

Enterprise and Business Committee

Meeting Venue:
Committee Room 3 – Senedd

Meeting date:
22 January 2014

Meeting time:
09:00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Siân Phipps
Committee Clerk
029 2089 8582
enterprise.committee@wales.gov.uk

Agenda

Pre-Meeting in private (09.00–09.15)

FORMAL PUBLIC MEETING (09.15)

1 Introductions, apologies and substitutions

2 Inquiry into the Welsh Government's approach to the promotion of trade and inward investment – evidence session 1 (09.15–10.10)
(Pages 1 - 22)

Witnesses:

- Professor Max Munday, Director of Welsh Economy Research Unit, Cardiff University

Supporting documents:

Private paper (Members' Brief for Items 2, 3 and 4)

EBC(4)–02–14(p.1) – Evidence from Dr Andrew Crawley & Professor Max Munday

BREAK (10.10–10.20)

3 Inquiry into the Welsh Government's approach to the promotion of trade and inward investment – evidence session 2 (10.20–11.10)

(Pages 23 - 24)

Witness:

- Graham Morgan, Director, South Wales Chamber of Commerce

Supporting documents:

EBC(4)–02–14(p.2) – Evidence from Graham Morgan, Director, South Wales Chamber of Commerce

4 Inquiry into the Welsh Government's approach to the promotion of trade and inward investment – evidence session (11.10–12.00)

(Pages 25 - 32)

Witnesses:

- Geoff Harding, Expert in International Trade Support
- David Long, Expert in International Trade Support

Supporting documents:

EBC(4)–02–14(p.3) – Evidence from David Long and Geoff Harding

5 Papers to note (Pages 33 - 36)

Supporting documents:

EBC(4)–02–14(p.4) – Letter to the Chair – Ten-T follow-up
Minutes of the previous meeting

De-Brief in private (12.00–12.15)

Inquiry into the Welsh Government's approach to the promotion of trade and inward investment

Evidence from Dr Andrew Crawley & Professor Max Munday
Welsh Economy Research Unit, Cardiff Business School, Cardiff University.

1st January 2014.

The Welsh Economy Research Unit has undertaken a series of investigations into inward investment in Wales examining issues such as determinants, impacts of inward investment on Wales and policy response.¹

The role of inward investment (particularly that from overseas) in the UK regional economic development 'toolkit' is not as prominent as it was during the 1980s. During the 1990s there was in Wales a far greater focus on indigenous firm development, and improvements to the supply side of the economy. Moreover, the level of funds available to market areas such as Wales overseas, and to provide monies for grants and other types of assistance has fallen, as competition to attract inward investment has intensified. With respect to the work of the Committee the following points can be made.

First, while there is a debate on the effectiveness and/or desirability of inward investment interventions, this sits alongside a strong evidence base on the positive economic impacts of inward investment. In the Welsh case concerns remain on the functional base of much of the inward investment stock. However, the contribution of inward investment, and particularly foreign firms to regional output, employment and exports is well established, and with evidence of spillovers to local firms.

Second, past reviews of inward investment interventions in Wales have stressed the importance of reflecting more carefully on whether the types of assistance offered to firms should be better connected to the expected level of benefits. Some projects in terms of skills base, technology, and embeddedness have greater development potential, but it is not clear whether these are 'rewarded' in the process.

Third, reviews have also centred on the problems of attracting inward investors who bring HQ-type functions. A large part of the older foreign manufacturing stock has a production-only basis adding to problems commonly associated with a 'branch plant syndrome'. These problems are now being carried forward into much of the services inward investment entering the regional economy. This undoubtedly feeds through into the type of low skills equilibrium that acts to maintain productivity gaps between the core and the periphery of the UK, and which has been highlighted as one of the factors contributing to the GVA per capita gap between Wales and the UK. More attention needs to be given as to whether, and how far policy resources can be tailored to attract, not just particular

¹ Munday, M and Roberts A (2009) *Foreign direct investment: review of determinants and impact*, Welsh Assembly Government. See <http://wales.gov.uk/statistics-and-research/review-economic-evidence-determinants-effects-foreign-direct-investment/?lang=en>

sectors of investment, but particular functions, that break this cycle. Clearly, one issue that will need to be considered in this respect in Wales is the role of tax varying as a means of attracting different types of inward investment.

