Monthly Labour Market Report

Llywodraeth Cymru
Welsh Government

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Welcome

The Monthly Labour Market Report from the Learning and Skills Observatory Wales (LSO) aims to provide the main headlines on the Welsh labour market and is based on the latest data available.

This month's issue puts the spotlight on which sectors contribute most to the Welsh economy, employ the most people and are likely to see growth in the future.

This report was produced by the Centre for Economic and Social Inclusion (known as *Inclusion*), commissioned by Welsh Government to blend Wales's available labour market information (LMI) (from the various sources) and produce a monthly analysis. Whilst the report is owned by Welsh Government it is not validated in terms of its specific content or interpretation.

Inclusion has an unrivalled understanding of the labour market based on over 28 years of experience of working with the range of stakeholders involved in delivering employment and skills services. We collect and analyse both national and local labour market data through our well developed Local Labour Market Information System, conduct research on employment and skills issues at the local level, run events that bring together policymakers and providers in the skills and employment sector, and produce weekly e-briefings that summarise what is new in employment and skills for our subscribers.

We currently supply monthly employment and skills data to the Greater London Authority, as well as providing labour market tools and analysis for Greater Manchester.

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Latest labour market trends

Employment

Employment data from the Labour Force Survey (LFS) – estimates obtained from a large sample quarterly rolling survey of households – show that Wales performed better in terms of employment growth than both the UK average and many of the regions of England in the quarter April–June 2013, although there was a slight fall in the employment rate.

The (seasonally adjusted) LFS estimate of the number of people aged 16 and over in employment in Wales increased by 5,000 (+0.4%) compared to the previous quarter (January–March 2013) to a total of 1.366 million. There was a corresponding increase in total UK employment of 69,000 (+0.2%). However, employment fell in five of the nine English regions (the North East, Yorkshire and Humberside, the West Midlands, London and the South West). The quarterly increase in employment in Wales is comprised of an increase in male employment of 6,000 (+0.8%) and a decrease in female employment of 1,000 (–0.2%).

The working age employment rate for Wales (i.e. the proportion of the population aged 16–64 in employment) decreased in the quarter by 0.1 percentage points. By contrast the UK average employment rate increased by 0.1 percentage points in the quarter. The relative changes in employment rates result in an employment rate gap between Wales (69.4%) and the UK average (71.5%) of 2.1 percentage points in April–June 2013 (see LMI scorecard). Within the UK, only Northern Ireland (66.3%), North East England (66.5%), the North West (69.1%) and the West Midlands (69.2%) have a lower employment rate than Wales. The South East (75.8%) has the highest employment rate in the UK.

Unemployment and economic inactivity

The number of people in Wales who are unemployed on the International Labour Organisation (ILO) LFS based measure increased by 1,000 to 122,000 in the April–June quarter of 2013. The ILO unemployment rate was unchanged at 8.2%, as was the UK average rate of ILO unemployment (at 7.8%).

The male ILO unemployment rate in Wales for April–June 2013 is 8.6% (down 0.4 percentage points from January–March 2013), the female unemployment rate is 7.7% (up 0.4 percentage points from January–March 2013). The average annual ILO unemployment rates by age for Wales in 2012 were as follows: 16–24 year olds, 23.6%; 25–34 year olds, 8.6%; 35–49 year olds, 4.9% and 50–64 year olds, 4.4%.

The administrative count of people unemployed and claiming Jobseeker's Allowance (JSA) is lower (73,400, 5% in July 2013) than ILO unemployment because non-JSA claimant jobseekers are excluded. The number of JSA claimants in Wales fell by 1,800 between June and July 2013 and by a total of 6,300 over the year to July 2013. However, care should be taken in interpreting change in the claimant count since this can be influenced by changes to the benefit system, as well as underlying change in the labour market.

