

Economic Events Diary

May

Official figures from the European Union showed that both Cyprus and Slovenia had higher levels of **GDP per capita** than Anglesey. The Anglesey council feels that this was strong evidence that EU Objective 1 funding is not working in their case.

Hotels and restaurants in South Pembrokeshire were reported to be looking towards Eastern Europe in attempts to fill staff vacancies for the Summer season.

The Audit Commission produced a report revealing the dire state of the **Welsh NHS**, and called for radical improvements in services for patients. The report showed that the NHS was stuck in a vicious circle with the Welsh Assembly Government's policy of trying to solve problems by targeting money on initiatives to treat the symptoms failing to tackle underlying problems.

Construction began on a 21 storey apartment block of **student accommodation** in Cardiff centre for over 600 students. This is a joint venture between UNITE and Bridge Street Cardiff Properties.

June

Research from Payfinder.com revealed that the **pay gap** between men and women is increasing faster in Wales than anywhere else in the UK.

It was announced that a judicial review would decide the fate of the planned £45m **Bluestone holiday village** development in Pembrokeshire after the Council for National Parks argued that Pembrokeshire Coast National Park Authority had contravened its own policies in backing the project.

Construction began on the 16 acre **Bocam Park** scheme at Bridgend which could create up to 65,000sqft of new office accommodation, and house up to 1,000 new jobs.

The **Nat West Quarterly Survey** of small businesses showed that 68% of their Welsh respondents reported the best improvement in sales for nearly two years.

The Manpower **Employment Outlook Survey** published in June showed that the balance of employers wanting to take on additional staff in Wales in 2004Q3 was +19% compared to a UK average of +14%.

The *Western Mail* reported that the **Welsh Development Agency** was considering selling its Technium centres and channelling the funds to a venture capital fund for helping firms to develop.

Corus announced that its UK operations should return to profits in the first half of 2004, although there is still an efficiency gap of 6% between the firm and its main European competitors. Company management declined to comment on whether the Port Talbot operation would return to profit.

July

The **WDA** announced a new executive line-up as it restructures into three core divisions.

An independent survey commissioned by the Wales Tourist Board and British Holidays and Home Parks Association showed that **caravan based holiday makers** contribute around £200m to the regional economy every year.

Figures from the Principality Building Society's showed that **Welsh house prices** had increased by an average of 32% over the year to June 2004.

Figures released by the Office for National Statistics revealed that numbers claiming **unemployment benefit** in Wales during June was 40,100; equivalent to a claimant rate of just 3% of the workforce.

Figures from UK Trade and Investment revealed that Wales succeeded in attracting £360m of **inward investment** in 2003-04, creating or safeguarding over 8,000 jobs.

The **Welsh Assembly Government**, immediately on the eve of the summer recess, announced that the function of the WDA, Wales Tourist Board and ELWa were to be brought 'in-house' to the Assembly. There was some surprise throughout Wales at both timing of the announcements, and the lack of preceding debate.

The *Western Mail* reported that Treasury plans to rationalise the **Civil Service** could lead to the loss of 6,000 jobs in Wales.

August

The **Business in Britain Survey** from Lloyds TSB Corporate revealed that one quarter of its Welsh respondents experienced a growth in export sales to mainland Europe in first half of 2004, and with 45% of respondents expecting export sales to grow in the second half.

Figures from the Halifax showed that average **house prices** in Wales had risen by over 100% during the previous five years. For example, in the old county of South Glamorgan the average house price was just over £78,000 in 1999, increasing by 110% to around £164,000 by 2004.

Airbus, whose aircraft wings are manufactured at Broughton, received a boost as **Thai Airways** announced the purchase of six A380s.

September

New figures from Barclays Bank showed that **new business starts** in the first half of 2004 had increased by 29%.

The Royal Bank of Scotland's **Purchasing Managers Index** revealed that the private sector in Wales had experienced its 17th consecutive month of growth and new business activity.

The Welsh Liberal Democrats claimed that the Welsh Assembly Government has done little to halt the decline in **Welsh manufacturing**. This came after fresh fears of job losses at the **Defence and Aviation Repair Agency** at St Athan as the result of the withdrawal of a Tornado maintenance contract.

The Treasury was expected to announce the creation of 600 new jobs at Newport at the **Office for National Statistics** as a result of civil service reforms. It was unclear how many of the opportunities would be available for local people.

Comings and Goings: Companies' Activities in Wales

Companies House announced that it will create 200 jobs in a new operation at Nantgarw.

Electronics firm **International Rectifier** announced a three year £22m expansion at its Newport semi-conductor plant which will create 120 new jobs.

SWALEC reported the creation of 60 new jobs at its Cardiff call centre.

Cardiff hi-technology firm **ATL Telecoms** announced it is to move some of its production to China, with the loss of 23 jobs. Lower manufacturing costs in China were a key element in the decision.

Film and TV company, **Rising Tide**, revealed that it hoped to create up to 100 jobs around Llandeilo in West Wales.

Parachute maker, **Irvin-GQ**, opened a new factory in Llangeinor near Bridgend in a £5m expansion plan which could be linked to the longer term creation of up to 200 jobs.

Italian firm **Seda UK**, a manufacture of packaging products, was reported to be bringing 200 new jobs to Blackwood.

Car components firm **Arvin Meritor** at Cwmbran announced a £3.6m investment plan which could safeguard around 177 jobs at the plant producing brake systems and components.

The **DVLA** at Morryston in Swansea reported plans that 500

jobs would go in the period to 2007-08 as part of wider civil service job cuts.

Consumer credit company **Picture Financial Group** selected Celtic Lakes Business Park at Newport for a headquarters complex. The facility will initially employ around 70 people, but this is expected to rise to 250 by 2008.

Tesco announced that 160 jobs are to be lost at its finance centre in Cardiff with the operations being outsourced to Bangalore in India.

The Dawn Group officially opened its £32m meat packing plant at Cross Hands in Carmarthenshire. The first phase of the development has already involved recruitment of 200 staff, but the operation is expected to grow and finally employ up to 600 people.

Laura Ashley, the textiles company, announced that 90 jobs are to go at facilities in Newtown and Carno. This followed a review of operating costs.

Deepstream Technologies announced that it plans to create 120 new jobs near Bangor producing miniaturised 3D digital sensors.

ING Direct confirmed that it plans to create 300 jobs at a Cardiff call centre to deal with its growing customer base.

Panasonic in Cardiff issued 500 redundancy notices to staff. The company plans to end colour television and set top box production in Cardiff from the end of 2004.