

10 July 2002

In addition to my Written Report, I also raised the following items under Agenda Item 4.

Allied Steel & Wire plc

Allied Steel and Wire, the second largest UK steel manufacturer, announced to the Stock Exchange at 7.30am this morning that it was to go into administrative receivership. This is devastating news for ASW employees and their families. The company has been an important part of the South Wales industrial scene for many years.

The Welsh Assembly Government has been working for some time to find ways to help the company. On Monday, with DTI Industry Minister Alan Johnson, I jointly chaired 9 hours of emergency discussions with the company, its bankers and credit insurers, and a potential investor. Yesterday the company was involved in a further 12 hours of discussions with its creditors. Unfortunately, no agreement was reached that would allow the company to continue in production.

KPMG were appointed as administrative receivers at 10.50am this morning and I have already spoken to them about the future of the company. Graham McKenzie's statement to the workers at ASW reflected that we, and the UK Government, had done all we could to support the company. Team Wales will continue working hard to save the jobs of those at ASW, and will offer all assistance it can to KPMG in its efforts to find a new operator for the business.