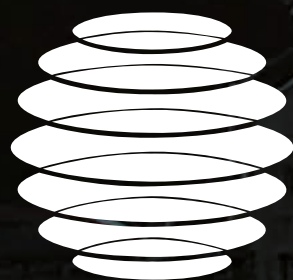


**INVEST  
LIVERPOOL  
CITY REGION**

# INWARD INVESTMENT STRATEGY.

Liverpool City Region  
Combined Authority



**LIVERPOOL  
CITY REGION**  
COMBINED AUTHORITY

**METRO MAYOR**  
LIVERPOOL CITY REGION





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# 1. FOREWORD.





## 1. Foreword

We are a region on the rise. One with a proud past, but an even more exciting future.

Over the past few years, we've proven that with the right powers and leadership, we can deliver transformational change – rebuilding our economy from the ground up and creating a place that's not just ready for investment, but roaring with potential.

This strategy marks the next phase of our journey: a bold, ambitious blueprint for growth that puts our region firmly on the map as one of the best places in the country, and the world, to invest, innovate and do business.

We're not here to play it safe. We're aiming to grow foreign direct investment by 25% by 2030 – and we're backing ourselves to deliver. Why? Because we've done it before.

Since devolution, we've created 60,000 jobs, built 30,000 homes, rolled out a new generation of publicly owned trains and buses, and led the way on clean energy and digital infrastructure. That's the scale of our ambition – and we're only just getting started.

“

The Liverpool City Region is a place that ***dares to dream big*** – and has the ***drive to make those ambitions a reality.***

”

Our strengths are real and diverse: world-class universities, a thriving cultural and visitor economy, and cutting-edge capabilities in advanced manufacturing, health and life sciences, AI, and clean growth.

But what sets us apart is our willingness to do things differently. We're building a modern, inclusive economy that prioritises both profit and purpose – where investment delivers returns not just for shareholders, but for society too.

This isn't about chasing every opportunity. It's about securing the right ones. We want investors who share our values and our vision and who want to grow with us for the long term.

Because when investment lands here, it sticks. It creates jobs. It drives innovation. It gives people across our communities the chance to achieve their full potential. That's the kind of growth we believe in – growth that's not just faster, but fairer.

To investors reading this: you'll find no shortage of talent, tenacity or opportunity in the Liverpool City Region. We are open for business and we're ready to grow.

And to the 1.6 million people who call this place home: know that this strategy is about you too. About building a future that's brimming with opportunity. A region where your ambition can be matched by action. A place where, together, we're growing something truly special.

*Steve Rotherham*

Steve Rotherham

**Mayor of the Liverpool City Region**





## 2. EXECUTIVE SUMMARY.





## 2. Executive Summary

### 2.1 Purpose and aims of this report

Liverpool City Region (LCR) holds a prized position in the landscape of UK economic geography. As a deep Irish Sea port with historic connections to the United States and proximity to some of the country’s largest conurbations, its position is a huge advantage when it comes to international trade. In addition to this, LCR’s academic excellence and skilled working population, as well as recent designations of both Freeport and Investment Zone (Innovation Zone) status, the City Region is an increasingly attractive proposition for investors across high-growth sectors.

LCR Combined Authority (LCRCA) must look to prioritise opportunities that will best meet the City Region's goals, including Mayor Rotherham's ambition to increase foreign direct investment (FDI) by 25% by 2030. Increasing FDI will be instrumental in delivering prosperity to the region due to the demonstrable link between FDI and productive, well-paid jobs and skills development.

The aim of this report is to identify the sector niches that LCRCA should focus on in its investment attraction efforts, to best drive economic growth.

This report aims to identify sector niches based on three key factors:

- 1. Supply:** Sectors where LCR has significant comparative advantages
- 2. Demand:** Sectors with strong LCR advantages that are matched by growing global FDI demand
- 3. Impact:** Sectors that support LCR's wider productivity and inclusive growth goals

### 2.2 Strategic focus aligned with the wider goals of LCRCA

LCRCA must concentrate resources on priority sectors to maximise return on investment. While other opportunities should not be disregarded, this focused approach will likely yield higher success rates with evidence showing that targeting a particular sector by a national Investment Promotion Agency (IPA) leads to more than a doubling of FDI inflows into the sector<sup>1</sup>. A focused approach has several advantages: IPAs can tailor their strategies and resources more effectively leading to higher success rates, better alignment with the region’s current strengths supporting both existing clusters and providing a more attractive proposition for potential investors, and a larger economic impact as certain industries can have better results for economic development such as high-skilled job creation, encouraging innovation and integrating businesses into international value chains.

This strategy builds on the recently published Economic Opportunities Framework and the 2022 Plan for Prosperity and will be reflected in the emerging Local Growth Plan.

<sup>1</sup> <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1468-0297.2011.02454.x>



## 2.3 A flexible portfolio approach to investment attraction activities

To balance the need for long-term strategic focus with the agility to react to market developments, we recommend LCRCA applies a flexible portfolio approach. This involves:

- **Targeting** a small enough number of key sector niches to enable the required focus to achieve results
- **Ensuring** a large enough pool of targets to provide diversification and mitigate emerging risks
- **Directing** resources to areas offering the best return on investment
- **Remaining** agile enough to respond to emerging opportunities

This targeted portfolio approach will allow LCRCA to concentrate efforts which yield the most impact, while maintaining flexibility. It recognises that the landscape of inward investment is dynamic, with FDI trends evolving, competitive advantages shifting, and new industries emerging over time.

## 2.4 Place-based economic growth, driven by the power of the 6 Local Authorities of LCR

Achieving LCR's full potential requires recognising that different parts of the City Region play distinct roles in delivering economic growth through inward investment and that certain areas within the Combined Authority will make disproportionate contributions to growth due to their unique asset base.

The focus should be on leveraging assets with the greatest potential to drive growth across the City Region; a nuanced approach that plays to the strengths of each locality as contributors to the overall LCR position.

This place-based strategy ensures that LCR capitalises on its diverse economic geography and that resources are concentrated where they can have maximum impact.







## 2.5 A shared vision for the future of Inward Investment in the Liverpool City Region

Liverpool City Region has always had innovation at its core; once described as the second city of the British Empire, it rose to global economic importance at the forefront of the first Industrial Revolution. LCR pioneered many world-firsts such as the first intercity railway, the first commercial wet dock, the first non-combustible warehouse system, first x-ray, and a pioneering elevated electric rail network.

Building on this strong history of innovation and updating LCR’s story for 2024 is crucial to communicating a cohesive place brand and narrative for inward investment. The vision of LCR as a place of ‘Innovation and Culture, Science and Creativity’ encapsulates this perfectly and should be a leader when communicating the inward investment narrative and vision going forwards.

This vision connects LCR’s innovative past with its future ambitions. It positions the region as a hub for cutting-edge research, technological advancement, and creative industries, underpinned by a unique economic geography and asset base critical for a number of key industries. By emphasising these strengths, LCR can differentiate itself in the competitive landscape for inward investment and attract businesses and talent aligned with this identity.

## 2.6 Key Findings and Strategic Priorities

This report segments opportunities by clusters already established by LCRCA, recognising that sectors intersect and evolve over time. They should be thought of as fluid and ever-evolving areas of focus, using the strategy as a guiding framework for organising resources to address the opportunities.

### 2.6.1 Life Sciences

Life Sciences is already an important source of FDI for LCR, especially biotechnology and pharmaceuticals projects.

LCR will focus on the following niches, ranked in order of priority:

- **Infectious disease prevention, diagnosis and treatment**
- **Cancer vaccine development and manufacturing**
- **Biotechnology**
- **HealthTech and Mental Health**



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- **Cancer vaccine development and manufacturing**
- **Biotechnology**
- **HealthTech and Mental Health**

### 2.6.2 Advanced Manufacturing

LCR will focus on the following niches, ranked in order of priority:

- **Materials Science**
- **ZEV manufacturing and automotive innovation/technology**
- **Modern Methods of Construction**
- **Green Shipping**
- **Sustainable Packaging**
- **Renewables**

### 2.6.3 Creative and Tech

LCR will focus on the following niches, ranked in order of priority:

- **Creative content (inc. Film Production and Gaming and Immersive Technologies)**
- **AI & Quantum**
- **Fintech**

### 2.6.4 Financial, Professional & Business Services (FPBS)

LCR will focus on the following niches, ranked in order of priority:

- **FPBS firms' Life Sciences teams**
- **Maritime focused financial and professional services**





## 2.7 Routes to market

From strengthening investor development efforts and fostering bilateral relations with high-potential regions to refining direct marketing strategies and building strategic alliances with regional and national agencies, LCRCA's strategy is built to increase visibility and investment appeal. Strengthening links with strategic markets like the US and emerging economies such as India will further enhance LCR's reach, alongside building alliances with similar post-industrial cities for shared insights. Additionally, a focus on business events, industry collaborations, and tailored market engagement activities will position LCR as a leading investment destination, creating synergies and expanding opportunities within sectors of mutual interest and regional adjacency.





### 3. INTRODUCTION.





## 3. Introduction

### 3.1 Background

LCRCA has long been a catalyst for economic growth and development across the City Region. Its establishment drives strategic investment and coordinates economic activities, delivering a comprehensive inward investment strategy. Over the years, LCR has transformed itself into a dynamic hub for business, innovation, and culture, underpinned by significant investments in infrastructure, skills, and enterprise. Recent examples include commitment to driving the City Region's position as a leader in innovation-led growth through LCR Connect.

Historically, LCR has capitalised on its strategic location and rich industrial heritage to attract FDI and promote trade. The region's international reputation is further bolstered by its vibrant cultural scene, renowned academic institutions, and cutting-edge research capabilities. Key initiatives, such as the designation of Freeport and Innovation Zone status, have enhanced LCR's appeal as a prime location for business investment. Despite these achievements,

LCR is determined not to stand still. Its ambition is ever-increasing and the evolving global landscape and emerging economic opportunities necessitate a fresh approach to inward investment.

In recent years, the global economic environment has been characterised by rapid changes driven by geopolitical shifts, technological advancements, and new economic policies. The implications of these changes on trade and investment are profound, requiring a strategic response from regions like LCR to remain competitive and resilient.

**The existing inward investment strategy, produced in May 2019, no longer fully addresses the current realities and future potential of LCR. Key factors driving the need for an updated strategy include:**

- **Geopolitical Changes:** The global political climate has shifted, affecting trade relationships and investment flows. It is essential to align LCR's strategy with these new realities to capitalise on opportunities and mitigate risks.
- **Technological Disruptions:** Emerging technologies are reshaping industries and creating new growth sectors. LCR must position itself as a leader in these areas by attracting investment that supports innovation and technological advancement.
- **Economic Policy Shifts:** Changes in UK government investment and trade policies present both challenges and opportunities. A refreshed strategy will ensure alignment with national priorities and leverage new policy directions to benefit the region.
- **Local Priorities:** The adoption of the LCR Economic Opportunities Framework and the Mayoral Manifesto commitment to raise FDI by 25% by the end of the decade underscore the need for a strategy that reflects regional ambitions and capitalises on local strengths.





4.  
**STRATEGIC  
CONTEXT.**





## 4. Strategic Context

### 4.1 Liverpool City Region has immense potential and enormous opportunity, but must apply a focused and long-term approach to achieve its FDI ambitions.

Liverpool City Region is starting from an enviable position with a rich history of international trade, a strong supply-side asset base in a number of globally in-demand, high-impact yielding niches and a naturally well-networked community that can translate into the business world if directed strategically enough. Aside from its trade strengths, Liverpool can also leverage its internationally recognised brand that can generate a lot of personal warmth, opening doors to investment conversations. Its high quality of life is also a strong pull for investors with good access to nature, culture and lower cost of living. These assets point to a strong future ahead for the City Region if this potential is harnessed correctly and sustainably.

