



Rt Hon Rhodri Morgan, First Minister

Wales – Ready for the upturn

Rt Hon Rhodri Morgan, First Minister, Welsh Assembly Government

Wales is a nation with a proud past – and we are looking forward to a prosperous future. In common with countries world-wide, we cannot be immune to the current global recession. But we are using the devolved powers we gained ten years ago to counter its impact – as well as making good use of initiatives available throughout the UK.

Devolution means we can act rapidly – and ‘join up’ policies to secure the greatest positive impact. That helps decide how the Welsh Assembly Government can strengthen our economy.

A series of all-Wales economic summits has brought together business, academics and other organisations to advise how best we can work together to tackle the downturn.

We have been determined to keep as many people as possible in their jobs through the recession – and use every opportunity to enhance their skills in the process.

This has helped firms facing market difficulties – such as automotive companies – as well as supporting other advanced sectors, including aerospace, bioscience, information technology and optronics.

One example is the unique ProAct initiative – the basic idea for which came from the economic summits and which focused initially on the automotive sector.

ProAct is a £48m scheme, backed by European funds, which provides training for employees put on short-time working – offering a positive alternative to redundancy.

It was rolled out in record time. Within the first two months of becoming operational it helped around 2,000 people stay in their jobs – strengthening their skills and helping secure their own future and that of their company.

And it has attracted attention well beyond our own borders – with employers and trade unions joining forces to urge adoption elsewhere in the UK.

We have also just launched the £150 million Jeremie Wales Fund, backed by the European Investment Bank and operated by Finance Wales, our in-house investment arm, for onward lending to small and medium sized firms in Wales over the next five years. This is the first fund of its type in Europe.

Wales is proving we can pull together in the face of global economic challenge – and be ready to be competitive for the upturn when it comes.

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Gan Rhodri Morgan, Prif Weinidog Cymru, Llywodraeth Cynulliad Cymru

Mae dros ddeng mlynedd bellach ers i Gymru bleidleisio dros ddatganoli – gan wneud gwahaniaeth mawr i fywyd pob dyn, menyw a phlentyn yn y wlad.

Mae Cymru heddiw'n wahanol iawn i'r Gymru a fu ddegawd yn ôl. Mae Cymru yn awr yn wlad o weithredu hyderus. Mae'n hunanhyder ni fel cenedl yn tyfu'n wleidyddol, yn economaidd ac yn ddiwylliannol. Rydyn ni'n arfer penderfynu ar faterion sy'n gwneud gwahaniaeth sylweddol a chadarnhaol i'n bywydau. Rydyn ni hefyd yn troi cefn ar draddodiad sy'n dyddio'n ôl ganrifoedd o roi'r bai ar eraill am ein problemau.

Stori llwyddiant yw'r gwelliannau a welwyd yn economi Cymru. Mae nifer swyddi yng Nghymru wedi codi dros 130,000 ers datganoli, cynnydd o 11 y cant, o'i gymharu â saith y cant ar gyfer y DG gyfan.

Rydw i'n arbennig o falch o'r ffordd mae'n prifysgolion a'n busnesau'n gyrru Cymru yn ei blaen. Pwy fuasai'n meddwl 10 mlynedd yn ôl y byddai un o'n prifysgolion blaenaf – Caerdydd – â dau o enillwyr Gwobr Nobel mewn gwyddoniaeth ar ei staff erbyn 2007?

Ddegawd yn ôl prin yr oedd gyda ni'r un cwmni enwog uwch-dechnoleg yn datblygu eiddo deallusol newydd, y genhedlaeth nesaf o wasanaethau a chynhyrchion yma yng Nghymru, yn lle troi allan 'bechigalws' mewn adain-ffatrioedd.

Ond bellach mae gennym rai tebyg i IBM yn Sefydliad Gwyddorau Bywyd ar gampws prifysgol Abertawe, GE Healthcare yng Nghaerdydd, General Dynamics yn Oakdale, ac EADS yng Nghasnewydd ymhlith eraill sy'n defnyddio Cymru'n llwyfan er mwyn datblygu eu technoleg newydd.

