

Industrial Development Act 1982

Annual Report

by the Secretaries of State for Trade and
Industry, Scotland and Wales
for the year ended 31 March 1999

LONDON: THE STATIONERY OFFICE

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*Presented to Parliament pursuant to Sections 11 and 15
of the Industrial Development Act 1982*

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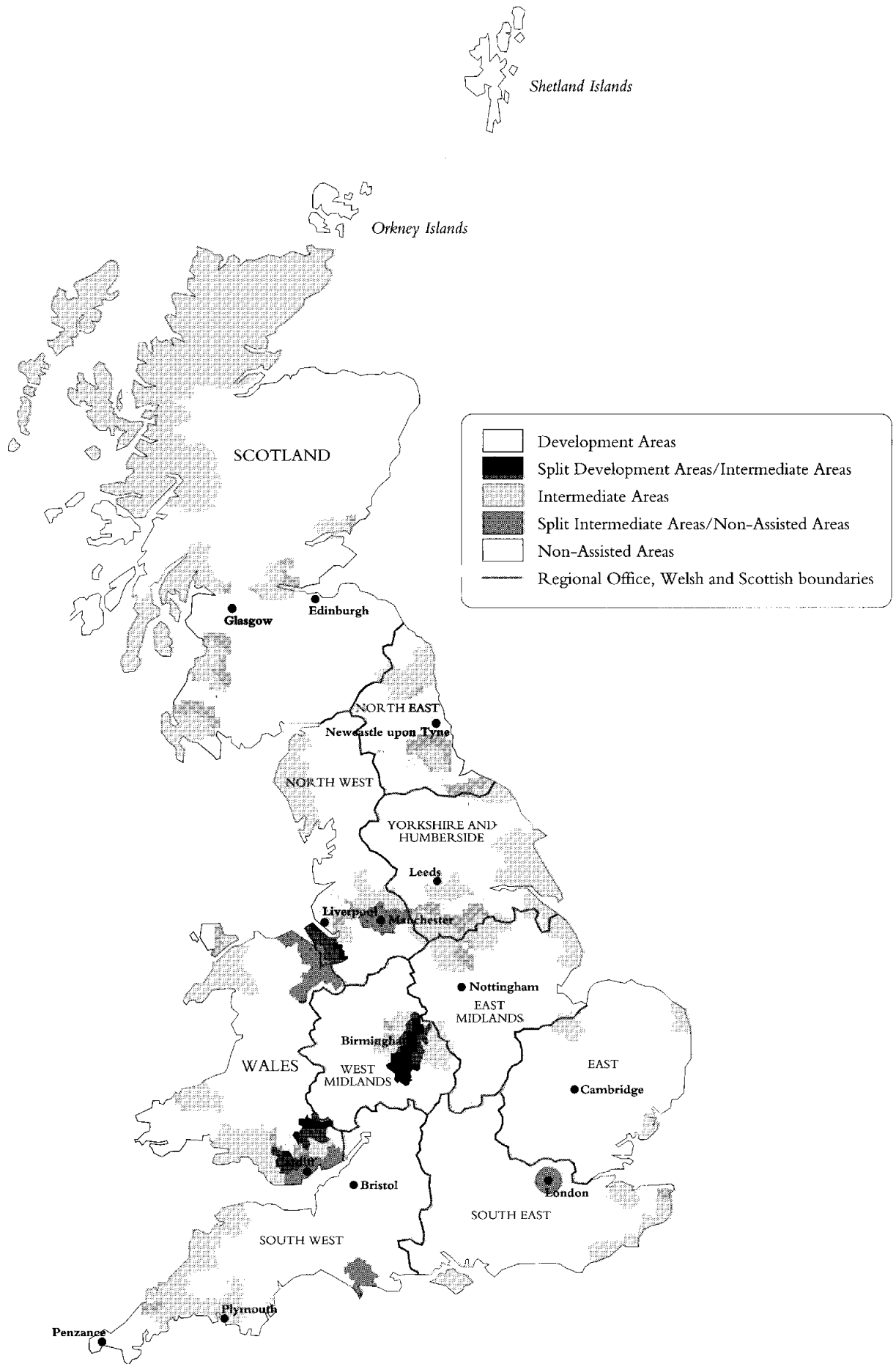
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ABBREVIATIONS

CBI	Confederation of British Industry
DERA	Defence Evaluation & Research Agency
DETR	Department of the Environment, Transport & the Regions
DFEE	Department of Education and Employment
DTI	Department of Trade and Industry
EC	European Commission
ECSC	European Coal and Steel Community
EU	European Union
EURO	European Currency Unit
EIB	European Investment Bank
EMDC	East Midlands Development Company
EP	English Partnerships
ERDF	European Regional Development Fund
ERGS	Exchange Risk Guarantee Scheme
GDP	Gross Domestic Product
IBB	Invest in Britain Bureau
IDAB	Industrial Development Advisory Board
IDB	Industrial Development Board
ILO	International Labour Organisation
MAFF	Ministry of Agriculture, Fisheries & Food
NFEA	National Federation of Enterprise Agencies
NVQ	National Vocational Qualifications
NWDA	North West Development Agency
OECD	Organisation for Economic Co-operation and Development
PBA	Personal Business Adviser
R&D	Research and Development
RDAs	Regional Development Agencies
RDG	Regional Development Grant Scheme
REG	Regional Enterprise Grant Scheme
RETEX	European Regional Development Fund Community Programme for Textile areas
RIG	Regional Investment Grant
RIITS	Regional Inward Investment Teams
RSA	Regional Selective Assistance Scheme
SCEEMAS	Small Company Environmental and Energy Management Assistance Scheme
SIF	Shipbuilding Intervention Fund
SMART	Small Firms Merit Award for Research & Technology
SMEs	Small and Medium Sized Enterprises
SPUR	Support for Projects under Research
SWERDA	South West of England Regional Development Agency
TEC	Training and Enterprise Council
URBAN	European Regional Development Fund Community Programme for Inner City areas
WDA	Welsh Development Agency
WEDA	West of England Development Agency
YHDA	Yorkshire and Humberside Development Agency

The Assisted Areas at 1.8.93



Development Areas and Intermediate Areas as defined by DTI at 1.8.93.

Industrial Development Act 1982

*Joint Report by the Secretaries of State for Trade and Industry,
Scotland and Wales*

Introduction

1. This Report, for the year ended 31 March 1999, describes the exercise of powers under the Industrial Development Act 1982 referred to in Sections 11 and 15 of the Act, including the powers under past legislation which the Act consolidated. Sections 11 and 15 of the Act are reproduced at Appendix 1.

2. This Report opens with an account of regional support and goes on to describe measures of national investment support and special assistance to shipbuilding and small firms. It concludes with a section covering miscellaneous items, and commentaries by the Industrial Development Advisory Boards and Industrial Development Boards. Throughout this Report the figures given for project costs, assistance offered and payments made represent actual amounts which have not been converted to a fixed price basis.

Regional Support

3. Assistance to regional industrial development continued to be given under a number of measures during the year. In common with past practice, unemployment statistics for the Assisted Areas are at Appendix 2.

Regional Development Grants

4. After 31 March 1988 the revised RDG scheme was closed to new applications. No further payments were made in England, Scotland or Wales after 1996-97.

Regional Enterprise Grants

5. REG in England was suspended on 13 September 1996 as expenditure and commitments showed the allocated budget to be fully committed.

Regional Investment Grants

6. RIG in Scotland and Wales closed on 31 January 1997 and merged with Regional Selective Assistance (RSA).

7. In England, RIG was suspended on 13 September 1996. It was then integrated into the DTI's RSA scheme on 1 April 1997 with continuing provision for those coal closure areas which were outside the Assisted Areas. These arrangements will remain in place until 1 January 2000, when the new Assisted Areas Map will come into force. Further details are at Appendix 3.

Regional Innovation Grants

8. In England, the REG (Innovation) Scheme was merged with DTI's SMART, SPUR, and SPUR Plus schemes with effect from 1 April 1997.

9. In Scotland, Scottish Enterprise and Highlands and Islands Enterprise now provide support of the type previously given under the REG (Innovation) Scheme to small companies throughout Scotland. (In Lowland Scotland this support is delivered through the network of local enterprise companies).

10. In Wales, REG (Innovation) was brigaded in January 1997 with SMART, SPUR and SPUR Plus under the SMART Wales banner. It continues to be offered as a discreet scheme and was extended to the whole of Wales from 28 August 1997.

11. Payments continue to be made in England and Scotland as a result of offers made prior to 1 April 1997. Details, along with expenditure in Wales, are given in the following table.

Region/Country	Payments made in 1998/99 (resulting from offers made before scheme closed, except for Wales, where scheme continues) £
Scotland	113,194
Wales	1,333,076
North East	277,276
Yorkshire & Humberside	544,146
East Midlands	422,692
London	121,441
South West	112,544
North West (including Merseyside)	553,240
South East	102,219
West Midlands	306,085
East	nil
Total	3,885,913

Regional Selective Assistance Under Section 7 Of The Industrial Development Act 1982

12. The purpose of providing assistance under Section 7 is to encourage sound projects which will improve employment opportunities in the Assisted Areas. Projects qualifying for assistance fall into two broad categories:

- (a) new projects and expansions which create employment; and
- (b) projects, e.g. for modernisation or rationalisation, which do not provide extra jobs but maintain or safeguard existing employment.

Applications for selective assistance are considered against five main criteria viz:

- (a) **Viability** - An assessment is made of the viability of the project and of the undertaking seeking assistance;
- (b) **Proof of Need** - The applicant must demonstrate that the assistance is needed for the project to go ahead on the basis proposed;
- (c) **Efficiency** - Assistance is provided only for projects which are likely to strengthen the regional and national economy and thereby provide more productive and secure jobs e.g. by improving efficiency and/or by the introduction of new technology or products. Job displacement elsewhere is also taken into consideration;
- (d) **Employment Link** - Assistance is only provided when there is a benefit to employment. Projects should lead to a creation of additional employment (Category A) or the safeguarding of existing employment through modernisation or rationalisation (Category B) in the Assisted Areas; and
- (e) **Public Sector Contribution** - The greater part of the cost of projects should be met by the applicant or from other sources outside the public sector.

13. Broadly, all projects in the manufacturing and service industries are eligible, but projects serving primarily local markets are not normally assisted.

14. Projects are not normally assisted under Section 7 if adequate provision for Government assistance is made under specified schemes, e.g. Ministry of Agriculture, Fisheries and Food schemes for agricultural, horticultural and fishery projects, or if assistance is being sought under alternative schemes. Some sectors are the subject of restrictions imposed by the European Commission affecting the granting of regional aid. The normal form of assistance is a project grant related to the fixed and working capital costs of the project and the number of jobs involved. The grants are discretionary and are usually paid in annual instalments related to expenditure on the project and achievement of its forecast objectives. Grants may be repayable if objectives (such as the provision of jobs) are not maintained for a period after project completion.

15. The total amount of assistance is negotiated as the minimum necessary to enable the project to go ahead. There are powers under Section 7 to provide assistance by any description of investment, lending or guarantee but forms of assistance other than grants are provided only in exceptional circumstances. Assistance is made available subject to any restrictions or limitation imposed by the European Commission.

16. The powers to provide RSA in England are exercised by the Secretary of State for Trade and Industry, who also has responsibility for certain projects for the whole of Great Britain. In Scotland and Wales the powers are exercised by the Secretaries of State for Scotland and Wales respectively.

17. Set out below are brief details of RSA applications received and offers accepted by industry during 1998-99. Offers may relate to applications received in prior years.

	Applications		Offers accepted	
	No.	Value £m	No.	Value £m
England	1186	418	873	129
Scotland	265	112	216	73
Wales	140	64	121	50
Great Britain	1591	594	1210	252

Further details are at Appendix 4 (Tables 1 and 2).

European Regional Development Fund

18. The European Regional Development Fund (ERDF), one of the three European Community Structural Funds, came into operation in its present form on 1 January 1989. On 1 January 1994 it entered a second programme period which ends on 31 December 1999 for commitments, and 31 December 2001 for payments. There has been an increasing emphasis on the ERDF being used for revenue expenditure rather than for traditional infrastructure projects and it enhances Government and locally initiated business development measures.

19. ERDF grants are allocated through a number of Single Programme Documents (successor of, but not identical to, Community Support Frameworks that were in place up to 31 December 1993) in areas defined by the European Commission under Objective 1 (areas lagging behind in development), Objective 2 (industrial and urban areas) and Objective 5b (rural areas). Additional grants are made available through a number of Community Initiatives that are targeted at specific sectors (such as the conversion of textile areas under RETEX and the regeneration of inner cities under URBAN).

20. ERDF grants in 1998-99 for business development measures in England amounted to £17.8 million.

Regional Loans From The European Community

Exchange Risk Guarantee Scheme (ERGS)

21. ERGS was introduced in January 1978 under Sections 7 and 8 of the Act. It was designed to encourage manufacturing industry, and certain service sectors qualifying for RSA in Assisted Areas and Northern Ireland, to take advantage of attractive foreign currency loans available from the European Investment Bank (EIB) and the European Coal and Steel Community (ECSC) where such loans were at lower interest rates than sterling loans, by providing a guarantee against the exchange risk. Liability was in sterling. In return for an annual premium, the Government accepted the exchange risk on the outstanding loan.

22. Since 1985, ERGS cover has been available only on the first £500,000 of an ECSC loan. On 25 October 1993, the Scheme was closed to new applications in respect of new global loans negotiated between the United Kingdom financial intermediaries and the European Commission.

23. At 31 March 1999, ECSC loans totalling £1,113.5 million had attracted exchange risk cover. In 1998-99, the scheme made a gross loss of £13.69 million. Its cumulative losses amount to £275 million to 31 March 1999.

24. There have been no new offers of cover in respect of sub-loans for individual projects since March 1992. The scheme closed for new application for loans on 28 March 1997. All loans will be repaid before 31 December 2001, and ERGS commitments will end in March 2000.

Assistance Under Section 13 of the Industrial Development Act 1982 and Section 7 of the Local Employment Act 1972

Improvement In Basic Services

25. During the year, 7 applications were received for grant towards improvement of basic services in the Assisted Areas. At 31 March 1999 grants totalling £996,000 had been approved towards 9 schemes costing £11million. Further details are at Appendix 5.

National Investment Support Under Section 8 of the Industrial Development Act 1982

26. National investment support continued to be given under Section 8 of the Act. Details of those measures which remained open for application up to 31 March 1999 are set out in paragraphs 27 to 36. Information on some measures that are closed for application and on which payments were made during recent years is set out in paragraphs 37 to 39.

Measures Open for Applications at 31 March 1999

Small Firms Loan Guarantee Scheme

27. The Scheme offers guarantees on loans to small firms with viable business proposals that are unable to obtain conventional finance because they lack security to offer against a loan. By providing a guarantee against default the Scheme encourages lenders to lend where they would not otherwise do so.

28. Loans over periods of between two and ten years are provided by participating banks and other financial institutions who take responsibility for commercial decisions affecting borrowers. For established businesses that have been trading for two years or more at the time of application the DTI provides an 85% guarantee on loans of up to £250,000. For other businesses, including start-ups, the guarantee is 70% on loans of up to £100,000. In return for the guarantee the borrower pays a premium to the DTI. For loans with a fixed rate of interest the premium is 0.5% a year on the outstanding loan amount while for loans with a variable rate of interest the premium is 1.5% a year on the outstanding loan amount.

29. Loans of up to £30,000 from some of the approved lenders are subject to simplified administrative procedures which enable the lender to approve applications without first referring them to the DTI, thus speeding up the lending decision.

30. Since the start of the Scheme in June 1981 over 67,000 loans, valued at over £2.3 billion, have been guaranteed.

31. An in-depth evaluation study was undertaken during 1998 and the report and its recommendations are currently being discussed with the lenders.

32. One new lender has been added to the list of approved lenders and negotiations are continuing with a number of others.

