TourismAlliance
the voice of tourism

UK TOURISM STATISTICS 2014

Tourism: At the Forefront of the UK's Economic Recovery

Tourism has been one of the UK's great success stories over the last five years.

While the UK economy as a whole has languished since the start of the global financial crisis in 2008, the UK tourism industry has continued to grow strongly. Revenue from inbound tourism has increased by almost 30% since 2008 – meaning that the tourism industry is now the UK's fifth largest export earner, generating £24bn per annum for the UK economy. Domestic tourism has also grown significantly, with revenue increasing by 11% to £78bn over the last three years alone. This compares favourably with manufacturing, which grew by only 0.3%, and the service sector as a whole, which achieved growth of 6% over the same period.

The exceptional performance of the UK tourism industry has been highlighted by the ONS recently reporting that tourism businesses had provided almost a third of all additional jobs created in the UK economy between 2010 and 2013. Research by VisitBritain concludes that this growth means that tourism-related employment now accounts for 3.1m jobs in the UK – this is almost 10% of the entire UK workforce.

It is therefore no exaggeration to say that tourism has been at the forefront of the UK's economic recovery since the start of the Global Financial Crisis in 2008. What's more, the growth created by the tourism industry has provided the UK economy with other employment-related benefits.

Firstly, the growth and employment that has been generated by tourism has been spread widely across all regions. There is now only one region in the UK where tourism-related employment provides less than 100,000 jobs, while almost half the regions have over 200,000 people working in the industry.

Secondly, tourism-related employment is demonstrably better than other industries at providing employment for groups that have been the most affected by the recession. For example, while the UK unemployment rate is currently 7.2%, the youth unemployment rate stands at almost 20%. Yet, while other industries have just 19% of their staff under the age of 30, almost 40% of the staff in tourism businesses are under 30.

Another problem area for employment is in black and minority ethnic (BME) communities where unemployment rates are twice the national average. Here again, tourism is extremely good at providing employment, with 14% of staff in tourism businesses being from ethnic communities compared to just 9% for UK businesses as a whole.

It should also be remembered that this growth in tourism is not a "one-off" event. Throughout the global economic crisis, international tourism has continued to grow at over 4% per annum, largely driven by the BRIC countries. In 2011, the UNWTO forecast that it would take until 2020 for Chinese outbound tourism to grow from 57m to 100m. In fact, Chinese outbound tourism will exceed 100m in 2014.

This demonstrates the incredible potential of the tourism industry to continue to provide significant economic and employment opportunities for the UK. Yet, for this potential to be fully realised, tourism needs to be at the forefront of Government policy.

Tourism-related policies did not feature in any of the party manifestos at the last election. Let's make sure that that mistake is not repeated next year.

