The Manchester Model: what foreign investment reveals about the UK's most productive city outside London

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Abstract

Manchester is now the most productive large English city outside London. On the latest ONS sub-regional data, GVA per hour worked in the City of Manchester reached £44.77 in 2023 (current prices) — 115 per cent of the £39.02 average across the other nine large UK cities outside London, up from 104 per cent in 2015. The city closed that gap because its own productivity grew faster than its peers': Manchester's GVA per hour worked rose 42.0 per cent between 2015 and 2023, against 29.2 per cent for the nine-city average and 28.1 per cent for the UK as a whole (all current-price figures; ONS, 2025a; Sarsfield et al., 2025; authors' calculations). With the 2026 Makerfield by-election, a probable Labour leadership contest, and the impending succession question in the Greater Manchester mayoralty, the question of whether the city-region's growth model has worked is now of national consequence.

This paper examines one pillar of what we can call the Manchester Model: the city's ability to attract and channel foreign direct investment into productive uses. Drawing on Moody's Orbis Crossborder Investment microdata for 2013–2025, and benchmarked against Birmingham, Leeds and London, we present six findings — on the scale, composition, timing, sectoral mix, business-function profile and investor motives of Manchester's inward investment — and a closing discussion of its university–industry interface.

Executive summary

Manchester is now the most productive large English city outside London. On the latest ONS sub-regional data, GVA per hour worked in the City of Manchester reached £44.77 in 2023 (current prices) — 115 per cent of the £39.02 average across the other nine large UK cities outside London, up from 104 per cent in 2015. The city closed that gap because its own productivity grew faster than its peers': Manchester's GVA per hour worked rose 42.0 per cent between 2015 and 2023, against 29.2 per cent for the nine-city average and 28.1 per cent for the UK as a whole (all current-price figures; ONS, 2025a; Sarsfield et al., 2025; authors' calculations). With the 2026 Makerfield by-election, a probable Labour leadership contest, and the impending succession question in the Greater Manchester mayoralty, the question of whether the city-region's growth model has worked is now of national consequence.

This paper examines one pillar of what we can call the Manchester Model: the city's ability to attract and channel foreign direct investment into productive uses. Drawing on Moody's Orbis Crossborder Investment microdata for 2013–2025, and benchmarked against Birmingham, Leeds and London, we present six findings — on the scale, composition, timing, sectoral mix, business-function profile and investor motives of Manchester's inward investment — and a closing discussion of its university–industry interface.

- **Scale.** Manchester captured 659 greenfield projects worth $13.7 billion and 42,853 jobs over 2013–2025, 1.7 times Birmingham and 2.6 times Leeds.
- **Composition.** Greenfield accounts for 54 per cent of Manchester's inward investment value, against 22 per cent in Birmingham, 14 per cent in London and 10 per cent in Leeds.
- **Sectors.** Manchester's greenfield investment over-indexes in Information and Communication and Professional, Scientific and Technical activities, which are the same sectors driving its measured productivity growth.
- **Functions.** Manchester attracts high-value, business-to-business corporate functions — sales and service delivery, and the highest four-city share of R&D and data-centre projects, rather than consumer retail or regional headquarters. It is a delivery-and-research gateway, not yet a corporate decision hub.
- **Universities.** Investor motives suggest it is more likely to be the *configuration* of Manchester's university–industry interface — the Oxford Road Corridor, University of Manchester Intellectual Property (UMIP), the Bruntwood SciTech partnership — that is visible to foreign investors, than university quality itself, which is broadly distributed across the UK comparators.

Taken together, these patterns describe a recognisable Manchester Model — a configuration that successive independent reviews and commentators have characterised and debated, with different emphases — from devolution and place leadership (Manchester Independent Economic Review, 2009; Greater Manchester Independent Prosperity Review, 2019; Spencer, 2025) to private enterprise and planning liberalism

(Parikh, 2026), even as others question how much of the recent productivity gain is real (Centre for Cities, 2025; Swinney, 2025) or whether devolution reliably delivers it (Sweeney, 2026): devolved governance, agglomeration through transport and place, a commercialised university–industry interface, and a demonstrated capacity to attract and channel foreign capital into productive use. The model is producing results that are visible to global capital. The policy question is how to sustain and deepen it in Manchester and, where appropriate, transfer it to other UK cities.

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1. Introduction

In January 2026 Andy Burnham, the Mayor of Greater Manchester, set out a vision he termed "Manchesterism": a place-based industrial strategy anchored in devolution, agglomeration, transport investment, university–industry collaboration and the capacity to attract productive foreign capital. This paper steps back from the political branding and asks whether the data describe a coherent growth model worth naming.

We conclude that it is, and use the more neutral label "the Manchester Model" for the configuration of devolved governance, agglomeration, transport investment, commercialised university–industry interface and FDI-capture capacity that, on the evidence assembled below, has begun to differentiate Manchester from comparator UK cities. The question carries immediate political weight. Mr Burnham is standing in the June 2026 Makerfield by-election to enter Parliament — a move widely read as positioning him for a Labour leadership contest — which would then bring the succession to the Greater Manchester mayoralty into view.

There is an irony worth naming at the outset: Makerfield, on the city-region's western edge, is precisely the kind of below-average-productivity district that the City-of-Manchester core has pulled away from. Whether the model can extend from the centre to the periphery is its central unfinished task, and we return to it in the conclusion.

The headline fact is straightforward: Manchester is now the most productive large English city outside London, and it has pulled away from the big-cities average over the past five years (Figure 1).