Fourth, policymakers need to consider how well location marketing policies to inward investors are integrated into overall regional economic development strategy in Wales. The links between dynamic changes in the foreign direct investment (FDI) stock, the presence of new investors, and policies towards indigenous firms have not always been made clear. Then focusing resources on FDI is not necessarily at odds with the promotion of the indigenous business sector. Furthermore, discussion of foreign inward investment and its role tends to be sidelined in operational programmes dealing with the EU structural funds (and this includes draft programmes for West Wales and the Valleys and East Wales for the 2014-2020 programming period). There is a need for clarification of how policies encouraging foreign inward investment into Wales can be associated with the convergence programme, and how far the use of Structural Funds leads to benefits for the foreign sector. Given the new EU Smart Specialisation agenda involving the targeting of specific sectors in different regions inward investment attraction should be an integral part of this process in Wales.

Fifth are issues of comparative cost effectiveness. There has been a paucity of analysis in Wales comparing the cost effectiveness of resources used in marketing and grants to attract inward investment, with the funds employed to encourage indigenous SME development and entrepreneurship. The Committee may wish to consider the comparative strengths of the evidence base relating to the impacts of resources used to attract foreign capital as opposed to those used to support indigenous enterprise. As funds to support regional development become increasingly tight in future public spending rounds, issues of comparative cost effectiveness will become more and more important.

Sixth, In March 2012 the Regional Development Agencies (RDA) of the UK regions were abolished and replaced by Local Economic Panels. The role of these new organisations is very different from that of the RDA, and does not directly encompass Inward Investment attraction. Given the time it would take to build a successful inward investment attraction brand, there is a real opportunity for Wales to intensify its international marketing with changes to the nature of domestic competition from England. This should be done by working through the UK consular offices and other existing international networks.

Seventh, since 2007 there has been considerable pressure in most developed nations to cut tax assistance mechanisms offered to large firms in light of significant budget cuts resulting from continued austerity. In the USA this has led to large numbers of corporations losing tax benefits and as a result moving to different cheaper locations. This “footloose” capital should be top of the list for the Welsh Government overseas offices.

Inward Investment promotion and policy

Key parts of the work of the Committee revolve around the promotion of Wales as an investment destination. The current performance of Wales in attracting inward investment (from the UK and overseas) is poor compared to the rate of success achieved in the 1980s and 1990s. In part this

reflects factors outside of local control. However discontinuities in the overseas marketing effort following the loss of the WDA brand have had serious consequences.

Recent research by Cardiff Business School (2012), for example, examined the agencies (and attendant infrastructure) charged with attracting inward investment in the Cardiff City Region in particular. The amalgamation of the Welsh Development Agency (WDA) in 2006 and the retirement of the WDA brand saw the introduction of a Welsh Assembly Government (now Welsh Government) brand for inward investment, International Business Wales (IBW). Since this date a number of agencies, which had been operating during the time of the WDA, have taken a greater role in attracting inward investment, particularly from the rest of the UK and Europe. It must be noted that other agencies were involved in inward investment attraction during the time of the WDA, but were very much in supporting roles. The Cardiff Business School (2012)² analysis raised issues relating to:

- A haphazard approach to marketing Wales abroad, and poor co-ordination between the UKTI and Welsh Government, not helped by continuing changes in organisation in Wales.
- A lack of cohesion in operational and strategic coordination of services.
- Difficulties associated with the overarching branding of Wales.
- The 'key' sector 'approach' adopted by the Welsh Government causing confusion among inward investors

These issues were also raised in the Welsh Affairs Committee (2012) inquiry into inward investment.³ For example, witnesses to the inquiry noted: "A lack of focus on marketing Wales overseas and that repeated Welsh Government re-organisation had detracted from the task of selling Wales to the world." Others cited a decline in Wales's visibility overseas. Reorganisation and prioritisation around a series of key sectors has been badly thought out, and with little economic evidence available as to why selected sectors are 'key' to the future of the Welsh economy. The Welsh Affairs Committee was also critical of the quality of the network of relationships between Welsh Government and UKTI. We believe that as a starting point the Committee in Wales examine carefully the findings and recommendations of Welsh Affairs Committee (2012) to see whether the concerns addressed in their report are still relevant.

