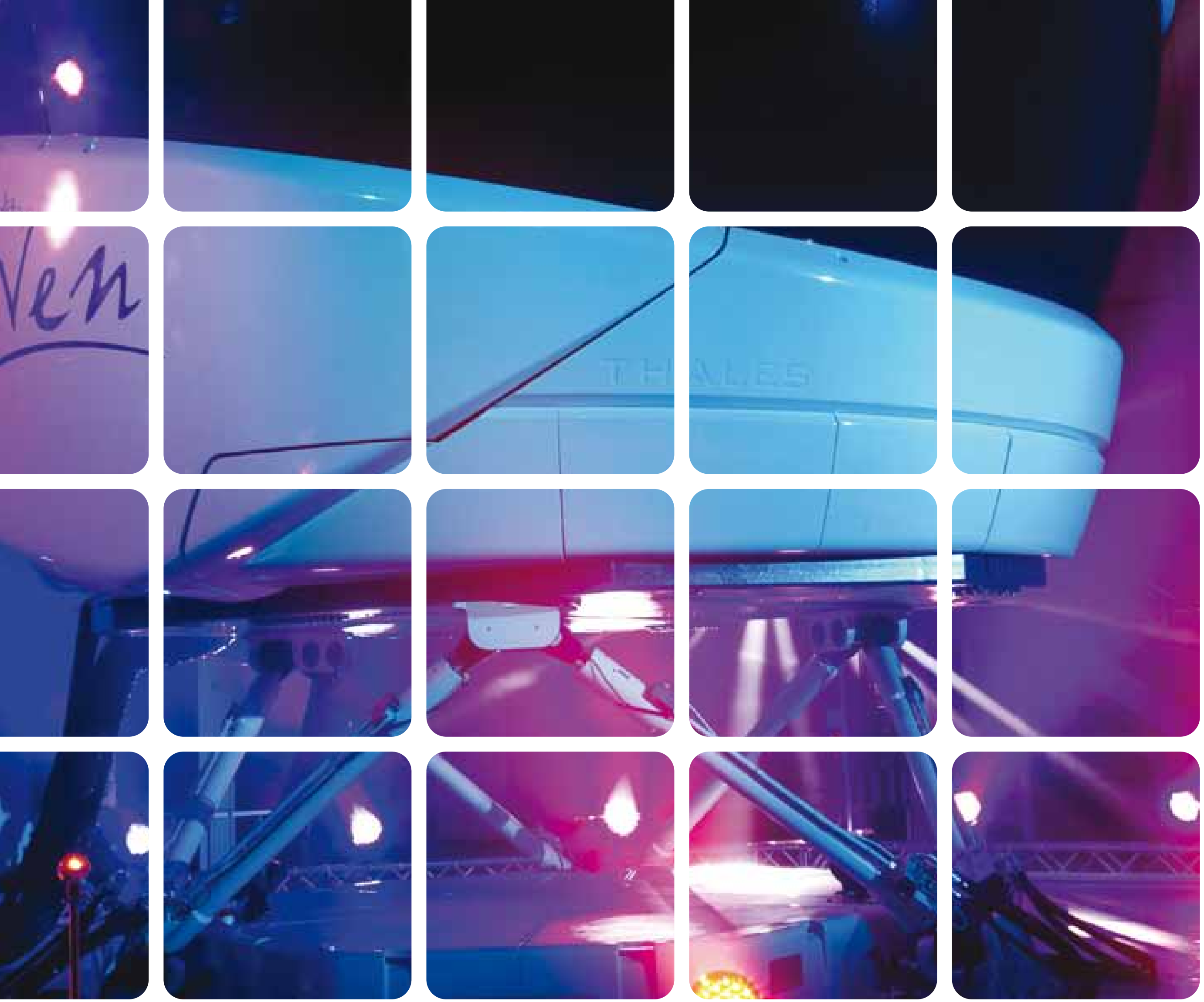


# SEEDA AND UKTI ANNUAL REVIEW INTERNATIONAL BUSINESS SOUTH EAST 2008–2009

SEEDA SOUTH EAST ENGLAND DEVELOPMENT AGENCY
Working for England's World Class Region

UK TRADE & INVESTMENT

# CONTENTS



Front cover: Thales UK aircrew training simulator. Image courtesy Thales.

# INTRODUCTION

The global economy is experiencing a recession unprecedented in recent times, creating significant challenges for our region and businesses. So, I am proud to congratulate the South East England Development Agency (SEEDA) and UK Trade and Investment (UKTI) teams on our best year ever in winning successful foreign investment into the South East of England and on supporting an impressive increase in exports of nearly 16%.

International trade and investment has always been critical to the performance of the South East and one of the most important economic drivers of our world-class region. Now more than ever before, we need to ensure that we are attracting the world's best companies to the South East and, working with these businesses, provide the support they need to emerge from the recession able to take full advantage of the upturn when it comes.

In response to these challenges we must ensure our support reflects the needs of business and so SEEDA's vision is to be the best economic development agency a top global region could have, offering expert interventions, expert deal-making and expert strategic advice to business and our partners.

This year our team in Guildford and around the world attracted 90 new companies to the South East, against a target of 70 project wins, up by 17% on last year and will create or safeguard some 3,900 jobs over the next 3 years. This is an excellent return on investment for the region at a time when investment flows globally have declined so sharply over the last 12 months. Indeed, the Impact Evaluation Report of Regional Development Agency (RDA) Spending, undertaken by Price Waterhouse Coopers last year, confirmed that every £1 spent by SEEDA between 2002–07 on business support generated a Gross Value Added (GVA) return to the South East economy of £17.00.

We will continue to focus our work in support of strengthening international competitiveness, leading high-growth innovation and increasing productivity. This is underpinned by the very best economic intelligence. A sharp focus on the key business sectors and clusters within the South East will lead us out of recession, into economic recovery and beyond.

I am delighted that the continued close working relationship between SEEDA and UKTI has delivered such positive results for businesses and the South East, exceeding all key performance targets against a back-drop of deepening recession and really challenging times for the region and for the UK.

The South East remains one of the most attractive locations for the world's leading companies even in such a difficult operating climate. These excellent results highlight the unique strength of our region for successful businesses.

These are demanding times and from a position of global strength SEEDA will continue to put supporting international companies at the heart of everything we do.

Pam Alexander
Chief Executive Officer, Seeda

"expert interventions, expert deal-making and expert strategic advice"

# EXECUTIVE FOREWORD

2008-09 has been a record year for SEEDA with a total of 250 inward investment projects into the region. By working closely with UKTI, and our network of partners across the region, we have been actively involved in 90 investment projects which forecast to create and safeguard 3,846 jobs over the next 3 years. This represents a 17% increase on our project successes from the previous year.

The South East continues to be the largest exporting region in the UK with total value of exports at just over £40bn in 2008-9 and, impressively, the region's businesses posted the largest increase of all the English regions with exports up 15.7%. We are delighted to report that our trade team supported over 1,000 South East businesses in accessing new market opportunities overseas over the same period, more than ever before.

We reviewed our domestic and international marketing to reflect the changing needs of our customers, selectively targeting businesses in the region that are best placed to withstand the economic downturn. In parallel, we have been targeting geographic markets that have been able to demonstrate sustained demand for products and services.

This is a significant achievement by the SEEDA Inward Investment and UKTI South East Trade Team and a true reflection of the great talent, creativity and climate of innovation and entrepreneurship that exists in the South East.

A report recently published by *FT Business* stated that foreign direct investment (FDI) flows declined by 21% in 2008 and the *Economist Intelligence Unit* forecast a further 49% decline in FDI flows in 2009. Despite this global decrease in FDI flows and increasing competition for high-value investment projects, we are maintaining our share of inward investment. We are a leading region in Europe for high-value, technology-driven investment as international companies still regard the South East as a world-class location for achieving their full business potential.

Although some companies have placed investment decisions on hold, awaiting more market security, others have spotted the unique opportunities that investing in a downturn creates – access to fresh skills, access to greater support services and access to high-grade property at low-grade prices.

The South East is home to over 5,000 foreign-owned enterprises, representing less than 2% of the region's business base. However, overseas companies make a significant contribution to the region's economy, generating a regional GVA of £45.5 billion, which is roughly 27% of the regional total. Given the significant contribution of these to the region's GVA and employment it is vital that we continue to work with existing investors to ensure they maintain and grow their investments here.

The relationship between SEEDA and UKTI remains very strong. There are many examples of successful collaborative working across the network with UKTI still providing SEEDA with approx 50% of inward investment project leads. 76% of the project successes are a result of joint SEEDA and UKTI collaboration.

**90 investments**

**3,846 jobs**

**1,000 South East businesses helped**

Working in partnership with UKTI and our partners, we have also developed and expanded our targeted investor development programme to build long-term strategic relationships with key investors in our region.

In conclusion, the teams have delivered against all key performance targets in a difficult operating climate that few would have predicted just 12 months ago. Inward investment and international trade will continue to be vital to the region's future recovery. Although the coming year will be challenging, we are confident that we will continue to give businesses the support they need to emerge from the recession stronger and more competitive when the upturn comes.

