



Darren Millar AM  
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National Assembly for Wales

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24 February 2016

## The Welsh Government's Acquisition and Ownership of Cardiff Airport

Dear Mr Millar,

During my evidence to Public Accounts Committee on 11 February, I undertook to provide a note on a number of matters. I address each point in turn and hope that the Committee find this additional information helpful.

### **A list of the Anchor Companies in Wales together with the criteria required to be an Anchor Company:**

An Anchor Company is generally considered as:

- a company which is a global or international organisation;
- a company that has Welsh Head-Quarters or significant corporate presence in Wales.

I attach a brochure which outlines the Welsh Government's Anchor Company programme and gives examples of many of the companies with which we work.



WG23938 Anchor  
Companies Broc...

Further information, including a list of Anchor Companies is also available on the Welsh Government website at:

<http://gov.wales/topics/businessandconomy/sector/anchor/?lang=en>

### **A note of the passenger figures over the last 25 years:**

By the end of 1992 annual passenger numbers at Cardiff Airport stood at 743,219. The 1990s were a significant growth period, with annual passenger numbers doubling by the end of the decade, and 1 million passengers a year was achieved for the first time in 1994-95.

The list below provides annual passenger numbers for every year since 1997; information prior to 1997 concerning passenger numbers at Cardiff Airport, flights and other data is available at the Civil Aviation Authority website - <https://www.caa.co.uk/Data-and-analysis/UK-aviation-market/Airports/Datasets/UK-Airport-data/Airport-1983---1997/> .

<b>Year</b>	<b>Pass. No</b>
1997	1.15m
1998	1.26m
1999	1.33m
2000	1.51m
2001	1.54m
2002	1.42m
2003	1.91m
2004	1.88m
2005	1.77m
2006	2.02m
2007	2.11m
2008	1.99m
2009	1.63m
2010	1.40m
2011	1.20m
2012	1.01m
2013	1.07m
2014	1.02m
2015	1.16m

### **A plan and inventory of what the Welsh Government acquired:**

The Welsh Government acquisition included all of the share-holding, assets and operations of Cardiff Airport. These matters are covered in some detail in the Auditor General for Wales Report. A map of the Cardiff Airport site, in addition to potential ideas of what can be done to maximise its economic impact, is included within the recent report by Public Policy Institute Wales – (<http://ppi.wales.gov.uk/files/2016/01/PPIW-Report-Maximising-the-Economic-Benefits-of-Airports.pdf>).

### **An explanation of the urgency as to why the purchase had to be completed within a short timeframe and why the S128 procedure contained within the Government of Wales Act 2006 was used:**

The Auditor General for Wales Report indicates how Abertis envisaged two phases to the sale process and set this out in their 'Process Letter' dated 3 December 2012. This indicated that phase one (formal non-binding offer) would need to be completed by 14 December 2012. Acceptance of a formal non-binding offer would enable exclusivity to continue. Abertis required phase two (due diligence) and the sale process to be completed by end March 2013.


**Full details of the various valuations carried out prior to the acquisition; confirmation as to whether the original land value was carried out on the site as an airport or the Residual Land Value of the airport site prior to the time of purchase; if the calculations on the Residual Land Value are available?**

The process of commercial and public asset valuations, the methodology used and the impact of varying assumptions on values is outlined by the Auditor General in his Report. Having re-read the report, I have no further detailed information to add =.

**A note on which valuation method is used to value the assets in the Holdco annual accounts:**

As part of the annual process of filing the audited accounts of WG Hold Co, a value is placed upon Cardiff Airport. I understand that the latest audited Hold Co accounts prepared by Grant Thornton LLP place a current value on Cardiff Airport of £55 million. Grant Thornton relied upon discounted cash flow of projected EBITDA as a basis for their audit opinion of the airport's value. This was cross referenced to the earnings multiple that broadly came out in line with the discounted cash-flow valuation.

Yours sincerely

A handwritten signature in black ink that reads "James Price," with a comma at the end.

**James Price**



Llywodraeth Cymru  
Welsh Government

# Engaging our Anchor Companies

[www.gov.wales](http://www.gov.wales)



The Welsh Government's Anchor Company programme is all about working with key companies to create jobs, growth and wealth within the Welsh economy.

Anchor Companies are major employers with a focus on research, development and innovation that create and underpin growth in their various sectors. At a local level, their presence generates knock-on effects that benefit the local economy and supports smaller enterprises, thereby strengthening Welsh supply chains.

As major employers, Anchor Companies foster high levels of employee engagement and invest in staff training. Their apprenticeship and training programmes provide opportunities for talent to thrive and their decision to locate in Wales demonstrates their confidence in the level of skills and capability available here.

They promote all aspects of Corporate Social Responsibility and have strong links with their local communities. Anchor Companies are role models for other employers and companies looking to locate here and the Welsh Government values the close two-way relationship we have with them.

I am committed to continuing and strengthening our partnerships with all Anchor Companies and building close relationships at the highest level both in Wales and with head offices overseas. By working together we can deliver our shared objectives of creating economic growth and jobs in Wales.



**Edwina Hart MBE CStJ AM Minister  
for Economy, Science and Transport**





## **Introduction**

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## **Support**

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## **Sectors**

7 // Advanced Materials & Manufacturing; Construction; Creative Industries; Energy & Environment; Financial & Professional Services; Food & Drink; Information & Communications Technology; Life Sciences

## **Success**

28 // Why businesses come, stay and prosper in Wales



## Welsh Government considers Anchor Companies of key strategic importance to the economy of Wales.

**As one of our Anchor Companies, we will work with you to develop your business in Wales and beyond based on a partnership approach.**

As an Anchor Company, your business can access a range of products, financial and non financial and a personally focussed one to one service.

