

# Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Craffu ar Waith y Prif Weinidog](#)

[The Committee for the Scrutiny of the First  
Minister](#)

16/10/2015

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

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from the Meeting

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn  
ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in  
the committee. In addition, a transcription of the simultaneous interpretation  
is included.

### **Aelodau'r pwyllgor yn bresennol**

#### **Committee members in attendance**

David Melding	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
Jocelyn Davies	Plaid Cymru The Party of Wales
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur (yn dirprwyo ar ran Ann Jones) Labour (substitute for Ann Jones)
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

### **Eraill yn bresennol**

#### **Others in attendance**

Manon Antoniazzi	Cyfarwyddwr, Twristiaeth, Treftadaeth a Chwaraeon Director, Tourism, Heritage and Sport
Des Clifford	Cyfarwyddwr Swyddfa'r Prif Weinidog Director of the Office of the First Minister
Carwyn Jones	Aelod Cynulliad, Llafur (Prif Weinidog Cymru) Assembly Member, Labour (The First Minister of Wales)
Dr Hugh Rawlings	Cyfarwyddwr, Materion Cyfansoddiadol Director, Constitutional Affairs

### **Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**

#### **National Assembly for Wales officials in attendance**

Stephen George	Clerc Clerk
Gwyn Griffiths	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Kathryn Thomas	Dirprwy Clerc Deputy Clerk
Robin Wilkinson	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 10:31.*

*The meeting began at 10:31.*

## Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[1] **David Melding:** Good morning, everyone, and it's a great pleasure to welcome you to the Ocean Room of the National Waterfront Museum in Swansea. This is part of the Senedd Swansea week, and as Swansea's my home city, I have to say I am particularly pleased that we're meeting here today for this meeting of the Committee for the Scrutiny of the First Minister. We were fortunate, over breakfast, to meet with David Anderson, the director of National Museum Wales, and I would like to extend our thanks to him and to all the staff, particularly here at the National Waterfront Museum, for the assistance they've given our committee and also two other committees that have met in Swansea this week. I'm also very pleased to see so many members of the public and pupils also in the public gallery.

[2] Can I start, then, with the housekeeping announcements? This meeting is bilingual, so when Welsh is spoken, there's a translation on channel 1. If you are hard of hearing, you can amplify our proceedings using channel 0. This meeting is being recorded, and the proceedings will be available on Senedd.tv, and a transcript of the proceedings will also be published. Can I just tell Members and, indeed, the First Minister and his colleagues that there's no need to press any buttons? All the equipment will come on automatically when you speak. Can we switch off any mobile phones or other electronic devices, or at least put them on 'silent'? In the unlikely event of a fire alarm, please follow the instructions of the ushers. I've had apologies from Ann Jones, and I know we all wish her a rapid recovery. I'm particularly pleased to welcome as a substitute Mike Hedges, who is, of course, the Assembly Member for Swansea East. So, it's particularly apposite that you are subbing today, Mike.

10:33

## Sesiwn Graffu ar Waith y Gweinidog Ministerial Scrutiny Session

[3] **David Melding:** Our main item, then, is to scrutinise the First Minister on the promotion and marketing of Wales, and then later we will have a short session on constitutional developments. So, first of all, First Minister, can I welcome you to Swansea?

[4] **The First Minister (Carwyn Jones):** Thank you.

[5] **David Melding:** I know you've had a series of engagements here as well. Do you want to introduce your team this morning?

[6] **The First Minister:** I'll ask them to introduce themselves, if I may.

[7] **Ms Antoniazzi:** I am Manon Antoniazzi. I'm director of tourism, heritage and sport.

[8] **Mr Clifford:** I'm Des Clifford. I'm the principal private secretary to the First Minister and a director with responsibility for our offices abroad.

[9] **Dr Rawlings:** I am Hugh Rawlings, director of constitutional affairs and intergovernmental relations.

[10] **David Melding:** You're all most welcome. We'll follow the traditional pattern of most questions being put by the members of this committee, but it is our practice to open up questioning to members of the public, and we also held a breakfast meeting for key people in these sectors, so we will be feeding in some of their views. First Minister, I think it is appropriate that I start, then, with a question from Will Barker, and this came on Twitter, so I am demonstrating—well, perhaps not my ease with new technology, in this sense, but at least the committee reaches out to use it. He asks: could more be done to use the voices of the people of Wales to help promote Wales to the world authentically? I think he means everyone, but we also heard some businesspeople in particular earlier saying that some of the great celebrities of Wales could get used in the marketing as well, or get used a bit more in the marketing, to raise awareness of Wales internationally. Your response to that one, First Minister—.

[11] **The First Minister:** Well, first of all, we do try to tap into our celebrities, and some of them have been very good to us—Matthew Rhys is one example, and Ioan Gruffudd another. They've been very active in the States, not just in Los Angeles, but also on the eastern seaboard of the States as well. In terms of authentic voices, we try to use them where possible. For example, when people arrive at the international arrivals section of Cardiff Airport, they will be greeted with videos of people who are welcoming them and telling them more about Wales. So, where we can, we'll use those voices, where that's appropriate. Certainly, we have been looking to tap into the fame of many of our celebrities. We've seen that mainly through marketing

campaigns in the States.

[12] **David Melding:** Thank you, First Minister. I'm going to ask Jocelyn Davies to start the questioning.

[13] **Jocelyn Davies:** Because I guess what that does is project a kind of brand for us—the Welsh brand—and I know that it's changed in recent years. So, First Minister, do you want to tell us about the Welsh brand and why it's been developed the way it has, and what it portrays about us to the world and to ourselves?

[14] **The First Minister:** The first thing to do, of course, is to portray ourselves as a confident nation. I think that's the biggest change I've seen since devolution in 1999. We were not a confident nation in the late 1990s; that has changed. Secondly, the breadth of what we offer. It's probably true to say that 20 years ago, we would not have been confident to say that we had a strong offer in terms of consistently good accommodation. We can do that now. We would not have had a strong offer in terms of consistently good food and drink; we can do that now. And, of course, the development of many more outdoor activities: we see places like Zip World and Surf Snowdonia that offer more than was the case, say, 15 or 20 years ago.

[15] In terms of Wales the brand, what we've tried to do is to make that brand fluid to make sure that a number of messages get through at different times. We've had 'Just Ask Wales' and we've had 'Have you packed for Wales?' Next year, there'll be a focus on the year of the outdoors and adventure. So, each year, we try and theme that year in order to appeal to a particular segment of the tourism market. And the results, I'd argue, speak for themselves in terms of the numbers of visitors and in terms of the visitor spend in Wales. We've done well in terms of attracting people not just from the rest of the UK, but from abroad as well. And that, I think, is because we've managed to explain to people the sheer breadth of what's on offer in Wales. We've been helped by articles in magazines that have a world-wide reach, such as *National Geographic*, which talked about our beaches—Rhossili, for example, not very far away from here—and that's all helped to raise Wales's image in the world.

[16] But, also it's important to mention sporting events. If we'd sat here 20 years ago, the very thought of the Champions League final—it wasn't called that then, but it's equivalent—coming to Wales, would have been fanciful. The Ryder Cup coming to Wales would have been fanciful. Major sporting

events—the Rugby World Cup—it just wouldn't happen. But, those events have helped to put us on a world stage. There's no doubt in my mind that what we've done in the Rugby World Cup helps, and what will happen next year in Euro 2016 will help as well. So, being able to sell yourself through the world of sport is equally as important as being able to sell yourself, to my mind, through the traditional ways of selling tourism.

[17] **Jocelyn Davies:** Okay. I mean, it just sounds like that's a lot of good things, but it just sounds as if it's too much to be a brand.

[18] **The First Minister:** It works, I'd argue, because if we look at the figures, 2014 was a record year for the tourism industry in Wales; we had a 5 per cent increase in overnight holiday stays and a 7 per cent increase in international visitor numbers. We know that the 'Have you packed for Wales?' campaign brought in about £238 million of additional spend to Wales, and helped to support 5,000 jobs.

[19] What we don't have, of course, is the kind of icon or icons that Scotland or Ireland have managed to develop over many, many years. We don't have the equivalent of Guinness—

[20] **Jocelyn Davies:** We've got a dragon.

[21] **The First Minister:** We have got a dragon, but we don't have any product that people immediately identify with Wales. Ireland has its ability to do that; Scotland with tartan. They've managed to have that for many, many years. We don't have anything quite so iconic. Yes, we do have the dragon—we share it, of course, with China—but it's not an immediately recognisable symbol as tartan is for Scotland. So, we have to work harder to make sure that Wales is more noticeable. What we've done is to present Wales as a place where there are many opportunities for people when it comes to having a good tourism experience.

[22] **Jocelyn Davies:** So, has that been a difficulty in terms of having this brand in not having something that is so easily recognisable as tartan?

[23] **The First Minister:** That's true—we don't have that. We can't roll the clock back, so we have to be more innovative in terms of what we do, in terms of saying to people, 'If you're a walker, come to Wales—we have a coastal path all around the coast; if you're a climber, we have in Snowdonia an area where the Everest teams used to train before going to the

Himalayas'. We have some of the finest beaches in the world. Yes, we have outdoor activities, but we also have new outdoor activities like Zip World and Surf Snowdonia, and, of course, the industrial heritage, which this building represents. Developing a broad message that Wales has many things to offer is an important part of what we do.

[24] **Jocelyn Davies:** So, the message is deliberately broad because we don't have that one iconic thing that people from all over the world would immediately associate with Wales.

[25] **The First Minister:** We have to be different, and we don't have the diaspora as well. The Irish diaspora is enormous; the number of people who count themselves as Irish-Americans is huge. The same with Scotland. So, we have to be more innovative and take a different approach when it comes to attracting visitors to Wales.

[26] **Jocelyn Davies:** Well, I don't know, First Minister; whenever I see anybody on the television, their grandmother is always Welsh. [*Laughter.*]

[27] **The First Minister:** It's a new trend that we encourage.

[28] **Jocelyn Davies:** It must have been our biggest export—grandmothers, I think, at some point. You mentioned Just Ask Wales and the inward investment marketing. So, what would success look like for you?

[29] **The First Minister:** More visitors; that trend continuing, not just from within the UK, but abroad as well.

[30] **Jocelyn Davies:** From abroad, right.

[31] **The First Minister:** A greater tourism spend, both overall, and, in time, per head as well. One of the ways of measuring interest in Wales is through web traffic and seeing how many times we get hits in certain areas. We've seen, for example, the spring TV adverts around 'Have you packed for Wales?'—they drove an increase of 80 per cent in web traffic to *visitwales.com*. That, in itself, as a website, has attracted 3.5 million visitors in 2015. And looking at new ways of selling Wales as well. So, for example, some 3.6 million people now have viewed on the US Facebook page a film we produced for the opening of Surf Snowdonia. So, we can measure the interest there is in Wales, and then we have a good idea of how many of those people then we attract as visitors.



[32] **Jocelyn Davies:** And in terms of those figures, there's been a big increase in those figures due to the campaign.

[33] **The First Minister:** Yes.

[34] **Jocelyn Davies:** Right, okay. On Just Ask Wales, you make a number of claims there. You say:

[35] 'We know Wales can deliver what businesses need, from skills to space to lifestyle'.

[36] But businesses tell us that the skills they need, they can't get in Wales, and we hear this repeatedly, over and over again. Are you satisfied that that claim that the skills are here is justified?

[37] **The First Minister:** Yes, I am. If we look at the figures, we can see that there has been a significant increase—about 27 per cent—in the number of foreign direct investment projects in Wales. We know we've brought in about 5,000 more jobs and safeguarded around 4,500 others. What we do when we sell Wales abroad, and when we look to get investment in, is to say to potential investors, 'Come to Wales; the skills already exist because there are companies like you that are already successful in Wales'. It's easier to bring in new investment in areas of the economy where there are already similar operations in Wales than it is for something completely new. Our further education colleges particularly, I think, are very good when it comes to assessing the market for skills in their area. I know, for example, in 2009, not long after I became First Minister, I visited Coleg Menai, and they were thinking then about the skills that would be needed for Wylfa B, even though, at that point, the project hadn't had the full go-ahead. That's important.

[38] Skills in engineering are important. I opened a new campus yesterday at Swansea University—a fantastic campus, huge investment, and a real centre of excellence when it comes to engineering. I know that universities in the past five or six years have become much more active in terms of working with industry, being able to assess the needs of industry and being able to assess the skills needs of the future and then work to deliver that.

[39] **Jocelyn Davies:** So, the companies and the businesses that tell us that there is this gap between what they want and what's available, they're wrong.

[40] **The First Minister:** I don't know what skills they're referring to—

[41] **Jocelyn Davies:** Engineering was specifically mentioned to us—

[42] **The First Minister:** I think it's right to say that there has been a historic problem with skills shortage in engineering. It's being addressed, through Swansea University for example, and other universities in Wales, but it is right to say that for many decades, in Wales and the rest of the UK, engineering and engineers were in short supply. The way we deal with that is to look at the new campuses at Swansea.

[43] **Jocelyn Davies:** So, progress is being made, but you are satisfied that that gap has not entirely closed.

[44] **The First Minister:** No. I think that's probably fair, but steps have been taken in order to make sure that that gap is closed in the future. The shortage of engineers is well documented, although we do get companies coming to Wales who tell us they want to come. Renishaw were an example in Miskin, because they felt they could get the skills they needed, because of the commitment of the universities in the area to developing those skills.

[45] **Jocelyn Davies:** Okay. We'll probably have to agree to differ on that, because people tell us that the skill base isn't there, and you say it is. I guess we both agree that progress is being made, but how big the gap is, we'd probably disagree on. You also say on Ask for Wales that you couldn't find a more pro-business Government, and that we have—you, that is—the best financial packages on offer in the UK. Can you give us any evidence to support those claims?

[46] **The First Minister:** Yes, the increase in FDI over the past year—a substantial increase; we're punching way above our weight in that regard. The fact that unemployment in Wales is coming down. We've come out of recession far more quickly than we have in recessions gone by.

