

Swansea Council's response to the additional questions from the Inward Investment Inquiry by the Economy, Trade, and Rural Affairs Committee.

**How much of a barrier is infrastructure to Wales attracting more inward investment?**

**What are the key challenges Wales faces, and how should these be addressed?**

Infrastructure provides the essential, long-term platform needed to attract inward investment. It enables economic activity, raises productivity, and creates the stable conditions that foreign investors look for. Futureproof and dependable infrastructure is critical for maintaining competitive economic growth, reducing regional disparities, and supporting high-value, sustainable investment.

Transport infrastructure is considered one of the primary barriers to Wales's international competitiveness. Although significant capital has already been committed to rail and public transport, persistent bottlenecks in the transport network (particularly East to West) act as a deterrent to inward investment. Poor connectivity increases operational costs, complicates supply chains, and weakens the case for locating in Wales, especially for high-value manufacturing and tech firms that rely on efficient national/international transport links.

Locally, the rollout of the Swansea Bay and West Wales Metro, along with extending mainline electrification to Swansea, would significantly ease existing transport challenges.

Digital connectivity remains a challenge for Wales. Despite progress with full-fibre and 5G, gaps (particularly in rural areas) continue to limit business competitiveness and reduce Wales's appeal to data-driven industries. Reliable, high-speed digital networks are now essential for attracting investment and supporting the growth of technology-focused sectors.

Grid capacity is also a growing barrier to economic development. Limited electrical capacity can cause delays to projects and deters energy-intensive investors. Upgrading and expanding the grid, along with faster connection times, is crucial for supporting renewable energy, enabling industrial decarbonisation, and ensuring Wales can compete for large-scale, low-carbon investment.

Commercial property infrastructure is a critical barrier to inward investment in Wales in 2026, primarily due to a severe shortage of modern "Grade A" office and industrial space. While demand for prime locations remains high, a lack of available stock is actively suppressing large-scale investment. Further expansion of the Commercial Property Fund is essential for bridging the "viability gap" that prevents private developers from creating modern commercial spaces in Wales.

**To what extent do businesses in your area currently benefit from inward investment supply chains, and how can they be better supported to do so by the Welsh and UK governments?**

Inward investment into Swansea has been driven largely by the Swansea Bay City Deal and the £1 billion+ regeneration programme, which has generated clear and growing opportunities for local businesses. Schemes like our social value Beyond Bricks and Mortar initiative help maximise local supply chain opportunities within key developments.

To strengthen supply chains linked to inward investment, both governments can focus on strengthening infrastructure, having a coordinated approach, offer fiscal incentives, provide sector-specific support, improve skills and supply-chain resilience.

**With only four months until the next Senedd election, what would be your top three inward investment priorities for the next Welsh Government to take forward from May 2026, and why?**

### **Targeting New & Emerging Sectors for Inward Investment**

Wales' industrial landscape has changed significantly, and attracting inward investment now requires a strong focus on future-facing, high-value sectors. Across the South West Wales region, several key industries offer strong growth potential and a compelling proposition for investors.

- **Green Growth & Renewable Energy**  
Wales has natural strengths in marine, offshore wind, hydro and tidal energy. Growing global demand for clean energy technologies positions Wales as a competitive destination for inward investors working on decarbonisation, storage, hydrogen, and smart grid systems.
- **High-Tech & Advanced Manufacturing**  
Wales is already recognised for excellence in advanced manufacturing, supported by strong research institutions, high-value supply chains, and national investment strategies.
- **Life Sciences**  
Swansea is emerging as a regional anchor for life sciences, supported by major public and private investment and strong university and health board collaboration.

### **Ensuring Investment-Ready Space in Wales**

Expansion of the Commercial Property Fund will help ensure a consistent supply of ready-to-develop and ready-to-occupy commercial space, which is critical for attracting inward investors into Wales. Investors increasingly expect immediately developable plots and modern, high-quality premises when considering new locations. By accelerating site preparation, de-risking early-stage development, and supporting Welsh developers to bring forward new commercial stock, strengthening Wales' competitiveness and making it far easier to convert investment enquiries into landed projects.

### **Improving Skills**

Strengthening the skills base is one of the most important levers Wales can pull to boost inward investment. Investors consistently look for locations with a skilled,

adaptable and future-ready workforce, especially in high-value sectors such as digital, advanced manufacturing, clean energy, and life sciences.