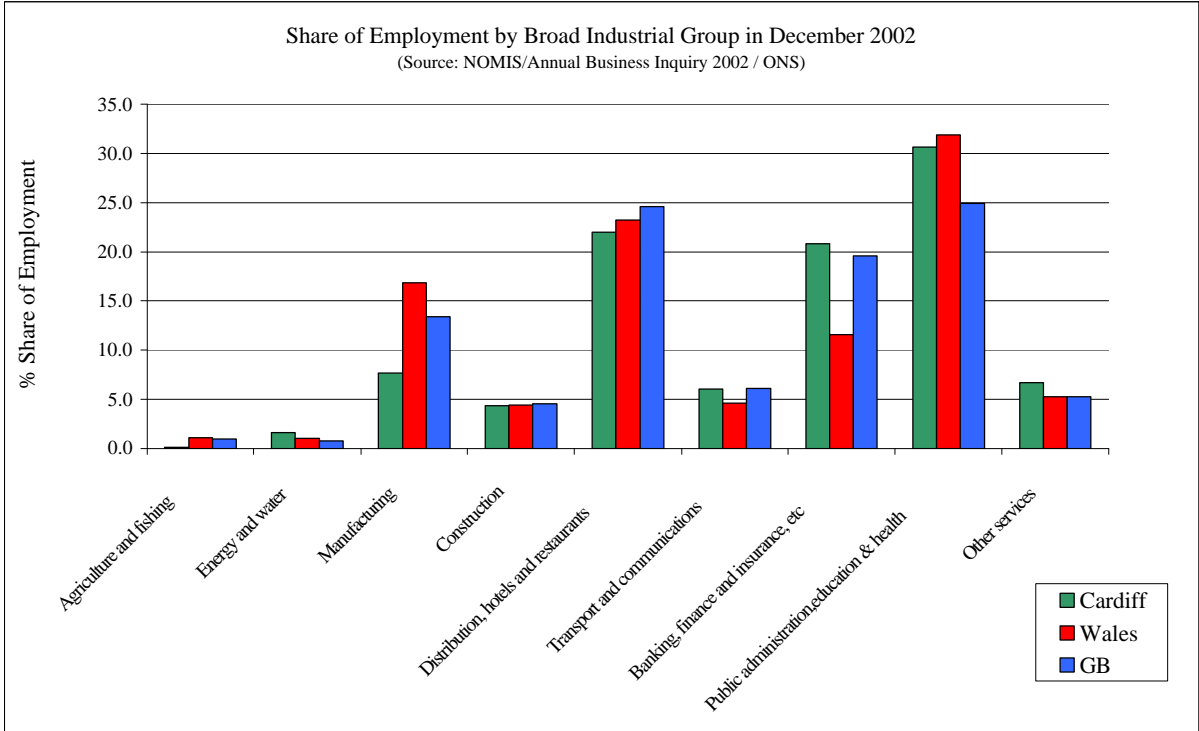


5.1.1 CURRENT ECONOMIC BASE

Cardiff is widely perceived by the rest of Wales, and by those further a field, as a relatively wealthy and buoyant economy where job prospects are greater and salaries range over and above the Welsh averages. Cardiff’s city centre retail offer is regularly placed in the UK’s top 10 by Experian’s retail rankings and will soon be even more competitive with the development of ‘St David’s Phase II’. Another recent study highlighted that Cardiff was the best working location from an employee’s perspective in the UK.

