

Enterprise and Business Committee  
PA26

Inquiry into international connectivity through Welsh ports and airports

Evidence from Wales Tourism Alliance

**Consultation Response**  
**‘International Connectivity Inquiry’**  
**Wales Tourism Alliance**

Response to the Enterprise and Business Committee

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## **1. Industry Representation**

### **The Wales Tourism Alliance**

1.1 The Wales Tourism Alliance (WTA) is the recognised over-arching representative organisation for the tourism industry in Wales, liaising with and coordinating the views of all concerned and informing and working with Government at Westminster, Cardiff and at Local Authority levels.

1.2 The WTA also acts as an intermediary between Government and all involved in tourism, disseminating information to the industry via our member organisations and we work with colleagues in organisations in other parts of the UK.

1.3 The membership of the WTA includes sectoral, national, regional and local representative bodies comprising accommodation (hotels, guest houses, bed and breakfast establishments, holiday home parks, touring caravan and camping sites, hostels and self-catering cottages), attractions, activities, training and skills, tourism guides and transport.

1.4 The Wales Tourism Alliance is a pan-Wales umbrella group with 30 member organisations resting within its general membership. This amounts to around 7,000 working operators and means WTA contacts and representatives are now found in every part of Wales. Our members are:

British Home & Holiday Park Assoc  
British Hospitality Association  
Brecon Beacons Holiday Cottages  
Brecon Beacons Tourism  
Camping & Caravanning Club  
The Caravan Club  
Carmarthenshire Tourism  
Coast & Country Cottages  
Cardiff & Co  
Federation of Small Businesses  
FBM Holidays  
Farmstay UK  
Home from Home  
Institute of Hospitality (Wales)  
Mid Wales Tourism  
National Caravan Council  
North Wales Tourism  
North Wales Holiday Cottages  
Pembrokeshire Tourism  
Pembrokeshire Charter Group  
SE Wales Tourism Forum  
St Brides Bay Holiday Cottages  
Snowdonia Tourist Services  
Snowdonia Active  
SW Outdoor Activity Providers

Tourism Swansea Bay  
Wales Official Guides Association  
Wales Association of Self Catering  
Operators  
Wales Association of Visitor Attractions  
Youth Hostel Association (Wales)

1.5 The WTA therefore works with and on behalf of operators ranging from major players to the numerous micro-businesses that make up so much of the tourism industry.

## **2. The Tourism Industry in Wales**

### **The Visitor Economy and Employment**

2.1 The final report of “The Economic Case for the Visitor Economy” by Deloitte & Oxford Economics published in June 2010 illustrates the importance of tourism to the economy of Wales compared to other parts of the UK. The total contribution in 2009 (which includes impacts through the supply chain, of capital investment and Government expenditure) accounts for £6.2bn of GDP, 13.3% of the total economy - compared to 8.6% in England, 10.4% in Scotland and 4.9% in Northern Ireland. The direct contribution is £2.7bn which equates to 5.8% of Wales GDP compared to 3.9% in England, 4.9% in Scotland and 2.1% in NI.

2.2 This report also highlights the importance of tourism to employment in Wales. The total contribution in 2009 accounted for 0.17m jobs in Wales, 12.7% of the total workforce; this compares with 8.3% in England, 10.0% in Scotland and 4.7% in NI. The direct contribution supports around 0.09m jobs, 6.9% of the Wales workforce, considerably higher than the 4.4% figure for England, 4.2% for Scotland and 3.0% for NI.

2.3 Although high levels of employment in the Visitor Economy can be found in cities, rural areas are more dependent on the sector as it plays a large role in local economies and indeed communities, enhancing the provision of facilities and amenities that are also extensively used by residents as well as visitors.

2.4 In Wales, the rural economy has a particularly strong link with the Visitor Economy with the share of employees in Conwy estimated by Deloitte to be 16.7% with 15.1% in Pembrokeshire, 13.2% in Ceredigion, 12.2% in Gwynedd and 12.0% in Powys. 25% of all VAT registered businesses in Wales are in the Visitor Economy.

2.5 As a stable and dependable industry, tourism also has a vital role in the regeneration of urban communities within Wales. Tourism has proven itself strongly resilient to the ravages of the current economic downturn and this is especially relevant to rural Wales, where employment alternatives are limited. Tourism as an employer, as an economic driver and, perhaps just as significantly, as the custodian of community facilities & opportunities, is paramount and irreplaceable.

2.6 Tourism in Wales also has considerable potential for growth with Deloitte forecasting that the Visitor Economy by 2020 will provide a total contribution of 6.9% of the Wales GDP, supporting 188,000 jobs and accounting for 13.7% of total employment.

2.7 Overseas visitors account for less than 5% of tourism visits, but account for 10% of tourism expenditure giving each visit from overseas a higher value per visit than a domestic one. We recognise that growing this market is vitally important, with a potentially diminishing return, from our domestic markets, especially aiming at BRIC countries. (However, we are also aware of the need to balance global environmental concerns with the need to grow air travel and mass transportation of population around the globe)..

### **3. Our Response**

#### **Making the Most Of Roads, Rail and Air**

##### **3.1 Tourism and Hospitality**

Tourism is vital to the Welsh economy, across all parts of Wales – rural, urban, seaside, cities & villages. The industry spans the attraction of major music and sports events like the recent Ryder Cup event in Newport and also encourages & supports opportunities for visitors from around the world to enjoy the breadth and depth of history and culture in Wales.

