



## Cornwall County Council & Cornwall and Isles of Scilly Economic Forum

### SECTOR PROFILES : AN OVERVIEW

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The thirteen profiles cover various economic sectors identified as being significant to the economy in Cornwall. They include 'traditional' sectors such as agriculture and forestry and fishing, together with 'new' sectors such as creative and environmental technology. Determining what is and what is not included within a sector can be difficult. This is partly a consequence of organisations using different definitions and partly a question of whether data sources can capture the categories which constitute a sector. As a result, some sectors use two definitions to accommodate different views of what constitutes the sector. This allows comparability with other research output where possible.

Looking at employment, the sectors cover advanced engineering with 900 employees (0.5% of the total), to medical and health with 30,800 (16% of the total). Tourism figures vary, according to the definition, from 25,200 to 31500. In terms of GVA, the sectors range from fishing – 0.3%, advanced engineering and environmental technology both 0.4%, to medical and health 9.5% and tourism 13%. Annual growth rates vary considerably, from the 0.1% for advanced engineering to 15.2% for environmental technology. The four big contributors to total GVA – tourism, medical and health, agri-food and manufacturing all had growth rates above the 7.9% average across the Cornish economy.

**Advanced engineering** employs 900 people in Cornwall, equal to 0.5% of total employees in Cornwall. Although the number of units has increased, there has been a decline in employment since 1999 and the sectors contribution to Cornwall's GVA has also declined. In 2006, GVA equalled £30 million, equal to 0.4% of the total GVA for Cornwall.

**Agriculture and forestry** makes up 2.3% of the economy in Cornwall and the Isles of Scilly. In 2004 it was 2.4%, compared to 1% across the UK. After a significant drop in 2000, the agriculture and forestry sector's GVA made a modest recovery. From 1999 to 2006 the annual growth rate of GVA, for the sector was 9.1%. This was above the 7.9% average annual rate for the whole economy in Cornwall. In 2006 there were 2,800 employees, 10,400 farmers and 1,400 casual workers in the sector.

**Agri-food** employs 9,500, (4.9% of all employees) with 23,700 (12.1% of all employees) employed in the broader food sector. The sector is more significant in Cornwall than across the UK in employment terms, using the narrow definition 4.9% in Cornwall compared to 2.4% across GB. Employment is concentrated in quite small areas in Cornwall. In 2006 the overall GVA for the sector (narrow) was £366 million, equal to 5.3% of Cornwall's total GVA. Earnings at the sector level are only available at a UK level (median gross weekly for all employees). The data indicates that whereas earnings in food processing (£378) are close to the UK average (£375), they are below for those in agriculture (£315) and wholesale (£352) and retail (£201).

**Creative industries** sector employs 6,700 employees with an additional 4,200 workers. A substantial proportion of those employed in the sector is self-employed or freelance (CPPRU, 2002). Analysis of the data indicates an increase in employment from 2000 to 2004, in line with other reports, but a decline in total figures since then. The creative industries sector

accounted for 3.5% of Cornwall's GVA in 2006. There has been a decline since 1999, when the sector accounted for 3.8% of the total. Annual growth of 6.6% has been below the Cornish average of 7.9%. The sector contributed £154 million in 1999 and £241 million in 2006.

**Environmental technology** employs 2,000 people in Cornwall, equal to 1% of all employees. In 2006, the GVA contributed £27 million to GVA, which represents 0.4% of Cornwall's total GVA. Though a small sector, it has grown substantially between 1999 and 2006, in employment terms by 83% and in GVA terms by 15.2% per annum. Earnings in this sector are above average for most of the categories.

**Fishing.** In 2006 there were a total of 672 registered fishing vessels with a homeport in Cornwall & the Isles of Scilly. Within Cornwall, Newlyn dominates the industry, accounting for 58% of total value. In line with the situation across the UK, employment has declined in both absolute and relative terms. In 2006, there were 800 people employed in fishing, covering catching, processing, wholesale and retail. Earnings at the sector level are only available at a UK level (median gross weekly for all employees). In the processing sub-sector at £282 they are equal to 75% of the median, with earnings in wholesale at £341 about 91% of the median. Median weekly gross employee earnings in 2007 for all employees equalled £375. In 2006, the overall GVA for the sector (narrow definition) was £23.3 million. The broad definition gives a figure of £26.5 million. These figures represent 0.3% and 0.4% of total GVA respectively. The total value of fish landings in Cornwall in 2006 was £31.7 million.

