



Llywodraeth Cymru  
Welsh Government

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## **WRITTEN STATEMENT BY THE WELSH GOVERNMENT**

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**TITLE**            **Update on Freeports policy in Wales**

**DATE**            **12 May 2022**

**BY**                **Vaughan Gething MS, Minister for Economy**

I am pleased to announce that Welsh Government has reached agreement with the UK Government on the establishment of a Freeports policy in Wales.

The agreement we have reached is fair to Wales, and respects the Welsh Government's responsibilities in devolved policy areas and follows considerable engagement between our Governments.

The UK Government agreed to meet a number of Welsh Government demands, including that:

- UK Ministers provide at least £26m of non-repayable starter funding for any Freeport established in Wales, which represents a parity with the deals offered to English Freeports;
- both Governments will act on the basis of a 'partnership of equals' to deliver any Freeports in Wales; and
- a Freeport will only be implemented if it can be demonstrated clearly it will operate in a manner that aligns with the Welsh Government's policies on fair work and environmental sustainability, including the commitment to Wales becoming a net-zero carbon nation.

Members of the Senedd will be aware from my previous Written Statement, dated 15 July 2021, that these reflect the conditions outlined in our letter to the UK Government in February 2021, namely:

- "Joint decision-making between the Welsh and UK Governments - including setting the criteria for bids, assessing bids and awarding Freeport status.
- Conditionality – to ensure the implementation of Freeports reflects Welsh Ministers' values and priorities, particularly regarding environmental standards, fair work and social partnership.

- A fair funding settlement - that neither disadvantages Freeports in Wales nor requires us to divert millions of pounds away from other priorities. On average, Freeports in England are expected to receive £25 million each in direct financial support.”

In addition, Welsh and UK Ministers have agreed:

- The UK Government will provide tax incentives for Freeports in Wales in parity with Freeports in other parts of the United Kingdom for the reserved taxes that have been designated to advance the policy aims. The Welsh Government will design tax reliefs from local and devolved taxes (Non-Domestic Rates and Land Transaction Tax) to support the policy aims.
- Both Governments will remain open to the possibility of a multi-site Freeport in Wales. In recognition of Wales’ unique economic geography and the Welsh Government’s aspirations for economic development in Wales, the UK Government is willing to relax the 45 km boundary limit for a multi-site Freeport solution, should there be a sufficiently compelling case for doing so.
- Both Governments will remain open to the possibility of allowing more than one Freeport in Wales, should they be presented with a sufficiently compelling business case.

As with English Freeports, a fair and open competitive process will be used to determine where the policy should be implemented in Wales. Both Governments will work together to co-design the process for Freeport site selection, and both will have an equal say in all decisions throughout the implementation process. This includes the final decision on site selection.

Both Governments have begun the process of designing the bid prospectus for the competition and further details about the timing of next steps will be released in due course.

I very much hope that the UK Government’s willingness to work with the Welsh Government as equals on Freeports can provide a positive model for future co-operation between our Governments on other initiatives.