33. The following tables give a breakdown of guarantees issued since 1981.

Table 1

Guarantees Issued from Inception in June 1981 to 31 March 1999 by Region

<i>Region</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	4386	193.27
Wales	3351	103.40
North East	2924	88.79
Yorkshire & Humberside	5069	163.87
East Midlands & East	7860	268.49
London & South East	21799	798.25
South West	8601	271.57
West Midlands	5802	185.90
North West	6683	214.08
Northern Ireland	653	31.67
Total	67128	2319.29

Table 2

Guarantees Issued from 1 April 1998 to 31 March 1999 by Region

<i>Region</i>	<i>Number</i>	<i>Value (£m)</i>
Scotland	408	23.491
Wales	197	7.412
North East	190	6.547
Yorkshire & Humberside	386	15.978
East Midlands & East	831	33.183
London & South East	1000	44.613
South West	605	24.212
West Midlands	458	15.848
North West	370	15.489
Northern Ireland	37	2.031
Total	4482	188.80

The Small Company Environmental and Energy Management Assistance Scheme (SCEEMAS)

34. SCEEMAS was closed down in March 1999. The Scheme was launched in November 1995 and operated by the Department of the Environment, Transport and the Regions. SCEEMAS provided grant assistance to help small manufacturing firms hire consultancy advice to enable them to improve their environmental performance and register under the EC Eco-Management and Audit Scheme or achieve certification for ISO 14001.

35. During the last year of operation of the scheme from April 1998 to March 1999, 124 applications were approved and 121 grants were paid to businesses at a total value of £183,477.21.

36. For the whole period of operation of the scheme from November 1995 to March 1999 the scheme approved a total of 369 applications and paid 238 grants at a total value of £349,284.60.

Measures Closed for Application with Payments Made in Recent Years

Assistance for the Development of Certification Schemes

37. This measure of support was closed to applications on 16 December 1991. Grants up to 30% (exceptionally 50%) of initial deficits were available.

38. At 31 March 1999, payments of grants totalling about £3 million had been made.

Assistance for Exceptional Projects

39. This scheme closed to new applications on 18 July 1995. There were no payments made during the year 1998-99. Payments made under the scheme total £24.0 million.

Individual Applications under Section 8

40. Cases which do not qualify for assistance under other support measures can on an exceptional basis, be helped under the general powers of Section 8, subject to Treasury and European Commission approvals.

Film Commission of the United Kingdom (The British Film Commission)

41. The British Film Commission was launched on 12 May 1991. Its aims are to actively encourage overseas film and television producers to make use of United Kingdom studios, locations, post-production facilities and creative and technical personnel. In addition, it helps to co-ordinate work of other national, area and local commissions, so as to help make available a comprehensive information service to producers inquiring about locations, facilities etc. Responsibility for the Commission was assumed by the Department for Culture, Media & Sport with effect from 1 May 1992.

42. During 1998-99, a grant of £0.85 million was provided to the British Film Commission. Total grant provided to the Commission at 31 March 1999 was £6.80 million. This was used to cover the establishment and subsequent operational costs of the Commission.

Special Assistance To Shipbuilding And Associated Industries

Shipbuilding Intervention Fund (SIF)

43. Aid to shipbuilding within the European Union is regulated by the EU Shipbuilding Regulation (previously Seventh Directive on Aid to Shipbuilding) and now runs until 31 December 2000 or until entry into force of the OECD Agreement on the elimination of shipbuilding subsidies, if earlier. The Regulation is permissive and Member States may provide any level of support up to the ceiling which is subject to annual review. For 1999/2000 it has been set at 9% of building costs for ships costing Euros 10 million or more and 4.5% for ships costing less than that amount. The United Kingdom is offering support up to those maximum permitted levels, except that grants will not be offered for ships costing less than £1 million.

44. During 1998-99, grants of £10.5 million were awarded to secure orders for eight ships totalling 18,890 tonnes. Total grants awarded from the inception of the SIF in February 1977 to 31 March 1999 amount to £555 million, covering orders for 431 ships totalling 3.54 million tonnes.

Assistance Under Part III Of The Industry Act 1972

The Home Shipbuilding Credit Guarantee Scheme

45. The Home Shipbuilding Credit Guarantee Scheme guarantees loans provided by commercial banks for the building, completion or alteration of ships. It allows banks to provide shipowners with loans at a fixed rate of 7.5% over 8½ years or Commercial Interest Reference Rates for individual borrowing beyond 8½ years to 12 years. The Scheme is based on OECD understanding and is subject to review in the light of the new OECD agreement referred to under "Shipbuilding Intervention Fund".

46. In the year to 31 March 1999 payments of interest equalisation to the banks totalled £2.0 million nett (previous year, £0.2 million from the banks). These were made by the DTI under the authority of the Industry Act 1975 (Section 25).

47. The Statement of Guarantees for the year to 31 March 1999 is as follows (1998 figures in brackets).

Statement of Guarantees for the Year Ended 31 March 1999

	Number of Guarantees	Amount of Principal Guaranteed (£'000)
Guarantees current on 1 April 1998 (a)	127 (145)	418,861 (519,997)
Guarantees offered in year 1998-99 (a)	6 (7)	14,336 (48,327)
Repayments in year 1998-99 (b)	46 (25)	162,924 (149,463)
Guarantees current on 31 March 1999 (a)	87 (127)	270,273 (418,861)

(a) Figures are inclusive of guarantees offered but not yet accepted.

(b) The number of guarantees equals the number of loans finally repaid during the year plus lapsed offers. The amount of principal represents the sum of all repayments made during the year including those on loans finally repaid plus principal on lapsed offers.

Assistance Under Section 11 of the Industrial Development Act 1982

Business Improvement Services

48. The DTT's Management Best Practice Directorate provides - mainly through Business Links and Trade Associations - a range of activities designed to help Small and Medium sized Enterprises (SMEs) define and improve their competitiveness by learning about adopting best practices in management and the use of technology. The best practice activities are designed to stimulate the smaller companies by helping them to identify and address weaknesses and provide help with networking, benchmarking and visiting exemplar companies. The three centrally administered core activities are:

- a) **Connect for Better Business** - a series of CD-ROMs on best practice awareness covering a wide range of business functions from people management to customer focus.
- b) **The UK Benchmarking Index** - a service designed to introduce small and medium sized companies to benchmarking.
- c) **Inside UK Enterprise** - a business-to-business company visiting programme.

In addition to the above assistance, we continuously review and update the Internet Site which contains a range of awareness and self-help packages supporting research on the identification of best practice.

Small Firms Activities Under Section 11 Of The Industrial Development Act 1982

Business Links

49. The establishment of the Business Link network in England has been one of the most significant achievements in the continuing development for small and medium-sized enterprises (SMEs). The network of 83 Business Link Partnerships is complete and has over 240 outlets. It has been created through the effective partnership of Training and Enterprise Councils (TECs), Chambers of Commerce, Local Enterprise Agencies and Local Authorities in order to provide a single point of contact for a range of high quality business support services. Every firm in England now has access to these services via their local Business Link.

50. The services Business Links offer include information and advice, counselling, a Personal Business Adviser (PBA) service, and specialist services on export, finance, design, and innovation and technology. There is still scope for improving these high quality services. For this reason, Barbara Roche, then Minister for Small Firms, launched '**Enhanced Business Links: A Vision for the 21st Century**' at the Business Link National Conference in October 1997. This sets out five key challenges for Business Link partnerships:

- to make a reality of the one-stop shop;
- to make Business Links more business-like;
- to increase commitment to continuous improvement;

- to improve and extend quality assurance through changes to the accreditation system;
- to provide a service for all small and medium-sized businesses, while continuing to target specialist resources on growth companies.

51. The evidence of Business Link impact is impressive. The latest information shows that in the period October - December 1998 over 103,700 businesses and 32,400 individuals used Business Link services.

52. The DTI contributes to the funds to help Business Links develop and provide these services. In 1999-00, £1.2 million is available towards the cost of establishment of the network, and £137.8 million for the provision of business support services. Business Links, as commercial organisations, are being encouraged to develop additional income through charging for the services they provide - by their fifth year of operation, Business Links will be expected to be earning at least 25% of their income from the businesses they assist. This will enable them to generate additional funds in order to increase the volume, quality and range of services that they offer.

National Federation of Enterprise Agencies

53. The National Federation of Enterprise Agencies (NFEA) was set up in 1993 to provide an independent network of local enterprise agencies, committed to responding to the needs of small and growing businesses by providing an appropriate range of quality services, particularly to pre-start, start-up and micro businesses.

54. A grant of £10,000 per annum for the years 1999/2000 was made by the DTI as pump-prime funding for the NFEA. This was used to embed the transfer of the NFEA administration procedures from DTI to NFEA and to enable the NFEA to fund and establish the post of Chief Executive on a permanently funded basis.

Business Connect Wales

55. This network, launched in 1996, provides a single point of entry to the business support infrastructure for anyone seeking to establish a new business or for those established businesses needing information and advice on the services available. Business Connect encompasses a variety of local and national organisations operating in partnership through five business development consortia which have developed a network of over thirty business centres accessed by a single, all-Wales telephone number. By establishing effective working arrangements at the local level, supported by a sophisticated information technology infrastructure and staff training to NVQ standards, the consortia are ensuring the delivery of high quality business support services. In 1998-99 a five point improvement plan was announced to further raise service standards and public awareness of the service. Telephone enquiries between January-March 1999 to the service were running at levels 50% higher than the previous year. In 1999/2000 the Business Connect network will be overseen by Business Connect Wales Ltd a private limited company (formed in March 1999). The company is managed by a business led board of directors which will report to the National Assembly for Wales.

56. Since 1996-97, the Welsh Office has supported the development of a range of new services under the Business Connect Initiative which targets companies with the potential to grow. Projects include the establishment of personal business advisor and mentoring services, supply chain developments, environmental and financial counselling and the establishment of team-managed businesses. Funding concluded for the majority of schemes at the end of 1998-99. The Departmental support for these projects in 1998-99 was £0.86 million.

57. In 1998-99, over £10 million was made available by the Welsh Office to TECs in Wales for the provision of a range of services including the business start-up scheme, small firms training initiative and other human resource development programmes, diagnostic and consultancy services, the sole traders initiative and Investors in People programme.

The Expert Help Programme: Scotland

58. The Expert Help Programme was introduced in 1995. The aim of the Programme is to encourage managers of SMEs to use outside experts when considering the strategic direction of their businesses or tackling technical problems. It provides free advice on technical issues from Innovation and Technology Counsellors and financial support towards the cost of more detailed advice and assistance. On 1 October 1998, responsibility for delivering the Expert Help Programme was transferred to Scottish Enterprise and Highlands and Islands Enterprise. Along with this transfer, the name of the Programme changed to Expert Help II. In the six months to 31 September 1998 spend under the Programme totalled £954,789 and some 367 companies were assisted.

OTHER MATTERS AND DEVELOPMENTS IN 1998-99

Inward Investment

59. During 1998/99 the Invest in Britain Bureau's Asia Pacific team issued Country Plans for the following markets: Japan; Korea; Taiwan; Singapore; Hong Kong; Australia; India; and China. These set out the Bureau's approach to each of the markets and contained a forward calendar of promotional activity.

60. IBB sponsored 5 inward missions during the year including general missions from Korea, Taiwan and Japan and sector specific groups from Hong Kong (electronics) and Japan (R&D); in addition to this there were 36 individual company tours. Ten major promotional events were run in 1998/99 including R&D seminars in Singapore and Hong Kong, a "Globalisation" seminar and a three-centre Roadshow in Taiwan, and major reception in London for existing Japanese investors. An extensive programme of aftercare visits to 45 Japanese investors was undertaken in the UK.

61. IBB's European section had a very successful promotional programme in 1998/99 demonstrating the interest still being shown in inward investment from Europe, not only from the traditional markets such as Germany but also from new markets such as Israel and the Nordic Region. Well attended investment seminars were held in Denmark, Israel, Italy and Turkey, showing the diversity of interest. IBB Europe organised four inward missions, three from Germany and one from Italy. IBB participated in five major exhibitions in Europe including CEBIT at Hanover and Call Centre Solutions in Amsterdam. IBB also brought together representatives from Embassies and Consulates from around Europe to attend and participate in two workshops in the UK.

62. In North America the IBB continued to pursue an extensive programme of visits to potential investors, making 876 visits. The Bureau's Regional Inward Investment Teams (RIITs) arranged a number of ministerial visits and were heavily involved in supporting the highly successful Northern Ireland roadshow. Telebusiness enquiries continued throughout the year and the Americas team participated in a total of 9 related conferences in the period. Throughout the year the Americas team have begun to develop strategies for the emerging Latin American markets, in particular Brazil, Argentina and Mexico. This was augmented by IBB participation at a bilateral trade/investment seminar in the autumn.

63. Following the recommendations set out in the Competitiveness White Paper the IBB are looking to focus on value-added, knowledge driven investment. The West Coast teams experienced an increase in hi-tech related enquiries, particularly from companies utilising multimedia.

64. IBB continues to recognise the importance of aftercare by continuing to work with its partners in DTI Sector Directorates, Government Offices, Regional Agencies, Overseas Posts and other Government Departments to better co-ordinate and strengthen existing aftercare activities and to establish long term relationships with the senior management of existing overseas owned companies in the UK.

65. IBB's Marketing Section were involved in the arrangements for the Bureau's attendance at the following events: CEBIT in Hanover which was arranged in conjunction with the West of England Development Agency, Devon and Cornwall Development International and the Western Development Partnership; the Society of Automotive Engineers exhibition in Detroit (the world's largest automotive engineering exhibition) and the IBB's own Annual Report Launch at which the DTI's Secretary of State and the FCO's Minister of State spoke. The IBB also jointly hosted with the Office of Science and Technology a "Winning Competitive Advantage throughout R&D" Foresight R&D Seminar at Lancaster House at which the Secretary of State spoke. Marketing Section also commissioned an IBB video which has talking heads clips showing that companies are not disadvantaged by the UK being outside the Euro Zone. This video is for use at seminars etc. and has been shown by the US TV station CNN.

66. It is not possible to provide a comprehensive figure for the amount of foreign investment made in the United Kingdom in 1998/99, since not all such investment is notified to the DTI, particularly when it takes place outside the Assisted Areas or involves expansions on existing sites. However, during the year ended March 1999 the IBB recorded a total of 652 decisions to invest or expand investment in the United Kingdom with 118,753 jobs associated. These figures are based on information provided by the companies at the time of the announcement to invest and include only those projects where the IBB and its regional partners were involved or which have come to their notice. They take no account of subsequent developments.

67. Another useful indicator of the level of inward investment is the amount of assistance offered under the Industrial Development Act 1982 to foreign owned companies. In the year to 31 March 1999 offers of £99.8 million were accepted under Section 7 to such companies for 134 projects estimated to cost £1,231.8 million.

Publication of Assistance Offered

68. Details of offers of Regional Selective Assistance against which first payments were made during the year to 31 March 1999 were published in Labour Market Trends issued in January, April, July and October 1999. Publication was limited to offers of grant of £75,000 or more.

Commentaries By The Industrial Development Advisory Boards And Industrial Development Boards

Industrial Development Advisory Board

69. The Industrial Development Advisory Board (IDAB) continued to advise the Secretary of State on the exercise of his powers under Sections 7 and 8 of the Industrial Development Act 1982.

70. Six meetings were held to examine and discuss eight major applications of over £2 million under Section 7 of the Act. The Board found that all eight applications met the relevant criteria for assistance and recommended that they should be supported, including a significant inward investment decision by BMW/Rover.

71. In addition, during the year the Board received presentations on Public Private Partnerships, the UK chemical industry and updates on the closure of the Siemens plant in the North East region and on the review of the RSA Scheme. The Board strongly endorses the drive for more knowledge-based, high quality projects as suitable for RSA assistance, as announced in the Competitiveness White Paper.

72. In November 1998, Barbara Roche MP, the then Minister for Small Firms, Trade and Industry, hosted a dinner for the Board during which several issues concerning RSA were discussed. In addition, a seminar for IDAB and IDB members from the English regions was held in March 1999, addressed by Michael Wills MP, the then Minister for Small Firms, Trade and Industry. The seminar provided the opportunity for board members to hear about developments in DTI's policies and procedures in areas relevant to their work and enabled a full discussion of issues raised during the day.

73. The Board wishes to thank Mr Alan Pedder and Sir Malcolm Bates, who both retired during the year, for the valuable contributions they made to the Board's activities. The Board welcomed Mr John Robinson, Mr David Brown and Sir Victor Blank on their appointments to the Board in August 1998.