## 4.2 Global and National Trends

### 4.2.1 The global economic forecast for 2025 points to a slowdown

Economic growth in developed economies is expected to slow as a result of raised interest rates and growth in China is also expected to weaken. These conditions may result in reduced investment flows, slower demand for exports, and a dampened appetite for risk across global financial markets.

The ongoing Russia-Ukraine conflict continues to destabilise global supply chains, especially in energy markets. Europe's reliance on Russian gas has caused shifts in energy sourcing toward renewables and other alternatives.

Tensions between China and the U.S. over trade, technology, and military presence in the South China Sea are also significant, leading to a shift towards 'friendshoring'—a strategy where businesses prioritise supply chain relationships with politically allied countries. This, coupled with 'nearshoring' trends, will likely result in increased investment from European neighbours.

AI is pushing forward a wave of productivity and transformation efforts across most sectors, though particularly in the life sciences and advanced manufacturing sectors. However, with the pace of technological innovation outstripping the availability of skilled labour, there are acute talent shortages in tech-enabled emerging industries to deliver on these technological developments.



### 4.2.2 Wider Political Context

With a strong Labour majority in Government from the recent Parliamentary elections, and a Chancellor with her sights set firmly on economic growth, the new political environment is looking favourable to investors after years of instability and uncertainty in the UK. This stability is positive for investors and for Liverpool City Region as it looks to develop a long-term, sustainable strategy to attracting investors, who require a long-term outlook and business-friendly policies to unlock investment decisions.

Devolution is top of the agenda when it comes to the future of MCAs and the powers and resources they will be given to drive forward their agendas.

Achieving Mayor Rotherham's goal of 25% more FDI into LCRCA by the end of the decade and establishing LCR as a Top 10 UK Location for FDI requires a focused and long-term approach to drive results, and greater agency of LCRCA will make achieving this ambitious goal more likely.



### 4.2.3 Emerging technologies impacting recommended LCR sectoral areas of focus

Emerging technologies are revolutionising LCR's key sectors, unlocking significant opportunities but also bringing real challenges that need addressing.

In **Life Sciences**, innovations in AI-driven diagnostics and vaccine development position LCR to lead in areas like antimicrobial resistance and cancer vaccine manufacturing. For instance, AI-based medical diagnostics like those developed by companies such as Babylon Health and MyCardium have revolutionised healthcare by offering early detection of diseases. However, the rapid adoption of these technologies raises concerns about data privacy and cybersecurity. One recent example is the NHS data leak in 2024 that exposed the medical records of over one million patients. This incident underscores the need for robust data security measures as healthcare increasingly integrates AI and digital technologies.

In **Advanced Manufacturing**, the UK's Net Zero target has accelerated the development of electric vehicles (EVs), creating opportunities for LCR to attract investment in EV technology and sustainable materials. Recent announcements such as JLR's investment to make its Halewood plant the first all-electric production facility show LCR's leadership in this industry. However, alongside the benefits, the sector faces challenges in finding highly skilled workers, especially in materials science and EV engineering. Integrating into supply chains can also act as a barrier to entry and difficulty integrating may increase as the chains mature. Although, with EV investment on the rise, new supply chains will start to form providing new opportunities for companies to break into them. Attracting more Automotive Innovation and Technology investments into LCR and facilitating their introductions to the OEMs will be beneficial for fostering the development of the supply chains as this typically happens at the R&D stage. Global supply chains can also overcome local ones with lower wage costs, higher investment in capital expenditure and dedicated skills programmes which can lower cost of market entry and improve project viability.



For the **Creative and Tech sector**, LCR's growing reputation as a hub for film production and gaming is bolstered by immersive technologies like VR and AI-driven content creation. Local companies like Firesprite have capitalised on this, producing cutting-edge games that integrate virtual reality. However, the fast pace of AI adoption in content creation raises concerns about ethical AI use. AI-generated media in Hollywood is already sparking debates about intellectual property rights and the potential displacement of jobs in the creative industry. The UK government is actively addressing these concerns by taking steps toward establishing legislation on ethical AI use, aiming to balance innovation with responsible governance.

In **Financial, Professional, and Business Services**, blockchain and legal tech are transforming intellectual property management, particularly in life sciences patent litigation. However, integrating these technologies into traditional legal frameworks is complex, and the legal profession is still adapting to blockchain's decentralised nature. The UK's Law Commission is currently reviewing how smart contracts and AI-driven decision-making can be harmonised with existing legal frameworks, ensuring they are used responsibly and effectively.



4.2.4 Regional Priorities and Economic Framework

The Plan for Prosperity sets out how LCR can drive productivity gains through four pillars centred around innovation, labour markets, place making and integrated infrastructure, all of which are covered to varying extents in this report and demonstrate the impact FDI can have on a variety of policy objectives.

4.2.5 Local Labour Market and Economy

Between 2010 and 2023, employment in the Liverpool City Region increased by approximately 13.3%. This is part of a broader trend where employment levels across various regions have seen positive growth, with particular sectors driving this increase.<sup>2</sup>

The GVA in the Liverpool City Region has grown significantly since 2010, with an increase of about 34.6% up to the year 2022. This reflects the region's strategic focus on sectors like digital and creative industries, life sciences, and advanced manufacturing, which have contributed to the economic output.<sup>3</sup>

4.2.6 Priority Clusters for LCR

The priority clusters on which this study has been based (Health & Life Sciences, Advanced Manufacturing and Creative and Tech) were selected for their ability to drive competitiveness; increase good employment, wages, and investment; ensure the inflow and retention of a skilled workforce; enable more exports; and ultimately generate greater productivity.

The three priority clusters represent the areas of the economy that will be at the forefront in addressing current and future societal and environmental challenges such as the transition to net zero, improving health outcomes, and delivering on technological innovations. There are strong opportunities for interplay between the priority sectors and LCRCA should work towards providing a collaborative ecosystem to allow convergences that address the above challenges.

As well as the three priority clusters, there are a number of enabling clusters and themes such as Financial and Professional Business Services, Maritime, Net Zero and Innovation, all of which play a crucial role in the economic growth and investment landscape of Liverpool City Region.

FDI can play a key role in strengthening the resilience of priority clusters and improving productivity and innovation in the City Region, leading to positive impacts on employment rates, average wage rates and levels of R&D and technology transfer in the economy. Increasing the percentage of FDI coming into the Liverpool City Region is a key strategic target which will help LCRCA to achieve its wider ambitions.

The clusters are the overarching sectors that present the best opportunities for economic development across the region, but LCR cannot ‘focus’ on them all.

In this study we will identify the key areas within these overarching clusters within which LCR’s efforts and focus should lie, based on the size of the opportunity, how compelling Liverpool’s offer is against other locations (competitor advantage) and the impact that investments in these sub-sectors will have on LCR’s ability to achieve its ambitions.



<sup>2</sup> <https://www.ons.gov.uk/visualisations/labourmarketlocal/E08000012/>  
<sup>3</sup> <https://explore-local-statistics.beta.ons.gov.uk/areas/E47000004-liverpool-city-region>





# **5. IDENTIFIED OPPORTUNITIES AND TARGET MARKETS.**





## 5. Identified Opportunities and Target Markets

These global economic shifts and emerging trends directly influence the strategic focus areas of the Liverpool City Region. By aligning its investment strategy with these trends, LCR can capitalise on growth opportunities in sectors like life sciences, advanced manufacturing, and digital innovation. The following analysis highlights the key sectors where LCR's competitive advantages and global demand intersect.

### 5.1 A focused strategy underpinned by themes of LCR as a place of Innovation and Culture, Science and Creativity

Extensive efforts have been made to identify the key drivers of growth within the Liverpool City Region. The strategic Liverpool City Region Economic Opportunities Framework identifies key growth drivers and sets a vision for the priority sectors with the highest growth potential within the innovation ecosystem. By focusing on these priority areas and having a clear vision that partners across the City Region can get behind is crucial for attracting global partnerships and investment that will drive sustainable economic development for the long-term.

Being specific in what kind of investments LCR is best placed to service will help it to become known for those areas amongst investors and key partners. Presenting a coherent and compelling vision for the City Region under the banner of 'Scientific, Innovative, Creative', supported by promotion of investment opportunities in the niches outlined below will enable LCR to achieve this.





# The Vision:

Utilising LCR’s natural comparative advantages such as the **Port**, as well as strengths in the **application of AI and Quantum** to focus on niches which will cement its reputation as a place of **Innovation and Culture, Science and Creativity**

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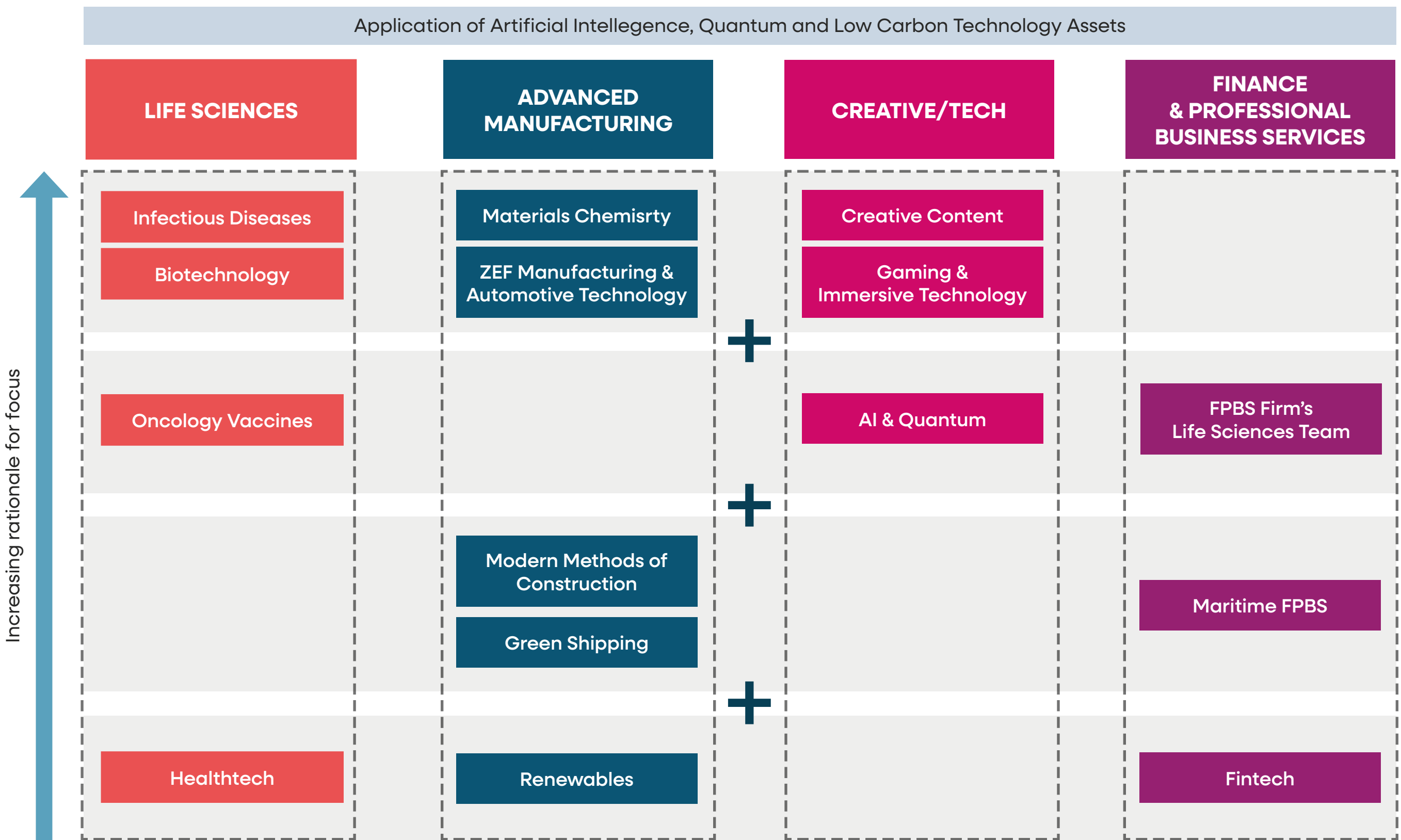


Figure 1: Sub-sector niches by order of rationale for focus. Finance, Professional & Business Services acts as an enabler for the priority sectors.

