

MADE IN WALES

A Manifesto to Support Firms & Create Jobs
2026-2030



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Message from the Director

It is my privilege as Director of CBI Wales to introduce this manifesto – a plan shaped by our members' insights and dedicated to building a stronger Welsh economy. Since I took on this role in early 2025, I have been struck by the unwavering determination of firms across Wales to overcome obstacles and seize new opportunities. Despite recent headwinds – from global inflation and supply chain disruptions to the aftershocks of the pandemic – Welsh businesses have proven remarkably resilient. Wales's GDP is back on a recovery track and foreign direct investment is at a nine-year high.⁶ However, sustaining this progress and delivering more growth and jobs will require smart policy choices and close collaboration between business and government. In the pages that follow, we articulate those choices from a business perspective, grounded in the latest data and real-world experience.

Our manifesto is organised thematically, not by sector, reflecting the cross-cutting nature of today's economic challenges. Technology and innovation, for example, are not confined to tech start-ups – they drive productivity in manufacturing, improve public services, and create new jobs in every corner of Wales. Similarly, skills and the future of work affect outcomes from the factory floor to the research lab. By structuring our priorities into four broad themes, we address big-picture objectives while drilling down into specific, actionable proposals under each. This approach also fits the devolved context: some levers lie with the Welsh Government in Cardiff, others with the UK Government in Westminster, and success often depends on both working in tandem.



One clear example is the push for innovation-led growth. The UK Government's new Invest 2035 – **Modern Industrial Strategy** (launched 2025) outlines an ambitious 10-year plan focusing on high-growth sectors, and its AI Opportunities Action Plan sets out steps to make the UK a global leader in AI. It is vital that these national strategies deliver for Wales and our recommendation is the creation of a **Welsh Industrial Strategy** by creating a Welsh and UK economic framework as well as aligning Welsh and UK policies if they could give firms in Wales the edge over the competition. CBI Wales and our members will work to ensure that Wales capitalises on these initiatives – from securing Wales' fair share of R&D investment to making sure Welsh voices shape the implementation of UK-wide programs. Likewise, on challenges from post-Brexit trade rules to achieving an energy transition, we will advocate for Welsh interests at every level.

This manifesto is about turning possibility into prosperity. Wales has the ingredients for success: enterprising businesses, world-class universities, abundant natural resources, and vibrant communities. By pulling together, we can combine these strengths into a cohesive plan for growth. The recommendations herein aim to do just that – aligning effort across the public and private sectors, Wales and Westminster, present and future generations. **If we follow through on this agenda, I am confident that Wales can not only navigate the changes ahead, but thrive amid them.** The stakes are high, but so is our determination.

Let's get to work.

Russell Greenslade

Director, CBI Wales



The Four Steps to Prosperity



Competitiveness:

A Welsh Industrial Strategy: Enhance Wales' growth by responding to business needs on planning, future skills, energy, infrastructure and digital.



Innovation:

Boosting the innovators of tomorrow and enabling the innovators of today - Enabling rapid growth of the semiconductors, renewables, life sciences clusters, SMRs, freeports, and new AI Zones.



Energy Transformation:

Greenlight for planning reform - Accelerate approvals and invest in technology to turn planning from a hindrance to a help.



Skills for today and tomorrow:

Empower young talent - delivering more employer-led, flexible, future proofed micro apprenticeships.

Executive Summary

Overview

This manifesto sets a unified strategy for making Wales one of Europe's most competitive and sustainable small economies by 2035. Grounded in business evidence, it focuses on four priorities — Competitiveness, Innovation, Energy, and Skills — and calls for coherent collaboration between Cardiff Bay and Westminster built on partnership, consistency, and regional inclusion.

Building a Competitive Wales

Issue: Post-pandemic growth and recent record FDI (Foreign Direct Investment) is a stark contrast and testifies to the need for greater access to finance, better infrastructure, lower tax and lower energy costs. It says Wales is on the front foot and we have a window of opportunity with an Industrial Strategy for Wales.

Key Actions:

- **Welsh Industrial Strategy:** Enhancing the benefits of the UK Industrial Strategy the industrial strategy unites competitiveness, transport, AI, energy, skills and real visions for all corners of our nation.
- **Finance:** Continue to expand the Development Bank of Wales beyond £2 billion with the support of new platforms and pension funds.
- **Tax and Regulation:** Reform Non-Domestic Rates, extend improvement relief on business rates, avoid new levies, and simplify commercial planning.

Outcome: A more predictable, pro-enterprise environment to use Welsh funding to anchor foreign investment and growth.

Technology & Innovation

Issue: Wales has the UK's lowest share of innovation-active firms, despite strong universities and R&D assets.

Key Actions:

- **Funding Certainty:** Align Welsh innovation grants with UK schemes through a multi-year Innovation Funding Framework.
- **Private Capital:** Launch a Wales Innovation Investment Platform linking government, the Development Bank, and investors.
- **Smart Regulation:** Create “innovation sandboxes” and a Regulatory Innovation Forum to pilot emerging tech.
- **Regional Balance:** Back AMRC Cymru, M-SParc and Bangor to expand R&D beyond the M4 corridor.

Outcome: Doubling Welsh business R&D by 2030 could add £800 million annually to national output.

Energy Transition – Powering Green Growth

Issue: Over £20 billion in potential green investment risks delay from grid limits, slow planning, and high energy prices.

Key Actions:

- **Infrastructure Plan:** Deliver a Energy Infrastructure Plan covering grid, ports, and energy networks.
- **Streamlined Consenting:** Fast-track renewables and grid projects under the Infrastructure (Wales) Act.
- **Industrial Support:** Continue with the process to replace the Industrial Energy Transformation Fund to help heavy emitters modernise.
- **Just Transition:** Retrain workers and support affordable energy through a Transition Fund.

Outcome: Projects like Celtic Freeport, SWIC, and Wylfa could drive up to £40 billion+ of investment and potentially as much as 50,000 jobs.

Future of Work Skills & Equality

Issue: Youth employment is just 54%, while employers struggle to find and train skilled workers.

Key Actions:

- Flexible Skills: Replace or reform the Apprenticeship Levy to support modular, lifelong learning.
- Smarter Regional Skills: Strengthen Regional Skills Partnerships to align provision with local demand.
- Youth Guarantee: Expand paid placements and integrate mental health support.
- Inclusive Workplaces: Broaden Healthy Working Wales and reward SMEs adopting wellbeing and diversity standards.

Outcome: A skilled, healthy workforce underpinning productivity and participation



An Equal Wales is a Prosperous Wales

Issue: Too many women in Wales are held back by childcare gaps, inflexible work and stalled progression, while employers miss out on skilled female talent.

Key Actions:

- Make mentorship part of the solution to the progression puzzle which leads to inclusive leadership behaviours the standard pathway for progression and promotion
- Make flexible working the default where possible, with predictable hours and clear, practical support for carers.
- Fast-track women into STEM and other high-growth sectors through employer-led apprenticeships, mentorship, and visible role models.
- Fund and scale inclusive management and wellbeing practices that retain and progress women, especially in SMEs.
- Convene social partners and the Wales Women's Leadership Group to shape AI-era work and childcare standards, led by the public sector and influenced through procurement.

Outcome: Women across Wales can access flexible, well-paid work with affordable childcare, fair progression and leadership opportunities

Welsh regional recommendations

- North Wales: Hydrogen, nuclear, Freeport, and transport electrification.
- Mid Wales: £110 million Growth Deal in renewables and agri-tech.
- South West Wales: £8.4 billion Celtic Freeport and SWIC net-zero cluster.
- South East Wales: £250 million semiconductor expansion, fintech, and cyber growth.

Together, these initiatives exceed £40 billion in investment and 50,000 new jobs across all regions.