Ufi Ibrahim

Chairman
Tourism Alliance

SECTION 1: Volume and Value of the UK Tourism Industry

1: The Value of Tourism

Value of Tourism to the UK Economy

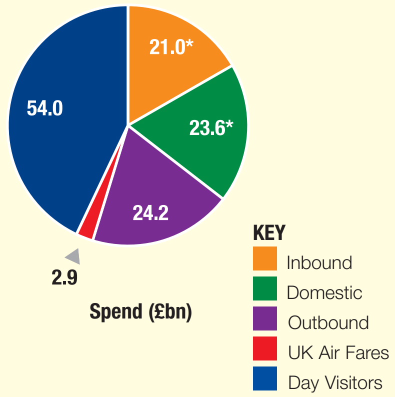
£126.9bn GDP

9.0% of UK GDP

Tourism: jobs and growth, VisitBritain / Deloitte, 2013

Total Revenue from Tourists

2013: £125.7bn Estimate



*Provisional / estimate

The UK Tourism Industry's International Ranking

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

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

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

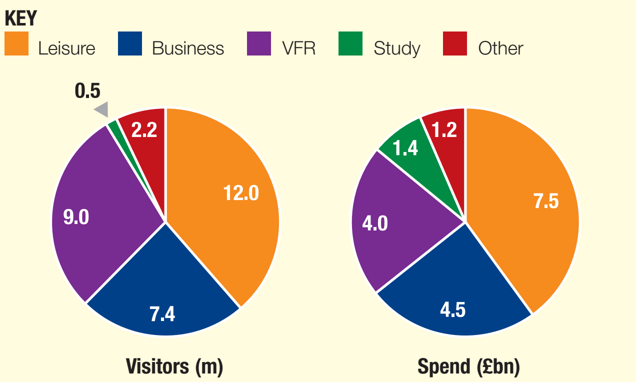
  The first six destinations are USA, Spain, France, China, Italy and Germany.

- **The UK accounts for 3.4% of global international tourism receipts.**

UNWTO, 2013

2: Inbound Tourism

Visitor Numbers and Total Spend by Sector – 2012



International Passenger Survey, Office for National Statistics, 2013

Top 10 Source Markets

	Spend (£m)	Rank
United States of America	2,436	1
France	1,513	2
Germany	1,223	3
Australia	1,018	4
Irish Republic	797	5
Spain	776	6
Italy	760	7
Netherlands	627	8
Canada	559	9
Switzerland	547	10

International Passenger Survey, Office for National Statistics, 2013

Average Spend per Visit

£638

International Passenger Survey, Office for National Statistics, 2014

Average Length of Stay

7.4 nights

International Passenger Survey, Office for National Statistics, 2013

Students

£14 billion

Total spending by international students* on all types of course in the UK, from English language to doctoral degrees, was estimated to be **£14 billion**, with the potential to grow to **£25 billion** by 2020.

Estimating the Value to the UK of Education Exports, Department for Business, Innovation and Skills, June 2011

*Not all students are classified as tourists

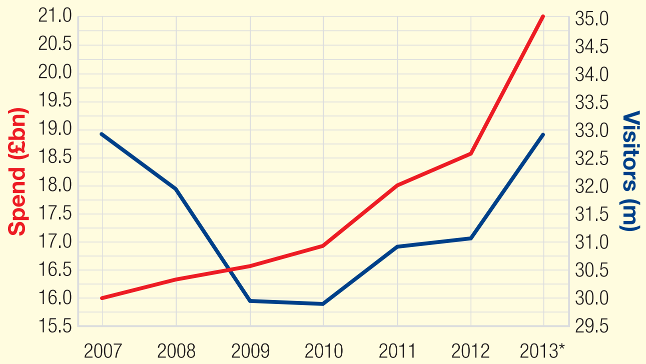
2: Inbound Tourism continued

Growing and Declining Markets

Largest Increase		Largest Decline	
Bulgaria	+43%	**Estonia**	-42%
Bahrain	+35%	**Greece**	-29%
Slovenia	+35%	**Indonesia**	-20%
Argentina	+28%	**Israel (including Palestine)**	-16%
Hungary	+25%	**South Cyprus**	-12%
Egypt	+23%	**Malaysia**	-11%
China	+21%	**Finland**	-11%
Kenya	+17%	**Australia**	-9%
Singapore	+16%	**Hong Kong**	-9%
Poland	+16%	**Philippines**	-8%

