

Rt Hon David Cameron MP
Prime Minister
10 Downing Street
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12 September 2012

Dear Prime Minister

It is now two years since you gave your keynote speech on tourism at the Serpentine Gallery when you identified tourism as one of the best ways of rebalancing and rebuilding the UK economy.

Your belief in the tourism industry's potential to provide revenue and employment for the UK has not been misplaced. Inbound and domestic visitor numbers and spend have increased adding an estimated 85,000 new jobs.

Among the contributing factors to this success was the appointment of Jeremy Hunt and John Penrose, who showed considerable commitment to removing impediments to the growth of tourism businesses and set down a welcome Policy for Tourism. The industry now looks forward to working with Maria Miller and Hugh Robertson to ensure the Policy is fully implemented and the momentum gained from the successful hosting of both the Olympic and Paralympic Games is built upon.

The significant shift in perception of the UK as a destination occasioned by the Games has also been helped in no small measure by the "GREAT Britain" campaign. For the first time there is a coherent, powerful brand to promote Britain overseas. This has helped co-ordinate the UK's overseas facing Government Agencies in promoting the UK. The promotion of inward travel and investment into the UK through a strong working relationship by UKTI, the FCO, the British Council and VisitBritain is a very positive step forward. We hope the Government will commit to maintaining this model and also consider it for domestic marketing.

In your 2010 speech, you stated that you wanted to see a significant increase in the number of Chinese visitors to the UK. Since you made this speech, the UK's share of the Chinese outbound market has dropped to just 0.25%. In the five years since 2007, total Chinese outbound visitors have increased from 34.5m to 60.0m. However, of these 25.5m additional outbound visitors, the UK gained a mere 3,000.

What is needed to reverse the decline in the UK's share of Chinese outbound tourism is a cross-departmental approach to the development of a tourism and trade policy with China. This approach has recently been undertaken in the USA where President Obama signed an Executive Order directing the Secretaries of a number of Government Departments to work together to develop a strategy to increase America's share of international travel, especially from the emerging markets of China, India and Brazil. This strategy has now been implemented and the results are impressive with a 46% increase in Chinese tourism to the USA since the start of 2012.

Such a strategy should also look to address the UK's international competitiveness in the emerging markets and focus on issues such as:

Aviation Capacity

We need to increase route capacity from emerging markets in the short term by looking at what can be done to more effectively allocate available slots.

Air Passenger Duty

There needs to be a review of the impact that APD is having on the UK economy, tourism and business investment.

Visa Processing

The simple fact that the UK is outside the Schengen area means that we are at a considerable competitive disadvantage to other European destinations. Consequently, it is essential that improvements are made which actively encourage legitimate visitors to the UK.

VAT

Economic modelling approved by the Treasury show the benefit to growth and job creation by reducing the rate on accommodation and attractions to competitive levels with our European counterparts.

Reduce the Regulatory Burden

As part of the Tourism and Hospitality Red Tape Challenge, John Penrose established a Tourism Regulation Task Force which submitted its recommendations in December last year. No further progress has been announced since then.

Increase Tourism Marketing

The Industry is encouraged by the positive attitude by the Government to support the 2012 London Olympics with additional tourism marketing funding and include aspects of tourism within the GREAT campaign. It is critical that the momentum established by this policy is allowed to continue by further funding for marketing to VisitBritain and VisitEngland.

In line with all other businesses in the United Kingdom, the 200,000 tourism enterprises, currently employing 2.6 million people, are in full support of the any measures you take to create a positive business environment for economic growth.

As you rightly recognised at the start of your period of Office, the Tourism Industry remains one of your best opportunities to fulfil an economic revival and achieve a strong growth in jobs and investment.

The industry remains ready to deliver its part in these challenging times. We hope you will be equally eager to see through the initiative outlined in this letter to ensure that the Tourism Industry meets the challenges you have set us.

The inspiring goals that you set out in your 2010 speech were greatly welcomed by the Industry. It would be appreciated if you will meet leaders of the UK's tourism businesses again and re-confirm your commitment to the industry and the policy changes needed to ensure its success. The Tourism Alliance would be happy to make arrangements for such a meeting to take place.

Yours sincerely



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Chairman

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