TourismAlliance
the voice of tourism

UK TOURISM STATISTICS 2017

Facts Matter More Than Ever

If the events of the last year teach us one thing, it that reliable, factual information is important and we ignore it at our peril.

In the coming year, having a set of reliable facts will become increasingly important for the UK tourism industry. With Brexit negotiation beginning with the EU it is more important than ever that we truly understand our industry and that we are able to convey the importance of tourism to the UK economy to the officials and politicians undertaking the negotiations.

Work by the Tourism Alliance has shown that the UK tourism industry has two main issues that it needs resolved:

- **Maintaining access to employees**

  While the number of EU employees in the UK tourism industry is only 11%, there are destination and businesses where this figure exceeds 50%. Moreover, as the UK unemployment rates has decreased, the industry's dependence on EU employees that have the high quality soft skills that the industry needs in order to provide world-class service has increased. Tourism growth in 2017 is predicted to increase by 8% - a growth rate that will require well over 100,000 staff. These positions can only be achieved through overseas nationals

- **Maintaining the ease of travel**

  Over 65% of 32m visitors that come to the UK are from other EU countries. One of the main reasons for the high level of custom from the EU is that there is a framework of rules, regulations, standards and agreements that facilitate travel between EU member states and reduce costs to the customer. Maintaining tourism growth, and the associated export earnings and employment it generates, relies on ensuring much of this framework is retained.

However, the is another reason why facts about the UK tourism industry will be of increased importance in 2017, and that is the Government's Industrial Strategy. The tourism industry have long argued that, as tourism is a cross-departmental issue, touching on issues such as immigration, transport, culture, and planning, there needs policy co-ordination across Government.

This, effectively, is what the Industrial Strategy seeks to achieve by providing industries with a deal that brings together 10 different areas of Government activity in a single package. This presents a significant opportunity for the Tourism industry to gain a cohesive and co-ordinated package of reforms and supports mechanisms that allow the industry to achieve its full potential.

But to achieve this we need to make a compelling economic argument. And to make this argument, we need the best possible facts and figures that we can muster.

And this is why facts are more important than ever.

Bernard Donoghue
Chairman, Tourism Alliance

1: The Value of Tourism

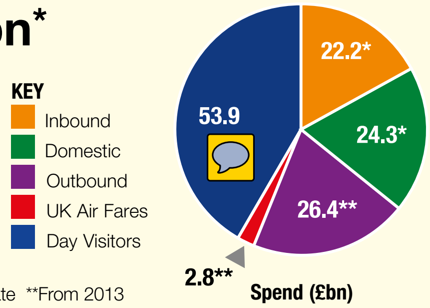
Value of Tourism to the UK Economy - 2014

£127.4bn (7.1%) of UK GDP

The Blue Book, ONS, 2015

Total Revenue from Tourists - 2015

£127.4bn*



*Provisional / Estimate **From 2013

The UK Tourism Industry's International Ranking

- **The UK is the eighth largest international tourism destination ranked by visitor numbers.**

  The first seven destinations are France, USA, Spain, China, Italy, Turkey and Germany.

- **The UK is the fifth largest international tourism destination ranked by visitor expenditure.**

  The first four destinations are USA, China, Spain and France

- **The UK accounts for 3.6% of global international tourism receipts.**

UNWTO Tourism Highlights, 2016 edition

Value of UK Tourism By Region - 2014

	Day Visits (£m)	%	Domestic (£m)	%	Inbound (£m)	%	Total (£m)	%	Direct employment	%
East Midlands	3,290	6.2	1,146	4.6	434	2.0	4,870	4.9	90,185	4.9
East of England	3,626	6.8	1,630	6.6	960	4.5	6,216	6.3	115,111	6.3
London	11,571	21.8	3,080	12.4	11,920	55.4	26,571	26.7	492,056	26.7
North East	2,053	6.0	710	6.0	272	6.0	3,035	6.0	56,204	6.0
North West	5,776	10.9	2,555	10.3	1,210	5.6	9,541	9.6	176,685	9.6
South East	6,627	12.5	2,572	10.4	2,240	10.4	11,439	11.5	211,833	11.5
South West	5,186	9.8	4,434	17.9	1,060	4.9	10,680	10.7	197,778	10.7
West Midlands	4,692	8.8	1,454	5.9	816	3.8	6,962	7.0	128,926	7.0
Yorkshire	3,701	7.0	1,922	7.8	516	2.4	6,139	6.2	113,685	6.2
Scotland	3,922	7.4	3,279	13.2	1,695	7.9	8,896	8.9	164,741	8.9
Wales	2,715	5.1	1,975	8.0	410	1.9	5,100	5.1	94,444	5.1
Total	**53,159**		**24,757**		**21,533**		**99,449**		**1,841,648**	

