

CARDIFF
BUSINESS
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Welsh Economic Review

Volume 13.1 Spring 2001

Produced in association with



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ISSN 0965-2450

The *Welsh Economic Review* is produced twice yearly, by the Welsh Economy Research Unit (WERU) at Cardiff Business School. The aim of the *Review* is to provide an authoritative and objective analysis of the Welsh economy in a manner that promotes understanding and informs decision-making. The 'core' section of the *Review* is written by members of WERU, with feature articles contributed by academics or practitioners within or outside Wales. The *Review* is circulated widely within Wales, to both private and public sector organisations, including the education sector and the National Assembly.

Notes for Contributors

Authors should send papers for potential publication in the *Welsh Economic Review* to the Editor at the address given below, preferably via e-mail in a Word for Windows format. Papers are welcome on any topic that would be of general interest to the readership, and should be written in a style suitable for non-specialist readers. Papers should be approximately 3,000-4,000 words and any graphs or figures should be accompanied by the underlying data to allow reproduction.

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Dr Annette Roberts,
Editor, *Welsh Economic Review*,
Welsh Economy Research Unit,
Cardiff Business School,
Aberconway Building,
Colum Drive,
Cardiff, CF10 3EU.

Tel 029 2087 4173

Fax 020 2087 4419

e-mail robertsa1@cardiff.ac.uk

Economic Events Diary November 2000-April 2001

November

EU grants were expected to enable the planned expansion of the **Tir Gofal** agri-environmental scheme. Meanwhile, despite continuing problems in the rural economy, land prices in Wales continued to improve, registering a significant year-on-year increase.

December

A conference in Newport heard that **call centre employment** was forecast to grow in Wales in the medium term. However the report also noted increased competition from other parts of Europe, and stressed the need for continued investment in high tech property and skills development.

Unemployment continued to fall - a year-on-year drop of 6.5% in December.

January

After much media speculation, **Corus** finally announced a series of job cuts across the UK. Of the 6,000 UK job losses, 2,500 were to be in Wales with the closure of Bryngwyn and Ebbw Vale, and the cessation of steelmaking at Llanwern. The Assembly initially held out little hope that many jobs could be saved.

Members of the National Assembly of the Economic Development Committee debated the troubled **National Economic Development Strategy**. The report was accused of containing major flaws, and AMs demanded further consultation and redrafting.

February

The **National Economic Development Strategy Consultation Paper** was published (this document is available on www.wales.gov.uk/economicpolicy). The initial consultation period has now been extended until 6th July.

A report commissioned by the WDA noted the continuing low level of entrepreneurship in Wales. Not only are the Welsh less likely to be involved in business start-ups, but the perceived social standing of entrepreneurs within Welsh communities is lower than anywhere except Japan.

Attempts to attract the **2009 Ryder Cup** to Wales stepped up. As well as providing a short-term expenditure boost, hosting the tournament might increase the profile of golf tourism in Wales as a whole. Some proponents were disappointed, however, when the decision on location was put back until the Summer.

A harbinger of much worse news, a case of **Foot-and-Mouth** was discovered only a mile from the Welsh border. By mid-April the disease would be confirmed on Anglesey, in Powys and in South Wales.

The Office for National Statistics published provisional estimates of **regional Gross Domestic Product (GDP)** for 1999. Total Welsh GDP in 1999 was an estimated £30.7bn, translating into £10,500 per capita, which was 80.5% of the UK average. (For more information on these estimates see the February 2001 issue of *Economic Trends* pp.67-81).

March

Workers at **Corus** waited to see how the company would react to the £90m rescue package proposed by trade unions. The

package would pay for significant retraining, whilst staving off redundancies for one year.

Another important milestone in the development of the Welsh public sector. The birth of **ELWA - Education and Learning Wales** - is heralded as a major step towards the creation of a world class economy in the Principality. The new body will marshal all aspects of education and training with the goal of increasing prosperity and reducing disadvantage and exclusion.

The announcement of an £80m scheme to transform **Burry Port** was welcomed. The scheme will improve the existing motor racing circuit with the siting of a new "centre of excellence", as well as creating a horseracing track and a new marina.

The **unemployment rate** in the UK dropped to below 1m for the first time since 1975. However, in Wales, employment and economic activity rates still remain below the UK average.

April

Teachers Unions warned that up to 100 jobs could be at risk in the summer despite extra Assembly cash for education. The money may come too late for next year's budgets.

The **WDA** are granted their largest ever budget increase. Plans for the coming year include the creation of a network of "techniums" to encourage so called knowledge industries.

The Office for National Statistics released employment results from its **Annual Business Inquiry**. The ABI has 2 main components, ABI(1) which collects employment data, and ABI(2) which collects other business information, such as output, wages and salaries etc. ABI(1) now replaces the Annual Employment Survey (AES) as the source of information on employee jobs. The ABI differs from the AES in terms of survey date, data collection point and estimation method. However, following a substantial research programme, the ONS concluded that the ABI procedures were providing more accurate estimates of employee jobs. (More information about the ABI can be found in the September 2000 issue of *Labour Market Trends*).

Comings & Goings

Not a good year so far for **manufacturing in the Valleys**. A possible 70 redundancies at the Honeywell spark plug factory were added to the loss of 79 jobs at **Arkana furniture manufacturers** in Caerphilly, 88 redundancies at **General Electric** in Nantgarw and the closure of the **Takiron PVC sheeting** factory in Bedwas. Meanwhile, furniture maker **Christie-Tyler** announced 300 redundancies in Bridgend and Caerphilly.

The news was little better elsewhere. The **KTH foundry**, making aluminium car components, and the largest employer in Llanidloes announced 200 redundancies, whilst **Exide Batteries** in Cwmbran announced the loss of 45 jobs.

There was a boost for the Welsh Economy with the announcement that **Ford in Bridgend** was to build the latest line of Duratec engines. The announcement brings the promise of 500 new jobs. Also in the Automotive sector, **Mollertech** in Caerphilly announced a £5m (110 job) expansion.

Following the sale of **Newbridge Networks** to Alcatel, Terry Matthews announced the expansion of **March Networks** from its Canadian base to a site in Newport, and also the creation of a new company, **Newport Networks** with headquarters in Chepstow (see *Interview with Terry Matthews* later in this issue of the *Welsh Economic Review*). However, Newport-based **European Semiconductor Manufacturing** announced it is cutting its workforce by 80, due to a downturn in demand for microchips.

Good news arrived with the go ahead for the **Airbus A380 super-jumbo**, the wings of which will be manufactured at Broughton, Clwyd creating up to 1,700 jobs.

Cardiff County Council and the WDA hope their joint purchase of the former **Wiggins Teape paper mill** site in Ely will be the spur for the creation of up to 1,000 jobs on a new employment site. Meanwhile, 600 jobs are hoped for at a new business park between **Caerphilly** and **Ystrad Mynach**.