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Introduction

This bulletin provide a summary of the economic and labour market statistics released during the last 3 months.

The bulletin is divided into quarterly and annual data sections. The quarterly data section provides the latest quarterly (or monthly) data and shows the change since the previous quarter as well as on the same period a year ago. The annual data section provides a summary of any data compiled on an annual basis that have been released during the past 3 months; a summary table of headline indicators is also given in this section.

1 QUARTERLY DATA

1.1 THE LABOUR MARKET

Table 1 Employment, unemployment and inactivity: Wales and the UK

thousands, seasonally adjusted

	Dec - Feb 2001	Sep - Nov 2001	Dec - Feb 2002	Change on:	
				previous quarter	previous year
Employment¹					
Wales <i>level</i>	1,257	1,265	1,258	-7	1
<i>rate (%)</i>	69.0	69.4	68.9	-0.5	-0.1
UK <i>level</i>	28,250	28,390	28,419	30	169
<i>rate (%)</i>	74.8	74.6	74.6	-0.1	-0.2
ILO unemployment²					
Wales <i>level</i>	83	72	71	-1	-12
<i>rate (%)</i>	6.2	5.4	5.3	0.0	-0.9
UK <i>level</i>	1,543	1,535	1,520	-14	-22
<i>rate (%)</i>	5.2	5.1	5.1	0.0	-0.1
Inactivity³					
Wales <i>level</i>	462	469	479	10	16
<i>rate (%)</i>	26.3	26.6	27.1	0.5	0.8
UK <i>level</i>	7,730	7,839	7,888	49	159
<i>rate (%)</i>	21.1	21.3	21.4	0.1	0.3

1. Levels are for those aged 16 and over, rates are for those of working age (males aged 16-64, females aged 16-59).
2. Levels and rates are for those aged 16 and over. Rate is as a proportion of economically active (employed plus ILO unemployed). The International Labour Organisation (ILO) definition of unemployment covers those who are out of work and want a job, have actively sort work in the last 4 weeks and are available to start work in the next two weeks; plus those who are out of work, have found a job and are waiting to start in the next 2 weeks.
3. Levels and rates are for those of working age (males aged 16-64, females aged 16-59).

Source: Labour Force Survey

Compared with the same period a year ago:

- in the three months to February 2002, both employment and inactivity increased in Wales while ILO unemployment decreased;
- the picture was broadly the same for the UK as a whole, although the fall in unemployment and the rise in inactivity were more pronounced in Wales than in the UK.

Compared to the previous quarter:

- ILO unemployment decreased but inactivity increased, both in Wales and the UK. While employment continued to rise for the UK as a whole, there was a decrease in employment in Wales.

All of the estimates from the LFS are subject to sampling variation which means that changes over time can be quite volatile, particularly for an area the size of Wales. It is therefore often more appropriate to examine the trend in a particular measure. The trend in the LFS measures given in Table 1 can be seen from a 12 month rolling average and the results for Wales are shown in Figure 1.

Figure 1 Rolling 12 month average figures for LFS employment, ILO unemployment and inactivity: Wales