10:45

[47] **Jocelyn Davies:** That doesn't make you more pro-business than others.

[48] **The First Minister:** I think it does. I think we are outperforming many other parts of the UK. We are seeing unemployment go down, we are seeing

economic inactivity go down, and employment go up. We see, through our young people, 17,000 opportunities being created through Jobs Growth Wales, and we're seeing substantial investment in Wales. Creative industries, for example, is an area that's growing at the rate of knots, on a monthly basis. Those are the figures I'd offer as evidence.

[49] **Jocelyn Davies:** And the best financial packages—how is it better than they could get elsewhere? Do you know the difference?

[50] **The First Minister:** The difference that we offer—we can offer financial packages through the structural funds, for example, in west Wales and the Valleys, which don't exist outside those areas, but we also offer what I think is an unparalleled level of support for businesses. In years gone by, I think the problem was that businesses would come to Wales, and then they'd be forgotten about—they didn't have any kind of aftercare, if I can put it that way. We put a great emphasis on that. We have our anchor companies, where those companies are able to liaise directly with somebody in Welsh Government—that's something that's important to them. And, of course, investors can have a strong and close relationship with the overseas offices, with our officials, and with Ministers, in order to bring investment in. So, the financial package is there, but also the aftercare, and the personal relationships that are needed, are also in place.

[51] **Jocelyn Davies:** Okay. That's me.

[52] **David Melding:** Mike, did you want to follow up on that?

[53] **Mike Hedges:** I want to follow up on the sport, which the First Minister raised. Perhaps I'd raise three points. First, we've got the world's most expensive footballer from Wales, in Gareth Bale. In a large part of the world, sport and football are quite often synonymous. We've also got a premiership football team—not many miles away from here—which gets us on the television throughout the whole of the world, and also brings players like Ki from South Korea, who's a national icon of the Gareth Bale level. We've also done very well in one of the other major world sports—cycling. Nicole Cooke and Geraint Thomas are two names that immediately come to mind. What are we doing to build on the great sporting achievements that have taken place by both individuals and teams? Our success in qualifying for the European tournament is a phenomenal one. What can we do to build the Welsh brand, based upon individual and collective sporting success?

[54] **The First Minister:** We're fortunate, first of all, of course, to have these events that are coming to Wales—and they do come all over Wales, they're not all in Cardiff. But what we do, whenever there's an event that takes place, we work a strategy around the event to attract visitors in—we've done that with the Rugby World Cup, to take advantage of that. We'll need to do the same with the Euros, in 2016. Now we know that we've—well, we knew, really, I suppose, that we qualified some weeks ago—but now we know for definite we've qualified, it gives us the opportunity now to develop a strategy for the Euros, to sell Wales as part of that tournament. In 1990, when the Republic of Ireland were in the World Cup, and they did well, it was an enormous boost to Ireland's already high profile, and it helped to launch what was called the 'Celtic tiger'. That came off the back of the confidence generated by relative sporting success. We can do the same thing.

[55] We're fortunate to have the Millennium Stadium. We're very fortunate to have a Premier League team—and a team that's stayed in the Premier League, as well; they haven't gone up and down like a yo-yo—in Swansea. We know the effect that's had on hotel occupancy rates in the city, and Members will know that, if they go to the Liberty Stadium, they'll see the adverts for Visit Wales around the stadium. So, we know that there is a potential audience there as well of away fans, who we need to interest to come back to Wales in the future.

[56] **Mike Hedges:** But it's also shown on television. I'm told—I don't know whether it's true—that the most watched football match in the United States of America this year was Swansea against Manchester United. We have an opportunity to build brand on a football achievement—not those who are attending, but those who are watching it on television across the whole of the world.

[57] **The First Minister:** That's true. We have the world cup fanzone, of course, in Cardiff, based around the Rugby World Cup. There has been an event, if I remember, to host travel buyers from around the world. That, I think, was held in Llandudno. I don't know, Manon, whether you want to come in, in terms of further detail as to what we've done around sporting events.

[58] **Ms Antoniazzi:** Taking the world cup as an example, as you say, First Minister, we have dressed the city of Cardiff, and, indeed, the cities of Swansea and Newport as well. There has been a presence in the fanzone, to urge people to play on—#playon—after the last whistle has sounded, and go

and explore other parts of Wales. We have also worked with tour operators who are bringing people to Wales for these purposes. That is an example of how we've been able to take advantage of this particular opportunity. We will, clearly, have a fantastic opportunity to do so again and capture, as the First Minister was saying, the inspiring effect of these tournaments, and make sure that that feeds into the physical activity agenda as well.

[59] **David Melding:** As the other lifelong Swansea City supporter, despite representing the people of Cardiff—always a delicate situation—I do agree with the emphasis you put on that, Mike. Eluned, did you want to follow up, or has it been covered?

[60] **Eluned Parrott:** No, I'll just go on to my—

[61] **David Melding:** Before you do, then, we've had several people actually ask whether Cardiff Airport could be used more as a showcase for Welsh food, drink and crafts. There's a lot of space there. We obviously now own the airport, and perhaps we should do even more in terms of marketing Wales at that very important point of entry.

[62] **The First Minister:** That's the plan. I mentioned earlier on what's been done at international arrivals, to create an experience for visitors as they arrive. Of course, when the airport was bought, there were still food concessions in the airport that had time to run. So, short of buying them out, they had to have time to run before we then started looking at—or the airport's board started looking at—how then the airport could become a showcase for Welsh food and drink. I know that work is ongoing.

[63] **David Melding:** Thank you. Now we will move to the second set of questions around priority markets, both for tourism and inward investment. Eluned, you will take us through this section.

[64] **Eluned Parrott:** Yes, thank you, Chair. I do want to begin with talking about tourism and how we address different markets particularly. Firstly—just returning to this issue of brand and some of the comments that were raised in our business breakfast with tourism businesses—is whether or not we are actually trying to do the right thing. Wales has an image in the world, to be devil's advocate, just for a change. The image in the world, as we know, is clearly castles, it's dragons, we all work in coal mines, we wave daffodils, we eat leaks and, at the weekends, we all sing in a male voice choir, even the women. That is, if you like, the truism that is the brand image

of Wales. There are clearly some negative elements to that, but when you're talking about the brand you're creating for Wales, you're talking about trying to create a new brand for Wales, and I'm wondering whether that's sensible, and whether trying to start from scratch to create a generic Wales that is modern and forward thinking and very similar to a lot of other places is actually a much bigger task than nudging our existing brand in a more positive direction. What's your response to that?

[65] **The First Minister:** I think that's what we're doing. Part of the problem, as you identified, is that there are a lot of negative images associated with Wales. Rain is the other one, as if rain only occurs on this side of the Severn bridge and everywhere else is an arid desert. We do come across that stereotype still, sadly, but there's no point trying to reinvent yourself; it's a question of taking out a negatives and emphasising the positives.

[66] In terms of what we've been doing, obviously, the UK and Ireland are major markets when it comes to tourism. We've seen what's happened there with the 'Have you packed for Wales?' campaign. Germany is also potentially a large market for us. The German-language website was relaunched in 2014. There is a German-language social media presence as well, and a marketing campaign, I understand, was launched in Germany in 2015. We have, of course, two direct flights now as well between German cities, which offer an opportunity for people to come to south Wales, and, of course, we've been working with Flybe, P&O Ferries, DFDS Seaways and Hotels.com to promote Wales in Germany. And then, of course, we have North America. We have had coverage in North America through the campaigns that we've run there—targeted marketing campaigns. We've worked, for example, with American Airlines; we've had features in *The Washington Post* and *The New York Times*. So, that gives you three examples there of what's been done in three major markets. Manon, anything to add?

[67] **Ms Antoniazzi:** Yes. There was a lot of work that went into the creation of the tourism strategy that the Welsh Government launched two and a half years ago, and that is all available online still—the workings of the strategy, as it were, that show how analysis of the markets and trends and so forth led us to focus on the markets that the First Minister's just listed as priority markets for us to develop. We also have other important markets that we pay attention to, and growth markets, like China, for example, that we've been looking at in an opportunistic way recently, when there's a chance to do that. But, I think a core principle behind the selection of those markets at the time that the strategy was written was that we do need to be sensible about how

we prioritise our resources and how we make an impact. Obviously, we're tracking that through as the official statistics come through, year on year.

[68] **Eluned Parrott:** I want to come back to the market selection in a moment, but just staying with the brand issue at the moment, can you tell us whether the rebranding exercise that Edwina Hart was undertaking on behalf of the Welsh Government now complete?

[69] **Ms Antoniazzi:** Well, something like a brand is not finite. It's an extremely complicated thing and when you're talking about a national brand—. Talking about a logo is a different matter. But, talking about a brand, it's an evolution rather than something that's a process and is complete. A lot of work has been taking place over the last two and a half to three years. The first phase of work fed into the Just Ask Wales and 'Have you packed for Wales?' campaigns and so shifted the focus very much, as the First Minister mentioned, on to product. Part of the preparation for that strategy was to analyse the barriers that stop people from coming to Wales, and an erroneous perception that there isn't much to do here was one of those barriers. Therefore, we've been very much focusing on the product. The product is there to be marketed because the Welsh Government has invested in it over a period of three or four years. We're now taking that forward again—very much an evolution; we're not forgetting about the dragon, we're not forgetting about fantastic assets that Wales has to promote itself such as that. But it isn't going to be some kind of jarring new direction; it's going to be very much something that, going back to the first question we were asked, is authentic and it has to come from people in Wales and the stakeholders in Wales.

[70] **Eluned Parrott:** Okay. I recognise that, clearly, these things evolve over a period of time—obviously they do, in response to the feedback we get. But I am surprised, as I say, that we were told in the Chamber that that rebranding exercise, or that piece of work by a series of consultants had been completed. We're told by representatives of the tourism industry that they're waiting for a rebrand of the Visit Wales branding and that that has been held up for a period of time. Clearly, we are 18 months after the branding exercise and that is still ongoing, as I understand. What do we say to the tourism industry?

[71] **Ms Antoniazzi:** We talk to the tourism industry every day. We've had workshops. In fact, we had a workshop in north Wales, which was attended by over 100 businesses, yesterday, where we were outlining the brand

direction. There have been calls for a report on the first phase of the work. There was never intended to be a published report, as it were, on the first phase of that work. So, that first phase is complete. What hasn't happened is a report, but what has happened is that the hundreds of stakeholders who were consulted during the undertaking of that work—their views have been fed into, as I say, the campaigns and the new strategy going forward. It's that work that's moving forward at the moment. As I say, it's a very iterative process. The Year of Adventure campaign that we're launching in January will be again a major step change in terms of Wales branding, building on what's gone before and building on our strengths.

[72] **Eluned Parrott:** Okay. Looking now at market selection and who you choose to target, the Deputy Minister last year told us that, obviously, Britain—the rest of GB—remains the primary market for Wales, and that you're targeting marketing investments in a smaller number of key markets to build on current strengths. Can I ask, when you are targeting markets either at home or overseas, are you targeting on the basis of volume or the value of those visitors?

[73] **Ms Antoniazzi:** Both are important indicators to keep an eye on. Ultimately, of course, we're looking for value into the Welsh economy. That is the point of the international marketing. We know that 2014 was an extremely good year. So far, 2015, the first half year—9.8 per cent up on value. So, we're quite pleased with the way that the trend is moving.

[74] **Eluned Parrott:** Can I ask, though, the three markets we've been told Wales is focusing on are Ireland, Germany and the USA—looking at those three markets, what's the comparative value in terms of spend per day per visitor of those three markets?

[75] **Ms Antoniazzi:** It's too early to tell yet for this year. The figures aren't out yet. And, as I say—

[76] **Eluned Parrott:** But, presumably, you have some data for previous years that brought you to selecting those as the primary target markets.

11:00

[77] **Ms Antoniazzi:** There were—. It was potential that we were measuring as well as the actual trend. We were looking for factors that made Wales have traction in those markets. We were also looking at issues such as proximity,



in the case of Ireland, and we knew that the Irish economy was improving. Indeed, we've seen very strong growth in visitors from Ireland over the last two years. And we were looking at places where there was some evidence of knowledge of Wales already, where there is a legacy from previous marketing that we could build on, because we have to be realistic that the Wales brand is not very well known in a very competitive global market. We started this strategy against a backdrop of falling international visitor numbers—a trend of that, which has now been reversed.

[78] **Eluned Parrott:** Can I ask, in terms of that, what are you measuring to measure potential?

[79] **Ms Antoniazzi:** As I explained, proximity, legacy of awareness of Wales, the tools we have to promote in different markets. And, also, we could have chosen many markets. The strong markets that we also looked at include the Netherlands, France, Australia and Spain. There is also a legacy there, but it's a matter of making sure that our efforts are very targeted. It doesn't mean we're losing opportunities in those markets. We also have language websites for those markets, and we've got active PR campaigns in those places as well. We take our tour operators from Wales to international markets, where they can talk to tour operators and travel agents in those markets. So, there is a whole raft of activity where we're making sure that we're not losing any opportunities.

[80] **Eluned Parrott:** Okay. Thank you. One thing I wanted to ask is that—. Clearly, when we're marketing Wales abroad, there is tourism, there is trade and there is inward investment—there are three strands of how we're trying to approach the world. I want to move on to inward investment, but I'd be interested to know, in terms of the pitch that we sell to the world, how the brand of Wales changes between those three different strands because, clearly, the message for those three different kinds of markets is likely to be different, but it has to be consistent so that it doesn't conflict with the overall brand.

[81] **The First Minister:** The messages will be very different. If you're looking to attract investment into Wales, then the message has to be different compared to tourism. What we say to people is—. Well, there are three things I'm always asked. Firstly, it's European Union membership. If, for some reason, our unfettered access to the European market was affected, that would have a hugely adverse on investment, because the European market's so big. Secondly, it's skills. People do ask, 'Do you have the skills

that we need?', and what we look to do is to point to others like them who are successful in Wales to show that the skills flow is there. The other one I do get is: 'Do you have an international airport?' That's relevant, even for people in the north who don't use Cardiff Airport, because it's part of the image of Wales. If you have an international airport, it gives the impression that you are connected to the wider world, and that's actually an important message that we do convey.