SIR ANTHONY CLEAVER

Chairman

Scottish Industrial Development Advisory Board

Economic Background

74. 1998 was a year of some global economic instability and the Scottish economy experienced the effects of this with a number of significant job loss announcements. However, the economy showed considerable resilience in the face of challenging trading conditions. Output in Scotland's production industries (excluding oil and gas) rose by 2.1% in 1998 compared with the previous year, a faster rate of growth than for the UK as a whole which saw output increase by 0.5% over the same period. Manufacturing output grew by 2.1%, while output in the electricity, gas and water supply and mining and quarrying industries also increased. Of the individual manufacturing sectors, electrical and instrument engineering, and metals and metal products experienced the largest growth in output in 1998. The textiles, footwear, leather and clothing and drink sectors saw the largest falls in output over the year. Against this background, the level of planned jobs and investment associated with RSA offers was lower than in recent years.

75. Performance in the labour market in Scotland over the year to March 1999 was mixed with (seasonally unadjusted) Labour Force Survey data showing both employment and unemployment falling compared with the previous year. The rate of ILO unemployment for January-March 1999 stood at 7.6%, 1.3% points above the UK average. Data from the Civilian Workforce Jobs series showed that there was a further increase in the number of service sector jobs over the year to December 1998 while the number of manufacturing jobs continued to decline.

Regional Selective Assistance

76. There were 216 RSA offers accepted by companies in 1998-99, a drop compared with 1997-98 but higher than in 1995-96 and 1996-97. The value of offers accepted in 1998-99 was £73.2 million and this was associated with planned expenditure of £455 million and the creation and safeguarding of over 11,500 jobs. The value of offers accepted was significantly lower than the previous year's figure of £187 million which included three very large projects comprising more than half of that total. Indigenous companies accounted for 83% of all applications, a similar level to that of the previous year.

Board Membership

77. During the year Mr John Lumsden retired and the Board wishes to thank him for his excellent contribution over the years. The Board was delighted to welcome Mr Jim McColl who was appointed on 1 January 1999. The new appointment of Mr Peter Timms was also welcomed. Four members, Mr I P Bankier, Mrs C McAteer, Professor J Murray and Mrs M Seymour were reappointed by the Secretary of State for Scotland to serve on the Board for a further three years and the Board are delighted to continue to have their counsel.

I GOOD
Chairman

Welsh Industrial Development Advisory Board

Industrial And Economic Background

78. The Welsh economy appears to have shared the slowdown in economic growth in the UK in 1998. Nevertheless, the manufacturing sector in Wales seems to have continued to perform better than the UK average in terms of both output and employment growth in 1998.

79. Despite the difficulties in many sectors of Welsh business activity, aggregate employment levels have remained relatively stable with manufacturing employment holding up reasonably well. Falling manufacturing output along with stable employment has been reflected in a short term fall in productivity.

80. The manufacturing employment picture is mixed with gains in the food & beverage, radio, TV & communication and transport equipment sectors and falls in the manufacture of basic metals, clothing and miscellaneous electrical equipment. Infrastructure developments around Cardiff have played a significant part in the good performance of the construction sector in Wales.

81. Inward investment continues to provide significant employment in Wales. In 1998 over 37% of manufacturing employment was in overseas owned plants, compared to around 28% in 1990. Historically, inward investment has been dominated by the United States of America, Japan, Korea and the European Union.

82. Overseas owned companies have continued to invest in Wales, but high profile projects frozen before completion or closed down within months of opening have caused concerns about the future of this trend. The continued success of Wales in attracting inward investment is attributed to a number of factors including access to the European market, a positive attitude to overseas companies in local communities and the excellent industrial relations and work practices established by the previous overseas investors, which give Wales a 'good reference' to prospective investors. The support network of agencies are all committed to the Team Wales approach. Two thirds of Wales will be designated for Objective One status and will qualify automatically for inclusion in the new Assisted Areas map to come into effect on 1 January 2000. Some parts of North East and South East Wales and Powys have been included in the new Assisted Areas map which the UK government has sent to the European Commission for approval.

83. Over the twelve months to February 1999 claimant unemployment in Wales fell by 2,500 to 68,200, a rate of 5.5% of the workforce. This compares to the UK rate of 4.6%. Some areas of Wales still have male unemployment rates of 13%. Welsh GDP is forecast to remain almost unchanged in 1999 with a modest recovery in 2000. Manufacturing GDP is expected to outperform slightly the UK average in the short term. The manufactured fuels, mechanical engineering, motor vehicles, education & health and other business services sectors are expected to be amongst the fastest growing sectors in Wales.

Welsh Development Agency: International Division

84. The board noted that in 1998-99 the International Division of the Welsh Development Agency recorded 110 projects forecasting 12,129 new and safeguarded jobs with associated capital investment of £716 million. The International Division was involved in securing 94 of these projects offering 11,748 new

and safeguarded jobs and capital investment of £709 million. (These forecasts are based on companies' intentions at the time of the decision to invest and take no account of subsequent developments).

85. There were 44 entirely new projects, 48 expansions, 2 joint ventures and 16 acquisitions. The Board noted that, while there was a fall in overall results in North America (16 projects), Europe (24 projects) and the United Kingdom (59 projects) remained relatively stable. Asia Pacific and other countries brought 11 projects to Wales.

86. Against the background of increasingly strong competition from more traditional and from new competitors, and in the light of financial uncertainty in the Far East, the results for 1998-99 are a good achievement. The Board noted that, in the light of the continuing uncertainty in the Far East, the importance of Wales' other key markets would be likely to increase in the short to medium term and that more focused effort would be required to continue Wales' exceptional record of inward investment success.

Welsh Development Agency - Property

87. Within the context of an integrated package of initiatives to create the right physical business infrastructure, the availability of quality sites and premises continues to be an important factor in support of the growth of indigenous Welsh business and Wales' ability to attract new inward investment projects. The level of investment activity in both these sectors continues to take up a substantial amount of the available property and development land with the consequence of emerging shortages of supply in certain areas. The WDA, in conjunction with other organisations in both the public and private sectors, is addressing means to remedy such supply shortages through encouraging and supporting the private sector and a limited direct build programme. The Agency continues to develop a range of strategic sites to ensure the availability of suitable sites throughout Wales. During 1998-99 44,460 square metres of business premises were occupied by new or expanding companies. New industrial floorspace totalling 97,354 square metres was created in 1998-99, of which 76,210 square metres (78%) was for bespoke projects.

88. The Agency continued to encourage the private sector to invest in the Welsh property market through joint ventures with developers and financial institutions and by the planned disposal of holdings in its property portfolio to the private sector. The resources released by the sale of the Agency's portfolio of mature property was re-invested in the Welsh economy through the Agency's various programmes. During 1998-99 joint venture projects undertaken with the private sector delivered 37,946 square metres of business accommodation.

89. The figures provided include floorspace developed by the Development Board for Rural Wales which together with the Land Authority for Wales merged with the Welsh Development Agency on 1 October 1998. The merging of the 3 economic development organisations ensures a cohesive and strategic development service for urban and rural Wales alike. Through reinforced regional structures, the WDA works in close partnership with other local players to ensure strategies for economic development, including property and business development, address regional needs.

Regional Assistance

90. During 1998-99, 140 RSA applications were received (compared with 161 in the previous financial year): 29 of these were made by overseas owned companies (30 in 1997-98).

91. 135 offers of RSA with a value of over £67 million were made to projects in Wales (some of which relate to applications received in previous years). These are forecast to create 9,719 new jobs and safeguard a further 2,489, with planned investment by companies of more than £600 million. Included in the total figure is £36 million offered to UK-owned companies to encourage private investment of nearly £200 million, forecast to create 5,295 new jobs and safeguard 1,747 existing jobs. This compares with the £23.7 million offered to UK-owned firms in 1997-98, which was expected to generate investment of £157 million, 4,371 new jobs and 992 safeguarded jobs. There is an element of overlap between projects receiving RSA and those recorded by Welsh Development Agency International Division. Significant projects announced during the year include those by Cartoinvest, Toyota and Toprak in North Wales and, in the South, International Rectifier, Legal and General, and Bank One.

92. As far as the REG scheme is concerned, the Regional Investment Grant element was closed at the end of January 1997 following an evaluation which concluded that it did not provide good value for money and that more flexible support was available through RSA. In respect of Regional Innovation Grant applications for 1998-99, 134 were received in-year and 88 offers of assistance (totalling £2million) were made. Since its extension to the whole of Wales in 1997 there has been an increase of 36% in the number of offers of grant made compared to 1997-98. The Welsh Office has put in place a programme of promotional events and presentations to businesses and advisers to raise awareness of the full range of

Government business support schemes, particularly aimed at indigenous companies in the priority areas of West Wales and the Valleys. That programme will continue.

Board Membership

93. Mr Paul Marshall's appointment was extended by the Secretary of State for Wales to enable him to serve on the Board for a further year. Mrs Sheila Drury, a member of the Board since 1995, has been appointed Chair elect of the North Wales Training and Enterprise Council (CELTEC). She will continue to serve as a board member.

K HODGE OBE

Chairman

North East Industrial Development Board

Industry In The Region

94. The region has had mixed fortunes over the past year, with substantial job losses in some areas, and significant gains in others. The CBI Regional Trend Surveys have shown an overall picture of falling orders and output and surveys of business opinion have shown that business confidence is generally low. Despite this there are some areas of the economy – such as automotives, pharmaceuticals and call-centres in particular – that are continuing to show growth.

95. Recent surveys of business people have suggested that, whilst there had been a slight recovery in export sales and in the balance of export orders, a significant number of people believed the region was faring worse than other regions of the UK. However, a recent survey by Barclays suggested that the region performed well in terms of small business start-ups.

96. Nissan at Sunderland became the UK's largest automotive plant in 1998 in terms of output. Despite difficulties in the industry as a whole, Nissan announced that it was commencing recruitment of over 800 staff for the production of the replacement model for the Almera, due to start in January 2000.

97. In the chemical industry on Teesside the past year has been dominated by two themes. The first has been the rapid deterioration in the European chemicals market prompted by the downturn in the world economy but made worse by the strength of sterling. As a consequence cost reduction rather than investment has been the major issue. The second has been the continuation of ICI's process of withdrawing from base chemicals. Following protracted negotiations, ICI announced the sale of the Wilton infrastructure to Enron Corporation of the USA in November 1998 (£300million).

98. The oil and gas sector is anticipating a severe dip in construction activity due to uncertainty created during the Fiscal Review, followed by a drop in the oil price to US\$10 per barrel compared to production costs of US\$13 in the North Sea. A task force was set up by the industry to react to potential impact of low oil prices. Fabrication yards have been busy but projects at Kvaerner and Odebrecht are due for completion in mid 1999 with the sole AMEC project due to sail away in February 2000.

Inward Investment

99. The mixed fortunes of the Asia Pacific economies have resulted in a general downturn in inward investment activity. The volume of enquiries during the year dropped to 311, a decrease of 25%; although the number of visits to the region increased by 34% to 180, this included a significant proportion of re-visits.

100. A major re-investment was announced by Sanofi of France. We also welcomed news of other significant investments by Nastech (Japan), Flymo (Sweden), TRW (USA), Hopax (Taiwan) and Targor (Germany).

Competitiveness

101. The strategy was published in July 1998 and helped inform the Government's Competitiveness White Paper 'Our Competitive Future: Building the Knowledge Driven Economy', published in December 1998. A region-wide Competitiveness Conference took place on 22 October 1998 to allow regional partner organisations to discuss the Competitiveness Strategy. The Secretary of State announced an Implementation Strategy for the Competitiveness White Paper on 10 March. We will be working with the RDA to take this forward.

Business Links/TECS

102. The region's five Business Link Partnerships continue to deliver a full range of business support activities and increasingly, those generated by the Training & Enterprise Councils (TECs). These closer working arrangements have resulted in Sunderland and County Durham TECs merging with their respective Business Links. This has greatly enhanced the integration and delivery of such services in their areas. Similar merger arrangements on Tyneside have been put on hold pending the outcome of the extended review of TECs nationally. Business Link Tees Valley currently remains an independent company and Business Link Northumberland is a subsidiary company of the TEC.

103. The Centre of Expertise initiative proposed by DTI saw five collaborative bids being submitted by the five Business Links. Three successfully received funding covering Micro Benchmarking, Environmental Management and Exports. This co-operation has continued through the Regional Competitiveness Project to map existing expertise, the results of which will be fed through to a longer term regional strategy on such Centres which will be drawn up during the next financial year.

104. A similar approach to the High Growth Start-Ups initiative included in the White Paper on Competitiveness will result in the development of a strategy at regional level.

105. This year has seen the accreditation or re-accreditation of all five of the region's Business Links. However, during the next financial year all but one – Business Link Tees Valley – will have to apply for re-accreditation or submit a progress report to the Accreditation Advisory Board.

Innovation & Technology

106. Under the DfEE Skills Challenge/Centres of Excellence package for 1998/99, some £4million was allocated to projects in the region. Allocated funds went towards the purchase of capital equipment for the creation of new and enhanced infrastructure to help training providers and employers with arrangements for the delivery of high level IT and technology skills to meet needs in the region.

107. Six local projects were delivered. They include facilities for training in call centre operations, a centre building on the existing "Technical Academy" grouping to develop training in engineering/electronics and a training and business skills support centre in IT development linked to an IT systems training facility within a Further Education College. In addition, a regional IT networking project was supported. It will extend the reach of latest available hi-tech business and innovation facilities by making the networked facility available over a wide area. The network takes information from centres like the Centre for Innovation and Design, the Virtual Reality Centre in Teesside and Newcastle University. It then sends it to terminals at local access points, mainly in Business Link centres in urban parts of the north, but also covering rural areas via a centre in Hexham, where it can be accessed to offer support to public and business interests.

International Trade

108. Overall this has been a difficult trading year with turbulence in a number of traditional markets. Difficulties, particularly in South East Asia, have seen both shrinkage in the market for a number of companies and loss of market share for others.

109. Across the year there was a marked decline in business confidence reflecting lower export sales and orders. However the final quarter of the year saw a modest recovery due to slightly better performance by the manufacturing sector. Service sector export activity by comparison remained rather more buoyant. Reports from the International Trade teams in the region's five Business Links indicate an increase in the number of businesses contacting them for export assistance, supporting grounds for cautious optimism of a pick up in activity during 1999.

110. The micro-electronics sector suffered badly this year, with resulting closure of the Siemens and Fujitsu factories in the region. The textile industry was also heavily hit with several closures in the region. More encouragingly, the automotive sector continued to generate growth in parts, design and manufacture within the region. Locally, there are reports of some sectors, such as engineering, securing healthier order books from overseas against a somewhat contrary picture regionally and nationally.

111. Interest rates continue to top the list as the most important issue of concern to North East businesses. The disadvantages presented by high UK interest rates in comparison to Europe have lessened since April last year with some exporters, who have worked hard to retain market share during Sterling's appreciation, now beginning to benefit in a modest way from recovery in Europe.

112. Generally, there are brighter prospects for exporters to American and Western European markets where there is evidence of increased sales. Those exporting niche and specialist products appear to have been less affected by the strong pound. Other companies have attempted to respond by reducing profit margins to retain overseas markets against the backdrop of a depressed domestic market or by sourcing of materials or components from abroad to reduce costs. Others have looked to develop and market new products to retain overseas market share.

Employment

113. In March 1999 unemployment in the North East was 7.7% compared to the Great Britain rate of 4.6%. Seasonally unadjusted unemployment figures show that the number fell slightly from 87,376 in April 1998 to 86,202 in March 1999, a fall of 1.3%. The region continued to have long term structural unemployment with profound regional disparities: South Tyneside's unemployment for example is more than two-and-a-half times above the national average at 12.7% compared to Hexham's 3.5%.

Regional Selective Assistance

114. During the year 213 offers of RSA to the value of £25.7million were accepted. The offers were made towards fixed costs of £279.6million, and were directed to the creation of 4,579 jobs and the safeguarding of 1,210. Compared to the previous year this represents a 5% increase in the number of offers accepted, but a 56% increase in fixed costs and a rise of 27% in the value of offers accepted. The average cost per job for the year was £4,439 an increase on last years figure (£3,014) and mainly attributable to positive action to stimulate new investment.

