The Tourism Alliance is the Voice of the Tourism Industry, comprising 50 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
ALVA
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
Camping & Caravanning Club
Confederation of Passenger Transport
Country Land and Business Association
Cumbria Tourism
EASCO
English UK
English Historic Towns Forum
European Tour Operators Association
Farm Stay UK
Group Business Travel Forum
Heritage Railway Association
Historic Houses Association
Historic Royal Palaces
Holiday Centres Association
Hoseasons
Institute of Tourism Guiding
Marketing Manchester
Mersey Partnership
National Caravan Council
National Trust
New Forest Tourism
Outdoor Industries Association
Resort Development Organisation
South West Tourism Alliance
The Caravan Club
The Tourism Society
Tourism for All
Tourism South East
UKInbound
Visit Cornwall
Visit Kent
Visit London
Visit Wiltshire
Visitor Attractions Forum
Welcome to Yorkshire

Observers

Local Government Association
VisitBritain
VisitEngland

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Designed by CARRINGTONGRIFFIN

UK TOURISM STATISTICS 2012

TourismAlliance
the voice of tourism

Welcome to the Tourism Alliance's first annual overview of tourism statistics.

The reason for producing this overview is to shed light on an industry that is something of an "invisible giant". It is the UK's sixth largest industry, employing 1 in 11 of all people working in the UK and generating £115bn every year for the UK economy. And yet it rarely appears on the political radar.

One of the main reasons for this is that, unlike other industries, over 80% of the 249,000 tourism businesses in the UK employ less than 10 people. These small businesses are also spread right across the length and breadth of the UK, in every city, town, village and hamlet rather than being congregated together.

Yet, the industry is one of the keys for rebuilding the UK economy and for generating employment, especially where it is most needed such as in rural communities or among young school-leavers. And there is a very good story to tell. In 2011, inbound tourism revenue grew at over 5 times the rate of the economy as a whole while it is estimated that domestic tourism revenue will end the year 14% higher than 2010. In total, this is additional expenditure in the sector of £3.8bn – enough to generate 76,000 new jobs in 2011 alone.

While these figures are impressive, there is more than can be done to increase the contribution that the industry makes to the UK economy. There are three main aspects of the UK tourism offering which are uncompetitive internationally – VAT rates, visa requirements and Air Passenger Duty. It is no coincidence that the World Economic Forum, while ranking the UK as the 6th most competitive country in the world for tourism, also ranks the UK as 135th out of 139 countries in terms of taxation on tourists.

So, in a year that the UK, and the tourism industry, will be in the centre of the world stage with the Diamond Jubilee and the Olympics, it is only right that we better recognise the size of this giant and the benefits that it provides to Everyone, Everywhere, Everyday.

Brigid Simmonds

Brigid Simmonds OBE

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

£115.4bn* (2009)

including direct and indirect impacts. This equates to **8.9% of UK Gross Domestic Product.**

The Economic Contribution of the Visitor Economy – UK and the Nations, Deloitte, 2010

£68bn GVA* (2009)

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

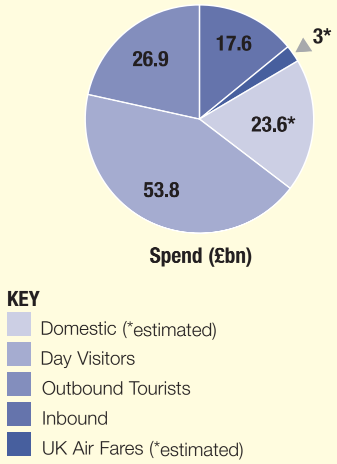
*Excludes expenditure in the UK by outbound tourists.

