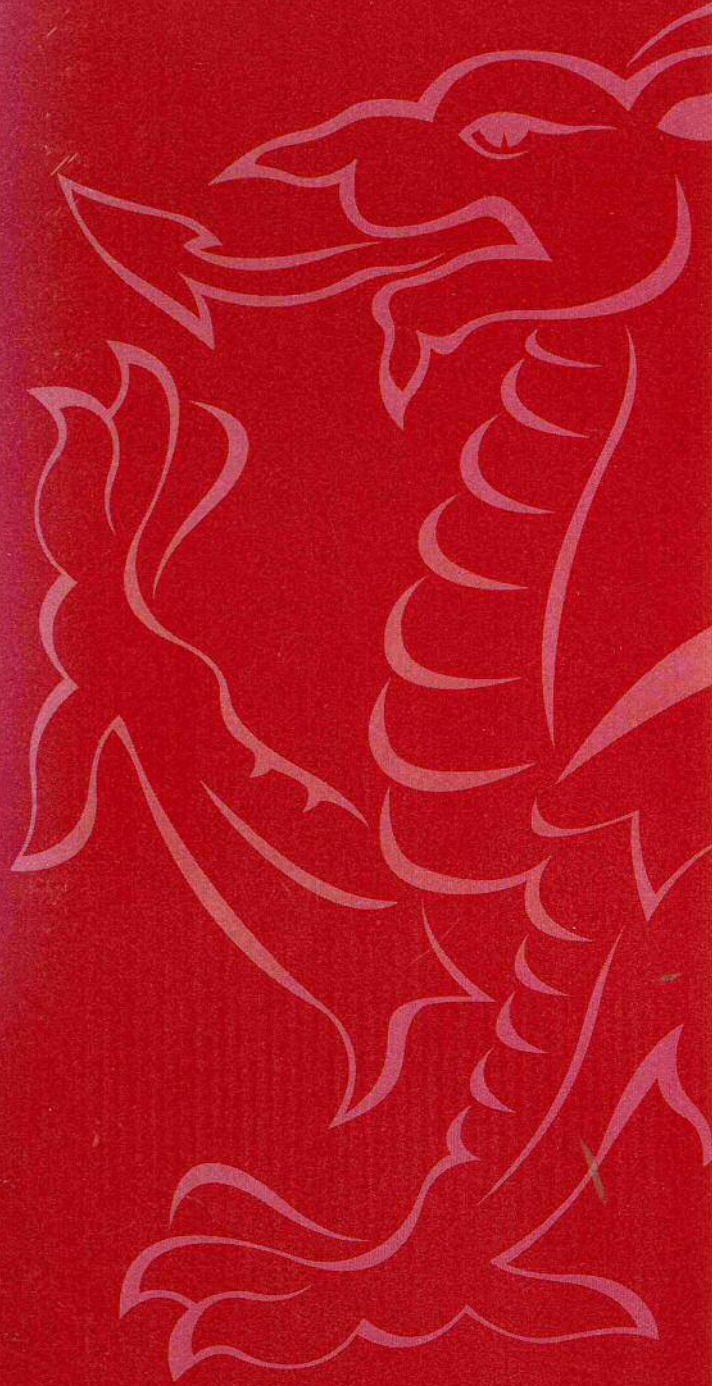


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The *Welsh Economic Review* is produced twice yearly, by the Welsh Economy Research Unit (WERU) at Cardiff Business School. The aim of the *Review* is to provide an authoritative and objective analysis of the Welsh economy in a manner that promotes understanding and informs decision-making. The 'core' section of the *Review* is written by members of WERU, with feature articles contributed by academics or practitioners within or outside Wales. The *Review* is circulated widely within Wales, to both private and public sector organisations, including the education sector and the National Assembly.

Notes for Contributors

Authors should send papers for potential publication in the *Welsh Economic Review* to the Editor at the address given below, preferably via e-mail in a Word for Windows format. Papers are welcome on any topic that would be of general interest to the readership, and should be written in a style suitable for non-specialist readers. Papers should be approximately 3,000-4,000 words and any graphs or figures should be accompanied by the underlying data to allow reproduction.

