Welcome to the Tourism Alliance

Tourism Insights Conference

23rd March 2023

0930-1400

TOURISM ALLIANCE

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Today’s agenda part 1

- 0935 – Richard Nicholls, Visit Britain: **“Domestic and Inbound Performance and Prospects.”**
- 1000 – Justin Reid, TripAdvisor: **“UK Tourism – is it ok to peek out from behind the Covid sofa yet?”**
- 1030 – DMO Panel: **“What are we seeing on the ground? Destination insights and data.”**
- 1115 – Coffee break

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Today’s agenda part 2

- 1130 – David Edwards, Scattered Clouds/ETOA: **“OK-UK? A long-haul journey through time: past, present and future”**
- 1200 – Linda Ristragno, IATA: **“Nose-dive and recovery. Is global aviation back on the right flight path?”**
- 1230 – Nejc Jus, WTTC: **“A World In Motion: Global Travel Insights”**
- 1300 – Mike Saul, Barclays**: “Saving their money or splurging on holidays? What's the consumer thinking and doing?”**
- 1330 - Lunch
- 1500-1700 **English Tourism Week Parliamentary Reception**

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Richard Nicholls

Head of Research and Forecasting
VisitBritain/VisitEngland

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Domestic and Inbound Performance and Prospects

Richard Nicholls, Head of Research and Forecasting, VisitBritain/VisitEngland

Inbound

VisitBritain VisitEngland

2022 inbound vs 2019: most of the volume and all of the value had returned by the autumn

Total Visits (000)	2022	Change vs. 2019
Last 3 months (September-November)	9,380	*-8%*
Year to date (January-November)	27,580	*-23%*

Total Spend (£m)	2022	Change vs. 2019
Last 3 months (September-November)	7,460	*0%*
Year to date (January-November)	23,270	*-8%*

- Overall the **average spend per visit** in 2022 (January to November) was £844 vs £703 for the same period of 2019.
- In the first half of the year average length of stay was much higher than normal but this started to settle down in the third quarter.
- In the last 3 months of data (Sep-Nov) average spend per visit was up 8% in nominal terms but after adjusting for inflation this was a 6% decline in real terms.

International Passenger Survey by the ONS 2022. Jan-Jun 2022 and 2019 excludes those travelling via Eurotunnel as IPS did not restart interviewing there until July. All values and percentage changes in spend are in nominal terms.

2022 inbound: VFR and North America recovering well

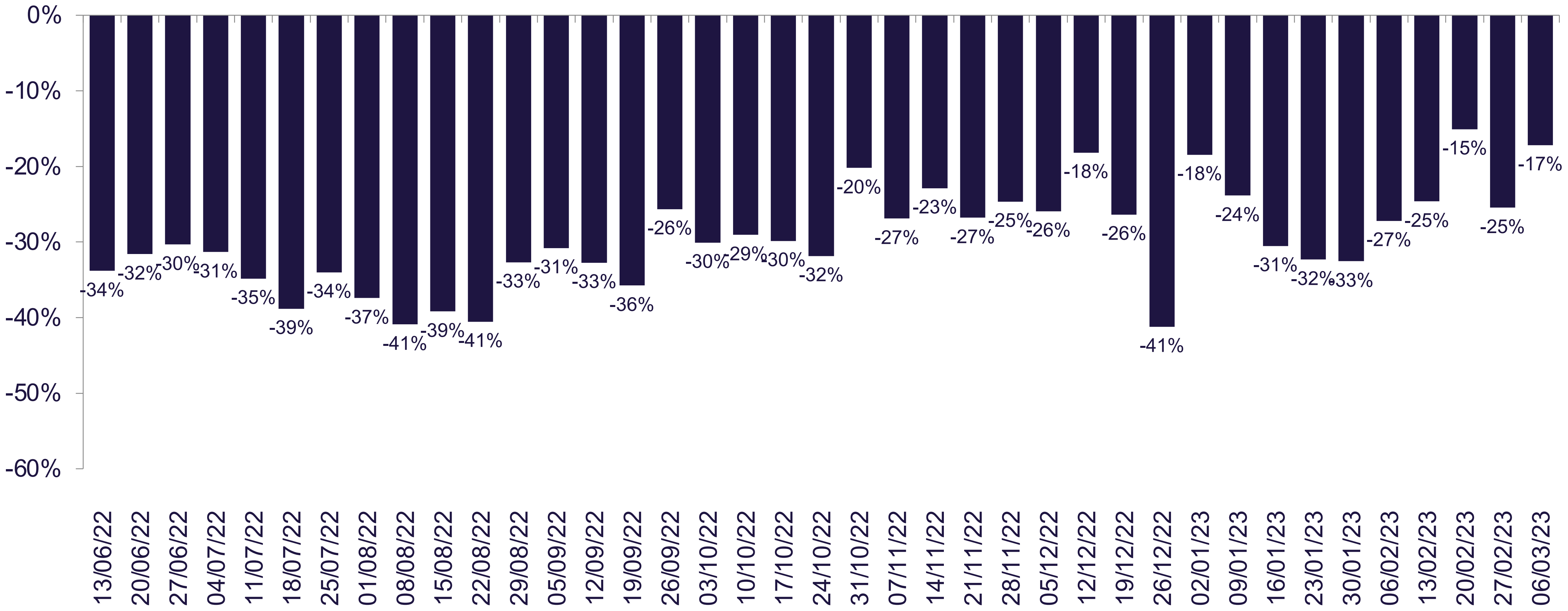
Total Visits (000)	Last 3 months (Sep-Nov)	Change vs. 2019
Holiday	3,610	-9%
VFR	3,270	8%
Business	1,740	-31%
Miscellaneous	760	17%
Total Europe	6,630	-2%
North America	1,530	20%
Rest of World	1,210	-43%

- **Holiday** visits surpassed pre-pandemic levels for the first time in November 2022, also reaching a new record 1.2 million visits.
- **Visits to friends and relatives** also surpassed pre-pandemic levels in November 2022, to a record 1.2 million visits.
- **Business** visits continue to be the slowest journey purpose to recover.
- Visits from **Europe** were just 2% below 2019 in Sep-Nov.
- Inbound visits from **North America** continued to surpass pre-pandemic levels.
- Visits from **Rest of World** were just above half of pre-pandemic levels in total, but with big differences by market.

International Passenger Survey by the ONS 2022

Flight arrivals to UK up to 17% below 2019 levels

Arrivals in each week starting on the date shown, vs. the same time in 2019, within the ForwardKeys database. Global total.



Source: Forward Keys data up to 12th March 2023. FK database does not include low cost carriers.

