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## Downsizing deals - Corus given GBP 1.1 million Welsh funds

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It is reported that steelmaker Corus is being given GBP 1.1 million Welsh Assembly Government funds from a scheme designed to avoid redundancies.

Mr Rhodri Morgan first minister of UK said that Corus had been treated in a flexible way because of its unusual situation and importance to the Welsh economy.

The assistance is the single biggest payout yet from the ProAct fund, although Corus said it was not planning to make any further redundancies. It will be used to train workers in Port Talbot and Llanwern. The ProAct scheme is central to ministers' efforts to help companies in Wales cope in the economic downturn. The funding involves a BGP 2,000 training subsidy and GBP 2,000 wage subsidy per worker.

So far, the scheme has spent GBP 17.3 million on helping 129 companies. The help will be available only to Corus plants in Wales, as the UK government does not have a similar scheme. Like most other companies operating in the heavy industries sector, Corus has been hit hard by the economic downturn.

Corus says it hasn't been planning to lay off any more workers. But it says the ProAct money will help retain jobs in the long term by improving skills. About GBP 200,000 will go towards wage subsidies but no more because of state subsidy rules for big companies. The big cutbacks at Corus came earlier in the year when it announced about 1,000 losses in Wales.

Mr Morgan was asked by BBC Radio Wales if the funding fitted within the precise wording of the scheme. He added that "I think we've been quite flexible with Corus because their situation is unusual and I think showing that flexibility to assist a company like Corus, which is so important to the economy, is an indication of not an inflexible bureaucracy but one that is willing to listen to a company putting a special case to them. And, undoubtedly, this is in the context of very low demand for steel products at the moment and short time working which might otherwise have led to Corus having to declare people redundant."

Mr Morgan said the scheme was gaining international recognition. He added that "This is a positive development for Corus and some of their staff who have faced uncertain futures. Accessing ProAct financial support enables employees to gain additional qualifications."

(Sourced from [www.bbc.co.uk](http://www.bbc.co.uk))

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