

**Economic Development and Transport Committee**

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**Title:** Quarterly Statistical Bulletin

# **Quarterly Statistical Report**

## **Economic Development and Transport Committee**

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**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 2005; 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 2004	Jun - Aug 2005	Sep - Nov 2005	Change on:	
					previous quarter	previous year
<b>Employment<sup>1</sup></b>						
<b>Wales</b>	<i>level</i>	1,331	1,324	1,328	5	-3
	<i>rate (%)</i>	72.4	71.9	71.8	-0.1	-0.6
<b>UK</b>	<i>level</i>	28,542	28,786	28,764	-22	221
	<i>rate (%)</i>	74.8	74.9	74.5	-0.3	-0.3
<b>ILO unemployment<sup>2</sup></b>						
<b>Wales</b>	<i>level</i>	61	64	66	2	5
	<i>rate (%)</i>	4.4	4.6	4.7	0.1	0.3
<b>UK</b>	<i>level</i>	1,408	1,418	1,528	111	121
	<i>rate (%)</i>	4.7	4.7	5.0	0.4	0.3
<b>Economic inactivity<sup>3</sup></b>						
<b>Wales</b>	<i>level</i>	428	437	437	0	9
	<i>rate (%)</i>	24.1	24.6	24.5	0.0	0.4
<b>UK</b>	<i>level</i>	7,873	7,915	7,940	25	67
	<i>rate (%)</i>	21.4	21.4	21.4	0.0	0.0

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).

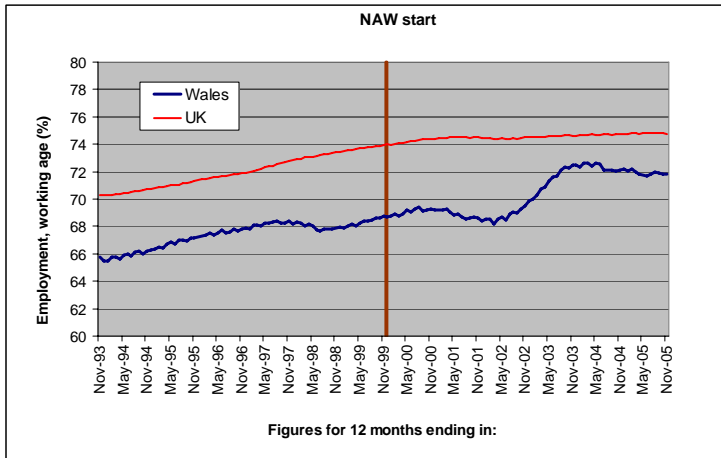
**Source: Labour Force Survey (LFS)**

For the three months to November 2005:

- The employment level in Wales *decreased* by 3,000 over the previous year but *increased* by 5,000 over the previous quarter. The rate *decreased* by 0.6 percentage points over the year and by 0.1 percentage points over the quarter.
- ILO unemployment (levels and rates) for Wales *increased* over both the year and the quarter, whilst economic inactivity levels and rates for Wales *increased* over the year but remained *unchanged* over the quarter.
- The employment rate for the UK as a whole *decreased* by 0.3 percentage points over the year, whilst the unemployment rate *increased* by 0.3 percentage points and the rate of economic inactivity remained *unchanged*.

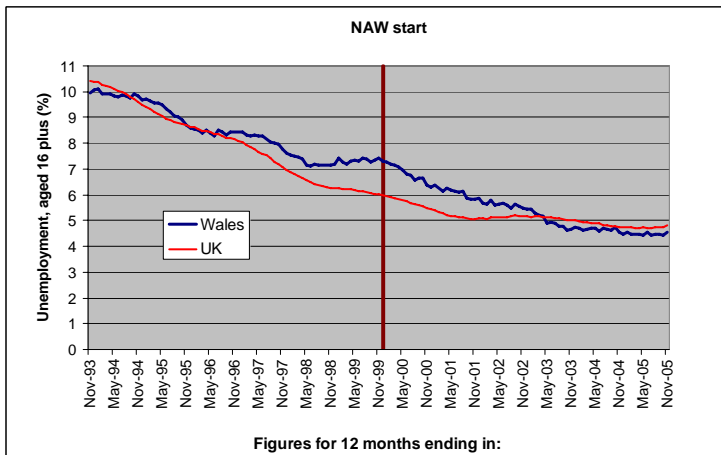
All of the estimates from the LFS are subject to sampling variation, which means that changes over time can be quite volatile, particularly for an area the size of Wales. It is therefore often more appropriate to examine the trend in a particular measure. The trend in the LFS measures given in table 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**



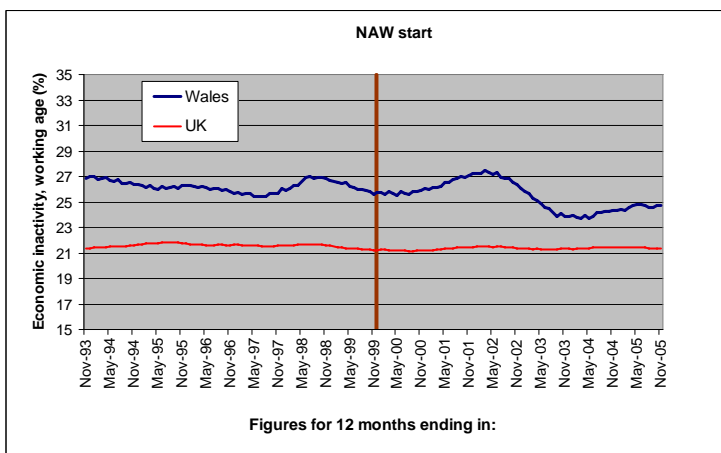
The Welsh employment rate is slightly below the peak in mid 2003, but remains well above historical levels.

The employment rate for Wales for the 12 months ending November 2005 was 71.8%, a *fall* of 0.3 percentage points (pp) over the corresponding period a year earlier but a *rise* of 2.9 pp over 1999. The UK employment rate was 74.8% in the 12 months ending November 2005, a *rise* of 0.8 pp over 1999.



The unemployment rate has shown a fairly steady downward trend since the early 1990s but with little change over the last year or so.

The unemployment rate for Wales for the 12 months ending November 2005 was 4.5%, unchanged over the year and a *fall* of 2.7 pp over 1999. The UK employment rate was 4.8% in the 12 months ending November 2005, a *fall* of 1.1 pp over 1999.



The Welsh economic inactivity rate grew over the period 1999 to 2001, before falling in 2002 and 2003. It has since increased slightly.

The economic inactivity rate for Wales for the 12 months ending November 2005 was 24.7%, a *rise* of 0.4 pp over the corresponding period a year earlier but a *fall* of 0.9 pp over 1999. The UK economic inactivity rate was 21.4% in the 12 months ending November 2005, a *rise* of 0.1 pp over 1999.

