



Wales Tourism Alliance
Cynghrair Twristiaeth Cymru

What the Tourism Industry Needs to thrive and grow post Brexit

Brexit presents challenges for the tourism industry in Wales but also great opportunities for growth in business and employment. This will be achieved as long as individual tourism businesses respond to the challenge and this is supported by the right government policies including financial support for the industry commensurate with its needs and potential for growth. The reconsideration which will have to be given post Brexit to all government support across the spectrum of economic activity is an opportunity for a fresh look at the needs of the tourism industry and the returns which will be obtained from a more realistic level of Government support. It is a time when the rules are being re-written. Let it be done in a way which realises the potential of the tourism industry and wider visitor economy.

Against that background the Wales Tourism Alliance requests Government to consider the following:

A Strategic Development Plan for the Industry.

The Welsh Government and the representative organisations of the industry should consult and agree a Development Plan for the industry to succeed the existing 'Tourism Strategy-A Partnership for Growth' including a review of destination partnerships. There should be annual reporting on progress on the Plan and on the targets set by the Government in respect of its financial support for the industry so that adjustments can be made as necessary.

Appropriate Land and Coastal Management Policies.

Arguably the main attraction of Wales to its visitors is the perceived quality of the natural environment, the countryside and coast. It is essential that policies are followed that protects and enhances these assets.

Taxation Policies which promote the Competitiveness of the Industry

In common with the rest of the UK, the industry in Wales is penalised in comparison with near European countries by the current rate of VAT. The WTA calls upon the Welsh Government to press the UK Government to reduce the rate to a more competitive level for

the industry and to increase the level at which thresholds are set. In addition we call for a review of the principles and practice underlying the present system of Business Rates; there is evidence that the recent revaluation has had a disproportionately adverse effect on tourism businesses and has penalised firms that have invested in improvements to the point of threatening their viability. Within the responsibilities of the Welsh Government, the WTA urges the avoidance of any further taxation measures which would affect the competitiveness of the industry. Fees and duties associated with entry and exit at air and sea ports should also be set so as to achieve international competitiveness.

Financial Support for Capital Investment and Product Improvement by Business

The industry contributes £2.7 billion to the economy. The current level of Welsh Government support for capital investment in the industry from all its various support schemes has probably been running at no more than £10 million annually. The industry's capital investment is overwhelmingly supported from retained profits and bank borrowing but innovative new tourism businesses would not get off the ground without some government support. There have been good examples in recent years of such support, modest in scale, being crucial to the success of the development of new tourism businesses. Post Brexit the industry should have a specific allocation of funding linked to the Development Framework to support capital investment and product development in tourism businesses.

The scheme rules should reflect the fact that the industry is mainly composed of micro businesses and SMEs, mostly owner managed. An earmarked development tourism fund of double the existing annual spend would not be out of place bearing in mind the £2.7 billion contribution of the industry to GDP and its further growth potential.

A Meaningful Marketing Budget

The fall in the value of the pound makes us a more attractive destination to overseas visitors while the increase in the cost of overseas holidays may persuade more UK residents to holiday at home. But this will only happen if knowledge of what we offer is brought to the market place. The small scale nature of tourism businesses in Wales means that Government support is vital for the effective marketing of Wales as a tourism destination. The contribution of local government is being squeezed by financial pressures which are likely to continue. Welsh Government support for the marketing undertaken by Visit Wales is just over £10 million for this year with a one off increase to £15 million promised for next year.

By comparison with competitor destinations, the current marketing budget is inadequate to maintain sufficient voice in the market alongside competitors and to realise the potential of the industry in Wales. The Visit Scotland budget, for example, is currently around £55 million which includes provision for a staff complement of around 600, itself an indicator of the competition we are up against. The WTA therefore urges the Welsh Government post Brexit to afford a more internationally competitive marketing budget for Visit Wales to run generic all Wales campaigns and to leverage joint campaigns with industry partners. The national campaigns, as well as supporting the marketing of new tourism products, also need to maintain Wales' profile in traditional market sectors.

The WTA also looks to Visit Britain to work with Visit Wales to develop key markets for Wales overseas including those markets now served by international airlines using airports in close proximity to Wales. Visit Britain and Visit Wales should coordinate their marketing campaigns and support for trade missions in key markets for Wales.

Maintaining and Improving the Skills needed by the Industry

EU nationals play an important part in some sectors of the industry in Wales, as elsewhere in the UK, and they will continue to be needed. The WTA urges that their continued right to remain be confirmed at the earliest possible stage of the Brexit negotiations. Our colleges and universities are playing a vital role in training for the needs of the industry. There should be closer liaison with tourism businesses to maintain the relevance of the courses on offer and to develop programmes specifically tailored for the needs of the owner/managers of tourism businesses. More funding support is needed for training programmes to fund widening gaps in the industry. The post Brexit implications of EU funded programmes like Erasmus need careful consideration and consultation with the industry.

Ensuring Key Tourism Infrastructure

Completion of the superfast broadband programme and ensuring its reliability. There is a danger that key tourism infrastructure and services provided by local authorities are disappearing because of financial pressures. The WTA proposes that the Welsh Government and the Welsh Local Government Association should discuss the situation with the industry and seek ways in which the impact of public expenditure reductions might be ameliorated. In addition the WTA looks to the Welsh Government and local authorities should take steps to facilitate the speedier introduction of tourism signposting in support of both individual tourism businesses and clusters.

What individual Tourism Businesses might consider doing in the years leading up to and post Brexit

Be active and continuous in pressing your Government representatives (Cardiff Bay and Westminster) and local authority on the above points.

Support the Wales Tourism Alliance, your trade and local tourism association and your regional tourism company in their work for your business.

Support the EU nationals you employ in this time of uncertainty about their future and do what you can to ensure they have the right to remain.

To the extent that it supports your business, align your marketing with the generic Wales and UK marketing being undertaken by Government.

Maximise your marketing clout through participating in joint marketing schemes including greater use of digital platforms.

Work with your local Higher and Further education training providers to ensure they provide the courses which enhance your and your employees' skill levels. In return businesses should provide opportunities for students to gain work experience and 'career tasting' opportunities.

Be alert to the possibility of Government support for new capital and product investment.

Work within your local community to explain the importance of the industry so that the community as a whole is a 'welcoming host'.

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www.wta.org.uk