

[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 Robert Lock- TII 06

Public Sector Support Structures in Supporting and Promoting Welsh Exports.

My Background

I worked for the Welsh Office, Welsh Assembly Government and the Welsh Government in various international trade roles for some 30 years. I started in 1980 in the Welsh Office Export Branch organising export related events including seminars, clinics and inward trade visits to Wales working closely with the British Overseas Trade Board (BOTB). I then became an Export Advisor for 10 years before becoming Head of the newly formed Overseas Events Team with the introduction of the Welsh Office subsidised trade mission programme. I did this until Devolution and the setting up of Wales Trade International (WTI) where I Headed the Asia Pacific, Middle East & Africa trade team. Following the abolition of the WDA and the setting up of International Business Wales (IBW) I became Head of the Asia Pacific trade team until the Welsh Government decide to close IBW and go down the Priority Sector route at the end of 2010.

During the 1980's I was seconded to the British Embassy in The Hague, The Netherlands where I worked in the Commercial Department helping British companies export to The Netherlands which is the UK (and Wales) 4th largest export market..

When International Business Wales was closed at the end of 2010 I was posted to the ICT Sector team as a Business Development Manager but not given any international trade responsibility. I left the Welsh Government in June 2012 as I felt my knowledge and experience was being wasted and I am now working with Business Wales as an Export Advisor.

I was awarded the MBE in the Queens 2006 New Years Honours for services to Welsh Exports.

Welsh Export Figures

I regularly read about the Welsh export figures going up or down and the opposition politicians using this as an opportunity to attack the Government of the time. The Wales export figures are influenced by the major companies located in Wales such as Tata Steel, Airbus, Texaco (and other petrochemical companies), Ford etc. all of which are multi nationals and inward investors or Production Units with HQ's outside Wales. None are indigenous to Wales. The various international trade or export support teams that have been part of Government in Wales over the years have all, without exception been aimed at SME's who are either new exporters or existing exporters looking to export to new markets. None of those helped were large enough to influence the export statistics individually or collectively. What the various export bodied were doing was helping to grow the SME's (indigenous and some smaller inward investors) by obtaining business overseas which helps create employment in Wales. Helping the SME's export to the volume required to affect the Welsh

exports statistics is impossible. The support provided does however help to create jobs safeguard jobs.

If the committee is looking at the export support provided by Government in Wales they should look at what they want to achieve and if it is achievable. If the export support is to increase the value of Welsh exports it is the larger companies in Wales they need to support by finding new markets! I understand it is currently the role of the Priority Sector teams to achieve this. However in many cases a large volume of Welsh exports from the major companies in Wales go to sister companies i.e. Ford engines to Ford factories in Spain and Airbus wings to Airbus in Toulouse.

International Trade Support Body

By far the best and most successful international trade organisation I worked for was Wales Trade International (WTI). They were well respected by the business community in Wales and were successful in helping Welsh SME's obtain business overseas. The management team led by Dennis Turner were progressive and innovative. As a result WTI had a very motivated team who worked closely together and achieved a great deal of success. I'm afraid International Business Wales (IBW) did not reach the same heights as WTI mainly because the senior management team was very much Inward Investment focused and was led predominantly by ex WDA International Inward Investment Officials. The Welsh Assembly Government did appoint a Chief Executive from the Private Sector but unfortunately he was unable to manage his senior management team, was not respected by those who worked for the organisation and did not understand how international trade support worked.

Wales Trade International set up consultative groups throughout Wales who helped guide WTI and the services they provided. This all changed with IBW where the senior management team decided the path to follow despite their lack of International trade knowledge. The international trade target markets became the same as the inward investment target markets because that was where they wanted to put all the resource.

It was however a sad day when the Welsh Government scrapped all direct international trade support at the end of 2010. Any international trade support was only to be provided to companies in the then 6 Priority Sectors but with the scrapping of IBW and many of the displaced staff taking voluntary severance their was little specialist help available only the International Trade staff who remained and were given jobs in the Sector teams. Some Sector did not have the knowledge required and others did not use the resources they had! The support became disjointed and inconsistent.

I do think a dedicated trade (and investment) body should be set up and that the body could still be under the control of the Welsh Government. It would help if it had an identity which businesses in Wales and overseas could recognise as to what they do rather than the current **Welsh Government Department of Economy, Science and Transport** which covers all economic and transport activity. It takes time to create a brand and to be fair the Welsh Development Agency had been successful creating a know brand overseas and in Wales. Sadly the WDA did not move with the times and lost their position as a leading UK Development Agency and the management should have gone rather than the organisation!!

If a trade and investment organisation was to be set up the senior management team would need to have a good understanding of both trade and investment and set clear and achievable KPI's for both arms.

Importing

Another area which should be looked at, and a little controversial, is importing and if any support could be given to Welsh companies growing their business (and employment) but import products. Traditionally importing has not been supported in any way and imports taxed as a deterrent. Now with less manufacturing in the UK more and more companies are turning to overseas markets to source products and components. The current support from the Welsh Government does not allow companies looking to source products overseas from using their services. Welsh companies cannot use the trade missions or apply for Overseas Business Development Visit (OBDV) funding to visit overseas markets if they are looking to import. They cannot use the other services to research markets or identify partners if it is to source products.

It would help Welsh businesses if more flexibility could be given to Welsh companies who are looking to import for the right reasons such as growing their companies (which create jobs), making the company more competitive, looking to reduce jobs losses etc. and is not causing any displacement. Welsh companies who meet a set criteria should be allowed to make use of the WG international trade support to help import components/products where they can demonstrate the advantage to the company, local community and Wales.

Many companies I meet want to manufacture or source in Wales or other parts of the UK but for many reasons have to import. Numerous Welsh companies would and still look to manufacture or source in the UK if it is possible.

I hope this helps.

Robert Lock

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