



## Due diligence call for Ebbw Vale Automotive Zone

Published: 3rd July 2017

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Online version: <http://www.wheelswithinwales.uk/due-diligence-call-for-ebbw-vale-automotive-zone/>

Days after rejecting support for the Circuit of Wales development, Welsh Government has called for “innovation and entrepreneurship”.



Economy Secretary, Ken Skates launched BeTheSpark, a Wales-wide movement aimed at unlocking the potential for greater collaboration between entrepreneurs, corporate leaders, risk capital, academia and government to support the creation of more home grown profitable businesses.

It was explained to 300 business leaders in the Welsh economy last week.

While stating the Welsh Government did not believe the racing circuit and related developments could be financially justified and underwritten Mr Skates said that BeTheSpark provides a designated way to share world class ideas, exchange tips and identify suitable solutions to deliver change.



After the CoW project underwriting was turned-down, the promoters said there had been a fundamental misunderstanding in Welsh Government over the risk exposure to public finances from the scheme.

You can read the 3,000 word developers' response at [CoW statement](#)

They also claimed that some financial details had been held back from the promoters who could have answered points raised before the refusal was publicised on Tuesday.

The promoters concluded by saying their project had been subjected to extensive due diligence scrutiny by independent bodies but there was no mention of similar examination into an automotive hub on the Ebbw Vale Enterprise Zone proposed by Welsh Government on part of the site earmarked by Circuit of Wales. That would cost £100 million over a decade beginning with 40,000 sq ft of manufacturing space.



The current enterprise zone has produced a handful of jobs over the last 12 months and the automotive technium at

Dafen, Llanelli (*left*) failed in 2011 because it had no test track and could not win investments.



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Subsequently, it emerged that officials in Cardiff Bay had misled the public over the likely success of the Llanelli location and overstated its modest achievements.

Nevertheless, Circuit of Wales promoters had a further meeting with Welsh Government officials last week to discuss how their scheme might still go ahead.

They hold the rights to MotoGP in the UK and are now further progressing this with Silverstone for future years.