ILO unemployment in Wales increased slightly during the April–June quarter, despite an increase in employment because of a corresponding increase of 5,000 in the supply of available labour in the Wales economy (i.e. the number of economically active people). However, the balance between employment growth and labour supply growth is different for men and women. In the case of men, the quarterly increase in employment exceeded growth in labour supply, with the result that the number of men unemployed fell by under 3,000 (–3.8%). For women, by contrast, a combination of an increase in the supply of labour and a decrease in employment resulted in an increase of over 3,000 (+6.5%) in the number of women unemployed. Note, however, that quarterly changes in these variables can be volatile – care should thus be taken not to read too much into a single quarter's figures. In April–June 2013 the number of men unemployed in Wales was just under 2,000 (–2.6%) lower than in the corresponding quarter of 2012 and the number of women unemployed over 2,000 (–4.4%) lower.

The 8.2% ILO unemployment rate for Wales in April–June 2013 is 0.4 percentage points higher than the UK average. Within the UK nations and regions, only North East England (10.3%), the West Midlands (9.8%), Yorkshire and Humberside (8.9%) and London (8.8%) had a higher unemployment rate than Wales. South East England (6%) and South West England (6%) had the lowest unemployment rates.

As the LMI scorecard shows, the working age rate of economic inactivity in Wales (24.3%) is two percentage points higher than the UK average (22.3%). Within the UK regions and nations, only Northern Ireland (28.2%), the North East (25.7%), and Yorkshire and Humberside (24.5%) have higher inactivity rates. The lowest inactivity rates are in the South East (19.3%) and the East of England (19.1%).

LMI scorecard

The scorecard presents recent trends and figures for a number of core labour market indicators, using a variety of different sources:

	Source
Working age employment rate	1
Working age male employment rate	1
Working age female employment rate	1
ILO unemployment rate 16+	1
Claimant count as a proportion of the working age population	2
Working age economic inactivity	1
Index of workforce jobs	3
Proportion of the working age population with no qualifications	4
Proportion of the working age population qualified to NQF4+	4
Proportion of the working age population who claim out of work benefits	5
Children living in workless households	6
Proportion of 16–18 year olds who are not in employment, education or training	7

1	LFS, ONS: subject to sampling variability and should be used with caution
2	Claimant count seasonally adjusted, NOMIS: trends can be affected by changes to benefit rules
3	Employer surveys, household surveys and administrative sources, ONS
4	Annual Population Survey/Annual Local LFS, ONS. Data is subject to sampling variability and should be used with caution.
5	Department for Work and Pensions, NOMIS
6	Household LFS, ONS: subject to sampling variability and should be used with caution
7	Source: ONS, Higher Education Statistics Agency, Welsh Government Lifelong Learning Wales Record, Pupil Level Annual School Census, Annual Population Survey.

LMI Scorecard

August 2013

		Wales: Trend (Three to four years)	Wales: Latest result & trend	Difference between Wales and National (latest figures): Better / Worse	NATIONAL (UK or GB depending on indicator): Latest result & trend	NATIONAL (UK or GB depending on indicator): Trend (Three to four years)
Supply of Labour	Working age employment rate (%)		69.4% ↑	-2.1 Charts cover: Apr-Jun 10 to Apr-Jun 13	71.5% ↑	
	Working age male employment rate (%)		73.7% ↑	-2.5 Charts cover: Apr-Jun 10 to Apr-Jun 13	76.2% →	
	Working age female employment rate (%)		65.2% ↑	-1.5 Charts cover: Apr-Jun 10 to Apr-Jun 13	66.7% ↑	
	ILO Unemployment rate 16+ (%)		8.2% →	0.4 Charts cover: Apr-Jun 10 to Apr-Jun 13	7.8% →	
	Claimant Count as a proportion of the working age population, seasonally adjusted (%)		5.0% →	0.7 Charts cover: Jul 10 to Jul 13	4.3% →	
	Working age economic inactivity (%)		24.3% ↓	2.0 Charts cover: Apr-Jun 10 to Apr-Jun 13	22.3% ↓	
Demand	Index of workforce jobs. 2008 Q2=100		98.6% →	-2.4 Charts cover: 2008 Q2 to 2013 Q2	101.0% →	
Skill gaps	Proportion of the working age population with no qualifications (%)		10.6% ↓	1.6 Charts cover: Year to Dec 09 to year to Dec 12	9.0% ↓	
	Proportion of the working age population qualified to NQF4+ (%)		32.6% ↑	-4.1 Charts cover: Year to Dec 09 to year to Dec 12	36.7% ↑	
Worklessness & NEETS	Proportion of the working age population who claim out of work benefits		14.4% ↓	2.7 Charts cover: Nov 09 to Feb 13	11.7% ↓	
	Children living in workless households (%)		19.1% ↑	4.1 Charts cover: Apr-Jun 2008 to 2012	15.0% ↓	
	Proportion of 16-18 year olds who are NEET (%)		10% ↓	1 Charts cover: 2008 to 2012	10% England →	