Introduction

Wales stands at a crossroads. Business has a responsibility beyond profit – to help build a better Wales for everyone. We share the commitment to a just transition to efficiency for everyone. This means rising above party politics and focusing on what unites us: the desire for good jobs, thriving foundational economies and a sustainable future. From Cardiff’s tech start-ups to North Wales’s manufacturing heartlands, the common threads of resilience, innovation, and ambition in Welsh business are clear to see. This manifesto captures those qualities and outlines how, with the right support, our businesses can drive Wales to new heights.

There are real reasons for optimism. Foreign investment into Wales is surging – with 65 new projects in 2024–25 (up 23% on the previous year), creating nearly 2,500 new jobs across our nation.¹ This vote of confidence from global investors reflects Wales’s strengths – from our skilled workforce to proactive efforts marketing Wales abroad. We must build on that momentum by making Wales, and the whole UK, the best place to invest and grow in cutting-edge industries, unlocking further job creation and innovation at home.

At the same time, we face significant challenges. Too many young people in Wales are anxious about their futures. The employment rate for 16–24-year-olds here has fallen to around 54% (excluding students), and nearly three in five young people report feeling worried on a daily basis about their prospects.^{2, 3} Almost half say these anxieties have harmed their mental health⁴. For the sake of our youth and Wales’s future, we must act decisively to equip young people with the right skills, opportunities, and mental health support. Likewise, as global markets evolve and the climate crisis intensifies, anchor Welsh industries – from steel to energy – stand at a pivotal moment. We need to ensure our major employers remain competitive by cutting emissions smartly while keeping energy affordable and embracing new technologies. For example, the shift to cleaner steel production must be accompanied by measures to reduce high electricity costs for producers – UK steelmakers currently pay around 30% more for power than some European competitors⁵.



This is a blueprint for navigating Wales through these opportunities and challenges. We don't pretend to have all the answers. Only by working as social partners with government and trade unions in Wales can sustained progress be made. This manifesto is organised around four key themes that emerged from extensive conversations with Welsh businesses:

- **Building a Competitive Wales**
- **Technology & Innovation**
- **Energy**
- **The Future of Work, Skills & Equality**

Each section sets out concrete priorities to turbocharge investment, productivity, and sustainable growth in Wales. Importantly, we highlight the vital ingredient of partnership, making clear what can be done at the devolved level in Wales versus at the UK level. Where powers rest in Cardiff Bay, we call on the Welsh Government to act; where Westminster leads, we urge collaboration. In all cases, the business community stands ready to work in partnership – with government, universities, and workers – to turn these priorities into reality. Our vision is for a Wales where enterprise and society advance together – a true social partnership.

In the pages that follow, you will read how we plan to foster a world-class tech and innovation ecosystem; boost competitiveness by improving access to capital, infrastructure and skills; lead to the energy transition in a way that drives green growth; and transform the world of work and skills to open opportunities for all while mitigating risks. Wales has a proud history of reinvention – from the coal that fueled the industrial age to today's frontiers in fintech, life sciences and clean energy. We have the talent, creativity, and community spirit to succeed.

CBI Wales will champion these priorities with an independent, non-partisan voice. Political winds may change, but our commitment to a better Wales remains constant. Together, let us make Wales a beacon of what a dynamic, inclusive, and sustainable economy can achieve.



Building a Competitive Wales

Wales's Competitiveness in a Changing World. Wales enters this new decade with immense opportunities – but also with urgent competitive challenges. Businesses here need the right conditions to invest, grow, and create jobs. That means improving access to finance, investing in technology, upgrading infrastructure, and ensuring a supportive regulatory environment across Wales.

With effective use of devolved and local powers and strong backing from Westminster, Wales can punch above its weight economically. A dynamic, productivity-driven economy will help raise wages and living standards across all our communities.

To build a truly competitive Wales, the Welsh Government must leverage the tools it controls to foster enterprise – from business rates, income tax and planning to skills and transport.

At the same time, partnership with the UK Government is crucial to deliver major projects and maintain a level playing field for Welsh firms. By working together, Cardiff Bay and Westminster can give Wales the platform it needs to attract investment and remain competitive within the UK and globally.

CBI Wales calls for a **Welsh Government Industrial Strategy** aligning where possible, differing where necessary with UK plans, to give firms certain across the UK and a potential competitive edge if the right policies are put in place.

CBI Wales urges pro-enterprise reforms: expanding the Development Bank of Wales (beyond £2bn) for greater access to growth capital, accelerating infrastructure projects, and overhauling tax/regulation (e.g. reforming business rates and simplifying planning). This will not be easy and the CBI, along with our other social partners, emphasise greater partnership between Cardiff Bay and Westminster to attract the investment we all want to see and “turbocharge” growth across all regions.

Current context: Access to growth capital remains a barrier for many Welsh companies, especially SMEs looking to scale. While finance initiatives exist (for example, the Development Bank of Wales), the scale needs to grow to meet demand. Key sustainable infrastructure in transport and digital connectivity lags behind, rail electrification in both South Wales and North Wales has seen delays, and major road upgrades have been deferred, impacting connectivity for business where the sustainable delivery of infrastructure projects is important. Businesses remain concerned about the overall cost environment. In this climate, stable policy and targeted investment to improve the business environment are essential to keep Welsh firms competitive and deliver the devolution dividend.

Our approach: We call for bold yet practical Welsh Industrial Strategy to boost Wales’s competitiveness. These include expanding sources of patient capital, accelerating shovel-ready infrastructure projects, and ensuring regulation and business policies incentivise productivity improvements. Many of these steps require coordination – the Welsh Government focusing on devolved economic levers, and the UK Government providing funding and policy support for nationwide issues. By doing so, Wales can attract more investment, both domestic and foreign, and help firms scale up here rather than elsewhere.



Recommendations to the Welsh Government:

- Expand access to growth finance. Build on the success of the Development Bank of Wales by significantly increasing its capital and scope. For example, expanding the Bank's funds beyond their £2 billion capitalisation would enable more Welsh SMEs to obtain the patient growth capital they need. Partner with institutional investors (pension funds, insurance, etc.) to create a Wales investment platform that channels large-scale private investment into Welsh projects and firms – strengthening our funding ecosystem for innovation and expansion. A stronger financing environment will help Welsh companies scale up at home rather than relocating.
- Invest in critical infrastructure across Wales. Prioritise and fast-track infrastructure projects that unlock economic growth. This includes transport links (for example, improving key road corridors like the A55 and M4 relief road - and pressing ahead with rail electrification where needed) and digital infrastructure (achieving full-fibre broadband and 5G coverage, especially in rural areas). Modern, reliable infrastructure will connect Welsh businesses to markets and talent, boosting productivity. The Welsh Government should also collaborate with local authorities to advance regionally important projects, ensuring no part of Wales is left behind in the AI revolution.
- Maintain a competitive devolved tax and regulatory environment. Use Wales's devolved powers over business rates and other local taxes to support investment. The introduction of new differential multipliers from 2026 risks placing Welsh firms at a disadvantage compared with competitors in England. For example, in England, sectors such as hospitality and leisure benefit from a lower multiplier, and more retail businesses are in scope of the lower multiplier. This recognises their contribution to local economies and the pressures they face. In Wales, however, these sectors will not receive as generous a carve out, meaning many businesses will face higher operating costs than equivalent firms across the border. This divergence could deter investment, making Welsh locations less attractive for expansion. Wales also has a real opportunity to remove barriers to investment in the business rates system by moving from a slab system to a slice system – becoming the first UK nation not to penalise firms looking to improve their premises or expand to new sites. While Wales designs this new system in the immediate term extending reliefs and freezes on business rates for new plant, property improvements or green upgrades, will encourage businesses to invest in their facilities – a policy that would modernise our industrial base. (Notably, an improvement relief on business rates was introduced in 2024 to ensure firms aren't penalised for upgrading properties.) Also avoid introducing any new local levies that add costs for firms. On regulation, adopt a pro-enterprise approach in areas under Welsh control – for example, streamline planning processes for commercial and industrial developments. A stable, supportive environment in Wales will give firms the confidence to invest for the long term.

