

de MCS  
JV



Prime Minister

DEPARTMENT OF INDUSTRY  
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From the  
Parliamentary Under Secretary of State

COMMERCIAL IN CONFIDENCE

Mike Pattison Esq  
Private Secretary to  
the Prime Minister  
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For information  
(We will be  
letting you have a  
draft letter covering  
the various points  
raised by Dr Clark)

£50m for  
270 jobs!

MA  
17/3

6 March 1982

Dear Mike,

I understand that at the meeting with Dr Clark on 4 March, the Prime Minister enquired about the number of jobs being created by Inmos in the UK.

Work at Inmos's Newport site is on schedule for production there to begin towards the end of this year.

The present position is that 114 people are currently employed by the company in the UK. This should grow to about 270 by the end of this year, rising to 1,000, and 1,850 if the proposed second production unit goes ahead. The forecast of UK jobs is lower than was originally expected (up to 3,600 by 1985) because the sales have built up more slowly than had been expected and the company have, therefore, had to phase their capital expenditure over a longer period.

The Prime Minister may have seen recent press reports that the company have abandoned their plans to establish a second production unit in the UK. This is speculation. The timing of a second UK unit depends on a number of uncertain factors, particularly on the company's sales performance when Newport is in production. In practice the position is unlikely to be clear until the middle of 1983. As far as the location of such a unit is concerned, the position remains that the NEB have agreed this would be in an Assisted Area.

I am enclosing for information a copy of my letter to Helen Ghosh about the first point in your letter of 4 March.

Yours ever

Anthony

A C S WILLIS  
Private Secretary

Enc.