Jeff Alexander

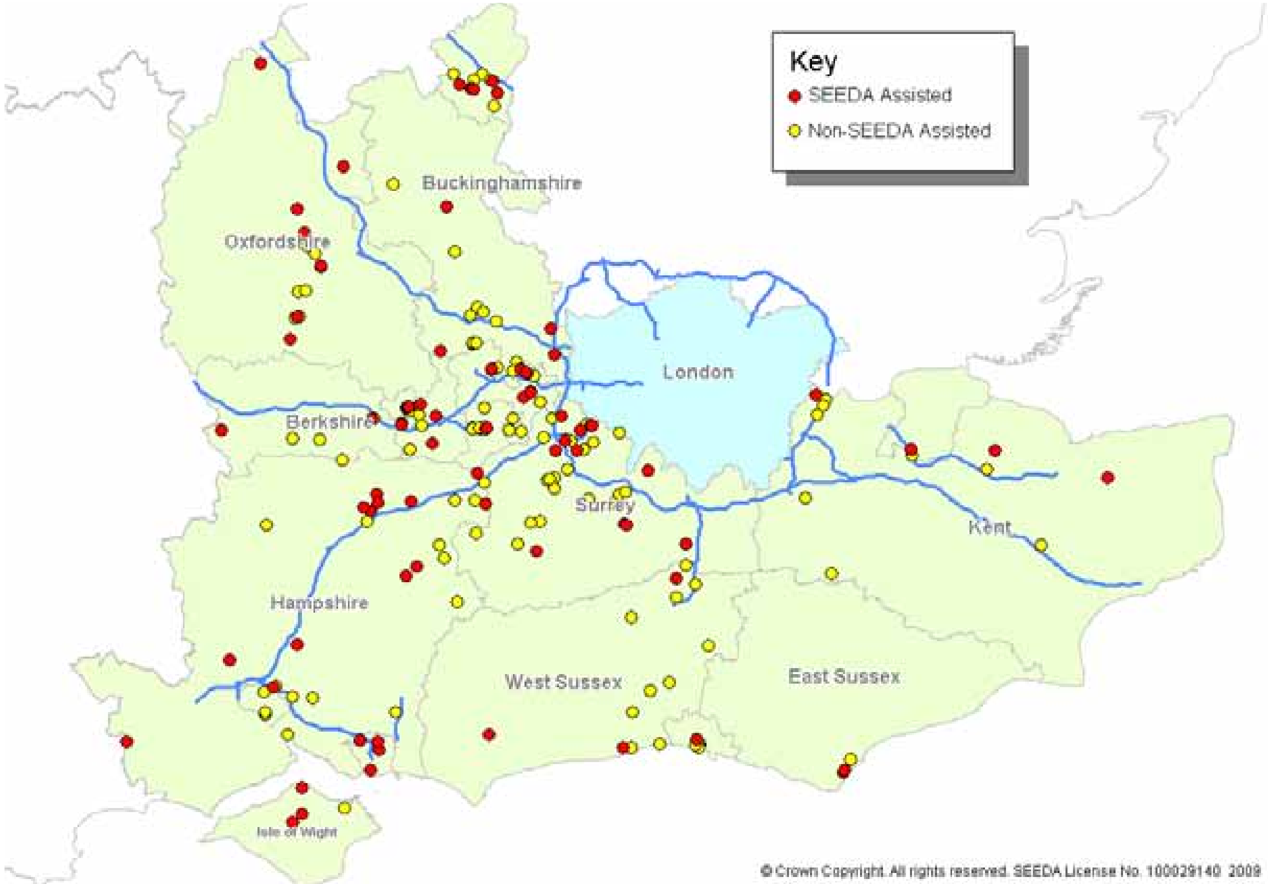
Executive Director,
Competitiveness & Growth,
SEEDA

Lewis Scott

Regional Director – International
UKTI South East

# HOW DID WE DO?

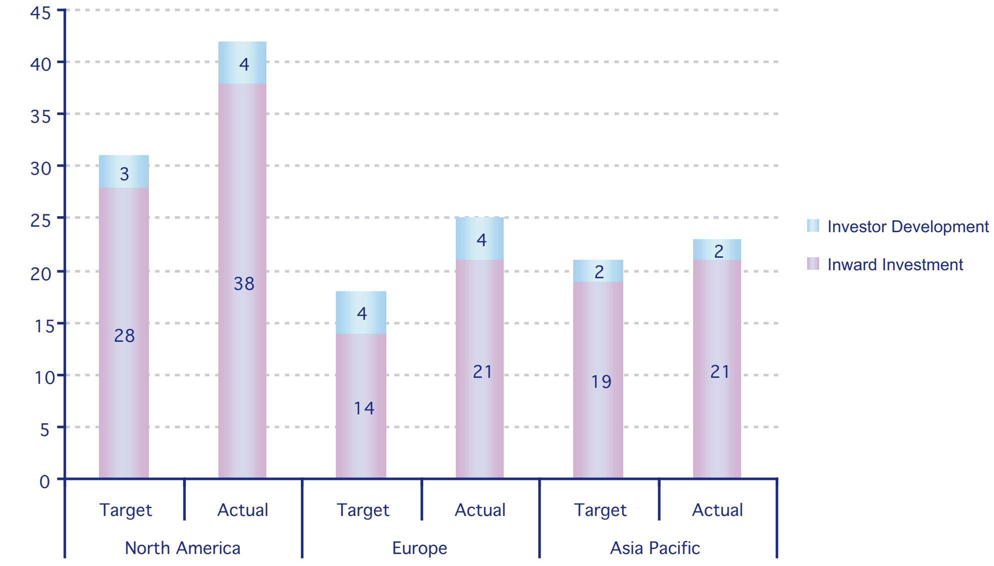
The South East attracted 250 international investors in 2008-9, up from 220 the previous year. SEEDA's international teams are proud to have not only met, but exceeded, our annual targets, assisting 90 investments in creating and safeguarding 3,846 jobs over the next 3 years, a 17% increase.



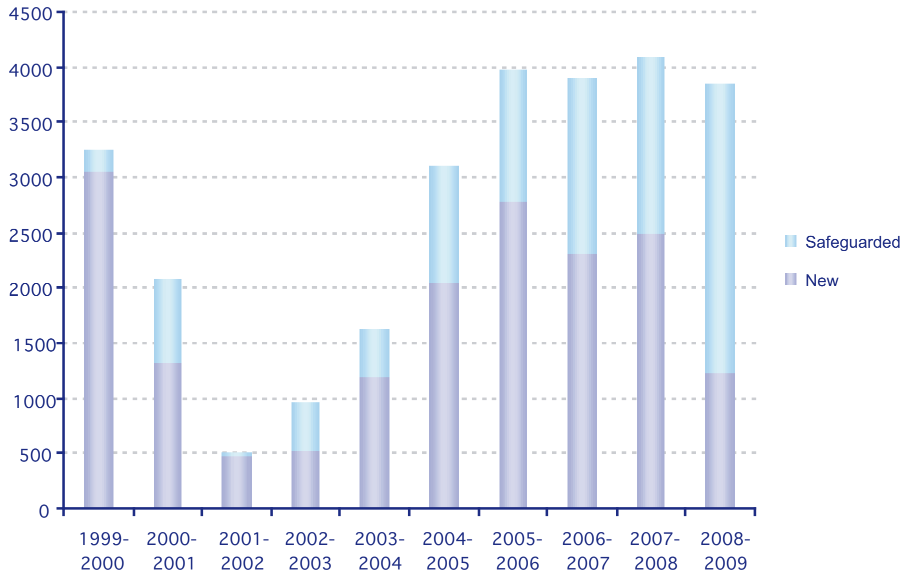
Not only have we exceeded our UKTI project and job targets by 29% and 20% respectively, we attracted more investments into the region than ever before.

SEEDA has continued to focus on investments that generate quality, not just quantity, with 83% of all the projects that we assisted in 2008-9 contributing to the knowledge-driven economy.

Target and actual success by region



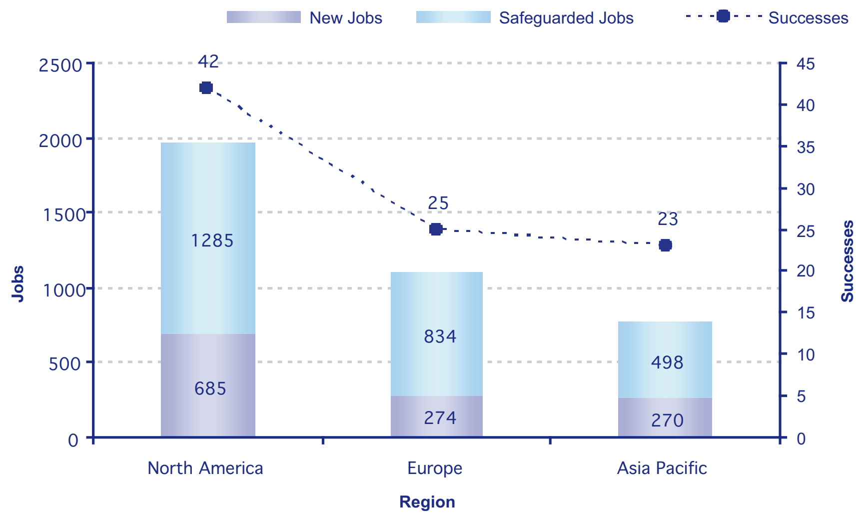

New and safeguarded jobs by year




**74 jobs** created or safeguarded **every week**

North America continued to represent nearly half of all investments into the South East, with a relatively even split of remaining inward investment between Europe and Asia Pacific.

