

Statement

For immediate release



20th October 2010

David Russ, Managing Director for the South Wales Chamber of Commerce, commenting on today's Comprehensive Spending Review:

“The Coalition Government was set out with an almighty task to reduce the country's deficit and we are pleased they have reviewed public spending to make savings of £83 billion pounds – but is this enough?

“There has been a huge burden on the private sector for too long and today clearly acknowledged it will be the private sector leading the economic recovery by investing in apprenticeships, science, green agenda and transport projects.

“Money has been wasted within the public sector for a long time and it has constantly pulled at the purse strings of the private sector. However, it seems that there is now a lot of pressure facing the private sector in terms of growth to make up for the huge public deficit.

“For example - George Osborne talked today about public sector jobs dramatically reducing over the next four years. With Wales having the highest proportion of public sector employment we need to know how the private sector is going to be expected to absorb these jobs over the next four years.

“Wales is the worst performing region in relation to GVA and GDP and we need to know how we are going to stimulate growth in the forms of entrepreneurship, manufacturing and internationalisation in order to move up the economic ladder.

“Despite Cardiff, Barry and Newport being mentioned as part of the Chancellors speech in relation to investment in rail, Wales has still missed out on other opportunities for growth.

“The present and future function for all industries and communities is digital. Information Technology continues to develop at a rate of knots and Wales must keep up with the global pace. Today’s announcement mentioned a number of blackspots around the country that would receive investment – but none in Wales. We must tackle the issues of rural broadband and blackspots and extend the super fast fibre speed to more regions across Wales.

“Whilst Wales will receive investment in its rail, electrification wasn’t mentioned as part of this compared to other regions. Electrification of the Great Western main line would improve the connectivity to Wales from London and it would prove fatal if we were left behind.

“Investment in apprenticeships is a big plus but we also need to increase the number of entrepreneurs. The number of new entrepreneurs in Wales has been in gradual decline since the demise of the Entrepreneurship Action Plan in 2004. Its success led Wales into high rankings on the Global Entrepreneurship Monitor, and the private sector became a vital piece of backbone to Wales’ economy.

“Now that the Spending Review is complete, our message to Government is that it is now time for a clear strategy for growth – which in turn will give companies, and especially small and medium-sized enterprises, the confidence to invest. Perceptions matter. Businesses and government must work together to deliver a real year for growth in 2011 and beyond. This is the only way that the private

sector will be able to take up the slack and drive a successful economic recovery.”

Ends

For more press information please contact Laurian Corner at South Wales Chamber on 01633 242715 or laurian.corner@southwaleschamber.co.uk