

23 April 2008

Our ref: R00037

**Freedom of Information request - SEEDA's expenditure on overseas offices and conferences**

*Your request was:*

- 1. Please disclose SEEDA's expenditure on international offices and staff for each of the past three financial years - 2005/6, 2006/7 and 2007/8.*
- 2. Please list the total expenditure on each office, its location and the number of staff employed in each of the past three financial years.*
- 3. Please disclose in pounds how much business each office has generated in each of the past three financial years.*
- 4. Please disclose how much has been spent on staff conferences for each of the past three financial years.*
- 5. Please disclose the location of each conference and how many staff attended.*

*You discussed with our FOI Manager, on April 8<sup>th</sup>, the difficulty in obtaining detailed costs for overseas conferences that have been attended by SEEDA staff. The retrieval cost of this part of your request would exceed the appropriate amount of effort to handle your entire request. In the circumstances you agreed that we should just provide answers to Parts 1, 2 and 3 of your request.*



## SEEDA's Expenditure on International Offices and Staff Employed

The following tables give the staffing level, location, number of staff and running costs of SEEDA's Overseas Offices for the past three financial years.

### 2005 – 2006

Market	Location	No. staff	Cost
North America	Orange County	1	£155,000
North America	Boston	1	
South Korea	Seoul	1	£50,000
China	Shanghai	1	£28,000
Japan	Tokyo/ Yokohama	2	£70,000
Australia	Sydney	1	£50,000
France	Paris	1	£27,000
<b>Total</b>		<b>8</b>	<b>£380,000</b>

### 2006 - 2007

Market	Location	No. staff	Cost
North America	Orange County	1	£360,000
North America	Boston	2	
North America	San Francisco	1	
North America	Chicago	1	
China	Shanghai	1	£38,000
Japan	Tokyo/ Yokohama	1	£57,000
Australia	Sydney	1	£50,000
France <sup>1</sup>	Paris	1	£87,000
Germany <sup>2</sup>	Gerligen	1.5	£89,500
<b>Total</b>		<b>10.5</b>	<b>£681,500</b>

<sup>1</sup> French representative moved from a part time contract to a full time employee.

<sup>2</sup> Retained consultancy including: representation, telemarketing, PR and marketing.

## 2007 - 2008

<b>Market</b>	<b>Location</b>	<b>No. staff</b>	<b>Cost</b>
North America	Orange County	1	£326,000
North America	Boston	2	
North America	San Francisco	1	
North America	Chicago	1	
China	Shanghai	1	£41,819
South Korea	Seoul	1	£21,290
Japan	Tokyo/ Yokohama	1	£60,280
Australia	Sydney	1	£73,633
France	Paris	1	£63,679
Germany <sup>3</sup>	Gerligen	1.5	£122,379
<b>Total</b>		<b>11.5</b>	<b>£709,080</b>

### **Business Generated by Overseas Offices**

SEEDA measures the number of international companies that it assists to develop their business in the South East of England, the associated number of jobs created by these investments over the first 3 years of operation and whether the investment is 'knowledge-driven' (following UK Trade and Investments guidelines). It is not possible to directly quantify the monetary value of business that each office has generated.

The following sections and summary tables show the amount of business generated over the past three financial years.

### **2005 – 2006**

SEEDA assisted 61 International companies to invest which were forecast to create or safeguard 3,974 jobs.

The SEEDA International representatives assisted with 19 of these investments which were forecast to create or safeguard 1,360 jobs.

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<sup>3</sup> Retained consultancy including: representation, telemarketing, PR and marketing

<b>Market</b>	<b>Location</b>	<b>No. successes</b>	<b>Job creation</b>
North America		10	180
South Korea	Seoul	1	20
China	Shanghai	1	750
Japan	Tokyo/ Yokohama	2	350
Australia	Sydney	5	60
France <sup>4</sup>	Paris	0	0
<b>Total</b>		<b>19</b>	<b>1,360</b>

### 2006 – 2007

SEEDA assisted 84 International companies to invest which were forecast to create or safeguard 3,908 jobs.