**Table 2 Employment, unemployment and inactivity:  
West Wales and the Valleys and East Wales<sup>1</sup>**

*levels in thousands*

		1999	12 months to Nov 2004	12 months to Nov 2005	Change over latest year	Change over 1999
<b>Employment<sup>2</sup></b>						
<b>West Wales and the Valleys</b>	<i>level</i>	737	791	794	3	57
	<i>rate (%)</i>	66.0	69.4	69.7	0.3	3.7
<b>East Wales</b>	<i>level</i>	477	515	510	-5	32
	<i>rate (%)</i>	74.0	76.5	75.4	-1.0	1.5
<b>Wales<sup>1</sup></b>	<i>level</i>	1,215	1,306	1,304	-2	90
	<i>rate (%)</i>	68.9	72.0	71.8	-0.2	3.0
<b>United Kingdom<sup>1</sup></b>	<i>level</i>	27,043	28,104	28,282	178	1,239
	<i>rate (%)</i>	74.0	74.7	74.7	0.0	0.7
<b>ILO unemployment<sup>3</sup></b>						
<b>West Wales and the Valleys</b>	<i>level</i>	61	44	43	-1	-18
	<i>rate (%)</i>	7.7	5.3	5.1	-0.1	-2.5
<b>East Wales</b>	<i>level</i>	33	19	19	0	-14
	<i>rate (%)</i>	6.5	3.5	3.6	0.1	-2.9
<b>Wales<sup>1</sup></b>	<i>level</i>	94	63	62	-1	-32
	<i>rate (%)</i>	7.2	4.6	4.5	0.0	-2.7
<b>United Kingdom<sup>1</sup></b>	<i>level</i>	1,695	1,395	1,426	31	-269
	<i>rate (%)</i>	5.9	4.7	4.8	0.1	-1.1
<b>Economic inactivity<sup>4</sup></b>						
<b>West Wales and the Valleys</b>	<i>level</i>	311	290	289	-2	-22
	<i>rate (%)</i>	28.4	26.6	26.4	-0.2	-2.0
<b>East Wales</b>	<i>level</i>	129	135	142	7	13
	<i>rate (%)</i>	20.8	20.7	21.7	1.0	0.9
<b>Wales<sup>1</sup></b>	<i>level</i>	440	425	431	6	-9
	<i>rate (%)</i>	25.7	24.4	24.6	0.3	-1.0
<b>United Kingdom<sup>1</sup></b>	<i>level</i>	7,539	7,803	7,816	13	278
	<i>rate (%)</i>	21.3	21.5	21.4	0.0	0.2

1. Data for sub-regions of Wales are only available on a quarterly basis and, unlike the headline data in table 1 and figure 1, do not reflect the latest population estimates. This has little effect on the rates but does affect the levels estimates. The data in table 2 above are also annual averages, unlike those in table 1 which are 3 month averages.
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).

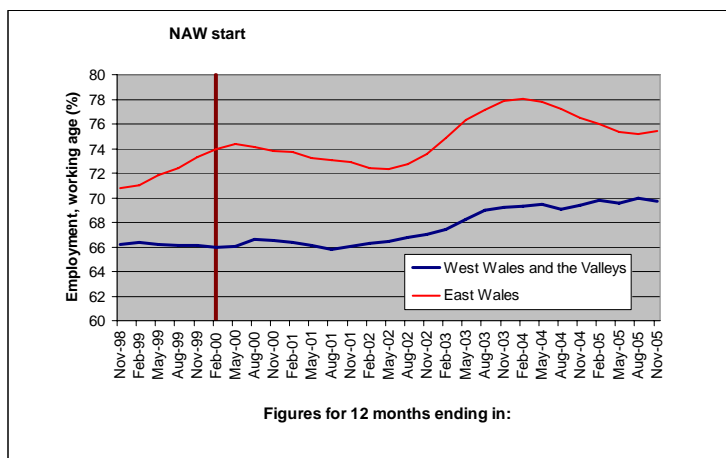
**Source: Labour Force Survey (LFS)**

The estimates given in table 2 are for the latest 12 month averages available (to November 2005).

- The employment rate in the Objective 1 area (West Wales and the Valleys) was 3.7 percentage points *higher* than in 1999. There was an *increase* of 1.5 percentage points in the rate in East Wales over the same period.
- The unemployment rate in West Wales and the Valleys *fell* by 2.5 percentage points between 1999 and the year to November 2005. The rate in East Wales *fell* by 2.9 percentage points.
- Over the same period the economic inactivity rate *fell* by 2.0 percentage points in West Wales and the Valleys and *rose* by 0.9 percentage points in East Wales.

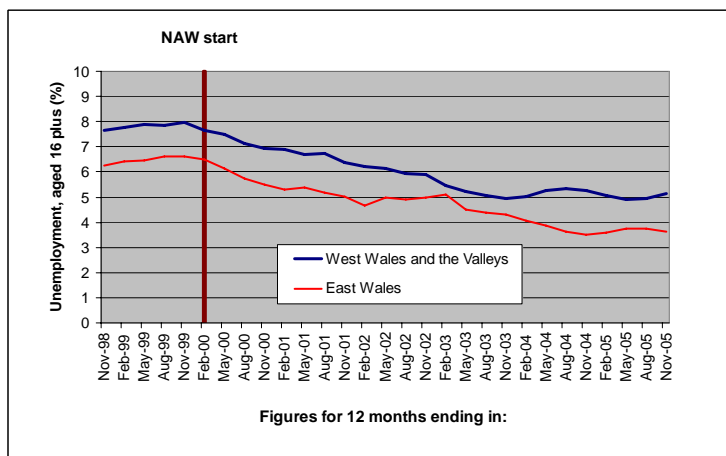
The trend in the LFS measures given in table 2 can be seen from a 12 month rolling average. Longer term results for West Wales and the Valleys and East Wales on this basis are shown in figure 2.

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



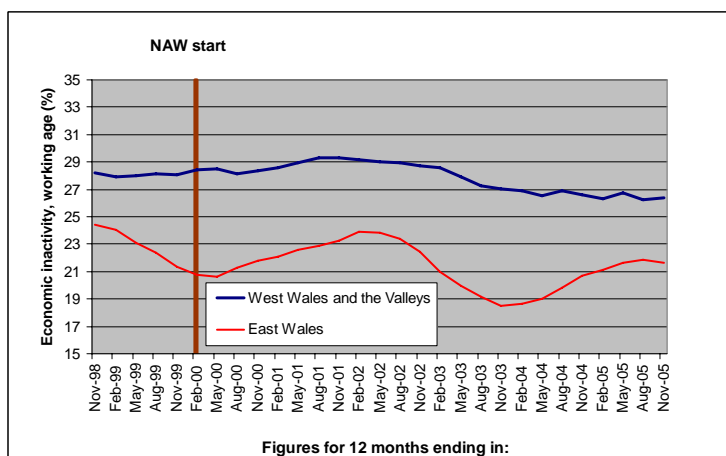
For the 12 months ending in November 2005 the average employment rate in West Wales and the Valleys was 3.7 percentage points (pp) *higher* than the average for 1999. For East Wales the rate was 1.5 pp *higher*.

There has been a fairly steady upward trend in West Wales and the Valleys and a more volatile pattern in East Wales.



For the 12 months ending in November 2005 the average unemployment rate in West Wales and the Valleys was 2.5 percentage points (pp) *lower* than the average for 1999. For East Wales the rate was 2.9 pp *lower*.

The trend in both areas has been generally downward, with a recent levelling off.



