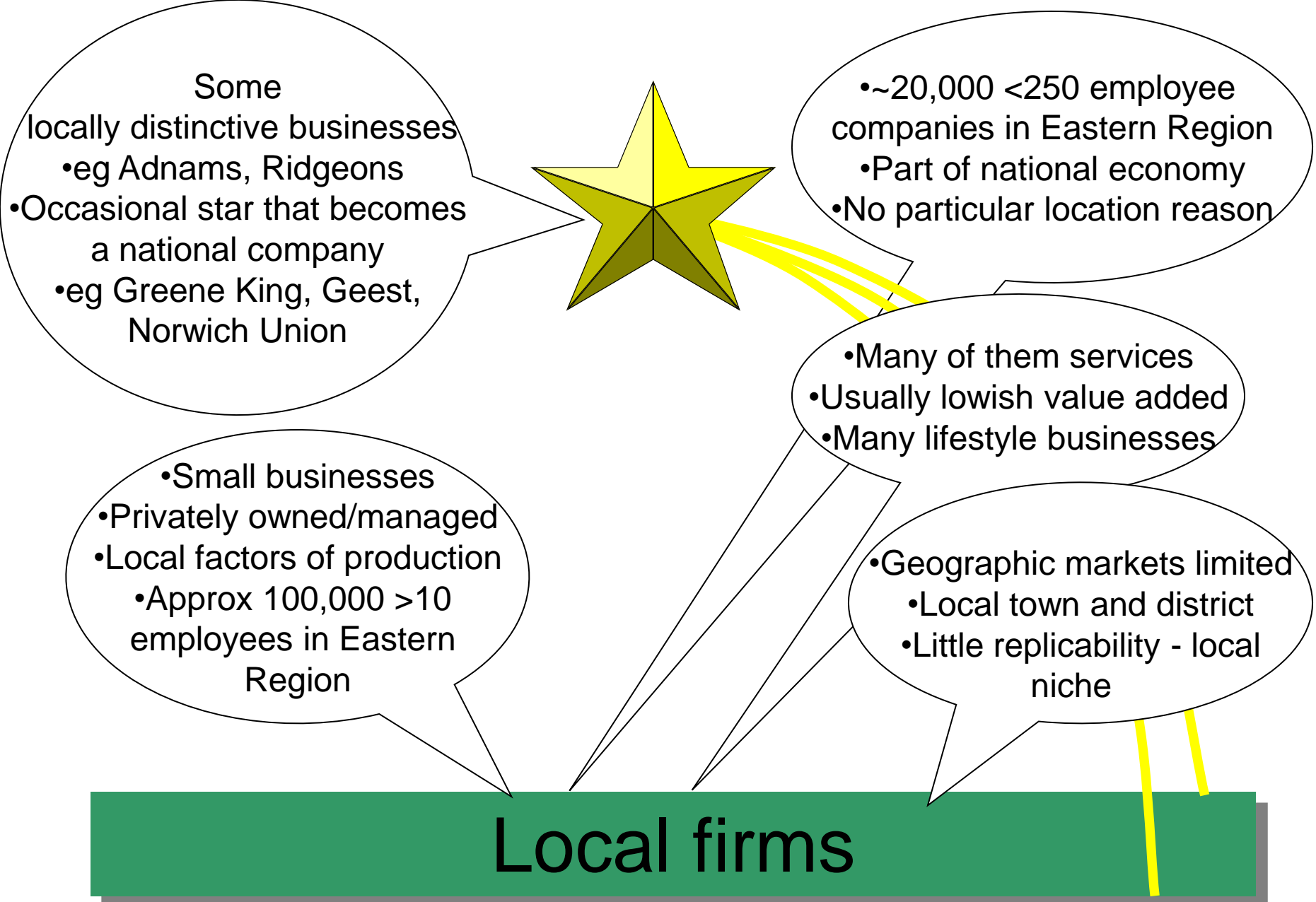


Development of the East of England: How can we avoid throttling the goose?