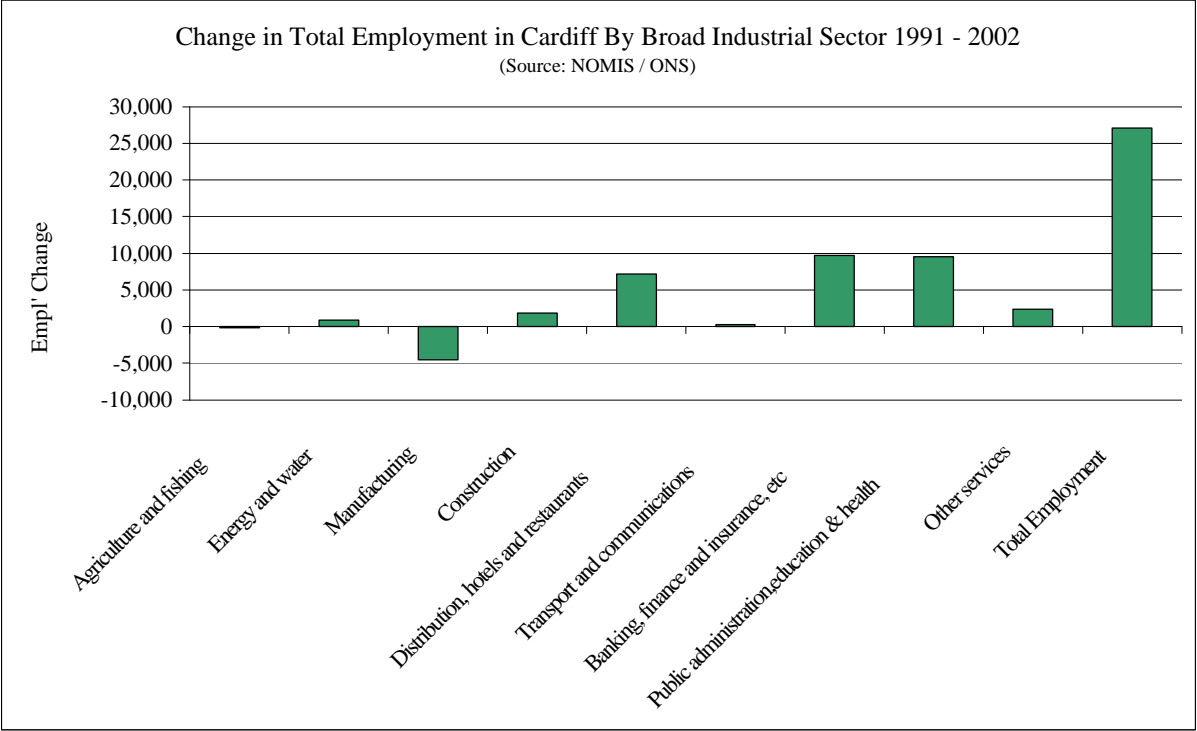
According to official figures published by National Statistics - from their Annual Business Inquiry - the total Cardiff workforce has grown by 2% per annum over the last few years. The Cardiff workforce now totals some 176,700 and approximately 40% of the workforce are daily in-commuters from outside the local authority, largely from the Vale of Glamorgan, Rhondda Cynon Taff, Caerphilly and Newport. According to official published statistics the Cardiff workforce has grown by some 27,000 since 1991. Estimates derived from the ONS Labour Force Survey suggest a further 18,000 self employed persons may be active in Cardiff taking the workforce total to approximately 194,000.

The figure below highlights the latest official statistics for the employment structure of the Cardiff workforce by broad industrial group in comparison with the Wales and Great Britain averages – figures do not include the self-employed.