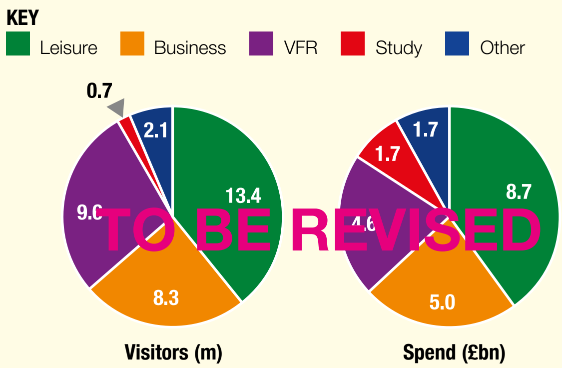
Inernational Passenger Survey (IPS), GTBS, GB Day Visits Survey, 2015

2: Inbound Tourism

Visitor Numbers and Total Spend

International Passenger Survey 2015, Office for National Statistics *Provisional

Visitor Numbers and Total Spend by Sector



International Passenger Survey 2014, Office for National Statistics

Average Spend per Visit

£593 (down 2.6%)

IPS 2016 (provisional), Office for National Statistics

Average Length of Stay

7.6 nights

(down 1.3%)

IPS 2014
Office for National Statistics

Students

English as a Foreign Language

- 535,000 EFL students visited the UK in 2015, spending over £1bn and supporting 26,500 jobs.
- EFL visitor spent £1869 per visit, over three times the average expenditure of visitors to the UK
- While the number of EFL students visiting Ireland increased by 10%, visits to the UK decreased by 8%

Estimating the Value to the UK of Education Exports, Department for Business, Innovation and Skills, June 2011 *Not all students are classified as tourists

Top 10 Source Markets

Visits	(000s)	Spend	(000s)
France	4,171	USA	£3,010
USA	3,266	France	£1,493
Germany	3,249	Germany	£1,378
Irish Republic	2,632	Australia	£1,113
Spain	2,197	Spain	£999
Netherlands	1,897	Irish Republic	£934
Italy	1,794	Italy	£890
Poland	1,707	Netherlands	£676
Belgium	1,175	China	£586
Australia	1,043	Saudi Arabia	£556

International Passenger Survey 2015, Office for National Statistics

Growing and Declining Markets (Visits)

Largest Increase 2014-15		Largest Decline 2013-14	
Serbia	+ 48%	**Russia**	- 34%
Romania	+ 47%	**Slovenia**	- 33%
China	+ 46%	**Malta**	- 26%
Latvia	+ 45%	**Bahrain**	- 25%
Lithuania	+ 37%	**Pakistan**	- 23%

International Passenger Survey, Office for National Statistics

UK's Share of Outbound Visitors from BRIC Markets (%)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Brazil	2.63	2.65	2.85	2.80	3.45	3.05	2.64	3.39	3.05	2.95	3.33	3.81
Russia	0.60	0.62	0.83	0.65	0.57	0.40	0.43	0.47	0.45	0.52	0.62	1.36
India	4.11	3.79	4.40	3.44	3.30	2.47	2.86	2.50	2.27	2.25	2.21	2.07
China	0.33	0.31	0.31	0.36	0.23	0.19	0.19	0.21	0.22	0.20	0.17	0.22

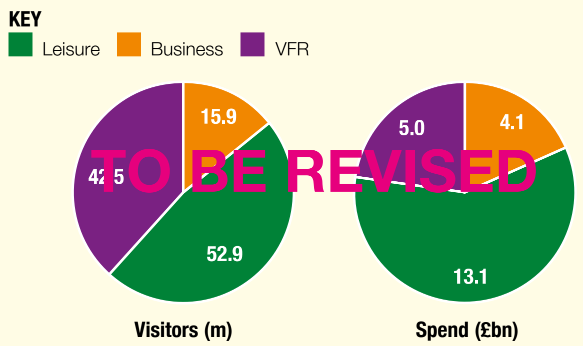
International Passenger Survey, Office for National Statistics