Tourists spend over £8 million a day on trips to Wales, amounting to over £3 billion a year. There have been significant infrastructural investments in tourism in recent years. For instance, investment in tourism in the South Wales valleys will be in the region of £45 million over the period 2006-2012 and two major projects in North Wales Regeneration Areas – North Wales Coast and Mon a Menai- shared £38 million of investment.

##### **3.2 Connecting Rural Wales**

The rural areas of Wales its countryside, agriculture, leisure, heritage and tourism- cannot be considered as a group of isolated industries. There are many positives that exist in these communities; effective marketing and enhancement of the quality of the tourism and hospitality offer and global food demand pressures are currently providing rural Wales with an economic foundation that has genuine and potentially permanent advantages, but if it these are to be delivered, it will require strategic dynamism and wholesale ownership from the players involved. With appropriate planning and joined-up-thinking, a greater level of co-operation and integration, we believe we can increase capacity and value-added in these areas, whilst seeking to ensure a sustainable path is adopted with individual players able to participate and define their specific role and opportunity.

Within Tourism and Hospitality, we must remain able to take advantage of new opportunities, like the cruise sail market in the port of Holyhead. We must invest in the skills of our workforce in all parts of Wales and have help to do this from government and to continue to raise the standard of accommodation and visitor facilities & attractions. It is essential that support continues for the sector, so that it can hold its own in one of the world's most competitive industries.

Daily, our tourism package needs to improve the quality of the experience on offer, especially to those overseas visitors that come to Wales. To achieve this we will need to work with government to raise our game and to improve all aspects of the visitor experience. This means linking accommodation, attractions and hospitality; local authorities and the Welsh Government; agriculture, construction and retail. It

means developing tailored support for seaside towns, for improving the experience and marketing of our historical and industrial heritage and for improving the standard and range of accommodation available to the outside world.

If we are to succeed, we must get visitors, the lifeblood of the economies of Wales, into each and every corner of our country. At present we simply do not have the transport infrastructure to deliver the economic potential of many of our leading destinations. Rural transport services are a major issue for communities across Wales. The dilemma of achieving climate change objectives while, for instance, providing new, inventive ways of providing "tailor-made" bus services, a wider range of flights and better road communications requires central public and private strategic planning.

### **3.3 Working Together To Maximise Tourism's Potential For Growth**

Transport linkages involve land, sea and air, each of which makes a significant contribution to the economy of Wales. As single strands, the lucrative cruise market and its impact on Holyhead, the main rail link from Holyhead in to the West coast mainline and south to London or north to Scotland, recent infrastructural work undertaken to open new community arteries like the Ebbw Vale line, moves made by the UK government to electrify the London to Swansea rail line, are all individually important to upgrading the transport offer.

However, the vast majority of our customers, Wales' guests and visitors, come by car and rarely use public transport apart from enjoying a focal point experience where it is an event in itself or enhances appreciation of landscape or heritage.

For years, we have wrestled with the dilemma of planes flying out of Wales full and coming back with smaller numbers; of those disembarking and having problems finding taxis; of providing an offer that will enable those visiting without cars to get here and to then enjoy the experience without lengthy delays, irregular services, poor roads and encountering "no-go areas" where it is virtually impossible to use public transport to get around in comfort, especially with cases to carry and families in tow.

In the coming seven years we will have the opportunity to invest in virtual and concrete infrastructure that, if done well, can improve the economic returns provided by all those that visit Wales, and in doing so, considerably enhance the economic performance of those who live here.

WTA believes it is essential, if this is to happen, that we begin to think outside of our own industrial and bureaucratic boundaries and that ALL interested parties have a strong say in the development and implementation process. It is no good building a road to take people to a location if there is no demand to visit it and no economic forecast of that position changing. We must look at how we can improve the offer, develop destinations, support key components in the community economy, prioritise opportunities and invest in cross-industrial opportunities that will produce additional demand from visitors to visit and financial returns when they arrive at the venue.

This is not just a job for funders, planners, the construction industry or decision makers; it is a job for all those who rely on their incomes from those who visit, sitting alongside those who plan and build. If resources are tight, we must not be cowed and must cut our cloth accordingly but still find the key projects, make them work and then use them as exemplar destinations to maximise every pound spent to benefit the economy, the locality and the community at the same time. Direct access to

Wales by overseas visitors need to be developed, without it we are in a vicious circle of decline – we have to make the leap of faith and invest in our infrastructure, just as Bristol Airport did back in 2000 and there on, without investment we stand no real chance of gaining our fair share of custom from the new lucrative BRIC markets.

We need to decide what we want Cardiff Airport to be; international? regional? Probably a combination of both. Does it also need to pick up freight traffic to make it more viable? We in Wales are obviously more interested in developing inbound tourism, but again we need out healthy outbound business for viability reasons. Coupled to this is Liverpool airport, another airport that has lost market share and potentially vital for getting customers into North Wales. There is a danger of parochial Wales ignoring an asset over the border simply, because of geographical boundary issues.

The tourism industry has a vital role in this development process. Livelihoods depend on it. The tourism and hospitality industry must be at the centre of whichever path is chosen alongside the other sectors.

#### **4. Future Involvement of the Tourism Industry in Wales in This Process**

4.1 We were only made aware of this consultation relatively so these are our very outline thoughts and concerns at this stage. We would therefore like to be part of any future consultation/advisory process affecting policy on this issue in Wales as it is certain that such future and further activity will impact on the wider membership of tourism organisations that we represent in Wales and the tourism/visitor economy in general.

Once again thank you for giving us the opportunity to respond.

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**Wales Tourism Alliance**

**15<sup>th</sup> March 2012**