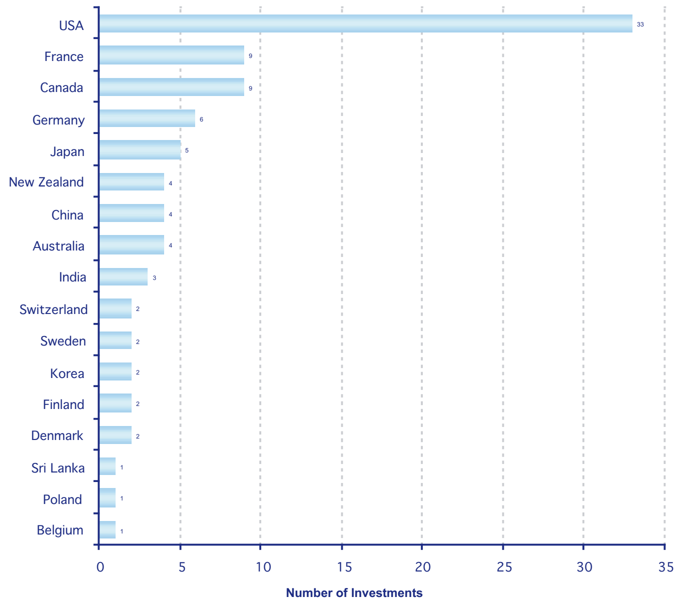
## 2008-2009 Investment summary




# We helped **1 new investor** set-up **every 4 days**

The US remained our largest source of investment. Canada and France both contributed 1 in every 10 investments and Germany 1 in every 15. Although 3 out of the top 4 source markets have remained the same over the last 3 years, Australia's drop from prominence, 2nd last year, is as significant as Canada's rise into joint 2nd place this year.

## Investment by country

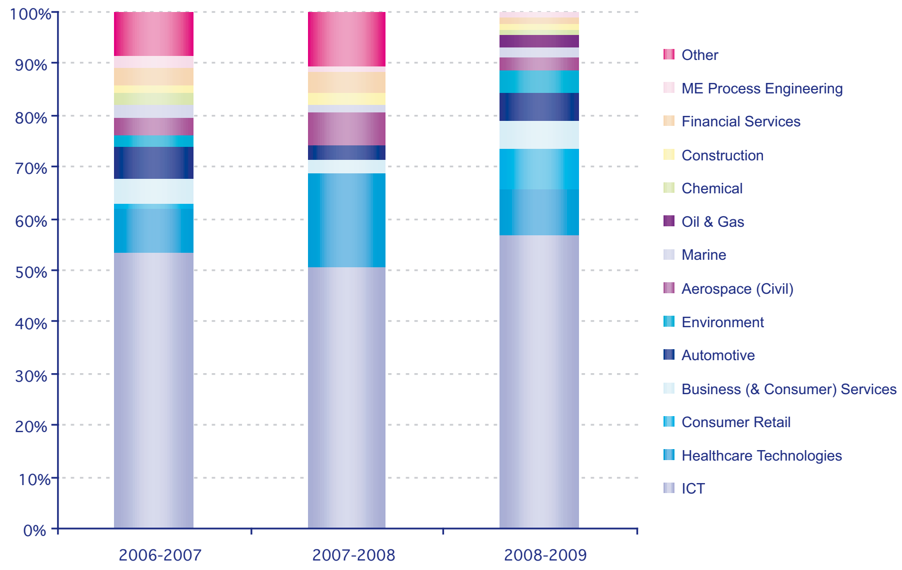



# **Our top 4:** USA, Canada, France and Germany

The South East has traditionally seen half of all investments within the ICT sector, reflecting its world-class skills, expertise and innovation, and 2008-9 was no exception. Project successes in these sectors remained strong, with investments up from 39 projects in the previous year to 51.

The impact of the recession across sectors differed, with some more adversely affected than others. We saw investments into the creative media sector double but, surprisingly, successes into healthcare technology decline by 75%.

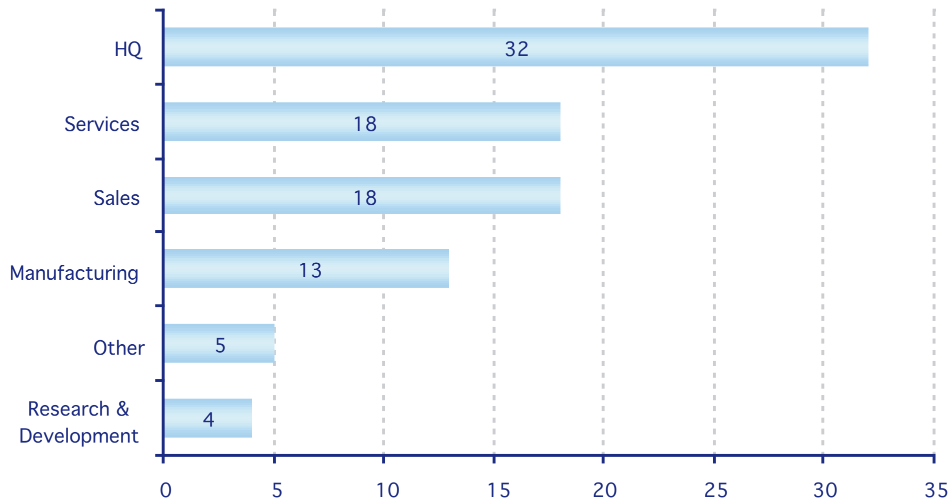
## Investment by sector 2006-2009




**ICT** remained strong, while **creative media** boomed and **healthcare technology** dropped

The South East is a leading destination for European and UK headquarters (HQs) and 2008-9 saw this trend continue with double the number of HQs than the previous year, at 32. However, we saw investment projects declining in sales, services and R&D functions by approximately 6%.

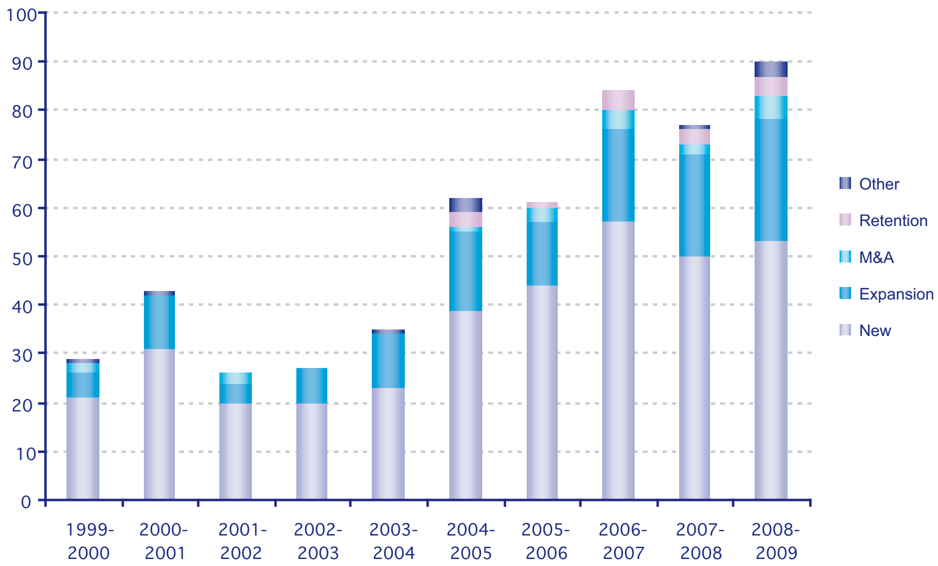
## Successes by function



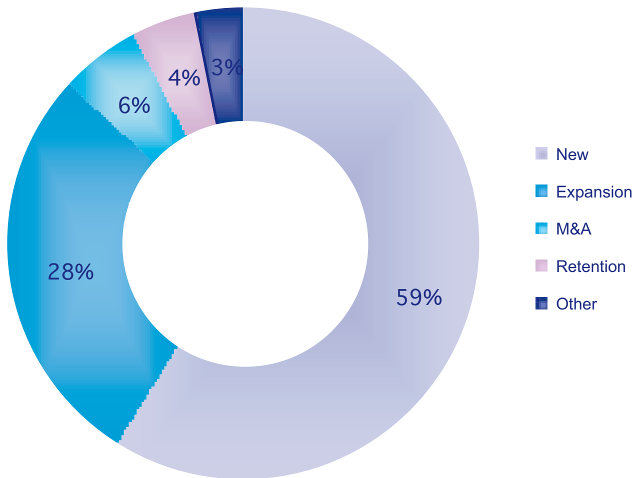

**HQs** double, while **sales, services** and **R&D** drop

The majority of our project successes – some 60% - were from international companies setting-up in the region for the first time, with a further one third either expanding or retaining their operations. Acquisitions, R&D agreements and Business Partnerships together accounted for just 9%, highlighting that our strength still lies in providing support to new and expanding international investors.

Investment types by year




Success by investment type



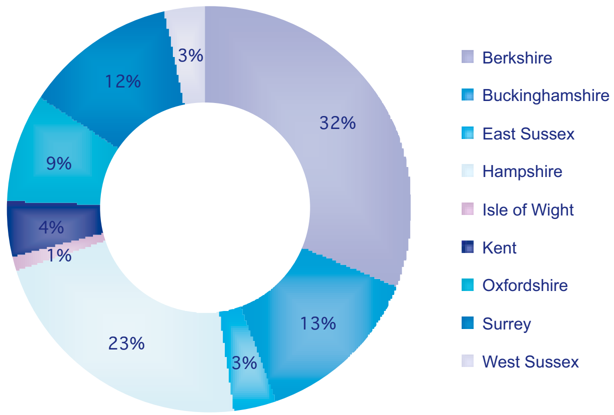

# Our core skill: assisting **new** and **expanding** investors

# **60%** of all companies assisted were new to the region

Berkshire, and the Thames Valley in particular, has been one of the most attractive locations in the UK for foreign investors. The sub-region contributes around 20% of the region's GVA. This trend continued through 2008-9 with 28 assisted investments.