We will provide you with an Account Director and an Account Manager, a dedicated Welsh Government team who will work closely to ensure that you receive tailored packages of support, and benefit from a whole Government approach – enabling your company to achieve its objectives.

As an Anchor Company we will take every opportunity to promote your business in and outside Wales. We ask that you work with us to help promote and showcase Wales in your business activities and that you work with other Anchor Companies to help create a network of sharing expertise, solutions and best practice. We will facilitate you as a community, enabling linkages, so that together we can confidently take Wales forward.

## What is an Anchor Company and what support will I receive?

**The Welsh Government considers an Anchor Company to be:**

- A company which is a global or international organisation
- Has Welsh headquarters or significant corporate presence in Wales
- A company committed to people development and innovation
- A company that wants to work with us to develop the Welsh business environment

### **We will make a joint investment in the Welsh economy**

We will actively seek opportunities to work with each Anchor Company, or group of Anchor Companies, to further the economy of Wales, and the company's wider objectives here. This could include, for example:

- Work to develop and strengthen supply chains
- Pooling of skills development
- Showcasing best practice
- Supporting CSR programmes

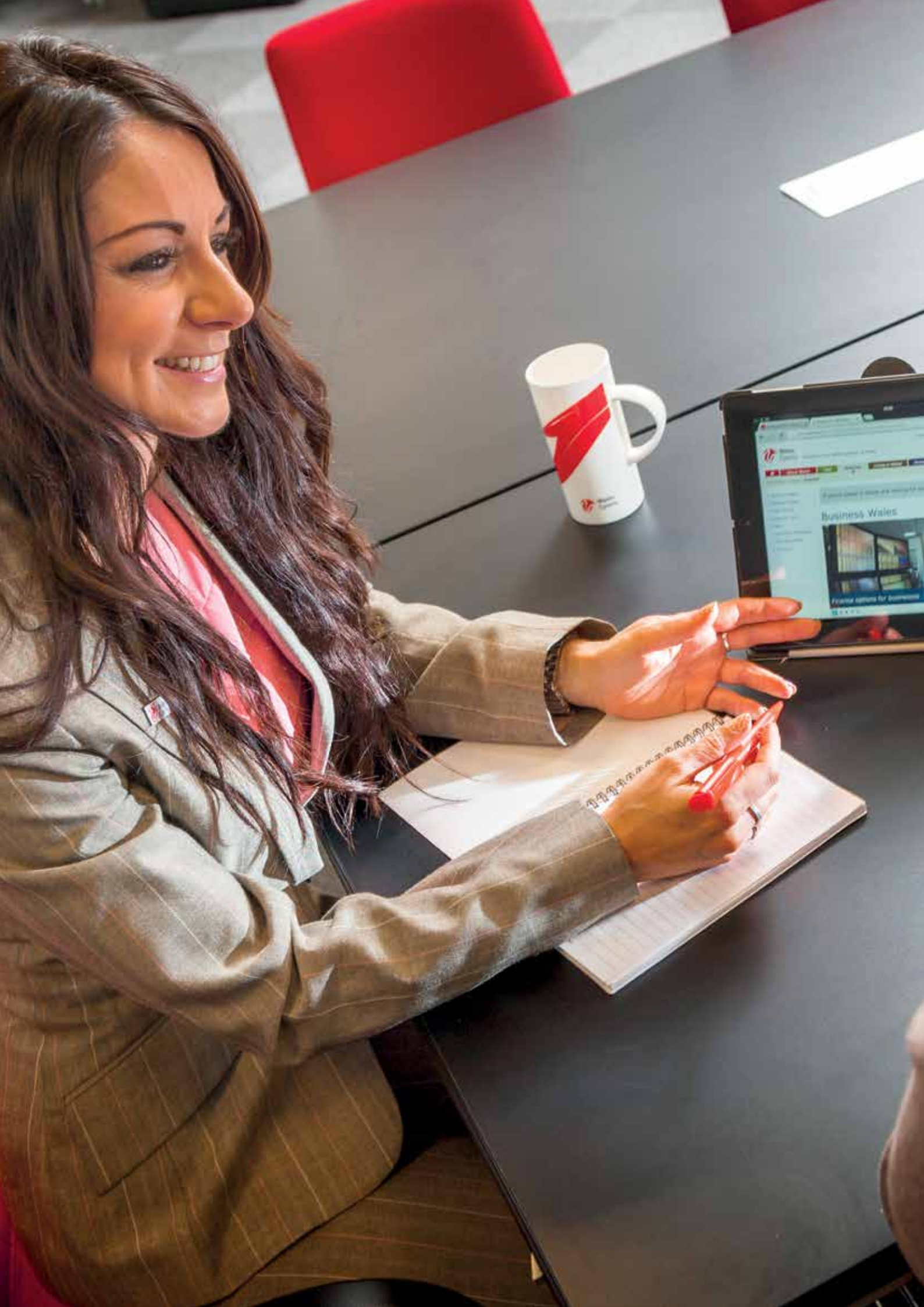
### **Access to Ministers**

As an Anchor Company you will benefit from fast and easy access to Welsh Government and Ministers, and you will have the opportunity to input into policy in development.



The Senedd (the National Assembly building), Cardiff Bay.





### **One to One Account Management service**

You will have an Account Director – a senior contact in the Welsh Government who will work with your senior management and an Account Manager who will manage day to day business with your company. With you they will deliver a jointly agreed account plan and put in place regular meetings including a formal annual review.

Your Account Manager will develop a deep understanding of your company, and can spend dedicated time with you immersing themselves in your business if you would find this of value.

### **Tailored package of support**

We will develop a package of support tailored to your company needs, subject always to our legal powers, state aid regulations and value for money criteria.

