



Ein cyf / Our ref – VG 579-2021

Janet Finch-Saunders AS/MS
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19 August 2021

Dear Janet,

Response to WQ82955

On 16 July you tabled a written question with regards to evidence and assessment that Freeports in Wales could displace economic activity and undermine employment and environmental standards.

The prospect that Freeports could displace economic activity, alongside their potential to undermine the UK's high standards in respect of employment and the environment are two of the many concerns we have raised with the UK Government.

These concerns are not unique to the Welsh Government - they are reflected in global analysis and research concerning Freeports (or 'Free Trade Zones') and their impacts. Our worries are compounded by the limited economic impact analysis that has been shared with us by the UK Government, which is predominantly based on modelling derived from English Enterprise zones.

Despite these concerns, we believe we can work with the UK Government to develop the right mitigations to construct the right Freeport model for Wales in the context of a broader UK Freeport network.

In the interests of moving the dialogue forward, we have set out conditions that would go a long way towards mitigating some of these risks, but we are still awaiting a proposal from the UK Government. We have now asked for an urgent ministerial discussion, and further detail on our position is available through the statement the Minister for Finance and Local Government and I released on 15 July, which can be found at the following link:

<https://gov.wales/written-statement-freeports-wales>

Until the Welsh Government receives a clear proposal, we are unable to finalise these discussions and secure the assurances needed around environmental and employment standards and displacement risks, and ultimately progress the policy in partnership within Wales. The failure to design an approach that accounts for devolution in Wales has already caused a significant delay which risks leaving Wales at a disadvantage.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Given the cross cutting nature of the policy it would be deeply counterproductive for the UK Government to unilaterally impose a Freeport in Wales. Planning policy, devolved and local taxation play a central role in the rationale that underpins the Freeport model. Therefore an agreement between governments is an essential prerequisite for any credible Freeport policy in Wales.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The script is cursive and fluid, with the first name "Vaughan" and the surname "Gething" clearly distinguishable.

Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy