

ECONOMIC DEVELOPMENT & TRANSPORT COMMITTEE

Date: 9 February 2005
Time: 9.00 am to 12:30 pm
Venue: National Assembly for Wales, Cardiff Bay
Title : Quarterly Statistical Report

Quarterly Statistical Report

Economic Development and Transport Committee

FEBRUARY 2005

**Economic and Labour Market Statistics
Statistical Directorate**

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I N T R O D U C T I O N

This report provides a summary of the economic and labour market statistics released in recent months.

The report is divided into quarterly and annual data sections. The quarterly data section provides the latest quarterly (or monthly) data and generally shows the change since the previous quarter as well as on the same period in the previous year. The annual data section provides a summary of data compiled on an annual basis that have been released since the last report in September 2004; 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**

levels in thousands, seasonally adjusted

		Sep - Nov 2003	Jun - Aug 2004	Sep - Nov 2004	Change on:	
					previous quarter	previous year
Employment¹						
Wales	<i>level</i>	1,330	1,311	1,335	24	5
	<i>rate (%)</i>	72.8	71.2	72.5	1.3	-0.3
UK	<i>level</i>	28,220	28,392	28,491	99	271
	<i>rate (%)</i>	74.6	74.7	74.8	0.2	0.3
ILO unemployment²						
Wales	<i>level</i>	67	63	62	-1	-5
	<i>rate (%)</i>	4.8	4.6	4.4	-0.2	-0.4
UK	<i>level</i>	1,464	1,387	1,400	13	-64
	<i>rate (%)</i>	4.9	4.7	4.7	0.0	-0.2
Economic inactivity³						
Wales	<i>level</i>	413	448	426	-22	13
	<i>rate (%)</i>	23.5	25.3	24.0	-1.3	0.5
UK	<i>level</i>	7,851	7,933	7,860	-73	9
	<i>rate (%)</i>	21.5	21.6	21.4	-0.2	-0.1

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. The 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 sought 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).

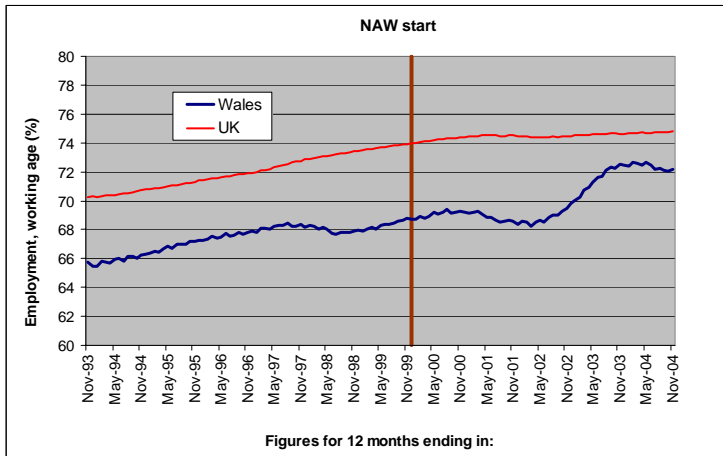
Source: Labour Force Survey (LFS)

For the three months to November 2004:

- The employment level for Wales *increased* by 5,000 over the year and by 24,000 over the quarter. The rate *decreased* by 0.3 percentage points over the year but *increased* by 1.3 percentage points over the quarter.
- ILO unemployment (levels and rates) for Wales *decreased* over both the year and the quarter whilst economic inactivity levels and rates for Wales *increased* over the year but *decreased* over the quarter.
- The employment rate in the UK as a whole *increased* by 0.2 percentage points over the year, whilst the unemployment rate and the rate of economic inactivity *decreased*, by 0.2 and 0.1 percentage points respectively.

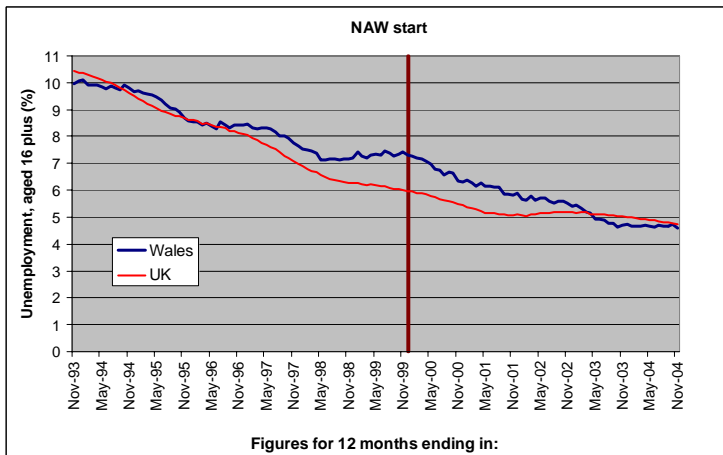
All of the estimates from the LFS are subject to sampling variation, which means that changes over time can be quite volatile, particularly for an area the size of Wales. It is therefore often more appropriate to examine the trend in a particular measure. The trend in the LFS measures given in table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

Figure 1 12 month rolling average figures for LFS employment, ILO unemployment and inactivity rates: Wales and the UK



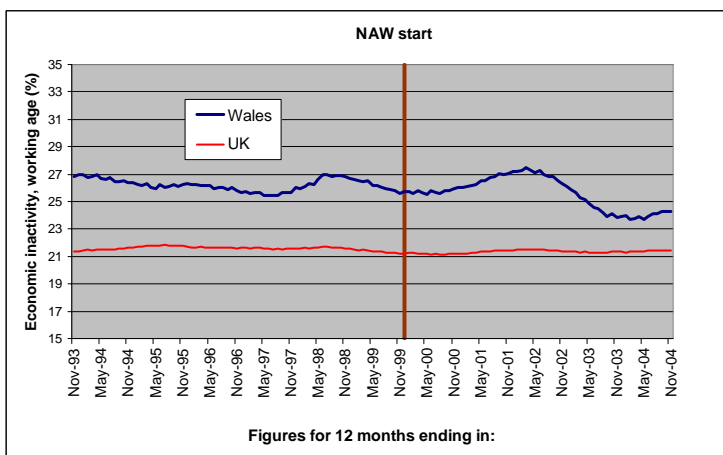
The Welsh employment rate showed a steady upward trend through 2002 and most of 2003, and has since been broadly stable.

The employment rate for Wales for the 12 months ending November 2004 was 72.2%, a fall of 0.4 percentage points (pp) over the corresponding period a year earlier and a rise of 3.2 pp over 1999. The UK employment rate was 74.8% in the 12 months ending November 2004, a rise of 0.8 pp over 1999.



Unemployment has maintained a steady downward trend over the last 10 or so years.

The unemployment rate for Wales for the 12 months ending November 2004 was 4.6%, a fall of 0.1 pp over the corresponding period a year earlier and a fall of 2.6 pp over 1999. The UK unemployment rate was 4.7% in the 12 months ending November 2004, a fall of 1.2 pp over 1999.



The Welsh economic inactivity rate grew over the period 1999 to 2001, before falling in 2002 and the first half of 2003. It has since been broadly flat.

The economic inactivity rate for Wales for the 12 months ending November 2004 was 24.3%, a rise of 0.5 pp over the corresponding period a year earlier and a fall of 1.3 pp over 1999. The UK economic inactivity rate was 21.4% in the 12 months ending November 2004, a rise of 0.2 pp over 1999.

**Table 2 Employment, unemployment and inactivity:
West Wales and the Valleys and East Wales¹**

levels in thousands

		12 months to Nov 2003	12 months to Nov 2004	Change over year
Employment²				
West Wales and the Valleys	<i>level</i>	784	791	7
	<i>rate (%)</i>	69.3	69.4	0.2
East Wales	<i>level</i>	523	515	-8
	<i>rate (%)</i>	77.9	76.5	-1.4
Wales¹	<i>level</i>	1,306	1,306	-0
	<i>rate (%)</i>	72.5	72.0	-0.4
United Kingdom¹	<i>level</i>	27,882	28,104	222
	<i>rate (%)</i>	74.5	74.7	0.2
ILO unemployment³				
West Wales and the Valleys	<i>level</i>	41	44	3
	<i>rate (%)</i>	4.9	5.3	0.3
East Wales	<i>level</i>	24	19	-5
	<i>rate (%)</i>	4.3	3.5	-0.8
Wales¹	<i>level</i>	64	63	-1
	<i>rate (%)</i>	4.7	4.6	-0.1
United Kingdom¹	<i>level</i>	1,472	1,395	-76
	<i>rate (%)</i>	5.0	4.7	-0.3
Economic inactivity⁴				
West Wales and the Valleys	<i>level</i>	295	290	-5
	<i>rate (%)</i>	27.0	26.6	-0.5
East Wales	<i>level</i>	120	135	15
	<i>rate (%)</i>	18.5	20.7	2.2
Wales¹	<i>level</i>	415	425	10
	<i>rate (%)</i>	23.9	24.4	0.5
United Kingdom¹	<i>level</i>	7,749	7,803	54
	<i>rate (%)</i>	21.4	21.5	0.1

1. Data for sub-regions of Wales are only updated on a quarterly basis, as opposed to Wales level data, which are updated monthly. Although the data in table 2 relate to the period up-to and including November 2004, which is the same as the latest period covered by the data in table 1, the data for Wales and the UK are not seasonally adjusted, and are annual averages. They therefore do not agree with the figures given in table 1.
2. Levels are for those aged 16 and over, rates are for those of working age (males aged 16-64, females aged 16-59).
3. Levels and rates are for those aged 16 and over. The 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 sought 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.
4. Levels and rates are for those of working age (males aged 16-64, females aged 16-59).

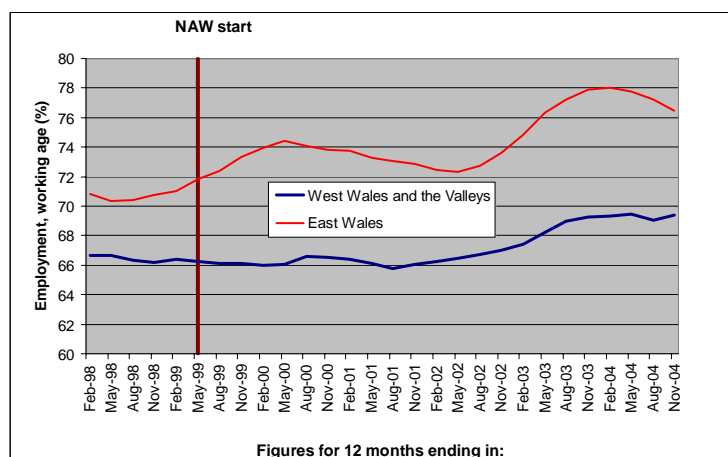
Source: Labour Force Survey (LFS)

The estimates given in table 2 are for the latest 12 month averages available (to November 2004).

- In the year to November 2004, the employment rate in the Objective 1 area (West Wales and the Valleys) was 0.2 percentage points *higher* than in the year to November 2003. There was a corresponding *decrease* of 1.4 percentage points in East Wales.
- The unemployment rate *rose* by 0.3 percentage points in the year to November 2004 in West Wales and the Valleys and *fell* by 0.8 percentage points in East Wales.
- The economic inactivity rate *fell* by 0.5 percentage points in West Wales and the Valleys and *rose* by 2.2 percentage points in East Wales.

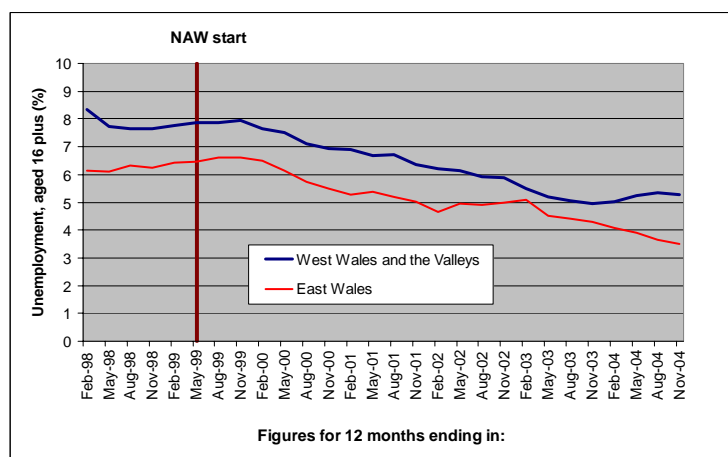
The trend in the LFS measures given in table 2 can be seen from a 12 month rolling average. Longer term results for West Wales and the Valleys and East Wales on this basis are shown in figure 2.

