

UK Visa Policy

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1. The Issue

The UK's inbound tourism sector suffers in relation to competitor destinations in Europe due to the UK being outside the Schengen zone and visa-requiring nationals therefore having to gain two visas in order to undertake a European holiday. As a result, many visitors from major growth markets such as China, Russia and India exclude the UK from their European itineraries. To overcome this lack of competitiveness, the UK visa processing service must be improved to show the UK as a welcoming and open destination for tourists.

2. Background

Inbound tourism is now the UK's 6th largest export industry generating over £21bn per annum for the UK economy. The UN World Tourism Organisation (UNWTO) forecasts that global tourism will grow by 60% by 2020 and that almost half this growth will come from just four countries—China, India, Russia and Brazil. Visitors from these countries, with the exception of Brazil, need an additional visa to include the UK in their European itineraries.

As a result, the number of visitors that the UK receives from countries such as China and Russia, lags significantly behind the number visiting other European destinations, costing the UK significant revenue and employment opportunities.

3. Impact

Data from the UNWTO indicates that, in 2012, Chinese nationals undertook 82m trips overseas and spent \$102bn (£65bn). This represents a compound growth rate of almost 20% over a 13 year period.

Unfortunately, in 2012, only 179,000 of those 82m visitors came to the UK. By contrast, over 1m Chinese visitors travelled to mainland Europe. This decline in the UK's relative market share is due to the introduction of biometric visas in 2008, which require all UK visa applicants (including children) to travel to a processing center where their fingerprints are taken and their irises scanned. This is not required for a Schengen visa. As a result, a visa to visit the UK is perceived to be difficult to obtain and the UK is perceived to be unwelcoming to visitors.

This, in turn, has resulted in many tour operators in the Chinese market removing UK inclusive tours from their brochures.

4. Solution

We understand the need for biometric testing and border control, but the UK needs to make significant improvements if it is to reap the considerable economic benefits that are currently being exploited by other tourist destinations.

Three Key Things For Government

1. Cross Government Taskforce.

The UK needs a strategy for getting growth from the BRIC countries. The Government, relevant agencies and industry leaders should develop a coherent plan to deliver growth from the BRIC countries, setting the challenge of delivering the Government's target of 500,000 Chinese visitors by 2015.

4. Solution

(continued)

2. Share Biometric Centres with Trusted European Partners

When other Schengen countries introduce biometric visas, the UK should seek to share biometric facilities. In this way a visitor seeking to travel on a European holiday would only be required to go to one centre to have their biometric details taken for both a UK and Schengen visa (the application itself would be processed separately by the individual countries). The sharing of biometric facilities would also help reduce costs which, in turn, would help to reduce visa prices.

3. Communicate with Travel Agents and Tour Operators.

Travel Agents and Tourism Operators in BRIC countries view the UK as unwelcoming. This needs to be resolved and monitored through the implementation of improved communication and training, a focus on avoiding common mistakes and obtaining regular feedback from Chinese users of the visa processing service.

While these three actions are key to providing the strategic impetus for an improvement in the UK's competitive position there are a number of other measures that we would welcome including:

- Add more places where Biometric detail can be provided and share Biometric Centres.
- Provide UK visas to visitors with a valid Schengen visa.
- Undertake a Border Security Assessment for China.
- Translate Visa Forms into Chinese.
- Reduce Unnecessary Documentation.
- Improve the friendliness of the processing service, and reduce service times.
- Provide better feedback on the reasons for rejecting an application.

5. Facts & Figures

Inbound tourism is one of the largest industries in the UK, accounting for around 3m full time equivalent jobs and accounting for 8.9% of GDP. This makes tourism the UK's sixth largest export earner.

Of the 30m annual visitors to the UK, 3.4m (11%) come from countries whose nationals require visas to visit the UK. While these visitors account for only 11% of total visitor numbers, they account for 19% of total inbound tourism revenue

The expenditure by these visitors currently provides full time employment for around 60,000 people in the UK.

Since 2000, Chinese outbound tourism has risen by over 400% but visitor expenditure in the UK from China has increased by only 125% over a similar period of time.

In the Indian outbound market, visitor numbers have grown by 250% since 2000, yet visitors to the UK have only increased by 80% over the same period.

The average spend per visitor for tourists to the UK is £567, yet visitors from India spend an average of £978 per visit and visitors from China spend £1688 per visit (200% more than the average visitor and 115% more than visitors from America).

If the UK had retained its share of the outbound markets from China and India since 2000, this would have seen the UK gain £330m in addition tourism revenue in 2010. This level of additional revenue would have created 6,600 full time jobs.

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