ROUNDTABLE

Exporting a region to the world

NET

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The North East's role in international commerce

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Photography by Pawel Gajek (The Bigger Picture Agency)

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From its three great rivers to its six globally-connected ports, the North East's towns and cities have long had their identities forged, and their industries built, on water.

While the shipyards and coal mines have faded into history, they have been replaced by the promise of a new green revolution – powered by offshore wind and the growth of renewable energy – in which the region is uniquely positioned to spearhead a new age of clean industry and sustainability.

The landscape along the River Tyne may have changed, and the great vessels that once dominated the city's skyline are now a thing of the past, but the region's proud maritime legacy endures.

At the heart of this is marine insurer NorthStandard, which has safeguarded ships and their owners from Newcastle's Quayside for 165 years.

Following its 2023 merger with London-based Standard Club, the organisation – now employing more than 350 people at its Tyneside headquarters and nearly 700 worldwide – provides protection and indemnity cover for one-in-five commercial ocean-going vessels across the globe.

Here, in an exclusive roundtable discussion hosted by NorthStandard alongside multi-platform publisher NET, regional leaders in trade, logistics, policy and academia explore the North East's role in international commerce.

Where does the North East stand in today's international trade landscape?

For centuries, the North East's fortunes have been tied to trade.

From Sunderland's shipyards, once the busiest in the world, to the coal and steel that left the Tyne and Tees for markets across the globe, the region has long looked outward.

Today, that legacy endures in a new form.

The North East remains one of the UK's most export-intensive regions, and while recent figures show a small goods trade deficit, the region continues to outperform most others across the country.

And yet, despite its resilience and constant reinvention, the North East faces new pressures.

Fallout from the pandemic, Brexit and now US tariffs continue to test its resolve and ability to compete.

Michael Dickinson, North East Chamber of Commerce international trade development and delivery manager, highlighted that while the opportunities for the region are substantial, only a relatively small number of local businesses are actively engaging in international trade.

He said: "We, as a region, have the lowest trade participation in the UK.

"We have around 5400 exporters and 5900 importers, exporting roughly £15 billion and importing £18 billion.

"Many businesses think trading internationally is too complex or too costly, or simply don't know where to start.

"We could be doing a lot more as a region and we need to raise awareness and understanding of the benefits of international trade."

Michael found support from Jen Hartley, assistant director of capital investment and growth at Newcastle City Council, who highlighted the region's overreliance on a small number of large investors and exporters.

She said: "The North East has punched above its weight in attracting major foreign direct investment (FDI) projects – we've had consecutive years ranking highest outside London for jobs created by new foreign investment.

"But that success rests on a handful of companies.

"If we were to lose one of those big FDI companies, then our trade levels would plummet.

NorthStandard's Tyneside headquarters

Roundtable members take part in the NET x NorthStandard discussion. Pictured, centre, is John Duns, NET business development director

"The challenge is how we get more SMEs to adopt an international trade mentality.

"How do we break down barriers to entry, help them deliver effective market strategies and look beyond our borders to the US as well as to nearby European partners?"

Phil Witcherley, executive director for economy, innovation and culture at the North East Combined Authority, spoke of the region's strengths and potential.

He said: "We have a wealth of exporters across the region, from artisan food manufacturers in Northumberland to a massive multinational car manufacturer in Sunderland.

"If you look at the stats differently, the North East – including Tees Valley – has the largest export rate per head, per capita, of any English region.

"We've also got assets that support trade: three major water ports, an airport consistently rated the world's favourite midsize airport and a strong manufacturing and services base."

Matt Beeton, Port of Tyne chief executive, said: "From a port perspective, basic trade – imports and exports across the UK – is stable.

"However, with the momentum gained from devolution and new opportunities on our doorstep, there's lots of reasons to be optimistic.

"Investor confidence may be low generally across the UK, but investors engaging with the North East – and with the port specifically – want to invest.

"And we have a unique geographical opportunity that the region needs to seize."

Visiting Newcastle for the first time, Erin Henwood, CBI international policy manager, offered insight from a national perspective.

She said: "I think the North East is really well placed, even though it's hard not to feel a bit uneasy about the current trade climate.

"It has strong ties with the EU and benefits from expanding US demand, though escalating tariffs mean that's something to approach with caution."

"In the last financial year, there were 63 foreign investment projects in the region, creating more than 2000 jobs.

"It feels like a good moment to build on that momentum and seize investor confidence."

Where are the North East's key opportunities to boost trade and exporting potential, and which sectors are best placed to lead the way?

As in its past, the key to unlocking the North East's future prosperity would appear to lie at sea, where the region can leverage its natural advantages, port infrastructure, abundant space and engineering heritage to become a world leader in offshore renewables.

From the Blyth-based Offshore Renewable Energy Catapult to Equinor, Van Oord and Ørsted's marshalling, operations and maintenance bases at Port of Tyne and SeAH Wind's £900 million wind turbine monopile making plant at Teesworks, the transition to net-zero has created a unique opportunity for the region to once again lead from the front.