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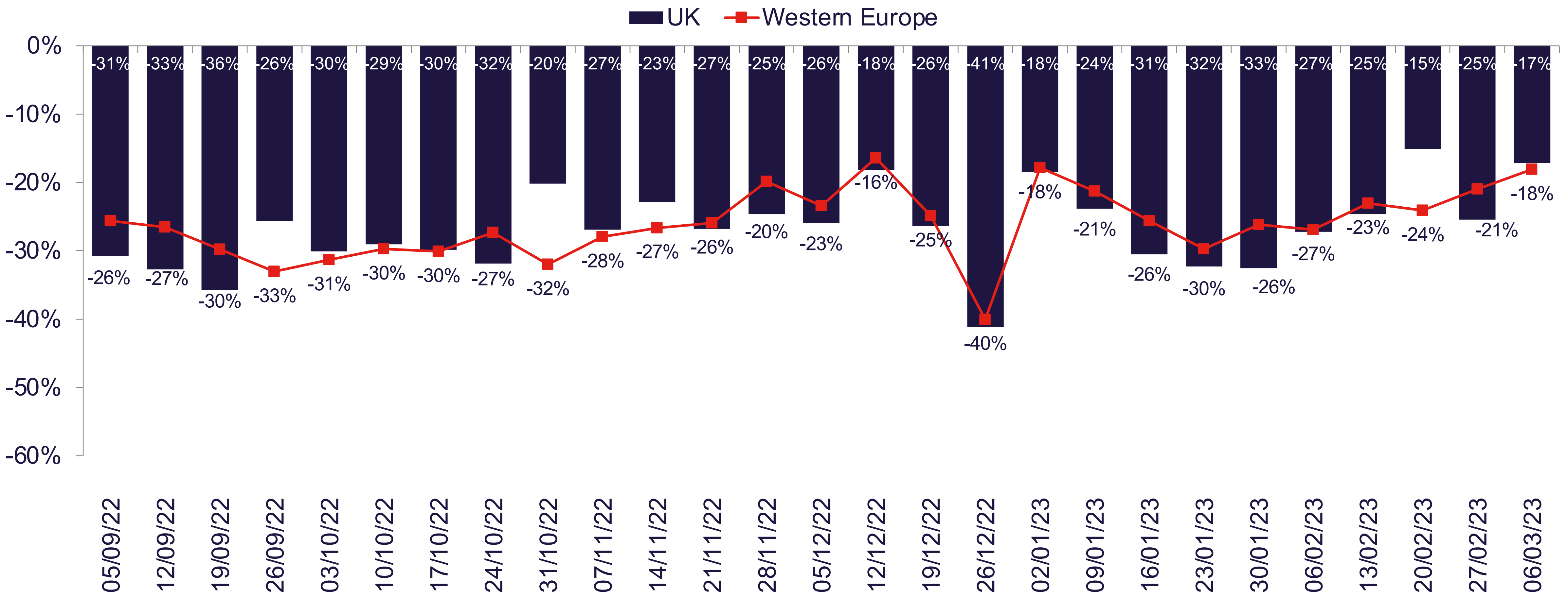
UK tracking similar to Western Europe

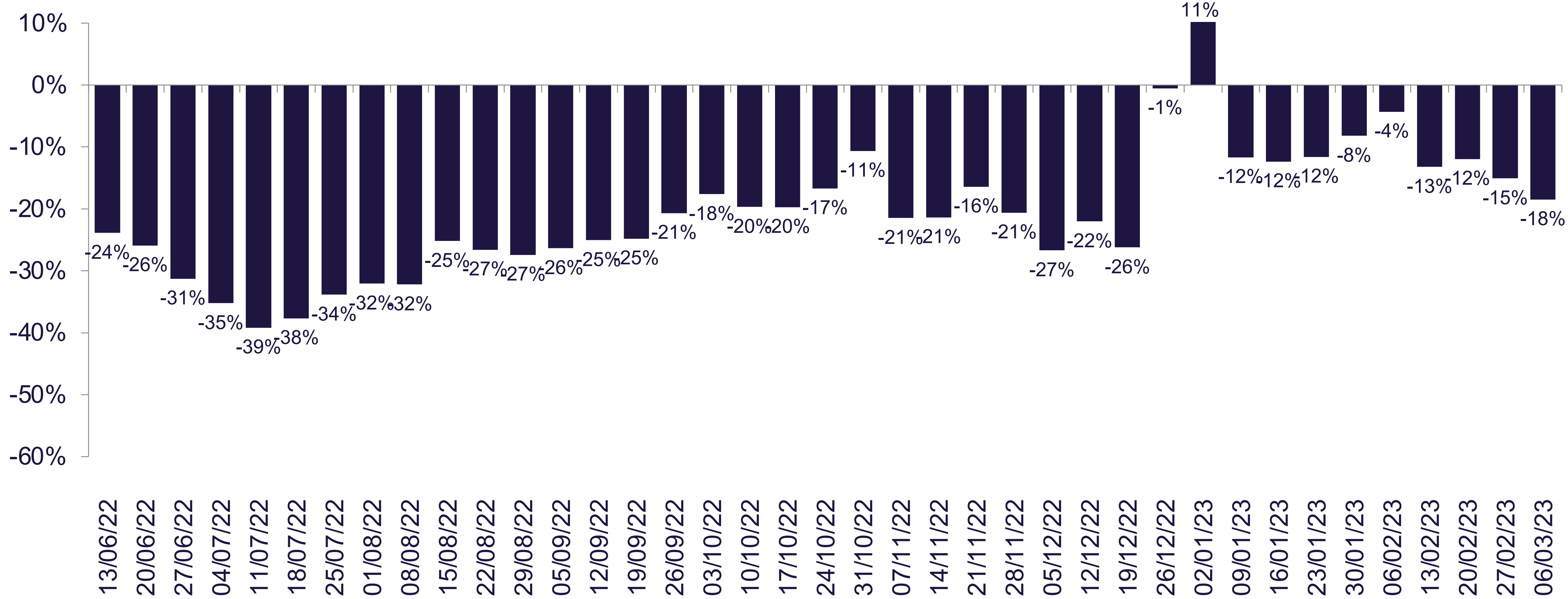
Arrivals in each week starting on the date shown, vs. the same time in 2019, within the ForwardKeys database. Global total. Arrivals to the UK vs arrivals to Western Europe.



Source: Forward Keys data up to 12th March 2023. FK database does not include low cost carriers.

