

**Open Report on behalf of Richard Wills,
Executive Director for Environment and Economy**

Report to:	Environment and Economy Scrutiny Committee
Date:	10 July 2018
Subject:	Exporting in Lincolnshire

Summary:

This paper provides members with an overview of the recent analysis into exporting data, released by HM Revenue & Customs recently.

Actions Required:

Members of the Environment and Economy Scrutiny Committee are invited to:

- 1) Consider and comment on the findings of the report
- 2) Task officers with producing a report to the Executive Councillor for Economy and Place which explores:
 - a. What export support should we provide? How do we help more businesses to export?
 - b. How do we ensure the Department for International Trade understand the benefits of assisting Lincolnshire businesses export?

1. Background

Exporting has always been seen as a fundamental way of businesses expanding their markets, becoming more profitable and growing. As such, exporting and importing is essential in driving economic growth. In the month of March 2018 alone, the UK exported £31.7bn worth of goods and services and imported around £43.3bn.

The level of exporters outside of the South East is seen to cause notable divergences across the country in terms of wages and standards of living, but also hampers productivity. Exporting businesses are shown to absorb innovation better and grow quicker than non-exporting businesses. Despite the importance of exporting to the economy, it has proven difficult to measure locally in the past.

The fundamental questions of who, what, where and how much have been hard to answer and as such it has been difficult to understand the impact of exporting locally.

In 2017 Her Majesty's Revenues and Customs (HMRC) released new data on exporting at English Growth Hub level, a geography which typically aligns with Local Enterprise Partnership (LEP) boundaries. This data gives us some new local insight into values, destinations and make up of our exports.

The report found that:

The total value of goods and services exported originating from Greater Lincolnshire businesses in 2015 was £2.9bn.

This equates to £6,797 per job on average, below the UK average of £9,403 but above other areas of the UK which have a similar economic make up to Lincolnshire.

Exporting accounts for 14 per cent of Lincolnshire's economic output, which is slightly below the UK's output, whilst our businesses who do export are doing well with the average exporter making £1.8m on their exported goods or services.

Just under two thirds of Lincolnshire's export market is the EU, with Belgium and the Netherlands standing out as the destination for £572m and £336m respectively. The USA is Lincolnshire's largest non-EU destination for export, with goods and services totalling £146m going to the USA.

Petro-chemicals and Food (including live animals) are the most exported goods by value from Lincolnshire.

Nationally we are seeing high growth in exporting to non-EU countries, particularly the USA (21 per cent growth over the past 5 years) and China (30 per cent over the past 5 years).

Lincolnshire County Council, via its leading role with the Greater Lincolnshire Growth Hub and Business Support roles currently offers support to exporters and potential exporters:

- Hosting a Department for International Trade (DIT) Going Global exporting event in May.
- Working with DIT to engage businesses with a knowledgeable local team of International Trade advisors via the DIT Exporting is GREAT scheme.
- Running an Internationalising International Trade programme, furthering the development and expansion of current and potential exporters via export taster programmes
- Greater Lincolnshire LEP Export Co-Investment Fund which offers grants towards language training, support for early stage exporters, legal advice, support in intellectual property protection, assistance with international marketing.
- Access to Sector specialist advisors in the Food, Manufacturing and Renewables industries.

To date GLLEP outputs for the project are:

- 312 enterprises receiving 12 hours + support
- 108 enterprises receiving grants
- 284 enterprises receiving non-financial support
- 98 new jobs created
- 8 new enterprises supported

This project is due to conclude on 30th September 2018.

2. Conclusion

Exporting is an important factor when trying to improve our economy's productivity, wage growth and standards of living. Greater Lincolnshire's performance, whilst below the national average, is competitive in relation to areas with similar industrial structure.

Lincolnshire County Council, via the GLLEP Growth Hub, have been actively supporting many businesses to help them reach or further their exporting potential. Members are asked to consider the points raised within the report in the context of Lincolnshire.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Exporting GLLEP 2018

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by James Baty, who can be contacted on 01522550569 or james.baty@lincolnshire.gov.uk.

This page is intentionally left blank