

## The Welsh Tourism Economy 2007

**Tourists spent an estimated £4.2bn in Wales in 2007, leading to an estimated £1.7bn in additional Welsh gross value added (GVA), and directly supporting 78,000 full time equivalent jobs.**

These figures are estimated with reference to the Tourism Satellite Account for Wales 2007. A tourism satellite account (TSA) is the internationally agreed method for estimating the direct economic significance of tourism in an economy, developed by the UN World Tourism Organisation and supported by EUROSTAT, the OECD and others.

Wales is very unusual in having a fully developed TSA at regional level. The Welsh TSA project started in 2000, with Cardiff Business School developing the account for Wales Tourist Board and then Visit Wales. The 2007 Account is the third iteration. The TSA is a development of the Input Output Tables for Wales, the 'map' of the Welsh economy constructed by the Welsh Economy Research Unit since the mid 1990s/

Around half (50.7%) of tourist spending is by those on tourism day trips. A further third (32.5%) comprises spending by UK-resident holidaymakers. International visitors comprise 8% of spending and business tourists around 6%.

Whilst just over 40% of visitors' spending was on accommodation and food, some 36% was on goods and services outside of identified tourist industries, demonstrating the wide range of services demanded by visitors, and hence the breadth of economic impact.

The estimate of direct tourism value added of £1.77bn can be compared with the total regional GVA estimate of £41.2bn from the Input Output Tables for 2007. This suggests 4.3% of Welsh GVA was directly tourism dependent in that year. This estimate of value added is slightly lower than that estimated by the Office for National Statistics (ONS), albeit her for 2006 (Table 1). The ONS estimate that in 2006 3.3% of value added was directly tourism dependent.

**Table 1 WERU and ONS Estimates of Tourism Economic Impact**

	WALES		UK
	WERU (2007)	ONS (2006)	ONS (2006)
Total tourism demand	£4.1bn	£4.0bn	£98.1bn
TGVA	£1.8bn	£1.6bn	£39.2bn
Tourism Direct GVA as a percentage of total GVA	4.3%	4.5%	3.3%

Levels of tourism dependent employment in terms of full time equivalents (FTEs) can be compared with our estimate of a total Welsh workforce of 1.1m FTEs to suggest 7.1% of employment was tourism-dependent.

A comparison with the 2000 Tourism Satellite Account suggests that visitors' expenditure in Wales has increased more or less in line with consumer inflation, whereas tourism value added has increased somewhat more quickly – from £1.1bn to almost £1.8bn. This means that Wales is 'capturing' a higher proportion of gross regional visitor spending as GVA than was previously estimated, with this change associated in part with better data.

This higher level of economic impact per £ of visitor expenditure will also be in part responsible for the increase in the estimate of tourism-dependent employment, from 59,000 in 2000 to 78,000 in 2007

**Table 2 The Wales Tourism Satellite Account: 2000 & 2007**

	<b>WALES</b>	
	<b>2000</b>	<b>2007</b>
Total tourism demand	£3.5bn	£4.2bn
Tourism Gross Value Added (TGVA) Direct	£1.1bn	£1.8bn
Tourism Direct GVA as a percentage of total GVA	3.7%	4.3%
Tourism Dependent Employment (workforce)	58,800	78,030
Percent of Regional Workforce	5.5%	7.1%