

South West set for £15.5bn boost thanks to manufacturing exports

The South West's economy is predicted to be boosted by £15.5bn in 2021 thanks to manufacturing exports, a new study has found.

The research from Barclays Corporate Banking said manufacturers which don't currently export but are planning to start selling products overseas could see the total soar to £16.2bn a year by 2030.

The Export Dividend report found that despite widespread supply chain disruption, challenges brought on by the global pandemic and Brexit, 80% of manufacturing firms with 10 or more employees in the region are currently exporting.

Across the UK, British food and drink producers are reaping the highest financial rewards, with £34.3bn in sales on a global scale, followed by automotive manufacturers, with £20.9bn.

On a national scale, exporters are also shown to have fared better this year than non-exporters. Over a quarter (26%) of the research respondents who sell overseas said they had seen 'significant growth' in 2021, while only 18% of non-exporters said the same.

Meanwhile, manufacturers which export are also more confident about their prospects in 2022, with 88% of exporting businesses upbeat about their growth potential, compared to 71% of those which don't currently export.

Among those who don't yet export, there is significant demand to start, with the majority (90%) in the South West aiming to

begin selling overseas in 2022.

If they do, Barclays' economic modelling predicts it could be worth an additional £119m to the local economy next year, and an additional £951m per year by 2030.

Non-exporters are more likely to favour European markets, with 30% saying they would target Germany initially, followed by The Netherlands (24%) and the US (24%). In contrast, the US is the market that most current exporters (30%) sell to, followed by Germany (26%) and France (26%).

Richard Craven, manufacturing industry director of Barclays Corporate Banking said: "The British manufacturing sector, like many others, has endured a tough year and around a third of our research respondents have been impacted by higher labour costs, higher material costs and other supply chain issues.

"However, exporters, more than most, have weathered the storms and are enjoying strong demand for their products in markets all around the world. Confidence is high and many firms are looking to exports to fulfil their growth ambitions next year and beyond."

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