[82] There are different messages in different markets as well. For example, the US is by far the major investor in Wales, and our officers there will work according to the culture in the US in the same way as the Japanese office will work according to the culture there. But the message at its core is the same, and that is that, if you come to Wales, you get a dedicated workforce; a Government that will help you, not just in terms of money but in terms of support; you get stability; you get a legal system that is trusted; and you get access to a huge market.

[83] **Eluned Parrott:** When we're looking at inward investment, I wonder what aspiration—. What will you believe success looks like?

[84] **The First Minister:** More inward investment, but that's not enough of itself. It's more investment of quality. The difference between where we are now and where Wales was 25 years ago is that the kind of investments that were being brought in in the late 1980s and early 1990s were low-paid jobs. Wales was specifically sold on the basis that we had a low-wage economy—the lowest wages in western Europe. Now, that was always doomed to fail eventually because the iron curtain came down and a lot of those factories that came here were attracted by lower wages elsewhere, and that's not where we need to be now, and that's certainly not where we pitch Wales now. What we say now is, 'Come to Wales. We want to see quality jobs that stay in Wales. Our higher and further education institutions can help to deliver the skills that people need, and there's a Government in Cardiff that can take decisions.' That's a major, major change. We can go to investors and say, 'If you want a decision on something, we take it.' It isn't held up in London as it was years ago.

[85] **Eluned Parrott:** Okay. So, the aspiration is 'more and better'. I think that's probably everybody's aspiration for pretty much everything. So, the question is: how exactly are you measuring 'more' and how exactly are you measuring 'better'? And what level of improvement in those measures is considered appropriate by your Government? What is the target that you are

setting yourself?

[86] **The First Minister:** We want to see more jobs come into Wales with a higher rate salary.

[87] **Eluned Parrott:** How many more jobs at what kind of rate of increase of salary? What kind of value?

[88] **The First Minister:** Well, it would be difficult for us to maintain the 27 per cent increase that we saw last year, but we want to see that increase continue. If we look at creative industries, and if we look at the Bay Studios, not very far away from here, that is a sector of the economy that's growing very, very quickly. We've seen Pinewood, we've seen Bay, and we've seen the Valleys studios reopening. They are jobs that are sustainable, and they're well-paid jobs. In order to sustain that, we need to make sure there are people who have the skills that they can offer to potential employers to sustain those high salary rates.

[89] The other issue, of course, is research and development. Traditionally, we've been an economy where we've made things but we've not traditionally seen research and development facilities being placed in Wales. I was in Newtown two weeks ago, where we saw a brand-new research and development facility being put in place. So, it's important that we attract more R&D work as well.

[90] **Eluned Parrott:** I don't think anyone would disagree with that, but it's still doesn't answer the question. You know, over a period of, say, then, five years—a strategy perhaps of five years or 10 years for inward investment—what level of increase over that period of time, and what level of uplift in terms of the value of wages, which I assume is the measure you're going after, would you consider a success?

[91] **The First Minister:** I would consider the success to be the continuation of the trend towards more and better jobs. Seeing unemployment coming down, seeing inward investment going up, we have the best figures that we've had for probably 30 years. Whenever you see a long-term trend, different years will have different results, but certainly we expect to see that trend continue in the future.

[92] **Eluned Parrott:** Forgive me, but more and better is still just more and better. A pound more per week. One more job per year. More and better isn't

a quantity, it's just—

[93] **The First Minister:** That's an artificial point to make. We want to see the trend that we've established where we see more investment and we see an increase in the level of people's salaries continue in the future. That trend we hope to see continue over the next five or 10 years.

[94] **Eluned Parrott:** But it's perfectly normal in a strategy to have an understanding of what the future looks like; what it is you're shooting for.

[95] **David Melding:** We could return to this in our report, but I have to say that we also heard at breakfast that we shouldn't be overwhelmed by exactitude and specific numbers, and quality and value was really an issue.

[96] **Jocelyn Davies:** But this is way the other side of the—

[97] **David Melding:** Members may feel that. Let's not give away what our report will say.

[98] **Eluned Parrott:** Fair enough.

[99] **David Melding:** But we do have to get through a lot of business as well.

[100] **Eluned Parrott:** Forgive me, Chair. In which case, let's move on to something that I don't think you've mentioned, actually, in terms of inward investment and the Just Ask Wales marketing campaign, which, presumably, is the major tool or the major player that you've had over the last year. Can you tell me how that is working and what lessons you have learned—what achievements we have and what lessons learned we have from that?

[101] **The First Minister:** Yes. It was launched in January 2014. The aim of it was to generate a pipeline of new inquiries to the investment and sector teams. We've seen that improve. The campaign, to date, has included a range of marketing activity. Some of it is traditional press advertising, some of it is direct mail and digital marketing. It was utilised at the UK investment summit that followed the NATO summit. That worked very well in terms of bringing people back off the back of the summit itself. More recently, senior business managers from leading businesses, such as GE Aviation, which participated in the Dell Management Challenge—. They've received Just Ask Wales material as part of their welcome pack. LinkedIn, for example, is another

example. Some of those materials have been translated into foreign languages to make sure that they are accessible, and they are done in order to support the teams that we have in the overseas offices. The focus of the campaign is on selected subsectors where we believe Wales has a competitive advantage. So, the aim has been to target specific business audiences. Members will be aware of the sectors that we've targeted, such as aeronautics and automotive, where it's possible for us to attract more investment because they are already established sectors in Wales.

[102] **Eluned Parrott:** A lot of that marketing campaign was visible in places like London, for example. We saw adverts on the tube, I believe. What kind of level or number of inquiries were those activities generating to the Welsh Government?

[103] **The First Minister:** Well, there has been an increase in the number of inquiries. We have seen that translated, of course, into an increased number of investment projects that have gone ahead. It's important that those inquiries are followed up. What happens is that, with the overseas offices and with the London office, I receive a monthly report from them and they outline exactly what enquiries they've had, they outline the areas that they are pursuing, and what I've noticed over the past few months is that the number of leads that are referred to in those reports has steadily increased.

[104] **Eluned Parrott:** That's great news. Does that mean that you're able to tell us how many more this time last year to this time this year?

[105] **The First Minister:** There were 400 enquiries. Do you want to—?

[106] **Ms Antoniazzi:** May I? Yes, in the course of the campaign, we've had 400 contacts and that has led to 150 more firm enquiries.

[107] **Eluned Parrott:** How does that compare with the number of contacts that you received in the same period prior to the Just Ask Wales campaign?

[108] **Ms Antoniazzi:** Prior to the campaign—I'd have to write with details of that.

[109] **David Melding:** If you can write with that information that's okay.

[110] **Eluned Parrott:** Thank you. Just, then, moving on to export, which is, perhaps, an area of the business ecosystem that we talk about less often

than others and perhaps less often than we should, can you tell me which international markets you think are of strategic importance to Welsh exporters?

[111] **The First Minister:** The middle east is a particularly important market, particularly with regard to food. The US will also be an important market, as will Japan, but, of course, our biggest trading partners are in Europe. The Republic of Ireland is important, as are countries such as Germany and France.

[112] **Eluned Parrott:** Can you tell us how the way in which you choose to target resources, such as trade missions, matches those strategic targets?

[113] **The First Minister:** Well, we know that, in terms of the countries that invest in Wales, the US is at the top, Japan is second, Ireland and France equal third, and then we have Germany and Canada.

[114] **Eluned Parrott:** Sorry, is that invest in Wales or buy from Wales?

[115] **The First Minister:** Those are the countries that are the biggest investors in Wales.

[116] **Eluned Parrott:** But I was talking about exports, so does that mean—

[117] **The First Minister:** In terms of the export market, China is hugely important for us and India is hugely important—I've led trade missions to both those countries—as is the US. I led a trade mission to California, for example, where we took a lot of tech companies that followed up leads with companies such as Apple and such as Hewlett-Packard, because we know those sectors are important. When it comes to the food sector, the middle east and China are important, potentially. China, we're still working on in terms of exporting to China, but the middle east is important, Hong Kong, and, in time, we hope to see us being able to export meat to the US.

[118] **Eluned Parrott:** In terms of the support services that the Welsh Government offers to businesses that want to export, clearly, you have what you'd describe, I suppose, as the off-the-peg solution of joining an existing trade mission that is going to one of these locations. To what extent does the Welsh Government tailor the package that's offered on those trade missions to the needs of the businesses that are actually wishing to attend?

[119] **The First Minister:** The trade missions are themed—the ones that I've taken—and some of them will have expertise in a particular area. Of course, most trade missions go without a Minister or, indeed, without me. But they will look at a specific market. Quite often, they are sector-specific and the overseas offices are tasked with helping with exports and helping Welsh companies that want to export into particular markets.

[120] **Eluned Parrott:** If a company comes to you that is hoping to address the market in a country that you don't have links with and where you don't have trade missions, but they want some bespoke help with their business in order to address this market, what kind of service can they expect from the Welsh Government? What's available to them?

[121] **The First Minister:** In those markets where we don't have our own offices, we would work with UKTI in order to provide that, and we would seek UKTI's expertise in those countries. So, what we look to do with the overseas offices is to add to what UKTI already does in those countries, but, where we don't have a presence, UKTI, then, are able to advise.

[122] **Eluned Parrott:** Finally from me, it was suggested over our breakfast that, actually, UK trade has a very good reputation overseas. What more could the Welsh Government be doing to promote Wales as being part of the UK to piggyback on the success of what is one of the top 10 economies in the world?

[123] **The First Minister:** Well, we do that via the work that we do with UKTI. It's right to say that, for some investors and some export markets, it is the UK that has the stronger brand. So, for the middle-eastern countries, that's very true, for example, in terms of their perception of the UK. But there are some products that we have that don't benefit from a UK brand. The last thing we'd do is to brand lamb as 'British lamb'; it doesn't have any kind of meaning. 'Welsh lamb' does and so, in the food and drink sector, particularly, branding food and drink as Welsh is important in terms of the way that we sell food and drink. In other markets, it isn't as important. For example, if we look at the market for renewable energy, if we look at the tech market, being Welsh doesn't have any value in terms of that export market. So, we have to tailor what we offer and tailor our message according to what the market's perceptions are.

11:15

[124] **Eluned Parrott:** Okay. Thank you very much.

[125] **David Melding:** First Minister, if you don't know the details of this, you can write to us, or perhaps a colleague will know. We were told at breakfast that the position of head of inward investment in the Welsh Government has recently been made redundant.

[126] **The First Minister:** Of what, sorry?

[127] **David Melding:** The head of inward investment in the Welsh Government has been made redundant.

[128] **The First Minister:** Not that I'm aware of, no.

[129] **David Melding:** Okay. Well, perhaps you'll write to us if that person—or the position, rather—has been made redundant. We were told that at the business breakfast.

[130] **The First Minister:** Do you know the person's name?

[131] **David Melding:** I think it's the position, rather than the person, that we are enquiring about, and the priority you place on inward investment, given that it is a Government function, rather than being at arm's length, as it would have been under the Welsh Development Agency. Perhaps we can write and clarify that issue.

[132] I do have a question from Neil Cocker, who asks:

[133] 'How does the Welsh Government balance attracting knowledge-economy jobs, which come with higher GVA, with manufacturing jobs, which are arguably less sustainable and potentially shorter term but come with higher numbers and political visibility?'

[134] That is a good question, I would say.

[135] **The First Minister:** I think it's an artificial divide. A lot of jobs in the digital economy are, to my mind, manufacturing jobs. You don't have to physically make something you can hold in your hands or physically perceive in order for it to be manufacturing. Arguably, software production is a kind of manufacturing. So, I don't think that that divide is as absolute as people think it is. In many areas of manufacturing, actually they do attract high rates



of pay, because they're quite specialised in terms of the engineering skills that are required. From our point of view, we welcome both, obviously. We have developed the digital economy. We see what's happening in Cwmbran, in Sony outside Bridgend, companies like Appnovation in the Rhymney valley, a Canadian company that is coming to Wales because they're happy with Wales, they see the skills that they need in Wales. But, of course, if you look at aeronautics and if you look at automotive, they are, perhaps, the more traditional forms of manufacturing, yet they still offer high rates of pay. So, I don't think it's a question of having to balance the two; I think the two of them actually, broadly, work together.

[136] **David Melding:** Okay. Our next set of questions will look in more detail at the Welsh Government's offices overseas, and how they promote trade and tourism, and I'll ask Paul Davies to take us through these questions.

[137] **Paul Davies:** Diolch yn fawr iawn, Gadeirydd. A gaf fi yn gyntaf, Brif Weinidog, ddod â chi yn ôl i beth roeddech yn sôn amdano yn gynharach? Hynny yw, ail-frandio Cymru. Rydych chi wedi ei wneud yn glir heddiw, wrth gwrs, bod yr ail-frandio y mae Edwina Hart wedi bod yn sôn am yn parhau. A ydych chi'n teimlo, felly, eich bod chi rhoi'r cart o flaen y ceffyl drwy gyhoeddi'r ddogfen 'Cymru yn y Byd: Agenda Ryngwladol Llywodraeth Cymru', felly, achos nid ydych chi wedi dod i'r casgliad eto pa fath o frandio rydych chi'n mynd i'w wneud dros Gymru?

**Paul Davies:** Thank you very much, Chair. May I first of all, First Minister, take you back to what you were saying earlier? That is, the rebranding of Wales. You've made it clear today, of course, that the rebranding that Edwina Hart has been talking about is ongoing. Do you feel, therefore, that you've put the cart before the horse in publishing the 'Wales in the World: The Welsh Government's International Agenda' document, because you haven't yet arrived at a conclusion about what kind of branding exercise you're going to be doing for Wales?

