

## West Midlands International Strategy Green Paper – market profiles

Set out below are the market profiles for each of the pillars.

### Trade markets

Market	Key Regions	Sector Alignment	Rationale
<b>United States</b>	California, Texas, New York, Michigan, Illinois, Ohio, Massachusetts	Clean Mobility, HealthTech	<ul style="list-style-type: none"> <li>Globally, the #1 import country by value.</li> <li>The Inflation Reduction Act has created a huge demand for clean mobility products. Despite local content requirements, strong opportunities for trade exist.</li> </ul>
<b>Germany</b>	North-Rhine Westphalia, Hamburg, Bavaria	Clean Mobility, Professional and Financial Services	<ul style="list-style-type: none"> <li>Germany ranked first among benchmarked countries for trade with the West Midlands across the priority sectors.</li> <li>Globally, the #3 import country globally by value.</li> </ul>
<b>France</b>	Île-de-France, Hauts-de-France, Auvergne-Rhône-Alpes	Environmental Tech, Manufacturing of Future Housing, Modern and Low Carbon Utilities, Creative Content & Gaming	<ul style="list-style-type: none"> <li>Globally, the #7 import country by value.</li> <li>Proximity to the UK, ranked 3<sup>rd</sup> overall among benchmarked countries for</li> </ul>

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			trade with the West Midlands across priority sectors.
<b>Canada</b>	Ontario, Quebec, British Columbia	Manufacturing of Future Housing, Modern and Low Carbon Utilities, Creative Content & Gaming	<ul style="list-style-type: none"> <li>Free trade agreement with Canada. The UK is Canada's third largest partner country for trade in goods and services.</li> </ul>
<b>Middle East</b>	Saudi Arabia, UAE, Qatar	Low Carbon Utilities, HealthTech, Professional and Financial Services	<ul style="list-style-type: none"> <li>Significant national efforts and investments, such as Saudi Arabia's Vision 2030 programme, the NEOM initiative, or the UAE's 'We the UAE 2031' have created opportunities for overseas trade and investment.</li> <li>High ambitions for UK-GCC free trade agreement.</li> </ul>
<b>China</b>	Guangdong, Shanghai, Zhejiang	HealthTech, Professional and Financial Services	<ul style="list-style-type: none"> <li>UK-China FinTech Bridge</li> <li>Globally, the #2 import country by value, behind the US. Ranked 7<sup>th</sup> overall for trade with the West Midlands.</li> </ul>
<b>Japan</b>	Kanto Region, Kansai Region, Chubu Region	HealthTech, Clean Mobility, Creative Content & Gaming	<ul style="list-style-type: none"> <li>Trade agreement with Japan.</li> <li>Globally, the #4 import country globally by value.</li> </ul>

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<b>India</b>	National Capital Region (New Delhi), Mumbai, Chennai	Clean Mobility, HealthTech, Professional and Financial Services	<ul style="list-style-type: none"> <li>• Talks ongoing for a UK-India Free Trade Agreement.</li> <li>• Ranked 7th globally for value of West Midlands exports.</li> </ul>
<b>Singapore</b>	N/A	Professional and Financial Services, HealthTech, Creative Content & Gaming	<ul style="list-style-type: none"> <li>• Singapore Digital Economic Partnership Agreement in place, as well as a UK-Singapore FinTech Bridge.</li> </ul>
<b>LATAC (Latin America and the Caribbean)</b>	Key Markets: Brazil, Mexico	Clean Mobility	<ul style="list-style-type: none"> <li>• DBT is making efforts to explore the LATAC region as an export destination, with particular efforts for Brazil and Mexico.</li> <li>• Mexico is positioning itself as the global epicentre for clean mobility manufacturing.</li> </ul>
<b>Eastern Europe</b>	Key Markets: Czechia, Poland	Clean Mobility, HealthTech,	<ul style="list-style-type: none"> <li>• Post-COVID supply chain regionalisation has benefitted both Czechia and Poland.</li> <li>• Czechia often tops Europe as the go-to destination for manufacturing nearshoring in Europe</li> </ul>

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<b>Africa</b>	Key Markets: Ghana, Kenya, Nigeria	Low Carbon Utilities	<ul style="list-style-type: none"><li>• Digital Trade Corridor with Kenya.</li><li>• Initiatives such as the West Africa Clean Energy Corridor aiming to vastly increase the region's renewable energy output.</li></ul>

