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Ministerial Foreword

Tourism is of growing importance to the economy of Wales and since the launch of *Achieving Our Potential* in 2000, tourism spending in Wales has steadily increased. Visitors to Wales continue to be attracted by our rich culture and heritage, a landscape of high scenic quality, a stunning coastline and a diversity of unique experiences. Tourism creates wealth in all parts of Wales, supporting jobs directly and indirectly but it took an unexpected crisis - Foot and Mouth disease - to demonstrate the extent to which it touches every community in Wales.

Tourism has proved itself to be a robust industry and resilient to the many serious, disruptive events that have occurred in recent years. This mid-term review wisely recognises that tourism in Wales will not be immune to global competition or to events that can exert powerful influence over future growth prospects. If tourism is to prosper the industry will need to be ready to overcome the challenges it will face in the future. The tourism industry of tomorrow will look very different to that of today and it will need to evolve in line with the needs of the customer.

This updated strategy complements and supports the priorities in Wales: A Vibrant Economy - the recently published refreshed economic development strategy. In particular, it seeks to identify the future priorities for tourism in Wales and sets out a realistic action plan to encourage an effective partnership response from the public and private sectors. The merger of the Wales Tourist Board with the Welsh Assembly Government in April 2006 will provide opportunities for more co-ordinated government support for the tourism industry to stimulate sustainable growth and success during the period covered by this strategy.

Andrew Davies AM
Minister for Enterprise, Innovation and Networks.
Executive Summary

Introduction

Achieving Our Potential, the national strategy for Wales, was launched in April 2000 and defined an ambitious vision for tourism up to 2010. It set out four priority areas for action: marketing, exceeding visitor expectations, improving skills and achieving sustainable growth. The strategy was underpinned by a detailed action plan which identified effective responses to the strategic challenges facing the industry. There has been considerable progress in implementing the action plan but after five years it is timely to revisit the strategy to test whether the vision is still valid and to consider whether the strategic priorities remain appropriate and realistic. The new European Structural Funds Programme is scheduled for 2007-2013 - it is proposed, therefore, that the period covered by Achieving Our Potential will be extended from 2010 to 2013.
Achieving Our Potential set challenging targets for the industry based on tourism volume and value growth up to 2010. At this mid-term stage, excellent progress has been made against these strategic targets, and growing tourism spending has contributed to the rising economic prosperity experienced by Wales in recent years. Good progress has also been made in implementing the 49 integrated actions identified in the strategic action plan. Specific examples of the progress achieved include the development of a distinctive and appealing tourism brand for Wales, the extension of the tourism season and the stimulation of high levels of investment in the tourism product. Positive steps have also been made towards the introduction of a statutory registration scheme for accommodation.

Setting the scene

Tourism is a volatile industry, influenced by a complex mix of external factors that have a major bearing on patterns of demand. The last five years have been particularly disruptive and major events such as 9/11 have had a serious impact on global travel trends whilst foot and mouth has had an impact domestically. Within Wales, the Welsh Assembly Government has developed a strategic agenda for change based on a fairer, more prosperous, healthier and better educated country. Wales has benefited from Objective One status and the Wales Tourist Board has been able to apply additional funding from this source to help more people into work, to create more and better jobs and to promote a more distinctive image of Wales. This revised strategy is building on rather than replacing the strategic priorities for tourism identified in Achieving Our Potential. These are consistent with and reinforce those that have been set by the Assembly Government to support the realisation of its wider economic and social goals.

Approach

This half term review has set out to address some of the key strategic questions concerning future prospects for tourism in Wales:

- What will be the future needs of our growth markets?
- How well does Wales currently cater for these needs?
- What must Wales do to bridge the gap between future market needs and current provision?
- Where do we target support, sectorally and spatially, to sustain a more prosperous tourism industry?

The review has deliberately set out to understand the future needs of our customers and to identify effective responses to the challenges that are likely to face the tourism industry in Wales. Evidence and information was gathered from two different but reinforcing sources.
ACHIEVING OUR POTENTIAL: MID TERM REVIEW

namely via the UK Tourism Summit and from a futures exercise undertaken by the Henley Centre.

UK TOURISM SUMMIT: Leading representatives from the European tourism and hospitality industry were invited to share their views on the future outlook for tourism. Specifically, the summit examined the client of the future, the product of the future and examples of international best practice in tourism - based on a benchmarking exercise undertaken in 16 destination countries around the globe. The findings provided a useful basis for the more detailed investigation carried out subsequently by The Henley Centre.

HENLEY FUTURES: WTB commissioned The Henley Centre in 2003 to consider the findings of the UK Tourism Summit and to undertake a more detailed Futures exercise. The exercise involved early consultation with key industry representatives and a series of workshop sessions designed to identify the most important drivers of change in society which are likely to impact upon tourism over the next 10 years. The key drivers of change were identified as:

Consumer-Led Drivers

• Consumers’ time - competition for consumers free time will become more intense and they will be looking to get more from their free time.

• Affluence and well being - we are becoming more affluent with the result that the consumer will be more likely to seek fulfillment through spending on leisure experiences.

• Connected society - growing importance of online search and booking for holidays.

Supply-Led Drivers

• Gateways - Wales is very dependent on visitors travelling to Wales by private car. International links into Wales, whilst improving, still constrain attempts to attract a higher proportion of overseas visitors.

• Skill gaps - problems with staff recruitment and skill deficiencies continue to cause major difficulties for tourism operators.

• Brand development - brand reassurance is a key consideration for many consumers seeking guarantees about product quality and value for money. Conversely, an increasing number of consumers adopt a more individualised approach avoiding brand names and seeking a more unique experience.

The Henley Centre applied the main drivers of change to develop a series of scenarios describing four possible futures for tourism in Wales. These scenarios helped to give a clearer understanding of where Wales is currently and where it could be in the future. This futures exercise formed the basis of a revised vision, strategic aims and challenges which were tested and endorsed in consultation with the tourism industry and other key stakeholders.
EXECUTIVE SUMMARY

A vision for 2013

The last five years has seen an unprecedented investment in the tourism industry in Wales resulting in higher quality standards, new and improved products and more effective marketing. Collaboration within the industry has improved with the Wales Tourism Alliance becoming a more cohesive voice for the industry, the Regional Tourism Partnerships facilitating partnership working at the regional level and the development of more effective working relationships between the private and public sectors to develop and market tourism in Wales. As a result of these changes the original vision for tourism has been modified to:

A Customer Responsive, Innovative, Sustainable and Profitable industry which makes an increasing contribution to the economic, social, cultural and environmental well being of Wales.
This revised vision acknowledges that economic prosperity in tourism will be generated predominantly in the private sector but that competitive pressures will require the emergence of a more professional and market facing industry, wedded to the principles of long term, sustainable growth.

**Strategic Aims**

This revised vision has been based around four strategic aims, which are designed to achieve long term prosperity for the industry:

1. Realising the importance of understanding and responding to customer needs.
2. Accepting that there is a value to be gained from doing things differently to our competitors through innovative ways of working.
3. Acknowledging the need to secure a sustainable, long-term future through responsible destination and business management.
4. Seeking to maximise business profitability to drive growth in the tourism economy.
EXECUTIVE SUMMARY

Strategic Challenges

The background research and consultation exercise carried out for this mid-term review of Achieving Our Potential has helped to identify the strategic challenges, which will need to be addressed if the vision for tourism is to be realised by 2013. The vision and strategic aims describe what we want to achieve by 2013, the strategic challenges describe how we can achieve it.

Five strategic challenges have been identified for tourism in Wales:

1. Branding

Although significant steps have been taken in recent years to improve the brand positioning of Wales, this can still be more coherent and applied more consistently at all levels of the industry. Wales is a ‘challenger-brand’ and needs to continue to apply the lessons of such brands including building a ‘lighthouse’ identity - to be noticed, to stand out from the rest, to have emotional appeal and to overcome negative or outdated perceptions about Wales. There is a need to develop a brand architecture which will provide opportunities for all involved in tourism to reinforce the same branding messages.

2. Quality of Accommodation and Attractions

At the top end of the market there are too few luxury hotels in Wales which create their own demand (i.e. the hotel becomes the destination) and increase the profile of Wales as a quality destination. At the bottom end there is still too much low quality accommodation which damages the Wales offer and its reputation. Many are lifestyle businesses. Evidence suggests that investment in better quality accommodation pays off. Businesses which are able to generate and sustain demand over a longer season are those where visitors pay more for a higher quality experience.

The quality of attractions is also variable. During the 1990’s the number of tourist attractions doubled in Wales from 300 to 600. Overall, however, total demand for the attractions sector has remained static - the competitive pressures are high. Government intervention to support
improvement in quality should be driven by the requirements of Wales’ brand development. Wales needs high quality, icon, flagship attractions that are distinctive to Wales and reflect the character and culture of Wales - they should reflect the brand that is being developed for Wales.

3. Accessibility
Increasingly, tourists are expecting to be able to research and book their holidays on-line. Travel and tourism has been one of the e-commerce sectors greatest success stories. Wales remains fragmented in its online visibility which reflects the general fragmentation of the industry. Technology is changing quickly. Wales needs to extend its visibility and the tourism industry must be encouraged to accept and use modern technological innovations as essential marketing tools.

4. Skill Levels
Improvements in quality need to be matched by improvements in skill levels. This is one of the hardest issues to resolve. A successful industry will be able to offer higher wages, good career prospects and improve its skills base. However, this may not be enough if the supply of skilled
labour is not available and it will take time to develop accredited training courses designed to meet the shortfalls in current provision to help bridge the skills gap. Tourism provides good opportunities for entry-level jobs and could also provide employment opportunities for returners to work and groups, which are not well represented in other sectors of the economy who may be seeking part-time, more flexible working arrangements.

5. Partnership
The overall delivery of the strategy will require increased collaboration between the public and private sector. Tourism is a fragmented industry and it is important for people, businesses and organisations to work together in an effective way to get things done.

Implementation and Monitoring
The new Department for Enterprise, Innovation and Networks in the Assembly Government will provide opportunities for more co-ordinated government support for the tourism industry. More effective and joined-up services will be delivered to tourism businesses - guided by the priorities described in this strategy. The goal is to achieve sustainable tourism growth throughout Wales to support the wider strategic aims of the Assembly Government.

An integrated action plan sits at the core of this revised strategy. For each of the five strategic challenges, a range of priorities, specific actions and performance indicators have been identified. The Tourism Advisory Panel will be responsible for ensuring that appropriate arrangements are put in place for monitoring progress against the strategic action plan, and for keeping the strategic priorities under review. Effective implementation of the action plan will drive the strategy forward.

“The quality of the visitor experience is the key - if we get this right the tourism industry in Wales will be both competitive and sustainable. Quality will only be achieved and maintained if those running and working in the industry have the right skills and motivation. Partnership is not an end in itself, but a route to achieving quality.”

Diana James, Tourism Training Forum for Wales
New Quay, Ceredigion.
1.0 Introduction

_Achieving Our Potential_, the national tourism strategy for Wales, was launched in April 2000 by the First Minister. In the foreword to the report, he wrote: ‘we live in rapidly changing times and tourism will need to be alert to the challenges ahead while taking advantage of dynamic and exciting opportunities to ensure its long-term success’. Many events have occurred in the past five years to demonstrate the validity of these words.

_Achieving Our Potential_ defined an ambitious vision for tourism and an action plan for the industry. After five years it is timely to revisit the strategy to assess progress, to test whether the vision is still valid, and to consider whether the strategic priorities remain appropriate and realistic.

_Achieving Our Potential_ was the third in a sequence of national tourism strategies produced by the Wales Tourist Board on behalf of the tourism industry in Wales. It set out to identify the most effective response to the main strategic challenges likely to confront the tourism industry during the period 2000-2010. With the new European Structural Funds Programme scheduled for 2007-2013, it now seems sensible to extend the period covered by _Achieving Our Potential_ from 2010 to 2013. This mid term review seeks to ensure that the revised strategic priorities identified for tourism will be able to benefit from maximum EU support during the next structural funds programme.