Figure 2 12 month rolling average figures for LFS employment, ILO unemployment and inactivity rates: West Wales and the Valleys and East Wales



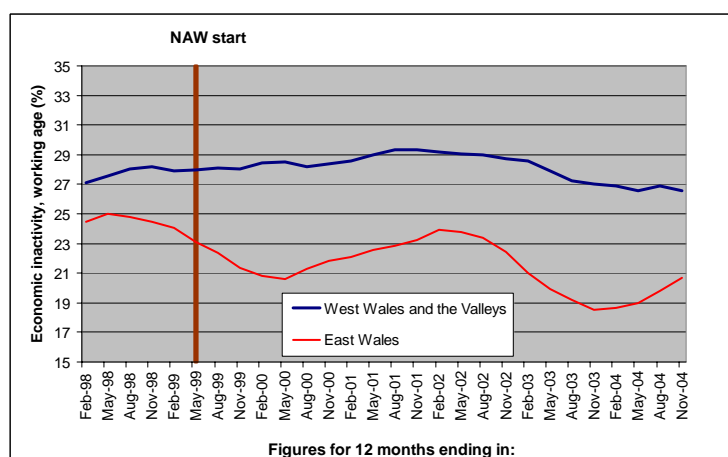
For the 12 months ending in November 2004:

- the average employment rate in West Wales and the Valleys was 3.4 percentage points (pp) *higher* than the average for 1999. For East Wales the rate was 2.5 pp *higher*.
- In both areas, the trend has been generally upward, although East Wales has seen a reduction in recent quarters.



For the 12 months ending in November 2004:

- the average unemployment rate in West Wales and the Valleys was 2.4 percentage points (pp) *lower* than the average for 1999. For East Wales the rate was 3.0 pp *lower*.
- The trend has been generally downward in both areas, with a recent levelling off in West Wales and the Valleys.



For the 12 months ending in November 2004:

- The average economic inactivity rate in West Wales and the Valleys was 1.9 percentage points (pp) *lower* than the average for 1999. For East Wales the rate was 0.1 pp *lower*.
- In both areas, the trend has been generally downward over the last few years, with an upturn during the end of 2003 and 2004 in East Wales.

Table 3 Civilian workforce jobs and employee jobs¹ by industry: Wales

thousands

	September 2003	June 2004	September 2004	Change over:	
				June 2004	September 2003
Not seasonally adjusted:					
<i>Civilian workforce jobs</i>	1,302	..	1,289	..	-13
<i>Employee jobs</i>	1,105	..	1,107	..	2
of which:					
Agriculture, forestry and fishing	14	..	13	..	0
Mining, energy and water supplies industries	9	..	8	..	0
Manufacturing industries	182	..	180	..	-2
Construction	58	..	53	..	-6
Service industries	438	..	447	..	9
Other industries	404	..	407	..	3
Seasonally adjusted:					
<i>Employee jobs</i>	1,101	1,109	1,103	-6	2

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

1. Workforce jobs and employee jobs are measures of jobs rather than people; if a person holds two jobs, each job will be counted in the total. Workforce jobs and employee jobs data are collected on a workplace basis. Civilian workforce jobs include self-employment and government-supported trainees, as well as employee jobs.

Source: Employer surveys, Labour Force Survey, DfES

- Over the year to September 2004, civilian workforce jobs in Wales *decreased* by 1.0%, whilst employee jobs *increased* (up 0.2%).
- Employee jobs in manufacturing industries *fell* by 2,000 (or 1.2%) over the same period, whilst employee jobs in service industries *rose* by 9,000 (or 2.0%).
- The only other sector to show an increase over the period was in 'other industries' (which include the health and education sectors), *up* 3,000 (or 0.6%).

Table 4 Distribution of employee jobs by industry: Wales

% of total employee jobs, **not** seasonally adjusted

	September 2003	September 2004	Change on September 2003
Agriculture, forestry and fishing	1.2	1.2	-0.0
Mining, energy and water supplies industries	0.8	0.7	-0.0
Manufacturing industries	16.5	16.3	-0.2
Construction	5.3	4.8	-0.5
Service industries	39.6	40.3	0.7
Other industries	36.6	36.7	0.2

Source: Employer surveys

- 40.3% of all employee jobs in Wales were in service industries in September 2004.
- The next largest industry group in terms of employee jobs was 'other industries', with 36.7% of the total. This category is predominantly public administration, education and health.
- Manufacturing industries accounted for 16.3% of all employee jobs, a *fall* of 0.2 percentage points on the September 2003 figure.
- Construction industries accounted for 4.8% of all employee jobs, a *decrease* of 0.5 percentage points over the year.

Table 5 Claimant count: Wales and the UK*thousands, seasonally adjusted: workforce¹ based rates*

		Dec 2003	Nov 2004	Dec 2004	Change on:	
					previous month	previous year
Wales	<i>level</i>	42.1	39.1	39.0	-0.1	-3.1
	<i>rate (%)</i>	3.2	3.0	3.0	0.0	-0.2
UK	<i>level</i>	905.5	832.5	826.3	-6.2	-79.2
	<i>rate (%)</i>	2.9	2.7	2.7	0.0	-0.3

1. Claimant count rates in this table are calculated using workforce-based denominators, which is the same as in previous bulletins. However, claimant count rates for local areas within regions are now calculated using residence-based denominators - please see the footnote to table 6.

Source: Jobcentre Plus administrative system

- In December 2004, the claimant count level *fell* in both Wales and the UK compared to the same period a year ago. The rate in Wales *fell* by 0.2 percentage points, compared to a *fall* of 0.3 percentage points in the UK.
- Compared to the previous month, the claimant count level *fell* in both Wales and the UK as a whole.
- In December 2004, the claimant count rate in Wales was 3.0%, 0.3 percentage points *higher* than the corresponding UK figure.