Hampshire's share of the total assisted investments grew significantly over the year to reach 20. Other than a small concentration within the ICT industry, the county showed no real clustering, with a diverse spread across different sectors including automotive, marine and consumer retail. In the same period Surrey, traditionally a popular investment destination, dropped from 2nd to 4th place.

Investments by county

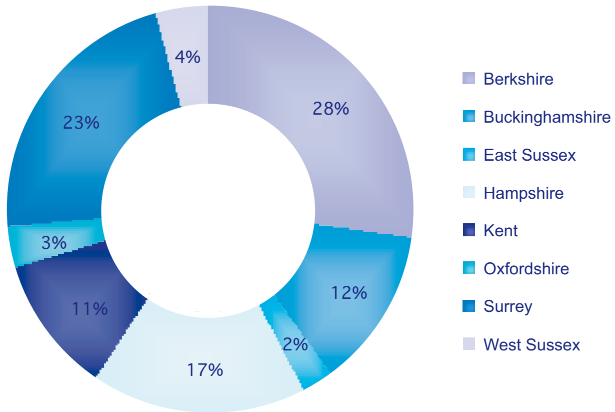



**Berkshire** and **Hampshire** took the lion's share

During 2008-9 SEEDA hosted 135 visits to the region by potential investors. Berkshire was the most popular county, followed by Surrey. Together, they accounted for half of all visits to the region.

These visits formed an important part of the decision making process, enabling investors to see first hand the benefits of locating their business in the South East. Companies were able to meet with knowledgeable SEEDA representatives, who were able to assist them by investigating potential sites, introducing them to prospective partners and business support networks, and discussing recruitment requirements.

Visits by county




**5 potential investors** visiting **every fortnight**

# OUR OVERSEAS MARKETS

SEEDA's global representatives, our eyes and ears in market, have increased their performance and effectiveness over the last year, taking an active role in two-thirds of all our successes. The year has been a challenging one, with some markets and sectors impacted by the financial crisis more than others.

## Market review – North America

We secured 42 project successes from North America in 2008-9 creating and safeguarding 1,970 jobs, an excellent achievement despite a year of instability and economic turmoil across many markets.

The US was, once again, the top performing country with 33 investments over the year, continuing to show particularly strong demand from within the ICT sector.

Canada has risen to joint 2nd place alongside France. Working closely with UKTI we were able to assist 9 investors into the South East, up 350% on 2007-8.

The US market continued to be largely driven by ICT investment, with creative and digital media also showing strong growth with 7 new projects and 1 expansion. Although confidence in the healthcare technologies sector was shaken, the team still managed to secure 4 new investments and 2 expansions. The sharp decline in investment from within this sector was seen across all our target markets.

The UK is still viewed as the number one location for European expansion by US companies. However, competition in certain growth sectors, such as renewable technologies, is increasing and the UK and the South East have to ensure that we can clearly distinguish the strength of the UK offer against competitors such as Germany.

The success of the US overseas representatives has been built on a solid foundation of effective networking within market - not just with clients and multipliers, but also with the US Consulates, UKTI and representatives from other UK Regional Development Agencies. Close collaborative working with both SEEDA colleagues in the South East and the Sector Consortia has been a key factor in the region's reputation as both progressive and innovative in outlook.

Our Target:
**31 investors**
Achieved:
**42 investors**

# CASE STUDY: Pinewood Shepperton



Increasingly, international investment is more mobile than ever before and is taking new and exciting forms. SEEDA is always looking at new ways to attract international investment into the region.

Our highly-successful familiarisation tours, involving Screen South and South East Media Network (SEMN), demonstrate our expertise in making deals happen. From our initial meetings with major film studio executives in the US, we have delivered real investment through showcasing the world-class film production talent and facilities that form the South East's creative offer. Our familiarisation tours of estates and land where filming is positively encouraged allows the studios to see, not just imagine, the opportunities.

This programme influenced Disney to produce The Prince of Persia in the South East's Pinewood Studios, contributing 60% of its budget spend of £120 million to the region. This film alone contributed £1,500 to the South East economy for every £1 that we spent on our familiarisation tours over the last 3 years, the biggest Return on Investment (ROI) of any of our international activities.

The global competition is intense and several of the international companies that SEEDA, Screen South and SEMN supported have openly stated that without our combined promotional efforts they would have invested in film production outside of the UK.

Prince of Persia contributing **£1,500+** for every **£1 spent by SEEDA**

## Market review – Europe

Market conditions have been much tighter in Europe than in recent years and yet we have succeeded in maintaining a high-level of project conversions, culminating in 25 successes over the year generating 1,108 jobs – a 20% increase in project successes on 2007-8.

The drop in value of Sterling against the Euro helped the UK remain an attractive investment destination and it is still seen by many as the most dynamic, open-minded and flexible market in Europe.

France remains the top European investor in the region and 2nd overall for the South East with 9 successes. A strategy of building solid networks between France and the UK through strategic partnering, working with SEEDA's Sector Consortia ensured that, even amid weaker market conditions, the flow of investments remained strong. ICT, creative media and advanced engineering sectors were key for French investment, supported mostly by innovative SMEs that have secured their own private funding and therefore less reliant on the hard-hit capital markets.

There was a consistent level of investment from Germany with 6 successes. The environmental sector still showed strong interest in the UK market with 3 project wins. However, increased difficulties in securing finance for UK wind energy and environmental projects have hindered the flow of additional investment in this sub-sector. The engineering and machine tools industry has been more severely impacted by the financial crisis than most, demonstrating a marked slow down of plans for UK expansion.

The Nordic region performed strongly in 2008-9 with 6 investments. Both the ICT and healthcare sectors remained buoyant across Denmark, Finland and Sweden. The South East remains a leading destination for ambitious Nordic SMEs keen to expand into new markets.


Project source location

Our Target:
**18 investors**

Achieved:
**25 investors**

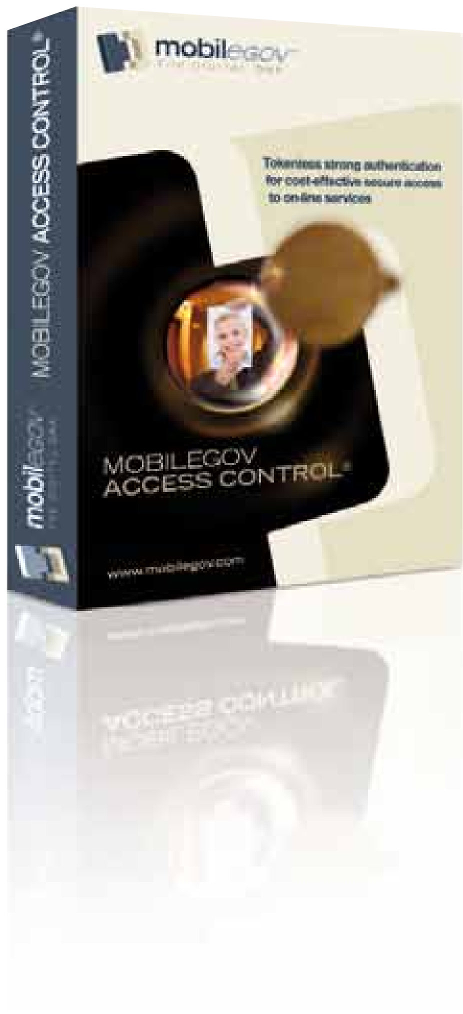
# CASE STUDY: Mobilegov

In 2008, French security software editor Mobilegov opened an office in Reading after receiving support from SEEDA's representative in France, in collaboration with UKTI.

Mobilegov were attracted to the region through the development of a comprehensive support package incorporating the expertise of a wide variety of South East partners, including the Thames Valley Economic Partnership (TVEP), Thames Valley Innovation Network (TVIN), Farnborough Aerospace Consortium (FAC) and the Security Innovation and Technology Consortium (SITC). Mobilegov was introduced to potential partners and clients, as well as receiving advice on creating a communication strategy for the UK market.

Managing Director, François-Pierre Le Page said: "As a leading patented technology owner, we were very strongly encouraged by SEEDA and the Thames Valley Economic Partnership to set up in the UK.

"Like Sophia Antipolis, where we have our head office, the Thames Valley has a large ICT community, and this made our choice easier. We have built a fantastic link with local Government agencies and it is also crucial for the development of our network to stay close to our resellers and partners."




"the Thames Valley has a large ICT community, and this made our choice easier."