Bookings pace has slipped a bit from high point

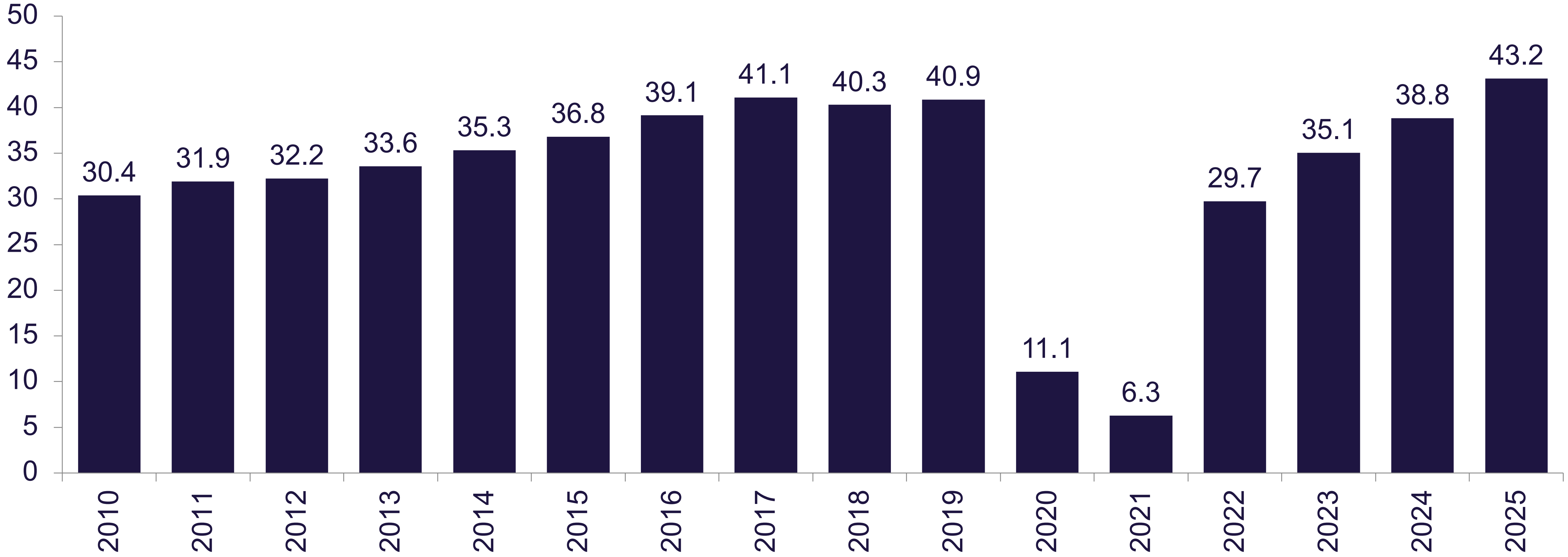
Bookings made in each week starting date shown, vs. those made the same time in 2019, within the ForwardKeys database



Source: Forward Keys data up to 12th March 2023. NB values less than -100% imply more cancellations than new bookings.
Growth vs 2019 is shown to compare against a normal year baseline.

Inbound visits to recover to 35.1m in 2023 (86% of 2019 level) – but forecasts likely to be revised up

Inbound tourism to the UK – visits (millions), trend and forecast. January forecast.

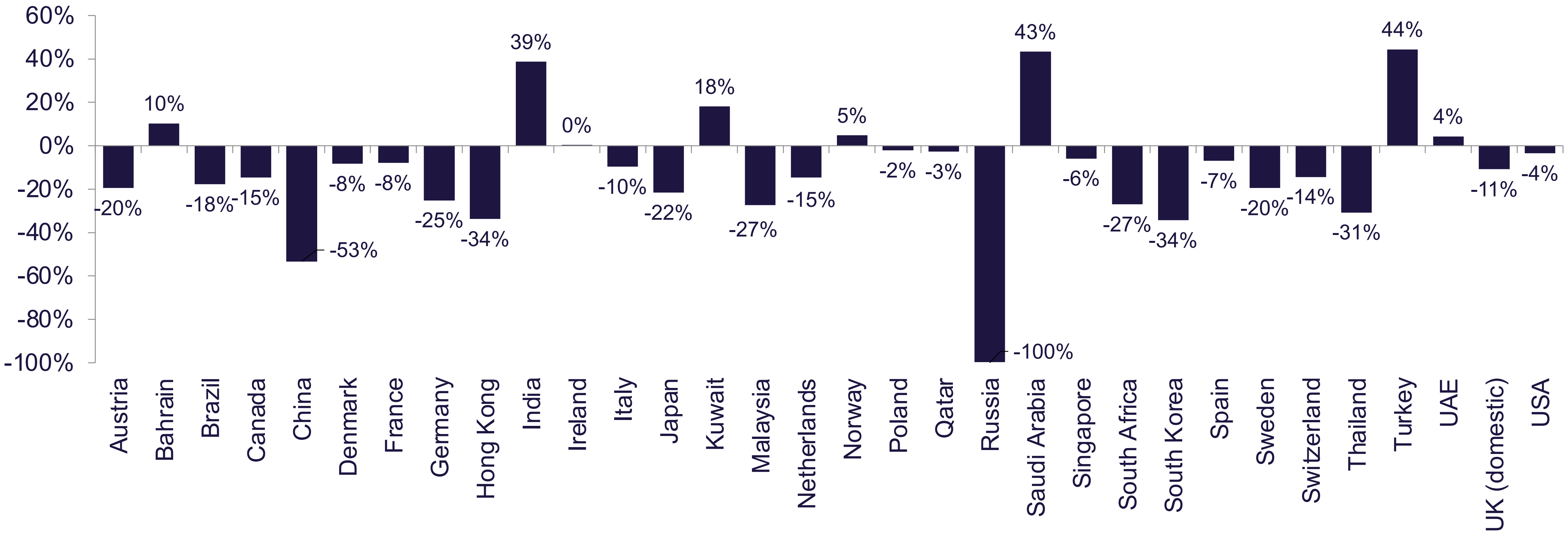


Source: International Passenger Survey to 2021; VisitBritain model and forecasts for 2022-23, Oxford Economics from 2024

Air capacity to the UK: April-June 2023 vs. 2019 Overall intl' capacity at -7% but huge variation.

Seats available, Apr 2023-Jun 2023 vs. same time in 2019, by selected country of origin.

NB low cost carriers have recovered capacity quicker than legacy, on average



Source: Apex. Data run March 10th.

Economic outlook

- **Outlook:** inflation still darkening short term prospects though is easing. Key question is whether there will be a delayed reaction in terms of travel behaviour to recent income squeeze?

- **Inflation:** globally this has risen from a high of over 8% last year to around 7% in early 2023 and easing further throughout 2023 and 2024.
- **Consumer confidence:** EU and US consumer confidence both jumped to a 12-month high in February, though still historically low.
- **Economic outlook:** a number of countries have not yet recovered to pre-COVID levels of real consumer spending (UK included). Weak growth forecast for 2023 and modest for 2024, picking up in 2025.
- **Exchange rate:** US dollar down from late 2022 high point but remains strong. Pound also weaker than historic norm against Euro.