The top level outlines the sectors which have the strongest rationale for focus from the LCRCA Investment Team. This ensures enough focus, while also spreading resources across the key areas of opportunity for LCR.

The next levels down are niches we recommend adding to the top level, as resources allow. It is important to note that the lower levels are not set in stone and can be flexed to respond to emerging opportunities and the ability to hire experts in those sectors, but the higher levels should form the backbone of an LCRCA investment strategy.



5.2 LCRCA can look to achieve it’s 25% uplift in FDI in a variety of ways, depending on how it wishes to align investment activities to wider priorities.

Outlined opposite are the sectors LCRCA should focus on if looking to prioritise increases across each of the metrics listed:

A deeper dive into each of the recommended niches is covered in the following pages.

PROJECTS	JOB	IMPACT	CAPEX
Gaming & Immersive Tech	Automotive Manufacturing & Tech	Infectious Diseases	Renewables
Automotive Manufacturing & Tech	Fintech	Automotive Manufacturing & Tech	Infectious Diseases
FPBS firms’ Life Sciences Team	Biotechnology	Oncology Vaccines	Green Shipping
Film Production	Film Production	Gaming & Immersive Tech	Oncology Vaccines
Health Tech	FPBS firms’ Life Sciences Team	Materials Chemistry	Modern Methods of Construction

Figure 2: Sub-sector prioritisation by common quantifiable metrics.



## 5.3 Liverpool City Region as a Port City: The Backbone of LCR's Investment Proposition

Liverpool City Region has a long and distinguished history as a gateway to the world, rooted in its strategic role as a global port city. Historically, the city has been a hub of international trade and commerce, facilitating connections between the UK and markets across the globe. This legacy, combined with its modern capabilities, positions Liverpool as a key player in the attraction of Foreign Direct Investment. However, in recent years, the full potential of this identity as a global port city has not been fully harnessed in LCR's investment narrative.

One of the key factors amplifying Liverpool's appeal as a global port city is its designation as a Freeport. This status significantly enhances the region's investment prospects, providing fiscal and regulatory benefits that encourage business growth and international trade. The Freeport designation is a critical element in LCR's pitch to investors, offering a compelling competitive edge.

### The Port's role in regional economic growth

The port is not only a historical landmark but also a vital economic engine for the region. Currently, around 48,000 people are employed within the maritime sector, contributing significantly to local prosperity. Major employers such as Peel Ports and Cammell Laird are central to this sector's strength, driving job creation and business activity. Economically, the port contributes approximately £5 billion annually to the local economy, underpinning the importance of maritime trade to LCR's growth and development.



<sup>4</sup> <https://mersey-maritime.co.uk/mersey-maritime-industry-has-a-critical-role-in-driving-economic-growth/>

Liverpool holds a prominent position as the UK's leading transatlantic port, managing 45% of the country's trade with the United States. This status as a transatlantic hub highlights the region's international significance and offers a unique value proposition to investors. Liverpool's port is one of the best-connected in the UK, with significant capacity and infrastructure investments, including the Liverpool2 deep-water terminal. This makes it an ideal location for logistics and shipping companies looking to facilitate efficient transatlantic trade.



## 5.4 The Port as an enabler to wider industry and a key differentiator for LCR in attracting other investments

The maritime industry in LCR should be viewed as a foundation industry that allows other industries to flourish and the Port as a unique asset to enable the attraction of other sectors.<sup>5</sup> This foundation extends across multiple industries, supporting sectors such as Advanced Manufacturing and Life Sciences, which rely on the Port's infrastructure and capabilities. Peel Ports' £10 million Green Automotive Hub, announced in 2023, will help support sustainable vehicle manufacturing as well as facilitating greener maritime logistics services. A great example of how the region can utilise the port as a driver of economic activity<sup>6</sup>.

Liverpool's port is also one of the largest and most diverse in the UK, handling a wide array of commodities. It surpasses the trade volumes of other major UK ports, including Dover and Felixstowe combined. This diversity of trade flows underscores the port's importance as a versatile industrial hub, accommodating a broad range of sectors and supply chains.

In 2022, Chemicals & related products and Machinery & transport equipment made up the largest share of traded goods in Liverpool City Region (70% exports, 68% imports). Chemicals & related products accounted for 47% of the value of goods exported to the EU, this category includes Pharmaceutical products, highlighting the importance of the industry to the City Region export performance.

Machinery & transport equipment accounted for 46% of the value of goods exported to Non-EU countries, this category includes road vehicles, indicating the key role the automotive industry performs in terms of City Region trade.<sup>7</sup>

One of LCR's key differentiators is its competitive land supply, which should be brought to the fore when attractive private capital. This in combination with Freeport status, provides a powerful proposition for investors to benefit not just from competitive land costs but tax incentives as well. Highlighting Freeport status as a catalyst for larger-scale developments would provide a compelling story for institutional investors looking for sites with access to good infrastructure and land scalability for long-term growth.

<sup>5</sup> Stakeholder interview with Peel Ports, August 2024

<sup>6</sup> <https://www.peelports.com/news-articles/peel-ports-launches-uk-s-first-green-automotive-hub-to-enable-sustainable-manufacturing-in-merseyside>

<sup>7</sup> HMRC Regional Trade in Goods Statistics



## 5.5 Contribution to wider low carbon industry ambitions

In addition to being a critical asset for traditional industries, Liverpool is also home to the UK's first 'green port', positioning it as a leader in sustainable maritime practices. This designation further strengthens the city's investment appeal, particularly in attracting businesses with a commitment to sustainability and green innovation. There is also ongoing development of the Maritime Innovation Action Plan which will support and compound on the work that has already been put in motion. The region's Freeport status, combined with its existing infrastructure, research capabilities, and drive toward sustainability, creates a compelling case for inward investment.

Investments such as the Green Automotive Manufacturing Hub shore up LCR's ability to power sustainable vehicle manufacturing and facilitate a greener end-to-end maritime logistics service, a unique asset for the City Region over its rivals who are also competing for investments in this industry such as the West Midlands.

Furthermore, the establishment of the first green shipping lane in the UK highlights Liverpool's commitment to becoming a leader in sustainable logistics and environmental responsibility. This initiative aligns with the city's broader ambitions to attract investment in industries that prioritise green technologies, advanced manufacturing, and life sciences, all of which stand to benefit from the port's unique offering. The upcoming Maritime Innovation Action Plan will elaborate further on this.

Liverpool City Region's identity as a global port city is central to its investment proposition. The port's rich history, its current capabilities, Freeport designation, and focus on sustainability make it a powerful asset for attracting diverse industries. With proper emphasis on these strengths, LCR can position itself as a premier destination for FDI, leveraging the port's capabilities as a cornerstone of the region's economic growth and global competitiveness.

## 5.6 Creating a one horse race: Capitalising on LCR's unique geography and natural assets to position LCR as the obvious choice for specific niches

Policies change and economic conditions fluctuate, but Liverpool is gifted with a natural comparative advantage in its Port that is not currently being successfully communicated with the prominence it requires when setting LCR apart from its competition in attracting FDI.

Rather than pitching Maritime and Logistics as investment opportunities in their own right (though there are of course opportunities in this space), these assets should form a core part of the propositions to investors for whom access to a Port is crucial to their business. By focusing in on investment opportunities that require this key asset, LCR immediately sets itself apart from its traditional, more land-locked competitors, and establishes itself as a leader with far reduced competition in these specific niches.

For these reasons, the niches identified in the remainder of the report within the fields of Advanced Manufacturing and Life Sciences have been selected for their dependence on, or their advancement by, close proximity to a port.

## 5.7 Innovation

Innovation-led growth is a top priority for the City Region with an ambition to invest 5% of GVA in R&D per annum by 2030 – larger than the UK target of 3%. LCR is a leader when it comes to delivering innovation, both through its examples of best practice programmes and its application including the Materials Innovation Factory, which is a key example of the City Region's expertise in supporting businesses to translate innovation into commercialisation. Another example is the Infection Innovation Consortium (iiCON) (led by Liverpool School of Tropical Medicine), a key example for UKRI's Strength in Places Fund, which has become a world-leading centre for collaboration and innovation-led discovery and development in infectious diseases.



## 5.8 Life Sciences

Liverpool City Region has a strong sell across a variety of sub-sectors producing a strong and varied ecosystem. These sectors are underpinned by collaborative public-private partnerships as well as technical aspects through Liverpool City Region's powerful data analytics, genomic platforms and clinical trials facilities.

Liverpool's strengths in biotechnology have shone through in recent years with a large percentage of life sciences and healthcare FDI coming from this subsector, coupled with recent, continued investment from companies who have chosen to locate in LCR such as Pharmaron, CSL Sequirus and AstraZeneca. LCR's skilled workforce, strong pipeline of talent and competitive wages and real estate led to the region coming first in the supply and demand model for the biotechnology subsector against UK competitors.

The region's trend towards biotechnology FDI projects fits with the wider change in therapeutics. Companies are moving from chemically synthesised drug molecules to biomanufactured drug molecules and biologics which are able to address previously untreatable diseases with stronger efficacy, safety and increasing personalisation. This shift to personalised medicine plays into Liverpool City Region's strengths in the tech sector due to strengths in data science and AI with assets like those at the Hartree Centre situated in Sci-Tech Daresbury, focused on data-centric computing, big data analytics and cognitive technologies. The Centre for Genomic Research at the University of Liverpool is important asset in this field and beyond as it facilitates cost-effective access to multiplatform sequencing and array technologies which can support the development of medicines and new technologies.

### Liverpool's transatlantic shipping and UK-wide logistics capabilities have strategic benefits

Biological therapeutics in many cases require quick delivery at sub-zero temperatures due to their short shelf lives and the North West's transport network and two international airports allow for easy movement to the rest of Europe. If based in LCR, pharmaceutical companies could be supported by a strong ecosystem of the highest number of specialist hospitals outside of London (such as Clatterbridge, specialist Cancer Hospital and School of Tropical Medicine) to produce final products such as tablets, injectables (e.g. vaccines) and topical formulations used for dermatological applications.

### Liverpool as a hub for clinical trials

Liverpool City Region has comprehensive clinical trials infrastructure especially for infectious diseases and oncology. The North West's population of seven million people provides an ideal cohort of patients for therapeutic trials. Alongside local populations, Liverpool's overseas research collaborations, such as its dedicated clinical trials facility at the Malawi-Liverpool-Wellcome Trust programme in Blantyre, Malawi, provide access to patient populations around the globe. Liverpool City Region is home to two adult clinical trial units as well as the NIHR Alder Hey Clinical Research Facility, a state-of-the-art facility delivering early phase and experimental medicine with babies and children.



LCR Niches

Pandemic Preparedness, Mitigation and Response

LCR has had a strong impact on the UK’s expertise in infectious diseases through the Liverpool School of Tropical Medicine (LSTM), this asset alongside the University of Liverpool’s Pandemic Institute, has gained further experience in understanding infection control and antimicrobial resistance. Liverpool City Region has the largest number of Category Level 3 laboratories in the UK demonstrating a unique selling point to companies interested in working with dangerous microbes and diseases.