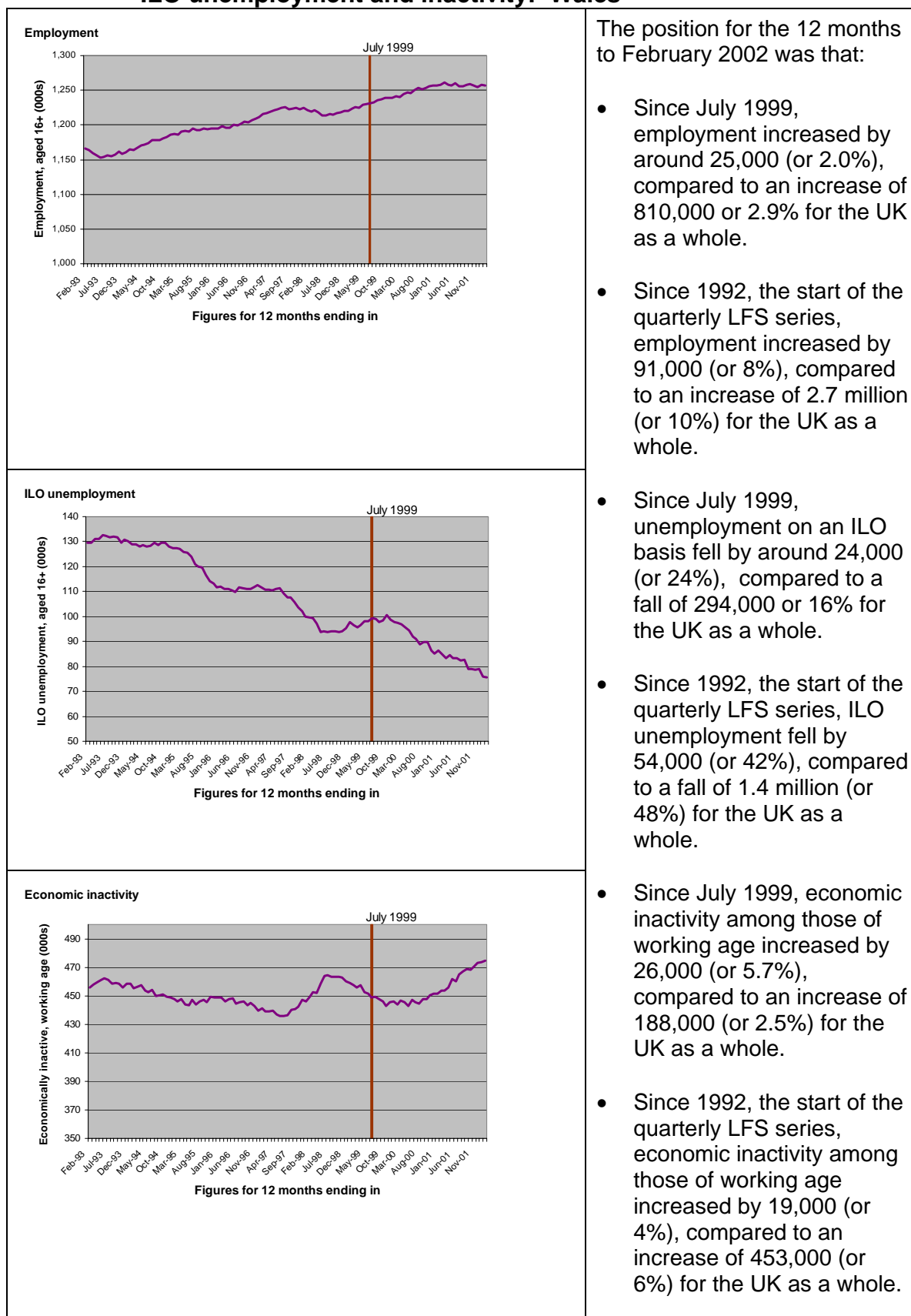


Table 2 Employment, unemployment and inactivity: West Wales & the Valleys and East Wales

thousands, **not** seasonally adjusted

		Dec - Feb 2001	Dec - Feb 2002	Change on previous year
Employment¹				
West Wales & the Valleys	<i>level</i>	744	767	23
	<i>rate (%)</i>	65.8	66.7	1.0
East Wales	<i>level</i>	505	483	-23
	<i>rate (%)</i>	73.8	72.1	-1.8
ILO unemployment²				
West Wales & the Valleys	<i>level</i>	58	54	-4
	<i>rate (%)</i>	7.2	6.6	-0.6
East Wales	<i>level</i>	29	20	-9
	<i>rate (%)</i>	5.4	4.0	-1.4
Inactivity³				
West Wales & the Valleys	<i>level</i>	317	318	1
	<i>rate (%)</i>	29.0	28.5	-0.5
East Wales	<i>level</i>	146	162	16
	<i>rate (%)</i>	22.0	24.9	2.9

1. Levels are for those aged 16 and over, rates are for those of working age (males aged 16-64, females aged 16-59).
2. Levels and rates are for those aged 16 and over. Rate is as a proportion of economically active (employed plus ILO unemployed). The International Labour Organisation (ILO) definition of unemployment covers those who are out of work and want a job, have actively sort work in the last 4 weeks and are available to start work in the next two weeks; plus those who are out of work, have found a job and are waiting to start in the next 2 weeks.
3. Levels and rates are for those of working age (males aged 16-64, females aged 16-59).

Source: Labour Force Survey

The estimates given in Table 2 are not seasonally adjusted and are therefore not strictly comparable to those given in Table 1. A quarterly change is not shown as this would be heavily affected by seasonal factors.

