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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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# Economic Events Diary, July 1999 – January 2000

## July

The National Assembly set out an ambitious ten year **National Economic Development Plan**, calling for the creation of 13,000 jobs per year, mostly in West Wales and the industrial Valleys. The WDA also produced an economic strategy consultation document, seeking to link longer term Agency plans to measurable impacts on the Welsh economy.

Business Strategies Ltd warned that booming **call centre** industries in Wales and elsewhere would come under increasing threat from Internet and digital TV shopping.

## August

**Unemployment figures** released in August reported that the jobless total for the 3 months to June increased slightly in Wales whilst falling in the UK. Commentators blamed the strength of sterling impacting hard upon Welsh manufacturing.

## September

**Hyder** warned that 600 jobs in Wales could be lost if the draft Ofwat recommendations on prices were enforced, as expected, at the end of November. Other water companies in the UK were similarly pessimistic.

A target completion date of September 2001 was set for Swansea's combined rugby and soccer stadium at **Morfa**.

## October

Ticketing concerns, worries about the condition of the pitch, and the 'just-about-ready' state of the stadium failed to dampen local enthusiasm or interest in the **Rugby World Cup**. This event was forecast to generate around £40m for the Cardiff economy, from almost half a million visitors.

## November

Caerphilly AM Ron Davies called for a guide to the 'jungle' of **Objective 1 funding** to help small firms and business in applications.

Concerns were expressed about the long-term ability of the **A470** to serve Valleys' commuters into Cardiff. Merthyr councillors fear huge traffic jams are on the horizon unless public transport infrastructure can be quickly upgraded.

The **National Botanic Garden of Wales** plans to become an economic as well as a scientific powerhouse. A proposed science development centre will include a science incubator, where ideas for new enterprises can be researched and grown into independent companies

## December

A drive to create a new generation of Welsh **entrepreneurs** was launched by TEC South East Wales with the aim of creating 3,000 new jobs in smaller firms.

The situation in the **utilities** industry worsened, with Hyder confirming it was looking to cut a third of its workforce - 1,000 jobs - in response to Ofwat price regulation. The company's shares plummeted and unions threatened strikes.

Disagreement arose between the Environment Agency and Cardiff Bay Development Corporation on safety issues surrounding the **Cardiff Bay Barrage**.

The **beef-on-the-bone** ban was lifted, bringing some limited relief to the Welsh beef industry.

## January

Wales' largest independent financial institution, the **Principality Building Society**, reported a £0.5m increase in its pre-tax profits, despite increasingly stiff competition in the housing finance market.

Figures released by the Principality reported that **house prices** in Wales had increased by an average of 7% in Wales during 1999, with increases averaging 10% in the South East

of Wales. However, Wales still lagged behind the average 11% growth levels experienced in the UK (Halifax, January 2000).

The issue of **Objective 1 funding** was raised once again. Central and regional government failed to convince doubters that sufficient funds would be available to enable potential Objective 1 projects in West Wales and the Valleys to proceed. In addition, a confidential report from the European Commission, leaked to the media, criticised many aspects of the Objective 1 Single Programming Document.

**Legend Court** announced that it was withdrawing from plans to create a £1bn theme park in the Newport area.

**Baird**, a clothing supplier to Marks and Spencer, with several factories in Wales, announced its intention to sue the retailer for £54m for breach of contract, following the termination of supply agreements that could affect 1,200 Welsh jobs.

## Comings & Goings: Companies' Investment in Wales

Surrey based **DPS**, a company specialising in the creation of Formula 1 components, announced the creation of 30 jobs in Pembrokeshire.

During 1999, the **Celtic Manor** Leisure complex doubled its workforce to 500, making it one of the biggest employers in Newport.

Mobile phone company **First Line** continued its expansion, bringing to 700 the number of new jobs created in its Cardiff and Swansea operations.

Japanese company **Mitsui Kinzoku** announced the creation of over 200 jobs in the next five years, when it opens its European manufacturing headquarters in Ammanford, making automotive door latch parts.

**Ford** Bridgend won the contract for sole supply of the Zetec unit from 2003. The news reportedly safeguards the 1,400 jobs on site, possibly leading to the creation of hundreds more.

**Laura Ashley**, the clothes and furnishings group, announced the closure of its factory at Gresford with the loss of 150 jobs.

The commissioning of a £13m unit at the **Elf** refinery at Milford Haven will produce a new generation of clean fuels at the plant and ensure the future of 300 jobs.

Call centre success moved further West with the announcement of 200 new jobs by **CyberCall** in Cardigan.

US firm **General Electric** announced the creation of 500 jobs this Spring, as it brings on line the £300m power plant which forms the centrepiece of Baglan Energy Park.

The gates to the **Wrexham Brewery** were finally closed with the loss of 18 jobs. The plant, latterly owned by Carlsberg-Tetley started brewing lager in 1882; the first British brewery to do so.

Pub chain **J D Wetherspoon** is to create up to 450 jobs in Wales during 2000 with the opening of 13 new pubs.

Irish company **Exel Walsh Western** announced the establishment of a new facility in Newport to support the operations of its client company LG Electronics. The new plant could create up to 100 new jobs.

US group Thermatrix announced the closure of the **Teddington Bellows** factory in Pontarddulais, with the loss of 70 jobs.