Economic Impact of Tourism

Visit Pembrokeshire - 2019

Contents **Page**

Economic Impact of Tourism – Headline Figures Pembrokeshire - 2019

Total number of trips (day & staying)
7,053,000

Total staying trips
1,043,000

UK staying trips
981,000

Overseas staying trips
62,000

Total staying nights
4,285,000

UK staying nights
3,970,000

Overseas staying nights
315,000

Total staying spend
£234,989,000

UK staying spend
220,000,000

Overseas staying spend
14,989,000

Total day trips
6,010,000

Total day trip spend
£193,000,000

Associated spend
£32,488,000

Includes maintenance spending on second homes, boats and static vans as well as additional household spending due to people coming to stay with them.

Total visitor spend
£428,976,000

Adjustments made to avoid double-counting (e.g. spending on retail and catering at attractions or accommodation, or travel spend taking at the origin of the trip.

Indirect / induced spend
£160,969,000

Total Tourism Value
£589,945,000

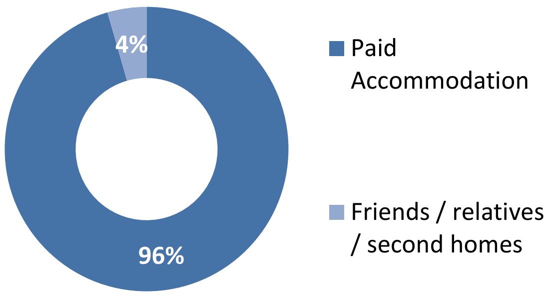
Full time equivalent jobs
9,244

Total actual tourism related employment
12,437

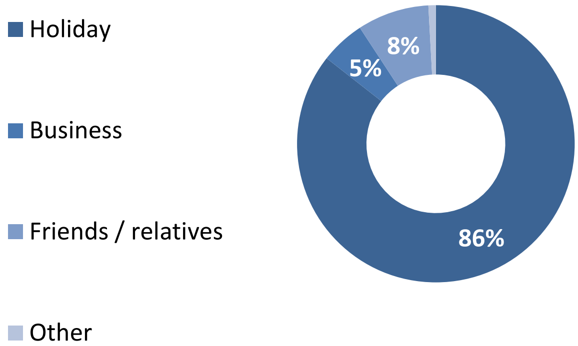
Percentage of all employment
21%

	2019
Average length stay (nights x trip)	4.11
Spend x night	£54.84
Spend x day trip	£32.11

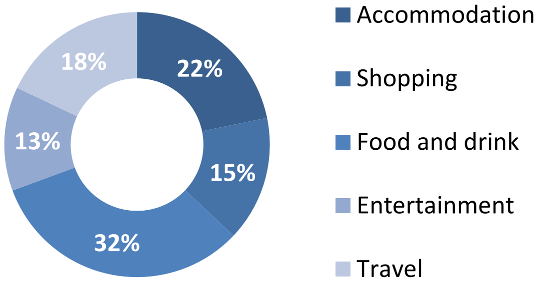
Type of Accommodation



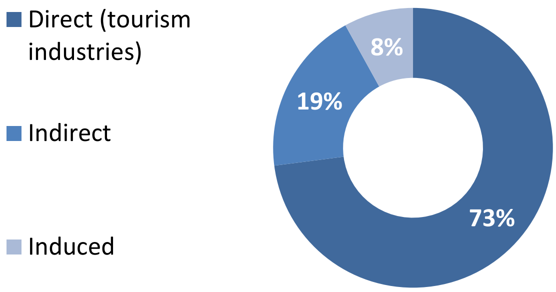
Trips by Purpose



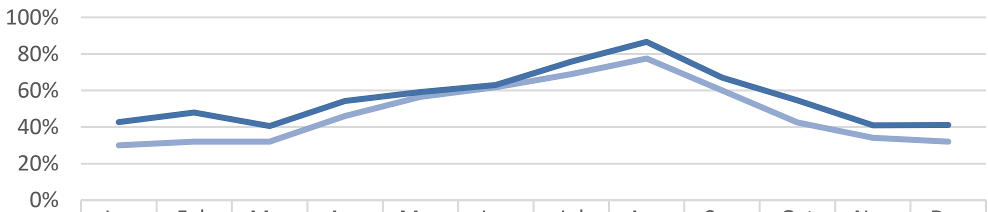
Breakdown of expenditure



Type of employment



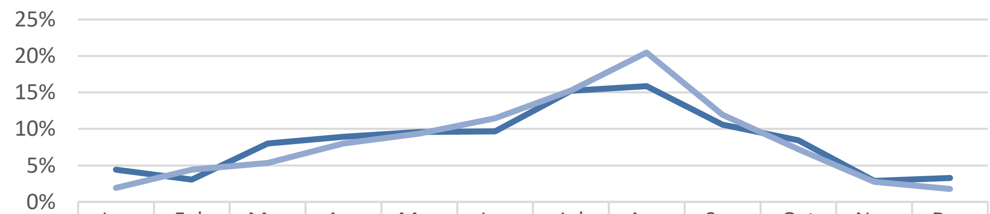
Accommodation occupancy



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Serviced (Bed Occ.)	30%	32%	32%	46%	57%	62%	69%	78%	60%	43%	34%	32%
Self Catering (Unit Occ.)	43%	48%	41%	54%	59%	63%	76%	87%	67%	55%	41%	41%

Serviced (Bed Occ.) Self Catering (Unit Occ.)

Trip seasonality



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Staying trips	4%	3%	8%	9%	10%	10%	15%	16%	11%	8%	3%	3%
Day trips	2%	4%	5%	8%	9%	11%	15%	20%	12%	7%	3%	2%

Staying trips Day trips

Contextual analysis

Domestic tourism

In 2019, British residents took 10.7 million overnight trips in Wales, totalling 35.1 million nights away from home. Expenditure reached £2 billion. The spend per trip was £186.86 and with an average trip length of stay of 3.3 nights, the average spend per night was £56.98.