Yet green energy is only part of the story.

Digital and professional services, the recent announcement of the country's only AI Growth Zone and QTS' £10 billion data centre in Cambois, along with the revitalisation of creative industries and the North East's emergence as a prominent player in space research and innovation, are all drawing international interest and investment.

Together, they offer potential to ignite a new industrial legacy while driving significant export growth.

Peter Snaith, partner at international law firm Womble Bond Dickinson and head of the firm's manufacturing sector group, highlighted the North East's advantage in leading clean energy initiatives.

Paul Jennings, NorthStandard managing director

He said: “The North East has a unique proposition in terms of the scale of the infrastructure and what we have had here before, and what we can pivot to support.”

However, he was clear the push towards decarbonisation must be measured and practical.

He said: “Moving towards clean energy is fundamentally the right way to go, but it has to be at the right pace, so we do not inadvertently kill industry with cost and technology challenges.

“Many of these opportunities are three, five or seven years in the making, so it’s about bridging the gap, supporting existing intensive energy users, and gradually transitioning away from traditional oil and gas into more sustainable feedstocks.

“Investors are hesitant, partly because of the host of new technologies.

“Some will succeed, some will fail, but we can’t have investors thinking, ‘I’m not going to get on that horse’.”

Paul Jennings, managing director at NorthStandard, reiterated the challenges investors face, noting that while shipowners support fuel transition, regulatory uncertainty and long asset lifecycles often prevent them from committing to new solutions.

He said: “The problem is that an investment in a ship is 25 to 30 years.

“And currently, shipowners, even though they believe in the fuel transition, they’ve got no idea what fuel those ships will have or what will be available in the future.

“So, while I fully back the North East’s push into the clean energy space, and believe it is a real USP for the region, we also have to be realistic about what’s happening globally.”

Dr Fiona Whitehurst, associate dean for engagement and place at Newcastle University Business School, who is also a member of the Global Underwater Hub’s North Advisory Group, pointed to the scale of opportunity that lies within renewable energy and the wider supply chain.

She said: “The subsea sector has traditionally been associated with oil and gas, but technology and expertise are now being applied across a range of industries, including offshore wind.

“Companies such as Baker Hughes, TechnipFMC, Osbit, JDR Cables and SMD already serve a wide range of global markets, including Europe, the US, Middle East and South America.

“These firms have always been at the forefront of innovation – in cables, trenchers, remotely operated vehicles and all the equipment that sits on the seabed – and that same technology will underpin the next generation of renewable energy projects.”

Roundtable members take part in the NET x NorthStandard discussion

Phil added: “Clean energy is pretty much near the top of the tree in terms of this region’s great opportunities.

“With the advantages of the North Sea over the Celtic Sea, Dogger Bank and assets such as the Offshore Renewable Energy Catapult – where technology is being tested for global companies – it’s clear we have significant assets.

However, Phil stressed the North East must promote such strengths more widely.

He added: “We’re the best, but we don’t talk about it enough.

“When people think of offshore wind, they usually think of North East Scotland or the Humber, because Aberdeen is seen as the capital of oil and gas, and Siemens is based in the Humber.

“But if you look at Port of Tyne or Port of Blyth, the scale of activity and the opportunities are even greater.

“We need to talk about this more positively – there are huge opportunities for inward investment and the export growth that comes with it.”

Jen, speaking on the day North Shields musician Sam Fender returned home to claim the Mercury Prize, was keen to point out the North East is also making strides across a range of other sectors and industries.

She said: “The Mercury Prize is a great example, but it’s about more than hosting events – it’s about creating a lasting legacy.

“From TV, film and screen to the Northern Centre for Writing and the new Warner Studio in Newcastle, these are industries where we can grow talent locally, support the creative supply chain, and show the world that the North East is creating the next generation of ideas and technology.”

However, Jen reiterated Phil's point that the region is often reticent to celebrate its successes.

She added: "If we don't shout about our strengths, then who will?

"We need to take all the companies doing amazing things and put them into a narrative that people can connect with – so they see that we're the North East and we're leading the way."

What are the key barriers currently holding the region back, and what steps can be taken to overcome them?

For all of the region's latent advantages and the emergence of exciting new opportunities, roundtable members were quick to identify perennial barriers that are preventing the North East from realising its economic potential.

Challenges remain around attracting investment, retaining and developing talent, and creating a robust skills pipeline with clear career pathways.

Erin said: "North East firms face higher borrowing costs than those in London and the South East, and they have access to more limited investment.

"Productivity is low – around 15 per cent below the UK average – the labour market is tight, and economic inactivity is high.

"On top of that, there's the wider issue of fragile trade links.

"It's very difficult for North East firms in their growth stage to scale and expand."

However, she added: "The good thing is that the problems holding the region back are solvable.

"If we harness emerging technologies like artificial intelligence and equip people with the right skills, the North East has a real chance to thrive.

