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WALES: AT THE HEART OF DEFENCE

An established centre of defence manufacturing, technology and military excellence - an exceptional opportunity for international investment

BIG ENOUGH TO DELIVER. SMALL ENOUGH TO RESPOND.

Better Decisions Start with Better Intelligence

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Executive summary | Why Wales?

The world's leading defence companies are already here. General Dynamics, BAE Systems, Thales, RTX, Airbus and other global businesses have established significant operations in Wales. Their investment is tangible evidence of the engineering skills, advanced manufacturing capacity and specialist technologies that international defence programmes demand. Wales offers new investors the opportunity to build alongside them.

Wales combines military vehicle manufacturing, munitions, defence electronics, precision engineering, secure communications, specialist sustainment and a growing advanced-technology ecosystem. Its strengths extend into autonomous systems, maritime equipment, satellites, cyber technologies and resilient digital infrastructure. The country is also home to major military training environments and the internationally recognised Exercise Cambrian Patrol.

The Welsh Government reported in June 2025 that eight of the world's top eleven aerospace and defence companies maintained significant Welsh operations. The combined aerospace and defence sector was described as comprising approximately 285 companies, supporting 16,000 jobs, with more than £3.7 billion turnover and approximately £1.5 billion gross value added. These are indicators of an existing industrial base - and a platform for the next phase of investment. [1]

The UK's new Offset Policy, published on 30 October 2026, adds a timely commercial opportunity. Selected overseas defence procurements worth £50 million or more may carry requirements for additional UK industrial and economic benefits. Wales offers an established location in which international suppliers can develop manufacturing, supplier, skills and technology partnerships. [2]

THE WORLD'S LEADING DEFENCE COMPANIES ARE ALREADY HERE. WHY NOT JOIN THEM?

1 An established defence nation

Wales is already part of the industrial infrastructure supporting the UK and allied armed forces. From the production of complex military vehicles and munitions to tactical communications, electronics, aerospace sustainment and specialist equipment, Welsh facilities contribute to demanding defence programmes. These capabilities have been developed through decades of international investment, industrial expertise and engineering collaboration.

For an incoming manufacturer, the attraction is practical. Wales offers established industrial clusters, experienced people, specialist engineering suppliers, universities, technology partners and a devolved Government with direct responsibility for economic development and skills. An investor can create a facility, build local relationships and develop its wider international business from a recognised UK industrial base.

The Welsh investment advantage

- An existing concentration of global defence and advanced-manufacturing businesses.
- Engineering expertise across land systems, electronics, precision manufacturing, advanced materials and sustainment.
- Access to UK and international markets, with port, road, rail and air connections.
- Military training and test environments, including internationally recognised facilities and events.
- A connected business community and direct routes to Welsh Government investment and skills teams.

2 The companies that have already chosen Wales

The most persuasive endorsement of an investment location is the presence of organisations that have already committed people, facilities and capital. Wales has an unusually broad collection of internationally recognised businesses across defence and adjacent advanced industries.

Company / organisation	Welsh industrial contribution
General Dynamics UK	Military communications and systems engineering at Oakdale; armoured vehicle manufacturing and integration at Merthyr Tydfil.
BAE Systems	Munitions manufacturing at Glascoed.
Thales	Defence, cyber and digital technology activities in South Wales.
RTX / Raytheon	Aerospace and defence technology presence in Wales.
QinetiQ	Defence test and evaluation activity associated with Aberporth.
IrvinGQ	Military parachute, aerial delivery and countermeasure technologies in Bridgend.
Airbus	Large-scale wing manufacturing at Broughton; international aerospace supply-chain expertise.
GE Aerospace Wales	Major aircraft-engine maintenance, repair and overhaul capability at Nantgarw.
British Airways Maintenance Cardiff	Large-aircraft heavy maintenance at Cardiff Airport.

Each operation illustrates a different element of the investment proposition: technical skill, production infrastructure, long-term customer relationships, engineering discipline or specialist facilities. The wider company appendix identifies further examples of Welsh industrial excellence.

