

Recent Economic Trends – Shropshire, Telford & Wrekin



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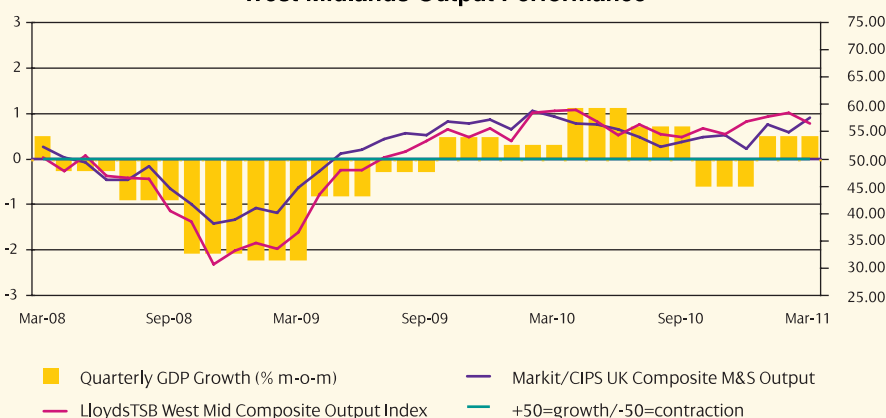
May 2011

Technology Centre, Wolverhampton Science Park, Glaisher Drive, Wolverhampton WV10 9RU

	Land Area (square kilometer)	Population 2009 ('000)	Employment rates 2007/08 (%)	Median Earnings April 2009 (£pw)	Pupils achieving 5 A-C GCSEs (% incl Maths & Eng)	Active Enterprises (AE) 2008 ('000)	Business Creation % of AE	Business Demise % of AE
England	130,279	51,810	74.5	496	53.4	2025	11.8	9.5
West Midlands	12,998	5,431	72.4	457.4	54.2	191.5	10.8	9.3
Shropshire	3,197	292	78.3	467.8	57.8	13.1	9.1	8.1
Telford & Wrekin	290	162	75.3	442	55.9	4.8	10.4	8.6

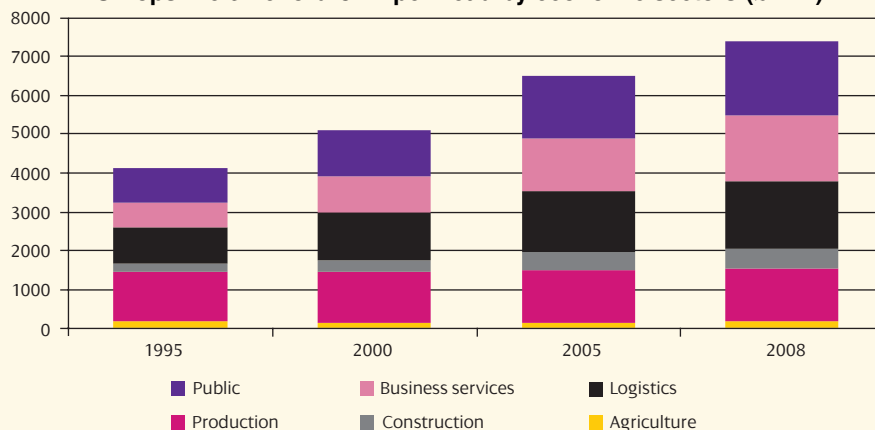
Although WM output performance eased in March, it remains above the long run trend and appears more robust than that being achieved nationally. With industry equivalent to almost a quarter of regional GVA, manufacturing has provided the main impetus for growth, services sector performance continuing to be more subdued. While this is from an admittedly low base, and the recovery both fragile and acutely sensitive to the redirection of fiscal policy, it reflects the underlying dynamism of the local economy. Lack of effective access to working capital appears a major constraint on successfully tapping this latent potential as is the erosion of the skilled labour force during the recession.

West Midlands Output Performance



The combination of Shropshire and Telford & Wrekin provides just under 1% of national GVA, with local GVA skewed toward the services sector, both public and private, equivalent to almost 75% of all local output. Production is close to the national and WM proportions at 18%. The latest data available at this level of analysis is for 2008, the full impact of the recession is not recorded. However, the evident contraction in the construction sector has probably been reflected in performance of this sector at a local level. Given Shropshire's low population density, which at 91 per sq km would rank in the bottom half of Scottish local authority population densities, infrastructure provision is more dispersed and on average the workforce travels further to work than in the rest of the WM.