Support can vary from financial assistance on major capital projects; advice and assistance with property and land transactions; skills and training advice and support; supply chain optimisation; facilitating access to all parts of the Welsh Government, and appropriate specialists and experts. The package of support developed with your Account Manager will enable you to pursue your business objectives whilst working to benefit the Welsh economy.

We will work with you to support your operation in Wales within the context of your wider parent or group management structure.

### **Anchor Company Network**

As part of the Welsh Anchor Company Network you will be invited to meet with fellow Anchor Companies and input into regular Anchor Company meetings and events to share your best practice and expertise, network and benefit from expert business speakers.

We will keep you up to date to ensure that you are aware of changes that may affect your business, and we will involve you in policy development through timely consultations, formal informal discussions.

### **Measuring your satisfaction**

In order to continuously improve our service to you we will undertake an Anchor Company Customer Satisfaction Survey. This will allow us to continuously seek to improve our Account Management service. We will listen to you and align our service to your feedback, to maximise the benefits to you of being an Anchor Company.



### Other Anchor Companies

Control Techniques Drives Ltd  
Ford Motor Company Ltd  
Meritor Heavy Vehicle Braking  
Systems UK Ltd  
Qioptiq Ltd  
Zodiac Seats (UK) Ltd



A380 wing production, Airbus, Broughton.

## Advanced Materials & Manufacturing

Our companies and universities are collaborating to develop advanced materials for a range of sectors including aerospace and defence and automotive, produced at some of the world's most advanced manufacturing facilities.

Global players have major bases here, from Ford, who has produced 18 million engines in Wales, to Airbus which has the biggest aerospace manufacturing operation in the UK right here.

In addition, British Airways, GE Aviation, Marshall Aviation Services, Nordam and Toyota have all recognised just how productively they can manufacture in Wales.

### Airbus Operations Ltd

Airbus is a leading aircraft manufacturer with the most modern, comprehensive family of airliners on the market, ranging in capacity from 100 to more than 500 seats.

Airbus is a global company, headquartered in Toulouse, with design and manufacturing facilities in France, Germany, the UK and Spain as well as subsidiaries in the U.S., China, Japan and in the Middle East.

- Airbus champions innovative technologies and offers some of the world's most fuel efficient and quiet aircraft.

- Airbus has delivered more than 8,600 aircraft to 369 customers worldwide and boasts a healthy backlog of more than 5,800 aircraft for delivery over coming years.

### British Airways Engineering South Wales

British Airways is especially committed to Welsh expertise, with three dedicated facilities across a 50 km radius:

- BA Avionics provides end-to-end maintenance of electrical, electronic and electro-mechanical components.
- BA Interiors carries out advanced maintenance works on cabin interiors and safety equipment, as well as working with manufacturers on new product developments.
- Located at Cardiff Airport, British Airways Maintenance Cardiff handles major maintenance and cabin interior conversions for BA's entire long haul fleet. Set in one of the largest facilities of its kind, expert teams overhaul, repair, modify, test and inspect BA's Boeing 747, 767 and B777-300 aircraft.





BAMC St Athan – Cardiff Airport Enterprise Zone.

### **Celsa Manufacturing (UK) Ltd**

Acquired in 2003, Celsa Steel UK is the largest producer of reinforcement in the United Kingdom and one of the largest manufacturers of other steel long products. Its facilities in Cardiff produce around 1.2 million tonnes of finished product each year. The facilities consist of a state of the art melt shop built in 2006, and two production facilities: one for reinforcing products and wire rod, the other for merchant bar and light sections. The company employs over 500 staff directly and several hundred through their supply chain.

### **GE Aircraft Engine Services Ltd**

GE Aviation Wales specialises in the overhaul, repair and maintenance on a range of jet engines, providing maintenance, repair and operations (MRO) services for more than 90 customers worldwide.

Chris Doherty, Human Resources leader says "As one of the largest aircraft engine maintenance facilities in the world, GE Aviation employs a highly skilled workforce to work on some of the most complex engines in the industry".

The facility based in Nantgarw, just North of Cardiff, is an example of a global business with a successful Welsh operation that innovates to succeed.

Occupying over 1.2 million square feet of workshop space, it has two state-of-the-art engine test facilities and employs a highly skilled workforce of over 1,200 people.

With a turnover in excess of \$2 billion, the company services over 450 engines a year. Since the acquisition of the General Electric Company site in 1991 and with support from the Welsh Government GE Aviation has continued its inward investment and funding, ensuring business growth, securing new product introduction and the creation of several Centre of Excellences, and has firmly established its position as a global leader.

### **JCB**

JCB is the third largest construction equipment manufacturer in the world by volume and is market leader in the UK, Europe, Russia and India. It is a family-owned company with 22 plants worldwide and a global workforce of





Tata Steel – finished strip steel rolls.

12,000. JCB manufactures over 300 different machines, including the world-famous JCB backhoe loader and Loadall telescopic handler, as well as a range of compact and heavy excavators.

JCB has been manufacturing in Wales since 1979 and now has two factories on the Wrexham Industrial Estate making gearboxes and axles, which are used in over 80% of the machines that it manufactures in Staffordshire.

### **Tata Steel Europe**

Tata Steel is the second largest steelmaker in Europe. The Wales-based operations form a critical community of operations with a network of business partners. Part of the UK's largest manufacturing group, Tata Steel's operations are largely focused on strip steel applications: serving dynamic markets in the automotive, engineering, lifting & excavation, construction, energy & power and consumer products sectors.

As an Anchor Company, Tata works with the Welsh Government for mutual benefit supporting the development of the economy, community and

our physical environment. Through relationships with the higher education sector and research bodies Tata innovates to develop new products, processes and collaborations to maintain a competitive edge on the international stage.