² <http://business.cardiff.ac.uk/sites/default/files/Selling%20Wales%20FDI.pdf>

³ <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmwelaf/854/85408.htm#a15>

Document is Restricted

[National Assembly for Wales](#)

[Enterprise and Business Committee](#)

[Inquiry into the Welsh Government's approach to the promotion of trade and inward investment](#)

Evidence from South Wales Chamber of Commerce and Mid Wales Chamber of Commerce – TII 04

I take the opportunity to express the views of both South Wales Chamber of Commerce and Mid Wales Chamber of Commerce on the questions posed by this enquiry. Views are drawn from:

- Various surveys and feedback sessions facilitated over last 18 months specifically.
- Debates and discussions at various Chamber International Panel sessions.
- Feedback at Seminars and Workshops hosted by Chamber.
- Interaction with other UK based Chambers and British Chamber of Commerce.

The underlying theme behind the answers to each of the questions suggests:

1. Welsh Government International Team has been under resourced and lacking certain experience and professional knowledge of key theme areas.
2. There is huge reluctance to embrace private sector connections and expertise. Clear feeling all activity should remain within Welsh Government Team.
3. Response to enquiries and issues is far too slow.
4. Approach is weighted down by beauracracy.
5. No clear strategy mapped out with priorities set and adhered to.

Q1. What is scale of Welsh Government resource and funding that is targetted at the promotion of trade and inward investment. Is it sufficient? Does it represent value or money?

Answer

Whilst the Welsh Government International Trade Department has been constantly changing over the last 2 years it is only now there seems to be a core team of folks in situ. Understanding who does what is very difficult to identify and in turn explaining to Business owners the approach is impossible. Resource provided through Business Wales and Sector Teams serves to make picture more confusing and a joine dup approach is desperately needed. Whilst we feel there is sufficient resource in place at this moment in time we do not see it as effective and efficient and there could be more delegation/distribution of certain activities to private sector providers who are in better position to run with ball. Certainly the Chamber of Commerce Brand is not being leveraged in Wales to anywhere near its capability and not on scale in key markets of the World or indeed in England where Chamber, UKTI and Enterpries Europe work very seemlesly from same offices.

Whilst we have no knowledge of budgets being applied it would appear current funding is not fully utilised and delivery through private sector contract would deliver simpler approach. Currently difficult to quote value for money but we do feel efficiency and effectiveness would be increased by private sector delivery. Whilst various recommendations have been submitted to help channel approach to world markets and collaborative approach these have not been taken forward by Welsh Government Team. Running Trade Missions with short lead in times and nominal numbers of delegates is not good value for monay and a more structured approach is required with consistent alignment with key destinations and planned 5 year program with reciprocation through visits to Wales.

Despite many requests to clarify the approach to Inward Investment we remain very unclear who is taking lead and what is being done to relationship manage those Businesses with strong connections overseas and the 'rapid response to new enquiries'. Similarly Inbound Tourism needs to be viewed as part of the matrix but currently it falls under different departments.

Q2. How does Welsh Government monitor and evaluate the effectiveness of its trade and inward investment activities.

Answer.

We have been unable to identify any hard data that is released to support current activities. There is media involvement with certain showcase projects and announcements but we see no hard data on activities over last 2 years.

Through the International Trade Panel we have suggested the International Centre of Excellence approach to the Business Minister and associated Civil Servants which has not been progressed.

Q3. Does the Welsh Government's current in-house approach to encouraging trade and Inward Investment represent an improvement on organisations that previously existed to perform the same function?

Answer

We see no evidence of this. Indeed the reluctance of the Welsh Government Team to embrace private sector expertise in the International Field both inside Wales and beyond as a clear step backwards. Ultimately the number of Internationally active SME's in Wales is small at around 1,500 depending on which set of data you review and collectively as a nation we need to find ways to build this to a significantly higher number. Looking around the globe many countries have worked on models that see public sector and academia joined together through the Chamber network to maximise the simplicity of message to business owners and connect activities to maximise effectiveness and efficiency. Wales should be able to excel in this level of collaboration given its small size but we spend too much time duplicating effort.

We do feel Professional Advisors - Bankers and Accountants specifically have a much greater role to play in assisting with getting more Welsh SME's entering overseas markets as their planned growth strategy and using their networks to bring in Inward Investment. Our belief is that the private sector is far better placed to act as a catalyst in this respect than a private sector provider.

