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**Public Service Review: Devolved Government 18**

What challenges will Wales face in the current recession?

Graham Morgan, Director of the South Wales Chamber, said: "Over the past two years the Welsh economy has faced many challenges and although there are reports we are finally approaching a period of recovery, we still have a particularly rocky road ahead.

"There will need to be stronger policies in place to help support small medium enterprises. In particular, we need to pay attention to the manufacturing industry which has taken a huge blow during the economic downturn.

"What we need now is to move businesses forward faster than what they have been doing in the past 12 months, particularly concentrating on international connections and operations which will really drive our recovery and generate some money, particularly in Wales.

"Budget cuts in the public sector have been headline news as the mechanisms for recovering money used to stimulate economic activity. Whilst important public services should not be affected the challenge of doing more with less will fall upon private sector purse strings.

"We need to reduce the public sector burden on the private sector. For a long time the private sector has been the income generators and the public sector have been the spenders – it is time to balance the books.

“Having merged with the West Wales Chamber, we are now in a stronger position than before to represent businesses with a regional voice, pan South Wales, and will be doing so to ensure businesses are supported in the way they should be coming out of the current recession.”