

MIDLANDS ENGINE GLOBAL AND INVESTMENT SCORECARD – AUGUST 2023

SCORECARD




INTRODUCTION


Following on from the first edition of the [Global and Investment Scorecard](#) published in September 2022, the **second edition** of the scorecard is now available and provides a high-level summary of how the Midlands is performing across five key themes: **trade, business, investment, higher education and tourism.**


This scorecard has been RAG rated where **Green** indicates an improvement in performance and above the national average. **Amber** indicates an improvement in performance but below national average. **Red** indicates either a decline in performance or performance is below national average.

The scorecard covers all data available until June 2023.

KEY

 indicates an improvement in performance above the national average

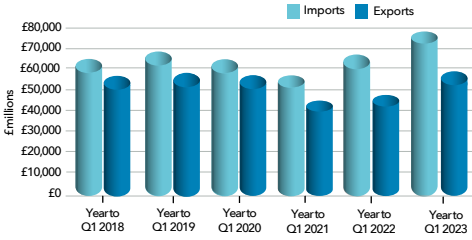
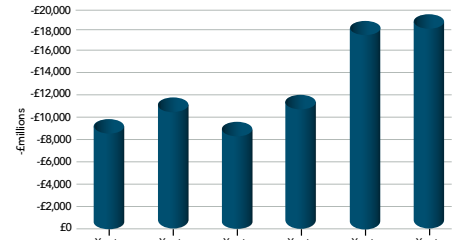
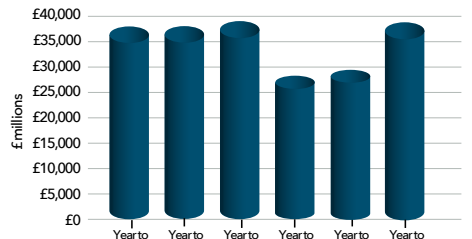
 indicates an improvement in performance but below national average

 indicates a decline in performance



TRADE

Trade is key to growing the Midlands' economy, facilitating the exchange of goods and services across borders, driving business growth and resource access. In the year to Q1 2023, the Midlands exported £56.8bn worth of goods and imported £75.9bn, a trade in goods deficit of £19.1bn, which has grown over the past 4 years. Following a larger than average fall in trade (and a slower recovery) post-Brexit and during Covid-19, it is positive that the region in 2022-23 appears to be back to strong trading levels again. A key reason for this is a recent recovery in exports in the machinery and transport sector – especially to non-EU markets.

Theme	Indicator	2018	2019	2020	2021	2022	2023	Trend	Comparator (regions)	Commentary	
Trade	Total Value of Goods Exports ¹	£54.9bn (22.5% of Eng.) Year to Q1 2018	£55.5bn (22.1% of Eng.) Year to Q1 2019	£55.0bn (22.8% of Eng.) Year to Q1 2020	£43.2bn (20.8% of Eng.) Year to Q1 2021	£46.8bn (20.1% of Eng.) Year to Q1 2022	£56.8bn (20.7% of Eng.) Year to Q1 2023		Midlands: 20.7% of England Exports – Highest Area London: 16.9% (2nd) North East: 4.9% (8th)	In the year to Q1 2023, exports in goods from the Midlands area were worth £56.8bn which has increased by £9.9bn (+21.2%, UK +17.5%) since the year to Q1 2022. Nearly £7bn of the annual increase was due to more exports to Non-EU locations.	
	Total Value of Goods Imports ¹	£63.5bn (17.0% of Eng.) Year to Q1 2018	£66.9bn (16.9% of Eng.) Year to Q1 2019	£63.3bn (16.7% of Eng.) Year to Q1 2020	£54.9bn (17.1% of Eng.) Year to Q1 2021	£65.2bn (16.4% of Eng.) Year to Q1 2022	£75.9bn (15.9% of Eng.) Year to Q1 2023		Midlands: 15.9% of England Imports – 3rd Highest Area South East: 24.2% (1st) North East: 3.4% (8th)	In the year to Q1 2023, imports in goods to the Midlands area were worth £75.9bn which is an increase of £10.7bn (+16.5%, UK+23.5%) since the year to Q1 2022.	
	Trade in Goods Balance ¹	£8.6bn Deficit Year to Q1 2018	£11.4bn Deficit Year to Q1 2019	£8.3bn Deficit Year to Q1 2020	£11.7bn Deficit Year to Q1 2021	£18.3bn Deficit Year to Q1 2022	£19.1bn Deficit Year to Q1 2023			Midlands: 4th Highest Trade Deficit South East: £70.0bn Trade Deficit (1st) North East: £2.9bn Trade Deficit (8th)	The Midlands trade deficit increased from £18.3bn in the year to Q1 2022 to £19.1bn in the year to Q1 2023. A significantly smaller increase in the trade deficit following two years of steep increases.
	Highest Value SITC Section for Goods Export ¹	Machinery & Transport: £37.2bn (67.8% of Midlands Total) Year to Q1 2018	Machinery & Transport: £37.1bn (66.8% of Midlands Total) Year to Q1 2019	Machinery & Transport: £37.9bn (68.9% of Midlands Total) Year to Q1 2020	Machinery & Transport: £28.2bn (65.3% of Midlands Total) Year to Q1 2021	Machinery & Transport: £30.3bn (64.6% of Midlands Total) Year to Q1 2022	Machinery & Transport: £38.2bn (67.4% of Midlands Total) Year to Q1 2023			Midlands: Machinery & Transport Highest percent of total across all Regions South West: 59.8% of SW total (2nd) London: 12.7% of London total (8th)	Across the 10 SITC sections, the highest value SITC section for exports in goods for the Midlands area remains to be machinery and transport at £38.2bn – 67.4% of total in the year to Q1 2023; of which £22.8bn (59.6%) went to non-EU locations. Since the year to Q1 2023, overall, machinery and transport exports increased by nearly £8.0bn (+26.3%), primarily due to exports to Non-EU locations increasing by nearly £5.9bn.