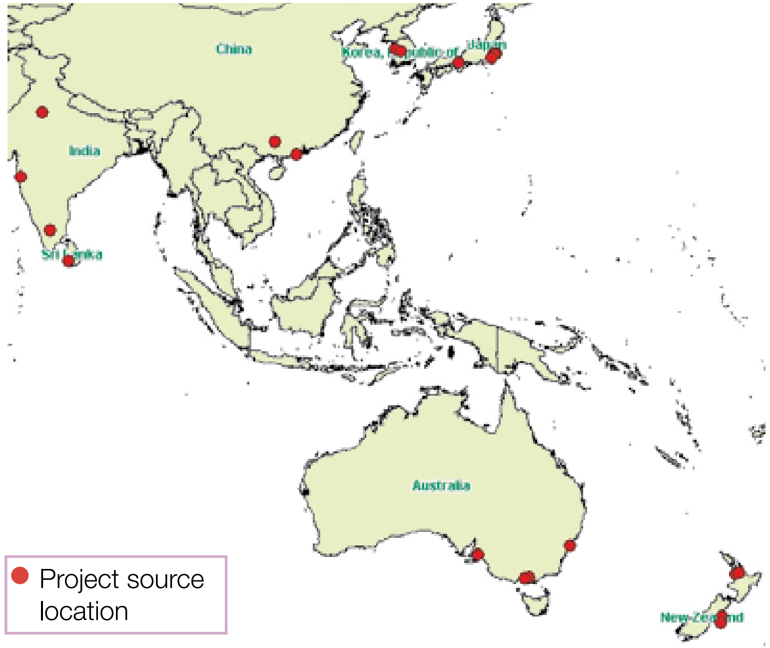
# Market review – Asia Pacific

The Asia Pacific market has been particularly hard hit in the wake of the economic crisis with our core markets of Australia, China, India, Japan and Korea all feeling the impact. Despite a marginal decline in the Asia Pacific share of SEEDA assisted investments, in real terms project numbers remained stable at 23 successes, contributing 768 jobs over the next 3 years.

Inevitably, there were winners and losers, with Australian investment suffering the greatest downturn since 2004-5 when the value of the Australian dollar plummeted, making overseas projects more expensive in local currency terms. After a promising start to the year, with on average 2 successes every month, by July 2008 investor confidence had dissolved, resulting in 8 investments from Australia and New Zealand combined against a total of 13 last year.

Japan's automotive and machinery sectors suffered most from a shrinking domestic and international market, with some companies cancelling or freezing overseas investment plans. Both the electronics and healthcare technology sectors faired better, together producing 5 project successes for the region. The steep appreciation of Japanese Yen also served to encourage some significant Merger & Acquisition (M&A) deals, such as the acquisition of Indian drug producer Ranbaxy Laboratories by Daiichi Sankyo.

Contrary to expectations, Chinese foreign direct investment (FDI) in the UK remained strong, with 4 investment successes – three quarters of these from the telecommunications sector. Project life-cycles were extended and some projects delayed while companies waited for conditions to settle, a situation that gradually changed as financing for "going global" projects became more easily accessible and less restriction was laid on foreign currency exchange.




Despite challenging conditions, we secured 3 investments from India during the year, our first project wins since introducing our representative into the market at the beginning of 2008. Indian interest in M&A activity was evident, with a number of companies taking advantage of the opportunity to gain a foothold in the UK market, such as Tata with their acquisition of Jaguar and Land Rover.

The Korean Won hit a 10 year low against the US Dollar making conditions very difficult for overseas trade and impacting the overall level of investment into the UK. Nevertheless, we successfully assisted 2 Korean companies into the region, 1 in the electronics sector and the other in the clothing market.

Our Target:
**21 investors**

Achieved:
**23 investors**

# CASE STUDY:
# Huawei

One of SEEDA's most exciting R&D collaborations took place this year involving China's largest telecommunications manufacturer, Huawei, and the University of Surrey.

Huawei Technologies is a leader in providing next generation telecommunications networks, and now serves 36 of the world's top 50 operators, along with over one billion users worldwide. The company is committed to providing innovative and customised products, services and solutions to create long-term value and growth potential for its customers.

UKTI approached SEEDA to assist in the identification of world-class wireless technology research being undertaken in the region's Universities. The 5* Faculty of Engineering & Physical Sciences at the University of Surrey presented an attractive partnering prospect for Huawei, demonstrating expertise and commitment in a joint research and development initiative in the area of advanced wireless technologies.

SEEDA took an active role in facilitating introductions between Huawei and the University of Surrey, a joint research initiative that will generate significant benefits for telecommunications R&D in the South East.

HUAWEI

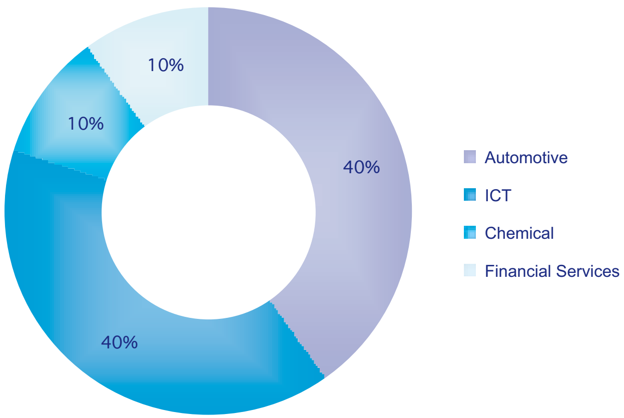
# INVESTOR DEVELOPMENT

Of the 90 international companies that SEEDA assisted in 2008-9, the investor development team was involved in 10 projects with existing foreign companies in the South East creating 143 new and 1,816 safeguarded jobs – 1 in every 2 jobs. Over and above their international agenda, the team also had significant involvement in 5 UK projects.

The nature of the 10 inward investment projects highlights perfectly the flux of market conditions over the year, with 5 expansions, 4 retentions and 1 acquisition.

Working with international businesses is not simply about bringing new companies to the region and helping them expand. It's also about sustainability – continuing to ensure that the right conditions are maintained to help keep them here and, if those conditions fail as we have seen during the recession, to help minimise the personal and business risks resulting.

## Investor development success by sector




The key areas that the investor development team have been involved in over the year are:

- **Innovation** – helping companies tap into the region's research and innovation capability (including universities, other corporates and SMEs)
- **Skills** – ensuring that companies received the support to train and recruit skilled staff
- **New market development** – helping companies access new opportunities to grow their business and diversify into new sectors at home and abroad
- **Cost-reduction** – providing support to companies to reduce their cost base, for example, through optimisation of energy spend

2008-9 has seen some excellent work by the investor development team, whose attention for much of the year was focused on working closely with major corporates experiencing difficulties, ensuring that despite inevitable redundancies, skills were retained or re-deployed in the South East. SEEDA's success depends on working effectively with partners such as Business Link, Learning & Skills Council (LSC), UKTI, Department for Business, Innovation and Skills (BIS), Finance South East, Job Centre Plus, Continuing Employment Support Service (CESS) and the Manufacturing Advisory Service (MAS), to provide a joined-up service for the client.

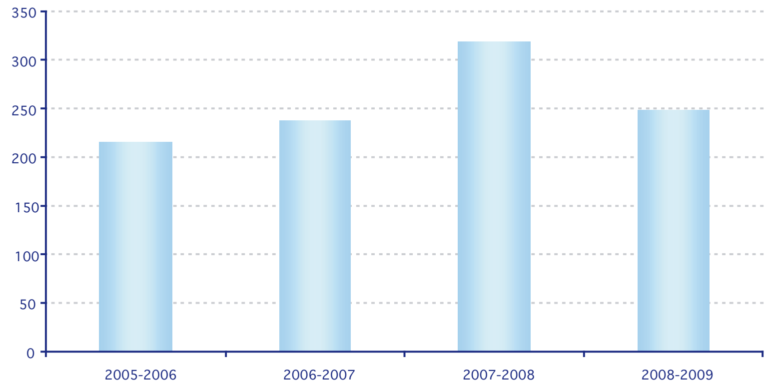
The automotive market, in particular, was affected during 2008-9. Ford Motor Company and BMW, for example, saw a reduction in demand. The region's automotive supply base was also affected by shorter operating hours in other car manufacturers in the UK, such as Honda. The team assisted 4 such supply chain companies in the region. Help included liaising with Finance South East and working directly with banks to facilitate additional lending.

**Investor development** – involved in **1 in every 2 jobs**

# ENQUIRIES

SEEDA responded to 250 enquiries from potential investors in 2008-9. This figure is down from 318 in 2007-8, no doubt as a result of companies being more cautious in their international expansion plans in the current economic conditions.

Enquiries 2005-2009

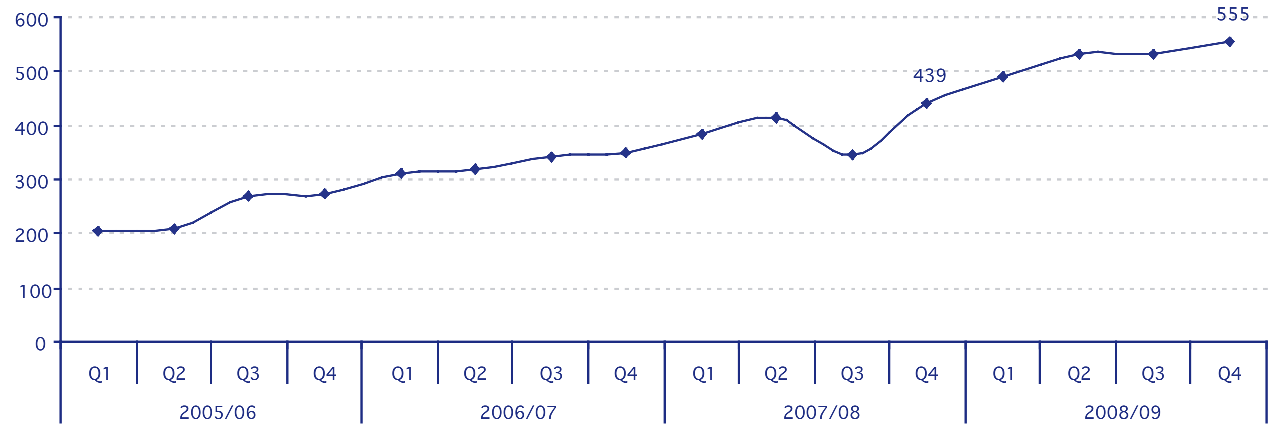



# ACTIVE PROJECTS

Despite receiving fewer enquiries, the active project pipeline remained healthy, showing a steady increase over the 4 quarters of 2008-9, implying that a higher proportion of enquiries are being converted to active projects. The only real drop in active projects occurred in Q3 of the previous year, coinciding with the announcements of collapse from several prominent financial services providers.

