# Wales urged to act now on AI risks as job displacement looms amid tech drive



The rapid advancement of artificial intelligence (AI) presents a paradox for Wales: while it holds the potential for transformative economic benefits, it also introduces significant risks, most notably job displacement. A recent report from the Economy, Trade, and Rural Affairs Committee of the Senedd underscores the critical need for the Welsh Government to begin comprehensively planning for these implications, as current measures appear insufficient.

Andrew RT Davies, the committee chairman, articulated the urgency of this issue, stating, “AI could bring huge benefits for Wales – but only if we get ahead of the game and prepare for how it could impact our economy.” He stressed the importance of a proactive approach, noting that the groundwork laid by the Welsh Government to assess its competitive edge in the growing technology landscape has yet to meet the challenges posed. The committee highlighted concerns regarding the impact of AI on various sectors and the necessary support for individuals who may find their jobs threatened by rising automation.

The implications of AI and automation on the Welsh workforce have been documented extensively. A 2018 report from Future Advocacy revealed that approximately a third of all jobs in Wales could be at risk due to automation by the early 2030s, with manufacturing identified as particularly vulnerable. This calls for a robust evaluation of the economic landscape to determine how Wales can best utilise the opportunities provided by AI technology.

Recognising the challenges, the Welsh Government has made strides in positioning the region at the forefront of AI initiatives. Plans announced in early 2025 detail a commitment to boost economic growth and improve public services through intelligent technology, with substantial investments earmarked for tech hubs and data centres, including a major project in Bridgend aimed at creating one of Europe’s largest data centre campuses. This infrastructural push indicates progress towards realising the full economic potential of AI.

Additionally, as the AI landscape evolves, smaller enterprises, particularly in rural areas of Wales, face unique challenges. A report by Senedd Research noted that the adoption of AI among small and medium-sized enterprises (SMEs) was notably low, with only 7.42% incorporating such technologies by 2022. The slower uptake among SMEs may hinder overall productivity gains and innovation. Addressing this disparity through targeted policy interventions may be essential to foster a more inclusive AI landscape across all types of organisations.

Significant investments from both the UK government and local authorities have also been made to support AI development. Companies in Wales, such as IQE and MedaPhor, are actively working on AI applications spanning sectors from semiconductors to medical imaging. These investments not only help create high-skill jobs but also aim to nurture clusters of expertise across the region, further reinforcing the growing importance of AI in Wales.

The Welsh Government is concurrently addressing ethical considerations surrounding AI implementation. New guidance established by the Workforce Partnership Council highlights a commitment to responsible AI use, ensuring that both the benefits and potential pitfalls are managed effectively within the public sector. This holistic approach may serve as a model for how other sectors can adopt AI technologies while safeguarding the workforce and promoting responsible practices.

As Wales navigates the complexities of AI adoption, it must balance fostering innovation with mitigating risks to employment. The call for a well-structured framework of support is urgent, as the nation looks to secure a competitive edge in the digital age, ensuring that no sector is left behind in the AI revolution.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 5
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5. Paragraphs 4
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7. Paragraphs 5

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## Bibliography

1. <https://www.southwalesargus.co.uk/news/25173044.calls-welsh-government-prepare-impact-ai/?ref=rss> - Please view link - unable to able to access data
2. <https://www.bbc.co.uk/news/uk-wales-43712829> - A 2018 BBC News article reports that automation could significantly impact Wales, with around a third of jobs at risk by the early 2030s. The research by think tank Future Advocacy indicates that sectors like manufacturing are particularly vulnerable to job losses due to automation. The article emphasizes the need for the Welsh Government to assess the competitive edge of Wales and prepare for the economic implications of AI and automation.
3. <https://www.gov.wales/wales-forefront-uk-drive-turbocharge-ai> - In January 2025, the Welsh Government announced that Wales is at the forefront of the UK's drive to 'turbocharge' AI. The UK AI Opportunities Action Plan aims to drive economic growth, support public services, and improve people's lives through intelligent technology. Wales is uniquely positioned to benefit from AI infrastructure plans, with developments underway to create tech hubs, shared resources, and data centers, including a significant investment in Bridgend to develop one of Europe's largest data center campuses.
4. <https://research.senedd.wales/research-articles/understanding-ai-in-rural-smes-opportunities-for-wales/> - A January 2025 article from Senedd Research discusses the impact of AI on rural small and medium-sized enterprises (SMEs) in Wales. It highlights that AI adoption rates are lower in SMEs compared to larger organizations, with only 7.42% of Welsh SMEs adopting AI in 2022. The article emphasizes the potential benefits of AI in enhancing productivity and addresses challenges such as technological concerns and the compatibility of AI with the Welsh language. It also suggests that policy interventions are needed to support AI adoption in rural SMEs.
5. <https://www.gov.uk/government/news/tech-sector-backs-british-ai-industry-with-multi-million-pound-investment> - A UK Government article from March 2025 reports on a multi-million-pound investment in the British AI industry, with a focus on Wales. Companies like IQE, MedaPhor, and Amplyfi are actively embracing AI, contributing to the development of AI applications in sectors such as semiconductors, medical imaging, and business intelligence. The investment aims to support new adopters of AI and help Welsh companies create clusters of expertise, high-skill jobs, and invest in developing this technology.
6. <https://www.gov.wales/wales-public-sector-leading-way-responsible-ai-use> - In December 2024, the Welsh Government's Workforce Partnership Council shared new guidance on the ethical and responsible use of AI across public sector workplaces. The reports outline a holistic framework for AI implementation, focusing on checks and balances, responsible implementation, and post-adoption evaluation. The guidance reflects a shared commitment across Wales' public sector to harness the benefits of emerging technologies while safeguarding against potential risks, particularly to the workforce.
7. <https://media.service.gov.wales/news/welsh-universities-change-lives-with-artificial-intelligence-and-data-science> - A May 2022 Welsh Government news release highlights how Welsh universities are transforming lives through artificial intelligence and data science. The Wales Data Nation Accelerator (WDNA), a collaboration between Cardiff, Swansea, Aberystwyth, and Bangor universities, is working to secure long-term data science and AI success in Wales. The initiative supports projects that aim to improve economic returns, quality of life, and sustainability, while also creating a skilled and digitally competent workforce.