Centre for Mathematical Sciences
Wilberforce Road
Cambridge
17th September 2009

Outline

- The different layers of regional economies
- How the East of England may grow



- Only 60 PLCs in Eastern Region
- Usually functional units of national groups
 - eg shops, sales and service offices
 - Number of national service units in Eastern Region unknown

- Also important production units
 - eg Marsh in Norwich
 - Large investments with big impacts on local economic factors
 - eg labour, space, infrastructure

National company units

- Location reflects, rather than creates, regional factors and capabilities
 - eg motorways, labour, local markets,
 - Cost and return driven
 - Eventually mobile eg financial services

- Little local intelligence
- Tactical responses to national orders/marketing strategies
- Limited local sourcing

Local firms

Multinational operating units

- Similar to national units
- Part of international marketing or production plan
- Little local intelligence

- Location reflects local factors eg labour, space
- Grant sensitive
- Only 1400 multinational plants in Eastern Region
- Mostly in A1/M1/M25 corridor

- Can have very big impacts on regional economic factors
- eg Ford at Brentwood, GM at Luton, GSK at Stevenage
- Cost and return driven
- Eventually mobile

- Started, managed and usually owned within region
- Produce primarily intermediate goods/services of a specialist nature
- Approx 3,000 in Eastern Region

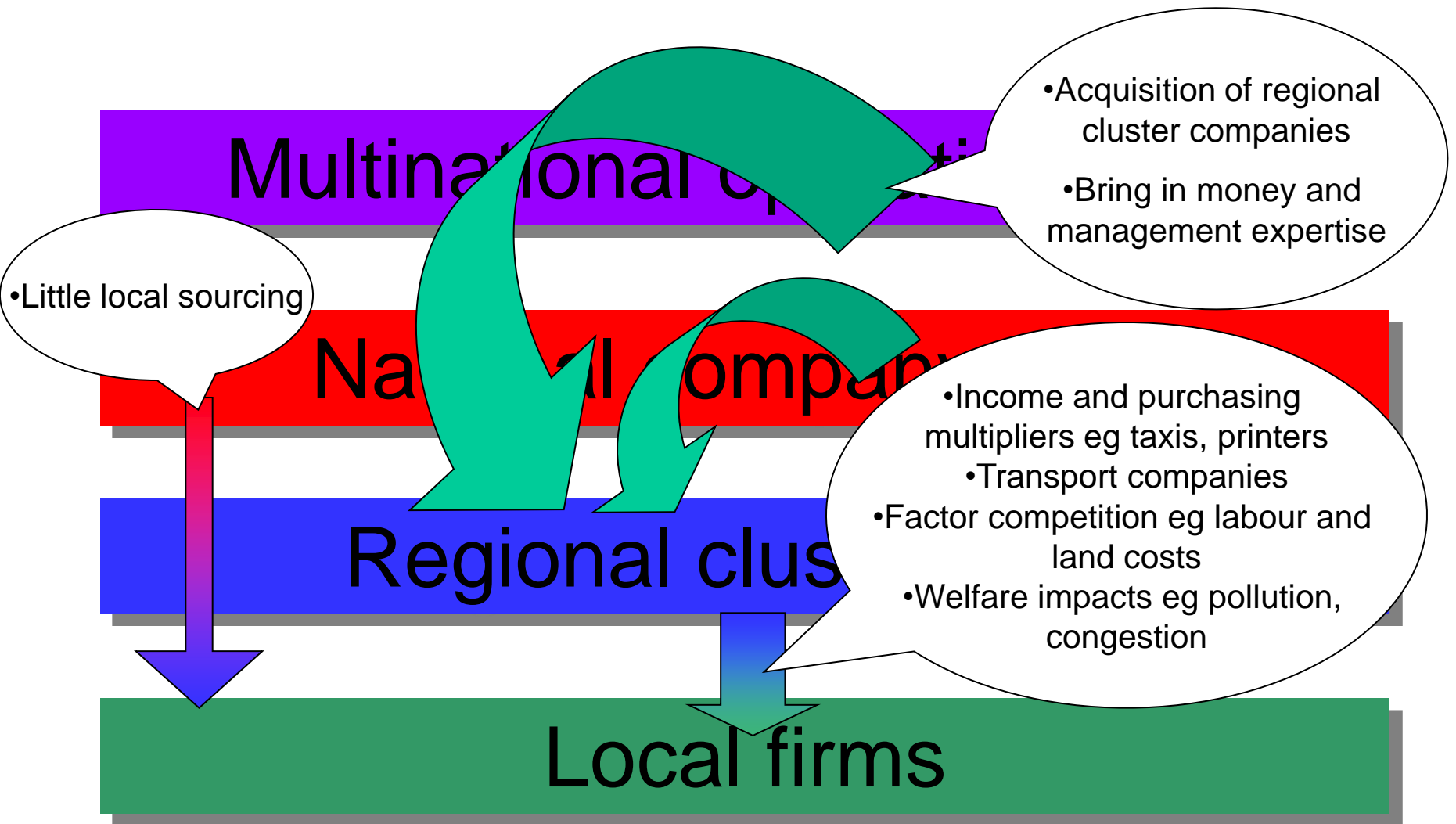
- Operate and initially sell within region, usually to other companies in same or adjacent sectors
- Can internationalise sales quickly, but again in specialised industrial sectors
- Customers are frequently national or multinational companies

