Visit Wales Research Update

19 January 2009

Llywodraeth Cynulliad Cymru
Welsh Assembly Government

This update summarises 2008 tourism performance by drawing upon Visit Wales' own research and information from other relevant sources. It is based upon information available at 19 January 2009.

STAYING VISITORS FROM THE UK
(Source: UKTS 2008, January – September)

Trips (millions)

Wales' 'market share' of all staying trips in UK by UK residents: 7.7% (7.4% in corresponding period in 2007)

		Change from same period in 2007
Wales	7.04	+1.1%
UK	91.37	-2.5%

Expenditure (£millions)

Wales' 'market share' of all expenditure on staying trips in UK by UK residents: 6.9% (6.8% in corresponding period in 2007)

		Change from same period in 2007
Wales	1,166	+4.8%
UK	16,859	+2.3%

INTERNATIONAL VISITORS
(Source: IPS 2008, January – September)

Trips (millions)

Wales' 'market share' of all trips to UK by international visitors: 3.6% (3.1% in corresponding period in 2007)

		Change from same period in 2007
Wales	0.902	+16.5%
UK	25.001	+ 0.8%

Expenditure (£millions)

Wales' 'market share' of all expenditure in UK by international visitors: 2.2% (no change from corresponding period in 2007)

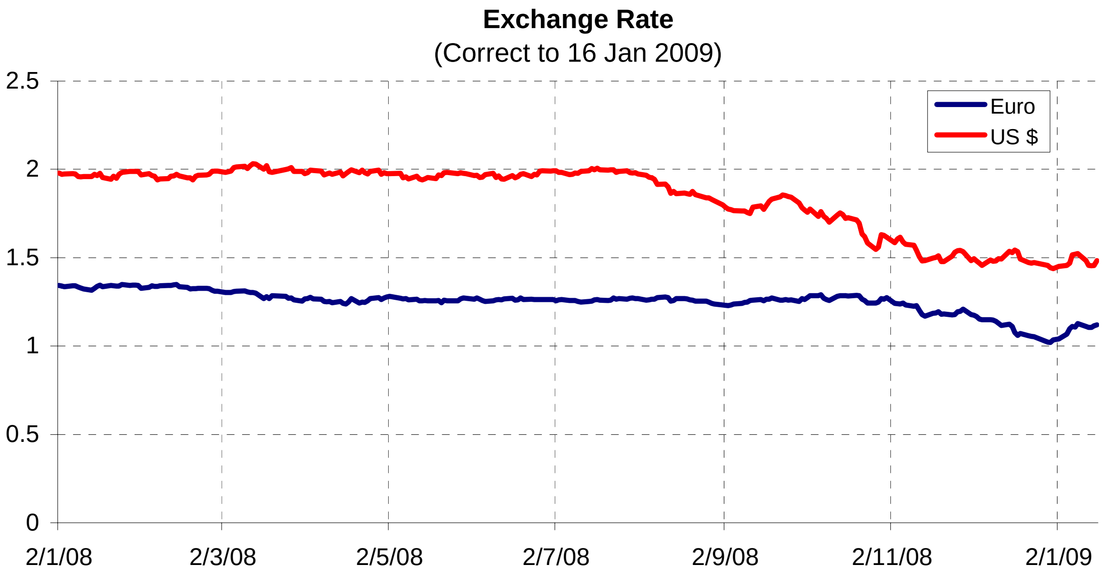
		Change from same period in 2007
Wales	255	-4%
UK	12,505	+4%

