



This update summarises tourism performance by drawing upon Visit Wales' own research and information from other relevant sources. It is based upon information available at 19 April 2009.

STAYING VISITORS FROM THE UK (Source: UKTS 2008, January – December, provisional figures)

Trips (millions)

Wales' 'market share' of all staying trips in UK by UK residents: 7.2% (7.2% in corresponding period in 2007)

| | | Change from same period in 2007 |
|-------|--------|---------------------------------|
| Wales | 8.45 | -4.04% |
| UK | 117.72 | -4.65% |

Expenditure (£millions) (historic prices)

Wales' 'market share' of all expenditure on staying trips in UK by UK residents: 6.7% (6.7% in corresponding period in 2007)

| | | Change from same period in 2007 |
|-------|--------|---------------------------------|
| Wales | 1,411 | -0.49% |
| UK | 21,107 | -0.62% |

Although 2008 was one of the wettest summers on record, Wales maintained market share of trips taken in the UK by UK residents. While the total volume and value of trips to Wales fell slightly from 2007, this decrease was less marked than in the UK as a whole.



INTERNATIONAL VISITORS (Source: IPS 2008, January – December, provisional figures)

Trips (millions)

Wales' 'market share' of all trips to UK by international visitors: 3.4% (3.0% in corresponding period in 2007)

| | | Change from same period in 2007 |
|-------|--------|---------------------------------|
| Wales | 1,071 | +8.5% |
| UK | 31,928 | -2.6% |

Expenditure (£millions)

Wales' 'market share' of all expenditure in UK by international visitors: 1.9%
(2.1% in corresponding period in 2007)

| | | Change from same period in 2007 |
|-------|---------|------------------------------------|
| Wales | £312 | -8% |
| UK | £16,366 | +2.5% |

The provisional IPS results for 2008 indicate an increase in the total volume of trips (and nights spent) by overseas visitors in Wales but a fall in related expenditure. This is no doubt due to a combination of factors, including a fall in business visits (which though only accounting for just over one in six of all trips to Wales by overseas visitors, are relatively high spending) of some 18% and a reduction in spending on business visits of over 28%. Also, although the total volume of Visits to Friends and Relatives (accounting for some two in five of all overseas visits) was up 7%, the expenditure associated with these trips was down by 30% in 2008 compared with 2007. Additionally, economic problems no doubt had some adverse effect on total fourth quarter expenditure, which was 25% down in comparison with 2007.

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TOURIST INFORMATION CENTRES - Wales Network (January - December 2008)

| | | Change from 2007 |
|-----------------|-----------|------------------|
| All Visits | 2,755,118 | - 7.5% |
| Overseas Visits | 395,604 | -6.8% |

Although there has been a decrease in total number of visitors across the Network it must be taken into account that seven TICs have closed since 2007. The table takes into account the variance in the total number of centers since 2005.

| | No. TICs | Total Visitors | Average number of visitors per TIC |
|-----|----------|-------------------|---------------------------------------|
| 200 | | 3,552,86 | |
| 5 | 75 | 9 | 47,372 |
| 200 | | 2,972,83 | |
| 6 | 75 | 0 | 39,638 |
| 200 | | 2,976,63 | |
| 7 | 68 | 9 | 43,774 |
| 200 | | 2,755,11 | |
| 8 | 61 | 8 | 45,166 |