Yng Ngogledd Cymru mae gennym Airbus sy'n cyflogi mwy na 6,000 o bobl ac yn cynhyrchu'r adenydd awyrennau masnachol mwyaf blaengar yn y byd. Gyda'i gysylltiadau clos â'r brifysgol mae Parc Menai ym Mangor yn barc busnes i unedau technoleg sy'n hynod lwyddiannus, tra bo'r ganolfan feddalwedd CAST yn ymwneud â chysylltiadau hyd yn oed agosach rhwng y brifysgol a'r sector busnes uwch-dechnoleg. Dyna paham mae cwmnïau megis Inspired Broadcast Network wedi lleoli yna.

Bydd y ffaith ein bod ni'n denu cwmnïau uwch-dechnoleg i wneud ymchwil a datblygu yng Nghymru yn dod â buddiannau hirdymor, gan gynnwys ein gallu i ddarparu cyfleoedd gwirioneddol i'r disgleiriaf yn ein plith. Yn y gorffennol, po uchaf y dringodd pobl i fyny'r ysgol addysg, tebycaf oedd iddyn nhw bacio'u bagiau a gadael ar hyd yr M4 neu'r A55. Ond mae'r dyddiau hynny ar ben. Bellach gall pobl ddatblygu eu doniau a'u gyrfaedd yma yng Nghymru, gan ddod yn beirianwyr, gwyddonwyr ac arweinwyr busnes y dyfodol.

Yn awr cawn edrych ymlaen gyda hyder at sefydlu'r Academi Hyfforddiant Amddiffyn yn Sain Tathan ym Mro Morgannwg, a ddarpara filoedd o swyddi o ansawdd uchel. Bydd yn hyfforddi staff milwrol mewn amgylchedd academaidd a wna Rydychen a Chaergrawnt yn llawn cenfigen pan fydd yn agor am fusnes yn

ystod y degawd nesaf.

Yn gysylltiedig â'n llwyddiant economaidd mae'n hyder cynyddol fel cenedl, yn barod ac yn eiddgar i benderfynu dros ein hunain a derbyn y cyfrifoldeb dros y penderfyniadau hynny.

Gallwn hefyd ymestyn allan ar draws y byd, diolch i hanes gyfoethog Cymru a'n safle presennol ar flaen y gad mewn technoleg newydd.

Gwnawn y defnydd eithaf o arddangosiadau rhyngwladol a digwyddiadau chwaraeon mawr i ddwyn sylw at dreftadaeth ddiwydiannol a diwylliannol Cymru, a'i lle fel gwlad flaengar yn yr 21ain canrif.

Er enghraifft, rwyf wrth fy modd mai Cymru fydd y wlad dan sylw yng Ng y Werin Smithsonian yn Washington yn 2009.

Mae mor bwysig ein bod ni'n traddodi'r stori iawn amdanom ni'n hunain fel cenedl i ryw filiwn o Americanwyr ar eu lawnt ffrynt eu hun yn ystod yr ym yma – ac wedyn ein bod ni'n dweud y stori honno wrth ein hunain.

Dyma weu tri hanes at ei gilydd – yn gyntaf hanes yr hen Gymru Geltaidd, Cymru Hywel Dda a'r Eisteddfod a Dafydd ap Gwilym. Yn ail, dyma stori'r Gymru ddiwydiannol, cenedl ddiwydiannol gyntaf y Byd. Ac yna ceir stori Cymru gyfoes – y Gymru hyderus, uwch-dechnoleg, ôl-ddatganoli mewn amgylchedd prydfwrth sy'n cynnig ansawdd bywyd di-ail. Dyma'r storiâu am bwy oedden ni ac am y daith rydyn ni arni nawr.

Pan fyddwn wedi gorffen dweud y stori honno wrth yr Americanwyr, bydd rhaid i ni hefyd ystyried sut y cawn godi'n profiil yn y marchnadoedd enfawr sy'n datblygu, megis China ac India.

Cawsom gychwyn da gan ein cysylltiadau â Chongqing, sydd wrth groesffyrdd dwyrain a gorllewin China, gan mai dyma'r berthynas dramor fwyaf prysur sydd gennym.

Erbyn 2050 – neu hyd yn oed ynghynt – mae'n debyg y bydd ein perthynas â China ac India hyd yn oed yn bwysicach i ni na'n perthynas â'r Unol Daleithiau, yr Almaen neu Ffrainc. Dyma'r ddwy farchnad economaidd anferth y bydd rhaid i Gymru ei hagar i fyny.

