

26th April 2012

The Committee Clerk
Enterprise & Business Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

By email: enterprise.committee@wales.gov.uk

**NATIONAL ASSEMBLY FOR WALES ENTERPRISE & BUSINESS COMMITTEE INQUIRY INTO
INTERNATIONAL CONNECTIVITY THROUGH WELSH PORTS & AIRPORTS
SUPPLEMENTARY EVIDENCE**

Name of organisation:	South East Wales Economic Forum
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Further to our recent appearance before the Committee, and the Committee's request regarding the following points, having canvassed opinion among SEWEF's membership, please find below some additional evidence:

"There are specific examples of the region losing inward investment opportunities because of the Airports lack of services"

It is import to note that Cardiff, like other regional airports, can never hope to emulate the range of services provided by an international hub airport like Heathrow, which will remain the main airport of choice for south Wales businesses for the foreseeable future (in the wider transport infrastructure/connectivity context this is what makes accessibility and journey time in relation to Heathrow so important). The Committee might be interested to know that regional airports connectivity is an issue in other areas too; for example Bath Science Park also suffers in attracting investment because it has no international airport in the immediate vicinity.

As for specific examples of the point made in SEWEF's written evidence:

One North American company chose to locate its European HQ in Manchester rather than SE Wales because flying directly into Manchester allowed its senior personnel to be in and out of the UK within a day, as opposed to having to undertake a journey involving an overnight stay flying in and out of Heathrow and travelling to SE Wales, because of the lack of direct service to Cardiff.

The lack of services - specifically a direct flight from Cardiff to Frankfurt - was a factor in the rejection of the WG's bid for the Green Investment Bank. Given that this issue has recently entered the public domain (<http://www.bbc.co.uk/news/uk-wales-politics-17528149>), the Committee is probably aware of it.

A financial services SME in Rhondda-Cynon-Taff is apparently reluctant to grow because an alternative company site in Germany has better connectivity.

A large European financial services company has issues with its Cardiff base because of the lack of international connectivity provided by the Airport.

A Swiss aerospace company known to have considered locating an R&D operation in Cardiff chose not to because of connectivity.

International Baccalaureate considered Cardiff as a base for international students but eventually chose Amsterdam largely because of its better connectivity.

A multinational in Newport requires its personnel to travel to sister sites in Europe but they have little option other than to use Bristol and Heathrow to reach them; they would greatly appreciate a viable Cardiff alternative.

“...agreed to check with the particular businesses who have expressed on-going concern over the Government’s decision on backdated business rates on port premises, and provide an update to the Committee on what the situation is at the moment.”

At the time the decision on backdated business rates was implemented a fairly significant level of disquiet was discernible among the business community that could be directly affected. SEWEF canvassed its membership but found that the majority of businesses affected had managed – though unwillingly – to agree terms for paying the backdated rates, and there remained only one company in the Newport area that felt particularly strongly. SEWEF therefore decided that there was insufficient concern across the region for the matter to continue to be a SEWEF priority.