[138] **Y Prif Weinidog:** Nid wyf yn credu bod hynny'n iawn, achos rydym ni wedi bod yn brandio Cymru trwy'r ymgyrchoedd rydym wedi eu cael—rwyf wedi sôn am rai ohonynt yn barod, ac, wrth gwrs, mae'r ddogfen ei hunan yn rhan o ystyried rôl Cymru yn y byd. Fel y gwnaeth Manon sôn, mae logo yn un peth,

**The First Minister:** I don't think that's the case, because we have been branding Wales through the campaigns that we've had—I've mentioned some of them already, and, of course, the document itself is part of the consideration of Wales's role in the world. As Manon said, a logo is one thing, but branding is

ond mae brand yn rhywbeth hollol wahanol. Mae logo yn rhywbeth sy'n gallu parhau, ond mae brand yn mynd i newid dros y blynyddoedd. Felly, nid wyf yn derbyn ein bod ni wedi gwneud hynny.

[139] **Paul Davies:** Mae'r ddogfen y gwnaethoch gyhoeddi rai misoedd yn ôl, wrth gwrs, yn strategaeth gadarn i Lywodraeth Cymru. Rydych chi wedi dweud eich bod chi wedi bod yn llwyddiannus dros y blynyddoedd diwethaf yn marchnata Cymru; pam ych chi wedi cyhoeddi'r ddogfen yma, felly? A ydych chi wedi newid cyfeiriad, i raddau, wrth gyhoeddi'r ddogfen yma yn y lle cyntaf?

[140] **Y Prif Weinidog:** Na, dim o gwbl. Rydym ni'n moyn sicrhau ein bod ni'n dal i lwyddo ynglŷn â denu mwy o bobl i mewn fel twristiaid, a denu mwy o fuddsoddiad i mewn i Gymru, ac mae'r ddogfen ei hunan yn rhan o'r broses o sicrhau bod hynny'n parhau.

[141] **Paul Davies:** Roeddech yn sôn yn gynharach hefyd am wella seilwaith er mwyn denu mwy o fuddsoddiad yma i Gymru, ac rwy'n cytuno'n fawr iawn â chi; rwy'n credu bod yn rhaid inni wella seilwaith Cymru er mwyn denu mwy o fuddsoddiad yma. A allwch chi felly ehangu ar hynny? Sut y mae prosiectau gwella seilwaith Llywodraeth Cymru yn ffitio i mewn gyda strategaeth marchnata Cymru dramor?

entirely different. A logo is something that can remain, but a brand will evolve over a period of years. So, no, I don't accept that we've done that.

**Paul Davies:** The document that you published a few months ago is, of course, a robust strategy for the Welsh Government. You have said that you have been successful over the past few years in marketing Wales; why have you published this document, then? Have you changed direction, to some extent, in publishing this document in the first instance?

**The First Minister:** Not at all, no. We want to ensure that we continue to succeed in attracting more tourists and attracting inward investment into Wales, and the document itself is part of the process of ensuring that that continues.

**Paul Davies:** You mentioned earlier improving infrastructure to attract greater investment into Wales, and I agree very much with you; I think we do need to improve infrastructure in Wales in order to attract greater inward investment. Can you, therefore, expand on that? How do infrastructure improvement projects fit in with foreign marketing?

[142] **Y Prif Weinidog:** Mae'r ddau yr un peth; mae'r ddau yn gweithio gyda'i gilydd. Rydym ni'n moyn sicrhau, wrth gwrs, ein bod ni'n marchnata Cymru yn gryf dramor, ac mae'r agwedd sydd gyda pobl tuag at Cymru yn bwysig dros ben ynglŷn â gwneud hynny.

[143] **Paul Davies:** Ond a oes gennych chi brosiectau seilwaith mawr sydd yn ffitio mewn gyda'ch strategaeth marchnata chi sydd yn mynd i ddenu mwy o fuddsoddiad o dramor?

[144] **Y Prif Weinidog:** Beth rydym ni wedi bwysleisio, wrth gwrs, yw sectorau o'r economi lle rydym yn gryf yn barod. Mae'n llawer mwy anodd i fynd at fuddsoddwr a dweud, 'Dewch i Gymru, ond nid oes dim byd yng Nghymru sydd yn agos at beth rydych chi'n ei gynhyrchu ar hyn o bryd, felly allwn ni ddim dweud wrthoch chi bod y sgiliau gennym ni yn barod'. Felly, rydym wedi canolbwyntio ar sectorau rwyf wedi sôn amdanynt—rwyf wedi sôn am *aeronautics*, er enghraifft; gwyddorau bywyd, hefyd—lle rydym yn gallu dweud wrth bobl, 'Mae yna gwmnïau fel chi yng Nghymru yn barod, felly nid oes rhaid i chi bryderu am y sgiliau—mae'r sgiliau yna', ac mae'n rhwyddach wedyn i ddenu buddsoddiad i mewn. Rydym yn siarad am sectorau, wrth gwrs, sydd yn llwyddiannus a sectorau lle mae'r lefel o dâl yn uchel.

**The First Minister:** They are the same; they go hand in hand. We want to ensure, of course, that we market Wales strongly abroad, and people's perception of Wales is extremely important as we do that.

**Paul Davies:** But do you have major infrastructure projects that fit in with your marketing strategy that are going to attract greater inward investment?

**The First Minister:** What we've emphasised, of course, is those sectors of the economy where we're already strong. It's far more difficult to approach an investor and say, 'Come to Wales, but we have nothing in Wales close to what you're producing at the moment, so we can't say that we already have those skills'. So, we're concentrating on the sectors that I've mentioned—*aeronautics*, for example, and *life sciences*—where we can tell people, 'We have companies similar to yours in Wales already, so you don't have to be concerned about the skills—they're already in place', and then it's easier to attract investment. We're talking of sectors that are successful and sectors where pay is relatively high.

[145] **Paul Davies:** Nawr, er mwyn marchnata Cymru, mae pobl fel fi, wrth gwrs, yn cynnig y dylai'r cyfrifoldebau hynny gael eu rhoi yn ôl i'r diwydiant, ac efallai greu corff hyd braich oddi wrth Llywodraeth Cymru. A fyddai hynny yn rhywbeth y byddech yn ei ystyried?

**Paul Davies:** Now, in order to market Wales, people like myself, of course, do propose that those responsibilities should be given back to the industry itself, and perhaps create a body at arm's length from the Welsh Government. Is that something that you would consider?

[146] **Y Prif Weinidog:** Na, achos ni fyddwn yn moyn mynd yn ôl i ddyddiau'r WDA. Roedd y WDA yn ei anterth 25 mlynedd yn ôl. Os edrychwch chi ar y lefel o fuddsoddiad oedd yn dod i mewn i Gymru ar ôl canol y 1990au i ganol y ddegawd ddiwethaf, roedd wedi cwmpo'n sylweddol. Nawr rydym yn gweld bod pethau yn gwella. A beth oedd yn digwydd hefyd oedd nad oedd digon o gysylltiad rhwng swyddfeydd y Llywodraeth a swyddfeydd y WDA. Weithiau, roedd yna broblemau lle nad oedd y WDA yn dweud wrth y Llywodraeth beth roedden nhw'n ei wneud; gwelais i hynny sawl gwaith. Nid felly yw'r ffordd i roi'r argraff i bobl ein bod ni'n ynghyd fel Llywodraeth yn y ffordd rydym yn denu buddsoddiad i mewn, ac, wrth gwrs, hybu Cymru dramor.

**The First Minister:** No, because I wouldn't want to go back to the days of the WDA. The WDA was at its height 25 years ago. If you look at the level of investment coming into Wales between the mid-1990s and the middle of the last decade, it had fallen significantly. We now see that things are improving. What was also happening was that there wasn't sufficient linkage between Government offices and WDA offices. There were occasional problems where the WDA wasn't telling Government what they were doing; I saw that many times. That isn't the way to give people the impression that we have a co-ordinated approach as a Government in the way in which we attract investment in, and promote Wales abroad.

[147] **Paul Davies:** Felly, rydych chi'n credu fel Llywodraeth eich bod yn gallu marchnata Cymru yn llawer gwell nag efallai'r diwydiant ei hun.

**Paul Davies:** So, you believe as a Government that you can market Wales in a much better way than, perhaps, the industry itself.

[148] **Y Prif Weinidog:** Mae'r diwydiant yn rhan o hynny; nid yw'n

**The First Minister:** The industry is part of that; it's not true to say that

wir i ddweud nad ydym ni fel Llywodraeth yn siarad â'r diwydiant ac nad ydym yn cymryd unrhyw sylw o'r diwydiant. Fel y gwnaeth Manon sôn amdano, rydym yn siarad gyda'r diwydiant trwy'r amser, ac, wrth gwrs, yn cymryd eu barn nhw a gweithio gyda nhw, yn yr un ffordd efallai ag oedd y WDA ar un adeg. Felly, nid yw'n iawn i ddweud ein bod ni fel Llywodraeth yn cymryd penderfyniadau heb ofyn i na gwranddo ar fyd busnes—mae hynny'n hollbwysig i beth rydym yn ei wneud.

[149] **Paul Davies:** Mae gyda chi fel Llywodraeth 14 o swyddfeydd tramor mewn saith o wledydd yn y byd, sydd yn helpu marchnata Cymru. A allwch chi gadarnhau swyddogaeth a rolau penodol y swyddfeydd hyn?

[150] **Y Prif Weinidog:** Gallaf. Os edrychwn ni ar y swyddfeydd eu hunain, yr un fwyaf yw Brwsel. Mae Brwsel, wrth gwrs, yn delio â materion Ewropeaidd. Mae'n rhaid i ni gael swyddfa ym Mrwsel o achos y ffaith, er enghraifft, yn y byd amaeth, ein bod bron bod yn wlad annibynnol ynglŷn â pholisi amaeth. Felly, mae'n bwysig dros ben bod gyda ni swyddfa fanna er mwyn dylanwadu ar beth sy'n digwydd yn y byd amaeth. Mae Brwsel hefyd â chyfrifoldeb nawr i weithio fel corff i ddenu buddsoddiad i mewn i Gymru, ac i helpu'r rheini sydd eisiau allforio i'r cyfandir yn gyfan gwbl.

[151] Ar ben hynny, mae gennym ni

we as a Government don't speak to the industry and take no notice of the industry. As Manon's mentioned, we speak to the industry all the time, and, of course, we take on board their views and we work with them, in the same way as the WDA did at one time. So, it isn't true to say that we as a Government take decisions without consulting the business world—that's crucial to everything that we do.

**Paul Davies:** You have as a Government 14 foreign offices in seven countries worldwide to assist in the work of marketing Wales. Can you confirm the specific functions and roles of these offices?

**The First Minister:** Yes. If we look at the offices themselves, the largest of them is in Brussels. Brussels, of course, deals with European issues. We do have to have an office in Brussels because of the fact that, for example, in agriculture, we are almost an independent nation in terms of agricultural policy. So, it's extremely important that we do have an office there to bring influence to bear on what happens in agriculture. Brussels also now has the responsibility of working to attract investment into Wales, and to assist those who want to export to the continent of Europe.

In addition to that, the United States

yr Unol Daleithiau, sy'n bwysig dros ben fel y wlad sydd yn buddsoddi fwyaf yng Nghymru, a swyddfeydd dros y wlad honno—Tsieina, India, Japan, Dubai ac Iwerddon hefyd. Y rheswm pam rydym wedi dewis y llefydd yna i gael swyddfeydd yw rydym yn gwybod bod yna lot fawr o fuddsoddwyr yn barod yn y gwledydd yna, ac rydym yn gallu ychwanegu at beth mae UKTI yn ei wneud. Beth sydd wedi newid dros y pum mlynedd diwethaf yw, bum mlynedd yn ôl, bach iawn o gydweithio oedd â UKTI; mae hynny wedi newid yn gyfan gwbl, ac mae UKTI a hefyd pob llysgenhadaeth rydym wedi delio â nhw yn gefnogol iawn i beth rydym yn drio ei wneud.

[152] **Paul Davies:** Rwy'n sylwi bod costau cynnal y swyddfeydd yma wedi codi yn sylweddol dros y flwyddyn neu ddwy ddiwethaf. A allwch chi ddarparu tystiolaeth ar sut mae pob swyddfa yn rhoi gwerth am arian i ni fel trethdalwyr?

[153] **Y Prif Weinidog:** Wrth weld lefel y buddsoddiad sydd yn dod mewn, a rhoi modd i Gymru i weithio yn y ffordd y mae'r Alban yn gwneud, yn y ffordd mae Iwerddon yn gwneud, a sicrhau ein bod yn cael buddsoddiad mewn i Gymru. Rydym wedi gweld y ffigurau buddsoddiad sydd wedi dod i mewn i Gymru yn ddiweddar; rydym wedi gweld lefel y twristiaeth, sydd wedi codi. Os nad ydym ni yna, yn sicrhau ein bod ni'n gwerthu Cymru, wnaiff neb arall e yn

are very important as the major investor in Wales, and we have offices across the USA—China, India, Japan, Dubai and Ireland also have offices. The reasons why we've chosen those particular locations for our offices is that we know that there are a great many investors already in those countries, and we can actually add value to what UKTI is doing. What's changed over the past five years is that, five years ago, there was very little collaboration with UKTI; that's changed entirely, and UKTI and all the embassies that we've worked with are very supportive of what we're trying to do.

**Paul Davies:** I notice that the costs of maintaining these offices has increased significantly over the past year or so. Could you provide evidence on how every office provides value for money to us as taxpayers?

**The First Minister:** In seeing the level of investment coming in, and providing a means for Wales to work in the way that Scotland does, in the way that Ireland does, and ensuring that we attract investment into Wales. We've seen the investment figures that have come in to Wales recently; we have seen the levels of tourism, which have increased. If we are not there, ensuring that we're selling Wales, nobody else will do it in the same way.

yr un ffordd.