Case study | General Dynamics: international investment in Welsh defence technology

General Dynamics established a substantial South Wales presence in military communications, systems integration and armoured vehicle engineering. In 2008 it launched EDGE UK at Newbridge, bringing industry, universities and defence stakeholders together to develop and evaluate emerging technologies. By 2014, the initiative had undertaken more than 100 collaborative projects and expanded into a facility at Oakdale. [3]

The company's written evidence to Parliament highlighted its Welsh research and technology capabilities and acknowledged the contribution of Welsh Government engagement to its development. This is an established example of a global defence company building a long-term engineering and innovation presence in Wales. [4]

Case study | AMRC Cymru: developing the Wing of Tomorrow

At Broughton in Flintshire, the Welsh Government-funded Advanced Manufacturing Research Centre (AMRC Cymru), operated by the University of Sheffield AMRC, provides an applied research environment alongside Airbus's wing manufacturing site. Airbus has been an anchor tenant and occupied approximately half the facility in the programme's documented development phase. Its Wing of Tomorrow programme has assembled full-scale wing demonstrators there, exploring new composite materials, structures, automation and high-rate production techniques. [7][8]

The investment lesson is significant: Wales combines large-scale aerospace manufacturing with collaborative research infrastructure capable of moving new processes from development into industrial application. Airbus's dedicated programme area demonstrates how advanced research and industrial manufacturing operate together at Broughton.

3 LAND: military systems and specialist manufacturing

Wales offers an established foundation for manufacturers of military land systems. The capabilities demonstrated by General Dynamics' vehicle facilities and the wider automotive, rail, machinery and precision-engineering industries extend across fabricated structures, mechanical assemblies, electrical systems, wiring, testing, manufacturing engineering and complex production integration.

Investment prospects include specialist vehicles, uncrewed ground platforms, protected mobility components, vehicle electronics, sensors, communications modules, propulsion subassemblies, maintenance facilities and systems integration. These are opportunities for original equipment manufacturers and the specialist businesses supplying them.

The South Wales manufacturing economy also includes steel, aluminium casting, machining, tooling, industrial automation and high-integrity assembly. For an investor building a UK supply chain, the attraction lies in the combination of established manufacturers and the technical disciplines they bring.

4 SEA: naval and maritime technologies

Wales's coastline, ports and industrial expertise create a distinctive proposition for naval and maritime systems. Defence vessels depend on far more than shipbuilding: they require electronics, secure communications, sensors, fabricated structures, propulsion components, precision-machined assemblies, power systems and specialist maintenance.

The ports of Milford Haven, Port Talbot, Cardiff and other Welsh maritime locations connect industrial facilities with UK and international logistics networks. Port Talbot's deep-water infrastructure and the engineering base across South and West Wales offer potential for marine equipment manufacture, large-component logistics and maritime technology projects.

Promising areas include autonomous surface and underwater systems, coastal surveillance, maritime communications, mission equipment, marine power electronics, corrosion-resistant materials and component sustainment. The strongest proposition is to attract companies producing the high-value systems that equip and support modern fleets.

5 COMMUNICATIONS, ELECTRONICS AND CYBER: a core Welsh strength

Secure communications, resilient networks and electronic systems sit at the centre of modern defence. Wales already has relevant expertise through established defence communications activity, compound semiconductor businesses, electronics manufacturers, software specialists and a growing cybersecurity community.

The compound semiconductor cluster around South East Wales supports advanced device and materials capabilities with relevance to radio-frequency systems, sensing, photonics and power electronics. These technologies are important building blocks for modern communications, radar, electronic systems and energy-efficient equipment.

For an investor, Wales offers potential partnerships spanning component design, electronic manufacture, specialist testing, systems integration and secure software. These capabilities support

military land platforms, maritime systems, uncrewed aircraft, satellite communications and protected infrastructure.

Defence computing and data infrastructure

Wales's developing data-centre and digital infrastructure landscape offers a further opportunity for companies building data-intensive defence technologies. Autonomous systems, satellite imagery, sensor fusion, engineering simulation and secure software all require reliable computing and data-processing capacity.

