
To: Business, Economy and Enterprise Scrutiny Board (3)

6th November 2019

Subject: Report Back on UAE Capital Attraction Visit – April/May 2019

1. Purpose of the Note

- 1.1. To provide an update on investment interest garnered from UAE Capital Attraction Visit in April/May 2019 which Coventry City Council attended alongside West Midlands Growth Company, Birmingham City Council and City of Wolverhampton Council.

2. Recommendations

- 2.1. The Business, Economy and Enterprise Scrutiny Board (3) is recommended to endorse this report and confirm its continued support of the work being undertaken by the Economic Development Service to enhance Coventry's international profile, secure Foreign Direct Investment (FDI), Capital Investment (CI) and support local companies to access new markets.

3. Information/Background

Introduction

- 3.1. The UK has long been a favoured destination for investment from the UAE. Typically, this activity has centred on real estate investments in London. However, in recent years, investors have started to move out of London and seek new opportunities across the UK in real estate, infrastructure and technology.
- 3.2. The UAE's Sovereign Wealth Funds (SWF) – collectively worth over \$1trillion – have embarked on this journey. Birmingham City Council has already hosted a senior delegation from Mubadala last year, which allowed them to witness first-hand how a strategic vision for cities and regions could result in large scale urban regeneration and the creation of new investment opportunities.
- 3.3. The UK Embassy in UAE invited the Council to visit the UAE specifically to meet with Mubadala as well as a range of other UAE investors to discuss the steps for investing into the City. The invitation provided an excellent opportunity to broaden out the delegation to include Coventry and Wolverhampton and engage with large institutional and sovereign backed funders to promote the region as a premier European investment location. Meetings were arranged to focus on immediate and longer-term land and property investment options that will contribute to housing need and demand for new commercial space.

4. Delegation

- Councillor Ian Ward, Leader, BCC and Economy portfolio lead WMCA
- Waheed Nazir, Corporate Director – Inclusive Growth, BCC
- Richard Woodland, Principal Capital Investment Officer, BCC
- Neil Rami, Chief Executive, WMGC
- Martin Yardley, Deputy Chief Executive (Place), Coventry CC and Chief Executive of Coventry & Warwickshire LEP
- Richard Lawrence, Director of Regeneration, City of Wolverhampton

5. Itinerary

5.1. Key meetings were held in Duabi and Abu Dhabi across four days, a matrix of the organisations met during this time is below:

Organisation	Activity/Overview
Twenty14 Holdings	<ul style="list-style-type: none"> • LuLu Group International is an Indian multinational conglomerate company that operates a chain of hypermarkets and retail companies, headquartered in Abu Dhabi, United Arab Emirates. • Twenty14 Holdings, the hospitality arm of LuLu Group International, is a leading investment firm, focusing on acquisitions and management of assets throughout the globe. • UK interest includes Great Scotland Yard Hotel in London, which is being redeveloped into a high-end luxury boutique hotel.
HSBC UAE	<ul style="list-style-type: none"> • HSBC Middle East is the largest and most widely represented international bank in the Middle East.
Abu Dhabi Investment Council	5.2. Abu Dhabi Investment Council is a sovereign wealth fund of the Government of Abu Dhabi. The firm invests in private equity, real estate, infrastructure, global special situations, hedge funds, public equity, and fixed income markets across the globe.
Mubadala	5.3. Mubadala are a state-owned Sovereign Wealth Fund; working across more than 30 countries world-wide they operate a diverse portfolio, including healthcare, aerospace, education, real estate and ICT.
Abu Dhabi Investment Authority (ADIA)	5.4. The Abu Dhabi Investment Authority is a sovereign wealth fund owned by Emirate of Abu Dhabi founded for the purpose of investing funds on behalf of

	<p>the Government of the Emirate of Abu Dhabi. It manages the Emirate's excess oil reserves, estimated to be as much as \$875 billion.</p> <p>5.5. Recent UK investments include the Queensmere and Observatory shopping centres in Slough town centre for £130 Million.</p>
Damac	5.6. Developer/investor mainly interested in residential (high-end), hotels and CRE. UK activity includes the Damac Tower (Nine Elms, London)
Investment Corporation Dubai (ICD)	<p>5.7. ICD are an investment arm of the Dubai Government. Their sector interests include real estate, infrastructure and life sciences. They have a limited UK exposure but are expanding globally.</p> <p>5.8. Existing investors in to Coventry based Bladon Jets.</p>
University of Birmingham – Dubai Campus	<ul style="list-style-type: none"> UoB are the first elite UK Russell Group university to establish a campus in Dubai. They run a range of undergraduate programmes, including Business, Economics, Accounting and Finance, Computer Science, Mechanical Engineering, Money, Banking and Finance and Psychology

6. Cost of Attending

	Costs Approved by Cabinet/Cabinet Member	Total of Actual Costs
Travel	£3,500.00	£2,938.90
Accommodation	£600.00	£264.17
Visit Support Costs	£200.00	£171.33
Subsistence	£200.00	£230.84
Insurance	N/A	N/A
Visa	N/A	N/A
Total	£4,500.00	£3,605.24

6.1. The above table outlines the total cost of Coventry's involvement in supporting this visit.

- 6.2. The Coventry & Warwickshire Local Enterprise Partnership contributed £2,500.00 towards the cost of delivering this and as such the total cost to Coventry City Council stands at £1,105.24

7. Key Outcomes

- 7.1. The Investment Visit has provided a valuable opportunity to secure links with the UAE in order to facilitate additional levels of foreign capital investment into the region. The visit has been particularly successful in helping establish new networks and connections with active investors and real estate professionals in the UAE with a key outcome being to raise awareness in a key global capital market of not just Birmingham, but also Coventry, Wolverhampton and the wider West Midlands region.
- 7.2. This has also enabled us to discover and engage a key investment corporation with existing links to a significant growth business based in Coventry, Bladon Jets. This demonstrates that interest in investment opportunities outside of real estate is strong and will enable us to tailor propositions across multiple sectors with a view to securing further investment.

8. Future Activity

- 8.1. Feedback from several of the meetings highlighted the fact that no other city/regions were pursuing a similar approach to engaging with overseas capital markets in this way. This provides the region with a competitive advantage and short-term action is required to ensure that the positive momentum generated from this visit continues. A capital investment senior officer group is to be established with an emphasis on determining priorities for identifying/engaging overseas opportunity markets with a view to attracting investment for development and economic growth.
- 8.2. Coventry City Council continues to work alongside regional partners under the umbrella of the "Local Authority Capital Group" to identify and engage with key markets focused around capital investment. Feedback from the visit highlights that there is an appetite to invest in markets beyond commercial real estate, particularly relating to infrastructure, energy and technology. We have an opportunity to use our engagement with markets like the UAE to link large-scale investment into business growth and economic development opportunities. This will require additional / expert support, commissioned / provided through the WMCA/WMGC, to help develop outline business cases for energy / infrastructure and potentially SME investment opportunities.
- 8.3. It's clear that further work should be undertaken with the region's universities to identify capital investment requirements and to utilise existing international networks established through the HE networks.
- 8.4. Coventry City Council is well placed to continue a dialogue with this key market to secure capital to further the regeneration plans for Coventry.

List of background papers

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Papers open to public inspection:

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