



Image courtesy of Heidelberg Materials UK

2026 Edition

Priorities for Wales



OVERVIEW

1. The industry of industries

Minerals touch the lives of everyone in Wales, and the industry has a proud history of supporting economic growth across the nation and beyond.

Mineral resources such as crushed rock, sand and gravel, slate and dimension stone, as well as products such as asphalt, cement, concrete, lime, mortar, and industrial minerals have shaped our lives and landscapes for generations.

Alongside the homes, schools and hospitals that are essential for modern life, mineral products provide the foundation for the industries and construction projects that power Wales' economy, from transport infrastructure, energy infrastructure and steel, to manufacturing and agriculture.

Wales is geologically blessed to have abundant resources of essential minerals. However, the mineral products sector faces a number of policy challenges that must be addressed so it can continue supporting the Welsh Government to deliver its ambitions and aspirations for society, the economy, and the environment.

These challenges include Wales' planning and permitting system, high energy costs, a growing tax burden, and issues around nature, land use, and resources.



2. Contribution to Wales' economy

- Wales' mineral products sector produces 22 million tonnes of essential mineral products per year, operating from around 200 sites
- The sector directly employs more than 3,800 people in Wales, often in rural locations where alternative employment opportunities can be limited, and as the largest supplier to the construction sector supports >100,000 jobs through its supply chain in Wales.
- The UK-wide sector's average labour productivity is £99,000 per worker, well above the UK average
- The sector contributes around £700 million per year to the Welsh economy

In every sense, the Welsh mineral products sector should be considered a foundation industry and one of the few industries that remain in the Principality.

KEY ISSUES

1. Planning and permitting

Mineral products such as aggregates and industrial minerals are essential for the Welsh Government's ambitions for housebuilding, transport and energy infrastructure, and the economy and environment more broadly.

The availability and supply of minerals must not be taken for granted. While there are abundant resources, reserves must be planned, managed, and monitored to ensure demand can be met on a secure and sustainable basis. It is therefore essential that suitable permitted reserves of aggregates and other minerals are maintained, both in terms of volume and quality, so the sector can continue to operate and invest with confidence.





However, for many years replenishment rates of permitted aggregates reserves in Wales have been lower than extraction rates, resulting in a declining reserve base.

In the ten years to 2023, only 8% of the 11 million tonnes of sand and gravel sold has been replaced with new reserves while over the same period 63% of the 101 million tonnes of crushed rock sales were replaced.

This is unsustainable, and urgent reform to mineral planning and permitting in Wales is needed to ensure the sector can continue supplying essential materials for the housing and infrastructure without relying on imports from England or further afield.



Recommendations:

- Ensure essential mineral operations and resources are appropriately safeguarded and not unnecessarily adversely impacted by the introduction of overly restrictive constraints. Good policy and regulation, including MTAN1, should be based upon technical guidance and established principles informed by sound evidence. The implementation of reactive restrictions which impose arbitrary stand-offs and buffer zones could compromise the viability of much of the Welsh extraction industry, and the crucial associated employment and economic activity it underpins.
- Implement RTPI Cymru's recommendations for recruitment and investment in the Welsh planning system in order to restore capacity.
- Streamline mineral planning and permitting to reduce cost, delay, uncertainty, and bureaucracy, to address the decline in permitted aggregates reserves.
- Ensure all planning authorities in Wales have access to specialist mineral planning expertise with decisions made on a broader strategic process.
- Deliver accountability in minerals planning, by ensuring major infrastructure projects and development plans include resource assessments and supply chain considerations as part of the examination process.
- Increase all-tenure housebuilding in Wales, backed by a national target, and reduce barriers to the approval of new road and rail infrastructure projects.

2. Energy and decarbonisation

The mineral products sector is both committed to decarbonisation and essential for supplying the projects that will deliver Wales' energy transition.

Cement is an energy-intensive industry with two plants in Wales, at Padeswood and Aberthaw. The UK cement and concrete industry has a roadmap to net zero by 2050, and Padeswood is on course to take a major step towards that by becoming the UK's first net zero cement plant by 2029.

Delivering the roadmap in full, however, will require collaboration between the Welsh Government and Westminster to continue the rollout of Carbon Capture, Utilisation and Storage (CCUS), deliver essential infrastructure such as new or upgraded grid connections, and establish a reliable and affordable supply of zero-carbon electricity and sustainable fuels.

