1 The South West

Facts at a glance

- **The South West is the UK's premier holiday destination, with UK residents alone making 24.4 million trips in 2001**

- **The South West successfully competes globally with its portfolio of world-class attractions, heritage sites, coastline and accommodation options.**

- **The South West's coastline, its rural patchwork and its cultural dynamism give the region a unique competitive advantage in the tourism market place**

- **The historic landscape of the South West is second to none. In 2002, visiting an historical site or a heritage exhibit motivated, in part, an estimated 8.6 million trips by domestic staying visitors**

- **The region has a large number of family based attractions, accounting for about 16-18% of the region's supply**

- **Garden attractions are a strong feature in Devon and Cornwall. Together these two counties contain 47% of all garden based visitor attractions in the South West region including high profile attractions such as The Eden Project, The Lost Gardens of Heligan, Trebah Garden Trust and Tregrehan**

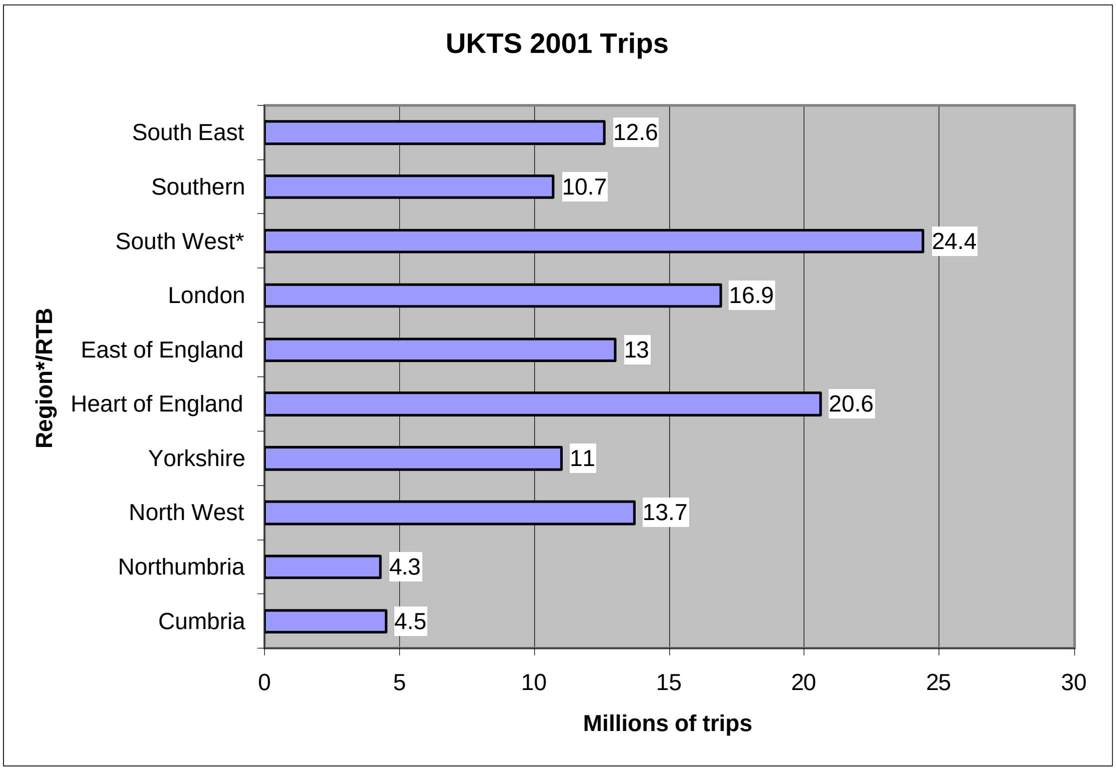
- **At the end of 2002, there were an estimated 16,629 commercial accommodation establishments**

- **Hotels and inns account for less than 40% of serviced accommodation enterprises, with B&B/guest houses accounting for 60%. However, hotels and inns supply 70% of serviced accommodation capacity (excluding group and campus accommodation)**

- **The importance of these activities is confirmed by national statistics on visitor spending. In 2001, 22% of domestic visitor spending was on eating out and 15% on shopping; the equivalent percentages for overseas visitors were 27% and 21% respectively**

1.1 Introduction

There is one undeniable fact about the South West[1] in relation to the United Kingdom's tourism industry. It is Britain's foremost holiday destination. For example, UK residents alone made 24.4 million trips to the South West in 2001, surpassing all other English regions (and Scotland and Wales) by some margin.