### **Toyota Motor Manufacturing (UK) Ltd**

Toyota Manufacturing UK established its engine production facility in Deeside, North Wales in 1992 and employs around 570 staff. As the first overseas plant to produce Toyota's class leading hybrid engines, the 115 acre Deeside site manufactures over 230,000 petrol and hybrid petrol engines annually. These are built for the British market, and for export to Toyota production centres overseas.

Toyota's production processes include aluminium casting, machining and assembly before final inspection and despatch to vehicle plants.

Over the years Toyota has been supported by the Welsh Government with a dedicated account management service which has enabled investment in plant, machinery and staff development.

## Construction

Wales' construction industry plays a vital role in delivering a vibrant economy and a quality environment.

In Wales there are approximately 13,000 companies involved within the sector, employing more than 130,000 people. This includes professionals such as planners, architects, surveyors and building engineers as well as the traditional construction companies responsible for 'new build', maintenance and upkeep of our historic and heritage buildings.

Recent Office of National Statistics (ONS) figures, published in January 2014, show that Wales is outperforming the sector in the UK as a whole. In addition, the Construction Industry Training Board (CITB) predicts that nearly 18,000 new construction jobs are expected to be created in Wales over the next five years.

### Dawnus Group

Dawnus is an international civil engineering and building company with headquarters in Swansea. Since its establishment in 2001 it has grown to deliver projects across the whole of Wales and England, as well as undertaking major civil engineering schemes in West Africa. Its staff numbers have consistently grown year on year; with the number of UK employees increasing from 240 in 2005 to 1,024



currently with a further 1,300 employees in West Africa. Group turnover grew from £2m in 2002 to £206m in 2013.

The company embarked on its first overseas project (iron ore mining) in 2010 and the success in delivering international projects was recognised by the award of the Queen's Award for Enterprise in 2014, for outstanding achievement in International Trade.

Dawnus has based all its operations on the principle of direct works delivery, employing an in-house labour force of operatives and tradesmen, and maintaining significant plant holdings, which are used to deliver the majority of their projects.

The company aims to employ on a career basis, rather than only for the length of a project, and provides training and development opportunities to allow employees to develop their careers.

### **Nuaire Ltd**

Nuaire prides itself on being at the forefront of innovation in ventilation technology. The company employs over 446 staff at its 250,000 square foot complex in Caerphilly including a team of over 20 engineers in its research and development unit. It has the largest and most advanced air movement test facility in the UK. Nuaire's systems are to be found in most iconic British buildings constructed in recent years including multi-million pound landmarks such as the Wales Millennium Centre on the Cardiff Bay waterfront.

The green mission is very important to the company and Nuaire's technology is making great contributions towards the achievement of zero carbon buildings. With a supply chain largely located in Wales and ultralow energy machinery, its own carbon footprint is among the lowest for a firm of its kind.



### **Redrow PLC**

Celebrating its 40th anniversary in 2014, Redrow is one of the country's largest and most respected house builders, with a reputation for quality and innovation.

Redrow was founded in 1974. The firm moved into house building in 1982, building its first new homes in Denbigh, North Wales. A year later, with 1,500 employees, Redrow opened new offices in Alltami, not far from the present-day St David's Park headquarters in Flintshire.

Today Redrow employs around 1,300 people, with 11 operating divisions across England and Wales, including a rapidly expanding London business. Redrow currently has 17 developments in Wales and is the lead developer for the Plasdwr development, North West of Cardiff, which will become the largest new community in Wales.

With a strong emphasis on high quality family housing in prime locations, Redrow has won numerous awards over the years, including most recently, the 2014 Building Awards 'Housebuilder of the Year'. Redrow was also awarded for the fourth consecutive year the Five Star rating for Customer Satisfaction by the Home Builders Federation (HBF).





## Creative Industries

Welsh creative companies span software and app development, TV and film production, games, music, digital marketing and more, employing over 49,000 people in over 4,685 enterprises with a further 25,000 in creative occupations outside the sector and generating over £1.6 billion annual turnover.

With some 11,500 more working in creative roles in other sectors, there is a strong commitment at Government level to education and skills development.

Every year our Welsh universities feed the sector with some 5,000 graduates who bring really diverse skills, from scriptwriting and visual effects to digital and mobile technology development, including gaming, coding and animation. Around 68% of the talented Creative Industries workforce hold a Bachelor's degree or higher.

### Success

Wales is home to internationally significant creative content production companies such as Tinopolis and Boom Cymru, two of the UK's largest independent production groups outside London.

Ron Jones, Executive Chairman, Tinopolis and Chair of the Creative Industries Sector Panel states "Wales is full of creative people..we want to engage with these companies and creative talents to make sure we are offering them a support package that works for them".



### Other Anchor Companies

Boom Cymru  
Pinewood Studios Group  
Tinopolis PLC



### **Pinewood Studio Wales**

The Pinewood Studios Group is a leading provider of studio and related services to the global film and television industry. Synonymous with world class British and international productions, the impressive heritage of its UK-based Pinewood and Shepperton Studios, home to some of the most successful feature films and TV shows ever made, dates back to the early 20th Century.

Pinewood Studio Wales is a TV, film and entertainment studio complex comprised

of two 20,000 square foot stages and an additional 30,000 square foot multi use shooting floor. Office space and production support facilities are also available on site.

Situated near Cardiff Bay, Pinewood Studio Wales is ideally located for its proximity to stunning natural scenery, heritage and national parks in addition to transport links, via the motorway and Cardiff Central Railway Station, to international airports including Cardiff, Bristol and Birmingham.





**Other Anchor Companies**

Sharp Manufacturing Company  
UPM Shotton

Photograph courtesy of RWE Innogy.

## Energy & Environment

Wales's natural assets plus our longstanding skills and experience in the Energy and Environment sector stretch back to the industrial era of coal and other fossil fuels.

