



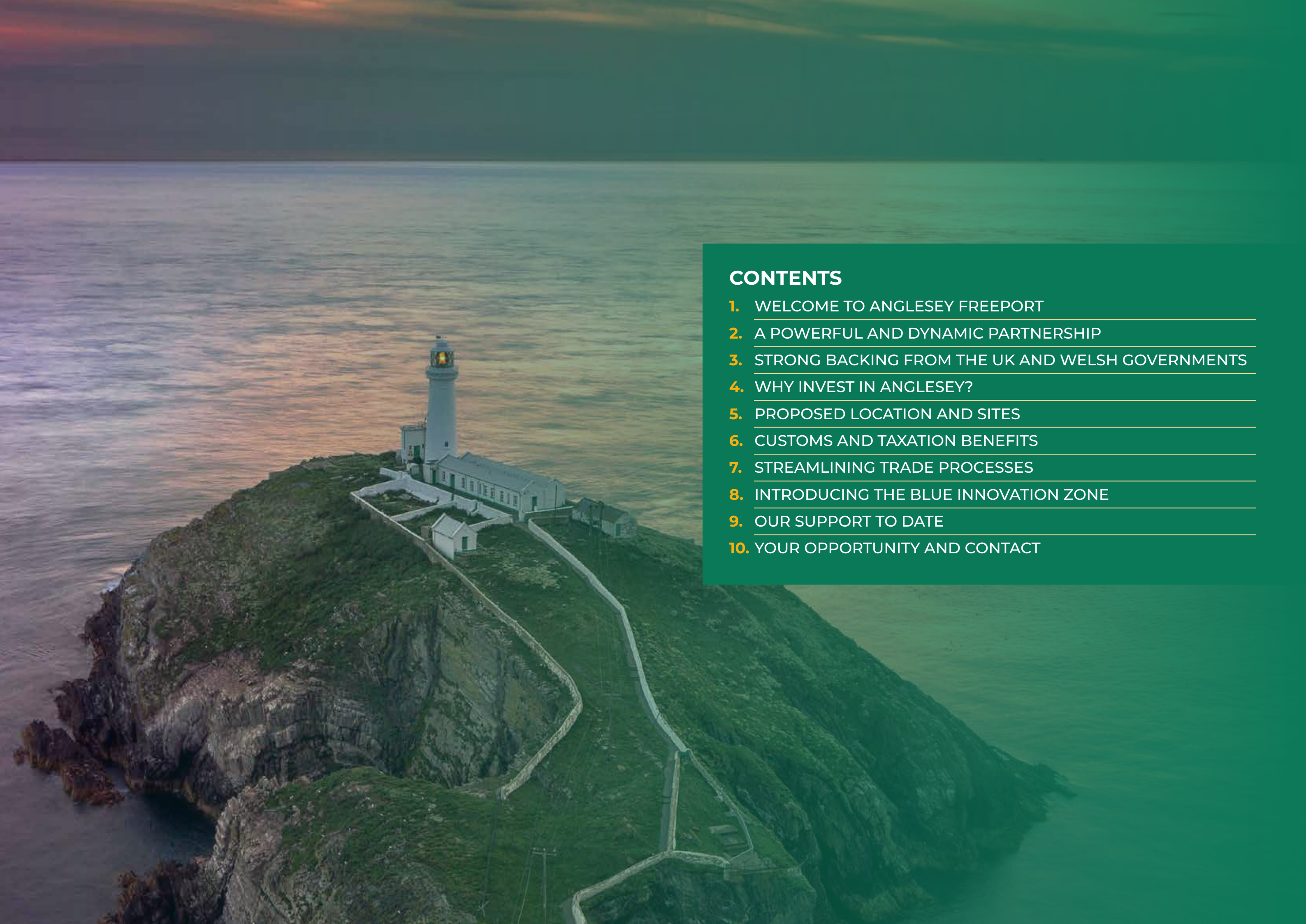
PORTHLADD RHYDD YNYS MÔN ANGLESEY FREEPORT

Ffyniant Iedled Ynys Môn a Gogledd Cymru
Prosperity for Anglesey and North Wales



Investment Prospectus

This document is also available in Welsh



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Left to right: First Minister of Wales Mark Drakeford, Secretary of State for Wales David TC Davies, Prime Minister Rishi Sunak and Stena Line Executive Director Ian Hampton at the Port of Holyhead following Anglesey's success in being named one of the first Welsh freeports.