Regional cluster firms

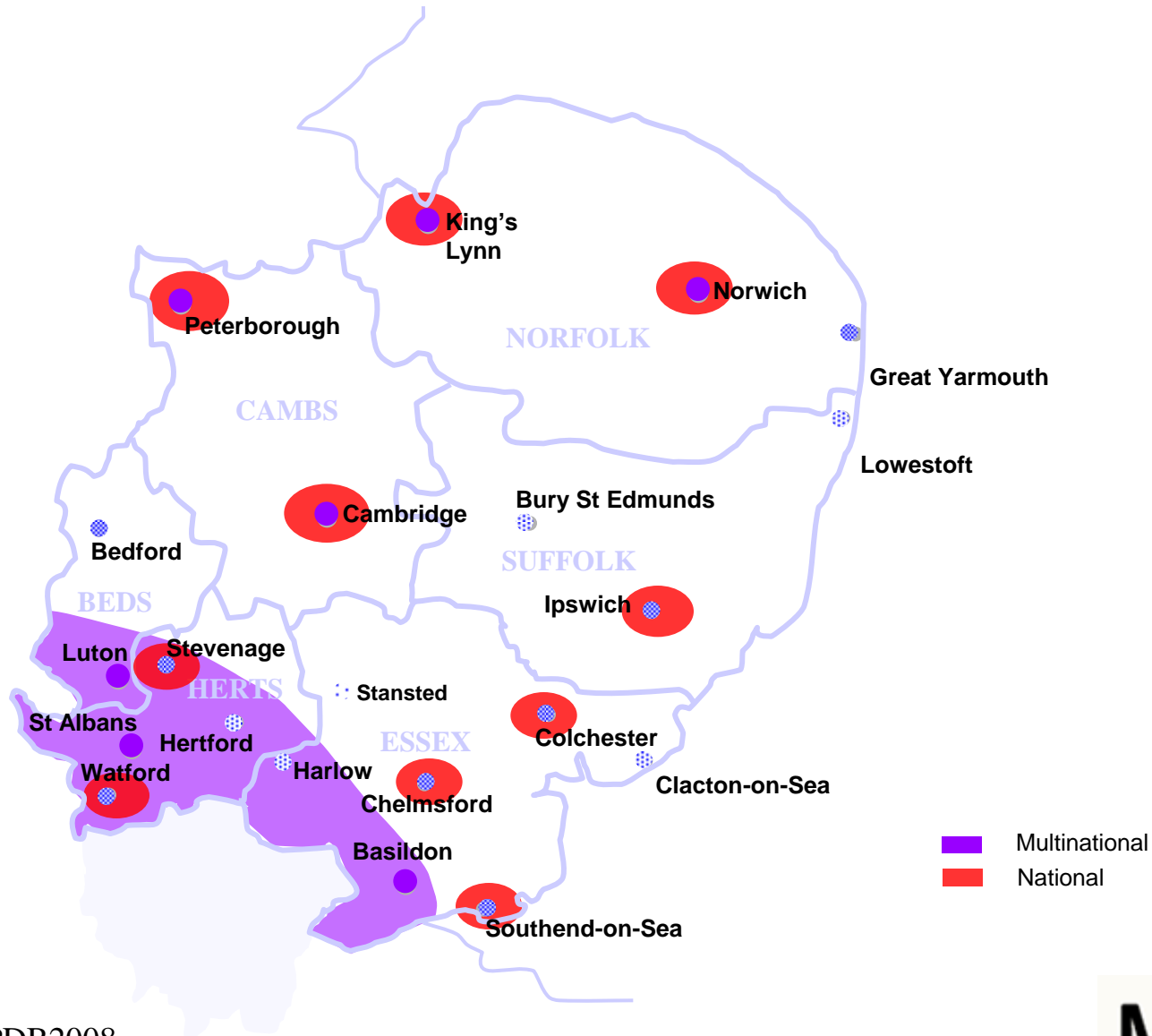
•Usually co-locate/cluster around a source of supply, but sometimes of demand

