



Embargo 6am Thursday October 13th 2011

HOSPITALITY HOST TO ENORMOUS ECONOMY GAINS

HOSPITALITY SPENDING IS now so vital to the Newport economy that nearly 10,000 local people rely on the industry for their incomes, according to a detailed report on UK visitor economy hotspots published today.

The list, part of a detailed report by Oxford Economics, shows 6,436 people in the city area are directly employed by the hospitality industry- the hotel, restaurant, catering and events sector. Oxford Economics calculate that as many as 9,981 new jobs could be created by the sector throughout Wales by 2015 and that this will rise to more than 22,040 new jobs by 2020- around 4.6 per cent of the UK job growth.

The Oxford Economics report, "Local Economic Contribution Of UK Hospitality Industry" was commissioned by the British Hospitality Association, which represents hotel and restaurants across the UK. The Hospitality industry employs directly or indirectly more people in Wales than the Agricultural and Construction industries combined.

"This comprehensive report shows 6,436 people in Newport relied on our industry for their incomes last year and that could rise to 7,658 by 2020," said Derek Harvey, South-East Wales BHA Wales Committee member.

"It clearly demonstrates the hospitality industry contributes massively to the economy in virtually every part of Wales and means families across the county have relatives or neighbours with jobs that are completely dependent on tourism- the industry is really that essential to driving the Welsh economy," he said.

BHA UK Chief Executive Ufi Ibrahim said: "The Welsh Government's decision to make tourism one of the country's key priority sectors is very timely in the light of this report which highlights the critical importance of hospitality - and the wider tourism industry - to every local authority in Wales and to the Welsh economy in general.

"The report shows that hospitality has the potential to create more than 20,000 new jobs by 2020 providing it receives the right support. The BHA is very keen to work with the Welsh Government to grasp all available opportunities that are there in order to meet this job-creation target."

The report shows that in 2010, Newport had 6,436 people directly employed in hospitality, 8.7 per cent of the total employment in the local authority area. In total 9,820 people were reliant on the industry for their jobs (13.3 per cent of total employment).

Hospitality was worth £123m Gross Value Added to the local economy, 4.5 per cent of total GVA and the figure for associated employment GVA was £260m. The report projects dependent local employment in 2020 will rise to 7,658. Newport is 9th in the local authority table of hospitality employment in Wales. The full list demonstrating hospitality's huge importance to every part of Wales is attached to this release.

Welsh capital Cardiff earns a top twenty UK ranking with £320m a year in sector wages and profits, providing 17,200 people that are directly employed in hospitality. The report identifies Gwynedd has almost one in five jobs (19.9 per cent) dependent on direct, indirect or induced hospitality employment and 13.8 per cent involved in

direct hospitality employment. Conwy is close behind Gwynedd with 19.2 per cent of direct, indirect or induced hospitality employment (11th place in the UK) with 13,7 per cent of its workforce in direct hospitality employment.

Both feature in the top ten of UK local authority areas that are the most reliant on the hospitality industry in the UK. Gwynedd features in eighth place with Conwy one behind in ninth. Surprisingly, the local authority area covering Cornwall is way behind in 20th place but with a 11.6 per cent job dependency on hospitality.

This report assesses the industry's contribution in each of the 406 Local Authority (LA) across the UK. It found the share of hospitality in total employment is generally highest in more rural, tourism-orientated economies in Wales, and the south west and north west of England. This pattern is even more pronounced when measured in GVA contribution terms where the industry is clearly a major contributor to wages and profits in areas with limited alternative wealth generating sectors.

The Isles of Scilly, in the South West, depended more in 2010 on the hospitality industry than any other local economy in the UK. Around a quarter of its jobs were either direct or multiplier hospitality jobs. At the other end of the scale, Knowsley, in the North West, was least dependent on hospitality with only 6.8% of its direct, indirect and induced jobs in hospitality.

Further information from David Chapman on 02920 592050 or 0775 375 2084; Derek Harvey on 02920 399944.

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1. The British Hospitality Association, incorporating the Restaurant Association, is the national trade association for the hotel, restaurant and catering industry. It has in membership almost every publicly quoted hotel group, many independent hotels, restaurants and clubs, major food and service management companies, motorway service operators and many local hospitality associations, as well as hospitality education establishments. In total, it represents more than 40,000 establishments.

The British Hospitality Association promotes the interests of the entire hospitality industry to government ministers, MPs and MEPs, members of the Scottish Parliament and Welsh Assembly, the EU Commission, the City and the media.

The full report is available upon request;

2. The complete table for Wales containing information on hospitality's impact on:
 - Direct hospitality employment and percentage of total economy employment;
 - Direct, indirect and induced hospitality employment and its percentage of total economy employment;
 - Direct hospitality GVA (2005 prices) and percentage of total economy GVA;
 - Direct indirect and induced hospitality GVA (2005 prices) and percentage of total economy GVA;
 - Direct hospitality employment (2020 projections).

is attached separately.

3. Indirect employment comprises jobs sustained in the supply sector of the industry, for example, food and beverage manufacture, business services such as advertising and market research, agriculture and communications. Induced employment represents those jobs sustained by the spending of direct and indirect persons employed, such jobs in retail outlets, companies producing consumer goods and a range of service industries.

Gross Value Added is the sum of wages and profits in hospitality and is used here because it measures the net contribution of the sector to the economy since it is the difference between the goods and services offered by the sector less the value of inputs used to produce them. The turnover of the sector in each local authority is approximately 2-2.25 times GVA.