



There were 2,557 passenger stations



18 billion net tonne km of freight moved





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The Midlands rail cluster

200
YEARS making
trains

20 Rail
centres of
excellence

5 Rail Test
Facilities

9 Rail and
Engineering
Specialist Colleges

 **250+**
rail companies

BOMBARDIER

SIEMENS

CAF

JACOBS

 **HUBER+SUHNER**

HITACHI
Inspire the Next

ALSTOM

 **FEDERAL
MOGUL**

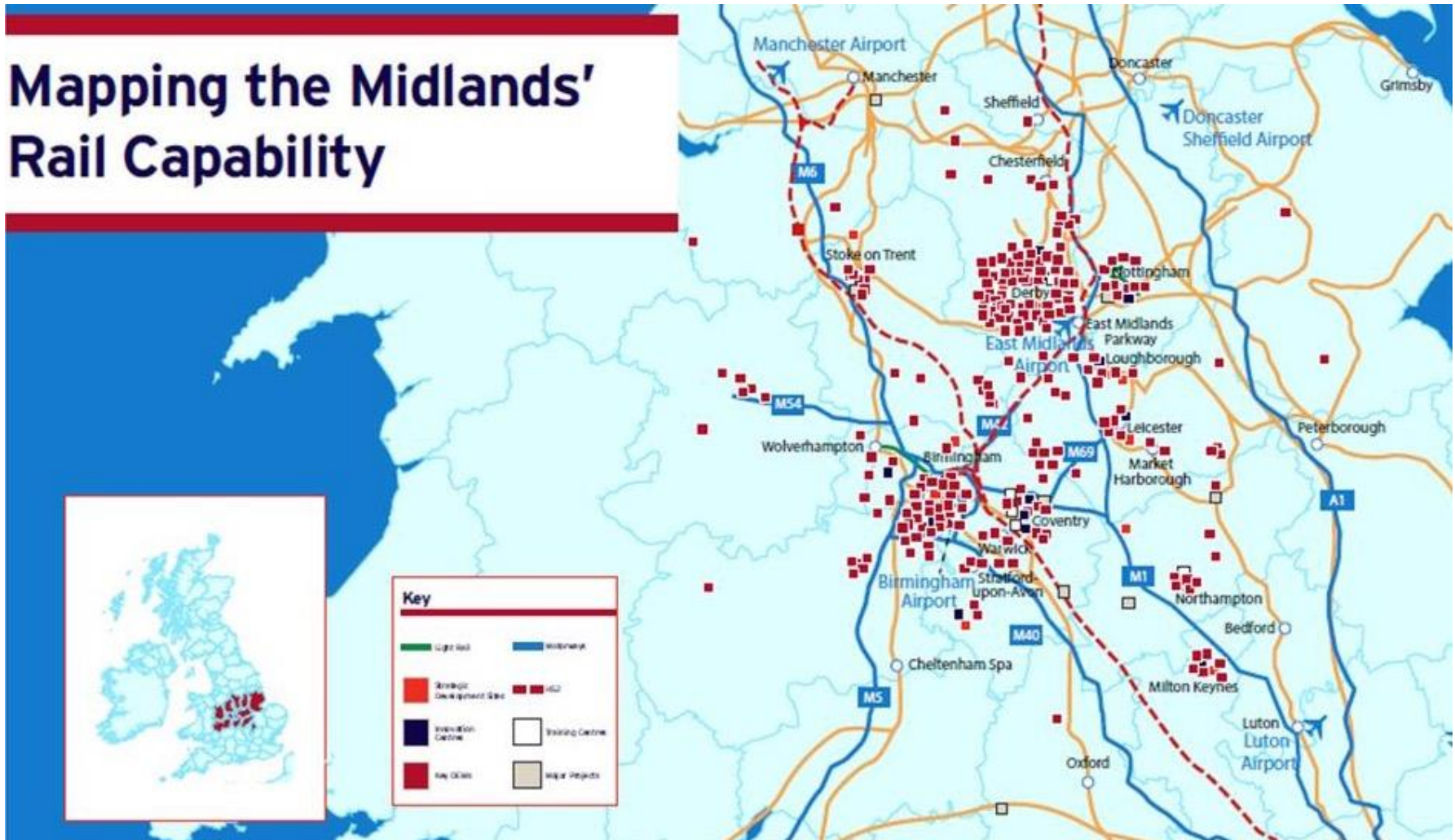
vossloh
KIEPE


TRELLEBORG



Leading UK rail cluster

Mapping the Midlands' Rail Capability





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Midlands is knowledge intensive

The Midlands R&D eco-system includes leading research universities, rail OEMs, rail engineering consultancies, advanced manufacturing catapult centres, rail specialist skills colleges and rail testing facilities.