Sector analysis

Introduction

As the UK looks to move from recession to a sustained economic recovery, it is clear that the prospects for growth will vary between industrial sectors. This issue focuses on recent sector-based performance and prospects in Wales, with a view to identifying likely levels of demand for skilled labour across the economy.

This bulletin first examines how different sectors of the Welsh economy have fared since the recession, in terms of changes in gross value added (GVA), and the number of businesses and jobs, using official statistics. It then goes on to assess likely changes in employment by sector up to 2020, in terms of growth or decline, while also considering the effect of replacement demand, where older workers need to be replaced as they retire.

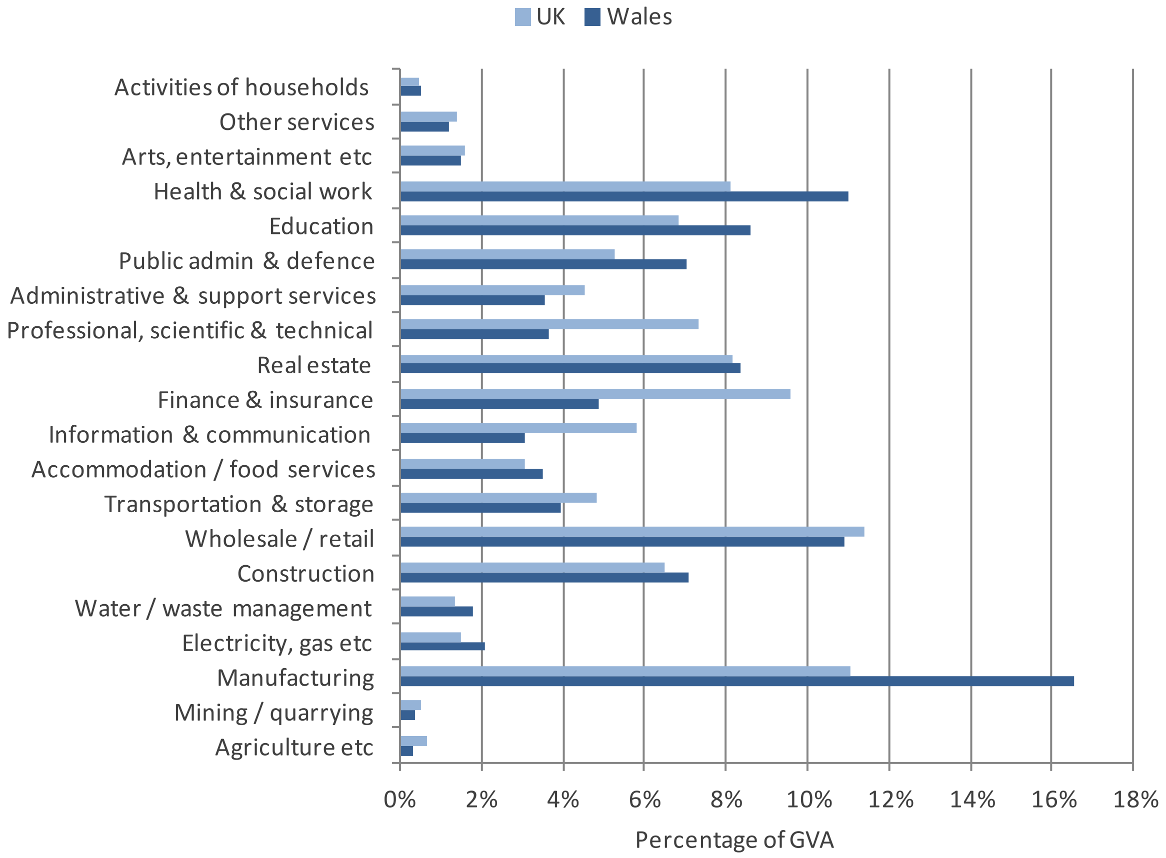
Gross value added

At a detailed sector level, data on GVA, or the value of goods and services produced in Wales is somewhat dated, with 2010 figures having only been released at the end of 2012. With regional GVA being measured in current prices, this means that increases over time reflect inflation as well as real growth. With no regional price indices that could be used to remove the effect of inflation from the figures, it is therefore impossible to determine the extent to which any increases in GVA can be attributed to real growth.

However, the data can still illustrate which sectors contribute most to the Welsh economy.