Inflation forecast, global average:

	2021	2022	2023	2024
Q1	2.9%	6.8%	6.8%	3.6%
Q2	4.3%	8.1%	5.7%	3.2%
Q3	4.6%	8.4%	4.9%	3.0%
Q4	5.6%	7.9%	4.3%	3.0%

Domestic

Hotel occupancy on par with 2019 levels for January (and Dec). RevPAR above 2019 level in nominal terms but not adjusted for inflation.

January comparison	Bedroom Occupancy %				RevPAR £			
	2019	2021	2022	2023	2019	2021	2022	2023
Total England	**65%**	**23%**	**47%**	**65%**	**£56**	**£11**	**£35**	**£61**
East England	63%	30%	55%	69%	£39	£13	£33	£47
East Midlands	61%	28%	54%	64%	£35	£13	£30	£41
Greater London	72%	19%	38%	65%	£94	£12	£42	£98
Northeast England	59%	23%	51%	61%	£32	£10	£29	£37
Northwest England	62%	21%	49%	64%	£39	£10	£31	£45
Southeast England	63%	27%	49%	64%	£42	£12	£32	£48
Southwest England	60%	27%	53%	61%	£37	£12	£35	£42
West Midlands	64%	20%	47%	63%	£41	£8	£27	£43
Yorkshire & Humberside	60%	22%	53%	66%	£34	£9	£32	£44

Source: England Occupancy Survey - Hotels

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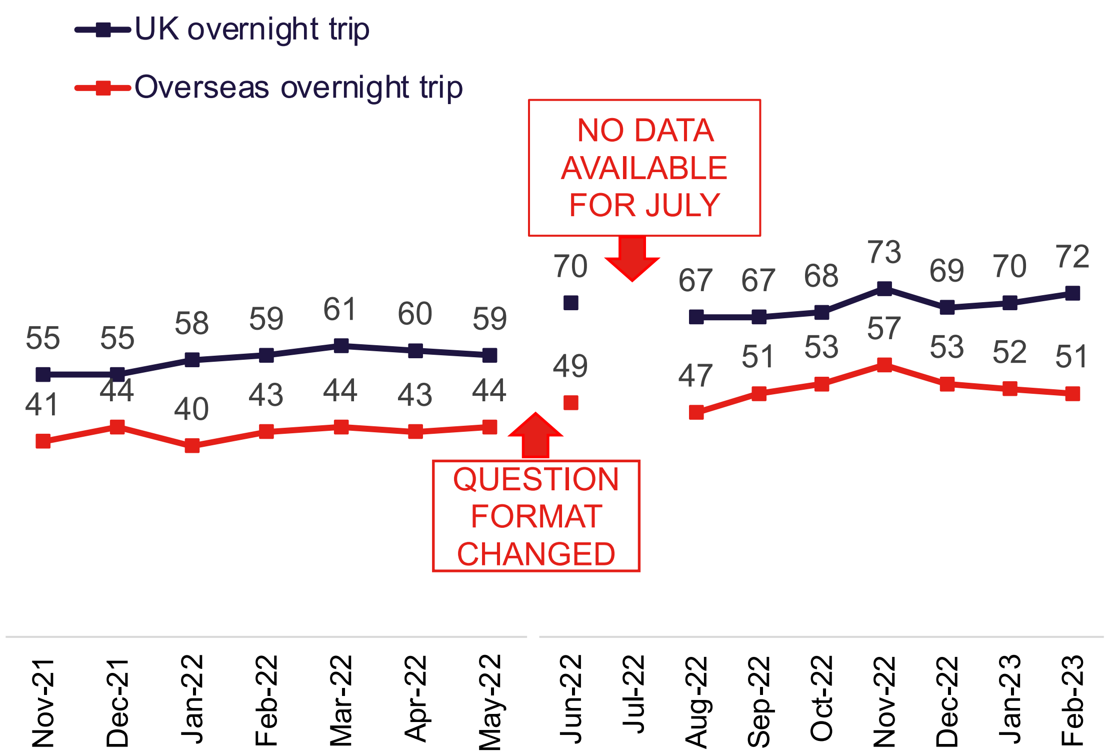
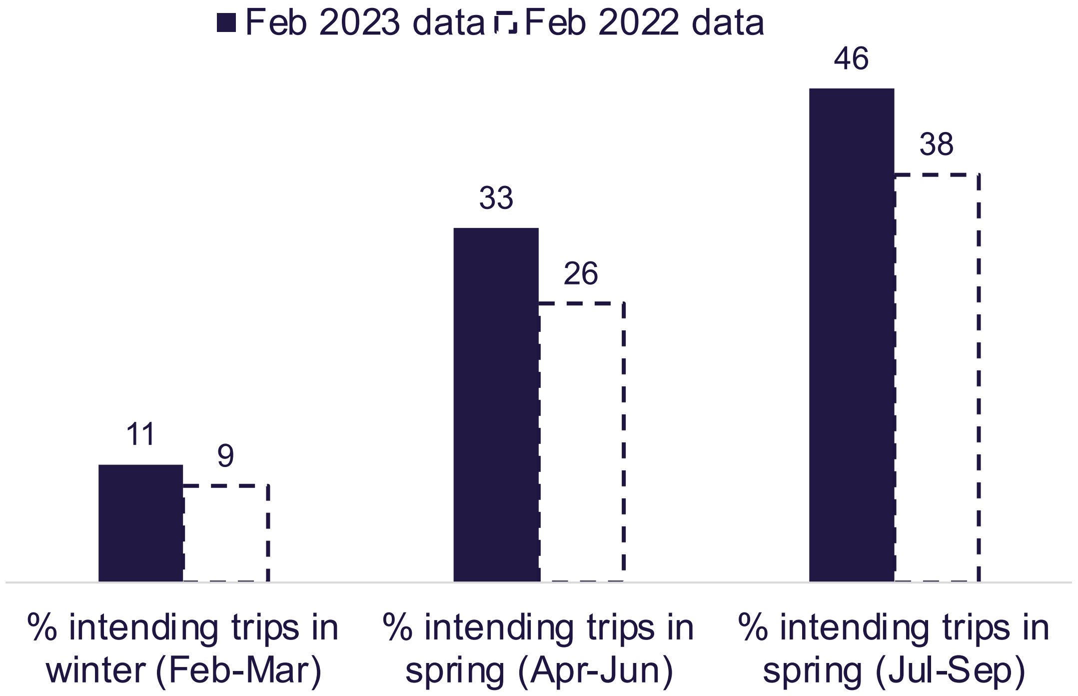
Domestic and outbound trip intentions are up year on year; domestic intentions are close to the November high point

Proportion anticipating going on any overnight UK and overseas trips in the NEXT 12 MONTHS, Percentage, February 2023, UK*



% of UK adults anticipating going on any overnight UK trips, Percentage, February 2023 vs 2022 data, UK



Question: QVB2a. Thinking of your next UK holiday or short break, when are you likely to go on this trip? QVB2b. And when else do you anticipate going on a UK holiday or short break? QVB2c. Thinking of your next OVERSEAS holiday or short break, when are you likely to go on this trip? QVB2d. And when else do you anticipate going on an overseas holiday or short break? Base: All respondents. February 2022 = 1,756, February 2023 = 1,757 Note: Multiple choice question. Totals may exceed 100% as some respondents anticipate taking multiple trips across several time periods.