International Passenger Survey, Office for National Statistics, 2013

Visitor Numbers and Total Spend

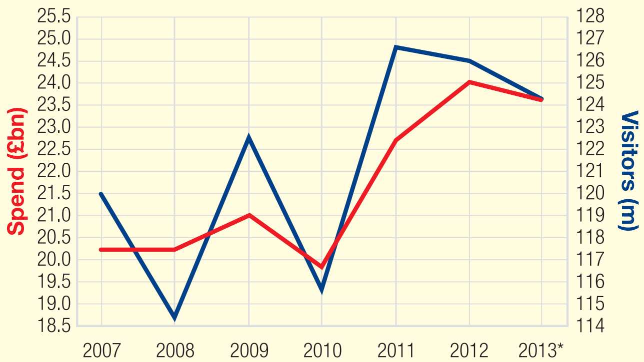


International Passenger Survey, Office for National Statistics, 2013

*Provisional results

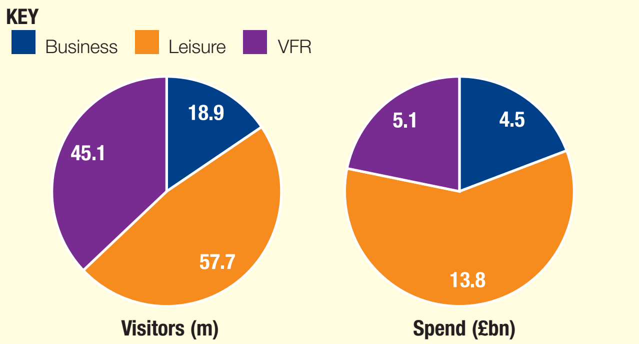
3: Domestic Tourism

Visitor Numbers and Total Spend



GB Tourism Survey, VisitEngland, 2014. *Estimated

Visitor Numbers and Total Spend by Sector – 2012



GB Tourism Survey, VisitEngland, 2013

Average Spend per Visit

£190

GBTS, VisitEngland, 2013

Average Length of Stay

3.1 nights

GBTS, VisitEngland, 2013

Domestic Tourism by Region

	2011 Trips (m)	2012 Trips (m)	Change	2011 Spend (£m)	2012 Spend (£m)	Change
West Midlands	8.21	8.50	+4%	1,111	1,234	+11%
East of England	10.32	9.88	-4%	1,475	1,674	+13%
East Midlands	9.00	8.50	-6%	1,317	1,339	+2%
London	11.09	12.15	+10%	2,398	2,784	+16%
North West	13.99	14.19	+1%	2,549	2,664	+5%
North East	4.30	4.31	0%	717	777	+8%
South East	16.94	17.92	+6%	2,571	2,929	+14%
South West	20.22	19.74	-2%	4,023	4,181	+4%
Yorkshire & the Humber	11.61	11.25	-3%	1,663	1,807	+9%
Scotland	13.36	12.75	-5%	3,018	2,891	-4%
Wales	9.70	9.60	-1%	1,734	1,588	-8%

GBTS, VisitEngland, 2013

3: Domestic Tourism continued

Activities Undertaken on Domestic Trips

Activity	Trips (m)
Just relaxing	27.24
Sightseeing on foot	25.53
Short walk / stroll – up to 2 miles / 1 hour	21.71
Sightseeing by car	14.87
Long walk, hike or ramble (min of 2 miles / 1 hour)	14.60
Visiting a beach	12.33
Centre based walking (i.e. around a city / town centre)	10.60
Attending a special event of a personal nature such as a wedding, graduation, christening etc	7.83
Visiting a country park	6.91
Swimming (indoors or outdoors)	6.62
Visiting a museum	6.38

GBTS, VisitEngland, 2013

4: Outbound Tourism

Outbound Tourism Expenditure

Product / service category	Expenditure (£m)
Accommodation services for visitors	508
Food and beverage serving services	527
Railway passenger transport services	484
Road passenger transport services	631
Water passenger transport services	433
Air passenger transport services	14,557
Transport equipment rental services	0
Travel agencies and reservation services	1,462
Cultural activities	0
Sport and recreation activities	0
Exhibitions and conferences etc	0
Other consumption products	5,628
Total	**24,230**

Tourism Satellite Accounts 2011, Office for National Statistics, 2013

5: Day Visitors

Day Visitors

	Visits (m)	Spend (£bn)
All visits	1,588	54.0
Visits to		
Large town/city	44%	54%
Small town	26%	23%
Countryside/village	25%	21%
Seaside coast	10%	11%