"I think part of the solution is bringing investors here, so they can see for themselves what the North East has to offer."

This sentiment was shared by Fiona, who works closely with the ScaleUp Institute.

Citing the success of the recent Venture Connect and ScaleUp Britain event at Port of Tyne, which was co-hosted with the London Stock Exchange and the ScaleUp Institute, Fiona highlighted that while the region is full of innovative firms with real growth potential, a lack of investment often stalls their progress.

She said: "Our spin-outs and high-tech start-ups, the ones that could really grow and scale, are underfunded.

"Events like ScaleUp Britain show what's possible – innovative companies pitching ideas, making connections and accessing the right networks.

"These businesses are incredibly talented, but they need funding, support and a platform to be seen."

Matt reinforced the same point.

He said: "We launched the Venture Connect programme because so many strong small companies were struggling to attract investors to scale.

"The feedback from investors has been fantastic, but it also underlines the challenge – we're not drawing enough investors to the North East and we need to do more to bring them here."

Roundtable members also stressed the need to align education with new industries, ensuring the skills needed for emerging sectors are taught and nurtured locally.

While Michael praised universities and colleges for their facilities and support, he pointed towards a significant disconnect at secondary and primary school level.

Jen Hartley, Newcastle City Council assistant director of capital investment and growth

Peter Snaith, middle, Womble Bond Dickinson partner and head of the firm's manufacturing sector group, makes a point during the roundtable discussion

Michael Dickinson, North East Chamber of Commerce international trade development and delivery manager, middle, with Fiona Whitehurst, associate dean for engagement and place at Newcastle University Business School, and Mike Salthouse, NorthStandard head of external affairs

He said: "Colleges and universities in the region are doing incredible work, but there's a large gap from secondary schools.

"What students are being taught often isn't fit for purpose, and many teachers lack work experience in the industries we are trying to grow.

"That gap starts even earlier in primary school, where children rarely get to see the opportunities that exist locally.

"We need to plan for the future and build awareness and skills from the very start, so young people can see what they could achieve in the North East, rather than falling into jobs later on."

Mike Salthouse, head of external affairs at NorthStandard, said the challenge goes beyond skills provision to visibility and aspiration.

He said: "I go into schools as part of the Inspiring the Future initiative.

"Often, children don't want to hear about the world of industry or shipping – they just want mock interviews.

"That's a lost opportunity to show what exciting careers exist, whether in insurance, professional services or beyond."

He added: "There is also a secondary challenge around schools themselves.

"High-quality professionals considering a move to the North East want strong schools for their children, but our state schools are underperforming.

"That makes it harder to attract talent, and it's something we need to address urgently."

How can the North East raise its profile to attract talent, investment and businesses, while breaking down entrenched stereotypes?

The North East has never been short of talent or ambition, but it has often struggled to tell its own story.

Roundtable members noted that while other regions consistently broadcast their successes, the North East often underplays its strengths.

Matt highlighted the need for a stronger, more confident narrative.

He said: "We need to talk up the North East.

"Everyone talks about Manchester and its successes, but there is real momentum in the North East.

"Too often, though, we concentrate on our problems, rather than our opportunities.

"By acting strategically, being brave and using our assets collectively, we can grab advantage quickly and really make an impact."

Mike spoke about how businesses in the region tend to operate in silos.

He said: "We have a magnificent collection of businesses in the North East, but none of us really understand how we fit together.

"If we're serious about attracting investment, then we need to look ourselves in the face, actually start connecting and work out how we can help each other."

Mike also pointed to the challenge of overcoming national perceptions and outdated stereotypes.

He said: "We need people to see the North East as a real career choice, not something they settle for.

"There is a regional prejudice problem that impacts us a lot more than we care to admit.

"In our own industry, it is a challenge recruiting top talent because of this bias, which is hardwired into much of the country."

Paul agreed, adding that while many people see the North East as a great place to study, far fewer view it as somewhere to build a long-term career.

He said: "We come across so many people who have studied here and absolutely love the region.

"But only a small proportion stay, because they don't believe there are enough opportunities.

"The mindset is often, 'I'll go up north for university, have a great time, then head back to the South East for work.'"

Peter said the North East can sometimes cling to a nostalgic, romanticised image of the 'industrial north' – a version of itself that no longer reflects the region's modern strengths.

He said: "We still badge ourselves as the industrial north, but we haven't been that for a very long time.

"People still think of big, blue-collar jobs, but the reality is that the North East is full of innovation, services and future-facing industries.

"We're not talking enough about office jobs, professional services and specialist roles that exist here."

Peter also stressed that for the region to truly thrive, it must embrace unity, rather than cling to the parochial mindset and division often forged on football terraces.

He said: "The UK is small – and the North East is even smaller – yet we still divide ourselves by place or football loyalties.

"We are one region, even if we often describe ourselves as something different.

"If we start talking about the North East as a single, powerful collective, we'll stand a much better chance of competing nationally and globally."