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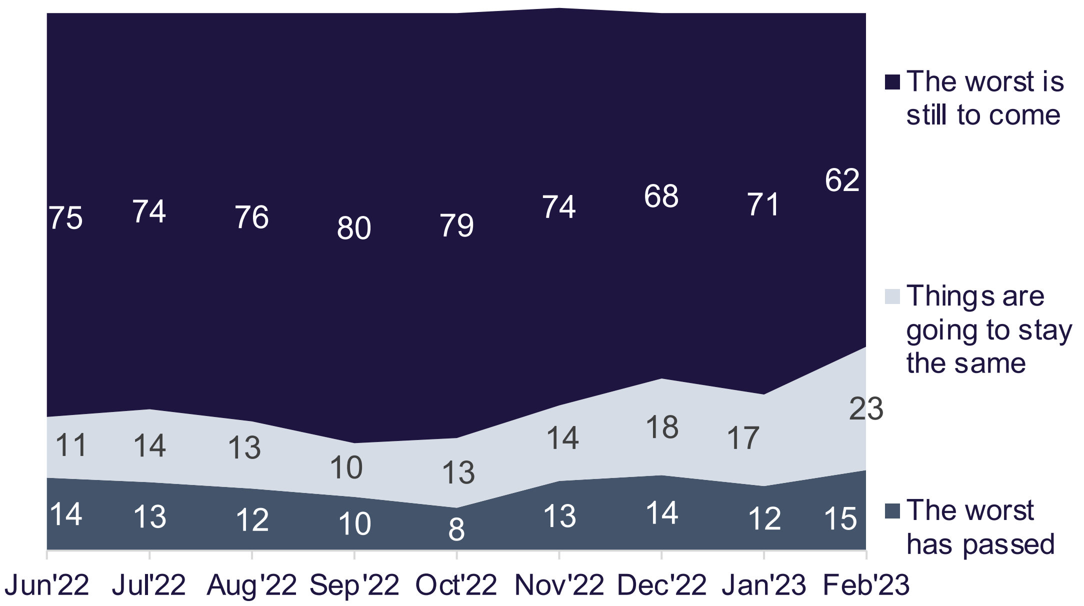
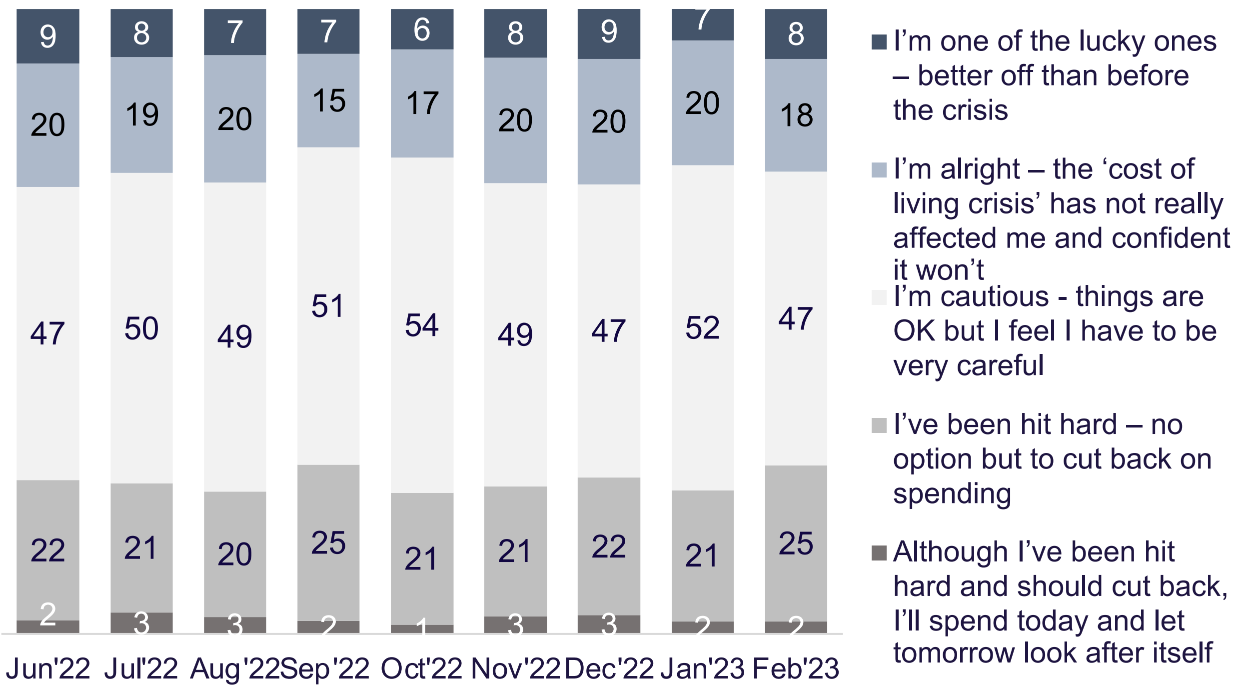
Cost of living: there has been a reduction in the proportion saying "the worst is still to come" with an uplift in those saying "things are going to stay the same"

And the rising cost of living has consistently been cited as the top barrier to trip taking (chart not shown)

