

WEDNESDAY 12 DECEMBER 2001**Minister for Economic Development's oral report**

In addition to my Written Report, I also raised the following items under Agenda Item 2.

New Labour Force Survey figures

In November, the claimant count in Wales fell by 200 but the rate remained at 3.8%. UK claimant count rose by 4,800 with the rate remaining at 3.2%. ILO unemployment for Wales fell by 5,000 (August to October), with the rate falling 0.4% to 5.5%. In UK, this increased by 29,000 over the same period with the rate going up by 0.1% to 5.1%.

I welcome the continued fall in unemployment in Wales especially against the background of the second consecutive rise in England. The long-term trend reflects the difficulties facing manufacturing and the continuing upturn in the services sector in Wales. The short-term trend (post September 11) is a slow down in the services sector in London and the South East of England with airlines, hotels, City bonuses all hit hard. The recent rise in unemployment is therefore concentrated in those regions.

Cefn Croes Windfarm

On Monday Brian Wilson, UK Energy Minister, announced consent to the Cefn Croes windfarm proposal in Ceredigion. The announcement was made at the opening of the Pendine windfarm. Cefn Croes is the biggest windfarm project in the UK to date and will make a significant contribution to clean energy production in Wales and the climate change agenda. The project is for a 39 turbine 58 megawatt farm which could feed into the proposed 132 KV line to be installed undersea going down the west coast of Great Britain.

As the project was over 50Mw, it was a matter for the Energy Minister rather than the Welsh Assembly Government. Officials have been asked to commence discussions to explore the possibility of transferring the consent responsibility for over 50Mw generating capacity proposals to be determined by the Assembly.

Panasonic fire

I was sorry to hear news of the massive warehouse fire at Pentwyn, 100 yards from their factory complex. We offered to help the Company to find alternative warehouse facilities but their logistics experts have this in hand. The fire did not affect the manufacturing facility and we

understand that the fire should not directly affect employment at the site or the long-term viability of the company.

NTL

You will have heard about possible job losses at NTL. We understand from the Company that there are virtually no job loss implications for sites in Wales.

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Impress Metal Packaging

The Company has announced closure of the site, with 160 - 170 redundancies phased between March and July next year. The Assembly Government was unable to dissuade Impress from the closure decision and we are working closely with the Company to help affected staff. I am aware of other companies in the vicinity of Impress that require similarly skilled staff and hope that this will help at least some of the affected staff find alternative work quickly.

Alcoa Dolgarrog

This was raised yesterday in Plenary and I want to clarify the position. The WDA is to meet 50% of cost of the consultants' feasibility study into alternatives to closure for Dolgarrog and their report should be available by the end of January 2002.

Consignia Cutbacks

I regret the announcement of up to 30,000 job reduction in the Consignia workforce across the UK and that up to 1400 of the 30,000 could be in Wales. Due to the high turnover nature of the organisation, Consignia management believe that almost all of the job losses can be achieved through natural wastage.

My recent visit to Airbus, Broughton

This was an excellent visit and I was pleased to see the positive atmosphere between management and Unions. September 11 smashed passenger confidence and has a short term impact on the industry. The A380 project has not been affected as the planes are not due until 2006. I had not appreciated the sheer scale of this project and the A380 is a phenomenal construction project.

The site has the highest number of apprentices in UK on a single site, with 330 of them

finishing their training by 2004. Despite the need for some redundancies, I understand that these apprentices will all be offered skilled jobs as they finish their time. The company recognises the importance of retaining the pool of skills ready for when there is an upturn in business.

Wales Spatial Plan

Despite recent hostile media coverage, the Plan has been generally welcomed and the reported WLGA comments were surprising, as it had not formally commented on the Plan at that point. It is unlikely we will be able to fully bridge the gap between the CBI and LAs but we need to make the planning system clearer, with more certainty about decision making.