Table 6 Claimant count: West Wales and the Valleys and East Wales¹*thousands, not seasonally adjusted: residence² based rates*

		Dec 2003	Dec 2004	Change on
				previous year
Wales²	<i>level</i>	41.7	38.5	-3.2
	<i>rate (%)</i>	2.4	2.2	-0.2
West Wales and the Valleys²	<i>level</i>	28.0	25.9	-2.1
	<i>rate (%)</i>	2.5	2.3	-0.2
East Wales²	<i>level</i>	13.7	12.6	-1.0
	<i>rate (%)</i>	2.1	1.9	-0.2

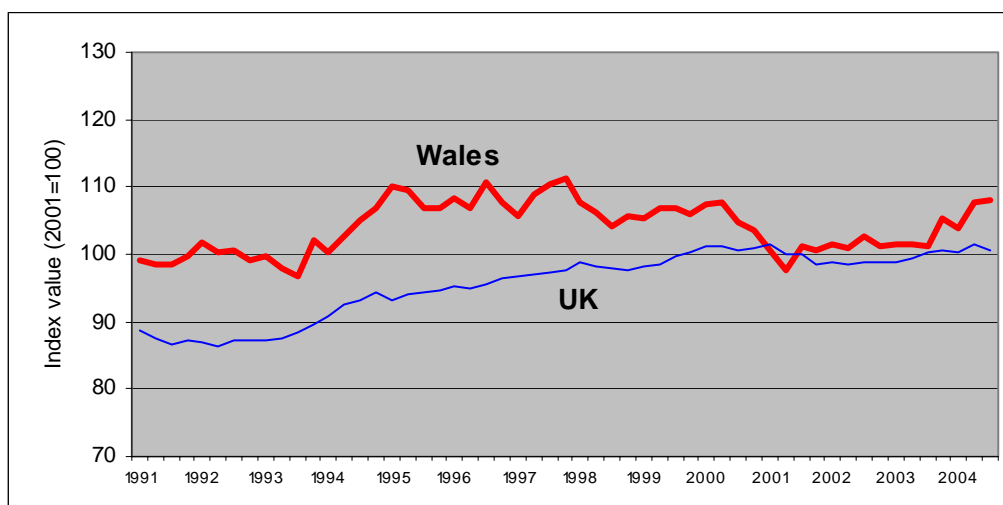
1. The figures in this table are not seasonally adjusted and so the levels are also not strictly comparable to those given in table 5. A monthly change is not shown, as this would be heavily affected by seasonal factors.
2. Claimant count rates in this table are calculated using residence-based denominators, which is now the standard method for calculation of rates for local areas within regions and removes distortions due to commuting in and out of areas. Claimant count rates at the regional level are calculated on both a workforce basis (as given in table 5) and a residence basis - they are published on a workforce basis when compared to other UK regions, and on a residence basis when compared to local areas within regions.

Source: Jobcentre Plus administrative system

- In December 2004, the claimant count level *fell* in both the Objective 1 area (West Wales and the Valleys) and in East Wales compared to December 2003.
- The claimant count rate *fell* by 0.2 percentage points in both areas over the same period, with the rate in West Wales and the Valleys, remaining 0.4 percentage points *higher* than that in East Wales.

1.2 THE ECONOMY

Figure 3.1 Index of production¹ and construction: Wales and the UK

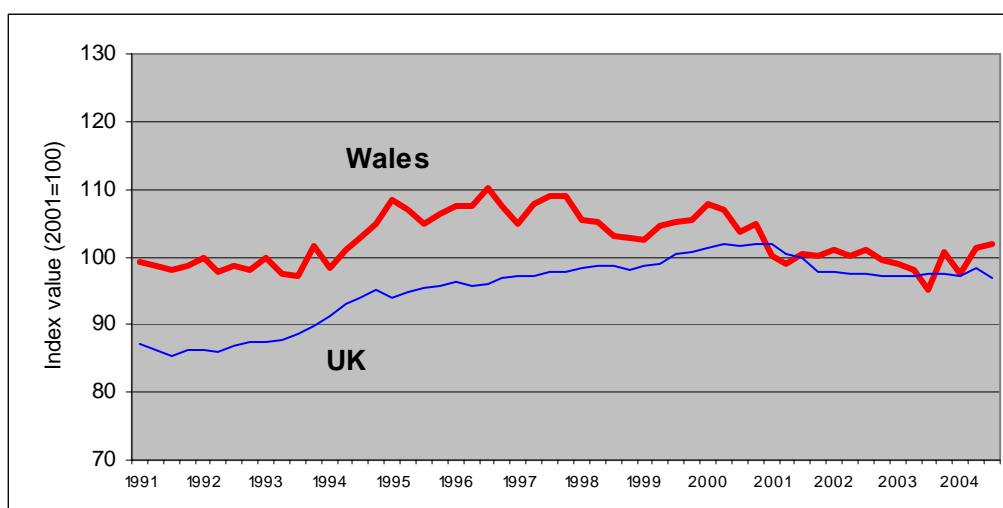


1. Production industries are manufacturing, mining and quarrying and electricity, gas and water.

Source: National Assembly for Wales and ONS

- The Index of Production and Construction for Wales for the latest four quarters rose by 4.9% compared with the previous four quarters. There were *increases* in the manufacturing, construction and electricity, gas and water supply sectors partially offset by a decrease in the mining and quarrying sector. The UK index rose by 1.4% over the same period.