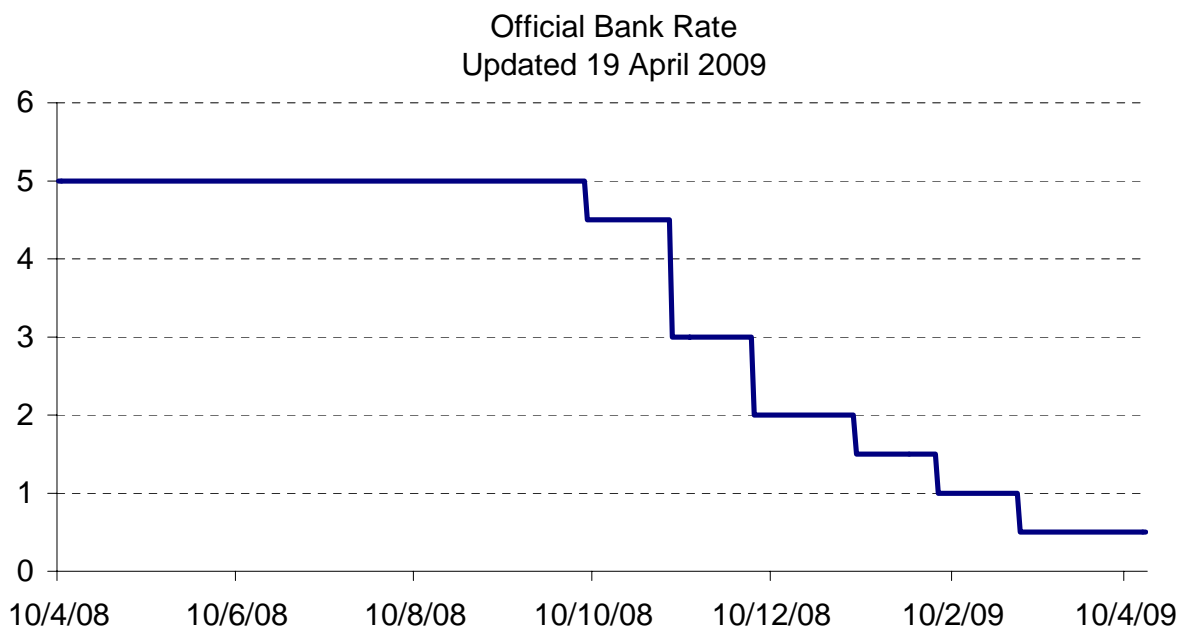
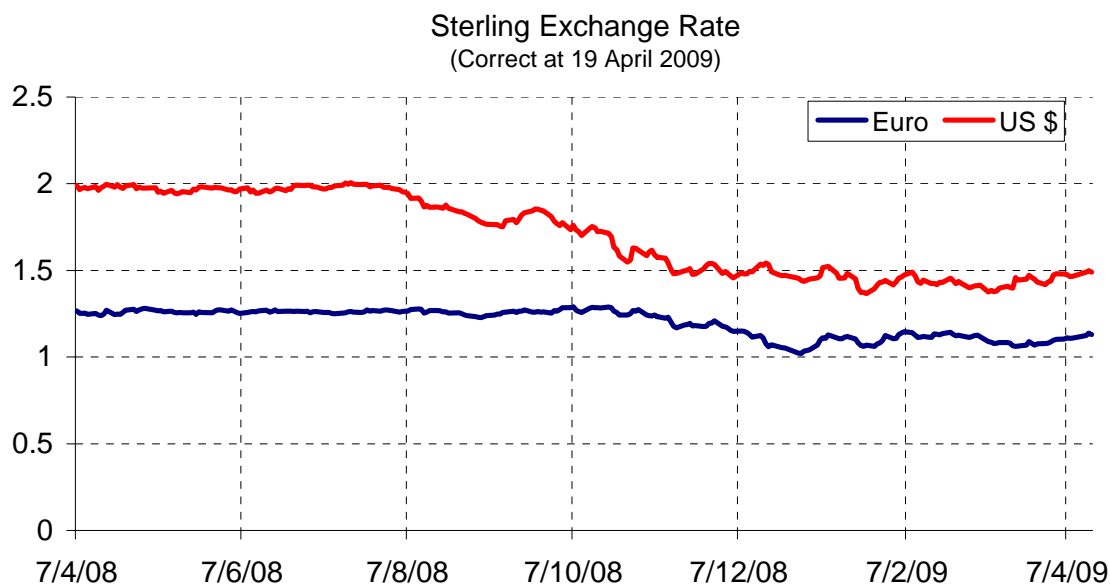
Source: TIC Stats

The Network has reduced markedly over the period 2005/08, partly due to budget reasons, while visitors' information service requirements are also changing. Overall, however, it is worth noting that the average number of visitors per TIC has remained broadly level over this period.

