

## **FOR IMMEDIATE RELEASE**

### **GOVERNMENT CUTS WILL UNDERMINE TOURISM INDUSTRY AND JOB GROWTH**

**UK, 19<sup>th</sup> June 13:** The CSR settlement of an 8% cut in the Department of Culture Media and Sport expected to be formally announced next Wednesday by George Osborne, Chancellor of the Exchequer, will have a highly damaging impact on tourism spending due to the protection of arts and sports budgets.

Support for the £134bn tourism industry is expected to bear the brunt of the reduction in expenditure, with estimates that the cut could be as high as 12% in terms of inbound marketing of the UK through its agency VisitBritain.

The Tourism Alliance, representing some 200,000 businesses in a sector which accounts for 9.1% of all jobs in the UK, is bewildered how a government said to be intent on growing the UK economy, offers so little support to a part of the economy which offers so much potential.

If the cuts go ahead and the Department allocates its available funding preferentially to arts and creative industries this will mean only 2% of its funding going to tourism which yields £134bn to GDP and produces 2.7 billion jobs, against 45% going to arts and creative industries, which produce in contrast only £36.3bn to GDP and employ 1.5 million jobs.

The UK tourism industry is determined to sustain the legacy of increased visitors and spend from the Olympics. It is already dogged by uncompetitive APD and VAT taxes, unwelcome visa systems and excessive business red tape.

In recent settlements DCMS's tourism budget has suffered the largest cuts. The Alliance says that to continue to do so would run counter to the Government's stated commitment to tourism in its Growth Strategy, "*Plan for Growth*", where it is considered to be one of eight industries essential for rebalancing and rebuilding the UK economy.

In the recently published new strategy from Visit Britain, it envisages that an additional 9m visitors equating to £8.7bn in additional expenditure and 200,000 additional jobs for the UK economy can be achieved by 2020 with the right funding and resources.

"The priorities are all wrong here" argues Michael Hirst, Chairman of the Tourism Alliance, "This is an extraordinarily naïve move on the part of government and our sponsoring department, DCMS. At a time when it says it understands how tourism contributes to the economy, employment, regional growth, exports and small business enterprise, it does the exact opposite in terms of support. This is an ill-judged cut which will severely damage growth prospects and new jobs", he added

"I understand that Maria Miller, DCMS Secretary of State and Hugh Robertson, MP, Minister for Tourism are both still battling with Treasury for more funding for tourism. I hope that in the few days left to the final announcement of the CSR Settlement, sense prevails and tourism's potential for jobs and growth is taken seriously"

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