

MWT Cymru

## **Tourism boss warns of business casualties if virus lockdown is prolonged**

Immediate: April 16, 2020

The chairman of an organisation that represents more than 600 tourism and hospitality businesses across Mid Wales is warning of dire consequences for the industry if the Coronavirus pandemic lockdown continues into June.

Rowland Rees-Evans, who leads MWT Cymru and is a director of the family-owned Penrhos holiday, golf and leisure park at Llanrhystyd, near Aberystwyth, says most tourism operators have planned to remain closed until the end of May.

Should the lockdown continue later into the main tourist season, businesses would have missed Easter and the May Bank Holidays period and any cash received from the UK and Welsh Governments would have run out.

He accepted that the lockdown would only be lifted when the UK and Welsh Governments' medical experts advised that it was safe to do so. He urged the public to heed the 'stay at home to save lives' message to help reduce the lockdown period and praised the heroic NHS staff on the front line for "keeping the country going" through the crisis.

He called on the UK and Welsh Governments to help business planning by urgently revealing the exit strategy from the crisis and criticised some banks for not supporting tourism businesses through the crisis by providing low interest loans to ensure companies survive.

The UK Government, Bank of England and Financial Conduct Authority have all urged banks to support the economy by ensuring that low interest rates are passed on to businesses.

"From our conversations with member businesses, it appears that where banks have been good with their support, they have been brilliant, but where they have been bad, they have been woeful," said Mr Rees-Evans.

“This is very surprising when the Bank of England has asked all banks to pass on the benefits of low interest rates to their customers. Banks seem to have forgotten that the country stepped in to support them when they were in trouble. Now it’s payback time.”

He welcomed the Welsh and UK Governments’ support for businesses, including grants, the furloughing of employees, 100 per cent business rate relief and deferred VAT payments.

But he warned that tourism business would be unable make up the money they were losing during the shutdown, which they traditionally relied on through the quiet winter months.

“Businesses are having to cover their staff costs until they receive cash from the furlough scheme which is putting pressure on cash flow,” added Mr Rees-Evans. “The Governments’ support is a short-term lifeline and businesses have put in place robust business plans until the end of May.

“They now need to know, sooner rather than later, what the Governments’ exit strategy is. If they are unable to reopen in June, they will have lost a key part of the prime tourist season which is going to be very tough on them and I fear that we are going to lose some businesses.

“Even if businesses do reopen in June, the economic hit on tourism is going to be massive. The fear is that people will have less money to spend on holidays and it is going to be crucial that we all work together in Mid Wales and Wales as a whole to get marketing up and running as quickly as possible.

“MWT Cymru is working closely with Visit Wales and we shall be doing everything possible to ensure that visitors are attracted back to Mid Wales when the lockdown ends. We sincerely hope that British people will support our tourism sector by staycating this year.”

Mr Rees-Evans acknowledged the great work being done by Wales Tourism Alliance to ensure the UK and Welsh Governments understand the tourism sector issues in Wales.

MWT Cymru has members in Powys, Ceredigion and South Gwynedd. The total economic impact of tourism on the Powys economy is £864.5 million a year, supporting 11,662 jobs and attracting around 4.69 million visitors.

In Ceredigion, tourism contributes around £331 million annually to the economy, supports 5,400 jobs and attracts more than 2.73 million visitors.

MWT Cymru continues to lobby politicians in Cardiff and Westminster with feedback from tourism businesses in Mid Wales.

Picture caption:

Rowland Rees-Evans, MWT Cymru's chairman.

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