Market Opportunity: Network Rail

- Network Rail spends circa £4.5 billion annually on works, services and bought-in goods.
- For Control Period 5 (2014-2019), the approved spend is £38 billion. This includes major plans to address key outputs on safety, performance, capacity and carbon reduction.
- Network Rail actively publishes their tendering profile as well as their approach to solving operational challenges. This presents excellent opportunities for potential investors to the UK rail industry to match their capability and expertise to the market requirements.

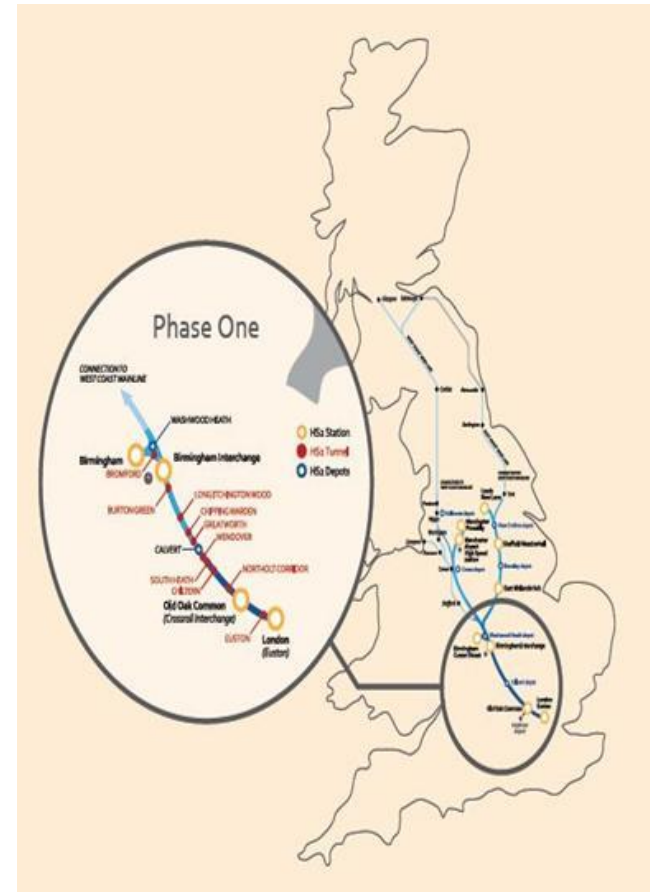
Network Rail publishes all opportunities to tender and the results on their website. This information is updated every four weeks. To view the latest tendering opportunities, follow this link:
<http://www.networkrail.co.uk/tender-opportunities/>





Market Opportunity: HS2

- At a cost of £50 billion, High Speed Rail 2 (HS2) will provide the UK with its most important high speed, cross country rail link.
- Connection between London, Birmingham, Manchester and Leeds, forming the 'Y' network.
- The 'Y-network' will be delivered in two phases: Phase one will deliver the London to West Midlands line with a link to Europe via High Speed 1, and phase two will extend the line to Manchester and Leeds and Heathrow airport.
- HS2 will also free up some of the existing conventional lines, providing additional capacity for new commuter, regional and freight services.



For HS2 Tender Opportunities register at HS2 direct e-procurement portal: <https://hs2.bravosolution.co.uk/web/login.html>

For HS2 Supply chain opportunities, register at: www.competefor.com

For HS2-related and other government contracts, go to: <https://www.gov.uk/contracts-finder>



HS2 Procurement Categories



DESIGN & SERVICES

This relates to design and other professional services.



TUNNELS

Relates to the sub-surface sections of the route, including tunnels, portals and shafts.



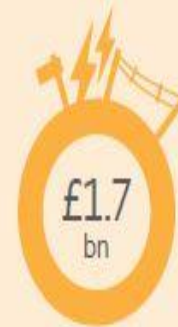
SURFACE ROUTE

Includes elements such as earthworks, drainage, cuttings and embankments, bridges, viaducts and other structures.



STATIONS

Euston
Old Oak Common
Birmingham Interchange
Curzon Street



RAILWAY SYSTEMS

Includes permanent way, overhead line electrification, signalling, telecommunications, traction power and electrical distribution.



ROLLING STOCK

Price includes rolling stock for Phase One and Phase Two.

Enabling and Advance Works
– costs are included within the figures provided and not identified separately.

Certain elements, such as Euston station development and some elements of railway systems, are excluded from the above categories. Figures above are 2011 prices.



Future Opportunity: Midlands Connect

- Pan-Midlands strategy to maximise connectivity across the UK Midlands, £1bn annual investment proposed in road and rail over 30 years
- Connectivity to the three HS2 Stations Curzon Street, UK Central Interchange and East Midlands Hub and the three stations served by classic compatible trains at Chesterfield, Crewe and Stafford.
- Rail improvements around Direct and fast links between major centres, increased capacity and digital technologies
- Existing investments to 2020 include East West Rail, NUCKLE Phase 1, Midland Mainline Upgrade, HS2 and Smart Ticketing





What advantage does the Midlands have?