Wales is looking forward to the future by developing clean, efficient energy generation and by taking specialist environmental technologies across the world.

Innovation is the key as companies strive to work smarter, while new projects demand advanced materials and supply chain support. The Welsh Energy and Environment sector employs 58,000 people within 2,100 companies and generates over £4.8 billion in sales per annum.

Utility companies are investing in new sites to help the transition to more sustainable energy sources. The whole nation is working to eliminate landfill by 2050. The Welsh Government has pledged to make Wales a Low Carbon Economy – to maximise energy and environmental investment and bring economic benefits to our businesses and communities. Our universities are creating centres of excellence, working with industry partners to develop new technologies and establishing Wales as a test-bed for innovative ideas in sustainability.

### British Gas

British Gas, the UK's largest energy provider, supplies gas and electricity to 375,000 homes and 50,000 businesses in Wales. It employs more than 2,200 people in Wales – 1,300 at its award winning contact centre in Cardiff.

More than 600 British Gas engineers work across Wales, keeping homes warm and safe, and smart energy apprentices are trained at the British Gas Academy in Tredegar.

British Gas manages Nest – the Welsh Government scheme working to help reduce the number of households in fuel poverty and make Welsh homes warmer and more energy efficient through free home energy improvements, advice and support.





Pembroke Power Station, Europe's largest and most efficient combined cycle gas turbine.

### **Dŵr Cymru Welsh Water**

Dŵr Cymru Welsh Water aims to provide over three million people with a reliable source of high quality tap water whilst also protecting public health and the environment in their care by removing wastewater safely and responsibly. With no shareholders, the Dŵr Cymru Welsh Water unique ownership model in the water industry in England and Wales enables all gains to go to its customers. Its work with key stakeholders, such as the Welsh Government, is crucial in helping the company to ensure that they maintain and improve their services both for today's customers and future generations.

### **RWE**

RWE supplies electricity and energy services to over 130,000 households and 6,000 businesses across Wales, including major customers such as TATA steel and Dŵr Cymru Welsh Water. RWE recently invested over £3 billion in Wales to create a diverse portfolio of power generation. These include including the highly efficient coal fired power station at Aberthaw; Europe's largest, most efficient combined cycle gas power station at Pembroke; major off shore wind farms at Gwynt y Môr, Rhyl Flats and North Hoyle and also numerous on shore wind and hydro stations with many more in the development pipeline. In

total RWE has over 500 direct employees in Wales and a Welsh supply chain supporting many thousands of jobs.

RWE is committed to helping vulnerable customers manage their energy costs. It provides over £3 million for energy efficiency measures through the Welsh Government's Arbed initiative as well as helping a further 5,000 Welsh households install correct heating and insulation in their homes through the RWE Health Through Warmth Scheme.

### **SSE**

SSE is a FTSE 100 company, employing 20,000 staff and investing £4m per day in the UK and Ireland's energy infrastructure. SSE is the largest generator of renewable energy in the UK, maintaining and operating energy network businesses, as well as providing industry-leading customer service through its retail arm. SSE has a proud history in Wales, serving over 1 million Welsh customers through the retail brand SWALEC. The Enterprise business provides comprehensive business-to-business support, including electricity, gas, contracting, and communications solutions. SSE has partnered with Welsh Government on a number of projects in recent years, from training to boost the skills of our 1,500 Wales-based staff, to energy efficiency projects which help customers save money and reduce CO<sub>2</sub> emissions.

### **Valero**

Valero's Pembroke refinery is one of the leading employers in South Wales and is one of Europe's largest and most complex refineries. Valero Energy Ltd, a subsidiary of Valero Energy Corporation, markets fuel in the UK and Ireland under the Texaco brand. There are around 800 Texaco-branded service

stations in the UK and 230 Texaco-branded service stations in Ireland.

Valero Energy Corporation, through its subsidiaries, is an international manufacturer and marketer of transportation fuels, other petrochemical products and power. Valero subsidiaries employ approximately 10,000 people, and assets include 15 petroleum refineries with a combined throughput capacity of approximately 2.9 million barrels per day, 11 ethanol plants with a combined production capacity of 1.3 billion gallons per year, a 50-megawatt wind farm, and renewable diesel production from a joint venture. Through subsidiaries, Valero owns the general partner of Valero Energy Partners LP (NYSE: VLP), a midstream master limited partnership. Approximately 7,400 outlets carry the Valero, Diamond Shamrock, Shamrock and Beacon brands in the United States and the Caribbean; Ultramar in Canada; and Texaco in the United Kingdom and Ireland. Valero is a Fortune 500 company based in San Antonio, Texas.

### **Wales & West Utilities**

Wales & West Utilities (WWU) manages and maintains the gas network throughout Wales and the south west of England. To make sure WWU delivers outstanding levels of gas safety, reliability and customer service, they continually look for ways to improve standards for the 7.5 million people they serve every day. A partnership with Welsh Government is helping WWU to develop relationships with a number of organisations so that they can deliver on this, offering customers sustainable energy both now and for the future.

This includes a focus on making energy more affordable. Last year WWU

connected 11,000 new homes to their gas network through the Warm Home Assistance scheme, offering savings of more than £500 a year in fuel bills.

### **Western Power Distribution**

Western Power Distribution (WPD) is the electricity distribution business for South and West Wales, where over 900 staff serve around one million customers.

