

Value of exports from Welsh manufacturers to exceed £9bn this year

Manufacturing exporters in Wales will generate sales of £9.3bn this year, according to a new study from Barclays Corporate Banking.

It also highlights that if manufacturers who don't currently export but realise plans to do so from next year, the amount could reach £10.1bn (in today's prices so not accounting for inflation) by 2030.

The report, *The Export Dividend*, shows that despite widespread supply chain disruption and challenges brought on by the global pandemic and the UK's exit from the EU, 69% of manufacturing firms with 10 or more employees in Wales are currently exporting. The report doesn't have comparable figures for 2020 and pre-pandemic 2019.

Manufacturing exporting activity supports some 40,000 jobs in the Welsh economy.

Across the UK food and drink producers are reaping the highest financial rewards, with £34.3bn in export sales. They are followed by automotive manufacturers, with £20.9bn.

On a UK-level exporters are also shown to have fared better this year than non-exporters. Over a quarter (26%) of the research respondents who sell overseas said they had seen 'significant growth' in 2021, with only 18% of non-exporters reporting the same.

Manufacturers who export are also more confident about their prospects for next year with 88% upbeat about their growth prospects, compared to 71% of those who don't currently

export.

Among those who don't yet export, there is significant demand to start doing so with three-quarters (75%) in the Wales aiming to commence selling overseas in 2022. Barclays' economic modelling predicts it could be worth an additional £107m to the Welsh economy next year and an additional £854m per year by 2030.

Current non-exporters are more likely to favour European markets, with 30% saying they would target Germany initially, followed by the Netherlands (24%) and the US (24%). In contrast, the US is the market that most current exporters (30%) sell to, followed by Germany (26%) and France (26%).

Richard Craven, manufacturing industry director, Barclays Corporate Banking said: "The British manufacturing sector, like many others, has endured a tough year and around a third of our research respondents have been impacted by higher labour costs, higher material costs and other supply chain issues.

"However, exporters, more than most, have weathered the storms and are enjoying strong demand for their products in markets all around the world. Confidence is high and many firms are looking to exports to fulfil their growth ambitions next year and beyond."

Other findings of the report include:

- 71% of manufacturers agree that the pandemic continues to have an adverse impact on their business operations;
- to mitigate disruption, over two fifths (43%) are diversifying their global supply base, while 40% are setting up overseas warehousing space; and
- beyond the EU and the US, current exporters are most likely to be trading in Canada (23%), India (19%), or Latin America (17%).

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