



Welsh Government Evidence Paper Inward Investment

15/01/2026

The Economy, Trade and Rural Affairs Committee is holding an inquiry into inward investment in Wales.

The Committee has invited the Cabinet Secretary for Economy, Energy and Planning to attend a scrutiny session on 29 January 2026. This paper is intended to inform the discussion by providing an update on policy developments in this area and actions that the Welsh Government has taken to attract inward investment and support economic growth in Wales.

The Welsh Government would like to thank the Committee for its interest in this area and its consideration of our approach to bringing investment into Wales.

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1. Introduction

The Welsh Government's approach to attracting inward investment forms part of our Economic Mission and International Strategy. Working in collaboration with key partners, we promote Wales internationally as a prime destination for investment.

- 1.** Inward investment plays a critical role in the Welsh economy, with 1,545 foreign owned companies collectively employing more than 176,500 people¹ across Wales.
- 2.** Since the publication of the International Strategy in 2020, there have been 280 investments by foreign-owned companies. These investments have created and safeguarded more than 24,000 jobs. In the last financial year (2024-25), 65 foreign direct investment projects were recorded, an increase of 23% on the previous financial year and the second highest increase of any nation / region of the UK.
- 3.** 2024-25 saw 2,470 new jobs created in Wales as a direct result of foreign direct investment, which was a 30% increase when compared to 2023-24 and, again, the second highest percentage increase of any nation / region of the UK. A further 1,652 jobs were safeguarded - the highest across all of the nations and regions in the UK.
- 4.** Our dedicated Inward Investment team in Wales works alongside our overseas teams and the UK Government's overseas network to identify new investment opportunities. Our Welsh Government overseas offices are strategically based in key markets across the world (USA, Canada, France, Germany, Belgium, Ireland, India, China, Japan, the UAE and Qatar). The overseas network supports Wales's global ambitions, including working with Welsh exporters and promoting Wales as an excellent place to establish and grow a business.
- 5.** The Wales Investment Summit, which took place at the International Convention Centre Wales on 1 December 2025, showcased Wales as a prime

¹ Source: Inter-Departmental Business Register, 2024 (Office for National Statistics)

destination for international investment to over 250 high calibre investors from 29 countries, highlighting dynamic sectors (semiconductors, creative industries, green energy, digital technology, life sciences) and the Welsh Government's commitment to sustainable economic growth.

- 6.** From the outset, our goals for the Summit were clear:
 - a. Attract new foreign direct investment (FDI) and strengthen existing relationships.
 - b. Position Wales as a hub of UK excellence, with priority sectors and clusters.
 - c. Link investors to future opportunities in regeneration, energy, infrastructure, and innovation.
 - d. Promote Wales's unique strengths: innovation, sustainability, culture and diplomacy.
- 7.** These outcomes were achieved, both in the lead up to the event and at the Summit itself. Since the Summit was announced in October 2024, a series of major investment announcements totalling £16 billion have been secured for Wales.
- 8.** Importantly, the Welsh Government does not restrict its work to attract inward investment just to foreign-owned companies. Companies that are headquartered elsewhere in the UK also make an important contribution to the Welsh economy. The 2024-25 results for investment in Wales from elsewhere in the UK show that 45 projects were created and safeguarded more than 3,200 jobs.

2. Approach to Attracting Inward Investment

The Welsh Government promotes Wales as an attractive investment destination by highlighting its market accessibility, skilled workforce, and academic excellence. Targeted international engagement showcases Wales's strengths in sectors where we have world-class capabilities. Stability, clear policies, and long-term planning build investor confidence, with ongoing aftercare ensuring Wales remains competitive and responsive to global business needs.

Welsh Government's approach to inward investment

- 9.** The Welsh Government's inward investment propositions promote Wales's market accessibility, outstanding talent, and our academic and research excellence. Existing clusters of companies at the cutting edge of their respective sectors also provide testimonies saying that Wales is an outstanding investment location.
- 10.** Through our dedicated Inward Investment team, and our Welsh Government overseas teams, we present very real opportunities to businesses to establish operations and invest into Wales. The Welsh Government also works with external partners, such as the UK and local governments and industry bodies, and we consider these to be an important part of our wider team.
- 11.** We proactively promote Wales overseas, specifically in those areas where Wales demonstrates world class capability, including compound semiconductors, cyber security, life sciences, clean energy, advanced manufacturing and fintech.
- 12.** We have developed targeted marketing propositions which support our in-market engagement activity of a Cymru Wales presence at an annual programme of global trade events. The Welsh Government also hosts inward visits for potential investors, developing bespoke programmes which showcase how Wales can support the company's requirements.

