

# Economic Development & Transport Committee

**EDT(2)-06-06(p.1)**

**Date: Wednesday 29 March 2006**

**Time: 9.00am to 12.25pm**

**Venue: Committee Room 3, Senedd, Cardiff Bay**

**Title: Economic Development & Transport Minister's Report**

## **Economic Overview**

1. Labour Market Statistics: New labour market statistics were released on 16<sup>th</sup> March. Amongst the main findings were: -

- Employment in Wales was unchanged over the last year.
- The unemployment rate at 5.0% showed a slight rise the previous year and is at the same level as the UK average.
- The rise in the claimant count level in February, up 1.6% on January was the same percentage increase as the UK as a whole.
- The latest economic inactivity figures for the 3 months to January fell by 3,000 compared to the same period in the previous year.

2. Trade Development: The latest export statistics show a further increase. The value of exports for Wales for the whole of 2005 rose by £237 million (2.9%) on our 2004 performance. This continues a longer-term upward trend. Between 1999 and 2005, Welsh exports have risen by 33.8%, compared to a rise of 25.6% for the UK as a whole for the same period.

## **Supporting Business**

3. Defence Training Review (DTR): On 20<sup>th</sup> March I attended and spoke at a presentation and reception hosted by Mike Hayle, Head of the Metrix Consortium bidding for the DTR contract. The event was attended by several South Wales MPs, local authority leaders, cabinet members of the Vale of Glamorgan County Council and representatives of the local business community and other stakeholder groups including representatives from FE and HE colleges in Wales. I took the opportunity to re-emphasise the full support of the Welsh Assembly Government for the Metrix / St Athan bid as the best solution for the MoD, the UK and for Wales.

4. KP Renewables: Company has announced it has been awarded £4.2 million of Objective One funding for its Wave Power Station Project. The project is being developed in conjunction with wave

energy technology company, Wave Dragon. The funding will be used to deploy a 7-megawatt Wave Dragon unit off the coast of West Wales near Milford Haven.

5. Financial Services: A Financial Services CD-ROM to enhance our existing global efforts to secure inward investment in the sector has been finalised. From next month the CD-ROM will accompany three journals; The Banker (with a global audience); Financial World (a UK audience); and Insurance Times (a UK and European audience). More generally, the CD-ROM will be used at exhibitions and events globally, in presentations and in direct marketing to prospective inward investors, helping to build on our already considerable strengths.

6. Accelerate Wales Dinner: On 16<sup>th</sup> March I attended the Accelerate Wales award's dinner. The Accelerate Wales Programme has been running since March 2001 and was developed in consultation with and for the Welsh Automotive Industry, focusing on the improvement of Supply Chain performance. Since its inception, the programme has generated £208 million worth of business and created 951 jobs. The evening provided a good opportunity to celebrate that success and I announced £1 million of further funding for a new two-year programme to support networks/supply chains and widen the programme's reach.

7. Welsh Industrial Development Advisory Board (WIDAB): Danny Fellows, Dr James Driscoll and Annesley Wright have all been re-appointed to WIDAB. WIDAB has played an important role in supporting the development of our economy. That role will be no less important in the future, and the impartial, robust advice that WIDAB provides is highly valued.

8. Welsh Local Government Association (WLGA): On 16<sup>th</sup> March I met Cllr Bob Wellington, the WLGA's Economic Development spokesman to discuss a wide range of issues.

9. Vale of Glamorgan County Council: On 21<sup>st</sup> March I met Cllr Jeff James, leader of Vale of Glamorgan County Council to discuss a number of items of mutual interest including the DTR.

10. European Structural Fund Progress: Structural Funds has committed £1.48 billion to 2,694 projects, representing some £3.56 billion of total project investment in Wales. Objective 1 has committed some £1.26 billion grant to 1,643 projects, representing over £3 billion of total project investment in West Wales and the Valleys. The quarterly report will be given to EDTC on 29<sup>th</sup> March.

11. Inspiring Success Programme: On 22<sup>nd</sup> March I launched the Assembly Government and Objective 1 funded "Inspiring Success" programme. Developing a strong indigenous SME sector is vital to the prosperity and economic growth of West Wales and the Valley's. This programme, drawing on £880,000 of Objective 1 money and £260,000 of Assembly Government funding will assist improve the competitiveness and survival rate of SMEs in the Objective 1 area.

**Establishing Wales in the World / Tourism**

12. **Golf Tourism:** A "Team Wales" approach between the Assembly Government and Ryder Cup Wales 2010 helped make a success of our presence at the PGA Merchandise Show in Orlando. As a direct result of the show a number of manufacturers have already established new business deals as we continue to showcase Wales and Welsh companies in maximising the benefits of Ryder Cup 2010.
13. **WLGA Tourism Conference:** On March 9<sup>th</sup> I spoke at the Welsh Local Government Association's Tourism Conference. I emphasised that local authorities and the WLGA are key players in delivering a quality Welsh tourism product. I also highlighted the benefits of the merger of the WTB and WDA with the Assembly Government and the added focus and synergy that the new Tourism and Marketing Department under the leadership of Jo Jones will provide in driving forward Wales brand identity both internationally and within the UK.
14. **North American Trade Links:** Welsh North America Business Council and the Welsh North American Chamber of Commerce are to merge under the working title Wales North America Business Chamber to provide a more focussed approach to promoting transatlantic trade. The merger will strengthen support for organisations looking to pursue trade and investment opportunities and will play an important role in building upon the already very strong links that exist between Wales and the US and Canada.