Perception of the situation with regards to cost of living crisis



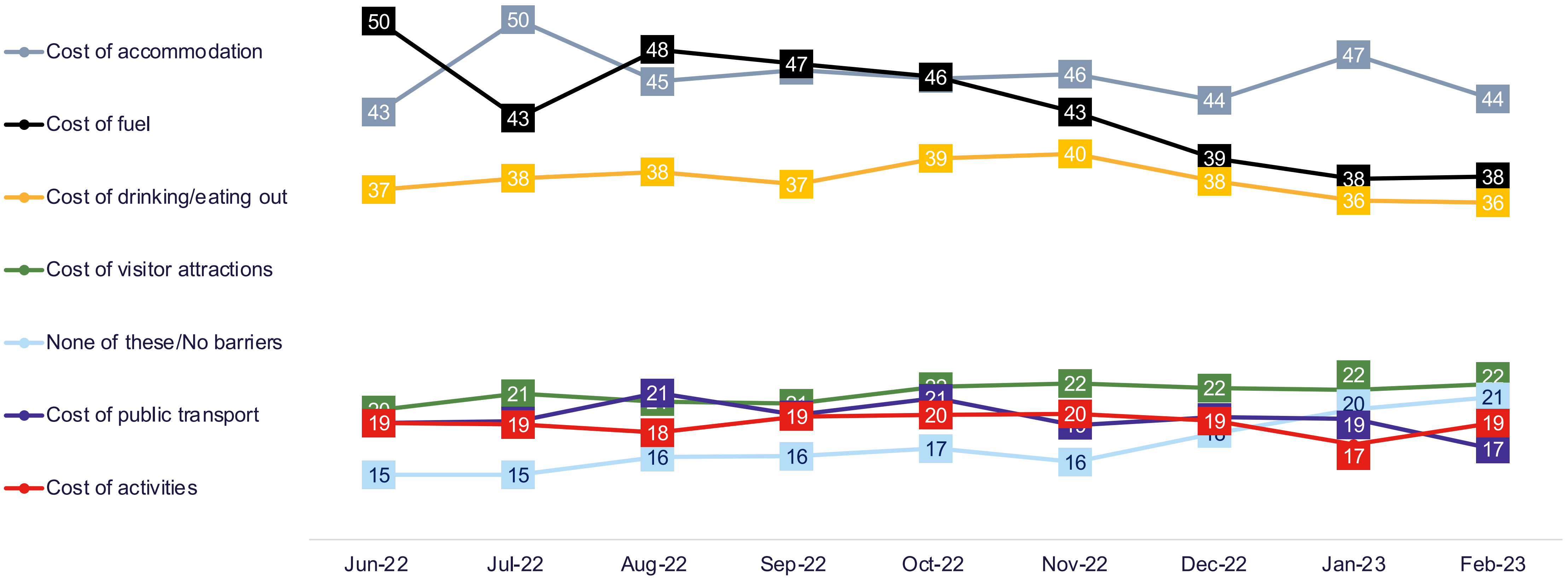
Feelings about situation during the 'cost of living crisis'



Question: Q7b: And now regarding the 'cost of living crisis' in the UK and the way it is going to change in the coming few months, which of the following best describes your opinion? Base: All respondents. February 2023 = 1,757; Question: Q17: There has been a lot of talk about how the 'cost of living crisis' has affected people's financial circumstances. If you had to choose, which ONE of the following statements would best describe your feelings about your own situation, right now? Base: All respondents. February 2023 = 1,757; VB7b. Which, if any, of the following factors do you see as potential barriers to you taking a UK short break or holiday in the next 6 months?

Barriers to domestic overnight breaks: cost of accommodation is now top, and cost of fuel worries have eased

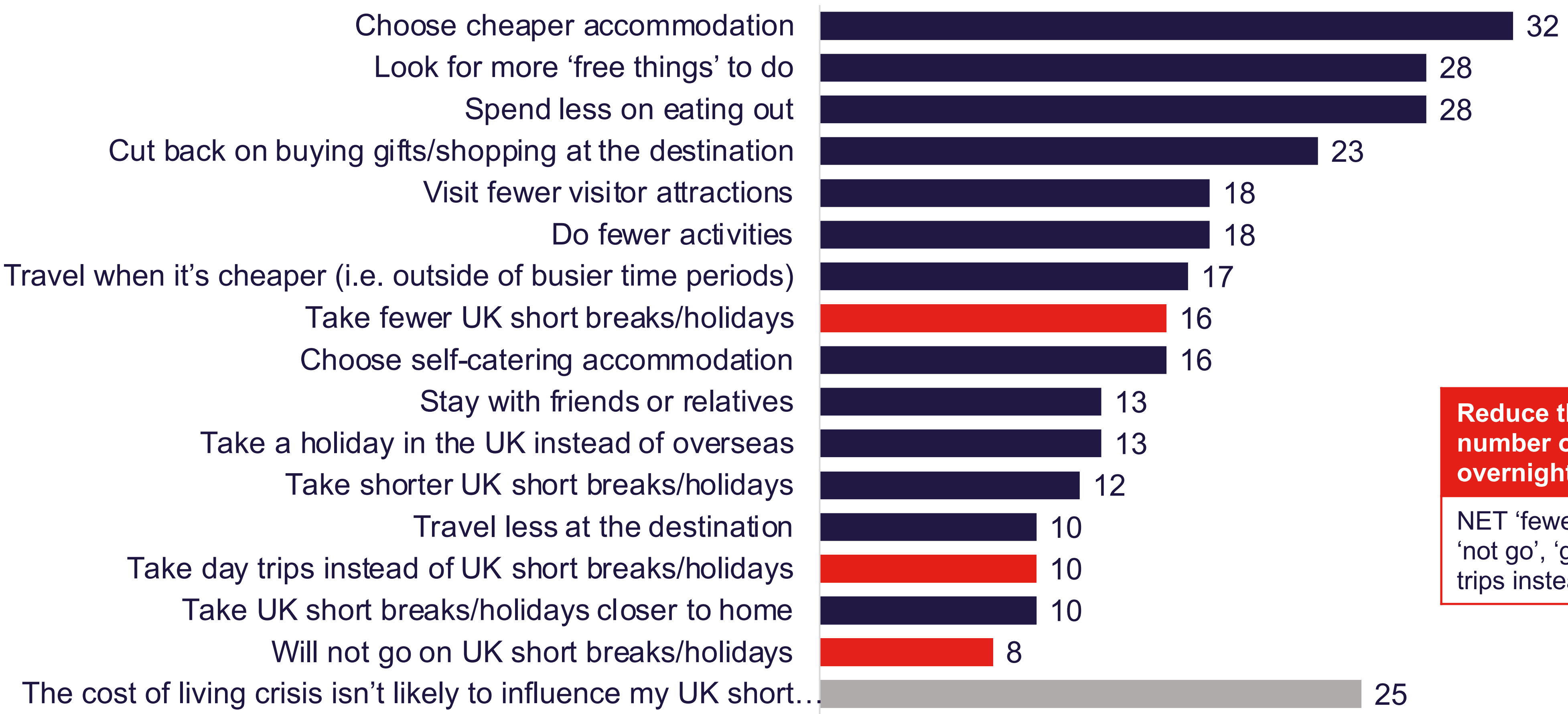
Individual costs barrier to taking UK holidays and short breaks in next 6 months, Percentage, UK



Question: VB7bii. Which, if any, of these costs are the main financial barriers to you taking a UK short break or holiday in the next six months?
Base: February 2023 = 1757.

Many will look to cut back on spending while on overnight trips, while 30% will cut the number of trips

'Cost of living' impact on UK holidays and short breaks, Percentage, February 2023, UK



Reduce the number of UK overnight trips	Feb 2023 data
NET 'fewer', 'not go', 'go day trips instead'	30%

Question: VB7c. How, if at all, would you say the 'cost of living crisis' is likely to influence your UK short breaks or holidays in the next six months?
Base: February 2023 = 1757.