The South West has become a critical and dynamic element in the UK tourism industry because it offers unparalleled diversity in its environment and heritage (from sheltered harbours to the rich legacy of centuries of farming) and can compete globally with its range of world-class attractions and accommodation. Indeed it is, in part, recognition of these facts that this report has been produced.

We have sought to paint as comprehensive a picture as possible of the economic position of tourism in the region in 2001, analysing data on volume and value relating to every district in the region. Uniquely, it draws together evidence from a number of sources but presents it as a coherent whole. Clearly, the scale and diversity of the 'tourism product' makes quantification a challenge, but one of the principal aims of this document was to identify the direct and indirect contribution of the tourism industry to the South West economy covering all spending associated with domestic, overseas and day trips in the region. It endeavours to measure the economic value of tourism in the South West in a way that is consistent, reliable, and practical, and can be used regularly and elsewhere. This has been achieved and has been done using three core data sets (United Kingdom Tourism Survey 2001; International Passenger Survey 2001; United Kingdom Day Visitor Survey) and the Cambridge mathematical model. Throughout the report estimates are provided of the direct

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[1] Throughout this document 'South West' refers to the area covered by Cornwall and the Isles of Scilly, Devon (inc. Torbay), Somerset, Avon (Bristol, Bath, North Somerset and South Gloucestershire, occasionally know as the **West of England partnership**), Wiltshire, Dorset and Gloucestershire.

value of tourism from domestic and overseas staying visitors, the direct value of day trips, the indirect value of staying visitors and the indirect value of day trips. These figures can be used separately to make a specific case, or together to provide an overall value.

1.2 The South West product

The South West, at 23,829 sq km, is the largest of the English regions with a population of 4,975,000,[2] the third lowest of the English regions. Most settlements in the region (84%) are small villages of less 500 inhabitants, and only one third of the population live in towns and cities of over 100,000 inhabitants. Areas of Outstanding Natural Beauty (AONB) cover 30% of the region, there are 1,647 sq km of National Park and the longest national trail in England (the South West Coast Path) winds its way along the coasts of Dorset, Devon, Cornwall and Somerset. Three World Heritage Sites are located in the South West Region, ranging from Stonehenge and Avebury in Wiltshire (inscribed 1986), Bath (inscribed 1987) and Dorset and East Devon Coast (inscribed 2001)

The South West's coastline, its rural patchwork, its heritage and its cultural dynamism give the region a unique competitive advantage in the tourism market place. Each component is an irreplaceable resource representing hundreds of years of human investment and every year millions of visitors are drawn to this unique tourism product.

The countryside

All parts of the region benefit from attractive inland rural areas that are the result of centuries of settlement and farming and, arguably, the region is better endowed in this respect than other regions of England. The relationship between the landscape, public access, agriculture and tourism is important across the region and was vividly demonstrated by the Foot and Mouth Disease (FMD) crisis in 2001.

Compared with AONBs, National Parks and the rural coast, the South West countryside tends to rely on villages, towns and more specific individual visitor attractions and activities. Its appeal rests with gentle exploration, car touring, and specific attractions and activities. There are many significant visitor attractions such as historic houses, gardens, farm-based attractions and some theme parks. Inland water, such as the Cotswold Water Park and the reservoirs of Devon and Cornwall, also provide a focus of recreational activity. Some areas have generated visitor interest through the designation and promotion of walking and cycling trails, such as in South Somerset and parts of Wiltshire. Accommodation is dominated by small serviced and self-catering accommodation, in towns and villages, on farms and on transit routes. Moreover, country house hotels and pub accommodation add to the diversity of the South West countryside.

Recently, some key issues have been identified for tourism in the countryside

- Addressing supply and demand of accommodation and attractions, avoiding over supply
- Increasing performance of attractions as foci of interest
- Strengthening the supportive relationship between tourism and agriculture.
- Improving accessibility, for employees as well as visitors.
- Increasing definition and awareness of rural destinations.
- Making more of activity holiday opportunities.
- Strengthening local rural distinctiveness.
- Adding value to the rural economy through use of local produce etc.
- Engaging local communities.

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[2] P.Gripaios (Ed), The South West Economy – Trends and Prospects:2002, University of Plymouth Business School, 2003, p.31.