Central location and access to HS2 and Crossrail

Strong Local Supply Chain

Access to Skills

R&D Infrastructure

Test Facilities

Rail-linked Sites



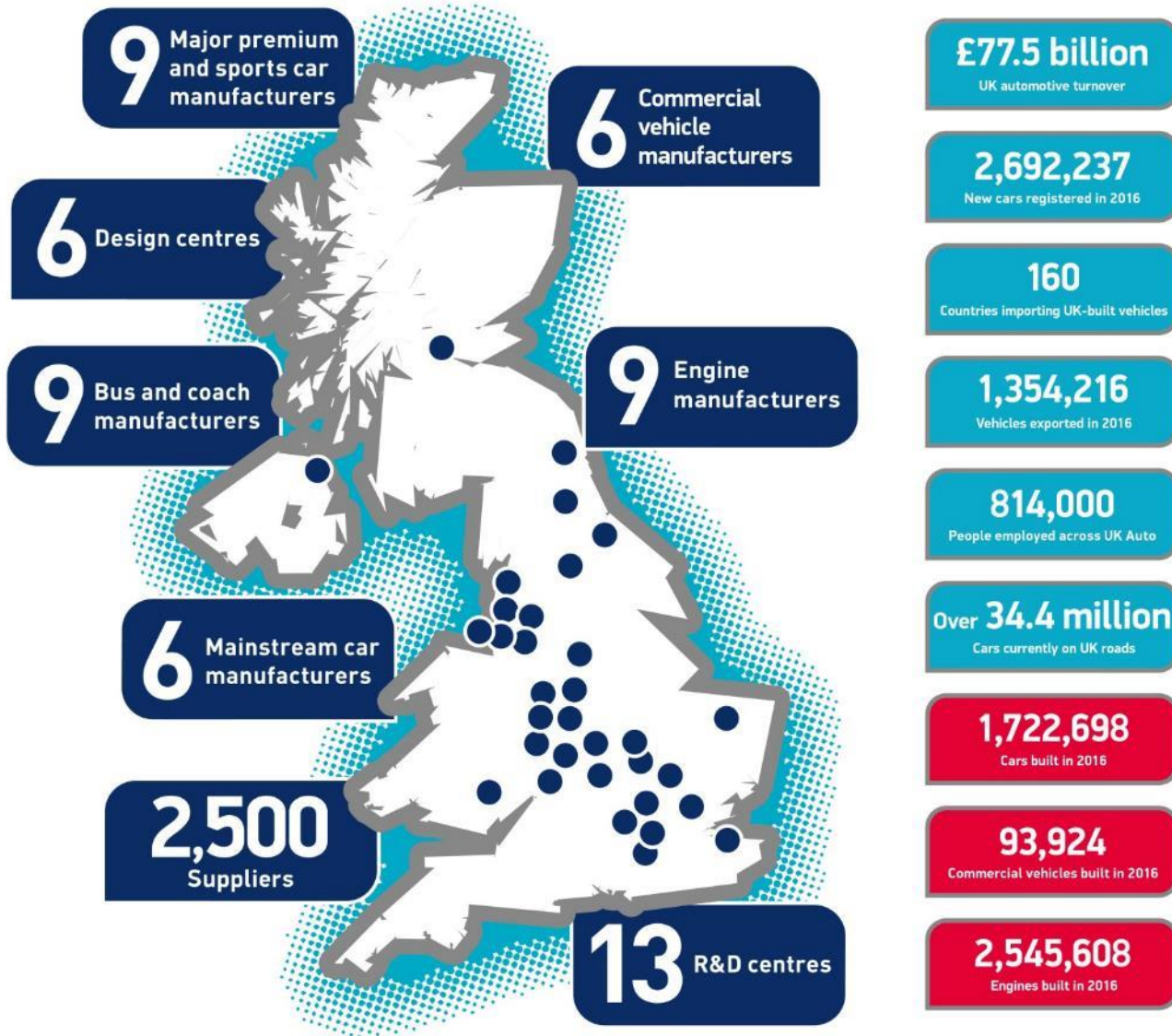
What are the opportunities in Automotive?





