

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE WRITTEN EVIDENCE – INQUIRY INTO SELLING WALES TO THE WORLD

The purpose of this paper is to provide written evidence to the Economy, Infrastructure and Skills Committee on their inquiry into Selling Wales to the World. This paper gives an overview of what has been done to date to sell Wales abroad, mainly in the areas of trade, tourism and skills/training. Also attached at annex c and d respectively are updates on reports from the previous Assembly: Tourism (November 2014) and Welsh Government's approach to the promotion of trade and inward investment (October 2014)

How Welsh and UK Governments sell Wales to the World at present in terms of trade, tourism and skills/training

Selling Wales to the world has always been a collective effort. The Welsh Government works collaboratively with a wide range of public and private sector partners to achieve this, including maintaining key relationships with:

- UK Government Departments - including International Trade (DIT), Culture, Media and Sport (DCMS), the Foreign and Commonwealth Office (FCO), and Business, Energy and Industrial Strategy (BEIS);
- Other bodies such as Chambers of Commerce, VisitBritain and British Council;
- Key Welsh organisations with international interests such as the Welsh Rugby Union, Football Association of Wales, Wales Arts International, National Orchestra of Wales and Welsh National Opera.

Our overseas offices are located in the strategically important markets of Europe, the USA, China, UAE, India and Japan and are a key part of our approach to selling Wales - whether this is as a place in which to invest, a place from which to buy goods, to study in or as a place to visit.

In terms of **trade**, the Welsh Government conducts a programme of business development activity and offers a range of support for exporters tailored to meet each company's needs.

Core activity is driven by our overseas events programme, which is published annually and enables companies to travel to markets to meet customers or attend exhibitions and trade shows. It includes a mixture of new and emerging markets which can be more challenging to access, such as Singapore, as well as more traditional markets where there are relatively few barriers for Welsh companies to overcome, like the Netherlands and the USA. This allows us to add value for more experienced exporters whilst also ensuring that newer exporters can explore exporting in a safe and secure environment.

Our **tourism** campaigns act as a 'flag carrier' for the Wales brand and promoting our nation internationally, and our tourism strategy sets out our key international priorities and markets. A key focus of our current international tourism campaigns activity (beyond our core UK and Ireland marketing) is towards Europe (with a particular emphasis on Germany) and North America, as well as targeted partnership marketing activity focused around airline routes operating into Cardiff, providing vital links between Wales and key

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overseas markets. Visit Wales also operates a pro-active tourism travel trade programme across a range of international markets targeting inbound tour operators.

A key focus on messaging associated with Wales as a destination for **businesses** to invest is towards the competitive **skills/training** programmes offered to businesses based here for their workforce requirements. Access to a skilled workforce and associated support for recruitment and training programmes was one of the key factors for Aston Martin choosing St Athan as the site for its second UK manufacturing plant (from 20 potential global locations considered).

The **tourism** sector has been identified as a key sector in the regional **employment and skills plans** which were recently submitted to Welsh Government by Regional Skills Partnerships. The plans are aimed at starting to drive planning decisions for providers and to establish a critical evidence base from which to make future skills investment decisions. This approach is providing the mechanism to enable Welsh Government to align regional skills provision to investment and growth opportunities, including the priorities identified by Enterprise Zones, City Regions/Growth Bids and potential cross-border collaborations.

The **Skills Employer Engagement Team** work directly with employers to support the skill needs of both significant indigenous expansion projects and potential overseas investors. The team complements and works collaboratively with Wales' International Trade and Investment Division who lead the Welsh Government's package of support to these projects.

The key role of the Employer Engagement Team is to provide 'one to one' detailed advice and guidance to help the navigation and promotion of the range of skills, training and funding support available in Wales. This includes ensuring employers and potential investors can forge productive relationships with Wales' training providers, especially Higher and Further Education, to not only access required training but also influence future provision to ensure Wales' training and development continues to meet the needs of our employers.

The role of the Welsh Government's overseas offices

The overseas offices are multifunctional; responsible for contributing to the Welsh Government's activity in the fields of trade and investment, government relations, tourism, culture and education. They provide Wales with a face on the ground, building and maintaining relations, facilitating business meetings and strategic engagement with British Posts and Welsh societies. The overseas offices provide vital support to Ministerial visits overseas, delivering a programme of activity towards enhancing the reputation of Wales as a place in which to invest, do business, work, study and visit.

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The overall running cost of the Welsh Government's overseas offices in 2016-17 was £550,463.90. The table at annex A provides a breakdown by office as included in the Welsh Government's State of the Estate report for 2015-16.

There are currently 15 representations across 7 countries: Belgium; China; India; Ireland; Japan; the United Arab Emirates; and the United States of America. There are 32.5 full time equivalent (FTE) Welsh Government overseas posts included in those representations. A full breakdown of posts based on their Welsh Government equivalent is at Annex B.

Our overseas offices work in collaboration with Wales-based staff to sell Wales to the world. They assist with opening doors, identifying and maintaining relationships and economic lead generation. They undertake a range of relationship building, information gathering and profile raising activity with both government and businesses alike; much of this activity is difficult to quantify but it is vital to the Welsh Government's achievements in these countries.

Welsh and UK Government support for exporters, and inward investment

International trade and investment helps to grow and maintain a strong Welsh economy.

Exports

We recognise that exporting is a driver and enabler for growth and that it creates economic opportunity for individuals and businesses. Businesses that export, tend to grow more quickly, are more resilient and pay higher salaries. The Welsh Government supports businesses to grow their exporting capability by focussing on addressing the barriers in four key areas:

- inspiring companies to see exporting as a vehicle for growth;
- transferring the knowledge and skills to help companies increase their capability to export;
- helping companies to connect with potential customers overseas; and
- supporting visits to overseas markets.

These aims are delivered by experienced export advisers with the support of five programmes:

- In-Wales events;
- International Trade Development (ITD) programme;
- International Trade Opportunities (ITO) programme;
- Overseas events (including trade missions);
- Overseas Business Development Visit (OBDV) grant scheme.

Welsh companies are also able to access support offered by the UK Government such as UK Export Finance (UKEF) and access to business

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opportunities; our programmes complement that support, minimising any confusion for businesses.

To measure the impact of our support, we consider the amount of business secured by companies we have assisted. Last year, for example, Welsh companies secured over £70 million of new export business as a result of Welsh Government support.

Inward Investment

UK and internationally-owned businesses investing in Wales bring significant localised opportunities through areas such as supply chain, academic interaction and skills development. They provide a range of employment opportunities, catering for all levels of capability whilst offering opportunities for progression for all. They also contribute positively to our exporting position as much of their products and services are for delivery internationally.

Wales has an open and outward-facing economy and is a long-established destination for foreign direct investment as well as investment from elsewhere in the UK; both are crucial to the Welsh economy.

Our support for investors is varied but tailored to meet the company's requirements. It ranges from the provision of a dedicated single point of contact to answer enquiries, to more focused activity such as identifying suitable properties or offering financial support. Ministerial involvement has undoubtedly been a crucial factor in securing some recent successes; this sends a clear message to companies that we are serious about attracting their investment.

We also continue to support companies after they arrive in Wales. We have a comprehensive aftercare programme with dedicated account managers where appropriate.

Levels of investment into Wales from companies outside of Wales, including other parts of the UK, has reached record highs in recent years. This is proof of Wales's reputation as a great place to do business and evidence that our business friendly approach is paying dividends.

The knowledge of 'Wales.Com' web site and in particular the help given by Business Wales

At present, the Welsh Government directly manages or funds four international websites to promote Wales:

- *visitwales.com* - promotes tourism and attracts leisure visitors to Wales;
- *studyinwales.ac.uk* – promoting Wales to international students
- *tradeandinvest.wales* - promotes Wales to an international business audience as well as other regions of the UK;

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- *wales.com* - a cross-cutting website that also acts as a portal for the other sites. It directs business visitors and enquiries to the *tradeandinvest.wales* site and the Business Wales team.

