

Cynulliad Cenedlaethol Cymru | National Assembly for Wales

Y Pwyllgor Materion Allanol a Deddfwriaeth Ychwanegol | External Affairs and Additional Legislation Committee

Gwydnwch a pharodrwydd: ymateb gweinyddol ac ariannol Llywodraeth Cymru i Brexit | Resilience and preparedness: the Welsh Government's administrative and financial response to Brexit

EAAL(5) RPB03

Ymateb gan FSB Cymru | Evidence from FSB Wales

FSB Wales welcomes the opportunity to contribute to the External Affairs and Additional Legislation Committee's inquiry into resilience and preparedness in response to Brexit.

FSB Wales is the authoritative voice of businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees; FSB Wales is in constant contact with business at a grassroots level. It undertakes regular online surveys of its members as well as a biennial membership survey on a wide range of issues and concerns facing small business.

Wales' economy is one that is based on the success of small firms – the vast majority of firms in Wales hire less than 25 people and most private sector employment in Wales is in SMEs. Therefore, it is crucial that Welsh and UK

Government work together to deliver a Brexit that ensures that these firms can have a bright and successful future.

FSB Wales' Brexit Research

To inform our response to Brexit, FSB carried out four work streams on areas of concern to smaller businesses. These were; access to markets, access to skills and labour, European funding and regulation. Each theme had a published UK-wide report setting out key recommendations for the UK (and where applicable Welsh) government.

This was supplemented with additional survey work specifically with FSB Wales members which we then synthesised into a report for Wales bringing together all four themes and contextualising them in relation to the Welsh Government's

Brexit White Paper. The resulting report *Making Brexit Work for Wales' Smaller Businesses* is attached to this letter for the committee's reference.

The report should provide a number of answers to the committee's line of inquiry including on the key issues facing the SME sector in Wales, some suggestions on how Welsh Government can support firms through the transition process and recommendations to help prepare SMEs for Brexit.

Brexit Preparedness Fund

As one might expect, this is an agenda that is moving quickly and there is a significant degree of uncertainty at present as to the nature of the UK's exit from the European Union. One recent development has been the Welsh

Government's agreement with Plaid Cymru for a £5m Brexit support package for businesses. FSB Wales believes there is merit in this funding being used to help Wales' SMEs to risk assess their business in relation to various Brexit scenarios. This could be delivered through Business Wales and would make use of existing Business Wales support programmes to help prepare those firms that have been risk assessed to deal with any consequences emerging from Brexit.

Conclusion

I hope you find the comments of this letter of interest and that our report *Making Brexit Work for Wales' Smaller Businesses* is able to inform your inquiry.