Welsh Economic Review
Economic Events Diary, February 2000—October 2000

February

A report published by the “Britain in Europe” group estimated 155,000 jobs would be lost if the UK pulled out of the EU. Biggest losers would be the cities, with Cardiff forfeiting an estimated 19,000 jobs and Swansea 9,000.

As the debate over agriculture continued in the Assembly, two reports highlighted other important economic aspects of the countryside. A report released by the Forestry Commission estimated 4,400 jobs were supported, directly and indirectly, by forestry and primary timber processing in Wales, whilst the Ramblers Association estimated that leisure walkers spend £132m in Wales annually supporting nearly 5,000 jobs.

March

Figures released by the WDA Call Centre Initiative highlight Wales’ success in attracting such development, and note the potential for further growth outside metropolitan cores. Commentators warn, however, that south-east Wales may soon reach saturation point for such activities, following the pattern set by other conurbations in the UK.

April

The Assembly hears that Welsh women are losing out on career opportunities to women from other parts of the UK. The submission by the Equal Opportunities Commission concludes that Welsh women are less economically mobile and more likely to be tied to their partners’ careers than those born elsewhere, whilst employment experience gained outside the Principality was highly valued by employers.

The Wales Tourist Board claims that, economically, the Rugby World Cup was a resounding success, with £80m accruing to the Welsh economy over the 6-week period. The report is in contrast to results released by Cardiff Chamber of Commerce who estimate over 80% of retailers within and outside the City Centre experienced a drop in sales on match days.

May

An assessment of the number of jobs in Wales at risk following a possible ban on hunting was put at 700. This figure, estimated from the Burns report, was considerably lower than the 3,500 claimed by the Countryside Alliance.

June

First Secretary Rhodri Morgan warns against placing too much emphasis on comparisons between Wales and Ireland, the “Celtic Tiger”. He directly contradicts the Institute of Welsh Affairs report “The Irish Experience of Objective One” which unfavourably compares Wales’ provision of post-16 years education with that of Ireland.

Professor Dylan Jones-Evans of Bangor University highlights concerns regarding the north-south public-funding divide (Western Mail). The major concerns raised relate to funding allocated to North Wales from public bodies such as the WDA, which is seen as inadequate.

The future of the Llanwern steel plant continues to be under scrutiny. The potential development, by Corus, of a Polish site, with lower labour and transport costs is seen as a direct threat to the Newport works. In a separate development, Corus announced Sheffield as its preferred centre for research and development, bringing an end to the 200 jobs in its Port Talbot laboratory.

Planners are accused of stifling job creation in the countryside. The Country Landowners Association cited conflicting objectives and over-cautious interpretation of ambiguous guidelines as examples of how planning authorities are thwarting attempts by farmers and landowners to diversify.

July

Rhodri Morgan puts the Assembly’s ten-year development plan out to public consultation. He accepts the targets for employment set out in the plan are tough, and emphasises the role of “home made” jobs in spurring the necessary increase in economic growth rate. Of the 19,000 jobs the WDA is charged with creating in the next 12 months, 10,500 are hoped to come from indigenous companies.

Welsh workers continue to be tempted by employment opportunities in the burgeoning south-east of Ireland. After successes in Holyhead, Irish employers are expanding their recruitment activities to the south-west of the Principality.

The capture of the 2001 FA Cup final by the Millennium Stadium fails to stifle criticism over the running and financial health of the facility. There is widespread concern after it emerges the name of the stadium is to be sold to a commercial sponsor to help offset its £50m debt.

August

IKEA announce it was considering four sites along the M4 corridor for its first store in Wales.

Corus announce that the investment would go ahead to re-line No. 3 Blast furnace at Llanwern but that the decision would remain under review (see page 36-37). National Assembly for Wales publish an Index of Multiple Deprivation, “to identify levels of deprivation throughout Wales and inform the targeting of regeneration programmes on specific areas”.

September

The National Assembly hopes to create up to 3,000 jobs with an application to the European Union to allow wholly Welsh farm produce to be labelled as such.

October

Rhodri Morgan announces a Labour/Liberal Democrat coalition built around a three year programme for government which promises to freeze prescription charges and invest £200m in renovating schools in Wales.
Comings & Goings
Companies’ Investment in Wales

Call centres continued to make the news into 2000. The announcement of 600 new jobs in the unemployment blackspot of Pembrokeshire, as a result of a Manpower and 7C joint venture was followed by the announcement by BT of a Call Centre at Nantgarw, promising 800 jobs.

Meanwhile, 1st Line Mobile announced in February its intention to recruit 500 new workers to add to the 2,000 already employed in Cardiff and Swansea. By June however the company had ceased trading, leaving all staff unemployed.

Communications company ntl announced it would create 500 new jobs in Wales as a result of its free Internet access service, ntlworld. The jobs will be mostly based in Swansea.

Marks & Spencer’s troubles continue to impact on the Welsh economy, with the announcement of the closure of its Cardiff distribution depot in August, and the consequent loss of 190 jobs.

Meanwhile, Rover’s difficulties contributed to the loss of around 450 jobs at the Krupp Cambford Pressings plant in Llanelli. A task force was set up to investigate ways to protect car industry jobs in Wales in the face of the crisis.

Cuts in the Stena Fishguard-Rosslare fast ferry service from year round to a six-months only service resulted in the loss of 19 officer jobs. Whilst redeployment would be offered to staff, the news was still a blow for North Pembrokeshire. Stena claimed the abolition of duty free meant it could no longer run an all year service.

More than 160 jobs are to be created in Gwynedd, where Taiwanese company Cycle Citi Corporation will manufacture bicycles for the UK and EU markets.

Beacon foods in mid-Wales expands to create 60 jobs in Brecon. The company specialises in supplying national supermarket chains with varieties of GM free vegetable pulses and herbs.

The "superjumbo" contract was secured for North Wales when the National Assembly confirmed a grant of £19.5m to British Aerospace at Broughton, ending uncertainty for the plant’s 3,000 employees.

Brooke Thompson Ltd, the UK’s leading manufacturer of generators and pressure washers, is to invest £1.5m in Trefegar creating 40 jobs.

In July Corus announced it was to shed an additional 1300 jobs at its operations in Wales, blaming the strength of the pound against the euro for its decision. In October, a further 145 jobs losses were announced, spread between the Shotton and Port Talbot plants.

During the Autumn, a number of job losses were announced in the consumer electronics sector. In October, Panasonic revealed that around 1,400 jobs would be lost at its Pentwyn plant. This followed an announcement by Sony of 400 redundancies at its television plant in Pencoed, and confirmation by Hitachi that 350 jobs are to be cut at its plant in Hirwaun.

Work will begin in November to develop a new site for a third Lloyds TSB call centre. The centre, in Bridgend, will eventually employ 400 people.