Figure 1 shows that the sectors accounting for most GVA in Wales are manufacturing, wholesale / retail, and the three sectors where public spending predominates – public administration and defence, education and health / social work. On a positive note, manufacturing – a relatively high productivity sector – accounts for a much higher proportion of GVA in Wales (16.6%) compared to the UK as a whole (11.1%). However, so do those sectors that depend heavily on public spending, which given the wider austerity measures and medium-term spending cuts being implemented in Westminster, will surely have a negative effect on growth in these sectors in Wales in the coming years.

Figure 1: Headline workplace based GVA by industry groups at current basic prices, Wales versus UK, 2010



Source: ONS, Regional Gross Value Added (Income Approach), December 2012 Link

Businesses

Another measure of recent economic conditions and performance is the change in the stock of businesses in each sector. Table 1 shows that the total number of active businesses in Wales has fallen by more than 3,100 between 2008/11, and that a number of sectors have experienced a significant fall in their business stock. The worst affected sectors have been:

Construction	–1,350 businesses (–9%)
Retail	–830 (–8%)
Accommodation & food services	–610 (–6%)
Production	–315 (–5%)
Business administration & support services	–315 (–4%)
Transport & storage	–290 (–7%)

It should be noted that the business data covers headquartered businesses only, so will not cover individual sites which have closed or opened in Wales.

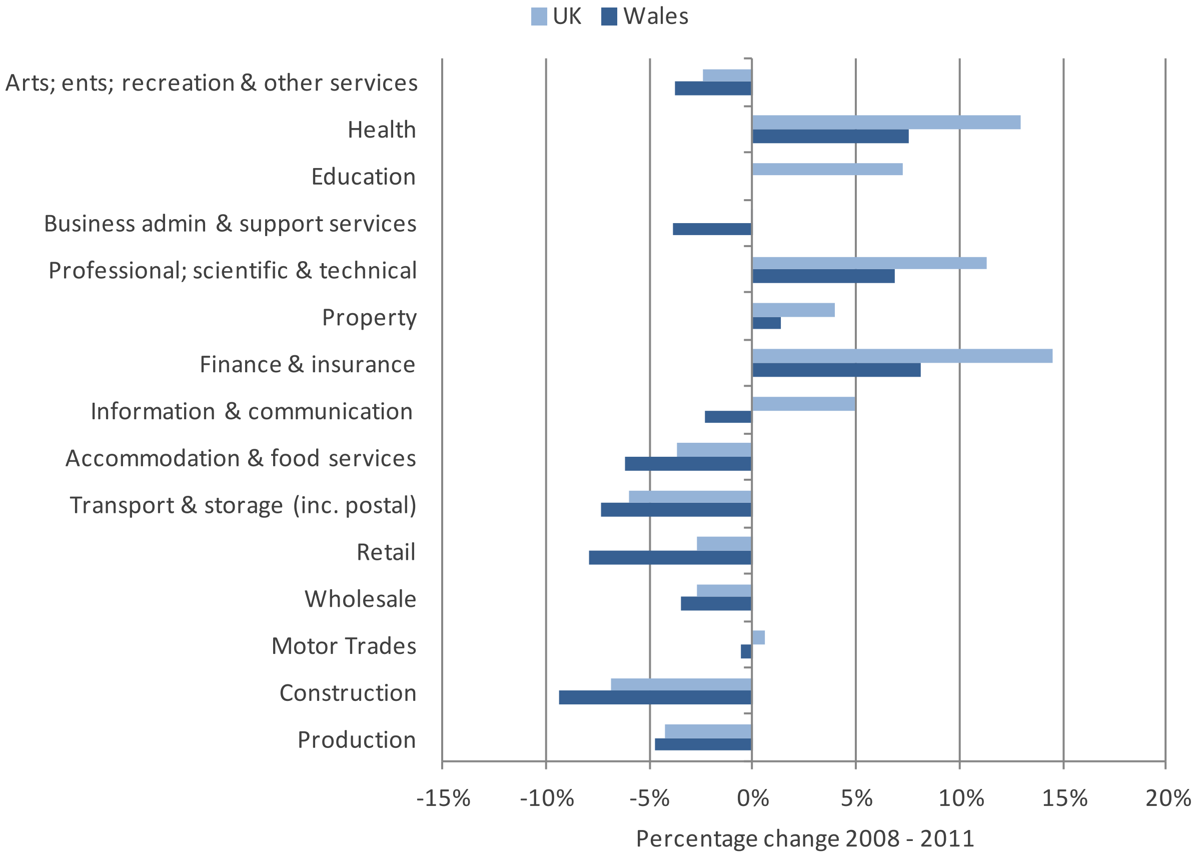
Table 1: Count of active enterprises by sector, Wales, 2008/11