Shropshire & Telford GVA per head by economic sectors (£ mln)



Data sources: ONS, Eurostat, OECD, Markit, Industrial Communities Alliance & Forrest Research.

Disclaimer: while every effort has been made to ensure accuracy, BCRS presents the data above for indicative use only.

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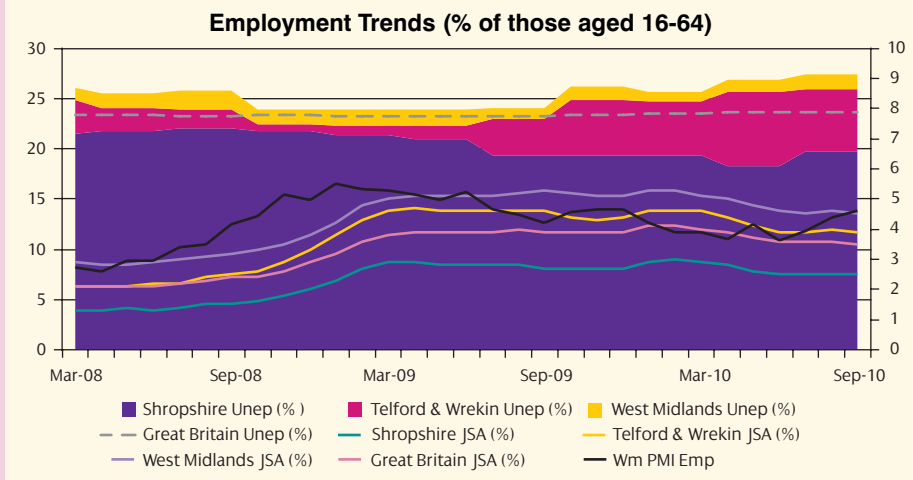


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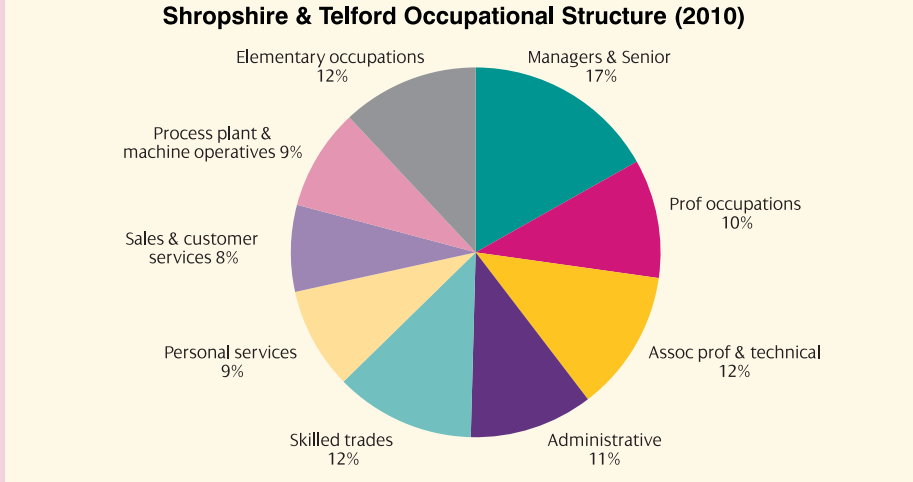
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Both Shropshire and Telford & Wrekin enjoy higher labour force participation rates than the WM, and in the case of Shropshire performance exceeds that of Great Britain as a whole. While the claimant count rate rose more rapidly in Telford & Wrekin during the recession, those registering for Job Seekers Allowance (JSA) remained close to 4.5% throughout 2009 and into the first quarter of last year. In both Shropshire and Telford & Wrekin labour market conditions are more favourable than the WM regionally, and in the case of Shropshire better than the national performance.



The structure of the local labour force understandably reflects the impetus of the local economy, with professional and service sector occupations predominating. This gives some flexibility to the local economy, with a skilled labour force that has been able to successfully respond to the pre-2007 national economy, both in terms of GVA per head produced and productivity levels achieved. However, as the government attempts to rebalance the economy away from the public to the private sector, and away from the services sector towards real production, this flexibility will be challenged.



Although agriculture predominates land usage in Shropshire (over 80% is farmed), the sector contributes only 2% of locally produced GVA, rising to 4% of GVA produced in Shropshire. There are nevertheless 7,587 farm units of varying size and intensity. Although 2010 data is expected to provide a more accurate picture, providing a more nuanced definition of the "Other category", the latest available data for 2009, indicates a relatively diversified sector across a broad range of agricultural categories.