115. In total, the North East Industrial Development Board examined 17 projects, approving 16 cases involving £168million cumulative capital expenditure and the creation and safeguarding of almost 3,200 jobs at a cost per job of roughly £4,650. It should be noted that these figures have been inflated somewhat by the inclusion of the attempted management buy-out of the Vaux Brewery whose capital costs were £68million.

Regional Enterprise Grants

116. The Regional Enterprise Grants scheme ceased for new applications on 13 September 1996. Investment and innovation grant payments in 1998/9 amounted to £49,686 and £303,000 respectively. Future commitments under the scheme to 2001/02 amount to approximately £151,000.

Board Membership

117. During the year one new member was welcomed to the board, Martin Kellaway of Forbo-CP Ltd. In addition, Sue Wilson of the Newcastle Initiative resumed active membership following a 15 month period abroad.

118. We said farewell to three members of the board who stood down, those being: Chris Fleetwood (Whessoe plc) former Chairman of the NEIDB, Lew Aviss (Siemens Microelectronics Ltd) and Anne Wright (University of Sunderland).

119. We are extremely grateful for their assistance over the years.

J WARD
Chairman

Yorkshire and The Humber and East Midlands Industrial Development Board

Yorkshire and The Humber

General

120. Manufacturing suffered steep falls in output and confidence against a background of worsening home demand, high exchange rates, competition from cheap imports and unsettled global markets following the crisis in the Far East and falling oil prices. Investment intentions, initially resilient, were increasingly scaled down and engineering, steel and textiles all saw substantial job losses. However, there were some signs of optimism by the end of the year, due mainly to a slight improvement in exports, particularly to Europe and the USA, and indications that the drop in domestic demand had bottomed out. Business service activity remained relatively strong, with substantial call-centre investment. In the agricultural sector, conditions for livestock farmers and agricultural suppliers worsened throughout the

year, with falling sheep prices and intense competition on pig prices from Europe. Construction remained relatively buoyant. New housing held up well although there was caution amongst both industrial and commercial clients.

121. The steel industry suffered the worst trading conditions since the 1970s, despite a reasonable start to the year. Prices and margins were under intense pressure from overseas competitors and important Asian markets collapsed. Production fell and hundreds of jobs were lost. Engineering output, orders and employment levels all dropped substantially, with home demand falling faster than overseas. High value-added sectors such as suppliers to aerospace and rolling stock fared better than both mechanical engineering, which bore the brunt of the cuts, and suppliers to the oil industry. Pressures in the textiles and clothing sector continued to be fierce. Overseas markets for luxury wool/cashmere blends reduced and price competition from imports was intense. Closures, redundancies and short-time working were common throughout the industry, which was in a difficult position.

122. Demand for chemicals fell throughout the year as a result of lower levels of industrial manufacturing world-wide and competition from developing countries. Printers of high-quality catalogues and direct mail did well whilst the rest of the sector faced increasing overseas competition. In the food sector, jobs were lost in fish processing but gained in snacks and sweets. Telecommunications performed well, with demand high for mobile phones and digital television equipment. Global microchip over-production hit some firms.

123. Financial and business services, particularly larger firms in Leeds, performed strongly, although smaller firms in the rest of the region were less buoyant. The demand for IT services in particular was very strong throughout the year. The growth in call centres continued, with notable new developments in South Yorkshire. Overall, the retail sector was weak, with increasing discounting in the face of low consumer demand, although trade in key locations such as Leeds and York held up well.

Unemployment

124. Seasonally adjusted regional unemployment fell by 5,500 in the year to March 1999 to stand at 129,900. Between March 1998 and March 1999 the rate reduced from 5.7% to 5.6%, but the gap between the Yorkshire and Humber and Great Britain rate increased significantly to 1.1%. Wide disparities remain within the region. Rates continued to be high in the traditional coal, steel and heavy engineering area of South Yorkshire, which also suffered the majority of the region's job losses throughout the year. Rotherham's rate stood at 9.4%, whilst parts of North Yorkshire were as low as 1.6%. Manufacturing redundancies throughout the year were more than double the number of new jobs created in the sector, with losses concentrated in textiles and engineering and most new jobs in food production. In contrast, recruitment in the financial and business services sector grew, particularly in Leeds. There was little pressure on manufacturing pay, with settlements lower than last year's and up to a quarter of engineering firms operating a freeze. Pay increases in services, though higher, were still modest except in parts of the Leeds financial sector. Skill shortages were not widespread and were concentrated in areas of low unemployment or expertise such as information technology/electronics and telecommunications. The labour market for good administrative staff in Leeds and North Yorkshire tightened considerably.

Government Assistance

125. The Board believes that RSA has played a significant role in securing additional capital investment in the region. During 1998-99 a total of 176 RSA (1997/98 – 205) grant decisions were made, of which 38 (1997/98 – 34) requested grant over £100,000. A total of 153 (1997/98 – 159) grant offers were accepted during the year. Activity was slightly lower than in 1997-98 but the value of offers somewhat higher.

126. The value of offers accepted totalled £13.9 million (£12.3 million in 1997/98) with related project costs of £137.9 million (£151.3 million in 1997/98). These projects were expected to lead to the creation or safeguarding of 4,174 jobs. Some 40% of the offers made related to applications for grant of £25,000 and below. The distribution of assistance across the region shows that offers were accepted on 96 projects in South Yorkshire, 1 project in North Yorkshire, 26 projects in the Humber area, and 30 projects in West Yorkshire. This pattern emphasises the importance of South Yorkshire within the region as the source of most RSA applications.

127. Monitoring of RSA aided projects showed that 272 project payments were made, with a payment value of £10.8 million in the year. This included 136 successfully completed projects with a total payment value of £20.2 million. These projects created or safeguarded 3,390 jobs, slightly higher than the forecast number of 3,264 and a welcome achievement.

Inward Investment and Competitiveness

128. Inward investment continues to play an important part in developing the economic competitiveness of the region.

129. A total of 14 RSA grant offers (value of £6.28 million) were made to inward investors, involving investment of £38 million, and the creation/safeguarding of over 1,499 jobs.

130. This year saw a number of overseas owned companies investing in the region for the first time, including Turbo Systems Europe Limited (USA), who received assistance to establish a tool accessory manufacturing facility (80 employees) in the Dearne Valley and Maple Leaf Foods Limited of Canada, who received assistance to set up a bagel bakery (301 employees), also in the Dearne Valley.

131. During the year the region as a whole attracted 79 inward investments (including acquisitions and expansions) which are expected to lead to the creation of around 5,446 new jobs and the safeguarding of a further 16,508 existing jobs.

132. A number of foreign-owned companies, already present in the region, announced expansion plans during the year, with the help of RSA. Norwegian owned Virginia KMP Limited, a refrigeration component manufacturer is to establish a factory at Cortonwood, Rotherham and will create 36 new jobs. Thyssen Engineering Limited is investing in a new heavy machine workshop at Pontefract (25 jobs). French-owned Jacquet UK Limited is relocating to Barnsley and this project is expected to create 17 new jobs. This "second generation" investment remains an important source of job creation in the region.

133. The year to 31 March 1999 represented a very successful year for inward investment. The Government Office, and this Board, places a high priority on encouraging inward investment into the region. We firmly believe that working in partnership with the Yorkshire and Humberside Development Agency (YHDA), English Partnerships (EP), Local Authorities and local Training and Enterprise Councils has helped improve the inward investment performance and competitiveness of the region.

134. Both YHDA and EP will form key elements of the newly formed Regional Development Agency (effective 1 April 1999). The formation of the RDA should further enhance regional economic performance and this Board looks forward to working closely with the RDA.

East Midlands

General

135. Business confidence started the year at a low level and continued to fall further throughout 1998, largely due to the strength of sterling, high interest rates and the uncertain markets in Russia and the Far East. Since January 1999, however, despite a somewhat mixed picture emerging, the overall trend appears to be more optimistic.

136. Manufacturing throughout the year has continued to decline. Higher interest rates than in Continental Europe, and disappearing markets abroad, often as a result of high exchange rates, have had a significant impact. In addition, intense competition from abroad, outsourcing to lower wage economies overseas and import penetration have all contributed to job losses in the manufacturing sector, particularly in the textiles, footwear, printing and engineering sectors which continue to be hit badly. As well as job losses, many examples of short-time working continue to be reported, especially within the engineering industry. More recently, the mining industry in the region has begun to suffer further, with the announcement of one major colliery closure in Nottinghamshire and others expected early in 1999/2000. Towards the end of the year, however, there have been signs that the situation may be improving for manufacturers with interest rate reductions and the return of a degree of market stability boosting confidence.

137. Concerns that the decline in manufacturing may have a knock-on effect on the service sector have largely remained unfounded over the year. Haulage companies have suffered as a result of fuel costs, more intense competition and the move towards fewer but larger warehouses. Consumer caution had a significant impact on the retail sector throughout the year, with Christmas and the January sales being particularly disappointing. Again, however, a few signs of improvement have appeared in February and March with reports of retailers beginning to improve. Despite some significant major job losses, including Barclaycard in Northampton, the financial sector and telecommunications, call centres in particular, have continued to blossom, with significant job gains at Prudential in Derby and Diamond Cable and Capital One in Nottingham.

138. Agriculture has continued to fare badly throughout the year, with farm incomes now at their lowest level for many years. BSE, high exchange rates, market pressures from supermarkets and movement towards world prices have all contributed towards this. The pig and poultry sectors have suffered particularly badly. The potato sector is the only exception with prices ending the year substantially higher than at the same time last year.

139. Construction has remained buoyant throughout the year, with much large scale development, particularly in the City Centres. Smaller towns such as Kettering and Wellingborough are also experiencing more development than for many years.

Unemployment

140. Claimant count unemployment (seasonally adjusted) in the region has remained around 0.4% below the national average and stands at 79,900 (4.1%) in March 1999 against a national figure, 1,314,000 (4.5%).

141. Changes to the Travel to Work areas in July 1998 removed Mansfield from the areas of highest unemployment, but served to re-affirm Chesterfield's place (7.1% in March 1999) as one of the worst hit areas in the region in terms of unemployment. Other areas consistently featuring as areas of highest unemployment are Worksop, Gainsborough and, seasonally, Skegness and Mablethorpe (6.7%). Throughout the year, Matlock (1.8%), Stamford (1.8%) and Sleaford (2%) have featured as the three areas of lowest unemployment in the region.

Government Assistance

142. During the year a total of 122 RSA grant decisions were made and a total of 80 grant offers were accepted, 12 fewer than in the previous year. The total value of assistance accepted during the year was £6.8 million (£7.7 million the previous year) against total project costs of £58 million (£86 million). It is expected that 1,659 jobs (1997/98 2,483) will be created or safeguarded as a result. During the year 50 projects supported by RSA were completed, creating or safeguarding 2,307 jobs.

143. The Regional Enterprise Grant (REG) Scheme for Investment was re-launched on 1 January 1997 for SMEs employing less than 25 and based in designated colliery closure areas, outside of Assisted Areas (within the East Midlands effectively the City of Nottingham and some surrounding areas). During the year a total of 38 REG applications were approved. Grant payments on the residual REG programme totalled £276,000 for investment projects and £397,000 on innovation projects.

Inward Investment

144. During the year the East Midlands Development Company (EMDC) handled a total of 280 enquiries. The number of enquiries coming to EMDC direct was 157 with North America remaining the key market in volume terms and Europe showing a significant increase. Asia Pacific enquiries maintained at a healthy level of 50 despite the economic difficulties of the area.

145. The region attracted 19 inward investment projects (16 the previous year) creating more than 1,516 jobs and safeguarding 480.

146. The Regional Supply Office for the East Midlands, managed by EMDC, brought £26 million of new business to the region during 1998/99.

147. The EMDC ceased to be a limited company at 31 March 1999 with its functions and personnel joining the newly created East Midlands Development Agency.

Membership of the Board

148. During the year one Board member retired, Ms B.C. Hodson, Retail Managing Director, W.H. Smith. Mr N.G. Adnitt (Solway Foods) and Mr A. Berryman (Welbeck Fabrics) were welcomed to the Board in January 1999.

R.S. LASSETER

Chairman

South West Industrial Development Board

General

149. The South West economy has continued to grow steadily. There are still substantial variations between the more prosperous north and east of the region and the far south west. The region's perceived problems of peripherality, employment size in some industries, weak research and development, poor job prospects and a lack of locally provided venture capital have contributed to this varied position. Clearly, grant funding has been very important in recent years. Most of Cornwall, significant parts of Devon and the Weymouth/Portland area of Dorset are currently DTI Assisted Areas in recognition of their economic problems. In addition Cornwall and parts of Devon and West Somerset are designated as Objective 5b areas. This Programme will run until the end of 1999.

150. Although GDP per capita is estimated to increase by some 3% in the short term, the low level of GDP, particularly in Cornwall, was seen as a key driver for Cornwall securing its EU Objective 1 status (Cornwall qualified with 70% of the EU average GDP against the 75% criterion and will receive Objective 1 funding from the year 2000). Plymouth and Devon were supportive of Cornwall's bid on the grounds that this might endorse their case for Objective 2 status as adjacent areas. GDP per capita in the Plymouth/Devon arc is 82% of the EU average; average earnings are 84% of the UK's. 650,000 people live in the area, 25% more than in Cornwall.

151. Developing a powerful, focused strategy for Objective 1 is now Cornwall's top priority. The appointment of a small management group to direct and co-ordinate the Single Programming Document (SPD) development process, chaired by Cornwall County Council and comprising GOSW, PROSPER, MAFF, District Councils and the private sector, is an important further step. Torbay's GDP per capita is 71% of the EU average. Rural Devon and Exmoor's GDP per capita is 78% of the EU average and average wages are the lowest in England after Cornwall. There are also pockets of urban deprivation elsewhere typified by Bristol which, although traditionally regarded as a prosperous city, is ranked most deprived in the South West in DETR's 1998 Index of Local Deprivation.

152. Alongside Objective 1 status for Cornwall it is likely that the whole of Cornwall will qualify automatically for inclusion in the new Assisted Areas map, which will come into effect from January 2000.

153. The South West has been affected badly by the decline in traditional industries including defence, agriculture, fishing and seaside tourism. On a more general note, there are high costs associated with transport (in particular fuel costs), electricity and water supply to the region as a whole.

154. Cornwall in particular has been affected by the loss of jobs from traditional sectors such as the extractive industries, with the closure of South Crofty Tin Mine, and a reduction of the work force at English China Clays, which has now been taken over by a French company Imetal.

Inward Investment

155. On a more optimistic note, there is clear evidence that companies such as Gleason Works Ltd and Pall Europe Ltd have demonstrated their commitment to the region by building on their existing operations in Plymouth and Redruth respectively. Additionally, there has been a significant and welcome increase in investment by smaller indigenous companies, undoubtedly linked to the lowering of UK interest rates.

156. The Board welcomes the announcement and creation of the South West of England Regional Development Agency (SWERDA) which should also sustain and build upon the positive level of partnership working, business optimism and opportunities which have been promoted and supported through the year by EU and UK Government grants. We look forward to SWERDA representation on our Board in the near future.

157. The £74 million Eden Project near St Austell – said to be “the largest greenhouse in the world” – with £10 million of European Regional Development Fund grant and £37 million from the Millennium Fund will provide a major boost to the regional economy.

White Paper on Competitiveness

158. These factors combined with other key measures highlighted in the Government's latest White Paper on Competitiveness such as an Enterprise Fund, the expansion of the Small Firms Loan Guarantee Scheme and the emergence of SWERDA should go some way in ensuring sustainable economic development in the longer term. The proposed expansion of the SMART scheme should also help in addressing the

crucial R & D phase for small and start-up companies. Access to European Research and Development funding through Framework V and the subsequent technology transfer will remain a high priority.

159. The economy of Plymouth, one of the South West's largest cities, remains heavily dependant upon defence expenditure. Diversification remains a priority. The establishment of the Defence Diversification Agency by DERA and the possibility of providing a permanent entry point via the Tamar Science Park should be actively encouraged. The proposal from Wainstones Power to build a gas-fired power station near Plymouth is a major issue for the local economy and has many potential benefits offering a permanent high pressure pipeline for Devon and Cornwall, with cheaper energy costs. Plymouth Airport is continuing to grow but needs to extend the runway in order to handle larger aircraft. The airports at Bristol, Exeter and Newquay are also important in serving the needs of the region and assisting in attracting inward investors.