## Foreign direct investment markets

Market	Key Places and Sector Alignment	Rationale
United States	<p><b>FPS:</b> New York, Chicago, Philadelphia, Boston</p> <p><b>Clean Mobility:</b> Illinois, Michigan</p> <p><b>EnvTech:</b> California, NY, Colorado</p> <p><b>Aerospace:</b> Florida, Washington, California</p> <p><b>HealthTech:</b> Massachusetts, California, North Carolina</p> <p><b>Creative Content &amp; Gaming:</b> California</p>	<ul style="list-style-type: none"> <li>Despite IRA, the USA remains the number one source market for FDI globally, and remains an industry leader across a range of sectors, particularly those with a technology focus.</li> </ul>
Germany	<p><b>Clean Mobility:</b> Baden-Wurtemberg, Lower Saxony</p> <p><b>FPS*:</b> Frankfurt, Munich, Hamburg</p> <p><b>Low Carbon Utilities:</b> Berlin, Hamburg, North Rhine-Westphalia</p>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> overall in terms of FDI projects as a source markets, Germany continues to focus on the sustainable industries of the future, such as clean mobility and low carbon utilities.</li> </ul>
France	<p><b>Aerospace:</b> Toulouse, Bordeaux, Paris</p> <p><b>HealthTech:</b> Paris-Saclay, Lyon, Marseille, Lille</p>	<ul style="list-style-type: none"> <li>Home to the 'Aerospace Valley' of Europe in Toulouse and burgeoning HealthTech hubs in Paris and Lyon.</li> </ul>
Canada	<p><b>Manufacturing of Future Housing:</b> Ontario, British Columbia, Alberta</p> <p><b>FPS:</b> Toronto, Vancouver, Montreal</p> <p><b>Low Carbon Utilities:</b> British Columbia, Quebec, Ontario</p>	<ul style="list-style-type: none"> <li>Canada is home to international finance hubs in Toronto and Montreal, gaming giants such as Ubisoft/EA Games, and a market leader for affordable, modular housing.</li> </ul>

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	<b>Creative Content &amp; Gaming:</b> Quebec, Vancouver	
<b>Netherlands</b>	<b>FPS:</b> Amsterdam, Rotterdam, The Hague <b>Logistics:</b> Rotterdam, Amsterdam, Eindhoven	<ul style="list-style-type: none"> <li>The Netherlands is often considered the most globally connected country, supporting its world-class logistics and FPS industries.</li> </ul>
<b>Singapore</b>	<b>FPS   Low Carbon Utilities   Manufacturing of Future Housing</b>	<ul style="list-style-type: none"> <li>7<sup>th</sup> in the Global Innovation Index, and often overlooked for FDI due to size of Singapore's capital investment opportunity.</li> </ul>
<b>Japan</b>	<b>Clean Mobility:</b> Tokyo Yokohama, Nagoya, Kansai Region <b>Manufacturing of Future Housing:</b> Tokyo, Kyoto, Fukuoka <b>Creative Content &amp; Gaming:</b> Tokyo, Osaka, Kyoto	<ul style="list-style-type: none"> <li>5th largest source market for the West Midlands, according to FDI Markets, with strengths in innovation, R&amp;D and future-focused sectors.</li> </ul>
<b>India</b>	<b>Clean Mobility:</b> Bangalore, Chennai, Pune <b>HealthTech:</b> Hyderabad, Bangalore, Mumbai <b>FPS:</b> Mumbai, Gurgaon, Bangalore	<ul style="list-style-type: none"> <li>Largest FDI source market in 2022 for the West Midlands alongside a notable diaspora population and strengths in tech, health and services.</li> </ul>
<b>Spain</b>	<b>Low Carbon Utilities:</b> Bilbao, Sevilla, Zaragoza, Barcelona	<ul style="list-style-type: none"> <li>Iberdrola is the number one producer of wind power and is pioneering the renewable energy revolution.</li> </ul>

Market	Key Places and Sector Alignment	Rationale
Ireland	<b>FPS:</b> Dublin, Cork, Limerick <b>HealthTech:</b> Dublin, Galway, Limerick	<ul style="list-style-type: none"><li>• 7th largest investor in the West Midlands in terms of project numbers, with an established but growing technology industry.</li></ul>