Figure 1: Manchester productivity vs UK big cities

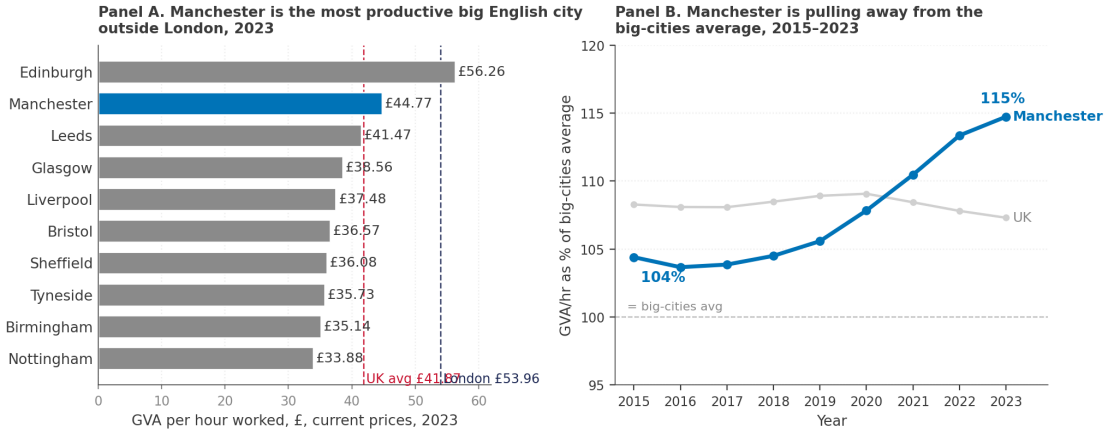


Figure 1. Manchester's productivity position among UK big cities, 2015–2023. Panel A: GVA per hour worked, current prices, 2023, ten largest UK cities by population. Panel B: Manchester GVA per hour worked as a percentage of the unweighted average of the other nine large UK cities outside London (Birmingham, Leeds, Liverpool, Sheffield, Newcastle, Nottingham, Bristol, Glasgow, Edinburgh), with the UK reference plotted in grey.

Notes: ITL3 city-core regions. Figures are current-price (nominal) GVA per hour worked, so growth over time reflects inflation as well as real productivity gains. The rise shown in Panel B — from 104 per cent of the unweighted nine-city average in 2015 to 115 per cent in 2023 — reflects Manchester's faster own growth (42.0 per cent over the period, against 29.2 per cent for the nine-city average and 28.1 per cent for the UK), not any change in measurement. "Manchester" is the City of Manchester local authority (TLD33), not the wider Greater Manchester Combined Authority footprint, which includes seven LAs with productivity below the UK average; the metro-area figure is correspondingly lower. On the ONS smoothed series for Greater Manchester ITL2, GVA per hour worked rose from 89.5 per cent of the UK average in 2004 to 95.0 per cent in 2023 (ONS, 2025a). Recent work has urged caution on a single year's reading: Centre for Cities (2025) and Swinney (2025) flag implausible concentration in legal and accounting activity in Trafford, and Gouma et al. (2025) find the apparent convergence largely reflects the 2020 to 2021 data revisions rather than a genuine shift. Source: authors' calculations from ONS (2025a) and the TPI UK ITL3 Scorecards (Sarsfield et al. 2025).

The sectoral signature of Manchester's growth is also clear. Between 2015 and 2023, real GVA in Information and Communication rose 114.9 per cent in Greater Manchester and Professional, Scientific and Technical activities rose 61.0 per cent, against UK rates of 62.0 and 19.1 per cent respectively (ONS, 2025b; see Appendix A.3 for comparator figures). These are the activities the rest of this paper finds to be over-indexed in Manchester's inward investment record.

The context for this performance is the gradual devolution of powers from Whitehall to Greater Manchester. The Combined Authority was established in 2011; the first Devolution Deal was signed in late 2014; the first elected Mayor took office in 2017. By UK standards this is the longest-running mature city-region devolution case. The economic rationale was set out at length in the 2009 Manchester Independent Economic Review, which itself drew on a longer history of strategic planning by local leaders (MIER, 2009).

This paper asks what kind of capital was invested in Manchester over the post-devolution period, and what that pattern reveals about how the city's growth has been produced. Foreign direct investment is an informative lens because cross-border investors operate under hard budget constraints, evaluate sites through structured comparative analysis, and

reveal — through their location choices — what they consider distinctive about a place. We use Leeds as the closest Northern civic-university peer, Birmingham as the largest Midlands city-region and the natural comparator for a devolution-led growth story, and London as the national reference point.

2. Data and method

We use Moody's Orbis Cross-Border Investment (CBI) data for greenfield projects and cross-border M&A announced between 2013 and 2025. "Manchester" comprises projects with city-core location strings ("Manchester (GB)", "Manchester City Centre (GB)", "City of Manchester Stadium (GB)"); Birmingham, Leeds and London are defined symmetrically. The narrow definition supports valid four-city comparison and excludes peripheral GMCA districts; the absolute numbers should be read as a lower bound on the actual Greater Manchester footprint.

The 2013 starting point aligns with the UK-wide post-financial-crisis recovery in cross-border investment, and with the modern devolution era. We cross-validate against the EY UK Attractiveness Survey 2025 (EY, 2025) and the wins published by Manchester's inward investment agency (MIDAS) for 2025 (see Appendices A.4–A.5).

Greenfield and cross-border M&A measure different things, and the international literature treats them as economically distinct events. Greenfield investment reflects an investor's active choice of where to build new productive capacity — the location decision that policy can most directly influence. Cross-border M&A is largely a transfer of ownership of existing capacity, with returns typically capitalised at the point of transaction rather than diffused into the host economy. Ahn, Aiyar and Presbitero (2025), using firm-level data across advanced economies, find positive intra-industry productivity spillovers from greenfield FDI but only noisy effects from cross-border M&A. Calderón, Loayza and Servén (2004) establish the same distinction at the macro level: greenfield projects raise domestic investment and growth, while M&A does not, on average. Wang and Wong (2009) reach a similar conclusion with a human-capital threshold attached to the M&A channel. We therefore report the two modes separately throughout, and frame our policy-relevant findings principally around the greenfield data series. Greenfield is the metric that maps to policy effort and to the productivity question; M&A composition is reported for completeness.

Further methodological notes, including the treatment of capital expenditure, the interpretation of UK-domiciled investor codes, and known coverage limits, are reported in Appendix A.1.

3. Findings and discussion

The six findings reported below are organised in three groups: scale and composition (Findings 1–2), timing (Finding 3), and sector, function and investor reasoning (Findings 4–6). A final discussion turns to the university–industry interface, where the four-city evidence is thinner and the reading more interpretive.

Finding 1: Manchester is decisively the leading non-London destination

Between 2013 and 2025, Manchester captured 659 cross-border greenfield projects, 1.7 times Birmingham's 388 and 2.6 times Leeds's 251 (Table 1). The associated capital expenditure was $13.7 billion, 1.6 times Birmingham and 3.8 times Leeds. Job creation was 42,853, 1.5 times Birmingham and 2.5 times Leeds.