Employment and Unemployment

160. Parts of the South West suffer from high rates of unemployment. The claimant count rate for the region as a whole is 3.5%, but areas such as Penwith and Isles of Scilly (7.6%), Torquay (6.3%) and Plymouth (5.0%) (March 1999) have unemployment rates which are still worryingly high. There are also areas of inner city Bristol where unemployment has also been high over the past year. The percentage of the region's population that is economically active falls below the national average due to the number of retired people.

Education

161. Overall standards of achievement are high, but there are some schools in Plymouth for example where examination performance is at least 30% below national averages. Comparatively large percentages of 16 and 17 year olds are not in full time jobs, education or training. The skills base is also low and one in three companies in Cornwall have indicated that there is a gap between the skills currently available within their work-force and the skills needed to achieve their business objectives. Particular areas of concern include IT, customer care, sales/marketing and basic literacy, numeracy and communication skills. The lack of higher education in Cornwall means that many people have to leave the area to obtain higher qualifications and a significant proportion do not return; over 23,000 young people left between 1993 and 1998. The Board welcomes and supports the work being done by the Universities of Exeter and Plymouth to establish a University in Cornwall.

Government Assistance

162. During the year 39 offers of RSA to the value of £14.1 million were made towards fixed costs of £95.6 million. These projects are expected to create and safeguard a total of 3,400 jobs.

Membership of the Board

163. During the year Mr David Hancock, the Chairman, retired from the Board after serving six years, and we wish to record our thanks for his valuable contributions. Mr Neville Gibson, Mr Brian Sherwin and Mrs Barbara Speirs joined the Board as new members.

IAN LOWE
Chairman

West Midlands Industrial Development Board

General

164. Manufacturing continues to make a larger contribution to the economy of the West Midlands than to those of other UK regions. This sector accounts for around 30% of regional GDP and almost 25% of regional employment, compared with national averages of around 20% and 18% respectively. While the service sector continues to grow in importance as a contributor to regional GDP and as a generator of employment, the proportion of the economy accounted for by services is lower in the West Midlands than in most other regions and is significantly below the national average. Furthermore, many firms in the region's service sector rely heavily on manufacturers for business. The region's prosperity is therefore closely linked with the fortunes of manufacturing industry.

165. The last year has been a difficult one for manufacturing industry in all parts of the UK. Official figures show that UK manufacturing output in 1998 was only marginally higher than in 1997, reaching a peak in June and July before falling away. Indeed in the last 3 months for which figures are available (December 1998 to February 1999) manufacturing output was more than 1% below the level achieved in

the equivalent period a year earlier. This national picture of falling output applies equally to manufacturing industry in the West Midlands. The February 1999 CBI Regional Trends Survey, for example, found that West Midlands industry had experienced a rapid fall in new orders and a sharp drop in output with further, though less marked, reductions expected in the first half of 1999. Among the consequences of this weak demand reported by the CBI were a record number of firms working below capacity, job cuts and a scaling down of planned investment.

166. The fears for overseas sales in 1998-99 expressed by many of the region's exporters a year ago proved in many cases to be well-founded. Business surveys conducted in the region during the year consistently showed substantial numbers of exporters had experienced a reduction in the volume of their overseas sales and order books. For many such firms the weakness of some overseas markets, such as those in the Far East, was a significant contributor to this trend but for those with markets in western Europe the exchange rate was also an important factor. Sterling has remained strong against European currencies – it remains more than 25% higher against the Deutsche Mark than was the case in 1996 despite having fallen back slightly during the last year - and has appreciated by 6% against the Euro since that currency was launched in January 1999. Firms whose principal export markets are in North America tended to have a better year, helped by growth in the USA economy and the fact that sterling's value against the \$US has changed little in recent years.

167. By mid-1998 many West Midlands firms were also facing weak demand at home. Business surveys conducted in the region during the last two quarters showed that manufacturers achieving rising sales and orders in the UK market were outnumbered by those whose domestic business had declined. To some extent the exchange rate played a part in this too, as overseas manufacturers took advantage of the strength of sterling to increase their share of the UK market.

168. Against this backdrop of falling exports and difficult trading conditions at home, it is not surprising that in 1998-99 many manufacturers shed labour. Some of the region's most famous companies, such as Rover and Royal Doulton, initiated large scale redundancy programmes during the year as part of restructuring exercises designed to improve their competitiveness. At the end of the financial year, BMW, Rover's parent company, had drawn up an investment plan which it believes will secure the future of the Longbridge plant which is the country's largest factory with around 14,000 employees. The company has been offered public assistance towards the costs of the plan. The uncertainty over Longbridge underlined the extent to which the West Midlands depends upon the automotive industry, with the most pessimistic forecasts suggesting that as many as 50,000 jobs would have been lost in the region had Longbridge closed. Restructuring exercises involving job losses, and in some cases plant closures, were also conducted by many lower profile firms, with all parts of the region affected, ranging from the main urban centres, such as Birmingham, Coventry and Stoke on Trent, to market towns such as Ludlow and Evesham.

169. It was not all bad news however. Total employment in the region continued to creep upwards, the region continued to attract inward investment and some firms scored notable successes: Peugeot's new 206 model, built at the company's Ryton plant near Coventry, was launched in November 1998 and demand exceeded expectations to the extent that the company has since created 900 new jobs, thereby expanding the site's labour force by more than a third; Coventry-based Jaguar achieved strong growth in UK sales volumes and sold more cars in both the UK and the USA in 1998 than in any year since the late 1980s; the German company Sidler, which manufactures interior trims for vehicles, opened its first UK plant in Telford where it expects to employ around 100 by the end of 1999; and NEC created more than 200 jobs at its Telford plant following the launch of a new mobile phone.

Unemployment

170. The steep fall in claimant unemployment which we reported last year was not repeated in 1998-99. While the region's seasonally adjusted claimant count based unemployment rate continued to decline in the first half of the year it did so at a gentle pace, falling from 4.9% in February 1998 (GB 4.8%) to a low point of 4.6% in August (GB 4.5%). It has since risen slightly, reaching 4.8% by February 1999 (GB 4.5%).

171. The region's claimant count was almost 4,000 lower in February 1999 than it had been a year earlier, which equates to a 3% fall in the total and compares unfavourably with a fall of almost 5% in the national total. The pattern of change in the claimant count was not uniform across the region; in most southerly parts the claimant count fell, while it held more or less steady in the metropolitan area and climbed in north Staffordshire.

172. Unemployment rates remained highest in the metropolitan area. In Birmingham and the Black Country they continued to be significantly above the national average. In February 1999 the Wolverhampton & Walsall TTWA had a rate of 6.4%, the Birmingham TTWA 6.1% and the Dudley &

Sandwell TTWA 5.5%. Elsewhere in the region, only the Stoke TTWA with 4.7% had a rate above the national average, while the Coventry (4.4%) and Oswestry (4.3%) TTWAs both stood just below the Great Britain figure.

Inward Investment

173. Over the year, investments have characterised the region's shift towards more innovative, high technology operations. More than £1,075 million was invested in the region by overseas-owned businesses, creating 5,623 jobs and safeguarding a further 9,773. There are now some 1,822 foreign-owned businesses in the West Midlands employing 218,946 people – over 8% of the total regional workforce.

174. Of the 72 new projects, 31 were acquisitions – primarily of businesses in the engineering sector – and 32 were expansions of existing operations. The region now has 341 businesses from Germany; 607 from North America and more than 90 from Japan. The current economic situation is reflected in a slowdown of cases coming to fruition although interest remains high.

Regional Selective Assistance

175. For the third year there has been a decline in the number of full RSA applications received, with 180 during 1998/99 compared with 202 in 1997/98 and 279 in 1996/97. However, of the 190 decisions that were taken during the year, 143 led to offers of grant, which was an increase on the 135 offers made in 1997/98. With regards to the targets for the number of days taken to reach a decision, 100% of the 16 decisions in the £250,000 to £2 million band were achieved within the target dates as were 100% of the 21 decisions in the £100,000 to £249,000 band. 93% of the 107 decisions in the £25,000 to £99,000 were made within the target as were 98% of the 46 decisions in the band up to £25,000. These figures show improvement over last year although there is still some room for further progress.

176. Total grant offered was £37.7 million which includes an offer of £25 million to LDV Limited. The total associated investment costs were £2,949 million and it is expected that 5789 jobs will be created and safeguarded as a result.

177. The West Midlands Industrial Development Board (WMIDB) considered a total of 11 applications from the region and approved grant totalling £9 million. The amount of grant approved in the region for inward investment projects was £5.8 million as compared with £5 million in 1997/98.

Regional Enterprise Grants for Investment

178. The REG scheme for investment remained open during the year to two designated localities in the West Midlands affected by colliery closures. During the year, 4 full applications were received and 2 offers of grant were made, amounting to £8,973.

Membership

179. The year saw the departure of Mr John Avery and the retirement of Mr Michael Price CBE, after long service. Mr James Hunt resigned from the WMIDB but continues to represent the region's interests as a Board member of the newly formed West Midlands Regional Development Agency.

Regional Development Agency (RDA)

180. Members of the WMIDB met the Chairman and Chief Executive of the West Midlands RDA (now known as Advantage West Midlands – the Development Agency) to discuss its emerging strategy and to exchange views. The WMIDB very much welcomes the advent of Advantage West Midlands and looks forward to a constructive relationship with it, including the appointment of one of its Board members to the WMIDB.

M W TAYLOR OBE
Chairman

North West Industrial Development Board

Industry in the Region

181. Despite continued concerns over the strength of sterling and level of interest rates, North West business has fought hard in very testing global competitive conditions. An important feature of the region's business performance over 1998/99 has been the determined refocusing of a number of companies into more growth-orientated fields, including the acquisition of, or merger with other operations at home and

overseas. The level of business R & D as a proportion of the region's GDP is higher than in most other parts of Britain and determined efforts are being made to link appropriate academic research to the business community. For example, the recent £18 million Manchester Biosciences Incubator Centre is located next to the University's Medical and Biological Sciences School and follows earlier developments such as Wavertree (Merseyside) and Manchester Science Parks.

182. There are still some unfavourable comparisons between a number of sectors in the North West and the very best in Europe but productivity improvements are being made and the region has a higher manufacturing output per head than the UK average. Valuable orders have been won at both home and abroad in products as diverse as speciality foods, heat treatment engineering, technical tapes, paints, foam, and aerospace and hi-tech components etc. However, in the face of tight margins modernisation and rationalisation has ensued. This has led to job cutbacks in many manufacturing sectors. The service sector is also restructuring including elements of financial services. There have been a number of impressive retail developments including the Trafford Centre but there has also been some element of displacement affecting other outlets. A positive feature within the North West has been the growth of Call Centres.

183. Success stories within the production sector have tended to be associated with contracts won in a highly competitive environment but not necessarily associated with job creation. Refurbishment expenditure/production enhancement has tended to be more common than large new projects on the investment side. However, there have been notable building projects such as hotel and allied developments in both Liverpool and Manchester. On the manufacturing front the North West has benefited from its existing and American and European-owned multi-national presence. This has included Procter and Gamble's £100 million tissues and towels project at Trafford Park, X400 Jaguar Production at Halewood, Speke Garston strategic site developments, continued investment at Vauxhall's Ellesmere Port automotive facility, and the opening, in July 1998, of power Fab 2 by Philips at its Hazel Grove site. Together with power Fab1 the combined production creates about 2 million discrete semiconductors daily for use in products ranging from mobile phones to domestic appliances.

184. Despite a number of job losses the strategically important chemicals and engineering sectors have played a prime role in securing orders against intense competition from rivals elsewhere. The former have been involved in a number of refocusing projects including the enhancement and development of the speciality and fine chemicals fields as well as important restructuring in pharmaceuticals and nuclear fuels, both major activities within the North West. In the wider engineering field, automotive firms have performed fairly buoyantly and even in heavy goods vehicles, despite flatter demand, local firms have secured some useful orders. The region's aerospace sector is a European leader and is already benefiting from its strategic role in the Eurofighter and other military aircraft projects. There have been steady orders also on the Civil jets and components side. There has been some concern, however, about depressed demand in the Ordnance field of the defence sector.

185. The textile/textile products sector is under pressure on the more traditional side but there has been a favourable response to the cessation of the EU "Grey Cloth" import duty which was of concern to the local finishing industry. Technical and higher tech textiles continue to grow in importance with their applications diversifying to a wide range of other sectors. The paper/packaging and glass making industries are both in highly competitive markets. The latter has painfully restructured but represents a leading edge technology. Both the glass and chemical sectors have expressed concern about the potential impact of an Aggregates tax. In spite of tight margins the food and drink industry has provided a number of vibrant performances including speciality fields.

The Labour Market

186. In the North West the number of seasonally adjusted unemployed claimants fell by 8,200 in the 12 months to February 1999. On an unadjusted basis unemployment stood at 169,000 or 5.3% at February (GB 4.7%). There were wide variations within the region with Merseyside and industrial West Cumbria most adversely affected even with particularly low unemployment in Lakeland Cumbria. Overall figures, however, hide areas of severe deprivation in a number of the North West's urban and other locations. Wage costs were kept broadly in line with inflation. Skill shortages were a problem in a number of activities including shortages of engineers, welders, toolmakers etc and demand was especially sharp for IT and associated technical skills.

Regional Grants

187. Demand for RSA in the North West region fell against the previous year.

	1998-99	1997-98
Applications	287	324
Offers	229	235
Grant	£30,979,700	£67,127,000
Capital spending	£581,768,190	£646,164,325
Jobs created	5,814	6,407
Jobs safeguarded	3,573	5,633

188. RSA continues to provide an important source of funds for the smaller firm. Over 80% of the number of offers made were to businesses employing under 200 people and over one-third of offers made were for grants of £25,000 or less.

189. The Region's European Programmes (for Merseyside, Greater Manchester, Lancashire and Cheshire and West Cumbria & Furness respectively) are also facilitating much needed investment in the region. Examples include the Imperial War Museum for the North in Trafford, Kingsway in Rochdale, Speke Garston Development Company and the Estuary and Boulevard Business Parks. The Board believes that the continuation of European funding post-2000 is essential if the North West is to build on its achievement of recent years. Objective 1 status is guaranteed for Merseyside and the safety net agreed at the Berlin Summit restricts the loss of population coverage on Objective 2 to two thirds and includes transitional provisions for areas losing Objective 2 status.

Inward Investment

190. During the period, INWARD, the Regional Development Organisation, had a direct involvement in 63 inward investment projects attracting £1,020 million in capital expenditure and creating/safeguarding over 12,000 jobs. Of these 63 successes, Government Office-North West RSA played a part in 14 projects creating/safeguarding 2,663 jobs at a cost of £11,297 million of assistance. The decision of the Inward Board for Inward to become an integral part of the newly established North West Development Agency is much welcomed.

TECs and Business Links

191. The North West TECs and Business Links have continued to develop responsive and pro-active business support services for the region, recognising and acting upon key issues facing Small to Medium Sized Enterprises. The Business Link network was further enhanced by on-going organisational and structural change to meet the local needs, improving efficiency and reducing confusion to the end user. This, coupled with effective Brand Management by many of the Business Link partnerships, is helping to realise the one-stop shop approach to business support in the area.

North West Development Agency

192. The North West Industrial Development Board is committed to working with the North West Development Agency (NWDA) in its work to enhance the competitiveness of the Region. In developing and implementing a Regional Economic Strategy, the NWDA will be able to build on both the updated Regional Competitiveness strategy and Regional Innovation and Technology Action Plan published earlier in the year improving upon the strong partnership which underpinned both documents. The Board notes the leading role that the Government Office played in the development of these initiatives. The Board also welcomes the increasing sectoral agenda in the region and the good progress being made in developing regional initiatives in the chemical and biotechnology sectors. Here, the Government Office and Inward have been particularly active during the year.

Membership

193. Grahame Elliott, Chairman of the Board, retired during the year. Grahame served on the Board for a total of eight years. Fellow members join me in thanking him for his valuable contribution during his time in office.

194. Four new members joined the Board during the last year, Ray Armstrong, Lorraine Clinton, Peter Hynd and Karit Pathak and I myself was appointed as the new Chairman.

