

An aerial photograph of a rugged coastline with dark, layered rock formations and clear, turquoise water. A teal-colored topographic map overlay is positioned on the right side of the image, showing contour lines and a network of paths. In the lower right, a person in a yellow kayak is visible on the water, and another person in a red jacket is partially visible near the shore.

# Executive Summary

## Economic and Social Evaluation of the Outdoor Activity Sector in Wales

Pembrokeshire Coastal Forum



## CONTEXT

- i. Pembrokeshire Coastal Forum commissioned Miller Research in February 2023 to undertake an Economic and Social Evaluation of the Outdoor Activity Sector in Wales. The work builds on an earlier study<sup>1</sup> which estimated a total economic contribution of £481 m annually to Wales from the sector. This work was funded by Welsh Government and administered through Wales Council for Voluntary Action (WCVA) and the Local Nature Partnership (LNP).
- ii. The scope of the study covered outdoor adventure activities which fall within the outdoor sector definition outlined by the Wales Adventure Tourism Organisation (WATO). This included the following categories: climbing, water sports, combined water, and rock activities, trekking and land-based activities, caving, and air sports.
- iii. This report presents the findings of the research, which was based on interviews with industry stakeholders and on two surveys; for outdoor adventure activity participants and businesses in Wales respectively. The surveys were produced bilingually and were open for responses for two weeks in Spring 2023, attracting a total of 606 responses.

<sup>1</sup>The Economic Impact of Outdoor Activity Tourism in Wales: Miller Research 2014 Report.

## KEY FINDINGS

### Overview

- iv. There has been *significant growth and change in profile in the outdoor activity tourism in Wales* since the previous study in 2014, predominately around the post-Covid boom in staying visitors to Wales' along with an increase in use of self-catered accommodation (possibly reflecting the rise of Air BnB and other platforms). *The motivation for participation has also changed dramatically – to become dominated by those seeking support for mental health and a sense of well-being.* Almost all survey respondents (99 per cent) ranked these as important factors, with 94 per cent ranking them as extremely or very important.
- v. *Wales attracts a disproportionately high level of tourism* (Nine per cent of GB visitor nights vs less than five per cent of the population). Critically, this has a focus on rural and coastal areas, which traditionally offer fewer employment opportunities in other sectors.
- vi. Visitors expressed a *high level of satisfaction* with Wales as a destination. A total of *94 per cent of respondents said that they would come to Wales* again to undertake outdoor activities and the same proportion would recommend Wales as an outdoor activity destination to a friend or relative. Less than half of those responding to the survey (46 per cent) would have visited Wales if they were not taking part in outdoor activities.
- vii. *The quality of landscape was identified as the most outstanding quality of Wales*, with the scenery described as 'unique,' 'peaceful,' 'beautiful' and conveying 'freedom.' In terms of the tourism offer, visitors were highly complementary about:
  - the amount of choice available
  - the friendliness of the Welsh people
  - knowledge of instructors, and
  - quality of the hospitality available.
- viii. In terms of improvements which could be made to improve the visitor experience, the main factors related to access and infrastructure – including public transport, parking, and toilets. The weather was also seen as a negative.
- ix. Outdoor activity tourism businesses were most likely to rate Wales in the top ten activity destinations worldwide (48 per cent of respondents), although 45 per cent placed Wales in mid table. This reflected the view of visitors, that Wales offers very good quality landscapes, but needs more support in terms of infrastructure and access to green and blue spaces. However, almost two thirds of businesses felt that Wales' reputation as an outdoor destination had improved over the last three years – possibly as a result of Covid-19 driven staycations leading people to experience what Wales has to offer.
- x. Wales experienced a significant increase in domestic tourism as a result of the Covid-19 pandemic, with many visitors from England taking their main holiday in Wales in light of limited options for travelling abroad. At the same time, there was a recorded decrease of 88 per cent in overseas visitors and a 90 per cent fall in income generated from overseas visitors in 2021 compared with 2019.<sup>2</sup>
- xi. *The Outdoor Education (Wales) Bill could provide a significant boost for the sector*, both in terms of a projected £9.9m-£13.6m additional annual spend with providers, but also, critically, by introducing all children in Wales to the benefits of experiencing outdoor activities.