The aim is to build on the success of _Achieving Our Potential_ which identified four priority areas for action: effective marketing, exceeding visitor expectations, improving skills and achieving sustainable growth. A separate report charts the good progress that has been made in implementing the 49 integrated actions identified in the strategic action plan. Specific examples of the progress achieved include the development of a more distinctive and appealing tourism brand for Wales, a measurable extension to the tourism season and the stimulation of higher levels of investment in the tourism product. Positive steps have also been made towards the introduction of a statutory registration scheme for accommodation.

Tourism makes an important contribution to the Welsh economy but it is a global industry and is highly competitive. The industry needs to adapt and change in response to the many challenges ahead to secure long-term prosperity. This review has drawn upon a Futures exercise to gain insight into what we need to do in Wales to bridge the gap between the tourism experience we can currently offer our visitors and their expected future needs.
ACHIEVING OUR POTENTIAL: MID TERM REVIEW

We have consulted widely on this review, seeking responses from individuals, businesses and organisations with an interest in tourism in Wales. The consultation process has helped to identify the future strategic priorities for Welsh tourism - building on, rather than replacing, the priorities identified in Achieving Our Potential. The feedback received has helped to shape and steer a fresh vision, more focussed strategic aims and a new action plan which sits at the heart of this revised strategy, Achieving Our Potential 2006-2013. The goal is to achieve sustainable tourism growth throughout Wales to support the wider economic, social and environmental aims of the Assembly Government.

“We have a wonderful product in the Country itself. The natural, unspoilt, spectacular landscape, pure air and quiet is our best asset, and these days, very hard to find and impossible to create, at any price. Walking along an empty beach, or across a wild mountain, is an amazing Welsh experience. And environmentally friendly too.”

Joan Reen, Ynyshir Hall Hotel

1.6 We have consulted widely on this review, seeking responses from individuals, businesses and organisations with an interest in tourism in Wales. The consultation process has helped to identify the future strategic priorities for Welsh tourism - building on, rather than replacing, the priorities identified in Achieving Our Potential. The feedback received has helped to shape and steer a fresh vision, more focussed strategic aims and a new action plan which sits at the heart of this revised strategy, Achieving Our Potential 2006-2013. The goal is to achieve sustainable tourism growth throughout Wales to support the wider economic, social and environmental aims of the Assembly Government.
2.0 Setting the scene

Tourism is a volatile industry which is influenced by a complex mix of external factors that have a major bearing on patterns of demand. Consequently, any strategic framework for an industry subject to such unpredictable influences needs to be reviewed on a regular basis. In such a fast-moving area of activity, it would be very easy to adopt a short-term philosophy concentrating on tactical, ad-hoc responses when disruptive influences occur. While accepting that there will always be a role for tactical initiatives, a strategic approach allows for a careful consideration of tourism’s underlying strengths and weaknesses and an acceptance that there are some challenges that require more than a tactical solution - they need co-ordinated responses over a prolonged period if the challenge is to be confronted and overcome.

This strategic review has combined a backward-looking and forward-looking perspective. The review has assessed progress in implementing the action plan, compared actual to projected tourism performance and has examined the key political, economic, social, technological and organisational factors which have most influence over tourism. We have also undertaken a major Futures exercise to understand the opportunities, risks and challenges that are likely to face the tourism industry in the period up to 2013.
ACHIEVING OUR POTENTIAL: MID TERM REVIEW

Strategic Targets 1998 - 2003

Achieving Our Potential set a series of strategic growth targets based on the volume and value of tourism up to 2010. Changes in the methodology used to measure UK tourism demand means that it is difficult to monitor progress against these targets. Table 1 indicates that, for the period 1998-2003, and on the basis of the evidence available, good progress has been made with actual growth in tourism spending exceeding the targets set. All tourism spend for UK visitors to Wales increased annually by an average of almost 10%. Overseas tourism spend to Wales increased on average by almost 9% per annum.

Political influences

During the last five years, a number of major global events have impacted upon tourism in Wales. The events of 9/11 which shook the world were followed by the Iraq War, Madrid Bombings, SARS, increasing volatility in the Middle East, the Asian Tsunami and, most recently, the London Bombings. All of these have contributed to reducing consumer confidence in global travel and a slow down in the rate of growth of world tourism arrivals.

The enlargement of the European Union has provided new markets and increased opportunities for trade with Eastern European states, as well as an increased pool of mobile labour. New member states will also qualify for EU funds for investment in tourism resulting in more intense competition from newly emerging tourism destinations.

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<th>TABLE 1: STRATEGIC TARGETS 1998-2003</th>
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<tr>
<td>UK Tourism to Wales</td>
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<tr>
<td>All trips (mn)</td>
</tr>
<tr>
<td>1998: 9.8</td>
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<tr>
<td>2003 Target: 11.4</td>
</tr>
<tr>
<td>2003 Actual: 11.6</td>
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<tr>
<td>Target Average annual increase: 3%</td>
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<td>Actual Average annual increase: 3.4%</td>
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<tr>
<td>Holiday trips (mn)</td>
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<td>All spend (£mn)</td>
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<td>Holiday spend (£mn)</td>
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<tr>
<td>Visits (000's)</td>
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<td>Spend (£mn)</td>
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2.3 Achieving Our Potential set a series of strategic growth targets based on the volume and value of tourism up to 2010. Changes in the methodology used to measure UK tourism demand means that it is difficult to monitor progress against these targets. Table 1 indicates that, for the period 1998-2003, and on the basis of the evidence available, good progress has been made with actual growth in tourism spending exceeding the targets set. All tourism spend for UK visitors to Wales increased annually by an average of almost 10%. Overseas tourism spend to Wales increased on average by almost 9% per annum.

Political influences

2.4 During the last five years, a number of major global events have impacted upon tourism in Wales. The events of 9/11 which shook the world were followed by the Iraq War, Madrid Bombings, SARS, increasing volatility in the Middle East, the Asian Tsunami and, most recently, the London Bombings. All of these have contributed to reducing consumer confidence in global travel and a slow down in the rate of growth of world tourism arrivals.

2.5 The enlargement of the European Union has provided new markets and increased opportunities for trade with Eastern European states, as well as an increased pool of mobile labour. New member states will also qualify for EU funds for investment in tourism resulting in more intense competition from newly emerging tourism destinations.
The Assembly Government has developed a strategic agenda for change based on a fairer, more prosperous, healthier and better educated country. The merger of WTB with the Assembly Government in April 2006 will provide new opportunities for developing integrated support for the tourism industry in Wales. It is expected that most of WTB’s functions will be undertaken by a distinct tourism and marketing department within the Assembly Government’s Department for Enterprise, Innovation and Networks.

**Economic influences**

Since the launch of *Achieving Our Potential*, the global economy has had to deal with the effects of 9/11 and conflict in the Middle East. Closer to home, the UK has been recovering from the effects of foot and mouth disease which had a particularly damaging, short-term impact on tourism performance in Wales.

At a macro level, the UK economy has experienced a long period of steady growth since 2000 with record employment levels, low inflation and low interest rates. High employment levels and an increase in the proportion of school leavers moving into higher education have combined to create a much tighter labour market with employers finding it increasingly difficult to recruit appropriate staff.

The pound has remained strong relative to key European currencies and the US Dollar - a combined negative impact, making overseas travel more affordable whilst making Britain and Wales a relatively expensive option for most overseas visitors. This has constrained Wales’ tourism performance in recent years in overseas markets.
Wales has also benefited from four years of Objective One status. WTB has been able to use additional funding from this source to support tourism businesses throughout Wales, to help more people into work and to create more and better jobs. For the next funding period between 2007-2013, it is likely that West Wales and the Valleys will continue to receive some structural funding although it is uncertain at this stage whether the area will qualify for the equivalent of full Objective 1 status. It is also uncertain at this stage whether some areas of Wales will continue to qualify for the equivalent of Objective 2 status, or whether transitional arrangements will be put in place.

**Social influences**

2.11 The population of the EU is ageing. The size of the 55+ age group is projected to increase while younger groups will fall in relative terms. These new seniors will be more active, enjoy better health and be more affluent. However, emerging concerns over pension levels could impose restrictions on certain groups.

2.12 Affluence is increasing with growth predicted in ABC1 groups and a decline in C2D groups in the UK. Increasing affluence is likely to shift demand towards higher quality accommodation. Decline in C2D groups, however, is likely to cause transitional problems for sectors of the Welsh tourism industry which cater specifically for their needs.

2.13 The consumer is becoming more sophisticated and more demanding. Growing awareness of the value of products and the range of choices available mean that tourism destinations must meet the individual needs of each market segment and ensure that they offer value for money.

2.14 Time is becoming more limited and valuable. Modern lifestyles are more stressful as a result. The higher value being placed on free time leads to enhanced expectations, an insistence for greater value for money and an increased demand for short, additional holidays.

2.15 The traditional family unit is declining and there is a growing tourism market for groups such as single parent families, children travelling with grandparents, gay and lesbian couples and extended singles travelling as groups of friends.

2.16 There has been a trend towards self-development, learning new skills and health and well-being. This provides opportunities for providers of activity and special interest products.

2.17 With the continuing threat of terrorism and volatility in certain parts of the world, safety and security considerations have become more important factors influencing holiday choice.
The airline industry for European short haul travel has been transformed in recent years. The emergence of low cost airlines has stimulated a continuous increase in passenger numbers year on year to destinations which are cheap alternatives to the UK. This trend has made the overseas short break market accessible to a greater proportion of the population. Whilst providing additional competition in the short breaks market, this does offer opportunities for Wales in new overseas markets if stronger incoming route networks can be developed.

Concern for the environment is increasing. More people will want to visit destinations which are perceived to be green and environmentally friendly. Climate Change could lead to a significant change in visitor patterns to Wales, with drier summers attracting more visitors, whilst colder, wetter winters could reduce tourist volume and value outside the peak season. If mitigation of climate change leads to a reduction in air travel, international visits to Wales may suffer but it is likely that visits to Wales from within the UK would increase.

**Technological influences**

The internet and the development of e-commerce will continue to exert powerful influence over the way that tourism destinations and individual businesses are marketed to a global audience. Advances in technology have changed the way that businesses sell their products and e-commerce has resulted in lower barriers for market entry. Consumers increasingly source information and buy holiday products online. These new distribution channels provide an ability to reach a wider audience at lower cost although traditional channels will remain important.

**Organisational influences**

Partnership working is essential in an industry which is fragmented - the tourism experience is delivered mainly by the private sector but many public sector organisations play a role in the way that tourism is developed, managed and marketed. The creation of four Regional Tourism Partnerships in 2001 has provided opportunities for more effective partnership working in Wales. The Tourism Training Forum for Wales was founded as an independent body in 2001 as a means of linking the industry with training providers and seeks to provide the industry with training opportunities to suit its needs. The creation of the Wales Tourism Alliance, a more coherent and inclusive voice for the tourism industry, is a clear sign that the industry is seeking to take more responsibility for its own future.

The new Department for Enterprise, Innovation and Networks will support the delivery of more effective and joined-up services to tourism businesses - guided by the priorities identified in this strategy and by the wider strategic agenda of the Assembly Government.
ACHIEVING OUR POTENTIAL: MID TERM REVIEW

Millennium Stadium, Cardiff.
3.0 Policy context

The role of the public sector is to support the tourism industry and to provide the appropriate framework within which private enterprise can achieve growth and success. It is not the responsibility of government to undertake activities or provide services that are better delivered by the private sector. It will be individuals, businesses and communities in Wales that will ultimately drive business growth in tourism.