- In the three months to February 2002, employment increased in the Objective 1 area (West Wales and the Valleys) while there was a decrease for East Wales compared to the same period a year ago.
- Over the same period, unemployment fell more quickly in East Wales.
- The level of inactivity in the Objective 1 area remained stable (although the rate did fall), whereas the levels of inactivity in East Wales rose.

Note: All of the estimates from the LFS are subject to sampling variation which means that changes over time can be quite volatile, as the areas in question are sub-divisions of Wales the variability is correspondingly that much more marked than at the Wales level.

Table 3 Employee jobs¹ by industry: Wales*thousands*

	Quarter ending in:			Change on:	
	Dec 2000	Sep 2001	Dec 2001	previous quarter	previous year
All employee Jobs (seasonally adjusted)	1,076	1,068	1,072	4	-4
Employee jobs by industry (not seasonally adjusted)					
Agriculture, Forestry & Fishing	16	..	13	..	-2
Mining, Energy & Water Supplies Industries	8	..	7	..	-1
Manufacturing Industries	201	..	189	..	-12
Construction	57	..	57	..	0
Service Industries	417	..	421	..	4
Other Industries	383	..	391	..	8

.. A quarterly change is not shown as this will be heavily affected by seasonal factors.

1. Employee jobs are a measure of jobs rather than people; if a person holds two jobs, each job will be counted in the employee jobs total. Employee jobs are collected on a workplace basis.

Source: Employer surveys.

- Over the year to December 2001, employee jobs in Wales remained fairly stable, showing only a slight decrease.
- Employee jobs in manufacturing have fallen by 12,000 (or 6.2%) over the same period.
- The largest increases over the period were in service industries (up 4,000 or 1.1%) and in other industries (which includes the Public Sector, up 8,000 or 2.1%).

Table 4 Distribution of employee jobs by industry: Wales*% of total employee jobs, not seasonally adjusted*

	Quarter ending in:		Change on previous year
	Dec 2000	Dec 2001	
Agriculture, Forestry & Fishing	1.5	1.2	-0.3
Mining, Energy & Water Supplies Industries	0.7	0.6	-0.1
Manufacturing Industries	18.6	17.5	-1.0
Construction	5.3	5.3	0.0
Service Industries	38.6	39.1	0.5
Other Industries	35.4	36.3	0.9

Source: Employer surveys.

- Service industries comprised almost 40% of all employee jobs in Wales in the quarter ending December 2001.
- The next largest industry group in terms of employee jobs was 'other industries', which was 36% of the total. This category is predominantly Public Administration, Education and Health.
- Manufacturing industries accounted for 17.5% of all employee jobs, this was a fall on the December 2000 figure of 18.6%.

Table 5 Claimant count: Wales and the UK*thousands, seasonally adjusted*

		Mar 2001	Feb 2002	Mar 2002	Change on:	
					previous month	previous year
Wales	<i>level</i>	53.4	47.5	46.8	-0.7	-6.6
	<i>rate (%)</i>	4.1	3.7	3.6	-0.1	-0.5
UK	<i>level</i>	984.6	945.6	939.6	-6.0	-45.0
	<i>rate (%)</i>	3.3	3.1	3.1	0.0	-0.1

Source: Benefits Agency administrative system

- In March 2002, the claimant count fell in both Wales and the UK compared to the same period a year ago, although the fall was more marked in Wales.
- Compared to the previous month, the claimant count fell slightly in both Wales and the UK as a whole.
- In March 2002, the claimant count rate in Wales was 0.5 percentage points higher than the UK figure.

Table 6 Claimant count: West Wales & the Valleys and East Wales*thousands, not seasonally adjusted*

		Mar 2001	Mar 2002	Change on
				previous year
West Wales & the Valleys	<i>level</i>	39.2	33.9	-5.3
	<i>rate (%)</i>	5.3	4.6	-0.7
East Wales	<i>level</i>	18.0	16.7	-1.3
	<i>rate (%)</i>	3.2	3.0	-0.2