The EY UK Attractiveness Survey 2025 separately confirms the ranking: Manchester is the leading UK city outside London for inward investment in 2024 (44 projects, up 22 per cent), with Glasgow second on 27 and Birmingham and Edinburgh joint third on 24 each (EY, 2025). Manchester has held the top non-London ranking in three of the past five years.

Table 1. Cross-border greenfield FDI in Manchester, Birmingham and Leeds, 2013–2025

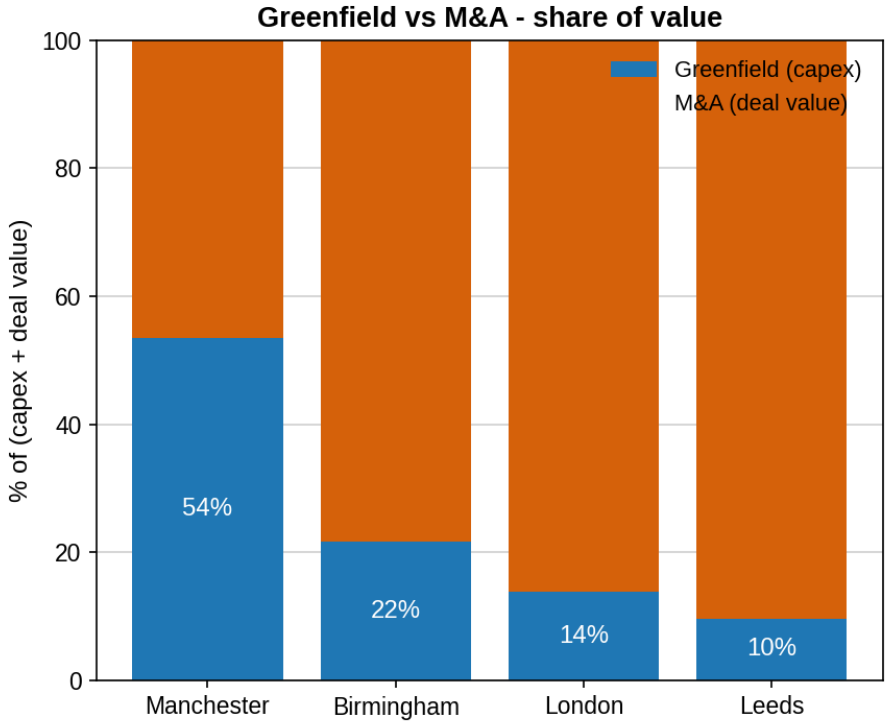
Metric (2013–2025)	Manchester	Birmingham	Leeds	M vs B	M vs L
Greenfield projects	659	388	251	1.7×	2.6×
Capital expenditure (US$ bn)	13.7	8.6	3.6	1.6×	3.8×
Jobs created	42,853	28,248	17,238	1.5×	2.5×

Source: authors' calculations from Orbis Crossborder Investment (Moody's). Sample comprises cross-border greenfield projects only.

Finding 2: Manchester is decisively the most greenfield-tilted city in the comparator set

Greenfield accounts for 54 per cent of Manchester's inward investment value since 2013, against 22 per cent in Birmingham, 14 per cent in London and 10 per cent in Leeds (Figure 2). On greenfield project counts the Manchester–Leeds gap is 2.6-fold, while on M&A deal counts it narrows to 1.2-fold and on headline M&A value Leeds is actually higher ($34 billion versus Manchester's $12 billion), driven by two or three mega-deals on legacy corporate locations. The composition gap, not the headline volume, is the story. The four-city set is deliberately narrow, chosen for clean like-for-like comparison rather than coverage; across the full Orbis sample, and on the independent EY ranking (Finding 1), Manchester is the leading non-London destination nationally, so the comparison understates rather than overstates its standing.

Figure 2. Greenfield vs cross-border M&A, share of inward investment value, 2013–2025



Notes: Greenfield CapEx and M&A deal value combined to a single inward investment denominator per city. Cross-border greenfield projects and cross-border M&A only. Source: Orbis Cross-border Investment (Moody's), authors' calculations.

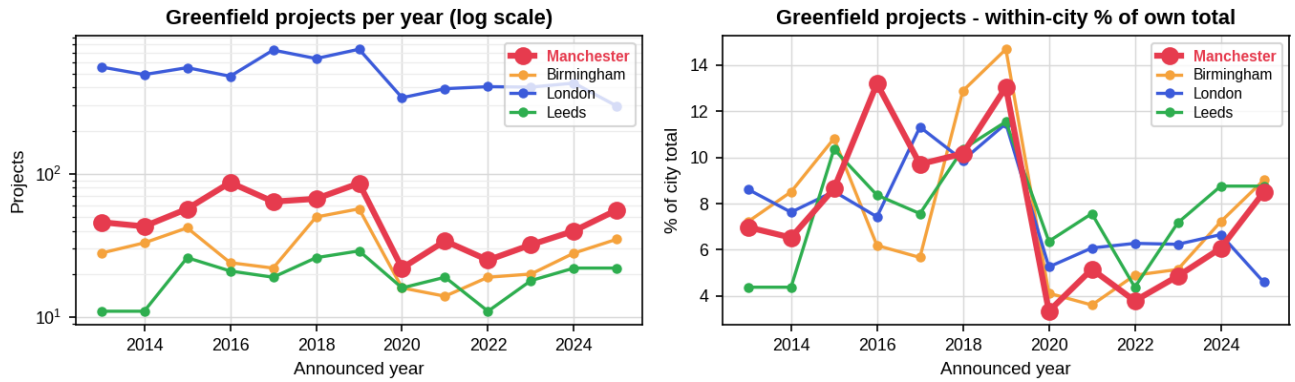
Finding 3: Manchester captured a disproportionate share of the post-2013 UK greenfield wave

Greenfield project counts in all four cities follow a broadly similar arc across 2013–2025: rise through the mid-2010s, peak in the 2016–2019 window, fall sharply in 2020, recovering partially thereafter. The shared pattern reflects the post-financial-crisis global cycle in cross-border investment documented by UNCTAD (2014).