Protected countryside

The South West is well off for protected areas, having 2 National Parks and 14 AONBs, which together make up 37% of the region's land area. Such protected countryside can be found in every county and highlights include the Cotswolds (the largest individual AONB in England) the continuous swath of fine, protected countryside from East Devon to West Wiltshire, encompassing most of rural Dorset, and the National Parks of Dartmoor and Exmoor. Issues associated with landscape, access and tourism are particularly acute in these areas and the National Park Authorities in Dartmoor and Exmoor have been actively engaged in tourism issues for many years, with both areas having tourism associations.

The appeal of protected areas is clear, and rests firmly with their landscapes. Consumer studies consistently underline the importance of fine countryside as a primary motivation for visitors and it has been estimated that 40% of employment in tourism depends directly on a high quality environment, rising to between 60% and 70% in rural areas.[3] As with most rural areas, in general accommodation mainly consists of B&B, guesthouses, farmhouses, rural inns and small self-catering enterprises, principally holiday cottages, and outdoor activities and public access for walking are especially important.

There are a number of issues that are particularly important for protected areas in tourism, which reflect worldwide policies on this subject, and include:

- The extent to which these areas should be promoted as branded destinations in their own right, including overlap with local authority brands.
- Visitor and traffic management, including promotion of non-car access.
- Encouraging tourism enterprises to adopt environmentally responsible management, including green accreditation.
- Supporting conservation initiatives through tourism.
- Bringing more value to local communities through tourism.
- Promoting local produce, linked in turn to sustainable land management.

Seaside resorts

There is no agreed definition of what constitutes a seaside resort, though a recent study looked at a working definition that excluded ports and industrial towns, suburbs and towns with a population above 8,000.[4] Taking this into account, it is probably not surprising considering the extent of coast in the South West, that approximately a quarter of all districts within the region contain a 'seaside resort' and many more contain smaller settlements along the coast that have a tourism function, although they may not class themselves as resorts.

South West resorts vary from quiet and refined (Sidmouth) to more lively (Newquay) and, in general, resorts offer an intensive, lively and busy experience geared to fun, entertainment and activities. Resorts have particular appeal for family holidays and older people with coach holidays an important source of business. Having said this, younger, more active visitors will show more interest in resorts than most destinations in the region because of the appeal of nightlife, entertainment and activities, such as surfing. Indeed, day visits are an important market for resorts, with some resorts and coastal areas attracting huge numbers during the summer months.

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[3] State of the Historic Environment Report 2002, p.???

[4] C.Beatty and S Fothergill, *The seaside economy*, Sheffield Hallam University (Centre for Regional Economic and Social Research) p.13

Resorts still have much to offer. Indeed, the common assumption that British seaside tourist business is in terminal decline is 'profoundly' wrong. Growth in employment of 40%, for example, in sectors of the seaside economy most closely linked with tourism suggests there is a large and viable tourism industry.[5] They provide robust environments, are places of fun and entertainment and provide wet weather attractions and essential services. Key issues are:

- Investing in infrastructure and the environment to improve and update their appeal.
- Diversifying the appeal, including activities, lifestyle and health markets
- Managing market contraction in some cases.
- Identifying areas where resorts have a market advantage.
- Improving accommodation quality.

Rural coast

The South West's coastline is, undoubtedly, one of its principal assets. The region has the longest seaboard in England and the highest ratio of coastline to land area in the UK and also has 60% of the total heritage coast in England. The region has the highest number of coastal and marine Special Areas of Conservation (49) and has approximately 11,300 known and unknown wreck sites recorded on the National Monuments Register Maritime Record. In essence, a significant part of the attraction of the South West is a result of its symbiotic and often turbulent relation with the sea.

Coastal scenery and fishing villages provide the quintessential images of Cornwall and to a lesser extent Devon and, by reflection, of the South West. There are spectacular cliff top stretches, safe sandy bays and wide beaches regularly punctuated by small coastal villages. The South West Coast Path is a world-class attraction and amenity that includes the recently designated UNESCO World Heritage Site of the East Devon and Dorset coast. The coast is likely to provide long lasting appeal for visitors, and its conservation and nurture is an essential prerequisite to the success of tourism in the region.

Key issues include:

- Management of traffic congestion and car parking in certain locations.
- Careful development of access opportunities and walking programmes, partly linked to the coast path.
- Improvement of quality and performance of accommodation and attractions, in line with market expectations.
- Retention of character and local distinctiveness, including traditional historic appeal of fishing harbours etc.
- Sensitive promotion of marine activity holiday opportunities.