3: Domestic Tourism

Visitor Numbers and Total Spend

GB Tourism Survey 2015, VisitEngland *Estimate

Visitor Numbers and Total Spend by Sector



GB Tourism Survey 2014, VisitEngland

Average Spend per Visit

£199

GBTS 2015, VisitEngland

Average Length of Stay

3.1 nights

GBTS 2015, VisitEngland

Domestic Tourism by Region

	2014 Trips (m)	2015 Trips (m)	Change	2014 Spend (£m)	2015 Spend (£m)	Change
East of England	9.0	9.7	7.78%	1,604	1,630	1.62%
East Midlands	7.1	8.0	12.68%	1,107	1,146	3.52%
London	11.4	12.9	13.16%	2,889	3,080	6.61%
North East	3.7	3.8	2.70%	616	710	15.26%
North West	12.7	13.6	7.09%	2,465	2,555	3.65%
South East	16.2	16.8	3.70%	2,448	2,572	5.07%
South West	17.3	19.7	13.87%	3,933	4,434	12.74%
West Midlands	7.3	8.8	20.55%	1,153	1,454	26.11%
Yorkshire & the Humber	9.5	11.3	18.95%	1,728	1,922	11.23%
Scotland	12.5	12.0	-4.00%	2,871	3,279	14.21%
Wales	10.0	10.5	5.00%	1,735	1,975	13.83%

GBTS 2015, VisitEngland

Activities Undertaken on Domestic Trips

Activity	Trips (m)
Just relaxing	34.58
Sightseeing on foot	31.56
Short walk / stroll – up to 2 miles / 1 hour	24.11
Sightseeing by car	19.94
Visiting a beach	14.27
Long walk, hike or ramble (min of 2 miles / 1 hour)	14.11
Centre based walking (i.e. around a city / town centre)	10.75
Swimming (indoors or outdoors)	7.17
Having a Picnic or BBQ	7.16
Visiting a Museum	7.14
Visiting a Country Park	7.14

GBTS 2014, VisitEngland

4: Outbound Tourism

Outbound Tourism Expenditure

Product / service category	Expenditure (£m)
Accommodation services for visitors	619
Food and beverage serving services	582
Railway passenger transport services	598
Road passenger transport services	699
Water passenger transport services	416
Air passenger transport services	15,910
Transport equipment rental services	1
Travel agencies and reservation services	1,667
Cultural activities	1
Sport and recreation activities	0
Exhibitions and conferences etc	0
Other consumption products	5,890
Total	**26,383**

Tourism Satellite Accounts 2013, Office for National Statistics

5: Day Visitors

Day Visitors

	Visits (m)	Spend (£bn)
All visits	1,525	53.9
Visits to		
Large town / city	43%	56%
Small town	24%	18%
Countryside / village	22%	15%
Seaside / coast	17%	8%

GB Day Visits Survey 2014 and 2015, VisitEngland

6: Events

Value of the UK Events Sector (Direct Spend)

	Spend (£bn)
Conferences and meetings	19.2
UK Exhibitions and trade fairs	11.0
Global Exhibitions by UK Organisers	2.0
Incentive travel and performance improvement	1.2
Corporate hospitality and corporate events	1.2
Outdoor events	1.1
Festivals and cultural events	1.1
Music events	2.3
Sporting events	2.3
Total	**41.4**

Events are GREAT Britain, Business Visits & Events Partnership, 2015

7: Tourism Economics

Price Elasticity of Tourism

- For every **1% decrease** in the cost of visiting the UK, the UK's inbound tourism earnings **increase by 1.3%.**
- For every **1% increase** in the cost of travelling overseas, the UK's domestic tourism earning **decrease by 0.8%.**

Sensitive Tourists, BTA, 2001

Tourism Export Earnings

- **In 2015 travel expenditure by non-residents visiting the UK totalled £ 29.8bn, accounting for 13.2% of UK service sector exports and 5.8% of total UK exports.**
- **Tourism is the UK's fifth largest export earner after Chemicals, Intermediate Manufactured Goods, Financial Services and Capital Goods.**

The Pink Book, Office for National Statistics, 2016

7: Tourism Economics continued

Job Creation

- A new **Full Time Equivalent** tourism job is created with every **£54,000** increase in tourism revenue.

Tourism: jobs and growth, VisitBritain / Deloitte, 2013

- Between 2009 and 2014, tourism employment grew by **11.72 %** compared with a growth of **5.11%** in non-tourism industries.