The world’s increasing globalisation, connectivity and urbanisation has made the threat of pandemics more likely. While countries continue to recover from the damages of the COVID-19 pandemic, they will be on high alert to prevent the next. In August 2024 the World Health Organisation declared the mpox outbreak , seen in a growing number of countries in Africa, a public health emergency of international concern. Shown by the COVID-19 pandemic, and increasing global antimicrobial resistance (AMR), knowledge and solutions in this area are needed now more

than ever and global demand is rising. The World Bank estimates that AMR could result in \$1 trillion additional healthcare costs by 2050. Liverpool City Region is in a fortuitous position to support both the UK response as well as the global effort in this space through its globally renowned expertise and world-class facilities, including:

- The LSTM and the University of Liverpool constitute the UK’s largest concentration of expertise in translational-focused research and development and innovation in infectious diseases. The University of Liverpool is also an important leader in the UK Pandemic Sciences Network, hosting the Network’s conference in 2023.
- 25 Category Level 3 containment facilities, the most of any city in the UK.
- The University of Liverpool Surface Science Research Centre contributes to research and innovation in the design of antimicrobial surfaces and materials.
- The Manufacturing Technology Centre’s Digital Manufacturing Accelerator platform, supports pharmaceutical and vaccine manufacturing organisations in accelerating the development of smaller batch, scalable production systems that can be rapidly reconfigured to respond faster to market needs.

- The Materials Innovation Factory provides an innovative research hub dedicated to the research and development of advanced materials allowing for the cross-fertilisation of ideas between life sciences and advanced manufacturing.
- AstraZeneca intends to invest at least £450 million to research, develop and manufacture vaccines in Speke, Liverpool, a facility which will be operationally net zero with power supplied from renewable energy sources. This significant investment puts Liverpool City Region on the map in terms of its strengths in pandemic preparedness . AstraZeneca’s biologics site in Liverpool has unique facilities to bulk-manufacture the nasal spray influenza vaccine and can produce up to 20 million vaccine doses every year. There has been £75 million of investment at the site to support increased production of the vaccine for use in the UK and internationally.
- CSL Seqirus is a National Centre for Flu Vaccine Manufacture and has invested heavily in their Speke site. Pharmaron is another heavy investor with £151 million invested into a recent project on their site.

Not all viral contraction can be prevented, and Liverpool has the assets needed to develop diagnostic technologies to monitor the spread of the disease and antiviral medications to mitigate viral illness. The Centre for Drugs and Diagnostics at the Liverpool School of Tropical Medicine is a multi-disciplinary group of experts working together to develop new drugs and diagnostics. Using state-of-the art laboratories and equipment, the group regularly works with industry, academia and other NGOs to discover, develop and deliver novel therapies and diagnostics against a range of pathogens.

The Liverpool School of Tropical Medicine also collaborates with companies of all sizes to perform diagnostic development for infectious diseases. Nowhere is this better highlighted than the Infection Innovation Consortium (iiCON), which ensures industry, academia and the NHS are brought together into one ecosystem to support the development of treatments, diagnostics, vaccines, and preventative products for infectious diseases.



### Oncological clinical trials, diagnostics and therapy manufacturing

One in two people will be diagnosed with cancer at some point in their lives. This statistic underlines the urgent need to develop better diagnostics, treatments, and earlier diagnosis so global health services can cope with a growing and ageing population.

Liverpool's strengths lie in this arena lie in its diagnostics, clinical trial infrastructure and manufacturing capabilities. The City Region is home to a number of organisations developing innovative approaches to tackling cancer. Assets in the region include the Clatterbridge Cancer Centre, one of the UK's leading cancer centres, who have recently invested in a new, state-of-the-art facility in Liverpool City Centre; The Liverpool Experimental Cancer Medicine Centre, a collaboration between the University of Liverpool (Liverpool Clinical Trials Centre and Good Clinical Practice Laboratory Facility) and The Clatterbridge Cancer Centre NHS Foundation Trust. The region is also home to Pierian Bioscience, an advanced cancer diagnostics company from the United States specialising in personalised cancer medicine, and Advanced Oncotherapy, a specialist developer of a breakthrough proton therapy system.

Liverpool City Region's niche within oncology is in head and neck cancers. The region has become a leader due to the internationally recognised Liverpool Head and Neck Cancer Centre, an academic institute for the treatment and translational research of head and neck diseases. Liverpool is at the centre of the world's largest head and neck cancer clinical trial, PATHOS, which focuses on the long-term side effects of treatment through investigating less intensive radiotherapies and chemotherapies.

Looking forward, Liverpool could be a leader in cancer vaccines due to its strengths in vaccine technology and strong clinical trial ecosystem. Due to strides made in mRNA vaccine technology during the COVID pandemic, there have been several developments in Liverpool in personalised cancer medicine. In one such study into bowel cancer, Liverpool will be the central hub, which is in partnership with German pharmaceutical company, BioNTech, alongside the Clatterbridge Cancer Centre NHS Foundation Trust and the University of Liverpool.

This subsector contains both medium and long-term opportunities. Late-stage R&D companies ready to begin clinical trials can slot into the clinical trials ecosystem with relative ease. With future development including significant lab space at both the

Hemisphere and Compound buildings, as well as exciting emerging plans for a new health sciences campus at the former Royal Liverpool University site, the future growth of the cluster within KQ Liverpool is gaining momentum. Similarly, the next phase of development at Sci Tech Daresbury is expected to bring forward over 80,000 sq ft of lab and office space which is much needed to cater for the increasing demand in this sector and will be important if LCRCA is going to drive this area forward as a sector of focus.

The challenge from a spatial perspective however is the appropriate standard of space for attracting scale-ups whose activities have out-grown the likes of the Knowledge Quarter. LCR's Freeport and Innovation Zone provide ideal locations for manufacturing due to proximity to a strong logistical network, an existing skills base and thriving company ecosystem with global companies such as AstraZeneca being leveraged by the LCRCA as anchor tenants and magnets for further investment to build out the cluster.





UK Incentives:

Current UK-wide incentives focus on manufacturing and industry-led R&D. Typically this funding comes from UK Research and Innovation. Examples of funding available includes:

- **Biomedical Catalyst** – UK registered SMEs can apply for a share of up to £15 million to develop innovative solutions to health, and healthcare, challenges.
- **Sustainable medicines manufacturing innovation** – Innovate UK, part of UK Research and Innovation, will work with DHSC to invest up to £15 million to support the development and adoption of sustainable technologies for the manufacturing of medicines.
- **Smart Grants** – UK registered organisations can apply for a share of up to £25 million for game-changing and commercially viable research and development innovations that can significantly impact the UK economy (available to all sectors).
- **Canada-UK Biomanufacturing of Biologics and Advanced Therapies** – UK registered organisations can apply for a share of up to £3 million for collaboration with Canadian SMEs on joint R&D projects, for enabling technologies and innovations in biomanufacturing of biologics and advanced therapies.
- **Life Sciences Innovation Manufacturing Fund** was announced in the 2024 Autumn Statement, committing up to £520 million for life sciences manufacturing.
- Regionally in the UK, there is very little in the way of grant funding (such as the Research and Innovation Grant available from Kent and Medway, worth up to £250,000). Incentives mostly exist in the way of life science funds managed on behalf of IPAs and regions. For example:
- **LYVA Labs** is delivering a programme led by LSTM to progress early-stage R&D to commercially viable products, as part of Research England's Connecting Capability Fund.
- **The Greater Manchester and Cheshire Life Sciences Fund** managed by Praetura. This fund offers seed and early-stage funding between £500,000 and £2 million.
- **North East Innovation Fund** is managed by Northstar Ventures which can fund early-stage companies through to more established, revenue-generating businesses with typical investments between £50,000 and £500,000.





## 5.9 Advanced Manufacturing

### Overview

The Liverpool City Region (LCR) has significant strengths in advanced manufacturing, with expertise that spans both historical industries and emerging sectors. Key areas of high-value industrial activity include vaccine manufacturing and automotive, with a historical legacy in glass manufacturing and maritime through well-established clusters. However, the current investment narrative is too broad, aiming to attract investment across the entire advanced manufacturing sector, which can make it harder to market effectively.

While LCR's broad skill base is a key asset, the lack of a dominant sub-sector with a clear competitive advantage complicates efforts to define a specific target for investment promotion. To address this, we recommend focusing on LCR's unique position as a Port City Region. The strategy should be to identify niche opportunities that leverage the Port's strengths, align with global demand trends, and support wider objectives such as increasing productivity and fostering research-intensive industries. Narrowing the focus to core strengths will create a clearer, more compelling proposition to compete in a crowded market.

### Advanced Manufacturing in LCR

LCR's competitive edge over other UK regions lies in its infrastructure, particularly the port, and its proximity to key end markets. The North West's high population density ensures that raw materials arriving in the region are close to both manufacturing supply chains and a high concentration of end customers. Historically, LCR has thrived in sectors such as retail, construction products, FMCG, and food and drink, where products are consumed locally. However, due to their relatively low Gross Value Added (GVA) performance, these industries should not be the focus of future investment.

Instead, LCR should prioritise sectors such as the electric vehicle (EV) supply chain, automotive technology, and material science, which promise higher returns and better align with the region's strategic strengths.

### Key Assets

- LCR's expertise in digital manufacturing and Industry 4.0, supported by facilities like the **Manufacturing Technology Centre** and the **Virtual Engineering Centre**, makes it an ideal location for companies developing advanced manufacturing technologies. Investments in digital innovation and automation could enhance LCR's role as a leader in cutting-edge automotive production.

- The approval of Royal London's industrial space, **Atlantic Park, which is in close proximity to the Port**, provides significant additional capacity for advanced manufacturing and logistics, setting a new standard for sustainable industrial spaces, that until recently has been constrained in LCR. There is also the advantage of Freeport sites such as X Dock 549, located close to JLR and Ford, which is one of few large scale facilities under construction in the UK at present.
- With such significant OEMs based in and around the region, the **Automotive cluster** is very strong and creates a strong pull for investors in new Automotive technologies and the associated supply chains of zero emission vehicles. This once in a generation transition away from internal combustion engines towards cleaner technologies, whether they be battery or hydrogen led, presents an opportunity for LCR to assert its position as a leader in the industry with strengths in both **material science** and **hydrogen technologies**.
- The establishment of the UK's first Green Automotive Hub in Merseyside, the first of its kind dedicated to reducing supply chain emissions in the automotive sector, positions Liverpool as an attractive destination for companies focused on sustainable automotive solutions and for those committed to reducing their environmental impact and shows the City Region's leadership in this space.





## Automotive Supply Chain and Technology/Innovation

With its strategic location and world-class port facilities, Liverpool is well-positioned to attract investments in automotive component facilities and automotive supply chain management, as these companies are looking for strategic locations with strong logistics and supply chain advantages. Companies focusing on optimising automotive supply chains through digital technologies and sustainable practices could benefit from Liverpool's logistical advantages.

The city's strong R&D infrastructure, including partnerships with world-leading academic institutions, provides a fertile ground for automotive companies looking to innovate. The proximity to the port, excellent logistics infrastructure and the skilled workforce make it attractive for manufacturers who need to import supply chain components from the US, manufacture in the UK and distribute finished products across Europe. While there are of course challenges due to Brexit that have a significant impact on this industry such as 'Rules of Origin' requirements, there are also specific advantages that make Liverpool an attractive location for certain businesses.

For example, automotive companies that are importing components from the US and exporting finished products, particularly those businesses that have significant trade with non-EU countries. A second ideal market for investment in Liverpool City Region in this industry would be those with a strong focus on UK domestic sales and production, but which still require raw materials and components to be shipped in from the US.

Companies specialising in automotive technology may be interested in investing in Liverpool to leverage its strong R&D infrastructure and digital manufacturing capabilities. Facilities such as the Virtual Engineering Centre help accelerate the growth of new innovative ideas for industrial digitisation such as new manufacturing processes for autonomous vehicles. The presence of advanced research facilities and collaboration opportunities with local universities is a significant attraction.

## Zero Emission Vehicles

The global growth of zero-emission vehicles (ZEVs), particularly in battery and hydrogen technologies, presents a significant opportunity for LCR. In the UK, over 1.2 million

fully electric vehicles are on the road, with EVs accounting for 18% of new car registrations in 2023, a figure set to grow as the phase-out of combustion engines progresses, with a deadline of 2035 in the UK and EU.

