

Statement by CBI Wales, FSB Wales & IoD Wales to Council for Economic Renewal 25th July 2016

Since the UK voted to leave the European Union, the CBI, FSB and IoD have engaged businesses across Wales to assess the impact of the referendum outcome on the operating environment and the wider Welsh economy.

Engaging with the Wales Office and the Welsh Government a few hours after the referendum result enabled us as the largest business organisations to relay several important early messages. Since then, the Wales Office's weekly Economic Advisory Group meetings have ensured the voice of business is heard by UK Government Departments including the Department for Exiting the EU, BEIS and HM Treasury in Whitehall as they prepare for Article 50 negotiations.

In response to the 2008 financial crisis the then First Minister and Secretary of State for Wales convened Economic Summits which proved to be an effective forum to share information and determine the measures needed to support business and the economy.

We now feel strongly that such an approach is essential to help us navigate the unprecedented challenges that lie ahead. We believe it is of fundamental importance to the future of our nation that the implications for Wales of Brexit are analysed now, backed by an active and extensive conversation with business. Governments and business therefore need to work together closer than ever before, forming a coherent and agile team to ensure our voice is heard and our interests represented.

As this situation develops it is vital for the future of our economy that business and governments remain in close dialogue to ensure an effective response to emerging events. From our conversations with businesses, there are a number of systemic issues that can most effectively be addressed through partnership working by both governments:

1. Firstly, businesses are clear that they want to see leadership from politicians in Wales and Westminster. While we accept that there will be uncertainty in the short-term, there is much political leaders can do to bring together relevant voices to help plot the way forward, sending the right messages to markets and inward investors. We welcome therefore the Welsh Government's move to convene the Council for Economic Renewal by way of starting this dialogue, and the proactive approach taken by the Secretary of State for Wales and his officials.
2. At this time, we also believe that proactive and demonstrable collaboration is imperative - collaboration among the key players within the Welsh economy and across society but most importantly, collaboration between the UK and Welsh Governments. This should be driven by a clear and agreed unity of purpose.
3. Business wants the best deal for Wales within Article 50 negotiations, the starting point of which must be to retain the ease of UK-EU trade that businesses get from the

single market. The next few years will witness the most important UK trade negotiations in post war history. Business and governments in Wales need to begin work now to ensure our unique economic priorities are incorporated in the UK's Brexit plan. We feel therefore that the Welsh Government should play a clear role in the negotiations around the UK's exit from the European Union.

4. Throughout this period of uncertainty, we also need to see clear, positive and unequivocal restatement by politicians that Wales is 'open for business' looking for all available platforms from which to make this. We welcome particularly that Welsh Government Ministers and the Secretary of State for Wales have used a number of platforms to state this message and would urge a continuation of this activity. Wales needs a renewed effort to sell our nation as a prime location for business establishment, growth and investment within the UK and around the world. There is clear opportunity in this effort for the Welsh Government to link with the newly formed UK Government Department for International Trade.
5. Given that UK and Welsh Governments are both embarking on strategic approaches to the development of the economy. We feel that there is an opportunity to ensure that as far as is possible, these strategies are complementary, joined-up and able to mobilise all the necessary partners to ensure success.
6. Finally, we want to see continued public assurance on the future of key infrastructure projects such as the South Wales Metro and the M4 motorway and we welcome the First Minister's recent statement of commitment to the Metro. These are undoubtedly potential drivers for economic growth and early investment would give confidence to businesses. Work also needs to begin to ensure a pipeline of projects can be developed with adequate access to finance in a post-Brexit environment.

We now call on all partners, led by both governments to commit to the collaboration necessary to take the Welsh economy forward and ensure a prosperous international future for Wales lays before us.

Cc: Secretary of State for Wales