An investor may choose dedicated on-site computing, secure private infrastructure or appropriately accredited third-party services depending on its operational and security requirements. The commercial proposition is the ability to combine manufacturing, engineering and digital capabilities within a coordinated Welsh location. Particular opportunities include secure operations centres, defence software engineering, mission-data processing and resilient communications systems.

6 AUTONOMY, DRONES AND SPACE: the next generation

Uncrewed air, ground and maritime systems are changing how armed forces conduct surveillance, reconnaissance, logistics and operational support. Wales offers an attractive environment for businesses developing these technologies through its electronics, precision engineering, materials, software and testing capabilities.

The Aberporth area has a long association with aerospace and defence testing. Llanbedr Airfield has also attracted sustained interest and development activity around aerospace and remotely piloted systems. Together with the wider Welsh industrial base, these locations help demonstrate opportunities for technology development, evaluation and specialist production.

Satellite-related opportunities include communications payloads, radio-frequency electronics, sensing, ground systems, data processing and advanced materials. Wales's existing space and semiconductor businesses offer potential for collaboration across these fields. The investment emphasis should be on components, technologies and services with clear international markets, alongside emerging platform opportunities.

7 SUSTAINMENT: keeping defence systems operational

Military platforms often remain in service for decades. Their long operational lives create continuing demand for specialist repair, component support, engineering redesign, electronic testing, obsolescence management and equipment upgrades.

At MOD Sealand, the Defence Electronics and Components Agency (DECA) illustrates Wales's specialist capabilities in low-volume, complex military electronics repair and through-life support. Its

technical role is especially relevant to legacy equipment and electronic assemblies requiring detailed fault diagnosis and specialist engineering knowledge.

Wales also hosts major civil aerospace maintenance, repair and overhaul operations. GE Aerospace Wales at Nantgarw and British Airways Maintenance Cardiff demonstrate the engineering infrastructure, quality disciplines and workforce skills that support sophisticated through-life services. NORDAM Europe contributes specialist component repair expertise, while IrvinGQ illustrates long-standing defence equipment capability.

For defence investors, this creates opportunities in dedicated repair facilities, electronic sustainment, specialist manufacturing, component upgrades and long-term support contracts.

8 MILITARY WALES: training, testing and international connections

Wales has an exceptional military training heritage and a substantial defence estate. The Infantry Battle School at Brecon, Sennybridge Training Area, Castlemartin, Manorbier, RAF Valley, MOD St Athan and Aberporth illustrate the breadth of military training, aviation and evaluation activity associated with Wales.

The Royal Welsh maintains a strong regimental and Reserve presence in Wales, continuing the heritage of the Royal Regiment of Wales and Royal Welch Fusiliers. Immediately across the eastern border, Hereford is home to 22 Special Air Service Regiment, placing Wales within a wider region closely associated with specialist military operations.

Exercise Cambrian Patrol | Wales on the international military stage

Held since 1959, Exercise Cambrian Patrol is an internationally recognised military patrolling challenge organised by the British Army in Wales. In 2026, 140 patrols entered, including 35 international patrols, with more than 1,000 personnel involved. The exercise incorporates contemporary challenges such as surveillance, uncrewed systems, reconnaissance, information integration and operating in demanding terrain. [5]

Its associated industry engagement and Capability Suite provide an opportunity to bring military users and defence technology businesses into the same environment. For companies developing communications, sensing, autonomous systems and field equipment, Cambrian Patrol demonstrates Wales's connections with international military communities and emerging operational technologies.

9 A HIGH-PRODUCTIVITY MANUFACTURING ECONOMY

Make UK/BDO's Regional Manufacturing Outlook 2025 identifies a Welsh manufacturing productivity index of 105.9 against a UK manufacturing benchmark of 100, measured as

manufacturing gross value added per job. That places Welsh manufacturing 5.9% above the UK benchmark on this measure. The finding reinforces the case for Wales as a location for high-value industrial activity. [6]

The value for investors extends beyond a single index. Wales has a long-established base in precision engineering, high-integrity manufacturing, industrial machinery, materials processing, electronics and complex assembly. These capabilities can support defence companies seeking dependable manufacturing partners and skilled technical teams.