Bu arwydd cynnar o'r hyn a ddaw wrth i Tata gymryd drosodd Corus, Tata Software ymuno gyda chanolfan rhagoriaeth BT yng Nghaerdydd ac yn anuniongyrchol hyd yn oed pryniant posibl Land Rover a Jaguar gan Tata Motors.

Yn ein pobl mae'n cryfder. Rydyn ni bellach wedi cofleidio datganoli, ac mae'n gwlad ni'n för o hyder a meddylfryd cadarnhaol. Dyma'r ysbryd sydd angen i ni ei feithrin a'i drosglwyddo dramor er mwyn gwneud argraff ddofn a bwrw'n fwy na'n pwysau.

Mae gan Gymru stori ryfeddol i'w hadrodd – dewch i ni beidio bod yn swil wrth ei chyhoeddi i'r byd.



[INS AND OUTS



Ins and outs Ian Williams, Director of International Business Wales

In an ever-changing economic environment in which companies continually face new challenges, the ability to look beyond your domestic market and think globally and innovatively is an increasingly important consideration to a company's growth and success.

International Business Wales (IBW) is the inward investment and trade development arm of the Welsh Assembly Government (WAG). We understand how important access to the right person and speed of decision-making is when dealing with real life business decisions and our support is modern, flexible and completely aligned with real business needs.

The government, educational and business communities of Wales are committed to building the country's economy through co-operation and collaboration. Support for new investors is available from the first day they arrive throughout the time they are in Wales. And we consistently look for opportunities for building strong trading partnerships. That attitude makes Wales a great place to work and live or create partnerships with.

We believe in long-term relationships that help companies establish, grow and then reinvest in Wales. IBW acts as a single point of contact, embracing local authorities, educational institutions, the private sector and Welsh Assembly Government.

[**Businesses come to Wales because they want access to the UK and a convenient entrance to Europe and the rest of the world. They stay because of the Welsh commitment to innovation and excellence, the solid, creative academic infrastructure, the friendly and open business environment, and because Wales is a wonderful place to live.]**

Wales is also a great trading nation and international partnerships are part of the lifeblood of the economy. As part of our service, IBW assists international companies to become involved in profitable partnerships with Welsh companies. Our global network of staff work with both Welsh and international companies to assist in making business opportunities possible – and we stay with you after the partnerships are formed so that we can continue to help them grow and prosper.



ZooBiotic: Healthcare dressings using live maggots

What can International Business Wales do for you and your business?

Meryl Cubley

For more than a quarter of a century, International Business Wales (IBW) and its predecessors have been assisting companies who are drawn to Wales as a natural gateway to the UK, Europe, and World markets. The Welsh commitment to innovation and excellence, the solid, creative academic infrastructure, and the friendly and open business environment, is the reason why so many stay.

Wales is an expert at holding on to its friends—sixty percent of the companies that locate in Wales reinvest there. It is a record we are proud of and intend to preserve. As the economic development and trade arm of The Welsh Assembly Government (WAG) International Business Wales knows how important access to the right person and speed of action is when

dealing with real life business decisions. Our agency and WAG are modern, flexible and completely aligned to real business needs.

We believe in long-term relationships that establish companies and see them grow and reinvest. IBW acts as a single point of contact, embracing local authorities, educational institutions, the private sector and WAG.



Hurns Brewery: Tomos Watkin beers

Specialist Support

With this 'one-stop' approach a company moving into Wales can find solutions to its needs, whether that be finding the right commercial property or securing government funding—the best in Europe with maximum assistance levels available in the UK.

IBW operates through specialist teams that:

- Help companies locating in Wales to quickly incorporate themselves and to find local legal, accounting and financial firms to service them
- Find the right site for a company in a comprehensive database of useful property in Wales
- Deliver the site and if appropriate provide a turnkey solution, complete from procurement, design, project management and construction
- Assist in locating suitable local labour talent
- Supply contacts at local industry trade groups and names of potential local suppliers of goods and services
- Foster and enhance links between industry and academic institutions, matching investors with developers of new products and processes.

