

# GERMAN INDUSTRY UK

THE VOICE OF GERMAN BUSINESS IN THE UNITED KINGDOM



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## ARTICLE

### **Wales and Germany now and after Brexit: Business and Tourism**

#### **Business**

The total value of Welsh exports, goods and services worldwide, is now £17.2 billion per annum.

61% of Welsh exports of goods and services go to the EU. 39% of Welsh imports and services come from the EU.

Of the Welsh exports to the EU, 18% go to Germany. Germany is the top export destination for Wales. The six main Welsh exports in goods to Germany are (in this order) transport equipment, road vehicles, electric machinery, iron and steel, medicinal and pharmaceutical products, power generating machinery and equipment.

*Germany is therefore important for the Welsh economy.*

There are now some 70 German owned companies in Wales employing more than 12,000 people. The major companies are supermarkets Aldi and Lidl, both with up to 2,000 employees (head offices in Cardiff, South Wales), followed by prepared food manufacturer Rowan Foods (Oscar Mayer) with 950 (in Wrexham, North Wales), bus company Arriva with 600 (head office in Bangor, North Wales), diagnostic solutions company Siemens Healthcare with 500 (in Llanberis, North Wales), Welsh windfarm developers npower renewables (head office in Port Talbot, South Wales) with 350 employees, followed by sealant solutions company Freudenberg Oil and Gas Technologies (in Port Talbot, South Wales) and plastic fabrication company Ensinger (in Rhondda Cynon Taff, South Wales) each with some 300 employees.

There is also another major, but only partly owned German company in Broughton, North East Wales, Airbus with 6,500 employees.

*Wales is therefore important for German business.*

#### **Tourism**

Wales has much to offer with a coastline of nearly 900 miles, as well as the mountainous regions of Snowdonia, the Cambrian Mountains and the Brecon Beacons. A million foreign tourists visit Wales every year, the main countries of origin are (in that order) the Republic of Ireland, the USA and Germany. Some 12% of all overseas tourists, altogether 120,000 Germans come to Wales every year.

The Welsh Government has emphasised discovery and adventure for tourism. Germans like to travel worldwide and explore countries with something special to offer which Wales has. They can discover many Welsh castles, museums and take part in outdoor activities and adventures in the mountains. Walking the Wales coast path, a long distance footpath which follows the coastline of Wales, is a significant attraction.

Like the Welsh, Germans like culture and Wales has many excellent events, music festivals and concerts, eg, the National Eisteddfod, the Royal Welsh Show in Builth Wells, the International Music Festival in Llangollen, the Welsh National Opera and

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the National Orchestra of Wales.

With regard to sport, Wales has two football teams in the first division, Cardiff and Swansea, which are of great interest to Germans, many of whom are football fans. Wales also has a lot of excellent golf courses which interests Germans, golf is becoming more popular in Germany. There is also rugby with Wales being the number 1 rugby nation in the world and although Germans are not yet rugby players, this could be of special interest to them in the future.

*Germany is therefore important for Welsh tourism.*

### **After Brexit**

As the new Minister for International Relations of the Welsh Government, Eluned Morgan, said recently, Brexit makes the need for a new strategy for Wales all the more urgent. Strengthening the special relationship with the US may be of great importance for Wales, however, the valuable relationship with Germany should also be encouraged as Germany will continue to be of great importance to the Welsh economy and of course Germany is an important member of the EU and will provide the next President of the European Commission.

The trouble is that Wales voted to come out of the EU in June 2016 which did not go down too well in Germany. We wanted Wales to remain. Here Scotland has a great advantage over Wales as the Scots voted to remain which was very welcome in Germany.

As it is, investment of the 70 German companies in Wales is now on hold waiting for the outcome of the Brexit negotiations. If it comes to a no-deal on 31 October with border controls, tariffs etc, I expect investment from German companies in Wales will decline somewhat. However, I am confident established German business with Wales will continue more or less as before. That will probably go for established Welsh exports to Germany also and of course for tourism.

The relationship between Wales and Germany has always been strong and should continue. Many town twinnings, eg Cardiff and Stuttgart, and partnerships between Welsh and German universities will keep the Welsh German relationship going and of course the 13,000 or so Germans living and working in Wales, who will have settled status, are another stabilising factor. The Welsh Government has recently opened two new offices in Germany, in Berlin and Dusseldorf, to underline the Welsh Governments determination to maintain, and even further strengthen, the relationship between the two countries after Brexit. *‘Brexit should not dampen the partnership with Germany.’*

This is very welcome. Hopefully there will be enough Government funding for this initiative to have an impact in Germany.

Dr Bernd Atenstaedt  
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