10 THE UK MARKET: why invest now?

The UK Government has identified a substantial programme of defence investment, including £298 billion over four years in its Defence Investment Plan. The resulting demand spans equipment, technology, industrial capacity, resilient supply chains and long-term support. [2]

On 30 October 2026, the Ministry of Defence published a new UK Offset Policy. Selected overseas defence and national-security procurements worth £50 million or more may require additional UK industrial, capability and economic benefits. Potential activities include opening or expanding facilities, developing domestic suppliers, transferring technology and supporting skills. The policy is to be applied selectively from April 2027. [2]

For international manufacturers, this creates a timely reason to evaluate Welsh industrial locations and partners. A Welsh facility can contribute to UK programmes while also supporting export markets, allied defence requirements and a company's wider international supply chain.

11 BIG ENOUGH TO DELIVER. SMALL ENOUGH TO RESPOND.

Wales offers an attractive balance: the industrial scale and engineering expertise to support demanding programmes, combined with the accessibility of a connected business and government community.

With its own devolved Government, Wales provides investors with routes to senior decision-makers and coordinated support on economic development, skills, infrastructure and industrial partnerships. Companies can work with investment teams, local authorities, colleges, universities and existing manufacturers to develop an integrated project proposition.

General Dynamics' historical evidence to Parliament offers an example of a global defence company recognising the value of Welsh Government engagement in developing its operations. [4]

IN WALES, YOUR INVESTMENT MATTERS. YOUR AMBITION HAS A VOICE.

12 THE DEPTH OF WALES'S INDUSTRIAL SUPPLY CHAIN

The depth of a defence supply chain is best understood through the manufacturers, engineers, technology specialists and service providers available to support production. Wales has a diverse industrial community extending from major global groups to specialist small and medium-sized enterprises.

The MOD's published contract datasets are valuable evidence of direct procurement relationships, but contract-value thresholds and attribution methods mean they represent only part of the wider industrial picture. A £5 million reporting threshold, for example, excludes many specialist contracts and lower-tier supplier relationships. The strength of the Welsh proposition is therefore illustrated here through established companies and capabilities, rather than a single procurement count.

Wales's relevant supplier capabilities include high-precision machining, toolmaking, fabrication, casting, electronic assembly, cable systems, sensors, industrial software, robotics, composite materials, specialist testing, repair and manufacturing engineering. These are the disciplines that allow international manufacturers to establish robust local supply relationships.

Case study | LTi Vessco: high-integrity nuclear fabrication in Bridgend

LTi Vessco (formerly Vessco Engineering) manufactures bespoke pressure vessels and complex welded assemblies at Bridgend. Published project evidence includes a deaerator and feedwater pressure vessel weighing more than 330 tonnes for Hinkley Point C, fabricated in sections, and specialist super-duplex stainless-steel components for the project's marine tunnels. Earlier Welsh Government material also records lifting components with material thicknesses up to 300 mm and experience with nuclear and pressure-equipment design codes. [9][10]

Its combination of coded welding, specialist alloys, large-scale fabrication, inspection and traceability illustrates an unusually demanding Welsh manufacturing capability with potential relevance to defence nuclear infrastructure and naval support supply chains. These proven engineering disciplines offer opportunities in defence nuclear infrastructure, naval engineering and other demanding programmes.





LTi Vessco specialist fabrication and vessel handling. Images reproduced with permission of LTi Vessco.

Case study | Afon Engineering: Large-scale fabrication and precision manufacturing in Swansea

Established in 1979, Afon Engineering is a specialist heavy-engineering manufacturer based in Swansea, combining large-scale fabrication, coded welding, precision machining, plate rolling and forming within a substantial manufacturing facility.

