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Welsh Government

RESEARCH, DOCUMENT

Wales visitor economy profile: 2024

Summary of employment, earnings, enterprises, expenditure and output data relating to the tourism and hospitality industries in Wales for 2024.

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Research aims and methodology

This report summarises latest available data on Tourism enterprises, Tourism employment and earnings, as well as Tourism expenditure and Gross Value Added (GVA) in Wales. Tourism employment and GVA is reported for 2022, whilst data for tourism enterprises and earnings data relate to 2023. Full data tables covering from 2015 to the latest available period are included in the [Annex](#). Please note that Earnings data and 2022 GVA data are provisional.

The report is based on a revised definition of the tourism and hospitality industries in Wales developed by Visit Wales using the UK Standard Industrial Classification (SIC) to identify classes of business activity that are more dependent on tourism spending.

Definition of tourism industries

The [SIC \(Office for National Statistics\) \(ONS\)](#) is used in classifying business establishments by the type of economic activity in which they are engaged. It can be used as a convenient way of classifying industrial activities into a common structure.

For the purposes of this report, Visit Wales has identified a set of UK SIC divisions, classes and subclasses that may represent the tourism industries in Wales. Further information on the UK SIC hierarchy and the specific divisions, classes and subclasses used here, based on a broad definition of tourism characteristic industries, are set out in the tables.

Furthermore, for the purposes of this report, Visit Wales has also identified seven sub-sectors of Tourism Industries in Wales:

1. Accommodation for visitors
2. Food and beverage service activities
3. Sporting and recreational activities
4. Cultural activities
5. Passenger transport
6. Travel agencies and other reservation activities
7. Country specific tourism activities

The corresponding UK SIC classes and sub classes are shown in Table 5.1.

Hospitality is defined as a sub-section of the tourism industries, based on specific subclasses shown in Table 5.0, see the **Annex** for details. Therefore, for the purposes of this publication, the figures reported for the tourism industries include hospitality as well as the non-hospitality parts of tourism.

Data for employment and registered enterprises in this report is provided for all Tourism Industries, for Hospitality, and for the seven tourism industry sub-sectors.

Whilst figures for employment and enterprises in this report are based on the preferred and more precise definition for tourism industries, estimates for GVA and earnings are based on different approximations since neither GVA nor earnings data is available at SIC class or subclass level.

Instead, GVA is reported for seven SIC divisions, four of which fall into the Visit Wales tourism industry definition in their entirety. The remaining divisions are included in this report as they are predominantly related to Tourism, though they include activity which is not counted in the Visit Wales tourism industries definition.

Whilst earnings data are published at SIC division level, figures reported here are based on SIC sections, the level above, for increased accuracy where possible. As illustrated in Table 5.3, two SIC sections reported on map directly

onto six of the seven SIC divisions identified for analysis of GVA data, and the remaining SIC division is reported at division level. See Table 5.9 for details.

This difference in industry coverage should be borne in mind when comparing GVA or earnings figures alongside those for employment and enterprises. See Table 5.2 for details.

Small discrepancies between category breakdowns and totals may be present, due to rounding. Data sources are listed in the [annex](#).

Main findings

Employment and employee jobs in 2022

This section uses information from the [Business Register and Employment Survey \(BRES\) used by the ONS](#) to produce official employment statistics. BRES data includes employees of businesses, and self-employed workers if registered for VAT or Pay-As-You-Earn (PAYE) schemes. Self-employed people not registered for these, along with HM Forces and Government Supported trainees are excluded.

Tourism Industries accounted for 11.8% of employment ^{[[footnote 1](#)]} (159,000) in Wales in 2022, an increase from 151,000 in 2020 (11.3% of employment in Wales) during which time overall employment levels in Wales remained relatively stable. Tourism as a proportion of all employment in Wales over recent years has fluctuated, but the 2022 proportion is similar to 2019 (12.1%).

77% of tourism employment (123,000) was in hospitality. The increase in Tourism employment in 2022 was driven by the increase within hospitality industries, from an employment level of 115,000 in 2020 (8.6% of employment in Wales) to 123,000 (9.1%) in 2022.