This revised strategy builds on the work started in *Achieving Our Potential* and sets out an agreed action plan to guide a co-ordinated response to the high level challenges which will face the industry up to 2013. Although it is a strategy which is specific to the tourism sector in Wales, it cannot be seen in isolation from the wider policy framework which has been put in place by government to support economic and social prosperity. Tourism is a specialist economic sector that is increasing its contribution to an economy in transition. If tourism is to continue to achieve real growth and success, it will require a unique set of government interventions to underpin future growth. These interventions will need to be strategically led, closely integrated
and strongly customer-focussed. They will also need to be ‘joined-up’ across all areas of
government. The vision, objectives and priorities identified in this strategy, therefore, are
consistent with and reinforce those that have been set by the Assembly Government to support
the realisation of its wider economic and social goals. The strategy also seeks to support and
reinforce the role of local authorities which seek to ensure the social, environmental and
economic well-being of their areas.

Wales: A Better Country

Wales: A Better Country is the Assembly Government’s strategic agenda which sets out a guiding
vision for a fairer, more prosperous, healthier and better educated country. It has four fundamental
policy aims:

- Helping more people into jobs
- Improving health
- Developing strong and safe communities
- Creating better jobs and skills

Wales: A Better Country identifies the potential to build on the competitive strengths that exist
in certain sectors of the economy. It also recognises that our natural and man- made
environment is exceptionally diverse and provides great opportunities for tourism and active
recreation.

People, Places, Futures -
The Wales Spatial Plan

The Wales Spatial Plan is a strategic framework for the next 20 years to guide future policy
interventions by the Assembly Government, its agencies, and local authorities and the activities
of the voluntary and private sectors. As well as setting out the issues that are important to Wales
overall, the plan divides Wales into six areas and proposes specific strategies and actions for
each area.

The plan contains a commitment to build on the distinctive economic advantages and potential
of tourism and to enhance the natural and built environment to support more sustainable
tourism activity. There is also emphasis on respecting regional distinctiveness and on
strengthening the sense of place in local areas across Wales. The plan identifies a need for the
preparation of a Welsh coastal tourism strategy to set an integrated framework for developing
the tourism potential of the Welsh coastline.
The Spatial Plan is a key policy document which will guide future interventions by government, and will inform future public and private sector investment in the tourism industry.

Wales: A Vibrant Economy

Wales: A Vibrant Economy is the refreshed economic development strategy of the Assembly Government. This is a key document which seeks to ensure that the Assembly Government’s economic development activities dovetail closely with its wider social, environmental, health and education agendas, both nationally and locally throughout Wales. The vision at the heart of Wales: A Vibrant Economy is of a vibrant Welsh economy capable of delivering strong and sustainable economic growth by providing opportunities for all. The priorities are to:-

- increase employment by supporting job creation and helping individuals to tackle barriers to work.
- invest to regenerate deprived communities and stimulate economic growth across Wales.
- help businesses to grow and to increase value-added per job and earnings by:
  > investing in transport and ICT networks and other economic infrastructure.
  > attracting more high value-added functions to Wales and supporting businesses and sectors with strong growth potential, notably through the new Knowledge Bank for Business.
  > improving the skills base and using the opportunities created by the mergers to deliver more demand-led training tailored to the needs of businesses, and;
  > helping businesses to become more competitive by supporting the drivers to business growth: entrepreneurship, innovation, investment and trade.
- ensure that all economic programmes and policies support sustainable development, in particular by encouraging clean energy generation and resource efficiency.
ACHIEVING OUR POTENTIAL: MID TERM REVIEW

3.9 The principles that will guide taking forward the priorities are:
- making the most of the merger of the Assembly Government with the WDA, WTB and ELWa to deliver more joined-up and effective services to Welsh companies and individuals.
- focusing resources and attention where they can make the most difference.
- working in partnership to deliver improvements across Wales through the Spatial Plan, and;
- promoting closer working between the public and private sectors in relation to business advice and finance, to ensure that Welsh companies have access to world-class support.

3.10 The priorities and actions identified in this new strategy for tourism complement and support the Assembly Government’s economic development priorities. Job creation, skill development, increase value-added per job, innovation, investment and sustainable growth within the tourism industry are fundamental aims to secure future prosperity. The strategic action plan sets out a range of integrated measures which are designed to ensure that these aims are delivered.

Learning To Live Differently - The Sustainable Development Scheme of the Welsh Assembly Government

The Assembly Government has a duty under section 121 of the Government of Wales Act 1998 to promote sustainable development in the exercise of its functions. The Act requires the Assembly Government to prepare a Sustainable Development Scheme setting out how they propose to implement the duty.

The scheme emphasises the need for the development and promotion of tourism to be based on Wales’ quality and distinctiveness. Sustainability is one of the four central themes of Achieving Our Potential which recognises that the scale, pace and character of development must be carefully controlled in order to safeguard Wales’ environmental, historical and cultural assets. The future challenge is to realise the full potential of Wales’ unique qualities and tourism assets in a sustainable way.

Making the connections

Making the Connections outlines the Assembly Government’s vision for a new, customer-facing and more accountable public service in Wales. Stronger links will be created between policy development and the delivery of initiatives designed to support businesses and the community. There will also be greater emphasis on demonstrating results from improved front line services.

Other Assembly Government strategies

Farming for the Future recognises the interdependence of tourism and farming and recognises the need to further develop synergies between both industries.

The Assembly Government’s culture strategy, Creative Futures - Cymru Creadigol, sees culture as a springboard for the development of the economy and strong communities, and identifies cultural tourism as having an important role to play in maximising the economic benefits of culture. WTB’s Cultural Tourism Strategy, launched in 2003, sets out a more detailed framework for co-ordinated action to help improve the quality of the cultural tourism product in Wales and to ensure its effective promotion.

In its National Action Plan for the Welsh language, Iaith Pawb, the Assembly Government sets the goal of increasing both the number and percentage of Welsh speakers. There is recognition that a large number of Welsh-speaking communities in Wales depend heavily on tourism for their economic life-blood.
The Assembly Government’s Sports and Active Recreation Strategy, *Climbing Higher*, highlights the clear link between moderate exercise and good health and seeks to place sport and physical activity at the heart of Welsh life. One of its key aims is to increase the percentage of people in Wales using the Welsh natural environment for outdoor activities from 36% to 60% by 2023. In 2004, WTB launched *Sports Tourism in Wales: a Framework for Action* to reinforce the Assembly Government’s aims and to maximise the tourism potential associated with sport and active recreation.

The Transport (Wales) Bill will place a statutory duty on the Assembly Government to develop and implement integrated transport policies. These policies will be published in a Wales Transport Strategy, which will build on the *Transport Framework* published in 2001 and the *Transport Review* published in 2004. This strategy will set out the vision for an integrated transport system, which strikes the balance between the Assembly Government’s environmental, economic and social objectives.

Regional Tourism strategies

Four Regional Tourism Partnerships in Wales are implementing strategies for the development and marketing of tourism in their respective regions. These strategies complement and support the priorities identified in *Achieving Our Potential*. They have been developed on spatial lines to take account of the strengths, attributes and tourism potential of each individual region. The four Regional Tourism Partnerships continue to engage closely with their respective regional economic fora and with the Wales Spatial Plan to ensure that the strategic priorities for tourism are fully integrated into the wider strategic framework.

The strategic priorities of the *Tourism Strategy for North Wales* are to strengthen the unique sense of place, improve the quality of tourism facilities in North Wales and to reduce seasonality across the region.

The focus of the *Tourism Strategy for South West Wales* is on generating more business outside the main summer season and to attract higher spending/higher value markets.

The *Tourism Strategy for South East Wales* emphasises the importance of developing urban and business tourism, events, cultural and heritage products as well as golf and luxury breaks.

The vision of the *Tourism Strategy for Mid-Wales* is to develop a competitive, market led tourism industry that contributes to the region’s economy and sustains its communities, culture and environment.
Crosscutting themes

The tourism industry in Wales will need to address a number of strategic challenges to compete in the tourism marketplace. In addition to these, it will be essential to ensure that tourism makes its contribution to the Assembly Government’s vision for the crosscutting themes of Social Justice, Equality and Sustainable Development.

Social Justice

Social Justice relates to the need to tackle poverty and poor health, and to provide people and their communities with opportunities to benefit from a more prosperous and healthier lifestyle. Tourism touches every community in Wales to a greater or lesser extent. Spending by tourists supports the provision of a greater range of services for local people thereby enhancing the quality of life and creating a greater range of opportunities for all sectors of the community. Tourism can help sustain cultural activities, enhance environments and support local services, shops and community amenities that would not otherwise be viable. Tourism also requires a diverse mix of skills which are often easily transferable and, therefore, of high value in the workforce.

The overall aim of this strategy is to achieve a more prosperous tourism industry that sustains more and better jobs and generates a higher contribution to the Welsh GDP. The achievement of this aim will, in itself, stimulate direct and indirect benefits to all communities in Wales.

Equality

The Assembly Government has a statutory duty to promote equality and is committed to promoting gender equality, good race relations and tackling discrimination on the grounds of age and disability. The Welsh language is also part of the equality agenda in Wales. Employment in the tourism industry should be open to all regardless of gender, age, race, religious belief, sexual orientation or physical ability. Indeed the tourism industry is well-placed to provide important opportunities for entry-level jobs and offers employment opportunities for many sectors of the working population, such as older people and females who are not well represented in other industry sectors. It is also essential that the tourism industry in Wales meets the needs of disabled visitors and other disadvantaged groups in society.

Tourism contributes to the Assembly Government’s vision regarding the Welsh language. Many Welsh-speaking communities rely heavily on the tourism industry but care must be taken to avoid any potential negative effects of tourism on the Welsh language. The promotion and development of the cultural tourism product in Wales and encouraging the industry to emphasise local distinctiveness through introducing a Sense of Place to their business, will help raise awareness and appreciation of the Welsh language.
Sustainable Development

3.30 Sustainable development is defined as: ‘Development which meets the needs of the present, without compromising the ability of future generations to meet their own needs.’ The high quality of the natural and built environment in Wales and its distinctive character are of vital importance to the tourism industry. For tourism to prosper in the future it is essential that those unique assets, which visitors come to enjoy are safeguarded and, if possible, enhanced. When developed responsibly, tourism can be a force for good in terms of its wider social, economic and cultural benefits. Opportunities exist to broaden access to tourism throughout society and to optimise its local economic impact by developing stronger links between tourism businesses and Welsh suppliers of goods and services.

3.31 Sustainable tourism has been defined by the World Tourism Organisation as: ‘Tourism which meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future.’ Without the support of the local host community, the potential benefits arising from tourism are unlikely to be fully realised. This is particularly the case in smaller rural areas where the visitor experience is often more intimately linked with the people and the place. Communities need to be more directly engaged in planning and preparing the welcome for the tourist so that there are mutual benefits for both the visitor and the host.

3.32 The concept of sustainability remains at the core of this revised strategy. WTB will prepare a Sustainable Tourism Framework to describe in more detail the response needed from all involved in tourism to achieve the goal of long-term sustainable growth.

Local Authorities

3.33 Leading reform in local services: Manifesto for Welsh Local Government 2006-2008 sets out six key issues that local authorities will focus on until the 2008 elections and beyond. The development, promotion and management of tourism will be relevant to at least two of these key issues - improving the quality of the local environment and developing prosperous and vibrant communities. Local authorities have a key responsibility for community leadership and have traditionally supported the tourism industry in many ways. They play a major role as providers of tourist attractions, cultural and leisure facilities in general, tourism infrastructure provision and in the marketing of their areas as tourism destinations. Local authorities have had a central role in helping to implement the previous action plan of Achieving Our Potential. Their continued support is essential to ensure that the economic and social benefits of tourism support prosperity at the local level.
POLICY CONTEXT

Nefyn & District Golf Club and Porth Dinllaen, Llyn Peninsula.
ACHIEVING OUR POTENTIAL: MID TERM REVIEW

4.0 Challenges of a changing world

4.1 Wales has many enduring strengths as a tourist destination. These include its landscape and scenery, opportunities for outdoor recreation, its culture and heritage, and its proximity to key markets in the UK. Since Achieving Our Potential was launched, tourism spending levels in Wales have steadily grown. At a global scale, however, tourism is becoming increasingly competitive and in relative terms, Wales is a small country with limited resources available for product development and promotion. There are serious challenges which need to be overcome to secure future prosperity for tourism in Wales but also a range of opportunities which can be realised through effective teamwork.