## Foreign capital investment markets

Market	Key Places	Type of Investment	Rationale
<b>Germany</b>	Berlin, Frankfurt, Munich, Hamburg	<b>Venture Capital / Private Equity</b>	<ul style="list-style-type: none"> <li>In the top 5 countries for number of PE deals, and value of PE and VC deals (last 5 years, WM sectors).</li> </ul>
<b>France</b>	Paris, Lyon, Toulouse, Île-de-France Region	<b>Venture Capital / Private Equity</b>	<ul style="list-style-type: none"> <li>In the top 5 countries for number of PE and VC deals, and value of PE deals (last 5 years, WM sectors).</li> <li>4<sup>th</sup> largest sovereign wealth market globally by assets.</li> </ul>
<b>Middle East</b>	<b>Key Markets:</b> UAE, Saudi Arabia, Kuwait, Qatar, Morocco	<b>Venture Capital / Private Equity / Sovereign Wealth Fund</b>	<ul style="list-style-type: none"> <li>Despite a decline in global VC activity in 2022, the Middle East had a record year.</li> <li>The Gulf region's 10 largest sovereign wealth funds combined many nearly \$4 trillion.</li> <li>#3 UAE, #7 Saudi Arabia and #8 largest sovereign wealth fund markets globally by total assets.</li> </ul>

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<b>Canada</b>	Toronto (Ontario), Vancouver (British Columbia), Montreal (Quebec), Waterloo Region (Ontario)	<b>Venture Capital / Private Equity</b>	<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> globally for number of private equity deals and 4<sup>th</sup> for VC deals (last 5 years, WM sectors).</li> <li>• Commonwealth links.</li> </ul>
<b>China</b>	Beijing, Shanghai, Shenzhen, Hangzhou	<b>Sovereign Wealth Fund</b>	<ul style="list-style-type: none"> <li>• 3<sup>rd</sup> globally for value of PE deals, and 2<sup>nd</sup> for number of VC deals and value of VC deals in ICT and FPS.</li> <li>• 2<sup>nd</sup> largest SWF market globally by assets.</li> </ul>
<b>Australia</b>	Sydney, Melbourne, Brisbane, Perth	<b>Sovereign Wealth Fund / Private Equity</b>	<ul style="list-style-type: none"> <li>• 5<sup>th</sup> and 6<sup>th</sup> for number and value of private equity deals respectively.</li> <li>• Future Fund, 12<sup>th</sup> largest SWF market globally by assets.</li> <li>• Commonwealth links.</li> </ul>
<b>United States</b>	California, New York, Texas, Massachusetts, Illinois, Boston, Houston	<b>Venture Capital / Private Equity</b>	<ul style="list-style-type: none"> <li>• Largest investing country globally for number and value of private equity and venture capital deals.</li> </ul>

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Sweden	Stockholm, Gothenburg, Malmö, Uppsala	Venture Capital / Private Equity	<ul style="list-style-type: none"> <li>Ranked 6th overall as a source of capital investment across private equity and VC deals and value against benchmarked countries.</li> </ul>
Norway	Oslo, Trondheim, Bergen, Stavanger	Sovereign Wealth Fund	<ul style="list-style-type: none"> <li>Counts on the largest sovereign wealth fund in the world, GPF.</li> </ul>
South / East Asia	Key Markets: Singapore, South Korea, Hong Kong	Sovereign Wealth Fund	<ul style="list-style-type: none"> <li>#1 (Singapore), #7 (South Korea) and #10 (Hong Kong) largest in terms of sovereign wealth fund assets in the world.</li> <li>Commonwealth link to Singapore.</li> </ul>