A RUIA
Chairman

East of England Industrial Development Board

General

195. The strength of sterling had an increasing effect as the year progressed with manufacturers having difficulty in maintaining export markets and experiencing a slow down in the domestic market. Some companies hoped that a strong Euro would progressively take pressure off the pound, while others began to consider transferring production abroad while retaining sales and R&D in the UK. In the second half of the year, farming, farming supplies and the processing of farming products became depressed. This impacted heavily on the region, especially in the Fenland area which has a strong agricultural base and has experienced redundancies and closures as a consequence.

Sectoral Analysis

196. The retail sector has been depressed due to over capacity and higher interest rates throughout the main part of the year. A number of new retail complexes were either granted permission to proceed or have opened up during the year, most notably the large development at The Festival Park near Basildon, Gorleston, near Great Yarmouth and the new Tesco supermarket on the outskirts of Peterborough.

197. The service sector remained stable throughout the year and continued to attract modest investment, although in line with manufacturing it exhibited signs of weakening towards the end of the year.

198. Manufacturers have reacted to the strong pound, shortage in the skill base and downturn in export trade by introducing reductions in overtime working and selective redundancies. Plans to spend on equipment and buildings have been deferred and there has been a rise in the number of companies restructuring and streamlining to remain competitive. Importers of raw materials and components have benefited from the strong pound and some manufacturers have looked to source components from abroad to maintain profit margins.

199. Skill shortages remained a problem throughout the year, especially in specialist areas and IT technology. In the more rural economies, Fenland and Central Norfolk, educational attainment and those staying on in education beyond the age of 17 continues to be a problem.

Inward Investment

200. The East of England Investment Agency reported handling 286 enquiries during the year from which 14 in-coming companies have now located in the region. 40% of enquiries came from USA, 25% from Europe and 25% from the Asian Pacific Basin. Electronics and Software lead the sector enquiries.

201. The Agency continues to work with the 1,400 foreign owned companies already located throughout the region.

Unemployment

202. Claimant count unemployment rates fell throughout the year from 3.5% in March 1998 to 3.2% in March 1999. This represents 86,800 people and is in line with National trends. The East Coast continues to experience unemployment well above the Regional average, notably Great Yarmouth (10.2%), Waveney (8.2%), Southend-on-Sea (7%) and Tendring (6.1%).

203. Of particular concern is the fact that the rate for young people (18 to 24 year olds) unemployed for over 24 months has dropped only marginally.

Government Assistance

204. 27 offers of RSA funding were issued during the year. 3 offers were declined or withdrawn. 3 are awaiting a response and the remaining 21 have been accepted representing funding of £581,500. The 21 accepted offers are expected to stimulate an additional investment of £4.5 million and lead to the creation of 241 new jobs and the safeguarding of a further 17. All offers were for grants of less than £100,000.

205. During the year covered by this report, the Board met twice and considered two applications for grant assistance. One application was rejected and the other was approved with pre-acceptance conditions. The applicant was unable to meet the pre-acceptance conditions and the offer lapsed.

Membership of the Board

206. During the year, no new members were appointed and six members were re-appointed. I would like to record my appreciation for the support and contribution received from all Board members and officials of the Government Office East of England.

E E ANSTEE
Chairman

London and South East Industrial Development Board

South East Region

General

207. The economy is competitive and strong in relatively new industries. It maintains its relative cost differential by having a highly skilled workforce, advanced industries, locational advantages such as London's amenities and services and the airports, and high levels of innovation and entrepreneurship. Banking, finance and insurance are strongly represented but the sector is now losing jobs due to mergers and new technology. Business services - including software production - is still the fastest growing sector of the economy and is most concentrated in the Thames Valley. The electrical and electronics industries are restructuring following cutbacks in defence spending but still form a significant industry sector in the region. GDP for the region as a whole is well above the UK average and in some areas, such as the Thames Valley, is significantly higher. That for the eastern coastal counties is around three-quarters of the UK average.

Unemployment

208. The unemployment rate for Thanet, the South East's sole Development Area, fell from 9.4% to 9.1%. Similar improvements occurred in Kent's Intermediate Areas. Sittingbourne and Sheerness down from 6.1% to 5.5%; Dover & Deal down from 6.9% to 5.2%; Folkestone down from 6.9% to 5.7%. Unfortunately these figures are still high in comparison with the average figures for the area, the Kent average in March 1999 being 4%. Unemployment on the Isle of Wight fell from 8.9% to 7.5% whilst Hastings in East Sussex saw an increase from 6.3% to 7.8%.

Inward Investment And Regional Development

209. The attraction of inward investment to the region continued to play an important role, with a number of new offers being made and some earlier investment intentions coming forward in physical form. Irausa have commenced construction of their new £12.5 million automotive component manufacturing facility at Manston Park in Thanet, which will lead to 231 new jobs. Other inward investors have also taken forward investment opportunities afforded by the availability of grants. South East Regional Investment Ltd, launched in November 1997, is to become part of the new South East England Development Agency.

Government Assistance

210. During the year 60 offers of RSA grants totalling £7.6 million were made to projects with a total capital expenditure of £69 million. These are expected to result in the creation and safeguarding of 1500 jobs. Payments of grant to companies as a result of project implementation and job creation totalled £3.2 million in 1998/99.

London Region

General

211. There is a growing consensus that the slow-down in the London economy has virtually ceased and London Chamber members are optimistic that after the pause in growth a relatively strong recovery will follow.

212. However, manufacturers are less optimistic and many sectors still face strong price competition in some important overseas markets. Investment intentions remain weak in manufacturing but are still quite positive in the service sector.

213. London GDP remained at around 15% of the national total. Prominent contributors were the paper and printing, chemical, fibres, electrical, optical, machinery and the food and beverage sectors.

Unemployment

214. The rate of unemployment in March 1999 stood at 5.3% compared to 4.6% for the UK as a whole. In the three Assisted Areas in London the rate was around 8%. Firms across many sectors have been recruiting but suitable candidates for retail jobs, the IT sector and construction industry are in short supply as are skilled engineers.

Inward Investment

215. London First Centre, in conjunction with the Government Office for London, has been active in seeking new investment projects for the region. During the year, London First Centre recorded 101 inward investment project completions. As a result, around 4,000 new jobs are expected to be created and a further 760 safeguarded.

216. Notable among the successes was London First Centre's 250th, the leading US internet services and connectivity provider Globix, which is setting up a European HQ in Camden creating 200 jobs over three years. Another was Level Three, a US communications and information service company whose European HQ will be based in the City creating 500 jobs.

Government Assistance

217. During the year 25 offers of RSA to the value of £1.4 million were made towards fixed costs of £11.1 million. These projects are expected to create 442 new jobs and safeguard 244.

The Board

218. The Board, which was formed in February 1995, has continued to advise on larger RSA cases and act as a forum for discussion of issues such as the factors affecting competitiveness in London and the South East. These discussions have been particularly constructive and have been fed into some of the future strategy programmes for London and the South East.

219. Nicholas Pearce resigned as a member of the Board at the end of December 1998 due to an increase in work commitments. I am grateful to him for the valuable contribution he made over four years of membership. There are now thirteen serving members on the Board.

Summary

220. The Board looks forward to continuing to make a constructive contribution to issues impacting on the regional economy during the forthcoming year.

I HERMAN
Chairman

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Sections 11 and 15 of the Industrial Development Act 1982

Section 11

1. The Secretary of State may make provision for the giving of advice (whether free of charge or otherwise) to persons carrying on or proposing to carry on a business.

2. Not later than six months after the end of any financial year in which this power is used, the Secretary of State shall prepare and lay before Parliament a report on the exercise during the year of his powers under this section.

3. In the application of this Section to a financial year beginning before the commencement of this Act, the reference in sub-section (2) above to the Secretary of State's powers under this Section shall include a reference to his powers under Section 18 of the Industry Act 1980.

Section 15

1. For each financial year the Secretary of State shall prepare a report on the discharge of his functions:

- (a) under Parts I to III and Sections 13 and 14 of this Act;
- (b) under Section 67(1) of the Town and Country Planning Act 1971 and Section 65(1) of the Town and Country Planning (Scotland) Act 1972 (Industrial Development Certificates);
- (c) under Part III of the Industry Act 1972 (including any functions in respect of guarantees given by him under Section 7 of the Shipbuilding Industry Act 1967);

and shall lay the report before Parliament not later than six months after the end of the financial year to which it relates.

2. The Secretary of State may discharge his duty under this Section in any year by making a report on his functions under Part I, Part II, Part III or Sections 13 and 14 of this Act or under the other enactments mentioned in sub-section (1) above and one or more separate reports on the remaining functions.

3. A report under this Section relating to Part III of this Act or Part III of the Industry Act 1972 shall contain a statement showing the total amount of the liabilities of the Secretary of State (exclusive of any liability in respect of interest on a principal sum) under guarantees given by him under Part III of this Act or Part II of that Act or, as the case may be, under Part III of that Act and in the latter case shall include liabilities under guarantees given under Section 7 of the Shipbuilding Industry Act 1967.

4. In the application of this Section in relation to a financial year beginning before the commencement of this Act any reference in sub-section (1) above to a provision of this Act shall include a reference to the enactment re-enacted in that provision.

APPENDIX 2

Unemployment Statistics

1998 UNEMPLOYMENT BY AA STATUS
(Broad base, see note (a))

<i>GO Region</i>	<i>Number (000)</i>	<i>Per Cent</i>
North East		
DA	74.7	7.9
IA	4.6	5.5
NAA	4.6	3.9
Total	83.9	7.7
North West (including Merseyside)(c)		
DA	57.3	8.3
IA	39.2	6.6
NAA	67.7	4.5
Total	164.1	7.9
Yorkshire & Humberside		
DA	23.4	8.3
IA	52.5	6.6
NAA	58.2	4.5
Total	134.1	5.7
East Midlands		
DA	3.9	7.1
IA	13.6	5.6
NAA	58.9	3.9
Total	76.3	4.3
West Midlands		
DA	41.3	6.1
IA	52.1	5.4
NAA	32.2	3.3
Total	125.6	4.9
Eastern		
IA	7.2	7.5
NAA	74.6	3.3
Total	81.8	3.4
South East (including London)(c)		
DA	4.2	8.8
IA	27.5	5.8
NAA	296.1	4.1
Total	327.9	4.2
South West		
DA	6.6	7.7
IA	19.4	5.2
NAA	57.6	3.1
Total	83.6	3.5
Wales		
DA	14.4	8.3
IA	38.3	5.5
NAA	16.6	4.6
Total	69.2	8.3
Scotland		
DA	80.9	7.1
IA	24.5	7.0
NAA	35.2	3.6
Total	140.5	5.8
Great Britain		
DA	306.7	7.4
IA	278.7	5.9
NAA	701.7	3.8
Total	1287.0	4.6

Notes

- (a) Unemployment data is a 12 month average over the financial year (to 31 March 1999) of the claimant count, with 1997 estimates of the total workforce used in calculating the (broad) base.
- (b) DA = Development Area
IA = Intermediate Area
NAA = Non Assisted Area
Assisted Area boundaries are as defined in August 1993. The Government Office regions are used.
- (c) Travel-to-work areas (TTWAs) have been attributed to regions on a best fit basis. It is not possible to split the South East/London and North West/Merseyside accurately.
- (d) Unemployment is for TTWAs incorporating 1991 ward boundaries.

APPENDIX 3

**Regional Enterprise Grants:
Applications Received, Offers Made, Offers Accepted, and Payments
Made: 1 April 1998 to 31 March 1999**

INVESTMENT GRANTS

	<i>Applications:</i>		<i>Offers:</i>				
	<i>Number</i>	<i>Project costs (£000)</i>	<i>Number</i>	<i>Offer Value</i>	<i>Number Accepted</i>	<i>Value of Accepted Offer</i>	<i>Payments (£000)</i>
Great Britain	39	2,961	36	311	34	297	793
Scotland	—	—	—	—	—	—	132
Wales	—	—	—	—	—	—	75
England	39	2,961	36	311	34	297	586
East Midlands	35	2,680	34	302	32	288	277
North East	—	—	—	—	—	—	50
North West(1)	—	—	—	—	—	—	62
South East	—	—	—	—	—	—	0
South West	—	—	—	—	—	—	35
West Midlands	4	281	2	9	2	9	72
Yorkshire & Humberside	—	—	—	—	—	—	90

Note

(1) North West figure includes data for Merseyside.

Statistics relating to Section 7 of the Industrial Development Act 1982

The tables in this Appendix follow the same format as in last year's report.

It should be noted that the data in this Appendix includes some offers of RSA administered under S8 of the Act. These were for applications received before revision of the Assisted Areas map on 1 August 1993 from areas which lost their Assisted Area status. For details of these cases see Appendix 6.

TABLE 1 PROJECT GRANTS BY ASSISTED AREA
APPLICATIONS RECEIVED 1 APRIL 1998 TO 31 MARCH 1999
CUMULATIVE APPLICATIONS RECEIVED 1 APRIL 1989 TO 31 MARCH 1999

Country/Region	Applications Received 1.4.98 to 31.3.99						Cumulative Applications Received 1.4.89 to 31.3.99					
	Development Areas		Intermediate Areas		All Assisted Areas		Development Areas		Intermediate Areas		All Assisted Areas	
	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)
Great Britain	917	440,577	674	153,912	1,591	594,489	9,840	3,895,608	9,285	1,690,567	19,125	5,586,175
Scotland	238	107,793	27	4,276	265	112,069	2,370	1,451,365	296	170,210	2,666	1,621,575
Wales	53	20,778	87	43,733	140	64,511	1,027	592,070	1,204	418,302	2,231	1,010,372
England	626	312,006	560	105,903	1,186	417,909	6,443	1,852,173	7,785	1,102,055	14,228	2,954,228
East	—	—	29	2,372	29	2,372	—	—	221	19,670	221	19,670
East Midlands	26	4,788	96	10,414	122	15,202	220	47,289	536	55,032	756	102,321
London	—	—	37	4,159	37	4,159	—	—	306	39,456	306	39,456
North East	238	46,892	14	37,561	252	84,453	2,660	583,395	239	65,497	2,899	648,892
North West(1)	163	39,974	126	14,741	289	54,715	1,865	580,580	2,068	245,444	3,933	826,024
South East	19	5,170	46	4,431	65	9,601	146	26,634	321	45,285	467	71,919
South West	17	9,333	24	12,689	41	22,022	324	54,348	543	95,158	867	149,506
West Midlands	93	194,570	86	9,217	179	203,787	638	422,317	2,211	351,687	2,849	774,004
Yorkshire and Humberside	70	11,279	102	10,319	172	21,598	590	137,610	1,340	184,826	1,930	322,436

Note

(1) North West figures include data for Merseyside.

TABLE 2 PROJECT GRANTS BY ASSISTED AREA
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1998 TO 31 MARCH 1999
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1989 (1) TO 31 MARCH 1999

Country/ Region	Offers Accepted 1.4.98 to 31.3.99						Cumulative Offers Accepted 1.4.89 to 31.3.99					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.98 to 31.3.99 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.89 to 31.3.99 (3) (£'000)
				New	Safeguarded					New	Safeguarded	
Great Britain:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	32,834
Development Area	712	186,902	1,334,919	21,431	7,882	166,896	7,164	2,232,357	18,579,629	245,595	84,515	1,474,608
Intermediate Area	498	64,898	978,505	13,416	5,797	98,574	6,693	885,342	10,875,952	156,794	83,484	680,169
Total	1,210	251,800	2,313,424	34,847	13,679	265,470	13,857	3,117,699	29,455,581	402,389	167,999	2,187,611
Scotland:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	9,846
Development Area	195	70,040	430,967	8,422	2,136	70,070	1,902	1,029,232	8,772,307	103,776	28,681	594,288
Intermediate Area	21	3,174	23,579	568	413	4,134	232	83,757	791,795	10,234	8,731	63,200
Total	216	73,214	454,546	8,990	2,549	74,204	2,134	1,112,989	9,564,102	114,010	37,412	667,334
Wales:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	2,333
Development Area	44	22,855	87,939	2,038	544	36,893	781	419,189	2,064,327	35,263	14,267	309,379
Intermediate Area	77	26,997	354,166	5,519	967	42,993	987	327,823	4,576,637	48,010	21,588	229,247
Total	121	49,852	442,105	7,557	1,511	79,886	1,768	747,012	6,640,964	83,273	35,855	540,959
England:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	20,655
Development Area	473	94,007	816,013	10,971	5,202	59,933	4,481	783,936	7,742,995	106,556	41,567	570,941
Intermediate Area	400	34,727	600,760	7,329	4,417	51,447	5,474	473,762	5,507,520	98,550	53,165	387,722
Total	873	128,734	1,416,773	18,300	9,619	111,380	9,955	1,257,698	13,250,515	205,106	94,732	979,318

(1) Information prior to 1989-90 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Forecast employment figures are based on company forecasts for the project at the time of the offer.