Domestic volume and value statistics – update

- **Context and previous data releases:**
  - The domestic volume and value stats (GBTS – overnights; GBDVS – day trips) were retendered by VisitEngland, VisitScotland and Visit Wales with a new agency and new methodology in 2020. We then went dark on domestic data collection due to COVID, followed by delays in setting up the new data.
  - Data for 2021 overnights and day trips was released in late 2022. Due to the change in methodology, these are badged as experimental statistics. They are not at this stage calibrated to the pre-COVID surveys but we are looking at other datasets that might help compare.
  - For more detail, as well as methodological information, please go to these links: https://www.visitbritain.org/gb-domestic-overnight-tourism-latest-results and https://www.visitbritain.org/gb-day-visits-latest-results
- **Next steps:**
  - We are scheduled to release data for 2022 overnights and day trips on May 4th. 2021 data will also be revised.
  - Data for January-April 2023 is due to be released on June 13th. We are due to return to a regular monthly release schedule by autumn.

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Coming up…

Coming up…

- **Official volume and value stats:**
  - Domestic: overnights and day trips data for 2022 to be released on May 4th. 2021 data will also be revised. Data for Jan-April 2023 is due to be released on June 13th.
  - Inbound: IPS 2022 full annual data 26th May.

- **Other projects and workstreams:**
  - MIDAS project (Motivations, Influences, Decisions and Sustainability) – inbound study in 29 markets conducted in 2022. Main report released but more granular reports and analysis coming: next two topics likely to be Customer Journey and Premium Travellers. https://www.visitbritain.org/MIDAS-research-project
  - We have initiated a workstream looking at new data sources, particularly timely behavioural data. We have signed up to short term rentals data from Transparent.
  - Trip Tracker surveys for Easter and (tbc) Coronation weekend

Justin Reid

Director of Destinations, Travel and Hotels, EMEA
TripAdvisor

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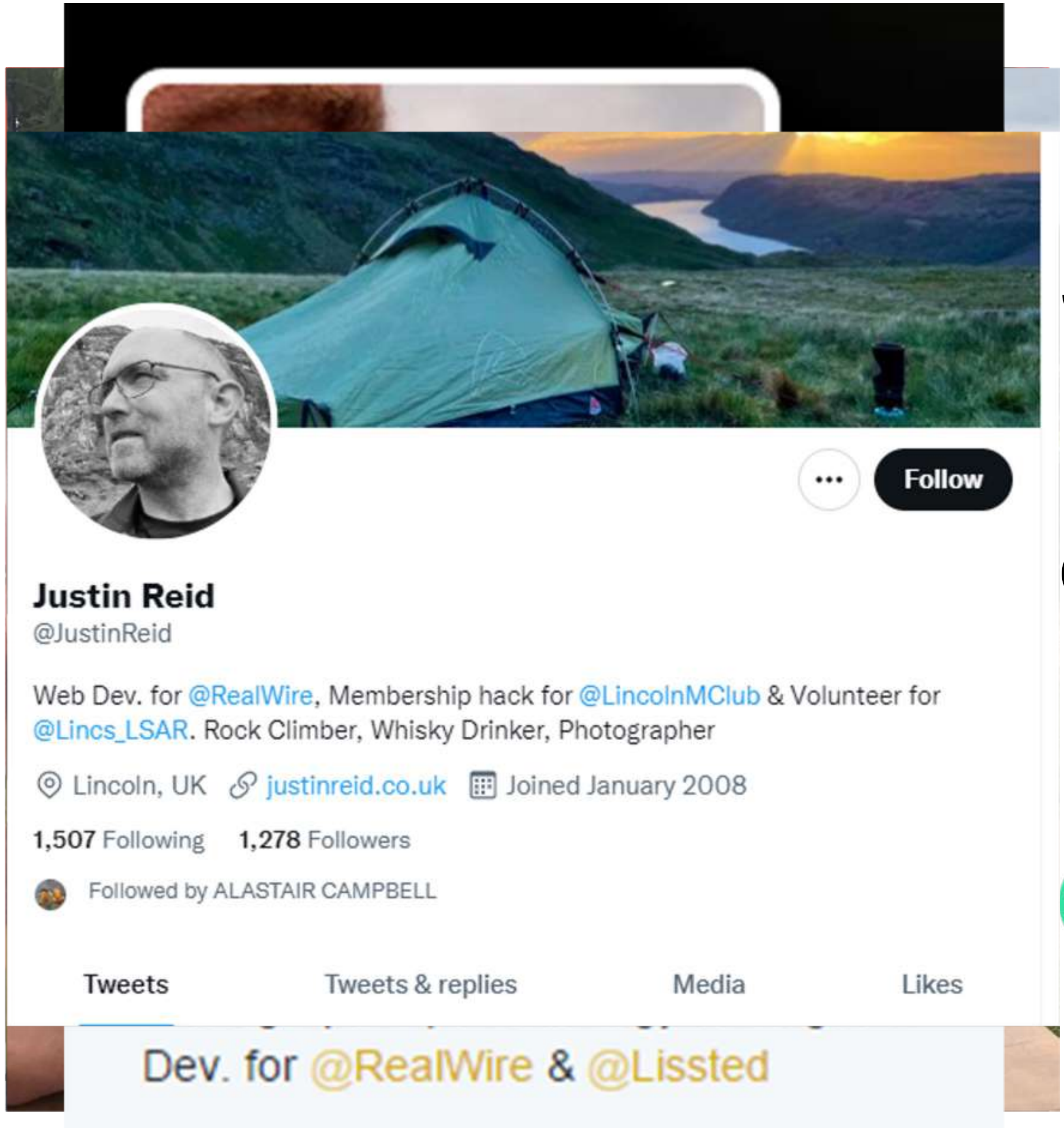
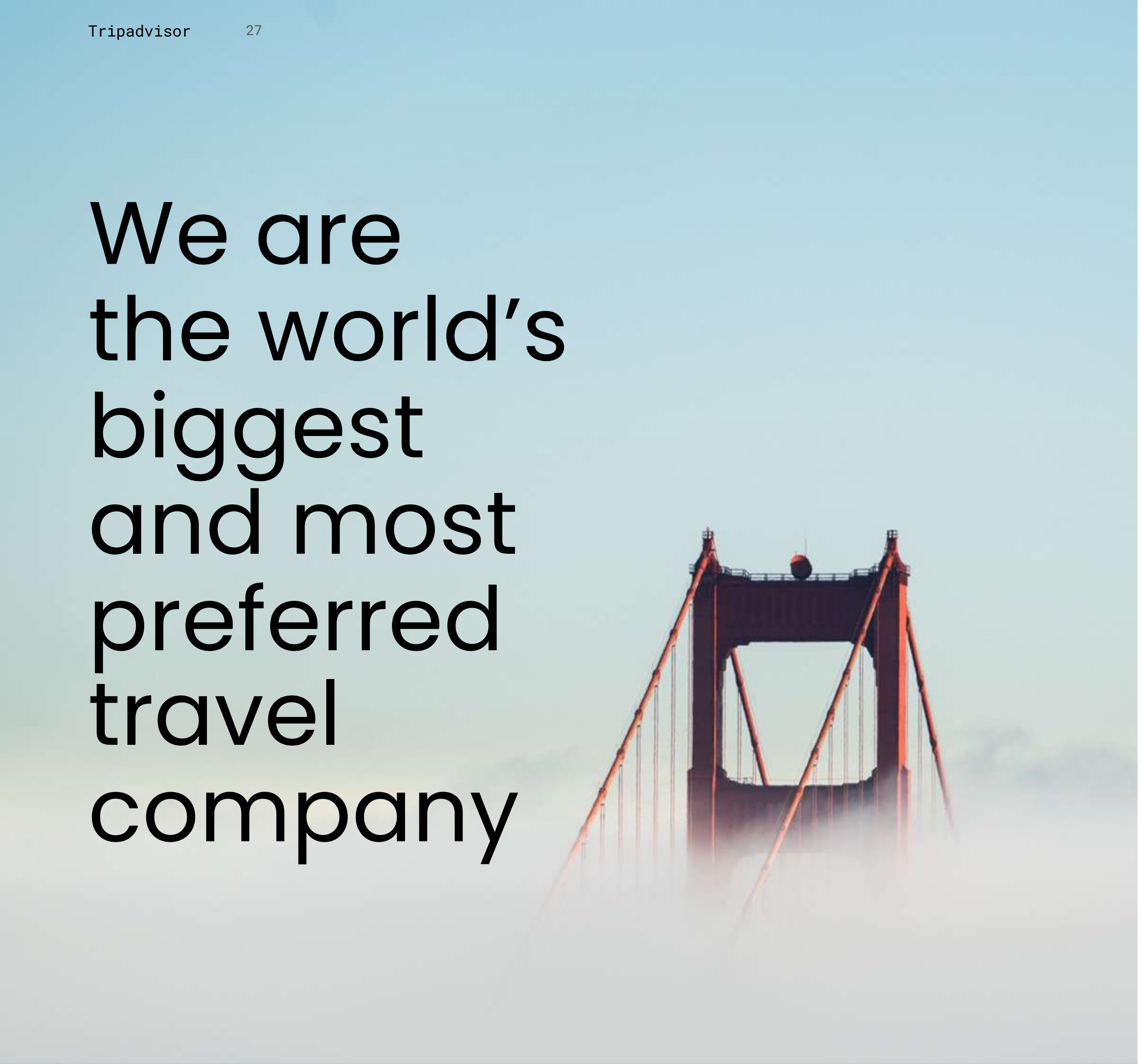
UK tourism, is it safe to peak out from behind the back of the sofa post Covid?