1 WELCOME TO ANGLESEY FREEPORT

The Welsh and UK Governments have approved Anglesey's bid to become one of the first Welsh freeports, providing a fantastic investment opportunity for businesses considering their future operations and long-term commercial interests.

With strong backing from Prime Minister Rishi Sunak and First Minister of Wales Mark Drakeford, Anglesey Freeport will put in place special tax and customs flexibilities to allow for greater efficiencies in the manufacture and trade of goods. Anglesey Freeport is projected to experience the rapid growth and success felt by freeports around the globe.

Anglesey Freeport's significance as the UK's second-largest roll-on/roll-off port is pivotal in rejuvenating the UK's position as a hub for global trade. By improving trade links across the Holyhead-Dublin Central Corridor, it will not only enhance UK-EU trade, but also aid in the development of new trade agreements with international partners.

Through its exclusive customs and tax arrangements, abundance of local talent, prestigious education, skills and research establishments and unique geographic positioning – underpinned by the ambition of its consortium partners – organisations can be confident that Anglesey Freeport will deliver commercial success and support long-term strategic objectives.

Chief Executive of Isle of Anglesey County Council Dylan Williams and Stena Line's Head of UK Port Authorities Ian Davies at the Port of Holyhead in May 2023, celebrating the designation of Freeport status with local businesses and elected officials.

2 A POWERFUL AND DYNAMIC PARTNERSHIP

Anglesey Freeport is a powerful partnership between the Isle of Anglesey County Council (IACC) and Stena Line - backed by strong support from the UK and Welsh Governments.

For nearly three decades, IACC and Stena Line have worked together to drive forward change on the Isle of Anglesey, using their combined expertise to deliver for local residents, businesses, and the wider North Wales economy.

The Freeport is in the unique and privileged position of operating under one local authority (IACC), and one port owner, Stena Line – who also own the surrounding seabed incorporating the Freeport's blue innovation zone. This lean and dynamic partnership allows for greater cohesion and unity of purpose, as well as efficient decision making.

The Freeport is also supported by a wide range of expert partners, incorporating the world's leading authorities in international trade and customs law, such as KGH Maersk, Competere and the Institute of Export & International Trade.

In addition, the Freeport is in the privileged position of being supported by an array of local and regional partners whose expertise will play a central role in the success of the Freeport – including innovation centre M-SParc Science Park and leading education establishments Bangor University and Grŵp Llandrillo Menai.

Anglesey Freeport's external partners play vital roles in the success and operation of freeports and Free Trade Zones across the globe.



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Now that we've left the EU we can create these turbo-charged freeports across the United Kingdom, they are special economic zones that are designed in a way to attract companies to invest there, to create jobs and opportunities for people.

**Prime Minister
Rishi Sunak**

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The Welsh Government has a clear economic mission to transform the Welsh economy, creating a stronger, fairer and greener future. The designation of these sites as Wales' first freeports will reinforce that mission, building on the significant investments and partnerships we have made in these regions over many years.

**First Minister of Wales
Mark Drakeford**

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3 STRONG BACKING FROM THE UK AND WELSH GOVERNMENTS

Anglesey Freeport enjoys exceptional backing from the Welsh and UK governments, with millions of pounds invested to ensure its success. This endorsement was evident during the Freeport's announcement, which was attended by the Prime Minister, First Minister, and Secretary of State for Wales (pictured). They highlighted the Freeport's potential to stimulate economic growth in North Wales and the UK as a whole.

The Prime Minister has consistently advocated for freeports in the UK, as seen in his 2016 policy paper "The Freeports Opportunity". This reflects his belief in the crucial role freeports can play in advancing Britain's post-Brexit international trading aspirations, with Anglesey Freeport being an integral component.