For the 12 months ending in November 2005 the average economic inactivity rate in West Wales and the Valleys was 2.0 percentage points (pp) *lower* than the average for 1999. For East Wales the rate was 0.9 pp *higher*.

The trend has been downward in West Wales and the Valleys since 2002. In East Wales, the trend has been upward in 2004 and 2005 having fallen sharply over the previous 2 years.



**Table 3 Civilian workforce jobs and employee jobs<sup>1</sup> by industry: Wales**

thousands

	September 2004	June 2005	September 2005	Change over:	
				June 2005	September 2004
<b>Not seasonally adjusted:</b>					
<i>Civilian workforce jobs</i>	1,341	..	1,355	..	14
<i>Employee jobs</i>	1,161	..	1,174	..	13
of which:					
Agriculture, forestry and fishing	13	..	12	..	-1
Mining, energy and water supplies industries	8	..	7	..	0
Manufacturing industries	182	..	177	..	-6
Construction	58	..	49	..	-8
Service industries	462	..	472	..	11
Other industries	439	..	456	..	17
<b>Seasonally adjusted:</b>					
<i>Employee jobs</i>	1,155	1,171	1,167	-4	12

.. 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 2005, civilian workforce jobs in Wales *increased* by 1.0%, employee jobs also *increased* (up 1.1%).
- Employee jobs in manufacturing industries *fell* by 6,000 (or 3.0%) over the same period, whilst employee jobs in service industries *rose* by 11,000 (or 2.3%).
- 'Other industries' (which include the health and education sectors) had the largest *increase* over the period, *up* 17,000 (or 4.0%), whilst the construction section had the largest *fall*, *down* 8,000 (or 14.6%).

**Table 4 Distribution of employee jobs by industry: Wales**

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

	September 2004	September 2005	Change on September 2004
Agriculture, forestry and fishing	1.1	1.0	-0.1
Mining, energy and water supplies industries	0.6	0.6	-0.0
Manufacturing industries	15.7	15.1	-0.6
Construction	5.0	4.2	-0.8
Service industries	39.8	40.2	0.5
Other industries	37.8	38.9	1.1

**Source: Employer surveys**

- 40.2% of all employee jobs in Wales were in service industries in September 2005.
- The next largest industry group in terms of employee jobs was 'other industries', with 38.9% of the total. This category is predominantly public administration, education and health.
- Manufacturing industries accounted for 15.1% of all employee jobs, a *fall* of 0.6 percentage points on the September 2004 figure.
- Construction industries accounted for 4.2% of all employee jobs, a *decrease* of 0.8 percentage points over the year.

**Table 5 Claimant count: Wales and the UK**

*thousands, seasonally adjusted: workforce<sup>1</sup> based rates*

		Dec 2004	Nov 2005	Dec 2005	Change on:	
					previous month	previous year
<b>Wales</b>	<i>level</i>	39.0	43.8	<b>44.1</b>	0.3	5.1
	<i>rate (%)</i>	3.0	3.3	<b>3.3</b>	0.0	0.4
<b>UK</b>	<i>level</i>	825.0	901.9	<b>909.1</b>	7.2	84.1
	<i>rate (%)</i>	2.6	2.9	<b>2.9</b>	0.0	0.3

1. Claimant count rates in this table are calculated using workforce-based denominators. 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 2005, the claimant count levels and rates *rose* in both Wales and the UK compared to the same period a year ago.
- Compared to the previous month, the claimant count levels *rose* and the rates remained unchanged in Wales and the UK as a whole.
- In December 2005, the claimant count rate in Wales was 3.3%, 0.4 percentage points *higher* than the corresponding UK figure.

**Table 6 Claimant count: West Wales and the Valleys and East Wales<sup>1</sup>**

*thousands, not seasonally adjusted: residence<sup>2</sup> based rates*

		Dec 2004	Dec 2005	Change on previous year
<b>Wales<sup>2</sup></b>	<i>level</i>	38.5	<b>43.7</b>	5.1
	<i>rate (%)</i>	2.2	<b>2.5</b>	0.3
<b>West Wales and the Valleys<sup>2</sup></b>	<i>level</i>	25.9	<b>29.2</b>	3.3
	<i>rate (%)</i>	2.3	<b>2.6</b>	0.3
<b>East Wales<sup>2</sup></b>	<i>level</i>	12.6	<b>14.5</b>	1.8
	<i>rate (%)</i>	1.9	<b>2.2</b>	0.3

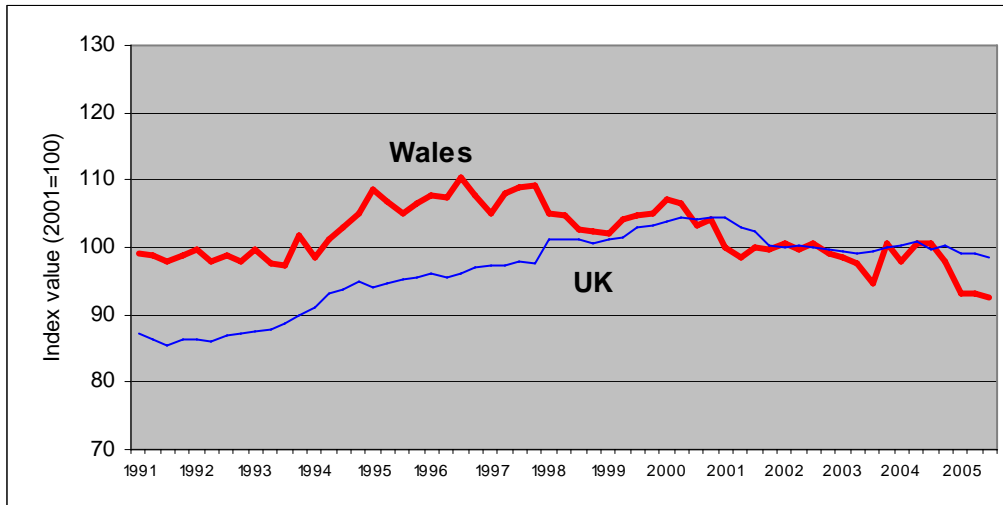
1. The figures in this table are not seasonally adjusted and so the levels are also not comparable to those given in table 5. A monthly change is not shown, as this would be heavily affected by seasonal factors.
2. Claimant count rates in this table are calculated using residence-based denominators, which is now the standard method for calculation of rates for local areas within regions and removes distortions due to commuting flows. 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 2005, the claimant count level *rose* in both the Objective 1 area (West Wales and the Valleys) and in East Wales compared to December 2004.
- The claimant count rate also *rose* in both areas over the same period, with the difference in the rate between West Wales and the Valleys and East Wales *remaining* at 0.4 percentage points.