We are constantly aiming to improve our digital footprint and our new Wales Digital Gateway project will offer improved integration between the existing sites and provide a more seamless journey for audiences looking for information about Wales. This will include a more centralised approach to producing content, and a focus on pushing out more frequent high-quality engaging content on Wales across our sites. A particular focus will be on *wales.com* and engaging with a more diverse range of audiences who may be interested in learning more about our nation.

The project will be supported by a sophisticated digital marketing strategy focused on growing users across the portfolio of websites promoting Wales, and a new evaluation framework which will provide a regular flow of data to inform tactical and strategic decision-making. In parallel, a similar approach will also be introduced to planning content across our social media channels.

The Business Wales website focuses on information, advice and guidance for in-Wales audiences looking to start or grow a business. It is supported by an ongoing marketing campaign. The *tradeandinvest.wales* website focuses on out of Wales audiences and seeks to inform and attract potential businesses to invest in Wales. If a business located within Wales is looking for business support, and visits the *tradeandinvest.wales* site, it is prompted to visit the Business Wales website (*businesswales.gov.wales*).

Since the launch of *tradeandinvest.wales* in November 2016 and the end of July 2017:

- the site has received over 76,000 unique visitors – 58 per cent more than the former *JustAskWales.com* website over the same period in the previous year;
- the associated twitter channel *@InvestWales* has grown from approximately 600 followers to more than 9,100 followers.

The clarity and strength of Wales’s international tourism “brand”

The destination brand for Wales was developed and first introduced in early 2016 through Wales’s *Year of Adventure* tourism campaign. The strategy behind the brand is both compelling and engaging; and aims to drive Wales’s reputation as a tourism destination on a UK and international stage, as well as to inspire tourism stakeholders in Wales and create a sense of confidence amongst the industry.

The new brand provided a platform for the tourism themed year approach, introduced through Year of Adventure 2016, followed by Year of Legends 2017, Year of the Sea 2018 and Year of Discovery 2019. Each theme aims to do more to sell what is unique about Wales and to capitalise on established or evolving strengths in Wales’s tourism offer; and our competitive advantage over other destinations.

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At the heart of the brand is a strong visual identity system, including a contemporary and reductive rendering of the familiar dragon icon that re-establishes the link with the national flag. Another cornerstone of the visual identity is the bespoke typeface, Cymru Wales Sans, inspired by the Welsh typographical heritage and which incorporates digraphs that are unique to the Welsh language, creating a 'glue' that draws together the different strands of activity.

As well as providing a platform for Visit Wales's international tourism campaigns, the brand also aims to provide inspiration for exciting new tourism experiences that will help build a critical mass of world class projects to feed new perceptions of Wales as a creative and contemporary tourism destination.

The new brand has already received significant support and enthusiasm amongst stakeholders, industry and consumers, not only for its straightforward but compelling narrative and visual identity but also because of the early campaign results that are demonstrating the new approach is working. It has also been endorsed by a number of quality brands (such as Aston Martin, Monocle, Red Bull etc.) keen to reinforce the work being undertaken to promote Wales to the world.

The success of Visit Wales's international marketing activities

Full year results for the International Passenger Survey 2016 were published on 18 May, showing that:

- trips to Wales are up 10.8 per cent compared to 2016, with spend on trips to Wales up 8.3 per cent; and
- the number of international visits to Wales in 2016 was 1.074 million, and the associated spend was £444 million.

This is the first time since 2008 that Wales has attracted over a million international visitors and these are the highest spend figures ever recorded for Wales.

Additional visitor spend directly attributable to Visit Wales marketing campaigns and activities in 2016 was over £361 million; an increase of almost 18 per cent compared to 2015. Ongoing investment in *visitwales.com* has played a significant role in this increase in revenue driven through Visit Wales's tourism marketing activity over the last few years.

There has also been a growth in Visit Wales's social media following to one million and initial research suggests that this is a highly-engaged audience, which has been directly influenced to visit Wales as a result of our content communications with them, accounting for around £30 million of the forecast additional spend generated in 2016.

There is room to further grow Wales's profile and performance in international territories and to drive new, high-value interest in Wales.

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How Colleges/Universities promote international studying in Wales

The Welsh Government actively promotes Wales as a place to study on *wales.com* and works closely with the British Council and with Study in Wales, who provide international students with everything they need to know about studying in Wales

Global Wales is a partnership between Universities Wales, Welsh Government, British Council Wales and the Higher Education Funding Council for Wales. It supports investment in Wales by building collaborative ventures through market research, intelligence gathering, targeted inward visits and outward missions and increased promotional activities through activities such as the delivery of the new 'Study in Wales' brand in key markets.

Objectives

- Deliver a consistent message about the quality and diversity of the Welsh HE offer in terms of research, skills, knowledge exchange, and student experience with a view to driving further overseas investment to Wales;
- Facilitate mutually beneficial partnerships with key Welsh sectors to further develop international links and to attract inward investment and tourism;
- Provide increased support to institutions in their existing international activities to project a more joined up view of the Welsh offer;
- Develop new initiatives that can contribute to the growth of the sector's overall contribution to the Welsh economy notably in the areas of collaborative research, innovation and student recruitment; and
- Work together more effectively by sharing resources, collaborating on inward missions, and organising joint outward missions.

The target markets identified by Global Wales research are the USA and Vietnam.

The Welsh Government provides financial support for universities to attend the Association of National Educators (NAFSA) conference held annually in the USA to promote the opportunities for American students to study in Wales. Each year, the NAFSA Annual Conference brings together between 9,000 and 14,000 practitioners and industry professionals in the field of international education for five days of networking, workshops and educational sessions. The event is a one-stop-shop for business between countries in higher education and research from across the globe. It is the largest single international higher education event in the world.

In addition, officials have facilitated the invitation of the Vietnamese Ambassador to Wales and he met with the Director of Skills, Higher Education and Lifelong Learning (SHELL) and Education and Public Services officials to better understand the requirements of the Vietnamese HE sector. Officials are working towards holding a trade mission to Vietnam in the autumn, which will include representatives from universities in Wales.

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Officials in our overseas offices also promote ‘Study in Wales’ in target markets via an online portal, promotional publications and key international education conferences. Officials are working in partnership with universities and colleges to share resources and materials to promote Wales as an attractive and stimulating location to study, live and visit.

Both collectively, through Colleges and Universities Wales, and individually, institutions undertake work themselves to promote the opportunities to study, live and visit Wales through offshore campuses and offices, links with international partners, the use of overseas agents and websites such as Study in Wales and on commercial websites such as Student World Online.

The Welsh Government policy document “Brexit and Fair Movement of People” published in September includes discussion of the implications of Brexit and the UK Government’s migration policy for international students in Wales and highlights the Welsh Government’s concerns about the approach to future migration for Wales. Furthermore, stakeholders in the HE sector in Wales have raised their concerns about the detrimental impact that the narrative around the UK Government’s views on migration and attitudes to overseas students could have on their perception on the UK and Wales as a potential study destination.

The Welsh Government believes that continued free mobility across Europe for students and researchers is in the best interests of Wales and the UK as a whole, and has made clear its view that students should not be counted in net migration targets.

How the Welsh Government can assist in attracting large international events to Wales

In June 2017, Wales hosted one of the world’s biggest and most prestigious sporting events in Cardiff. The UEFA Champions League Final was the spectacular culmination of a four-day celebration of football in our capital city. The eyes of the world were upon us and a concerted ‘Team Wales’ effort delivered a memorable experience for the teams, spectators and everyone visiting Wales for the event; earning Praise from UEFA that we delivered “...*nothing short of excellence...*” and “...*a remarkable and professional series of football events...*”

Also in June 2017, Glamorgan Cricket successfully hosted matches in the ICC Champions Trophy. The ‘Summer of Sporting Legends’ continued as Royal Porthcawl Golf Club hosted the Senior Open Championship for the second time.

