# TourismAlliance
### the voice of tourism

# Proposals for Improving the Visa System in China

**1.     Background**

In October 2011 the Tourism Alliance produced a policy paper, *Using the Tourism Visa System to Create Employment*. This paper outlined how the UK has underperformed other European countries in gaining visitors from global growth markets and provided a number of recommendations as to how the visa system for processing visitor visas could be improved without compromising security.

**2.     The Growing Importance of the Chinese Market**

In 2011, total global tourism reached US$1 trillion for the first time with just under 1bn people undertaking international travel.

The UNWTO predicts that global tourism will increase by a further 60% by 2020. It also estimates that almost half the growth in international tourism over the next eight years will come from just four countries – China, India, Russia and Brazil. And, within these four countries, outbound travel from China will experience the most dramatic growth, with visitor numbers rising from the current 60m per annum to 100m per annum by 2020.

The increase in outbound tourism from China is being fuelled by the rapid growth of a very large and very wealthy middle class. For example, it is estimated that there are currently 600,000 millionaires in the UK and that this number will rise to just over 800,000 by 2020. By comparison, there are already over 1m millionaires in China and by 2020 it is estimated that there will be 2.5m.

**Actual and Estimated Chinese Outbound**
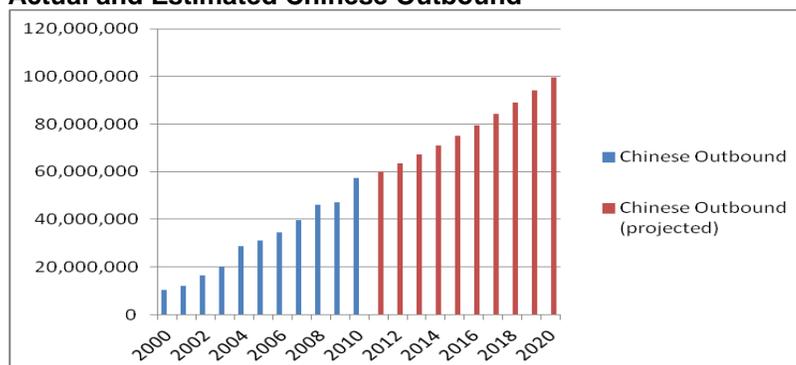


Data from UNWTO

The rapidly increasing wealth of Chinese visitors is highlighted by their expenditure when they travel. While the average spend per visitor for tourists to the UK is £567, visitors from China spend £1688 per visit (this is 115% more than visitors from America).

Research from VisitBritain shows that in the Chinese market the UK is considered to be the most desirable destination if money were no object. But the UK's percentage of the Chinese outbound market has decreased by 60% since 2001.

Germany now receives six times more Chinese visitors than the UK whilst France receives nine times more.

**3.      The Problem**

There are two main reasons that the UK is less competitive that other European destinations in the Chinese market.

- The UK is Outside the Schengen Area.
  To undertake a European tour, which is the main product in the Chinese market, a visitor needs to apply for, pay for, and be granted, two separate visas.

- The UK Charges Air Passenger Duty
  Very few other European countries charge APD and those that do charge it at a significantly lower rate

Together, the visa and APD add £600 to the cost of travel for a family from China. There is also the additional cost and time associated with travelling to a biometric centre to apply for a UK visa.

The net result is that the number of European packages being sold by tourism operators in China that include the UK has fallen from 40% ten years ago to less than 10% today.

**4.      Proposals for Developing the Chinese Market**

Whilst the UK will should join Schengen this is unlikely to happen in the near future. Air Passenger Duty is scheduled for an increase.

Because destinations such as France and Germany have inherent competitive advantages, the UK visa processing system in China cannot compete by being as good as that of other destinations. We must develop and implement a visa processing system that out-performs those of other European destinations if we are to increase our share of business from China.

Improvements to the UK visa system should be targeted on Approved Destination Status group travel. This is the main route by which first-time travellers leave China. And ADS approved tour operators have an interest in ensuring that their clients do not breach the terms of their visa as their licence can be revoked. This means that ADS operators are more responsible for checking their clients; the risk associated with ADS group visitors is lower.

**Proposals**

1.  **Undertake a Border Security Assessment for China**
    As stated above, China is a rapidly evolving and developing country. There is a strong case for the Government to undertake a new comprehensive Border Security Assessment in order to determine the exact level of risk to the UK that visitors from China pose. China should be placed under the visa waiver scheme, but such an assessment would help tailor the information and security requirements of visitors to the UK and reflect more accurately the risks they represent.

2. **Enter into Bilateral Visa Agreements with China**
   The Government is trying to develop closer links with China in order to increase trade. One recent success has been the development of an agreement to make the UK a centre for the trading of the Renminbi. The UK to show that it welcomes business and leisure visitors from China by developing bilateral agreements that would reduce visa requirements between the two countries for certain visa categories such as ADS visas or visa for students from approved educational institutions.

3. **Translate Visa Forms into Chinese**
   Only 0.83% of the Chinese population speak English. Requiring application forms to be completed in English is a significant barrier and often causes applications to fail. We understand that Germany accepts applications in Mandarin – if this is correct, there is no reason why UK applications cannot also be in Mandarin.

   In the UK you can receive local council forms in any number of languages and yet we are unable to produce this for visitors to the UK from a major, growing market, forcing them to fill out a very detailed form in not just a foreign language but also script.

4. **Reduce Unnecessary Documentation**
   Supporting documentation required for visa applications should be streamlined and brought into line with the documentation required by other European destinations. While UK visa guidelines recommend, rather than require, a letter from the employer as well as payslips and bank statements, many applications are declined if the letter is not provided. To require this letter is excessive and unnecessary.

   An itinerary from an accredited operator should be enough proof of travel arrangements. The authorities should be aware that operators finalise their passenger lists with hotels once visas have been issued, so it is pointless contacting individual hotels and asking for individual passenger bookings.

5. **Improve Service Times**
   Consulates should be prepared to process extra visas during peak holiday periods. Visa processing centres need to operate for extended hours after normal work hours:  visitors should not have to take time off work to have the biometric data taken.

   Visa applications processing times should be reduced below that of other European destinations. Applicants should be provided with a guaranteed time within which they will have their application assessed and a decision made.

   If a visa application is declined, a reason should be stated and a period provided for the applicant to supply the required information.

6. **Provide UK visas to ADS groups with Schengen visas**
   If an ADS tour group has already received Schengen visas, then they should be provided with a UK visa on the collection of their biometric data. There is nothing to suggest that these visitors should repeat a UK application just after completing, say, a German visa application.

**5.      The Prize**

The potential of the Chinese outbound tourism market is enormous. If the UK were to gain 0.5% of the outbound market in 2020 (the percentage we had in 2001) this would equate to £800m in additional revenue per annum and 16000 jobs by 2020.

Every additional plane of Chinese visitors arriving in the UK provides £1m for the UK economy, creates 20 jobs in the tourism industry and gives a net benefit to Exchequer of over £400,000.