What matters for policy is the capture rate. The post-2013 acceleration was UK-wide, but Manchester captured a disproportionate share of it. The level evidence is in Finding 1: Manchester's 659 projects are 1.7 times Birmingham's and 2.6 times Leeds's. What Figure 3 adds is the timing, which is rescaled to each city's own total, Manchester's capture arrived early and held up, reaching local peaks in 2016 and again in 2019, while comparators peaked later or flatter. The candidate contributors to this successful capture are familiar: devolution, place leadership, MIDAS, transport investment, crowd-in by private investments, a university-anchored research and innovation ecosystem, and skills investment. The data cannot identify which mattered most in the current framework, but the pattern is consistent with Spencer's (2025) hypothesis that agglomeration, transport and devolved institutions explain Greater Manchester's productivity outperformance, and

suggests these mechanisms may operate at least in part through the capture of foreign investment.

Figure 3. Greenfield FDI trends across four UK cities, 2013–2025



Notes: Left panel: annual project counts on a logarithmic vertical axis. Right panel: each city rescaled to 100 per cent of its own 2013–2025 total, so the series compare timing rather than level. Manchester reaches roughly 13 per cent of its own total in 2016 and again in 2019; Leeds peaks in 2019 at about 11.5 per cent; Birmingham peaks slightly later at close to 15 per cent in 2019; London is flatter given its much larger base. Source: Orbis Cross-border Investment (Moody's), authors' calculations.

Finding 4: Manchester attracts high-productivity service industries

Using NACE Rev. 2 two-digit classifications, Manchester's sectoral signature is in high-productivity services (Table 2) — by which we mean the knowledge-intensive business-service divisions with above-average GVA per hour worked, chiefly Information and Communication and Professional, Scientific and Technical activities. It has the highest within-city share of the four cities in Scientific R&D and in head-office and management-consultancy activity. On Information Services it ranks second only to London. On Computer Programming it is just behind London and ahead of both Birmingham and Leeds. These are the same sectors driving Greater Manchester's GVA growth between 2015 and 2023 (Section 1), so the investor-choice signal and the productivity-growth signal point to the same industries.

Manchester is also the least retail-concentrated city in the set. Retail is the largest greenfield division in all four cities, but at 17 per cent of Manchester's projects it sits well below Birmingham (30 per cent), London (24 per cent) and Leeds (38 per cent). Because Manchester records more total greenfield projects than any non-London comparator, its over-indexing in modern services and R&D translates into higher absolute project counts in these sectors than in Birmingham or Leeds. On R&D-oriented projects specifically, Manchester runs about 2.8 times Leeds's count, a little above its overall 2.6-fold greenfield lead.

Table 2. Greenfield FDI sector composition: within-city share of projects, selected NACE Rev. 2 divisions, 2013–2025

NACE	Sector	Manchester	Birmingham	Leeds	London
47	Retail trade	17%	30%	38%	24%
64	Financial services	11%	10%	9%	12%
63	Information services	6%	2.5%	5.5%	11%
62	Computer programming	5%	5%	4%	6%
72	Scientific R&D	3.5%	2%	3%	1.5%
55	Accommodation	9%	7%	4.5%	4.5%
52	Warehousing & transport support	4.5%	6%	3.5%	1.5%
70	Head office activities	5%	3%	2.5%	4%

Notes: Each cell is the share of the city's own cross-border greenfield projects in that NACE Rev. 2 division. The eight divisions shown are a selection; columns do not sum to 100. Project bases: Manchester 659, Birmingham 388, London 6,460, Leeds 251. A small number of projects carry two division codes and are counted under each, so shares are taken over project-by-division records. Source: Orbis Cross-border Investment (Moody's), authors' calculations.

Sector composition tells us what industries investors are placing in Manchester. The next finding asks a related but distinct question: what role those investors give the city within their corporate footprint.

Finding 5: Manchester's role is sales-and-services gateway with emerging research functions, not regional headquarters

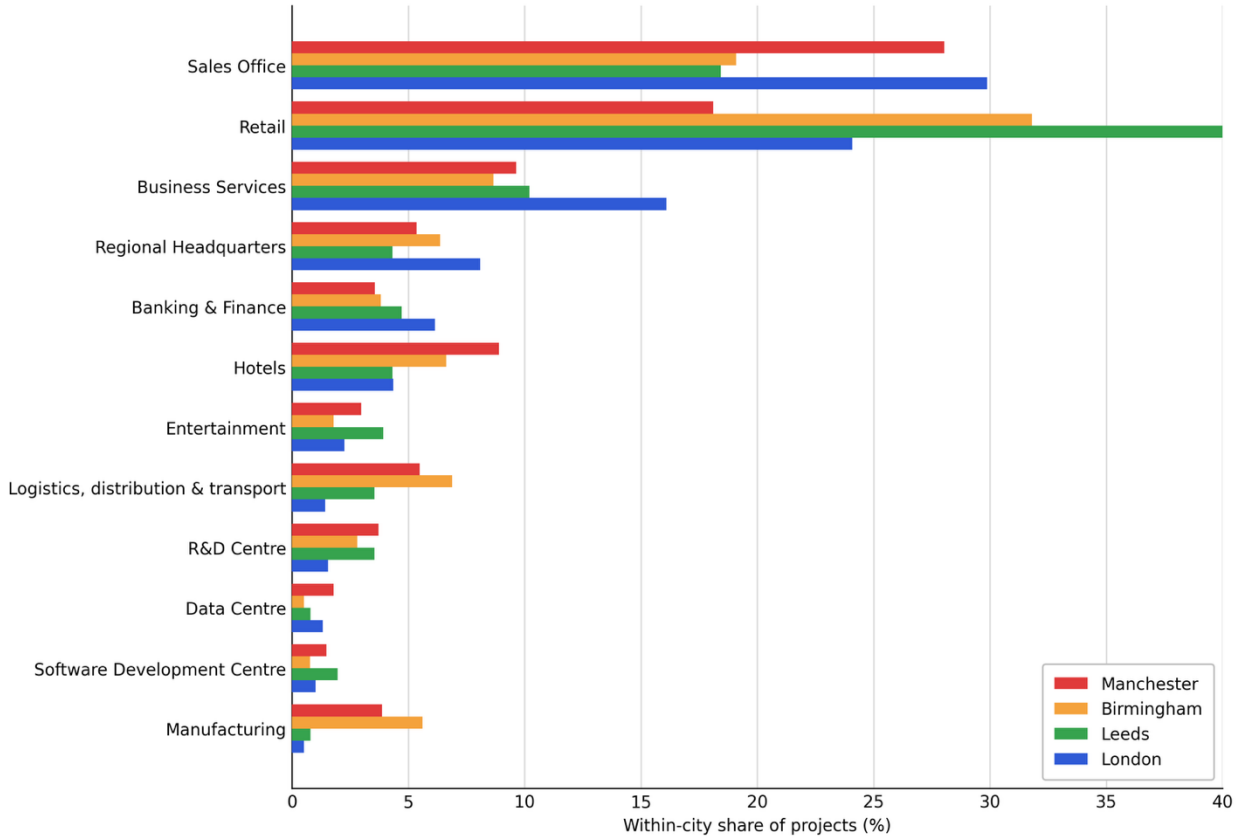
The function records what each project actually comprises on the ground, which is conceptually distinct from the industry the investing firm operates in. A management consultancy can open a sales office; a technology company can open a research centre. The function mix reveals the role Manchester plays in foreign investors' corporate footprints. Two of these functions are worth distinguishing up front, because they are easily conflated. A sales office is a business-to-business operation — a foreign firm's regional commercial, account-management and support team, selling its own products and services to other businesses. Retail, by contrast, is consumer-facing: stores and outlets serving the public directly. They read alike on the page but signal very different things about a city's economic role. (Retail also appears in Finding 4 as a sector — the NACE retail division — which is a distinct measure from the retail function discussed here.)