We also support a thriving portfolio of ‘home grown’ arts and cultural events. The wide range of events offers a rich and diverse range of cultural experiences. They include:

- Machynlleth Comedy Festival;
- Hay Festival;

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- Gregynog Festival;
- Green Man Festival;
- Iris Prize;
- Pembrokeshire Fish Week; and
- 2016's Roald Dahl extravaganza – City of the Unexpected.

These events offer audiences, both here and internationally, unique experiences of Wales as a nation which is authentic, creative and alive.

All of this has been achieved with the help of Welsh Government funding and is proof that, since the launch of our major events strategy in 2010, we have made big strides in building Wales's position in the global events industry.

Working with public and private sector partners in Wales and the UK, we have built strong and effective relationships with international event owners and the international events community more widely, gaining their respect, trust and confidence in Wales's event hosting capability. There is no doubt that, in a relatively short space of time, Wales has become a serious player in a fiercely competitive global market.

In addition, the Welsh Government is developing a new approach to attracting leading business events to Wales; further showcasing the destination on an international stage. This will capitalise on the significant potential identified to draw large international association events and conferences to Wales. The main goal is to attract international association conferences and meetings linked to key industry sectors and growth regions being targeted for inward investment and economic development throughout Wales, plus subjects of academic, scientific or medical excellence.

We remain ambitious in our outlook and are committed to building on our recent success. We are working closely with our network of contacts representing the entire spectrum of the global events industry to identify new hosting opportunities.

Maximising support from the EU and the impact of Brexit

Impact of Brexit

Currently the EU has a number of Free Trade Agreements with major world economies and these are set to gradually increase in number. Welsh companies have benefited from these in terms of making their costs more competitive.

Since the EU referendum result, we have introduced a number of measures to protect jobs and provide stability to Welsh businesses. These include developing new campaigns to promote inward investment and introducing new ways to boost national competitiveness.

The Welsh Government is considering the implications for the whole of the Welsh economy including the visitor economy, where the key emerging issue

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is the potential impact on labour supply. Our White Paper, *Securing Wales' Future*, highlights the positive contribution that EU citizens make to daily life in Wales with a significant proportion of EU nationals working in our thriving tourism industry and also making an important contribution to our creative industries and to cultural life in Wales.

At present, work is ongoing as to what Brexit will mean for the UK's relationship with the EU. However, in the short to medium term Brexit can be seen as positive in relation to both domestic and international tourism due to the weakening of sterling. Visit Wales is working hard to take advantage of this. Visit Wales has increased its international marketing spend, taking advantage of a boosted budget to up-weight its international marketing programme in key overseas markets including Germany and the USA, delivering multi-media marketing programmes including advertising, PR/social media and both digital and direct marketing.

We continue to call on the UK Government to provide Welsh businesses with the clarity they urgently need and we demand that it does not lose sight of the needs of businesses, workers and potential investors as Brexit negotiations are underway.

Support from the EU

Wales has benefitted greatly from being part of the EU, including around £370m a year from the European Structural and Investment Funds for regional economic development. Through schemes such as the Swansea Bay Innovation Campus, KESS (Knowledge Economy Skills Scholarships), the Wales Business Fund, Apprenticeships and Traineeships, the funding is helping to boost business and research and innovation and is supporting thousands of people to raise their skills and enter work. In terms of trade, EU funding helps to support the Welsh Government's export support programmes. Welsh companies can access this funding to develop their exporting capabilities.

We are continuing to deliver the EU funding programmes 2014–2020, which includes support for tourism and exports. For example, we have secured an EU funding package for tourism, with a potential total value of £85 million between 2014 and 2020 – the single biggest EU investment made in the sector. The funding 'Tourism Attractor Destinations', backed with £27.7 million from the European Regional Development Fund, will create 13 'must visit' destinations to drive interest in Wales as a holiday destination for new and repeat visitors.

EU funds are also supporting a number of schemes to boost the skills of people and, in doing so, are helping to make Wales a more attractive place to do business and increase inward investment. The EU funded Apprenticeships and Traineeships schemes, in particular, underpin a number of Taking Wales Forward commitments, including the commitment to deliver 100,000 apprenticeships and to reshape employability support.

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All EU funding investments that are made before the UK leaves the EU will be guaranteed by the UK Treasury.

We also continue to press the UK Government for full replacement funding post-Brexit - at equivalent or greater levels to that currently received - so that we can continue to make the kinds of investments across Wales that will support growth and jobs and help us to sell Wales to the World.

We have also called for the UK to continue to participate in EU programmes such as Horizon 2020 and the European Territorial Co-operation programmes beyond 2020 given the important economic and social benefits and partnerships they help to create for Wales.

State aid

We also urge the UK Government to set out a framework by which State aid can be applied to support businesses post-Brexit. Under current arrangements, a unique selling point for Wales is the Assisted Areas programme. These are geographical locations where the government can offer additional financial support, typically to businesses, under European Commission State aid rules. For example, the West Wales and the Valleys programme area is designated as an 'A' area so a company choosing to locate here could receive the maximum level of financial support. This, undoubtedly, strengthens the Wales offer and has proved to be an attraction for a number of investors.

In line with the principles of the current tiered system, a new post-Brexit framework should not be a "one size fits all" approach and should reflect local need across the UK.

What lessons Wales can learn from similarly sized countries

The development of digital technologies has transformed the marketing landscape, enabling a small and creative country like Wales to define itself on the world stage - to grow our profile and performance as a place to invest, do business, visit, study, and live. As part of the work undertaken to develop a refreshed Wales destination brand, and as we now move towards investing in the market-leading digital infrastructure required to underpin the brand (via the new 'Wales Digital Gateway' project), the Welsh Government reviewed a number of interesting nation brands and models.

This included a review of destination brands from countries or regions of similar size, to others with stand-out tourism campaigns and/or compelling country websites. These ranged from countries such as Scotland, New Zealand, Iceland, Sweden, Norway, Denmark and Slovenia amongst others.

A key learning was that effective destination brands invariably do the following things well through their brand and campaigns activity:

- elevate their status as nation;
- surprise and inspire audiences;

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- change perceptions;
- do good things; and
- demonstrate what makes them unique, unmistakably who they are

These five factors now form a cornerstone of the new Wales brand and are regularly used as a useful checklist against every project, initiative or campaign executed under the brand approach.

The relationships which we foster at both country and regional level contribute to both our learning and influence. Engaging directly and through participation in organisations such as the Conference for Peripheral Maritime Regions (CPMR) provides numerous opportunities to share best practice and develop collaborative projects.

Most governments offer a form of export and/or inward investment support to companies. Support provided by governments has very similar goals but can be delivered in a variety of different ways. This includes:

- activities to encourage companies to export;
- market visits;
- interventions to help companies develop their export capability;
- financial and/or softer support packages for inward investors; and
- dedicated aftercare for investors.

Wales has also seized the opportunities afforded by being a smaller, more dynamic nation, by becoming a trailblazer for other nations to follow.

For example, in 2008, Wales became the first fair trade nation. This was followed by other countries, such as Scotland, who had the opportunity to learn from our example.

We have also developed other ground breaking policies and programmes. Since 2006, our Wales for Africa programme has supported and encouraged people right across Wales to take an active role in international development. We have funded more than 530 projects across 25 African nations.

Our focus on the UN Sustainable Development Goals has also been strengthened by the passing of the Well-being of Future Generations Act in 2015. This helps to ensure that, as we build a prosperous Wales, we take into account the global impact of our decisions and our actions. Sustainability is at the heart of our policy development and this is a lesson we can give to others.

