



# Valuing the Environment of Wales

## A Review 2001–2006

The Valuing our Environment Partnership works together to reveal hard economic evidence that the environment is fundamental to prosperity in Wales.

The partnership is led by the National Trust Wales, with core partners: Countryside Council for Wales, Environment Agency Wales, Heritage Lottery Fund, and Welsh Assembly Government – Department of Enterprise Innovation & Networks. Other partners have worked with us on particular studies.

Since 2001 the partners have commissioned a series of studies on the impact of the environment on the economy of Wales. The headline results of all the studies are summarised here.

### Valuing our Environment

## The Economic Impact of the Environment of Wales

In 2001 the Partnership commissioned research which, for the first time, calculated the economic impact of the whole environment of Wales. It found:

- The quality of the environment is fundamental to the economy of Wales.
- £6 billion of GDP in Wales is directly dependent on the environment – that is around 9% of Welsh GDP.
- 1 in 6 Welsh jobs are supported by the environment.
- The environment contributes £1.8 billion in wages to the economy of Wales each year.
- Work directly associated with the management, use and appreciation of the natural environment in Wales creates 117,000 full-time jobs.
- Additional work related to this takes the total number of jobs in Wales that depends on the environment to 169,000.
- The management and use of the environment, and the knock-on economic effects of this, generates output of goods and services worth £8.8 billion to Wales each year.

The economic activities relating to the environment were categorised:

Dependent on the quality of the environment e.g. tourism and leisure

Intensive users of environmental resources e.g. agriculture and water abstraction

Protecting and enhancing the environment e.g. conservation and waste management

*The full study and a technical summary outlining the data sources and methodology for this work are available on the website or on request.*

#### **The impact of these results:**

These impressive statistics continue to achieve the Partnership's goal of influencing public policy development. They have been cited in key documents including:

Welsh Assembly Government's Spatial Plan

Welsh Assembly Government's Environment Strategy

Countryside Council for Wales' Corporate Strategy

EU Environment Minister's speech opening Green Week in Brussels 2006

**The environment is fundamental to prosperity in Wales**

## Valuing our Environment

### A Regional Analysis of Wales

The Partnership subsequently disaggregated the Wales-wide results into the four economic regions of Wales (2003). This showed that the quality of the environment makes an important contribution to the economy of all the regions of Wales.

Economic region of Wales	Environmentally-related output (direct + indirect)	GDP
South east	£2.4 billion	over £900 million
North	£2.25 billion	almost £600 million
South west	£2 billion	almost £550 million
Mid	over £1 billion	almost £300 million

The environment is particularly important in employment terms in mid-Wales where it accounts for a third of all employment; in other regions of Wales this figure varies from 11% to 18%.

Environmentally related businesses in rural Wales generate important work for businesses in south east Wales – especially in the service sector. Half of the 53,000 indirect jobs associated with the management, use and enjoyment of the natural environment are located in this region.

## Appreciating Assets

### Estimating the Economic Value of the Historic Environment of Wales

The National Trust Wales contributed to the suite of 'Valuing our Environment' studies by commissioning this research in 2002. This study took the first steps towards placing an economic value on the historic environment – recognising that history and its influences have a value beyond price.

This study estimated that:

- the historic environment of Wales had a total impact of around £780 million
- the historic environment supported over 22,500 jobs
- 80% of the most visited attractions in Wales were historic sites

## Sustainable Rural Regeneration

To complement these Wales-wide studies, the National Trust Wales commissioned socio-economic impact assessments of investment in two environmental projects at the Trust's properties of Llanerchaeron in Ceredigion and Nantgwynant in Snowdonia (2004).

These showed that investment by the National Trust, European Objective 1 funding and the Heritage Lottery Fund in the natural and historic environment of Wales: breathes new life into rural communities; enables them to develop in a sustainable way; have lasting positive social and economic effects; and creates 'sustainable rural regeneration' from the public investment.

Key findings:

- the total net income effect of the refurbishment of the Llanerchaeron Estate was £1.94 million. This gave a local multiplier of 1.23, which is very substantial indeed.
- at Nantgwynant the economic impact (2000-2004) was calculated at £2.26 million of income created locally which is as much as 5% of local GDP. 85% of the £3.25m spent on the project had gone to local contractors.

## Valuing our Environment

# The Economic Impact of the three National Parks of Wales

The research showed that the environment of the Brecon Beacons National Park, Pembrokeshire Coast National Park and Snowdonia National Park makes a considerable contribution to the economy of Wales. The Parks' environment:

- Supports nearly 12,000 jobs
- Produces total income to businesses of £177 million
- Generates £205 million GDP

The National Parks are icons for tourism inside and outside the boundaries and offer a strong brand image for Welsh goods and services. Much of the economic benefit of the Parks occurs outside their boundaries. The Parks therefore support not only their local economies, but also the economy of Wales as a whole.

This study was commissioned by the Valuing the Environment Partnership with the Countryside Council for Wales as the lead funder (2006). Additional partners in this study were the three National Park Authorities.

## Valuing our Environment

# The Economic Impact of the Coastal & Marine Environment of Wales.

The research showed that the richness and diversity of the coastal and marine environment of Wales is vital to the economy of Wales:

- Supports nearly 92,600 jobs
- Produces total income of £6.8 billion
- Generates £2.5 billion GDP

The definitions used were:

Coastal – “those activities involved in the production of goods or services that take place on land but depend on proximity to the sea”.

Marine – “those activities which involve working in or on the sea”.

The study showed that the prosperity of significant parts of Wales is highly dependent on the coastal and marine environment, but that the resource of that environment is under increasing and competing pressures. There is a strong interdependence between effective economic development and maintaining environmental quality.

This study was commissioned by the Valuing the Environment Partnership with the Countryside Council for Wales as the lead funder (2006). Additional partners in this study were WWF Cymru and the Wales Coastal & Maritime Partnership.

For more information see [www.nationaltrust.org.uk/walespolicy](http://www.nationaltrust.org.uk/walespolicy) or phone the National Trust on **029 2046 2281**

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