Manchester's largest project function is the sales office, at 28 per cent of greenfield projects, ahead of Birmingham (19 per cent) and Leeds (18 per cent) and just behind London (30 per cent) (Figure 4). Leeds is dominated by retail at 40 per cent of its projects; Birmingham sits in between. Being consumer-facing, retail follows the market: it accrues to any large city in rough proportion to its catchment, so it says little about economic character. What distinguishes cities is the corporate, business-to-business sales, services and research investment they attract on top of that retail base — which is where

Manchester's profile stands out. Manchester has the highest share of the four cities in two further high-value functions: R&D centres (3.7 per cent) and data centres (1.8 per cent).

On regional-headquarters functions, however, Manchester does not lead. Its 5.3 per cent share sits below both Birmingham (6.4 per cent) and London (8.1 per cent). Read together with Finding 4, the picture is coherent rather than contradictory: Manchester attracts the high-productivity service industries (sector strength), but the role those investors assign the city is predominantly client-facing delivery and emerging research, not multi-country strategic oversight. Manchester is a gateway, not a decision hub — and that distinction matters for what kind of jobs and investment the city is winning. Whether Manchester can evolve from gateway towards higher-value decision-making and headquarters functions is an open question, and a potential ambition of the city-region's strategy.

Figure 4. Greenfield FDI business-function composition: within-city share of projects, four cities, 2013–2025



Notes: Each bar is the share of a city's own cross-border greenfield projects in that business function. The twelve functions with the highest combined project counts are shown; bars do not sum to 100. Source: Orbis Cross-border Investment (Moody's), authors' calculations.

Finding 6: Strategic intangibles are visible to international investors

The Orbis motives field records what investors state as their rationale for choosing a location. Motives are multi-response (Figure 5); an investor may cite more than one

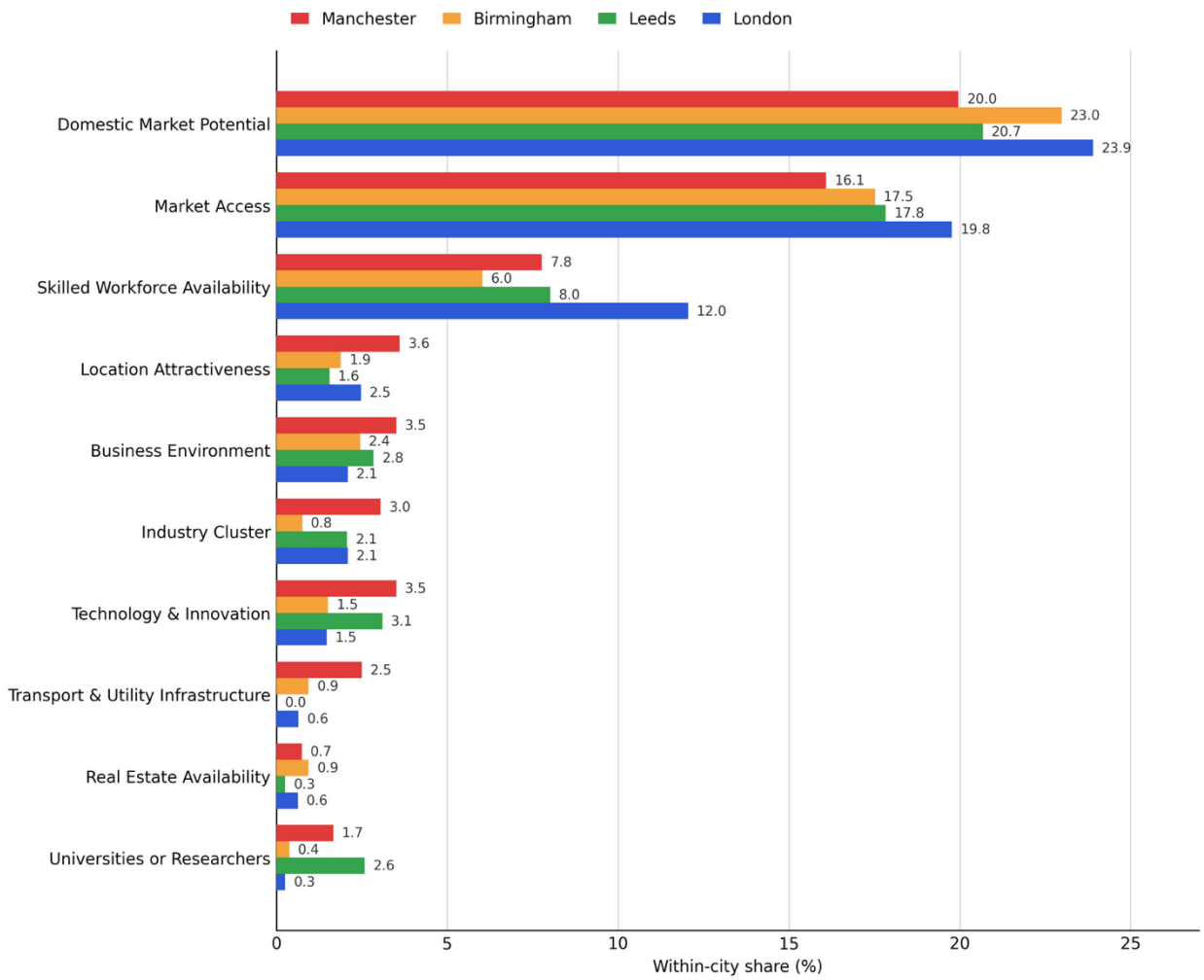
motive. The statistics presented here count how many times each motive is mentioned across all the projects invested.

Market access and market potential dominate everywhere — the bulk of foreign investors choose UK cities to serve UK and European markets. This is consistent across all four cities and does not differentiate Manchester from its peers.

What does differentiate Manchester is the strategic-intangible motives. Manchester outperforms Birmingham on each one recorded in the data: industry cluster, technology and innovation, business environment, location attractiveness, and universities or researchers. These are the motives that mark out structural rather than transactional appeal.

Driffield and Love (2007) find that the host-economy productivity gains from inward FDI are concentrated in cases where the foreign investor holds a strong technology-based ownership advantage. The motives data are consistent with that pattern: investors choosing Manchester are disproportionately citing the technology, cluster and research reasons that are most associated with productivity-enhancing investment.

Figure 5. Greenfield FDI project-motive composition: within-city share of stated motives, four cities, 2013–2025



Notes: Investor-stated motives, multi-response. Each bar is the share of a city's own projects citing that motive. Manchester outperforms Birmingham on industry cluster, technology and innovation, business environment, location attractiveness, and universities or researchers. Source: Orbis Cross-border Investment (Moody's), authors' calculations.

Discussion: the university–industry interface

One strategic-intangible motive singled out in Manchester's story — universities or researchers — repays a closer look, though here the four-city evidence is thin and the reading more interpretive than for the six findings above. Approximately 1.7 per cent of Manchester's greenfield projects cite "Universities or Researchers" as a motive, against 2.6 per cent in Leeds, less in Birmingham and less again in London. These are small shares; what is notable is less their level than that, where the motive registers at all, it is in Manchester and Leeds rather than in Birmingham or London.

The interpretation needs care. The four-city sample cannot support a general claim that universities are a distinctive Manchester strength: Birmingham hosts a Russell Group university and a strong university ecosystem, London hosts several world-leading

institutions, and neither scores highly on this motive. What the data is consistent with is something more specific: the *configuration* of the university–industry interface in Manchester, rather than the presence or quality of the universities themselves, that appears to be legible to inward investors.

The HESA Higher Education–Business and Community Interaction (HE-BCI) survey, the standard UK measure of university–industry engagement, is consistent with this reading. In the latest 2023/24 round, the University of Manchester ranks 5th in the UK for industry research income (£30.1 million), 2nd for contract research with SMEs, 4th for collaborative research with larger organisations, and 7th for total contract research. Its industry funding has grown 47 per cent since 2020/21 against a sector average of 24 per cent (University of Manchester, 2025). The HE-BCI data are reported at lead-institution level, not aggregated to city level; a city-level aggregation is reserved for the working-paper version.

That configuration has identifiable features. The Oxford Road Corridor brings the University of Manchester, Manchester Metropolitan University, Manchester Royal Infirmary and a cluster of innovation tenants into a single planning footprint. The Henry Royce Institute, the Graphene Engineering Innovation Centre, the Christabel Pankhurst Institute, the Manchester Cancer Research Centre, ID Manchester and Citylabs all sit within or adjacent to it. The University of Manchester's commercialisation arm UMIP and the long-running partnership with Bruntwood SciTech and Manchester Science Partnerships have created a stable interface between university research and commercial property. Leeds shows a comparable pattern through the Nexus innovation hub, the Leeds Innovation Arc and the Leeds Innovation Health Hub. Penney et al. (2025), in their North West regional analysis, describe a similar logic in which dedicated innovation infrastructure, including the Unit M industry-engagement platform, sits alongside anchor institutions to convert university capacity into commercialisable activity. The scale of this commercialisation is not trivial: the University of Manchester's Innovation Factory alone expects to support over 100 spinouts in the current year, across life sciences, digital technologies and advanced manufacturing (CBI Economics, 2026).

The visibility of universities to foreign investors in Manchester (and also Leeds) reflects how the university–industry interface is organised, not simply that good universities are present.

4. Implications

4.1 For Greater Manchester's economic strategy

Three propositions follow for the next mayoral cycle.

The Manchester Model is producing a recognisable signature. Manchester's record over the post-2013 period is the strongest non-London record on every greenfield metric we test: project count, capital expenditure, jobs, capture rate of the UK wave, sectoral composition, function mix, investor motives. Although the findings presented here do not suggest causal evidence of a chain running from devolution through FDI capture to productivity, policy focus for the next mayoral cycle in Manchester is to defend and deepen the configuration building on success. The harder, unfinished half of that task is geographic: the core's

productivity lead does not yet reach the city-region's outer districts, so a defence of the model has to incorporate a plan to widen it.

Modern services and R&D are a demonstrated comparative advantage. The investor-choice signal and the productivity-growth signal point to the same sectors. The case for building on this positioning is the strongest evidence-based element of the city-region's economic strategy.

The capture rate is the variable to defend. Sustaining Manchester's capture rate against London requires continued investment in MIDAS, in the universities and Oxford Road Corridor, in transport (Northern Powerhouse Rail and the planned Birmingham–Manchester line, trans-Pennine upgrades, and intra-city connectivity), in the post-16 skills system, and in the broader place infrastructure that supports a modern-services workforce.