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Economic Events Diary November 2002 – April 2003

November 2002

Bluestone Leisure announced plans to create a £45 million tourism and leisure development in Pembrokeshire. The project, still awaiting planning approval, is anticipated to create 600 jobs.

Plans were unveiled by landowner **JR Smart** to build 1 million sq. ft of industrial and office space on 74 acres on the outskirts of Cardiff.

Air Wales, the airline formed by entrepreneur Roy Thomas, acquired Swansea airport in a multi-million pound deal, paving the way for investment and expansion.

Celtic Inns purchased 44 public houses from James Williams Narbeth Estate as part of its strategy to expand the number of tenancies to over 250 over the next three years.

Dewhirst, the clothing manufacturer, closed its Cardigan factory with the loss of 323 jobs. Profits have suffered as a result of continued consumer pressure on prices. Other sites in Wales have already closed.

December 2002

Elisabeth the Chef in Aberystwyth was renamed Aberystwyth Bakery Ltd following a management buyout by Ian Williamson with the support of the WDA and Finance Wales, saving 140 jobs.

Remploy from Abertillery won a contract to assemble brake systems for HGVs in a £1 million contract over the next 3 years.

Parachute manufacturer **Irvin-GQ** announced the creation of 200 jobs in Llangeinor, Bridgend following relocation from nearby Blackmill. The £5m expansion was supported by the WDA's land development arm and Regional Selective Assistance grant aid from the Welsh Assembly Government.

Wales is one of the worst UK regions in terms of job creation, enterprise, income and unemployment according to the **Institute of Policy and Public Research**. Meanwhile, the highest shares of self-employed people in the UK were found in Ceredigion (at 24.8% compared to Cornwall at 17%; the highest in England) in a survey by the **GMB** Union.

Merthyr Tydfil planners approved a scheme to reclaim a colliery spoil site at Rhyd-y-car West in order to construct a £270m leisure, retail and housing park, which could create some 2000 jobs.

Japan's top polystyrene recycling company **Pana-Chemical Corporation**, has selected Wales as its 'gateway' to UK and Europe. **Green Waste** recycling in Merthyr Tydfil is to be the sole distribution agent of equipment from the Tokyo-based company which sells high technology recycling equipment.

Planning permission has been gained for a second offshore wind farm off the Rhyl coast. The farm, to be completed by 2004, will generate 100MW.

January 2003

In Cardiff, trials of a **driverless taxi** came to an end amidst concerns over estimated costs of £45m, of which £30m was required from the private sector. The scheme was to have

started operation in 2003, with an intention to eventually extend an elevated track into the city centre.

Marketing and advertising agency **Golley Slater** has been retained by power tool specialists **Husqvarna** to undertake a £250,000 UK advertising campaign.

Escol Electronics in Neath, signed a £14m contract with Dutch company **Secumatic** to supply safety detection strips to European customers.

Udex based in Newport and a UK leader in barcode computer systems has secured £3m of venture capital from **3i plc** to finance work in US and France to establish a worldwide standard for barcodes.

Ferrari's bakery invested £3m in a modernisation and expansion programme, which includes opening 12 new shops over the next 18 months.

February 2003

Glas Cymru confirmed that it would honour a promise made two years earlier to reduce standing charges for most household and sewerage customers. From April 2003 water bills in Wales will be reduced by £11m.

The **Principality Building Society** announced its assets had grown to £3bn, an increase of £1bn since 1999. The company reported new mortgage lending of £720m, up by one fifth and a similar increase in savings balances to £2.7bn. The Society intends to increase their branch network.

BP and the WDA have submitted outline plans to develop 5 hectares on the site of the former **Llandarcy** oil refinery for mixed housing and business units, following the urban village concept developed by the Prince's Foundation.

F&P Developments have announced plans for a £55m Adventure Holiday Park based on the Center Parcs concept in Afon Valley, Port Talbot, to be completed in 2005.

Cardiff based telecommunications company, **ATL** have won a £20m contract to supply microchips to BT's core business services for three years. ATL's microchip can transmit increased amounts of data along standard copper wire phone lines.