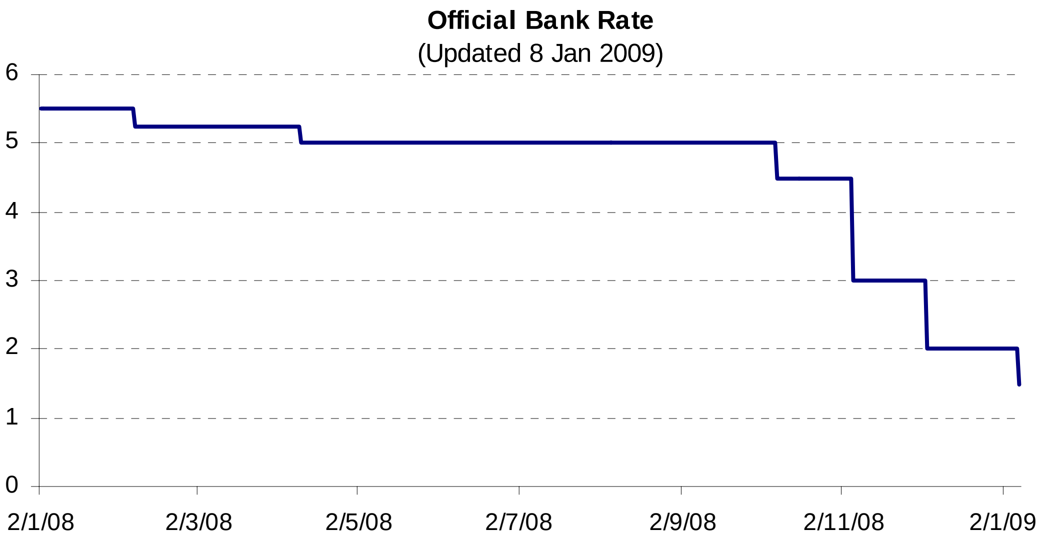
TOURIST INFORMATION CENTRES - Wales Network
(January - November 2008)

		Change from 2007
All Visits	2,632,875	- 8.7%
Overseas Visits	380,108	- 7.3%

Economic Context

- Sterling has fallen to its lowest point aginst the Euro and has dropped significantly against the US Dollar during the latter third of 2008.
- The Bank of England cut the base lending rate throughout 2008 and has started 2009 with a further cut to 1.5% on 8 January.
- The OECD forecast a ‘protracted global slowdown’, with economic growth in the top 20 developed countries forecast to fall by 0.3% in 2009



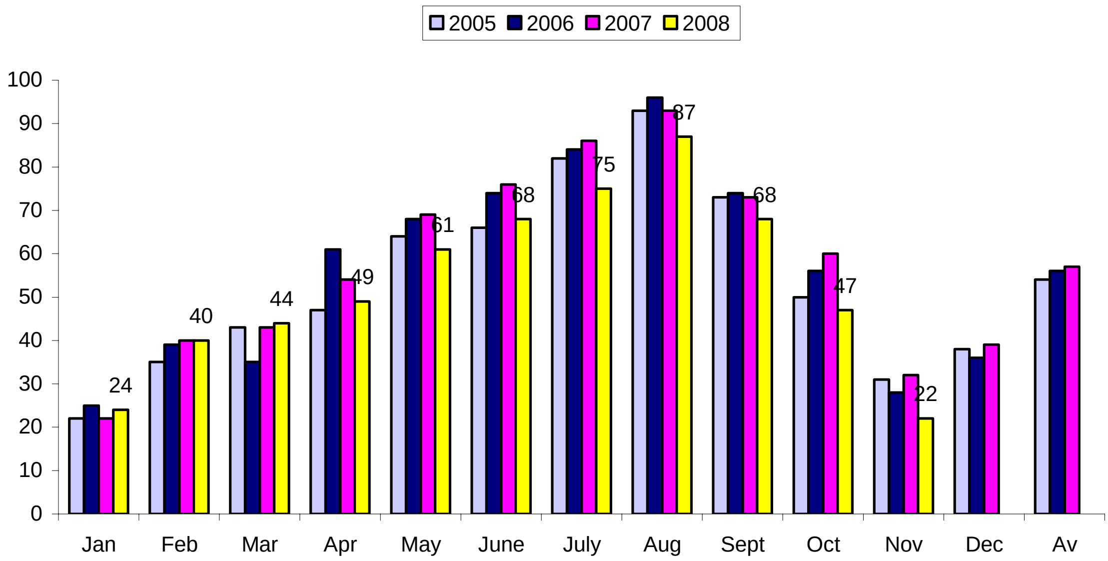


OCCUPANCY

(Source: Visit Wales Occupancy Survey)