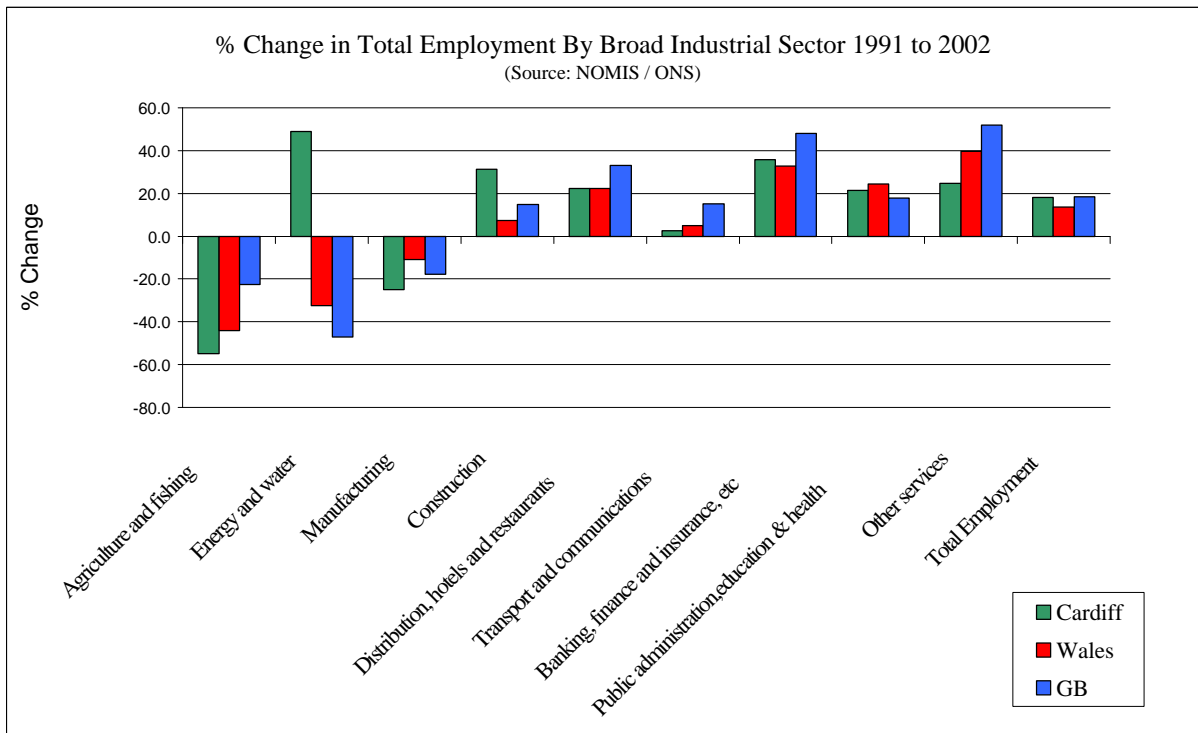


Cardiff’s service sector workforce has undergone rapid growth in recent years and now accounts for approximately 90% of the workforce. Thousands of jobs have been created in the ‘call & contact centre’ sector in particular. Cardiff now has over 50 call centres employing over 12,000 staff. The forces of globalisation have recently been felt with a number of call centre operations migrating to the Indian sub-continent. Job creation in the

service sector has to be seen in the context of the loss of thousands of relatively well paid manufacturing jobs in recent years: the closure of Arjo Wiggins Carbonless Paper, large scale redundancies from Panasonic and the more recent closure of Allied Steel and Wire (ASW) to name a few. Recent employment growth sectors of the Cardiff economy have included the hospitality sector, multi-media and financial services. Cardiff's workforce contains a smaller proportion of full-time male employees than the Wales and Great Britain averages. Conversely there is a higher proportion of full-time female employees in the workforce than either the Wales or Great Britain averages.