Technology & Local Growth: Making Wales a Global Innovation Hub

Innovation is the engine of productivity and prosperity, and Wales has tremendous, untapped potential to become a thriving innovation hub. We boast world-class research in our universities across Wales and an industrial heritage that ranges from semiconductors to life sciences. Welsh entrepreneurs are brimming with ideas and energy. The challenge is to convert these assets into an ecosystem that consistently turns ideas into investment Wales-wide by embracing the economic plans of regional fora and creating synergy with the Welsh Government and UK Government grand projects. This is the best way to crowd in cross-nation into inclusive growth. Our goal is simple: to make all parts of Wales the preferred location in Britain to start, scale, and sustain innovative companies with regional specialities.

Current context: Today, only about one-third of Welsh businesses are “innovation-active,” the lowest proportion of any UK nation. This innovation gap is directly linked to our productivity gap, and closing it is central to raising wages and competitiveness. Wales currently receives a smaller share of UK R&D investment than our population share, and private R&D expenditure is lower than in other parts of the UK. On the positive side, recent initiatives show promise – for instance, the new Wales Investment Fund of £130 million was a welcome step to support tech start-ups. But it remains modest relative to the scale of opportunity. We need to double down on innovation: more funding, more collaboration between business and academia, and a regulatory climate that encourages experimentation rather than stifling it.

Crucially, innovation isn’t just about tech start-ups in Cardiff – it must permeate every sector and region, from manufacturers adopting AI in North Wales to agritech pioneers in Mid Wales. If we can double the number of innovation-active firms in Wales, we will see significant gains in productivity and new high-value jobs across the country^{8, 9}. With the right approach, Wales can aim to double business R&D spending as a share of our economy over the coming decade, moving us closer to UK and OECD benchmarks. That kind of leap will underpin future prosperity.

Our approach: We propose a ten-year innovation mission for Wales, anchored in predictable funding, pro-innovation regulation, and strong partnerships. The Welsh Government should provide long-term certainty by aligning its innovation grants and support with UK-wide programs into one coherent framework – giving businesses clarity and confidence to invest in R&D. We need to mobilise more private capital into Welsh innovation, whether through pension funds, venture funds, or corporate investment. We also urge the creation of innovation-friendly policies: sandbox environments to pilot new technologies and processes, faster planning for digital and energy infrastructure, and forums where regulators and industry plan for technological change together. Finally, innovation must be inclusive: efforts should be made to spread R&D activity beyond the M4 corridor and ensure that SMEs in all regions benefit from digital advances like AI.

Recommendations to the Welsh Government:

- Establish a long-term Welsh Innovation Funding Framework. Create a stable, multi-year funding framework for innovation in Wales that aligns devolved support with UK R&D programs⁹. This could involve merging and coordinating grants from agencies like Innovate UK, Medr, and Business Wales into a single, predictable fund that businesses can tap over a multi-year horizon. By providing consistency (rather than stop-start funding), the Welsh Government would give firms the confidence to pursue ambitious R&D projects. For example, extending successful schemes like SMART Cymru into rolling programmes with guaranteed multi-year budgets⁹ will allow start-ups and SMEs to plan ahead. The aim should be to double Welsh business R&D investment by 2030, which would add hundreds of millions of pounds to our economy each year.
- Mobilise more private investment into Welsh innovation. Build on the momentum of the Wales Investment Fund by attracting larger pools of private capital to co-invest in Welsh tech and innovation. Working with the UK Government and financial institutions, the Welsh Government should unlock pension funds and institutional capital for local ventures. For example, easing pension fund rules and creating regional venture partnerships could channel many millions into Welsh tech firms by 2030. We also propose establishing a Wales Innovation Investment Platform – a collaborative vehicle bringing together government, the Development Bank of Wales, and private investors – to funnel equity finance into emerging innovation clusters (such as semiconductors, AI, or hydrogen technologies). By enlarging the pot of risk capital available in Wales, we can support more home-grown innovators to scale up.

- Foster a pro-innovation regulatory environment in Wales. Regulation should protect society without unnecessarily hindering innovation. We urge Welsh authorities to embrace agile regulation in devolved areas. For instance, pilot “innovation sandboxes” within Wales’s planning and environmental systems. This could mean trialing flexible rules to test things like autonomous vehicles on our roads, or streamlined permitting for new renewable energy technology. Recent reforms like the Infrastructure (Wales) Act 2024 provide a start in speeding up major project approvals; building on this, Wales could extend fast-track status to digital infrastructure and green energy installations, making us one of the most innovation-friendly jurisdictions in the UK. We also propose creating a Regulatory Innovation Forum where Welsh regulators, businesses, and academics meet regularly to anticipate technological changes and adjust rules collaboratively. By regulating for outcomes rather than prescribing processes, Wales can attract companies looking for a place to responsibly develop and deploy new technologies.
- Spread innovation across all regions of Wales. Ensure that the benefits of tech and R&D are not concentrated only in the south-east. The Welsh Government should target a greater share of innovation funding and support to regions like North Wales and West Wales, building on existing assets (for example, AMRC Cymru in Broughton or the M-SParc science park on Anglesey)^{10,11}. By growing research centres and encouraging companies to partner with colleges and institutes outside Cardiff, we can spur high-value job creation in every corner of Wales. As a metric, even a one-percentage-point increase in Wales’s share of UK R&D activity could yield many million in additional economic output annually by 2032¹⁰. Every region has unique strengths – be it semiconductors in the south-east, marine energy in the west, or aerospace in the north-east – and our innovation policy should nurture all of them.



Energy Transition: Powering Green Growth

Wales has a once-in-a-generation opportunity to be at the forefront of the green industrial revolution. Our natural resources – from strong winds in the Celtic Sea to our tidal range and expanses of open land for renewables – are unparalleled. Our industrial base, from steelworks to manufacturing plants, is actively looking to decarbonise and innovate. By embracing the energy transition not just as an environmental necessity but as an economic catalyst, Wales can attract billions in new investment and create tens of thousands of high-quality jobs. Green growth can become a defining competitive advantage for Wales.

Current context: The scale of potential green investment in Wales is enormous. We stand on the cusp of major projects such as the Celtic Sea offshore wind leasing rounds, projected to bring around £20 billion of investment in new wind farms, ports, and grid upgrades. In South Wales, plans for industrial decarbonisation – including carbon capture at Port Talbot and hydrogen production in Milford Haven – could mobilise significant funding over the next decade. The two new freeports (Celtic Freeport and Anglesey) together promise around £4–5 billion in private green investment across energy and advanced manufacturing. And proposals for new nuclear in North Wales (like at Wylfa) represent up to multi-billions in long-term investment.

If we capitalise on these, Wales can become a net-zero industry leader – known for offshore wind, low-carbon steel, hydrogen innovation, and more. However, turning this vision into reality is not automatic. We face bottlenecks, notably in our grid infrastructure and planning system. The electricity grid in Wales is at capacity in many areas, which means new renewable projects or factories can't connect quickly – a major threat to investment. Port infrastructure also needs upgrading to handle the demands of offshore wind assembly and new energy trade. Permitting processes for major energy projects (from wind farms to transmission lines) can be painfully slow, risking that Wales could lose out to faster-moving regions. Furthermore, our anchor industries like steel and refining need significant support to decarbonise without pricing themselves out of the market – energy costs and capital for new technology are big concerns. In short, we must tackle these constraints or risk missing the boat on green growth.