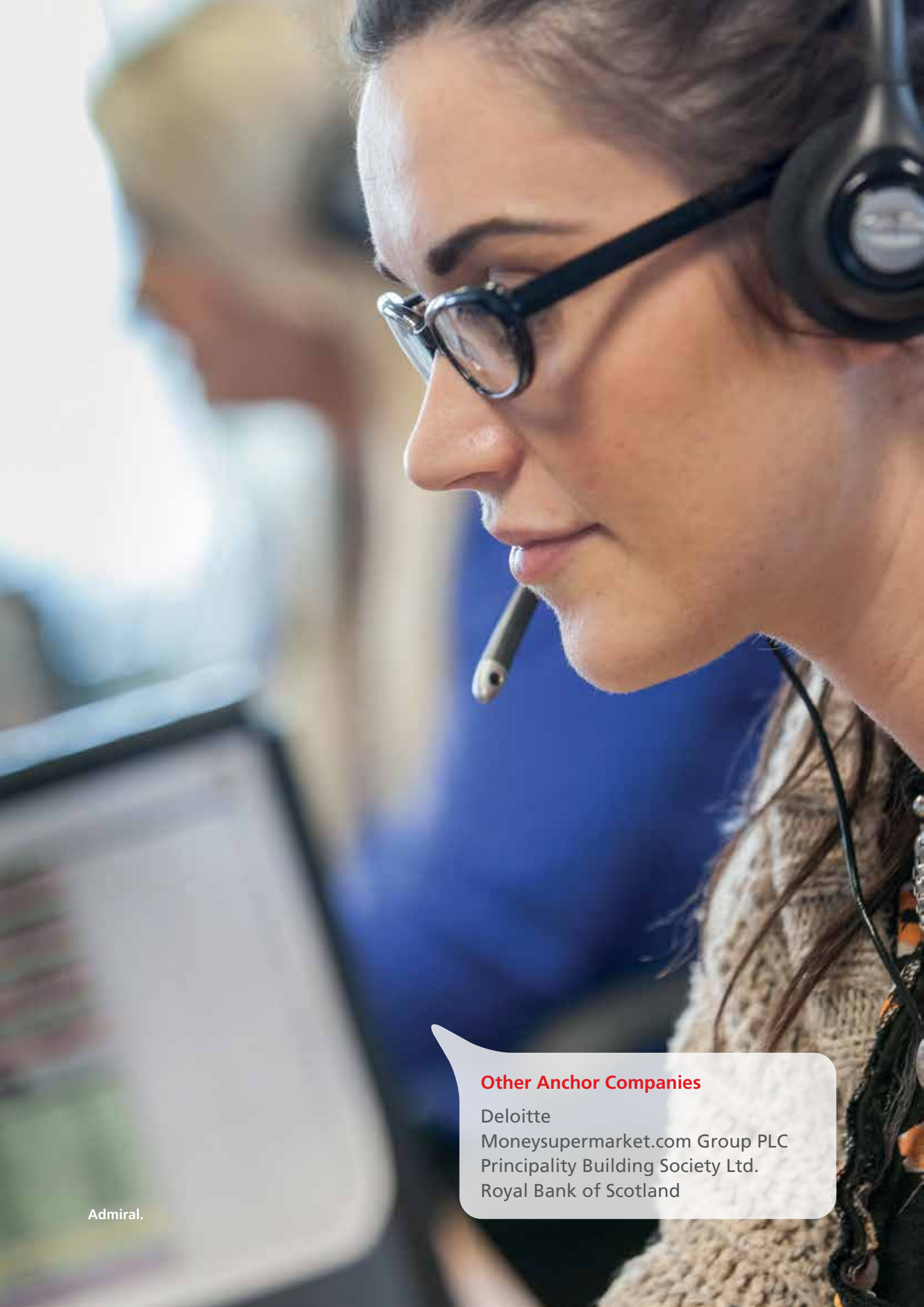
It is responsible for ensuring the power network of poles and pylons, cables, wires and substations – the infrastructure that we all rely upon to live our lives to the full – and delivers electricity to homes and businesses around-the-clock.

WPD invests many millions of pounds annually to operate and maintain its Welsh infrastructure effectively, while also actively pushing forward the boundaries of innovation as it strives to develop a network in harmony with a low carbon future.

To this end, initiatives like its South Wales Network Templates project are designed to help the UK power industry plan, develop and operate networks for the years ahead. The project has involved working closely with the Welsh Government and others, and it evaluated the impact of low carbon, demand-side technologies as they are connected to a low voltage network.

WPD is widely regarded as its industry's leader, particularly in terms of supply reliability and customer service excellence. Recognised for its efficiency, it is also the only UK gas or electricity distribution business to be fast-tracked through Ofgem's demanding regulatory business planning process.





**Other Anchor Companies**

Deloitte  
Moneysupermarket.com Group PLC  
Principality Building Society Ltd.  
Royal Bank of Scotland



## Financial & Professional Services

Wales' Financial Services sector has an impressive foundation in retail banking and general insurance. The growth in asset finance, wealth management, life insurance and pensions and advisory services has broadened the sector more recently.

The Professional Services sector includes Legal, Accountancy and Corporate Services. They are increasingly working in different ways to respond to regulatory and market changes through the deployment of advanced technological solutions.

This fast-growing sector already employs over 135,000 talented individuals in Wales, and is looking to increase this to 200,000 by 2021.

### Admiral Group PLC

Admiral insurance came to Wales in 1993 and started without a customer base and just 57 staff. Working with the Welsh Government from the beginning, Admiral had no problem finding hard-working, enthusiastic people. Admiral's Group HR Manager Ceri Assiratti says this was a key factor "One of the reasons we're committed to Wales is the calibre of the staff. Where are we now? We've almost 3 million customers worldwide and 4,500 staff here in Wales." Admiral continues to find good people. A training programme, created in partnership with the Welsh Government, is equipping people with job-ready skills.