Figure 3.2 Index of production¹: Wales and the UK

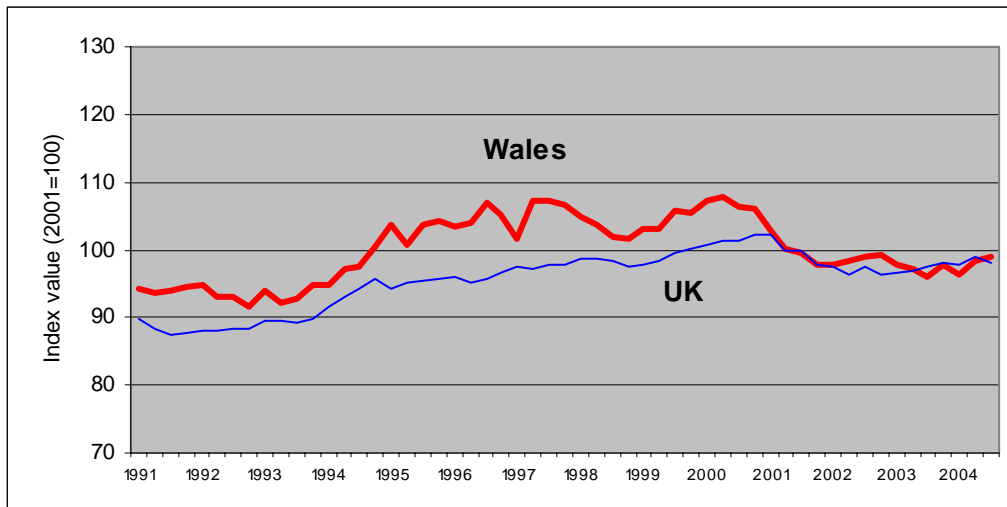


1. Production industries are manufacturing, mining and quarrying and electricity, gas and water.

Source: National Assembly for Wales and ONS

- Production output over the latest four quarters rose by 2.4% compared with the previous four quarters. There was a *rise* in the UK index of 0.3% during this period.
- Production output for the latest quarter rose by 0.8% compared with the previous quarter. There was a *growth* in all three major industry groups. The UK figure showed a *fall* of 1.4% on last quarter.

Figure 3.3 Index of manufacturing: Wales and the UK



Source: National Assembly for Wales and ONS

- Manufacturing output over the latest four quarters *rose* by 0.3% compared with the previous four quarters. Manufacturing output in the UK rose by 1.4%, during this period.
- Manufacturing output for the latest quarter *rose* by 0.6% compared with the previous quarter. The UK index *fell* by 1.0%.

Table 7 Value of exports¹: Wales

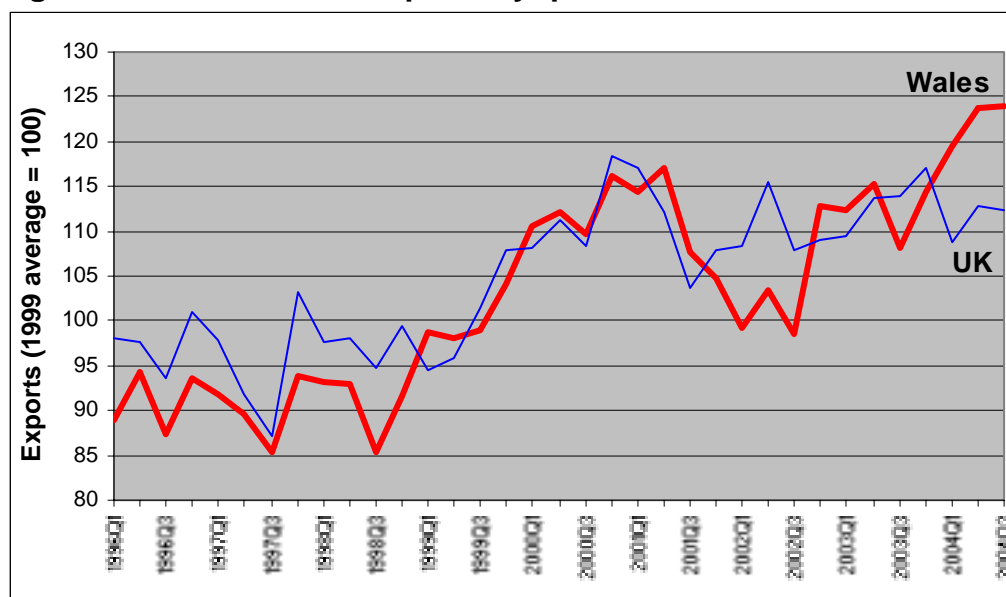
	4 quarters ending Sep 2003	4 quarters ending Sep 2004	Value of exports, £m	
			Change £m	percentage
Exports to:				
the EU ²	4,927	5,124	197	4.0%
the rest of the world ²	2,246	2,575	328	14.6%
Total exports	7,173	7,699	525	7.3%
Total exports for UK regions³	162,626	164,286	1,660	1.0%

	Quarter ending Sep 2003	Quarter ending Sep 2004	Value of exports, £m	
			Change £m	percentage
Exports to:				
the EU ²	1,119	1,250	131	11.7%
the rest of the world ²	611	732	120	19.7%
Total exports	1,730	1,981	252	14.5%
Total exports for UK regions³	41,552	40,933	-619	-1.5%

1. HM Customs and Excise figures 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 and Excise

Figure 4 Value of total exports by quarter: Wales and the UK



Source: HM Customs and Excise

- The value of total Welsh exports in the **latest 4 quarters** rose by 7.3% compared to the same period a year earlier. The corresponding figure for the total of the UK regions was a *rise* of 1.0%.
- The value of Welsh exports to the EU rose by 4.0% over this period, while the value of exports to the rest of the World increased by 14.6%. The EU still accounts for two thirds of Welsh exports by value.
- The value of total Welsh exports in the 3rd quarter of 2004 rose by 14.5% on the same period a year ago. This compared to a *fall* of 1.5% for the total of the UK regions.
- The value of Welsh exports in the first three quarters of 2004 were around 20% higher than the average for 1999. This new peak follows a substantial recovery in 2003 and 2004 after a decline in 2002.