The sector will also play a critical role in delivering the energy infrastructure needed for Wales' green transition. The Welsh Government's offshore wind task and finish group, for example, recognised that "the concrete and aggregates sector is well placed to support the development of concrete foundations with capacity in north and south Wales close enough to ports to support the FLOW sector". However, this will require Welsh Government support to encourage projects to use domestic supply chains, and thus ensure the transition delivers maximum economic benefit to Welsh communities.

Likewise, mineral products will be essential for the ports and transport infrastructure necessary to deliver the energy transition, with recent announcements of government support to develop Port Talbot as a manufacturing hub for floating offshore wind development in the Celtic Sea.

Finally, Wylfa on Anglesey is expected to be at the forefront of the development of the use of small modular nuclear reactors for electricity generation.

Recommendations:

- Deliver offshore wind, and incentivise projects to use domestic supply chains, including for concrete
- Advocate for a UK-wide Concrete Strategy to maximise the concrete industry's potential contribution to the energy transition, as per the Welsh Government's offshore wind task and finish group action plan
- Invest in port infrastructure to enable use of domestic supply chains for offshore wind installations
- Work with the Government to deliver new nuclear power at Wylfa
- Work with the Government to deploy CCUS in all parts of Wales, and ensure Wales has the necessary skilled workforce to meet the CCUS industry's future need
- Assess emissions from buildings over their whole lives, instead of a narrow focus on 'upfront' embodied carbon



3. Taxation

Over the last five years, a combination of mostly UK Government policies has significantly increased the cumulative tax burden on businesses in the mineral products sector.

This, combined with other factors, has deterred investment in the sector, and in some cases led to redundancies and sites being mothballed.



The Aggregates Levy Fund (ALF) played a key role in delivering positive environmental and economic benefits to communities near mineral extraction sites, by investing in projects and helping to build strong and lasting relationships between the industry and local people.

The fund's closure in 2017 was a blow to the industry and communities alike, and MPA Wales strongly supports its reinstatement. There is no reason why it cannot be reinstated even though the Aggregates Levy remains a non-devolved tax, as evidenced by the fact that the initial fund continued for six years after the abolition of its English counterpart.

MPA Wales is also not opposed in principle to the devolution of the Aggregates Levy to Wales. However, if this were to happen we would encourage the Welsh Government to continue learning lessons from the Scottish Government's experience with the recent devolution of the Scottish Aggregates Tax. This was introduced after considerable input from the industry, and with its initial rate and design set to cause minimal disruption to the sector and to cross-border trade. Revenue from aggregates taxation could also be used to support the mineral planning system in Wales.

Recommendations:

- If the Aggregates Levy is devolved to Wales, it should be designed in consultation with industry, and should not be diverged unnecessarily from, or increased to a higher rate than, the UK Aggregates Levy.
- Restore the Aggregates Levy Fund
- No increase to Land Transaction Tax, Landfill Disposals Tax, or non-domestic rates

4. Land use, nature, and resources

MPA Wales members have a proud, decades-long record of enhancing biodiversity in Wales by restoring former quarry sites to nature.

Due to the long-term, but ultimately transient, nature of mineral extraction, the sector's contribution to biodiversity is unique, and includes some of the most ambitious restoration projects and specialist habitat creation projects.

Any effort to require developments to deliver biodiversity net benefit should reflect this unique contribution with an industry-specific parameters, in order to avoid inadvertently discouraging businesses from pursuing the most ambitious and innovative projects that ultimately deliver the most net benefit.

Meanwhile, the Welsh Government's stated aim of increasing the use of timber in construction is poorly considered and based on outdated assumptions, most notably when considering that over 80% of timber used in UK construction is imported.

Recent research from the Future Homes Hub has found a minimal difference in the whole-life carbon of timber-frame constructions versus masonry constructions, and Welsh Government policy should reflect this by taking a 'materials-neutral' approach to promoting all lower-carbon building materials, including low-carbon cement and concrete.

Concrete and masonry homes provide excellent resilience to fire, flood and escape of water. Combined with thermal mass helping to cool buildings in hot weather, concrete and masonry can provide excellent resilience to a changing climate.

Recommendations:

- Replace the specific promotion of timber in construction with a materials-neutral approach that equally supports all lower-carbon building materials
- Ensure any potential proposals for mandatory biodiversity net benefit are industry-specific
- Ensure land use planning safeguards mineral operations and associated transport facilities
- Encourage NRW to take a more pragmatic approach to the mineral products sector and the issues it faces, in recognition of its importance to the Welsh economy, environment, and society.

The Mineral Products Association is the Trade Association for the Aggregates, Asphalt, Cement, Concrete, Dimension Stone, Industrial Sand, Lime, and Mortar and Industries.

For further MPA information visit
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