[154] **Paul Davies:** Rwy'n sylwi, o'ch sylwadau yn gynharach hefyd, fod yr Almaen yn farchnad sy'n cael ei blaenoriaethu o safbwynt twristiaeth. Pam nad oes gyda chi swyddfa fan hynny?

**Paul Davies:** I notice, from your earlier comments as well, that Germany is a market that is prioritised in terms of tourism. Why don't you have an office there?

[155] **Y Prif Weinidog:** Ddim eto. Mae hyn yn rhywbeth rydym yn ei ystyried ar hyn o bryd. Beth rydym yn ei ystyried pan fyddwn yn edrych ar y swyddfeydd yw, os ydym eisiau ehangu'r gwasanaeth sy'n cael ei wneud drwy'r swyddfeydd, fod dau beth i'w hystyried. Yn gyntaf, a ydych chi'n cryfhau'r swyddfa sydd yna'n barod, neu a ydych chi'n agor swyddfa newydd yn rhywle hollol newydd? Rydym ni wedi siarad â Gweriniaeth Iwerddon am hyn. Er eu bod nhw'n wlad annibynnol, mae'r un cwestiynau'n codi gyda nhw achos eu bod nhw'n wlad mor fach. Rydym ni wedi cymryd eu cyngor nhw. Ac, hefyd, rydym wedi comisiynu astudiaeth gan y Sefydliad Polisi Cyhoeddus i Gymru er mwyn iddyn nhw ei ystyried e'n annibynnol i weld a ydy'r strategaeth rydym yn ei dilyn ar hyn o bryd yn un sy'n effeithiol. Maen nhw wedi dweud ei bod hi.

**The First Minister:** Not yet. It is something that we're considering at present. What we consider when we look at these offices is, if we want to enhance the service provided through these offices, that there are two things that need to be considered. First, do you strengthen an existing office, or do you open a new office in an entirely new location? We have spoken to the Republic of Ireland about this. Although they are an independent nation, the same questions arise for them because they are such a small nation. We have also taken their advice. And, also, we have commissioned a study by the Institute of Public Policy for Wales so that they can consider it independently to see whether the strategy that we are following at present is an effective one. They've said that it is.

[156] Felly, lan i nawr, rydym ni wedi ailagor Dulyn; rydym ni wedi sicrhau bod Brwsel yn swyddfa sydd â rôl economaidd a rôl masnachol, nad oedd yn iawn o'r blaen. Mae San Francisco yn hollbwysig, ynglŷn â'r buddsoddiad sy'n gallu dod mewn o

So, to date, we've reopened in Dublin; we've ensured that Brussels is an office that has an economic role and a commercial role, which wasn't the case in the past. San Francisco is crucially important, in terms of the investment that could come in from

Silicon Valley yn enwedig. Felly, beth rydym yn ei wneud yw ystyried lle y gallwn ni, wrth weithio gyda UKTI, ychwanegu at y neges i werthu Cymru a thynnu buddsoddiad i mewn i Gymru.

[157] **Paul Davies:** A fydddech chi hefyd, fel Llywodraeth, yn fodlon ymrwymo i gyhoeddi gwybodaeth benodol am bob swyddfa dramor, er mwyn sicrhau ein bod ni'n gallu gweld eu bod nhw yn werth am arian?

[158] **Y Prif Weinidog:** Nid oes dim problem gyda hynny. Rwy'n credu y byddai'n beth hynod o wael pe ne bai un swyddfa gyda ni yn unman yn y byd, a'r Alban â 42. Un o'r pethau gorau sydd wedi digwydd i ni yw gweld yr asiantaethau anturiaeth yn Lloegr yn cau i lawr. Mae hynny wedi tynnu un lefel o gystadleuaeth bant oddi wrthym ni, ac mae hynny wedi bod yn help mawr i ni o ran y ffaith nad oes neb yna i siarad am ranbarthau Lloegr. Ond, mae'n bwysig dros ben bod gyda ni swyddfeydd, ddim ym mhobman yn y byd, ond yn y llefydd yn y byd lle mae gwerth i ni ynglŷn â thynnu buddsoddiad mewn. Ac rydym wedi cael buddsoddiad i mewn i Gymru o achos y gwaith rydym wedi'i wneud trwy ein swyddfeydd ni.

[159] **Paul Davies:** Ac rydych chi'n credu bod cael y swyddfeydd yma yn llawer gwell na defnyddio'r arian efallai mewn ffyrdd eraill?

Silicon Valley in particular. So, what we are doing is considering where we can, working with UKTI, add value in terms of the message of selling Wales and attracting investment into Wales.

**Paul Davies:** Would you, as a Government, also be willing to commit to publishing specific information about every office abroad, to ensure that we can see that they do provide value for money?

**The First Minister:** There is no problem with that. I think it would be extremely detrimental if we had no offices anywhere in the world, while Scotland has 42. One of the best things that's happened to us is to see the enterprise agencies in England closing down. That has removed one layer of competition from us, and that's been of great assistance to us in terms of the fact that there is nobody there to talk about the English regions. But, it is extremely important that we do have offices, not all over the world, but in those places in the world where we can add value in terms of attracting investment. And we have brought investment into Wales as a result of the work that we've done through those offices.

**Paul Davies:** And you believe that having these offices is much better than using the funding perhaps in other ways?



[160] **Y Prif Weinidog:** Fel beth?

**The First Minister:** Like what?

[161] **Paul Davies:** Gweithio efallai yn agosach gyda VisitBritain, er enghraifft, neu ddefnyddio'r arian mewn ffyrdd gwahanol.

**Paul Davies:** Working more closely perhaps with VisitBritain, for example, or using funding in a different way.

[162] **Y Prif Weinidog:** Mae hynny'n meddwl nad ydym yn gwerthfawrogi unrhyw fath o Gymreictod dramor; ein bod ni'n rhan o Brydain ond nad oes dim i'w ychwanegu ynglŷn â Chymru. Nid wyf yn derbyn hynny o gwbl. Mae'n rhaid i ni sicrhau—

**The First Minister:** That means that we do not appreciate any kind of Welsh identity abroad; that we're part of Britain but that there's nothing to add about Wales. I don't accept that at all. We have to ensure—

[163] **Paul Davies:** Nid wyf yn dweud hynny, wrth gwrs, ond—

**Paul Davies:** I'm not saying that, of course, but—

[164] **Y Prif Weinidog:** Un o'r problemau sydd gyda ni yw nad yw pobl yn gwybod cymaint am Gymru â'r Alban a Iwerddon. Mae'n bwysig dros ben felly fod gyda ni swyddfeydd lle rydym yn gallu gwerthu Cymru mewn marchnadoedd sydd yn bwysig dros ben. Mae America yn un o'r marchnadoedd hynny. Mae'r Alban â mwy o swyddfeydd na ni, ac mae'n rhaid i ni ystyried ym mha ffordd y gallwn ni ymestyn y niferoedd sydd yn gweithio yn y swyddfeydd yn y pen draw; nid yw'r rhwydd ar hyn o bryd o achos y sefyllfa ariannol. Ond, mae'n bwysig dros ben, gyda thwristiaeth, fod gyda ni ffordd o werthu Cymru yn ychwanegol i'r hyn y mae VisitBritain yn ei wneud.

**The First Minister:** One of the problems that we have is that people don't know as much about Wales as they do about Scotland and Ireland. It's very important that we have offices where we can sell Wales in markets that are extremely important to us. America is one of those markets. Scotland has more offices than we do, and we have to consider in what way we can enhance the numbers working in those offices in the long run; it's not easy at present because of the financial climate. But, it is extremely important, with tourism, that we have a means of selling Wales over and above what VisitBritain does.

[165] Un peth y mae'n rhaid ei bwysleisio yw ein bod ni'n gweithio'n

One thing that needs to be emphasised is that we work closely

agos gyda UKTI. Mae sawl swyddfa i fewn gyda UKTI er mwyn gweithio'n agos gyda nhw. Ond, petaen nhw ddim yna, nid wyf yn credu y byddai gan UKTI yr un agwedd at Gymru. Mae'n rhaid cael rhywun yno i sicrhau bod UKTI yn sylweddoli bod Cymru yno, yn enwedig wrth gofio, mewn rhai swyddfeydd, fod UKTI yno a'r Alban yno. Petai Cymru ddim yno, pwyl fyddai'n cael y buddsoddiad? Nid ni fel Cymru.

[166] **Paul Davies:** Rydych chi wedi ei gwneud hi'n glir bod y swyddfeydd tramor yma yn gweithio i hyrwyddo cwmnïau Cymreig, eu cynhyrchion a'u gwasanaethau, ac, hefyd, i gefnogi'r rhai sy'n edrych i fentro i farchnadoedd newydd. A allwch chi roi rhai enghreifftiau penodol sydd wedi arwain at gynnyrch Cymreig sy'n dod i'r amlwg mewn marchnadoedd newydd?

[167] **Y Prif Weinidog:** Un enghraifft y gallaf ei rhoi yw cig oen o Gymru yn Dubai. Cafodd hynny ei wneud drwy'r swyddfa yn Dubai. Pe na bai swyddfa gyda ni yn Dubai, ni fyddai'r cig yno nawr. Roedd hyn o achos y ffaith ein bod ni wedi mynd—wel, fi oedd y Gweinidog ar y pryd—i Dubai. Roedd yna waharddiad ar fewnforio cig oen i'r Emirates—o Ewrop yn gyfan gwbl. O achos y gwaith wnaethom ni, cafodd y gwaharddiad hwnnw ei godi i Gymru. Nawr, digwyddodd hynny o achos y ffaith bod gyda ni swyddfa yno. Dyna un enghraifft.

with UKTI. Many offices are co-located within UKTI so that they can work closely with them. But, if they weren't there, I don't think UKTI would have the same attitude towards Wales. We need someone there to ensure that UKTI realises that Wales is there, particularly bearing in mind that, in some offices, the UKTI and Scotland are there. If Wales wasn't there, who would get the investment? It wouldn't be Wales.

**Paul Davies:** You've made it clear that these overseas offices are working to promote Welsh companies, their products and services, and, also, to support those who are looking to venture into new markets. Can you give us specific examples that have led to Welsh produce coming to the fore in new markets?

**The First Minister:** One example I can give is lamb from Wales in Dubai. That was done through our Dubai office. If we had no office in Dubai, that meat would not be there now. It was due to the fact that we went—well, I was the Minister at the time—to Dubai. There was a ban on the import of lamb into the Emirates—from the whole of Europe. Because of the work that we did, that ban was lifted for Wales. Now, that happened because of the fact that we had an office there. That's one example.

11:30

[168] Ac rydym wedi gweld, er enghraifft, y datblygiadau fel CGI ym Mhen-y-bont. Cafodd hynny ei weithio arno gan swyddfeydd yng ngogledd America. Mae gyda ni gwmnïau fel Raytheon, er enghraifft, sydd yn y gogledd-ddwyrain. Maen nhw'n agos i Washington, maen nhw'n gweithio gyda'n swyddfa ni yn Washington ac yn gwerthfawrogi'r ffaith bod gyda nhw rywun y maen nhw'n gallu siarad â nhw sydd yn cynrychioli Llywodraeth Cymru.

And we have seen, for example, developments such as CGI in Bridgend. That was worked on by offices in north America. We have companies such as Raytheon, for example, which is in the north-east. They are close to Washington, they work with our office in Washington, and they appreciate the fact that they have someone who they can speak to representing the Welsh Government there.

[169] **Paul Davies:** A allwch chi esbonio i ni sut mae cwmnïoedd bach, yn enwedig, yn gallu gweithio gyda'r swyddfeydd tramor yma er mwyn sicrhau bod y swyddfeydd tramor yma yn hyrwyddo eu cynnyrch nhw?

**Paul Davies:** Can you explain to us how small companies, in particular, can work with these overseas offices in order to ensure that these overseas offices are promoting their products?

[170] **Y Prif Weinidog:** Dyna'i gyd maen nhw'n gorfod ei wneud yw cysylltu â swyddogion Llywodraeth Cymru yng Nghymru. Byddan nhw wedyn yn cael eu pwyntio at y swyddfeydd sydd â'r rôl i'w helpu nhw, ac, wrth gwrs, mae llawer o gwmnïau wedi dod ar *trade missions* i'r gwledydd hynny. So, mae yna ffyrdd i helpu cwmnïau bach er mwyn iddyn nhw allu allforio i wledydd newydd.

**The First Minister:** All they need to do is to contact Welsh Government officials in Wales. They will then be pointed in the right direction, in terms of the offices that can best assist them, and, of course, many companies have been on our trade missions to those nations. So, there are ways and means of assisting small businesses so that they can export to new markets.

[171] **Paul Davies:** A allwch chi ddweud wrthym ni hefyd fwy am y graddau o annibyniaeth a roddwyd i'r staff sydd wedi eu lleoli yn y

**Paul Davies:** Can you also tell us more about the degrees of autonomy that have been given to the staff located in the overseas offices? What

swyddfeydd tramor? Pa fath o benderfyniadau y maent wedi eu grymuso i'w cymryd?

kinds of decisions are they empowered to take?

[172] **Y Prif Weinidog:** Wel, bydden nhw ddim yn cymryd penderfyniadau eu hunain. Eu rôl nhw yw sicrhau eu bod nhw'n gweld pa ddiddordeb sydd gan gwmnïau i fuddsoddi, a helpu cwmnïau i allforio hefyd. Os oes unrhyw benderfyniad yn gorfod cael ei wneud, bydden nhw'n cysylltu â'r person y maen nhw'n delio â nhw yng Nghaerdydd—ac maen nhw wastad yn delio â'r un tîm yng Nghaerdydd—ac, wrth gwrs, pe bai eisiau cael, wedi hynny, penderfyniad gan Weinidog. Ond nid yw hynny'n hala amser hir.