2 ANNUAL DATA

2.1 SUMMARY DATA

Table 8 Headline economic indicators: Wales

	1998	1999	2000	2001	2002	2003	2004
GVA per head¹ (UK=100)	79.4	78.6	78.4	78.7	78.4	79.0	na
Household income per head² (UK=100)	88.0	87.5	na	na	na	na	na
Business start-up rate³							
Wales	7.9	7.8	8.0	7.6	8.0	8.7	na
UK	11.0	10.4	10.3	9.5	9.9	10.6	na
Non-agricultural business start-up rate³							
Wales	9.7	9.5	9.8	9.2	9.6	10.5	na
UK	11.8	11.2	11.1	10.2	10.5	11.3	na
Businesses per head⁴							
Wales	454	454	452	453	455	451	448
UK	473	481	486	489	490	490	492
Non-agricultural businesses per head⁴							
Wales	350	352	351	354	358	355	356
UK	429	438	443	448	449	450	453
Gross weekly earnings (£) ⁵							
Wales	348.5	358.7	372.8	385.8	405.2	421.8	444.7
UK	392.5	407.8	425.1	449.7	472.1	487.1	506.9
Growth in exports on previous year⁶							
Wales	0.7%	10.1%	12.2%	-1.0%	-6.8%	8.7%	na
sum of UK regions	2.6%	2.6%	11.5%	-1.2%	0.0%	3.1%	na
Business enterprise R&D⁷							
Percentage of GDP	0.4%	0.7%	0.5%	0.4%	0.5%	0.7%	na

na These figures are not yet available.

1. **Source: ONS, Regional Accounts**
2. **Source: ONS, Regional Accounts**
3. Total and non-agricultural VAT registrations as a percentage of the start year (1 January each year) stock of VAT registered businesses.
Source: Small Business Service (SBS)
4. Start year stock (1 January each year) of VAT registered businesses per 10,000 population of working age.
Source: SBS (ONS for population)
5. Gross weekly earnings for full-time persons on adult rates, figures relate to April each year. The data for 2004 exclude information from supplement surveys to be consistent with earlier years for which the supplement survey information is not available.
Source: ONS, Annual Survey of Hours and Earnings (ASHE)
6. Growth in the total value of exports, EU plus non-EU, over the previous year.
Source: HM Customs and Excise
7. **Source: ONS, Business Enterprise R&D Survey and Regional Accounts**

2.2 ANNUAL DATA RELEASED DURING THE LAST QUARTER

Table 9 Gross Value Added: UK regions and countries

	Index (UK excluding extra-regio = 100)								
	1995	1996	1997	1998	1999	2000	2001	2002	2003 ¹
UK excluding extra-regio ²	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
England	101.6	101.7	101.9	102.2	102.3	102.3	102.4	102.4	102.2
Wales	83.7	82.5	81.2	79.4	78.6	78.4	78.7	78.4	79.0
Scotland	100.9	100.2	99.1	97.4	96.6	96.4	95.6	95.9	96.4
Northern Ireland	80.1	80.8	80.3	80.3	80.7	81.1	80.7	80.4	81.2
North East	83.6	82.4	81.4	79.9	79.3	79.1	79.3	79.1	79.7
North West	90.8	90.1	89.6	88.9	88.9	88.6	89.0	89.0	89.8
Yorkshire and the Humber	89.7	89.9	89.8	88.9	88.1	87.9	88.1	88.4	89.0
East Midlands	94.4	94.4	94.1	92.5	91.6	91.1	90.9	90.0	90.8
West Midlands	93.3	93.0	93.2	92.4	91.8	91.7	91.3	90.4	91.0
Eastern	108.2	107.9	107.6	107.7	108.0	108.9	109.6	109.5	109.2
London	128.4	128.9	130.8	134.4	135.2	134.2	132.8	134.2	131.3
South East	111.2	111.8	112.6	113.9	114.6	115.3	115.7	115.4	115.2
South West	92.4	93.3	93.2	93.0	93.0	93.0	93.6	93.5	94.1
West Wales and the Valleys³	74	73	71	68	67	66	66	65	na
East Wales³	101	100	100	99	100	100	101	101	na

1. Data are provisional.
2. The UK total excluding any elements of GVA that cannot be assigned to specific regions, i.e. elements that are extra-regio. It is the total of the English regions and the three devolved administrations and is the most appropriate aggregation to use when making comparisons between the regions and the UK.
3. The NUTS2 regions of West Wales and the Valleys and East Wales are workplace-based, unlike the estimates for Wales and other NUTS1 regions, which are residence based.

Source: ONS, Regional Accounts

- GVA per head in Wales in 2003 was £12,629 or 79.0% of the UK average. This proportion declined steadily during the second half of the 1990s, but has changed little over the most recent 5 years.
- Wales had the lowest GVA per head in 2003, the ranking for Wales changed in 1998 when Northern Ireland rose above Wales.
- GVA per head in East Wales in 2002 was £15,448 or 101% of the UK average. GVA per head in West Wales and the Valleys was £9,985 or 65% of the UK average.
- In East Wales, GVA per head has been close to the UK average in all years since 1995. GVA per head in West Wales and the Valleys declined relative to the UK average during the second half of the 1990s but, like the pattern for Wales as a whole, has changed little over more recent years.

Table 10 Gross average weekly earnings for full time employees on adult rates¹, April 2004: UK regions and countries

	Average gross weekly earnings (£) ¹ :			Percentage increase April 2003 - April 2004		
	Males	Females	Persons	Males	Females	Persons
United Kingdom	556.8	420.2	504.9	3.6	5.4	4.1
UK excluding London and SE	507.3	388.3	462.2	3.9	6.0	4.4
Great Britain	559.4	421.3	507.0	3.6	5.3	4.0
England	568.7	426.7	515.5	3.7	5.3	4.1
Wales	480.4	377.4	441.7	5.7	5.1	5.4
Scotland	506.6	396.4	459.6	1.6	5.8	2.9
Northern Ireland	464.2	381.9	431.4	4.2	7.7	5.2
North East	473.7	379.6	436.2	5.7	8.7	6.6
North West	519.5	390.8	469.5	4.6	6.2	5.1
Yorkshire and the Humber	497.0	384.9	455.3	4.4	5.6	4.6
East Midlands	489.0	374.2	448.4	3.2	4.7	3.4
West Midlands	505.2	384.9	461.7	4.3	6.6	5.0
Eastern	558.9	409.8	506.1	3.8	6.2	4.5
London	765.4	548.2	680.1	3.1	4.7	3.6
South East	591.2	441.1	535.5	2.3	4.0	2.9
South West	509.1	384.6	462.7	3.0	4.8	3.4
West Wales and the Valleys	454.0	367.3	419.6	5.0	5.2	4.9
East Wales	509.2	390.5	467.6	6.2	4.9	5.8