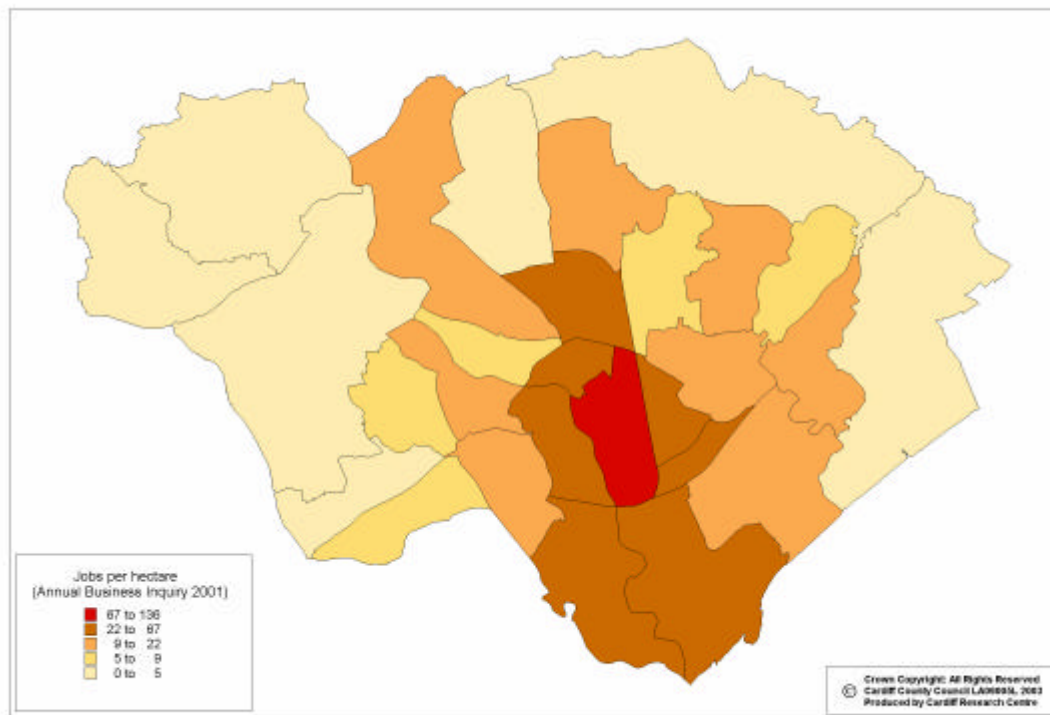


The figure above confirms that the only broad industrial sector to have experienced a significant loss of employment is manufacturing, total employment in this sector fell by over 4,000 jobs between 1991 and 2002. As noted above further job losses have occurred in this sector of Cardiff's economy since December 2002, most notably from Panasonic in Pentwyn. An increase of 10,000 employee jobs occurred in the Banking, Finance and Insurance Sector and the Public Administration, Education and Health sector. These two sectors combined represent almost 75% of the growth in total Cardiff employment during this period of time.



The percentage of total Cardiff workforce by pre 1999 EDiv boundaries according to the 2001 Annual Business Inquiry is represented in the Figure overleaf. This clearly shows the greatest spatial concentrations of the Cardiff workforce in Cathays and those EDivs adjacent to the city centre.

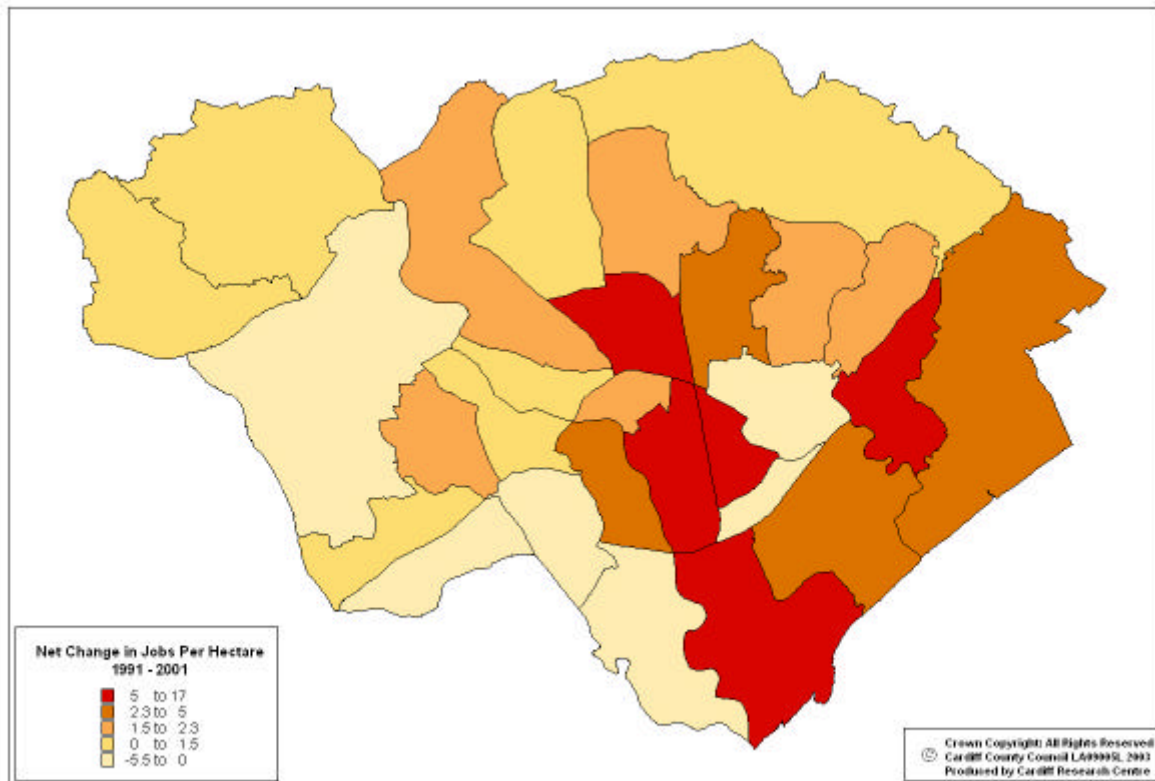
Jobs Per Hectare In Cardiff by Electoral Division (Pre 1999 Boundaries)



Source: NOMIS/2001 Annual Business Inquiry/ Cardiff Research Centre

The figure below highlights the net change in total workforce jobs per hectare for each EDiv (pre 1999 boundaries) from 1991 - 2001. Cathays had the highest growth in jobs per hectare as well as the highest concentration in 2001.