GB Day Visits Survey, VisitEngland, 2013 and 2014

6: Tourism Economics

Price Elasticity of Tourism

- For every **1% increase** in the cost of visiting the UK, the UK's tourism earnings **drop by 1.3%.**

Sensitive Tourists, BTA, 2001

Tourism Export Earnings

- In 2013 travel expenditure by non-residents visiting the UK totalled £24bn, accounting for **12.4% of UK service sector exports and 4.9% of total UK exports.**
- **Tourism is the UK's fifth largest export earner**, after Chemicals, Financial Services, Intermediate Manufactured Goods and Capital Goods.

The Pink Book, HM Treasury, 2013
Tourism: jobs and growth, VisitBritain / Deloitte, 2013

Tourism Taxation

Air Passenger Duty	**£3.0bn***
VAT (estimate)	**£21.4bn**

APD bulletin, HMRC, 2014
*provisional

- World Economic Forum's 2013 study on international competitiveness shows that because of high tourism related taxes the **UK now ranks 138th out of 140 countries in terms of price competitiveness.**

The Travel and Tourism Competitiveness Report, WEF, 2013

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

- Since 2010, **900,000 jobs** have been created. Almost **300,000 were in Tourism.**

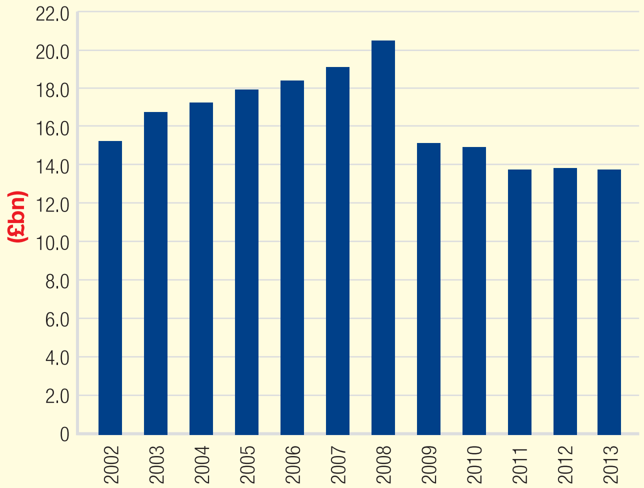
ONS Est. Workforce Jobs, 2014

Total UK Tourism Spend by Sector

Sector	Spend (£m)
Accommodation services for visitors	13,059
Food and beverage serving services	29,628
Railway passenger transport services	4,057
Road passenger transport services	2,535
Water passenger transport services	1,057
Air passenger transport services	18,136
Transport equipment rental services	810
Travel agencies and other reservation services	3,082
Cultural activities	5,715
Sport and recreation activities	3,503
Exhibitions and conferences etc	374
Other consumption products	38,842

Tourism Satellite Accounts 2011, Office for National Statistics, 2013

UK Tourism Deficit



International Passenger Survey, Office for National Statistics, 2014

7: Tourism Employment

- The UK tourism industry employs **3.1m people** (2013).
- The sector is the **UK's third largest employer**, accounting for 9.6% of total employment.
- Tourism is the fastest growing sector in the UK in employment terms, responsible for almost **one third of the net increase in UK jobs between 2010 and 2013.**
- There are **249,000 tourism businesses in the UK**.
- Tourism businesses account for **9.8% of all businesses in the UK.**

Tourism: jobs and growth, VisitBritain / Deloitte, 2013
The Geography of Tourism Employment and Supply Side of Tourism Report, Office for National Statistics, 2012

Tourism Businesses by Sector

	2011
Accommodation services for visitors	19,255
Food and beverage serving services	143,805
Railway passenger transport services	935
Road passenger transport services	10,205
Water passenger transport services	805
Air passenger transport services	955
Transport equipment rental services	4,120
Travel agencies and other reservation services	10,470
Cultural activities	31,115
Sport and recreation services	24,215
Exhibitions and Conferences etc	3,345
Total	**249,225**

