

New immigration rules will hit the Welsh economy finds report

The Welsh Government asked the Wales Centre for Public Policy to examine how the Whitehall plans, which were published in a recent White Paper, to change the immigration system once the UK has left the EU, will affect Wales.

This included examining the impact of stopping overseas workers from staying in the UK for more than a year if they earn less than £30,000.

The key findings from the report, which was carried out in collaboration with experts from Kings College London and the University of Oxford, include:

- The White Paper proposals are likely to substantially reduce low-paid EU migration to the UK, and reduce middle and higher-paid EU migration, albeit by a lesser degree.
- Wales will be affected more than the UK as a whole by the cut in the number of people migrating for work, but the overall impact on the Welsh economy is projected to be less than that on the UK economy.
- There would be an estimated hit to GDP in Wales of between 1% and 1.5% of GDP over 10 years, compared to between 1.5% and 2% for the UK as a whole. The policy would also reduce GDP per capita.
- Securing a salary threshold of below £30,000 would slightly mitigate the impacts – a £20,000 threshold is estimated to lead to a reduction in GDP of between 0.8% and 1.2% over 10 years.
- The sectors most affected by the proposed changes across all skills levels include manufacturing, education, social care and health.
- The profile of detailed sectors and occupations expected to be affected in Wales is likely to be broadly similar to the UK as a whole.

Jeremy Miles said:

“This report once again confirms our fears that the UK government’s migration proposals will do nothing to help employers and will hit the Welsh economy. The government’s plans will have a real impact on both the private and public sector.

“Nurses, junior doctors, vets and a range of workers we need for our public services and industry will find it much more difficult and less attractive to come to Wales under these proposals. The immigration system should help our economy and people, not stifle it and limit its potential.

“We want the UK government to drop the threat of a £30,000 salary threshold which will do so much to harm to our economy. We need a flexible, managed approach to immigration that is fair but does not do unnecessary damage to our prosperity. That is why we have set out detailed proposals for a post-Brexit immigration system that

links more closely to employment needs and serves the interests of the country.”