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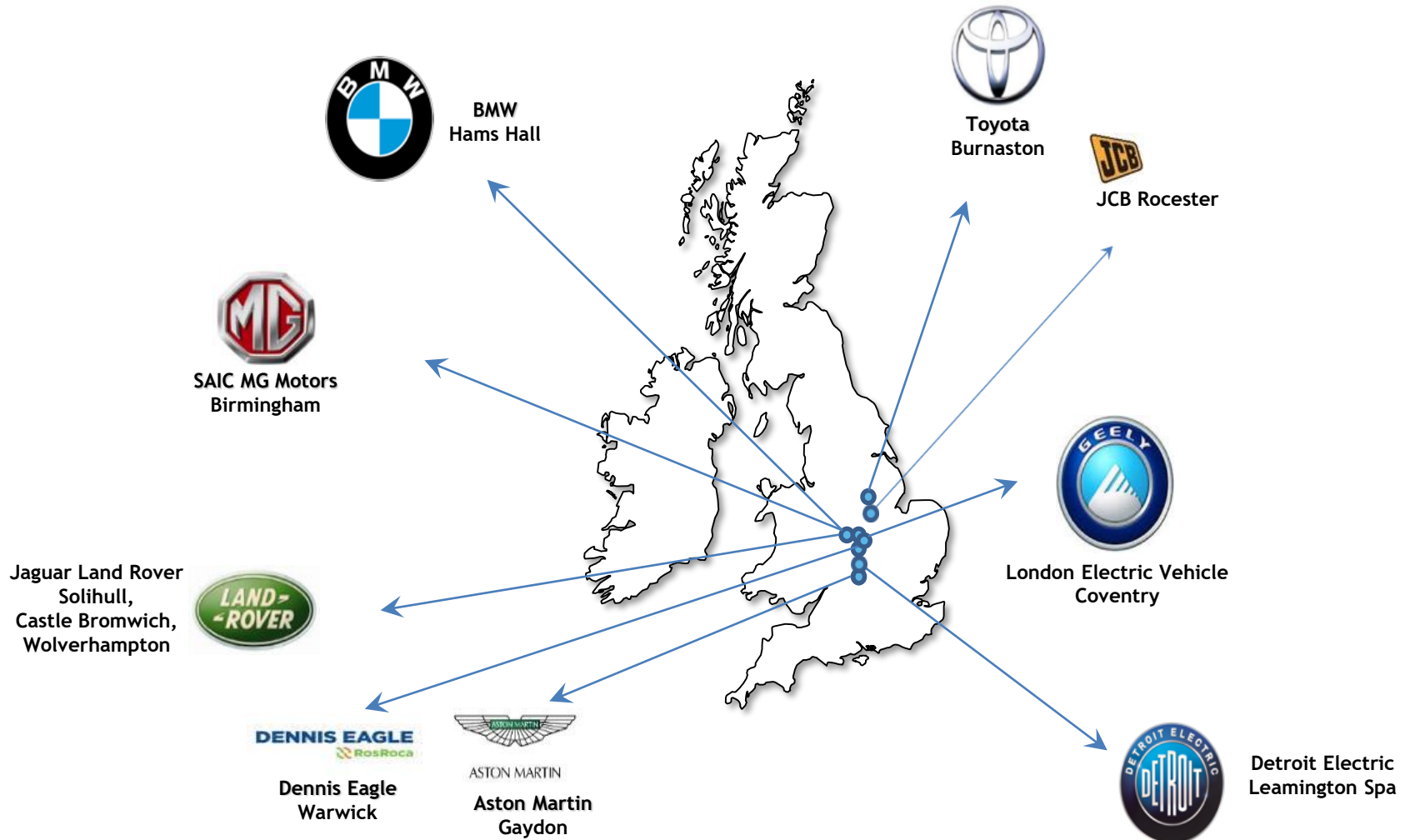
UK Automotive at a glance





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Midlands Automotive geography