## 1.2 THE ECONOMY

**Figure 3.1 Index of production<sup>1</sup>: Wales and the UK**

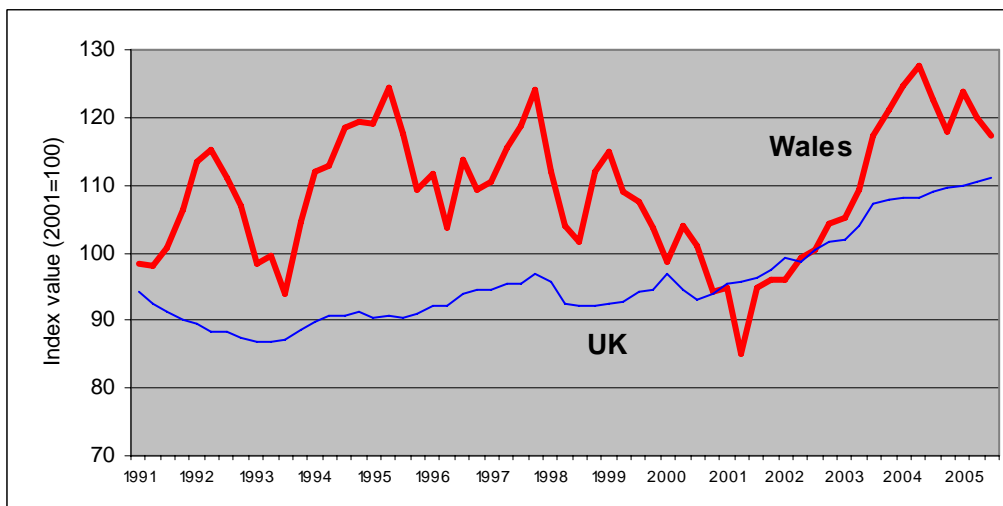


1. Production industries are manufacturing, mining and quarrying and electricity, gas and water.

**Source: National Assembly for Wales and ONS**

- The Index of Production for Wales for the latest four quarters *fell* by 5.8% compared with the previous four quarters. There was an *increase* in the mining and quarrying sector, which were offset by *decreases* in the electricity, gas and water and manufacturing sectors. The UK index *fell* by 1.0% over the same period.

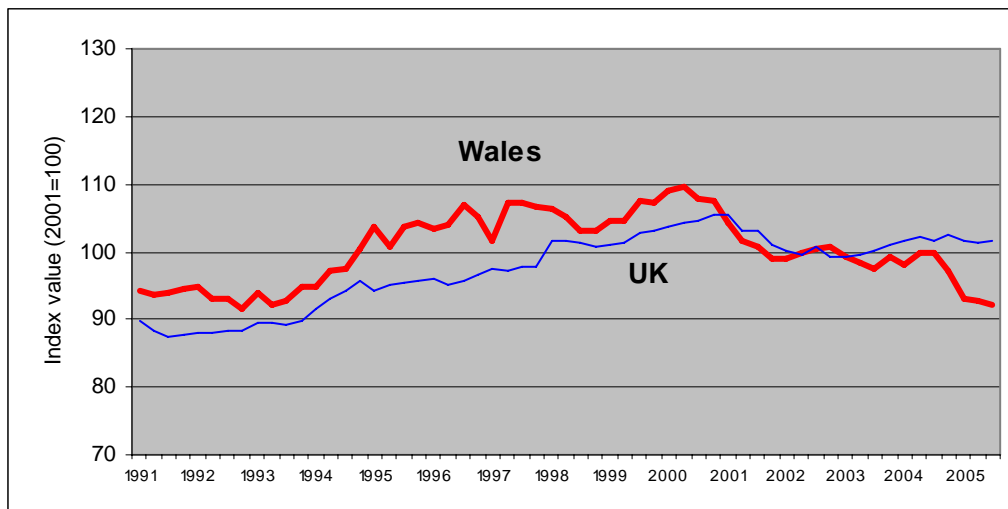
**Figure 3.2 Index of construction: Wales and the UK**



**Source: National Assembly for Wales and ONS**

- Construction output over the latest four quarters *fell* by 3.4% compared with the previous four quarters. There was a *rise* in the UK index of 2.0% during this period.
- Construction output for the latest quarter *fell* by 2.3% compared with the previous quarter. The UK figure showed a *rise* of 0.5% on last quarter.

**Figure 3.3 Index of manufacturing: Wales and the UK**

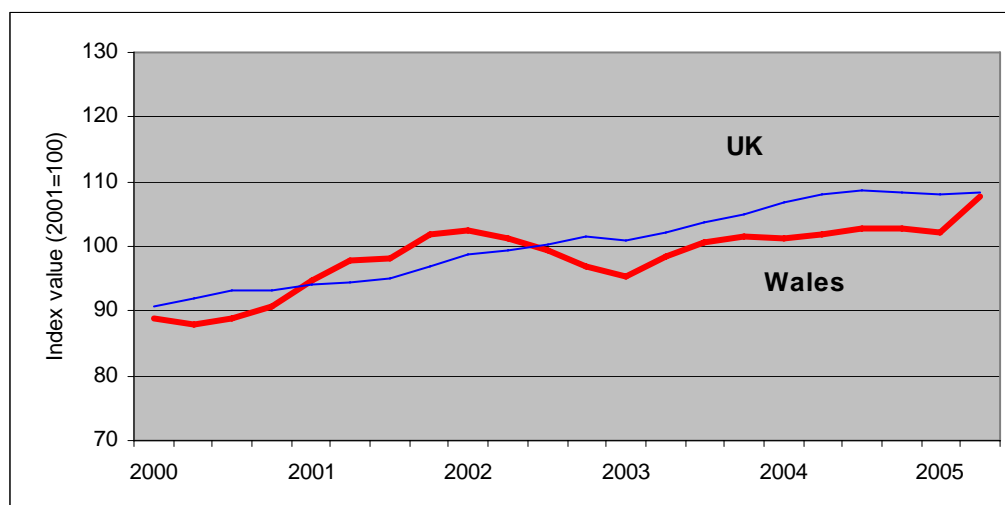


**Source: National Assembly for Wales and ONS**

- Manufacturing output over the latest four quarters *fell* by 5.6% compared with the previous four quarters. Manufacturing output in the UK *rose* by 0.1% during this period.
- Manufacturing output for the latest quarter *fell* by 0.9% compared with the previous quarter. The UK index *rose* by 0.4%.

## 1.2 THE ECONOMY

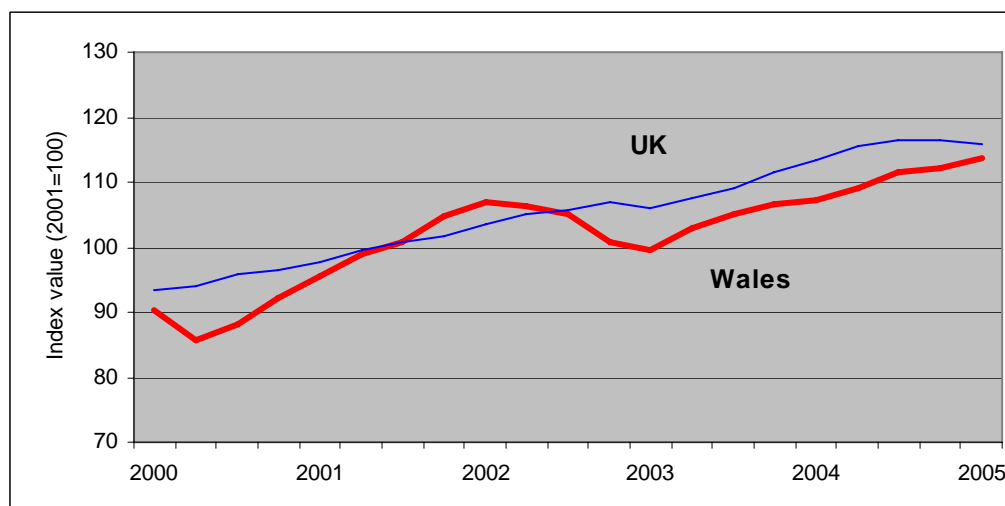
Figure 4.1 Index of distribution: Wales and the UK



Source: National Assembly for Wales and ONS

- The Index of Distribution for Wales for the latest four quarters *rose* by 2.6% compared with the previous four quarters. There were *increases* in the retail and wholesale sectors, which were offset by a *decrease* in the motor trade. The UK index *rose* by 2.4% over the same period.