We have offered the services of South Wales Chamber of Commerce as the representative arm of China Britain Business Council from 1st January 2014 given Welsh Government decision to terminate seconded that was in post for last 3 years. We do not feel Wales should be deprived of this massively important connection for both Trade and Inward investment.

Happy to elaborate on any of the points made.

Graham L Morgan DipFS FCIB
Director : cyfarwyddwr
South Wales Chamber of Commerce

Inquiry into the Welsh Government's approach to the promotion of trade and inward investment

Contributors

1. To put this contribution into context, we thought it useful to give some background on the contributors as follows:

Dave Long – Employed in international trade support by both the Welsh Office and Welsh Government, from May 1993 to July 2011 (left the Welsh Government at this point under the voluntary severance scheme). Was part of the team which established WalesTrade International and subsequently became its Head of Corporate Services. This entailed management of three areas, namely marketing, IT and finance. In addition, was given responsibility for corporate governance, including production of annual business plans and performance monitoring, providing responses and briefing to ministers and senior officials in response of Assembly Questions and other occasions as required, including draft speeches when necessary, management the organisations adherence to the qualifications which it held, such as ISO 9001 and liP, adherence to necessary Welsh Government procedures such as risk management, health and safety etc. On the creation of International Business Wales, and after its demise, was employed as Marketing Manager firstly for the IT and Telecomms sector and subsequently Europe, Middle East and Africa (EMEA). These roles were mainly dealing with inward investment marketing activities.

Geoff Harding – Employed in international trade support by both the Welsh Office and Welsh Government, from 1994 to 2009 and then as a Business Relationship Manager in the now defunct {FSB?} Welsh Government initiative as a life sciences sector manager (left the Welsh Government in 2011). Was part of the team which established WalesTrade International and subsequently performed a range of roles including Deputy Director of operational trade managing three teams delivering global support to Welsh business, identifying specific trade opportunities and managing the trade missions and events programme. Also, established a trade office in the USA and Senior Vice President for the Welsh Government for the Americas and was based in the USA for 4 years assisting Wales based businesses, hosting trade missions, Ministerial visits and promoting Wales as an investment location and tourism/cultural region. I also recruited the consultancy network that delivered (and still does, in some cases) the international trade opportunities initiative in the Region.

Does the Welsh Government's current in-house approach to encouraging trade and inward investment represent an improvement on the organisations that previously existed to perform the same functions? (i.e. the Welsh Development Agency, Wales Trade International, and latterly International Business Wales)

2. It should be noted that, at the time of the creation of International Business Wales, support for international trade development was significantly downgraded. The Chief Executive and senior management team made it quite clear that the main focus was inward investment. To this end, a number of direct trade support staff moved onto other duties, ex-WTI staff in overseas offices were informed that inward investment promotion would now be their key activity and the ex-WTI marketing team was disbanded. This strategy seemed to have little impact on improving investment performance but certainly diluted the support afforded to Wales based business. In general, there was support for an integrated trade and investment body within the trade sections but was on the basis that such an approach would

recognise the vital importance of trade as an equal partner not, as turned out, a “nice to do” add on. As trade seems to be back high on a political agenda, it is fair to say that the disbanding of IBW and subsequent failure of Flexible Support for Business to deliver even a modicum of strategic support can be seen as several “lost years” for Welsh business.

3. With regard to the current situation, there is little transparency in the current publication of performance activities. An annual statement “Supporting Business and The Economy” is published by the Department for Economy, Science and Transport (ES&T). With regard to its 2011/2012 report, the section headed “Action to Support International Trade and Investment” contains no performance information of note. Whereas WalesTrade International and, to a lesser degree, International Business Wales were measured on actual business won by Welsh companies and also new exporters created, the only figures in the report relate to supporting a total of 120 companies participate in 28 trade missions/trade fairs. It makes no reference to actual business won or being pursued as a consequence of participation. Also, there is no information provided on inward investment results.