**Food and drink manufacturing** employs 6,700 with 21,000 employed in the broader food sector. In contrast to the situation across Great Britain, employment in absolute and relative terms has grown in Cornwall. An increase of 1800 or 37%. In line with employment trends, the number of business units in the food and drink manufacturing sector has increased though the number of units in the broader sector has declined. In 2006 the overall GVA for the sector was £205 million, equal to 3% of total GVA. Employee earnings levels in food processing for the UK are close to the average (median) figure (£364) with earnings in retail about 50% of the average.

**ICT.** There are 2700 jobs in the sector in Cornwall, with a total of 700 units. Most business units are small. The sector accounts for 1.6% of total GVA, £109 million in 2006. Employee earnings in the sector, at the UK level, tend to be above average.

**Manufacturing.** 8,400 are employed in the sector in Cornwall, this is equivalent to 4.3% of all employees in Cornwall. There has been a decline in both relative and absolute terms in employment levels in Cornwall. Manufacturing units in Cornwall tend to be smaller than those across the UK. In 2006, the sector contributed £352 million to total GVA, equal to 5.1% of the total GVA for Cornwall. Generally, earnings in manufacturing are above the average, equalled £444 compared to a figure of £375 for all employees.

**Marine** employs over 1,700 in Cornwall. This equals 0.9% of all employees in Cornwall. In contrast to the situation across Great Britain, employment in absolute and relative terms has grown in Cornwall. In 2006, sector GVA totalled £58 million. This equals 0.8% of total GVA in Cornwall. Annual growth in GVA at 7.3% has been below the average GVA growth rate of 7.9% for Cornwall. Earnings in the marine sector are above average.

**Medical and health** employs 30,800. This equals 15.9% of all employees in Cornwall. In line with the situation across Great Britain, employment has increased in absolute terms. In line with employment trends, the number of business units in the medical and health sector has increased. In 2006 the overall GVA for the sector was £653 million, equal to 9.5% of the total GVA for Cornwall. Employee earnings levels in the medical and health sector for the UK vary, in manufacturing being above the average (median) figure (£375) with earnings in health and social work below the average.

**Tourism** Using the narrow definition, the tourism sector employs 25,200. This equals 13% of all employees in Cornwall. The broader definition indicates a total of 31,500. This equals 16.3% of total employment. In line with the situation across Great Britain, employment has increased in both absolute and relative terms. In line with employment trends, the number of business units in the tourism sector has increased, the percentage increase is above the rates for the SW and GB. In 2006 the overall GVA for the sector, using the narrow definition was £731million, equal to 10.6% of total GVA. In 2006 the overall GVA for the sector, using the broad definition was £896 million, equal to 13% of total GVA. Employee earnings levels in the hotel and restaurants sub-sector in the UK are half the average (median) figure (£199), though above average in the transport sector. The Eden Project tops the list of attractions in Cornwall with 1.2 million visitors, placing it ninth amongst major paid attractions across England. It is estimated that 11% of the retail sector is tourist related - 2,700 employed and £78 million tourist related GVA.

**Voluntary and community** sector employs 17,120, with 2,960 units. The workforce is concentrated in a few organisations.

It is clear from the analysis of the data that there are considerable links between the sectors, for example, tourism has clear links with agriculture and forestry. Agriculture can in its role of land management be considered one attraction for tourists while some elements of farm diversification consist of tourist provision – accommodation, attractions. Similar links exist between tourism and food and drink. Clear links also exist between manufacturing, advanced engineering, and marine, though these are often not captured in the data analysis due to the nature of the data.