We also need to ensure the transition is just: workers and communities dependent on high-carbon industries need pathways to new careers, and consumers need affordable energy during the transition. The energy transition should not be viewed as a cost, but as a transformational growth story for Wales – if we get the enabling policies right.

Our approach: The Welsh and UK governments must act together, with urgency, to remove barriers and accelerate green investment. This includes upgrading physical infrastructure (grid, ports, EV charging, etc.), streamlining regulatory approvals, and providing targeted support to decarbonise heavy industry. The Welsh Government should develop a unified energy efficiency Infrastructure Plan mapping out what upgrades are needed and where – from stronger electricity networks in mid-Wales to port deepening in the south-west – and then work with the UK Government and the private sector to fund it. We also advocate flexible approaches to financing the transition, such as green investment funds or bonds to draw in private capital for Welsh net-zero projects. On the industry side, companies making big leaps to cut emissions (like steel plants shifting to electric arc furnaces or hydrogen) may require transitional help on energy costs or direct investment support; both governments should coordinate to provide this, recognizing these projects are in the national interest. Finally, we emphasize coupling climate action with local economic benefits: training local people for green jobs, ensuring Welsh businesses get a fair slice of supply chain contracts, and revitalising coal-era communities with new green industries.

Recommendations to the Welsh Government:

- Upgrade Wales's energy infrastructure to enable green projects. Develop and implement a comprehensive Energy Efficiency Infrastructure Plan for Wales that identifies priority upgrades to the electricity grid, ports, and energy networks. For the grid, work with National Grid and Ofgem to accelerate reinforcement projects – especially in mid and south-west Wales where large renewable generation and industrial demand are coming online. Invest in modernising ports like Port Talbot, Milford Haven, Holyhead and Mostyn to advance offshore wind manufacturing and increased trade in low-carbon fuels. Where appropriate, use planning powers and funding to speed up the process that are foundational for unlocking private investment. The Welsh Government should also facilitate more local energy solutions (like smart grids, community energy schemes, and storage) to improve capacity. Strengthening infrastructure is urgent: without it, Wales risks losing out on the green boom due to capacity constraints.
- Streamline planning and permitting for renewable energy and grid projects. Wales should become the easiest place in the UK to get a green project off the ground. We recommend expanding the use of fast-track consenting for major renewables and grid infrastructure. Building on the new Infrastructure (Wales) Act, designate offshore wind and transmission projects of strategic importance and set clear time limits for decisions on them. The Welsh Government should also reform and simplify environmental and planning regulations for net-zero projects where it has competence – for example, update planning guidance to support onshore wind repowering (life-extension and upgrading of existing wind farms) and to encourage new turbine installations in suitable locations. By introducing smart regulations and providing timely decisions, Wales can attract developers of floating wind, tidal stream, hydrogen, and other emerging technologies. A culture of “yes to green growth” in the planning system will signal that Wales is open for sustainable jobs.

- Support Welsh businesses and workers through the transition. Ensure that climate action goes hand-in-hand with industrial competitiveness and community benefit. The Welsh Government should create a Just Transition Fund, in addition to the Personal Learning Fund, or similar mechanism to help retrain workers from high-carbon sectors into new green jobs. For instance, expand programs to support steelworkers in gaining skills for turbine manufacturing or hydrogen facility operations. Strengthen courses at colleges and universities for green skills in engineering, retrofitting, offshore maintenance, etc., aligned with industry needs. Additionally, work with industry to keep energy costs manageable during the transition – for example, extend certain business rate reliefs or offer temporary energy cost support for companies investing in emissions-cutting technology, so they are not put at a short-term competitive disadvantage. Every policy for energy efficiency should be evaluated for its economic potential and impact on Welsh firms: we want to cut carbon, not jobs. By proactively managing the transition, Wales can decarbonise while creating new opportunities rather than losing existing ones.
- Back the decarbonisation of Wales’s heavy industries. Sectors like steel, cement, chemicals and refining form the backbone of Welsh manufacturing, and their successful transition is critical for jobs and emissions cuts. We urge the Welsh Government to work with the UK Government to directly support anchor industrial decarbonisation in Wales. Recent steps to assist the Port Talbot steelworks in going greener are a powerful start. For example, the Industrial Energy Transformation Fund was a useful tool and policy makers should think again or look at similar programs, with funding for Welsh industrial sites to adopt technologies like electric arc furnaces, carbon capture, and hydrogen fuel switching. Consider tailored relief on electricity prices or carbon costs for plants that invest in cutting emissions, to keep them competitive during the transition (given UK industrial electricity prices are still significantly higher than those in France or Germany). Ensuring Wales’s big emitters have the support to modernise will secure thousands of jobs and keep these industries in Wales for the long run. The UK Government should view Welsh decarbonisation projects as strategically important to its 2050 net-zero goal and fund them accordingly.



Future of Work, Skills: A Workforce Fit for the Future

Wales's future prosperity will be built by its people. Having a skilled, adaptable and healthy workforce is absolutely critical in an era of rapid change – from automation and AI transforming jobs, to demographic shifts and new ways of working. The future of work and skills agenda is about ensuring every person in Wales can reach their potential and every business can access the talent it needs to grow. Our young people must see a future here in Wales, and our current workforce needs chances to upskill throughout their careers. At the same time, work should be fair and inclusive, providing not just a wage but dignity and wellbeing.

Current context: There are warning signs we cannot ignore. Youth unemployment and underemployment are persistent problems – the youth employment rate for 16–24 year-olds in Wales is only about 52%, significantly lower than the UK average[3]. Many young people feel uncertain and worried about their career prospects, and this is feeding into a mental health crisis among the youth, with a large portion reporting anxiety about their future affecting their wellbeing^{2, 4}. We risk a “lost generation” if we don't act. At the other end of the pipeline, employers across Wales often struggle to find the skills they need, whether it's digital skills for tech roles or technical skills in manufacturing and construction. Too often, the training system is not keeping up with industry needs, and businesses themselves under-invest in training due to cost and complexity. The UK Government's Apprenticeship Levy (or Work and Skills Levy in England), while well-intentioned, has proven cumbersome and inflexible in practice – Welsh employers frequently can't spend their residue levy funds on the training they require, leading to unspent funds even as skill gaps persist.

Additionally, the nature of work is evolving: hybrid and flexible work arrangements are becoming mainstream, which can benefit work-life balance but also bring challenges in maintaining productivity and workplace culture. There's also a rising emphasis on wellbeing at work – from mental health support to work-life balance – and on diversity and inclusion, ensuring that all groups (women, people with disabilities, ethnic minorities, Welsh speakers, and others) have equal opportunities in the workplace. Wales has distinct strengths here: our close-knit communities and traditions of social partnership mean we can pioneer a more people-centric model of work that boosts participation and wellbeing.

Our approach: We need a comprehensive and inclusive effort to equip our people with future-proof skills and to make Wales a great place to work and live. For the Welsh Government, this means working with business and education providers to overhaul how training is delivered – reaching out to marginalised groups, making our economy more demand-friendly, flexible, and support lifelong learning and support what is with you lifelong. We advocate new mechanisms like personal learning accounts that individuals and employers can draw on to upskill as needed, including micro-credentials and shorter courses (not only full apprenticeships). The Welsh Government should also strengthen its partnerships with industry through Regional Skills Partnerships, ensuring local training provision matches local industry needs in real time. On the wellbeing front, policies that promote mental health in workplaces (e.g. incentivising employers to adopt mental health best practices) and support those furthest from the job market will broaden the workforce.