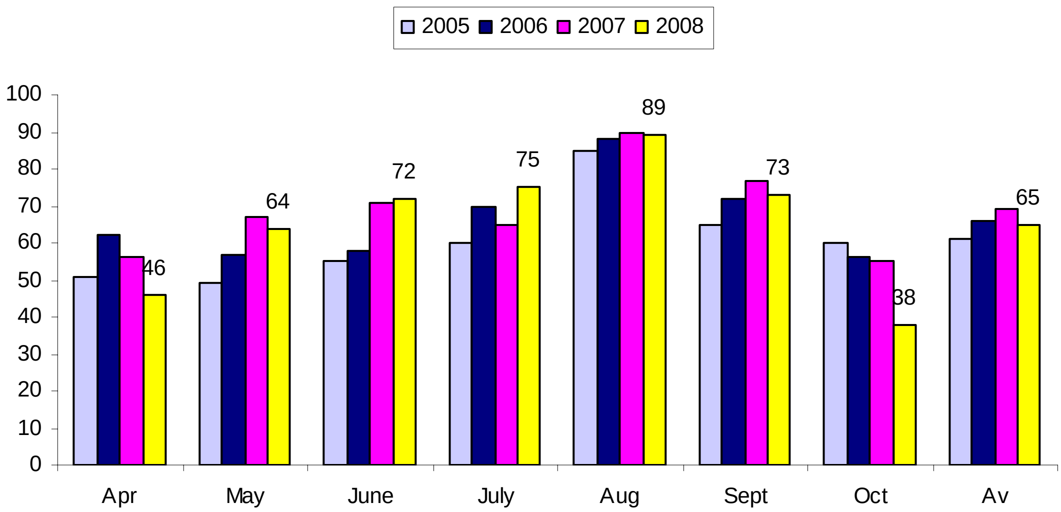
The Visit Wales Occupancy Survey is a monthly survey of a panel of establishments located throughout Wales. The latest provisional 2008 occupancy figures are shown in figures in the following graphs:-

Self Catering Occupancy (%)

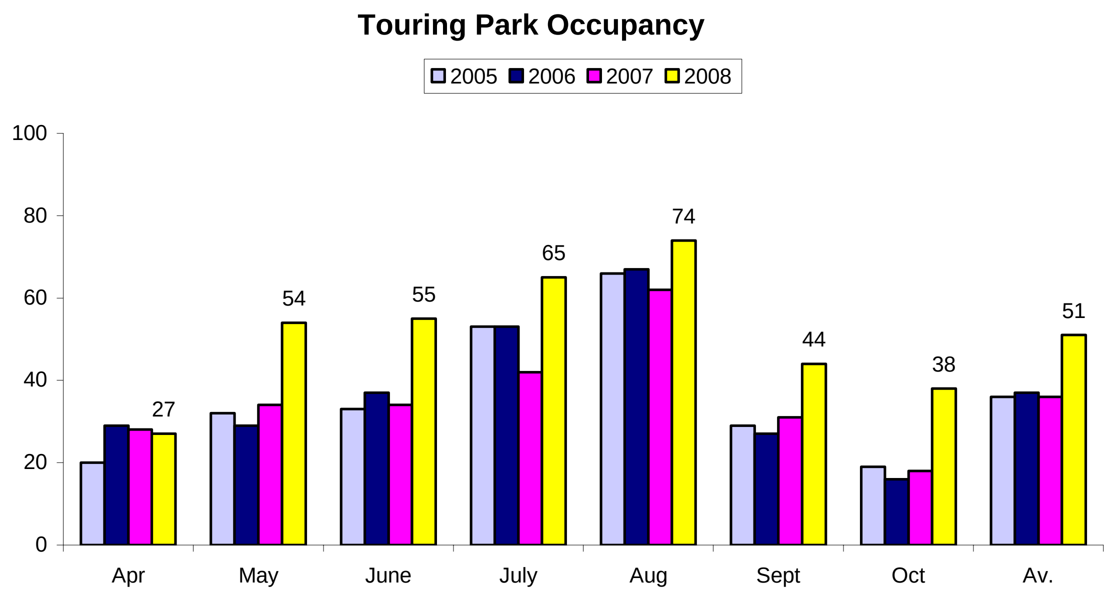


Note: Self catering occupancy is measured at the individual property level by expressing the number of weeks let each month as a proportion of the weeks and units available for rent.