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Annex A

Overseas Estate - Annual Running Costs (£)		
Office	Agreement	2016-2017
Atlanta	Co-located in British Consulate, Atlanta	9000.00
Bangalore	Co-located in Deputy High Commission	9000.00
Beijing	WG direct lease	17330.76
Brussels	WG direct lease	317105.00
Chicago	Co-located in British Consulate, Chicago	9000.00
Chongqing	WG direct lease	36790.17
Dubai	Co-located in the British Embassy, Dubai	18000.00
Dublin	Co-located in the British Embassy Dublin	9765.33
Mumbai	Co-located in British Consulate, Mumbai – since January 2017	38133.36
New Delhi	Co-located in British High Commission	9000.00
New York	Co-located in British Consulate New York	18000.00
San Francisco	Co-located in British Consulate, San Francisco	9000.00
Shanghai	Located in the British Centre (with other British partners such as British Council and FCO)	17464.74
Tokyo	Co-located in British Embassy, Tokyo – since April 2016	5874.54
Washington	Co-located in British Embassy, Washington	27000.00
	Total	£550,463.90

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Annex B

Overseas Offices - Staffing

Location	Number of Staff (FTE)	Breakdown
Europe	9	
Brussels	EU Policy	1x Senior Civil Service 1 3x Executive Band 2 3x Management Band 2
	Trade & Investment	1x Executive Band 2 1x Management Band 1
China	5	
Beijing		1x Management Band 1
Chongqing		1x Executive Band 2 2x Management Band 1
Shanghai		1x Management Band 1
Ireland	1	
Dublin		1x Executive Band 2
India	4	
Bangalore		1x Management Band 1
Mumbai		1x Executive Band 2 1x Management Band 1
New Delhi		1x Management Band 1
Japan	3.5	
Tokyo		1x Executive Band 2 2x Management Band 1 1x Agency Staff (Part Time)
United Arab Emirates	2	
Dubai		1x Executive Band 2 1x Management Band 1
USA	8	
Atlanta		1x Management Band 1
Chicago		1x Management Band 1
New York		2x Management Band 1
San Francisco		1x Management Band 1
Washington		1x Senior Civil Service 1 1x Executive Band 2 1x Management Band 2
TOTAL	32.5	

Welsh Government's update to its responses to the report by the Enterprise & Business Committee on its inquiry into Tourism in November 2014

Introduction

Tourism makes a significant contribution to the Welsh economy both directly and indirectly in terms of jobs and expenditure generated. The 2013 Deloitte report *Tourism: Jobs and Growth* indicates that tourism directly contributes £3.1 million or around 5.4% of Gross Value Added for the Welsh economy.

The visitor economy in Wales is estimated to make a much larger contribution equating to 13.9 per cent of Welsh GVA, if the indirect impacts of tourism business spending are taken into account. Welsh Government sector statistics indicate that some 132,400 people were directly employed in tourism in Wales in 2015, an increase of 34 per cent since 2006. Employment in tourism in Wales has grown at a faster rate than tourism in the UK as a whole since 2006.

The Welsh Government is strongly committed to developing the visitor economy by promoting Wales as a high quality destination, extending the tourism season, improving infrastructure and supporting investment in training to support quality products and enhance the visitor experience.

Overnight trips by GB residents are a key part of the visitor economy of Wales accounting for over 90% of trips and 80% of spending by staying visitors to Wales. The volume of trips and spend from the GB domestic market in Wales grew strongly between 2012 and 2015 with a real terms growth in earnings and an increase in Wales market share.

In terms of overseas visitors to Wales, figures from the ONS's International Passenger Survey report strong continuous growth in inbound international visitor arrivals and spend in Wales. In 2016, there were over a million international visits with a record expenditure of £444m. This was the fourth consecutive year of growth which has continued into the first quarter of 2017.

The Welsh Government will continue to deliver against the targets and objectives contained in the tourism strategy and its related framework action plan.

Recommendations

Recommendation 1: The Welsh Government should build upon the work of the Ashton Brand Consulting Group to develop a strong, cohesive Wales tourism brand. (Page 19)

Response: Accept

As said during Welsh Government oral evidence the key branding principles established by this work, along with the overarching product-led brand approach recommended, is already being taken forward through marketing campaigns and other Tourism and Marketing activities.

Update:

A new destination brand for Wales was developed and introduced in early 2016 through the Year of Adventure campaign. The ambition behind the brand was twofold: to create a more unified approach to promoting Wales in the UK and internationally; and to develop a confident new way of thinking amongst the people of Wales - building a critical mass that feeds exciting new perceptions of our nation. A number of campaigns have already been executed under the new approach from tourism to trade and invest, to food and drink and health, representing a major step forward in the way we promote Wales to our markets.

Recommendation 2: The Welsh Government should improve coordination between departments that contribute to Wales's tourism appeal, such as culture and heritage, to strengthen the Wales tourism brand and offer. (Page 19)

Response: Accept

This will be strengthened now that Cadw and Culture are within the same portfolio as tourism. Restructuring within the department will also help work underway to create a much closer working relationship between all those working within the culture and heritages sectors.

Update:

The new Wales brand represents a major step forward in the way we promote Wales in a coherent and unified way to our markets, providing a strong platform for inter-departmental working.

The tourism thematic years introduced in 2016 were developed to capitalise on the key areas that contribute towards Wales' tourism appeal. Each theme was strategically selected to promote established or evolving strengths in Wales' tourism offer, and as a focal point for closer cross-departmental working and new product development.

Year of Legends 2017 for example, was selected to encourage improved coordination with Cadw, and associated campaign themes executed during the year such as Legendary Sport, Legendary Festivals and Legendary Food & Drink have ensured a focus on other key areas that contribute to Wales' tourism appeal.

In preparation for the Year of the Sea 2018, officials are engaging more widely across Welsh Government departments involved in supporting the environment (including marine), regeneration activities and the rural economy to ensure a more coordinated approach to tourism delivery.

Recommendation 3: The Welsh Government needs to communicate clearly to businesses the key Wales tourism brand messages that it is pursuing following the Ashton Brand Consulting Group branding review. This should include improving the *Wales the Brand* website. We also recommend that tourism businesses in Wales be directly involved in the work the Welsh Government is undertaking to develop its "in-depth delivery strategy for Wales's tourism marketing". (Page 19)

Response: Accept

There were a series of industry roadshows in November 2014 which shared Welsh Government's plans for marketing Wales in 2015 reflecting the key branding principles established by the branding review. The Tourism Advisory Board has also hosted events in the regions to meet tourism businesses and stakeholders in the area to inform them of the Board's work and the activities of tourism and marketing teams, and listen to any issues they may wish to raise directly with the Board and officials. We will refresh the online Wales brand portal during 2015.

Update:

A series of industry roadshows were held in 2016 providing a comprehensive briefing on the new brand approach. Practical sessions were held with tourism businesses illustrating how they can reflect the new approach through their own marketing, and businesses are directed to further information and guidance available on the Tourism Industry support pages on businesswales.gov.wales (replacing the former Wales brand portal).

These tools include a new Wales brand video, guidance on Sense of Place and its importance for businesses in offering a uniquely Welsh experience to visitors, and a series of best practice video case studies. The tourism industry is also directed towards a central mailbox for all associated brand enquiries. As the Wales brand develops and further assets are produced, the intention is to create a new online Wales brand portal with a range of useful resources and guidance for industry. Marketing toolkits are also available to businesses on businesswales.gov.uk associated with each of the themed years, clearly

conveying the key themed year messages that they can also be reflecting through their own marketing activity.

Recommendation 4: Welsh Government should involve tourism businesses more closely with its advertising campaigns, so they understand better what Welsh Government is trying to achieve, and can co-ordinate their own work accordingly. (Page 20)

Response: Accept

As indicated above, there were a series of industry roads shows in November 2014 which shared our plans for marketing Wales in 2015 and there are more planned for 2015 as part of a regular programme of shows. Visit Britain also attended to explain their PR work and how it links into Welsh Government tourism and marketing activities.