LCR is already capitalising on this trend. Stellantis is converting the former Vauxhall Astra plant at Ellesmere Port to produce electric vans, while Ford's £125 million investment to increase EV component production further underscores the region's capability to support the EV supply chain. Jaguar Land Rover (JLR) is also transforming its Halewood plant via a £500m investment into an all-electric production facility, strengthening LCR's position as a leader in automotive technology.

There is an opportunity for LCR to attract battery component plants or R&D centres, given the City Region's leadership and innovation in the field of Material Science, bolstered by the capabilities at Sci-Tech Daresbury to support these innovations.

This transition towards cleaner technologies offers LCR a unique opportunity to assert itself as a leader in the ZEV sector, supported by expertise in both material science and hydrogen technologies.



### Hydrogen as a Strategic Asset

LCR is also well-placed to lead in hydrogen technologies. The University of Liverpool is at the forefront of research into hydrogen fuel cells, particularly in improving fuel cell efficiency through platinum-based catalysts. Additionally, the HyNet project at the Stanlow Manufacturing Complex will produce low-carbon hydrogen for use in industry, transport, and heating, reinforcing LCR's potential as a leader in this future industry.

### Materials Science

Materials science lies at the heart of a strong innovative advanced manufacturing sector, where materials science can drive the development of new products that have increased performance, can improve manufacturing processes by making them more efficient and sustainable, enabling the creation of customised materials tailored to specific applications and by developing new materials that have a lower carbon footprint and lesser environmental impacts.

The materials science sector in LCR has a number of significant strengths with a rich history in manufacturing and focus on modern technologies with key research institutions, universities and companies working in the sector. The UK as a whole has a materials science sector worth [£92.1 billion](#) and key players and contributors to this figure such as NSG Pilkington, Unilever and Johnson Matthey are based in LCR.

### Key assets:

- **Materials Innovation Factory:** Materials Innovation Factory (MIF), which opened in 2017 in collaboration with Unilever, is open to academics and other companies seeking to leverage the expertise of academics and other experts in a well-equipped purpose built environment to scale their research and development activities. The MIF is well equipped with material science robotics and analytic equipment capable of handling multiple workflows. Areas of expertise at the MIF include organic and inorganic materials, nanomedicines, genomic sequencing and high throughput formulation.
- Other assets include the **Leverhulme Research Centre for Functional Materials Design**, and the **Digital Innovation Facility**; though not necessarily focused on material science, this is a necessary platform for the integration of robotics, autonomous systems, data analytics and artificial intelligence in the development and application of advanced materials. The University of Liverpool also offers various undergraduate and postgraduate degree programmes in materials science and its related disciplines, ensuring a ready pipeline of talent into the sector.
- **Sci-Tech Daresbury** in partnership with Science and Technology Facilities Council (STFC) provides a collaborative environment for businesses in the materials science sector, including those involved in advanced materials, nanotechnology, and photonics. It has over 30 companies working in various aspects of materials innovation and development from the same location, evidencing the strong cluster effect present in this sector within LCR.

**Glass Futures** is a not-for-profit organisation and collaborative platform designed to address challenges in the global glass industry, such as energy efficiency, carbon emissions, and the use of renewable energy. Linking innovations in medical training, products, and glass (medical glass vials) to create a critical mass of innovation and advanced manufacturing, this facility plays a key part of the LCR offer in materials science. The organisation's primary goal is to create the world's first open-access glass research and innovation hub, which allows both academia and industry to collaborate on improving the sustainability of glass production. Glass Futures also intends to have access to HyNet hydrogen fuel network for new green technologies and process innovation.





## LCR Opportunity in Materials Science sector: Cross cutting applications

Due to materials science products acting as a precursor to finished goods, LCR is the ideal location for assisting the automotive industry in its transition to develop lighter, stronger materials especially battery EVs with their attendant weight penalty. Coupled with this, materials science is crucial for green technologies such as energy storage which also make use of batteries to store excess wind and solar energy. Materials science can also support LCR's strong Life Sciences sector as it is able to support sub sectors such as biomaterials, medical devices and drug delivery systems. The materials sciences sector in LCR is a significant value add to the advanced manufacturing industry and the two work together to create a compelling offer to investors.

## Challenges and Recommendations for Advanced Manufacturing

- **Promoting Materials Science Applications:** Liverpool City Region (and the North West) has the necessary assets to develop into a materials science research and development stronghold for the country. In order to enable this however LCR needs to develop a singular identity in materials science that is known not only in the UK but internationally, highlighting its strengths in areas such as research and development, applied applications but also the cross-cutting nature of its products in other key sectors of the LCR economy such as zero emission vehicles, automotive technology and life sciences. To bring these applications to life, LCRC should utilise case studies to promote and demonstrate the broad variety of use cases to potential investors.
- **Attracting talent across both manufacturing and innovation:** In order to attract these companies, Liverpool City Region Combined Authority should continue to promote Liverpool as a creative destination in order to attract the right kind of talent required in these industries. These creative roles require vibrant environments to stimulate ideas and new designs. Liverpool City Region has a wealth of cultural and creative capital that it should deploy in its marketing to attract these types of companies. Its size is also advantageous as it is able to house both the manufacturing and the design/creative/technology sides of the industry in varied spaces but within close proximity.

- **Establishing an Advanced Manufacturing Park:** When suitable land is available to address the needs of the Advanced Manufacturing sector, branding sites under the banner of an 'Advanced Manufacturing Park' would be a welcome additional way to improve the marketing of the LCR opportunities in this sector.. Having a specific marketing proposition for the site will reap further benefits as it is easier to approach investors with a compelling vision supported by targeted collateral. Further work should be undertaken to investigate the potential for implementing this initiative.

There are additional opportunities in Advanced Manufacturing that LCR is well placed for but that are reliant on government mandates and/or regulatory policies to unlock demand:

## Modern Methods of Construction (MMC)

With the UK facing a housing shortage estimated at over [4.3 million homes](#) and a rising population, the UK has a desperate need for new housing. Indeed the newly elected Labour government has made it a priority to "get Britain building again" by constructing 1.5 million new homes over the course of the current parliament. However currently the construction industry is facing a shortage of workers estimated at nearly 225,000 and a productivity crisis where construction workers are [13.5% behind the average](#) worker in terms of output.

With the twin challenges of ambitious targets and low productivity, Modern Methods of Construction are a fast way of delivering new buildings by maximising the efficiency of material and human resources. MMC focuses on off-site construction techniques using factory-built modules that can then be assembled on site leading to quicker construction times. Offsite construction speeds up housebuilding, provides skilled jobs and reduces energy bills.



## IDENTIFIED OPPORTUNITIES AND TARGET MARKETS

### LCR's Ecosystem in MMC

LCR has several advantages over the rest of the UK in terms of MMC and has a strong alliance in place already under 'LCR Future Homes' which puts it in a strong position to become the UK's centre of excellence in leading a new approach to housebuilding. LCR has teamed up with the MTC and others to develop cutting edge technology to retrofit existing homes and build new ones using state of the art MMC technology. The programme will aim to retrofit 10,000 homes over the next ten years, bringing them up to at least the EPC 'C' rating for energy efficiency, whilst developing and upskilling the workforce by applying new methods and systems of refurbishments and construction. The programme also wishes to construct 6,500 homes to be built over 10 years. In addition LCR has [recently invested](#) in Hemsec Ltd, who produce structural insulated panels (SIP's) placing the region at the forefront of innovation and capacity in the sector.

### Opportunity

Liverpool's location as a major port city makes it an ideal hub for shipping pre-fabricated components from domestic and international manufacturers. The city's logistical advantages enable smoother supply chains for off-site construction. In particular, Ireland is facing a severe housing shortage and with LCR's ongoing port upgrades it makes it ideally placed to potentially met Ireland's housing needs through MMC if it is able to exploit the opportunity. Likewise LCR's strategic location close to, and easily transportable to, major population centres make it best placed to meet internal UK demands of MMC if the governments housing ambitions are able to come to fruition.

Closer to home, becoming a leader in the area of modular homes will help to address the ambitions set out in the Combined Authority's Corporate Plan around housing for the City Region itself.





## Green Shipping

LCR well-positioned to attract companies in the Green Shipping sector, thanks to its unique combination of geographical advantages, existing infrastructure, research capabilities, and commitment to sustainability.

The Port of Liverpool, one of the UK's major ports, is of course one of the primary draws for companies operating in the Green Shipping space and offers excellent connectivity to global shipping routes. This prime location, combined with the City Region's Freeport status provides a compelling proposition to investors. As does the presence of an existing network of maritime companies operating in this space such as Cammell Laird and Wirral-based GT Green Technologies which is developing wind propulsion systems for ships in the Liverpool City Region. The success of such companies could attract similar foreign firms to the area by providing case studies and social proof for businesses looking to establish or expand their operations in sustainable maritime industries.

LCR boasts world-class academic institutions and research facilities that are driving innovation in maritime decarbonisation. Its asset base includes:

- **Maritime Centre at LJMU:** Liverpool John Moores University's Maritime Centre is at the forefront of research and development in sustainable shipping technologies
- **Institute for Sustainable Coasts & Oceans:** This collaborative effort between local universities and the National Oceanography Centre demonstrates the region's commitment to marine sustainability
- **UK Maritime Research Hub:** The University of Liverpool's involvement in this initiative further cements the region's status as a leader in maritime innovation

The region is fostering strong collaborations between academia and industry across areas such as:

- **Electric Ship Development:** LJMU is part of a consortium led by Liverpool-based Bibby Marine, working on developing electric ships for the offshore wind industry
- **Maritime Knowledge Hub:** A proposed facility on the Wirral aims to anchor industry-led innovation and R&D, focusing on solutions to reduce emissions across the maritime sector.

As well as the advantages listed above, the UK Government is also prioritising decarbonising the maritime industry and as such has initiatives and funding in this space which will be of interest to investors looking to locate in the UK. LCR is well-positioned to benefit from these government initiatives, such as:

- **International Green Corridor Fund:** The UK government has launched a £1.5 million fund to explore the decarbonisation of international shipping lanes, creating opportunities for green shipping companies
- **Clean Maritime Research Hub:** Led by Durham University, this hub receives £7.4 million in government funding to boost the development of net-zero technologies in the maritime sector

The Liverpool City Region Combined Authority is actively supporting the transition to green shipping through a number of initiatives which present an attractive environment for potential investors:

- **Five Year Climate Action Plan:** This plan outlines actions to contribute towards decarbonisation in the region, including improvements in transport and energy efficiency

- **Community Environment Fund:** This initiative provides funding for green projects across the region, fostering a culture of environmental responsibility

LCR is poised to capitalise on emerging opportunities in the green shipping sector such as the development of the UK's first 'Green Port'; an exciting opportunity leveraging the City Region's Freeport status and existing infrastructure. Wirral Waters offers significant areas of dockside land capable of attracting a range of 'green port' related businesses. LCR's focus on developing electric ships aligns with the government's Maritime 2050 strategy, positioning the region as a key player in achieving national maritime sustainability goals.

LCR could also look to build a reputation for developing 'smart', future-focused approaches leading to digitally driven ports and logistics building on existing AI expertise.

Liverpool City Region's unique blend of strategic location, research capabilities, industry partnerships, and supportive initiatives makes it an ideal destination for companies in the green shipping sector. As the maritime industry moves towards sustainability, LCR is well-equipped to lead the way in innovation, attracting investment, and driving economic growth in this crucial sector.





## Sustainable packaging

The global packaging market is expected to grow significantly over the next decade and by 2030 is expected to reach \$1.13 trillion. Much of this growth is being driven by the expansion of e-commerce.

LCR's position at the centre of a densely populated North West region, a relatively central UK position and excellent infrastructure links has traditionally made it a popular location for FMCG, retail and logistics hubs. These industries all require packaging. Raw materials or unfinished goods arrive at the Port, are finished and packaged in the immediate local area, or even within the port estate itself, and then distributed to the vast quantities of retailers and end users across the North West region and beyond. The ease of this ecosystem makes LCR an attractive location for the industry and with the explosive growth of the sustainable packaging market over the coming years, LCR is well-placed to capitalise on this growing demand.