The standout ask is to reform the Apprenticeship Levy, so it works for employees or replace it with a more flexible skills levy co-designed with business and devolved nations. We also call on Westminster to collaborate with Cardiff on any new employment laws. While immigration is not devolved, we stress that UK-wide immigration policy should reflect Wales's distinct labour needs (for example, in sectors like social care or agriculture where we have shortages). Finally, the Welsh government must continue to invest in the next generation: expand initiatives to get NEETs (young people not in education, employment, or training) into work or training, and target the root causes of youth disillusionment – including through better career advice and mentorship programmes.-



An equal Wales is a prosperous Wales

At a system level, the women of today face not a progression pipeline but a “progression puzzle” in Wales. Progression norms and access to opportunity interact with unequal regulatory landscape and support for caring responsibilities, skills pathways and rapid technological change such as AI have a material impact unevenly across sectors. Barriers can be found in opaque promotion systems, inconsistent flexible working, and limited routes into higher-productivity roles, particularly in growth sectors such as STEM. These are not failures of ambition or capability, but of how progression and leadership are designed and rewarded across the economy. From a business perspective, addressing this requires employers to lead on clearer progression frameworks, inclusive leadership norms and practical talent development that improves productivity and retention. Government’s role is to reinforce these shifts through fair-work signals, aligned skills systems and support for emerging models of work, including AI, without constraining competitiveness. Together, this creates a labour market that uses talent more effectively, strengthens growth and supports progression at scale.

Research Partnership: CBI Wales has partnered with the University of South Wales to conduct research on barriers and ambitions of future women leaders in Wales. This research identified key obstacles preventing women from achieving leadership roles.

The research highlighted that:

- Implicit bias a significant barrier to women’s leadership advancement
- Childcare affordability is a key factor
- Barriers include lack of flexible work arrangements and insufficient mentorship:
 - Some gender bias in hiring and promotion
 - Lack of mentorship opportunities for women
 - Inflexible working arrangements
 - Insufficient support for fathers/parents balancing work and family
 - “Imposter syndrome” and confidence barriers among female leaders

An inclusive approach to other equality strands will take place to guarantee a fair and equitable approach.

CBI Wales recommendations to Welsh Government:

- Redesign the model of workplace progression, to ensure mentorship is part of work, promotion and leadership with rewarding outcomes, inclusive behaviours and capability rather than narrow or traditional definitions institutional progression.
- Embed flexible and family-friendly working as standard business practice where appropriate, including flexibility by default, predictable hours and transparent support for carers.
- Tackle the women's progression puzzle in growth and higher-productivity sectors for the economy, particularly STEM, through employer-led apprenticeships, mentoring, sponsorship and role-model visibility.
- Invest in workplace wellbeing and inclusive management practices that improve retention and progression for women, especially in SMEs.
- Emerging models of work and Women: Bring together social partners to identify the new institutional responses to emerging technology in the workplace (AI) and how different business models are responding.
- Government to listen and engage with the Wales' Women's Leadership Group and its agenda for 2026-2027.
- Promote childcare support by having the public sector lead by example and requiring government suppliers/contractors to have family-friendly policies.



The Four Steps to Prosperity



Competitiveness:

A Welsh Industrial Strategy: Enhance Wales' growth by responding to business needs on planning, future skills, energy, infrastructure and digital.



Innovation:

Boosting the innovators of tomorrow and enabling the innovators of today - Enabling rapid growth of the semiconductors, renewables, life sciences clusters, SMRs, freeports, and new AI Zones.



Energy Transformation:

Greenlight for planning reform - Accelerate approvals and invest in technology to turn planning from a hindrance to a help.



Skills for today and tomorrow:

Empower young talent - delivering more employer-led, flexible, future-proofed micro apprenticeships.

Regional Spotlight

To ensure that our economic vision benefits all parts of Wales, this manifesto includes dedicated regional spotlights. Each region of Wales – North, Mid, South West, and South East – has unique strengths and opportunities. By tailoring some priorities to regional needs, we can achieve more balanced growth across the country.

North Wales – A Powerful Engine of Balanced Growth

North Wales stands at the intersection of innovation, manufacturing, energy, and trade. Its economy – spanning aerospace in Flintshire, clean energy assets on Anglesey, digital research at Bangor, and tourism across Snowdonia – illustrates how regional diversity can underpin national competitiveness. The region contributes more than £14 billion to GVA and employs over 320,000 people, yet continues to face productivity and connectivity gaps that well-targeted reforms can close.

With cross-border infrastructure links to the North West of England and an established, globally significant advanced manufacturing and energy cluster from Deeside to Holyhead, North Wales is poised to become not just a testing ground but a delivery platform for innovation-led growth, local supply chain development, and a just transition to energy efficiency.



Innovation and Technology in North Wales

- Building on science and skills: North Wales hosts nationally significant innovation assets, including M-SParc (Menai Science Park) on Anglesey, AMRC Cymru in Broughton, and Bangor University's data-science and ocean-energy research programs. These centres form the core of a regional innovation network linking industry with academia.
- Strengthening collaboration between these assets to accelerate applied AI adoption in advanced manufacturing and support hydrogen systems development linked to regional energy projects will ensure North Wales maximises its existing innovation capacity without duplicating structures. Expanding collaboration through the North Wales Growth Deal, the Investment Zone, and the emerging regional Innovation Board via Corporate Joint Committee structures will ensure coordination rather than duplication of new forums.
- Digital connectivity: Completion of the North Wales Advanced Wireless Project will deliver greater 5G coverage. Further investment in full-fibre broadband – particularly in rural parts of Conwy, Denbighshire and Gwynedd – would significantly boost productivity. It's estimated that closing the digital gap (with ubiquitous high-speed internet) could raise North Wales's output by millions annually, through expanded digital services and remote working capacity.
- While fibre rollout is accelerating, 4G coverage gaps remain in parts of the region and must not be overlooked as standalone 5G expands. The North Wales Telecoms Forum, established by Ambition North Wales, facilitates public-private coordination to exploit opportunities for co-investment. Planning policy should ensure Wales is not at a competitive disadvantage to England following recent UK planning reforms on digital infrastructure.
- Consideration should also be given to upgrading the broadband Universal Service Obligation toward 100Mbps+ to future-proof rural connectivity. Artificial Intelligence should be positioned within a broader digitalisation framework. AI depends on secure data infrastructure, connectivity, and skills. North Wales' low-carbon energy generation and proximity to transatlantic fibre connections create opportunities for data centre development, now classed as critical national infrastructure. Adoption of IoT and advanced connectivity across SMEs will drive productivity beyond headline AI ambition.
- Innovation Partnerships: Off the back of the Innovation Strategy (2023) and the continued work of Ambition North Wales, regional coordination mechanisms should reinforce – rather than duplicate – existing structures. By pooling resources from the North Wales Growth Deal and private investors, stakeholders could create a joint venture fund for start-ups in priority sectors like clean energy, cybersecurity, and agri-tech. Such a coordinated approach would better leverage initiatives across Ynys Môn, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham, ensuring the region speaks with one voice on innovation.

