TourismAlliance
the voice of tourism

UK TOURISM STATISTICS 2016

The Value of Statistics

The Tourism Alliance has been publishing UK Tourism Statistics for four years now, charting the growth of the UK tourism industry and highlighting the role that the industry has played in the rebuilding of the UK economy since the recession.

The publication of this document has proved a vital tool in significantly increasing awareness and understanding across Government and in Parliament of the size and value of the tourism industry and facilitating a greater understanding of the benefits of the industry to national, regional and local economies.

This greater understanding of the tourism industry has manifest itself in a number of ways. In the 2010 Westminster General Election, not a single political party mentioned tourism in its manifesto. However, after a campaign lead by members of the Tourism Alliance using the data in this publication, and meeting with party leaders and tourism spokespeople of every UK party, our advocacy ensured that tourism was included in every manifesto at the 2015 General Election. Our advocacy has to be confident, well-argued and well-evidenced because our industry's importance requires nothing less.

This new-found understanding of tourism has subsequently resulted in the Government announcing a range of initiatives that will benefit tourism businesses. While the Government's new tourism strategy, the Five Point Plan for Tourism, was notable for being the first strategy published by the new Government, what was more significant was that the Government formed a new Inter-Ministerial Group to oversee the implementation of the strategy and help remove some of the roadblocks that are the responsibility of other Government Departments. This is something that the Tourism Alliance has lobbied for over many years and it is a testament to the greater understanding of tourism across Government that Ministers from other Departments are willing to commit their time to be on this Group.

It should be readily acknowledged that the Government's comprehensive spending review settlement for tourism, and its constituent parts, was extremely good and we warmly welcome the establishment of the Discover England Fund and the enhanced budget for the GREAT campaign. This, combined with no cuts to the VisitBritain and VisitEngland core budgets of the British Tourist Authority, means that there are significant opportunities to further grow the UK tourism economy. Some of these initiatives were part of the recommendations of the Commons' Culture, Media and Sport Select Committee's report into tourism, published just prior to the 2015 general election. We remain entirely supportive of all of the Committee's recommendations on tourism, including those relating to the roles, governance and competences of public agencies.

Even with this increased funding and greater joined-up Government support, there is much to be done. While the UK retained its position as the 5th most competitive tourism destination in the world in the World Economic Forum's latest tourism competitiveness survey, it fell from 138th to 140th out of 141 countries in terms of price competitiveness due to visitors facing much higher levels of taxation compared to almost every other country. And while visa provision has improved there are still opportunities to further enhance our offer. On the domestic side, deregulation remains a big issue for businesses, while there is an urgent need to reverse the fragmentation of regional and local tourism support structures.

And addressing these issue will require policies built on a solid statistical base.

Bernard Donoghue
Chairman, Tourism Alliance

SECTION 1: Volume and Value of the UK Tourism Industry

1: The Value of Tourism

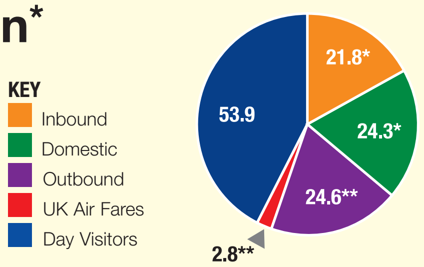
Value of Tourism to the UK Economy - 2014

£121.1bn (7.1%) of UK GDP

The Blue Book, ONS, 2015

Total Revenue from Tourists - 2015

£127.4bn*



*Provisional / Estimate **From 2013

Spend (£bn)

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 sixth largest international tourism destination ranked by visitor expenditure.**