Change in Jobs Per Hectare 1991 - 2001



Source: NOMIS/2001 Annual Business Inquiry/ Cardiff Research Centre

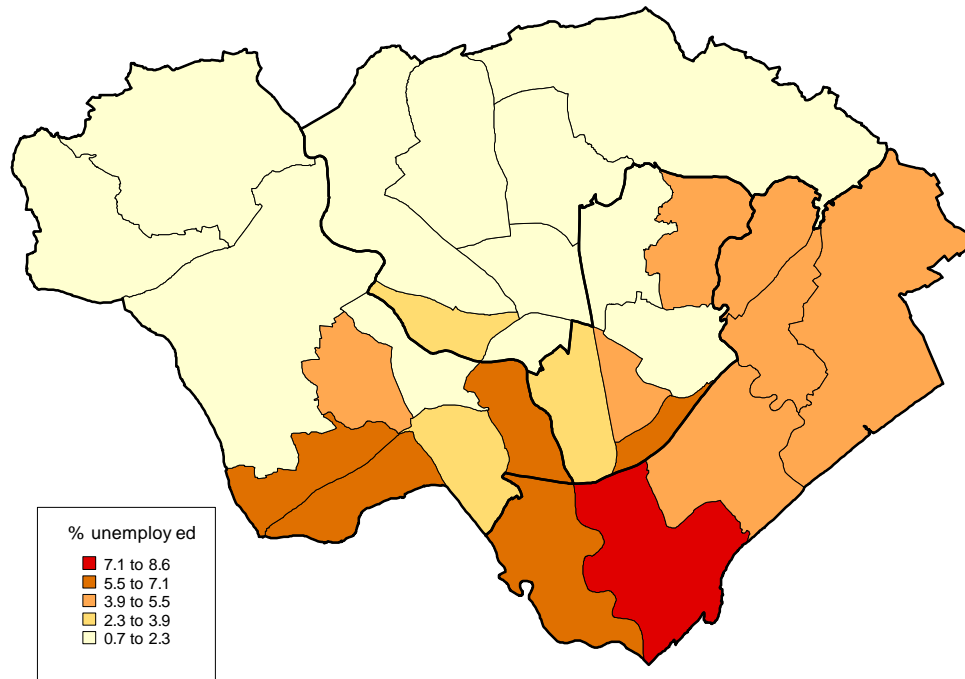
Jobs per hectare were lower in 2001 than in 1991 in Adamsdown, Caerau, Canton, Grangetown, Penylan and Radyr & St Fagans.

Cardiff has higher concentrations of both Knowledge based employment (OECD definition) and Cultural Industry employment (DCMS definition) than either Wales or the Great Britain averages.

Unemployment

In July 2003 the resident based unemployment proportion for Cardiff was 2.8%, compared with 2.6% for Wales and the UK average. In the last three years the number of JSA claimants in Cardiff has fallen by 16.2%, compared with a reduction of 21.9% in Wales and 13.1% across the UK. Estimates of relevant resident based unemployment rates are mapped in the Income section of the Health Social Care and Wellbeing Needs Assessment. These estimates highlight a tenfold difference in rates with higher rates for males, females and total persons found in Cardiff's Southern Arc. The number of unemployed persons in Cardiff, although at their lowest since the early 1970's, mask pockets of high unemployment, low economic activity rates and high benefit dependency in many neighbourhoods of the city. Some of Cardiff's neighbourhoods have over 75% of households dependent upon means tested benefits. Some 26% of dependent children aged 0-15 across Cardiff live in households dependent upon income support.