4. A recently submitted Freedom Of Information request (copy of response attached for information) established that ES&T no longer apportion business won to individual events as they are regarded as part of a wider programme of intervention. During the time of WalesTrade International and for a small part of the time that International Business Wales was in existence, it was normal practice for such intervention to be provided through the International Trade Opportunities (ITO) programme. This involved working with companies to gain market information and establish potential contacts in advance so the market visit was used to its full potential. This programme was only reinstated during 2010. It is interesting to note that, in 2011/12 only 12 briefs were submitted to contractors of which 11 were auctioned. This would indicate little prior market support for event delegates. With regard to 2013/14, to date a total of 66 ITO projects have been undertaken. Bearing in mind that there are currently 9 key sectors subject to intensive departmental support, the pro rata take-up of the programme is very low. However, we should acknowledge that the teams involved have had few tools to work with in terms of marketing the initiative and rebuilding faith in the Government offering. We understand, from information obtained through several sources, that the total spend on the programme in 2013/14 is expected to be well below the budget set aside for it.

5. As far as performance figures are concerned, the only figures which were provided show that the 2011/12 cost of the missions and fairs programme was £226,025.61, excluding departmental running costs. The total value of new orders won across all interventions in 2011/12, including from those interventions was £836,000. This would suggest a low rate of return on total investment by the Department. The take up for the trade mission programme may, similarly, be hamstrung in rebuilding faith but few trade missions, in the days of WTI/IBW, would have proceeded with less than 5 delegates – unless the circumstances were exceptional. The FOI shows, of the 12 missions listed 5 left Wales with 4 delegates or less. Missions are normally supported in market by travelling officials and/or designated consultants so, perhaps, these should be accounted for in the overall numbers. Both Arab Health and MEDICA are longstanding events that attract the excellent support of in market officials and MEDIWALES respectively – both having run for many years with WTI/WDA/IBW type collaboration and proof that such collaborations can work if managed effectively.

6. . There also appears to be a further issue with the re-introduced International Trade Opportunities programme, namely the amount of time taken to obtain approval for a project to go ahead. ES&T have set in place a programme framework whereby there are a number of approved contractors. When a company submits a proposal, it is issued to all contractors so they can make a financial “bid” to undertake the work. These are then reviewed and the contract given to in most cases, the lowest bidder. This is a

time consuming process and we have been made aware of cases whereby some five weeks have elapsed before the company receives a response. In the current business climate, such a time delay is not acceptable.

7. Moving onto inward investment, the response to the Freedom of Information request showed very poor results by the current approach. The response is as follows – “In 2010/11, Wales secured eight new foreign direct inward investment projects; there was direct involvement in four of these by ES&T. In 2011/12, ten new foreign direct inward investment projects were recorded for Wales; there was direct involvement by ES&T in one of these successes.” Even in the current difficult economic climate, involvement in securing one project one project is a very poor result. Perhaps some clarification on how the 10 projects developed and landed would help shape policy and the current relationship between UKTI and WG should be at the centre of this.

To what extent is there a coherent Welsh brand for trade and inward investment?

8. There is no longer a coherent Welsh brand for either trade or investment. The WDA was a strong, positive brand which was well-respected in key international markets and this was a contributing factor in Wales success in encouraging inward investment. In addition, WalesTrade International had established a strong, well-respected in-Wales brand for encouraging international trade as a business development option.

9. At the time of bringing the WDA and Wales Tourist Board into the Welsh Assembly Government, the then-First Minister instructed that Wales would be the brand, with IBW and Visit Wales conduits for access. There were therefore no major campaigns to establish IBW and Visit Wales as such conduits and Wales position, certainly in overseas markets, became more difficult to establish. Unfortunately for IBW the only time the organisation made any real impact on the wider media and public was of a negative nature and led to the cessation of the organisation.

10. From an international trade development perspective, there is now no recognised brand for such activity. All enquiries are dealt with via the Welsh Governments' Business Wales helpline, along with a range of non-international trade related enquiries.. However, Business Wales has not been established a brand which can be recognised, although it is now being used on both <http://business.wales.gov.uk/> and www.wales.com as a strapline., In a recent initiative to promote an international trade day, there is an example of a company seeking advice only to be referred back to a helpline and then on to a consultant. This hands off relationship seems to fly in the face of any desire to get to know, understand and support business within Government before passing them on to the, often, excellent support available in the private sector with which WG contracts.

How well the Welsh Government is working with its UK Government partners, such as UK Trade and Investment and UK Export Finance

11. For WTI, interaction with UKTI was an important part of the development offer to Welsh SME's. As well as staff forging strong links so that both the UK and overseas based staff were aware of the Wales offer, in respect of international trade, great use was made of UKTI commercial officers while they were conducting tours of duty back to the UK. Bringing them to Wales on a regular basis, either for seminars or, more often, one-to-one meetings with appropriate companies so that individual circumstances could be considered, created valuable relationships and knowledge transfer opportunities between Welsh SME's and the commercial officers.