- 13.** Our dedicated Cymru | Wales brand Trade and Invest website² provides a portal to promote Wales and engage investors. Overall, we are working to ensure that Wales is visible and on the radar of global business decision-makers.
- 14.** At the recent Wales Investment Summit, Welsh Government Ministers held around 50 meetings with international businesses and investment leaders. The strongest and most consistent feedback from these meetings was about the importance of stability when it comes to deciding on where to invest.
- 15.** Investors made it clear that they are seeking an environment with clear policies, strong governance and where long-term planning is supported. These are areas where the Welsh Government provides real confidence. One of the key messages used in our proposition to investors is about Wales's stable regulatory framework and our long-term commitment to economic growth and innovation, as well as access to Ministers and decision-makers.
- 16.** We know that cross-government action across a range of policy areas is critical to ensure that we can strengthen our economy through the attraction and retention of inward investment. The function is led by a dedicated Inward Investment team, which works alongside our Overseas Network, to target and source investment leads. The Inward Investment team works with the potential investor at the start of their investment journey to identify any specific needs and explore how the Welsh Government can support the company through actions which may include introductions to wider Welsh Government teams, including those focussed on skills, academia or innovation, for example.
- 17.** Once the investor reaches the decision-making stage of their journey, they are allocated a dedicated relationship manager within the wider Economy team who will support the enquiry, ultimately with the aim of securing the investment. This partnership approach ensures continuity for the customer. Importantly, the relationship manager will also maintain the Welsh Government's relationship with the company throughout its time in Wales.
- 18.** The relationship manager acts as a single point of contact and gateway to Welsh Government support. They work with a portfolio of existing companies in the region, gaining insight and market intelligence to help in delivering against economic ministerial priorities. They support projects as they

² www.tradeandinvest.wales

transition through the due diligence process and ensure that the correct governance and financial procedures have been adhered to.

- 19.** Relationship managers also contribute to local authority and wider economic development / sector activity - they deliver business support packages including the full array of Welsh Government and partner offerings.
- 20.** To support the promotion of Wales, the Business Marketing team also undertakes several functions, ranging from managing the Cymru | Wales brand, Trade & Invest website, a targeted events programme, and content creation through to delivery across social media channels.
- 21.** Finally, other teams within the Welsh Government form part of the virtual 'Team Wales' supporting the investment function, including Innovation, Property, and Skills. Their involvement, both strategically and on an enquiry-by-enquiry basis, is coordinated through the Inward Investment team. Similarly, teams across the Welsh Government are also brought into investment discussions where, for example, policy direction or procurement present investment opportunities, such as in Energy, Transport, Decarbonisation or waste efficiency.

Targeting sector strengths

- 22.** The Welsh Government's dedicated Inward Investment team has sector leads who, through their understanding and development of the value proposition, and knowledge and relationships with Welsh and UK stakeholders plus the broader business ecosystems, promote their respective sectors through events and activities, both in the UK and internationally. They work alongside the Welsh Government's overseas network in markets, supporting them to promote sector strengths amongst clusters, companies, stakeholders and industry fora.
- 23.** We deal with the full range of enquiries; however, our proactive areas of focus are areas where Wales has international class capabilities, including:
 - a. Cyber security.
 - b. Compound semiconductors.
 - c. Fintech.
 - d. Life sciences.
 - e. Marine energy.

- f. Future mobility/next generation transport manufacturing (including electric and autonomous vehicles).

24. The Welsh Government also works closely with the UK Government, in particular Department for Business and Trade (DBT) teams in the UK and overseas, to ensure that the UK Government network promotes Wales to potential investors. We have sectoral strengths which closely align with the UK Government's Industrial Strategy, where we want to work with the UK Government to ensure that Wales is seen as a location of choice - for example ensuring that the expertise we have in compound semiconductors is recognised at a UK-level.

25. Our joint working with the UK Government is demonstrated through place-based initiatives designed to magnetise investment. Initiatives include the AI Growth Zones positioning Wales as a leader in digital transformation; Investment Zones with specialisms in advanced manufacturing and semiconductors in NE and SE Wales; and clean energy as a focus of Freeports in Anglesey and SW Wales.

Barriers to investment

26. The global investment environment is challenging. Global investment flows have decreased since 2015 for a variety of reasons: the pandemic; increasing competition from other nations which are trying to secure internationally mobile projects; uncertainty caused by fluctuating trade tariffs and initiatives to disincentivise companies from investing outside of their home country; and a volatile geopolitical environment and global conflict have all had an impact on investment flows in recent years.

3. Ongoing Support for Investors

The Welsh Government plays a pivotal role in supporting existing foreign investors in Wales. Comprehensive aftercare includes dedicated relationship managers, funding for training and innovation, supply chain support, and tailored advice to help companies grow and embed themselves within the Welsh economy.