¹HM Revenue & Customs: Trade Statistics, released 2023 – please note the trade balance has been calculated (exports minus imports and for goods exported by SITC Section and by Country Group indicators, machinery & transport and the EU has been selected due to being the highest value for the Midlands.).

KEY

indicates an improvement in performance above the national average

indicates an improvement in performance but below national average

indicates a decline in performance



TRADE

Theme	Indicator	2018	2019	2020	2021	2022	2023	Trend	Comparator (regions)	Commentary
Trade	Top Country Group for Value of Goods Exported ¹	European Union: £25.9bn (47.1% of Midlands Total) <i>Year to Q1 2018</i>	European Union: £26.7bn (48.2% of Midlands Total) <i>Year to Q1 2019</i>	European Union: £25.4bn (46.3% of Midlands Total) <i>Year to Q1 2020</i>	European Union: £20.6bn (47.6% of Midlands Total) <i>Year to Q1 2021</i>	European Union: £23.0bn (49.1% of Midlands Total) <i>Year to Q1 2022</i>	European Union: £26.1bn (46.0% of Midlands Total) <i>Year to Q1 2023</i>		Midlands: European Union (EU) 2nd Lowest percent of total across Regions North East: 55.7% of NE total (1st) South West: 42.4% of SW total (8th)	Across the 9 country groups, the highest value of exports in goods from the Midlands was to the EU at £26.1bn; 46.0% of the total. The value of exports to the EU has increased by £3.1bn (+13.5%) since the year to Q1 2022. This is lower than the UK overall rate (+20.5%)
	Value of Service Exports ²	£25.8bn	£23.4bn	£18.0bn	£21.8bn				Midlands: 7.4% of England Service Exports – 4th Lowest Area London: 51.3% (1st) North East: 1.8% (8th)	After 2 years of decline, the latest available data for 2021 shows the value of service exports from the Midlands increased to £21.8bn and imports increased to £14.2bn. Meaning in 2021, a surplus in trade balance remains (£7.6bn).
	Value of Service Imports ²	£19.4bn	£21bn	£12.7bn	£14.2bn				Midlands: 8.5% of England Service Imports – 4th Lowest Area London: 45.6% (1st) North East: 1.9% (8th)	Within services in 2021, the Midlands exported nearly £7.0bn (31.9% of total) in the financial and insurance activities industry. The Midlands imported £3.3bn (23.5% of total) worth of services in the financial and insurance activities industry.

²Office for National statistics (ONS): International trade in services by subnational areas of the UK, released 2023 (please note, previous comparison is not available due to change in methodology).