Our unique 'Welcome to Wales' service assists your staff and their families find the right housing, gain access to Wales' excellent education system and obtain work permits. We ensure that the stress of moving home is kept to a minimum by arranging fast and efficient relocation, allowing your staff to focus on establishing and growing your business.

Financially, Wales is affordable. Put simply, land costs less and salaries for skilled software developers can be up to 30% lower than other parts of the UK. Staff retention levels are also among the highest in the UK; whilst costs are 20% lower. Combine this with the factors that the city of London and Heathrow airport are less than two hours from Cardiff via train, and Wrexham in North Wales is less than 40 minutes from Manchester and just over an hour from Birmingham. And if you are travelling further afield then Cardiff Airport has direct and frequent flights throughout the UK and to the continent.

Incubators and business clusters

A countrywide network of business incubators under the umbrella name Technium unites academic researchers, businesses and government support personnel for both small and large



Marinex Ltd: Fire suppression systems for seagoing vessels

[Almost 700 IT companies employ 11,000 people in Wales. Running everything from software for the travel industry, to monitoring gas station sales to tracking telecommunication networks to providing IT services. IBM, Logica, EDS and International Rectifier are familiar roadside logos.]

companies to develop new ideas and assist young companies to grow into successful businesses. The network includes the original Technium in Swansea, the nearby Technium 11, which houses companies that have outgrown space in the original building, and other incubators in fields including sustainable technologies, optoelectronics, creative media, digital technology, performance engineering, and earth sciences.

Incubators and trade groups such as MediWales, The Welsh Optoelectronics Forum, ITWales and others build the sense of community that helps businesses flourish. Established markets (information technology, aerospace and defence, life sciences,) and emerging sectors (solar, wind, water) and the renewable energies and sustainable technologies of the 21st century, are just some of the opportunities for businesses coming to Wales.