Figure 4.2 Index of retail: Wales and the UK



Source: National Assembly for Wales and ONS

- Output in the Welsh retail sector *increased* by 5.0% in the latest four quarters compared with the previous four quarters. There was a *rise* in the UK index of 3.2% during this period.
- Retail output for the latest quarter *rose* by 7.1% compared with the previous quarter. The UK figure showed a *rise* of 0.5% on last quarter.

**Table 7 Value of exports<sup>1</sup>: Wales**

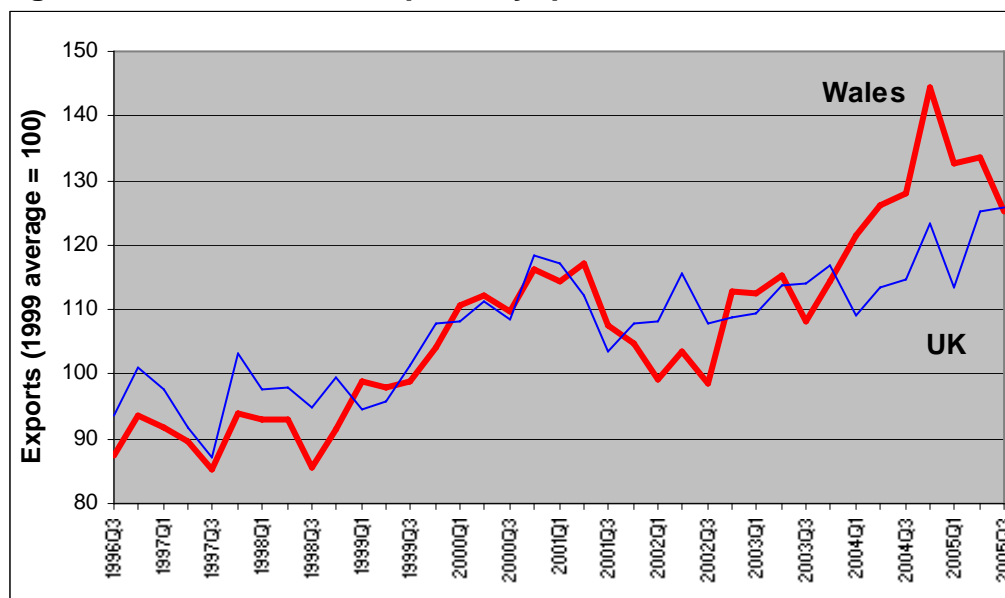
	4 quarters ending Sep 2004	4 quarters ending Sep 2005	Value of exports, £m	
			Change £m	percentage
Exports to: the EU <sup>2</sup>	5,261	5,349	87	1.7%
the rest of the world <sup>2</sup>	2,574	3,214	639	24.8%
<b>Total exports</b>	<b>7,836</b>	<b>8,563</b>	<b>727</b>	<b>9.3%</b>
<b>Total exports for UK regions<sup>3</sup></b>	<b>165,674</b>	<b>177,784</b>	<b>12,111</b>	<b>7.3%</b>

	Quarter ending Sep 2004	Quarter ending Sep 2005	Value of exports, £m	
			Change £m	percentage
Exports to: the EU <sup>2</sup>	1,314	1,160	-154	-11.7%
the rest of the world <sup>2</sup>	731	839	107	14.7%
<b>Total exports</b>	<b>2,045</b>	<b>1,999</b>	<b>-46</b>	<b>-2.3%</b>
<b>Total exports for UK regions<sup>3</sup></b>	<b>41,851</b>	<b>45,839</b>	<b>3,988</b>	<b>9.5%</b>

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 Revenue and Customs

**Figure 5 Value of total exports by quarter: Wales and the UK**



Source: HM Revenue and Customs

- The value of total Welsh exports for the 4 quarters ending September 2005 *rose* by 9.3% compared to the 4 quarters ending September 2004. The corresponding figure for the total of the UK regions was a *rise* of 7.3%.
- The value of Welsh exports to the EU *rose* by 1.7% over this period, while the value of exports to the rest of the World increased by 24.8%. The EU still accounts for almost two thirds of Welsh exports by value.
- The value of total Welsh exports in the 3rd quarter of 2005 *fell* by 2.3% on the same quarter in 2004. This compared to a *rise* of 9.5% for the total of the UK regions.
- The value of Welsh exports for the year to quarter 3, 2005 were 33.9% higher than in 1999, compared to 21.9% higher for the total of the UK regions.

## 2 ANNUAL DATA

### 2.1 SUMMARY DATA

**Table 8 Headline economic indicators: Wales**

	1999	2000	2001	2002	2003	2004	2005
<b>GVA per head<sup>1</sup> (UK=100)</b>	78.5	78.4	78.9	78.6	78.8	79.1	na
<b>Household income per head<sup>2</sup> (UK=100)</b>	87.4	87.7	87.9	88.3	88.3	na	na
<b>Business start-up rate<sup>3</sup></b>							
Wales	7.8	8.0	7.6	8.0	8.9	8.7	na
UK	10.4	10.3	9.6	9.9	10.5	10.0	na
<b>Non-agricultural business start-up rate<sup>3</sup></b>							
Wales	9.5	9.9	9.2	9.7	10.7	10.4	na
UK	11.2	11.1	10.3	10.6	11.2	10.6	na
<b>Businesses per head<sup>4</sup></b>							
Wales	452	452	453	455	453	452	450
UK	477	482	487	488	491	494	491
<b>Non-agricultural businesses per head<sup>4</sup></b>							
Wales	349	350	353	357	356	358	361
UK	434	440	445	447	450	454	453
<b>Gross weekly earnings (£)<sup>5</sup></b>							
Wales	358.7	372.8	385.8	405.2	421.8	438.7	454.4
UK	407.8	425.1	449.7	472.1	487.1	498.6	517.0
<b>Growth in exports on previous year<sup>6</sup></b>							
Wales	10.1%	12.2%	-1.0%	-6.8%	8.7%	15.6%	na
sum of UK regions	2.6%	11.5%	-1.2%	0.0%	3.1%	1.5%	na
<b>Business enterprise R&amp;D<sup>7</sup></b>							
Percentage of GDP	0.7%	0.5%	0.4%	0.5%	0.7%	0.6%	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. Since the 2004 survey, a new questionnaire has been used and supplementary information has been collected in order to improve coverage to make the survey more representative. This includes information on businesses not registered for VAT and for people who changed or started new jobs between sample selection and the survey reference period, as well as better information on non-basic pay. The ASHE results since 2004 are therefore discontinuous with earlier results.  
**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**