As the packaging landscape changes and evolves as the world reacts to sustainability initiatives, the UK aims to become the world leader in using resources efficiently and reducing the amount of waste we create. Supported by a focus on innovation and the introduction of new incentives and policies that will open up the market for sustainable packaging. Directly linked to this, the Waste and Resource Action Programme (WRAP) UK Plastics Pact aims by 2025 to:

- Eliminate unnecessary single-use packaging (redesign, innovate or alternative delivery)
- Make 100% of plastics packaging reusable, recyclable or compostable

## Opportunity

There are a number of key emerging opportunities where the UK and LCR can demonstrate competence and capacity and take a leading role in developing digital solutions for sustainable packaging manufacturing such as:

- Smart packaging labels that revolutionise recycling
- 'Live' sell-by-date patches cutting down on food waste
- Eco-friendly batteries and organic printed sensors for packaging that can be traced through the entire transport chain
- Nano-enabled packaging giving longer shelf life to food and beverages cutting down food waste
- Sustainable glass production
- AI-led manufacturing and production to optimise packaging design, automate processes

This is an opportunity to take advantage of LCR's world-class capabilities and expertise in advanced materials to design and develop innovative and novel packaging materials that can be reused, recycled and disposed of sustainably. By working with institutions such as the Materials Innovation Factory companies can leverage their knowledge for the production of their products.



### Renewables

LCR has great ambitions in this area, not least in supporting the growth of Hydrogen to replace natural gas, diesel and petrol and to bring a first-of-its-kind tidal range to the UK.

With the second-highest tidal range in the UK, the Mersey Tidal Project represents a significant opportunity for LCR to become a leader in this field, supporting the City Region's move to decarbonise its transport, homes and industry and create thousands of jobs, with new skills, in the green economy.

Green Hydrogen provides a tangible investment opportunity valued at up to £810m by 2030, supporting both industrial process sites and transport applications across the City Region. This investment opportunity sits alongside the HyNet project that will produce and distribute low carbon Hydrogen and develop a Carbon Capture and Storage (CCS) system to service high carbon-emitting industrial sites. This will ensure the capability to supply widespread emerging transportation and industry demand and shore up LCR's wider manufacturing industry as businesses look to relocate closer to sources of hydrogen given that a central cost for them is energy.

### UK Incentives:

Under the Sunak Conservative Government, £4.5 billion was announced in funding for British manufacturing through the Advanced Manufacturing Plan to support the subsectors of automotive, aerospace, life sciences and green industries. It is unknown whether Labour will carry this policy forward.

Funding available to all of the UK in manufacturing is also available through Innovate UK such as the Innovate UK Smart Grants allowing UK registered organisations to apply for a share of up to £25 million for commercially viable R&D innovations. SMEs can also apply to the Made Smarter Adoption programme which can provide a range of fully-funded support services to help companies understand and benefit from the adoption of Industry 4.0 digital technologies.







## 5.10 Creative and Tech

Liverpool City Region has steadily grown into a significant hub for the Creative and Tech sectors, leveraging its rich cultural heritage, strong academic institutions, and strategic location. The region's vibrant creative scene, coupled with its robust digital infrastructure, presents a compelling opportunity for both domestic and international investment. Time Out recently ranked Liverpool as the 7th best city to visit globally, underlining the city's cultural and touristic appeal, which can be harnessed to bolster its Creative and Tech sectors further.

The Creative and Tech sector in LCR is a dynamic and rapidly growing area, driven by a combination of factors including a strong talent pool, collaborative ecosystems, and a supportive business environment. From digital scientists harnessing Big Data and AI to programmers, developers and creatives creating compelling content, Liverpool City Region is rapidly developing a multifaceted, dynamic digital and creative ecosystem.

Key assets and expertise such as at Sci-Tech Daresbury and the Hartree National Centre for Digital Innovation, drive AI and data proficiencies, allowing businesses to acquire technical capability required to adopt digital technologies like supercomputing, data analytics, AI, Immersive Technology, and Quantum Computing. This provides a bedrock for significant strengths in applied tech and LCR being a hotbed for creative content production.

A growing number of tech startups and established companies are choosing the City Region as their base, supported by local accelerators and incubators such as Baltic Creative which foster innovation and provide crucial support for startups.

The region's visitor economy, worth £5.2 billion annually, provides a unique opportunity to create synergies between the tourism and Digital and Tech sectors, particularly in areas like digital marketing, creative content production, and technology-driven visitor experiences.



## Key Niches:

### Content Creation

- **Film and Media Production:** The city has become a popular location for film production, as the most filmed UK city after London due to its high number of historic buildings and attractive city-scape highlighting its cinematic appeal. Liverpool has a thriving independent production sector, including companies like LA Productions and Hurricane Films which could support and benefit from larger industry players.
- **Gaming Industry:** Liverpool has a long history and a strong base in the gaming industry, with major players like Sony choosing to base significant operations in the city. The local gaming community is tightly knit and well-networked, with companies often collaborating on projects, emphasised by the Games Board that brings together, voluntarily, the private sector to develop the ecosystem and is supported by LCR CA in doing so; recent initiatives have included the targeted skills development programme, 'Game Changers'. The gaming industry has already proven to be a valuable source of inward investment into LCR, and its organic nature has led to us assigning it an 'emerging opportunity'. While the sector is already developing well without extensive intervention, more support would cement LCR's competitive advantage in this space. Despite the lack of official financial incentives, Liverpool City Region's deep talent pool and the presence of major gaming firms make it a key player in the UK's gaming sector and one that would benefit from being boosted by resource and funding allocations as and when conditions allow.

## Key Assets:

- **Resilient Connectivity and Data Capabilities:** LCR boasts some of the most advanced digital infrastructure in the UK, with LCR Connect positioning the region as a leader in high-speed connectivity and the Hartree Super Computer, one of the most powerful in Europe. This infrastructure is crucial for supporting the growth of digital and tech companies, particularly those in gaming, immersive tech, and data-intensive industries such as AI and quantum. The presence of local data centres and the development of the UK's largest 5G mesh network further enhance LCR's digital capabilities.
- **LCR Connect:** £30 million, region-owned full-fibre network designed to supercharge inward investment in Liverpool City Region—especially for tech and tech-enabled businesses. Spanning 330km across all six boroughs, it delivers ultra-fast, business-grade connectivity with symmetrical gigabit speeds, ensuring companies can operate at peak efficiency. With high service availability and direct access to leading cloud platforms, LCR Connect supports innovation, scalability, and global collaboration across all sectors, with businesses gaining a strategic advantage in an economy increasingly defined by digital confidence and technological agility
- **Innovation Expertise and asset base:** Liverpool's expertise in data analytics, supported by institutions like the Virtual Engineering Centre, provides a strong foundation for innovation in these areas.
- **Rich Cultural Heritage:** Liverpool's rich cultural history provides fertile ground for creative industries. The city is home to a thriving arts scene, with numerous galleries, museums, and music venues that attract millions of visitors annually and create an attractive proposition to investors seeking creative talent. An £80 million UKRI investment delivered through AHRC has gone into the RICHeS (Research Infrastructure for Conservation and Heritage Science) programme operating out of Daresbury. This is the largest investment AHRC has had and is hugely significant to have this located in the city region and starts to demonstrate that VE/ tech overlap which is highlighted as an opportunity.
- **Innovation in Tourism:** The opportunity to capitalise on the overlap between tourism and digital innovation is significant. Technologies such as AR, VR, and AI can be leveraged to create immersive experiences for visitors, enhancing the appeal of Liverpool's cultural and historical attractions. This not only enriches the visitor experience but also opens new avenues for Creative and Tech businesses to thrive. Liverpool City Region should look to sell its strong AI asset base to the Creative and Tech sector in areas such as this to create a compelling investment proposition.
- **Vibrant Ecosystem for Startups and SMEs:** The region's creative and digital ecosystem is one of the fastest-growing in England, with over 4,000 SMEs and a 41% growth in Creative & Digital GVA over the last decade. This entrepreneurial environment is supported by numerous incubators, flexible workspaces, and dedicated support programs like Baltic Ventures, which help startups and scale-ups thrive.





## Liverpool City Region's Niches in the Creative and Tech Sector:

LCR's niche in the Creative and Tech sector is characterised by several key strengths that set it apart from other regions:

**Film Production:** LCR is the most filmed city in the UK outside of London, thanks to its diverse range of locations and strong film infrastructure. The region offers a complete package for film production, including purpose-built sound stages, production support, location sourcing and LCR Connect offering digital connectivity advantages. This makes LCR a go-to location for both domestic and international productions and film studios, contributing significantly to the local economy. The key to embedding long-term economic benefits in this industry hinges on securing a key anchor tenant, similarly to the way Manchester has established itself as a TV Production hub via the attraction of the BBC. With Manchester's Media City covering TV production, LCR presents a complementary offer via its film credentials and has the opportunity to build out a similar industry cluster via Capital + Centric's redevelopment of the Littlewoods Building which will establish LCR as a world-class media hub. This project will include film studios and creative spaces,

adding to the existing infrastructure that supports both large-scale and independent productions. There is also the opportunity to leverage the City Region's capabilities and asset base in Quantum, as companies such as Black Magic design are demonstrating by locating in Daresbury to access the Sci-Tech Daresbury campus' specialisms in AI and Quantum.

**Gaming and Immersive Technologies:** The intersection of tech and creative industries in Liverpool is driving growth in areas like digital content creation, including gaming, virtual reality (VR), and augmented reality (AR), with companies like Lucid Games and Firesprite leading the charge.

Liverpool's gaming industry is one of its most significant niches, with a history dating back to the 1980s. The region has developed a strong talent pool, supported by the legacy of Sony and other pioneering companies. This has led to the growth of a vibrant gaming and immersive technology ecosystem, centred in the Baltic Triangle, which is recognised as a gaming centre of excellence, but also spilling out into the main CBD as companies expand. The continued evolution of the Baltic Triangle and development of commercial premises that provide the flexibility required for the Creative and Tech cluster is key for its future growth of the sector given the brand recognition of

the Baltic area. The region's expertise in VR, AR, and other immersive technologies further solidifies this niche.

Augmented and Virtual Realities (AR and VR) technology expertise, first developed in the games industry, is extremely transferable, with skills developed in this field also being applied to areas such as independent living, pre-surgery, training and patient care etc. The City Region has some excellent examples of the application of these technologies in its leisure (including film), health, automotive and engineering sectors and these examples should be drawn on in value propositions when communicating LCR's asset base and why its innovation offer is so attractive.

## Fintech

Liverpool City Region has some good case studies to draw on for why international companies should locate in the City Region. The availability of talent over other areas such as Manchester or London due to a less tight labour market offers companies a strong pipeline and talent pool from which to recruit.

Attracting more Fintech 'Northern HQs' will shore up Liverpool's position for the future in this growing sector.



AI and Quantum:

LCR has key strengths in AI and quantum technologies, which can be applied to many of the other sectors recommended in this strategy, but there are also investment opportunities to in quantum itself. Building expertise in this area aligns with the UK government's National Quantum Strategy and its goal of becoming a leading quantum-enabled economy by 2033. While quantum is not a fully developed opportunity, LCR must show that it is leading in this subsector to benefit from investment projects in the long-term. In the short- and medium-term, LCR can benefit from the current global excitement around AI and machine learning. Types of investments relating to quantum and AI that LCR could potentially look to attract might include:

**Quantum R&D Centres** – LCR could aim to attract companies looking to establish quantum research and development facilities including quantum computing labs, quantum sensing and imaging research centres and facilities for developing quantum communication technologies.

The City Region could leverage its existing research strengths, particularly through partnerships with local universities and the Knowledge Quarter innovation district to create a compelling offer in this space.