Sector	2008	2009	2010	2011	Change 2008/11	% change 2008/11
Production	6,725	6,685	6,545	6,410	–315	–5%
Construction	14,405	14,230	13,665	13,055	–1,350	–9%
Motor trades	3,835	3,870	3,830	3,815	–20	–1%
Wholesale	3,895	3,865	3,795	3,760	–135	–3%
Retail	10,510	10,250	9,965	9,680	–830	–8%
Transport & storage	3,930	3,900	3,835	3,640	–290	–7%
Accommodation & food services	9,845	9,665	9,470	9,235	–610	–6%
Information & communication	4,095	4,010	4,005	4,000	–95	–2%
Finance & insurance	920	1,090	1,050	995	75	8%
Property	2,550	2,540	2,520	2,585	35	1%
Professional, scientific & technical	10,170	10,350	10,770	10,865	695	7%
Business administration & support services	8,270	8,080	8,395	7,955	–315	–4%
Education	1,165	1,210	1,170	1,165	0	0%
Health	3,920	4,005	4,105	4,215	295	8%
Arts, entertainment, recreation & other services	7,505	7,375	7,315	7,220	–285	–4%
Total	91,740	91,125	90,435	88,595	–3,145	–3%

Source: StatsWales Link

Figure 2 also indicates that the period from 2008 to 2011 has had a much greater negative impact on Wales compared to the UK across all sectors, in terms of the stock of businesses. Where sectors have seen falling numbers of businesses, the level of decline has been greater in Wales, and where sectors have grown across the UK, growth in Wales has been well below the UK rate of growth.

Figure 2: Percentage change in active enterprises by sector, Wales versus UK, 2008/11



Source: StatsWales Link

Employment by industrial sector in Wales and the UK

In addition to employment estimates from the household LFS, the Office for National Statistics (ONS) also publishes quarterly estimates of Workforce Jobs, which are derived in large part from a survey of employers. Given that respondents to the household survey may not always be entirely clear about which sector of the economy they are employed in, the ONS generally prefers to use the Workforce Jobs survey when discussing the share of total employment across sectors.

The latest available Workforce Jobs estimates by industry refer to June 2013. Table 2 compares the share of jobs in each major industrial sector in Wales with the corresponding UK averages.

Table 2: Share of Workforce Jobs by main industrial sector, Wales and UK average June 2013 (seasonally adjusted)

	Wales % jobs in sector	UK % jobs in sector
Agriculture, forestry & fishing	2.4	1.1
Mining & quarrying	0.2	0.2
Utilities	1.5	1
Manufacturing	10.4	8.1
Construction	6.2	6.2
Services: G to J	*26.7*	*30.4*
Services: K to N	*13.8*	*21.4*
Services: O to T	*38.8*	*31.6*
Total services	79.3	83.4
All jobs	100	100

Source: ONS, see Table 2 for industry descriptions under Services.