(3) Payments made in period shown includes payments on prior projects for which offer was accepted in an earlier year.

**TABLE 3 PROJECT GRANTS BY ASSISTED AREAS IN ENGLISH REGIONS
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1998 TO 31 MARCH 1999
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1989 (1) TO 31 MARCH 1999**

Country/ Region	Offers Accepted 1.4.98 to 31.3.99						Cumulative Offers Accepted 1.4.89 to 31.3.99					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.98 to 31.3.99 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (2)		Payments 1.4.89 to 31.3.99 (3) (£'000)
				New	Safeguarded					New	Safeguarded	
East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area Intermediate Area	22	661	5,513	285	17	690	160	8,607	56,171	1,883	1,406	6,038
East Midlands:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area Intermediate Area	18 64	3,039 4,064	20,748 39,974	435 960	22 301	2,097 4,257	145 387	16,447 26,715	139,406 315,515	3,693 6,505	655 4,276	13,436 16,815
London:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area Intermediate Area	22	1,219	11,396	381	169	3,076	181	16,986	142,466	4,326	1,872	10,034
North East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	20,288
Development Area Intermediate Area	203 10	24,700 1,027	268,912 10,694	4,260 319	1,183 27	18,334 1,328	1,966 183	321,070 16,383	4,152,296 172,882	49,197 3,972	10,262 1,773	264,727 18,655
North West:(4)												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	367
Development Area Intermediate Area	107 77	18,528 9,164	215,510 334,135	3,085 1,689	1,624 1,503	11,669 15,950	1,187 1,482	208,088 117,350	1,603,962 1,592,919	25,075 22,996	17,449 16,491	155,655 91,552
South East:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area Intermediate Area	16 24	3,465 1,360	19,160 16,460	407 438	12 67	1,676 1,564	110 218	14,990 17,970	122,778 299,866	2,010 4,729	473 1,887	6,202 9,233
South West:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area Intermediate Area	14 24	6,747 7,130	22,427 65,887	221 909	589 907	3,529 5,693	216 379	30,567 55,647	114,102 506,109	3,655 11,405	1,046 3,263	23,762 37,693
West Midlands:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area Intermediate Area	64 55	30,410 3,334	212,746 35,274	1,237 877	1,700 121	15,906 14,310	439 1,570	113,763 136,870	762,319 1,540,994	8,836 27,479	9,398 13,318	46,229 133,475
Yorkshire and Humberside:												
Special Development Area	—	—	—	—	—	—	—	—	—	—	—	—
Development Area Intermediate Area	51 102	7,118 6,768	56,510 81,427	1,326 1,471	72 1,305	6,722 4,579	418 914	79,011 77,234	848,132 880,598	14,090 15,255	2,284 8,879	60,930 64,228

- (1) Information prior to 1989-90 can be obtained from earlier Annual Reports of the Industrial Development Act.
(2) Forecast employment figures are based on company forecasts for the project at the time of offer.
(3) Payments made in period shown includes payments on prior projects for which offer was accepted in an earlier year.
(4) North West figures include data for Merseyside.

TABLE 4 PROJECT GRANTS — EMPLOYMENT
CUMULATIVE OFFERS ACCEPTED 1 APRIL 1989 TO 31 MARCH 1997
PAYMENTS AND EMPLOYMENT CREATED OR SAFEGUARDED 1 APRIL 1989 TO 31 MARCH 1999

Country/Region	Offers Accepted 1.4.89 to 31.3.97			Offers Accepted 1.4.89 to 31.3.97 where some payment made up to 31.3.99			Total Payments to 31.3.99 (£'000)	Employment created and safeguarded to 31.3.99
	No.	Value (£'000)	Forecast (1) Employment	No.	Value (£'000)	Forecast (1) Employment		
Great Britain	11,305	2,397,405	444,623	9,816	2,154,311	390,120	1,631,681	327,731
Scotland	1,686	852,536	117,217	1,418	765,193	101,680	540,138	82,023
Wales	1,506	584,539	95,456	1,229	518,190	83,588	389,096	67,381
England	8,113	960,330	231,950	7,169	870,928	204,852	702,447	178,327
East	123	7,489	2,769	110	6,536	2,493	5,619	2,270
East Midlands	353	27,820	10,786	299	24,129	9,196	21,732	7,977
London	123	12,925	4,623	100	11,747	4,143	8,615	3,490
North East	1,732	293,067	53,324	1,541	271,931	47,383	220,410	39,760
North West(2)	2,263	218,866	57,389	2,040	192,475	50,527	166,492	47,889
South East	238	22,654	6,406	210	19,405	5,823	13,603	5,040
South West	513	65,920	14,972	448	57,912	13,020	47,531	11,290
West Midlands	1,753	182,549	49,874	1,500	168,850	44,453	123,433	37,716
Yorkshire and Humberside	1,015	129,040	31,807	921	117,943	27,814	95,012	22,895

(1) Forecast employment figures are based on company forecasts for the project at the time of offer.

(2) North West figures include data for Merseyside.

TABLE 5 PROJECT GRANTS(1) IN GREAT BRITAIN BY TYPE OF INDUSTRY
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1989 (1) TO 31 MARCH 1999

Standard Industrial Classification (SIC) 1992	Cumulative Offers Accepted 1.4.89 to 31.3.99						Payments 1.4.89 to 31.3.99 (3) (£'000)
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast (2) Employment			
Class/Description				New	Safeguarded		
01-05 Agriculture, hunting, forestry and fishing	34	3,716	54,206	435	589	999	
10-14 Mining & Quarrying	36	6,174	52,793	769	115	3,276	
15-37 Manufacturing:							
15-16 Food, beverages & tobacco	902	202,181	1,393,627	30,294	13,146	155,461	
17-19 Textiles, clothing, leather & footwear	975	103,910	702,875	20,930	10,498	90,724	
20-22 Wood, paper, printing & publishing	1,300	162,402	1,797,795	20,090	10,532	138,785	
23-25 Coke, petroleum, nuclear fuels, chemicals, m.m.fibres, rubber & plastic	1,485	336,096	3,507,913	37,657	20,811	268,057	
26 Non-metallic mineral products	408	60,180	657,845	8,081	5,390	49,370	
27-28 Metals & fabricated metal products	2,664	245,584	2,014,056	38,644	18,571	195,850	
29 Machinery & equipment nes	1,282	235,840	1,760,903	28,661	19,086	159,854	
30-33 Electrical & optical equipment	1,393	957,763	11,408,405	100,923	27,536	579,533	
34-35 Transport equipment	588	433,886	3,499,806	35,297	30,823	305,245	
36-37 Other manufacturing	724	65,485	459,540	12,724	3,238	47,083	
40-41 Electricity, gas & water supply	10	1,538	8,192	224	130	1,146	
45 Construction	246	12,976	122,624	4,009	632	9,618	
50-52 Wholesale & retail trade, repairs	583	55,907	471,877	12,417	2,271	42,497	
55 Hotels & restaurants	37	3,896	24,925	948	269	2,439	
60-64 Transport, storage & communication	156	23,501	189,220	7,273	1,077	16,502	
65-67 Financial intermediation	60	84,745	549,025	19,982	1,223	42,904	
70-74 Real estate, renting & business activities	759	79,562	490,221	17,402	1,462	45,504	
75-99 Other Services	215	42,357	289,733	5,629	600	32,763	
Total	13,857	3,117,699	29,455,581	402,389	167,999	2,187,611	

(1) Information on closed schemes and on Project Grants prior to 1989-90 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

(3) Payments made in period shown includes payments on prior projects for which offer was accepted in an earlier year.

TABLE 6 PROJECT GRANTS BY COUNTRY
APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 1995-96 TO 1998-99

Country	Financial year of application, acceptance or payment	Applications		Offers Accepted (1)		Associated Project Costs (£'000)	Forecast (2) Employment		Payments (3) (£'000)
		No.	Value (£'000)	No.	Value (£'000)		New	Safeguarded	
Great Britain:	1995-96	2,307	672,202	1,770	307,022	3,660,907	40,608	18,673	235,773
	1996-97	1,981	727,076	1,538	420,432	3,808,285	47,807	24,828	217,140
	1997-98	1,761	557,856	1,342	468,494	6,504,704	56,115	21,124	267,350
	1998-99	1,591	594,489	1,210	251,800	2,313,424	34,847	13,679	265,470
Scotland:	1995-96	256	233,315	207	92,898	790,289	9,015	3,494	70,085
	1996-97	256	220,779	207	150,123	932,309	12,609	4,310	72,344
	1997-98	274	173,652	232	187,239	2,846,764	19,360	3,306	76,502
	1998-99	265	112,069	216	73,214	454,546	8,990	2,549	74,204
Wales:	1995-96	218	92,849	177	59,054	562,425	6,487	3,613	53,011
	1996-97	203	163,326	181	105,877	1,102,287	11,036	5,651	47,534
	1997-98	162	75,953	141	112,621	1,828,038	12,241	2,363	75,674
	1998-99	140	64,511	121	49,852	442,105	7,557	1,511	79,886
England:	1995-96	1,833	346,038	1,386	155,070	2,308,193	25,106	11,566	112,677
	1996-97	1,522	342,971	1,150	164,432	1,773,689	24,162	14,867	97,262
	1997-98	1,325	308,251	969	168,634	1,829,902	24,514	15,455	115,174
	1998-99	1,186	417,909	873	128,734	1,416,773	18,300	9,619	111,380

(1) Accepted in period shown includes projects for which the application was received in an earlier year. Revisions to offers in the year of initial acceptance.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

(3) Payments made in period shown includes payment on projects for which offer was accepted in an earlier year.

TABLE 7 PROJECT GRANTS IN ENGLISH REGIONS
APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 1995-96 TO 1998-99

Region	Financial year of application, acceptance or payment	Applications		Offers Accepted (1)		Associated Project Costs (£'000)	Forecast (2) Employment		Payments (3) (£'000)
		No.	Value (£'000)	No.	Value (£'000)		New	Safeguarded	
East:	1995-96	54	2,634	45	1,273	7,774	247	356	1,782
	1996-97	40	5,593	33	3,194	17,837	650	348	1,177
	1997-98	23	1,618	15	456	5,321	203	15	1,972
	1998-99	29	2,372	22	661	5,513	285	17	690
East Midlands:	1995-96	101	10,866	87	7,637	86,328	1,515	1,852	3,053
	1996-97	125	14,413	99	7,132	69,248	1,765	262	5,980
	1997-98	127	12,232	97	8,238	91,144	1,782	843	7,319
	1998-99	122	15,202	82	7,103	60,722	1,395	323	6,354
London:	1995-96	85	13,283	54	6,335	48,128	1,370	765	1,389
	1996-97	73	9,302	32	4,077	39,490	719	752	2,628
	1997-98	51	5,301	36	2,842	22,500	902	123	2,502
	1998-99	37	4,159	22	1,219	11,396	381	169	3,076
North East:	1995-96	414	156,014	335	56,276	1,358,275	6,606	2,178	43,937
	1996-97	288	35,344	239	41,352	686,149	7,678	2,406	22,700
	1997-98	276	35,021	204	18,660	156,837	5,091	1,000	35,948
	1998-99	252	84,453	213	25,727	279,607	4,579	1,210	19,662
North West:(4)	1995-96	402	52,631	294	31,385	327,726	5,863	2,218	23,289
	1996-97	389	116,783	277	20,070	210,692	3,857	1,809	21,790
	1997-98	324	155,199	222	78,881	745,928	7,402	9,319	20,379
	1998-99	289	54,715	184	27,691	549,645	4,774	3,127	27,619
South East:	1995-96	144	25,794	96	7,446	61,573	1,618	553	3,696
	1996-97	91	12,875	85	11,613	137,169	1,903	1,566	3,512
	1997-98	71	4,451	50	5,481	156,151	1,694	75	4,246
	1998-99	65	9,601	40	4,825	35,620	845	79	3,240
South West:	1995-96	63	9,960	48	10,577	85,096	2,096	332	6,733
	1996-97	49	11,311	38	8,533	66,929	1,247	681	6,913
	1997-98	47	12,526	44	6,417	61,504	1,549	222	4,037
	1998-99	41	22,022	38	13,877	88,313	1,130	1,496	9,222
West Midlands:	1995-96	353	34,086	286	23,905	227,843	3,874	2,683	13,130
	1996-97	276	107,881	184	53,460	328,961	3,618	5,277	23,905
	1997-98	201	60,262	137	34,341	431,831	2,445	2,777	28,282
	1998-99	179	203,787	119	33,744	248,020	2,114	1,821	30,216
Yorkshire & Humberside:	1995-96	217	40,770	141	10,236	105,450	1,917	629	15,668
	1996-97	191	29,469	163	15,001	217,214	2,725	1,766	8,657
	1997-98	205	21,641	164	13,318	158,686	3,446	1,081	10,489
	1998-99	172	21,598	153	13,887	137,937	2,797	1,377	11,301

(1) Accepted in period shown includes projects for which the application was received in an earlier year. Revisions to offers in the year of initial acceptance.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

(3) Payments made in period shown includes payment on projects for which offer was accepted in an earlier year.

(4) North West figures include data for Merseyside.

TABLE 8 PROJECT GRANTS BY UK AND FOREIGN OWNED COMPANIES
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1998 TO 31 MARCH 1999
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1989 TO 31 MARCH 1999

Country/ Region	Offers Accepted 1.4.98 to 31.3.99						Cumulative Offers Accepted 1.4.89 to 31.3.99					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (1)		Payments 1.4.98 to 31.3.99 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment (1)		Payments 1.4.89 to 31.3.99(2) (£'000)
Great Britain:												
UK Owned	1,074	144,804	1,030,677	22,421	8,952	109,467	12,493	1,503,905	11,303,504	254,724	95,991	1,102,017
Foreign Owned	136	106,996	1,282,747	12,426	4,727	156,003	1,364	1,613,794	18,152,077	147,665	72,008	1,085,594
Total	1,210	251,800	2,313,424	34,847	13,679	265,470	13,857	3,117,699	29,455,581	402,389	167,999	2,187,611
Scotland:												
UK Owned	180	34,829	193,555	4,469	1,893	28,264	1,686	456,598	2,862,053	56,680	23,259	292,313
Foreign Owned	36	38,385	260,991	4,521	656	45,940	448	656,391	6,702,049	57,330	14,153	375,021
Total	216	73,214	454,546	8,990	2,549	74,204	2,134	1,112,989	9,564,102	114,010	37,412	667,334
Wales:												
UK Owned	94	22,883	107,457	4,354	761	26,858	1,439	322,193	1,962,249	46,701	15,191	241,927
Foreign Owned	27	26,969	334,648	3,203	750	53,028	329	424,819	4,678,715	36,572	20,664	299,032
Total	121	49,852	442,105	7,557	1,511	79,886	1,768	747,012	6,640,964	83,273	35,855	540,959
England:												
UK Owned	800	87,092	729,665	13,598	6,298	54,345	9,368	725,114	6,479,202	151,343	57,541	567,777
Foreign Owned	73	41,642	687,108	4,702	3,321	57,035	587	532,584	6,771,313	53,763	37,191	411,541
Total	873	128,734	1,416,773	18,300	9,619	111,380	9,955	1,257,698	13,250,515	205,106	94,732	979,318
East:												
UK Owned	22	661	5,513	285	17	690	160	8,607	56,171	1,883	1,406	6,038
Foreign Owned	—	—	—	—	—	—	—	—	—	—	—	—
East Midlands:												
UK Owned	78	5,124	43,138	1,133	308	5,134	509	36,065	381,081	9,027	4,372	24,351
Foreign Owned	4	1,980	17,584	262	15	1,220	23	7,097	73,840	1,171	559	5,900
London:												
UK Owned	22	1,219	11,396	381	169	1,910	173	12,788	103,539	3,784	964	7,549
Foreign Owned	—	—	—	—	—	1,165	8	4,198	38,926	542	908	2,486
North East:												
UK Owned	193	12,187	101,598	3,223	330	11,459	2,011	169,735	1,516,483	35,890	7,002	141,935
Foreign Owned	20	13,540	178,009	1,356	880	8,203	138	167,718	2,808,695	17,279	5,033	161,735
North West:(3)												
UK Owned	170	18,213	186,433	3,786	2,004	13,179	2,546	195,373	1,643,954	38,393	20,433	155,222
Foreign Owned	14	9,478	363,212	988	1,123	14,439	123	130,064	1,552,927	9,678	13,507	92,351
South East:												
UK Owned	35	2,149	19,317	523	79	2,045	316	21,410	197,809	4,604	2,014	13,216
Foreign Owned	5	2,675	16,303	322	—	1,195	12	11,550	224,835	2,135	346	2,219
South West:												
UK Owned	33	9,552	48,919	672	1,029	5,180	541	49,397	298,392	8,669	2,519	37,079
Foreign Owned	5	4,325	39,394	458	467	4,043	54	36,817	321,819	6,391	1,790	24,376
West Midlands:												
UK Owned	109	30,585	217,589	1,545	1,765	6,512	1,864	118,693	1,084,705	24,893	10,457	91,378
Foreign Owned	10	3,159	30,431	569	56	23,704	145	131,941	1,218,608	11,422	12,259	88,326
Yorkshire and Humberside:												
UK Owned	138	7,402	95,762	2,050	597	8,236	1,248	113,046	1,197,068	24,200	8,374	91,011
Foreign Owned	15	6,485	42,175	747	780	3,066	84	43,199	531,663	5,145	2,789	34,147

(1) Forecast employment figures are based on company forecasts for the project at the time of offer.