At the end of 2008-9 we were working on 555 active projects, compared with 439 at the close of 2007-8.

Active project 2005-2009



# THE OUTLOOK FOR 2009-10

Although clearly there are still challenges ahead as we move through and out of the recession, we are confident that we can continue to build on the success of last year.

Our pipeline of active projects is strong and holding up well and is evidence that by maintaining focus on quality proposals and a quick response time, we are able to maintain our share of inward investment success.

## North America

The pipeline of active projects for year ending 2008-09 and the current year ahead is promising, showing renewed interest from US investors, particularly in the areas of ICT, creative, aerospace & defence, security, healthcare technologies and cleantech.

The West coast is leading on ICT and creative enquiries, but we are also experiencing an upsurge of aerospace & defence, security and environmental enquiries. Canada remains very strong for ICT, biotech and environmental, with a continued upward trend of enquiries coming through.

## Asia Pacific

We are also cautiously optimistic about the forecasts for Asia Pacific, with our China pipeline picking up again after a relatively sluggish 2008-09 particularly in the areas of ICT, bio-pharma, medical devices, aerospace and multimedia industries.

The Korean market is also looking healthy across a variety of industries, although electronics and ICT continue to represent the main areas of opportunity.

The Australian market is also picking up as the value of the Australian dollar rises, leading the way for a healthier pipeline. Similarly, the Indian market has become much stronger since the first signs of improvement in the global economy, with project enquiries once again on the rise.

## Europe

We are confident that the European market will be sustained as the pipeline has shown renewed strength with continued interest from Germany in the environmental technology and ICT sectors and from France in ICT, creative media and advanced engineering (incorporating aerospace, space, marine and security). A number of active projects are on course to complete shortly and the level of enquiries is holding up well.

Our pipeline of **active projects** is strong and holding up well

# EXPERTS IN – interventions, deal-making and strategic advice

Cross-organisational working and expert interventions, expert deal-making and expert strategic advice is at the heart of SEEDA's service offering to clients. The following examples describe just some of the best-practice ways in which we have shared our expertise to benefit the South East and the international companies that comprise it.

## Ford assembly plant, Southampton

Working alongside a number of local partners, SEEDA used its extensive advisory network to provide valuable support to the management team at the Ford Plant in Southampton this year. On learning of the possibility of closure if a bid to win a new model for the plant was not successful, our investor development team worked with Ford to help re-skill and re-deploy a workforce of 1,100 employees, as well as 200 employees of Penske and Hamtons, 2 key supply chain companies working onsite at the plant.

Although Transit production was due to cease at the Southampton plant in 2011, SEEDA assisted the local management team in building a strong business case for Ford to continue to invest in the plant for a follow-on product to Transit. An internal letter from John Flemming, Chairman and CEO of Ford Europe, stated "I would also like to re-confirm that it is our plan to build Chassis Cab for the new Transit in Southampton plant".

SEEDA assembled a cross-organisational support team capable of responding to the needs of Ford, incorporating the expertise of the Learning Skills Council (LSC), Train to Gain, Job Centre Plus, key local training providers, Business Link, Southampton City Council and Eastleigh Borough Council.

An Open Day was held where access to a specially set-up Information Centre and 1-2-1 advisory sessions were offered to all 1,100 Ford plant employees, as well from the 2 onsite supply chain firms, enabling them to make an informed decision whether to accept a voluntary severance package from Ford.

More than 500 Ford plant employees indicated that they wished to accept the offer, so enabling the plant management to re-profile, up-skill and retrain the 600 remaining staff to continue Transit production until 2013, when the Chassis Cab is planned to be introduced.

Having re-skilled employees ready to work on the Chassis Cab was a key factor in the decision.

# SEEDA France – partnering for success

SEEDA's inward investment strategy in France is a prime example of our expertise in building long-term partnerships for business. It focuses on building relationships between the South East's Sector Consortia and strategic French industry clusters, creating platforms for SMEs from both the South East and France to collaborate. This has opened-up new opportunities for joint research and skills development programmes and enabled SMEs to come together to develop supply chain solutions.

This strategic partnering approach has resulted in the creation of a valuable relationship between Farnborough Aerospace Consortium (FAC) and 3 major aerospace clusters in France. Security Innovation and Technology Consortium (SITC ), the new security sector consortium in the South East, was also introduced to French IT security clusters in Paris and in the South of France as part of this programme, resulting in agreements to explore opportunities for collaboration.

South East Health Technologies Alliance (SEHTA) collaborated with the French Association of Innovative SMEs on a pact which commits to supporting innovative SMEs, through identifying British companies that could potentially undertake research for large corporates. SEEDA France is also poised to secure a major FP7 project (European R&D project) between Marine South East and the 2 largest French marine clusters.

Business relationships are also currently being built between the South East Media Network (SEMN) and the largest media cluster in France, based in Paris.

In **good times** and **bad, strategic partnerships** are the way forward

# Launchpad



The year brought fresh challenges to SEEDA regarding how best to attract and support international companies who were still keen to enter the UK market for the first time, but with minimal risk.

Our answer: Launchpad

Principally targeted at small and medium-sized innovative and high-growth investors, Launchpad is our softlandings initiative offering an assisted package of support to enable international companies to establish themselves in the South East quickly, easily and at low cost.

Working with a range of partners, including Locate in Kent, Business Link and START, we have demonstrated our expertise in deal-making through combining essential support services from qualified professionals with attractive business accommodation - at little or no cost to the investor.

No other RDA is offering such comprehensive free support, which ranges from legal, banking, accounting and funding advice through to marketing, recruitment and diagnostic services. Fully furnished office space for 1 person upwards is offered rent free for 6 months, with free shared broadband and free telephone handsets and line rental.

The feedback has been extremely positive with investors welcoming the flexibility of the scheme. As a result of this keen level of interest we are now planning further softlanding zones across the South East.

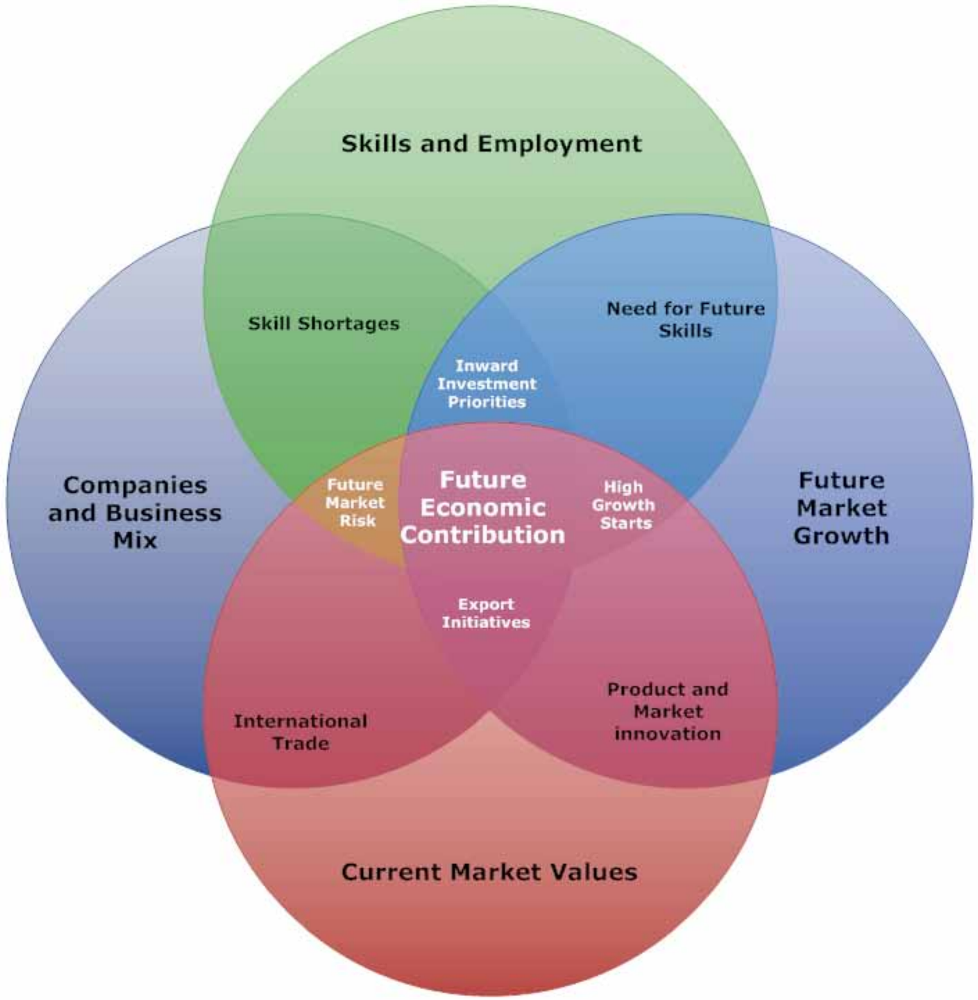
# Global Opportunities research

Expert interventions, expert partnering and expert deal-making all need to be backed-up by expert strategic advice. We place real emphasis on providing in-depth, current market intelligence to support not only our internal strategic decision making, but also that of our international clients.