Update:

There were a series of industry roadshows in 2015 and 2016 and these included briefing sessions on Visit Wales' campaigns. The sessions explained what the campaigns aim to achieve at a national level and included practical guidance on how industry can coordinate and reinforce Visit Wales' national campaigns through their own work.

The themed years introduced in 2016 have been a useful method for enabling parties to adopt a more collaborative approach, and Visit Wales has provided a range of useful tools and guidance to industry in advance of each of the themed years providing detailed information and ideas on how to get involved.

Recommendation 5: The Welsh Government should do more to sell what is unique about Wales as a tourism destination, including its scenery, history, industrial heritage and language. (Page 22)

Response: Accept

The Welsh Government is very much aware that Wales's countryside, coastline, culture and history comprise a major asset and strength in attracting visitors to Wales. This is being promoted and marketed effectively across many elements of the '*Have You Packed for Wales?*' marketing campaign; with detailed information on how to visit and experience many of these unique Welsh assets on the Visit Wales website. More is being done to build on this promotional work through coming campaigns and improvements to the Visit Wales website.

Update:

Visit Wales' themed year approach aims specifically to do more to sell what is unique about Wales, from our countryside, to coastal and cultural assets. Each theme (from Year of Adventure, to Legends, Sea and Discovery) was

strategically selected to capitalise on established or evolving strengths in Wales' tourism offer; and our potential competitive advantage over other destinations. The themed year strategy was devised to develop a stand-out reputation for Wales as a country in these key areas.

Year of Adventure 2016 played a key role in sealing Wales' reputation in this area amongst industry stakeholders, consumers and media influencers, after years of product investment and innovation. Year of Legends 2017 has provided a key opportunity for Cadw to put the spotlight on our historical assets, building on the hugely popular dragon theme from their previous *Historic Adventures* campaign during 2016. Cadw's *Live the Legends* campaign in 2017 continues with the hugely popular dragon theme, supported by immersive experiences at various Cadw sites bringing the history of the monuments to life for visitors.

Recommendation 6: The Welsh Government should do more to encourage joint promotion of heritage assets, including those outside of its care, building upon existing examples of good practice. (Page 24)

Response: Accept

Update:

Cadw is the Welsh Government's historic environment service, and works to promote heritage sites across Wales – including assets not in the Welsh Government's care. For example, Cadw is currently working with National Museum Wales to encourage those visiting the dragons at its sites to visit the dinosaur exhibition at National Museum Cardiff.

Open Doors

Wales is one of 50 countries taking part in Open Doors which is known internationally as European Heritage Days.

The programme is the largest annual free celebration of architecture and heritage to be held in Wales and the wider UK and the largest volunteer event in the heritage sector. It gives members of the public free access to fresh aspects of the built heritage and draws visitors to Wales from countries throughout the world.

More than 300 of Wales's most iconic and unusual properties will offer free entry, activities, guided tours or special events throughout the month of September, with some unique locations opening their doors to the public for the very first time.

Lle Hanes

Cadw has been working in partnership with the The National Library of Wales (NLW), Amgueddfa Cymru – National Museum Wales, RCAHMW, the local Archaeological Trust, and the People's Collection Wales, along with various local societies on the 'Lle Hanes' - 'The History Place' project at the National Eisteddfod for the last two years.

Bryn Celli Ddu

Over the last three years, Cadw has led a project in partnership with the University of Central Lancashire, and Manchester Metropolitan University on a public archaeology project at Bryn Celli Ddu, on Anglesey.

The 2017 project engaged with over 50 local volunteers, and 100s of school children from the local area. As part of the project an Open Day is held around the Summer Solstice, and more than 700 visitors joined the celebrations.

The work continues to engage with various local partners including Oriol Ynys Môn, Natural Resources Wales, local schools and colleges, and Gwynedd Archaeological Trust.

Recommendation 7: The Welsh Government should do more to maximise the tourism impact of major events and ensure that Wales's success in hosting major events feeds through into a strong Wales tourism brand. (Page 27)

Response: Accept

Although we accept more could be done we reject any implication that Welsh Government is not already striving to maximise the impact of major events. Hosting major events throughout Wales is increasingly important in terms of raising Wales's profile across the world and attracting people to stay in Wales.

As set out in Welsh Government written evidence to the committee this is already being taken forward strongly through the Welsh Government's Major Events Unit (MEU) which sits within the department of the Economy, Science and Transport. It is estimated that the programme of MEU supported events in 2014 will attract around 280,000 visitors to Wales and generate a direct economic impact of £50 million. In 2014 we supported a diverse range of sporting and cultural events including the Machynlleth Comedy Festival, Pembrokeshire Fish Week, The Senior Open Championship, the IPC Athletics Championships, The UEFA Super Cup Final and Festival No.6.

Plans are underway for maximising the impact of future events such as the Ashes Test, and Rugby World Cup in 2015; the World Half Marathon Championships in 2016; Senior Open Championship in 2017; and the Volvo Ocean Race in 2018.

Update:

Hosting Major Events supports our drive to build a prosperous Wales and makes a significant contribution to the tourism economy. In 2016/17, 35 events were supported (20 cultural and 15 sporting) with a geographical spread across Wales. We estimate that around 348,360 visitors travelled to Wales to enjoy the events hosted here; spending an additional £52.7 million and supporting over 1,215 jobs.

In 2017, the 'Year of Legends' Wales has hosted some of the world's biggest and most prestigious sporting events including: the UEFA Champions League Final; the ICC Champions Trophy; and the Senior Open Championship at Royal Porthcawl Golf Club.

The 'Year of the Sea' in 2018 will include another historic first for Wales with a stopover in the 2017/18 Volvo Ocean Race, one of the world's biggest and most prestigious sailing events. The Cardiff stopover will welcome teams at the end of their transatlantic leg, which sets off from Newport RI in the US.

Future events being considered include one of the Grand Tour cycling stage races, various sporting European and World Championships and specific events for women and young people. The target list includes a cross section of sporting, music and cultural events and every endeavour to maximise the impact upon tourism of hosting events will be undertaken.

Recommendation 8: The Welsh Government should explain how it is continuing the work carried out by the Welsh Music Foundation, in terms of promoting Wales and Welsh culture internationally (e.g. WOMEX 2013), following its disbandment. (Page 28)

Response: Accept in principle

Officials are working with key stakeholders to ensure that Wales and Welsh culture continue to be promoted internationally. This will be strengthened by closer integration between Culture and the Creative Industries, Marketing and Tourism portfolios.

Update

WG has supported a Welsh presence at both WOMEX (various locations) and South by South West (SXSW, Austin, TX) each year since the end of Welsh Music Foundation as well as providing travel grant support to businesses looking to attend those events. In both cases, we have worked closely with the Arts Council using the Cerdd Cymru: Music Wales brand to continue the use of that.

As a result we have seen a strong number of Welsh artists perform at each of these events.

In addition, we support businesses to attend any other music related international events as long as they can provide a business case for doing so. This has included Folk Alliance International (Kansas City, MO) and NH7 Weekender festival (various locations in India).

Recommendation 9: The Welsh Government should publish an economic impact assessment of the immediate benefits of Wales's hosting of the NATO summit, including its impact on the tourism industry. The Government should

in due course also publish a longer term evaluation of the impact of hosting the summit, and confirm the timescale for doing so. (Page 29)

Response: Accept

A written statement on the costs and benefits of Wales NATO 2014 was issued by the First Minister on 16 December.

Update:

Building on the successful delivery of the NATO summit in September 2014, Welsh Government worked with partners to promote Wales as a destination for business conferences and events. This business tourism legacy campaign generated over 9,000 new visitors to the business events website and the accompanying targeted social media programme #WalesMadeBusiness had a total reach in excess of 360,000.