The Welsh and UK governments are jointly committed to ensuring the triumph of Anglesey Freeport and businesses should be assured of their unwavering support. The high-level attention given to this project by both governments is indicative of its importance.

Left to right: David TC Davies, Ian Hampton, Rishi Sunak and Mark Drakeford at the Port of Holyhead



4 WHY INVEST IN ANGLESEY?

ENERGY ISLAND PROGRAMME

The Anglesey Energy Island Programme, spearheaded by Isle of Anglesey County Council, is a collaborative initiative involving various stakeholders from the public, private and third sectors, working in partnership to establish Anglesey as a leader in low carbon energy generation, research and development. The island boasts some of the world's most cutting-edge advances in sustainable technology and energy production. Anglesey Freeport plays a crucial role in incentivising businesses to invest in the region and continue its development as a sustainable energy powerhouse. The Energy Island Programme, backed by the streamlined processes and financial flexibilities offered by Anglesey Freeport, presents an excellent opportunity for companies seeking to develop, manufacture and build the next generation of energy technologies.

At present, the Energy Island Programme is helping to spearhead some of the region's latest advances in sustainable innovation, including the following projects:

■ The Morlais Project

The Morlais Project is the largest consented tidal energy project in the world. The opportunities for developing new sustainable technologies are significant in this area – lying off the west coast of Anglesey within the Freeport's boundary. The Morlais project will include trials and pilots for tidal energy as well as offshore wind in the Freeport's Blue Innovation Zone (see point 10). It gives the UK the chance to capture part of the global tidal energy supply chain in a way that exceeds what has already been achieved in wind power, and is a significant part of bolstering Anglesey's role as the UK's leading region for the creation of net zero energy.

■ M-SParc Science Park

The Energy Island Programme is reinforced through the innovative work of freeport consortium partner M-SParc, who are responsible for driving innovation in the renewable energy sector across Anglesey. Operating as Wales' first Science Park, M-SParc is a national force for innovation, with a mission to 'ignite the economy, inspire the people & innovate for the environment; all for a sustainable Wales'. M-SParc's goal is to be the first net-zero science park in the UK, with freeport status helping to deliver a step change in their work, proving a catalyst for further research, development, and innovation.

UNIQUE LOCATION

Anglesey's unique location offers a distinctive advantage in facilitating the seamless flow of goods along the Central Corridor from Holyhead to Dublin, helping support the GB land-bridge between the Republic of Ireland and mainland Europe. This exceptional positioning provides an excellent opportunity for companies to easily transit goods to European and other global markets, with the supporting infrastructure already in place to help businesses succeed.



M-SParc Science Park will play an important role as a Freeport tax site, and is central to the development and delivery of our Freeport skills programme.

LOCAL TALENT AND EDUCATION

Anglesey Freeport will have a strong focus on training and upskilling local talent to benefit from the opportunities afforded by the Freeport – ensuring that North Wales communities are able to access new employment opportunities.

