

## **Manufacturing in Cornwall**

Determining the size of the manufacturing sector in Cornwall is not as simple as one would think. The problem is that different databases and organisations have differing definitions for what is included in manufacturing, and you cannot just add the subsectors as some things are included in more than one sub sector. The following is taken from the Office of National Statistics, NOMIS and Eurostat.

### **Manufacturing Units**

Depending on which source is used there are between 1260 (Eurostat) or 1395 (ONS) manufacturing units in Cornwall. NOMIS latest figure for VAT registered manufacturing companies is 1285 (2007) which fits the pattern and gives an average of around 1300.

### **Employment figures**

Employment figures are equally as inconsistent. NOMIS reports 21,500 (2012 figures for 2011), of which 5,200 are self employed, on a workplace basis – i.e. 16,300 in employment. On a residents basis, the figure of 22,900 is slightly higher reflecting those that live but do not work within the County.

Eurostat quotes 17,000 employed in its 1262 units i.e. an average workforce of 13.5.

The numbers appear to be falling as the NOMIS workplace count in 2011 was 22,300 and the residents 24,000 in the previous year. Interestingly the self employed percentage rose significantly from 16.6% to 24.2% i.e. in 2011 almost one quarter of those working in manufacturing were self employed – about the same as for the economy as a whole. The 2011 Business Register figures has Manufacturing at 19,700 or 8% of the total; again a fall year on year.

In overall terms NOMIS reports a total residents workforce of 242,000 so manufacturing accounts for 9.5% of that total which is consistent with the GVA figures below. NOMIS also reports Employee jobs at 194,000 with manufacturing at 18,200 but those are 2008 figures. Interestingly in Occupations it has 18,400 Process Plant & Machine Operatives but all those of course will not be in manufacturing.

The figures for Tourism are as opaque as those for Manufacturing but ONS reports that 33,000 work in it in Cornwall. However only 48% of those are Full Time and the average wage is lower so that does not automatically flow through to a corresponding larger GVA figure.

### **Gross value added (GVA)**

Gross value added (GVA) is £732m or 10% of the Cornwall total of £7.3bn. This is a consistent figure over a number of platforms but notably ONS so I believe we can be confident about it. The same data gives Tourism at 7% (£511m) but other statistics put it much higher. Agriculture is at 2.75%; Construction at 9% and Wholesale & Retail at 14%. ICT is at 2.5 % also.

## **Multiplier effect**

The multiplier effect of manufacturing is greater than for most other sectors of the economy. The Southwest Regional Accounts show that Engineering in Cornwall has an employment multiplier of 1.51. This is slightly lower than manufacturing multipliers from elsewhere so can be considered a robust figure.

What it means in simple terms is that for every 100 jobs in engineering in Cornwall 51 jobs are created elsewhere in the economy. The equivalent figure for Hotels & Catering is 27; and it is 38 for the economy as a whole.

## **Wages**

We could not find up to date wage figures for Cornwall by sector. However by manipulating Eurostat's figures we can arrive at an annual figure for manufacturing of £26,850 i.e. £516 per week assuming a 52 paid week year. Unfortunately Eurostat does not give an overall Cornwall figure but we can deduce some other sectors for comparison. For example Accommodation and Food Service Activities is £9,000 reflecting the low pay, part time and seasonal nature of the sector.

## **Conclusion**

Actual contribution depends on whose figures you use but a reasonable assumption would be manufacturing accounts for 10% of the Cornish economy and has a greater multiplier effect. Cornwall's economy would be very much the poorer without it.

Some of these figures are however considerably dated - some refer to 2009. This dearth of up to date local information makes one wonder on what basis policy makers make their decisions unless they have access to information which we do not. We ran the previous report past the LEP and Cornwall Council and they confirmed these were the only figures available.

## **NOTES:**

When quoting these figures we should remember the provenance of some of them given different collection dates and definitions and therefore always refer to them as general estimates rather than precise figures.

Ken Martin

SBD Associates Ltd

November 2013