## Innovation markets

Market	Key Places and Sector Alignment	Rationale
<b>United States</b>	<p><b>HealthTech:</b> Massachusetts, San Diego California, Raleigh–Durham North Carolina.</p> <p><b>Aerospace:</b> Washington State, California, Kansas</p>	<ul style="list-style-type: none"> <li>• Largest number of Universities in Top 1000 rankings in Tech &amp; Innovation (82)</li> <li>• Possesses major accessible innovation hubs like Silicon Valley, San Diego, Boston.</li> <li>• Pioneer of Angel investing, debt and equity finance, the US is also the world leader in VC fund deployment.</li> </ul>
<b>South Korea</b>	<p><b>Clean Mobility:</b> Ulsan, Gwangju</p> <p><b>HealthTech:</b> Daejeon, Pangyo Techno Valley, Seoul</p> <p><b>Creative Content Production and Gaming:</b> Seoul, Busan</p>	<ul style="list-style-type: none"> <li>• Second highest R&amp;D investment to GDP ratio in the world, (4.81%) only behind Israel.</li> <li>• South Korean Companies and Government have announced \$15 billion to 2030 to develop new battery technologies.</li> </ul>
<b>Germany</b>	<p><b>Clean Mobility:</b> Baden-Wurttemberg, Lower Saxony, Bavaria</p> <p><b>Modern and Low Carbon Utilities:</b> North Rhine-Westphalia, Berlin</p> <p><b>Logistics and Distribution:</b> Berlin, Hamburg, North Rhine-Westphalia</p>	<ul style="list-style-type: none"> <li>• Top 5 nation for patent applications in the past five years (WIPO).</li> <li>• In 2019, public and private spending on research projects in Germany amounted to approximately EUR 110 billion, the largest in Europe, or 3.2% of GDP.</li> </ul>
<b>France</b>	<p><b>Aerospace:</b> Toulouse, Bordeaux, Paris</p> <p><b>HealthTech:</b> Paris-Saclay, Lyon, Marseille, Lille</p>	<ul style="list-style-type: none"> <li>• France ranks 5th among the six largest OECD countries in terms of volume of gross</li> </ul>

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	<b>Professional &amp; Financial Services:</b> Paris, Lyon	<p>domestic R&amp;D expenditure, engaging in a high level of international collaboration.</p> <ul style="list-style-type: none"> <li>France's world leading aerospace sector is a major contributor to France's industrial innovation.</li> </ul>
<b>China</b>	<b>HealthTech:</b> Beijing, Shanghai, Hangzhou <b>Modern and Low Carbon Utilities:</b> Beijing, Shanghai, Guangdong	<ul style="list-style-type: none"> <li>Second largest nationality group of international students studying in West Midlands (Region), following India.</li> <li>Second largest R&amp;D led Foreign Direct Investor into WMCA</li> </ul>
<b>Japan</b>	<b>Clean Mobility:</b> Tokyo Yokohama, Nagoya, Kansai Region <b>Manufacturing of Future Housing:</b> Tokyo, Kyoto, Fukuoka <b>Creative Content &amp; Gaming:</b> Tokyo, Osaka, Kyoto	<ul style="list-style-type: none"> <li>Japan's total expenditure on R&amp;D during FY2021 was ¥19.74 trillion (£123bn) led by the private sector.</li> <li>The UK is Japan's 4th biggest collaborator on scientific research.</li> </ul>
<b>India</b>	<b>Professional and Financial Services:</b> Mumbai, Delhi, Bangalore <b>HealthTech:</b> Bangalore, Hyderabad, Mumbai	<ul style="list-style-type: none"> <li>Largest nationality of international students studying in West Midlands Universities (Region), and fastest growing.</li> <li>Largest Foreign Direct investor for R&amp;D led projects in WMCA in past five years.</li> </ul>

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Switzerland	<p><b>HealthTech:</b> Zurich, Basel, Lausanne</p> <p><b>Professional and Financial Services:</b> Zurich, Geneva</p>	<ul style="list-style-type: none"> <li>• Ranked as the most innovative economy in the world (WIPO Global Innovation Index, 2022)</li> <li>• Global leader in Chemicals and pharmaceuticals</li> <li>• First Place in IMD's World Talent Ranking 2022</li> </ul>
Australia	<p><b>Professional and Financial Services:</b> Melbourne, Sydney</p>	<ul style="list-style-type: none"> <li>• Largest percentage of graduates having studied innovative degrees. (OECD).</li> <li>• Australia has over 800 fintech companies, ranked 6th in the world (Fintech Australia, 2023)</li> <li>• Strong Commonwealth links</li> <li>• Australia is now named as a key partner country for the Fund for International Collaboration (FIC)</li> </ul>
UAE	<p><b>Logistics and Distribution:</b> Dubai Logistics Corridor, Abu Dhabi</p> <p><b>Professional and Financial Services:</b> Dubai</p>	<ul style="list-style-type: none"> <li>• Strong higher education connections with the University of Birmingham the first British university with a campus in the UAE.</li> <li>• Global logistics hub.</li> </ul>
Poland	<p><b>HealthTech:</b> Warsaw, Krakow, Wroclaw</p>	<ul style="list-style-type: none"> <li>• Coventry University opened a Campus in Wroclaw in 2020</li> </ul>

