

The FR&WHR - Major Contributors to the Gwynedd Economy

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In November 2008, I submitted a doctoral dissertation on The Economic Impact of the Ffestiniog and Welsh Highland Railways on Gwynedd to the University of Bangor and; after my viva in January, was awarded the degree of Doctor of Philosophy (Ph.D). As I am sure you can imagine, the experience of spending three and half years researching the value of the FR to the local economy was extremely interesting and challenging. I thoroughly enjoyed the time I spent at the Railway and would like to thank everyone who took an interest in what I was doing, and contributed to my research.

The initial objective of my research was to measure the impact the FR has had on the area over the past fifty years. However, it soon became clear that, although it is inevitable that the Railway has made a considerable contribution to the regional economy since reopening, the statistical data which would enable one to measure this impact was not available. Anecdotal evidence, reinforced by local Council reports and census returns, supports the idea that Porthmadog has developed at a much quicker rate than other areas in the region and it appears Blaenau Ffestiniog has also benefited, although to a lesser extent, as have the areas between the two towns. However, since this could not be proved statistically, the scope of my research became limited to assessing the current impact of the FR on the economy of Gwynedd, with only a limited historical perspective.

Part of my research also focused on some of the social issues surrounding the Railway, and I found that although, in the past, there had been some difficulties with the local community, these have largely been resolved. The Railway and the local community have each developed an understanding of the other's importance, and initiatives such as the work placement scheme run in conjunction with Ysgol Eifionydd have played a major role in improving the Railway's image.

The FR is a world-famous tourist attraction and, without question, it has helped put Porthmadog on the map. However, in addition to the FR's contributions, it became clear during my investigations that the impact of the Welsh Highland Railway, both present and future, should also be considered. The presence of the WHR in Caernarfon is slowly beginning to be felt; one example being the steady increase in visitors to the Castle since the Railway reopened.

It goes without saying that a tourist attraction the size of the two Railways has a considerable impact on the area. However quantifying this impact is difficult, and a major survey had to be undertaken to generate data. Close to 1,000 formal, written, surveys of volunteers, passengers, employees, and local businesses were carried out in addition to interviews with dozens of those associated with the two Railways. Those who were members of the Society in 2005 will remember the survey that was carried via the FR Magazine in issue No. 189, which was part of this data collection process.

The Railway's role as a local employer is undoubtedly important, and to quantify this role, it can be compared with other businesses in the county. Only 6.6% of businesses in Gwynedd employ more than ten people. The surveys distributed to businesses in Porthmadog enabled me to draw the conclusion that the average business in Porthmadog employs six people. The FR, which employed over sixty permanent, full-time staff at the time of the survey, therefore employs the same number of people as ten average-sized businesses in Porthmadog.

The owners of some local businesses have commented in the past on how the Railway affects their trade. A survey of local business showed that businesses in Porthmadog are very aware of the important role tourism plays in supporting the town's economy. A comment from one business owner highlighted the point that even businesses that do not benefit directly from the tourist trade have a large proportion of their clientele who do. They notice that, when tourist-related businesses have had a successful year; they have one as well. However, one local accountant pointed out that many local businesses would only realise how important the Railway is to Porthmadog if it were to close. Each year the FR carries approximately 128,000 passengers. Of these, close to 12,000 would not be in the area if it were not for the Railway.

Analysis of the data collected during my research has revealed that, at the present time, Railway volunteers and visitors directly inject about £5,210,000 into the regional economy every year and that this leads to additional expenditure of between £781,400 and £1,562,900, by the people whose jobs they support.

The results from analysing the expenditure on food, accommodation and other purchases by visitors and volunteers, as well as spending by the Company, show that the Railway annually generates a contribution of about £9 million to the regional economy. This is a conservative estimate and is set to grow considerably once the WHR extension is open. This financial contribution supports around 350 full-time local jobs, in addition to those directly provided by the Railway.

The Company has recently received large amounts of public funding to support completion of the rebuilding of the Welsh Highland Railway from Rhyd Ddu to Porthmadog. The amount received is in the region of £10 million. Thanks to the tourist traffic they generate, the railways have been returning between 80%; and 90% of this amount to the regional economy each year and, once the WHR is completely open, it is anticipated that they will return over 100% of that amount into the local economy each year.

One interviewee stated that projects that receive large amounts of public funding often fail to succeed in years after the project is complete. Construction started on the WHR in 1997. Since then, the total amount the Railways have collectively returned to the local economy, on the basis of the evidence analysed in this research, is estimated to be over £60 million. The overall contribution of the WHR to the regional economy, from the cost of its

construction alone, is in excess of £32 million. The current annual contribution the railways and their visitors make to the regional economy is between £8 and £9 million, with the future annual impact estimated to peak at close to £14 million.

This is evidence that investment in the WHR was a positive choice and the figures are proof that it has made, and will continue to make, significant contributions to the economy of Gwynedd, making tourism stronger and benefiting all those who live and work in the region.,

Taking all of the above into account, it is evident that the Railway has had, and will continue to have, a profound impact on the area. The support that the Railway has from visitors and volunteers from elsewhere in the UK, and from around the world, has helped shape Porthmadog into the town it is today, and continues to make a very substantial contribution to the economy of Gwynedd.

Copies of the full text of Dr Williams' thesis, which runs to 425 A4 pages, are available on CD from Harbour Station shop at a cost of £5.