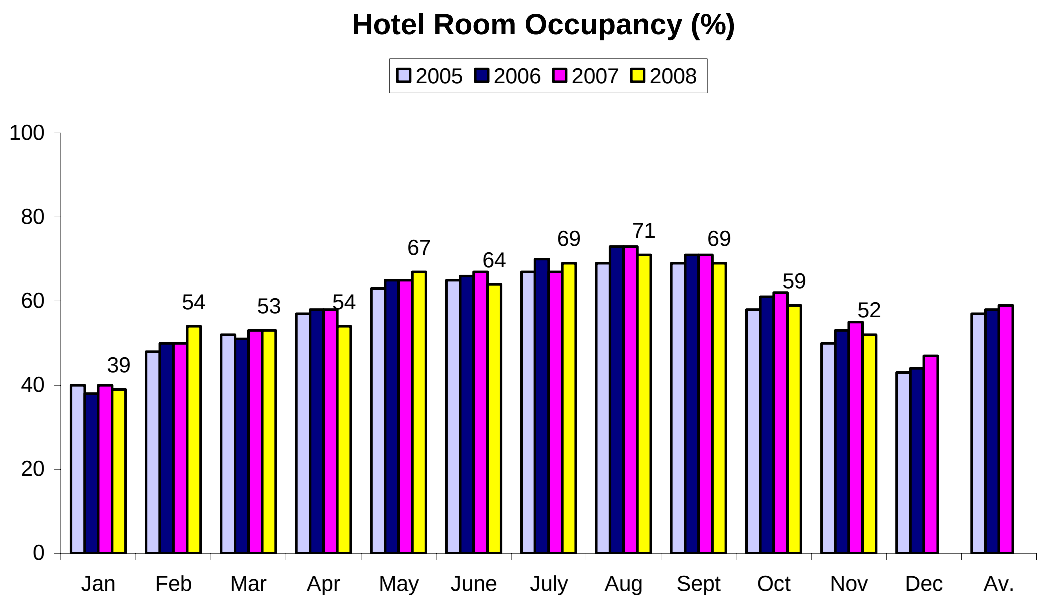
Caravan/Chalet/Holiday Home Occupancy

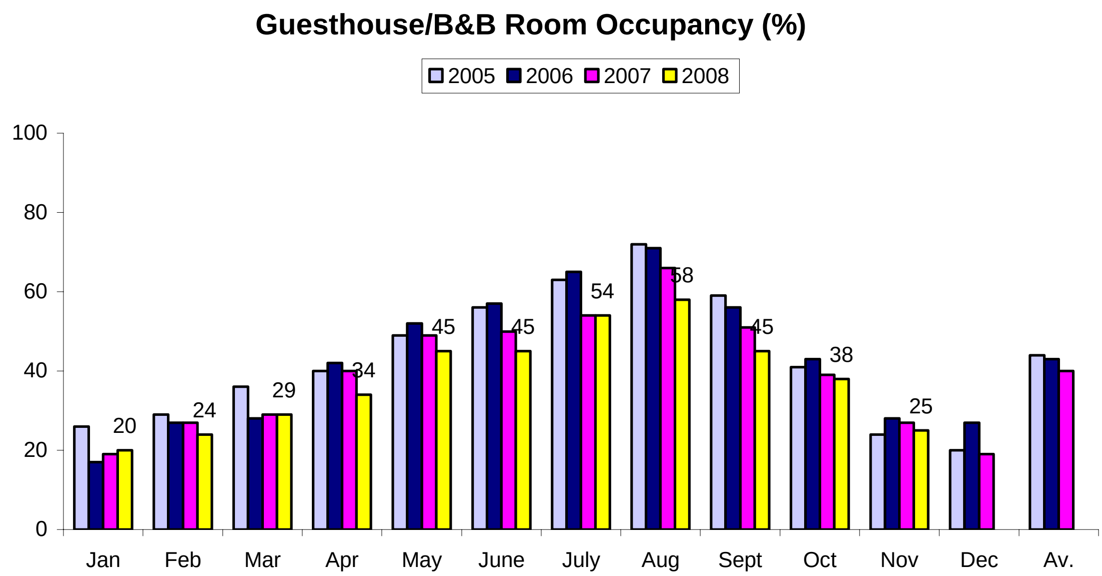


Note: Caravan/Chalet Holiday Home occupancy is measured as the percentage of available caravans and/or chalets occupied.



Touring Park is measured as the pitch occupancy





All 2008 monthly summaries reports in 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.

Below are some findings from the **January 2009** report, covering the Christmas 2008 and New Year period, and future **2009 perceptions** amogst the trade.