4.2 As circumstances change, it is important to consider the need to change strategic priorities for tourism to support future sustainable growth. If the industry is to prosper it will need to be equipped to meet and overcome the challenges it will face in the future. An understanding of the factors that are likely to influence future tourism growth is essential if the industry in Wales is to continue to evolve in line with market needs.

4.3 It is necessary to examine current market trends in tourism and also the future drivers of change in society to understand how existing strategic priorities may need to evolve to sustain long term prosperity for the industry and to maximise tourism’s contribution to the Welsh economy.

MARKET TRENDS

GLOBAL

4.4 Global tourism has experienced unprecedented growth rates over recent decades. International tourism arrivals have increased by an annual average of 6.6% between 1950 and 2002. In 1992, international tourism arrivals totalled 502 million and by 2002 this had grown to over 700 million. Arrivals within Europe amounted to 400 million in 2002, although the average annual growth of tourism in Europe decreased from almost 8% between 1990 and 1995, to less than 2% in the second half of the decade.

4.5 The World Tourism Organisation estimates that global tourism will grow on average by just over 4% each year up to 2020. Although its share of tourist arrivals will decline, Europe will continue to be the most popular region - attracting over 700 million tourists a year by 2020, representing growth at an annual rate of 3%.
UK
International tourist arrivals to the UK have grown from around 18 million in 1990 to 25 million in 2003. However, annual growth fell from an average of 5.5% in the early 1990’s to 1.4% in the second half of the decade. Newly emerging destinations in Asia and Eastern Europe will continue to make it increasingly difficult for relatively well-established destinations such as the UK to maintain its share of global tourism.

In the UK, the pattern of holiday taking continues to change and evolve. There is a structural move away from long (4+ nights) holidays in the UK towards more frequent short (1-3 nights) holidays, either in the UK or overseas. Personal disposable incomes increased by 14% between 1999 and 2004 and this has been accompanied by a trend to save less. The number of British people taking three or more holidays per annum increased by around 20% between 1996 and 2003 and the trend towards taking more trips abroad has continued. A significant proportion of the UK population, however, does not take an annual holiday - a matter of choice for some and a lack of opportunity for others.
Since Achieving Our Potential was published, the long term trend which has seen increasing numbers of UK residents taking their main holiday abroad has continued. There has also been large growth in the number of short breaks taken overseas. The volume of longer holidays taken abroad increased by 13% between 1999 and 2002, while the number of short breaks taken abroad rose by almost a third over the same period. This reflects the increase in affordability and availability resulting from the growth in low cost airlines, competitive prices and higher disposable income.

The increase in competition from other destinations has clear implications for tourism in the UK. Not only has the long-term trend towards holidays abroad led to a decline in the importance of the traditional long holiday market in the UK, but the emergence of cheap overseas destinations presents further challenges if the UK is to significantly grow its share in short break markets. The gap between incoming and outgoing tourism receipts in the UK has steadily increased over the last 20 years, reaching a record deficit of £16.7 billion in 2003.

**Wales**

Between 1998 and 2003, all overseas and domestic overnight tourism trips to Wales increased from 10.6 to 12.5 million. The majority of this growth came from an increase in visitors to Wales from within the UK - 11.6 million domestic visitors in 2003 spent £1.7 billion, compared with £1.3 billion spent by 9.8 million visitors in 1998. Expenditure by overseas visitors to Wales in 2003 was £270 million, and tourism day visits to Wales generated an estimated £1.4 billion expenditure. Combining these figures, spending from overnight and tourism day visits to Wales was worth over £3.4 billion to Wales in 2003.
Wales’ dependence on the UK market has not changed significantly since Achieving Our Potential was launched. It still accounts for 93% of visits and 86% of all overnight tourism spend. Some 79% of trips to Wales from within the UK originated in England during 2003, with the West Midlands and North West remaining the most important regional markets, generating a combined 36% of UK tourism trips to Wales and 40% of spend.

Between 1990 and 2003, the profile of trips to Wales from within the UK has also changed. Of the three main trip categories of Holidays, Visiting Friends and Relatives (VFR) and Business trips, 76% of all tourism spend to Wales over the period 2001-03 was spent by visitors who had come to Wales on holiday. This is down from 84% during 1991-93, although still well above the UK average of 64%.

<table>
<thead>
<tr>
<th>TABLE 2: RELATIVE SPEND BY TRIP PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wales</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Wales</td>
</tr>
<tr>
<td>1991-93</td>
</tr>
<tr>
<td>2001-03</td>
</tr>
</tbody>
</table>

Although tourism in Wales remains heavily dependent on the UK holiday market, the proportion of VFR tourism spend has increased in recent years, growing from £68 million in 1990 to £195 million in 2003, when it represented just under 10% of all domestic spend in Wales. A similar increase has been seen in Business tourism, which has increased three-fold from £61 million to £188 million over this period. In comparison to the UK overall, however, Wales still under performs in terms of the relative importance of business tourism.

Between 2000 and 2003, tourism spend in Wales actually increased by 6.7% despite the number of trips decreasing by 1%. The growth in VFR and Business trips has partly accounted for the increase in average spend/trip which has also been boosted by a significant growth in the higher yield short break market.

**Length of Trip**

The long-term trends identified in Achieving Our Potential relating to length of holiday trips to Wales have continued, with an increase in short holidays of 1-3 nights during the 1998-2003 period (Table 3). Although there has also been a general increase in the number of longer holidays, the most significant trend in the holiday market has been consolidated growth in the short holiday market which now accounts for 39% of all holiday spend in Wales - up from 28% in 1998.
### TABLE 3: TRENDS IN SHORT/LONG HOLIDAYS TO WALES: 1998-2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Short Holidays 1-3 nights</th>
<th>Long Holidays 4+ nights</th>
<th>Short Holiday Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trips (Mn)</td>
<td>Expenditure (Mn)</td>
<td>Trips (Mn)</td>
</tr>
<tr>
<td>1998</td>
<td>3.5</td>
<td>255</td>
<td>3.3</td>
</tr>
<tr>
<td>1999</td>
<td>3.7</td>
<td>283</td>
<td>3.4</td>
</tr>
<tr>
<td>2000</td>
<td>5.5</td>
<td>465</td>
<td>4.0</td>
</tr>
<tr>
<td>2001</td>
<td>4.6</td>
<td>513</td>
<td>3.8</td>
</tr>
<tr>
<td>2002</td>
<td>5.3</td>
<td>582</td>
<td>3.5</td>
</tr>
<tr>
<td>2003</td>
<td>4.7</td>
<td>508</td>
<td>4.0</td>
</tr>
</tbody>
</table>

#### 4.16
Wales still underperforms, however, in terms of average spend/trip, especially in terms of the holiday market which is Wales’ core market (Table 4). In 1990, the profile of all domestic holiday trips to Wales was similar to the UK average. Between 1990 and 2003, however, the average length of holiday trip for the UK overall significantly decreased, while spend per trip increased from £126 to £178. In Wales, the average length of stay decreased at a slower rate, while the average spend per trip increased more slowly than the UK average.

### TABLE 4: AVERAGE SPEND/TRIP IN WALES/UK: 1990-2003

<table>
<thead>
<tr>
<th>Year</th>
<th>All Trips</th>
<th>Holidays</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wales</td>
<td>UK</td>
</tr>
<tr>
<td></td>
<td>Nights</td>
<td>Spend per trip</td>
</tr>
<tr>
<td>1990</td>
<td>4.7</td>
<td>£108</td>
</tr>
<tr>
<td>1995</td>
<td>4.3</td>
<td>£100</td>
</tr>
<tr>
<td>2000</td>
<td>3.8</td>
<td>£124</td>
</tr>
<tr>
<td>2003</td>
<td>3.9</td>
<td>£152</td>
</tr>
</tbody>
</table>

#### 4.17
Average length of stay is longer in Wales than in the UK overall but on average, visitors spend less in Wales per trip. This is not just the case for holidays, but for all overnight trips to Wales. The challenge for tourism in Wales is to develop sustainable high yielding markets in line with these UK-wide trends.

#### OVERSEAS

#### 4.18
The total number of overseas tourists visiting Wales increased by 2.6% between 1998 and 2003, while the numbers visiting Britain dropped by 4% over the same period. The United States,
Germany and Holland remain key markets for Wales, but the volume of international visitors to Wales remains small in comparison to those originating from within the UK.

The relatively high spending and less seasonal overseas market is one in which Wales has been traditionally under represented. Wales retains an approximate 7% share of all UK tourism expenditure but only a 2% share of total spending by overseas visitors in the UK. Overseas visitors accounted for only 7% of total tourism trips to Wales in 2003, 11% of bed nights and 14% of total overnight tourism expenditure.

The UK attracts around 3.4% of global tourism arrivals, representing around 24 million arrivals each year. Should the UK benefit from the World Tourism Organisation’s estimated increase in European arrivals of around 3% a year, there will be an opportunity for Wales to benefit from this projected growth in global tourism in the longer term.
Future drivers of change

4.21 This half-term review of Achieving Our Potential has set out to address some key strategic questions about future prospects for tourism in Wales:-

- What will be the future needs of our growth markets?
- How well does Wales currently cater for these needs?
- What must Wales do to bridge the gap between future market needs and current provision?
- Where do we target support, sectorally and spatially, to sustain a stronger tourism industry?

4.22 Evidence and information was gathered from two different but reinforcing sources, namely via the UK Tourism Summit and from a scenario futures exercise undertaken by The Henley Centre.

4.23 UK TOURISM SUMMIT: Leading representatives from the European tourism and hospitality industry were invited to share their views on the future outlook for tourism. Specifically, the summit examined the needs of the client of the future, the product of the future and examples of international best practice in tourism - based on a benchmarking exercise undertaken in 16 destination countries around the globe. The findings provided a useful basis for the more detailed investigation carried out subsequently by The Henley Centre:

Client of the future:
- Seeking value for money and value for time
- Wanting diverse and fresh experiences
- More sophisticated in their needs - wanting different things at different times
- From new markets and segments
- More polarised between luxury and bargain holidays
- Seeking security and well-being
- More elderly
- Prepared to spend for the right experience

4.24 Product of the future:
- Quality will be the over-riding consumer need
- Safety will become more important
- Branded products will grow - guarantee of quality
- Distribution channels will be dynamic - different for different markets
- More alliances will be likely between developers/operators/franchisers, and between transport and accommodation providers
- Innovative packaging and pricing - differentiated by market segment
- Provision of spa/activity facilities will become the norm
International best practice identified a need for:-

- Clear strategic vision and leadership
- Strong market focus with national branding and marketing effort
- Commitment to quality
- Product innovation involving the private sector taking risks
- Professional, skilled, trained workforce
- Identifying and working with winners
- Real and effective partnership working
- Commitment to e-commerce and internet marketing
- Strong research base which is market focussed
- Integrated transport networks serving the visitor

HENLEY FUTURES: WTB commissioned The Henley Centre in 2003 to consider the findings of the UK Tourism Summit and to undertake a more detailed Futures exercise. The exercise involved early consultation with key industry representatives and a series of workshop sessions designed to identify the most important drivers of change in society which were likely to impact upon tourism over the next 10 years. The key drivers of change are listed below:

Consumer-Led Drivers

Consumers’ time
Consumers are leading increasing busy lives, both in work and at home, leading to a desire to do more and to get more from their free time. But the choice of things consumers can do with their spare time is increasingly diverse. Competition for consumers’ free time will become more intense.

