
TourismAlliance

the voice of tourism

SEPTEMBER 2012 NEWSLETTER

Employment: Tourism's USP

For the last three years the Tourism Alliance has been expounding to the Government the ability of the tourism sector to provide much needed growth and employment for the UK economy. This message has been delivered through briefings, publications and a video that extolls the strengths of the UK tourism industry.

That the video has been copied by other sectors, including the construction industry, highlights an important fact – that while we have been advocating that tourism is a growth industry that can deliver on the Government's need for growth, many other industries have been to Government with exactly the same message.

So, if everyone is saying more or less the same thing and competing for limited Government time and resources, we need to be able to stand out from the crowd. We need to provide Unique Selling Point as to why the Government should support the tourism industry rather than other sectors of the economy.

The answer to this is the problem of youth unemployment which, along with long-term unemployment, constitutes the greatest challenge for the Government. The Government's youth strategy *Supporting Youth Employment*, indicates that around 20% of those in the 16-24 age group are unemployed compared to the overall unemployment rate of just over 8%. And while total employment has increased each month since Nov 2011, youth unemployment remains stubbornly high.

The latest figures show that, in the period May-July 2012, 1.02 million young people aged 16-24 are currently unemployed, down 7,000 on the previous quarter but up 37,000 on the same quarter in 2011.

This is where a new report from VisitEngland and ONS's Tourism Intelligence Unit (see the item on this below) highlights the unique ability of the UK tourism industry to help resolve this problem. The report shows fact that 28% of all those employed in the tourism industry are aged between 16 and 24 compared to the UK industry average of only 12% in other sectors of the economy. Furthermore, 33% of the people who work part time in the tourism industry are students compared to just 12% in other sectors of the economy.

So the message is clear, if you want to reduce youth unemployment and provide students with the work skills that enable them to find employment upon graduation, the obvious industry to do this is tourism.

Regards



Kurt Janson
Policy Director
Tourism Alliance

Second Anniversary of PM Speech

It is now two years since the Prime Minister gave a major speech at the Serpentine Gallery in Hyde Park on the importance of the UK tourism industry in rebalancing and rebuilding the UK economy.

Since that speech, considerable progress has been made by both the Government and the industry. On the Government's side, we now have a new tourism strategy, there has been funding allocated to both VisitBritain and VisitEngland to help maximise the opportunities associated with hosting the Olympic Games and there has been the development of the GREAT campaign for co-ordinating the marketing of the UK overseas.

On the industry's part, it has generated over £4bn per annum in extra revenue for the UK economy. This is sufficient to create 80,000 new jobs.

However, there is much more that the UK tourism industry can do to provide further growth for the UK economy. Progress needs to be made on addressing barriers such as APD, visas and VAT, while the red tape challenge initiative to reduce regulation for tourism businesses has stalled and needs to be re-energised.

The Tourism Alliance has therefore written to the Prime Minister outlining the progress to date and asking him to re-confirm his commitment to the industry and the policy changes needed to ensure its success.

[Click Here](#) for a copy of the letter that was sent to the Prime Minister

Tourism Alliance Engage Davies Tanner

The Tourism Alliance has selected the specialist travel and tourism PR agency Davies Tanner to fulfil its UK PR and Communications brief.

As part of its new three year strategy, the Tourism Alliance has set out a series of strategic objectives that will bring tangible benefit to both the industry and the wider UK economy. These objectives include suggested changes made to Visa controls that restrict inbound tourists from emerging markets, reducing regulation to free-up tourism related businesses and helping gain beneficial VAT and APD rates to increase the competitiveness of the UK tourism industry.

Davies Tanner will be working to raise the Tourism Alliance's profile on these and other key issues so that tourism rises up the Government's economic growth agenda.

[Click Here](#) for the Davies Tanner website

Policy Statements

To help with messaging on tourism policy issues, the Tourism Alliance is developing a series of two page Policy Statements on a range of key tourism issues. These policy statements will be produced in a set format to make it easy to communicate information and highlight the position of the tourism industry on a wide range Government policy issues where there are competing interests.

As well as providing short, succinct briefings for the media, the policy statements will also provide Tourism Alliance members with a crib sheet for undertaking advocacy work so that the industry provides consistent messaging to Government on steps that need to be taken to support the tourism industry.

[Click Here](#) for a copy of the first Policy Statement on Aviation Capacity

VAT Update

Slow but significant progress is being made on the objective of gaining VAT rates for UK tourism businesses that are comparable with their European counterparts with a new study being completed on the impact to the UK economy of reducing VAT rates on accommodation and attractions to 5%.

This study was undertaken using the Treasury's own Computable General Equilibrium Model. The results of this research were presented to the Treasury at a special meeting last week as a basis for further discussion on this issue.

The good news is that the findings were accepted and no further research was requested. Treasury officials were most interested by the finding that reducing VAT on tourism is the most cost-effective way of generating jobs and growth to the economy of any measure so far tested using the CGE model. It is for example, more effective than cutting corporation tax or national insurance premiums. The officials will now examine the findings more closely and prepare a briefing paper for ministers on the proposal.

As even, new supporters for the campaign are welcomed (there are now over 300). No payment is required, only an interest in having VAT lowered on tourism products and services to bring them into line with other European countries.

If your organisation would like to become involved in the campaign, please contact Campaign Manager, Graham Wason, on 07977 040579 or email him at rgwason@tourismrespect.com

Meeting with UKBA on Visas

The Tourism Alliance has met with the UK Border Agency to discuss ideas for improving the processing of tourism visa applications in emerging markets. There seems to be something of a culture-shift occurring within UKBA at the moment in terms of wanting to increase visitor numbers from countries such as China. As such, the main focus of the meeting was to develop initiatives that would increase visa applications and tie-in with Government policy of developing increased trade and investment between the two countries.

The Tourism Alliance provided a range of suggestions on how UKBA could provide an improved service for customers, focusing on the need for the Agency to adopt a more commercial mind-set to visa provision. Suggestions included:

- Offering guaranteed times for visa processing
- Providing tour operators with a helpline so they can check the processing of their client's visas
- Offering "sales" in off-peak periods
- Aligning application forms and data requirements with Schengen countries
- Providing a regular newsletter to Chinese tour operators
- Enabling minor application errors to be rectified through a phone call to the relevant tour operator

- Working in partnership with Business Tourism units to win conferences for the UK.

It is hoped that from this initial list of suggestions, a programme can now be developed to improve the UK's tourism visa offering.

Tourism Employment

VisitEngland and the Tourism Intelligence Unit of ONS have produced a review of tourism employment using the latest Tourism Satellite Account data. While this data is from 2009, this remains a very valuable report as much of the data will not have changed significantly in the past 2.5 years.

The report provides a valuable insight into the level of employment in the various sectors that constitute the tourism industry, including the characteristics of the employment such as the large number of SMEs and micro businesses, the large number of young and part-time workers and the high levels of self-employment. This data is very important in discussions with Government on the ability of the tourism industry to generate employment, especially in problem areas such as youth employment.

A final interesting and important factor that is somewhat hidden in the report is that the average revenue per employee in the tourism industry works out to be £48,500. This reinforces previous research that concluded that one tourism job is created for every £50,000 of additional revenue generated by the tourism industry.

[Click Here](#) for a copy of the Review

THE TOURISM ALLIANCE

The Tourism Alliance is the Voice of the Tourism Industry.

Established in 2001 with the support of the Secretary of State for Culture, Media and Sport, the Tourism Alliance comprises 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 and its contribution to the economy.

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