**The First Minister:** Well, they wouldn't take those decisions themselves. Their role is to ensure that they identify companies that are interested in investment, and also to help Welsh companies to export. If any decisions needed to be made, they would then contact the person that they deal with in Cardiff—and they're always dealing with that same team in Cardiff—and then, of course, if a ministerial input were required, that would happen. But that doesn't take too long.

[173] **Paul Davies:** Nid yw'r broses honno yn hir o gwbl, nac ydyw?

**Paul Davies:** So, that process isn't long at all, is it?

[174] **Y Prif Weinidog:** Na. Cyn 2011, pan oedd yna Weinidog newydd ac fe gymerais i ran o hwn—y swyddfeydd tramor—yn groes, beth oedd yn digwydd weithiau oedd y byddai'r staff yn y swyddfeydd yn cysylltu â rhywun yng Nghaerdydd, neu yn Nhrefforest, ond â pherson gwahanol bob tro. Mae hynny wedi newid; maen nhw nawr yn cysylltu'n uniongyrchol, ac mae popeth maen nhw'n ei wneud ar fy nesg i hefyd. So, maen nhw'n gwybod fy mod i'n gwybod hefyd beth maen nhw'n ei wneud, sy'n eu helpu nhw. Achos, mae'n rhaid iddyn nhw wybod bod popeth y maen nhw'n ei wneud yn cael sylw gan y Prif Weinidog.

**The First Minister:** No. Before 2011, when a new Minister was appointed and I took responsibility for some of this—the offices abroad—what occasionally happened was that staff in the offices would contact somebody in Cardiff, or in Treforest, but it was a different person each time. That has changed; now they actually contact directly, and everything that they do ends up on my desk too. So, they know that I also know what they're doing, and that helps them. Because they need to know that everything that they do is actually overseen by the First Minister.

[175] **Paul Davies:** Ac un cwestiwn olaf oddi wrthyf fi, Gadeirydd: sut mae ymweliadau gan Weinidogion a'r rhaglen ar gyfer teithiau masnach yn ymwneud â strategaeth Cymru yn y byd?

[176] **Y Prif Weinidog:** Wel, ar hyn o bryd, y nod yw ein bod ni'n mynd i America bob blwyddyn—fy mod i'n mynd i America bob blwyddyn—yn enwedig i Washington. Mae yna achlysur yr ydym ni'n ei gynnal ar Capitol Hill bob blwyddyn er mwyn codi ymwybyddiaeth am Gymru fanna hefyd. Yn y gorffennol, roeddem ni'n tueddu wedyn i fynd i Philadelphia a New York; rwyf wedi bod hefyd i California, a hefyd i Siapan. So, rwyf i wedi bod i bob un o'r gwledydd sydd yn bwysig o ran buddsoddiad yng Nghymru.

[177] Ac mae hynny'n bwysig dros ben, achos, i fod yn onest, os oes gyda chi Brif Weinidog sydd yn arwain *trade mission*, mae'n agor mwy o ddrysau—mae mwy o wleidyddion eisiau cwrdd â *trade mission*, ac mae mwy o gwmnïau yn cymryd sylw. Felly, y nod yw, lle rydym yn mynd i wlad sy'n bwysig dros ben o ran buddsoddiad, fi fyddai'n arwain y *mission* hynny, ac weithiau, wrth gwrs, byddai Edwina yn gwneud hynny yn ei rôl hi fel Gweinidog.

[178] **Paul Davies:** Diolch.

**Paul Davies:** And one last question from me, Chair. How do visits by Ministers and the programme for trade missions relate to the Wales in the world strategy?

**The First Minister:** Well, at present, the aim is that we go to the USA annually—that I go to the USA annually—particularly to Washington. There is an event that we hold on Capitol Hill annually in order to raise awareness of Wales there as well. Now, in the past, we tended then to go to Philadelphia and New York; I've also been to California, and also to Japan. So, I've been to all of those nations that are important in terms of inward investment into Wales.

And that's very important, because, to be honest, if you do have a First Minister who leads a trade mission, then it opens more doors—more politicians actually want to engage with that trade mission, and more companies will take note. So, the aim is that, when we go to a very important country in terms of inward investment, then it would be me who would lead that mission, and occasionally, of course, Edwina would do that in her role as Minister.

**Paul Davies:** Thank you.

[179] **David Melding:** Jocelyn, did you still want to follow up on that?

[180] **Jocelyn Davies:** Well, just a follow up on the WDA points—and there are many competing theories as to what caused the demise of the WDA, but I don't want to go into that. But, there's no doubt that the WDA contained experts in business and specialists, and, certainly, when you're talking about giving support to businesses, they do like support off other people who know what they're talking about. So, how can you be confident, now that it's been brought into Government, that the officials who are offering support, guidance and advice to businesses, and to Ministers, actually have the skills, knowledge and experience needed to carry out that competently?

[181] **The First Minister:** Some of the people are ex-WDA, who worked for the WDA—

[182] **Jocelyn Davies:** But they can't stay forever, can they? Sooner or later, they—

[183] **The First Minister:** No, that's true, but we know that businesses are saying to us that they feel that they are supported by Government. We encourage people to come into the civil service from outside—that's important—and for there to be an exchange between the private sector and the public sector. It's important, if you're in government—and you'll know this yourself—that you know what people are doing.

[184] **The First Minister:** I had part of the WDA in my remit when I was rural affairs Minister and it was difficult to make them understand that they were actually answerable to anybody. That was part of the problem that occurred at that time. But I'm confident, with the teams that we have and the figures that I mentioned earlier on, that we're getting it right. Things can always be improved on, of course, but we're getting it right in terms of the advice that we're giving.

[185] **Jocelyn Davies:** And you've got a strategy that enables you to replenish that knowledge, expertise and so on once the ex-WDA staff—who are bound to, sooner or later—have to leave. Nobody goes on—

[186] **The First Minister:** David Rosser, for example, who's from CBI Wales, is in Government now, as somebody from outside, and I think that's important. If you look, for example, at one of the deputy permanent secretaries, Owen Evans, he was BT. So, we do encourage people to come in from the private

sector and bring their expertise with them.

[187] **Jocelyn Davies:** Okay, thank you.

[188] **David Melding:** First Minister, we've heard throughout the session that, in terms of tourism and trade, England is actually our most important market. I just want to ask a question about our presence in London. London is the premier global city, I think it's fair to say. The whole world, or much of it, goes to London, so it makes sense for our presence in London to be very large, because the reach it gives us is very considerable. I think it's fair to say that our office in Victoria is modest. I know you've been criticised by some even for having that.

[189] **The First Minister:** You should have seen the room we had before.

[190] **David Melding:** But I want to come from a different direction. Should we be much more ambitious? Should we have a cultural and commercial trade embassy in a prestigious location headed by someone of real authority, and also a basis for you to go and do a lot of work in London and be a bigger personality in London to represent Wales there? The invitations to official dinners and the St David's Day reception, or something, in London, ought to be a must-invite for people. Isn't that where we should be going?

[191] **The First Minister:** I think it is a must-attend event. I've been to the last three, if I remember, and there have been hundreds of people there. It's held in Lancaster House, of course, as the office would be too small to host that event. So, that is an event that is certainly very well attended by the diplomatic community particularly.

[192] The London office is still fairly new compared to the other offices. I actually personally went round and saw all the potential locations myself, and we had to balance that against the cost, bluntly. There is a limit. What we might want to do, and what we can do, in terms of the money, are not the same thing, sadly. But I do get reports every month from the London office, and it has been hugely important for us. We had no presence in London before that. That was the problem—one of the world's major cities on our doorstep, but really, after 2011, we didn't have a presence there. But it's an important venue in terms of hosting events, that much is true. We have somebody senior who's based there, and, of course, it is a base for me when I'm in London, and for other Ministers as well.

[193] **David Melding:** Thank you for that response, First Minister. A question now from Jayne Lutwyche: how important is EU membership to Welsh business and tourism, and how would we cope if we withdrew—in terms of, are we preparing strategies for that eventuality?

[194] **The First Minister:** We have unfettered access to a market of 500 million. That's not to be sniffed at. If you lose unfettered access to that market, the effect on Wales would be, to my mind, devastating. We rely on our EU membership as a core part of our message of bringing in investment. Wales is not an attractive place without EU membership. Why would they come here if they could go somewhere else that can access that large market more easily? Why not go to Ireland, for example? Why not go to Germany? Why not go to France? The worry for me is that, first of all, we get more back than we pay in here in Wales. We have 150,000 jobs, roughly, that are reliant on access to that unfettered market. We have companies such as Ford and Tata that are part of a European operation. If you create a barrier of any kind, then you disadvantage the part of the European operation that's outside of the main stream, which is what it would be. Ford, for example, have engine plants in Cologne, in Valencia and in Bridgend. It's a European operation. If there's a barrier between Bridgend and the other plants, the other plants are in the bigger market and, eventually, Bridgend would suffer, I believe, as a result of it.

[195] The other point to remember is that people say to me, 'Well, if we left the EU we wouldn't be bound by the EU's rules'. Of course we would. If you want to export to a market, you have to follow the rules of that market. If we export to the US, we have to follow US rules. So, you end up where Norway is. Norway, of course, is not an EU member, that's true, but Norway has a gigantic sovereign wealth fund, with oil. They saved their money, the UK spent it all, and even for Norway, they are obliged to follow the rules of the European Union in order to export to that market, but they have no control over those rules, and the reality is that there is much to do, I think, to reform the EU and its structures. I'm not arguing that it's a perfect institution, not by any stretch of imagination. Parts of it are obscure. Parts of it are not democratic enough—the same is true of the UK—but I wouldn't argue from my perspective therefore that we should leave the EU on that basis any more than I'd argue that we should leave the UK on that basis.

[196] **David Melding:** Thank you for that response. We'd now like to make some comparisons with other small nations and how they project abroad, and I'll ask Mike Hedges to take us through these questions.



[197] **Mike Hedges:** Can I start off by raising work, instead of in competition with the other European nations and regions, and the other devolved nations, in collaboration with Ireland, or Ireland and Scotland, as a sort of a ‘Celtic visit’? I can see two areas where that would work: golf, where you could come and play in Scotland, Ireland and the two major golf courses in Wales; or culture. I mean, you could visit Dylan Thomas and James Joyce. It’s the opportunity to sort of work with them rather than Ireland trying to get people to come and visit Joyce and us trying to get people visiting Dylan Thomas. We’re a short journey away by ferry. Unfortunately—Paul doesn’t think it’s unfortunate—it has to go into Fishguard now rather than coming directly to Swansea. But, it is an opportunity. Do you see any advantages in doing that?

[198] **The First Minister:** There can be. When it comes to attracting investment, we are in competition. There’s no question about that. But, when it comes to cultural tourism, I think you’re right; there are ways of working together. The reality for us has been that, for many, many years, tourists have come from far-flung destinations and they’ve wanted to come to—the old cliché was that they’d come to London, Stratford and Scotland, and then they’d go to Ireland. They wouldn’t come to Wales. Now, what we’ve tried to do is to present Wales as another nation to tick off, as it were, to come to and stay in, and also spend money in, as part of a general tour of the UK and Ireland. There are a relatively few people who will come from a long-haul destination just to Wales, but it’s important that when they come to this part of the world, they include Wales as part of their trip, and that’s something, certainly, that we’ve been working on. So, I think you’re right; it is possible for us to work with Ireland and, perhaps to a lesser extent, because of the geography, with Scotland in order to attract tourists who’ll come to all three countries, because then, of course, it’s not a matter of competition but of co-operation.

[199] **Mike Hedges:** The point I was making was about golfers, which there seem to be an awful lot of. You could go and play some of the top places in Scotland, then you could go across from Scotland to Ireland, you could play some courses in Ireland, then you could finish off by playing courses in Wales, or do it the other way round, so it gives you a little tour of Britain, playing golf courses. From my experience of golfers, they like to play courses that have been played by the professionals.

[200] **The First Minister:** Yes, that’s true, and our courses in Wales are much cheaper to play on, certainly than the Irish courses, and it’s one of the things

we have been saying to golf tourists: 'You can come to Wales, play on some fantastic golf courses, on a Ryder Cup golf course, somewhere like Royal Porthcawl, where the Senior Open Championship was, but, actually, it's nothing like as expensive as other parts of the world'.

[201] **Mike Hedges:** Another point I was going to make was in terms of inward investment. We're in competition, as you just said a few moments ago, with a whole range of other areas in Europe and, dare I say it, the rest of the world, many of which are saying the same things about having a highly skilled workforce, a lovely place to live, et cetera. What do we do to try and build on the strengths of our universities? I'm thinking of Swansea University, for example, which at one time was a world leader in tribology. So, building on these sorts of strengths in order to attract companies for the benefits of working with world leaders in some of these subjects.

[202] **The First Minister:** Yes, how do you give yourself an edge? The first thing that I've certainly noticed is that, if you go to a country and you speak to companies, and you are a head of government, it makes a tremendous difference to them. It's why the Prime Minister does it. The fact that you've taken the time to go and talk to them is a sign to them that you very much value their presence in Wales. That's important. In fairness to the universities, they themselves have been looking at how they attract students from other markets, the far east being one, India—although, with the perceptions of visa problems, that's been more tricky for them. Ultimately, what our universities are able to demonstrate more and more is the investment in the facilities that people want to see.

11:45

[203] There's a great example up here. We've got the Sêr Cymru scheme, which seeks to attract the best people into particular areas of higher education. What helps with that is having a brand-spanking-new facility in which to operate. The new campus here is a sign not just to the rest of the UK or Europe, but to the world, that Swansea University has made an enormous investment into the engineering campus. There are other universities—. I'm trying not to introduce favouritism here, but other universities are looking to do the same thing because, if you show you're willing to make the investment in bringing the best, you can then show, of course, that you're serious about creating the skills that are needed in the future.

[204] **Mike Hedges:** I have no problem with you talking about Swansea University.

[205] **The First Minister:** I know that. [*Laughter.*]

[206] **Mike Hedges:** There's a Government scheme—and apologies for not remembering the name of it—where we bring world-leading experts into the universities. How can that work towards developing the economy?