**Figure Total Persons Resident Based Unemployment Rate 2001
(pre March 1999 boundaries)**



Source: Cardiff Research Centre / NOMIS / ONS

Table 6.5.8

Electoral Division	% Unemployed
Butetown	8.6
Adamsdown	7.1
Ely	6.9
Riverside	6.8
Caerau	6.5
Grangetown	6.2
Sploot	5.3
Plasnewydd	5.1
Llanrumney	5.1
Pentwyn	4.4
Fairwater	4.4
Trowbridge	4.2
Rumney	4.0
Llandaff North	3.6
Canton	3.4
Cathays	2.7
Whitchurch & Tongwynlais	2.2
Roath	2.2
Gabalfa	1.9
Llanishen	1.7
Heath	1.6
Llandaff	1.6
Radyr & St. Fagans	1.5
Pentyrch	1.5
Cyncoed	1.4
Rhiwbina	1.3
Creigiau	1.1
Lisvane & St. Mellons	0.8

The table and figure show the combined picture for males and females. The mapped data show clearly the variation in resident based unemployment across Cardiff. The rate represents the percentage of economically active male and female residents of working age who are unemployed.

There is a tenfold variation in rates between electoral divisions in the City with the highest rates in the south.

Economic Activity Rates

Cardiff has economic activity rates somewhat lower than would at first be expected due largely to the number of full-time students aged 16 + living in the city. However, it is important to remember that not all full-time students are economically inactive, many have part time employment. The table below highlights a comparison of economic activity rates for all residents of working age in Cardiff, Wales and GB.

Percentage of Resident Population of Working Age Economically Active 2001			
	Males	Females	Total Persons
Cardiff	79.4%	66.6%	73.3%
Wales	78.2%	68.0%	73.4%
Great Britain	84.0%	72.6%	78.6%

Source: Labour Force Survey 2001 / NOMIS / Cardiff Research Centre

While Cardiff's rates are comparable with the Wales average, they are some 5% points lower than the GB average. Increasing economic activity rates is an important goal facing many agencies.

Earnings

The New Earnings Survey published annually by ONS highlights average earnings. The 2003 averages in Cardiff, Wales and Great Britain are highlighted below:

Average Gross Weekly Full-Time Earnings (£) 2003			
	Cardiff	Wales	Great Britain
Full Time Employees	455.3	414.5	475.8
All Males	492.8	448.3	525.0
All Females	385.5	357.3	396.0

Source: National Statistics / New Earnings Survey 2003. HMSO

Cardiff Average Wages as a % of Wales and Great Britain Averages 2003		
	Cardiff as a % of Wales Average (Wales =100)	Cardiff as a % of Great Britain Average (Great Britain = 100)
Full Time Employees	110	96
All Males	110	94
All Females	108	97

Source: National Statistics / New Earnings Survey 2003 HMSO / Cardiff Research Centre

The data in the tables clearly show that earning potential in Cardiff is greater than the Wales average, but less than the Great Britain average. Earnings statistics relate to wages paid to the workforce employed by organisations in a given location (workplace based) and should not be confused with resident household income or measures of income deprivation (resident based).

For the first time ONS have published resident based average earnings from their New Earnings Survey. The table below highlights these figures for Cardiff.

Gross Domestic Product (Gross Value Added)

Gross Domestic Product (GDP), or Gross Value Added (GVA) as it is now commonly known as is often used as an indicator of general economic health and vitality for regions and sub-regions.

Unfortunately there are no official published figures of the total GVA of the Cardiff economy and consequently no official estimates of the GVA per head. As a result Cardiff Research Centre attempted to estimate the GVA per head for Cardiff and to benchmark this figure against the Wales and UK average for 1998. This estimate can be seen in the table below:

Gross Domestic Product (GVA) Per Head: 1998		
Location	GDP Per Head 1998	UK 1998 Index = 100
	(At 2000 Prices)	
United Kingdom	12,548	100.0
Wales	10,063	80.2
Cardiff County*	14,400	114.8
Cardiff and The Vale of Glamorgan (South Glamorgan)	12,714	101.3
Greater London	18,566	148
Bristol City	15,472	123.3

*Source: National Statistics Office/*Cardiff Research Centre*

GVA per head is calculated by dividing a locations total GVA estimate for a given year by the relevant contemporaneous resident population estimate for that location. As some 40% of the Cardiff workforce are daily in-commuters resident outside the county these neighbouring areas clearly benefit from the wage element of Cardiff’s total GVA that is paid to the in-commuters resident in those areas.