ONS, Employment in UK tourism industries, 2014

UK Tourism GVA by Sector

Sector	Spend (£bn)
Accommodation services for visitors	8.4
Food and beverage serving services	8.7
Railway passenger transport services	2.2
Road passenger transport services	1.0
Water passenger transport services	0.7
Air passenger transport services	4.4
Transport equipment rental services	0.2
Travel agencies and other reservation services	8.0
Cultural activities	1.6
Sport and recreation activities	2.4
Exhibitions and conferences etc	0.02
Other consumption products	21.2
TOTAL GVA	59.0

Tourism Satellite Account 2013, Office for National Statistics

Tourism Taxation

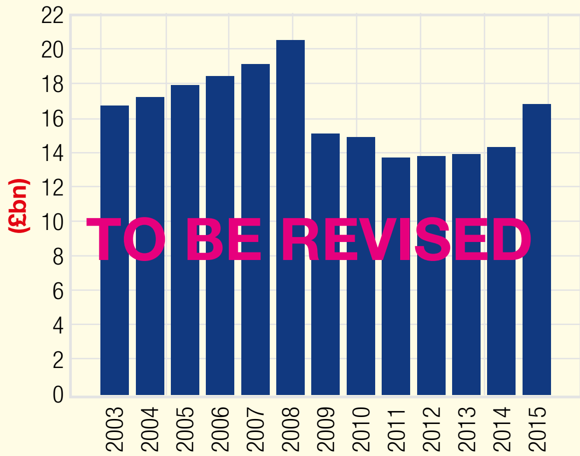
Air Passenger Duty	**£3.2bn***
VAT (estimate)	**£21.5bn**

APD bulletin Dec 2016, HMRC *Provisional

- World Economic Forum's 2015 study on international competitiveness shows that because of high travel related taxes the **UK ranks 140th out of 141 countries in terms of price competitiveness.**

The Travel and Tourism Competitiveness Report, WEF, 2015

UK Tourism Deficit



International Passenger Survey 2015 (*Provisional) Office for National Statistics

8: Tourism Employment

- Employment in UK tourism industries increased between 2009 and 2014, from **2.66 million to 2.97 million**.
- The sector is the UK's third largest employer, accounting for **9.5% of total employment**.
- Tourism is one the **fastest growing sectors in the UK in employment terms**.
- There are **265,000 tourism businesses in the UK**.
- Tourism businesses account for **10% of all businesses in the UK**.

Tourism: jobs and growth, VisitBritain / Deloitte, 2013
DETI ,Inter Departmental Business Register 2014

Tourism Employment by Sector

Accommodation services for visitors	388
Food and beverage serving services	1,308
Passenger transport services	503
Culture, sport and recreation	775
Total	**2,970**

Office for National Statistics, Characteristics of tourism industries, 2014

- **Almost 70% of tourism and hospitality businesses employ fewer than 10 people.**

Employer Skills Survey, UK Commission for Employment and Skills, 2016

- **Expenditure on training in the sector increased by 25% between 2013 and 2015.**

Employer Skills Survey, UK Commission for Employment and Skills, 2016

- The sector is a significant incubator for entrepreneurs – **24,000 businesses started up in the sector in 2015, a 14% rise on 2014 start-ups.**

Business Demography, Office for National Statistics, 2015

- **Foreign nations comprise 24% of the workforce, with EU nationals comprising 45% of this number.**
- **The average UK business has 24% of its staff aged under 30. Hospitality and tourism businesses have 46%.**
- Projections suggest that the sector will need to recruit an additional **1.3m more staff by the end of 2024.**

Skills and workforce profile - hospitality and tourism, People 1st,2016

- The average UK business has 9% of its employees from minority groups. **Tourism businesses employ 14%.**
- The average UK business has 23% of its staff with A levels. **Tourism businesses have 25%.**
- The average UK business has 11% of staff in skilled trades. **Tourism businesses have 12%.**

Employment Characteristics of Tourism Industries
Office for National Statistics, 2013

SECTION 2: Policy Related Statistics

VAT

VAT Rates on accomodation In The Five Major European Destinations

Country	VAT Rate
Germany	7%
France	10%
Italy	10%
Spain	10%
UK	**20%**

- Of the 28 EU countries, the UK is one of only three that charge the full rate of VAT on tourism accommodation (the others being Denmark, which has no reduced rates of VAT, and Slovakia).
- The average VAT rate for accommodation in the other European countries is 10.3%.
- The UK is one of only 12 EU countries that apply full rate VAT on restaurant meals. The average for the rest of the EU is 15.1%.
- Modelling using the Treasury's own Computable General Equilibrium Model and research by Deloitte and others shows that, over 10 years, reducing VAT to 5% would:
  - Improve the UK's trade balance by £22.2bn
  - Create 116,000 jobs
  - Deliver £4.2bn to the Exchequer