Wales has a noticeably larger share of jobs in agriculture, forestry and fishing and in manufacturing than the UK economy as a whole but a notably smaller share in the service sector, although the various service sectors in total account for the vast majority of jobs in both Wales and the UK. Within the service sectors, Wales has a higher share of jobs in public administration, defence and social security (6.8%. compared with a UK average of 4.8%), education (10.2% compared with 8.6%), and health and social work (15.6% compared with 12.8%). Service sectors in which Wales has a relatively smaller share of jobs than the UK average are information and telecommunications (1.9% compared with 4.1%) and professional, scientific and technical services (4.2% compared with 8%).

The Workforce Jobs statistics show a increase of 0.7% in the total number of jobs in Wales in the year to June 2013, in contrast with an increase of 1% in the UK as a whole (see Table 3). Wales registered significant percentage reductions jobs in manufacturing during the course of the year.

Table 3: Annual percentage changes in Workforce Jobs by main industrial sector, Wales and UK average, year to June 2013 (seasonally adjusted)

	Wales – annual % change	UK – annual % change
Agriculture, forestry & fishing	-9.1	-15.1
Mining & quarrying	0.0	-5.8
Utilities	0.0	0.0
Manufacturing	-4.2	-0.5
Construction	-1.2	0.0
Services: G to J	*1.6*	*0.4*
Services: K to N	*-1.6*	*3.5*
Services: O to T	*3.0*	*1.2*
Total services	1.7	1.5
All jobs	0.7	1.0

Source: ONS, for smaller industries the percentage changes are be based on small numbers.

The service industries are listed below:
G : Wholesale and retail trade; repair of motor vehicles and motorcycles
H : Transportation and storage
I : Accommodation and food service activities
J : Information and communication
K : Financial and insurance activities

L : Real estate activities
M : Professional, scientific and technical activities
N : Administrative and support service activities
O : Public administration and defence; compulsory social security
P : Education
Q : Human health and social work activities
R : Arts, entertainment and recreation
S : Other service activities
T : Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use

Forecasts

Looking to the future, Working Futures 2010-20 provides projections for output and the demand and supply of skills between 2010 and 2020. As with all projections and forecasts, the data should be regarded as indicative of likely trends and orders of magnitude given a continuation of past patterns of behaviour and performance, rather than precise forecasts of the future.

Prospects for growth

According to the Working Futures 2010-20: Summary Report for Wales, GVA in Wales is projected to grow at a rate below that of the UK between 2010 and 2020. GVA is expected to grow at a rate of 2.2% per annum in Wales, compared to 2.7% per annum in the UK.

Although the economic growth rate for Wales in the coming decade is more than double the rate of growth between 2000 and 2010 (0.9% per annum) this GVA projection is below England and Northern Ireland, but equal to that of Scotland. Economic growth is projected across all six broad industry sectors in Wales between 2010 and 2020. GVA growth is projected to be fastest in business and other services, followed by manufacturing and trade, accommodation and transport.

In terms of employment, Table 4 shows that a total of around 71,000 additional jobs are forecast to be created in Wales between 2010 and 2020, an annual increase of 0.5%. The majority of sectors are expected to see an increase in employment over this period, particularly in wholesale / retail trade (31,000 additional jobs, 1.3% per annum), professional services (17,000 jobs, 2.5% per annum) and media (2,000 jobs, 2.2% per annum).

Numerically, the biggest area of employment decline is forecast to be in public administration and defence, where around 7,000 jobs are projected to be lost, over 8% of the total. The biggest proportional decline is forecast in the engineering sector, where the workforce is projected to shrink by more than a quarter between 2010 and 2020 (around 6,000 jobs, a rate of 3.3% per annum). In all, around 6,000 manufacturing jobs are forecast to be lost in this time.