Competitiveness and Infrastructure

- **Connectivity for commerce:** The A55 Expressway and North Wales Coast Main Line are the arteries of the regional economy. Upgrading the Britannia Bridge over the Menai Strait and electrifying the rail corridor from Crewe to Holyhead would reduce journey times to Manchester and Liverpool, supporting both freight movement and tourism. Meanwhile, completion of the proposed North Wales Metro (integrating bus, rail and active travel across key towns) will better link communities from Anglesey to Deeside. These projects should be treated as strategic infrastructure in the next spending review to secure stable funding and timely delivery. In addition, grid reinforcement in North East Wales and addressing electricity capacity constraints affecting Wrexham Industrial Estate and wider industrial demand should be recognised as critical enablers of growth.
- **Energy and industrial capacity:** North Wales's energy projects can transform its economy. Wylfa's proposed new nuclear development, hydrogen "valleys" emerging around Deeside and Anglesey, and offshore wind farms in Liverpool Bay could jointly attract hundreds of millions of investment by 2035. Coupling these opportunities with thriving manufacturing zones in Deeside and Flintshire will help anchor supply chains for steel, composites, and green transport components in the region. In addition, the Morlais tidal energy project off Ynys Môn – one of Europe's largest consented tidal stream schemes – is a pioneering component of the North Wales' clean energy cluster, with the potential to anchor high-value manufacturing, marine engineering, and export-led growth across the region.
- **Freeports and trade:** The new Anglesey Freeport – positioned as the gateway to the Irish Sea and European markets – is a game-changer. Simplified customs and port modernization there could create thousands of jobs and generate about hundreds of millions by 2030. To maximize benefits for local communities, Freeport operations should be closely integrated with a regional skills centre and digital logistics platforms, ensuring that local SMEs can plug into new supply chains and opportunities. Holyhead Port is a strategic UK–Ireland gateway handling substantial UK–EU trade flows, with its port modernisation and Freeport status strengthening North Wales' role in international logistics, energy interconnection and cross-border supply chains.
- **Freeports and trade:** The new Anglesey Freeport – positioned as the gateway to the Irish Sea and European markets – is a game-changer. Simplified customs and port modernisation there could create thousands of jobs and generate about hundreds of millions by 2030. To maximize benefits for local communities, Freeport operations should be closely integrated with a regional skills centre and digital logistics platforms, ensuring that local SMEs can plug into new supply chains and opportunities. North Wales's proximity to Holyhead port and Liverpool also means it could gain from any broader UK trade growth, so continued investment in port capacity and trade facilitation will pay dividends.

Energy Transition and Green Industry

- **Hydrogen leadership:** The Welsh Government's Hydrogen Pathway (2021) identifies Holyhead and Deeside as key opportunities for Wales. North Wales has the geography and infrastructure to become a leader in green hydrogen production. The emerging Deeside Hydrogen Hub and Holyhead Hydrogen project together represent millions of planned investments. With an efficient planning system and supportive Welsh Government policy environment, by 2035 these hubs could supply an important percent of Wales's industrial hydrogen needs while cutting regional CO₂ emissions. Support for pipeline infrastructure and end-use adoption (in transport and industry) will help realising this potential.
- Ensuring timely grid reinforcement and strategic planning alignment will be critical to unlocking private investment at pace, particularly in areas where electricity network constraints could otherwise delay industrial decarbonisation.
- **Offshore and onshore renewables:** Repowering onshore wind farms in Denbighshire and Wrexham, alongside expanding solar capacity on brownfield land, could add clean electricity generation in North Wales. Combined with some supply chain opportunities from Celtic Sea offshore wind (even though the turbines will be located off Wales's south-west coast, supply chain benefits could reach the north), this positions North Wales as a diversified industrial base servicing projects across Britain and Ireland.
- Major developments such as Awel y Môr in Liverpool Bay further reinforce North Wales' role in large-scale offshore wind generation, with associated opportunities for port activity, grid investment and regional supply chain participation. The Morlais tidal energy project, one of Europe's largest consented tidal stream schemes, reinforces North Wales' marine energy credentials in engineering and export-led growth.

Future of Work and Skills

- **Youth employment and retention:** Youth out-migration is a persistent concern in North Wales. We propose a regional Apprenticeship Pledge – where each major employer in the region commits to increasing their apprentice intake. This collaborative pledge could retain more young talent locally and help reduce the NEET (Not in Education, Employment or Training) rate within five years. Coupled with graduate incentives (like local internship programs or “returnership” grants for those who studied elsewhere to come back), North Wales can better keep its young people contributing to the regional economy.
- This pledge should be aligned with priority regional sectors including advanced manufacturing, clean energy, digital and space-related industries, ensuring that training pathways are directly connected to emerging investment opportunities. Stronger collaboration between employers, further education colleges, universities and the Corporate Joint Committee will help ensure provision reflects real-time labour market demand.

- Digital upskilling for rural communities: To ensure no community is left behind, establish community-based digital learning hubs in more remote areas of North Wales. These hubs, funded through the UK Shared Prosperity Fund or successor programs, could offer free courses in digital literacy, coding, and remote work skills. By increasing digital inclusion in rural North Wales, we could unlock millions of in additional productivity and support more home-based entrepreneurs or remote workers who bring income into these communities.
- Alongside foundational digital skills, targeted programmes supporting automation, IoT adoption and SME digital transformation will help existing businesses improve competitiveness rather than focusing solely on new start-ups or remote working opportunities

Regional Governance and Cross-Border Collaboration

- Cross-border economic region: Economic flows do not stop at the River Dee. North Wales should capitalize on its position within the broader Mersey-Dee economic area to attract investment and talent. Joint committees or forums with adjacent English councils (Cheshire West, Wirral, etc.) can coordinate planning for transport, energy, and skills. For example, a shared labour market information platform could match Welsh workers to vacancies in Chester or Liverpool and vice versa, reducing skills mismatches across the border.
- The Corporate Joint Committee (Ambition North Wales) within this cross-border context, particularly in relation to its statutory role in regional transport planning, regional economic wellbeing and the development of a Strategic Development Plan can strengthen institutional alignment and can ensure that collaboration is structured, consistent and delivery-focused rather than informal or ad hoc.
- Significant regulatory and policy alignment: Avoiding significant competitive regulatory and policy divergences between North Wales and the North West of England will help preserve market integration. A formal Competitiveness Compact between administrations could harmonise key incentives for inward investors (so a company considering the Deeside area sees a similar business environment whether they locate on the Welsh or English side). Likewise, continuing collaborating on a number of business issues ranging from transport to electricity infrastructure.
- Attention should be given to planning policy, digital infrastructure deployment, grid capacity, and industrial energy frameworks to ensure that Welsh firms are not placed at a structural disadvantage relative to neighbouring English regions. Alignment where possible will enhance investor confidence while respecting devolved competencies.

The Path Ahead

By 2035, North Wales could become a growing centre of clean energy, a hub for advanced manufacturing, and a model for balanced regional development. Delivering this vision requires three commitments:

- Long-term investment in connectivity and energy infrastructure.
- A skills pipeline linking education to new industries.
- Consistent cross-border governance and private-sector leadership.

These pillars will turn potential into prosperity. The North Wales economy already possesses the ingredients; what is needed now is coordination and continuity. As part of a stronger, more competitive Wales, the region can lead the way in demonstrating how to achieve growth that is both innovative and inclusive.

With established industrial capability, strategic energy assets and a strengthened governance framework, North Wales is well placed not only to respond to national industrial priorities but to deliver against them at pace.

As part of a stronger, more competitive Wales, the region can lead the way in demonstrating how to achieve growth that is both innovative and inclusive.



Mid Wales – Renewable Energy and Agri-Tech Innovation

Mid Wales, with its rolling hills and open spaces, has abundant renewable energy potential and a proud agricultural heritage. Although sparsely populated, the region is leveraging its strengths in green energy and agriculture to drive innovation and diversification.