In the November following NATO, Wales hosted the UK Investment Summit Wales 2014. This event was a collaboration between the Welsh Government and UK Government, generating coverage in print, online and on the radio.

Wales will continue to build its reputation in the area of hosting major events and conferences with the development of the International Convention Centre Wales and a new Welsh Government cross-sectorial approach to attracting business events.

Recommendation 10: The Welsh Government should publish an assessment of the success of the Dylan Thomas centenary events, and ensure that this experience influences its work on similar events in the future, such as Roald Dahl's centenary in 2016. (Page 30)

Response: Accept

A report on Dylan Thomas 100 will be published early 2015 and lessons from the centenary are already being fed into future events including plans for the recently announced annual Dylan Day on 14 May and proposals to celebrate the centenary of Roald Dahl's birth in 2016.

Update:

A full report on the Dylan Thomas Centenary events and activities was published in 2015, and as a legacy to the Centenary year, Welsh Government funded the instigation of an annual International Dylan Thomas Day, which has since become part of the literary calendar.

Building on the success of the Dylan Thomas Centenary, in 2016, Welsh Government supported events which took place across Wales as part of the worldwide celebration of the birth of Roald Dahl in Cardiff -

<http://www.roalddahl100.wales/> where approximately 300,000 people directly engaged with the programme of Roald Dahl activity during 2016.

Recommendation 11: The Welsh Government should keep under review its growth target in view of the good performance of the sector. If growth continues to exceed that needed to meet the target, a new and more challenging target for the sector should be set. (Page 34)

Response: Accept

This is reviewed on an annual basis – we will consider the 10% growth figure again for 2015-16.

Update:

The interim strategy review in 2016 concluded that the overall target of 10% real growth in overnight visitor spending remained relevant and realistic given uncertain and challenging market conditions.

Recommendation 12: The Welsh Government should identify tourism sectors with major growth potential and develop specific strategies and growth targets for these sectors. (Page 36)

Response: Accept

This is already done within the tourism strategy 'Partnership for Growth 2013-2020' which identifies sectors for growth which in turn underpins the product-led brand approach.

Update:

Our Tourism Investment Support Scheme (TISS) continues to target businesses with growth ambitions. Our recent successes in supporting the adventure activity sector (Surf Snowdonia/Zip world) is now been complemented by a focus on targeting high quality accommodation development.

Recommendation 13: The Welsh Government should simplify the process for organisations to get a brown and white sign, in light of concerns about bureaucracy and cost. (Page 37)

Response: Accept

Welsh Government has introduced revised guidelines that tourism businesses can benefit from in relation to white on brown tourism signage. If the signs are permitted, there is also access to grant support through the Tourism

Investment Support Scheme. The application process has already been simplified to a minimum requirement.

Update:

Visit Wales has been in discussion with Transport colleagues to simplify the process. It is expected that revised guidelines will be published by October 2017 which better outline the steps in the process, and create a single point of contact through which a business might track progress of its enquiry or application.

Recommendation 14: The Welsh Government should recognise the importance of broadband to tourism businesses whilst it is prioritising broadband roll-out under its Superfast Cymru and Access Broadband Cymru schemes. (Page 38)

Response: Accept

The Welsh Government fully recognises the importance of the exploitation of superfast broadband to tourism businesses. Having already delivered tourism specific activities under pathfinder project deliverables, work will continue to support tourism businesses through support that dovetails with Superfast Cymru roll-out and the forthcoming national programme of exploitation support for businesses.

Update:

The Welsh Government fully recognises the importance of the exploitation of superfast broadband to tourism businesses. Having already delivered tourism specific activities under pathfinder project deliverables, work has continued pan-Wales through dedicated support for tourism businesses as part of the ERDF supported 'Superfast Broadband Exploitation' programme that forms an integral part of the broader Business Wales offering.

Recommendation 15: The Welsh Government should work with Ofcom to increase broadband and mobile phone coverage in order to improve Wales's tourism offer. (Page 38)

Response: Accept

Work is already well underway on the Superfast Cymru working to give, when combined with commercial roll-out, 96% of premises in Wales access to fast fibre broadband by 2016. In addition, the Access Broadband Cymru scheme provides funding for alternative broadband connections where broadband speeds of greater than 2Mbps cannot be achieved.

We also intend to deliver a new project to bring fast fibre broadband to areas not covered by either Superfast Cymru or by telecommunications companies'

own roll-out projects. Procurement is underway for phase one of this two phase Superfast Broadband Infill project.

We are working with the mobile industry, Ofcom and UK Government to improve mobile coverage across Wales. A key focus is to ensure that Wales benefits from the UK Government's Mobile Infrastructure Project, a £150 million investment, to address mobile 'notspots'.

We also are working with the Mobile Operators following the 4G spectrum auction. The licence which was awarded to T  l  fonica O2 carries a coverage obligation of at least 95% of the population in Wales by the end of 2017.

Update:

Work is drawing to a conclusion on the Superfast Cymru programme, which when combined with commercial roll-out, will provide in the order of 96% of premises in Wales access to fast fibre broadband by December 2017. In addition, the Access Broadband Cymru scheme provides funding for alternative broadband connections where broadband speeds of greater than 2Mbps cannot be achieved.

We also intend to deliver an additional programme of work to bring fast fibre broadband to areas not covered by either Superfast Cymru (SFC) or by telecommunications companies' own roll-out projects. Procurement is underway for the body of work referred to as SFC2 to provide connectivity to the outstanding areas of Wales not serviced by commercial offerings or that of the SFC footprint of delivery.

We are working with the mobile industry, Ofcom and UK Government to improve mobile coverage across Wales. A key focus is to ensure that Wales benefits from the UK Government's Mobile Infrastructure Project, a £150 million investment, to address mobile 'notspots'.

We also are working with the Mobile Operators following the 4G spectrum auction. The licence which was awarded to T  l  fonica O2 carries a coverage obligation of at least 95% of the population in Wales by the end of 2017.

Recommendation 16: The Welsh Government must do more to engage the tourism industry with the work of the Welsh Government. This should include establishing whether the Welsh Government publishes sufficient information about its activity including that of the Major Events Unit) to enable the industry to assess and engage in its work. (Page 40)

Response: Accept

In accepting that more could always be done, tourism officials already engage with the tourism industry in a variety of ways: regular Road Shows, a new Regional Engagement team within Welsh Government, Regional Fora, a Visit Wales e-newsletter (now with four regional newsletters from December 2014);

social media accounts; with tourism statistics published on the Welsh Government website along with an annual publication of progress against the tourism strategy.

Update:

We continue to meet with the Regional Fora three times a year and we are strengthening private sector involvement in these. The successful Tourism Summit, held in June this year, hosted in collaboration with the Wales tourism Alliance, was designed to strengthen linkage between all within tourism and the wider visitor economy and brought together leaders from across the tourism industry.

All of our investments - via the Tourism Investment Support Scheme, the Tourism Product Innovation Fund (TPIF) and the Regional Tourism Engagement Fund (RTEF) are published online.

In terms of Major Events, we work closely with event owners and organisers to develop a balanced portfolio of international event properties whilst supporting home- grown events. We remain committed to attracting more major international events to all part of Wales and are in ongoing discussions with partners to identify the opportunities. We have engaged proactively with key partners in Wales to secure their views as part of a 'Horizon Scanning' exercise; the four Regional Tourism Fora; all 22 local authorities; Arts Council of Wales; Sport Wales; WRU/Principality Stadium; and WMC.

Recommendation 17: The Welsh Government should work with the tourism industry in Wales to improve its online presence. This should include a more user friendly, dynamic and interactive website. Consideration should also be given to developing apps that could help tourists get the most from their visit to Wales. (Page 41)

Response: Accept

The Visit Wales website was re-launched in June 2013 and it is seeing increased visits. The next stage, which is currently being taken forward, is redevelopment of the tourism product search data base which already involves close working with the industry. As with all new websites we are constantly monitoring and reviewing and making necessary improvements

The EU funded Digital Tourism Business Framework Programme has already assisted the development of 20 Mobile Apps specifically for the tourism sector.