[5] Beatty and Fothergill, *The seaside economy*, p.105

Towns and cities

The South West has relatively few large towns and cities compared with other regions, but a plentiful supply of attractive small towns (including the smaller cathedral cities such as Wells, Salisbury and Truro). Of course, the inherent attractiveness and distinctiveness of towns and cities varies from place to place and varies with their cultural and historic legacy. For example, the attraction of Bristol and Plymouth is centred on historic maritime connections whereas Bournemouth is a leading resort as well as a major urban area. Exeter is a cathedral city but in Bath and Cheltenham the appeal centres on a more genteel ambience and fine buildings. Moreover, Bath provides a good example of the strong interrelationship between tourism and retailing. Swindon, on the other hand, is an important business and communications centre that has appeal as a leisure destination in its own right, as well as providing a service base for the surrounding area. Cities and large towns receive almost half of all the business tourism in the region and over a quarter of the visiting friends and relatives (VFR), reducing the effect of low occupancy due to seasonality.

There has been significant growth in the appeal of cities and larger towns for short breaks both internationally and within the UK. In part, this has been built around vibrant nightlife, cultural and arts facilities and events programmes and restaurants. A number of cities, however, have developed and are developing significant attractions that help to generate the appeal. The new development of Thermae Bath Spa is a prime example of such investment.

Smaller towns are often attractive places for visitors to spend time, providing a mixture of heritage, culture and specialist shopping in areas such as Wells or Dorchester. Indeed, small towns in the Cotswolds and parts of Wiltshire and Dorset are notable in this regard. Market towns are seen as generators of economic growth in rural areas, and as such have been the focus of support for sustainable development initiatives by the Countryside Agency and RDAs.

For the towns and cities of the South West region key issues include:

- Heritage conservation and town centre management.
- Traffic management and visitor flows.
- Improving the appeal, quality and performance of traditional inns.
- Strengthening linkages between towns and surrounding rural areas
- Maintaining visitor information services.
- Improving the appeal and performance of museums and other small attractions.
- Maintaining markets and encouraging a range of interesting shops and eating-places.

Attractions

The historic landscape of the South West is second to none and the attraction sector of the South West’s tourism industry is strongly heritage led. In 2002, visiting an historical site or a heritage exhibit motivated, in part, an estimated 8.6 million trips by domestic staying visitors. The attraction of the region is clear: The South West has 35% of all scheduled monuments in England, the South West has 88,954 entries on the List of Buildings of Special Architectural or Historic Interest (23.7% nationally),a further two South West sites are on the ‘tentative’ list for World Heritage Site approval (Cornish Mining Settlements and Great Western Railway), there are 285 entries in the Historic Parks and Gardens Register, 8 historic battlefields and 202 museums.

Table 1.1 presents all attractions within 13 categories, and shows how they are dispersed across the region

TABLE 1.1 Attractions in the South West Region

	Devon	Cornwall	Glos.	Somerset	Wiltshire	Dorset	Avon	Total
Museums/art galleries	53	38	37	31	25	35	23	242
Historic houses/castles	47	24	27	17	16	27	5	163
Other historic/archaeological sites	12	30	17	14	19	11	8	111
Gardens	20	43	10	10	11	15	5	114
Workplaces	24	13	13	18	0	13	3	83
Wildlife attractions/zoos	18	13	6	10	0	10	2	60
Natural heritage visitor attractions	14	5	8	4	5	3	5	44
Visitor/heritage centres	11	7	9	7	2	3	5	45
Farms	13	5	9	5	3	4	1	40
Places of worship	8	2	7	4	3	5	6	35
Leisure/theme parks and attractions	8	10	3	4	1	5	2	33
Steam/heritage railways	8	5	6	3	1	1	0	24
Boat trip	7	2	0	1	1	0	2	13
Total	243	171	152	128	87	132	67	1006

The South West has a number of attractions worthy of international status including Stonehenge, The Eden Project and Roman Bath and The Pump Rooms in Bath. In addition, there are several significant 'industry at work' and adventure parks that attract significant numbers of visitors and are important day visitor destination attractions. Moreover, the region has a large number of family based attractions accounting for about 16-18% of supply. There is a particularly high concentration of museums and heritage attractions in the north of the region, notably in Bristol and Bath.