Table 4: Forecast employment change by sector, Wales, 2010-20

Sector	2010	2020	Change 2010-20	% change 2010-20	% change per annum
Agriculture	27,000	31,000	3,000	11.6%	1.1%
Mining & quarrying	2,000	1,000	-1,000	–28.7%	-3.3%
Food drink & tobacco	22,000	25,000	3,000	14.3%	1.3%
Engineering	20,000	14,000	-6,000	–28.7%	-3.3%
Rest of manufacturing	91,000	88,000	-3,000	–3.5%	-0.4%
Electricity & gas	5,000	4,000	0	–6.1%	-0.5%
Water & sewerage	9,000	10,000	1,000	7.2%	0.7%
Construction	96,000	111,000	15,000	15.4%	1.4%
Wholesale & retail trade	228,000	258,000	31,000	13.5%	1.3%
Transport & storage	44,000	40,000	-4,000	–9.5%	-1.0%
Accommodation & food	107,000	113,000	7,000	6.3%	0.6%
Media	9,000	11,000	2,000	24.2%	2.2%
Information technology	12,000	12,000	1,000	7.9%	0.8%
Finance & insurance	26,000	28,000	2,000	6.1%	0.6%
Real estate	12,000	11,000	-1,000	–9.7%	-1.0%
Professional services	61,000	77,000	17,000	27.3%	2.5%
Support services	87,000	93,000	6,000	7.3%	0.7%
Public admin & defence	90,000	82,000	-7,000	–8.1%	-0.8%
Education	135,000	130,000	-5,000	–3.6%	-0.4%
Health & social work	178,000	184,000	6,000	3.5%	0.4%
Arts & entertainment	36,000	39,000	3,000	8.7%	0.9%
Other services	34,000	37,000	2,000	7.1%	0.7%
All industries	1,330,000	1,401,000	71,000	5.4%	0.5%

Source: UKCES Working Futures 2010-20, figures rounded to nearest 1000

Replacement demand

While broad sectors forecasts provide indications of the numbers of people likely to be employed in the future and whether those sectors are growing or declining, they do not provide any clues as to the scale of the wider need for businesses to recruit skilled labour to replace those employees lost through migration, retirement or through career changes. Working Futures includes estimates of this **replacement demand,** for fairly detailed sector breakdowns.

It is immediately clear from Table 5 that replacement demand dwarfs expansion demand for all sectors, with around 539,000 workers needing to be replaced between 2010 and 2020 compared to just 71,000 new jobs forecast to be created. The scale of replacement demand is such that that there is still a significant net requirement for the replacement of skilled labour even in those sectors where overall levels of employment are set to fall e.g. in manufacturing and public administration.

The largest areas of employment demand (net requirement) are in the following sectors:

- Wholesale and retail trade 121,000 workers required by 2020
- Health and social work 81,000
- Education 52,000

- Construction 52,000
- Accommodation and food 51,000
- Professional services 41,000
- Support services 41,000

Table 5: Forecast replacement demand for labour by sector, Wales, 2010-20

Sector	Expansion demand	Replacement demand	Net requirement
Agriculture	3,000	13,000	16,000
Mining & quarrying	-1,000	1,000	0
Food drink & tobacco	3,000	9,000	12,000
Engineering	-6,000	7,000	2,000
Rest of manufacturing	-3,000	35,000	31,000
Electricity & gas	0	2,000	2,000
Water & sewerage	1,000	4,000	4,000
Construction	15,000	37,000	52,000
Wholesale & retail trade	31,000	90,000	121,000
Transport & storage	-4,000	18,000	14,000
Accommodation & food	7,000	45,000	51,000
Media	2,000	4,000	6,000
Information technology	1,000	4,000	5,000
Finance & insurance	2,000	11,000	12,000
Real estate	-1,000	5,000	4,000
Professional services	17,000	25,000	41,000
Support services	6,000	35,000	41,000
Public admin & defence	-7,000	35,000	28,000
Education	-5,000	57,000	52,000
Health & social work	6,000	74,000	81,000
Arts & entertainment	3,000	15,000	18,000
Other services	2,000	14,000	17,000
All industries	71,000	539,000	610,000

Source: UKCES Working Futures 2010-20. Totals may not tally because all figures are rounded to nearest 1000. Note. Figures for replacement are sourced from UKCES Working Futures workbook 22WA.xls, using default assumptions about the demographic profile of each sector's workforce and rates of retirement among different age groups.