## **Improving Transport**

15. **A40 in Monmouthshire:** On 15<sup>th</sup> March works began to reconstruct and refurbish the A40 in Monmouthshire. The £4 million-maintenance contract will improve road safety and comfort on a 2.7-km stretch of carriageway between Mitchel Troy and Monmouth. The work will take approximately 29 weeks to complete but will be undertaken in phases over restricted lengths to minimise traffic disruption.
16. **Moir Lockhead:** I met Moir Lockhead First Group's Chief Executive Officer on 15<sup>th</sup> March and discussed with him First Group's plans for the Greater Western Franchise, their plans for improving bus services and their performance and plans for the future.
17. **Half-fare bus travel for 16 to 18 year olds:** On 23<sup>rd</sup> March I launched the Bridgend pilot of the scheme. This follows on from the launch of the North east Wales pilot on 9<sup>th</sup> March.

## **Job Gains / Safeguarded**

18. **Cambrian Printers:** The Aberystwyth company is to benefit from a £1 million Assembly Government Regional Selective Assistance Grant as part of a £5 million investment and upgrade programme. This is designed to further increase the company's capacity and range of services, improving its competitive position.

## **Job Losses**

19. Overhaul Aerospace Ltd: The Llanelli based manufacturer of aircraft interiors has gone into administration with 50 job losses. A skeleton staff of some 20 workers is continuing to assist the company trade on a short-term basis in the hope that it will be taken over by its main Dutch customers.

## **EDTC Action Outstanding**

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The EDT Minister agreed to provide a report to the Committee on whether there had been any problems with pollution left in the ground at the old Melloy Ltd site.

- Officials are unaware of any pollution issues at the former Melloy site in Pontyclun. The Assistance was offered to the company as the landlord of the Pontyclun site had made the decision to redevelop the site for residential purposes and had served notice on Melloy to vacate. If there were any environmental issues, the landlord would take responsibility for the clearance.
- The grant was offered towards the acquisition, refurbishment and relocation to the Treforest site.

The EDT Minister agreed to investigate claims of Broadband capacity problems in the Neath area and report back to the Committee.

- Where residents or businesses are unable to access broadband due to capacity issues at the local exchange, the Regional Innovative Broadband Support (RIBS) project will work to provide services as these will be classed as 'blackspots'.
- Blackspots are sites within enabled exchange areas that still cannot access broadband services despite the exchange being enabled. In partnership with the Broadband Wales Observatory, my Broadband Wales Programme has established a brokerage scheme which captures the names, and addresses of consumers, businesses and voluntary organisations, who are unable to connect to a broadband service.
- I would encourage you to urge your constituents to register their details on the website [www.bbwo.org.uk](http://www.bbwo.org.uk) or [www.abec.org.uk](http://www.abec.org.uk). The data collected will be used to provide the successful RIBS contractor, BT, with details of unserved broadband areas in Wales.

The EDT Minister agreed to make the schedule for the rollout of the RIBS project available to the Committee

Exchange Name	Local Authority	Ready for Service Date
Gwynfe	Carmarthenshire	30-Jun-06

Llangurig	Powys	30-Jun-06
Llanarmon	Wrexham	30-Jun-06
Moylegrove	Pembrokeshire	30-Jun-06
Llanwddyn	Powys	07-Jul-06
Penmaen	Swansea	07-Jul-06
Cynghordy	Carmarthenshire	14-Jul-06
Merthyr Cynog	Powys	21-Jul-06
Pantydwr	Powys	21-Jul-06
Rhandirmwyn	Carmarthenshire	22-Jul-06
Angle	Pembrokeshire	22-Jul-06
Capel Curig	Conwy	28-Jul-06
Castle Caereinion	Powys	28-Jul-06
Gladestry	Powys	28-Jul-06
Abergynolwyn	Gwynedd	28-Jul-06
Whitton	Powys	28-Jul-06
Skenfrith	Monmouthshire	28-Jul-06
St Nicholas	Pembrokeshire	28-Jul-06
Llangunllo	Powys	05-Aug-06
Bryneglwys	Denbighshire	05-Aug-06
Cyffylliog	Denbighshire	05-Aug-06
Llantilio	Monmouthshire	05-Aug-06
Pennal	Gwynedd	11-Aug-06
Rhydymain	Gwynedd	11-Aug-06
Ganllwyd	Gwynedd	11-Aug-06
Glandyfi	Ceredigion	19-Aug-06
Beguildy	Powys	25-Aug-06
Llanefydd	Conwy	01-Sep-06

Bontddu	Gwynedd	02-Sep-06
Hundred House	Powys	08-Sep-06
Painscastle	Powys	22-Sep-06
Cross Ash	Monmouthshire	22-Sep-06
Rhiw	Gwynedd	To be confirmed
Llawhaden	Pembrokeshire	To be confirmed
Rhos	Pembrokeshire	To be confirmed