The SEEDA International representatives assisted with 37 of these investments, which were forecast to create or safeguard 1,345 jobs.

<b>Market</b>	<b>Location</b>	<b>No. successes</b>	<b>Job creation</b>
North America		19	624
China	Shanghai	4	50
Japan	Tokyo/ Yokohama	3	100
Australia	Sydney	9	391
France	Paris	1	30
Germany <sup>5</sup>	Gerligen	0	0
<b>Total</b>		<b>36</b>	<b>1,195</b>

### 2007 – 2008

These figures include Q1 – Q3 only, Q4 figures are still being collated and analysed. SEEDA assisted 44 International companies to invest in the South East of England; this created or safeguarded 2,221 jobs.

The SEEDA International representatives assisted with 23 of these companies, creating or safeguarding 273 jobs.

<sup>4</sup> The French Office was established in November 2005.

<sup>5</sup> The German Office was established in August 2006.

<b>Market</b>	<b>Location</b>	<b>No. successes</b>	<b>Job creation</b>
North America		6	128
China	Shanghai	0	0
South Korea	Seoul	1	10
Japan	Tokyo/ Yokohama	3	20
Australia	Sydney	10	74
France	Paris	2	35
Germany	Gerligen	1	6
<b>Total</b>		<b>23</b>	<b>273</b>

### **Knowledge Driven Investments**

Of the investments the SEEDA International representatives assisted, 79% of the investments in 2005-06 were knowledge driven rising to 92% in 2006-07. The target for RDAs is for 75% of all investments to be knowledge driven.

In addition to the number of companies that the SEEDA overseas representatives have assisted to locate within the South East, each representative has developed, and continues to develop, a healthy pipeline of future investors.

### **Additional Information**

Please see below some additional information that you may find of value.

There are a series of direct and indirect impacts that Foreign Direct Investment makes to the South East regional economy and research undertaken by SEEDA highlights that in 2005, there were approximately 5,000 foreign-owned enterprises in the South East, representing 1.7% of the regional total. These enterprises directly support:

- One quarter of the region's gross value-added (£45.5bn)
- One fifth of its employment (825,000 jobs)
- One fifth of capital investment (£2.4bn net)

Since 2005, the number of foreign-owned enterprises has increased by 34% in comparison with an 8% increase in UK-owned enterprises and the number of people they employ has grown by 43% compared with a decline of 3% in employment by UK owned enterprises.

SEEDA however cannot afford to take the South East's current market share for granted and cannot assume that the South East will be the automatic choice of new investors: competition from traditional and emerging competitors is formidable – these competition regions understand the increasing value of FDI in a global economy and are raising their game to attract a bigger share of it. In terms of employment, there is a worrying decline in new jobs being created through FDI in the developed world. UNCTAD's World Investment Report 2007, states that more jobs were created in developing and transition economies than in developed countries.

However, while Immediate job creation is important; other benefits of sustained long term investment such as the transfer of new technologies, skills, employment and further capital investment are also vital to a developed economy such as the of the South East's. Our long term competitive position in the world is dependent on our ability to host and develop a rich knowledge base. Quality as well as quantity is therefore key.

## **Case Studies**

Please see below two case studies reflecting the quality of the inward investment that SEEDA has brought to the region:

- Huawei Technologies provides customized network solutions for telecom carriers around the world. The company specialises in the research, development, production and marketing of communications equipment. SEEDA assisted Huawei to open their new European HQ in Basingstoke in November 2005 with over 200 jobs. To secure the project, SEEDA presented over 250 costed property options and undertook a series of site visits and meetings. SEEDA's representative based in China also met with the parent company several times.
- SEEDA has recently secured US super yacht company Palmer Johnson's investment in the Solent against fierce international competition. The company will build a range of multi-million pound, high technology, bespoke, super yachts which will be the largest leisure craft in production in the UK. Palmer Johnson will construct a state-of-the-art manufacturing facility on SEEDA's sites at Woolston and open a new manufacturing facility at Hythe. This investment will generate significant spin off benefits for the marine industry's supply chain and its knowhow and expertise as well as being of great benefit to the local community. It will create over 800 jobs.