Consumers want to be able to do things at very short notice - to book and plan their holidays quickly, easily and at their convenience. If doing this is too difficult, they will simply opt for an alternative product. Wales’ tourism industry must keep abreast of these expectations to capture the growing short break market.

The current population of over 60s make lifestyle choices that reflect their ‘young’ attitude, take more holidays and are more likely to holiday within the UK. In the future, however, the extra time enjoyed by today’s retired population might not continue. The pensions crisis and uncertainties over investments will lead to the retired population being encouraged to work later in life, resulting in less time to spend on holidays and leisure activities.
**Affluence and well-being**

4.30 Over the last 20 years disposable income has risen steadily - we are, on average, 70% better off today than we were in 1979. The result is a consumer that is more likely to seek fulfilment through spending on leisure experiences and lifestyle choices. Demand for experience holidays and well-being breaks, encompassing elements such as the mind, body and spirituality, are likely to become increasingly popular.

**Connected society**

4.31 New technologies have extended opportunities for buying and selling and mean that consumers are increasingly confident in using the Internet to research and book their travel choices. Online travel research and booking is now a prime area of Internet use, although consumers are used to multi-channel accessibility and want to contact companies through all routes. The growth in media supply means that consumers are constantly being bombarded with information from a variety of sources, and this ‘media clutter’ provides a challenge for businesses trying to reach consumers. As a result, word-of-mouth may increasingly be relied upon as a trustworthy source of information as consumers turn to families, friends and colleagues for recommendations of products, services and experiences.
Supply-Led Drivers

Gateways
Two-thirds of the UK population has access to a car and dependency on the car is expected to grow - the result being greater congestion and damaging environmental impacts. Travelling to and within Wales by any means other than the private car can be difficult. It is likely that the main routes into Wales will become increasingly busy and journey times will rise. International links into Wales, whilst improving, still remain relatively poorly developed and constrain attempts to attract a higher proportion of overseas tourists.

Skills gaps
The tourism industry in Wales is dominated by small businesses that find it difficult to invest sufficient time and resources into training and skills development. Problems with staff recruitment and skill deficiencies continue to cause major difficulties for tourism operators.

Seasonality remains a significant characteristic of Welsh tourism, with many small businesses reducing capacity or closing for part of the year. Not only can this be out of line with consumers’ more flexible need to holiday throughout the year, it also contributes toward tourism being perceived as a poor career choice, badly paid with limited career prospects, leading to recruitment difficulties and stretched or poor quality of service.

Brand development
Brand reassurance is a key consideration for many consumers seeking guarantees about product quality and value for money. Conversely, an increasing number of consumers adopt a more individualised approach by avoiding brand names and seeking a more unique experience. This is reflected in the trend towards holidays which offer a distinctive and different holiday experience.

“\nI think the WTB toolkits are very useful and maybe should be developed further. The support line is also a very helpful resource. A very useful idea is to get existing successful businesses to work as mentors with struggling or new businesses where they can share best practice.\n”

Sara Wynne-Pari, Llŷn Area of Outstanding Natural Beauty
Wales’ natural and built environments, along with its distinctive culture and heritage, differentiate it from other regions of the UK. However, a lack of awareness about these assets and perceptions based more on myth than reality pose challenges for establishing a unique, distinguishing brand for Wales in UK and overseas markets.

Scenario Testing

The Henley Centre applied the main drivers of change to develop a series of scenarios describing four possible futures for tourism in Wales. These scenarios were used to generate a clearer understanding of where Wales is currently and where it could be. Some were more aspirational and more difficult to achieve, while others offered more potential value. Each represented a possible future which could co-exist with the others.

Importantly, the scenarios exercise identified strategic imperatives or challenges that were common to all scenarios. These strategic imperatives were neither surprising nor particularly unique to Wales but helped to focus and concentrate attention on a manageable number of important issues. The strategic imperatives, which are listed below, were tested during the consultation phase of this mid-term review. There was strong, overall agreement that they represented the major strategic challenges facing the tourism industry in Wales over the next 10 years.

Branding

Although significant steps have been taken in recent years to improve the brand positioning of Wales, this can still be more coherent and applied more consistently at all levels of the industry. Wales is a ‘challenger-brand’ and needs to continue to apply the lessons of such brands including building a ‘lighthouse’ identity - to be noticed, to stand out from the rest, to have emotional appeal and to overcome negative or outdated perceptions about Wales. There is a need to develop a brand architecture which will provide opportunities for all involved in tourism to reinforce the same branding messages.

Quality of accommodation and attractions

At the top end of the market there are too few luxury hotels in Wales which create their own demand (i.e. the hotel becomes the destination) and increase the profile of Wales as a quality destination. At the bottom end there is still too much low quality accommodation which damages the Wales offer and its reputation. Many are lifestyle businesses. Evidence suggests that investment in better quality accommodation pays off. Businesses which are able to generate and sustain demand over a longer season are those where visitors pay more for a higher quality experience.
The quality of attractions is also variable. During the 1990’s the number of tourist attractions doubled in Wales from 300 to 600. Overall, however, total demand for the attractions sector has remained static - the competitive pressures are high. Government intervention to support improvement in quality should be driven by the requirements of Wales’ brand development. Wales needs high quality, icon, flagship attractions that are distinctive to Wales and reflect the character and culture of Wales - they should reflect the brand that is being developed for Wales.

**Accessibility**

Increasingly, tourists are expecting to be able to research and book their holidays on-line. Travel and tourism has been one of the e-commerce sectors greatest success stories. Wales remains fragmented in its online visibility which reflects the general fragmentation of the industry. Technology is changing quickly. Wales needs to extend its visibility and the tourism industry must be encouraged to accept and use modern technological innovations as essential marketing tools.

**Skill levels**

Improvements in quality need to be matched by improvements in skill levels. This is one of the hardest issues to resolve. A successful industry will be able to offer higher wages, good career prospects and improve its skills base. However, this may not be enough if the supply of skilled labour is not available and it will take time to develop appropriate training courses to help bridge the skills gap. Tourism provides good opportunities for entry-level jobs and could also provide employment opportunities for returners to work and groups which are not well represented in other sectors of the economy who may be seeking part-time, more flexible working arrangements.

**Partnership**

The overall delivery of the strategy will require increased collaboration between the public and private sector. Tourism is a fragmented industry and it is important for people, businesses and organisations to work together in an effective way to get things done.
Sgwd yr Eira.
Brecon Beacons.
5.0 Vision, challenges and priorities

Achieving Our Potential set out the following vision for the tourism industry:

A mature, confident and prosperous industry which is making a vital and increasing contribution to the economic, social, cultural and environmental well being of Wales by achieving sustainable growth through effective co-ordination and collaboration at all levels in the industry.

Much has changed since this vision was drafted. The last five years has seen an unprecedented investment in the tourism industry in Wales resulting in higher quality standards, new and improved products and more effective marketing. Collaboration within the industry has improved with the Wales Tourism Alliance becoming a more cohesive voice for the industry, the Regional Tourism Partnerships facilitating partnership working at the regional level and the development of more effective working relationships between the private and public sectors to develop and market tourism in Wales, e.g. Tourism Growth Areas, Tramor, Prydain and the Tourism Research Partnerships.

Caernarfon Castle.
As a result of these changes the original vision has been modified to:

*A Customer Responsive, Innovative, Sustainable and Profitable industry which makes an increasing contribution to the economic, social, cultural and environmental well being of Wales.*

This revised vision acknowledges that economic prosperity in tourism will be generated predominantly in the private sector but that competitive pressures will require the emergence of a more professional and market facing industry, wedded to the principles of long term, sustainable growth.

**Strategic aims**

This revised vision describes what we would want tourism to look like in 2013. It has been based around four strategic aims which are designed to achieve long term prosperity for the industry:

1. **Realising the importance of understanding and responding to customer needs**

   The tourism market is changing in line with the evolving tastes and needs of consumers. The industry will need to adapt to remain competitive. Unless the industry can develop new products or evolve existing products in line with market changes, there is a danger that Wales’ tourism offer will stagnate and be unable to compete with other destinations.

2. **Accepting that there is a value to be gained from doing things differently to our competitors through innovative ways of working**

   Innovation is a difficult concept to define. Essentially, it involves doing new things or doing existing things differently. Businesses need to operate in an environment where they feel confident in taking risks and investing in the future. The public sector can stimulate an innovation culture through demonstration and by disseminating more predictive market research and examples of best practice.

3. **Acknowledging the need to secure a sustainable, long-term future through responsible destination and business management**

   Tourism growth by any means is not a sustainable option. For tourism to prosper over the longer term, it is essential that Wales’ unique environmental, cultural and historic assets are enhanced through careful planning and wise visitor management. The economic benefits generated by
tourism must, to a much greater extent, be retained within the local and national economy.

4. Seeking to maximise business profitability to drive growth in the tourism economy

Tourism makes an increasingly significant contribution to the economy of Wales. Future growth in tourism will come predominantly from the private sector. The aim must be to secure higher levels of business profitability to fuel investment, skills development and improve productivity.

Strategic challenges

The background research and consultation exercise carried out for this mid-term review of Achieving Our Potential has helped to identify the strategic challenges which will need to be addressed if the vision for tourism is to be realised by 2013. The vision and strategic aims describe what we want to achieve by 2013. The strategic challenges describe how we can achieve it.

To some extent, the strategic challenges confronting tourism in Wales are common to tourism throughout much of the UK and Europe. Consumer expectations about quality, value, service delivery and ease of use have increased with rising affluence faster than the industry has been
able to respond. Wales has made undoubted progress in recent years but its competitors have generally been progressing at least as fast. At the same time, the benchmarks about value and service which are to a large extent set by other sectors (e.g. retail) have also been rising.

5.8 Five strategic challenges have been identified for tourism in Wales:

1. Distinctive Branding

<table>
<thead>
<tr>
<th>Aspiration</th>
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</thead>
<tbody>
<tr>
<td>Wales will have a distinctive and credible brand that challenges perceptions and stands out from the rest. The visibility and competitive appeal of Wales as a holiday destination must continue to increase, representing the quality of the Wales tourism product. A strong brand identity must be reinforced at all levels of the industry to enable Wales to increase its market share of international and UK visitors.</td>
</tr>
</tbody>
</table>

2. Higher Quality

<table>
<thead>
<tr>
<th>Aspiration</th>
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<tbody>
<tr>
<td>Wales will be a high quality destination that offers a distinctive experience throughout the year. There will be a close match between the promise made to visitors and the experience delivered. Businesses will provide quality products and the changing needs/expectations of visitors will be exceeded. Product investment and innovative ways of working will enable the industry to capture growth markets.</td>
</tr>
</tbody>
</table>

3. Easier Access

<table>
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<tr>
<th>Aspiration</th>
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</thead>
</table>
| Wales’ tourism products will be easily accessible to the key markets via online visibility and other more traditional channels. The information provided to potential visitors will be of high quality, reflecting the brand positioning of Wales. A quality tourism experience will be accessible to all. 

Wales will be a destination that attracts greater numbers of higher spending visitors from domestic and overseas markets and takes full advantage of the potential links with international airports such as Cardiff, Birmingham, Heathrow, Liverpool and Manchester. Visitors to Wales will use public transport more to travel to and around their destinations. |
### 4. Better Skills

**Aspiration**

The tourism industry will offer year round employment with good career prospects and equal opportunities for training and development. A job in the tourism and hospitality sector is seen as a job which provides competitive pay rates, good career prospects and opportunities for advancement. The whole tourism experience needs to be professional, of excellent quality and exceed the expectations of the visitor. This includes the quality of the service and welcome received by tourists.