[207] **The First Minister:** Yes, Sêr Cymru is what it's called. It works in this way: you bring in world-renowned experts, and they will attract the best researchers; you bring in the best researchers, you attract the best students; you bring in the best students, you can then, of course, make an attractive offer to those students to stay in Wales and use their skills in Wales. Some of them will be Welsh, of course. If you have a very, very strong offer in terms of HE, you'll see two things: investors congregating around that institution and business start-ups. We see it in Cambridge. We see it with Massachusetts Institute of Technology in America—the same thing happening there, where there's that cluster. We see it in Silicon Valley around Stanford, where you've got a university with a particular strength and businesses have congregated around that university because of the skills being developed there, and also there are spin-off businesses being created as a result.

[208] **Mike Hedges:** Would you like to comment on what's happening in Swansea around SA1 in that direction? I'm thinking of a firm called CyDen, for example. It might not be on the scale of Cambridge or MIT, but, certainly, it's moving in the right direction.

[209] **The First Minister:** It is. I mean, there's no reason why we can't replicate that in Wales. The Institute of Life Science here in Swansea—I've seen businesses being set up as a result of the work that's being developed there. Some of it is world leading in terms of the technology that's involved. If I'm honest, I think our universities were slower than universities elsewhere in understanding how important they were to developing skills and developing that kind of high-level research. I think that lesson's been well learned, and there is no difficulty now with our universities in terms of the way they work with industry and the way they develop skills for the future. In Swansea, with the new investment and also with, for example, the Institute of Life Science, we are now seeing those businesses being set up as a result.

[210] **Mike Hedges:** Just to prove I'm not totally parochial, at Glyndŵr

University and the work it does on glass, for example, there are opportunities that exist there. Have you any thoughts on that?

[211] **The First Minister:** Universities can't specialise in everything, but where they specialise in particular areas, we know from the models that exist elsewhere around the world that they will attract businesses onto their doorstep and they will create businesses, start-up businesses, as a result of the work that they do. I've given you three examples there of where that happens.

[212] **David Melding:** Are there any other questions? I've got a couple I need to put you then, First Minister. Pauline Lomax asks: should we try and replicate Ireland's international cultural programme? And then Under the Thatch, which I take it is the name of the twitter feed: look at what Ireland has done with the Wild Atlantic Way project, which has been a huge success, and Wales has a wild coast of its own. I should say that, at the breakfast, we did hear that people felt that there should be a closer connection between cultural and business factors when we are facing the world then, and also even on trade missions. It's a big, big part of what makes us Welsh and what will attract people here, but it's not always integrated. I suppose, in this sense, we've got the great Celtic exhibition going on in the British Museum, and there's a television series as well. I just wonder how involved in that you've been.

[213] **The First Minister:** I'll ask Manon to come in with the detail in terms of what we do with cultural tourism. Ireland has an advantage with its diaspora. It has an advantage in that it's had a very strong image—that's not the same as a brand, but an image—for many, many years. That doesn't mean we give up and go home—of course not—but the advantage is there. They had their homecoming year. They attract a lot of tourists in from the US who have Irish roots. We are now beginning to see Welsh Americans particularly take more interest in their own roots. For years, there's been a North American *cymanfa ganu* that takes place every year. We now have, of course, a Friends of Wales caucus on Capitol Hill, which has 20 members now. So, that's another example of Americans looking at themselves as Welsh Americans as well, and we are building that.

[214] Under the Thatch is a business that rents out cottages of character. I'm not here to advertise for them, but I know what sort of business that they're in, and they've been very successful. From their point of view, they will look to attract tourists in, of course, from the rest of the UK, but they're

right to point out that building the image of Wales in America, particularly, as an important market, is crucial to us. It comes back to what I said about how we had the Ryder Cup. That was hugely important. We have the personalities in the States who've helped us, and we are now seeing, through the example I've given on Capitol Hill, people who are taking more interest in themselves as Welsh Americans, and, in time, a proportion of those people will take an interest in coming to Wales.

[215] **Ms Antoniazzi:** If I could add, Chairman, we did articulate in the tourism strategy two and a half years ago that culture is one of Wales's key competitive advantages, and that is absolutely at the heart of the ongoing development of the Welsh brand, which I alluded to earlier. It's all about the narratives that we tell, and the narrative that we tell there has got to be rooted in a common understanding of who we are, and that's where the culture comes in and the heritage comes in, which are part of my responsibilities as well. We have talked a lot about sporting events this morning. Of course, there are lots of cultural events as well. Cardiff very successfully staged WOMEX two years ago, and we've got fantastic indigenous festivals, like Festival No. 6 and Green Man Festival, that are attracting attention worldwide. We're also working with the British Council very closely. That was a fruitful partnership in terms of the Dylan Thomas centenary. We're taking that ahead next year, celebrating the centenary of the birth of Roald Dahl. That is obviously something that's very well-known around the world. We hope, on the back of that, that that can be a way of really stressing what Wales's competitive advantages are, and building that recognition around the world.

[216] **David Melding:** Have we done anything with the British Museum? Are we taking advantage of that? It's just had worldwide coverage, hasn't it? The Germans and Austrians, in particular, go nuts over things Celtic. So, have we sought to use that?

[217] **Ms Antoniazzi:** Yes, it's more a sort of continental Celtic exhibition about the roots of the Celts, as it were, as opposed to the—. It's a whole PhD thesis about the relationship between them.

[218] **David Melding:** Well, if you watch the first part of the documentary, it kind of turned all that around, saying that, in many ways, there wasn't a diaspora from central Europe; there was much more interaction and movement from the British isles to central Europe. Anyway, the point is not me showing off how much I know about it, but are we using this resource.

You know, the place to come and see that has still extant Celtic symbolisation is Wales, isn't it?

[219] **Ms Antoniazzi:** We earlier touched upon the issue of co-operating with Ireland, and I think that is quite an interesting one because they're developing a historic initiative to describe the east of the country as the ancient east of Ireland. We've got even more ancient Celtic remains in Wales and we want to work with them, for example, in the context of the new European INTERREG programme between Wales and Ireland—I sit on the programme monitoring council for that—to see how we can draw out these opportunities to co-operate. Certainly, when it comes to 2017, which will be our year of legends, I think that is an opportunity to really showcase Wales's heritage and the historical product that we have, and tap into that as an ongoing narrative.

[220] **David Melding:** Okay. Well, I think that's something for us all to reflect on. That brings us to the end of the first part of today's meeting. So, we'll now move on to the second part, which will be much shorter. So, I will have to apply time limits if Members go over. I will not be as indulgent in this part. We did think, First Minister, it was appropriate to take this opportunity to talk about constitutional developments, as we do expect the draft Wales Bill to be published on Tuesday. So, we thought it was going to be a good opportunity to discuss some issues of concern with you—or issues of interest, rather. I shouldn't be pejorative. The first area that we really want to talk about is the negotiations that have been going on between the Welsh and UK Governments. Paul Davies will start this part.

[221] **Paul Davies:** Diolch, Gadeirydd. Mae lot o sôn wedi bod am y Bil drafft yn y cyfryngau. Rydych chi wedi bod yn gwneud sylwadau. Mae ysgrifennydd Cymru wedi bod yn gwneud sylwadau. Sut mae'r trafodaethau'n mynd? **Paul Davies:** Thank you, Chair. There has been much mention of the draft Bill in the media. You have made comments. The Secretary of State for Wales has been making comments. How are the discussions going?

[222] **Y Prif Weinidog:** Wel, nid ydym wedi gweld y Bil eto—dyna'r broblem. Rydym wedi gweld rhan o'r Bil. Rwy'n credu ei bod yn wir i ddweud bod yr Ysgrifennydd Gwladol yn rhannu'r farn na ddylem gwtogi ar bwerau'r **The First Minister:** Well, we have not seen the Bill yet—that's the problem. We have seen part of the Bill. I think it is true to say that the Secretary of State shares the view that we shouldn't restrict the powers of the

Cynulliad a'i wneud yn rhy anodd i'r Cynulliad weithredu. Ond, nid felly yw'r sefyllfa yn ôl beth rwyf wedi gweld hyd yma. Felly, mae yna waith i'w wneud. Gobeithio y bydd gwir drafod rhwng y ddwy Lywodraeth yn y pen draw.

[223] **Paul Davies:** Rydych wedi mynegi pryderon. Roeddech yn mynegi pryderon mewn dadl yr wythnos ddiwethaf yn y Cynulliad. Rwy'n credu bod amheuaeth gennych ynghylch eglurder y Mesur. A allwch chi ymhelaethu ar hynny?

[224] **Y Prif Weinidog:** Yn gyntaf oll, mae'r Mesur ei hunan yn gwrthdroi beth ddywedodd y Goruchaf Lys ynglŷn â'r Bil ar y sector amaethyddol. Mae'n ei droi yn ôl er mwyn sicrhau bod yna eglurder, ond taw San Steffan sy'n delio ag ef, nid Cymru.

[225] **Paul Davies:** A allwch chi egluro hynny, achos rwy'n credu ein bod i gyd yn credu bod cael model cadw pwerau'n mynd i roi eglurder i ni? Ond, rydych chi'n dweud na fyddai'r model hynny, efallai, yn gwneud hynny.

[226] **Y Prif Weinidog:** Lle mae yna amheuaeth neu, ar hyn o bryd, lle mae rhywbeth wedi cael ei ddatganoli'n rhannol, mae'r Llys wedi dweud ein bod yn gallu gweithredu a deddfu. Beth fydd y Bil yn gwneud yw, os nad yw rhywbeth wedi cael ei ddatganoli'n hollol, bydd y pŵer yn

Assembly and make it difficult for the Assembly to operate. But, that isn't the position in terms of what I've seen to date. So, there is work to be done. I do hope that there will be real debate between the two Governments.

**Paul Davies:** You have expressed concerns. You expressed concerns in a debate last week at the Assembly. I think you had some doubts about the clarity of the Bill. Could you expand on that?

**The First Minister:** First of all, the Bill itself overturns what the Supreme Court said on the agricultural sector wages Bill. It turns it back to ensure that there is clarity, but leaves Westminster in charge, rather than Wales.

**Paul Davies:** Could you explain a bit more about that, because we all believe that the reserved powers model is going to give us clarity? But, you say that that model perhaps won't achieve that.

**The First Minister:** Where there is doubt or, at the moment, where something is partially devolved, the Supreme Court has said that we can legislate in that area. What the Bill will do is, if something is not fully devolved, those powers will not be available to us. That is one part that

mynd. Dyna un rhan ohono sy'n is a problem.  
problem.

[227] **Paul Davies:** Yn y ddadl yr wythnos diwethaf, roeddech yn honni mai dim ond tri Mesur fyddai wedi cael eu pasio gan y Cynulliad hwn. Pa dri roeddech yn sôn amdanynt?

**Paul Davies:** In the debate last week, you alleged that perhaps only three Bills would have been passed by this Assembly. Which Bills were you talking about?

[228] **Y Prif Weinidog:** Rwyf wedi gweld y rhestr; fe allaf roi'r rhestr i'r pwyllgor. Ond, fe wna i roi enghraifft o beth na fyddai wedi gallu digwydd: y Bil rhoi organau. Ni fyddem wedi gallu gwneud hynny, achos byddai'n rhaid cael caniatâd gan Weinidog yn Lloegr. Mae problemau ar hyn o bryd gyda Biliau lle mae hynny'n digwydd. Y broblem yw bod yna system ar hyn o bryd lle mae'n rhaid cael caniatâd Gweinidog y Goron. Roedd pawb wedi meddwl hyd yma y byddai hynny'n marw allan ar ôl amser, ond na; mae'n cael ei estyn. Hefyd, ni fyddai'n bosibl yn y dyfodol i'r Cynulliad newid pwerau Gweinidog y Goron mewn ffordd fach, yn yr un ffordd â'r hyn a ddigwyddodd gyda'r Bil is-ddeddfwriaeth llywodraeth leol. Ni fyddai hynny'n bosibl yn y pen draw. Ni fyddai'r Bil hwnnw wedi mynd i'r llys, achos ni fyddai wedi bod yn bosibl inni ei wneud yn y lle cyntaf. Ni fyddai'r pŵer gyda ni. Nid wyf yn credu bod hyn yn fwiadol. Ond, mae'n dangos faint o waith sy'n gorfod cael ei wneud. Y broblem yw, fel y mae'r Bil ar hyn o bryd—y rhan rwyf wedi gweld ohono—fe fyddem yn y llys bob mis. Nid yw'n egluro pethau'n ddigonol. Mae'n gwneud

**The First Minister:** I have seen the list; I can provide it to the committee. But, I will give you an example of what couldn't have happened: the organ donation Bill. We couldn't have done it, because we would have to have consent from a Minister in England. There are problems with Bills at the moment where that happens. The problem is that there is currently a system where you need the consent of a Minister of the Crown for certain Bills. Everyone had thought that that would disappear over time, but no; it seems to be extended. Also, it would not be possible in future for the Assembly to change the powers of a Minister of the Crown in a minor way, as happened with the bye-laws Bill. That wouldn't have been possible. That wouldn't have gone to the Supreme Court, because we wouldn't have had the power to make it in the first place. We wouldn't have had the power. I do not think this is a deliberate thing. But, it shows how much work has to be done. The problem is, as the Bill currently stands—what I've seen of the Bill—we'll be in the Supreme Court on a monthly basis. It doesn't provide



pethau'n waeth ynglŷn â phwerau'r Cynulliad. Felly, mae lot o waith i'w wneud er mwyn sicrhau bod nod yr Ysgrifennydd Gwladol yn cael ei ystyried hefyd.

sufficient clarity. It makes things worse in terms of the powers of the Assembly. Therefore, there is a great deal of work to be done to ensure that the aim of the Secretary of State is also considered.

[229] **Paul Davies:** A ydych yn hyderus y byddwch yn gallu mynd i'r afael â'r problemau hyn y pen draw?