Working Futures also allows us to estimate levels of employment demand by occupation. Table 6 shows that in terms of occupations forecast to grow (expansion demand), the growth is mainly in 'higher level' occupations, such as managerial, professional and associate professional. This forecast continues a long-term trend where employment is moving steadily towards a 'knowledge economy' and away from more traditional areas, such as administrative and secretarial work, and process driven manufacturing. However, there is still a significant net requirement across all occupations.

Table 6: Forecast replacement demand for labour by occupation, Wales, 2010-20

Sector	Employment 2010	Employment 2020	Expansion demand	Replacement demand	Net requirement
Corporate managers and directors	64,000	77,000	12,000	27,000	39,000
Other managers and proprietors	43,000	49,000	6,000	20,000	26,000
Science, research, engineering and technology professionals	45,000	50,000	5,000	15,000	20,000
Health professionals	66,000	76,000	10,000	27,000	37,000
Teaching and educational professionals	75,000	87,000	12,000	33,000	45,000
Business, media and public service professionals	44,000	52,000	7,000	19,000	26,000
Science, engineering and technology associate professionals	19,000	20,000	1,000	6,000	7,000
Health and social care associate professionals	16,000	19,000	3,000	7,000	9,000
Protective service occupations	20,000	18,000	-2,000	6,000	4,000
Culture, media and sports occupations	19,000	26,000	7,000	8,000	14,000
Business and public service associate professionals	66,000	75,000	10,000	25,000	34,000
Administrative occupations	116,000	112,000	-4,000	51,000	47,000
Secretarial and related occupations	38,000	26,000	-12,000	19,000	8,000
Skilled agricultural and related trades	23,000	26,000	3,000	12,000	15,000
Skilled metal, electrical and electronic trades	71,000	69,000	-2,000	27,000	25,000
Skilled construction and building trades	57,000	69,000	12,000	22,000	34,000
Textiles, printing and other skilled trades	33,000	27,000	-6,000	13,000	7,000
Caring personal service occupations	98,000	110,000	11,000	41,000	53,000
Leisure, travel and related personal service occupations	30,000	30,000	0	13,000	13,000
Sales occupations	98,000	103,000	5,000	37,000	42,000
Customer service occupations	27,000	33,000	6,000	9,000	15,000
Process, plant and machine operatives	68,000	57,000	-10,000	26,000	15,000
Transport and mobile machine drivers and operatives	37,000	35,000	-2,000	18,000	15,000
Elementary trades and related occupations	30,000	32,000	2,000	11,000	13,000
Elementary administration and service occupations	127,000	123,000	-4,000	50,000	47,000
All occupations	1,330,000	1,401,000	71,000	539,000	610,000

Source: UKCES Working Futures 2010-20, totals may not tally because all figures are rounded to nearest 1000. Note. Figures for replacement are sourced from UKCES Working Futures workbook 22WA.xls, using default assumptions about the demographic profile of each sector's workforce and rates of retirement among different age groups.

In summary, the economy appears to have performed poorly recently in Wales, with relatively poor (compared to the UK as a whole) growth in the number of businesses and in the number of jobs across most sectors. Manufacturing, a key sector of the Welsh economy, has suffered particularly badly on both measures.

Employment forecasts, which it should be noted do not take into account this sluggish economic performance in the most recent years' data, suggest a total of 71,000 additional jobs will be created across Wales between 2010 and 2020, with most sectors expected to see a return to growth. However, employers will need to replace more than seven times as many people simply on the basis of replacement demand, driven by the demographic structure of the Welsh workforce, with significant demand across all sectors, whether they are forecast to grow or decline in terms of overall employment.

Key Sectors

Welsh Government are supporting industry-led investment in nine key sectors:

- Creative industries
- Information, Communication and Technology (ICT)
- Energy and Environment
- Advanced materials and manufacturing
- Life Sciences
- Financial and Professional services
- Food and Farming
- Construction
- Tourism

Each sector has their own panel. They are made up of private sector business people, who will advise on opportunities within the key sectors. Welsh Government have recently released up-to-date statistics for these Priority Sectors, available at http://wales.gov.uk/topics/statistics/headlines/economy2013/priority-sector-statistics-2013/.

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