Total Revenue from Tourists

2010: £110bn pa

2011: £125bn pa

(estimated)



The UK's International Tourism Ranking

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

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

  UNWTO, 2011

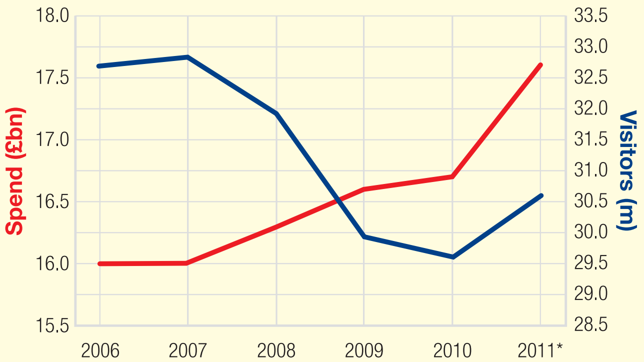
- **The UK is the seventh largest international tourism destination ranked by visitor expenditure.**

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

  UNWTO, 2011

2: Inbound Tourism

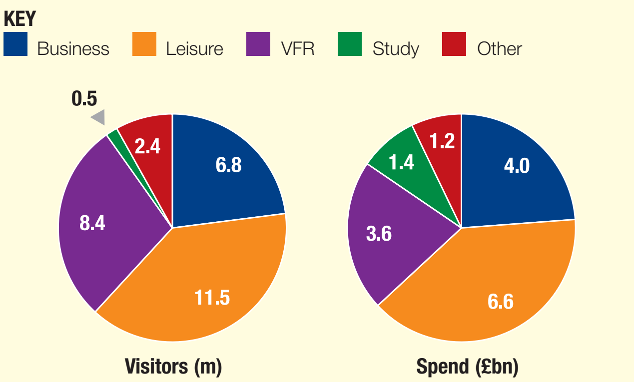
Visitor Numbers and Total Spend



International Passenger Survey, Office for National Statistics, 2011

*Provisional results

Visitor Numbers and Total Spend by Sector – 2010



International Passenger Survey, Office for National Statistics, 2011

Average Spend per Visit

£580

International Passenger Survey, Office for National Statistics, 2012

Average Length of Stay

7.6 nights

International Passenger Survey, Office for National Statistics, 2011

Students

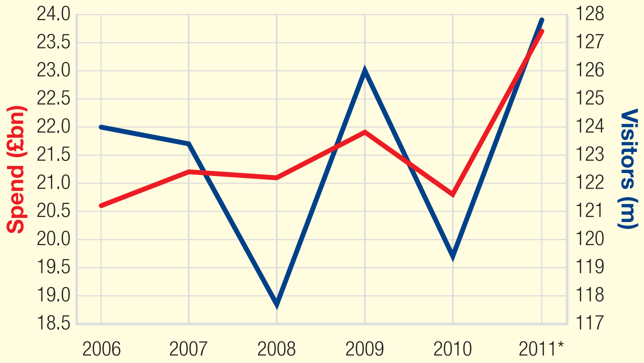
£14 billion

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 **£21 billion** by 2020.

