



**MIDLANDS  
ENGINE**

# **LOGISTICS AND E-COMMERCE**

**MIDLANDS CLUSTER SNAPSHOT 2023**

# Logistics and E-Commerce



With more than 90% of the UK population within four hour's drive of the Midlands, Logistics and E-Commerce is a well-established pan-regional cluster that continues to grow - with \$3.1bn of international investment into this cluster in the Midlands from 2017 to 2021. This cluster appears to be less embedded in external research & development than other sectors, with no current spin-outs. Nonetheless, there are 117 tracked high growth companies and a workforce over 80,000 strong in the Midlands which has


been referred to as the "golden triangle of logistics". There are numerous viable investment propositions captured in the Midlands Investment Portfolio across new business parks close to major travel infrastructure and two Freeports including the UK's only inland Freeport. Such opportunities put the Midlands in a strong place to secure market share of the forecast UK FDI Capex of \$3.28bn in this sector in 2025.

## Cluster in context

-  **Over 80,000 jobs; 26% of national and largest region in the UK.**
-  **117 high growth companies (24% of UK) and 49 £100m+ turnover companies (51% of UK).**
-  **16% of Midlands university graduates studied relevant subjects to logistics and e-commerce, including from 4 of the top 25 UK universities for Social Sciences and Management, and Computer Science and Information Systems.**
-  **Over 51% of Innovate UK funding to logistics and e-commerce businesses since 2005 has been awarded to those with a Midlands address.**
-  **Almost 1,200 businesses; 23% of UK total and 82% growth since 2013.**
-  **25% of UK logistics and e-commerce Foreign Direct Investment Capex and 12% of UK logistics and e-commerce Domestic Direct Investment Capex 2017-2021.**

## Business Ecosystem

- Total Cluster Business Count: 1,174**  
23% of UK; largest region outside London.  
82% growth since 2013.<sup>1</sup>
- £100m+ Turnover Companies: 49**  
51% of all in the UK have a Midlands location.<sup>2</sup>
- High Growth Companies: 117**  
24% of all in the UK have a Midlands location.<sup>3</sup>
- Incorporations 2017-22: 341**  
20% of UK logistics & e-commerce incorporations between 2017 and 2022 have a Midlands location.<sup>4</sup>
- Foreign-owned enterprises: 12%**  
143 are known to be foreign-owned; same proportion of foreign-owned than national average.<sup>5</sup>



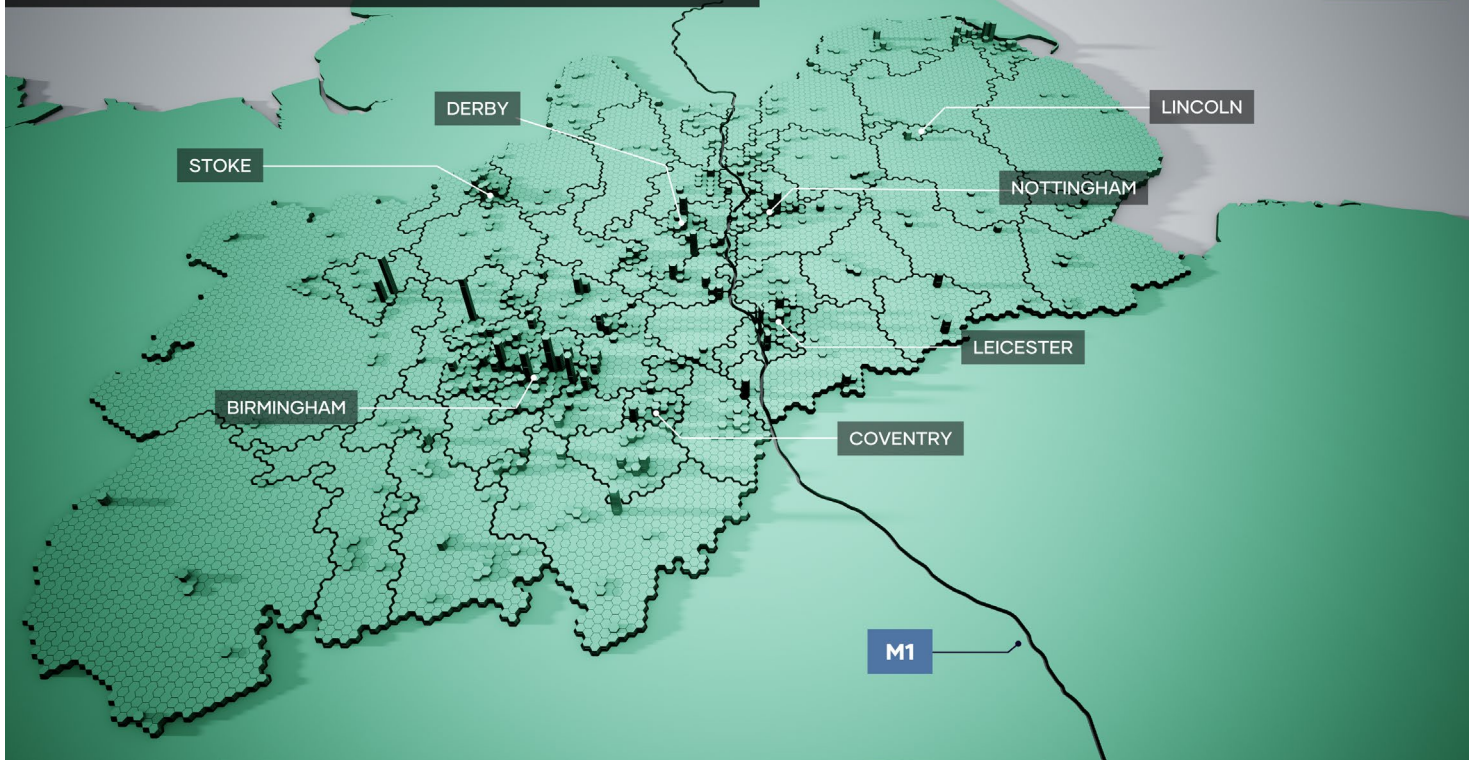
Logistics and e-commerce here is defined as a cluster of strength within the established Transport Technologies & Logistics sector in the Midlands. In part it represents the evolution of supply chain logistics, incorporating new technological and decarbonised opportunities; hence the figures represented are somewhat lower (for jobs and business data anyway) than reported for the wider Transport Technologies & Logistics sector – which is much broader.