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BUSINESSES

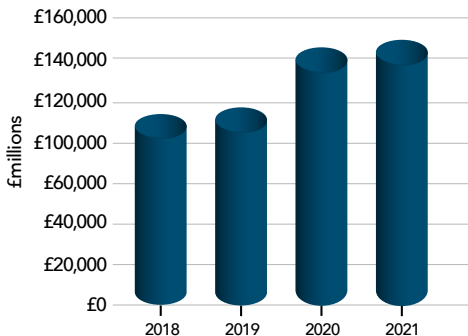
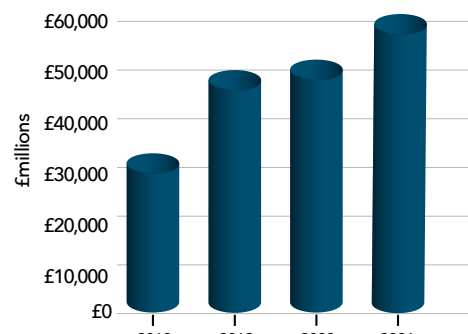
Businesses that trade internationally are typically more productive than their domestic counterparts, and hence it is a strong success factor for an economy. The Midlands makes up nearly 10% of the UK's exporters, and just over 12% of importers. The number of trading businesses was also growing rapidly in the period before Covid-19 and EU Exit, but these shocks appear to have hindered Midlands businesses international trading activity internationally. In 2021, there were 26,900 exporters in the Midlands, and 36,900 importers, considerably lower than levels in 2019: 27% fewer exporters in 2021 compared to 2019 and 10% fewer importers.

Theme	Indicator	2018	2019	2020	2021	Trend	Comparator (regions)	Commentary
Business	Number of Businesses that Export Goods and/or Services ³	29,700	36,800	35,200	26,900		Midlands: 9.5% of Great Britain Exporting Businesses – 4th Highest Area London: 28.8% (1st) North East: 1.4% (10th)	As of 2021, estimates show that there were 26,900 businesses across the Midlands that exported goods and/or services, and 36,900 that imported goods and/or services. An estimated 20,200 Midlands firms undertake both exporting and importing of goods and/or services.
	Number of Businesses that Import Goods and/or Services ³	34,700	41,000	41,900	36,900		Midlands: 12.3% of Great Britain Importing Businesses – 3rd Highest Area London: 24.3% (1st) North East: 1.5% (10th)	

³ONS: Annual Business Survey (ABS), released 2023.


FOREIGN DIRECT INVESTMENT


International investment flows can provide significant benefits to local businesses and local people. In 2022/23 the Midlands benefitted from 265 foreign direct investment projects which was 19% of England's total, resulting in the creation of nearly 11,100 new jobs. Despite a slight fall in the number of FDI jobs created, the increase in FDI projects was greater than the national average and the Midlands remains the key destination outside of London for FDI.


Theme	Indicator	2018	2019	2020	2021	Trend	Comparator (regions)	Commentary
Investment	Total Value of Inward Investment Positions ⁴	£109.6bn	£119.3bn	£143.7bn	£148.1bn		Midlands: 9.6% of England's Investment Position – 3rd Highest Area London: 51.8% (1st) North East: 1.9% (8th)	FDI international investment position continues to increase for the Midlands. The latest data shows for the Midlands, between 2020 and 2021, there was an increase 3.1% (to £148.1bn) while the UK increased by 4.3%.
	Highest Value Broad Industry for Inward Investment Position ⁴	Manufacturing: £31.9bn (29.1% of Midlands Total)	Manufacturing: £48.2bn (40.4% of Midlands Total)	Manufacturing: £51.6bn (35.9% of Midlands Total)	Manufacturing: £59.8bn (40.4% of Midlands Total)		Midlands: Manufacturing 3rd Highest percent of total across all Regions Wales: 47.9% (£9bn) of Wales total (1st) London: 6.9% (£45.7bn) of London total (8th)	Across the 6 broad industries, the highest FDI international investment position value was in manufacturing at £59.8bn – 40.4% of total in 2021. This increased by 16.0% (+£8.2bn) for the Midlands while there was a increase of 5.1% for the UK. Notably, for the West Midlands region in 2021, manufacturing accounted for 46.3% (£42.3bn) of the total (£91.4bn).

⁴ONS: Foreign direct investment involving UK companies by UK economy and region, directional: inward, released 2023. Figures have been revised. Please note, for the highest value broad industry for Inward Investment Position indicator, manufacturing has been selected due to being the highest value for the Midlands.