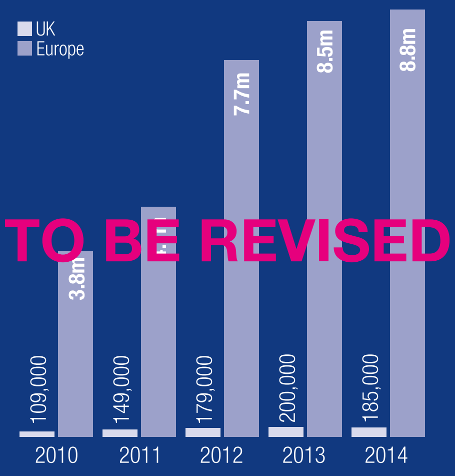
Air Passenger Duty

- A family of four over the age of 16 from China or India departing the UK in economy class currently pays £300 in APD.
- The Government collects £3.2bn per annum from passengers through APD. Revenues are expected to increase to £3.3bn in 2017-18.
- Research by the World Economic Forum in 2015 shows that Chad is the only country in the world with higher aviation taxation.
- Since it was introduced in the 1993 Budget, the cost of Air Passenger Duty per flight has risen by almost 550%.
- Research by PwC on the impact of abolishing APD showed that this would:
  - Boost UK GDP by 1.7%by 2020
  - Create 61,000 extra jobs in the UK

The Economic Impact of Air Passenger Duty, PwC

Visas

UK vs Europe – Increase in Chinese Visitors



- In 2015, the UK received approximately 2.9m visitors from countries needing a visitor visa to enter the UK. These visitors:
  - spent £4.5bn in the UK during their stay
  - spent an average of £1553 per person per visit – almost three times the amount (£529) spent by visitors from visa waiver countries.
  - created direct employment for over 83,000 people in the UK.
- Despite their much higher economic value, the number of visitors from the visa national countries has increased by only 17% over the last 10 years.
- The UK's market share of Chinese, Indian and Russian outbound tourism has fallen by an average of 35% since the introduction of biometric visas in 2008.
- A UK short stay visa costs £87, compared to around £50 for a Schengen visa, which allows visitors access to 26 countries.
- A family of four from China or India have to pay a total of £640 in APD and visa charges to travel to the UK.

UK Market Share of Chinese Tourists

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Chinese Outbound	34.5m	39.5m	46m	47m	57.4m	70m	82m	97.3m	109m	120m
Chinese outbound to the UK	107,000	143,000	108,000	89,000	109,000	149,000	179,000	200,000	185,000	270,000
UK% of total Chinese Outbound	0.31	0.36	0.23	0.19	0.19	0.21	0.22	0.21	0.17	0.22

International Passenger Survey, Office for National Statistics

The Tourism Alliance is the Voice of the Tourism Industry, comprising 55 Tourism Industry Organisations that together represent some 200,000 businesses of all sizes throughout the UK.

The purpose of the Tourism Alliance is to identify and develop policies and strategies to raise standards and promote quality within the industry and work with and lobby government on all key issues relevant to the growth and development of tourism is in order to maximise its contribution to the economy.

Members

ABTA - The Travel Association
Airlines UK
Airport Operators Association
ALMR
ALVA
ANTOR
Association of Group Travel Organisers
ATHE
BACTA
BALPPA
Bed & Breakfast Association
British Beer & Pub Association
British Destinations
British Educational Travel Association
British Holiday & Home Parks Association
British Marine Federation
Business Visits & Events Partnership
Camping & Caravanning Club
Caravan and Motorhome Club
Churches Visitor and Tourism Association
Confederation of Passenger Transport
Country Land and Business Association
Cumbria Tourism
EASCO
English UK
European Holiday Home Association
European Tour Operators Association
Experience Nottinghamshire
Family Holiday Association
Farm Stay UK
Group Travel Business Forum
Heritage Railway Association
Historic Houses Association
Institute of Tourist Guiding
Liverpool City Region LEP
Marketing Manchester
National Caravan Council
National Coastal Tourism Academy
National Trust
New Forest Destination Partnership
Outdoor Industries Association
Premier Cottages
Resort Development Organisation
South West Tourism Alliance
The Tourism Alliance Brighton and Hove
The Tourism Society
Tourism For All
Tourism Management Institute
Tourism South East
UKInbound
Visit Cornwall
Visit Kent
Visit Wiltshire
Welcome to Yorkshire
Wyndham Worldwide

Observers

Local Government Association
VisitBritain
VisitEngland

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