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

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

UNWTO Tourism Highlights, 2015 edition

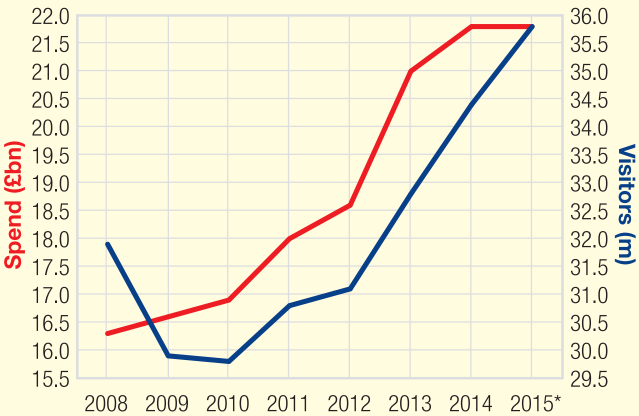
Value of UK Tourism By Region - 2014

	Day Visits (£m)	%	Domestic (£m)	%	Inbound (£m)	%	Total (£m)	%	Direct employment	%
East Midlands	2586	4.9	1107	4.9	428	2.0	4131	4.3	76,496	4.3
East of England	3913	7.4	1604	7.1	967	4.6	6499	6.7	120,343	6.7
London	10732	20.3	2889	12.8	11830	56.3	25484	26.3	471,928	26.4
North East	2277	4.3	616	2.7	216	1.0	3116	3.2	57,704	3.2
North West	5370	10.2	2465	10.9	1330	6.3	9186	9.5	170,113	9.5
South East	7571	14.3	2448	10.9	2160	10.3	12204	12.6	226,003	12.6
South West	4691	8.9	3933	17.4	1040	4.9	9690	10.0	179,450	10.0
West Midlands	3864	7.3	1153	5.1	761	3.6	5790	6.0	107,230	6.0
Yorkshire	4147	7.8	1728	7.7	570	2.7	6461	6.7	119,639	6.7
Scotland	5020	9.5	2871	12.7	1390	6.6	9303	9.6	172,282	9.6
Wales	2677	5.1	1735	7.7	335	1.6	4760	4.9	88,144	4.9
Total	**52848**	**100**	**22549**	**100**	**21027**	**100**	**96724**	**100**	**1,789,333**	**100**

IPS, GTBS, GB Day Visits Survey, 2014

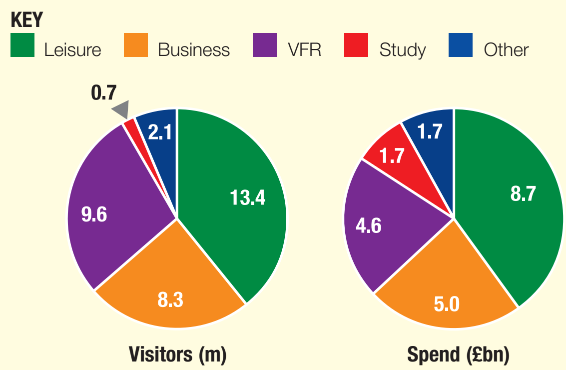
2: Inbound Tourism

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

2: Inbound Tourism continued

Average Spend per Visit

£609

IPS 2015 (provisional), Office for National Statistics

Average Length of Stay

7.7 nights

IPS 2014 Office for National Statistics

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 **£14bn**, with the potential to grow to **£25bn** 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

Top 10 Source Markets

	Spend (£m)	Rank
United States of America	2,944	1
Germany	1,478	2
France	1,434	3
Australia	1,224	4
Spain	1,082	5
Italy	922	6
Irish Republic	870	7
Netherlands	701	8
Norway	548	9
Sweden	503	10

International Passenger Survey 2014, Office for National Statistics

Growing and Declining Markets (2013-14)

Largest Increase in Visits		Largest Decline in Visits	
Chile	+ 49%	**irish Republic**	- 3%
Ukraine	+ 49%	**Hungary**	- 3%
Mexico	+ 44%	**Austria**	- 2%
China	+ 36%	**Czech Republic**	- 1%
Kuwait	+ 35%	**Japan**	- 0%

International Passenger Survey, Office for National Statistics

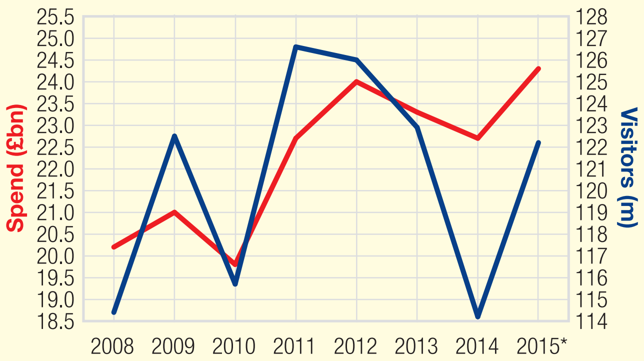
UK's Share of Outbound Visitors from BRIC Markets (%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Brazil	2.65	2.85	2.80	3.45	3.05	2.64	3.39	3.12	2.85	2.93
Russia	0.62	0.83	0.65	0.57	0.40	0.43	0.47	0.45	0.52	0.82
India	3.79	4.40	3.44	3.30	2.47	2.86	2.50	2.27	2.25	2.21
China	0.31	0.31	0.36	0.23	0.19	0.19	0.21	0.22	0.20	0.17