In 2008 we commissioned our Global Opportunities project, one of the most extensive and ambitious market research exercises of its kind – to map the South East's core sectors and sub-sectors against global, national and regional competition.

The research focuses on 4 key measures - sales, employment, company count and growth - and applies these to our 7 priority sectors – marine, security, healthcare, built environment, creative media, environmental and aerospace. Employing a Top-Down/ Bottom-Up approach, it analyses regional strengths, export opportunities and inward investment needs.

Global Opportunities has already proved invaluable for benchmarking the future strengths and weakness of the South East on a regional, national and global scale and will be instrumental in informing the future direction of our international business strategy.

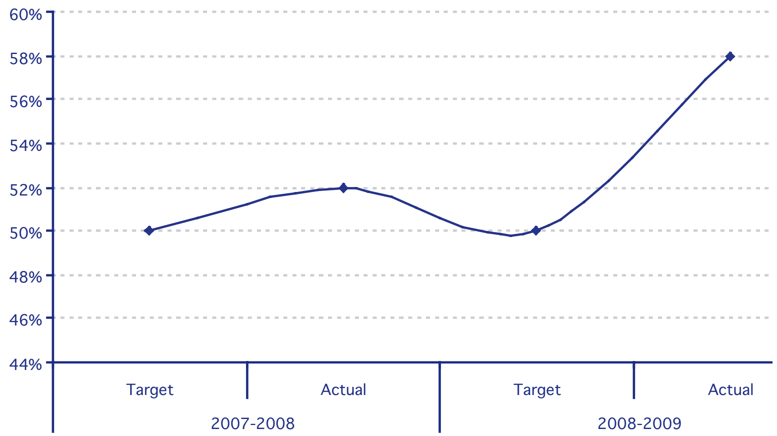


# UKTI SOUTH EAST TRADE SERVICES

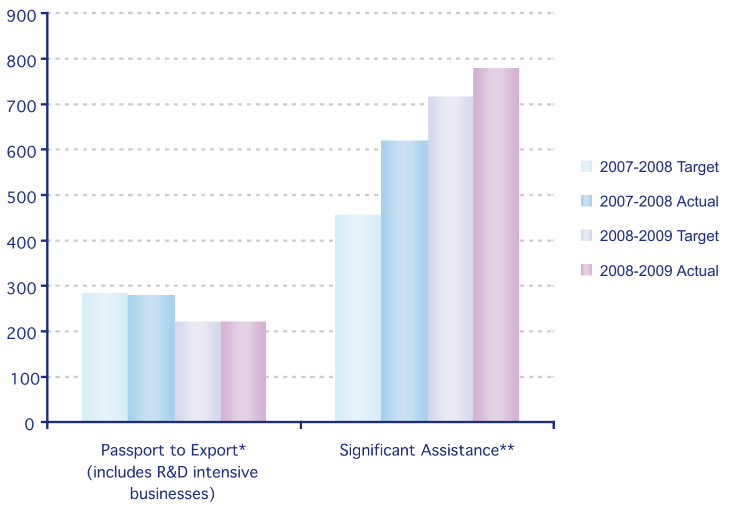
At the start of 2008-09, UKTI South East appointed South East Trade and Investment Ltd, an operating arm of Greater London Enterprises (GLE), to deliver trade services on behalf of UKTI to companies based in the South East region.

Throughout 2008-09 our main focus was to deliver high quality international trade support to innovative growth businesses. We engaged in new projects with over 1,000 businesses, helping them identify and access new opportunities overseas. 58% of our clients reported improved business performance as a direct result of our support.

## Improved business performance




"We helped **1,000** businesses access new opportunities overseas"

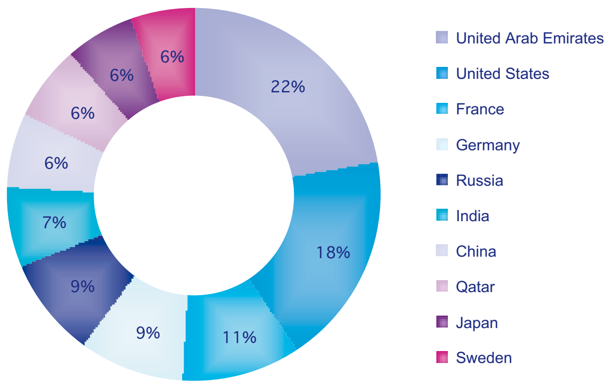



*Passport to Export is an intensive support package aimed at helping new and inexperienced exporters develop and implement an export strategy. We specifically target R&D intensive companies with the Passport to Export offer.
** Significant Assistance is the support intervention that we provide to help more experienced exporters to enter new markets.

# TOP TEN TARGET MARKETS

Our programme of events, supported missions and workshops are customer focused and based on where we think our support can make the most difference.

## Enquiries by country



# UAE AND QATAR MISSION

During the current global downturn clients have realised that many traditional export markets have lost considerable impetus. The credit crunch, combined with depressed energy prices, has of course also impacted the Gulf Region (notably Dubai). Nevertheless there are still opportunities in most of the Gulf Region states; which UK exporters ignore at their peril since many of our competitors are now aggressively entering these markets.

We took a group of 18 South East companies to UAE and Qatar in February 2009. Client feedback was overwhelmingly positive:

## Janice Margaret Halsey, Kingston University

“This visit was a useful opportunity to follow up with tentative educational partners in Dubai and to visit Doha for the first time to meet possible partners and make contacts generally. It was excellently organised and a supportive way to visit the markets and gain knowledge of the area.”

“I managed to link up with more appointments than would have been possible without the mission and gained a greater insight into the regions and possibilities through the UKTI visits than I would have been able to do on my own. The UKTI team went out of their way to spend time with each one of us and make sure that we were getting the most out of the visit. I would certainly join another UKTI market visit if available and appropriate. This was my first experience of UKTI market visits and the support was excellent.”

## Sue Anderson, Sue Anderson Consultants

“Rosalind, Dermot and Les, were excellent leaders of the UKTI Trade Mission to Dubai and Qatar, the organisation and efficiency, the professionalism and care that they took was amazing. Without doubt they made the in-country introduction as smooth as possible. The support that the British Embassy teams in both Dubai and Qatar provided was very impressive and creates a lasting impression of both countries.”

## Matthew Jennings, Spark Training

“It was a good experience to be part of a mission as we attended an HSBC hosted event and spent time talking with the experienced trade advisors as well as the other delegates.”

Over the next 2 to 3 years the Trade team will continue to focus resources on these potentially lucrative territories, which have now become our clients’ most popular Market Visit destination.

# WORKING WITH PARTNERS

SEEDA and UKTI South East formed a joint International Marketing Unit in 2008 and additional funding of £150k to UKTI South East for a programme of support for companies to mitigate the economic downturn. The Joint Marketing Unit will work on collaborative initiatives and identify opportunities for working more effectively with partner organisations in the UK and overseas as well as ensuring the Trade support offer becomes an integral part of the offer to inward investors.

In response to the global downturn the Trade team ran a series of 5 Survive and Thrive events, attracting 150 SMEs, across the region in collaboration with Business Links, HSBC, Finance South East and the Manufacturing Advisory Service. UKTI also published a booklet providing top tips to help companies survive and win new business in difficult times.

The Trade team has also been working closely with other business support organisations, such as the CBI and Institute of Directors, to ensure their members have access to our services. To this end we agreed that UKTI South East would act as the trade delivery arm of the South East branches of these organisations and have engaged in several joint marketing activities and events.

UKTI work in the security sector in India is one example of how we have responded effectively. We have developed a programme of events and activities in the year ahead targeting the security sector where the region has some world-leading technologies.

# TOP SECTORS

SEEDA and UKTI South East continue to jointly fund the successful International Trade Sector Programme delivering direct support services to businesses.

Our advisers support all the key sectors of the region and work closely with UKTI's sectors division, the SEEDA funded Sector consortia and other sector focused business support organisations such as trade associations. We supported over 500 businesses in the following sectors, over 88% of which can be described as innovative:

- Aerospace
- Advanced Engineering
- Healthcare and Bioscience
- Media and creative
- Built Environment
- Security
- ICT
- Marine
- Food and Drink/Agribusiness
- Education and Training

80% of businesses supported during the year said that the services they received were good or excellent.

"**80%** of businesses supported during the year said that the services they received were good or excellent"

# CASE STUDY: **Media** – Global Digital Broadcast

Brighton-based Global Digital Broadcast (GDBTV) was established in 2005 and provides technical services that enable broadcasters to deliver Internet Protocol Television (IPTV) to viewers around the world. The company is now on the verge of conquering the Indian market thanks to support and guidance from UKTI South East.

Realising the global potential of his product, David Wray, co-founder and co-director of GDBTV, attended a two-day workshop as part of UKTI's Passport to Export scheme. Earlier this year, the company also commissioned a UKTI Export Communications Review, which provides an on-site evaluation of the way a company communicates with its overseas markets. It focused on a review of the GDBTV website, written materials, personal meetings with customers or agents/distributors, and general administrative issues.

David said: "UKTI's Teri Carnegie has provided ongoing support and advice in relation to international business which, of course, constitutes a large part of our company's network facilitations and revenue. For example, I have had some workshop training in international commerce and exports, which has enabled me to form a more streamlined strategy in dealing with overseas clients."