1. Full time employees on adult rates, whose pay for the survey period was unaffected by absence.

Source: ONS, Annual Survey of Hours and Earnings (ASHE)

- Between April 2003 and April 2004 average gross weekly earnings for full-time adults in Wales rose by 5.4% to stand at £441.7. Over the same period average earnings in the United Kingdom rose by 4.1% to £504.9. The South East and Scotland had the lowest increases (both 2.9%), while the largest increase was in the North East region (6.6%).
- Average earnings in Wales in April 2004 were 12.5% lower than the average for the UK as a whole, but only 4.4% lower than the UK excluding London and the South East.
- Wales had the joint largest growth amongst UK regions/countries in male earnings between 2003 and 2004 (5.7%, joint with the North East). Growth in female earnings was fifth lowest amongst UK regions/countries.
- Average gross weekly earnings for full-time adults in East Wales in April 2004 increased by 5.8%, whilst those for West Wales and the Valleys increased by 4.9%; both increases being above those for the UK as a whole.

Table 11 Gross average weekly earnings for full time employees on adult rates¹, April 2004: occupation groupings

Occupation grouping	Wales	UK excluding London and the South East	Wales relative to UK excluding London and the South East
Managers and Senior Officials	617.2	671.7	91.9
Professional Occupations	635.1	638.7	99.4
Associate Professional and Technical Occupations	477.8	500.0	95.6
Administrative and Secretarial Occupations	318.8	324.1	98.3
Skilled Trades Occupations	405.1	411.5	98.4
Personal Service Occupations	279.6	278.3	100.5
Sales and Customer Service Occupations	274.2	282.6	97.1
Process, Plant and Machine Operatives	380.0	374.1	101.6
Elementary Occupations	298.0	300.0	99.3
All occupations	441.7	462.2	95.6

1. Full time employees on adult rates, whose pay for the survey period was unaffected by absence.

2. .. indicates that data are not sufficiently robust for publication.

Source: ONS, Annual Survey of Hours and Earnings

- Average gross weekly earnings for full-time employees in Wales in April 2004 were 4.4% lower than the average across the United Kingdom excluding London and the South East (UKX).
- The gap was generally smaller for individual occupational groupings, with Wales actually having higher earnings in 2 groups, namely personal service occupations and process, plant and machine operatives, and very similar earnings to UKX in professional occupations and elementary occupations.
- Managers and senior officials is the only major occupation group where the Welsh earnings relative to UKX are lower than the average for all occupations.
- This suggests that the earnings gap between Wales and elsewhere is at least partly explained by the occupational mix.

**Table 12 Number of VAT registrations and de-registrations during 2003:
UK regions and countries¹**

thousands

	VAT registered businesses 1 Jan 2003	Registration rate ² 2003	De-registration rate ³ 2003	VAT registered businesses 1 Jan 2004	Change in number of VAT registered businesses during 2003
UK	1,794.9	10.6%	9.7%	1,810.5	15.5
England	1,532.0	10.9%	9.9%	1,547.2	15.2
Wales	79.0	8.7%	8.8%	79.0	0.0
Scotland	126.0	9.5%	9.0%	126.6	0.5
Northern Ireland	57.9	6.5%	6.8%	57.7	-0.2
North East	44.8	10.4%	9.0%	45.4	0.6
North West	169.8	11.1%	9.8%	172.1	2.3
Yorkshire and the Humber	127.6	10.7%	9.1%	129.6	2.0
East Midlands	122.3	10.4%	9.1%	124.0	1.6
West Midlands	150.5	10.4%	9.7%	151.5	1.1
Eastern	181.3	10.3%	9.4%	182.9	1.6
London	284.8	12.8%	12.1%	286.9	2.0
South East	283.2	10.7%	9.8%	285.8	2.6
South West	167.7	9.6%	8.8%	169.1	1.3
West Wales and the Valleys	47.4	8.6%	8.6%	47.5	0.1
East Wales	31.6	8.9%	9.1%	31.5	-0.1

1. Data are shown in thousands and may not add due to independent rounding. Data are compiled from the Inter-Departmental Business Register (IDBR). The IDBR is a structured list of business units available for selection, mailing and grossing of statistical enquiries. It is supplied by the Office for National Statistics (ONS) and is mainly used as a sampling frame for official business surveys.
2. VAT registrations as a percentage of the start year stock (1 January 2003) of VAT registered businesses.
3. VAT de-registrations as a percentage of the start year stock (1 January 2003) of VAT registered businesses.

Source: Small Business Service (SBS)

- Wales had the second lowest registration rate of the UK regions/devolved administrations in 2003 (8.7% of the stock at the start of the year compared to 10.6% for the UK). Northern Ireland had the lowest rate (6.5%) while London had the highest rate (12.8%).
- Wales and the South West had the second lowest de-registration rate of the UK regions/devolved administrations in 2003 (8.8% of the stock at the start of the year compared to 9.7% for the UK). Northern Ireland had the lowest rate (6.8%) while London had the highest rate (12.1%).
- The total VAT registered stock in Wales stood at 79,000 at start of 2004, unchanged from 2003. The equivalent figure for the UK as a whole was 1,810,500, up 15,500 (0.9%) over 2002.
- East Wales had a higher registration rate (8.9%) than West Wales and the Valleys (8.6%). However, overall stocks of VAT registered businesses in East Wales *fell* by 100 (0.2%) during the year, compared to an *increase* of 100 in West Wales and the Valleys (0.1%).

Registration rates for agricultural businesses across the UK are typically much lower than the average for all other industries (2.4% in Wales, 2.7% across the UK as a whole). Consequently, overall registration rates for regions with higher levels of agricultural businesses are generally lower than for other regions. Table 13 below provides an alternative regional analysis, excluding agricultural businesses.