**Table 9 Gross Value Added: UK regions and countries**

	Index (UK excluding extra-regio = 100)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 <sup>1</sup>	
UK excluding extra-regio <sup>2</sup>	100.0	100.0	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	102.4	102.4	102.4	102.3	102.3	102.3
<b>Wales</b>	<b>83.7</b>	<b>82.6</b>	<b>81.2</b>	<b>79.4</b>	<b>78.5</b>	<b>78.4</b>	<b>78.9</b>	<b>78.6</b>	<b>78.8</b>	<b>79.1</b>	<b>79.1</b>
Scotland	100.6	99.9	98.8	97.0	96.0	95.7	95.1	95.5	96.2	96.2	96.2
Northern Ireland	80.7	81.3	80.6	80.2	80.5	80.8	80.4	80.0	79.9	80.2	80.2
North East	83.5	82.3	81.2	79.8	79.2	79.0	79.2	79.1	79.3	79.9	79.9
North West	90.7	90.1	89.5	88.8	89.0	88.6	89.0	88.5	88.4	88.9	88.9
Yorkshire and the Humber	89.7	89.9	89.7	88.8	88.0	87.7	87.8	88.0	88.5	88.8	88.8
East Midlands	94.4	94.4	94.1	92.5	91.6	91.1	91.4	90.9	90.9	91.5	91.5
West Midlands	93.3	92.9	93.0	92.3	91.9	91.8	91.6	90.9	90.6	91.2	91.2
Eastern	108.3	107.9	107.5	107.6	108.0	108.9	109.4	109.0	108.7	108.7	108.7
London	128.3	128.5	129.8	133.0	133.7	132.6	131.4	133.2	133.7	132.2	132.2
South East	111.4	112.4	113.8	115.6	116.4	117.3	117.4	116.9	116.4	116.1	116.1
South West	92.4	93.5	93.4	93.1	93.1	93.1	93.4	93.3	93.0	92.9	92.9
<b>West Wales and the Valleys<sup>3</sup></b>	<b>74</b>	<b>73</b>	<b>71</b>	<b>68</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>na</b>
<b>East Wales<sup>3</sup></b>	<b>101</b>	<b>100</b>	<b>100</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>102</b>	<b>101</b>	<b>102</b>	<b>na</b>	<b>na</b>

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 2004 was £13,292 or 79.1% of the UK average. This proportion declined steadily during the second half of the 1990s, but has changed little since 1999.
- Wales had the lowest GVA per head in 2004, the ranking for Wales changed in 1998 when Northern Ireland rose above Wales.
- GVA per head in East Wales in 2003 was £16,446 or 102% of the UK average. GVA per head in West Wales and the Valleys was £10,578 or 66% 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 rates<sup>1</sup>, April 2005: UK regions and countries**

	Average gross weekly earnings (£) <sup>1</sup> :			Percentage increase April 2004 - April 2005		
	Males	Females	Persons	Males	Females	Persons
United Kingdom	569.0	436.1	517.0	3.7	4.6	3.7
UK excluding London and SE	520.3	405.7	475.8	3.9	5.2	4.1
Great Britain	571.1	437.1	518.7	3.7	4.6	3.6
England	579.7	440.7	526.1	3.6	4.2	3.5
<b>Wales</b>	<b>491.5</b>	<b>398.4</b>	<b>454.4</b>	<b>3.3</b>	<b>5.7</b>	<b>3.6</b>
Scotland	522.9	423.8	479.6	4.7	7.0	5.2
Northern Ireland	487.1	402.3	452.2	5.2	5.1	4.9
North East	494.6	390.0	452.2	4.7	3.6	4.1
North West	525.6	409.4	479.5	2.6	5.7	3.5
Yorkshire and the Humber	508.1	400.6	467.2	3.8	4.6	3.8
East Midlands	512.5	392.4	469.4	6.0	6.0	5.9
West Midlands	520.5	400.3	475.5	4.7	4.8	4.4
Eastern	565.6	417.9	512.1	3.1	3.8	3.1
London	789.5	567.1	697.6	5.5	4.4	4.4
South East	596.0	446.0	539.0	2.0	2.1	1.9
South West	518.0	401.0	473.1	3.0	4.6	3.1
<b>West Wales and the Valleys</b>	<b>481.9</b>	<b>389.9</b>	<b>443.7</b>	<b>6.8</b>	<b>5.6</b>	<b>6.0</b>
<b>East Wales</b>	<b>503.1</b>	<b>410.8</b>	<b>468.3</b>	<b>0.1</b>	<b>6.0</b>	<b>1.3</b>

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 2004 and April 2005 average gross weekly earnings for full-time adults in Wales *rose* by 3.6% to stand at £454.4. Over the same period average earnings in the United Kingdom *rose* by 3.7% to £517.0. The South East had the lowest increase (1.9%), while the largest increase was in the East Midlands region (5.9%).
- Average earnings in Wales in April 2005 were 12.1% lower than the average for the UK as a whole, but only 4.5% lower than for the UK excluding London and the South East.
- Wales had the joint third highest growth amongst UK regions/countries in female earnings between 2004 and 2005 (5.7%, joint with the North West and behind Scotland and the East Midlands). Growth in male earnings was fifth lowest amongst UK regions/countries.
- Average gross weekly earnings for full-time adults in West Wales and the Valleys in April 2005 *increased* by 6.0%, well above the increase for the UK as a whole. Average earnings in East Wales *increased* by just 1.3%.

**Table 11 Gross average weekly earnings for full time employees on adult rates<sup>1</sup>, April 2005: 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	624.1	692.6	90.1
Professional Occupations	684.8	675.3	101.4
Associate Professional and Technical Occupations	498.0	510.3	97.6
Administrative and Secretarial Occupations	320.1	330.1	97.0
Skilled Trades Occupations	423.9	422.1	100.4
Personal Service Occupations	289.9	290.8	99.7
Sales and Customer Service Occupations	258.8	275.9	93.8
Process, Plant and Machine Operatives	383.6	388.6	98.7
Elementary Occupations	303.6	306.5	99.1
All occupations	454.4	475.8	95.5

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**

- Average gross weekly earnings for full-time employees in Wales in April 2005 were 4.5% 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 professional occupations and skilled trades occupations, and very similar earnings to UKX in elementary occupations and personal service occupations.
- Managers and senior officials and sales and customer service occupations are the only major occupation groups 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 2004:  
UK regions and countries<sup>1</sup>**