### Summary of sector data

Sector	Employees		Other workers	GVA		Annual % growth	Earnings £ weekly (UK)	Productivity GVA/worker	
	Numbers	% of total	Numbers	£million	% of total			£ year	% of average
Advanced engineering	900	0.5		30	0.4	0.1		£30,800	112
Agriculture and forestry	2,800	1.4	11,800	161	2.3	9.1	315.3	£14,100	51
Agri-food	9,500	4.9		366	5.3	9.1		£20,100	73
Creative	6,700	3.5	4,200	241	3.5	6.6		£32,100	117
Environmental technology	2,000	1.1		27.4	0.4	15.2		£26,700	97
Fishing	800	0.4		26.5	0.4	1.4	na	£31,300	114
Food and drink	6,700	3.5		205	3.0	9.1	380.4	£30,200	110
ICT	2,700	0.9		109	1.6	6.4		£33,200	121
Marine	1,700	0.9		58	0.8	7.3		£32,500	118
Manufacturing	8,400	4.3		352	5.1	4.0	*1 443.8	£29,600	108
Medical and health	30,800	15.9		653	9.5	10.1		£20,300	74
Tourism (narrow)	25,200	13.0		731	10.6	8.4	*2 198.8	£18,300	66
Tourism (broad)	31,500	16.3		896	13.0	8.9	*2 198.8	£19,000	69
Voluntary	17,000			3	3	3		3	3
<b>Total</b>	<b>193,100</b>	<b>100</b>		<b>6903</b>		<b>7.9</b>	<b>374.9</b>	<b>£27,500</b>	<b>100</b>

**NB**

- \* 1 Applies to all manufacturing
- \* 2 Hotel and restaurant category only
- \* 3 Information not available

Productivity – expressed as GVA per worker.

## Traditional sectors

The table below shows the data for the traditional sectors. This is provided for comparative purposes.

Industry	Employment		GVA		Growth 1999-2006	ASHE		Productivity	
	Number	%	£million	% of total		£	% of total	£	% of average
A : Agriculture, hunting and forestry	400	0.2	161.4	2.3	9.1%	315.3	84.1	14100	51.2
B : Fishing	300	0.2	23.3	0.3	-0.2%	x	na	31500	114.5
C : Mining and quarrying	1,100	0.6	50.6	0.7	-4.3%	572.8	152.8	45500	165.3
D : Manufacturing	18,900	9.8	700.4	10.1	5.8%	443.8	118.4	30700	111.4
E : Electricity, gas and water supply	500	0.3	40.8	0.6	5.2%	547.7	146.1	60300	219.1
F : Construction	10,100	5.2	667.7	9.7	7.0%	472.9	126.1	40200	146.1
G : Wholesale and retail trade; repair of motor vehicles, etc	36,300	18.8	1,068.30	15.5	6.2%	273.8	73.0	25800	93.8
H : Hotels and restaurants	23,600	12.2	645.8	9.4	7.8%	198.8	53.0	17300	62.7
I : Transport, storage and communication	8,600	4.5	282.1	4.1	10.6%	440.8	117.6	25600	93.1
J : Financial intermediation	3,500	1.8	141.5	2.1	7.8%	488.9	130.4	31600	114.8
K : Real estate, renting and business activities	19,200	9.9	1,492.00	21.6	9.5%	421.6	112.5	40100	145.6
L : Public administration and defence; compulsory social security	10,000	5.2	232.8	3.4	8.5%	450.6	120.2	23300	84.8
M : Education	19,900	10.3	362.3	5.2	10.3%	358.7	95.7	18000	65.4
N : Health and social work	29,500	15.3	646.8	9.3	9.9%	331.1	88.3	20200	73.4
O : Other community, social and personal service activities	11,300	5.8	387.1	5.6	9.8%	315.1	84.0	24100	87.7
<b>Total</b>	<b>193,200</b>	<b>100</b>	<b>6,903</b>	<b>100</b>	<b>7.9%</b>	<b>374.9</b>	<b>100.0</b>	<b>27500</b>	<b>100.0</b>

### Sources

Employees – Annual Business Inquiry

GVA – Local GVA Model

Earnings – Annual Survey of Hours and Earnings 2007

Productivity – derived from Local GVA Model.

There are various health warnings and caveats that cover this data. For a fuller discussion of this or if you want to source this data or the fuller profiles behind it please contact:

For further information about this or the other profiles in the series please contact Peter Wills, Corporate Economy and Europe Unit, Cornwall County Council: 01872 322520, [pwills@cornwall.gov.uk](mailto:pwills@cornwall.gov.uk)