Evidence in Action – Case Study 003

Building a Rail Ecosystem in Wales

How Strategic Market Development Helped Create New Opportunities for Welsh Industry

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This is not a history of Welsh rail.

It is the story of a strategic approach.

Better Decisions Start with Better Intelligence

Industrial sectors rarely emerge through a single investment.

They develop when manufacturers, infrastructure, government, research organisations and supply chains become connected around a shared vision.

Over more than a decade, Wales began assembling the foundations of a modern rail industry.

This was not the result of one project.

It was the gradual development of an industrial ecosystem.

Throughout that journey, Mike Gillard worked alongside Welsh Government, industry and major rail organisations to help connect opportunities with capability.

The objective was simple.

To ensure that Welsh businesses were not spectators in the future of rail—but participants.

The Challenge

Twelve years ago, Wales had world-class engineering capability but only limited participation in the UK rail industry.

Without a major rolling stock manufacturer, many suppliers had little visibility of rail procurement.

Without visibility, companies were reluctant to invest.

Without investment, capability remained hidden.

The challenge was not simply attracting one company.

It was creating an ecosystem that would encourage long-term growth.

Recognising the Missing Pieces

Early discussions with UK Government highlighted another strategic gap.

A senior rail specialist explained that a suitable location was being sought for a national rail testing facility.

When Wales was suggested, the response was straightforward.

No suitable location had been identified.

Although nothing happened immediately, the conversation reinforced an important principle.

Successful industrial sectors require more than manufacturers.

They also need innovation, testing, skills and research capability.

That understanding would become increasingly relevant as the Global Centre of Rail Excellence (GCRE) later emerged in South Wales.

Creating an Industrial Anchor

One of the first priorities was attracting a major rolling stock manufacturer to Wales.

Mike worked closely with Welsh Government's inward investment team throughout CAF's evaluation of potential UK locations.

His contribution included:

- attending investor meetings;
- participating in site visits across Wales;
- engaging with local authorities and planning teams;
- reinforcing the strengths of each potential location;
- ensuring the Welsh proposition remained clear and consistent.

Rather than relying on a single presentation, the Welsh proposition was reinforced throughout every stage of the evaluation process.

Key messages included:

- an experienced engineering workforce;
- excellent transport connectivity;
- access to the national rail network;

- available industrial land;
- responsive public-sector support;
- long-term manufacturing potential.

CAF ultimately selected Newport for its UK rolling stock facility, creating a major industrial anchor for the Welsh rail sector.

Developing the Supply Chain

Winning an OEM was only the beginning.

A successful rail industry also required capable suppliers.

Mike recognised that businesses needed direct access to future customers rather than relying upon fragmented procurement information.

Over a number of years he organised strategic engagement events bringing major buyers directly to Welsh industry.

These included:

HS2

Rather than expecting Welsh suppliers to travel to large national conferences with hundreds of delegates, HS2 was invited to Cardiff.

Supported by Welsh Government, approximately 120 Welsh businesses met directly with the HS2 delivery team in an environment specifically designed to encourage networking and discussion.

The format proved so successful that HS2 adopted elements of the approach for future regional engagement.

Major Rolling Stock Manufacturers

Purchasing leaders from Bombardier (now Alstom), Alstom and Hitachi were brought together to explain their procurement strategies over the coming five years.

Instead of promoting individual contracts, they explained how suppliers could become part of their long-term supply chains.

Transport for London

Mike Brown, then Managing Director of London Underground and later Commissioner of Transport for London, presented future investment plans directly to Welsh businesses.

His opening message was simple.

"Over the next five years we will spend £45 billion."

For Welsh suppliers, the event transformed a distant transport authority into a tangible commercial opportunity.

Building the Wider Ecosystem

As the Welsh rail sector matured, new opportunities emerged.

The South Wales Metro created a significant programme of infrastructure investment.

At the same time, plans for the Global Centre of Rail Excellence began to develop, adding testing, innovation and research capability to the wider ecosystem.

Mike supported these developments by promoting opportunities throughout the Welsh supply chain and encouraging businesses to view rail as a long-term strategic market rather than a series of isolated contracts.

The vision was becoming increasingly clear.

Manufacturing.

Infrastructure.

Testing.

Innovation.

Skills.

Supply chains.

Each strengthened the others.

Better Intelligence. Better Decisions.

The programme demonstrated that industrial development is about much more than attracting investment.

It requires connecting organisations that would not normally work together.

Investors.

Manufacturers.

Government.

Local authorities.

Infrastructure providers.

Research organisations.

And, most importantly, suppliers.

By consistently identifying opportunities, communicating future demand and encouraging collaboration, Wales strengthened its position within the UK rail sector.

The Outcome

Today Wales possesses many of the characteristics associated with successful industrial clusters.

A major rolling stock manufacturer.

A growing rail supply chain.

Significant infrastructure investment.

An emerging national testing and innovation centre.

Increasing collaboration between industry and government.

No single organisation created that ecosystem.

It developed through the sustained efforts of many organisations working towards a common objective.

Mike's contribution was to help connect those organisations, identify opportunities and ensure that Welsh businesses were ready to participate.

Evidence at a Glance

Sector	**Rail**
Focus	Strategic Market Development
Role	Supply Chain Development and Stakeholder Engagement
Major Activities	Inward investment support, supplier engagement, buyer events, ecosystem development
Key Organisations	CAF, Welsh Government, HS2, Bombardier, Alstom, Hitachi, Transport for London, GCRE
Key Outcomes	Support for inward investment, improved supplier engagement, stronger visibility of Welsh rail capability, promotion of a long-term rail ecosystem