

New Economic Contract for Businesses seeking Welsh Government support

The Economic Contract is one of the key policies of the Welsh Government's Economic Action Plan, which was launched by Economy Secretary, Ken Skates in December.

The Plan sets out the Welsh Government's new approach to economic development, which is focussed on building strong foundations for inclusive growth, supercharging the industries of the future and empowering Wales' regions.

Under the new Economic Contract, businesses seeking Welsh Government support will need to commit to the principles of growth, fair work, reducing carbon footprints, health, skills and learning in the workplace.

Economy Secretary Ken Skates said:

"Our new Economic Contract is the start of a new and dynamic relationship between Welsh Government and business that is based on the principle of public investment with a social purpose.

"It means businesses seeking our support will actively collaborate with us and commit to the principles that we believe in – the principles of growth, fair work, health, skills and learning and decarbonisation.

"This contract is about engagement, incentive and spreading good practice, a genuine reciprocal 'something for something' approach that encourages business and Government to explore and test how a company contributes to the wealth and wellbeing of its workers and wider community.

"Many successful companies are already taking steps to adopt responsible business and employment practices and we want to encourage and support others to take a similar path."

The launch of the Economic Contract follows four months of positive engagement with the business community that has helped to shape the Economic Action Plan's operating model now coming into force.

The Welsh Government's five Calls to Action, designed to future proof business, have also now come into effect.

This means from now on, companies looking to qualify for business finance will be required to develop proposals that align to at least one of the Calls to Action. These focus on innovation and entrepreneurship, R&D and automation, exports and trade, high quality employment and skills and

decarbonisation.

The Welsh Government is also :

- Launching its Economy Futures Fund which, in response to calls from business, streamlines and simplifies six Economy, Transport and Tourism funds, with more to follow later.
- Unveiling membership of its new Ministerial Advisory Board, Chaired by Sir Adrian Webb, which will inform policy making and provide strong and challenging external advice. The Ministerial Advisory Board will replace a number of Welsh Government sector panels, groups and boards that are now being phased out, simplifying the way the Welsh Government receives external advice.
- Establishing a cross-Government Delivery Board, chaired by Economy Secretary, Ken Skates to ensure the principles of the Economic Action Plan are embedded right across Government.

The Economy Secretary added:

“I have been really pleased by the way our Economic Action Plan has been received by business, and impressed by the contribution they have made to shaping it.

“ I am excited that we are now moving to the implementation phase with changes to the way we engage with and support business and to how we receive external advice. All of this is geared to securing inclusive growth, future proofing businesses and empowering our people and places to become more productive.

“Today is just the start, and I look forward to implementing the next phase of the plan, which will focus on our new approach to regional economic development and wider cross-government activity, later in the year.”