

Minister for Economy & Transport

Economy, Infrastructure & Skills Committee

Wednesday 12 February 2020

Evidence paper

I refer the Committee to my evidence papers of 9 January (Economy, Infrastructure & Skills Committee)

<http://senedd.assembly.wales/documents/s96906/EIS5-01-20P5%20Evidence%20from%20Minister%20for%20Economy%20and%20Transport.pdf>

and 16 January (Climate Change, Environment and Rural Affairs Committee)

<http://senedd.assembly.wales/documents/s97207/Paper%20-%20Minister%20for%20Economy%20and%20Transport.pdf>

I have also written to the Committee providing the further details I agreed to provide at the meeting on 9 January.

They are as follows:

Cardiff International Airport Limited – Loan Arrangements

The remaining loan facility is scheduled to be drawn down over the first 6 years of the agreement, leading to the full loan being drawn down by 31 March 2025. The first repayment is due 31 March 2026 with the whole loan repaid by the 31 March 2044.

Economic Action Plan – Examples of Regional Investments

The Economic Action Plan recognises that a growing, sustainable and inclusive economy is essential for a more prosperous, healthier, resilient and more equal Wales. I am proud of the high calibre investments we have attracted to strengthen our economy and communities during an incredibly challenging time and provide some examples as discussed at committee to highlight the delivery of our ambitions.

Foundational Economy Challenge Fund Projects

The Economic Action Plan moves away from a sector approach to a new focus on developing stronger and more resilient communities. The allocation of £4.5m for the Challenge Fund demonstrates our commitment to shared prosperity and essential in developing Wales' regional economy. The experimental business opportunities may also bring environmental benefits by lowering food miles and associated carbon costs.

Examples of successful projects receiving up to £100,000 are provided as follows:

Drive –the non-profit organisation is developing an existing project into a centre for people with Autism. The funding will also offer specialised training for learning disability nurses so that they can learn about supporting people with autism, including those who can challenge services.

Denbighshire Voluntary Services Council (DVSC) - the County Voluntary Council for Denbighshire and a partner in Third Sector Support Wales were awarded funding to utilise Ruthin Town Hall as a community and business hub which can offer new routes for independent firms and social enterprises. The Wales Co-operative Centre will also provide support for local start-ups and social enterprise businesses.

Rhondda Housing Association – the scheme will renovate vacant premises in Tonypany's town centre with the aim of revitalising the high street.

Mon Shellfish in Bethesda – this is a partnership project with Coleg Llandrillo Menai and Partneriaeth Ogwen to increase local markets for shellfish.

Lunax Digital in Caerphilly - the initiative will develop an App which allows users to swap time and skills and has the potential to bring local businesses together for inclusive growth.

Swansea County Council – the project to help small construction firms bid for local authority contracts – a first step towards supporting other public bodies to give more of their work to SMEs.

Gower Gas and Oil – a scheme that will provide work placement experience for young people, targeting individuals at risk of falling out of the education system into unemployment.

Strategic Projects

Advanced Materials Research Centre Cymru – Broughton

This is a world class facility which will be a catalyst for growth and jobs in Deeside, across North Wales and the wider cross-border and Northern Powerhouse region. It will further strengthen the established manufacturing base and be a key driver in bringing the latest research, technology and skills to the North Wales region. The investment of £20m has the potential to provide a £4 billion boost to the economy over the next 20 years.

KK Fine Foods – Deeside

A leading frozen food manufacture, KK Fine Foods currently employs 525 people. Our support of £0.550m from the Economy Futures Fund will enable £5.5m expansion plans diversify and create an additional 40 new jobs. It will also

accommodate a research and development centre with the potential of increasing opportunities for Welsh suppliers.

INEOS Automotive – Bridgend

As highlighted in committee Ineos Automotive will be developing a new manufacturing and assembly plant at the Brocastle Business Park for the production of their new 4x4 Grenadier vehicle anticipated to start in 2021. It is expected to create around 500 jobs, providing opportunities for many Ford workers who have been affected by the company's decision to leave Wales. This significant investment will provide employment opportunities for expanding companies and other new investors into Wales.

National Digital Exploitation Centre (NDEC) – Blaenau Gwent

The research and development facility will be delivered by Thales in collaboration with the University of South Wales. The cyber centre investment, facilitated by £10m Welsh Government funding, will assist businesses to exploit the global opportunities of digital transformation and harness skills and knowledge at the heart of the Tech Valleys programme. The partnership between Welsh Government and Thales is expected to generate significant income with the aim to become self-financing in 5 years

Oxis Energy – Kenfig

Oxis Energy will be manufacturing the first lithium sulphur battery cell and is pioneering advanced cell technology for next generation rechargeable batteries to power buses and trucks. It aims to grow the business and create hundreds of new jobs region over the next ten years. This is supported by an equity investment of £3.2m from the Development Bank of Wales.

Mid Wales

We have provided support to both Charlies Stores and Zip-Clip to build new distribution and manufacturing facilities at the Buttington Cross estate in Welshpool. In Newtown you will also be aware that Nidec have recently completed the buy-back option of their £4m R+D centre originally supported and built by the Welsh Government.

Ken Skates AM
Minister for Economy & Transport
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