Garden attractions are a strong feature in Devon and Cornwall. Together these two counties contain 47% of all garden based visitor attractions in the South West region including high profile attractions such as The Eden Project, The Lost Gardens of Heligan, Trebah Garden Trust and Tregrehan.

Devon has the largest number of attractions in the South West region, with a total of 243 attractions. It is also well off in terms of the distribution of types of attraction, accounting for around 30% of the region's farm attractions, steam/heritage railways, natural heritage attractions, historic houses/castles, workplaces and wildlife attractions/zoos.

Cornwall has the highest concentration of historic/archaeological sites, accounting for 32% of the total number in the South West region. Cornwall also contains the highest number of leisure/theme parks, accounting for a third of the region's total.

Accommodation

The South West has many thousands of accommodation enterprises ranging from small, life-style Bed and Breakfasts (B&B) to authentic farm B&Bs to urban boutique hotels and world-class hotels. The starting point for quantifying the volume of accommodation in the South West is to examine the TRIPS database for the South West region. TRIPS is the most comprehensive source of information on tourism accommodation and has been used within this report to assess the available stock of accommodation by district, county and region.

At the end of 2002, there were 16,629 commercial accommodation establishments on the TRIPS database across the whole of the South West region. Table 1.1 shows a breakdown of accommodation stock for the South West by county and type of establishment.

TABLE 1.1 Total number of accommodation enterprises by county

	Cornwall	Devon	Dorset	Former Avon	Gloucestershire	Somerset	Wiltshire	TOTAL
Hotel	430	790	327	161	173	199	139	2,219
Inn	63	132	56	17	81	101	76	526
Guesthouse	329	511	369	107	76	169	58	1,619
B&B	314	458	471	225	346	423	335	2,572
Serviced Farm	71	117	37	14	55	74	48	416
Self catering	2,895	2,793	1,232	213	429	661	187	8,410
Holiday park	247	198	116	23	29	106	26	745
Holiday centre	6	10	4	1	0	3	0	24
University and College	1	2	0	3	2	1	0	9
Youth and Group accom	19	25	15	8	9	12	1	89
TOTAL establishments	4,375	5,036	2,627	772	1,200	1,749	870	16,629

Presently, TRIPS provides the only basis for forming a view of total accommodation stock. It provides no more than a partial picture, sometimes over and under estimating enterprise numbers and capacity across counties and by types of accommodation and location. Indeed, taking the region as a whole, it is estimated that TRIPS may underestimate serviced accommodation by between 5% and 10% (though it will overestimate it in some places) and may underestimate non-serviced accommodation by up to 20%.

The main patterns that emerge from a preliminary analysis are

- Hotels and inns account for less than 40% of serviced accommodation enterprises, with B&B/guest houses accounting for 60%.
- However, hotels and inns supply 70% of serviced accommodation capacity (excluding group and campus accommodation).
- There is more self-catering than serviced accommodation in the region, in terms of number of enterprises <u>and</u> total bed-space capacity.
- There is significantly more accommodation, of all types, in the three counties of Devon, Cornwall and Dorset than in the other counties.

- Bed and breakfast establishments are relatively evenly spread across all seven counties, with the most in Dorset and Devon.
- Devon has twice as much farm accommodation as other counties, followed by Cornwall and Somerset.
- There is most touring caravan capacity in Cornwall.
- There are huge numbers of small self-catering establishments in the region with one or a handful of units, especially in Devon and Cornwall.

A breakdown of accommodation by county that is inspected and quality graded is provided in Table 1.2.

