

**ECONOMIC DEVELOPMENT MINISTER'S REPORT TO THE ECONOMIC DEVELOPMENT COMMITTEE**

**WEDNESDAY 13 DECEMBER 2000**

**Exceptional items only (since last EDC – 29 November)**

**1. Latest Economic Assessment**

Employment/unemployment figures

New Labour Market Statistical information will be released on 13 December by the Office for National Statistics. I will give a separate verbal report if required.

Business Surveys announced

There have been no new Surveys published since 29 November.

**2. Major issues**

Corus

National Assembly officials have been in close contact with Corus and DTI since the departure of John Bryant, joint Chief Executive of Corus, was announced last week. The First Minister has had discussions with Stephen Byers and I am scheduled to meet Nick Cragg, Managing Director of Corus' strip mill in Wales on 15 December at Port Talbot. In addition, I am scheduled to visit the Llanwern plant on 12 January 2001. The second meeting of the All-Wales Steel Task Force will be held on 18 January, and Corus will have the chance to bring the Task Force up to date on the latest position at that meeting.

**3. Job news**

Alcan

I very much regret the announcement by Alcan last week that they will be closing down their foil business in Rogerstone, with the loss of 220 jobs. The Assembly, together with the key agencies, is working closely with the company to see what can be done to help those affected find alternative employment. Since the company has offered voluntary redundancy terms to

employees from both Rogerstone (Foil and Sheet) plants, it is hoped that compulsory redundancies will be kept to a bare minimum.

### Other losses

Over 160 jobs will be lost at Courtaulds' Wrexham lingerie manufacturing operation, when it closes later this week. We understand the closure is due to cheap imports from the Far East. Assembly officials are in contact with the company to offer all possible assistance to those affected by redundancy. In addition, 65 jobs are to go at Forma Lingerie in Merthyr Tydfil due to the loss of contracts from Marks & Spencer and Coates Viyella.

### Gains

On 5 December, I was pleased to welcome the announcement by Wireless Systems International Limited that it is to create 264 jobs at Cwmbran over the next 5 years. The company intends to invest £17.1 million in a project leading to the establishment of a large-scale manufacturing facility for the production of a range of high-efficiency power amplifiers for the mobile telecommunication industry. This is a superb project bringing leading edge technology into Wales and was won in the face of fierce competition from abroad.

Over 300 new jobs will be created by Duracables Ltd of Llanelli, with the help of RSA support. This project will also safeguard over 200 jobs. In addition Skytronics Ltd of Cwmbran will take on nearly 190 extra staff, again with the help of RSA support.

Acequote.com – a German business to business – company will create over 106 new jobs in Cardiff.

### Other announcements

8 Mid Wales companies which have committed themselves to exploiting new ideas to gain a competitive advantage in the global marketplace have been presented with the Commitment to Innovation Award.

The first phase of a major multi-million pound initiative to boost the Welsh opto-electronics sector has been agreed by the Wales European Funding Office. The £210,000 funding toward a £554,500 project was submitted by the WDA on behalf of the Welsh Opto-Electronics Forum under the Objective One fast track scheme.

I announced on 4 December an £8.5 million grant aid agreement to promote the much needed reclamation of the Brymbo Steelworks near Wrexham. The National Assembly has allocated

an additional £5 million to the Welsh Development Agency to help meet the cost of the project. The remainder of the cost will come from the WDA's existing budget.

This is believed to be the largest land reclamation project ever undertaken in North Wales. Nearly 240 acres of 'brownfield' land will be reclaimed, creating space for housing, amenity areas and business premises which could provide room for up to a 1000 new jobs.

### New Valleys Tourism Initiative

The Wales Tourist Board, the Welsh Development Agency, the Valleys local authorities and the heritage bodies are actively considering the development of a new tourism initiative based on the Valleys. This will focus on opportunities to develop the Valleys 'as a destination', and also seek to capitalise on the major opportunity now offered by Blaenavon's World Heritage Site designation.

To take this forward, a study will be undertaken during the early part of next year. The study will consider the tourism image of the Valleys, the promotion and marketing of the region's unique heritage as the driver of the first industrial nation. I will be kept informed of developments and will report back to the Committee as appropriate.

### Wales Trade International – Trade Mission programme 2001/2002

The Wales Trade International mission programme for 2001/2002 was announced on 28 November. The programme, which begins in April 2001, involves 8 trade missions visiting 14 countries. It includes three new destinations - China, Turkey and Brazil - as well as return visits to South Africa and the Arabian Gulf. The other destinations include Canada, Chile, Argentina, Israel and India.

### International Relations

The Singapore High Commissioner (His Excellency Prof. Pang Eng Fong) visited Wales on 29 and 30 November. Prof Pang will, from January 1<sup>st</sup> 2001, become the Chairman of the ASEAN (Association of South East Asian Nations) Committee of Ambassadors and High Commissioners in the UK. Such was the success of his brief visit in November, that he is looking to bring the ASEAN Committee to Wales in Spring 2001.

### Better Regulation workshops

*Putting Wales First* states that the Assembly will seek to minimise the burdens on businesses. Local business partnerships aim to establish a forum for discussion on all areas of regulation and enforcement and provide a framework to help businesses comply with regulations. Partnerships have a key communications role to play in enabling businesses to comply with

regulations and in making sure that the Assembly is aware of where businesses feel hardest hit by regulations and how they think they can be improved.

Out of a potential 22 partnerships, there are currently 4 partnerships in Wales (Cardiff; Pembrokeshire; Powys and Wrexham). Of these 4 only Cardiff can be considered 'active'.

A seminar in South Wales to promote local business partnerships was held on 18 October. A seminar for North Wales will take place in January. We intend to make it easier for businesses to get advice on complying with regulations through the development of a dedicated Internet site which will be up and running by next April.

### Innovation and Technology Counselling Service

Last month, the Minister for Education and Lifelong Learning, the Minister for Finance and I jointly approved the transfer of that part of the budget for the Innovation and Technology Counselling Service - £400,000 – which currently resides within the Education and Training MEG to its correct position within the Economic Development MEG. This transfer will be effected for the period 2000-01 to 2002-03.

Simultaneously, we also approved Pathway to Prosperity funding to double the number of Counsellors, from 8 to 16, for the three year period 2000-01 to 2002-03.

Supported by this expanded service of 16 Counsellors, we propose to employ the transferred £400,000 to part-fund the development and establishment of a network of 4 "Inventors' Clubs" across Wales. These Clubs will act as focal points for helping individuals who have innovative ideas for new products or processes but who are currently ineligible to benefit from other existing innovation support schemes.