Welsh Government's ongoing support to investors

- 27.** The relationship management function within the Welsh Government's Business & Regions team plays a lead role in providing support to existing investors that are looking to grow in Wales, as part of their broader company engagement function.
- 28.** Since Welsh Government records began in their current format in 2012-13, 62% of investment from foreign companies in Wales has come from existing investors so this is a crucial part of the investment offer to retain and grow foreign-owned companies in Wales.
- 29.** Relationship management and aftercare perform many functions, including:
 - a. Funding for training and staff development.
 - b. Support for training & recruitment through established networks.
 - c. Apprenticeship scheme support.
 - d. Property Development Solutions.
 - e. Funding for Innovation and R&D through Smart Cymru.
 - f. Funding to Universities to support collaborative R&D with company.
 - g. Dedicated Relationship Manager throughout project and beyond with aftercare support.
 - h. Supply Chain Development Support.

- i. Working to find solutions to break down barriers.
- j. Advice on the Economy Futures Fund, which has supported many overseas investors to create and retain jobs.

30. The Wales-based business teams work with existing foreign-owned companies to ensure they become embedded within the broader economy and make the best possible case for bringing their future expansion investment to Wales.

4. Inward Investment Data Sources

The latest official statistics from the Department for Business and Trade show that FDI projects into Wales for 2024-25 increased by 23%, contrasting sharply with a 12% decline across the UK as a whole.

Data sources

- 31.** The Welsh Government collates data on investment from overseas companies and those headquartered elsewhere in the UK. Wales's Foreign Direct Investment (FDI) results are reported to the Department for Business and Trade (DBT) on an annual basis. DBT will publish the collated FDI results for the UK in its annual report³, usually around June/ July. All projects reported to DBT undergo a rigorous independent check to ensure that all UK regions are reporting consistently and they meet set criteria. In the last few years, the DBT data has gained 'official statistics' status meaning that it now forms part of the Office for National Statistics economic data.
- 32.** Data on the number of projects and associated jobs in each UK region is contained within the DBT annual report. Due to its classification as official statistics, the Welsh Government cannot publish any additional information beyond that which is contained in the annual report.
- 33.** It is important to set the above figures within the broader context of international investment flows. Whilst flows have increased post-Covid, they have, at best, been stubbornly flat, with the global FDI market in 2024 impacted by growing trade tensions, significant policy uncertainty and geopolitical divisions.
- 34.** In 2024, the OECD highlighted a 1% increase on 2023 levels, whilst UNCTAD's World Investment Report 2025 delivered a more sobering assessment as foreign direct investment was seen to have fallen by 11% in 2024 with infrastructure investment slowing and industrial investment under strain. The uncertainty caused by global events was reflected at the UK level with a decrease in the number of total projects landed (down 12% on 2023-24) and jobs created (down by 3%).

³ [Depart for Business and Trade Annual Report 2024-25](#)

- 35.** With this background context, the fact that Wales has, for the third consecutive year, witnessed an increase in investment project volumes is a significant positive.
- 36.** It is also important to note that these figures are for foreign direct investment only and, when looking at UK investment into Wales, the picture is equally positive with growth in both investment projects and the number of jobs to be created. The UK investment figures are not provided to (nor published by) DBT but the Welsh Government uses the same verification criteria given to FDI to ensure consistent standards are applied.
- 37.** Such statistics provide a further endorsement to Welsh Government's position on inward investment and our targeted approach in promoting Wales and our capabilities on the UK and global stage, as part of the Economic Mission and International Strategy.

5. Conclusion

By focusing on sector strengths, international engagement, and ongoing support, Wales is well-positioned to attract and retain investment, drive economic growth, and respond to future opportunities and challenges.

- 38.** The Welsh Government demonstrates a proactive approach to attracting and retaining inward investment in Wales. We have demonstrated a strong performance in recent years, experiencing significant growth in inward investment, with a 23% increase in FDI projects in 2024–25, contrasting with a decline across the UK. This growth has resulted in thousands of new and safeguarded jobs, underlining Wales’s appeal as an investment destination.
- 39.** There is a clear strategic focus on international engagement to support investment. Our approach is rooted in the Economic Mission and International Strategy, targeting sectors where Wales has world-class capabilities. Our Wales-based teams, international offices and targeted marketing campaigns have raised Wales’s profile globally, supported by events like the Wales Investment Summit.
- 40.** Effective collaboration between Welsh Government teams, UK Government departments, and external partners is central to sourcing and securing investment. Our dedicated Inward Investment team, overseas offices, Wales-based relationship managers and cross-government coordination ensure that investors receive tailored support throughout their journey.
- 41.** We are not complacent. The recent Wales Investment Summit has provided investors with the opportunity to feedback on what they would like to see from Wales. Investors have highlighted the importance of a stable policy environment, clear governance, and long-term planning; our commitment to these principles has been a key factor in building investor confidence and attracting high-value projects but the Summit now presents an opportunity to build on this.