12. This relationship certainly suffered upon the establishment of IBW, with inward investment staff often looking at UKTI more as a potential competitor than partner – for completeness there was evidence of this being a two way street but it certainly diluted the relationships developed on the trade development side (where, perhaps, it was more important). Latterly, a team was put together to redevelop the working relationship but this work was not fully finished, mainly due to the internal issues which IBW had to turn its attention to.

12. It is difficult to quantify how close a relationship has now been forged. The ES&T “Supporting Business and the Economy” documents states “We hosted a number of high profile visits from UKTI, at Ministerial and official level, as a means of raising the profile of Wales and highlighting our expertise and know-how in growth sectors”. However, as with other issues in the document, it does not give any details – and there is no indication that Welsh SME’s were able to gain individual advantage from such meetings.

13. A running theme in this response is the difficulty in obtaining information to try and enable a comparative study of budgets, outputs and successes over even the last few years, never mind the time when many will feel Wales was at its most productive, when providing trade and investment support. The response to the recent Freedom of Information request shows that information is available but is not being released due to the time constraints attached to any FOI request and it being spread across several different sections (no coherence here). This may be arguable in normal circumstances but it is difficult to imagine how any inquiry could reach any meaningful conclusions without such basic comparators being available to it?

14. Thank you for the opportunity to input into this much needed inquiry. It remains a subject close to our hearts and anything that can result in an improved support mechanism for Welsh businesses, organisations and academia should be welcomed on all sides.



Eich cyf/your ref
Ein cyf/our ref ATISN 7986

Dave Long

dave.long@btinternet.com

30 December, 2013

Dear Mr Long

Request for Information – ATISN 7986

I wrote to you on 5 December 2013 regarding your request for information. You asked:

1. For the financial years 2010/11 and 2011/12, how many new inward investment projects came to Wales where there was direct involvement by the Department for Economy, Science and Transport?
2. For 2010/11 and 2011/12, a list of trade missions and fairs and, for each individual event:
 - a) The number of business delegates participating;
 - b) The value of orders won;
 - c) The value of potential opportunities for companies to follow up;
 - d) The total annual cost of the missions and fairs programme.
3. For 2011/12 and also the 2012/13 financial year up to 1 December 2013, in the International Trade Opportunities Programme:
 - a) How many project briefs have been forwarded to contractors for them to produce project plans;
 - b) How many projects were actually undertaken on behalf of companies;
 - c) What amount of business orders were secured by the companies using this service.

I confirm that we hold some information relating to your request. In 2010/11, Wales secured eight new foreign direct inward investment projects; there was direct involvement in four of these by the Department for Economy, Science and Transport (ES&T). In 2011/12, ten new foreign direct inward investment projects were recorded for Wales; there was direct involvement by ES&T in one of these successes.



I have concluded that it will cost more than the appropriate limit established in the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004 to consider the 2010/11 part of question 2 of your request. The appropriate limit specified for central government is £600. When calculating whether or not your request exceeds the appropriate limit, I am allowed to consider the time it is likely to take to establish if we hold the information, locate, the information, retrieve the information and extract it. If these tasks are estimated to take more than 24 hours of working time, the limit will have been exceeded.

Prior to 2011-12, the information you requested on trade missions and fairs was not held centrally. The missions and fairs were run by three teams with separate budget and administration systems. So far, officials have spent 5 hours searching through archived electronic records for this information and have not been able to complete your request for information for 2010-11. It is estimated that, in addition, we would need to search through more than 20 hard copy files to collect and verify the information you requested. Each file contains a range of information and we estimate that it would take at least an hour to search through each file to extract the information requested. Therefore, we estimate that it would take more than **25 hours** to complete this request. Because this exceeds the appropriate limit established in the Freedom of Information and Data Protection (Appropriate limit and Fees) Regulations 2004, I have decided not to process this part of your request.

In relation to 2011/12, detailed at annex A is a list of the trade missions and fairs undertaken together with the number of delegates associated with each mission/fair. The total cost of the missions and events shown at annex A was £226,025.61, excluding departmental running costs. These events form part of a wider suite of support to help companies internationalise and we do not directly apportion the value of orders won to individual interventions. The total value of new orders won across all interventions in 2011/12, including from those interventions shown at Annex A, was £836,000. We do not collate totals of the value of opportunities identified although, through event evaluation returns, we do ensure that significant opportunities are developed and followed up.