Guest/Visitor Numbers

The Welsh tourism industry has endured a difficult start to the year, with just a minority (15%) of businesses interviewed increasing their guest/visitor numbers for the period. Two in five (40%) have achieved the same level and two in five (39%) have had a decrease.

Half (49%) of those experiencing a decrease in numbers give the credit crunch as a reason.

Turnover

Just under one in five (18%) businesses have increased their turnover for the period. Just over one third (36%) have achieved the same level and about two in five (38%) have had a decrease.

Advance Bookings

About one in five (18%) accommodation operators have more advance bookings for 2009 than they had this time last year (for 2008). One quarter (25%) have the same level and one third (35%) have fewer. About one in five (22%) have answered ‘don’t know’.

Impact of Credit Crunch

Many operators are still saying the credit crunch is not impacting on tourism in Wales at this time. This includes one quarter (24%) who say it has no significant effect and some of the one third (35%) who are ‘unable to judge’. On the other side, one quarter (26%) believe that people are taking fewer breaks.

Investment Plans for 2009

Two in three (67%) accommodation operators are investing by maintaining rooms/facilities to existing standard. As for attractions, two in five (38%) are not investing anything in 2009.

Confidence for the Spring and Easter Season

A minority (15%) of operators are ‘very confident’ for the spring and Easter season. This is much lower than last year (31%).

Below are some findings from the **2008 final report** which comments on overall trends through last year.

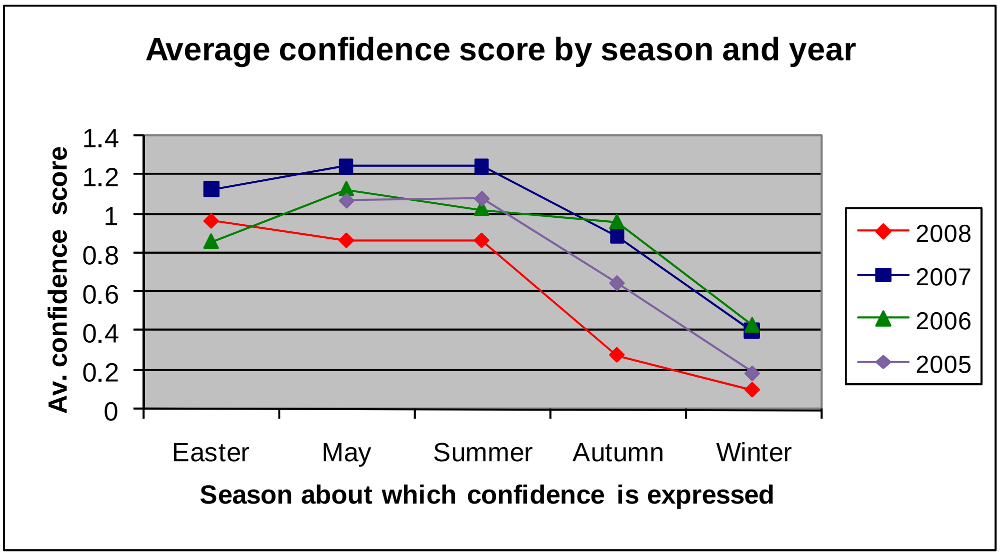
- The tourism industry in Wales has had a very challenging year. In every wave the proportion of businesses reporting a decrease in guest/visitor numbers has been much greater than the proportion reporting an increase.

- Easter is often regarded by many operators as the time 'when business starts picking up' and they look forward to it in the early part of the year. However this year Easter Sunday fell very early on 23rd March, meaning cooler weather, dark evenings and some school holidays not occurring until April. It is important to view the result that only a minority (7%) increased their numbers for Easter in this context.

- After a disappointing Easter, the remainder of the year has been hit by bad weather at all the wrong times (especially school summer holidays and bank holidays), and to a lesser extent the credit crunch.

- In spite of the difficult weather and economic conditions, there are always some businesses that manage to profit by increasing their efforts in areas such as marketing and customer satisfaction and sharpening their competitiveness to win a good share of the limited volume of business available.

- Confidence



The red line on the above chart depicts confidence levels for 2008. As each period has been below par this year, confidence for the next period has been affected significantly. Following a disappointing summer, only half (52%) of operators were then confident about the autumn.

A copy of the Annual Report and the indivdual Wave Reports are 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