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Economic Context

- The US unemployment rate increased to 8.5% in March, with 663,000 Americans losing their jobs; 5.3 million fewer Americans are in employment now than a year ago
- Eurozone unemployment increases to 8.5% in February, ranging from 2.7% in the Netherlands to 15.5% in Spain

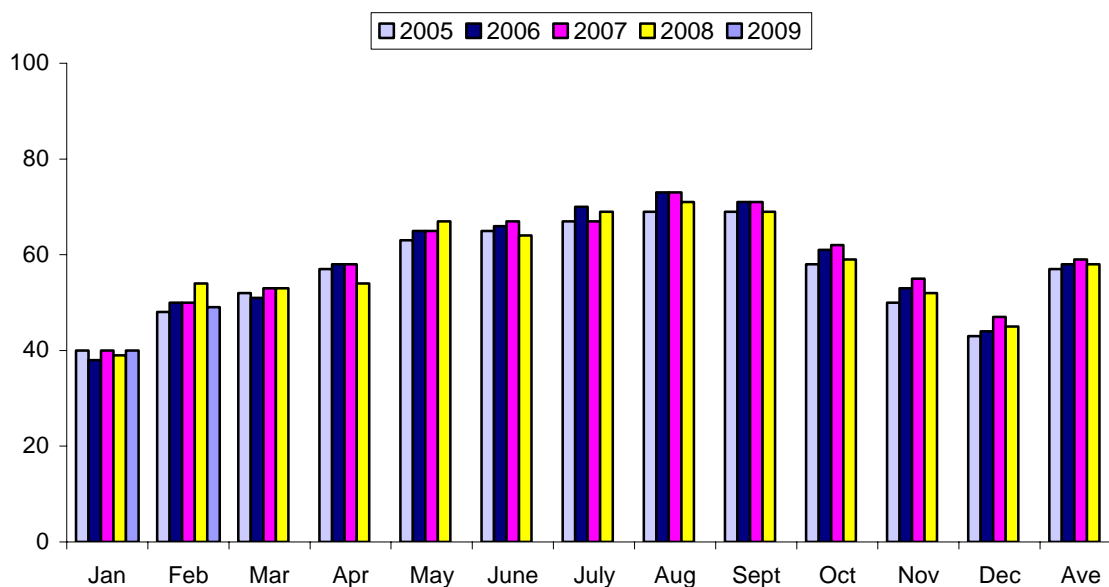


OCCUPANCY

(Source: Visit Wales Occupancy Survey)

The Visit Wales Occupancy Survey is a monthly survey of a panel of establishments located throughout Wales. The provisional 2008 occupancy figures are shown in figures in the following graphs:-

Hotel Room Occupancy (%)



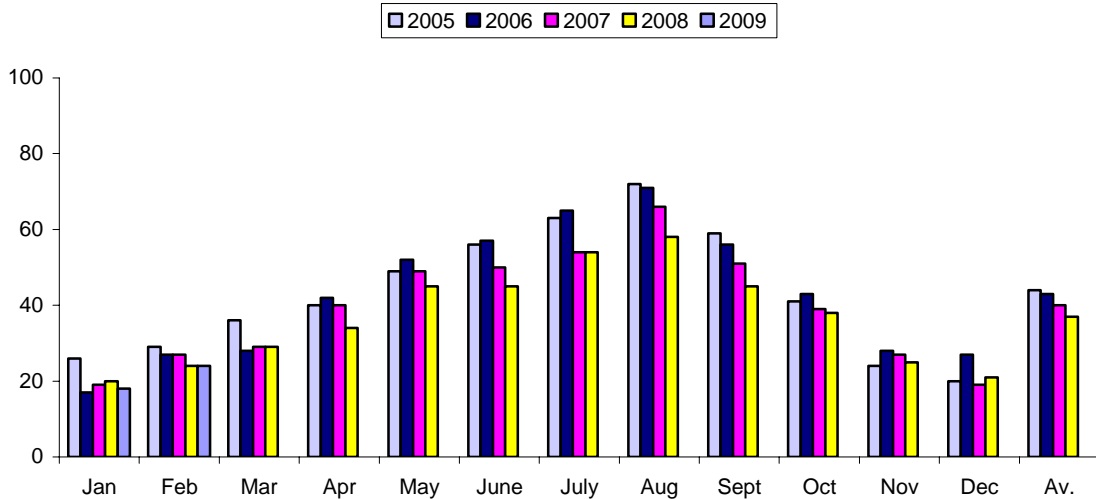
During the fourth quarter of 2008, the largest decreases in hotel occupancy were recorded during December. Overall, the fourth quarter recorded slight changes in room occupancy (-1.9%) and bed occupancy (+0.5%).