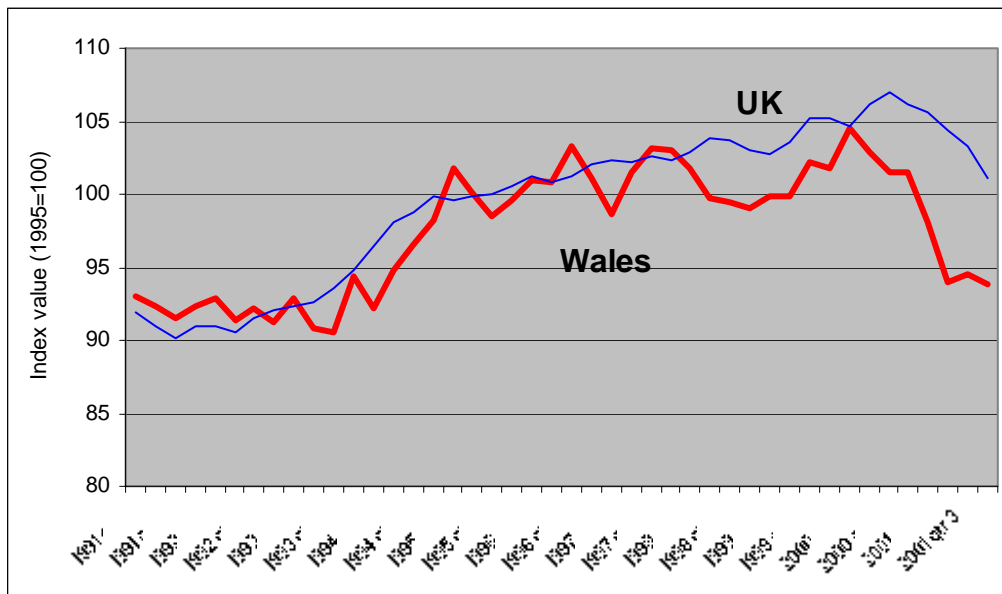
Source: Benefits Agency administrative system

The figures given in Table 6 are not seasonally adjusted and are therefore not strictly comparable to those given in Table 5. A monthly change is not shown as this would be heavily affected by seasonal factors.

- In March 2002, the claimant count fell in both the Objective 1 area (West Wales and the Valleys) and in East Wales compared to the same period a year ago. The fall in the claimant count rate was greatest in the Objective 1 area, although it remains 1.6 percentage points higher than in East Wales.

1.2 THE ECONOMY

Figure 2 Index of Production¹: Wales and the UK



1. Production industries are Manufacturing, Mining and Quarrying and Electricity, Gas and Water.

Source: National Assembly for Wales, ONS

- Output of Welsh production industries fell by 7.3% in the four quarters ending in December 2001 compared with same period a year ago. Output for the UK fell by 2.2% over the same period.
- Over the last two quarters of 2001 there are indications that output may have stabilised in Wales. Output of Welsh production industries fell by 0.7% between the third and fourth quarters of 2001. Output for the UK fell by 2.1% over the same period.
- Recent falls in production output are mainly a reflection of falling output in manufacturing.

Table 7 Value of Exports¹: Wales

	Oct - Dec 2000	Oct - Dec 2001	Value of exports, £m	
			Change on previous year	
			£m	percentage
Exports to:				
the EU	1,164	1,112	-52	-4%
the rest of the world	519	439	-80	-15%
Total exports	1,683	1,551	-132	-8%
Total exports for UK regions²	43,145	40,581	-2,564	-6%

1. HM Customs & Excise figures exclude exports to the EU for companies that export less than the intrastat threshold (currently £233,000); the figures also exclude exports to the rest of the world for which the region of origin cannot be established. Some types of exports are not regionalised, for example oil and 'erratics'.
2. As some types of exports are not regionalised, exports from Wales are compared to the total of all regionalised exports rather than the overall UK total.

Source: HM Customs & Excise

- In the three months to December 2001, over two-thirds of Welsh exports by value were to EU countries.
- The value of total exports fell by 8% on the same period a year ago. This compared to a fall of 6% for the total of the UK regions.
- Despite the larger fall in the last quarter of 2001, exports from Wales grew more quickly during 2001 than did the UK regional total (see Table 8, page 9).

2 ANNUAL DATA

2.1 SUMMARY DATA

Table 8 Headline economic indicators: Wales

	1998	1999	2000	2001
GDP per head¹ (UK=100)	80.2	80.5	na	na
Household income per head¹ (UK=100)	88.0	87.5	na	na
Business start up rate²				
Wales	8.1	8.0	8.3	na
UK	11.5	10.8	11.1	na
Businesses per head³				
Wales	323	321	317	316
UK	344	349	348	349
Gross weekly earnings⁴				
Wales	344	354	368	382
GB	385	400	420	444
Growth in Exports on previous year⁵				
Wales	na	na	8.5%	4.2%
sum of UK regions	na	na	14.5%	1.4%

na These figures are not yet available.