British residents took 2.18 million trips to South West Wales, totalling 7.5 million nights away from home. Expenditure reached £360.30 million. The spend per trip was £165.03 and with an average trip length of stay of 3.4 nights, the average spend per night was £47.95.

Domestic tourism - **Pembrokeshire in the wider context**

The domestic tourism results for Pembrokeshire show a total 981 thousand overnight trips taken by British residents, totalling 3.97 million nights away from home. Expenditure reached £220 million.

Visits from overseas

At national level, the number of visits to Wales in 2019 was 1.02 million. The number of visitor nights spent in Wales was 7.18 million, with the average number of nights per visit standing at 7.02 in 2019. Expenditure in 2019 was £514.63 million.

Overseas residents took 249,750 trips to South West Wales, totalling 1.7 million nights away from home. Expenditure reached £127.40 million. The spend per trip was £510.11 and with an average trip length of stay of 6.74 nights, the average spend per night was £74.94.

Overseas tourism - Pembrokeshire in the wider context

The overseas tourism results for Pembrokeshire show a total 62,000 overnight trips taken by visitors from oveseas, totalling 315,000 nights away from home. Expenditure reached £14.99 million.

The GB Tourism Survey and the International Passenger Survey (IPS) are key data drivers for the Cambridge model. However, they are not specifically designed to produce highly accurate results at sub-regional level. In order to improve the accuracy of results we have applied a 3-year rolling average to this data to help smooth out short term market fluctuations and highlight longer-term trends. As such, the results relating to 2019 are an average of 2017, 2018 and 2019.

Day visits

During 2019, Wales residents took a total of 87 million Tourism Day Visits in England. Around £3.45 billion were spent during these trips (£39.62 per trip).

There were 18 million tourism day visits to South West Wales, with £579 million spent durung those trips. The average spend per trips was £32.17.

Day visits - Pembrokeshire in the wider context

the results presented in this report show a total of 6 million day trips to Pembrokeshire, with an associated expenditure of £193 million, meaning that the average spend per trip was £32.11.