In a wider context, these findings reflect the economic slowdown that became more widely felt across the UK and further afield during the fourth quarter. As a case in point, the Jan-Dec 08 UKTS survey recorded trips and nights down -4% and -1% for Wales.

For comparison, overall occupancy rates in Scottish hotels show a less marked seasonal pattern than on Wales, due to a number of factors including a higher incidence of overnight business travel in Scotland (this being in part a factor of geography) and a higher level of off-season city breaks in Scottish cities, especially Edinburgh and Glasgow.

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Guesthouse/B&B Room Occupancy (%)

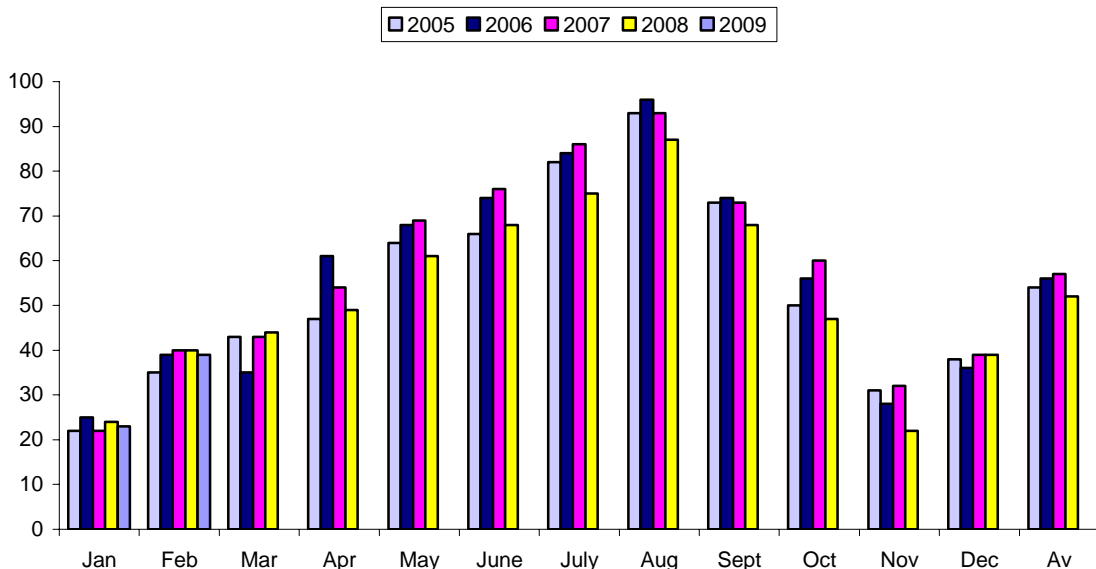


Reflecting trends in hotel sector the guest house/ B&B establishments continued to report a drop in occupancy in both the fourth quarter and across 2008.

For comparison, the seasonal pattern is broadly similar in Scotland, though the Scottish occupancy rates tend to be higher. This is due to a number of factors, among which, as with hotels, city breaks and business travel, are significant. The Scottish sample is larger than ours and may include a higher proportion of establishments that are actively involved in marketing their product year-round and consequently fewer seasonal businesses. We aim to boost the Wales sample so as to increase the representativeness and robustness of results.