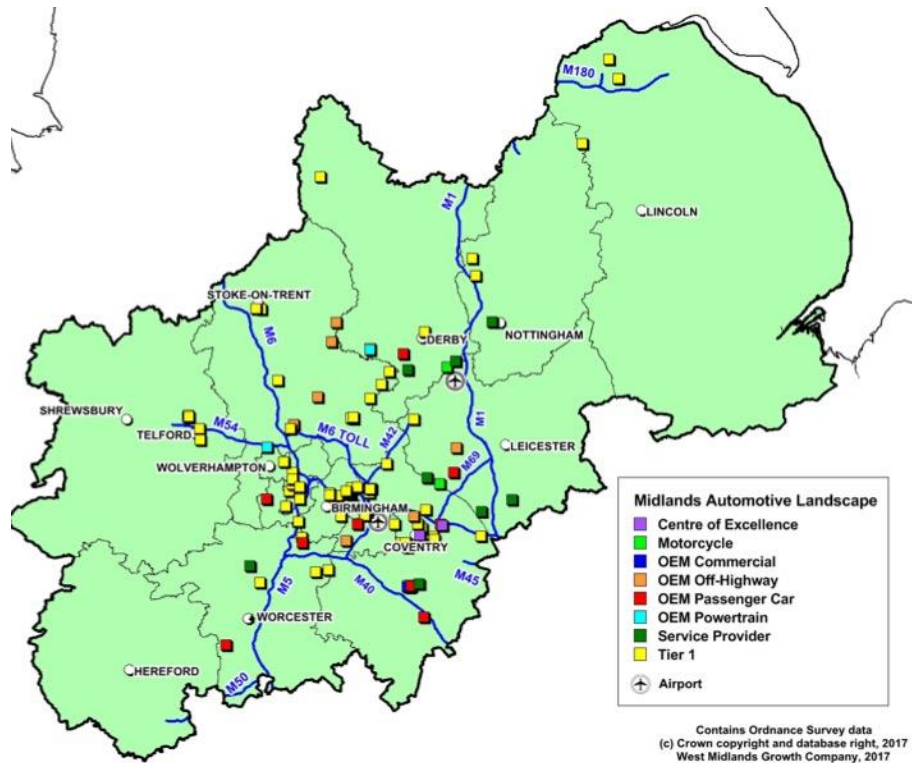
JLR Investment

- New £20m Technical Centre to undertake manufacturing, personalisation and commissioning programmes for JLR Special Vehicle Operations division
- Invested £1.5bn in the Solihull plant in the last 5 years
- £400m invested in the Castle Bromwich plant in support of new XF - the largest single investment in the history of the Castle Bromwich plant.
- Investing £450m to expand its Engine Manufacturing Centre – site totals £1bn.
- The £150m National Automotive Innovation Centre (NAIC) will open in second half of 2017. It will provide a state-of-the-art facility for JLR's advanced research team and collaborative partners from academia, the supply chain & other industries (based at WMG, University of Warwick)
- JLR's UK Supply Chain has invested £2bn, and there is a further £250m in the pipeline





Midlands Automotive assets



Vehicle Manufacturers: Aston Martin, BMW, Changan, Detroit Electric, Geely/LTC, Jaguar Land Rover, JCB, Norton, Toyota, Triumph

Supply Chain: Adient, Aisin Seiki, Brose, Continental, Cooper Standard, Dana Axle, Delphi, Denso Corporation, Draexlmeier, Dura, Faurecia, Federal Mogul, Gestamp, GKN, Goodyear Dunlop, IAC, JATCO, Koito, Lear, Magna, Mahle, Panasonic, Plastic Omnium, Robert Bosch, Schaeffler, Tenneco, Thyssen Krupp, Webasto, Yazaki, ZF TRW, Eminox

Centres of Excellence: HORIBA MIRA, AVL, Ricardo, Warwick Manufacturing Group, National Automotive Innovation Centre, National Transport Design Centre, Advanced Propulsion Centre



Why the Midlands then?

Market Opportunity

Manufacturing

Vehicle assembly, component, sub-assembly and piece part manufacture

£4bn component sourcing opportunity at Tier1; £2bn at Tier 2

Vehicle electrification – motor components, control systems and batteries

R&D

Realising innovation and commercialising IP

EV vehicle integration

Rich Ecosystem

Support across all MRL/TRL levels

10 universities, 8 science parks and 2 of the UK's top business schools
Opening in 2018, the National Automotive Innovation Centre will provide a critical mass of research capability combining automotive expertise nationally and internationally

Breadth and depth of local supply chain

Over 1300 supply chain companies with capabilities in metal forming, composites, precision engineering, electronics, plastics, prototyping, interiors and exteriors etc

Ease of doing business

Enterprise Zones are designated areas across that provide tax breaks and Government support. There are six Enterprise Zones in the Midlands.

Business Support

There are local, regional and national support networks to help with accessing investment and business development funding.

Massive supply chain opportunities



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Why the Midlands then?





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Battery research role for Warwick academics

- Researchers at the University of Warwick are to be a significant part of a new £65m national battery research initiative.
- The facility will be the UK's independent, national institute for energy storage research.
- Over the last decade WMG, at the University of Warwick, have been working and investing in battery technologies and is now home to the National Battery Scale-Up Facility and the APC in Electrical Energy Storage.





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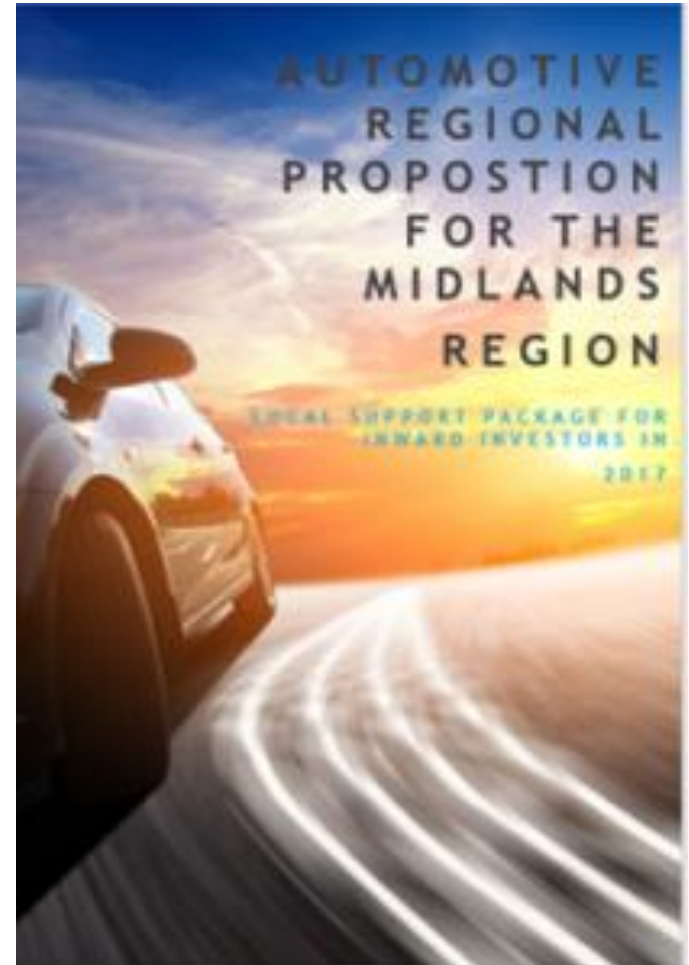
Drive Midlands