**Manufacturing Facilities** – Investments in manufacturing capabilities for quantum technologies would be highly desirable. Areas of opportunity include production of quantum computing hardware (e.g. superconducting qubits, ion traps), Manufacturing of quantum sensors and imaging devices and fabrication of components for quantum communication systems.

**Software and Applications Development** – LCR could target companies developing software and applications for quantum systems such as quantum algorithms and software platforms as well as industry-specific quantum applications. In a similar vein, companies are integrating AI across sectors such as drug discovery in life sciences to decrease the lengthy timelines from discovery to marketable drugs.

**Application of AI and Quantum to other sectors establishing corporate R&D Partnerships** – Establishing partnerships between large corporations and local research institutions for AI and quantum technology development would be highly valuable and would add to the value propositions when targeting investors in other industries with a use case for quantum technologies. For example, the cryogenics capabilities and expertise at Sci-Tech Daresbury are integral not only to the development of quantum computing but also to a range of sectors that are critical to our future economy, including fusion energy, renewable energy, security, and healthcare. Also on site at Daresbury is the Hartree Centre, a high performance computing, data analytics and artificial intelligence research facility focused on industry-led challenges.

There are opportunities to further boost existing or developing clusters through quantum such as pharmaceuticals or fintech, as well as logistics which although not necessarily recommended as a key area of proactive focus in this report, still holds an important part in the LCR business stock at present.

Drawing out case studies of successful applications in other sectors where LCR has strengths such as advanced manufacturing and life sciences will be crucial in demonstrating LCR’s suitability for quantum technology development.



The review being led by Sci-Tech Daresbury into this will be useful to inform future proposition development in this area, and other sectors where quantum can be applied.



Challenges and Recommendations:

- **Talent Retention and Attraction:** While LCR has a strong talentpool, particularly in creative and digital disciplines, retaining top talent in the face of competition from larger cities like Manchester and London remains a challenge. The gaming industry, in particular, faces challenges related to the quality of the talent pipeline, not just in Liverpool but across the UK. Ongoing collaboration between the businesses and universities is recommended to ensure that the talent coming through is fit for business needs.
- **Brand Positioning:** To effectively attract inward investment, Liverpool must clearly define and promote its unique selling points within the Creative and Tech sector. A focused brand narrative that highlights Liverpool's strengths in areas like gaming and creative content production will help establish the city region as a leading destination for Creative and Tech businesses. The strong community within the gaming industry in Liverpool, where people are well-connected and supportive, should be promoted as a unique strength.

Presence of existing noteworthy companies in this space:

- **IBM** has partnered with the UK government to create the Hartree National Centre for Digital Innovation (HNCDI) at the Science and Technology Facilities Council's Daresbury Laboratory. The £210 million investment, with £38 million coming from IBM and £172 million from the UK government, aims to support businesses and the public sector in adopting innovative digital technologies with a focus on AI and Quantum Computing.
- **PsiQuantum:** The world’s largest privately backed quantum computing company headquartered in Palo Alto, California, chose to locate its first R&D facility outside the US in STFC’s Daresbury Lab as it has one of Europe's largest liquid-helium cryogenic plants, which is crucial for PsiQuantum's work in developing a general-purpose silicon photonic quantum computer. The pre-existing cryogenic infrastructure at Daresbury Laboratory was a key factor in PsiQuantum's decision, as was the highly-skilled talent in quantum engineering and cryogenic engineering.

UK Incentives:

UK-wide incentives for tech and creative companies currently focus on funding regional activities that will support innovation and skills growth across the sector. These are in place to resolve geographical disparities. One of the current competitions is Cyber Local where UK registered organisations can apply for a share of up to £1.3 million targeting cyber skills and innovation, funded by the Department of Science, Innovation and Technology. By increasing opportunities for local people and communities this will help reduce skills gaps and strengthen local sectors and could be applied to other market areas.

Regional funding and incentives focus on the provision of lower-cost rents, access to business coaching, loans and other more holistic services. This may be due to tighter budgets which limit the abilities of IPAs to offer grants and other monetary incentives. LCRCA’s Flexible Growth Fund compares well against MIDAS’s GC Business Finance.

LCRCA’s Production Fund offering up to £0.5 million for films, TV dramas, animation and comedy series in the region is comparable to the West Midlands Production Fund which offers a similar amount (typically £0.1-0.5 million). While these schemes are similar, Liverpool’s recent success in productions such as *The Responder*, *Time* and *The Ipcress File* could prompt investors to choose the Liverpool region.



## 5.11 Financial, Professional and Business Services

### Law

LCRCA will seek to attract patent litigation and IP practices, particularly in the Life Sciences sector, along with their associated supportive scientific units to set up a presence in the region. These firms often require lawyers with scientific backgrounds to effectively understand and litigate complex technical issues and so can make the most of the rich LCR talent pool across both science and tech as well as law. Firms that set up in LCR can also recruit from a wider talent pool in the era of working from home, drawing talent in from Manchester and Chester hubs in addition to the areas immediately surrounding the City Region.

Taylor Wessing for example have a focus on four core sectors, two of which are Life Sciences and Tech. As the work they are doing is very specialist, they need lawyers who have previously worked in industry before going into law, as they have the base knowledge of scientific processes to be able to litigate in complex patent dispute cases for Life sciences companies. Taylor Wessing came to LCR due to the high number of graduates in relevant fields, excellent ecosystem (willingness of universities to collaborate in terms of talent pipelines) and because it's a far less saturated market than other cities.

The LCRCA service element in terms of helping Taylor Wessing to set up was crucial in helping LCR to win this investment through providing office space for interviews, facilitating introductions to recruiters and universities for talent pipeline assessments etc.

LCRCA should focus on attracting legal firms that service clients and undertake work which has an 'innovation' angle, to further embed LCR's reputation in this space. LCR's excellent supply of software developers also offers the opportunity to attract a 'Legal Tech' element – e.g. business services functions integrating AI into the business processes.

### Maritime Professional Services

The City Region should also consider attracting maritime business and professional enterprises involved in maritime insurance and law. LCR has a historic strength in this field due to its maritime past and present. Embedding the industry in LCR for the long-term as the maritime sector transitions to greener technologies will require a focused approach to investor attraction.

### Wider Innovation-related Professional Services Firms

Outside of legal firms, LCRCA could look to attract other business and professional companies including accounting firms like RSM and BDO, both of which have large life sciences arms. Property agents (such as CBRE, Colliers, JLL) have also taken an interest in life sciences real estate and development due to the large demand for new incubators for start-ups and scale-ups and bespoke manufacturing facilities for larger enterprises.

This is an immediate opportunity for LCR due to the large presence of healthcare and life sciences businesses in the region, as well as proximity to Greater Manchester and Cheshire science parks. Its competitive office real estate costs and access to talent could provide the ideal location for back offices.

### UK Incentives

Very few funds are specifically available for businesses in the finance, business and professional services sector. One of the few examples is the Engine Innovator Programme which selects FinTech companies to receive support and mentoring and put their technology in front of possible investors.





## 6. ROUTES TO MARKET.



## 6. Routes to Market

This section provides a comprehensive roadmap for enhancing LCR's reach and attractiveness to global investors by leveraging multiple, strategically-aligned market channels. From strengthening investor development efforts and fostering bilateral relations with high-potential regions to refining direct marketing strategies and building strategic alliances with regional and national agencies, LCR's strategy is built to increase visibility and investment appeal. Additionally, a focus on business events, industry collaborations, and tailored market engagement activities will position LCR as a leading investment destination, creating synergies and expanding opportunities within sectors of mutual interest and regional adjacency.

### 6.1 Bilateral relations with key target markets/cities/states

LCRCA's vision is to become a globally connected city region focused on developing new joint solutions to common societal and economic challenges, expand and deepen trade, export and investment links, and support and sustain cultural and civic links.

The City Region has delivered significant missions to New York & Boston, Dublin & Belfast, Hamburg and Busan. Additionally the LCR CA has had initial dialogue with Texas, and in particular Houston and North Carolina, as well as event focussed engagement with the UK Embassy in Washington DC which should continue to be developed. This has led to the formation of strong links to UK Embassy staff which LCRCA will continue to capitalise on for further missions. LCRCA will also continue to develop its relationships with DBT and OFI sector teams, to share the specific areas where LCR's strengths live to reinforce the offer of key referral partners.

Relations with US investors continue to be important, with recent links with counterparts in Boston and New York being established during the Mayoral visit to the US in October 2024. These relations should continue to be fostered, recognising the opportunities within these locations for some of LCRCA's recommended sectors of focus such as Life Sciences, Creative and Tech and Green Shipping.

Expanding further into the US, building on links established with North and South Carolina, as well as strengthening links with the West Coast is recommended. Emerging opportunities in locations such as Philadelphia, St Louis, Nashville etc should also be explored.

Looking east, LCRCA should focus on building relations with India, as a growing global superpower with sectoral alignment across Life Sciences and Tech, as well as deepening links with Singapore and South Korea through shared endeavours around clean energy and automotive innovation and technology development.

Aside from looking for bilateral relations with markets that show alignment based on having similar sectoral clusters, LCRCA will look towards those that have similarly reinvented themselves. Bilbao, Rotterdam, Nantes and Antwerp are at varying stages of that process of reinvention and could offer learning opportunities about their inward investment models.

Locations with Innovation Zone and Freeport designations such as Hamburg, Malmo and Jamaica are also useful bilateral relations to foster.

The LCRCA has started to work with the city regions universities, to map and align areas where the academic institutions have or are targeting partnership and R&D relationships and where there are trade and investment opportunities. This synergistic approach should be continued and developed, adding strongly to the Science and Innovation investment narrative.



## 6.2 Direct and place marketing strategies

Since the development of LCRCA's Inward Investment Marketing Strategy in January 2021, the world has opened up after the COVID-19, the global geopolitical situation has seen a shift towards instability, and there has been change in UK government. LCRCA has also set new ambitions for an uplift in FDI by 25% by 2030 and has newly identified areas of focus as outlined in this strategy. While the overall marketing strategy remains very relevant, slight adjustments will be made to future-proof it for the coming years.

These adjustments include structuring marketing efforts around updated value propositions that pinpoint where the City Region has its competitive advantage. The geographic locations in which direct marketing efforts are focused should also be updated to align with those identified within this strategy, as new industry clusters are emerging continuously. LCR must continue to iterate its approach to stay ahead of the competition and build credibility and develop its brand in the high growth locations to become the UK destination of choice.

## 6.3 Using business events as a potential route to market

LCR could also bid to host key sector conferences, providing an opportunity to have delegates visit the City Region, bringing individuals working for university start-ups, large industry and institutions who could be looking for potential investment locations or collaborative opportunities. BIO-Europe, Europe's leading partnering event, saw 2,000 companies visit Barcelona at its 2024 Spring event. Hosting a similar event could have a huge impact on the LCR brand and its association with the Life Sciences sector.







## 6.4 Synergy and opportunities for collaboration with areas of adjacency or complimentary offer

LCRCA should aim to work more closely with its adjacent local authorities where there are sectoral synergies, especially in LCR's three main priority clusters of Advanced Manufacturing, Health & Life Sciences, and Creative & Tech. This can offer a stronger proposition to investors by showing the scale of talent, knowledge and infrastructure available.

## 6.5 Role of talent attraction

LCR has a large catchment area for talent attraction as the region can travel from Cheshire, Lancashire, Greater Manchester and North Wales (due to the COVID-19 pandemic this is enhanced as people don't need to be in the office every day so may be willing to travel further). LCR has a good quality of life due to its coastal location as well as access to green space both within the City Region itself and proximity to the Lake District and the Peak District. This paired with the many cultural highlights in the region makes it attractive, creative and vibrant city. Merseyrail offers a strong transport network providing employees with an easy route to work. Although the network is not consistent across LCR and work is still needed to develop connections to hubs for example near Sci-Tech Daresbury and Knowledge Quarter.