### 5. Stronger Partnership

**Aspiration**

Tourism in Wales will be competitive, sustainable and based on a distinctive Welsh offer. Intervention from the public sector will be targeted at operators or products that meet the needs of the future growth markets. Tourism businesses are able to innovate with confidence knowing that they have the support of government. All tourism stakeholders will work together to ensure appropriate coordinated action at national, regional and local level.

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**FIGURE 2: STRATEGIC AIMS AND CHALLENGES**

<table>
<thead>
<tr>
<th>AIMS</th>
<th>CHALLENGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable</td>
<td>Distinctive Branding</td>
</tr>
<tr>
<td>Profitable</td>
<td>Higher Quality</td>
</tr>
<tr>
<td>Customer Responsive</td>
<td>Easier Access</td>
</tr>
<tr>
<td>Innovative</td>
<td>Better Skills</td>
</tr>
<tr>
<td></td>
<td>Stronger Partnerships</td>
</tr>
</tbody>
</table>
Strategic Challenge No. 1 - Branding

OBJECTIVE - TO DEVELOP AND COMMUNICATE A DISTINCTIVE BRAND FOR WALES

Where we are

The brand positioning of Wales as a tourism destination has improved over recent years. Outdated images of Wales have been challenged and perceptions are changing for the better. In international markets, however, there is still a lack of awareness about Wales, constraining attempts to attract more overseas visitors to Wales. A strong Wales brand is an essential requirement for rising awareness of Wales as a destination for leisure and business travel both within the UK and overseas.
More needs to be done to create and communicate a differentiating brand for Wales that is motivating to consumers and can be delivered by the industry. All those involved in tourism marketing must work together to reinforce the brand and communicate it effectively at all levels in the marketplace. Wales is a ‘challenger brand’ and the brand positioning of Wales should be based on assets that are best in class, distinctively and uniquely Welsh.

There will remain an essential need to generate enquiries for Wales through cost effective brand response campaigns, product and niche campaigns to ensure that tourism spending is maximised, throughout the year and in all parts of Wales. The private and public sectors will need to work together in more innovative ways if Wales is to extend its tourism season and to appeal to new and growing markets which are less seasonal in nature. In this context it will be important to target those niche markets with good growth and high yield potential such as business and conference, activities and cultural tourism.

Whilst a number of flagship attractions have been developed in Wales there is still scope for a small number of additional, high quality, icon, flagship attractions that are distinctive to Wales and reflect the Welsh character, culture and brand. There is also scope for the tourism experience to reflect variations in regional distinctiveness and the spatial character of different parts of Wales.

**STRATEGIC PRIORITIES**

The strategic priorities for Branding are:

- Link the tourism brand to the wider Wales brand to achieve greater impact.
- Achieve consistency in the use of the tourism brand at all levels within the industry.
- Ensure that a strategic marketing framework for Wales is in place to support effective partnership working.
- Continue to promote Wales to less seasonal markets with good growth potential.
- Encourage the development of icon products which are distinctive to Wales.

Strategic Challenge No. 2: Quality

**OBJECTIVE - TO RAISE THE QUALITY OF THE TOURISM EXPERIENCE IN WALES**

**Where we are**

Wales has high quality natural assets and a distinctive culture and heritage, which differentiate it from other parts of the UK. In addition, there are many individual tourism businesses that offer a high quality experience to visitors. Overall, however, the level of quality in the accommodation
and attractions sectors remains variable. At the top end of the market there are too few luxury hotels, which create their own demand and increase the profile of Wales as a quality destination. At the bottom end of the market there is still too much low quality accommodation, which damages the Wales offer and reputation. The pan UK grading harmonisation for accommodation will facilitate better consumer understanding and allow meaningful comparisons to be made between accommodation products in different parts of the UK. It may, however, require additional investment by some operators in order to maintain their current grading. One of the action points of Achieving Our Potential was to introduce a statutory registration scheme for accommodation linked to minimum quality standards. Following a full consultation exercise and support from the National Assembly for Wales, good progress is being made in terms of securing the necessary legislative changes, which will give the National Assembly the powers to introduce a scheme in Wales. A statutory registration scheme for Wales is still seen as a priority measure to overcome the quality deficiencies that exist in the accommodation sector in Wales.

5.15 Quality does not necessarily mean that all accommodation should be five star graded. The aim should be to ensure that the product meets or exceeds the customer expectations and represents value for money. The quality of service provided and the welcome received by the visitor is at least as important as the quality of the physical fabric.

5.16 Attractions are also of variable quality and are often unable to sustain demand outside the traditional holiday season. An increase in the number of attractions over recent years has not been matched by an increase in demand. Market share has been lost to other leisure activities, such as Sunday shopping and health or fitness related activities. Seasonality is a major issue for the attractions sector and must be addressed for the benefit of the whole industry. A more coordinated approach to the promotion and development of key events and festivals could also stimulate spatial and seasonal benefits.

5.17 Businesses that are most likely to achieve high quality standards are those which understand their markets and communicate effectively with them, invest in their products and staff, and attract and retain a motivated and skilled workforce. The increasing professionalism of the Regional Tourism Partnerships, Tourism Associations and Trade Bodies, together with innovative learning tools such as the Tourism Training Forum For Wales industry website whodoiask.com, and WTB’s own range of business support services, are all helping to improve professionalism and networking opportunities in the industry.

5.18 A quality tourism experience will also depend on the quality of the wider environment and infrastructure. For this reason, WTB will continue to encourage local authorities to adopt
schemes such as Integrated Quality Management and customer satisfaction benchmarking techniques in tourism destinations. This will help to progressively improve the quality of the visitor experience, extend the season and secure wider economic, social and environmental benefits for the host community.

Whilst significant progress has been made in reducing seasonality, it remains a key challenge for the industry as it continues to limit business profitability and opportunities for reinvestment. The public sector and, in particular, local authorities have a key role to play, ensuring that basic tourism infrastructure and amenities are open all year round. This is best addressed through the active adoption of schemes such as IQM, which seeks to achieve a balance between providing visitors with a quality of experience which exceeds their expectations and satisfying the quality of life aspirations of the host community.

STRATEGIC PRIORITIES

The strategic priorities for Quality are:

- Encourage investment in new and existing tourism facilities to raise overall quality standards and the development of more luxury accommodation.
- Improve the profitability and sustainable growth of tourism businesses through investment and business support and best practice advice.
- Improve the quality of the overall visitor experience at the destination level.
- Introduce statutory registration for accommodation and increase the proportion of industry participation in quality grading schemes.
- Monitor current and emerging market and product trends in tourism.
- Encourage more innovative marketing and product development activity to grow tourism seasonally and spatially.

Strategic Challenge No. 3: Access

OBJECTIVE - TO IMPROVE THE ACCESSIBILITY OF WALES AS A DESTINATION

Where we are

Increasingly, consumers want to be able to make decisions about holidays efficiently and quickly. New technologies enable consumers to gather information and book holidays independently and at their own desired pace. Wales’ online visibility is fragmented. The industry in Wales has yet to respond fully to the opportunities afforded by new marketing and purchasing channels such as the Internet. The VisitWales destination management system,
ACHIEVING OUR POTENTIAL: MID TERM REVIEW

“Tourism needs to ensure that it provides good jobs with training and the potential for development so that it can compete with other industries and retain those it recruits.”

Julian Burrell, Wales Tourism Alliance

developed by WTB on behalf of the tourism industry in Wales, provides an opportunity for businesses to work collectively to benefit directly from new marketing technology. In addition, an increasing number of commercial websites provide new opportunities for collective marketing. More needs to be done to increase Wales’ online visibility to make it accessible to a larger share of the market. In part this will be dependent on the comprehensive provision of broadband throughout Wales.

5.22 Poor transport networks and gateway links often hinder access to some parts of Wales. Although additional investment is needed to improve public transport provision, more can be done to encourage greater use of the existing network by visitors to Wales. It will be important to ensure that public transport planners and operators take account of the needs of visitors when developing and marketing their route networks. Over reliance on the car will continue to place a burden on main gateways to Wales and popular destination areas, as well as having a damaging impact on the environment and communities in these areas. An efficient public transport system which meets visitor needs is essential before a significant reduction in visitors travelling to and within Wales by car is possible.

5.23 The volume of overseas visitors to Wales remains low - we attract only 3% of all overseas visitors to the UK. The planned introduction of a Welsh Route Development Fund will help to expand the range of scheduled air services from Cardiff International Airport in particular. The growing European short break market is dominated by low-cost airlines. Opportunities for Wales to benefit from this growth have been limited due to the lack of competitive regional airports beyond Cardiff. Access to North and Mid Wales could be improved by developing stronger business links with Manchester, Liverpool John Lennon and Birmingham International airports. The planned development of an Intra Wales air service will also help to move overseas and UK visitors around Wales.”

5.24 In compliance with the Disability Discrimination Act 1995, tourism businesses are required to make reasonable provisions to meet the needs of disabled people in terms of equality of access and employment opportunity. The UK population is aging and this will have further implications
for facility provision and employment structures. The industry must be prepared, therefore to invest in new facilities and promotional tools to cater for the needs of all visitors.

STRATEGIC PRIORITIES

The strategic priorities for Access are:

• Encourage more tourism businesses to use web-based and emerging ICT marketing innovations.
• Provide comprehensive information about Wales to potential and actual visitors via traditional and more modern channels.
• Encourage initiatives that increase the use of public transport by visitors to and within Wales.
• Encourage the development of improved business links with international airports serving Wales.
• Encourage the development of more direct air links between Cardiff and key overseas markets.
• Encourage the tourism industry to make adequate provision for people with special needs.

Strategic Challenge No. 4: Skills

OBJECTIVE - TO ENCOURAGE HIGHER SKILL LEVELS IN TOURISM

Where we are now

All round quality improvements are only possible through enhanced skill levels, coupled with investment in the physical fabric of the product. The lack of specialist skills and staff shortages is a key challenge for the tourism industry in Wales. The shrinking labour market and youth migration patterns are making the problem worse, particularly in rural areas.

The negative perceptions of the industry as a career choice are still widespread. Tourism is viewed as an employment option which is badly paid and seasonal with unsociable working hours and limited career prospects. Recruitment and retention issues have become ever more acute. The actions identified to help overcome the skills challenge have been designed to contribute directly to the Assembly Government’s strategic agenda and specifically to help more people into jobs and to create better jobs and skills.

Skills and staff shortages impact on business performance, quality of service and the visitor experience. This is not simply limited to the hotel sector - tourist attractions, caravan parks, restaurants and self-catering businesses all need staff with the appropriate skills. There is a growing trend towards recruiting overseas staff to fill the vacancies in the industry, with more
and more employers looking to mainland Europe for seasonal and longer-term workers - a trend that is likely to continue in the short term at least. This has implications for the tourist industry’s ability to deliver an experience which is distinctively and uniquely Welsh, in line with the brand positioning of Wales. A possible solution would be to ensure overseas workers have access to training which will provide them with an overview of Welsh history and culture and provide them with a knowledge of the local tourism product. Tourism will need to improve the quality of skills and the motivations of managers and staff to strengthen competitiveness and profitability. It will be important to develop a more flexible approach to training delivery which is focussed on the needs of individual tourism businesses.

5.29 Although the more enlightened in the industry will appreciate the value of staff training, there can still be a mismatch between training provision and the needs of business. Innovative training opportunities need to be developed to fit business needs. The development of local business networks and Business to Business mentoring within the tourism sector can be helpful for those entering tourism or those prepared to try out new ideas. Innovative web-based learning initiatives can be a valuable source of advice to businesses.

5.30 The skills developed in the tourism industry are easily transferable to other customer-facing occupations. A training culture must be developed within the industry to ensure that skill development becomes an integral part of overall business performance. Tourism offers flexible, part time job opportunities and can help to increase employment activity rates among sectors of the working population that are not well represented in other industry sectors. Innovative solutions are needed in tourism to overcome barriers to employment.

