

THURSDAY 21ST NOVEMBER 2013

WELSH TOURISM A POWERHOUSE FOR GROWTH AND JOBS

- **Currently worth £6.9bn and growing to £13.2bn by 2025 - 15% of Welsh GDP**
- **Set to grow 48.5 % in real terms by 2025 – faster than manufacturing, construction and retail**
- **In 2013 Tourism supported 206,000 jobs across Wales (14.9% of total employment), growing to 236,000 in 2025**
- **Inbound tourism the driving force of growth**

Tourism's central role in creating new jobs across Wales has been underlined in a report from Deloitte, '*Tourism: jobs and growth*', commissioned by VisitBritain.

Since 2010 tourism has been the fastest growing sector in the UK in employment terms, responsible for one-third of the net increase in UK jobs between 2010 and 2012. Recent employment growth in the sector has been 'stellar' over this period says the report – more than four times the rate of manufacturing.

The report forecasts that the Welsh tourism economy will be worth around £6.9 billion this year (2013), equivalent to 13.9% of the Wales's GDP. It supports over 206,000 jobs, which is 14.9% of all jobs. The sector is predicted to grow by 48.5% in real terms through to 2025 - much faster than sectors such as manufacturing, construction and retail.

Wales could have a tourism industry worth over £13.2 billion by 2025 – equivalent to 15% of Welsh GDP and supporting almost 236,000 jobs, which is 16.6% of the total employment. Tourism jobs are distributed right across the Wales, for while urban areas such as Cardiff have the highest number of jobs in tourism, the relative level of tourism-related jobs tends to be higher in the rural and coastal areas of Wales. During this period of job creation, productivity in the tourism sector is also expected to increase by 2% per annum.

Tourism's impact is amplified through the economy, so benefits are much wider than just the direct spending of tourists. Deloitte estimates the tourism GVA multiplier to be 2.2 – meaning that for every £1000 generated in direct tourism GVA there is a further £1200 that is secured elsewhere in the economy through the supply chain¹.

Inbound tourism across UK and Wales

Inbound tourism will continue to be the fastest growing tourism sector, with spend by international visitors forecast to grow by over 6% a year. The value of inbound tourism is forecast to grow from around over £21bn in 2013 to £57bn by 2025, with the UK seeing an international tourism balance of payments surplus within a decade - almost forty years since the UK last reported a surplus.

If Britain were to become as successful as its European competitors in the new emerging growth markets for tourism (such as China) it could increase the value of inbound tourism by an additional £12bn by 2025 – an increase to £69bn or over 20% on the base forecast.

The Welsh inbound market is set to grow from £0.6bn in 2013 to £1.6bn by 2025

Christopher Rodrigues, VisitBritain Chairman said: "*Tourism has become a bedrock of the UK economy – generating a third of the UK's new jobs between 2010 and 2012 - and still has the ability to grow at levels that will lead other industries out of the economic slowdown.*"

"Deloitte's report suggests that by 2025 Wales could have an industry worth over £13.2 billion by 2025 (48.5% more in real terms than in 2013), supporting 236,000 jobs – across the country and at all skill levels."

“Inbound tourism is already one of Britain’s top export industries and will continue to be the fastest growing sector of the industry, with spend by international visitors forecast to grow by over 6% a year.

“Our record performance since the Olympics bodes well for the future but to achieve the industry’s full potential we need to continue to raise our game, marry policy and marketing and promote Britain even more aggressively overseas.”

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1. Figure arrived at by Regression analysis and the marginal expenditure impact approach. Every 1% rise in real spending is associated with a 0.89% rise in FTE. Tourism’s impact is amplified through the economy from the direct spending levels with the tourism GVA multiplier estimated to be 2.2 – meaning that for every £1 generated in direct tourism GVA there is a further £1.20 pence that is supported elsewhere in the economy through the supply chain and consumer spending
2. The full report, *Tourism: jobs and growth*, can be found on [VisitBritain’s website](#).