Teri said: "GDBTV is a very young and innovative company, and the past 12 months has been a time of high growth for them. The team is very enthusiastic and determined, and this shows in the results they are achieving. They are now working with several countries throughout the world and I am sure that the coming months and years will see a surge of global interest in their products."

Teri also arranged for David to attend an innovators' reception at 10 Downing Street, where he presented their Educast product to Gordon Brown.

"...on the verge of conquering the Indian markets thanks to UKTI South East"

# CASE STUDY: **ICT** – Arieso

Arieso has developed a software programme that not only helps mobile phone operators reduce costs and increase return on capital investment by maximising use of existing masts, but helps maintain and preserve the landscape by saving the construction of new masts.

“UKTI have been great to work with,” says Paul Turner, Vice-President, Global Operations. “They have the infrastructure and can provide support to small businesses. They helped us to attend the 3GSM event in Barcelona, and organised everything for us.”

The help was not only in Europe. With UKTI assistance on a trip to Macau, Paul was invited to speak to prestigious invited guests with whom a small business would otherwise have found difficult to get an audience. As a direct consequence of this UKTI support, Paul has now been invited to visit Taiwan to meet the operators there. Recently, Paul also had the opportunity to speak to a delegation of leading mobile phone operators in China, who were visiting London.

The future certainly looks bright for Arieso. They are experiencing revenue growth of over 100%, year on year, and now have the backing of supportive investors.

“**UKTI** have been great to work with”

# CASE STUDY: **Education and Training** – The Victoria Chart Company

The Victoria Chart Company was founded in 2003 and, five years on, is causing a tidal wave of interest across continents. It produces the Encourage & Praise range of children's Reward Charts that are fast-becoming a "must have" item in family homes.

Based in Sevenoaks, Kent, the Victoria Chart Company now offers a variety of products that it sells throughout the world.

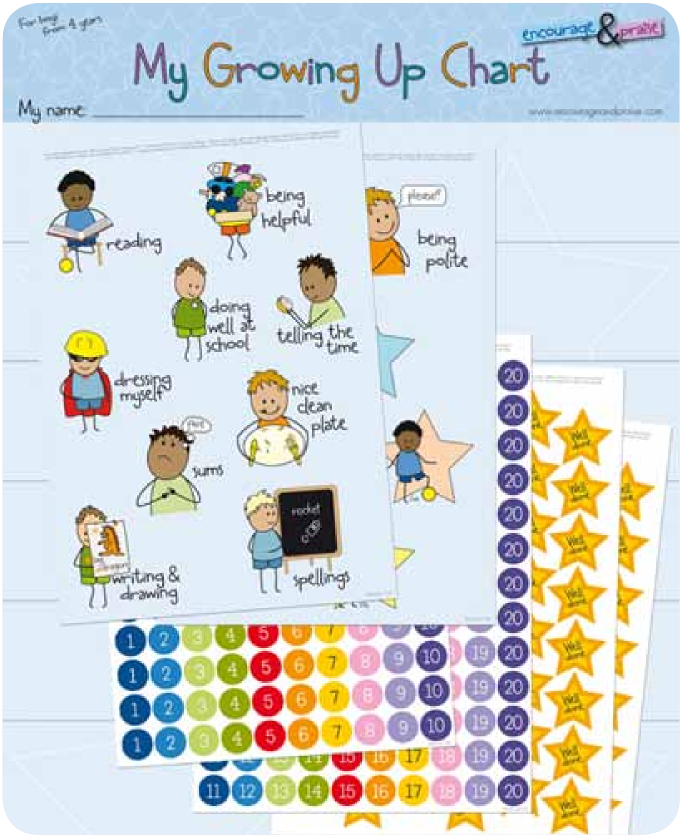
After much interest from abroad, Victoria's ambition to expand her business led her to contact UKTI South East about its Passport to Export scheme, which provides fast-track support for SMEs, helping them open the doors to international trade and become successful exporters.

Victoria's passion for overseas trading was first ignited when she attended a two-day Passport to Export workshop.

"The course was hugely beneficial," said Victoria. "It showed me the complexities and benefits of trading overseas. It made me confident that I would be able to reach and supply families in English-speaking countries with similar cultures. However, I was well aware that I needed ongoing guidance and support, which is where my UKTI International Trade Adviser (ITA) came into play."

Thanks to UKTI's Overseas Market Introduction Service (OMIS), Victoria could tap in to regional knowledge and access the best country and sector-specific business advice to assist with exposure ahead of the launch of her charts.

But for Victoria it doesn't stop at the UK, Australia and New Zealand – the company is now looking to break into the US market, and talks are under way to source a suitable distributor and retailers.




"**UKTI** provides fast track support for small and medium-sized businesses"

# CASE STUDY:
# **Healthcare** – Star Syringe

Star Syringe is a medical innovation company that aims to protect people through better, low-cost, sustainably produced, basic healthcare equipment. Their non-reusable syringe is extremely cheap and, because it has been designed so that it cannot be re-used, has played a significant role in the fight against the spread of HIV and other diseases in some of the poorest countries on Earth.

As a company focused exclusively on export markets where the need for their products is greatest, and reliant on overseas manufacturing under licence, market intelligence is a priceless commodity, particularly where potential new markets are concerned. As a specialist in its field, Star Syringe has accumulated considerable knowledge about its business. However, even the most consummate professionals can benefit from outside assistance, occasionally.

In the case of Star Syringe, this came from Carolyn Bentley and Les Plant, International Trade Advisers. The advice that Les, in particular, has given Star Syringe is based on wide experience, giving the company the dual benefit of a trade sector adviser who has specialist knowledge of the healthcare industry from his days in private business.

Star Syringe has also taken advantage of UKTI services such as OMIS, which has dovetailed with their own market knowledge. As company founder and director Marc Koska said: "In the case of Ghana, for which we commissioned an OMIS report, although this was not primary intelligence, it was invaluable in backing up our own market information and confirming courses of action and the correct market approach."

The company received a Queen's Award for Enterprise in the International Trade category in 2006, and was recognised for the development of the K1 with the International Trade Award for Innovation in the 2007 "International Trade Today" awards. Marc Koska himself has been awarded an OBE in recognition of his contribution to global healthcare.

"OMIS was invaluable in backing up our own market approach"

# WHAT WE DO

## SEEDA Inward Investment Team

SEEDA helps companies from overseas set-up and expand their operations in the South East of England. To do this, we offer a professional, confidential and free service which aims to save businesses valuable management time and money. A dedicated client manager will assist a company by understanding their key business drivers and tailoring support to meet their needs.

We will provide the following services:

**BUILD A BUSINESS CASE AND MARKET RESEARCH**

PROVIDE INTELLIGENCE ON SOUTH EAST
- Sectors/Industries
- Companies
- Labour Force

ORGANISE FACT FINDING VISITS TO THE REGION

**ESTABLISH A MARKET PRESENCE**

PROPERTY SEARCHES

INTRODUCTIONS TO PROFESSIONAL SERVICE PROVIDERS TO HELP WITH
- Tax Considerations
- Registering a Business
- Bank Accounts
- Employing People
- Re-Locating Staff
- Leases

**BECOME MORE COMPETITIVE IN THE SOUTH EAST**

EXPORT INTO EUROPE AND BEYOND

EXPAND PREMISES

ACCESS FINANCE AND BUSINESS SUPPORT

NETWORK: INTRODUCTION TO INDUSTRY ASSOCIATIONS AND NETWORKS AND LOCAL ORGANISATIONS

FIND R&D PARTNERS: Universities and private companies

SEEDA has a network of representatives based in eight countries around the world.

**For further information, please visit the website at:**
**www.investsoutheastengland.co.uk/contactus**
**www.seeda.co.uk**
**or call +44 (0)1483 484 200**

## UKTI Trade South East

Through a team of locally based market and sector experts, UKTI Trade South East helps UK based businesses succeed in international markets. To do this, UKTI offers 1:1 advice and guidance, market intelligence, information on opportunities and practical support to make things happen.

- Our Passport to Export initiative brings together many of our services in a cost-effective package designed both for new and less experienced exporters

- Bespoke research into the potential markets can be provided for specific goods and services. This is carried out by the Commercial Officer on the ground in the target market

- Other opportunities include: networking with key market contacts in the impressive surroundings of UK Embassies, High Commissions and Consulates, attending major international trade shows or taking part in the many British Trade Missions that visit overseas markets each year

**For further information, please visit the website at:**
**www.uktisoutheast.com**
**or call +44 (0)8452 789 600**

Solutions for Business

Funded by government

This report covers a number of international trade products that form part of a range of UK government support initiatives called Solutions for Business. The "solutions" are available to qualifying businesses, and cover everything from investment and grants through to specialist advice, collaboration and partnerships.

Together, SEEDA and UKTI South East deliver international trade services in the South East.

**SEEDA** is the Government funded agency set up in 1999 responsible for the economic and social development of the South East of England - the driving force of the UK's economy. SEEDA's inward investment team assist companies from overseas to set-up and expand their operations in the South East of England. SEEDA also has a network of representatives based in eight countries around the world.

**For further information please visit www.seeda.co.uk or telephone +44 (0)1483 484 200.**

**South East Trade and Investment** delivers trade services on behalf of UKTI to companies based in the South East region. Working through a team of locally-based market and sector experts they help South East companies access new market opportunities overseas.

**For further information please visit www.uktisoutheast.com or telephone +44 (0)8452 789 600.**