The sub-sector accounting for the largest proportion of employment in 2022 was Food and Beveraging Service Activities with 6.8% (91,000) of employment in Wales followed by Accommodation for Visitors with 1.9% (26,000).

Table 1: Employment in Tourism and Hospitality and for Tourism industry subsectors as a proportion of all employment in Wales 2022

Sub Sector	Proportion of all employment in Wales
Wales – all tourism	11.8%
Accommodation for visitors	1.9%
Food and beveraging service activities	6.8%
Sporting and recreational activities	1.5%
Country specific tourism activities and transport equipment rental	0.1%
Cultural activities	0.5%
Passenger transport	0.9%
Travel agencies and other reservation activities	0.2%

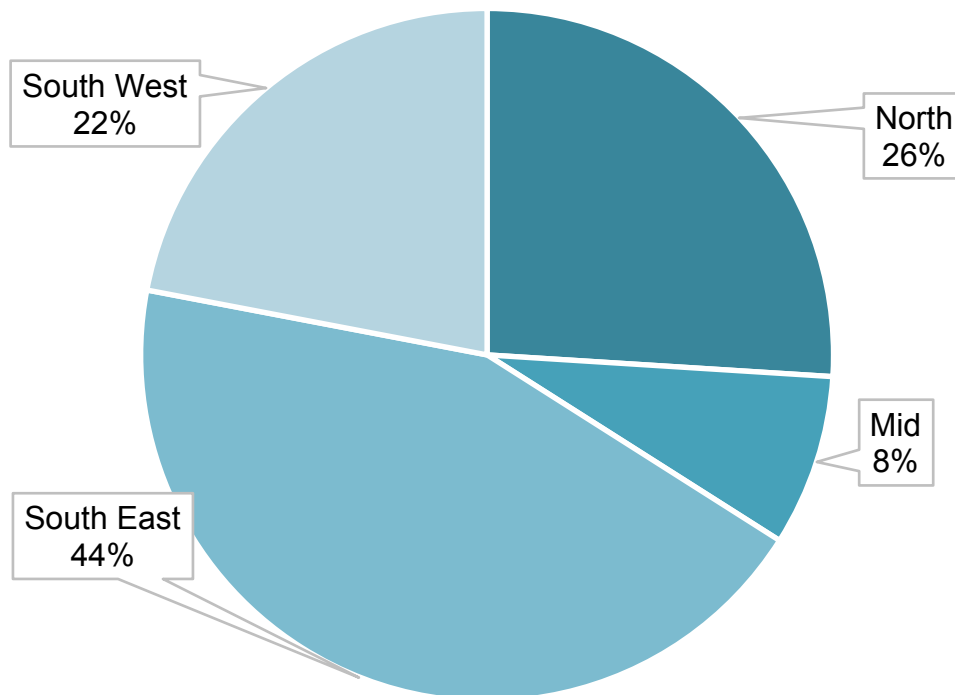
Source: Welsh Government analysis of BRES (ONS) data via Nomis

56% of employee ^[footnote 2] jobs in tourism in 2022 were part time, compared

with just 35% of employee jobs in all industries. Within hospitality, 59% of employee jobs were part time. The proportions of part-time and full-time employees within Tourism and Hospitality, and in Wales overall, have remained steady over recent years.

There has been changes in the regional figures on the proportion of employment in tourism. In 2020, 13.2% of employment in Mid Wales was in tourism, compared to 7.5% in 2022. In 2022, the region with the highest proportion of employment in tourism was South East, with 9.5%. There is considerable variation within region and across the nation. In Pembrokeshire and Anglesey over 20% of employment was in tourism industries, the highest of all local authorities. The lowest level was in Wrexham (7.5%).

Figure 1: Tourism Industry Employment in Wales by Region 2022



Description of Figure 1: South East Wales accounted for the largest volume of tourism industry employment with 44% (70,000), and Mid Wales the smallest volume with 8% (12,000). Again, these distributions have remained very consistent over the past few years.