<sup>2</sup>Written evidence submitted by the Office of the Secretary of State for Wales and the Department for Digital, Culture, Media and Sport on the current position of the tourism sector in Wales, 2021.

## ECONOMIC CONTRIBUTION OF THE SECTOR TO WALES

xii. Participant survey data was triangulated against official data from the Great Britain Visitor Survey 2021 to model the number of outdoor activity visitors staying for three or more hours, a full day or for at least one overnight.

xiii. The results were linked to spending estimates drawn from our survey to calculate the overall annual sum spent by those taking part in outdoor activities (the gross benefit of spending in the sector). *This suggests that the total income from trips associated with outdoor activities in Wales was £1.6bn in 2021.*

xiv. In terms of economic impact to Wales – two components were considered:

- The impact of outdoor activity tourism on the Welsh economy in terms of additional spending in Wales that would not occur otherwise. This is based on spending from people resident outside of Wales on activity in Wales, and the recycling of that money by businesses receiving the spend. It therefore includes multipliers to account for money recycled in the Welsh economy through investment in inputs and salaries. This gives a *total net impact of £1.619bn annually and 31,278 jobs supported (21 per cent of all tourism jobs in Wales<sup>3</sup>).*

- The economic impact of outdoor activity tourism businesses in Wales. This is based on the proportion of visitor survey respondents who reported using an activity provider and their average spend to model the income to providers.
- This suggests an overall income to provider businesses of £114.98m annually, of which 38 per cent is spent in local communities and a further 37 per cent across Wales as a whole. Using the same multipliers as above, this suggests *a net economic impact of outdoor activity tourism businesses of £272.87m annually, of which £205m is retained in Wales.*

Table 1 - Outdoor Activity Tourism Overall Spend by Participants

	3+ Hours	Day Trips	Staying
Spend/Day, Survey Data (£)	31.45	63.23	160.13
Numbers (OAT from GBVS)	14.50	4.00	5.56
Totals spend (By trip) (£m)	456.03	256.92	890.96
Total spend (AllTrips) (£m)			1,603.91

Source: GBVS 2021, Participant Survey

Table 2 - Economic Impacts of the Outdoor Activity Tourism sector

	2023	2014
Total expenditure (£m)	1,604	601
Additional expenditure to Wales	1,148	304
<b>DIRECT IMPACT</b>		
Output (£m)	1,619	429
Employment (FTEs Full Time Equivalent)	29,428	7,551
<b>TOTAL NET ECONOMIC IMPACT</b>		
Output (£)	1,825	481
Employment (FTEs)	31,278	8,243

<sup>3</sup>Based on £3.4bn GVA and 151,000 total jobs taken from Wales Visitor Economy Profile 2021, although a 2013 estimate from Visit Britain estimated the tourism economy in Wales to be larger, worth £6.9bn and supporting 206,000 jobs.





- The retention of **38 per cent of income in local community represents a significant contribution to foundational economy** in many rural and coastal areas of Wales.
- It is interesting to note that **individuals who engage with an outdoor activity provider tend to stay longer and have a significantly higher spend per day**. This suggests that engagement through organised access to land and water are to be encouraged if Wales is to maximise the return on its natural assets, whilst limiting environmental damage through overuse.

**xv.** Both the participant and business surveys demonstrated the importance of mental health and wellbeing as motivating factors for participating in outdoor activity tourism. Using the proportion of respondents who focused on mental health benefits (63 per cent) and an estimate for the preventative health value of that for an estimated 20 per cent of vulnerable participants, we

calculate the **mental health value of the sector to be £26.54m to Wales and £47.5m to the UK.**

- xvi.** Further, sensitivity analysis using figures based on a model prepared for Sport England ([here](#)) suggest that a **10 per cent increase in participation could bring about an increase in social value of £187m spread across physical and mental health, mental wellbeing, individual development, and social capital.**
- xvii.** This suggests that **additional investment in infrastructure to provide access for more vulnerable individuals would pay back through the health service** under the prevention agenda.



Read the full summary [here](#).



This project is funded by Welsh Government's Coastal Capacity Building Challenge Fund, administered by WCVA. | Ariennir y prosiect hwn gan Gronfa Her Melltir Gallu Arfordirol Llywodraeth Cymru, a weinyddir gan WCVA.