- **Onshore Wind and Rural Renewable Power:** Mid Wales already hosts numerous onshore wind farms and has capacity for many more, which can deliver clean electricity for homes and businesses. As highlighted earlier, harnessing “the endless power of wind” is one of Wales’s key assets – and Mid Wales has some of the strongest onshore wind resources in the UK. There is also scope for small-scale hydropower in the region’s rivers, and even innovative energy storage solutions like pumped hydro given the terrain (for example, exploring new sites similar to the existing Dinorwig plant, albeit at smaller scale). A critical enabler will be upgrading grid connections through Mid Wales, so that new wind farms or solar farms can transmit power to urban centers in South Wales or England. Without grid investment, rural renewable projects could be stranded.
- **Agri-Tech and Food Innovation Cluster:** Mid Wales is emerging as a centre for agri-tech and food-tech, building on its farming base and institutions like Aberystwyth University (home to notable agriculture and biological science research). Indeed, Mid Wales is playing a leading role in developing a pan-regional Agri-tech and Food-tech Cluster, backed by a recent £5 million Innovate UK Launchpad grant. This cluster aims to drive innovation in sustainable farming, agri-automation, and biotech – such as breeding climate-resilient crop varieties and developing precision agriculture tools. Crucially, the cluster is supported by the Mid Wales Growth Deal, a joint UK-Welsh Government initiative investing around £110 million in the region’s economy over the coming decade. The Growth Deal is expected to create roughly 1,100–1,400 new jobs in Mid Wales by catalysing projects in agri-food, tourism, R&D, and digital connectivity.^{14, 15}
- **Tourism and Skills Development:** Mid Wales also benefits from opportunities in sustainable tourism, given its natural beauty – from the Brecon Beacons (Bannau Brycheiniog) in the south to Cardigan Bay and Snowdonia’s southern reaches in the north. While tourism is not a single “project” with one investment figure, it remains a key growth area that can create jobs and spur infrastructure upgrades (like better transport and hospitality facilities). Additionally, the Growth Deal and other programs will fund skills development to ensure local people can fill the new jobs created in energy and agri-tech. For example, targeted training in forestry management, renewable energy maintenance, or agri-tech entrepreneurship will enable young people in Mid Wales to build careers without leaving the region.

Mid Wales’s Challenges as Opportunities – such as an aging population and limited transport links – are real, but so is its potential. By focusing on what it does best (green power, farming innovation, tourism) and improving connectivity (broadband, roads like the A470 north-south route, and perhaps restored rail links in future), Mid Wales can carve out a competitive niche in Wales’s economy. Support for enterprise hubs in market towns, better mobile coverage, and relocation incentives can also attract remote workers or entrepreneurs seeking a high quality of life, adding to the region’s dynamism.

South West Wales – Net-Zero Industry and Freeport Investment

South West Wales – encompassing the Swansea Bay city region, Neath Port Talbot, Carmarthenshire and Pembrokeshire – is on the front line of Wales’s net-zero industrial transformation. This region combines heavy industry (like steel and refining) with emerging opportunities in marine energy, advanced manufacturing and a new freeport.

- **South Wales Industrial Cluster (Net-Zero Industry):** The South Wales Industrial Cluster (SWIC) is a major initiative aimed at decarbonising the region’s heavy industries (steel, oil refining, chemicals, cement, etc.) by 2040 (SWIC has set a more ambitious goal ahead of the statutory 2050 goal). Covering sites from Pembrokeshire’s refineries and Milford Haven’s energy hub through Port Talbot’s steelworks to Newport, this cluster received £20 million in UK funding to develop its roadmap. The plan includes producing low-carbon hydrogen fuel, deploying carbon capture and storage (CCS), and switching industrial processes to clean electricity where possible. By creating a “net-zero industrial zone” in South Wales, the project could secure existing jobs and create up to 5,000 new ones in the supply chain of green technology. For example, Tata Steel’s Port Talbot plant is exploring a switch from coal-fired blast furnaces to electric arc furnaces with renewable electricity and hydrogen – which would massively cut carbon emissions. Similarly, Pembroke Dock and Milford Haven are looking at green hydrogen production (using local wind and solar) and CO₂ shipping infrastructure. Decarbonising South West Wales’s industry is not just about meeting climate goals – it’s an economic opportunity to build new local supply chains for equipment like electrolyzers, carbon capture units, and hydrogen storage, positioning Wales as a leader in green industrial tech.
- **Celtic Freeport (Milford Haven & Port Talbot):** A game-changer for South West Wales is the new Celtic Freeport, centered on port sites at Milford Haven (Pembrokeshire) and Port Talbot (Neath Port Talbot). Awarded freeport status in 2023, this initiative is expected to support around 11,500 jobs and up to £8.4 billion of inward investment in the coming years.¹⁶ The Celtic Freeport will accelerate Wales’ energy transition by attracting companies in floating offshore wind assembly, hydrogen production, sustainable fuels, and low-carbon industrial processes.
- **Pembroke Port** is gearing up to serve Celtic Sea offshore wind projects – staging and servicing the giant floating turbines – while Port Talbot’s deep-water harbour will likely handle turbine foundation manufacturing and assembly. The freeport offers tax and customs incentives to manufacturers of next-generation green technologies, which could lure major investments (for instance, in facilities for wind turbine components, electric vehicle batteries, or recycling plants) to locate in South West Wales to serve both UK and export markets.

- The Welsh Government has called this a “once-in-a-generation opportunity” and has already seen significant commitments, including £26 million earmarked to upgrade Port Talbot’s port infrastructure. By coupling port improvements with freeport incentives, the region aims to capture as much as possible of the multi-billion pound Celtic Sea wind opportunity within the local economy. The result could be a new ecosystem of high-skilled jobs in manufacturing, engineering, and logistics – anchoring a greener industrial base in South West Wales. The Welsh Government should continue working closely with the Freeport consortium and UK Government to streamline planning, deliver promised infrastructure on time, and ensure training pipelines for local workers.
- Swansea Bay Innovation: Beyond heavy industry, the Swansea Bay area is carving out a role in innovation and tech. Swansea University’s Bay Campus and related projects are driving research in materials science and renewable energy (including marine energy). Efforts continue to explore tidal power and wave energy in the bay and around Pembrokeshire. Additionally, there is a growing tech and digital cluster in Swansea, and initiatives like the planned Life Science and Well-being Village in Llanelli (Pentre Awel project) which will focus on healthcare technology and wellness research. These efforts complement the larger net-zero and freeport projects, ensuring that South West Wales has a diverse base of innovation-led growth alongside the transformation of its traditional industries.

Taken together, South West Wales is undergoing an exciting pivot: maintaining its prominence in energy and manufacturing, but fundamentally changing how those sectors operate (cleaner, smarter, more diversified). Continued support – whether in the form of skills programs for new green industries, investment in R&D (such as a proposed Marine Energy Testing Centre in Pembrokeshire), or infrastructure like the South West Wales Metro for better local transport – it will be crucial for the Welsh Government and social partners to sustain this momentum.



South East Wales – High-Tech Clusters and Financial Services

South East Wales, home to the capital city Cardiff and economic centres like Newport, is driving growth through high-tech clusters, services, and creative industries. This region is the most populous and has seen significant investment in recent years in areas like semiconductors, fintech, and media production.

- **Compound Semiconductors Cluster – A Global Hub in Newport/Cardiff:** South East Wales is home to the world’s first Compound Semiconductor Cluster – a globally significant high-tech ecosystem centered in Newport and Cardiff, branded as “CS Connected.” This cluster brings together semiconductor manufacturers, cutting-edge university research (e.g. Cardiff University’s Institute for Compound Semiconductors), and specialist firms to make Wales a leader in next-generation chips. A major boost came in 2025 when Vishay Intertechnology announced a £250 million investment into the Newport Wafer Fab – the UK’s largest semiconductor plant – to produce advanced silicon carbide power semiconductors. The UK Chancellor hailed this as a vote of confidence in the region’s industrial capabilities.
- Vishay’s expansion is expected to directly create over 500 high-skilled jobs, with hundreds more in the supply chain. Beyond Vishay, the cluster includes firms like IQE (making compound semiconductor wafers), SPTS Technologies (semiconductor equipment), and Microchip (devices for automotive and telecoms), all working on components essential for things like 5G communications, electric vehicles, and renewable energy systems. The UK Government and the Cardiff Capital Region have supported this cluster with investments – for instance, a £43 million Compound Semiconductor Foundry (opened a few years ago) and in 2025 an Investment Zone designation that could bring £80–£100 million of additional support to the semiconductor cluster. The continued growth of Wales’s semiconductor hub could deliver well over £1 billion in cumulative investment in coming years, firmly establishing South East Wales as a microelectronics powerhouse. Going forward, it is critical to ensure the success of this Investment Zone – we urge the Welsh Government and Cardiff Capital Region to fast-track enabling infrastructure (utilities, road access to sites, training programs) and to promote Wales’s semiconductor prowess internationally