(2) Payments made in period shown includes payments on prior projects for which offer was accepted in an earlier year.

(3) North West figures include data for Merseyside.

TABLE 9 CLOSED SCHEMES
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1989(1) TO 31 MARCH 1999

Country/Region	Old Criteria Grants (2)			OSIS Grants (3)			Training Grants (4)		
	Cumulative Offers		Payments	Cumulative Offers		Payments	Cumulative Offers		Payments
	No.	Value (£'000)	(£'000)	No.	Value (£'000)	Value (£'000)	No.	Value (£'000)	(£'000)
Great Britain	1	50	30	—	—	67	—	—	4,539
Scotland	—	—	—	—	—	—	—	—	4,303
Wales	—	—	—	—	—	—	—	—	189
England	1	50	30	—	—	67	—	—	47
East Midlands	—	—	—	—	—	—	—	—	—
North East	1	50	30	—	—	—	—	—	47
North West	—	—	—	—	—	67	—	—	—
South West	—	—	—	—	—	—	—	—	—
West Midlands	—	—	—	—	—	—	—	—	—
Yorkshire and Humberside	—	—	—	—	—	—	—	—	—

(1) Information prior to 1989-90 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Includes Interest Relief and Removal Grants. Closed to new applications from July 1979.

(3) OSIS = Office and Service Industries Scheme. Closed to new applications from November 1984.

(4) Closed to new applications from December 1988.

TABLE 10 PAYMENTS MADE BY FINANCIAL YEAR FROM 1989-90(1) FOR GREAT BRITAIN

£'000

Financial Year	Project Grants	Old Criteria Grants (2)	Training Grants	OSIS Grants (3)	Total
1989-90	173,585	—	2,888	67	176,540
1990-91	185,944	—	1,366	—	187,310
1991-92	192,934	—	96	—	193,030
1992-93	188,788	—	—	—	188,788
1993-94	213,593	—	—	—	213,593
1994-95	247,035	—	—	—	247,035
1995-96	235,773	—	—	—	235,773
1996-97	217,140	—	—	—	217,140
1997-98	267,350	—	—	—	267,350
1998-99	265,470	—	—	—	265,470

(1) Information prior to 1989-90 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Includes Interest Relief and Removal Grants.

(3) OSIS = Office and Service Industries Scheme.

TABLE 11 APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 1998 TO 31 MARCH 1999
CUMULATIVE APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 1989 TO 31 MARCH 1999

Country/Region	Applications Rejected and Withdrawn 1.4.98 to 31.3.99			Cumulative Applications Rejected and Withdrawn 1.4.89 to 31.3.99		
	DA	IA	Total	DA	IA	Total
Great Britain	122	125	247	2,204	2,157	4,361
Scotland	25	3	28	333	50	383
Wales	2	10	12	214	184	398
England	95	112	207	1,657	1,923	3,580
East	—	3	3	—	51	51
East Midlands	2	20	22	59	119	178
London	—	13	13	—	78	78
North East	27	3	30	642	68	710
North West(1)	40	26	66	544	459	1,003
South East	1	4	5	18	48	66
South West	1	2	3	111	177	288
West Midlands	19	28	47	148	547	695
Yorkshire and Humberside	5	13	18	135	376	511

DA = Development Area.

IA = Intermediate Area.

(1) North West figures include data for Merseyside.

APPENDIX 5

Financial Assistance under Section 13 of the Industrial Development Act 1982

TABLE IMPROVEMENT OF BASIC SERVICES IN THE ASSISTED AREAS

Department	Service	Applications				Applications Approved			
		Brought Forward from 1997-98	Received in 1998-99	Rejected	Withdrawn	Under Consideration	Number	Estimated Cost (a) (£'000)	Estimated Grant (a) (£'000)
Department of the Environment, Transport and the Regions	Sewerage	1	nil	1	nil	nil	2	1,050	228
	Water	1	nil	nil	nil	nil	nil	nil	nil
	Water and Sewerage	15	3	nil	nil	nil	3	2,326	346
	Roads	3	3	1	1	3	1	603	181
Scottish Office									
Development Dept	Roads	1	1	nil	nil	nil	1	219	66
Environment Department	Water supply	nil	nil	nil	nil	nil	nil	nil	nil
	Sewerage	nil	nil	nil	nil	nil	nil	nil	nil
Welsh Office	Roads	2	nil	1	1	nil	nil	nil	nil
	Water	8	nil	nil	3	3	2	6,954	175
	Sewerage	nil	nil	nil	nil	nil	nil	nil	nil
Total		31	7	3	5	6	9	11,152	996

(a) These figures represent the position at 31 March 1999 for those applications approved during the year. There has been a nil return from Oil & Gas Directorate and the Energy Utilities Directorate in the Department of Trade and Industry for the past two years. Previous figures are available in the appropriate Annual Report.

APPENDIX 6

RSA cases under section 8 of the Industrial Development Act 1982

APPLICATIONS RECEIVED IN TRANSITIONAL AREAS*

OFFERS ACCEPTED AND PAYMENTS MADE FOR THE PERIOD 1 AUGUST 1993 TO 31 MARCH 1999

Country/Region	Applications		Offers Accepted		Associated Project Costs (£'000)	Forecast Employment		Payments 1.8.93 to 31.3.99 (£'000)
	No.	Value (£'000)	No.	Value (£'000)		New	Safeguarded	
Great Britain	301	77,615	141	22,174	182,321	3,222	1,761	15,361
Scotland	—	—	—	—	—	—	—	—
Wales	92	39,865	39	13,042	88,338	1,328	1,134	9,580
England	209	37,750	102	9,132	93,983	1,894	627	5,781
East	—	—	—	—	—	—	—	—
East Midlands	34	17,579	12	1,628	16,381	339	98	867
London	—	—	—	—	—	—	—	—
North East	8	1,342	4	88	715	20	—	65
North West	90	7,060	45	2,213	25,949	607	200	987
South East	—	—	—	—	—	—	—	—
South West	7	1,066	2	200	851	46	—	175
West Midlands	34	5,042	16	1,982	21,477	307	286	1,147
Yorkshire and Humberside	36	5,661	23	3,021	28,610	575	43	2,540

* Transitional Areas are areas that were assisted before the map change on 1.8.93 and became non-assisted thereafter.

APPENDIX 7

Chairmen and Members of the Industrial Development Advisory Boards and Industrial Development Boards

During the year some changes were made to the membership of some of the Boards. The names below represent the position at 31 March 1999.

Industrial Development Advisory Board

Chairman

Sir Anthony Cleaver
Chairman, AEA Technology

Members

Mr J Robinson
Chairman, Smith & Nephew Plc
Mr R Brown
Director, Unilever
Hon M Bullock
Group Chief Executive, Norwich & Peterborough Building Society
Dr R Hawley
Advisor, HSBC Investment Bank Plc
Miss R Hedley-Miller
Group Director, Dresdner Kleinwort Benson Ltd
Mr G Horsfield
Director, PricewaterhouseCoopers
Mr R Laphorne CBE
Executive Vice-Chairman, British Aerospace Plc
Mr N Macdonald
Senior Partner, Ernst & Young
Mr D Brown
Chairman, Motorola Ltd
Sir Victor Blank
Deputy Chairman, Great Universal Stores Plc

Scottish Industrial Development Advisory Board

Chairman

Mr J J G Good CBE
Chairman & Chief Executive, Edrington Holdings Ltd

Members

Mr I P Bankier
Group Managing Director, Burn Stewart Distillers Ltd
Mr D R Campbell
Deputy Chairman, Enterprise Ayrshire
Mr D M Gray
Business Development Manager, Scottish & Southern Energy plc
Professor J S MacLeod
Former Partner, Ernst & Young
Mrs C McAteer
Regional Officer, Manufacturing Science & Finance Union
Mr J McColl
Chairman & Chief Executive, Clyde Blowers plc
Dr D McKay
Managing Director, FCI Systems & Assembly Division - Europe
Professor J Murray
Former Head of Mechanical Engineering, Heriot Watt University
Mr J Quigley
Regional Officer, Amalgamated Engineering & Electrical Union
Mrs M Seymour
Managing Director, Seymour Swimming Pool Engineers
Mr P Timms CBE
Chairman & Managing Director, Flexible Technology Ltd

Welsh Industrial Development Advisory Board

Chairman

Mr K Hodge OBE
Corporate Director (Retired), Barclays Bank Plc

Members

Mrs S Drury
Director, Kemitron Plc
Mr D G Edwards
Managing Director, Alcan Rolled Products UK
Mr P R Marshall OBE
Senior Partner, Broomfield & Alexander Chartered Accountants
Mrs P M Phillips MBE
Divisional Officer (Retired), South Wales and West Division USDAW
Mr M J Reilly OBE
President, Calsonic International (Europe) Ltd
Mr G Long
International Development Director (Retired), Allevard
Mr J Maddock
Managing Director, Simbec Research Ltd

North East Industrial Development Board

Chairman

Mr J Ward OBE
Regional Director (Retired), Barclays Bank Plc

Members

Mr K Tipping
Managing Director, Komatsu UK Ltd
Mr M J Stephenson
Managing Director, Helena Laboratories (UK) Ltd
Mr M F Leonard
Partner (Retired), Touche Ross
Mr R H Maudslay
Former Managing Director, Rolls Royce Power Group
Mr C S Thompson
Group Managing Director, Express Engineering (Thompson) Ltd
Miss S Wilson
Chief Executive, The Newcastle Initiative
Mr R Howard
Regional Secretary, Trades Union Congress
Mr A D Goldman
Chairman (Retired), The Sage Group Plc
Mr H Morgan-Williams
Chairman & Financial Director, Canford Group Plc
Mr M Kellaway
Managing Director, Forbo-CP Ltd

West Midlands Industrial Development Board

Chairman

Mr M W Taylor OBE
Director, Megila Ltd

Members

Mr J L Bloxham
Chairman & Managing Director, Cincinnati Milacron UK Ltd

Mr G J Green
Chairman, Corporate Communications Co.
 Mr J L Hudson
Non-Executive Chairman, Birmingham International Airport Company
 Mr J Evans
Managing Director, Lemforder UK Ltd
 Ms J A Lodge
Partner in charge of Midlands audit practice, Deloitte & Touche
 Mr G L Long
Head of Credit & Risk, Midland Bank Plc
 Mr G Clements
Group Managing Director, Ishida Europe Ltd
 Mr R Small
Managing Director, TRW Automotive Systems Ltd
 Mr J H Millett
Company Financial Controller, Rover Group (part of BMW Group)
 Mr P C Sabapathy OBE
Chief Executive of North Birmingham Community Health Service NHS Trust

North West Industrial Development Board

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Director, Wrengate Ltd
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Managing Director, Sealey UK
 Mr A C Pilkington
Consultant, Automotive Industry
 Mr K K Pathak
Chairman/Chief Executive, Kirpac Ltd
 Mr J C Dixon
Chairman, Penthouse Carpets Ltd
 Mr D McCall
Regional Secretary, T&G Workers Union
 Mr A J Strachan
Agent North West (Manchester) Agency, Bank of England
 Mr R Armstrong
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 Mrs L E Clinton
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 Mr P Hynd
Chairman, Neptune Developments

South West Industrial Development Board

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Chairman, Head of Business for Rolls Royce Aero Engines Ltd
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South West Agent, Bank of England
 Mr D J Hider
Chairman (Retired), Cheltenham Renovators
 Mrs A M Harris OBE
Managing Director, Mapline Engineering (Christchurch) Ltd
 Mr M E Kelsey
Director & Chief Executive, Engineering Employers Western Association
 Mr S G A Loze

Chairman and Managing Director, Pot Black (UK) Ltd
 Mr E J Newton
Managing Director, John Heathcote & Co Ltd
 Mr J B Knowles
Managing Director, Dek Printing Machines Ltd
 Mrs N M Lamond
Director of Finance, Falmouth College of Arts
 Mr T Smallwood OBE
Chairman, First Bus Plc
 Dr R Bown
Research & Technology Director, English China Clays Plc
 Mr B J Sherwin
Managing Director, Wrafton Laboratories Ltd
 Mr N Gibson
Regional Director, Lloyds/TSB
 Mrs B Spiers
Chair, Institute of Directors (West of England)

Yorkshire and the Humber and East Midlands Industrial Development Board

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Members
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Chief Executive, David Brown Group Plc
 Mr H M Birdwisa
Executive Vice-President, Koyo Bearings (Europe) Ltd
 Mrs G Mettyear
Managing Director, Merits Business Systems Ltd
 Mr A Berryman
Managing Director, Welbeck Fabrics Ltd
 Mr N G Adnitt
Operations Director, Solway Foods Ltd
 Mr A J Stradling
Consultant, Electronics Sector
 Mr J A Hailey
Managing Director, Swift Group Ltd
 Mrs J A Kenny
Managing Director, Pyronix Ltd
 Mr W McCosh
Managing Director, Mansfield Breweries
 Mr B Ruffell-Ward
Director, Seachill Ltd
 Mr P Hubbard
Managing Director, Biwater Industries Ltd

East of England Industrial Development Board

Chairman
 Mr E E Anstee
Group Finance Director, Old Mutual Berkeley Square Ltd
Members
 Mr B Braithwaite
Chief Executive, The Welding Institute (TWI)
 Mr D Burall
Chairman and Managing Director, Burall Ltd
 Mr D Connolly
Managing Director, DFDS Ltd
 Mr J Tweddle
Senior Partner, Bidwell Chartered Surveyors

Ms E Oddie
Partner, Morison Stoneham
Mr D Collins
Regional Office, AE&EU
Mr M Clark
Deputy Managing Director, Harvestime Ltd
Mr D Evans
Director of Operations, Bard Ltd
Dr D Hodgins
*Consultant & Managing Director, European Technology for
Business Ltd*
Mr D Priest
Managing Director, Woods Air Movement Ltd
Mr J Carter
*General Manager (Retired), Gas Supply Group, Shell UK
Exploration & Production*
Ms C Dickson
Audit Partner, Chantrey Vellacott

**London and South East Industrial Development
Board**

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Mr I Herman
Chairman, The Absolute Magazine Company
Members
Mr C D Dane OBE
Director, The Dane Group
Mr E P C Donaldson
Managing Director, KPMG Peat Marwick
Mrs P Edwards
Independent Consultant, Wells Associates
Mr A Goddard
Independent Consultant
Miss A Gardner
Senior Tax Manager, Binder Hamlyn
Mr S Iles
Banker, South East, Bank of England
Mr D J Longford
Independent Consultant, Aricon Design and Management
Mr T K J Raja
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