

Speech: Midlands Engine Investment Fund

Thanks, Nick, it's a pleasure to be here.

In the very heart of the Midlands Engine.

And a nearly a year on from the launch of our [Midlands Engine Strategy](#).

We've achieved great things over the last 12 months, including:

- announcing a new East Midlands Manufacturing Zone pilot
- agreeing a second devolution deal with the West Midlands Combined Authority
- launching an ambitious [Industrial Strategy](#) – with opportunities for the region to boost productivity and skills

But there's much more to come.

We're committed to making the Midlands a powerful engine for economic growth.

When we say we'll build an economy that works for everyone; we mean it.

But, to just step back a bit, if you can put your money into anything, anywhere in the world – why would you invest in the UK today?

Why the Midlands?

Well, we all know that Midlanders are very grounded people.

It's where Sir Isaac Newton discovered gravity after all.

And very sensible.

It's where John Cadbury invented my favourite chocolate.

And if there's anywhere that shows that something small can be mighty.

It's the Midlands.

Where the Mini Cooper was invented.

Where Tolkien dreamed up the hobbits.

Where 27,000 Midlands business – many of which are small enterprises – exported £47.5 million of goods globally.

It's an exciting time for the Midlands Engine.

In December, Coventry was awarded UK City of Culture 2021.

And Birmingham announced as the hosts of the 2022 Commonwealth Games.

Derbyshire, too, is set to showcase the marvels of Midlands' manufacturing at a new museum where it all started...

...on the site of the world's first ever factory.

We want to harness its huge potential and help give small firms across the Midlands that much needed boost to grow their business.

To generate jobs to benefit the whole Midlands and, ultimately, the British economy.

Which continues to confound the pessimists.

With growth forecasts for 2018 and 2019 upgraded to 1.9%.

More people in work than ever before.

And interest rates remaining low.

Giving British businesses a great opportunity to grow – and those who invest in them, a great return.

Investing in the UK, and The Midlands Engine, is a no-brainer.

Because the 'heart of England' is just that – the lifeblood powering this country's prosperity...

...not to mention innovation, culture and even cuisine.

And I'm not just saying that because I'm a proud Midlands' MP. It's the land of Shakespeare and the steam engine.

Charles Darwin and Rolls Royce.

Newton and Nightingale.

Wedgwood and Walkers Crisps.

And, of course, that most English of dishes – the balti!

Yet, too often these strengths go unsung and are overshadowed by our preoccupation with the North / South divide.

But it's Birmingham – where we are today – not somewhere in the North or the South – that is England's second city.

And it's the Midlands' regional economy that's worth more than £230 billion – larger than countries such as Denmark.

An economy that boasts over 14% of the UK's high-growth businesses.

That's underpinned by a prime central location – within easy reach of London

and the UK's Northern heartlands.

And by excellent transport links.

A road and rail network that connects the Midlands with the rest of the country...

...with the new HS2 route set to cut journey times dramatically.

As well as 2 international airports that connect the region to Europe and the world.

Then there are its many universities, with their cutting-edge research and teaching excellence.

And with people under 20 making up a quarter of the region's population, its young, dynamic workforce.

So the economic case for the Midlands is clear.

Which brings us to the [Midlands Engine Investment Fund](#).

Why this fund and why now?

Because it's not just the small businesses in line for funding who'll benefit.

The growth and the jobs they generate, as a result, will benefit the entire Midlands – and, ultimately, the British economy.

So we all have an interest in supporting them and seeing them succeed.

And ensuring that every single part of the UK can play to its strengths and spread prosperity ...

...something which is absolutely central to our Industrial Strategy and creating a country that works for everyone.

The Midlands Engine Investment Fund is doing just that...

...which is why, as the Midlands Engine Ministerial Champion, I'm proud to give it the government's full backing.

As you know, the fund is the result of investment and collaboration involving many players...

- my department and the Department for Business, Energy and Industrial Strategy
- the British Business Bank
- Local Enterprise Partnerships (LEPs)
- the West Midlands Mayor and business leaders
- and also European funding

And I want to thank everyone involved – many of you who are here today...

...who have helped forge these strong partnerships at a national and local level.

We can see these efforts starting to pay off...

...with the first companies to receive small business loans and debt finance under phase one of the fund already reaping the rewards.

These include Direct Digital Controls, in the West Midlands.

A business that specialises in installing and maintaining energy and environmental control systems.

Thanks to investment from the fund, it's expanding. It's now set to take on four new employees and train an additional apprentice.

There's Olberon, a medical devices company, based in Nottingham.

Finance from the fund will have a huge impact on its international commercial sales...

...by allowing the firm to develop existing links with distributors and market its products more effectively.

And also BCME, owner of specialist education provider – Echo Factor – in Leicester...

...which will use the fund's support to maximise student numbers and become more self-sustaining.

And, Renewable ON Ltd, a clean energy lighting specialist, from Milton Keynes.

The loan funds it has received will go towards cash flow including stock, wages and marketing to fulfil initial orders.

Many of these sorts of small companies struggle to access the financial support they need from mainstream lenders...

...because they don't meet conventional criteria on security or risk.

The Midlands Engine Investment Funding ensures that they will finally get this help...

...and be able to grow, generate jobs and realise their untapped potential.

But, as I said earlier, these ripples of prosperity will spread far beyond those who receive the funding.

And we can already see evidence of this, with an increased buzz around business start-ups...

...stronger SME growth and improving business confidence.

All of which are fuelling a greater demand for external finance.

And I expect this momentum to build following today's launch of the Fund's remaining equity and proof of concept funds.

Funds that will back the Midlands' most innovative small companies – start-ups, scale-ups and everything in between – to succeed.

That will support them to work with our top universities.

That will help them develop and test pioneering technologies, processes and products and bring them to market.

And provide venture capital to realise the ambitions of our high-growth companies.

Having spent 19 years in finance – including in private equity and investments...

...I know, first-hand, what a difference this investment in ground-breaking ideas and technology will make.

Putting the Midlands on track to create the world-class companies of the future.

So, with over £250 million now available – and these funds being matched pound for pound by investment from the private sector...

...there's a huge prize at stake.

A boost for around 1,500 SMEs across the Midlands.

An estimated 3,800 jobs created as a result.

And, vitally, a return that will be ploughed back into the region to drive growth in years to come. I know that these companies' ambitions – and those of the Midlands' business sector, as a whole – know no bounds.

And neither do ours.

Which is why Sir John and I undertook a trade mission to China last November to promote closer business links with the Midlands Engine.

This was a great success, with 18 Midlands' companies from a variety of sectors taking part.

And lots of interest and enthusiasm generated among Chinese businesses and potential investors...

...some of whom are in active discussions about future trade and investment prospects in the Midlands.

We're now looking to follow this up with a Midlands Engine trade mission to India later this year.

I know that you're thinking...

...but this is not a showdown between whether Birmingham or Mumbai does the best curries!

There can only be one winner in that contest – clearly those that my mum makes!

We're going all out to spread the word overseas about the Midlands Engine and the endless opportunities it offers.

Because the Midlands...

...it's dynamic businesses and talented, hard-working people...

...are, without doubt, up there with the best in the world.

With an illustrious past that few countries can match, never mind regions.

And, with the [Midlands Engine Investment Fund](#) delivering more jobs, growth and productivity...

...an even more exciting future ahead.