TT ems, a Newport-based automotive electrical firm won an order from Baldor UK for the manufacture of parts, safeguarding 200 jobs.

A new £3m innovation centre, founded and run by **Corus** at Ebbw Vale is expected to create 200 new jobs and be a catalyst for further high technology jobs in the area.

March 2003

The **WDA's** proposals for a visitor centre and educational facility based on space research in the Swansea Technium (subject to funding) form part of a range of important developments in the City, including the £30m **National Waterfront Museum** in Swansea, which is scheduled to open in 2005, replacing the recently closed Welsh Industrial and Maritime Museum in Cardiff. Work has already begun on the **Sail Bridge**, a £2m pedestrian crossing over the river Tawe, which will link Swansea city centre to the 100 acre

Swansea Waterfront development, marking the rejuvenation of the old docks.

Welshpool-based **Invertek** won the WDA 2003 Mid Wales Innovation Challenge Awards for its work in developing new circuit boards.

NTC Ducting Com, a Swansea-based automotive company employing 25 people, is relocating within the city to the Central Business Park in Swansea Vale. The company produces highly specialised tubes and ducting, mainly for the car industry.

The clothing and footwear group **Alexon** announced the closure of its Pontypridd plant with the loss of 180 jobs. Meanwhile, the Dolcis-to-Bay Trading Group, of which Alexon is part, recently reported a 25% increase in profits. Alexon is moving production to Morocco and Eastern Europe, as part of a wage-cutting strategy which it considers 'a sign of the times'. Textile sector output in Wales fell 22% between 2001Q1 and 2002Q4.

April 2003

Caerphilly-based **HYDRO Aluminium Extrusion**, part of Norsk Hydro ASA, Norway's largest industrial group have secured £1.13m of Regional Selective Assistance. The funds have been earmarked for investment in additional plant and machinery and will safeguard 150 jobs.

Air Wales announced its intention to start flights from Swansea and Cardiff to London.

Wentloog-based **Ted Hopkins** Agricultural and Horticultural Engineers will supply the Celtic Manor with a fleet of US-built lawn-mowing equipment which will secure the quality of greens and fairways in advance of the 2010 Ryder Cup, in a contract worth £1m. The firm was established in 1987 and has an annual turnover of over £4m.

Coming and goings

An Italian recycled paper tissue manufacturer, **Intertissue Ltd** (part of the Delicarta Group) has announced intentions to set up an 800,000sq ft plant to manufacture and convert paper into tissue products at Baglan Bay Energy Park, creating 300 jobs. Intertissue is the second major investment in this sector that has been attracted to Wales through the WDA's Milan office, which has been actively targeting the paper manufacturing industry.

Centerprise International, based in Basingstoke, Hampshire, is investing £5m to acquire and fit a 50,000 sq ft factory on the 17-acre Duffryn Meadows site in Caerphilly, with a further £6.5m investment in prospect. Staff recruitment is planned this summer. Centerprise specialises in manufacturing custom-built computers for local authorities and educational establishments, as well as for health, defence and corporate sector clients. The project is expected to bring nearly 300 jobs, a significant proportion of which are likely to be in research and development.

KTH, a die casting firm in Llanidloes announced losses of over £3m in the last financial year, with further losses expected in 2003/4. 240 jobs remain at risk.

The directory enquiries provider **118UK** plans to create a further 350 jobs at its Cardiff call centre, where 550 are already employed. 350 jobs are also being created at a second call centre in Swansea.

Cymraeg Crystal announced that, five years after the closure of the major glass factory Stuart Crystal in Aberbargoed in 1998, it was to start the manufacture of crystal once again in south Wales. The project has been supported by Caerphilly County Borough Council and Venture Wales.

Following its poor performance in 2002 when 30 jobs were cut last summer **IQE** announced further reductions to its workforce from 135 to 60, which were not unexpected given a profit warning to the city in February. The company blame the slump in the semi conductor sector and a decline in the fibre optic market.

Steel company **Corus** announced the departure of its chief executive, Tony Pedder. Corus said a change of leadership was required in the light of annual losses in excess of £450m.