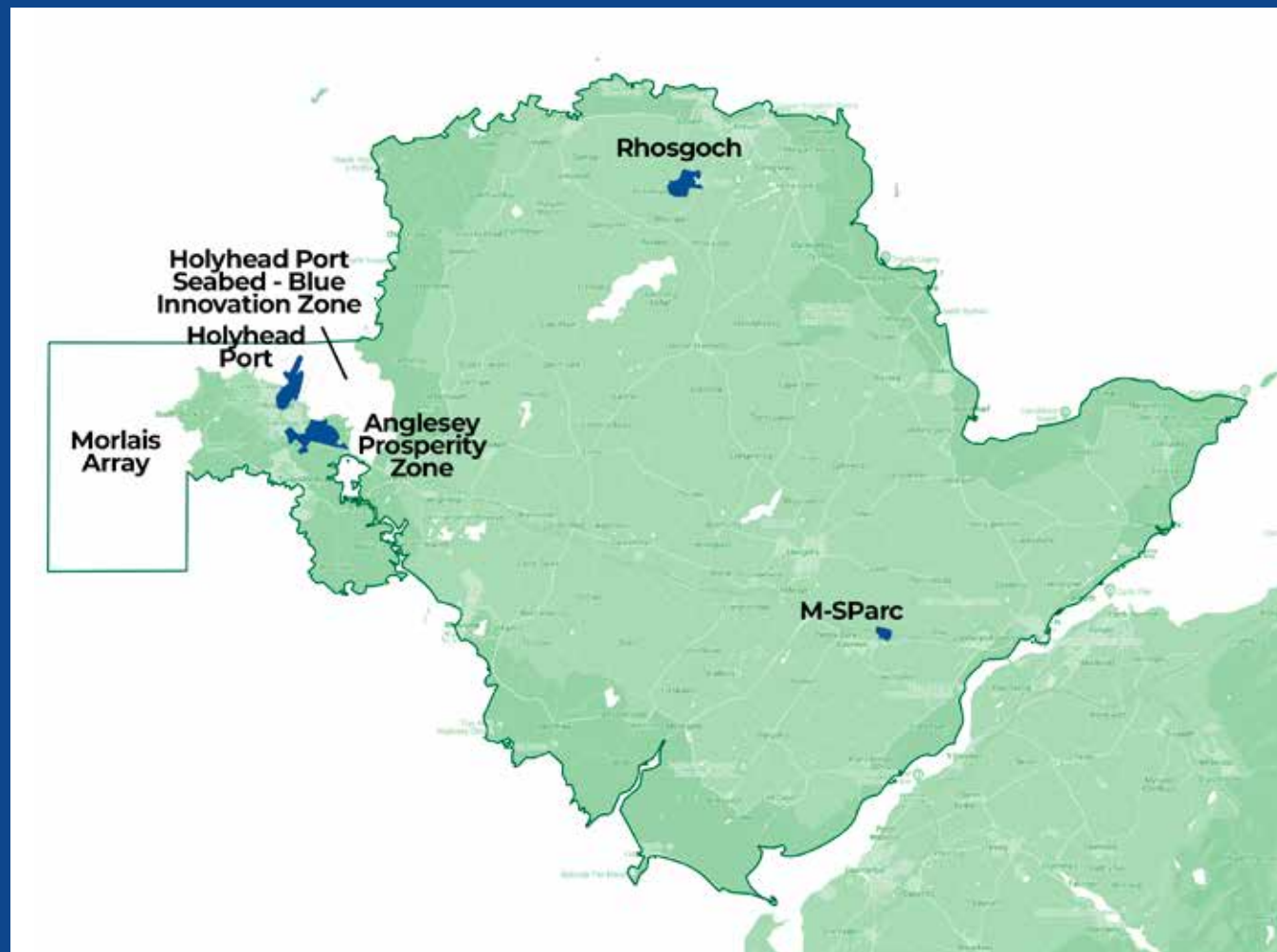
- The Freeport will build on and support existing initiatives in North Wales, working closely with the North Wales Regional Skills Partnership who have a Regional Skills Plan and have undertaken significant work on the North Wales skills gap and on skills development for an inclusive North Wales.
- A working group, focusing on skills and supply chain, brings together our local and regional partners including Ambition North Wales, the Institute of Export & International Trade (IOE&IT), Bangor University, M-SParc, Grŵp Llandrillo Menai, Welsh Government, Business Wales, Mon CF, Menter Mon, as well as Stena Line and IACC.
- The Freeport will include a Welsh Trade Centre of Excellence - the first of its kind in the UK, the bespoke training centre will deliver world class customs and exports education courses, helping ensure that North Wales retains its place as renowned hub of trading excellence.
- The Institute of Export & International Trade will work with organisations to provide deep customs knowledge and ensure effective customs compliance – for instance, helping businesses to showcase efficiently the point of origin of their goods, as well as their compliance with UK trading regimes.

A PROUD IDENTITY

Anglesey has a proud history of supporting the trade of goods from around the world, with the Port of Holyhead operating as a hub of global trade for generations. Not only will the Freeport build on the islands trading infrastructure, but will bolster the resilience and identity of local communities, with new employment opportunities helping to retain native Welsh speakers and local residents. Stena Line and Isle of Anglesey County Council are keen to work with partners to ensure communities benefit from the commercial activity of the Freeport, and play an active part in the long term success of the project.