4.2 For Manchester's universities

There are four propositions for the Universities of Manchester, Manchester Metropolitan, Salford and Bolton and their associated research institutes.

Claim the R&D footprint in absolute volume. Manchester's R&D-function project count is about 2.8 times Leeds's, slightly above its overall 2.6-fold greenfield lead. The named institutes of the Oxford Road Corridor set out in the discussion above underpin a measurable R&D-FDI footprint that the universities can and should articulate.

Articulate explicitly the *configuration*, not the quality, of the university–industry interface. As the discussion of the university–industry interface sets out, the four-city evidence is consistent with an interface-led reading — built on the Oxford Road Corridor, UMIP and the Bruntwood SciTech partnership — rather than a "great universities" one. That is the claim that survives contact with the evidence, and the one to lead with in investor-facing communication.

Claim the skilled-workforce contribution. About 7 per cent of Manchester's greenfield projects cite skilled workforce availability as a motive. Much of the city-region's modern-services workforce pipeline runs through the universities. The workforce contribution should be claimed alongside the research contribution.

Recognise the post-16 system as a binding constraint. Whether the universities, the further education colleges and the proposed Greater Manchester Baccalaureate can sustain the workforce pipeline through 2030 is the central question for the durability of the Manchester model, given the importance of skills as an attractor. A single, coherent post-16 productivity strategy across the universities, the FE sector and the Combined Authority would address that constraint directly; the Baccalaureate should be designed explicitly to supply the modern-services workforce. Recent evidence sharpens the scale of this constraint. Bahl and Overman (2026) estimate that narrowing Greater Manchester's productivity gap with London — from around 35 per cent towards the 20 per cent gap seen between Paris and Lyon — would require some 180,000 additional workers with degree or sub-degree qualifications, alongside higher business capital. The binding lever is retention rather than supply: Greater Manchester retains 67 per cent of its graduates against

London's 79 per cent, and closing that gap depends on the wider place offer — jobs, housing and transport — as much as on skills policy itself. A CBI Economics (2026) survey of firms reaches a complementary conclusion, identifying talent availability, not quality, as the binding constraint on growth — the labour-market counterpart to the configuration-not-quality reading of the university interface in the discussion above.

4.3 For national policy

Three propositions for the Department for Business and Trade, the Department for Science, Innovation and Technology, the Department for Housing, Communities and Local Government, the Industrial Strategy Advisory Council, and HM Treasury.

The devolution–FDI-capture link is testable and points in the expected direction. Greater Manchester is the longest-running mature devolution case in the UK and shows the strongest non-London inward investment record. The relationship between institutional depth and inward investment capture deserves further work as the devolution settlement is extended.

National FDI strategy should differentiate by city-region specialisation. The contrast between Manchester and Birmingham is large: Manchester tilts toward high-value services, greenfield investment and R&D; Birmingham tilts toward M&A, manufacturing, consumer-facing and logistics investment, a different but equally legitimate inward-investment profile. These reflect different current specialisations and different available futures (Mealy and Coyle, 2022). A single FDI template applied across heterogeneous city-regions is unlikely to be efficient.

The universities–FDI link should be interpreted in terms of the configuration rather than just quality. The four-city evidence here is consistent with the university–industry interface in Manchester and Leeds being more commercially organised, not with their universities being better. Policy aimed at replicating the pattern elsewhere should focus on the interface, for example, innovation-district planning, university commercialisation capacity, anchor-institution partnerships with developers and combined authorities, rather than on university quality, which is broadly distributed across the UK.

5. Conclusion

The most relevant precursor for this paper is seventeen years old. The 2009 Manchester Independent Economic Review found that foreign investment in Greater Manchester performed unusually well: it generated positive productivity spillovers to downstream domestic firms, particularly in computing and precision instruments; it was complementary to skilled labour rather than labour-replacing; and, against the UK pattern, it did not crowd out domestic investment (MIER, 2009). Those are precisely the conditions under which inward investment raises productivity rather than merely relocating it — and they describe the same high-value activities this paper finds over-indexed in Manchester's post-2013 record.

Whether the post-2013 wave reproduces those results is the question this paper cannot yet answer, and it is the one that matters most. What the Orbis data establish is that global

capital selected Manchester disproportionately from 2013 onward, in sectors aligned with the city's measured productivity growth, with a uniquely greenfield-tilted mix, and with a function and motive profile consistent with a high-skill services and research base. Investors describe strategic intangibles — universities, industry clusters, technology and innovation, the business environment — as part of why they came. That is a strong revealed-preference signal. It is not yet proof that the capital is doing the productivity work the 2009 review documented.

It is also a signal about the core, not the whole. The productivity advantage that defines the City of Manchester does not extend evenly across the ten-district city-region; the towns on its western edge — Makerfield among them — still sit below the UK average. Parikh (2026) reaches the same reading from a different direction, noting how sharply growth has clustered in the city centre and how far the City-of-Manchester series has pulled away from the wider Greater Manchester figure. A model that lifts the centre faster than its periphery is a partial success, and the next mayoral cycle, and the politician seeking to lead it, will be judged on whether the second can be made to follow the first. The clearest threat to that trajectory is not capital but labour: the city-region's skills base — above all its ability to retain graduates and recruit international talent — is the constraint most likely to bind as the model matures (Bahl and Overman, 2026).

On the question of credit, the evidence here cannot adjudicate. A market-led reading (Parikh, 2026) and the devolution reading both fit the record, because greenfield investors respond to the same agglomeration, planning and innovation environment whichever account one prefers. What is harder to dispute is continuity. The strategy investors backed ran across administrations, from the Leese–Bernstein council through to the present mayoralty, and it may be that continuity of vision and policy, sustained long enough for global capital to bet on the city's trajectory, that has been the real secret sauce. For place-based policymakers elsewhere, that is perhaps the most transferable lesson: not any single instrument, but the credibility that comes from holding a course.

For Greater Manchester, the evidence points to reinforcing the configuration rather than pivoting from it. For national policy, the Manchester case is a testable proposition about what devolved governance can do when paired with a coherent place-based offer. Whether that proposition holds — and whether the model can be transferred to other UK city-regions — is a worthy question for further investigation.