### Deloitte

Deloitte is one of the world's largest professional services firms, providing audit, consulting, financial advisory, risk management, tax, and related services to clients across the globe. In Wales, the Cardiff office has been working with clients for over 100 years. More recently, Deloitte has started to centralise some of their core business functions in Cardiff alongside client facing teams. This proved very successful so Deloitte has replicated the business model to create other teams supporting other parts of the firm and clients. Deloitte in the UK has ambitious strategic growth plans and sees the expansion of operations in Cardiff as a key enabler for those plans. They have therefore formally established the Cardiff Delivery Centre which is expected to create several hundred new jobs. Most of these roles will be different from traditional graduate and accountancy pathways, enabling Deloitte to offer rewarding careers to people who might not otherwise have pursued opportunities with Deloitte. Why Cardiff and Wales? Ross Flanigan, Director in charge of Deloitte's Cardiff Delivery Centre says that mostly it is due to the



people here. “The local universities, business schools and further education establishments are prolific and there is a large network of businesses in the FS sector. Our experience is that we have access to a large, capable and loyal workforce who quite simply do a very good job for us, delivering high quality work. For our people, good transport links, the city infrastructure and quality of life locally make a difference. Support from the Welsh Government has helped us offer our colleagues extra training and qualifications, building their skills and the collective capability of the local workforce. Combine all this with the chance to work in a great environment with Deloitte, as part of a thriving team helping the best clients, and it all adds up to a pretty good outcome for us, our staff and for Wales.”

### **HSBC**

HSBC is one of the largest and most trusted banking and financial service organisations in the world, with an international network extending to 9,500 offices in 85 countries and territories. Swansea is HSBC’s International Banking Centre, and services the bank’s Premier Customers

around the globe, as well as servicing the organisation’s UK Business Banking customers. It also houses a Complaints and an Advised Mortgage Department, and specialist teams assessing HSBC’s risk across its UK operations.

John Trace, Contact Centre Director at Swansea says “I have found the Welsh Government to be very proactive and positive in terms of keeping us in the loop on any new support initiatives and training opportunities open to us. I have worked in similar roles across the world, from India & Brunei in Asia, to The Netherlands & Eire in Europe, and all over the UK in terms of support and satisfaction, nothing beats Swansea”.

### **Lloyds Banking Group**

Lloyds Banking Group is one of the UK’s largest financial services brands, and has a significant presence across Wales. One of the Group’s largest operations in the region is St William House in Cardiff, which houses staff from a variety of its brands including Consumer Finance, Corporate and Wealth and International. As a well established financial services base, Cardiff offers a rich source of talented and well trained individuals with strong sector experience.

## Food & Farming

The Food and Farming sector encompasses producers, processors, retailers and consumers.

The food and drink supply chain is important to the Welsh economy in terms of employment, income and the contribution it makes to tourism.

'The Welsh Food and Drink Skills Project', conducted in collaboration with the Sector Skills Councils and industry partners, estimates that the supply chain makes up around 18% of the total Welsh workforce equating to around 230,000 people and 27,515 local business units.

### **Boparan Holdings Ltd**

Boparan Holdings Ltd., the parent company for 2 Sisters Food Group Ltd., processes and supplies chicken products to the retail, food service and manufacturing sectors. Ranjit Singh, CEO, 2 Sisters Food Group said: "Our skilled workforce and specialist production sites in Wales are very important to 2 Sisters and we're proud to be a Welsh Anchor Company. Having a strong presence in Wales delivers a number of benefits for our business. We have poultry, red meat and ready meal sites, along with a strong agricultural base and all of this gives us a strategic foothold that strengthens the supply chain and supports our wider business in Wales and beyond. Welsh Anchor status has also helped

us invest in and develop our businesses in Wales when opportunities arise."

"Food is a priority for the Welsh Government and we are supporting the industry to develop and move in positive new directions, embracing technology and advancements in research and development to put Wales at the forefront of food production.

Towards Sustainable Growth – An Action Plan for the Food and Drinks Industry 2014-2020, aims to grow output for the industry by 30% and increase the profile and reputation of Welsh food and drink. The Welsh Government is committed to supporting the industry to take advantage of the natural and human resources that we have, with unrivalled business and technical support."

Edwina Hart MBE CStJ AM, Minister for Economy, Science and Transport

**Anchor Companies**

Boparan Holdings Ltd



### **Other Anchor Companies**

British Telecommunications PLC  
General Dynamics UK  
IR Newport Ltd  
Pure Wafer PLC  
SPTS Technologies Ltd

Photography courtesy of IQE.



## ICT

Some 25,000 people in Wales work in the ICT sector, contributing over £2 billion a year to the Welsh economy, with thousands more professionals performing technical roles within other sectors.

Every year, 3,500 graduates leave our eight universities and 16 FE Colleges with qualifications in Computer Science and other ICT-related disciplines. And the IT and Telecoms industry alone contributes in excess of £1.2 billion or 5% of the Welsh GVA.

### Airbus Defence and Space

Airbus Defence and Space is a Division of Airbus Group formed by combining the business activities of Cassidian, Astrium and Airbus Military. The new Division is Europe's number one defence and space enterprise, the second largest space business worldwide, the second largest defence company in the UK and among the top ten global defence enterprises. It employs some 40,000 employees generating revenues of approximately €14 billion per year, with 4,500 highly skilled employees in the UK generating £1.2bn revenue per annum. It has a significant operation in Newport, south Wales, which manages the UK MoD's Defence Information Infrastructure (DII) global secure network to deliver network services to over 300,000 defence users world-wide. It also provides network security for the UK Houses of Parliament to protect against cyber attack.

### CGI

CGI is the 5th largest independent IT Services company in the world and one of the largest ICT employers in Wales. CGI delivers a range of outsourcing, application services and infrastructure services to clients in the public and commercial sectors across the UK from South Wales.

CGI's Waterton based Service Desk is recognised for its extremely high levels of client service. It has received 5 star accreditation from the Service Desk Institute – the first 5 star to be awarded in the world. It was awarded Best Outsourced Contact Centre at the Welsh Contact Centre Forum Awards in 2014.