- West Yorks wool: supply of water and coal
- City of London: port and Govt borrowing
- Hull caravans: ship repair skills and static caravan parks demand
- Yarmouth oil and gas: North Sea rigs demand
- Cambridge Phenomenon: supply of university research

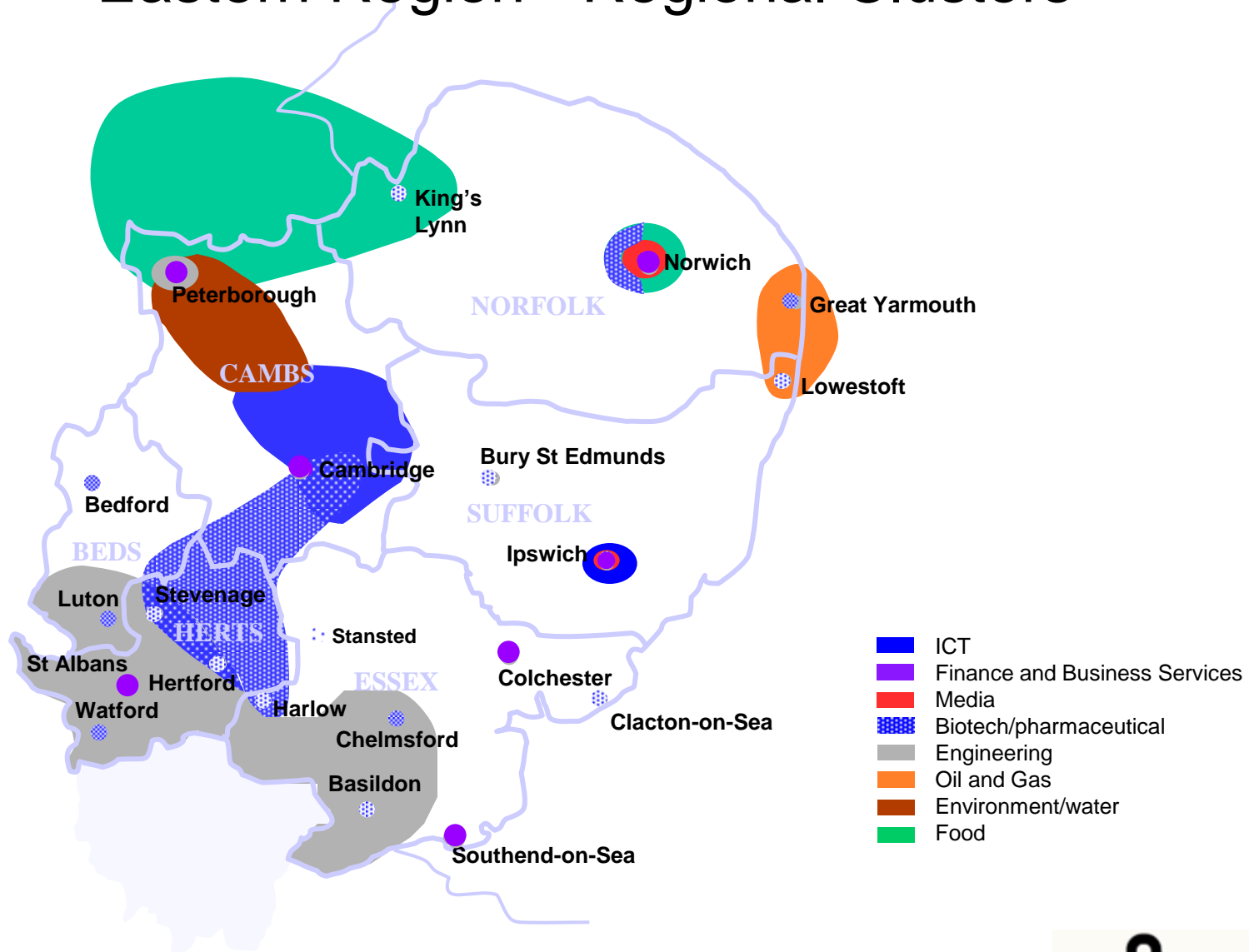
How do these layers interact?



Eastern Region - National and Multinational Layers



Eastern Region - Regional Clusters



Eastern Region Clusters - 5 years time?