As it is the case with the GBTS and IPS, the GD Day Visitor Survey is also a key data driver for the Cambridge model. However, it is not specifically designed to produce highly accurate results at sub-regional level. In order to improve the accuracy of results we have applied a 3-year rolling average to this data to help smooth out short term market fluctuations and highlight longer-term trends. As such, the results relating to 2019 are an average of 2017, 2018 and 2019.

Volume of Tourism

Staying Visitors - Accommodation Type

Trips by Accommodation

	UK		Overseas		Total	
Serviced	222,000	23%	28,000	45%	250,000	24%
Self catering	115,000	12%	8,000	13%	123,000	12%
Camping	155,000	16%	4,000	6%	159,000	15%
Static caravans	292,000	30%	6,000	10%	298,000	29%
Second homes	59,000	6%	0	0%	59,000	6%
Boat moorings	38,000	4%	0	0%	38,000	4%
Other	3,000	0%	0	0%	3,000	0%
Friends & relatives	78,000	8%	10,000	16%	88,000	8%
Total	**981,000**		**62,000**		**1,043,000**	

Nights by Accommodation

	UK		Overseas		Total	
Serviced	545,000	14%	98,000	31%	643,000	15%
Self catering	567,000	14%	55,000	17%	622,000	15%
Camping	426,000	11%	26,000	8%	452,000	11%
Static caravans	1,436,000	36%	42,000	13%	1,478,000	34%
Second homes	282,000	7%	0	0%	282,000	7%
Boat moorings	310,000	8%	0	0%	310,000	7%
Other	6,000	0%	2,000	1%	8,000	0%
Friends & relatives	373,000	9%	57,000	18%	430,000	10%
Total	**3,970,000**		**315,000**		**4,285,000**	

Spend by Accommodation Type

	UK		Overseas		Total	
Serviced	£60,742,000	28%	£7,790,000	52%	£68,532,000	29%
Self catering	£27,780,000	13%	£2,089,000	14%	£29,869,000	13%
Camping	£20,867,000	9%	£963,000	6%	£21,830,000	9%
Static caravans	£70,320,000	32%	£1,607,000	11%	£71,927,000	31%
Second homes	£6,896,000	3%	£0	0%	£6,896,000	3%
Boat moorings	£14,751,000	7%	£0	0%	£14,751,000	6%
Other	£288,000	0%	£55,000	0%	£343,000	0%
Friends & relatives	£17,739,000	8%	£2,474,000	17%	£20,213,000	9%
Total	**£220,000,000**		**£14,989,000**		**£234,989,000**	

Serviced accommodation includes hotels, guesthouses, inns, B&B and serviced farmhouse accommodation. Paying guest refers to overseas visitors staying in private houses, e.g. language school students. Other trips includes nights spent in transit, in lorry cabs and other temporary accommodation.

Staying Visitors - Purpose of Trip

Trips by Purpose

	UK		Overseas		Total	
Holiday	856,000	87%	36,700	59%	892,700	86%
Business	51,000	5%	3,200	5%	54,200	5%
Friends & relatives	69,000	7%	18,200	29%	87,200	8%
Other	5,000	1%	4,000	6%	9,000	1%
Total	**981,000**		**62,000**		**1,043,000**	

Nights by Purpose

	UK		Overseas		Total	
Holiday	3,285,000	83%	157,000	50%	3,442,000	80%
Business	107,000	3%	14,000	4%	121,000	3%
Friends & relatives	544,000	14%	138,000	44%	682,000	16%
Other	33,000	1%	6,000	2%	39,000	1%
Total	**3,970,000**		**315,000**		**4,285,000**	

Spend by Purpose

	UK		Overseas		Total	
Holiday	£196,377,000	89%	£10,213,000	68%	£206,590,000	88%
Business	£13,862,000	6%	£776,000	5%	£14,638,000	6%
Friends & relatives	£8,664,000	4%	£3,559,000	24%	£12,223,000	5%
Other	£1,097,000	0%	£441,000	3%	£1,538,000	1%
Total	**£220,000,000**		**£14,989,000**		**£234,989,000**	