How we help

- Voice of the regional industry to local and central government
- Access to finance and gap funding packages
- Connection to upstream supply chain
- Training/ recruitment support
- Introductions to professional services e.g. banks, lawyers and accountants
- Relocation services
- Business case support
- Commercial property/ site searches
- Sector/ labour information
- PR and communications



What are the opportunities in Aerospace?





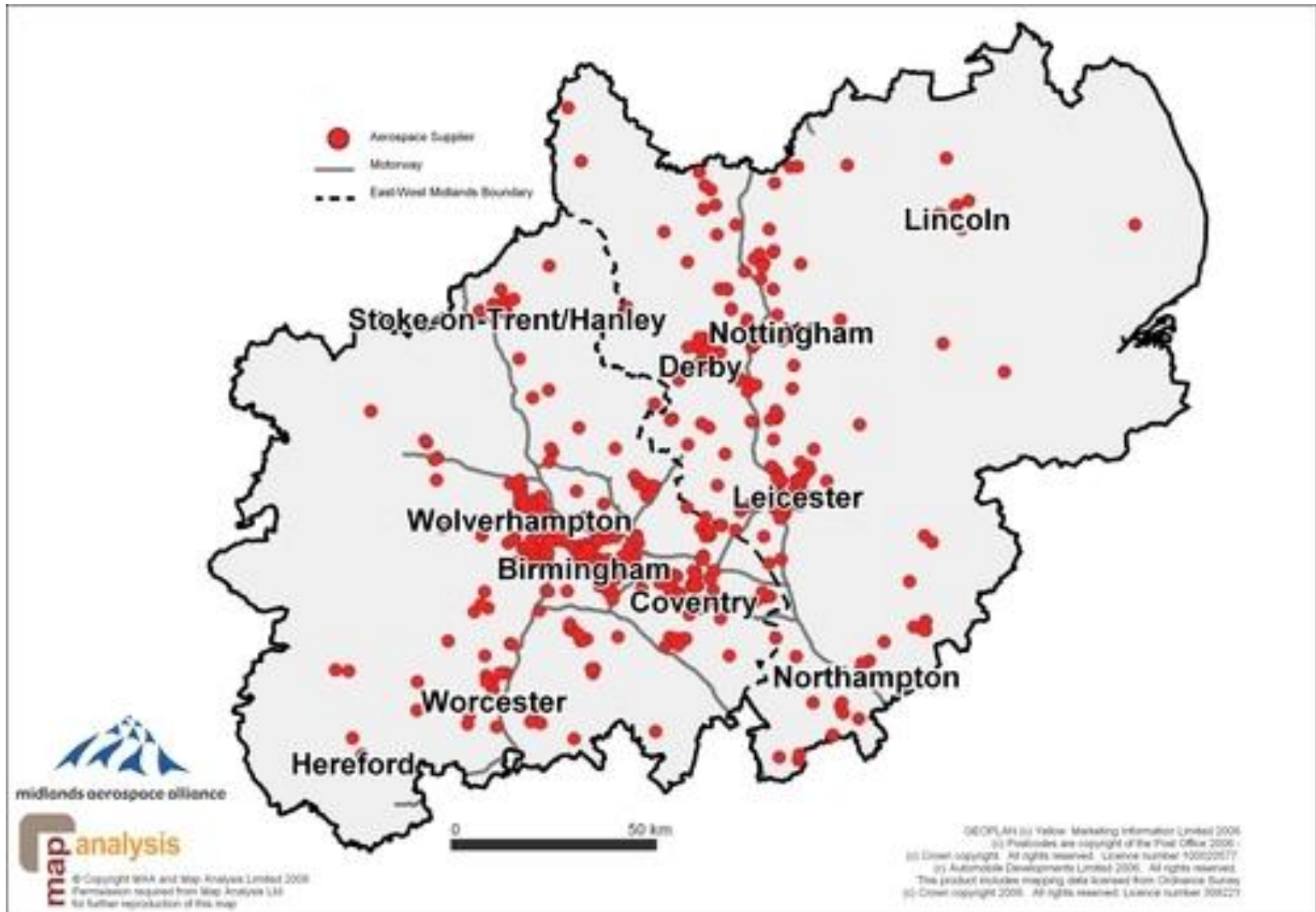
Overview

- Like the Great Lakes region in North America and the Paris region in France, the Midlands hosts one of the world's major aerospace clusters that does not make aircraft.
- Yet the Midlands is home to over one quarter of the UK aerospace industry, 7% per cent of Europe's and 3% of the world's
- Over 45,000 full-time-equivalent jobs due wholly to revenues from manufacturing for global aerospace markets - without counting the region's airports and military bases.