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

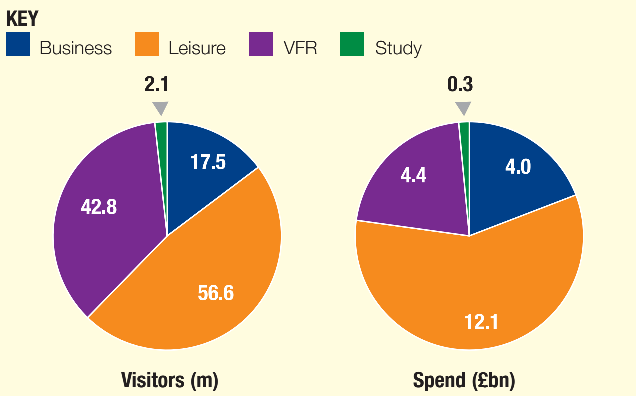
3: Domestic Tourism

Visitor Numbers and Total Spend



GB Tourism Survey, VisitEngland, 2011. * Estimated

Visitor Numbers and Total Spend by Sector – 2010



GB Tourism Survey, VisitEngland, 2011

Domestic Tourism by Region

2010	Trips (m)	Spend (£m)
West Midlands	7.88	1,078
East of England	8.88	1,306
East Midlands	7.69	1,029
London	11.58	2,515
North West	12.52	2,260
North East	3.59	627
South East	16.37	2,232
South West	19.22	3,606
Yorkshire and Humberside	10.04	1,478
Scotland (Visit Scotland website)	12.37	2,628
Wales (Visit Wales website)	8.9	1,450

GB Tourism Survey, VisitEngland, 2011

4: Day Visitors

	Visits (m)	Spend (£bn)
All visits	1,545	53.8
Visits to		
Town/city	68.2%	
Rural	25.9%	
Seaside/coast	9.5%	

GB Day Visits Survey, VisitEngland, 2012

5: Outbound Tourism

Tourism Expenditure in the UK by Outbound Travellers

Sector	Spend (£m)
Accommodation services for visitors	559
Food and beverage serving services	602
Railway passenger transport services	608
Road passenger transport services	850
Water passenger transport services	474
Air passenger transport services	15,746
Transport equipment rental services	-
Travel agencies & other reservation services	1,760
Cultural services	-
Sport and recreation services	-
Exhibition & Conference services	-
Other consumption products	6,281
TOTAL	**26,881**

Tourism Satellite Accounts 2008, Office for National Statistics, 2011

6: Tourism Employment

- The UK tourism industry employs **2.66m people** (2009)
- The sector is the **UK's third largest employer**, accounting for 9% of total employment
- There are **249,000 tourism businesses in the UK** (10% of the total number of businesses)
- **Over 80% of tourism and hospitality industry businesses employ fewer than 10 people.**

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

- **A new Full Time Equivalent tourism job** is created and sustained with every £50,000 increase in tourism revenue.

Based on Employment Generated by Tourism in Britain, VisitBritain, 2002

- The sector is a significant incubator for entrepreneurs – despite the economic downturn there were **21,580 businesses start-up in the sector in 2009**.
- The sector is a significant source of employment for those unable to work full-time – **nearly half the sector's workforce is part time**.
- The sector is a large employer of school leavers and young people – **44% percent of people employed in the sector are under the age of 30** compared to the national average of 24%.
- **Turnover rates in the sector have declined significantly to 23%.**
- **80% of people working in the sector are British**.

State of the Nation Report, People 1st, 2011

7: Tourism Economics

Total UK Tourism Spend by Sector

Sector	Spend (£m)
Accommodation services for visitors	13,152
Food and beverage serving services	22,719
Railway passenger transport services	2,494
Road passenger transport services	2,719
Water passenger transport services	619
Air passenger transport services	16,212
Transport equipment rental services	381
Travel agencies & other reservation services	2,787
Cultural services	3,424
Sport and recreation services	2,258
Exhibition & Conference services	313
Other consumption products	46,574
TOTAL	**113,654**

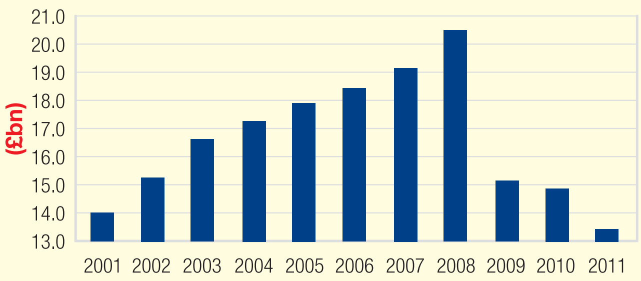
Tourism Satellite Accounts 2008, Office for National Statistics, 2011

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 Deficit



International Passenger Survey, Office for National Statistics, 2012

Tourism Export Earnings

- In 2010 travel expenditure by non-residents visiting the UK accounted for **12.3% of UK service sector exports and 4.8% of total UK exports.**

The Pink Book, HM Treasury, 2011

- **Tourism is the UK's sixth largest export earner**, after Chemicals, Financial Services, Intermediate Manufactured Goods, Capital Goods, and Transportation.