Day Visitors

Trips and Spend by Urban, Rural and Coastal Area

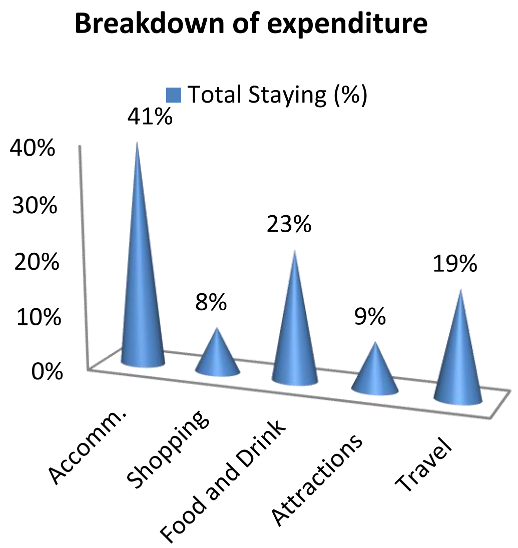
	Trips	Spend
Town visits	2,164,000	£66,957,000
Countryside visits	2,018,000	£65,248,000
Coastal visits	1,828,000	£60,795,000
Total	**6,010,000**	**£193,000,000**

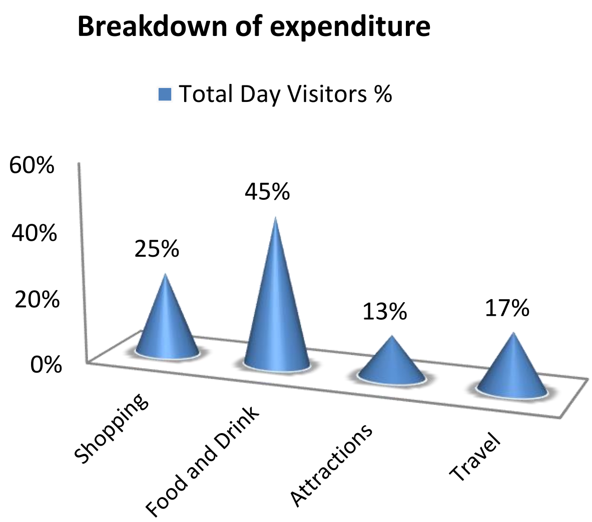
Value of Tourism

Expenditure Associated with Trips:

Direct Expenditure Associated with Trips

	Accomm.	Shopping	Food and Drink	Attractions	Travel	Total
UK Tourists	£89,707,000	£16,092,000	£51,810,000	£18,893,000	£43,499,000	£220,001,000
Overseas tourists	£5,777,000	£3,037,000	£3,169,000	£1,371,000	£1,635,000	£14,989,000
Total Staying	£95,484,000	£19,129,000	£54,979,000	£20,264,000	£45,134,000	£234,990,000
Total Staying (%)	41%	8%	23%	9%	19%	100%
Total Day Visitors	£0	£47,962,000	£86,777,000	£24,640,000	£33,621,000	£193,000,000
Total Day Visitors %	0%	25%	45%	13%	17%	100%
Total	**£95,484,000**	**£67,091,000**	**£141,756,000**	**£44,904,000**	**£78,755,000**	**£427,990,000**
Total (%)	**22%**	**16%**	**33%**	**10%**	**18%**	**100%**





Other expenditure associated with tourism activity

Other expenditure associated with tourism activity - Estimated spend				
Second homes	**Boats**	**Static vans**	**Friends & relatives**	**Total**
£15,560,000	£2,669,000	£12,406,000	£1,853,000	£32,488,000

Spend on second homes is assumed to be an average of £2,100 on rates, maintenance, and replacement of furniture and fittings. Spend on boats assumed to be an average of £2,100 on berthing charges, servicing and maintenance and upgrading of equipment. Static van spend arises in the case of vans purchased by the owner and used as a second home. Expenditure is incurred in site fees, utility charges and other spending and is estimated at £2,100. Additional spending is incurred by friends and relatives as a result of people coming to stay with them. A cost of £150 per visit has been assumed based on national research for social

Direct Turnover Derived From Trip Expenditure

Business turnover arises as a result of tourist spending, from the purchase of supplies and services locally by businesses in receipt of visitor spending and as a result of the spending of wages in businesses by employees whose jobs are directly or indirectly supported by tourism spending.