Source: Welsh Government analysis of BRES (ONS) data via Nomis

Users are reminded that figures quoted here use the **BRES (ONS)** and may differ from employment figures estimated using other sources, such as the Annual Population Survey (APS).

Earnings in 2023

This section uses data from the [ONS Annual Survey of Hours and Earnings](#) which samples employee jobs from HMRC PAYE records. Data is collected annually relating to the financial year ending in April of the reporting year. Please note 2023 earnings data are provisional.

The median hourly pay in the financial year ending April 2023 was £14.85 in Wales, but within tourism-related industries it was substantially lower. Among employee jobs in Accommodation and Food Service Activities the median hourly pay was £10.99, in Arts, Entertainment and Recreation jobs it was £12.83.

Median hourly pay for jobs in Accommodation and Food Service Activities was 9.9% higher in 2023 than in 2022. For Arts, Entertainment and Recreation jobs median hourly pay increased by 6.9%. The average across all industries in Wales was 7.5%.

Enterprises in 2023

This section uses information from the [Inter-Departmental Business Register \(IDBR\) \(ONS\)](#), as of March each year. An enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records) which has a certain degree of autonomy within a group of legal units under common ownership.

The IDBR and data only covers those businesses registered for VAT or PAYE, so sole traders below the VAT threshold will not be included (unless they have registered voluntarily).

Tourism enterprises (12,625) accounted for 11.8% of registered enterprises in Wales in 2023. 80% (10,065) of tourism enterprises were in hospitality,

accounting for 9.4% of enterprises registered in Wales. The proportion of tourism enterprises has increased slightly in recent years, from 10.9% in 2019. Hospitality enterprise proportions followed a similar trend.

Food and Beveraging Service Activities account for 7.3% of enterprises (7,840) in Wales, followed by Accommodation for Visitors with 1.7% (1,810).

Four in five (80%) tourism enterprises have fewer than 9 employees, a lower proportion than across all industries in Wales.

19% of tourism enterprises have between 10 and 49 employees, a higher proportion than across all industries in Wales.

Users are reminded that the IDBR only covers businesses which are registered for VAT or PAYE. It is possible that tourism and/or hospitality has a higher than average proportion of sole traders which are not VAT registered who would not appear in these figures. Other employment data sources such as the Annual Population Survey (APS) captures self-employed workers and businesses which are not PAYE or VAT registered.

In North Wales 12.8% of enterprises were in tourism industries, the highest level of all regions. The lowest incidence was in Mid Wales where only 10.1% of enterprises were in tourism industries.

There is variation across Wales. In Gwynedd and Merthyr Tydfil, 16.7% of enterprises were in tourism industries, the highest proportion, compared to the lowest proportion seen in Flintshire, where only 8.6% of enterprises were in tourism industries.

Similarly to employment distribution, the largest share of tourism enterprises in Wales was in the South East (40.7%) and the smallest share was in Mid Wales (10.2%).

Gross Value Added (GVA)

Please note 2022 GVA data is provisional. Users are reminded to note the difference between Tourism Industry definitions used for GVA when viewing these figures alongside those for employment and enterprises. Please see [Section 2: Definitions of Tourism Industries](#) for further details.

Combined, the seven tourism-related industries at SIC division level accounted for 5.1% of GVA in Wales in 2022 (£3.8 billion).

The largest shares coming from Food and beverage service activities, which accounted for 2.5% of Wales' GVA in 2022 (£1.9 billion), and Accommodation which accounted for 1.2% (£0.9 billion).

Footnotes

[1] An employee is anyone aged 16 years or over that an organisation directly pays from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme. It excludes voluntary workers, self-employed, working owners who are not paid via PAYE. Employment includes employees plus the number of working owners. BRES figures therefore include self-employed workers as long as they are registered for VAT or Pay-As-You-Earn (PAYE) schemes. Self-employed people not registered for these, along with HM Forces and Government Supported trainees are excluded.

[2] An employee is anyone aged 16 years or over that an organisation directly pays from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme. It excludes voluntary workers, self-employed, working owners who are not paid via PAYE.

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Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government.

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