The Pink Book, HM Treasury, 2011

Tourism Taxation

Air Passenger Duty	**£2.2bn**
VAT (estimate)	**£18.3bn**

- World Economic Forum's 2011 study on international competitiveness shows that the **UK now ranks 135th out of 139 countries in terms of taxation on tourists.**

The Travel and Tourism Competitiveness Report, WEF, 2011

Government Funding of Tourism

	2001	2011	Increase
UK	£48.0m	£35.9m	-25%
Australia	A$90.0	A$141.5	+57%
Ireland	56.3m euro	151m euro	+168%
France	23.0m euro	39.5m euro	+72%
Spain	67.2m euro	85.0m euro	+26%
Germany	30.4m euro	27.4m euro	-10%

SECTION 2: Policy Related Statistics

VAT

The UK is one of only three EU countries to charge tourists full-rate VAT on accommodation, meals and attractions.

- Of the 27 EU countries, the UK is one of only four that charges the full rate of VAT on tourism accommodation (the others being Denmark, which has no reduced rates of VAT, and Slovakia and Lithuania, which were persuaded to increase its rate under IMF pressure). The UK now has the second highest rate of VAT on accommodation in Europe.
- The average VAT rate for accommodation in the other European countries is 10.3%.
- The UK is one of only 14 EU countries that apply full rate VAT on restaurant meals. The average for the rest of the EU is 8.8%.
- 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 10 countries that applies full rate VAT on admissions to cultural attractions such as museums, theatres, shows and cinemas.
- A Deloitte/Tourism Respect study has estimated that reducing VAT on accommodation and attractions could result in a net present value gain for the Treasury of £2.6bn over 10 years.
- In the two years since France reduced VAT on restaurant meals from 19.6% to 5.5%, the Government has calculated that 62,700 new jobs have been created in the sector, while employment in the rest of the economy has declined.

Air Passenger Duty

APD has increased by up to 750% over the last 5 years.

- A family of four from China or India pays £300 in APD to add the UK to their European itinerary.
- A couple from Australia pays £340 in APD to fly premium economy to the UK.
- The Government collects £2.2bn per annum from passengers through APD.
- In the past five years, APD has increased by up to 650% for economy passengers and up to 750% for business passengers.
- Replacing APD with EU Emissions Trading could result in a potential £4 billion increase in GVA, over 100,000 more jobs and increased tax revenues of almost £2 billion elsewhere in the economy by 2020.
  Oxera report for Airport Operators Association, 2010
- Government figures show that current APD charges exceed the cost of aviation carbon emissions by approx £200m per annum.
  Aviation Emissions Cost Assessment, Department or Transport 2008

VISAS

50% more visitors from India go to France than the UK.

- A UK short stay visa costs £78, compared to around £53 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 £612 in APD and Visa charges to travel to the UK.
- Between 2000 and 2009 the UK's earnings from international visitors has increased by 37.4% (in $US terms). Earnings in France rose 49.7% and in Germany by 85.6%.
- France attracted eight times more visitors from China last year than did the UK, and Germany six times more visitors than the UK. France outperforms the UK in terms of attracting visitors from India by a factor of more than 50%.
- Visitors from visa-requiring nations account for around 11% of all visitors to the UK (3.4m), they generate around £3bn in revenue for the UK (19% of the total) due to their high spend per trip (£866 per person vs the average of £580 per person).
- When the requirement for Taiwanese visitors to obtain a visa to visit the UK was removed in April 2009, visitor numbers grew by 39% and revenue from Taiwanese visitors increased by 155%.
- 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 24% and revenue has decreased by 15%.