Supply Side of Tourism Report, Office for National Statistics, 2012

- **Over 71% of tourism and hospitality businesses employ fewer than 10 people.**
  Employer Skills Survey, UK Commission for Employment and Skills, 2013
- The sector is a significant incubator for entrepreneurs – **22,275 businesses started up in the sector in 2012, a 3.4% rise on 2011 start-ups.**
  Business Demography, Office for National Statistics, 2012
- **Turnover rates in the sector have declined significantly to 18.5%.**
  Employer Skills Survey, People 1st, 2012
- The sector is a significant source of employment for those unable to work full-time – **almost 48% work part-time, compared with the UK average of 18%.**
- **The average UK business has 19% of its staff aged under 30. Tourism businesses have 39%.**
- **More than 80% of people working in the sector are British.**
  Labour Force Survey, Office for National Statistics, 2012
- **35,600 new apprenticeships were created in hospitality during 2013.**

Supplied by People 1st

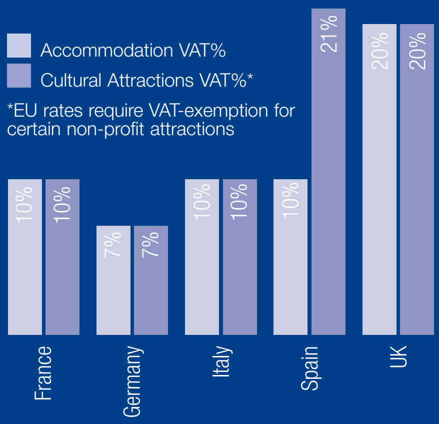
- The average UK business has 9% of its employees from minority groups. **Tourism businesses employ 14%.**
- The average UK business has 23% of its staff with A levels. **Tourism businesses have 25%.**
- The average UK business has 11% of staff in skilled trades. **Tourism businesses have 12%.**

Employment Characteristics of Tourism Industries,
Office for National Statistics, 2013

SECTION 2: Policy Related Statistics

VAT

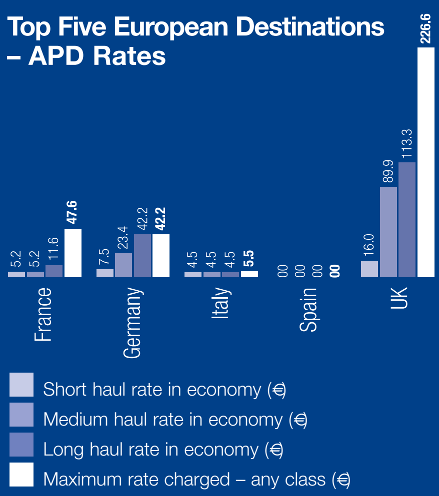
Top Five European Destinations – VAT Rates



- Of the 28 EU countries, the UK is one of only four that charge the full rate of VAT on tourism accommodation (the others being Denmark, which has no reduced rates of VAT, Lithuania and Slovakia).
- The average VAT rate for accommodation in the other European countries is 10.7%.
- The UK is one of only 15 EU countries (half of all countries) that apply full rate VAT on restaurant meals. The average for the rest of the EU is 15.5%.
- The UK is one of only 13 EU countries that apply full rate VAT on admissions to amusement parks.
- The UK is one of only 6 countries that applies full rate VAT on admissions to cultural attractions.
- Modelling using the Treasury's own Computable General Equilibrium Model and research by Deloitte and others shows that reducing VAT to 5% would:
  - Boost GDP by £4bn per annum
  - Create 80,000 jobs within 3 years
  - Deliver £2.6bn to the Treasury over 10 years