<sup>1,2,4,5</sup> Data City 2023, <sup>3</sup>Data City 2023: 20%+ company growth percentage per year.



### LOGISTICS & E-COMMERCE - Business Counts

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### LOGISTICS & E-COMMERCE - Turnover

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#### KEY STRATEGIC COMPANIES

- Ceva Logistics
- Eddie Stobart
- Gist
- Great Bear Distribution
- Unipart Group
- XPO Logistics
- Yusen Logistics



# Logistics and E-Commerce



## Innovation Ecosystem



Accelerator Engagement:<sup>1</sup>

46

Relevant Cluster Organisations:

LogisticsUK; Road Haulage Association

Relevant high performing HEI research:

Universities of Aston; Birmingham; Leicester; Nottingham; Nottingham Trent; Warwick

7 Midlands universities with high research ranking in relevant subjects.<sup>2</sup>

Significant Innovation Hubs:

Aston Logistics and Systems Research Institute; University of Derby Centre for Supply Chain Improvement

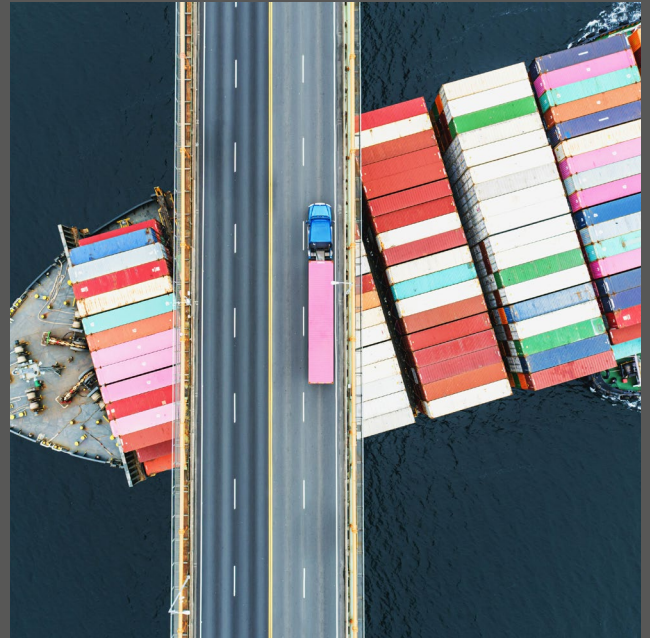
High Growth Company Grants:<sup>3</sup>

2

Innovate UK funding:

£11.5m since 2005

51% of Innovate UK funding to utilities had a Midlands location.<sup>4</sup>



<sup>1</sup>Beaurost 2022: High growth companies utilised accelerators <sup>2</sup>REF 2021 GPA >3.0 in any of Communication, cultural and media studies, library and information management; business and management studies; economics and econometrics, <sup>3</sup>Beaurost, 2022 <sup>4</sup>Data City 2023.