In dealing with your final point, we have assumed that you were seeking details of the full financial years for 2011/12 and 2012/13 and for the 2013/14 financial year to 1 December 2013. In 2011/12, under the International Trade Opportunities programme, 12 briefs were sent to contractors and 11 projects were undertaken. In 2012/13, the number had grown to 42 briefs sent to contractors with 31 of these projects undertaken. There has been further growth in the 2013/14 financial year to 1 December 2013 with 86 briefs sent to contractors and 66 projects undertaken to date.

Any information released under the Freedom of Information Act 2000 or Environmental Information Regulations 2004 will be listed in the Welsh Government's Disclosure Log. If you believe that I have not followed the relevant laws, or you are unhappy with this response, you may request an internal review by writing to:

Mike Hnyda
Deputy Director, Trade & Inward Investment
Department for Economy, Science and Transport
QED Centre, Treforest Industrial Estate, Treforest, CF37 5YR
Mike.Hnyda@wales.gsi.gov.uk

When dealing with any concerns, I will follow the principles set out in the Welsh Government's Code of Practice on Complaints which is available on the Internet at www.wales.gov.uk or by post.

You also have the right to complain to the Information Commissioner. Normally, however, you should pursue the matter through our internal procedure before you complain to the Information Commissioner. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF
Tel: 01625 545 745
Fax: 01625 524 510
Email: casework@ico.gsi.gov.uk

Also, if you think that there has been maladministration in dealing with your request then you may make a complaint to the Public Services Ombudsman for Wales who can be contacted at:

Public Services Ombudsman for Wales,
Ffordd yr Hen Gae, Pencoed, Bridgend, CF35 5LJ

Yours sincerely

Louise McShane
Head of Strategy – Trade and Inward Investment

Annex A

2011/12

Trade Mission / Fair	No of Delegates
AUVSI, USA	7
Toronto Film Festival	2
MIPCOM, France	3
WOMEX, Denmark	2
China	5
MEDICA, Germany	38
Turkey	4
MIDEM, France	7
Singapore Airshow	12
Mobile World Congress, Spain	11
SXSW, USA	4
Arab Health, UAE	14

Enterprise and Business Committee

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Meeting Venue: **Committee Room 3 – Senedd**

Meeting date: **Thursday, 16 January 2014**

Meeting time: **00:09 – 14:50**

This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_400000_16_01_2014&t=4570&l=en

Concise Minutes:

Assembly Members:

Nick Ramsay (Chair)
Mick Antoniw
Byron Davies
Keith Davies
Rhun ap Iorwerth
Julie James
Alun Ffred Jones
Eluned Parrott
Joyce Watson

Witnesses:

David Alston, Arts Council of Wales
Verna Cruickshank, International Cooperation
Bet Davies, Wales Millennium Centre
Jennifer Dunlop, Legal Service of the DFT General Counsel's Office
Robert Goodwill MP, Parliamentary Under Secretary of State for Transport
Eluned Haf, Wales Arts International
Jane Peters, International Cooperation
Anna Pötzsch, Piranha WOMEX
Kathryn Richards, Cardiff Council
John Rostron, Welsh Music Foundation
Phil Sheeran, Motorpoint Arena

Committee Staff:

Siân Phipps (Clerk)
Olga Lewis (Deputy Clerk)
Andrew Minnis (Researcher)
Robin Wilkinson (Researcher)

1 Introductions, apologies and substitutions

1.1 There were no apologies or substitutions . Apologies were received from David Rees AM. There were no substitutions.

2 World Music Trade Expo (WOMEX) 2013 (Impact and Legacy) – evidence session 1 (Panel: Cerdd Cymru Executive Directors) (09.15–10.15)

2.1 The Committee took evidence from David Alston, Arts Director, Arts Council of Wales; Eluned Haf, Head of Wales Arts International and John Rostron, Chief Executive, Welsh Music Foundation.

2.2 Eluned Haf agreed to provide the Committee with a copy of the WOMEX evaluation report that will be presented to the Welsh Government’s Major Events Unit.