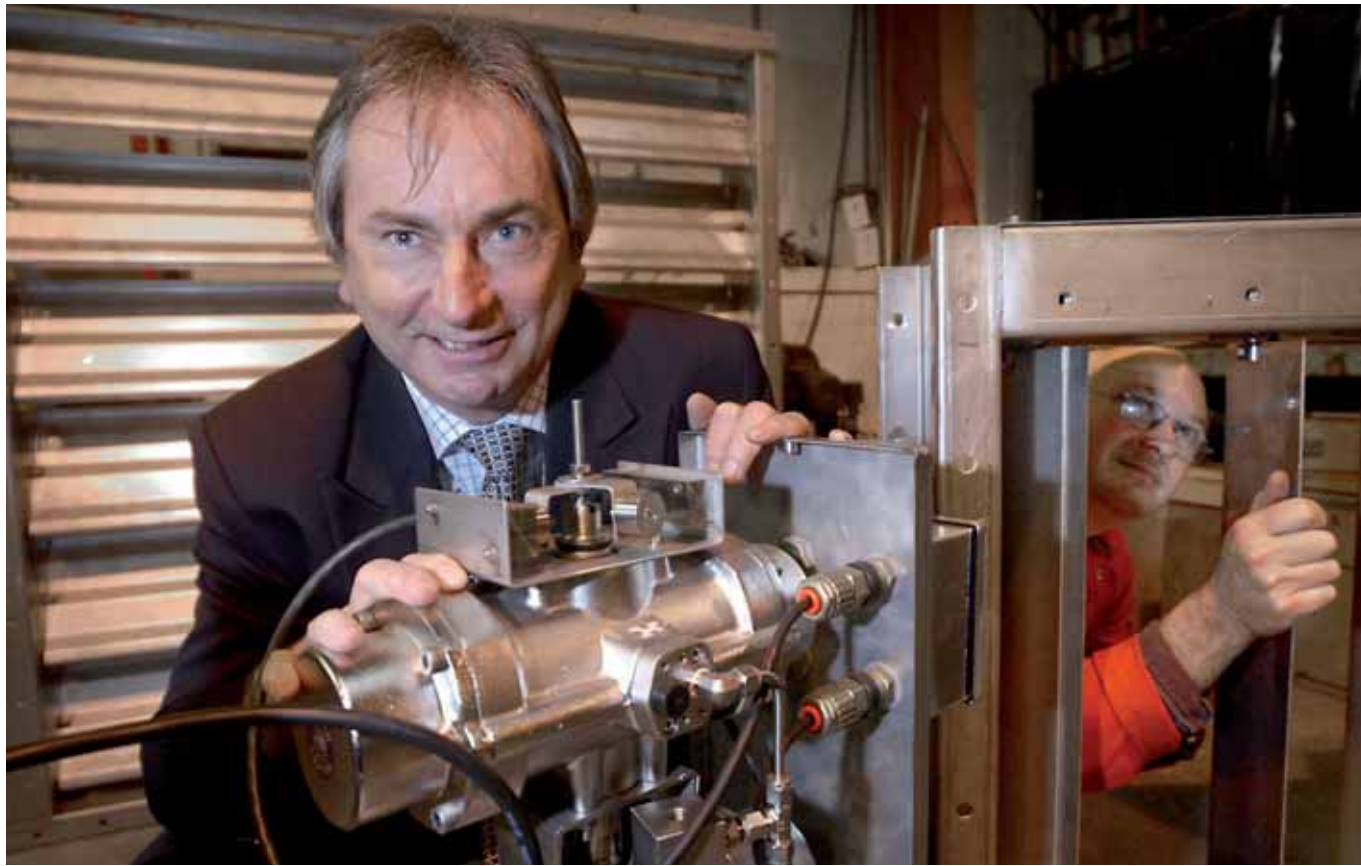
Demand Markets

Demand for software, computer services and telecommunications in the UK and Europe is huge. The European Union's appetite for information and

telecommunications technology is voracious—at almost \$823 billion per annum—and the UK devours \$250 billion per annum of that with Wales being the gateway to those markets. The nerve centre of the UK's electronics technology industry is the M4 corridor, a superhighway that runs from London to the west coast of Wales, with one quarter of the UK's fast growth companies on or near the M4.

Almost 700 IT companies employ 11,000 people in Wales, running everything from software for the travel industry, to monitoring gas station sales to tracking telecommunication networks to providing IT services. IBM, Logica, EDS and International Rectifier are familiar roadside logos.

To sustain and expand these companies, Wales' highly ranked universities are completely focused on its many talented students and Welsh universities are first rate. Sir Martin Evans, a Nobel Prize winner in 2007 for his stem cell research, is on the faculty of Cardiff University. A new high performance computing centre is used in advanced cancer research and



Flamgard Ltd: Ventilation and fire damper products for the energy and petrochemical sectors

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analysing the structure and operations of the human brain. The School of Medicine at Cardiff University is one of the largest in the UK, employing nearly 500 academic and 300 support staff with over 1,000 undergraduate and 1,100 postgraduate students currently enrolled on medical and science courses.

Swansea University houses an IBM supercomputer at its Life Sciences Institute, one of the largest if not the largest computer of its kind dedicated solely to health care research. In North Wales, Bangor University is a recognized centre for research in biochip (lab-on-a-chip) and biodi-electrics.

The Institute of Advanced Telecommunications (IAT) at Swansea University in the south of Wales is developing applications and new technologies for medicine, transport, entertainment and construction and other industries. IBM and Motorola are just two of the international software giants who are collaborating with IAT.

Since it won a \$2 billion contract in

2001 to supply the UK Ministry of Defence with a next generation secure communications system, General Dynamics (GD) has expanded its operations in Wales several times. It established its only Edge research centre outside the U.S. in Wales, and is now one of the leading UK exporters of defence systems. GD works closely with Cardiff University to develop educational programmes to support its efforts, and to involve small and medium sized companies in its projects. EADS and QinetiQ form a cluster of defence aerospace companies with GD in Wales, nurturing smaller companies and fed by university technology graduates.

Staying Healthy

Wales is well situated for the international defence market, and the ever-growing demand for healthcare products and services. The UK healthcare market exceeds \$160 billion per annum and the exports are more than \$20 billion per annum. The National Health Service's budget is set to increase by four percent

per year until 2010-11, taking it from \$130 billion (£90 billion) in 2007-08 to \$160 billion (£110 billion) by 2010-11.

