

Edwina Hart MBE OStJ AC / AM
Y Gweinidog Busnes, Menter, Technoleg a Gwyddoniaeth
Minister for Business, Enterprise, Technology and Science



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref EH/05509/11

To: All National Assembly Members

19 September 2011

Dear Colleagues

I am writing to provide you with an update on the development of our policy on Enterprise Zones in Wales.

Since taking up office, I have been considering the best way for the Welsh Government to encourage the economy and support businesses. I am grateful for the input I have received from business and employee representative organisations, from sector panels, from businesses and others directly.

A part of our economic policy agenda we will be introducing Enterprise Zones in Wales. However, let me be clear at the outset, this is not a replication of previous Enterprise Zones, which evaluation has shown had very mixed results. We will take a bespoke approach to each location and will deploy a selective approach to the policy interventions, using some in some locations and not in others. This is because we need to get best value from the very modest consequential funding of approximately £10m from the UK Government.

I have identified, in the first instance, Five Enterprise Zones as preferred locations for detailed development:

- We will work with Cardiff City Council to explore the potential for the **Cardiff Central Business District** with a particular focus on the Financial Services sector. I will be instructing my officials to begin detailed discussion with all key stakeholders to identify the opportunities.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence.edwina.Hart@Wales.gsi.gov.uk

Printed on 100% recycled paper

- We have made a strong commitment to the Energy Sector and therefore we will be working with partners to explore the options for an Energy Enterprise Zone on **Ynys Mon**.
- The automotive sector has experienced particular difficulties and faces considerable competitive pressures from the within the UK and globally. I am keen to work with local partners to explore the potential in **Ebbw Vale** for an Enterprise Zone which would build on the strong local tradition of engineering and enable growth of an automotive cluster.
- Advanced Manufacturing is one of my priority sectors and I know there are concerns about cross border displacement and increased competition in North East Wales, therefore I will be working with partners to establish an Enterprise Zone at **Deeside**.
- Finally, I plan to pursue the option of an Enterprise Zone at **St Athan** in order to stimulate the economic potential of this unique strategic site. I need to continue our discussions with the MoD about the site but my aspiration is that we can encourage the civilian aerospace industry to develop the established and vibrant aerospace cluster at that site.

We have an opportunity to take a targeted approach in Wales and design a bespoke Welsh solution that doesn't just automatically replicate the approach taken in England.

Whilst there is a lot of detailed work to be done, including clarification with the UK Government on the detailed operation of capital allowances, my officials have already made significant progress on some of these more detailed issues and this work will be brought to conclusion without delay.

In taking forward this policy on Enterprise Zones, I am not losing sight of the very real economic challenges faced by other areas of Wales. Therefore, whilst these are the preferred locations, in the first stage, we remain open to opportunities as they arise in other areas of Wales where we are already in discussion with local partners. We will also continue to deliver on our commitments to strengthen the conditions that will enable business to create jobs and sustainable economic growth across Wales.