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		<ul style="list-style-type: none"><li>• Since then it has launched the Coventry University Research Institute Europe (CURIE) in order to access the EU research supports. .</li></ul>

## Visitor economy markets

Market	Rationale
<b>Australia</b>	<ul style="list-style-type: none"> <li>• Despite its distance, the UK ranks fourth for number of outbound tourists from Australia in 2022, behind New Zealand, USA and India, with 117,000 in 2022.</li> <li>• Sydney and Perth are advertised locations for Birmingham Airport’s long-haul destinations, through key hubs such as Doha, Istanbul, Dubai or Amsterdam.</li> <li>• Strong Commonwealth links</li> </ul>
<b>China</b>	<ul style="list-style-type: none"> <li>• 2nd for visitor nights to West Midlands</li> <li>• 2nd globally for household expenditure (2021), biggest tourism spenders worldwide</li> <li>• 118 company attendees at the Automechanika trade show in 2023, by far the largest presence.</li> </ul>
<b>France</b>	<ul style="list-style-type: none"> <li>• Around 1000 attendees at the Automechanika show in 2023, over 1,000 to the Multimodal trade show in 2022, as well as strong presences at the Internet Retail Expo (400) and the Farm Business Innovation Show (100).</li> </ul>
<b>India</b>	<ul style="list-style-type: none"> <li>• Largest diaspora presence in the West Midlands</li> <li>• 2nd for visitor nights to West Midlands</li> <li>• Notable attendee at the Internet Retail Expo and the Multimodal trade show.</li> </ul>
<b>Ireland</b>	<ul style="list-style-type: none"> <li>• Diaspora and family connections</li> <li>• 2nd for number of air passengers into Birmingham, 1st for visitor spending in the West Midlands.</li> </ul>

	<ul style="list-style-type: none"> <li>• Top for visits to the West Midlands over the past 10 years.</li> </ul>
<b>Italy</b>	<ul style="list-style-type: none"> <li>• 4th and 6th largest contributor of attendees at the Automechanika and Multimodal trade shows respectively, 9th for the Internet Retail Expo.</li> <li>• 3rd for number of flights to the UK</li> </ul>
<b>Nigeria</b>	<ul style="list-style-type: none"> <li>• In top 5 countries for visits / visitor spending to the UK</li> <li>• 2<sup>nd</sup> worldwide for growth in household expenditure (2021)</li> <li>• Strong Commonwealth links</li> </ul>
<b>Poland</b>	<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> for diaspora population in the West Midlands</li> <li>• 3<sup>rd</sup> largest attendee at the 2023 Automechanika trade show.</li> <li>• 3<sup>rd</sup> largest visitor to the West Midlands over the last 10 years.</li> </ul>
<b>Spain</b>	<ul style="list-style-type: none"> <li>• Top for number of air passengers into Birmingham</li> <li>• 7<sup>th</sup> and 8<sup>th</sup> respectively for number of visits and spending in the West Midlands between 2018 and 2022</li> </ul>
<b>Turkey</b>	<ul style="list-style-type: none"> <li>• 4<sup>th</sup> for number of air passengers into Birmingham in 2022</li> <li>• 7<sup>th</sup> and 9<sup>th</sup> largest contributor of attendees at the Automechanika and Multimodal trade shows respectively.</li> </ul>
<b>United Arab Emirates</b>	<ul style="list-style-type: none"> <li>• 5<sup>th</sup> overall in 2021 for outbound tourism expenditure in 2021.</li> <li>• The UK ranks 2<sup>nd</sup> for most popular outbound destinations from the UAE, behind only Saudi Arabia.</li> </ul>

<b>United States</b>	<ul style="list-style-type: none"><li>• Top for visits/spending to the UK, and 4<sup>th</sup> for visits/spending to the West Midlands.</li><li>• Top globally for household expenditure (2021)</li><li>• Around 1,000 attendees at the Internet Retail Expo, the largest trade show by attendees in Birmingham in 2022.</li></ul>
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