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Thank you for your letter of 1 March expressing your concern about the future of Visteon's Swansea car parts plant.

As you know I share your and fellow MPs' anxieties about the Swansea plant given the rapid shift of production to Eastern Europe and other lower cost centres of production. It is extremely important for Wales to retain these skilled manufacturing jobs as part of Government's broader economic and social goals. The Welsh Assembly also remain in close contact with the company through their various support services.

I believe we made some progress at our meeting in January with the company and union. I met with Andy Gill again on 9 March for an update. He repeated his determination to keep the plant open but emphasised again the very real challenges the company faces. I spoke subsequently to Andy Richards of the T&G and Cath Speight of AMICUS so that they are fully aware of Visteon's position and what they feel the key issues to be, namely labour costs and sustainable pension plans. I am pleased to say that there is a willingness on both parties to continue constructive discussions and they plan to meet again before the end of the month.

I will, of course, continue to monitor the situation, and if necessary press for a meeting similar to that we attended in January. I will keep you informed of developments.

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