TABLE 1.2 Inspected and quality graded accommodation by county

	Cornwall	Devon	Dorset	Former Avon	Gloucestershire	Somerset	Wiltshire	TOTAL
Hotels	430	790	327	161	173	199	139	2219
Total inspected	227	421	202	83	103	94	65	1195
Inspected as % known stock	52.8	53.3	61.8	51.6	59.5	47.2	46.8	53.9
Average grade	2.9	2.9	2.9	3.1	2.9	2.9	3.2	2.9
Inns	63	132	56	17	81	101	76	526
Total inspected	37	35	13	7	33	37	24	186
Inspected as % known stock	58.7	26.5	23.2	41.2	40.7	36.6	31.6	35.4
Average grade	3.1	3.2	3.5	3.3	3.3	3	3.5	3.2
B&Bs	314	458	471	225	346	423	335	2572
Total inspected	158	173	205	114	195	193	146	1184
Inspected as % known stock	50.3	37.8	43.5	50.7	56.4	45.6	43.6	46
Average grade	3.7	3.7	3.6	3.6	3.7	3.6	3.5	3.6
Guest houses	329	511	369	107	76	169	58	1619
Total inspected	104	191	127	37	43	65	22	589
Inspected as % known stock	31.6	37.4	34.4	34.6	56.6	38.5	37.9	36.4
Average grade	3.5	3.5	3.4	3.4	3.7	3.6	3.5	3.5
Serviced Farms	71	117	37	14	55	74	48	416
Total inspected	59	90	30	12	48	67	39	345
Inspected as % known stock	83.1	76.9	81.1	85.7	87.3	90.5	81.3	82.9
Average grade	3.8	3.6	3.7	3.4	3.5	3.7	3.7	3.7
Self catering	2,895	2,793	1,232	213	429	661	187	8,410
Total inspected	1031	855	701	81	228	231	95	3222
Inspected as % known stock	35.6	30.6	56.9	38	53.1	34.9	50.8	38.3
Average grade	3.3	3.4	3.2	3.4	3.6	3.4	3.5	3.3
Holiday parks	247	198	116	23	29	106	26	745
Total inspected	112	95	72	10	10	44	9	352
Inspected as % known stock	45.3	48	62.1	43.5	34.5	41.5	34.6	47.2
Average grade	3.9	3.9	3.8	3.6	3.6	3.8	3.9	3.9

Table 1.2 indicates there are significant variations between sectors, particularly in the average grade awarded to inspected accommodation. For example, hotels have the lowest

average grade (2.9), while holiday parks have the highest (3.9). Serviced farms are, on average, 82.9% inspected, achieving an average grade of 3.7. Each county has strengths in different sectors:

Cornwall has above average grades for B&Bs, serviced farms and holiday parks, and has over half its inns within the inspection scheme.

Devon has above average grades for B&B and holiday parks, although it has low participation rates in the inspection scheme in other sectors.

Dorset has high participation rates for hotels, self-catering and holiday parks, and an above average grade for inns.

In former **Avon (represented as the West of England partnership for marketing purposes)**, hotels are of a slightly higher average grade, but their guesthouses, serviced farms and holiday parks perform less well

Gloucestershire performs well across the board, with particular quality strengths in the B&B, guesthouses and self-catering sectors.

Somerset has no sectors that are either particularly strong or particularly weak.

Wiltshire has strengths in the average quality grade of its hotels, inns and holiday parks, although its B&Bs perform slightly less well than other areas.

Retail and food and drink establishments

The retail and tourism sectors are mutually interdependent. Retail outlets service the needs of visitors and tourists and day visitors from home can provide the majority of the market for many shops, especially in more popular tourist destinations. Indeed, tourists and day visitors may make dedicated leisure shopping trips or combine shopping with other activities. However, retail outlet dependency on visitors is a function of location and product and realistically it is not possible to quantify the number of retail outlets involved with tourism in the South West.

Food and drink is also an integral part of the tourist experience and is often closely interwoven with the shopping trip experience. A report published in 2001 for MAFF (now DEFRA) found that between 61-69% of holiday makers and visitors felt that food in general made a positive contribution to their holiday, while 39% said that it contributed 'a lot'. Between 32% and 66% of tourists purchase or eat local foods during their visit. The most popular venues for eating out are: pubs (64%), tearooms (43%), café and snack bars (32%), and fish and chip shops (31%). However, whether a particular eating establishment is defined as a predominantly tourism business varies widely according to location, opening hours, product and marketing.

The importance of these activities is confirmed by national statistics on visitor spending. In 2001, 22% of domestic visitor spending was on eating out and 15% on shopping; the equivalent percentages for overseas visitors were 27% and 21% respectively. An example of a retailing enterprise with strong tourism interdependency is **Dartington Crystal** in Torrington. It was set up in 1967 by the Dartington Hall Trust to try to counter the depopulation that was occurring in rural North Devon at that time. Employment has grown from 35 to 250. The current visitor centre, built in 1987, includes exhibitions, working demonstrations by craftsmen and a family activity centre. Dartington Crystal is now one of the South West's leading visitor attractions and there are plans for further development. Of the estimated 250,000 visitors, approximately 75% of visitors are staying in the area on holiday. The glass shop is extensive and stocks a wide selection of first quality crystal and slightly imperfect pieces at reduced prices and is considered to be the largest glass shop in the country. Retail turnover in the last financial year amounted to £1.8 million, with an average spend of £22 per visitor in 2002.

