

A low cost investment zone earmarked for Wales

The Welsh Government said it is progressing talks with the UK Government over creating a new low tax investment zone in Wales.

In his Budget Chancellor Jeremy Hunt will confirm that 12 investment zones – each receiving funding of £80m over five years and nearly £1bn in total – will be established aimed at boosting innovation and greater collaboration between the worlds of academic and business.

The zones were first promised under the short-lived and economically disastrous reign of Liz Truss as Prime Minister. She was pressing for up to 200 zones across the UK – although the cost of reducing the tax burden on firms in that number of zones would have been eye-watering for the Treasury at an estimated £12bn.

With economic development a devolved matter Mr Hunt said he will look to reach agreement with the devolved administrations to establish four investment zones in Scotland, Wales and Northern Ireland (where Stormont is still not sitting). Eight have already been identified for England – all out of London and south east – including for Greater Manchester, Teeside and West Yorkshire.

The Welsh Government said it would look to engage constructively with the UK Government on creating at an investment zone (or potential more than one) in Wales.

A spokesman for the Cardiff Bay administration said: “We have engaged in a discussion with the UK Government about investment zones, and this engagement is ongoing. Any proposal for these zones in Wales would need to align with our policies on fair work and net zero.”

Mr Hunt said: "True levelling up must be about local wealth creation and local decision-making to unblock obstacles to regeneration.

"From unleashing opportunity through new investment zones, to a new approach to accelerating R&D in city regions, we are delivering on our key priority to supercharge growth across the country".

The zones will be clustered around research institutions such as universities and aimed at driving growth in the key sectors of technology, creative industries, life sciences, advanced manufacturing and the green sector.

As well as tax reliefs, funding in zones could be used to improve skills, provide specialist business support, improve the planning system, as well as being spent on local infrastructure.

Bids in Wales could potentially centre around Swansea University and advances in renewable energy and carbon storage and capture technology and Cardiff University and the wider compound semiconductor cluster.

Last year Wales [missed out](#) on UK Government pilot investment to create three innovation based accelerator clusters with £100m of funding.

Based in Glasgow, Greater Manchester and the West Midlands they are intended to boost economic growth by investing in research and development) strengths, attracting new private investment, boosting innovation diffusion, as well as maximising the economic impact of R&D institutions.

A decision on the location of the first freeport in Wales, which will be jointly made by the two governments, is expected at the end of the month.

The vying bids are the Celtic Freeport, covering the ports of

Milford Haven and Port Talbot, the Port of Holyhead and a multisite bid being led by Newport Council that includes Cardiff Airport and Welsh Government land earmarked for innovation related investment in Blaenau Gwent.

Agreement of creating a freeport in Wales was reached year between the two governments after the Westminster Government agreed to increase financial support to £26m – in line with funding commitments for freeports in England and Scotland.

Read More:

[The freeport bidders in Wales](#)

[The latest equity deal and investment news in Wales](#)