Its capabilities include fabricated assemblies weighing up to approximately 150 tonnes, CNC milling with 12-metre machine beds, large-diameter turning and specialist welding to internationally recognised standards. [11]

The company serves demanding industries including nuclear power, defence, marine engineering, energy and infrastructure, with project experience extending to Hinkley Point C.

Afon Engineering provides another compelling example of the specialist production capacity available to international defence manufacturers seeking capable UK supply-chain partners.

13 INVESTMENT OPPORTUNITIES: five practical propositions

Opportunity	Why Wales offers a strong foundation
Military and autonomous land systems	Existing vehicle manufacturing, precision engineering, fabrication, electronics and integration expertise.
Naval and maritime equipment	Ports, materials engineering, specialist fabrication, electronics and marine technology opportunities.
Secure communications and defence electronics	Established military communications activities, semiconductor capabilities, electronics and cyber expertise.
Uncrewed systems, sensing and satellite technologies	Specialist testing environments, engineering and digital technologies.
Sustainment and legacy-system support	DECA, aerospace MRO, specialist repair, testing and long-life engineering expertise.

These propositions can support investment in production plants, engineering centres, technology partnerships, test facilities, specialist repair operations and supplier development. Each offers opportunities to serve UK requirements and wider international markets.

14 AN INVITATION TO INVEST

Wales has already earned the confidence of major international defence manufacturers. Its established businesses, skilled workforce, manufacturing heritage, military facilities and emerging technologies provide a compelling platform for further investment.

For a company seeking a new UK industrial presence, Wales offers a location with relevant capabilities and relationships already in place. For a company already established in Wales, the opportunity is to expand into new products, technologies, partnerships and international programmes.

THE WORLD'S LEADING DEFENCE COMPANIES ARE ALREADY HERE. WHY NOT JOIN THEM?

Wales is at the heart of defence - and ready to support the next generation of investment.

Appendix A | Examples of outstanding Welsh companies

Wales is home to an extensive network of internationally recognised manufacturers, engineering specialists and technology businesses. The following selection illustrates the breadth of industrial capabilities available to support defence investment, advanced manufacturing and international supply-chain development.

Defence systems and specialist equipment

General Dynamics UK; BAE Systems Glascoed; Thales; RTX / Raytheon; QinetiQ; IrvinGQ; BCB International; DECA

Aerospace and advanced structures

Airbus; GE Aerospace Wales; British Airways Maintenance Cardiff; NORDAM Europe; Safran; AerFin; AMRC Cymru (research facility)

Electronics, semiconductors and digital

Sony UK Technology Centre; Axiom Manufacturing Services; KLA; IQE; Vishay Newport; Space Forge

Precision engineering, tooling and machinery

Renishaw; FSG Tool and Die; 3Ks Engineering; Nidec; Compact Orbital Gears

Automotive, rail and industrial systems

Aston Martin, Toyota Motor Manufacturing UK (Deeside); CAF Rail; CastAlum; Mii

Metals, fabrication and materials

Al Met; Afon Engineering; Shufflebottom; Tata Steel; Celsa Steel UK; Valero; LTi Vessco

Appendix B | Military and strategic infrastructure

Location / establishment	Illustrative relevance
Sennybridge / Brecon	Military training; Infantry Battle School; Cambrian Patrol.
Castlemartin / Manorbier	Land-force and air-defence training environments.
RAF Valley	Military aviation training.
MOD St Athan	Military aviation and support estate.
Aberporth	Defence testing and evaluation activities.
MOD Sealand / DECA	Defence electronic repair and sustainment.

HMS Cambria / Cardiff	Royal Naval Reserve presence.
Hereford (England, near Welsh border)	22 SAS; regional military geography.
Welsh ports	Maritime logistics, engineering and industrial connectivity.
Llanbedr	Existing airfield and developing aerospace/autonomy proposals.

Appendix C | Sources and Evidence

This white paper draws upon published government information, company announcements, industry research and documented manufacturing capabilities. The following references provide supporting evidence for the industrial and investment opportunities presented.

[1] Welsh Government (17 June 2025), Welsh show of strength at Paris Airshow.
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