1.3 The South West economy

Tourism is crucial to the South West economy. Indeed, the commercial landscape of a large part of the region is concerned with, and devoted to, satisfying the needs of visitors as consumers. From rural B&Bs, inns and country hotels marketing local produce, to the explosion in surfing related activities and world-class attractions, spending by visitors supports jobs, local businesses and local infrastructure. Indeed, even with rather crude economic indicators, the importance of the sector is illustrated when 26.3% of employment in the region in March 2000 is attributable to *distribution, hotels and restaurants*, rising to 30.8% in Cornwall and 32.7% in Bournemouth. [6]

The value of tourism in the South West is, of course, a subset of the overall South West economy, and the South West economy is as diverse as its environment and cultural legacy. Although it is generally considered to be performing strongly (second lowest unemployment rate, third highest male economic activity rate, fourth highest rate of research and development activity as a percentage of GDP) there are significant problems. GDP per head is relatively low, GVA was only 90.4% of the UK average and the region is weak in terms of exporting activity.

The region has an extensive road network, though much of it is relatively removed from the UK's central transport infrastructure. Overall there are more than 5,000km of major roads and 43,000km of minor roads. The busiest sections of road are the M4 and M5 motorways but overall, the region's major roads have the lightest volume of traffic in England. Parts of the region also have excellent rail links with the rest of the country, including a Paddington - Plymouth service with a journey time of less than three hours.

The largest airport in the region is Bristol Airport, handling over 3 million passengers in 2002. Passenger numbers have grown significantly in recent years, with a new terminal being opened in March 2000. Bournemouth is the region's principal airport for freight, handling over 5.5 thousand tonnes of freight in 1997. Here there has been recent expansion of the industrial park, further increasing international trade capabilities. Smaller regional airports are also important to the South West including those at Exeter, Plymouth and Newquay. There are also a number of major ports within the South West. Portbury and Avonmouth are Bristol's two main ports, concentrating on the import and export of cars, forest products and bulk cargo, such as animal feeds. Plymouth and Poole ports primarily deal with ro-ro traffic and provide important linkages to France, Spain and the Channel Islands. Fowey, Par, Teignmouth and Falmouth are also important regional ports for freight transport.

The South West's contribution to the English economy, in 1999, was £58 billion. This represents 9% of the English total and overall GDP in the region has grown steadily since the early 1990s. The region has, however, a lower representation of output in manufacturing and financial services than other regions and has a weak representation in Knowledge-based industries. In order to balance weaknesses apparent in the regional economic structure and identify economic opportunities, SWRDA have identified a number of industries or sub-sectors that offer real opportunities for sustainable growth, and tourism is one of those priority areas.

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[6] The following analysis has been brought together from three publication: **The South West Economy**, 14th Edition, South West Economy Centre the **Regional economic strategy for the South West of England 2003-2012**, SWRDA, 2003 and **The South West Economic State of the Region Report, 2002**, DTZ PIEDA Consulting, 2002.

There are significant differences in economic performance and opportunities at the sub-regional level. For example, Cornwall, Devon and Dorset have levels of GDP pre head below the national average whereas areas such as Swindon and Bristol have higher levels. The South West has a high rate of employment compared to UK and European standards, but the highest rates of employment are in the east and the lowest in the west. In part, this can be attributed to the seasonal nature of employment in the tourism industry. Finally, as an example, the South West compares favourably with England on the national measure of Index of Multiple Deprivation (IMD) but has 30 of the 10% most deprived wards in England, mostly in urban centres.

It is into this diverse economy that the tourism industry, which is more important in the South West than in other regions, provides crucial investment, jobs and profile. In economic terms, tourism already makes a positive difference to the regional economy and can make a greater contribution in the future. Spending on travel and tourism is ‘income elastic’ so, as people become more affluent, they spend proportionately more of their income on such products. There is, potentially, enough capacity in the market for increased domestic and foreign tourism and with support and positive action there are a number of opportunities for the region; growth in the further development of modern tourism products, the promotion of local supply chains and an emphasis on projects that contribute to conserving and improving the region’s physical and cultural capital.