International Passenger Survey, Office for National Statistics

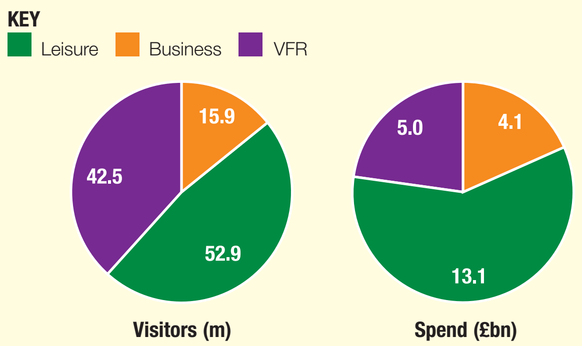
3: Domestic Tourism

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

3: Domestic Tourism continued

Domestic Tourism by Region

	2013 Trips (m)	2014 Trips (m)	Change	2013 Spend (£m)	2014 Spend (£m)	Change
East of England	8.96	9.0	0.4%	1,415	1,604	13.4%
East Midlands	7.90	7.14	-9.6%	1,103	1,107	0.4%
London	12.31	11.38	-7.6%	2,793	2,889	3.4%
North East	3.90	3.7	-5.1%	749	616	-17.8%
North West	13.98	12.7	-9.2%	2,458	2,465	0.3%
South East	17.93	16.19	-9.7%	2,648	2,448	7.6%
South West	19.40	17.31	-10.8%	4,291	3,933	-8.3%
West Midlands	9.02	7.25	-19.6%	1,318	1,153	-12.5%
Yorkshire & the Humber	10.01	9.45	-5.6%	1,792	1,728	-3.7%
Scotland	12.12	12.5	+3.0%	2,889	2,871	-0.6%
Wales	9.93	10.0	+1.0%	1,696	1,735	+2.3%

GBTS 2014, 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	549
Food and beverage serving services	546
Railway passenger transport services	510
Road passenger transport services	629
Water passenger transport services	428
Air passenger transport services	14,962
Transport equipment rental services	0
Travel agencies and reservation services	1,506
Cultural activities	0
Sport and recreation activities	0
Exhibitions and conferences etc	0
Other consumption products	5,519
Total	**24,649**

Tourism Satellite Accounts 2012, Office for National Statistics

5: Day Visitors

Day Visitors

	Visits (m)	Spend (£bn)
All visits	1,525	53.9
Visits to		
Large town / city	44%	53%
Small town	25%	18%
Countryside / village	22%	21%
Seaside / coast	10%	7%

GB Day Visits Survey 2014 and 2015, VisitEngland

6: Events

Value of the UK Events Sector (Direct Spend)

	Spend (£bn)
Conferences and meetings	21.6
Exhibitions and trade fairs	11.0
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	1.9
Sporting events	3.2
Total	**42.3**

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

7: 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 2014 travel expenditure by non-residents visiting the UK totalled £28.3bn, accounting for 12.9% of UK service sector exports and 5.5% 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, 2015

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

- Since 2009, tourism employment has increased at almost **double the rate of the rest of the UK labour market**.

ONS, Employment in UK tourism industries, 2009-2013

Total UK Tourism Spend by Sector

Sector	Spend (£bn)
Accommodation services for visitors	13.3
Food and beverage serving services	31.7
Railway passenger transport services	4.2
Road passenger transport services	2.8
Water passenger transport services	1.2
Air passenger transport services	19.3
Transport equipment rental services	0.8
Travel agencies and other reservation services	23.0
Cultural activities	5.6
Sport and recreation activities	3.8
Exhibitions and conferences etc	0.4
Other consumption products	42.4