	VAT registered business stock 1 Jan 2004	VAT stock per 10,000 people of working age 1 Jan 2004	VAT registrations 2004	VAT registrations per 10,000 people of working age 2004	VAT de- registrations 2004	VAT de- registrations per 10,000 people of working age 2004	VAT registered business stock 1 Jan 2005	VAT stock per 10,000 people of working age 1 Jan 2005
<b>United Kingdom</b>	<b>1,817,820</b>	<b>494</b>	<b>181,415</b>	<b>49</b>	<b>179,370</b>	<b>48</b>	<b>1,819,870</b>	<b>491</b>
England	1,551,410	503	158,535	51	156,140	50	1,553,800	500
<b>Wales</b>	<b>79,760</b>	<b>452</b>	<b>6,900</b>	<b>39</b>	<b>6,650</b>	<b>37</b>	<b>80,010</b>	<b>450</b>
Scotland	127,280	403	11,845	37	11,980	38	127,145	400
Northern Ireland	59,375	569	4,140	39	4,595	44	58,915	560
North East	45,610	292	4,290	27	4,090	26	45,810	292
North West	172,080	413	17,640	42	16,890	40	172,825	412
Yorkshire and the Humber	130,345	424	12,835	41	12,230	39	130,950	422
East Midlands	124,300	474	12,205	46	11,330	43	125,170	474
West Midlands	152,280	469	14,855	46	14,975	46	152,160	468
Eastern	183,590	551	17,580	53	17,495	52	183,675	549
London	285,720	582	35,460	72	35,925	73	285,260	576
South East	287,055	579	28,360	57	28,245	57	287,175	577
South West	170,430	570	15,310	51	14,970	50	170,775	566

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.

**Source: Small Business Service (SBS)**

- In Wales in 2004, there were 39 VAT registrations per 10,000 people of working age, the same rate as in Northern Ireland and higher than the rates for the North East (27) and Scotland (37). London had the highest rate amongst UK countries and English regions (72) while the rate across the UK as a whole was 49.
- In Wales in 2004, there were 37 VAT de-registrations per 10,000 people of working age, a similar rate to that in Scotland (38), and a higher rate than in the North East (26). Again London had the highest rate amongst UK countries and English regions (73) while the rate across the UK as a whole was 48.
- The total VAT registered stock in Wales *increased* by 300 (0.3%) during 2004, to stand at 80,000 at the start of 2005, the highest level since 1994. The equivalent figure for the UK as a whole was 1,819,900, *up* 2,100 (0.1%) over 2004.
- At the start of 2005, Wales had 450 VAT registered businesses per 10,000 working age population, higher than in the North East (292), Scotland (400), the North West (412) and Yorkshire and the Humber (422). The South East (577) and London (576) had the highest rates, whilst the rate across the UK as a whole was 491.

**Table 13 Number of VAT registrations and de-registrations during 2004:  
Local authorities in Wales<sup>1</sup>**

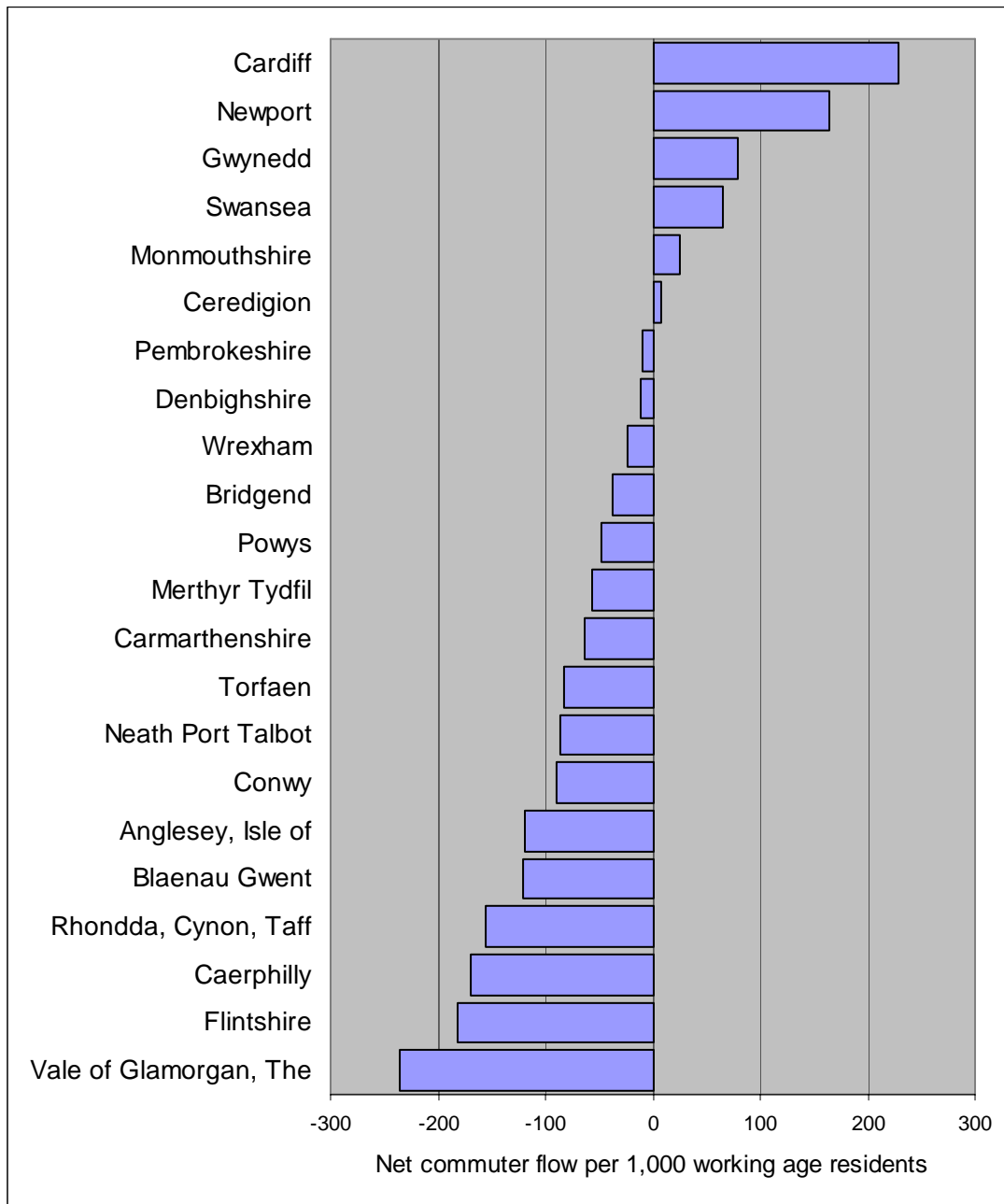
	VAT registered business stock 1 Jan 2004	VAT stock per 10,000 people of working age 1 Jan 2004	VAT registrations 2004	VAT registrations per 10,000 people of working age 2004	VAT de- registrations 2004	VAT de- registrations per 10,000 people of working age 2004	VAT registered business stock 1 Jan 2005	VAT stock per 10,000 people of working age 1 Jan 2005
<b>Wales</b>	<b>79,760</b>	<b>452</b>	<b>6,900</b>	<b>39</b>	<b>6,650</b>	<b>37</b>	<b>80,010</b>	<b>450</b>
<b>West Wales and the Valleys</b>	<b>48,060</b>	<b>433</b>	<b>4,090</b>	<b>37</b>	<b>4,010</b>	<b>36</b>	<b>48,135</b>	<b>431</b>
Isle of Anglesey	2,160	540	180	45	180	45	2,155	536
Gwynedd	4,660	678	280	40	335	48	4,605	664
Conwy	3,545	577	275	44	290	47	3,530	569
Denbighshire	2,955	541	260	47	260	47	2,955	536
Ceredigion	3,785	791	215	44	240	49	3,760	775
Pembrokeshire	4,975	748	325	48	405	60	4,895	730
Carmarthenshire	6,695	653	475	46	520	50	6,655	641
Swansea	4,565	336	470	34	435	32	4,595	336
Neath Port Talbot	2,240	277	230	28	200	25	2,270	280
Bridgend	2,670	340	275	35	230	29	2,715	344
Rhondda, Cynon, Taff	3,725	265	410	29	345	24	3,790	269
Merthyr Tydfil	780	233	115	35	75	23	820	247
Caerphilly	2,835	274	305	29	265	26	2,875	277
Blaenau Gwent	885	216	105	26	80	19	910	221
Torfaen	1,585	294	170	32	150	28	1,605	298
<b>East Wales</b>	<b>31,715</b>	<b>484</b>	<b>2,815</b>	<b>43</b>	<b>2,635</b>	<b>40</b>	<b>31,875</b>	<b>482</b>
Flintshire	3,860	418	410	44	325	35	3,940	425
Wrexham	3,045	379	265	33	260	32	3,045	378
Powys	8,225	1101	390	52	535	71	8,075	1070
The Vale of Glamorgan	2,880	399	325	45	255	35	2,950	404
Cardiff	7,350	363	795	39	710	35	7,435	362
Monmouthshire	3,515	693	305	60	265	52	3,555	694
Newport	2,840	342	325	39	285	34	2,875	344