	Staying Visitor	Day Visitors	Total
Accommodation	£96,583,000	£1,736,000	£98,319,000
Retail	£18,938,000	£47,483,000	£66,421,000
Catering	£53,329,000	£84,173,000	£137,502,000
Attractions	£21,005,000	£25,988,000	£46,993,000
Transport	£27,081,000	£20,172,000	£47,253,000
Non-trip spend	£32,488,000	£0	£32,488,000
Total Direct	**£249,424,000**	**£179,552,000**	**£428,976,000**

Adjustments have been made to recognise that some spending on retail and food and drink will fall within attractions or accommodation establishments. It is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination.

Supplier and Income Induced Turnover

	Staying Visitor	Day Visitors	Total
Indirect spend	£67,283,000	£37,783,000	£105,066,000
Non trip spending	£6,497,000	£0	£6,497,000
Income induced	£42,239,000	£7,167,000	£49,406,000
Total	**£116,019,000**	**£44,950,000**	**£160,969,000**

Income induced spending arises from expenditure by employees whose jobs are supported by tourism spend.

Total Local Business Turnover Supported by Tourism Activity – Value of Tourism

	Staying Visitor	Day Visitors	Total
Direct	£249,424,000	£179,552,000	£428,976,000
Indirect	£116,019,000	£44,950,000	£160,969,000
Total Value	**£365,443,000**	**£224,502,000**	**£589,945,000**

Employment

Employment

The model generates estimates of full time equivalent jobs based on visitor spending. The total number of 'actual' jobs will be higher when part time and seasonal working is taken into account. Conversion of full time equivalent jobs into actual jobs relies on information from business surveys in the sectors receiving

Direct employment

Full time equivalent (FTE)						
	Staying Visitor		Day Visitor		Total	
Accommodation	1,655	43%	30	1%	1,685	27%
Retailing	164	4%	411	17%	575	9%
Catering	864	22%	1,363	56%	2,227	36%
Entertainment	388	10%	479	20%	867	14%
Transport	176	5%	131	5%	308	5%
Non-trip spend	602	16%	0	0%	602	10%
Total FTE	**3,848**		**2,415**		**6,263**	

Estimated actual jobs						
	Staying Visitor		Day Visitor		Total	
Accommodation	2,450	45%	44	1%	2,494	28%
Retailing	246	4%	617	17%	862	10%
Catering	1,296	24%	2,045	57%	3,341	37%
Entertainment	546	10%	676	19%	1,223	14%
Transport	249	5%	185	5%	434	5%
Non-trip spend	686	13%	0	0%	686	8%
Total Actual	**5,472**		**3,567**		**9,039**	

Indirect & Induced Employment

Full time equivalent (FTE)			
	Staying Visitor	Day Visitors	Total
Indirect jobs	1,366	700	2,066
Induced jobs	782	133	915
Total FTE	**2,149**	**832**	**2,981**

Estimated actual jobs			
	Staying Visitor	Day Visitors	Total
Indirect jobs	1,558	798	2,355
Induced jobs	892	151	1,043
Total Actual	**2,449**	**949**	**3,398**

