

New economic contract to drive competitiveness and growth with purpose

Prosperity for All: the Economic Action Plan sets out how the goals of growing Wales' economy and well being, whilst also reducing inequality will be achieved. It has been developed to meet the needs of business today but also to help Welsh communities and businesses to rise to the challenges and opportunities of tomorrow.

The Economy Secretary said:

"We live in an age of unprecedented change alongside huge opportunity. Fired by the fourth industrial revolution, the way we live, work and spend our leisure time is transforming before our eyes.

"We must get ahead of that change to equip our people, businesses and places to face the future with confidence.

"Our new economic action plan seeks to do just that.

At the heart of Prosperity for All: the Economic Action Plan is a commitment to develop a new and dynamic relationship between Government and business that is based on the principle of public investment with a social purpose.

"This will mean us introducing a new economic contract that will require businesses seeking Welsh Government support to commit to growth, fair work, reducing their carbon footprint and promoting health, up-skilling and learning in the work place. "In return, and in response to calls from the sector, the Welsh Government will provide a simplified, unified and competitive package of business support.

"This approach to economic development and prosperity will stand as a template for government support across the public and private sector, helping to develop a stronger sense of unity and purpose

The plan sets out five calls to action to help businesses overcome the key challenges of the future. These are:

- Innovation, Entrepreneurship and Headquarters – to support businesses to innovate and introduce new products and services
- Exports and Trade – to proactively support trade with the UK and the rest of the world
- High Quality Employment, Skills Development and Fair Work – to improve

our skills base and ensure work is fairly rewarded

- R&D, Automation and Digitisation – to help develop new products, automate and digitise to ensure Wales remains competitive in the fourth industrial age
- Decarbonisation – to enable more Welsh businesses to become carbon light or free

The plan recognises that to achieve maximum effectiveness, the Welsh Government must target its support to specific sectors and work across these sectors to drive the development of new skills, new business models and new infrastructure

The Welsh Government is therefore simplifying its approach around three national thematic sectors and four foundation sectors.

Evidence shows that the three chosen thematic sectors – that is Tradable Services, including Fintech services, online insurance and creative, High Value Manufacturing, including compound semiconductors and new composites manufacturing and Enablers including digital, energy efficiency and renewables. – offer particular opportunities to drive industries of the future.

Meanwhile the four Foundation Sectors of Tourism, Food, Retail and Care are crucial to the lives of people and communities across Wales and can play a huge role in unlocking the potential of better jobs closer to home. They are also areas where more effective cross government working will maximise and increase benefits.

The plan commits the Welsh Government to a five year programme of capital funding aimed at delivering projects in the most efficient and effective way.

This is expected to drive efficiencies of between 15 -20% on new projects, and taking the 2018/19 draft published budget figures for transport capital over the next 3 years as a benchmark, could drive efficiencies of up to £630m over a ten year period.

The Economy Secretary added:

“While our Economic Contract requires business to do the right things today, our Calls to Action require businesses to respond to the challenges of tomorrow. Together they will ensure the investment we provide to business delivers for the present and the future.

“And our decision to focus our support on three thematic sectors and four foundations sectors will enable us to maximise the impact of our interventions.

“A key part of the plan is recognition of the distinctive opportunities and challenges of our regional economies. Rather than a one size fits all approach we will strengthen regional

collaboration and use local intelligence to tailor national delivery, and ensure prosperity falls more evenly across Wales.

“I call upon the business community, our learning institutions, trade unions and our wider society to work with us so together we can grow our economy, build a fairer Wales and seek to deliver our ambition of prosperity for all.”