1. **Source: ONS, Regional Accounts.**
2. VAT registrations as a percentage of the start year (1 April each year) stock of VAT registered businesses. **Source: DTi.**
3. Start year stock (1 April each year) of VAT registered businesses per 10,000 population aged 16 and over. **Source: DTi.**
4. Gross weekly earnings for full-time persons on adult rates, figures relate to April each year. **Source: ONS, New Earnings Survey.**
5. Growth in the total value of exports, EU plus non-EU, over the previous year. **Source: HM Customs & Excise.**

Since 1998:

- The business start up rate in Wales has increased marginally, and has converged towards the UK rate, from 70% of the UK rate in 1998 to 75% of the UK rate in 2000.
- The number of VAT registered businesses per head in Wales has fallen while the figure for the UK has remained stable. There has been a divergence from the UK, falling from 94% of the UK figure in 1998 to 90% in 2001.
- Average gross weekly earnings have increased steadily over the period, although there has been a divergence from the GB average, from 89% of the GB figure in 1998 to 86% in 2001. Most of this relative fall occurred between 2000 and 2001.

2.2 ANNUAL DATA RELEASED DURING THE LAST QUARTER

Table 9 Gross Disposable Household Income per head, UK less Extra-Regio=100

	1995	1996	1997	1998	1999
England	101	101	102	102	101
Wales	91	90	88	88	87
Scotland	98	96	94	94	97
Northern Ireland	90	88	88	88	89
North East	89	89	90	89	89
North West	93	93	94	93	94
Yorkshire & Humberside	92	93	92	94	92
East Midlands	93	94	93	92	93
West Midlands	93	93	92	93	94
South West	101	100	100	100	99
East	106	106	105	105	105
London	119	119	121	122	120
South East	109	110	111	110	109

Source: ONS, Regional Accounts

Revised household income figures were released by ONS on 26 March 2002. Figures were revised back to 1995 but no later data were published (1999 remains the latest year for which information is published). Changes to previously published figures are a result of both methodology changes and of new data sources becoming available.

- In 1995, Wales had the third lowest disposable household income per head with the North East and Northern Ireland lower. However, it was only marginally lower than the regions in the north and midlands of England.
- Over the period to 1999, Wales saw a fall in relative disposable household income per head and by 1999 Wales had the lowest of any region. Over this period, most other parts of the UK showed a fairly constant level of household income per head relative to the UK average.
- Following some concerns with the Welsh estimates, statisticians in the Assembly and ONS are discussing the reliability of some of the data used in the calculations and the impact this has had on the Welsh figures.

Table 10 Gross earnings, full-time employees on adult rates: April 2001

	Average gross weekly pay (£)	Percentage increase April 2000 - April 2001	Female earnings as a percentage of Male earnings
Great Britain	444	5.9	74.8
Wales	382	3.6	79.4
West Wales & the Valleys	367	2.8	81.7
East Wales	401	4.8	77.2
Bridgend	379	5.2	..
Caerphilly	372	2.7	..
Cardiff	416	5.9	77.8
Carmarthenshire	354	4.6	83.1
Conwy	326	0.4	84.7
Denbighshire	357
Flintshire	421	4.6	73.2
Gwynedd	353	6.4	..
Neath Port Talbot	417	4.9	..
Newport	389	3.7	76.7
Powys	364	7.3	..
Rhondda, Cynon, Taff	357	0.2	92.8
Swansea	377	5.3	83.3
The Vale of Glamorgan	400	3.6	..
Torfaen	376	4.9	..
Wrexham	376	1.4	..

.. figure not available due to small sample size.

Source: ONS, New Earnings Survey

- Average gross weekly earnings for full-time adults in Wales in April 2001 ranged from £326 in Conwy to £421 in Flintshire.
- The average for the Objective 1 area (West Wales & the Valeys) was £367 compared to £401 in East Wales.
- There was also wide disparity in the increase between 2000 and 2001, ranging from 0.2% in Rhondda, Cynon, Taff to 7.3% in Powys. The increase for the Objective 1 area was 2.8% compared to 4.8% in East Wales.
- Female earnings in Wales were a higher proportion of male earnings than for GB as a whole in 2001, although this is mainly a reflection of a worse relative position on male earnings. Areas within Wales with higher average weekly earnings tended to have lower female earnings relative to male earnings.

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