Recent revisions to the all Wales GVA by National Statistics have shown that the country’s per capita GVA is less than 80% of the UK average. Official GDP/GVA statistics for Cardiff have not been produced.

VAT Registrations / De-Registrations

The latest available VAT statistics show Cardiff with a modest net increase in VAT registered employers (those with a turnover above £54,000 per annum or £49,000 in any given month must register for VAT) of 2.6% in the last 5 financial years for which statistics are available - 1997 to 2002. In Wales total stock fell by 1,080 units, or -1.4%. The UK experienced a net increase of some 80,775 VAT registered employers during this 5 year period, equivalent to a 4.8% growth. See Table overleaf.

Net Change in VAT Registrations							
Location	1997/98	1998/99	1999/00	2000/01	2001/02	1997-2002	% Change in Stock 1997 - 2002
Cardiff	75	-20	150	145	-170	180	2.6
Wales	-50	-435	55	35	-685	-1,080	-1.4
United Kingdom	34,060	20,965	18,565	7,430	-245	80,775	4.8

Source: NOMIS/ONS / Note: All figures rounded to nearest 5

Total Workplace Employment Units

The Annual Business Inquiry records the number of workplace employment units as well as employment totals. These statistics should not be confused with VAT registered business stock. A summary of the latest statistics for Cardiff is presented in the table below.

Total Employment Units in Cardiff & Net Change from 1998 to 2002			
Broad Industrial Group	1998 ABI	2002 ABI	Change No.
Agriculture and fishing	!	!	-
Energy and water	!	!	-
Manufacturing	723	673	-50
Construction	832	840	8
Distribution, hotels and restaurants	3,384	3,402	18
Transport and communications	358	398	40
Banking, finance and insurance, etc	2,913	3,438	525
Public admin, education & health	1,070	1,101	31
Other services	1,025	1,011	-14
Total	10,340	10,896	556

Source: NOMIS / Annual Business Inquiry – ONS

Note: ! = Confidential Data

The statistics clearly show the decline in the number of manufacturing units and a significant increase of around 18% (525) in the total number of units in the 'Banking, Finance and Insurance' sector – it should be noted that this sector also contains business services including legal and accountancy practices as well as labour recruitment and advertising agencies and market research amongst other services.

In 2002 approximately 79% of all workforce employment units in Cardiff employed less than 11 employees. Less than 6% of units employed 50 or more employees according to ABI statistics.

Skills and Qualifications - 2001 Census Statistics

The level of qualifications held by the resident population of Cardiff is higher than the Wales average according to statistics from the 2001 Census of Population. Despite the concerns expressed elsewhere about the level of coverage of the 2001 Census in Cardiff, the Census is the best source of data for comparing levels of qualifications among Cardiff residents with residents of other areas in the UK.

The table below highlights a comparison of qualifications for those residents aged 16 to 74 for Cardiff, Wales and a small selection of other locations along the M4 corridor.

Highest Level of Qualification for Persons Aged 16 to 74 (%)					
Highest Level of Qualification (NVQs)	Cardiff	Wales	Bristol	Swindon	South East England (Excl Greater London)
None	26.8	33.0	26.1	27.2	23.9
Level 1	12.8	15.5	14.8	21.1	17.1
Level 2	17.5	19.8	17.5	21.7	21.2
Level 3	11.9	7.1	11.9	7.3	9.2
Level 4/5	25.2	17.4	24.5	16.2	21.7
Other/Unknown	5.8	7.2	5.2	6.6	6.8
Total	100.0	100.0	100.0	100.0	100.0

Source: 2001 Census of Population / ONS; Standard Table 105

Note: Statistics for Cardiff, Bristol and Swindon are for the geo-political unitary authority boundaries, not Travel To Work Areas TTWAs.

The level of qualifications held by Cardiff residents does compare favourably with other areas including major centres on the M4 corridor and even the South East of England. Cardiff's position as a centre for higher education with a full time student population of some 25,000 to 27,000, many of whom remain in Cardiff after graduation to live and work, partly accounts for the high proportion of resident population with NVQ Level 4/5.