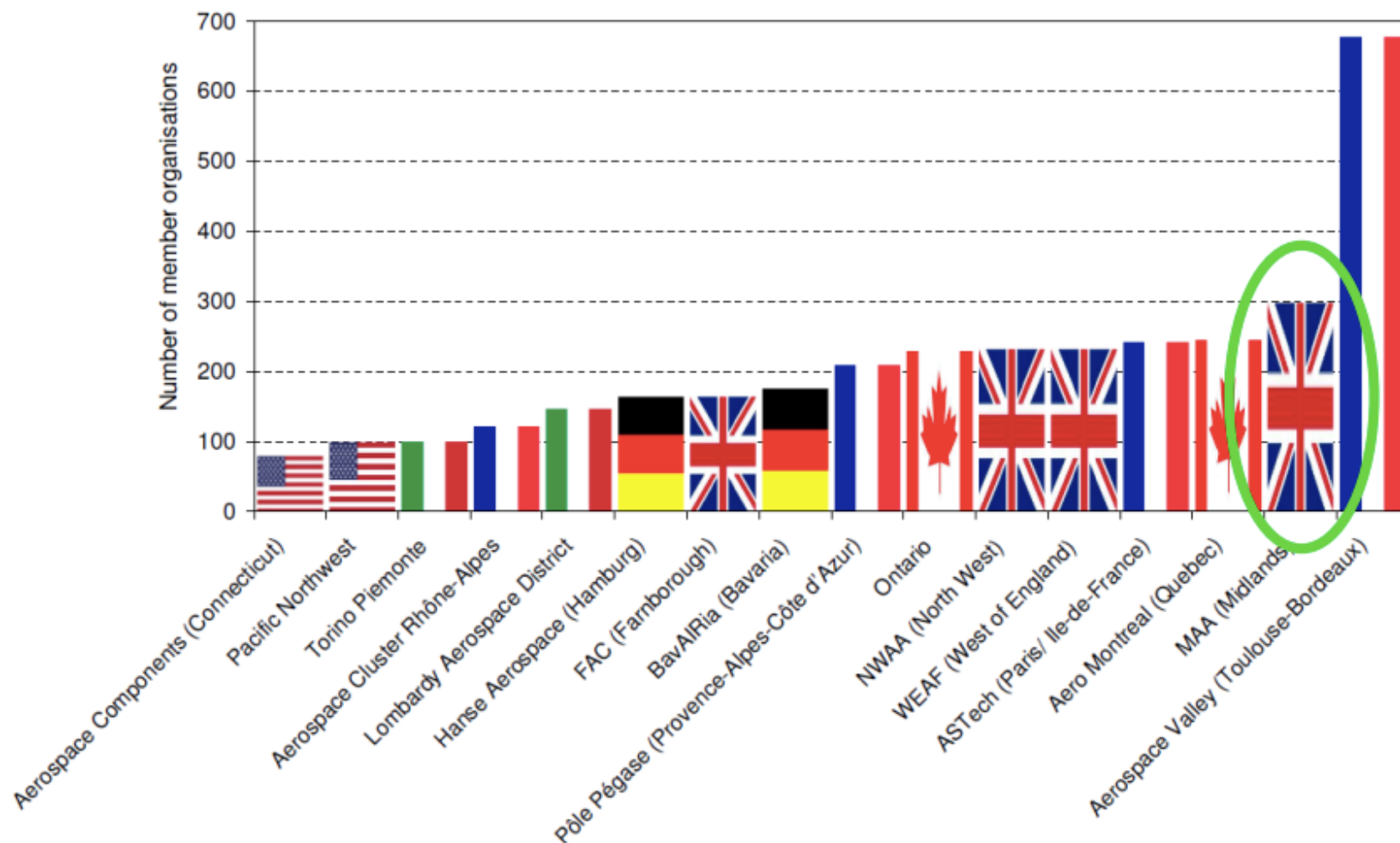
Midlands Aerospace cluster





Midlands Aerospace cluster

**Largest aerospace cluster organisations
in the key aerospace countries 2014**





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Midlands Aerospace companies

- The Midlands is a key location for many world-leading aerospace companies, ranging from the heart of Rolls-Royce's aero-engine manufacture through a series of global leaders in the design and manufacture of aircraft and engine controls based on electrical, mechanical, hydraulic and electronics technologies.