- **Fintech and Cyber in Cardiff:** Cardiff has developed a thriving fintech (financial technology) sector, often cited among the UK's top fintech hubs outside London. It hosts homegrown successes like Starling Bank's operations, price-comparison firm GoCompare, and Admiral's expanding tech teams, as well as a vibrant scene of start-ups in areas such as online banking, insurance tech, and digital lending. The presence of skilled graduates from local universities and the efforts of the FinTech Wales industry association have fostered dozens of fintech start-ups and scale-ups. This sector is attracting venture capital and could bring hundreds of millions of pounds in private investment as companies grow. Newport has an emerging cybersecurity cluster, anchored by initiatives like the National Cyber Security Academy at the University of South Wales and a growing number of cyber firms in its tech park. These knowledge-economy clusters create high-paying jobs and complement Cardiff's strength in financial services more broadly (Cardiff is also a UK centre for insurance and back-office financial services). In 2023, Welsh fintech companies raised around £70 million in investment – a sharp rise from previous years²⁸ – and the sector saw 15% job growth, indicating strong momentum.²⁸ To keep this going, fintech firms are calling for continued support: our recommendation is to ensure Cardiff's fintech cluster gets its fair share of innovation funding and skills initiatives.
- **Meanwhile Creative Industries and Life Sciences:** South East Wales is also a centre for creative industries and life sciences. In recent years, film and TV production in the region has boomed – major studios in Cardiff Bay and nearby have produced BBC dramas, Netflix shows, and Hollywood films. Companies like Bad Wolf and the presence of broadcasters have made Cardiff a growing media production hub. Additionally, Cardiff has a Life Sciences Hub and growing medtech companies, leveraging the large university hospital and university research in medicine. While these sectors were not the primary focus of this manifesto's earlier chapters, they continue to attract investment and talent to the region, diversifying its economic base.

Overall, South East Wales combines a modern services economy (government, finance, education – being the capital region) with dynamic high-tech industries. Key to its future will be improving infrastructure – for example, addressing congestion on the M4 (the long-debated relief road around Newport remains unresolved, causing ongoing transport issues), and improving public transit via projects like the South Wales Metro (which will link valleys communities more effectively to Cardiff and Newport).

Furthermore, ensuring adequate commercial space (tech parks, offices) and housing as Cardiff's economy grows will be important. The region stands to benefit disproportionately from initiatives like the UK's investment in research and the momentum behind electrification of transport (with companies in the region working on battery technology, for instance). Our manifesto's recommendations on skills and innovation find fertile ground here – connecting the strong universities (Cardiff, USW, Cardiff Met) with industry needs in semiconductors, fintech, and beyond.

Conclusion – A Better Wales Through Partnership

Wales enters this next decade on the cusp of renewal. Across every region – from the green-energy coasts of the south and west to the innovation campuses of the north – the same principle holds true: prosperity is a shared project. When enterprise, communities, and policymakers work in alignment, growth becomes both sustainable and inclusive. The preceding chapters have set out a clear, evidence-based pathway for economic transformation. The themes we've focused on – innovation, competitiveness, green growth, and people – are not isolated agendas, but parts of a single whole. Each depends on the others: innovation fuels productivity; competitiveness attracts investment; the energy transition drives modernisation; and skilled people make every ambition achievable. The message is simple: Wales's success will be determined by how well we integrate these strands into a coherent plan of action.

1 - Partnership as the Welsh Advantage

Social Partnership is not just a slogan – it is Wales's unique economic asset, bringing employers, government and unions together. The Welsh business culture is defined by cooperation and trust. We've seen time and again that when government, business, and communities collaborate – whether through city deals or regional forums– we deliver more than any one group could alone. We must double down on this Welsh advantage. That means businesses having a genuine voice in designing policies; public bodies co-investing confidently alongside private investors; and communities seeing tangible benefits from each project so that they too are invested in our economic future. A modern Welsh model of social partnership – one that is transparent, data-driven, and outcome-focused – will convert good intentions into measurable results.



2 - Confidence Through Consistency

Economic strategy succeeds when policy remains stable. Wales must guard against abrupt reversals that deter investment. Five principles of consistency should guide all future administrations:

- Long-term certainty: Publish 10-year frameworks for key areas like skills, infrastructure, and innovation funding, and stick to them as much as possible.
- Evidence before change: Commit to altering regulations or programs only after structured evaluation of what works – avoid policy churn.
- Fiscal prudence: Align new spending or tax cuts with measurable returns in productivity or employment, so that policies are sustainable.
- Transparency: Share data on program outcomes openly with stakeholders to build trust and enable course corrections.
- Cross-party stewardship: Build consensus on core economic priorities to insulate them from political cycles.

Predictability is the cheapest form of stimulus; it builds investor confidence without costing a penny. Consistency also enables local authorities, educators, and businesses to plan confidently, reinforcing the “Team Wales” ethos underpinning our success. For example, if we can achieve multi-year cross-party agreements on a Skills Strategy or a Energy Efficiency Infrastructure Plan, businesses will have much greater confidence to invest in training or green technology knowing the rug won’t be pulled out from under them with each election.

3 - Inclusive and Regional Prosperity

Economic growth must benefit every community. The diversity of Wales’s regions is an advantage, not a problem to be solved. North Wales offers energy and manufacturing strength; Mid Wales brings agricultural innovation and circular-economy potential; South Wales combines industrial legacy with global connectivity. A balanced approach – supporting urban and rural development equally – will secure social cohesion alongside economic progress.

Inclusive growth priorities: We should guarantee that an increasing value of major projects remains within Wales through local procurement and training initiatives. Ensure that rural broadband and transport increase as urban areas do by 2030, so that location is no barrier to opportunity. Expand access to childcare, healthcare, and flexible work arrangements to raise labour market participation, especially among groups currently underrepresented (like women with caregiving responsibilities). Promote bilingual skills and cultural assets (like the Welsh language) as economic strengths in sectors such as tourism, creative industries, and public services. By closing gaps – whether digital connectivity gaps, investment gaps or skills gaps – between our regions, we will unleash the full potential of Wales.

4 - The Role of CBI Wales

CBI Wales will continue to champion evidence-based advocacy and constructive partnership. Our mission is to translate business insight into actionable policy and to help government at every level design frameworks that unlock investment. The organisation will:

- Convene quarterly employer intelligence to monitor progress on manifesto commitments and ensure feedback from businesses in all parts of Wales.
- Provide technical expertise on areas like planning, taxation, and labour market reform, helping to craft solutions that work on the ground.

Through these activities, CBI Wales aims to maintain a single, authoritative voice for business – one that is collaborative, analytical, and forward-looking. We will celebrate success when policies work, and we will be honest and constructive when they need adjustment. Above all, we will strive to ensure the business community is an active partner in building the Wales we all want to see.

5 - Looking Ahead

By 2035 and beyond, Wales can stand as one of Europe's most competitive and sustainable small economies. An economy that leads in clean energy and advanced technology; a workforce whose skills are the envy of our peers; and a society that balances prosperity with wellbeing. We have all the ingredients – innovation, talent, natural assets, and social solidarity. The task now is to bring them together under a single purpose: to build a better Wales through partnership.

The CBI Wales and our members are ready to play our part in this journey. We will continue to be the voice of Welsh business – collaborative, constructive, and ambitious. We will work with all stakeholders who share this vision for our nation. Together lets turn vision to reality.



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January 2026

Author: Leighton Jenkins,
Assistant Director – Policy

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