

ECONOMIC DEVELOPMENT COMMITTEE EDC-19-00(p4)

Date: 13th December 2000

Time: 2.00-5.30pm

Location: Committee Room 1, National Assembly Building

Call Centre Market Analysis

Purpose

1. To assist the Committee's discussion of the call centre sector in Wales.

Background

2. At the meeting of the Economic Development Committee on Thursday 22 June 2000, the First Secretary undertook to provide an audit of call centres as a paper for future discussion, after discussions arose concerning the closure of First Line Mobile's call centres in Cardiff and Swansea. The critical issue concerning call centres was considered to be their quality.
3. The WDA, employed PriceWaterhouseCoopers to undertake the audit, which can be found annexed. The market analysis covers the areas of the Call Centre Market, the Call Centre Industry in Wales, Competitor Practice and Initiatives, Future Prospects and Growth Opportunities, and Future Considerations for Wales.

Main Points

4. The report notes that the call centre market is expected to grow by almost 60% by 2008, with almost 70% of call centres in Wales expecting future growth. However, as part of the process of developing the industry, it is likely that low value added operations will be relocated to other parts of the world.
5. Welsh call centres employ 20,000 - 1.5% of the workforce, lower than some parts of the UK, higher than others. While there is a large concentration of call centres in Cardiff, and smaller ones in Newport and Swansea, a third are spread across other parts of Wales, some in areas in which it has in the past proved difficult to secure investments. Call centre work is generally better paid than sales and manual occupations.
6. Wales has been relatively successful in terms of attracting call centres. In 1999, Wales was

the sixth favoured region in UK and Ireland.

7. Call centres in Wales are well placed to exploit the emerging technologies that are expected to lead to higher value added operations – 48% use the internet compared with 36% for the UK as a whole, and use mail and FAX less. However, nearly 45% of call centres in Wales see skills availability as a major threat.

8. The report sets out a series of recommendations aimed at securing the future of the industry in Wales, including the development of the ranking system. These recommendations will be carefully studied by the National Assembly and its sponsored bodies.

Conclusion

9. The Committee is invited to note the report and offer observations.