Air Passenger Duty

Top Five European Destinations – APD Rates

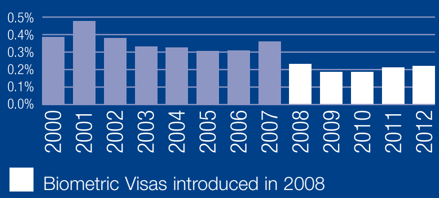


- A family of four from China or India departing the UK in economy class pays £332 in APD, rising to £340 from 1st April 2014.
- A couple from Australia departing the UK in economy class pays £376 in APD, rising to £388 from 1st April 2014.
- The Government collects £2.9bn per annum from passengers through APD.
- Since 2007, APD has increased by 360% on some routes.
- Recent research by PwC on the impact of abolishing APD showed that this would:
  - Boost UK GDP by 0.46% in year one
  - Create almost 60,000 extra jobs in the UK
  - Generate an additional £500m (net benefit) in the first year through increased revenue from other taxation

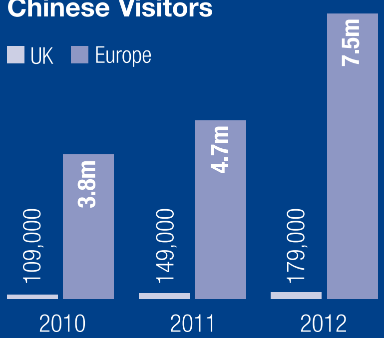
The Economic Impact of Air Passenger Duty, PwC, 2013

Visas

UK Market Share of Chinese Tourists (%)



UK vs Europe – Increase in Chinese Visitors



European Travel Commission and International Passenger Survey, Office for National Statistics

- A UK short stay visa costs £83, compared to around £50 for a Schengen visa, which allows visitors access to 25 countries.
- A family of four from India or China have to pay a total of £672 in APD and visa charges to travel to the UK.
- 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.
- Visitors from visa-requiring nations account for around 10% of all visitors to the UK (3.2m), they generate around £4.1bn in revenue for the UK (20% of the total) due to their high spend per trip (£1,330 per person vs the average of £638 per person).
- Since the requirement for Taiwanese visitors to obtain a visa to visit the UK was removed in April 2009, visitor numbers have grown by 43% and revenue has increased by 62% to £47m.
- Since the requirement for South African visitors to obtain a visa to visit the UK was introduced in April 2009, visitor numbers have declined by 23% and revenue has decreased by 10% (£20m).
- The number of Chinese visitors to the UK has increased by just 36,000 since 2007, whereas total Chinese outbound tourism has grown by 42,500,000 over this period.

The Tourism Alliance is the Voice of the Tourism Industry, comprising 51 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, to maximise its contribution to the economy.

Members

ABTA – The Travel Association
Airport Operators Association
ALMR
ALVA
ANTOR
Association for Tourism in Higher Education
BALPPA
Bed & Breakfast Association
British Beer & Pub Association
British Destinations
British Educational Travel Association
British Holiday & Home Parks Association
British Hospitality Association
British Marine Federation
Business in Sport & Leisure
Business Visits & Events Partnership
Churches Visitor and Tourism Association
Confederation of Passenger Transport
Country Land and Business Association
Cumbria Tourism
EASCO
English UK
European Tour Operators Association
Family Holiday Association
Farm Stay UK
Group Travel Business Forum
Heritage Railway Association
Historic Houses Association
Historic Royal Palaces
Holiday Centres Association
Institute of Tourist Guiding
Liverpool City Region LEP
Marketing Manchester
National Caravan Council
National Trust
New Forest Destination Partnership
Outdoor Industries Association
Resort Development Organisation
South West Tourism Alliance
The Camping and Caravanning Club
The Caravan Club
The Tourism Alliance Brighton & Hove
The Tourism Society
Tourism For All
Tourism South East
UKinbound
Visit Cornwall
Visit Kent
VisitWiltshire
Visitor Attractions Group
Welcome to Yorkshire
Wyndham Worldwide

Observers

Local Government Association
VisitBritain
VisitEngland

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