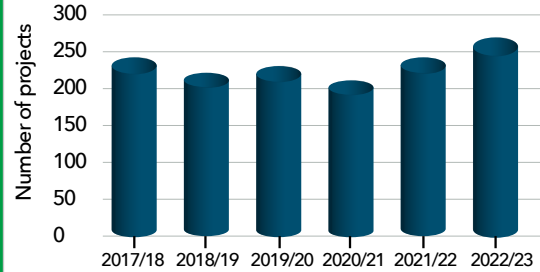
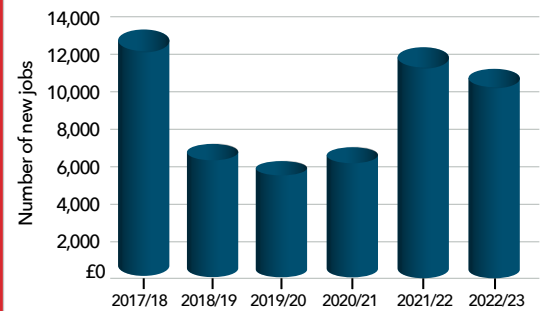
KEY

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FOREIGN DIRECT INVESTMENT


Theme	Indicator	2018	2019	2020	2021	2022	2023	Trend	Comparator (regions)	Commentary
Investment	Number of FDI Projects ⁵	243 2017/18	224 2018/19	242 2019/20	217 2020/21	242 2021/22	265 2022/23		<p>Midlands: 19.0% of England's FDI Projects – 2nd Highest Area</p> <p>London: 38.0% (1st) North East: 4.4% (8th)</p>	<p>There were 265 FDI projects into the Midlands in 2022-23, this is an increase of 9.5% (+23 projects) compared to 2020-21 (UK +4.1%).</p> <p>43.4% (314 of 742 total projects) of Midlands FDI projects between 2020-21 to 2022-23 were from EU countries. This is higher than the UK average of 38.4%.</p>
	Number of FDI New Jobs ⁵	13,138 2017/18	6,867 2018/19	6,308 2019/20	6,592 2020/21	12,459 2021/22	11,091 2022/23		<p>Midlands: 19.0% of England's New Jobs – 2nd Highest Area</p> <p>London: 35.3% (1st) East of England: 4.5% (8th)</p>	<p>In the Midlands, there were 11,091 new jobs created from FDI projects in 2022-23. This is a decrease of 11.0% (-1,368) from 2021-22 (UK-6.1%).</p> <p>45.1% (13,603 of 30,142) of the Midlands new FDI jobs were from EU FDI projects between 2021-22 to 2022-23.</p>

⁵Department for Business and Trade (DBT): inward investment results, released 2023.

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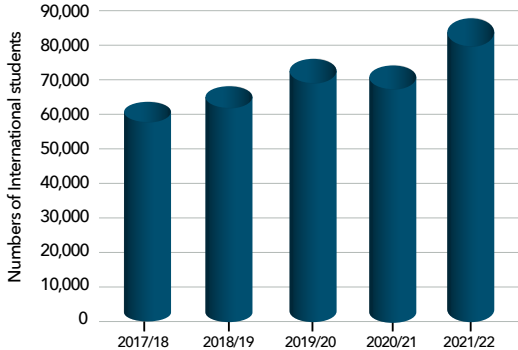
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HIGHER EDUCATION


Through their global connections and expertise in supporting businesses through innovation, universities can play a significant role in helping drive international trade and investment in their local and regional economies. FDI into Midlands universities recovered in 2022 – increasing by over 10% to reach almost £120m. This however remains below pre-Covid-19 levels, unlike the number of international students, which continues to grow and has reached almost 87,000 in the Midlands as of 2021/2022.


Theme	Indicator	2018	2019	2020	2021	2022	Trend	Comparator (regions)	Commentary
Higher Education	FDI into Universities ⁶ (15 Universities)	£125.4m 2017/18	£127.6m 2018/19	£117.1m 2019/20	£108.4m 2020/21	£119.7m 2021/22		Midlands: 8.0% of UK total	After 2 years of decline, foreign funding into Midlands universities and institutions has started to increase again and reached a total of £119.7m in 2021/22. But currently investment remains below pre-Covid-19 levels.
	Total Number of International Students ⁷ (20 Higher Educational Institutions)	65,385 2017/18	69,630 2018/19	78,235 2019/20	77,065 2020/21	86,865 2021/22		Midlands: 9.0% of UK total	Following the UK trend, the number of international students increased to Midlands Engine higher education institutions from 77,065 to 86,865. This equated to a 12.7% increase for the Midlands, slightly above the UK-wide 12.4% increase.


⁶HESA, 2023.

⁷HESA, 2023.

