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UNDERSTANDING EXTRACTIVE TOURISM IN RURAL WALES

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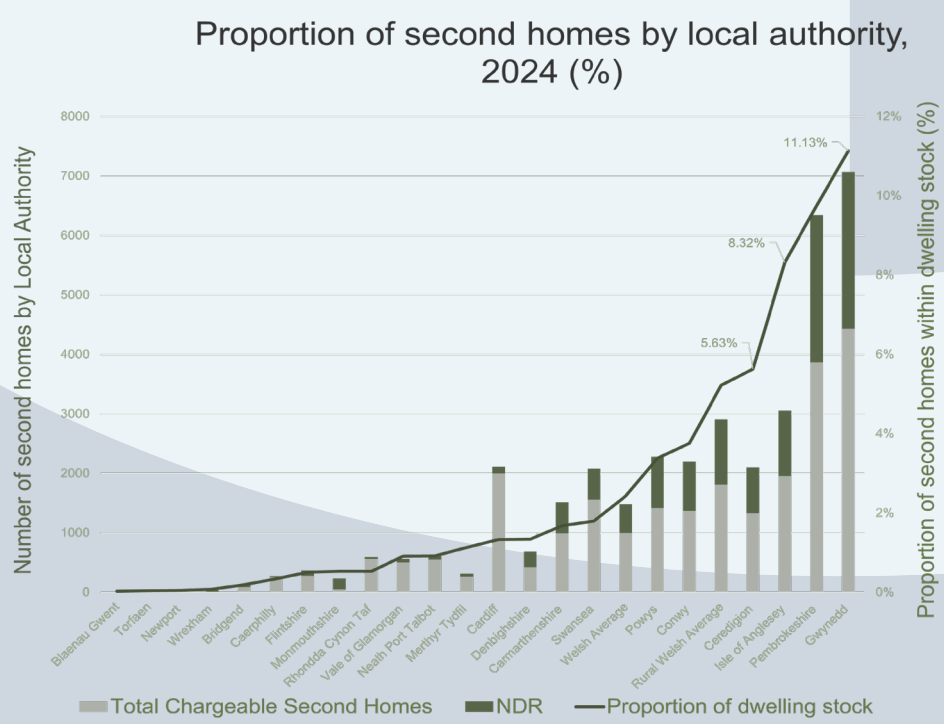
Overview of the Data Fellowship

Whilst at the Centre for Local Economic Strategies (CLES) I conducted a research project on 'Extractive tourism in rural Wales'. I focused on this topic due to the evolving policy context of the recently implemented Welsh Visitor Levy. I identified key tourism sub-sectors of the food and beverage and accommodation industries, and analysed the impact of increasing numbers of holiday homes decreasing housing affordability for first-time buyers, leading to stagnant wages, tourism-dependent businesses and harming local service provision. I also identified patterns of wealth extraction in the hospitality industry through ownership data and the distribution of profits versus wages.

Data Analysis

With no official count of holiday homes in Wales, I reviewed literature and combined data on second homes paying council tax premiums and non-domestic rate registrations for self-catering properties to establish an updated estimate of holiday homes as a % of dwelling stock. From this, I considered the affordability ratio at LSOA level to compare the disparity between household incomes and house prices.

For hospitality ownership and profit extraction, I used Datacity to gather a comprehensive list of firms trading in three tourism-dependent rural local authorities. This captured larger companies



Second homes as a % of the dwelling stock in Welsh local authorities, 2024

which traded in rural Wales, but registered elsewhere, some in known tax havens, such as Burger King. I merged and cleaned datasets with Python, managed naming inconsistencies, and cross-referenced firms by SIC code, name, and parent company name and country to identify ownership patterns and wealth extraction across rural Wales.

Tourism-related industry	Hourly pay - Excluding overtime (£)
55: Accommodation	**11.23**
Full-Time	12.5
Part-Time	10.69
56: Food and beverage service activities	**10.5**
Full-Time	11.09
Part-Time	10.42
Average for all Welsh industry	**14.85**
Full-Time	16.33
Part-Time	11.96

	Age		
Date from	Under 18	18-20	21 and over
Apr-25	£7.55	£10	£12.21
Apr-24	£6.40	£8.60	£11.44

Comparison of average earnings from tourism with the Living Wage, 2024

Findings

- Although 96% of rural hospitality firms are micro businesses, a small number of large, externally owned companies capture most profits. Of the 18 large firms operating in the three rural areas studied, 11 have parent companies registered in tax havens, collectively averaging £34.9 million in annual profits.
- Hospitality work in rural Wales remains dominated by low-wage, part-time roles, with 56% of tourism jobs being part-time (59% in hospitality) compared to 35% in other industries.
- Growing tourism demand increases pressure on the local housing market, driving up prices and reducing availability for first-time buyers and renters. As housing affordability declines, local services lose demand and close, reinforcing community dependence on low-paid, tourism-based employment.

Key Skills Learnt

During my time at CLES, I strengthened my technical skills in Excel and Python through cleaning and analysing datasets to a professional standard, working to understand data at the most granular level available. This process deepened my understanding of Welsh policy and understanding how local trends fit within wider economic narratives. Regular feedback and opportunities to engage with other projects encouraged my professional growth. Attending the Community Wealth Building Summit expanded my network and engagement with place-based policy and local economic development. My time at CLES culminated in presenting my research to the organisation, developing my communication skills, where I gained confidence in articulating complex ideas clearly.

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