The City Region's relatively inexpensive cost-of-living compared to other parts of the UK is a strong pull for talent as rent and house prices continue to rise across the nation.

## 6.6 Market engagement

In terms of market engagement, LCRCA should continue with its plans to reduce its existing focus on events (by attending fewer but more strategically aligned) and increase its proactive business development activities through in-market representation in key FDI source markets worldwide.

Trade missions to key markets are also a crucial part of building bilateral relationships with key source markets. LCRCA has made a good start in this area and will continue to establish links and begin to lay the groundwork for long-term relationships with key partners. Critical to the success of these missions is the planning; ensuring that the right people are on the team, building the relationships ahead of time and utilising warm leads and contacts to conduct outreach to potential partners.

Strengthening links with strategic markets like the US and emerging economies such as India will further enhance LCR's reach, alongside building alliances with similar post-industrial cities for shared insights.





## 7. CONCLUSION.





# 7. Conclusion

The Liverpool City Region holds significant potential for attracting foreign direct investment by leveraging its strategic advantages, rich history, and evolving economic landscape. This report identifies key opportunities and challenges facing LCR, recommending a targeted approach to maximise investment impact across the region. By focusing on priority sectors with the innovation strengths that converge with them, LCR can position itself as a leading destination for investment in the UK.

## 7.1 Strategic Vision and Goals

LCR’s vision of becoming a hub for *Science, Innovation, and Creativity* is central to this investment strategy and a key recommendation is to make this front and centre of future investment attraction campaigns. This vision is grounded in LCR’s strong asset base, including its Freeport and Innovation Zone status, which provides fiscal and regulatory benefits for investors. LCR’s wider vision of spending 5% of GVA on research and development can be supported through targeting innovation-led FDI projects. The strategic aim to increase FDI by 25% by 2030 requires a concentrated effort on key sectors, a flexible approach to emerging opportunities, and a commitment to place-based growth across the City Region’s diverse geographies.

## 7.2 Priority Sectors for Investment

The report identifies Life Sciences, Advanced Manufacturing, and Creative and Tech as the primary sectors to focus on, offering the greatest potential for growth and economic impact:

- **Life Sciences:** LCR’s strengths in infectious disease control, biotechnology, oncology, and healthtech provide a competitive advantage in the fast-growing global life sciences market. Key assets like the Liverpool School of Tropical Medicine and Sci-Tech Daresbury, along with LCR’s robust clinical trials infrastructure, make the region an attractive location for R&D and manufacturing.
- **Advanced Manufacturing:** With its rich history in manufacturing and a strategic focus on materials science, ZEV manufacturing and automotive innovation, and green shipping, LCR is well-positioned to attract investment in this sector. The region’s access to the Port of Liverpool and Freeport status enhances its appeal to companies seeking complementary automotive logistics and supply chain solutions.
- **Creative and Tech:** LCR’s existing strengths in film production, gaming, and immersive technologies, combined with emerging opportunities in AI, quantum computing and fintech, position it as a competitive player in the creative and tech economy. The region’s cultural heritage and innovation assets offer a compelling environment for creative industries.





### 7.3 Place-Based Economic Growth

A nuanced place-based strategy ensures that different areas within LCR contribute uniquely to its overall economic growth. This approach acknowledges that localities like Wirral, with its maritime strengths, and Liverpool, with its innovation hubs, play distinct roles in driving investment across the City Region. By aligning efforts across all areas, LCR can leverage its diverse economic geography to attract investment that benefits all communities.

### 7.4 Agility and Adaptation to Global Trends

The global investment landscape is characterised by geopolitical shifts, technological advancements, and evolving economic policies. LCR’s strategy emphasises the importance of remaining agile in the face of these changes, allowing LCRCA to adapt to new opportunities and challenges. This includes a focus on nearshoring trends, leveraging the UK’s Freeport network, and aligning with national priorities such as the transition to net-zero and AI-driven growth.

### 7.5 Next Steps and Recommendations

- 1. Focus Resources:** Concentrate investment attraction efforts on the identified priority sectors, using the Economic Opportunities Framework as a guiding narrative.
- 2. Enhance Stakeholder Alignment:** Strengthen collaboration with local businesses, academic institutions, and regional partners to ensure all parties are aligned behind the vision for LCR
- 3. Promote Key Assets:** Amplify the promotion of strategic assets such as the Freeport and key innovation assets through targeted marketing campaigns.
- 4. Leverage Success Stories:** Showcase successful investments and partnerships in LCR to build credibility. Case studies featuring global firms that have benefited from LCR’s assets (like Sci-Tech Daresbury or the Freeport) can be powerful tools in marketing campaigns aimed at attracting new investors.
- 5. Strengthen Ties with National Agencies:** Collaborate more closely with the Department for Business and Trade and other UK Government stakeholders, communicating the LCR offer clearly so that they can sell it on LCRCA’s behalf.
- 6. Utilise the Private Sector to ramp up operations:** Utilising the private sector to undertake key investment-generating activities while the LCRCA Investment Team is ramping up is essential to capitalise on the opportunities presented to LCR which will ensure the achievement of the LCRCA’s ambitions.
- 7. Monitor and Adapt:** Establish a quarterly review process to assess progress, respond to new investment trends, and adjust the strategy as needed.

By following these steps, LCR can build on its unique advantages and position itself as a leading destination for inward investment. Success will be measured not only by the increase in investment flows but also by the long-term economic resilience and prosperity of the Liverpool City Region. With a focused, adaptable, and place-based approach, LCR is well-prepared to seize the opportunities of the future and achieve its vision of being a vibrant hub of science, innovation, and creativity.



# Appendix A

Stakeholder Interviews conducted as part of this study, the findings from which that have been incorporated into this report:

1.0 Digital Innovation Facility: Andrew Levers, Andrew Borland	15.0 Ripstone: Jamie Brayshaw
2.0 Materials Innovation Factory: Doug Parker	16.0 Liverpool City Council: Nuala Gallagher
3.0 Pierian Biosciences: Norman Purvis, Chief Scientific Officer	17.0 Mayor Rotheram
4.0 Knowledge Quarter & Sciontec team	18.0 JJ Smith: Rachael Baker
5.0 Glass Futures: Steve Cook, Aston Fuller	19.0 Taylor Wessing: Saleem Fazal
6.0 Sci-Tech Daresbury: Paul Treloar and Kate Royse	20.0 LCR CA Place Branding: Ben O’Brien
7.0 LCR CA Marketing and Comms: Joanne Dwyer	21.0 Sony: Matt Wilson
8.0 Peel Ports: Stephen Carr and Philip Hall	22.0Royal London Asset Management: Matthew Barnes
9.0 OFI/DBT: Susan Waterson, Susie Izumi, Rachel Johnson	23.0Creative Board Chair: Ruth Hartnoll
10.0 BDO: Mark Sykes	24.0Liverpool University: Tim Jones
11.0 Business and Enterprise Board: Chair, David Meyerowitz	25.0LCR CA Policy: Adrian Nolan
12.0 Mersey Maritime: Ruth Wood, Simon Eardley	26.0Sci-Tech Daresbury and Science and Technology Facilities Council: John Leake and Massimo Noro
13.0 LCR CA Renewable Energy: Martin Land	
14.0 Zempler Bank: Colin Webb	

In addition to the list above, we also engaged on a one to one basis with each Local Authority, had a group session with all six and also held a workshop with the Liverpool City Region Combined Authority.



# Appendix B

## Technical note for FDI sources

FDI Markets has been used to gather global, national and regional FDI data. Due to differences in data collection and what is considered FDI, FDI Markets data will be different to that seen by other sources, such as from the Department for Business and Trade.

FDI not tracked by FDI Markets:

- Mergers & Acquisitions and other international equity investments
- Investment projects that do not create new jobs. This criterion excludes investment projects that only increase operational efficiency, energy efficiency or add new machinery without an increase in jobs or production capacity.
- Contracts to supply and build or consult on international projects without ownership or a resulting physical presence.
- Companies which establish a foreign subsidiary without a physical company presence. These are typically “letterbox companies”, Special Purpose Vehicles (SPVs), or often Special Purpose Acquisition Companies (SPACs) and are registered solely

at the offices of accountancy or legal firms.

- Franchised locations where the franchise holder is based within the destination country.
- Hotels where the hotel is run via a management agreement or licensing arrangement with the hotel brand. In these cases, the project will be added under the company which owns the hotel if the firm is based in another country.
- Restaurant or cafe investments where the number of outlets at the time of announcement is fewer than five.
- Expansion projects where fewer than three new jobs are being created.
- Seasonal or temporary jobs.

## Definition of Liverpool City Region

Local authorities, as defined by FDI Markets, included in the catchment area of LCR include: Birkenhead, Bootle, Bromborough, Crosby, Daresbury, Eastham, Haydock, Kirkby, Liverpool, Newtown-le-Willows, Runcorn, Southport, Speke, St Helens, and Widnes.

## Technical note for sector definitions

FDI Markets has been used to gather global, national and regional FDI data. Due to using this source, it must be caveated that the sectors and subsectors used may not totally reflect how they are defined by other FDI sources. The sector definitions are guided by the current LCR clusters.

- **Advanced Manufacturing** – Advanced Manufacturing sectors are as defined by Sunley et al , these have been matched with corresponding sectors on FDI Markets and filtered by manufacturing activity: Automotive Components, Automotive OEM, Chemicals, Consumer Electronics, Electronic Components, Industrial Equipment, Pharmaceuticals, Biotechnology, Space and Defence
- **Life Sciences – FDI Markets sectors:** Pharmaceuticals, Biotechnology, Healthcare, Medical Devices
- **Creative & Tech – FDI Markets clusters:** Creative Industries and ICT & Electronics. Although LCR currently refers to the Digital, Creative & Tech cluster, we think a more accurate representation of the opportunities within this are best categorised within Creative & Tech. While the proposition and

audience for Creative & Tech are different, creative industries are very technology-based and with a large amount of overlap between the two.

- **Financial, Professional and Business Services** – FDI Markets sectors Business Services and Financial Services
- **Innovation** – FDI Markets filtered by R&D activity. While we recognise that innovation is considered a theme rather than a sector by LCRCA, there are limitations of data at this level. OCO Global wished to capture some of this data regarding innovation given its importance to the Region’s innovation-led growth ambitions.
- **Maritime & Logistics** – FDI Markets sub-sectors : Couriers & Messengers, Freight & Distribution Centres; Support Activities for Transportation; Warehousing & Storage, Water Transportation
- **Renewables** – FDI Markets sector Renewables



Technical note for Supply, Demand and Impact Index model

Chapter 5.2 explains the rationale and overall workings of the model. Data sources for the model’s metrics used are as follows:FDI not tracked by FDI Markets:

Pillar	Metric	Unit	Data source
Demand	Total FDI globally, 2014-2023	GBP	fDi Markets
	FDI growth globally, 2014-2023	%	
	Total FDI to UK, 2014-2023	GBP	
	FDI growth to UK, 2014-2023	%	
	Total FDI to region, 2014-2023	GBP	
	FDI growth to region, 2014-2023	%	
Supply: Workforce	Labour force	Number	fDi Benchmark
	Number of universities with relevant degrees	Number	HESA
	Number of graduates in relevant fields	Number	HESA
	Experienced industry-specific staff	Number	fDi Benchmark
	Average salary in sector	GBP	fDi Benchmark
Supply: R&D	R&D expenditure	%	fDi Benchmark
Supply: Infrastructure & Utilities	Electricity cost	GBP per kWh	fDi Benchmark
	Water cost	GBP per cubic m	fDi Benchmark
	Telecommunication cost	GBP per Mbbs	fDi Benchmark
	Average download speed	Mbbs (median)	Thinkbroadband
	Average upload speed	Mbbs (median)	Thinkbroadband
	Cost of industrial/ office real estate	Price per sq ft	fDi Benchmark