Update:

Significant investment has been made over the last 3 years to bring digital marketing to the centre of Visit Wales' strategy, investing in visitwales.com as

a platform, digital campaigns, social media marketing, and high-quality content on tourism in Wales. The investment in visitwales.com, the associated tourism product database and a more recent mapping project with Google Snowdrop have played a significant role in the increase seen in the additional revenue driven through Visit Wales' tourism marketing activity in the period from 2012 to 2016 – from circa £163 million to over £300m in recent years.

There has also been a growth in Visit Wales' social media following to 1m and initial research suggests that this is a highly-engaged audience, which has been directly influenced to visit Wales as a result of content communications with them, accounting for around £30m of the additional spend generated in 2016.

Wales brand work to date has enabled a major step forward in more impactful and integrated promotion of Wales through our campaigns. The Welsh Government is now embarking on the next step in transforming the Wales brand into a digital led approach. This will include investment in a new Wales Digital Gateway, a market-leading digital infrastructure that will underpin the brand and promotion of Wales as a nation and as a tourism destination in a more cost-effective and impactful way. This will enable more integrated promotion of Wales as a tourism destination via our digital platforms and associated tourism content.

The introduction of the Wales Way at the end of 2017, a new family of internationally focused tourism routes, will include the development of user friendly, dynamic and interactive web-site content and an App that will help tourists get the most out of itineraries and local tourism experiences promoted as part of the route initiative.

Recommendation 18: The Welsh Government should work more closely with the tourism industry in Wales to communicate the changes made to the regional tourism support structure, and to ensure that new structure is a success. (Page 43)

Response: Accept

The new regional engagement team is now in place and officials have been tasked with engaging with the industry within their respective regions to ensure the changes are communicated effectively.

The first round of the new regional engagement tourism fund has been completed and regional stakeholders have been awarded funding to continue to take forward actions within the relevant destination management plans.

Members will soon be invited onto the new regional forum with the inaugural meetings to be held in January/February of 2015, the forum will be a key communication channel for communicating with the regions. Officials will also be producing regional newsletters to improve the communication with regional stakeholders.

Update:

The four regional forums are now well established and each meets three times a year to discuss key issues and opportunities facing the sector. A recent example of how they are used as key consultative bodies was asking for feedback to the newly proposed tourism focused business plan for the emerging UK Industrial Strategy discussion.

The funding provided through the regional engagement tourism fund (RTEF) and Tourism Product Innovation Fund (TPIF) are now in their fourth and third year (respectively) of delivery. A total of £3,224,000 has been approved for innovative product development and regional tourism delivery in 2017/2018 and 2018/2019.

Recommendation 19: The Welsh Government should take steps to improve the level of knowledge that Visit Britain staff have of Wales and the Welsh tourism offer. (Page 44)

Response: Accept

We already have clear working relations at CEO and Chair level with Visit Britain. In addition, the Welsh Government now has a secondee in place working within the Visit Britain team in London; the Tourism and Marketing team recently hosted a number of familiarisation visits for Visit Britain staff around Wales to help develop their product knowledge of Wales; and Visit Britain have also been involved with recent Welsh Government roadshows presenting on their PR work for Wales.

Update:

The Welsh Government secondee working with the VisitBritain team in London has now been in post 3 years and a structured close working approach has been developed across all of VisitBritain's respective teams at Head Office, with ongoing cascading out of Wales key messages and content across VB's global network. The messaging has centred on Wales' 'Years of themes, an approach that has been welcomed by VisitBritain giving them a focus to promote Wales across all global channels.

VisitBritain's teams and staff at all levels are provided with regular updates on the Wales tourism offer and have access to Visit Wales' image and videos to use in their activity, ensuring Wales features in all channels.

The Welsh Government attracted the first devolved nation VisitBritain International Business Exchange event (VIBE) which took place in Wales in October 2016, attended by all VisitBritain Country Managers and senior head office staff. Wales product was showcased to all VB staff and through one-to-one meetings their knowledge of the Wales product offer has been improved.

Representatives from VisitBritain played a key part in the programme at the Wales Tourism Summit in May 2017, providing them with a greater understanding of the industry in Wales and an opportunity to meet with key industry leaders. VB teams will continue to participate in VW industry roadshows and other key events.

Recommendation 20: The Welsh Government must do more to increase and improve Visit Britain's promotion of Wales. (Page 48)

Response: Accept

In addition to the response to recommendation 19 above Welsh Government is working closely with Visit Britain at an operational level - contributing to the development and roll out of major campaigns, including the global Countryside is GREAT campaign, which launches in January 2015. Welsh Government also contributes significantly to 'always on' Visit Britain programmes – especially PR initiatives and Travel Trade programmes in overseas markets.

The GREAT campaign, which is delivered by the UK Government, underpins Visit Britain's work and in addition to working with Visit Britain to inform tourism related GREAT projects, Welsh Government officials have significantly strengthened our relationship with the central GREAT campaign team, and produced over 15 new GREAT campaign Wales assets to help international partners to promote Wales around the NATO Summit. These are now available for longer-term use.

Update:

Visit Wales has developed a structured close working approach across all of VisitBritain's respective teams at Head Office, with ongoing cascading out of Wales key messages and content across VB's global network. The messaging has centred on Wales' 'Years of' themes, an approach that has been welcomed by VisitBritain giving them a focus to promote Wales across all global channels which is proving successful. The high quality of Visit Wales's marketing collateral – especially films - has been commented on by VB international teams.

A recent example of how VisitBritain promote Wales in their channels is their promotion of Cardiff and Wales around the UEFA Champions League Final, gaining significant reach in near European markets especially Spain, and across the rest of the world. Welsh Government teams also worked with VisitBritain and the British Embassy on a cross-sectorial St David's Day event in Madrid, in partnership with Iberia Express, in advance of the UCL event.

VisitBritain provides access for Wales to high quality partners and Visit Wales continuously contributes content to commercial partnership campaigns in GREAT markets worldwide. Multi-channel content has been provided for partnerships such as Expedia, STA and The Guardian, recent King Arthur:

Legend of the Sword and BFG film campaigns and a BBC Worldwide partnership promoting Wales across global channels.

Wales is featured in the VisitEngland-led annual U.K. domestic campaign, which is targeting the millennial audience in the UK.

Recommendation 21: The Welsh Government should work with Visit Britain to establish challenging growth targets for Visit Britain to increase tourism in Wales. (Page 48)

Response: Accept

This was strongly called for in Welsh Government written evidence to both a recent Welsh Affairs Committee report on tourism and the Department for Culture, Media and Sport's Triennial review of Visit Britain.

Update:

The Department for Culture, Media and Sport have set Visit Britain specific targets for growing the level of international visitor spending to Wales which is attributable to Visit Britain activities. Progress against these targets is being reviewed with Visit Britain.

Recommendation 22: The Welsh Government should work with the industry to improve provision of timely, impartial research into tourism activity and trends in Wales. (Page 50)

Response: Accept

A Task and Finish Group (chaired by Tourism Advisory Board member Professor Nigel Morgan and comprising industry representatives) is currently reviewing Research and Market Intelligence. A final report, with recommendations, will be presented to the Tourism Advisory Board early in the 2015.

Update:

The review of Visit Wales research was completed and the findings are being implemented to improve provision of research insights and findings within available resources. A comprehensive review of industry performance and trends was undertaken in 2016 as part of the interim Partnership for Growth strategy review.