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Self Catering Occupancy (%)



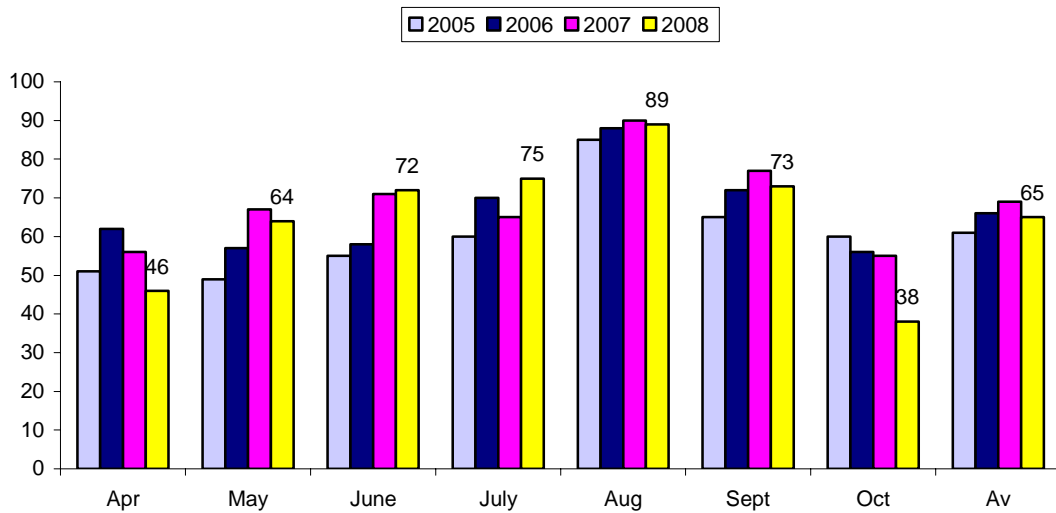
Note: Self catering occupancy is measured at the individual property level by expressing the number of weeks let each month as a proportion of the weeks and units available for rent.

Self-catering establishments started the fourth quarter of 2008 with a difficult October, occupancy rates -17% down on the equivalent time period in 2007 and continued to decrease in November. There was slight recovery in December although occupancy rates were still down on the previous year.

It should be noted that we received a higher proportion of returned occupancy forms for self-catering accommodation from agencies in Q4 08 v Q4 07, many of whom reported lower occupancy rates. This should be borne in mind when interpreting results.

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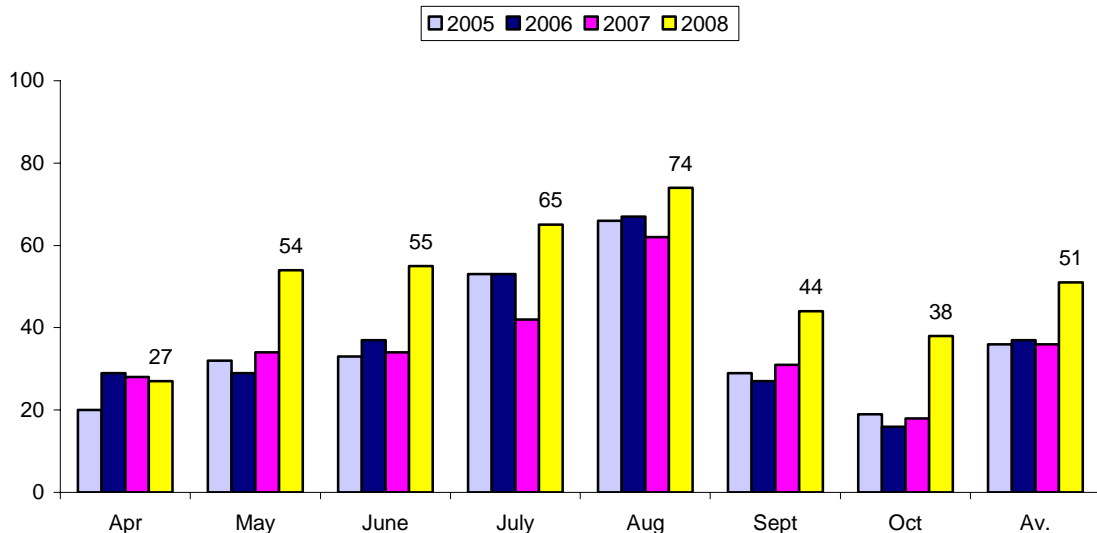
Caravan/Chalet/Holiday Home Occupancy



Note: Caravan/Chalet Holiday Home occupancy is measured as the percentage of available caravans and/or chalets occupied.

