

Senedd Cymru  
Pwyllgor yr Economi, Seilwaith a Sgiliau

Effeithiau COVID-19: Galwad Agored am  
dystiolaeth a phrofiadau  
EIS(5) COV - 13

Ymateb gan: University of St Andrews  
and Aberystwyth

Welsh Parliament  
Economy, Infrastructure and Skills  
Committee

Impacts of COVID-19: Open Call for  
evidence and experiences

Response from: University of St  
Andrews and Aberystwyth

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**Dr. David Dowell, University of St Andrews**

**Dr. Wyn Morris, Aberystwyth University**

We are responding to the call for Impacts of COVID-19: Economy, as called for by the Infrastructure and Skills Committee. We present a research-based view on the future of the Welsh food industry's small and medium enterprises. In short owing to local attitudes towards opening of borders and the current state of the Welsh tourism industry, we feel support is needed to redevelop the food sector throughout the entire value chain. The long-term effects of pandemics on the economy cannot be underestimated (Fernandes, 2020; Jordà et al., 2020; McKibbin and Fernando, 2020), with food supply chain resilience challenged and facing unprecedented change (Hobbs, 2020).

Most people in Wales think the country is under threat (66%), whilst only 42% think covid-19 presents a serious threat to their job or business. Yet 55% of people believe the pandemic will affect them financially. Over a quarter of Welsh households are struggling to pay bills (26%) (Welsh Government, 2020). There is strong opposition to people travelling into areas, and animosity from locals towards those who may attempt to travel into these areas. Tensions over second homes is also common (Lydall, 2020).

Nearly half of the Tourism sector sampled had applied for economic assistance (48%). 68% of applications from the Tourism sector to the Welsh Government Economic Resilience Fund have been from Mid-Wales with nearly one fifth (19%) having not taken any significant bookings to date. Approximately a quarter (23%) of tourism business surveyed do not expect to re-open for trade post lockdown (Lydall, 2020).

In addition, the people of Wales raise concerns and there are industry concerns, that 'three consecutive winters' faced in the sector and a lack of optimism amongst some (Lydall, 2020) create a requirement to rethink food SMEs in Wales. We have grave concerns for the food sector. Food business will need to be localised, with less reliance on tourism, and while facing lower consumer confidence and spending, as seen in previous times of economic contraction (Hurd and Rohwedder, 2010). Furthermore, new consumer behaviour patterns emerging through the pandemic lockdown will require consideration going forward, with online food purchases for example

becoming more mainstream (Hobbs, 2020). People may become more accustomed to stay home and eat at home, and more likely to prepare meals given increased time at home and financial pressures.

Throughout the pandemic however, some food SMEs have thrived and it is these SMEs who have been studied. It appears there are some green shoots, however, these businesses are radically different to the norm. Transferring new practice is essential, from these SMEs who have thrived (see Food and Drink Wales for further examples), and continued efforts to understand the requirements of these business needs to be enhanced. Thus in the immediate time period we recommend funding research to study organisations, and then develop business training packages to ensure a new and resilient food SME value chain emerges. .

## Reference List

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Survey of public views on the coronavirus (COVID-19), Welsh Government <https://businesswales.gov.wales/foodanddrink/news-and-events/news/adapting-change-welsh-food-producers-rise-challenge-new-world>

for examples of Food and Drink SMEs who are doing well through the pandemic lockdown phase see - <https://businesswales.gov.wales/foodanddrink/news-and-events/news/adapting-change-welsh-food-producers-rise-challenge-new-world>