

**WEDNESDAY 31 OCTOBER 2001**

**SUMMARY OF MINISTER'S ORAL REPORT TO COMMITTEE UNDER AGENDA ITEM 2**

**Objective One article in Western Mail Monday 29 October** – This article quoting Brian Morgan and Gillian Bristow was based on misleading comparisons with Swedish and Austrian Objective regions. The report drew the wrong conclusions under Objective One and was potentially damaging to the level of applications for assistance.

The Minister happened to be in Brussels on the day, and sought the views at first hand from the relevant section of the Commission. Direct Ministerial involvement referred to in relation to Austria was not just unusual, but also regarded as undesirable. With a first review date of 24 November 2001, two of the Swedish schemes are more likely to face de-commitment than Wales. We have to request draw down of £175m by 31 December 2002. With 14 months to go, draw down to date and payments made and in process amount to £129m, or 73% of target. There is no question of sending money back to Europe. Far from being more likely to face decommitment than Sweden, we were informed that we were in less danger of decommitment than Sweden.

**Finance Wales** –The formal launch of Finance Wales would take place next week. When match funding from the private sector was in place, the available funds will be tripled to around £60 million with the potential to benefit SME's throughout Wales.

**DJ Construction** – The Minister confirmed that the Government of the Assembly was keeping an eye on the situation, as it was a rapidly growing construction company. Although it had been alleged that the failure of planning authorities to approve wind farm contracts may have been responsible for the company's downfall, such contracts were only a small part of their business.