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Touring Park Occupancy



Touring Park is measured as the pitch occupancy. The increased occupancy rates reported in 2008 are largely attributable to improvements in sample in this part of the survey.

All 2008 monthly summaries reports on each sector are available at:
<http://new.wales.gov.uk/topics/tourism/research/occupancy/monthlysummaries/?lang=en>

SURVEY OF TOURISM BUSINESSES

(Source: Visit Wales Tourism Business Survey)

Visit Wales commissions a survey of a cross-section of 200 business 5 times a year, following Bank Holidays and other holiday periods. In view of the economic financial situation, an extra wave was commissioned in March 2009, based on a sample of 200 accommodation operators, in order to assess advance booking patterns and prospects for the season ahead. Below are some findings from the March 2009 report which looked at advance bookings and the credit crunch and also the Easter 2009 survey which examined confidence following the Easter period.

March 2009

Advance bookings by period

Overall, across the five upcoming major periods (Easter, May Half Term, June, July and August, and September), advance bookings are down on last year. It is hard to tell at this stage whether these periods will actually be quieter than last year, or whether people are just leaving it later to book.

Advance bookings by sector

There are significant differences by sector. The camping & caravanning sector is seeing an increase in advance bookings for Easter, with two in five (38%) reporting increased advance bookings and fewer than one in six (16%) reporting a decrease.

Advance bookings by visitor type

Advance bookings from overseas visitors are greatly reduced. One in ten (9%) report an increase in bookings from this group, whereas half (52%) report a decrease.

Advance bookings from business visitors are also down. Only a minority (3%) report an increase in bookings from this group, whereas two in five (39%) report a decrease.

Impact of credit crunch

On the positive side nearly two in five (18%) operators say that more people are holidaying in the UK. This is especially noticed by caravan & campsites, who say that many people are looking for a cheaper way of having a holiday.

On the negative side more than one quarter (28%) say that people are taking shorter holidays. One in seven (14%) say that people are leaving in until the last minute to book, and this could explain why advance bookings are down across the year.

Action in response to effect of credit crunch

Nearly half (44%) of those experiencing negative effects of the credit crunch are responding by making offers and discounts and a further proportion (13%) are holding their prices. About half (44%) are doing nothing.

Easter 2009

Guest/Visitor Numbers

The Welsh tourism industry has had a successful Easter period. Two in five (41%) businesses have increased their guest/visitor numbers and nearly half (44%) have had the same number. Only a minority (13%) have had a decrease. The main reason for the successful period is good weather, which is partly attributable to Easter falling later this year.

Attractions have performed especially well, with three in four (73%) reporting an increase in visitor numbers.

Turnover

Over two in five (42%) businesses have increased their turnover for the period and slightly over one in three (36%) have achieved the same level.

Advance Bookings

Looking ahead to the summer months, advance bookings are slightly down on balance. However as the Easter period has just proved, tourists are noticeably booking later than normal this year.

Price discounting

More than half (55%) of businesses say they have no intentions to use price discounting or special offers this year. There is little evidence of desperation in the industry; in fact confidence is high.

Confidence for the Summer Season

Following a successful Easter more than one in three (36%) operators are very confident for the summer season and nearly half (47%) are fairly confident.

A full copy of the above reports, including graphs and detailed commentary, is available at:
<http://new.wales.gov.uk/topics/tourism/research/tourisminwales/businesssurvey/?lang=en>

If you would like further information on the above or would like to participate in any of our surveys/research, please contact us using the details shown below:

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<http://new.wales.gov.uk/topics/tourism/research/?lang=en>