Table 13 Number of non-agricultural VAT registrations and de-registrations during 2003: UK region and countries¹

thousands

	Non-agricultural VAT registered businesses 1 Jan 2003	Non-agricultural registration rate ² 2003	Non-agricultural de-registration rate ³ 2003	Non-agricultural VAT registered businesses 1 Jan 2004	Change in number of non-agricultural VAT registered businesses during 2003
UK	1,649.3	11.3%	10.1%	1,668.4	19.1
England	1,439.8	11.4%	10.3%	1,456.8	17.0
Wales	62.3	10.5%	9.4%	62.9	0.7
Scotland	106.9	10.7%	9.7%	108.0	1.0
Northern Ireland	40.3	8.4%	7.4%	40.7	0.4
North East	41.2	11.1%	9.4%	41.9	0.7
North West	159.2	11.7%	10.1%	161.6	2.5
Yorkshire and the Humber	116.9	11.5%	9.5%	119.2	2.3
East Midlands	111.8	11.2%	9.6%	113.6	1.9
West Midlands	139.1	11.0%	10.1%	140.4	1.3
Eastern	169.3	10.8%	9.7%	171.1	1.9
London	284.1	12.8%	12.1%	286.1	2.0
South East	272.2	11.0%	10.0%	274.9	2.7
South West	146.1	10.7%	9.4%	147.9	1.8
West Wales and the Valleys	36.7	10.5%	9.2%	37.2	0.5
East Wales	25.6	10.4%	9.8%	25.7	0.2

1. Data are shown in thousands and may not add due to independent rounding. Data are compiled from the Inter-Departmental Business Register (IDBR). The IDBR is a structured list of business units available for selection, mailing and grossing of statistical enquiries. It is supplied by the Office for National Statistics (ONS) and is mainly used as a sampling frame for official business surveys.

2. Non-agricultural VAT registrations as a percentage of the start year stock (1 January 2003) of non-agricultural VAT registered businesses.

3. Non-agricultural VAT de-registrations as a percentage of the start year stock (1 January 2003) of non-agricultural VAT registered businesses.

Source: Small Business Service (SBS)

- Excluding agriculture, the VAT registration rate in Wales in 2003 was 10.5%. Because Wales has a proportionately higher number of agricultural businesses, this was just 0.8 percentage points below that for the UK as a whole, compared to 1.8 percentage points below when agriculture is included.
- The ranking of registration rates for each of the regions remains broadly similar when excluding agriculture, although the variation in rates between the regions/devolved administrations is greatly reduced.
- The Welsh non-agricultural registration rate was 1.1 percentage points higher than the non-agricultural de-registration rate, and consequently the stock of non-agricultural VAT registered businesses increased by 700 (1.0%) between 2002 and 2003. This was a similar increase to that for the UK as a whole and many of the individual regions/devolved administrations.

Table 14 Local labour market statistics, 2003¹: Welsh local authorities

	Employment ²		ILO unemployment ³		Economic inactivity ⁴		Economic inactivity (excluding students) ⁴	
	Level (thousands)	Rate (%)	Level (thousands)	Rate (%)	Level (thousands)	Rate (%)	Level (thousands)	Rate (%)
United Kingdom	27,789	74.1	1,444	4.9	7,947	22.0	6,341	19.1
Wales	1,270	70.5	67	5.0	449	25.8	366	22.9
Isle of Anglesey	30	70.8	1	4.5	10	25.7	8	22.6
Gwynedd	53	73.2	2	3.7	17	23.9	12	20.0
Conwy	46	72.0	2	3.9	15	25.1	13	23.2
Denbighshire	42	75.2	2	3.6	12	21.9	9	18.4
Flintshire	75	78.3	2	3.1	18	19.3	14	16.5
Wrexham	62	75.0	2	2.5	19	23.3	15	20.5
Powys	61	76.5	2	3.4	15	20.7	13	18.4
Ceredigion	34	68.0	2	6.4	13	27.1	8	19.1
Pembrokeshire	49	70.3	3	5.3	17	25.6	14	23.4
Carmarthenshire	70	65.7	4	5.1	31	30.6	25	26.9
Swansea	98	71.0	6	5.7	33	24.6	26	22.1
Neath Port Talbot	51	62.2	4	6.9	26	33.1	23	31.4
Bridgend	57	72.0	2	3.9	19	25.1	17	23.3
The Vale of Glamorgan	54	73.3	3	5.5	16	22.3	13	20.0
Cardiff	140	70.7	9	5.9	47	24.7	31	18.3
Rhondda, Cynon, Taff	92	65.5	7	7.0	41	29.5	35	27.6
Merthyr Tydfil	22	63.3	1	5.4	11	33.2	10	31.5
Caerphilly	70	67.1	4	5.2	30	29.2	27	28.0
Blaenau Gwent	27	63.5	2	7.4	13	31.4	12	30.2
Torfaen	38	69.5	2	5.5	14	26.4	12	24.5
Monmouthshire	40	76.4	2	3.7	10	20.6	9	19.0
Newport	60	71.4	3	4.9	20	24.9	17	23.2

1. Data are taken from the Welsh Local / Annual Local Area Labour Force Survey, and represent annual estimates of the position in 2003. As the sample for the annual dataset is based on a boosted sample of individuals in 21,000 households in Wales, figures are available at a local authority level. This is not the case for the quarterly Labour Force Survey figures behind the numbers given in tables 1 and 2 and figures 1 and 2, which are not based on a boosted sample, but which provide more timely headline figures.
2. Levels are for those aged 16 and over, rates are for those of working age (males aged 16-64, females aged 16-59).
3. Levels and rates are for those aged 16 and over. The 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 sought 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.
4. Levels and rates are for those of working age (males aged 16-64, females aged 16-59).

Source: Welsh Local Labour Force Survey, 2003

- Working age employment rates varied from 62.6% in Neath Port Talbot to 78.3% in Flintshire.
- Unemployment rates for economically active people aged 16 or over varied from 2.5% in Wrexham and 3.1% in Flintshire to 7.0% in Rhondda Cynon Taff and 7.4% in Blaenau Gwent.
- When looking at economic inactivity between local authorities it is important to exclude students as they are disproportionately spread between local authorities. 22.9% of the working age population excluding students in Wales were economically inactive. The highest rate was 31.5% in Merthyr Tydfil, and the lowest rate was 16.5% in Flintshire.