

EDC-11- 01(p1a) Minister's Oral Update

Job Losses in Wales – GMB Paper

An article in the Western Mail reported on a GMB paper which showed that 3,000 manufacturing jobs have been in Wales over the last 6 months. The data collected for the Welsh Register of Manufacturing Employment appears to show a continuation of a longstanding picture of slow net decline in manufacturing employment.

Job gains and losses are a normal feature of economic life. In most years, gross job losses of between 10,000 and 20,000 in Welsh manufacturing occur. Gross job gains are usually of the same order and magnitude. In recession years, we might expect job losses of between 20,000 and 30,000. The 3,000 losses presented by the GMB is therefore well within the expected range. It is nevertheless true that employment in manufacturing has been falling, in Wales as well as in the UK as a whole. The recently published ONS figures show that the numbers of employee jobs in manufacturing in Wales fell by 9,000 (4.5 percent) in the year to March 2001.

The manufacturing sector is also facing particular problems at the moment, with many companies facing difficult trading conditions. The Bank of England Deputy Governor attended a meeting at the Assembly three weeks ago, when this issue was discussed with the First Minister among others. The Deputy Governor was as concerned as we were at the markedly different pressures on the exposed sector of the economy (i.e. export based manufacturing etc) and the domestic sector unexposed to international competition.