5.31 People 1st is the sector skills council for the hospitality, leisure, travel and tourism industries. Their role is to identify the key skills gaps within the sector, provide career advice and to work with employers, training providers and others to address any deficiencies and ensure that the necessary training is provided. The Assembly Government is committed to working with People 1st and all other Sector Skills Councils to help address the skills issues in Wales. Other organisations including the Tourism Training Forum for Wales and Springboard have key roles to play working alongside People 1st to stimulate recruitment and improve skill levels in the tourism industry.

STRATEGIC PRIORITIES

5.32 The strategic priorities for Skills are:
- Encourage higher levels of professionalism in the industry through the development of skills and improved employment conditions.
• Encourage training providers to understand and meet the training needs of the industry.
• Encourage stronger links between the Higher Education sector and the tourism industry.
• Encourage initiatives to improve perceptions of tourism as a career choice to stimulate levels of recruitment.
• Encourage the continuous enhancement of management and leadership skills.

Strategic Challenge No. 5: Partnership

OBJECTIVE - TO DEVELOP EFFECTIVE COLLABORATION WITHIN THE INDUSTRY

Where we are
Effective partnership working between the private and public sectors is essential in tourism marketing and development. The development of the Wales Tourism Alliance has resulted in a stronger voice for the tourism industry and the four Regional Tourism Partnerships have facilitated more collaborative and democratic working between local authorities and the tourism industry. At the local level, it is also important for tourism businesses to work together for mutual benefit by promoting tourism destinations and stimulating higher levels of professionalism and profitability. Effective knowledge-transfer - either business to business or from the academic sector - will also be beneficial. This process can be facilitated by the use of business clusters or networks.
5.34 There are numerous bodies engaged in tourism promotion, skills development, economic development, heritage and cultural management and their work needs to be further integrated. This may require a change of attitude in some public agencies that may not currently consider that they make a significant contribution to tourism. The new Department for Enterprise, Innovation and Networks will provide more opportunities for integrated public sector support for the industry.

5.35 Tourism can only thrive if it has the support of the local host community. Tourism can help sustain traditional and cultural activities as well as supporting local services, shops and other amenities which may not otherwise be viable. When poorly planned or managed, however, tourism can be perceived as a threat, weakening rather than strengthening the quality of life of local communities. The aim must be to realise the full potential of our unique tourism assets in a sustainable way.

5.36 The development of stronger links between tourism businesses and local suppliers of goods and services is essential to deliver a distinctive Welsh experience to the visitor. Effective local supply chains can play an important role in helping to sustain rural communities and their economies.

5.37 Greater collaborative working will ensure that the benefits of tourism development are spread more widely both sectorally and spatially. More integration will ensure that resources are targeted effectively for mutual gain. Partnership initiatives such as Integrated Quality Management need to involve the local community at each stage of planning and implementation.

STRATEGIC PRIORITIES

5.38 The strategic priorities for Partnership are:

- Develop strong partnership working at the national, regional and local level for tourism marketing and development.
- Concentrate government support on those parts of the tourism industry that are better placed to attract and satisfy future growth markets.
- Encourage the involvement of local communities in the development and promotion of tourism in their area.
- Ensure that support for tourism promotion, skills development, economic development, heritage and cultural management is more co-ordinated and ‘joined-up’ across all parts of government.
- Reduce the adverse environmental and social impacts of tourism through improved visitor, business and environmental management.
- Encourage the sourcing of local goods, services and labour by tourism businesses.
VISION, CHALLENGES AND PRIORITIES

Sea kayaking, Porth Clais, Pembrokeshire.
6.0 Implementation and monitoring

6.1 The vision for the future of tourism in Wales which sits at the heart of this refreshed national tourism strategy for Wales is to achieve by 2013:

A Customer Responsive, Innovative, Sustainable and Profitable industry which makes an increasing contribution to the economic, social, cultural and environmental well being of Wales.

6.2 This review of Achieving Our Potential acknowledges the need to evolve the strategic priorities for tourism and sets out a revised action plan which will require sustained and committed partnerships working between government and the tourism industry to deliver success. This revised strategy seeks to identify the most effective responses to the many challenges which must be overcome if the ambitious vision is to be fulfilled. The new Department for Enterprise, Innovation and Networks will provide opportunities for more co-ordinated government support for the tourism industry.

6.3 The Tourism Advisory Panel will have a key role in monitoring progress in implementing this strategy, reviewing its strategic priorities and in evaluating its effectiveness. Tourism is subject to many dynamic influences and any strategy will need to be challenged regularly to ensure that the solutions identified to guide success remain relevant and reflect changing circumstances.

Talyllyn, Snowdonia.
Action plan

The action plan summarises the strategic priorities and more specific actions which have been identified for each of the five strategic challenges for tourism. In addition, the organisation responsible for taking forward each action in the timescale defined has been identified. A set of performance outcomes has also been defined as a basis for monitoring the successful implementation of the strategic priorities. During the course of the strategy, it will be essential to monitor progress against the action plan and to evaluate the effectiveness of the interventions of the Assembly Government and others. Effective implementation of the action plan will drive this strategy forward.

Assessing progress

In line with the approach being adopted in Wales: A Vibrant Economy, this revised strategy is not proposing to define a set of explicit growth targets for tourism. Although tourism has proved to be a robust and resilient industry which has recovered well from major global events, the market for tourism is volatile and subject to many external influences which are outside the direct control of the Assembly Government and other key players. The intention is to monitor progress by tracking the performance of the key indicators identified in the action plan. These indicators will need to be reviewed regularly to ensure that they remain relevant and meaningful. Wherever appropriate it will be informative to probe below the headline indicators and to benchmark the performance of Wales against competing tourism destination areas.
### Achieving our Potential review - Action Plan

#### Strategic Issue - Branding

Wales will have a distinctive and credible brand that challenges perceptions and stands out from the rest. The visibility and competitive appeal of Wales as a holiday destination must continue to increase, representing the quality of the Wales tourism product. A strong brand identity must be adopted and reinforced at all levels of the industry to enable Wales to increase its market share of international and UK visitors.

#### Branding - Strategic Priorities

- Link the tourism brand to the wider Wales brand to achieve greater impact.
- Achieve consistency in the use of the tourism brand at all levels within the industry.
- Ensure that a strategic marketing framework for Wales is in place to support effective partnership working.
- Continue to promote Wales to less seasonal markets with good growth potential.
- Encourage the development of icon products which are distinctive to Wales.

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to develop and evolve the tourism brand for Wales and develop guidelines to encourage consistent use of the brand throughout the industry.</td>
<td>WAG</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Ensure consistency between the overall brand image for Wales and the tourism brand through effective partnership working.</td>
<td>WAG</td>
<td>3 years.</td>
</tr>
<tr>
<td>Continuously monitor and review the priority target market segments for Wales, and identify those segments and priority niche markets which offer the most sustainable growth potential.</td>
<td>WAG</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Undertake marketing campaigns in key UK/Overseas markets with key partners to increase awareness of the Wales tourism brand and to generate additional tourism spend for Wales.</td>
<td>WAG</td>
<td>Ongoing.</td>
</tr>
</tbody>
</table>
## Action Plan

### Action

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<tr>
<th>Action</th>
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<tbody>
<tr>
<td>Increase the emphasis given to marketing Wales to off-peak visitors</td>
<td>WAG/RTPs/</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>to growing niche markets (e.g. activity, business and cultural tourism), working closely with the industry.</td>
<td>Wales Tourism Alliance</td>
<td></td>
</tr>
<tr>
<td>Stimulate the development of Welsh ‘icon’ products and regional distinctiveness to reinforce a Sense of Place and the tourism branding of Wales.</td>
<td>WAG/Local Authorities</td>
<td>3 years.</td>
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</table>

### Key Outcomes for Branding:

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Indicator</th>
<th>Timescale</th>
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</thead>
<tbody>
<tr>
<td>Increase the proportion of people in key UK/Overseas markets who would consider Wales as a holiday.</td>
<td>Perceptions of Wales as a destination in advertising tracking exercises.</td>
<td>Monitor progress regularly.</td>
</tr>
<tr>
<td>Increase the number of people in key UK/Overseas markets who show an interest in holidaying in Wales.</td>
<td>Number of responses to co-ordinated campaigns, cost per response additional spend generated and return on investment.</td>
<td>Monitor progress regularly.</td>
</tr>
<tr>
<td>Increase association of Wales with activity holidays amongst UK and target overseas markets.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress regularly.</td>
</tr>
<tr>
<td>Increase association of Wales with distinctive culture and heritage in key overseas/UK markets.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress regularly.</td>
</tr>
<tr>
<td>Value of business tourism to increase by a greater rate than tourism overall.</td>
<td>Value of business tourism as a percentage of total tourism spend.</td>
<td>Monitor progress regularly.</td>
</tr>
</tbody>
</table>
Strategic Issue - Quality

Wales will be a high quality destination that offers a distinctive experience throughout the year. There will be a close match between the promise made to visitors and the experience delivered. Businesses will provide quality products and the changing needs/expectations of visitors will be exceeded. Product investment and innovative ways of working will enable the industry to capture growth markets.

Quality - Strategic Priorities

- Encourage investment in new and existing tourism facilities to raise overall quality standards and the development of more luxury accommodation.
- Improve the profitability and sustainable growth of tourism businesses through investment and business support and best practice advice.
- Improve the quality of the overall visitor experience at the destination level.
- Introduce statutory registration for accommodation and increase the proportion of the industry participating in quality grading schemes.
- Monitor current and emerging market and product trends in tourism.
- Encourage more innovative marketing and product development activity to grow tourism seasonally and spatially.

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<thead>
<tr>
<th>Action</th>
<th>Lead</th>
<th>Timescale</th>
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</thead>
<tbody>
<tr>
<td>Prepare a tourism investment strategy which focuses on market needs, quality shortfalls and product gaps and is aligned to the Wales Spatial Plan and emerging structural fund programmes for 2007-13.</td>
<td>WAG</td>
<td>By end 2006.</td>
</tr>
<tr>
<td>Provide investment support and specialist business advice to stimulate overall quality improvements in the tourism product.</td>
<td>WAG</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Provide specialist advice to raise awareness of the benefits of adopting environmentally sensitive business practices, and increase Green Dragon accreditation in the industry.</td>
<td>WAG</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Encourage Local Authorities and communities to adopt schemes such as Integrated Quality Management and customer satisfaction benchmarking measures for tourism destinations.</td>
<td>WAG / Local Authorities</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Action</td>
<td>Lead</td>
<td>Timescale</td>
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</tr>
<tr>
<td>Encourage accommodation, attraction businesses and essential infrastructure facilities to stay open for a longer season.</td>
<td>WAG/RTPs/Local Authorities</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Ensure the successful implementation of UK grading scheme harmonisation in Wales.</td>
<td>WAG</td>
<td>By end 2006.</td>
</tr>
<tr>
<td>Ensure the successful introduction of statutory registration in consultation with the industry.</td>
<td>WAG/Wales Tourism Alliance/Local Authorities</td>
<td>By end 2008.</td>
</tr>
<tr>
<td>Undertake research to understand competitor/market/product trends and disseminate intelligence to the industry.</td>
<td>WAG/RTPs</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Identify new ways to encourage and support the growth of innovation in tourism, building on best practice learning approaches and demonstration projects.</td>
<td>WAG</td>
<td>3 years.</td>
</tr>
<tr>
<td>Prepare a national events/festivals action plan to encourage effective event development and promotion, and a wider distribution of activity throughout the year.</td>
<td>RTPs/WAG</td>
<td>3 years.</td>
</tr>
</tbody>
</table>
### Key Outcomes for Quality:

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Indicator</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in satisfaction levels in Domestic and Overseas markets.</td>
<td>Visitor satisfaction levels.</td>
<td>Monitor progress every three years.</td>
</tr>
<tr>
<td>Improve quality of tourist facilities.</td>
<td>Average quality grading scores.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>40% of all trips and 35% of all spend to take place during the shoulder season months (October - March) by 2013.</td>
<td>Percentage of trips and spend occurring during shoulder months.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase uptake of IQM.</td>
<td>Number of destinations adopting IQM.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>400 Green Dragon Accredited tourism business by 2013.</td>
<td>Number of Green Dragon accredited businesses.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Introduction of statutory registration of accommodation.</td>
<td>Successful administration of the scheme.</td>
<td>Monitor progress annually.</td>
</tr>
</tbody>
</table>
Strategic Issue - Access

Wales’ tourism products will be accessible to the key markets via online visibility and other more traditional channels. The information provided to potential visitors will be of high quality, reflecting the brand positioning of Wales. A quality tourism experience will be accessible to all.