# Logistics and E-Commerce



## Talent Ecosystem



**Estimated Employees:**  
26% of national total.<sup>1</sup>

**80,106**

**University Graduates:**

16% of ME graduates studied relevant subjects to logistics / e-commerce.<sup>5</sup>

**21,735**

**Earnings:**

Average salary **£32,695**

National average £44,662 (26.8% lower in Midlands).<sup>2</sup>

**Graduate Retention: change over 3 years**

Midlands has around average graduate retention in industry.<sup>6</sup>

**75.7%**

**Further Education Leavers:**

**14,900**

Second highest region for the most FE leavers in relevant subjects; highest for higher learners.<sup>3</sup>

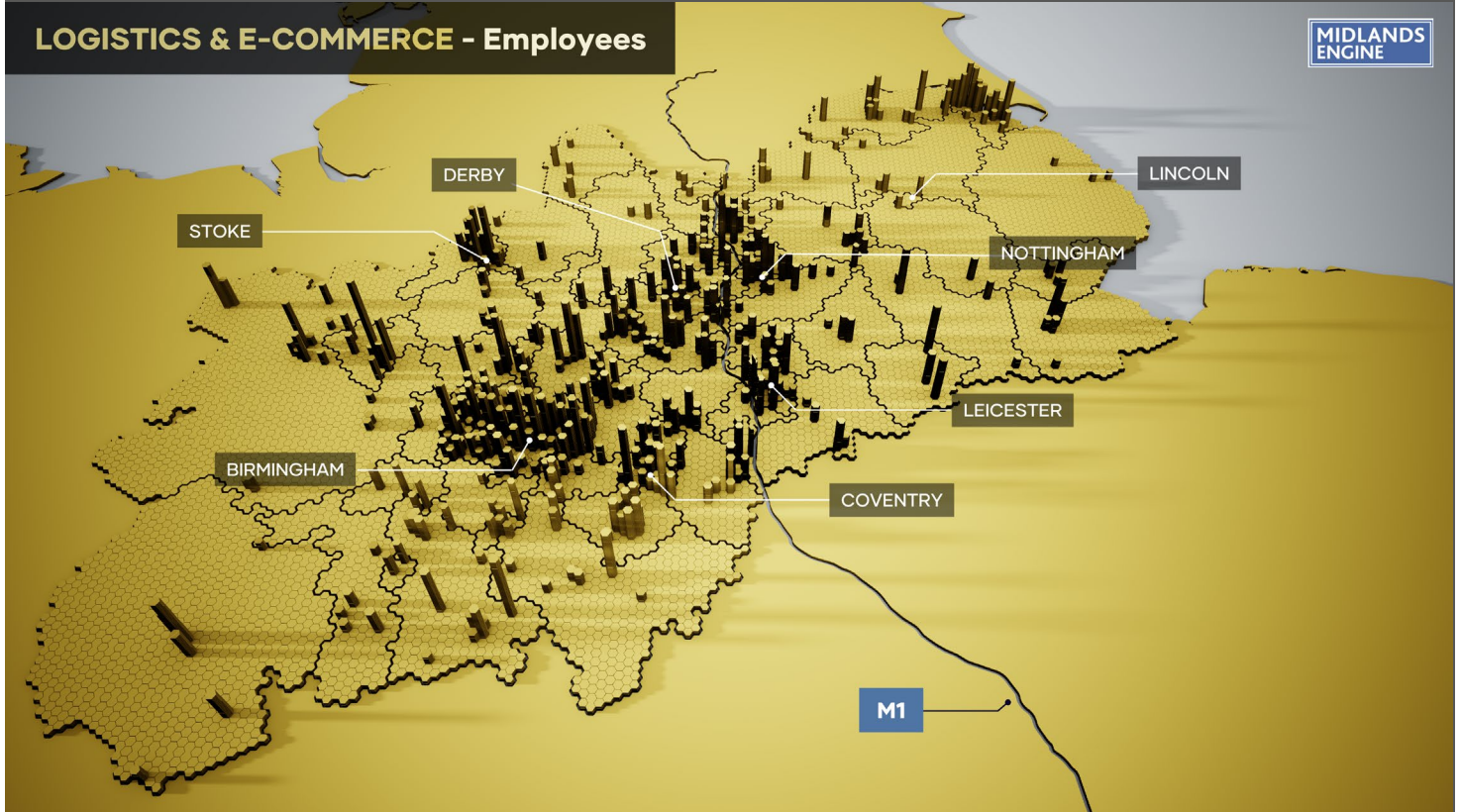
**Relevant HEI High-Ranking Department:**