KEY

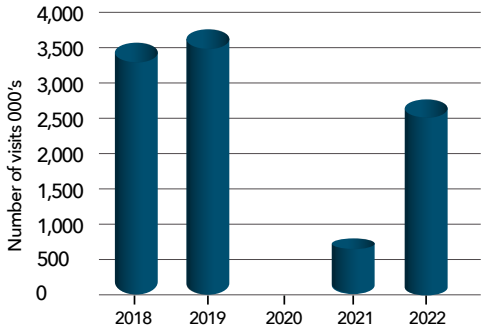
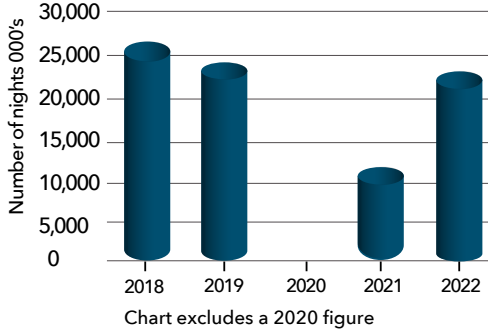
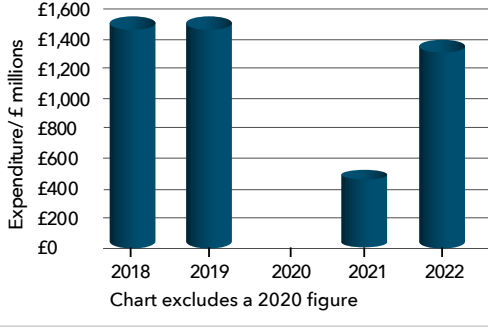
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TOURISM

The latest data on tourism shows that international visitors returned to the Midlands in their millions in 2022, a bounce back from the very low tourist possibilities in 2020 and 2021 due to Covid-19. The number of international visits (2.6m), the number of nights stayed by international visitors (23.54m) and international expenditure (£1.4bn) all recovered relatively well in 2022, but still remain below levels reported in 2018 and 2019.

Theme	Indicator	2018	2019	2020	2021	2022	Trend	Comparator (regions)	Commentary
Tourism	Number of International Visits ⁸	3.46m	3.63m	584,940 <i>Q1 Only</i>	665,000	2.60m	 <p>Number of visits 000's</p> <p>Chart excludes a 2020 figure</p>	<p>Midlands: 8.5% of England Visits – 3rd Highest Area</p> <p>London: 52.5% (1st)</p> <p>North East: 1.6% (8th)</p>	<p>Prior to the Covid-19 pandemic, annual figures show the number of visits to the Midlands from overseas visitors had increased from 3.46 million in 2018 to 3.63 million in 2019.</p> <p>However, there were 584,940 international visitors in Q1 2020 only which is significantly lower than 795,050 international visitors in Q1 2019.</p> <p>However, the latest data shows for 2022 that international visitors to the Midlands is starting to rebound.</p>
	Number of Nights Stayed by International Visitors ⁸	26.34m	24.42m	3.90m <i>Q1 Only</i>	10.43m	23.54m	 <p>Number of nights 000's</p> <p>Chart excludes a 2020 figure</p>	<p>Midlands: 10.4% of England Nights – 3rd Highest Area</p> <p>London: 45.5% (1st)</p> <p>North East: 1.9% (8th)</p>	<p>Prior to the Covid-19 pandemic, annual figures show the number of nights stayed in the Midlands by international visitors decreased from 26.34 million in 2018 to 24.42 million in 2019.</p> <p>There were 3.90 million nights stayed by international visitors in Q1 2020, lower than the 4.32 million nights stayed in Q1 2019.</p> <p>However, the latest data shows for 2022 the number of nights stayed by international visitors is increasing again.</p>
	International Expenditure ⁸	£1.52bn	£1.51bn	£201.27m <i>Q1 Only</i>	£427m	£1.38bn	 <p>Expenditure/£ millions</p> <p>Chart excludes a 2020 figure</p>	<p>Midlands: 6.1% of England Expenditure – 4th Highest Area</p> <p>London: 62.5% (1st)</p> <p>North East: 1.4% (8th)</p>	<p>Prior to the Covid-19 pandemic, annual figures show the expenditure spent by international visitors in the Midlands decreased from £1.52bn in 2018 to £1.51bn in 2019.</p> <p>In Q1 2020 alone, £201.27m was spent by international visitors, a decrease from £244.16m in Q1 2019.</p> <p>However, the latest data shows for 2022 that expenditure by international visitors is increasing again.</p>

⁸ONS/VisitBritain, International Passenger Survey, 2023. Data is not fully comparable across the scorecard due to data availability, however RAG rating has been applied as Q1 2020 is compared to Q1 2019.