

# **Recent Economic Changes In South Wales**

In the 19<sup>th</sup> century South Wales was an up-and-coming region because of its fast flowing rivers, which provided power and transport, its flat land and ample water supply, however the largest factor in its success was the high quality coal and iron ore available in the valley and hills there. The area was quickly populated and the oil and iron dug up and turned into steel at newly built steelworks. However, much has changed since then and now I do not believe there is a single working steelworks in the whole southern Wales region.

Nowadays South Wales is home to many different companies, the majority of which is electrical. Many multinational companies now locate in Wales, such as Sony, Sharp and LG. These companies are all service/tertiary industries while in the past it was largely secondary industry in the many steel industries and abundant coal mines such as the Celyn South coal mine and the Ebbw Vale steel works. Now South Wales specialises in hi - technology and computing. As well as these South Wales still excels in the manufacture of many new various products such as Wrigley chewing gum and Burberry fashion which employ around 900 people each.

This fairly sudden change in industry was caused by a variety of different factors such as the M4 motorway; however the main cause for change was the inevitable end of their raw materials, caused by the rapid excavation of the coal and iron ore. The M4 was a large part of the benefit for new businesses; it provided a direct, fast route to London and other major cities, vital for import and export. The international airport at Cardiff helps the larger, more important companies which can afford to import and export from air, this will all benefit businesses, as will the railways; transport is vital for a business set-up.

After the collapse of the mines South Wales had to attract businesses for the rebuilding of the region and its crumbling infrastructure. There were no jobs to go around and many businesses had been indirectly attacked from the drying up of the coal supplies. They had to bring overseas investment in by offering grants and reducing fees. All of these decisions were made by 'The Welsh Development Agency' as a countermeasure towards the end of their

countries industrial reign. This was interpreted as an attempt to break from the United Kingdom however by parliament and was first rejected; once it became apparent that Wales had no intention of leaving the United Kingdom, the measure was brought forward and has been a success to date.

As many of the workers of South Wales were unemployed there was plenty of cheap, skilled labour to go around and the local universities , which continued running, were a massive boost towards locating there. The Abundant room to expand into is a plus for companies wh ich expect to grow.

In short, South Wales out grew its own supplies and had to move to other areas of expertise, it is now highly regarded as a hard working and profitable area, while all the coal and steel works are long gone except for museums.