**Universities of Warwick; Birmingham; Nottingham; and Loughborough**

4 universities high ranked: international presence and expertise.<sup>4</sup>

<sup>1</sup>Data City, 2023, <sup>2</sup>ONS ASHE, 2021, <sup>3</sup>DfE Unit for Future Skills: Further Education leavers 18/19 in relevant fields, <sup>4</sup>QS 'social sciences & management' & 'Computer Science and Information Systems' world ranking 2022 - institutions in UK top 25), <sup>5</sup>Graduates from relevant subjects 2021 (HESA) <sup>6</sup>605/700 first degree graduates 'Transportation and storage' in 3 years of graduating in 2019. (DfE Graduate Outcomes by Industry).

## LOGISTICS & E-COMMERCE - Employees





# Logistics and E-Commerce



## Investment Ecosystem



<b>Investment/Venture Capital Firms:</b>			
<b>Funds HQ'd in Midlands Engine area</b>	<b>200</b>	<b>FDI Jobs 2017-2021:</b>	<b>7,682 jobs</b>
313 Funds have offices in region. <sup>1</sup>		32% of UK total. <sup>6</sup>	
<hr/>			
<b>FDI into High Growth Companies:</b>	<b>35%</b>	<b>DDI Jobs 2017-2021:</b>	<b>12,740 jobs</b>
61 of 172 investments in High Growth Companies. <sup>2</sup>		32% of UK total. <sup>7</sup>	
<hr/>			
<b>FDI Capex 2017-21:</b>	<b>\$3.11bn</b>	<b>FDI Projects 2017-2021:</b>	<b>51 projects</b>
25% of UK total. <sup>3</sup>		23% of UK total. <sup>8</sup>	
<hr/>			
<b>DDI Capex 2017-21:</b>	<b>\$808m</b>	<b>DDI projects 2017-2021:</b>	<b>110 projects</b>
12% of UK total. <sup>4</sup>		27% of UK total. <sup>9</sup>	

**Fundraising Volumes:**

**Mean av. £2m fundraising investment**

£168.9m in 84 investments (inc. £7.8m across 85 seed investments; £32.7m across 49 venture investments).<sup>5</sup>

<sup>1</sup>Beauhurst 2022, <sup>2</sup>Beauhurst 2022, <sup>3</sup>Wavteq 2022, <sup>4</sup>Wavteq 2022, <sup>5</sup>Beauhurst 2022, <sup>6</sup>Wavteq 2022, <sup>7</sup>Wavteq 2022, <sup>8</sup>Wavteq 2022, <sup>9</sup>Wavteq 2022.





## COMMENTARY

- Wavteq forecast a UK FDI Capex of \$3.28bn in this sector in 2025.
- DDI capex in the Midlands in this cluster saw a large spike in both 2020 and 2021 compared to its pre-Covid-19 levels, and the Midlands recorded a sharp increase in inward DDI projects during the Covid-19 years. The UK's market share of FDI capex in this cluster significantly increased from 2019 (3.1%) to 2020 (10.6%).
- Midlands-based e-commerce and supply chain businesses received 7.92% of the total equity received in the UK from 2017 to 2021 by high-growth companies in this sector, despite making up just 4.4% of the sector's population. These companies also received 10.17% of all grant money received by companies in this sector. These findings suggest that the Midlands has companies that are perceived to be good investments by equity finance investors and able to secure grant money thanks to innovations in e-commerce and supply chain technologies.



*This data has been compiled from multiple sources, using classifications based on clusters as proposed by Midlands Engine Partners. Where necessary wider sector data has been used as a 'best proxy'. Unless otherwise stated, all data is contemporary as of May 2023, and is an aggregation of all known counts/data within the Midlands Engine's 65 Local Authorities. Unless otherwise stated, business, employee and turnover figures have been calculated via DataCity based on trading addresses within the Midlands Engine.*