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.

**Source: Small Business Service (SBS)**

- The registration rate per 10,000 people of working age in West Wales and the Valleys stood at 37 in 2004, whilst in East Wales the rate stood at 43.
- Looking at individual local authorities, the highest registration rate in 2004 was 60 in Monmouthshire, with 52 in Powys. The lowest rates were in Blaenau Gwent (26) and Neath Port Talbot (28).
- These registration rates are generally higher in rural authorities, with the rates for the valley authorities generally being lower.
- A similar pattern is evident for de-registrations.
- The stock levels per 10,000 people of working age in West Wales and the Valleys stood at 431 at the start of 2005, whilst in East Wales the figure stood at 482.
- Looking at individual local authorities, the highest stock levels per 10,000 people of working age at the start of 2005 were 1,070 in Powys and 775 in Ceredigion, compared to the lowest figures for Blaenau Gwent (221) and Merthyr Tydfil (247).
- Rural areas tend to have much higher VAT registered enterprise levels per 10,000 people of working age than other authorities in Wales, which is mainly due to the large number of agricultural enterprises in these areas. The variations in stock levels per 10,000 people of working age are greater than the variations in the equivalent registration figures.

**Figure 6 Net commuting flow as a proportion of working age population, 2004<sup>1</sup>**



1. Data for the year ending 31 December 2004.

**Source: Annual Population Survey**

These statistics examine commuting patterns in Wales for those who are either employees or self-employed<sup>2</sup>. The analysis is based solely on a person's main job.

The chart above shows that the largest inward commuting flows per 1,000 residents were into Cardiff and Newport, whereas the largest outward flows were from the Vale of Glamorgan and Flintshire.

<sup>2</sup> The figures used do not quite match the ILO definition of 'employment' as that includes the small numbers of government sponsored trainees and unpaid family workers, as well as employees and the self-employed.

**Table 14 Commuting Statistics: Welsh local authorities, 2004<sup>1</sup>**

Area of residence	Number of working residents (thousands)	Total number working in the authority (thousands)	Percentage of residents working in Wales (%)	Percentage of residents working in area of residence (%)	Commuting		
					out of the authority (thousands)	into the authority (thousands)	net inflow
Anglesey, Isle of	29.2	24.4	97	72	8.2	3.4	-4.8
Gwynedd	52.4	57.9	98	88	6.1	11.6	5.5
Conwy	47.2	41.7	95	74	12.1	6.6	-5.5
Denbighshire	42.7	42.0	89	71	12.2	11.5	-0.7
Flintshire	75.4	58.6	70	56	33.0	16.2	-16.8
Wrexham	60.8	59.0	82	73	16.7	14.8	-1.9
Powys	59.6	56.0	89	79	12.6	9.0	-3.6
Ceredigion	34.3	34.7	97	86	4.7	5.2	0.4
Pembrokeshire	48.6	47.9	97	90	4.8	4.2	-0.7
Carmarthenshire	70.5	64.0	98	76	17.3	10.7	-6.6
Swansea	99.6	108.7	98	84	16.0	25.1	9.0
Neath Port Talbot	51.9	45.0	98	62	20.0	13.0	-6.9
Bridgend	58.5	55.5	96	71	17.2	14.2	-3.0
Vale of Glamorgan, The	54.6	37.4	96	49	27.9	10.7	-17.1
Rhondda, Cynon, Taff	96.4	74.4	97	60	38.4	16.4	-22.0
Merthyr Tydfil	21.1	19.2	96	64	7.6	5.7	-1.9
Caerphilly	67.6	50.1	96	53	31.9	14.4	-17.6
Blaenau Gwent	27.0	22.0	97	57	11.6	6.6	-5.0
Torfaen	39.0	34.5	95	60	15.5	11.0	-4.5
Monmouthshire	40.2	41.5	86	59	16.5	17.9	1.3
Newport	57.5	71.3	94	71	16.8	30.6	13.8
Cardiff	141.1	188.1	97	82	25.5	72.5	47.0
Wales	1,275.3	1,233.6	94	71	1,090.4	1,048.7	-41.7

1. Data for the year ending 31 December 2004.

**Source: Annual Population Survey**

- 1.275 million Welsh residents were employed or self-employed in Wales or elsewhere, while 1.234 million people were working within Wales.
- Wales therefore had a net outflow of 41,700 working people (up from 36,000 in 2003, but similar to 2002). This comprised 82,700 Welsh residents working outside Wales offset by 41,000 people resident outside Wales coming into Wales to work.

- 94% of all working Welsh residents worked in Wales and a large majority worked within the local authority in which they lived (902,600 or 71% of all working residents). There was wide variation in this pattern by local authority:
  - In border authorities, a smaller proportion of residents worked in Wales, particularly in Flintshire (70%), Wrexham (82%) and Monmouthshire (86%);
  - Generally speaking more people worked within their authority of residence in rural areas (Pembrokeshire (90%), Gwynedd (88%) and Ceredigion (86%), although the figure was also higher than average for the cities of Swansea (84%) and Cardiff (82%);
  - People were less likely to work within their authority of residence in the Valleys (for example, Blaenau Gwent, 57% and Caerphilly, 53%), although the figures were also low for Monmouthshire (59%) and Flintshire (56%), and the lowest was the Vale of Glamorgan (49%).
- In terms of net commuting, Cardiff had the largest net inflow at 47,000, (25.0% of all people working in Cardiff). The largest net outflows were for Rhondda, Cynon, Taff (22,000, or 22.8% of all working residents), Caerphilly (17,600, or 26.0% of all working residents), and the Vale of Glamorgan (17,100, or 31.3%).