Tourism Satellite Account 2012, Office for National Statistics

Tourism Taxation

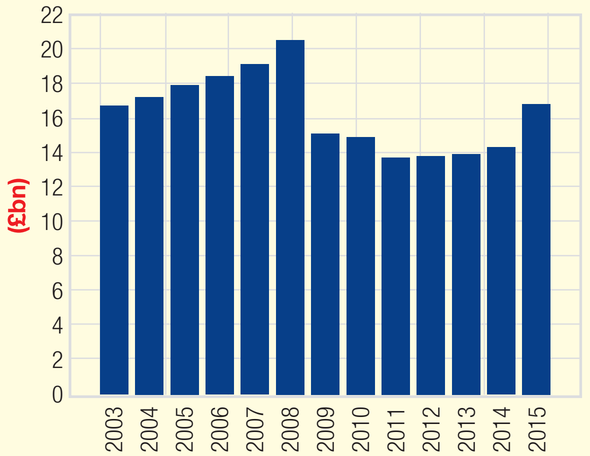
Air Passenger Duty	**£3.2bn***
VAT (estimate)	**£21.5bn**

APD bulletin Dec 2015, 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, 2013

- The sector is a significant incubator for entrepreneurs – **24,000 businesses started up in the sector in 2014, a 14% rise on 2013 start-ups.**

Business Demography, Office for National Statistics, 2014

- The sector is a significant source of employment for those unable to work full-time **– almost 53% work part-time, compared with the UK average of 27%.**
- The average UK business has 24% of its staff aged under 30. **Hospitality and tourism businesses have 45%.**
- **More than 74% of people working in the sector are British.**

Labour Force Survey, Office for National Statistics, 2013

- 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 Rate On Accommodation 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 reducing VAT to 5% would:
  - Boost GDP by £4bn per annum
  - Create 120,000 jobs within 3 years
  - Deliver £3.9bn to the Treasury over 10 years

Air Passenger Duty

	Short Haul (£)	Long Haul (£)
France	4.28	9.62
Italy	6.92	6.92
Germany	5.77	32.46
UK	**13.00**	**73.00**

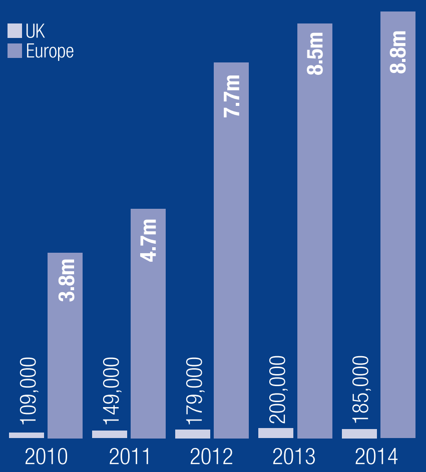
All figures from 1 April 2016

- A family of four over the age of 16 from China or India departing the UK in economy class currently pays £292 in APD.
- The Government collects £3.2bn per annum from passengers through APD. Revenues are expected to increase still further, to £3.8bn 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.
- Research carried out in 2013 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

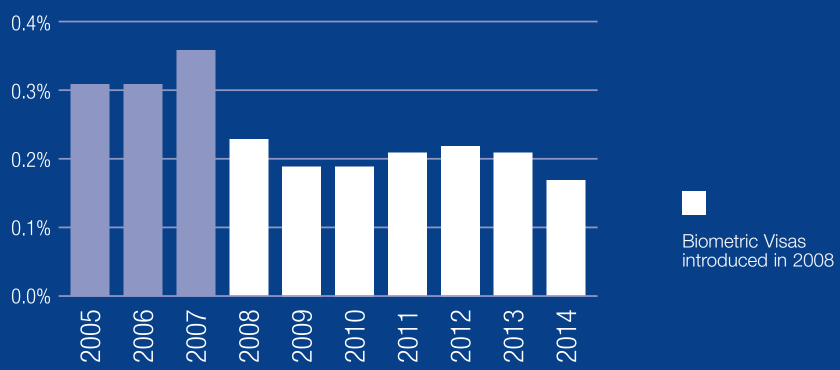
Visas

UK vs Europe – Increase in Chinese Visitors



- In 2014, the UK received 2.5m visitors from countries needing a visitor visa to enter the UK. These visitors:
  - spent £3.96bn in the UK during their stay
  - spent an average of £1586 per person per visit – almost three times the amount (£560) spent by visitors from visa waiver countries.
  - created direct employment for over 76,000 people in the UK.
- Despite their much higher economic value, the number of visitors from the visa national countries has increased by only 160,000 (6.8%) since 2007
- 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 (%)



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.

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National Caravan Council
National Coastal Tourism Academy
National Trust
New Forest Destination Partnership
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