**Paul Davies:** Are you confident that you will be able to get to grips with these problems ultimately?

[230] **Y Prif Weinidog:** Byddwn ni'n siarad—mae swyddogion wedi bod yn siarad lan hyd nawr. Bydd y siarad hwnnw yn parhau. Pan wnaeth yr Ysgrifennydd Gwladol fy nghyhuddo i o chwarae gemau gwleidyddol, yr eironi oedd bod swyddogion yn siarad ar yr un pryd mewn swyddfa. Felly, er mwyn cael rhywbeth sy'n mynd i weithio—ac rydym yn bell o'r sefyllfa ar hyn o bryd—er mwyn cael rhywbeth sy'n mynd i weithio, mae yna lot o waith i'w wneud.

**The First Minister:** We will be speaking—officials have been holding discussions. They will continue. When the Secretary of State accused me of playing political games, the irony was that our officials were negotiating at exactly the same time. So, in order to get something that is going to work—and we're a long way off at the moment—in order to get something that is going to work, there is a lot of work to be done.

[231] **Paul Davies:** Ac mae'r swyddogion, wrth gwrs, yn dal yn siarad.

**Paul Davies:** And your officials are continuing to speak.

[232] **Y Prif Weinidog:** Mae hynny'n dal i ddigwydd.

**The First Minister:** That is ongoing, yes.

[233] **David Melding:** I think these segments are merging, which is not a problem. But, Eluned, it's now your opportunity to ask some questions of the First Minister.

[234] **Eluned Parrott:** Thank you. Clearly, you've raised a number of specific issues that you're concerned about. If we look at your words to the Constitutional and Legislative Affairs Committee back in June, you say that you're particularly worried about civil law, criminal law and family law, and reservations on that curtailing your ability to act in things like, for example,

adoption cases. Can I ask whether you've had any indication at this point in time whether the current draft does reserve civil law in its procedure and criminal law in its procedure, and what you think the implications of that are going to be for the Welsh Government and the National Assembly?

[235] **The First Minister:** Yes, it does reserve those areas—civil, criminal and family law. The difficulty is that, when it comes to the law, it's still a conferred-powers model, not a reserved-powers model. What it says, in effect, is that the law is reserved, but in these particular areas there are specific powers. That's what it does, in effect. It does that because of the jurisdiction point. It would be a lot easier if we just created a single jurisdiction, like Northern Ireland and Scotland. The UK Government have said that they're not going to do that, so it means everything becomes exceptionally complicated as a result of it.

12:00

[236] So, we have a situation where I think the view, certainly, of Whitehall is that, in effect, the Assembly should only be able to legislate in exceptional circumstances. That's the impression I get—the whole of the law would be reserved. There is a test that would be imposed that goes well beyond what's the case at the moment, which would then allow us to legislate, and it seems to me that, in certain areas, it just reverses the 2011 referendum; when the people of Wales voted in 2011 that the Assembly should have law-making powers in the areas that are devolved. What I've seen in the Bill reverses part of that. That's the problem. Again, it comes back to the obsession with the joint jurisdiction, which makes it far more complicated and I think—. Can it be done without the creation of a single jurisdiction? Yes, it can. But instead of building a road between Swansea and London, it's like building a road between Swansea and London going via Inverness. That's the only way I can describe it.

[237] **Eluned Parrott:** Clearly, the question of jurisdiction is a really critical one. The reason, perhaps, why the UK Government doesn't want to go in that direction, if we want to try and see their point, is the potential cost of that division. But clearly, as we move forward and as we legislate, we are creating a jurisdiction for Wales. According to some academics, it exists already by dint of the fact that the Welsh Assembly is legislating. Is there a potential for a compromise solution where we have some elements of a jurisdiction devolved, but perhaps processes maintained?

[238] **The First Minister:** It can be done. It's far more complicated, but yes, it can be done. The creation of a single jurisdiction is not easy of itself, but in terms of the constitutional settlement, it would be a lot easier if it was done that way. Having said that, we'll work with the Wales Office to make the most of the situation that we find ourselves in. This is the only legal jurisdiction anywhere in the world with two legislatures in it. It doesn't exist anywhere else at all.

[239] Now, for the public, they will ask the question: what difference does this make? My answer would be that it just makes things far more complicated. Everybody wants things to be simpler, but this is not what that delivers. We need to make sure that we don't see the Assembly's existing powers curtailed in any way because of an obsession with creating a very difficult test that the Assembly has to fulfil in order for the Assembly, for example, to create a new criminal offence, or to change the law. I think the problem is that there seems to be an idea in Whitehall that if we were to be a single jurisdiction, we would try to create a legal system that would be so different that it would be completely unknown to lawyers in England—Scotland being an example of it. I don't buy that. Northern Ireland is a separate jurisdiction; it's identical to England and Wales and there's no problem with moving back and forth. The last thing we'd want to do is to create a legal system that was so different from England that it was a barrier to our own lawyers practising in England or vice versa. That doesn't make sense from our point of view.

[240] I wouldn't argue that we would want to see the Assembly control court procedures. There is sense in having the procedures being the same in England, Wales and elsewhere for that matter, I can understand that. But that's a separate issue to the creation of laws, and the two, I think, are being confused here—the suggestion that, somehow, because it's a single jurisdiction, there is a limit, in some way, to the divergence that can occur between England and Wales. Well, there can't be a limit on the laws that are being created, even though it's quite possible to have the same process and the same procedure in the courts. What does it mean? It means confusion and it means that the Assembly's existing powers might well be curtailed, despite the 2011 referendum. That would take some explaining, I think, to the people of Wales.

[241] **Eluned Parrott:** This is hugely frustrating, because what we were looking for out of the Wales Bill was, as you say, simplicity, and—

[242] **The First Minister:** We won't get that.

[243] **Eluned Parrott:** We seem to be allowing process to get in the way of principle in so many cases. But, can I ask—? Clearly, you've suggested that you might bring forward a legislative consent motion on the Wales Bill, which you would ask the Assembly to decline consent for, to send a message to Westminster that the terms of the Wales Bill are not acceptable. Can I ask what 'unacceptable' looks like? At what point do you think, 'Actually, this is unacceptable'? To what extent do you think this Assembly voting against a legislative consent motion on that basis would have an impact on the UK Government's actions?

[244] **The First Minister:** I'm not going into the process with a view that I would recommend that the Assembly refuses consent regardless. Clearly not. That wouldn't make sense. But, there's a lot of work to be done. I don't think at least three of the parties could possibly vote for what will be produced, and I suspect there are individuals within the Conservatives who would find it very uncomfortable to vote for what's being proposed at the moment. So, there needs to be discussion to make sure that this can be improved. What we can't, and would not, agree to is a fait accompli—'This is the Bill. Take it or leave it'. The Secretary of State has said to me there'll be a draft Bill for consultation, and I take him at his word, but that consultation has to be meaningful, and it will have to lead to changes in the part of the Bill that we've already seen. But, we'll work on that to see how that can be taken forward.

[245] I think the prospect of imposing a constitutional settlement on the people of Wales without their consent would create a very, very serious constitutional precedent. I think the Lords might have something to say about it. I hope that doesn't come about, obviously. That will have an effect on Scotland. What message does it give to Scotland?—'This is what you're going to get; tough.' I think that would be very unfortunate. But, hopefully, the UK Government will be in a position where it can see where the difficulties are, as far as Wales is concerned, and will respond to them.

[246] **Eluned Parrott:** Thank you.

[247] **David Melding:** Mike.

[248] **Mike Hedges:** A couple of questions: the first one is that, First Minister, on more than one occasion, you've called for a constitutional

convention; has any progress been made on that?

[249] **The First Minister:** No, sadly. The reality is the conversations on devolution have taken place in different rooms between different people. It would be much better for the UK to have a constitution that's fit for the twenty-first century, which it doesn't have, bluntly, at the moment, and to sort out its structure, recognising the reality that there is more than one centre of democratic legitimacy. It doesn't all flow from London, and it doesn't all flow from what I think is the outdated concept of parliamentary sovereignty. It's quite possible to have a different model. Canada has it. It's not that radical. It can work properly. But, I don't think the UK Government has the slightest understanding of the need to do this. I would say that, because it was my idea in the first place, but I do worry that we will end up in a situation where the UK itself becomes untenable at some point in the future because of a failure to address the problems that exist now.

[250] **Mike Hedges:** As you've heard me say on more than one occasion, First Minister, I don't think asymmetric devolution is sustainable over any period of time. I think you've also heard me say that that's not asking for everybody to go to the same place at the one time, but for the end point to be the same for everybody. Would you agree with that?

[251] **The First Minister:** Yes, I do. I think that's right. I think the structure of how powers are devolved should be the same across the UK, even if those powers are not identical across the UK, necessarily. We have to remember that the UK manages to wend its way through constitutional problems. People sometimes say to me, 'The UK has 1,000 years of history'. It's not 1,000 years of history; the current UK isn't even 100 years old. There was a change with the establishment of what was then the Irish Free State in 1921. So, the UK has had to evolve over time, but it's going to have to evolve pretty quickly—and I put this bluntly and deliberately—if it wants to stay together. Unfortunately, I don't see the momentum to do that at the moment.

[252] **Mike Hedges:** If I may just carry on, the end point should be the same, but the journey time may be different.

[253] **The First Minister:** Different people have different views on the end point, of course, in different parties, but yes, I take your point that there are ways of moving forward with devolution at different paces in different parts of the UK, for historical reasons. For example, if someone said to us, 'Right, okay, you're going to get control of the criminal justice system next year, or

in two years' time', we couldn't do it. We'd have to build up the expertise to do it, and that would take some time. The Scots already have it, and Northern Ireland already have it. So, yes, there's inevitably going to be a difference in terms of the timescale there.

[254] **Mike Hedges:** But surely the solution, of course, is that the criminal justice system is available to be devolved, and that the Welsh Assembly might, with a two-thirds majority, vote to devolve it after such negotiations had taken place with the Welsh Government, at which time the money as well as the powers transfer.

[255] **The First Minister:** That's the Northern Ireland model, as I know you're aware, and I know you're an advocate of it—

[256] **Mike Hedges:** Yes, very much so, yes.

[257] **The First Minister:** Yes, I mean, in Northern Ireland, of course, it was done specifically because of the security situation there and the stability of the Northern Ireland Assembly—problems that we don't have—but, bluntly, I think that's a better model than what we have now, clearly. If that's a model that was on the table, I think that's something that we should seriously consider.

[258] **Mike Hedges:** Perhaps, First Minister, you could push for it because I think this mantelpiece model of Northern Ireland, which means that you have to have consensus to take things forward—. Although we haven't got a Northern Ireland situation with the troubles they had et cetera, we do have a diversity of views in Wales—probably greater than in Scotland.

[259] **The First Minister:** There's certainly greater diversity of views between—yes, the Welsh Government and the UK Government on this issue, that's true. But, you're right, Wales is not Scotland; it doesn't have the same political situation or the same history. It doesn't mean, however, it should be treated in a way that's inferior.

[260] **Mike Hedges:** Ending up in the same place. That's me.

[261] **David Melding:** Jocelyn.

[262] **Jocelyn Davies:** Thank you. Usually, First Minister, the efforts to curtail devolution provide impetus to push it forward. That's been my experience in

the past, and, of course, people need to be careful what they wish for. Coming to the discussions now that you've had with the UK Government about the UK Prime Minister's negotiations with the EU, are you able to tell us anything?

[263] **The First Minister:** Well, the last time I met the Prime Minister was in the summer—it was either June or July. He knows my views. In terms of whether there have been regular discussions between myself and the Prime Minister or indeed between the Prime Minister and, I think, the First Minister of Scotland, that hasn't happened, mainly because we're not quite sure what the Prime Minister's position is. So, I think he has to establish his position first before he shares it with the rest of us.

[264] **Jocelyn Davies:** Right, okay. The other thing I was going to ask about actually came in on one of your Twitter questions, so I'm happy to leave it there.

[265] **David Melding:** Thank you. If we don't have any further questions, it remains for me to thank the First Minister and, indeed, the officials who have accompanied you this morning. I think we've had a very productive session, I have to say. I think we've got some interesting material for our report and we've covered a lot of ground—good practice and perhaps some areas where we think there should be some development or priority. Thank you very much, First Minister. Can I also, once again, thank the museum, and particularly Mr Jonas Rae and his team, who have actually provided the help and assistance to our clerking team this morning?

[266] The students of Pentrehafod School, I hope you found this morning interesting. Or at least, if not—well some of it interesting—

[267] **The First Minister:** A change. [*Laughter.*]

[268] **David Melding:** —and at least not mysterious anyway. This shows you that we don't always scream at each other. We have really quite focused and polite conversations, as well as more alarming disagreements sometimes. Thank you for spending this morning with us. I do hope you found it useful.

[269] Finally, I think I ought to put on record, as this is the last event, I think, that we are holding in our Swansea week with the Senedd, that the *South Wales Evening Post* has been instrumental, really, in making this week such a success and has given, I think, very serious attention to the week and

its build-up and some excellent coverage. I think it really has demonstrated the regional media at their very best. So, we are most grateful for that.

12:13

### **Papurau i'w Nodi Papers to Note**

[270] **David Melding:** Item 3 is papers to note. Can we note them? If there are any matters arising, I suggest we deal with that in our private session. Are we content?

#### **Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod**

#### **Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu that the committee resolves to gwahardd y cyhoedd o weddill y exclude the public from the cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in 17.42(vi).*

*accordance with Standing Order 17.42(vi).*

*Cynigiwyd y cynnig.*

*Motion moved.*

[271] **David Melding:** I move the relevant Standing Order that we conduct the rest of our meeting in private, unless any Member objects. I don't see any Member objecting, so that concludes the public session, and I now ask our friends in the gallery to leave. Thank you. And please switch off the broadcasting equipment.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:14.*

*The public part of the meeting ended at 12:14.*