CGI's Welsh team is at the heart of delivering cutting edge services to their clients to help them become more efficient and focus on growing their businesses. This includes CGI's Secure Government Cloud and Commercial cloud services, the new Cyber Security Operations Centre and developing mobility solutions, healthcare and smart meter technology.

CGI has benefited from significant funding from the Welsh Government's

'Skills Growth Wales' programme to assist in the continued development of their highly skilled workforce, helping CGI to continue to grow its business in Wales.

### **IQE PLC**

With manufacturing sites now also in the USA and Singapore, IQE first set up in Wales in 1988. Today, with a global customer base of chip manufacturers, its advanced semiconductor wafers end up in a range of high-end technical products including smartphones, tablets and lasers for DVD and Blu-ray players all over the world. IQE's product for inclusion in wireless components is world-leading, with around 60% of the global market.

Chris Meadows, IQE advises that Government support with establishing the Welsh site was key to choosing Cardiff as the company's UK location, but wasn't the only reason...

"Proximity to the universities – the chemistry and physics departments have a lot of technology relevant to IQE's work. Between 30% and 40% of our staff are graduates and about half of those have higher level degrees such as PhDs. There is also the infrastructure for exporting: being on the M4 corridor gives us good access to Heathrow which is still the major hub for distributing our products worldwide."

### **Sony UK Technology Centre**

The Sony Centre initially specialised in colour television and cathode ray tube manufacturing before the rise in flat screen technology. Now, it has remodelled the entire business by embracing diversification and innovation. Sony has embraced four main activities at the UK Technology Centre in Pencoed; manufacturing broadcast equipment, third-party manufacturing, business incubation and product service.



Using its link to universities in south Wales, the business incubation centre offers graduates who are looking to start their own company a start up centre where Sony can share knowledge and support.

In 2013 Sony won the Best Factory Award. Managing Director, Steve Dalton, says: "We were overjoyed to win the Best Factory Award for 2013. It's fantastic to become the first Welsh organisation to have won the award as it demonstrates how we are excelling in our manufacturing techniques. As technology has changed, we've learned to diversify our manufacturing techniques too. Before, we were told what to make and when. Now, with the support of the Welsh Government, we have been able to expand our manufacturing into new markets and expand our operations at Pencoed to take on new clients. The support we have received, and continue to receive, from the Welsh Government is vital to us and is one of the key reasons why Wales is a great place to do business."

## Life Sciences

Wales is the only nation with a £100m dedicated Life Sciences Fund plus world-leading academic expertise, a talent-drawing £50m initiative and a Life Sciences Hub based in Cardiff.

The Hub provides a central Government-backed resource for the whole sector in Wales, connecting commercial, academic, clinical and funding organisations. Our devolved National Health Service means that clinical trials here can access over 3 million people with a single, co-ordinated permissions process.

Welsh researchers are leading the world in areas including wound healing, stem cells, neurosciences, e-health, in vitro diagnostics, medical devices among others.

Behind every thriving Life Sciences sector there's always a strong academic network – collaborating, researching and training a new generation. Welsh universities are home to almost 160,000 students – 12,000 of these in Life Sciences – and participate in all kinds of research and technology projects. They have excellent knowledge transfer and commercialisation capabilities, and offer attractive partnering opportunities for Life Sciences businesses with potential to access considerable European funding.

### GE Healthcare

GE Healthcare, a £10bn unit of General Electric, has its Life Sciences International Centre of Excellence for Consumables in south Wales, with a 430-strong workforce providing medical technologies and services used around the world. Its Cardiff location is the company's chosen international centre for ground-breaking work in stem cell technologies for new drug discovery.

The Consumables business, managed from Cardiff, also includes operations based in Kent, Germany and China. GE Healthcare has further strengthened its Cardiff facility through growth and with the relocation of some production from Oxfordshire and the US, plus some employees relocating from overseas.

One location had to be selected as GE Healthcare's global Consumables Centre of Excellence – and several factors led to that being Wales, with skills having the deciding vote.

### Ortho Clinical Diagnostics (OCD)

Recent years have seen Ortho Clinical Diagnostics' flagship diagnostics centre in Pencoed, Bridgend becoming a key location within its global network.





### **Other Anchor Companies**

Biomet UK Ltd

Norgine Ltd

Packaging Coordinators Inc

Siemens Healthcare Diagnostics

Products Ltd



Ortho Clinical Diagnostics' flagship diagnostics centre.

To help secure output growth of 80% since 2007, OCD has worked closely with the Welsh Government and has received advice, funding, and backing for skills development. The company's move to Pencoed from its previous Cardiff base in 2010 represented a major vote of confidence in Wales. OCD particularly valued the skills and commitment of its workforce and the highly productive working relationships it had forged with local universities.

The extraordinary reach of the Ortho Clinical Diagnostics is underlined by the fact that almost every blood transfusion in the world is touched in some way by one of its products. Its 'total solutions' help ensure that every patient receives blood that's safe.

Matthew West, General Manager UK Operations at OCD explains how important this relationship was when they needed to move site.

"In 2005 the decision was taken to invest in a new site. Locations were discussed across the globe, and many in the company were all for relocating abroad. However, our roots were in Wales and, when we considered the strong case put forward by the Welsh Government to stay, along with the knowledge and expertise of our staff and our links with local organisations, particularly Cardiff University, we decided our future lay in Wales. There is no doubt in my mind that the Welsh Government played a pivotal role in this decision – their support and enthusiasm was impressive."

Wales is already home to thriving global, international and national companies as well as a myriad of local innovators.

Our Anchor Companies include...





# Success



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MANUFACTURING (UK) LTD





For more information contact the  
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