A WINNING VISION

Stena Line and Isle of Anglesey County Council share a bold vision for the future of Anglesey Freeport and are committed to creating favourable economic conditions to attract long-term investment. They aim to achieve this without the complexities of a cumbersome operating and governance model. Instead, they prioritise swift decision-making backed by their strong ambition, which companies can rely on with confidence.



5 PROPOSED LOCATION AND SITES*

Anglesey Freeport's outer boundary is reflective of the island's unique geography and island economy, encompassing the entirety of the Islands, as well as the Morlais Array to the west of Holyhead, and the Blue Innovation Zone within Holyhead Bay. Specific tax and customs sites will operate at M-SParc, Rhosgoch, the Port of Holyhead and Anglesey Prosperity Zone. In total, the Freeport incorporates:

- Over 230 hectares of land across designated tax and customs sites.
- Direct tunnel access to the Port of Holyhead from Stena Line's land on the Anglesey Prosperity Zone.
- Grid connections up to 550MW.
- Direct access to Irish Sea, including the Blue Innovation Zone within Holyhead Bay, and the Morlais Array to the west of Holyhead.
- Opportunity to connect direct to certified clean energy.
- Outstanding road and rail connections, including easy access to A55 and direct trains to London from Holyhead. Rail connections also provide low cost, carbon efficient ways of transporting goods to customs sites.

*The sites above are subject to the approval of the Freeport's Outline Business Case.

6 CUSTOMS AND TAXATION BENEFITS

CUSTOMS

Anglesey Freeport will facilitate streamlined customs procedures, which will reduce the time and administrative burdens associated with importing and exporting goods. The Freeport will provide the option of moving goods between customs sites and from other special lands (e.g. customs warehousing) to the Freeport using a simplified declaration process. In addition, businesses operating within the Freeport can benefit from more efficient supply chain management by consolidating their manufacturing, storage, and distribution operations in one location, leading to significant indirect benefits for supply chain efficiencies.

The customs site also enables duty deferral or elimination of duties, where goods can be imported to the customs site without paying customs duties or taxes until they leave the site and enter the domestic market. Duties may be eliminated entirely if the goods are re-exported or used in the manufacture of products for export. Furthermore, when declaring non-UK goods stored or processed in the Freeport to the GB market authorities, authorised businesses can calculate import duties based on the value of inputs or the finished product, whichever is most beneficial.

TAX

Eligible businesses in Freeport tax sites will enjoy a range of tax incentives, such as enhanced capital allowances and relief from employer National Insurance contributions for new employees. The Welsh Government proposes to offer a specific Land Transaction Tax relief on relevant land transactions within qualifying tax sites in Wales where that property is to be used for qualifying commercial activity, although this is subject to confirmation and will require legislation to be laid.

These tax incentives are designed to encourage businesses to open, expand and invest in Anglesey's unique island economy, which in turn will boost employment, bolster local supply chains and advance prosperity for the North Wales region.

- Employers with premises in a Freeport tax site will be able to apply a zero rate of secondary Class 1 National Insurance contributions on the earnings of new employees who spend 60% or more of their working time in the tax site.
- Enhanced structures and buildings allowances are available to firms constructing or renovating structures for non-residential use in a Freeport tax site at a higher rate of 10% compared to the existing national rate of 3%.
- Enhanced capital allowances are available for companies investing in qualifying new plant and machinery assets. This allowance is a 100% enhanced capital allowance for plant or machinery primarily for use in a Freeport tax site.



7 STREAMLINING TRADE PROCESSES

- Digital Trade Corridors combine customs and trade facilitations in freeports with the latest supply chain and data handling technologies, blockchain encryption and state-of-the-art auditing programmes to facilitate the flow of trade while ensuring that governments have the information they need to move to intelligence based checks and for the process to move from a transaction based to a systems based operating model..
- Digital Trade Corridors therefore allow businesses to use the full potential of the customs flexibilities the Freeport offers, and reduce the complex checks and processes which would usually accompany the movement of goods.
- Anglesey Freeport will ensure a new Digital Trade Corridor operates along the critical trading route from Holyhead-Dublin, as well as for goods moving across the GB land-bridge transit route to and from mainland Europe.