Wales will be a destination that attracts greater numbers of higher spending visitors from domestic and overseas markets and takes full advantage of the potential afforded by international airports such as Cardiff, Birmingham, Heathrow, Liverpool and Manchester. Visitors to Wales will use public transport more to travel to and around their destinations.

Access - Strategic Priorities

- Encourage the tourism industry to make adequate provision for people with special needs.
- Encourage more tourism businesses to use web-based and emerging ICT marketing innovations.
- Provide comprehensive information about Wales to potential and actual visitors via traditional and more modern channels.
- Encourage initiatives that increase the use of public transport by visitors to and within Wales.
- Encourage the development of improved business links with international airports serving Wales.
- Encourage the development of more direct air links between Cardiff and key overseas markets.

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<thead>
<tr>
<th>Action</th>
<th>Lead</th>
<th>Timescale</th>
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</thead>
<tbody>
<tr>
<td>Provide specialist advice and financial assistance to encourage tourism businesses to prepare ‘accessibility statements’ and to provide adequate facilities for people with special needs.</td>
<td>WAG</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Review the UK national accessibility scheme and introduce the scheme to Wales.</td>
<td>WAG</td>
<td>3 years</td>
</tr>
<tr>
<td>Develop the booking capability of VisitWales in partnership with the industry and other e marketing systems to provide greater flexibility and ease of use by both customers and operators.</td>
<td>WAG/Wales</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Tourism Alliance</td>
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<tr>
<td>Support increased access to broadband and evolving technologies to tourism businesses throughout Wales.</td>
<td>WAG</td>
<td>3 years</td>
</tr>
<tr>
<td>Action</td>
<td>Lead</td>
<td>Timescale</td>
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<tr>
<td>Ensure that adequate advice and training is available for tourism</td>
<td>Tourism Training</td>
<td>Ongoing</td>
</tr>
<tr>
<td>businesses in e-marketing and e-commerce.</td>
<td>Forum for Wales/WAG</td>
<td></td>
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<tr>
<td>Provide a customer-responsive Tourist Information Centre network</td>
<td>Local Authorities/ WAG</td>
<td>Ongoing</td>
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<td>which is integrated with VisitWales.</td>
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<tr>
<td>Provide visitors with accessible destination and product information</td>
<td>WAG/Local Authorities</td>
<td>Ongoing</td>
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<tr>
<td>through a range of appropriate channels.</td>
<td></td>
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<tr>
<td>Encourage public transport providers to develop transport services and</td>
<td>RTPs/WAG</td>
<td>Ongoing</td>
</tr>
<tr>
<td>packages that attract more leisure travel to and within Wales.</td>
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</tr>
<tr>
<td>Promote the use of public transport through VisitWales and in co-</td>
<td>WAG/Local Authorities/RTPs</td>
<td>Ongoing</td>
</tr>
<tr>
<td>ordinated marketing campaigns to UK/Overseas markets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop joint marketing initiatives with international airports serving</td>
<td>WAG/RTPs</td>
<td>3 years</td>
</tr>
<tr>
<td>all parts of Wales.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support the development of the proposed Route Development Fund and</td>
<td>WAG</td>
<td>3 years</td>
</tr>
<tr>
<td>IntraWales air service and work with airports and airlines serving</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wales to promote and develop new routes.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Key Outcomes for Access:

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Indicator</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in number of visits to VisitWales website.</td>
<td>Number of visits to the suite of VisitWales websites.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase the number of bookings generated through VisitWales website.</td>
<td>% of total visits that make a direct booking through the VisitWales site or click through to individual product entries.</td>
<td>Monitor progress regularly.</td>
</tr>
<tr>
<td>Increase in number of tourists using public transport to travel to and within Wales.</td>
<td>% of tourists who used public transport whilst on holiday.</td>
<td>Monitor progress regularly.</td>
</tr>
<tr>
<td>Increase in overseas visits to Wales.</td>
<td>Numbers of overseas visitors flying direct into Wales.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase the number of accessibility statements produced by tourism businesses.</td>
<td>Number of accessibility statements produced by tourism businesses.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase in number of businesses marketing via VisitWales websites.</td>
<td>Total number of tourism products being marketed via VisitWales websites.</td>
<td>Monitor progress annually.</td>
</tr>
</tbody>
</table>
Strategic Issue - Skills

The tourism industry will offer year round employment with good career prospects and equal opportunities for training and development. A job in the tourism and hospitality sector is seen as a job which provides competitive pay rates, good career prospects and opportunities for advancement. The whole tourism experience needs to be professional, of excellent quality and exceed the expectations of the visitor. This includes the quality of the service and welcome received by tourists.

Skills - Strategic Priorities

- Encourage higher levels of professionalism in the industry through the development of skills and improved employment conditions.
- Encourage training providers to understand and meet the training needs of the industry.
- Encourage stronger links between the Higher Education sector and the tourism industry.
- Encourage initiatives to improve perceptions of tourism as a career choice to stimulate levels of recruitment.
- Encourage the continuous enhancement of management and leadership skills.

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry out research into the employment conditions offered by competing sectors, e.g. retail, and disseminate best practice advice to the tourism industry.</td>
<td>Tourism Training Forum for Wales (TTFW) / People 1st</td>
<td>By end 2007.</td>
</tr>
<tr>
<td>Encourage the tourism industry to adopt flexible and innovative approaches to staff recruitment, training and working conditions which promote equal employment opportunities for all sectors of society.</td>
<td>TTFW/People 1st/WAG</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Develop appropriate training opportunities for overseas staff working in Wales, to improve their knowledge of Wales and the local tourism product.</td>
<td>TTFW/People 1st/ Springboard Wales</td>
<td>3 years.</td>
</tr>
<tr>
<td>Monitor skills shortages in the industry and ensure that training provision is co-ordinated effectively to overcome skills deficiencies.</td>
<td>TTFW/People 1st</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Contribute to the development of an appropriate qualifications structure for the industry.</td>
<td>TTFW/People 1st/ Wales Tourism Alliance</td>
<td>3 years.</td>
</tr>
</tbody>
</table>
## Action Plan

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure that the skills development elements of the regional tourism strategies are delivered.</td>
<td>TTFW/RTPs</td>
<td>3 years.</td>
</tr>
<tr>
<td>Develop innovative ways of attracting new recruits to the industry, including parents of young children, newly retired people, school leavers and graduates.</td>
<td>TTFW/Job Centre Plus/Springboard Wales/Careers Wales/People 1st</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Promote the benefits of improving skills to the industry - through highlighting exemplar businesses and encouraging businesses to share best practice.</td>
<td>TTFW/WAG/People 1st</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Seek to improve levels of entrepreneurship throughout tourism by providing support for tourism 'start-up' businesses.</td>
<td>WAG</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Provide opportunities for management and leadership, and customer service skills development, tailored to the requirements of the tourism industry.</td>
<td>TTFW/People 1st</td>
<td>Ongoing.</td>
</tr>
</tbody>
</table>

## Key Outcomes for Skills:

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Indicator</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in the number of tourism businesses that are IiP accredited or Excellence through People accredited.</td>
<td>Number of tourism businesses accredited.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase in the number of tourism employees attending training courses.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Improve positive perceptions of tourism as a career choice.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress every 3 years.</td>
</tr>
<tr>
<td>Decrease in unfilled job vacancies in tourism/ hospitality sector.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase in average earnings of tourism employees.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase in employment in tourism related industries.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress annually.</td>
</tr>
</tbody>
</table>
Strategic Issue - Partnership

Tourism in Wales will be competitive, sustainable and based on a distinctive Welsh offer. Intervention from the public sector should be targeted at operators or products that will meet the needs of the future growth markets. Tourism businesses are able to innovate with confidence knowing that they have the support of government. All tourism stakeholders will work together to ensure appropriate coordinated action at national, regional and local level.

Partnerships - Strategic Priorities

- Develop strong partnership working at the national, regional and local level for tourism marketing and development.
- Concentrate government support on those parts of the tourism industry that are better placed to attract and satisfy future growth markets.
- Encourage the involvement of local communities in the development and promotion of tourism in their area.
- Ensure that support for tourism promotion, skills development, economic development, heritage and cultural management is more co-ordinated and ‘joined-up’ across all parts of government.
- Reduce the adverse environmental and social impacts of tourism through improved visitor, business and environmental management.
- Encourage the sourcing of local goods, services and labour by tourism businesses.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Develop a co-ordinated strategy to support effective two-way</td>
<td>WAG/Wales Tourism Alliance</td>
<td>By end 2006.</td>
</tr>
<tr>
<td>communications between government and the tourism industry.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encourage the formation of local business partnerships to help market,</td>
<td>RTPs</td>
<td>3 years.</td>
</tr>
<tr>
<td>manage and develop tourism, utilising business clusters and networks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>where appropriate.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrate development and marketing of activity based tourism (including walking, fishing, mountain biking, horse-riding, cycling, watersports, adventure and golf) and encourage the formation of business clusters.</td>
<td>WAG/RTPs/ Partners</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Prepare a Coastal Tourism Strategy as identified in the Wales Spatial Plan.</td>
<td>WAG/ Countryside Council for Wales/RTPs/ Local Authorities</td>
<td>2 years.</td>
</tr>
</tbody>
</table>
### Action Plan

**Action**
- Support the Green Sea Partnership in improving the quality of Welsh beaches and bathing waters, in preparation for the new EU Bathing Water directive.
  - **Lead:** Green Sea Partnership
  - **Timescale:** 1 year.

  - **Lead:** WAG/Partners
  - **Timescale:** 3 years.

- Provide advice and support to encourage tourism businesses to source a greater proportion of goods, services and labour from the local area.
  - **Lead:** Local Authorities/WAG
  - **Timescale:** Ongoing.

- Prepare a Sustainable Tourism framework to guide an integrated approach to the delivery of sustainable growth and working practices in tourism.
  - **Lead:** WAG
  - **Timescale:** 2006.

- Encourage more active links between the Higher Education Sector and the industry to support knowledge transfer and a culture of innovation.
  - **Lead:** WAG/TTFW
  - **Timescale:** 3 years.

### Key Outcomes for Partnership:

<table>
<thead>
<tr>
<th>Outcome</th>
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<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the number of graded accommodation businesses participating in WTB, local authority and RTP marketing activities.</td>
<td>Number and value of external industry participation in exhibitions/publications/VisitWales etc.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase in goods/services/labour sourced locally by Welsh tourism businesses.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress regularly.</td>
</tr>
<tr>
<td>Increase the number of Blue Flag and Green Coast awards for beaches in Wales by 2013.</td>
<td>Number of Blue Flag and Green Coast award beaches.</td>
<td>Monitor progress annually.</td>
</tr>
<tr>
<td>Increase the number of business clusters promoting/developing tourism - geographically and sectorally.</td>
<td>Establish indicator and baseline.</td>
<td>Monitor progress regularly.</td>
</tr>
</tbody>
</table>