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Data appendix

A.1 Orbis Crossborder Investment data

- Source: Orbis Crossborder Investment database (Moody's).
- Time window: 2013–2025 for all cities.
- Sample sizes (greenfield projects): Manchester n=659; Birmingham n=388; Leeds n=251; London n=6,460.
- Sample sizes (cross-border M&A deals): Manchester n=249; Birmingham n=205; Leeds n=207; London n=3,764.
- Coverage: investor country (immediate and ultimate global owner), capital expenditure (split-allocated across multi-destination projects), job creation, sector (NACE Rev. 2), business function, motives (multi-response).
- Limitations: capital expenditure is reported for substantially fewer projects than project counts; M&A deal values are reported for a minority of deals; motives are self-reported by investors. Project and deal counts are therefore more reliable than aggregate values. UK-domiciled investor codes typically represent UK-domiciled subsidiaries of foreign multinationals; offshore or conduit jurisdictions reflect holding-structure routing rather than genuine investment in those jurisdictions.

A.2 Geographic definitions

City	Orbis location strings included	Combined Authority equivalent
Manchester	"Manchester (GB)", "Manchester City Centre (GB)", "City of Manchester Stadium (GB)"	Narrower than Greater Manchester (10 LAs)
Birmingham	Equivalent city-core definition	Narrower than West Midlands (7 LAs)

City	Orbis location strings included	Combined Authority equivalent
Leeds	Equivalent city-core definition	Narrower than West Yorkshire (5 LAs)
London	City-core definition	Narrower than Greater London (33 LAs)

The narrow definition is symmetric across cities and supports valid comparison, but understates the true Combined Authority FDI footprint by excluding peripheral districts.

Note on Penney et al. (2025). The North West Productivity and Growth Strategies paper classifies the City of Manchester (TLD33) as a "Steaming Ahead" ITL3 region on the same ONS geography used here. Their headline ITL2 Greater Manchester figures (e.g., £89.5 billion GVA in 2023) refer to the ten-LA Combined Authority footprint and are not used in this paper. Where their absolute productivity series for TLD33 differs from the value reported above (£44.77/hour, 2023), this reflects the smoothed five-year-average series in their underlying scorecards rather than a geographic difference.

A.3 Productivity data underlying Figure 1 and Section 1

Manchester productivity vs the big-cities benchmark, ITL3 city-core, current-price GVA per hour worked (£), TPI UK ITL3 Scorecards 2025 (Sarsfield et al., 2025):

City	ITL3	2015	2019	2023	2015–23 growth
Manchester (city)	TLD33	31.52	35.46	44.77	**+42.0%**
Birmingham	TLG31	27.91	31.70	35.14	+25.9%
Leeds	TLE42	32.02	34.01	41.47	+29.5%
Liverpool	TLD72	30.04	32.23	37.48	+24.8%
Sheffield	TLE32	28.73	31.22	36.08	+25.6%
Tyneside (Newcastle)	TLC43	27.69	31.06	35.73	+29.0%
Nottingham	TLF14	26.13	31.46	33.88	+29.7%
Bristol, City of	TLK51	29.66	32.81	36.57	+23.3%
Glasgow City	TLM32	29.42	32.71	38.56	+31.1%
City of Edinburgh	TLM13	40.11	45.06	56.26	+40.3%
Big-cities avg (9 ex Manchester ex London)	**—**	**30.19**	**33.58**	**39.02**	**+29.2%**

City	ITL3	2015	2019	2023	2015–23 growth
London (ITL1)	TLI	44.14	48.18	53.96	+22.2%
United Kingdom	UKX	32.69	36.58	41.87	+28.1%

Figures are current-price GVA per hour for the ITL3 region named in each row, so the growth column reflects inflation as well as real productivity change. For most cities the region is the core local authority, so Manchester is the City of Manchester (TLD33) rather than Greater Manchester, while Tyneside covers the wider Newcastle conurbation. The big-cities average is the unweighted mean of the nine values, and the set covers Britain's largest cities outside London.

Greater Manchester (ITL2) GVA per hour worked indexed to UK = 100, ONS sub-regional productivity:

Series	2004	2023
Smoothed (ONS-recommended)	89.5	95.0
Unsmoothed	89.0	97.5

Real GVA growth 2015–2023, selected ITL2 regions:

Region	Total GVA	Information & Communication	Professional, Scientific & Technical
Greater Manchester	+26.3%	+114.9%	+61.0%
Birmingham (West Midlands metro)	+6.2%	+81.3%	+25.0%
Leeds (West Yorkshire)	+14.5%	+132.5%	+25.2%
Inner West London	+21.8%	n.a.	n.a.
United Kingdom	+10.9%	+62.0%	+19.1%

Sources: authors' calculations from Sarsfield et al. (2025), TPI UK ITL3 Scorecards; ONS (2025a), Subregional productivity, June 2025 release, Table A3; ONS (2025b), Regional GVA(B) by industry and ITL regions, April 2025 release, Tables 1b and 2b.

A.4 Robustness: EY UK Attractiveness Survey

The EY UK Attractiveness Survey 2025 provides an external check on the city ranking. For 2024 it places Manchester first among UK cities outside London with 44 projects (up 22 per cent on 36 in 2023). Glasgow comes second on 27 projects, Birmingham joint third with Edinburgh on 24 each (Birmingham having fallen from 70 in 2023). At regional level the North West and the West Midlands are joint third behind London and Scotland on 86

projects each, with North West up 27 per cent year on year and West Midlands down 32 per cent. The West Midlands fall reflects a return to trend from a 2023 figure boosted by Commonwealth Games activity.

A.5 Robustness: MIDAS published wins 2025

The sectoral pattern in MIDAS's published wins is consistent with the Orbis data. Over the last twelve months MIDAS reported 795 new jobs and £42.6 million in GVA from eleven US companies. The named investors, S&P Global, Fitch Global, Mark43, Greentec Auto and Boom Inc. Technologies, span financial, professional and business services, digital and creative, advanced manufacturing and low carbon, and life sciences. The UK digital bank Zopa opened a Manchester office at Dalton Place in 2025 with plans to grow it from more than 50 staff to up to 500 over time. From Japan, MIDAS reported over £117 million of investment in the same period, concentrated in advanced manufacturing, led by Astemo at £100 million and 200 jobs, with Mizkan at £17 million and a £900,000 Daikin training centre.