Total Jobs

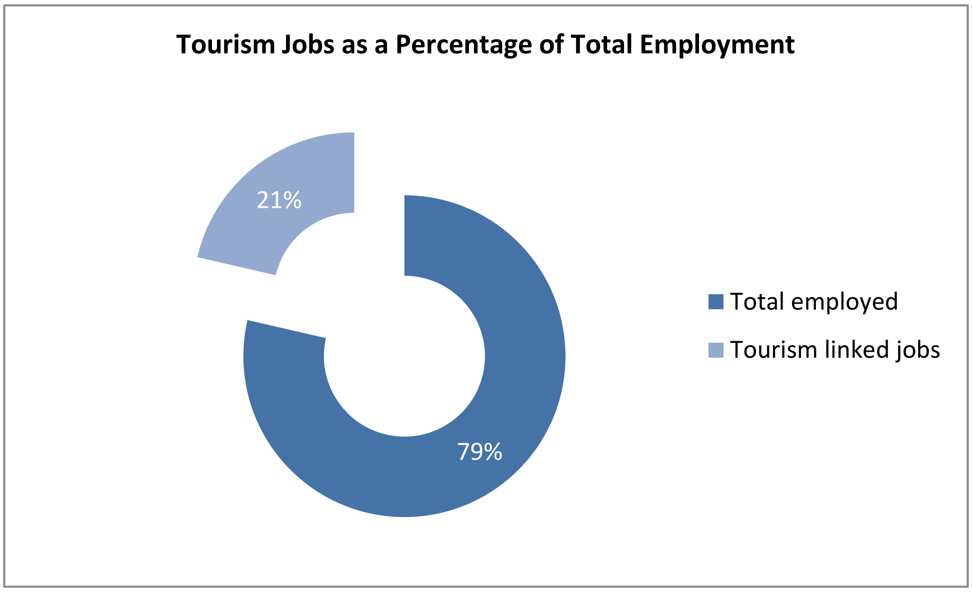
Actual jobs are estimated from surveys of relevant businesses at locations in England and take account of part time and seasonal working.

Full time equivalent (FTE)						
	Staying Visitor		Day Visitor		Total	
Direct	3,848	64%	2,415	74%	6,263	68%
Indirect	1,366	23%	700	22%	2,066	22%
Induced	782	13%	133	4%	915	10%
Total FTE	**5,997**		**3,247**		**9,244**	

Estimated actual jobs						
	Staying Visitor		Day Visitor		Total	
Direct	5,472	69%	3,567	79%	9,039	73%
Indirect	1,558	20%	798	18%	2,355	19%
Induced	892	11%	151	3%	1,043	8%
Total Actual	**7,921**		**4,516**		**12,437**	

Tourism Jobs as a Percentage of Total Employment

Estimated actual jobs			
	Staying Visitor	Day Visitor	Total
Total employed	58,120	58,120	58,120
Tourism linked jobs	7,921	4,516	12,437
Proportion all jobs	14%	8%	21%



Appendix I - Introduction about Cambridge Model

This report examines the volume and value of tourism and the impact of that expenditure on the local economy. The figures were derived using the Cambridge Economic Impact Model and the research was undertaken by Destination Research.

The model utilises information from national tourism surveys and regionally based data held by Destination Research. It distributes regional activity as measured in those surveys to local areas using 'drivers' such as the accommodation stock and occupancy which influence the distribution of tourism activity at local level.

Limitations of the Model

The methodology and accuracy of the above sources vary. The results of the model should therefore be regarded as estimates which are indicative of the scale and importance of visitor activity in the local area. It is important to note that in the national tourism surveys the sample sizes for each area changes year on year. This is as a result of the random probability nature of the methodology. As such, the results of the Cambridge Model are best viewed as a snapshot in time and we would caution against year-on-year comparisons.

It should be noted that the model cannot take into account any leakage of expenditure from tourists taking day trips out of the area in which they are staying. While it is assumed that these may broadly balance each other in many areas, in locations receiving significant numbers of day visitors from London, there is likely to be an underestimate in relation to the number of overseas day visitors staying in holiday accommodation in London.

Whilst it is important to be aware of these issues, we are confident that the estimates we have produced are as reliable as is practically possible within the constraints of the information available.

Rounding

All figures used in this report have been rounded. Therefore, in some tables there may be a slight discrepancy between totals and sub totals.

Data sources

The main national surveys used as data sources in stage one include:

- Great Britain Tourism Survey (GBTS) - information on tourism activity by GB residents;
- International Passenger Survey (IPS) information on overseas visitors to the United Kingdom;
- Day Visits in the annual Great Britain Day Visitor Survey using information on visits lasting more than 3 hours and taken on an irregular basis.

These surveys provide information down to a regional level. In order to disaggregate data to a local level the following information sources are used:

- Records of known local accommodation stock held by Destination Research;
- VisitEngland's surveys of Visits to Attractions, which provide data on the number of visitors to individual tourist attractions ;
- Mid- 2019 estimates of resident population as based on the 2011 Census of Population;
- Selected data from the 2011 Census of Employment;
- Selected data on the countryside and coast including, national designations and length of the coastline.