3 World Music Trade Expo (WOMEX) 2013 (Impact and Legacy) – evidence session 2 (Panel: Venue Organisers) (10.30–11.30)

3.1 The Committee took evidence from Bet Davies, Head of Communications, Wales Millennium Centre; Phil Sheeran, General Manager, Motorpoint Arena and Kathryn Richards, Head of Culture & Events, Cardiff Council.

4 World Music Trade Expo (WOMEX) 2013 (Impact and Legacy) – evidence session 3 (videoconference) (11.40–12.15)

4.1 The Committee took evidence from Anna Pöttsch, Director of Media & Communications, Piranha WOMEX (via an audiolink).

5 Trans-European Transport Network (TEN-T) and Connecting Europe Facility (CEF) Regulations (videoconference) (13.30–14.30)

5.1 The Committee took evidence from Robert Goodwill MP, Parliamentary Under Secretary of State for Transport; Jane Peters, Head of International Cooperation; Verna Cruickshank, International Cooperation and Jennifer Dunlop, Legal Service of the DFT General Counsel's Office.

5.2 Parliamentary Under Secretary of State for Transport agreed to provide the Committee with details of the number of applications (including unsuccessful applications) submitted by each devolved nation and the UK for the programme period between 2007 and 2013.

6 Papers to note (14.30)

6.1 The Committee noted the following supporting documents:

Minutes of the previous meeting



Eich cyf/Your ref
Ein cyf/Our ref

Nick Ramsay AM
Chair, Enterprise & Business Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

15 January 2014

Dear Nick

I said that I would write to the Committee with more detail on the history of the new TEN-T framework and the Welsh Government's engagement in the TEN-T review and development of the new framework.

The Welsh Government has been actively engaged in discussion about the new TEN-T framework since 2010 to ensure that key routes and hubs were included on the Core Network map if they satisfied the Commission criteria.

The Commission published its review of TEN-T in 2010 and included questions to establish whether the TEN-T maps at the time were still valid. Those maps reflected the previous TEN-T arrangements, for which there was only one level of TEN-T and routes were either on the network or not. There was an opportunity at this stage to comment. The Welsh Government advised the UK Government that the maps, which featured Holyhead, were still valid for Wales.

The major change under the new arrangements has been the introduction of two network levels - the 'Comprehensive' Network and the 'Core' Network. All TEN-T routes are now part of the Comprehensive network (which essentially reflects the maps under the previous arrangements) but some are also part of the Core network. The Core Network represents the 'backbone' for transportation within the Single Market and is the strategic priority under the new arrangements and the focus for funding. The comprehensive network feeds into the core.

The TEN-T Regulations define the routes and standards those routes must meet. A companion Regulation on the 'Connecting Europe Facility' (CEF) sets out the financing proposals for the Trans-European Networks.

Before the final CEF Regulations were published in October 2011, a number of drafts were prepared. From our records, it appears that at least one draft of the CEF Regulations indicated, in an annex of pre-identified projects on the Core Network, that Holyhead was part of a 'Core Network Corridor' from Dublin to the Continent. There were no accompanying maps and there were no specific projects linked to Holyhead listed. As noted earlier, inclusion in a Corridor does not determine eligibility for funding.

The final version of the CEF draft regulation published in October 2011 did not include Holyhead as part of a 'Core Network Corridor'.

It is not clear why a Corridor route through Holyhead was included in an early draft of the CEF regulation but not the final version, but the routing of the Corridors was proposed by the European Commission.

Separately, the Welsh Government's understanding is that the port never met the Commission's criteria for inclusion separately as a Core port.

As I reported to the Committee, I have followed this matter up with the Department for Transport. Robert Goodwill MP, Minister of State for Transport advised in his recent reply to me that the UK Government reserved its position on Corridors because of concerns about governance, the potential additional administrative burdens and the net benefits, but did have discussions with the Commission to try and understand the rationale behind the Corridor proposal for the UK and requested that it be applied consistently.

He also confirmed that the final Corridor involving the UK was the Commission's proposal.

I hope the Committee will agree that what is important for Wales is to focus our efforts on making the most of the investment opportunities offered by being on the TEN-T network and securing support for projects in Wales.

Work on this has already started, including liaison with the Commission, and I would be happy to provide an update to the Committee later next year.

Given the wider interest in this matter, I am circulating this letter to all Assembly Members.

A handwritten signature in black ink, appearing to be 'C. ...', is located at the bottom left of the page.