Lighting up the World

The world energy crisis has driven home the need for all countries to develop energy efficient technologies in order to preserve the environment. Wales is home to two of the UK's three manufacturers of photovoltaic devices—Sharp Manufacturing and ICP Solar. "There is such a strong optoelectronics industry in North Wales, allowing us to capitalise on the huge growth in demand for solar energy products," says Gordon Butler, General Manager of Sharp's Wrexham plant.

The American company G24i successfully launched a plant in 2007 in Cardiff to manufacture flexible photovoltaic power packs for cellular and other portable devices. G24i has raised \$100 million to finance its operations and has won contracts with cellular operators in emerging markets.

The company's Cardiff facility is the UK's first zero-carbon production plant. G24i is a big step towards delivering the Government's pledge to make Wales a centre for renewable energy. "We found a very good site for the factory in Wales, the level of bureaucracy limited and the turnaround time on the site very quick," said J. Clemens Betzel, President, G24i Innovations Limited.

Situated on Britain's Atlantic coast, Wales is a natural site for wind energy. There are currently 25 offshore and onshore wind farms operating in Wales. Eight more projects have been approved and another 19 are planned. For instance, npower renewables, one of the largest utilities in the UK, has received approval to build the largest wind farm in Europe off the north coast of Wales. Its maximum electrical output could supply electricity for almost 500,000 homes. Other major utility companies such as E.On and Falck Renewables are running wind farms in Wales now, and planning more.

Water too

npower renewables has formed a new partnership, SeaGenWales, to develop a tidal power plant off the North Wales coast that could be powering up to 6,000 homes by 2011. A young company, Wave Dragon, moved its headquarters from Denmark to south Wales to test its system for producing energy from tidal currents. The biggest project of all would be the \$15 billion plus Severn Barrage in southern Wales. If approved, it could provide five percent of the electricity for all of the UK.

Welsh universities are active in supporting the search for new forms of energy. The engineering department at Cardiff University includes specialists in integrating low carbon energy technologies in decentralized systems, and exploring strategic planning and management. G24i collaborates with the University's Centre for Energy, Waste and the Environment to evaluate new products and alternative solar film cell materials. Swan Turbines, founded by a Swansea University professor, developed an ocean-based system for generating electricity using underwater turbines. Researchers at North East Wales Institute's Centre for Solar Energy Research specialize in bioorganic and materials chemistry. Bangor University's chemistry department has expertise in advanced materials such as dye-sensitized titania solar cells, which are used to build low cost solar panels.



True Energy Ltd: Renewable energy

NORTON INTEGRATED SYSTEMS ENGINEERS, THEIR NORTH AMERICAN ENTRY AND AN INWARD INVESTMENT OPPORTUNITY FOR WALES

A recent IBW ITO project to North America has led to a significant international trade opportunity for Norton Integrated Systems and an opportunity for Norton to assist the North American company it is working with as it prepares for an inward investment to enter the United Kingdom market.

Brian Norton, Managing Director of Norton Systems explained: "Exporting is always a challenge for small companies, no matter how good the product is, so the support of the IBW ITO America's team was critical for us. I had identified North America as a critical target for our continuing business expansion and felt that our patented rapid-deployment Sherpa CCTV system would be a big hit if we could get over there and find the right partner.

"The America's in-market team came through with excellent exposure for us and connected us with SEON Design Inc.—the world's leading supplier of bus and coach mobile video surveillance and the global number 2 provider of surveillance equipment to all mobile markets. SEON was looking at ancillary markets and was just entering the police mobile video market and felt the unique Sherpa product was an excellent fit for that market segment. They have negotiated a North American exclusive license for the Sherpa Product and are investigating manufacturing it in North America under license.

"The relationship has been excellent from the start with SEON investing significant effort in understanding the product and training for sales and support. An interesting sidebar to this relationship is that SEON is working with us to enter the UK market. Ian Radziejewski the president of SEON has previous connections to the UK market and feels it is an excellent expansion market for them. Because of our relationship, our knowledge of the market and the facilitation of IBW inward investment Ian feels comfortable working with us to define the correct market entry for them."

Norton Integrated Systems is located in Pontypool and is well known in police and fire departments for their Sherpa portable rapid deployment surveillance system. Sherpa is a unique product in the CCTV industry, requiring only two people with no special tools or equipment to deploy the system in minutes as it self deploys up standard utility poles.



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