Staying Visitors
The GBTS provides information on the total number of trips to the region and the relative proportions using different types of accommodation. By matching these figures to the supply of such accommodation, the regional average number of trips per bedspace or unit of accommodation can be derived. The IPS provides information on the total number of trips by overseas visitors to the region. The model uses three year rolling averages to reduce extreme highs and lows which are due to small sample sizes, rather than being a reflection on drastic changes in demand year-on-year.

Day Visitors
Information on day trips at the regional level is available from the Day Visits in Great Britain survey. The survey includes all leisure-related trips from home. It should be noted that a large proportion are local trips made by people resident in the locality. The model uses information from the survey to estimate the number of longer day trips (defined as those lasting at least 3 hours and involving travel of more than 20 miles) and irregular trips lasting more than 3 hours.

Impact of tourism expenditure
This section examines the impact of the tourism expenditure in terms of the direct, indirect and induced expenditure as well as an estimate of the actual jobs (both direct and indirect) supported by tourism expenditure in the district.

The GBTS, IPS and Day Visits to Great Britain survey data on the breakdown of visitor spending. The impact of this initial round of expenditure will be subsequently increased by multiplier effects. These arise from the purchase of supplies and services by the businesses in receipt of visitor expenditure (indirect impacts), and by the income induced-effects arising from the spending of wages by employees in the first round of business and in subsequent expenditure in supplier business (induced impacts).

The New Earnings Survey which provides information on wage levels by industry sector and region; An internal business database which includes data on the structure of business expenditure, local linkages and multiplier ratios drawn from a wide range of business and economic studies carried out by Geoff Broom Associates, PA Cambridge Economic Consultants and others. By applying the breakdown to the estimates of visitor spending, the model generates estimates of total direct spending.

Evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover – for example, some expenditure on food and drink actually takes place in inns and hotels that fall in the accommodation sector and within attractions. More significantly, expenditure on travel costs associated with individual trips is equally likely to take place at the origin of the trip as the destination. Therefore the model assumes that only 40% of travel expenditure accrues to the destination area.

Number of full time job equivalents
Having identified the value of turnover generated by visitor spending, it is possible to estimate the employment associated with that spending. Wages for staff and drawings for the proprietors will absorb a proportion of that turnover. By applying these proportions to the overall additional turnover in each sector, the amount of money absorbed by employment costs can be calculated. The New Earnings Survey provides data from which the average costs by business sector, adjusted to take account of regional differences, can be calculated.

After allowing for additional costs such as National Insurance and pension costs, an average employment cost per full time equivalent job can be estimated. The number of such jobs in the local area can then be estimated by dividing the amount of business expenditure on wages and drawings by the average employment cost per job.

Number of Actual Jobs
The model generates estimates of full time equivalent jobs based on visitor spending. However, the total number of actual jobs will be higher when part time and seasonal working is taken into account. The full time equivalent jobs arising directly from visitor spending are converted into actual jobs using information from business surveys in the sectors receiving visitor spending (principally accommodation, food and drink, retail, attractions, transport). In general, the conversion factor between full time equivalent jobs and actual jobs varies around 1.5 in those sectors.
The indirect and induced jobs arise across a much wider range of employment sectors. Therefore, the average 1.16 for all sectors based on Census of Employment data has been used to convert full time equivalent jobs in this sector to actual jobs.

The employment estimates generated by the model include both self-employed and employed people supported by visitor expenditure. The model also includes an estimate of the additional jobs arising in the attractions sector, which are not related to visitor expenditure. However, the numbers do not include other tourism-related employment such as jobs in local authorities arising from their tourism functions, e.g. tourist information staff, additional public health, parks and gardens, public conveniences, maintenance sections and jobs arising from capital investment in tourism facilities.

Produced by:

Registered in England No. 9096970
VAT Registration No. GB 192 3576 85

45 Colchester Road
Manningtree
CO11 2BA

Sergi Jarques
Director
Tel: 01206 392528
info@destinationresearch.co.uk
www.destinationresearch.co.uk