UTC Aerospace Systems



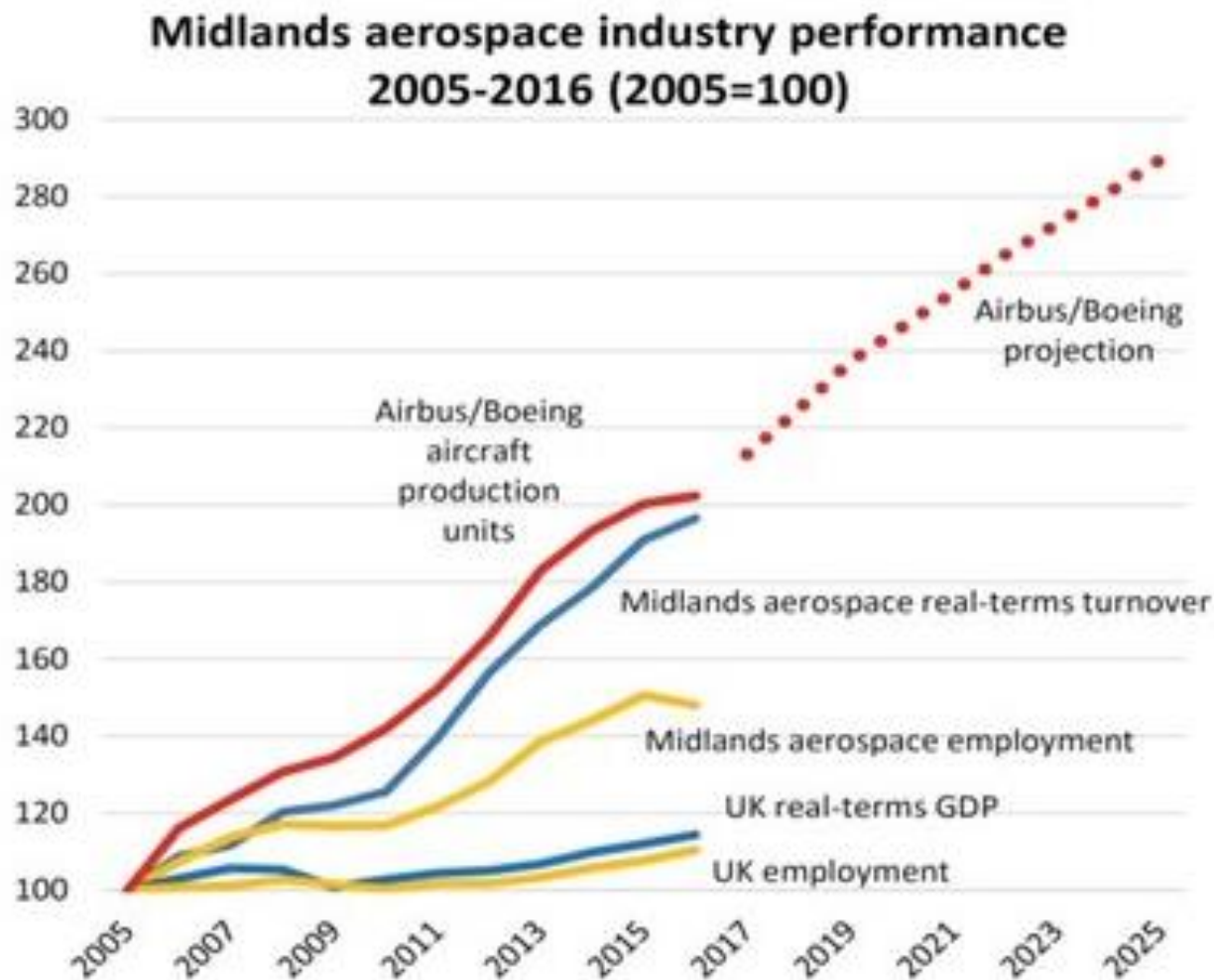
Rolls-Royce

MEGGITT

MOOG
AIRCRAFT GROUP



Industry performance





Midlands Aerospace Alliance

- More than 300 organisations belong to the MAA, ranging from global players like Meggitt and Rolls Royce to small supply chain companies and key regional partner bodies
- MAA share industry knowledge with members and support them to improve their opportunities
- MAA deliver support programmes to members to improve their performance
- MAA lead the coordination of an overall Midlands Aerospace cluster strategy



midlands aerospace alliance



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Airline industry as old as the motor industry

The leading Exhibit
at Olympia

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STAND 53.

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**HUMBER
EXPERT,**
M. LE BLON.

British Construction Throughout

Propellers, Engines, Wings, & all parts, accessories
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FOR SPEED AND RELIABILITY

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- Fully tested and approved
Designed and developed for M.O.S.
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Lucas Motors (Canada) Ltd., 100, GERRARD STREET, EAST, TORONTO, CANADA.
Lucas Motors Ltd., Toronto & Montreal, Canada.

Summary





In Summary: AC Styria & Midland Engine

- The UK has some significant market opportunities in Mobility
- We share common strengths & vision
- We have complimentary leadership & skills
- The UK warmly welcomes new entrants



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Talk to us!

Department for International Trade

Investment Hub
Birmingham
UK



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Questions?