8 INTRODUCING THE BLUE INNOVATION ZONE

The Blue Innovation Zone – a large relatively sheltered area within Holyhead Bay - utilises Stena Line's unique ownership of the seabed, allowing for the establishment and testing of new low carbon technologies in the tidal and energy sectors, with port infrastructure close by to support any development. The Blue Innovation Zone provides a unique opportunity for businesses who are looking to further their research and testing of innovative new technologies, helping place Anglesey Freeport at the forefront of North Wales' journey towards Net Zero.



9 OUR SUPPORT TO DATE

Anglesey Freeport has already received strong backing by local politicians, community groups, commercial partners and national government. We're delighted by the levels of support the project has had to date, and are keen to continue building deeper relationships with all our stakeholders as the project moves towards its next phase of development



SUPPORTER SPOTLIGHT ON: LAST ENERGY

Last Energy, the international developer of Small Modular Reactors, has pointed to the benefits of the Freeport working in tandem with the existing Energy Island Programme to promote and foster collaboration between public and private sector organisations, putting Anglesey at the forefront of low carbon energy research, development and production.



Freeport status on Anglesey would attract innovative technologies and industries to North Wales, and create an opportunity for these industries to be powered by clean energy from the outset.

Specifically, freeport status for Anglesey would influence Last Energy to consider the area for its first SMR deployment, bringing £1.4 billion of investment to the area.

Michelle Brechtelsbauer
VP of Strategy, Last Energy



10 YOUR OPPORTUNITY

Anglesey Freeport is well-positioned to capitalise on the UK's new trading regime and act as a gateway for international investors to the UK market. Stena Line and Isle of Anglesey County Council are eager to engage with potential investors and businesses to discuss their role in the future freeport, as well as proposals for regulatory flexibilities that the consortium should pursue in discussions with HM Treasury. Broad support from businesses representing various sectors will ultimately result in the creation of a freeport that benefits businesses, the government, and local residents.

Supported at the highest levels of government, backed by industry and championed locally, Anglesey Freeport has the potential to deliver greater prosperity across the whole of North Wales, and we hope you consider its many benefits as part of your strategic planning.

CONTACT



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Anglesey Freeport is a once in a generation opportunity to bring transformative investment to North Wales, bolstering the UK's international competitiveness and unlocking new trading possibilities for domestic and international partners. A partnership based on long term collaboration and united through a shared ambition, Stena Line and Isle of Anglesey County Council are ready to work with all those who share in our vision of prosperity, and ensure Anglesey continues its journey to becoming a hub for opportunity, possibility and innovation.

Ian Hampton,
Executive Director, Stena Line

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Anglesey Freeport has the potential to play a pivotal role in the sustained economic prospects of our Island economy and the prosperity of North Wales. Delivering the Anglesey Energy Island Programme is a realistic and achievable ambition. We are committed to collaborating, to secure new investment, substantial new job creation, and enabling the residents of Anglesey and North Wales to take advantage of these opportunities. By securing new investment and improving overall prosperity, we can contribute towards the well-being of our communities, safeguards our Welsh language and Island way of life, and contribute towards the advancement to net zero.

Dylan Williams,
Chief Executive - Isle of Anglesey County Council

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UNIQUE TRADE AND CUSTOMS
ARRANGEMENTS

ENHANCING ANGLESEY'S
UNIQUE ISLAND ECONOMY

SUPPORTED AT THE HIGHEST
LEVELS OF GOVERNMENT

DEVELOPED BY THE WORLD'S
TRADING EXPERTS

REVITALISING UK/EU TRADE –
BOLSTERING UK/GLOBAL TRADE

PRESERVING THE REGION'S
PROUD HERITAGE AND LANGUAGE

A PARTNERSHIP BUILT ON
TRUST AND LONGEVITY



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