Recommendation 23: The Welsh Government should develop a strategy explaining how Tourism and Marketing will work with the Department for Education and Skills to improve the provision of training for the tourism industry, including delivery dates and intended outcomes. (Page 51)

Response: Accept

A workshop on the implementation of the skills action plan was held on 30 September 2014 involving DfES, Tourism Advisory Board Members and the industry produced a number of collaborative actions to take forward. These include developing a shared and evidence based understanding of the skills issues that need to be addressed in achieving the tourism strategy, promoting careers opportunities in the sector, building networks of excellence and enabling greater take up of customer service training opportunities.

Update:

The Welsh Government's Tourism and Marketing Division (Visit Wales) has no remit to fund or deliver training in the industry. However, a skills action plan has been developed to meet the People development priorities within the Partnership for Growth Tourism strategy. The plan includes working with the Department for Education and Skills (DFES) and the Education and training sector to ensure that tourism is represented in relation to training and qualifications structures.

Visit Wales also work with the Industry to provide signposting and information on skills provision and funding for employers and employees.

Recommendation 24: The Welsh Government should maintain a capital funding scheme (such as the Tourism Investment Support Scheme) for tourism businesses to improve their facilities. (Page 52)

Response: Accept

The Tourism Investment Support Scheme will continue to support the industry to develop.

Update:

The Tourism Investment Support Scheme (TISS) has been added to through two schemes under the European Regional Development Programme, namely the Micro & Small Business Fund and the Tourism Amenity Investment Support scheme. An additional £2m has also been made available via TISS to develop and invest in strategic level projects linked to 4 Star Hotels, innovative Attractions and Destination building.

Recommendation 25: The Welsh Government should re-evaluate whether participation in the Visit Wales grading scheme needs to remain a prerequisite for Tourism Investment Support Scheme (TISS) funding, considering the contemporary, social media driven way in which tourism accommodation is now marketed. (Page 52)

Response: Accept

Welsh Government, in partnership with Visit England and Visit Scotland is reviewing the way in which quality assurance is delivered. The requirement for grading in the context of Tourism Investment Support Scheme (TISS) funding will be considered as part of this review.

Update:

Funding from the Tourism Investment Support Scheme currently retains the link between investment and quality, on the basis that targeting high quality product delivers improved performance and economic impact.

Recommendation 26: The Welsh Government should improve the transparency of funding information by publishing a breakdown of the £20 million “total funding” for Wales’s tourism industry and comparative figures to enable stakeholders to make an objective assessment of how funding for Wales’s tourism industry compares with other parts of the UK. (Page 54)

Response: Accept in Principle

Comparisons on tourism spend with other parts of the UK have historically been difficult to make due to different government structures and portfolio responsibilities and how related budgets/expenditure is utilised across a wide range of activities within portfolios. The 2014/15 funding is £20m which primarily supports the Tourism Investment Support Scheme; development work, marketing for domestic, business and international activity and support for major events. There is flexibility within this to enable us to respond to tourism priorities and opportunities that may emerge during the year. The core budget also levers in additional European funding and private sector match funding.

Update:

As stated, comparisons with other parts of the UK are difficult and this continues to be the case. Due to different structures and portfolio responsibilities, it would not be possible to compare like with like. It is always worth noting though that the published figures in Wales for Tourism & Marketing, and Major Events, do not in general include staffing costs and running costs.

Recommendation 27: The Welsh Government should recognise the substantial return on investment for tourism funding and the budgets of other competing nations. In light of this, it should review whether its tourism budget is sufficient to enable Wales to fulfil its tourism potential. (Page 55)

Response: Accept

Welsh Government fully recognises the value of tourism to the Welsh economy and budget accordingly. As demonstrated throughout the year additional resources can be found from other Economy, Science & Transport budgets for priority capital projects.

Update:

Additional visitor spend influenced by VW marketing increased from £238m in 2014 to £361m in 2016, an increase of 52%. The budget position is kept under review and budgets beyond 2017/18 are currently being determined.

Recommendation 28: Given the value of tourism to Wales' economy and the rich range of natural, cultural and other assets in Wales, we believe the Welsh Government, working closely with key stakeholders across Wales, should ensure that tailored support is available to maximise EU funding opportunities to help grow the industry in Wales. (Page 56)

Response: Accept

Welsh Government is currently developing a tourism infrastructure programme via 2014-2020 structural funds. It is working in partnership with key stakeholders on a suite of projects that will be taken forward building on previous investment where possible and continuing to develop a high quality offer based on the range of natural and cultural assets Wales has to offer. Welsh Government is also developing an access to finance scheme as part of a wider Enterprise, Science & Transport department bid.

Update:

The Tourism Attractor Destination programme has been approved with £27.7m ERDF towards a total project cost of £84m that will see eleven strategic infrastructure projects realised up to 2021. Projects approved and launched to date are Rock UK, Conwy Waterfront, Porthcawl Harbourside and the Caernarfon Waterfront project. Officials are in the process of submitting the remaining individual business plans to WEFO for approval..

The three business plans submitted to the Rural Development have now been approved and will deliver an additional £12.7m for marketing and development activities up until 2021.

Update to the report of the Enterprise and Business Committee entitled 'The Welsh Government's Approach to the Promotion of Trade and Inward Investment'

November 2014

There were ten recommendations in the previous report, of which the recommendations outlined below relate to trade and inward investment support for delivery. The update below contains the original response and, where appropriate, an update on activity relating to the recommendation where it had been accepted.

The Welsh Government should commission an independent evaluation to assess whether the current in-house approach to supporting trade and inward investment represents good practice and value for money.

Response: Reject

The Welsh Government should consider how it can increase the involvement of the private sector in attracting inward investment.

Response: Accept

The Welsh Government continues to work closely with the private sector to attract inward investment. Where appropriate, we engage with the Enterprise Zones to showcase their offering to companies seeking to invest in Wales. In addition, the Life Sciences Hub brings together public and private sector, academia and healthcare organisations to support and deliver inward investment activities in the sector and we continue to promote this service. Since the previous report, we have supported eight companies to invest in Wales with the support of the Life Sciences Hub. Details of these investments are confidential for commercial reasons.

The Welsh Government should explore options for increasing representation at UKTI events. This need not necessarily be at Ministerial or official level, but could include greater involvement of the sector panels or private sector partners.

Response: Accept in Principle

As stated in the Welsh Government's original evidence to the Committee, UKTI (or the Department for International Trade as it is now known) hosts hundreds of events in the UK and globally every year.

The former Minister for Economy, Science and Transport wrote to the former Minister of State for Trade and Investment on this matter to ensure that our overseas teams are routinely invited to attend UK Government events. It is difficult to quantify the exact measure of success of this approach as the onus is on DIT to invite the Welsh Government to events; however, we continue to have representation at DIT events, including receptions held in British Embassies worldwide to mark St David's Day.

The Welsh Government should develop and publish annually a set of transparent Key Performance Indicators which show the annual inward investment performance of the Welsh economy. The indicators should include the total number of new projects, joint ventures, acquisitions, expansions and retentions; and, for each of these project types, the number of jobs created, the number of jobs safeguarded and the total value of capital investment or expenditure involved. As part of this the Welsh Government should publish an equivalent set of figures for projects in which it was directly involved, also showing the level of Welsh Government financial resource in securing the projects.

Response: Reject

The Welsh Government should publish annual key performance measures for the support it provides to exporters, to include details of trade missions and fairs; the number of business delegates participating in each event; the value of orders won; the value of potential opportunities for companies to follow up; and the total cost of the missions and fairs programme.

Response: Reject

The Welsh Government should set out, as part of a clear economic development strategy, its aspirations for trade and inward investment; including the international markets and sectors it considers to be of strategic importance to Wales; how it will support Welsh businesses to exploit the opportunities in those markets; and how it will work with and support existing and potential foreign investors to do business in Wales.

Response: Accept in Principle

Our international strategy 'Wales in the World' was published in 2015. Following the EU Referendum, a White Paper setting out our priorities for the approach to exiting the EU has also been published. We are currently undertaking a business planning exercise to establish key sectors and markets that are of strategic importance to Wales over the coming years.