March 2023

Tripadvisor



Justin Reid Director of Destinations, Travel and Hotels, EMEA



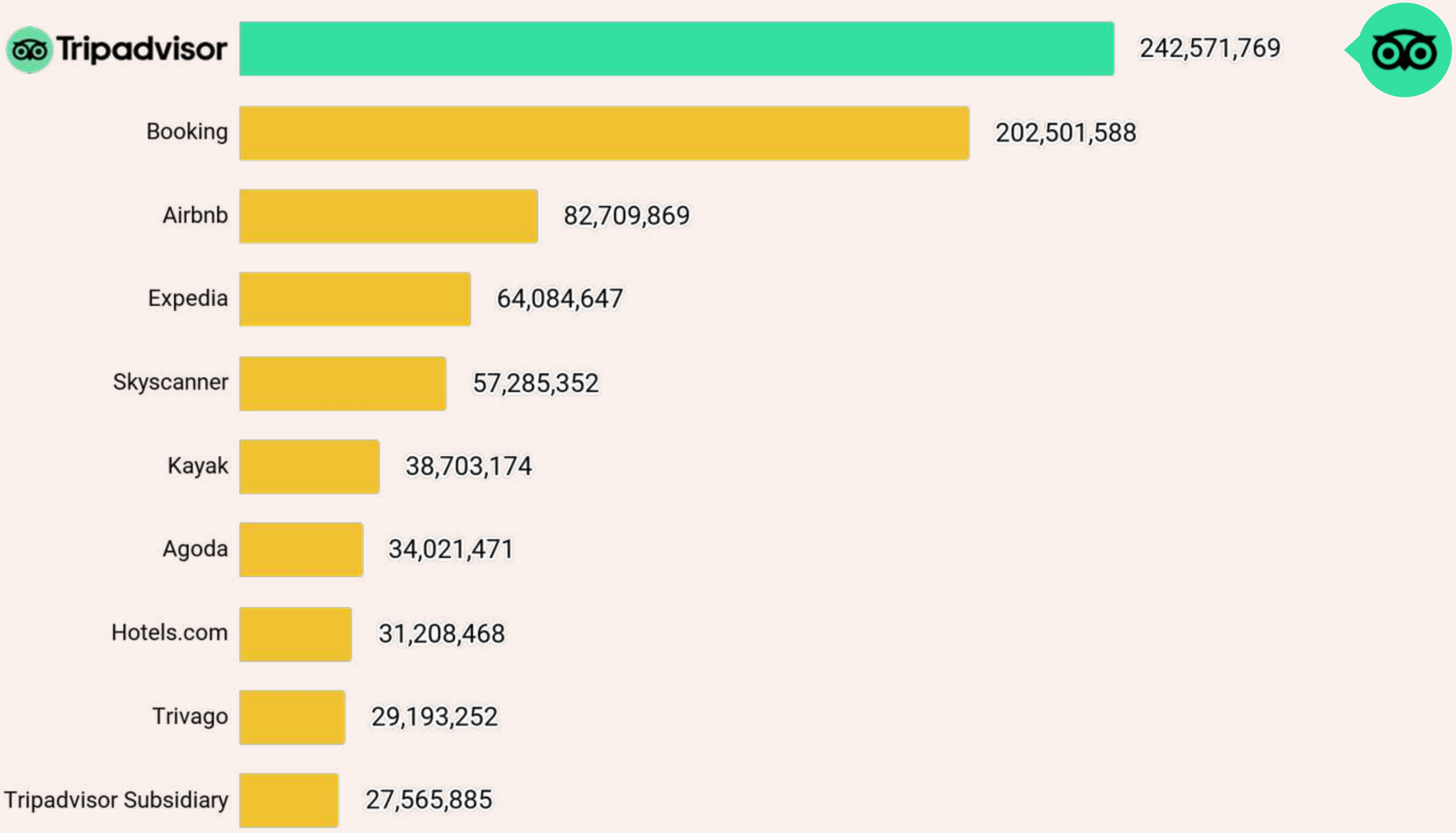
We are the world's biggest and most preferred travel company

28
languages across the globe

190
countries across the globe

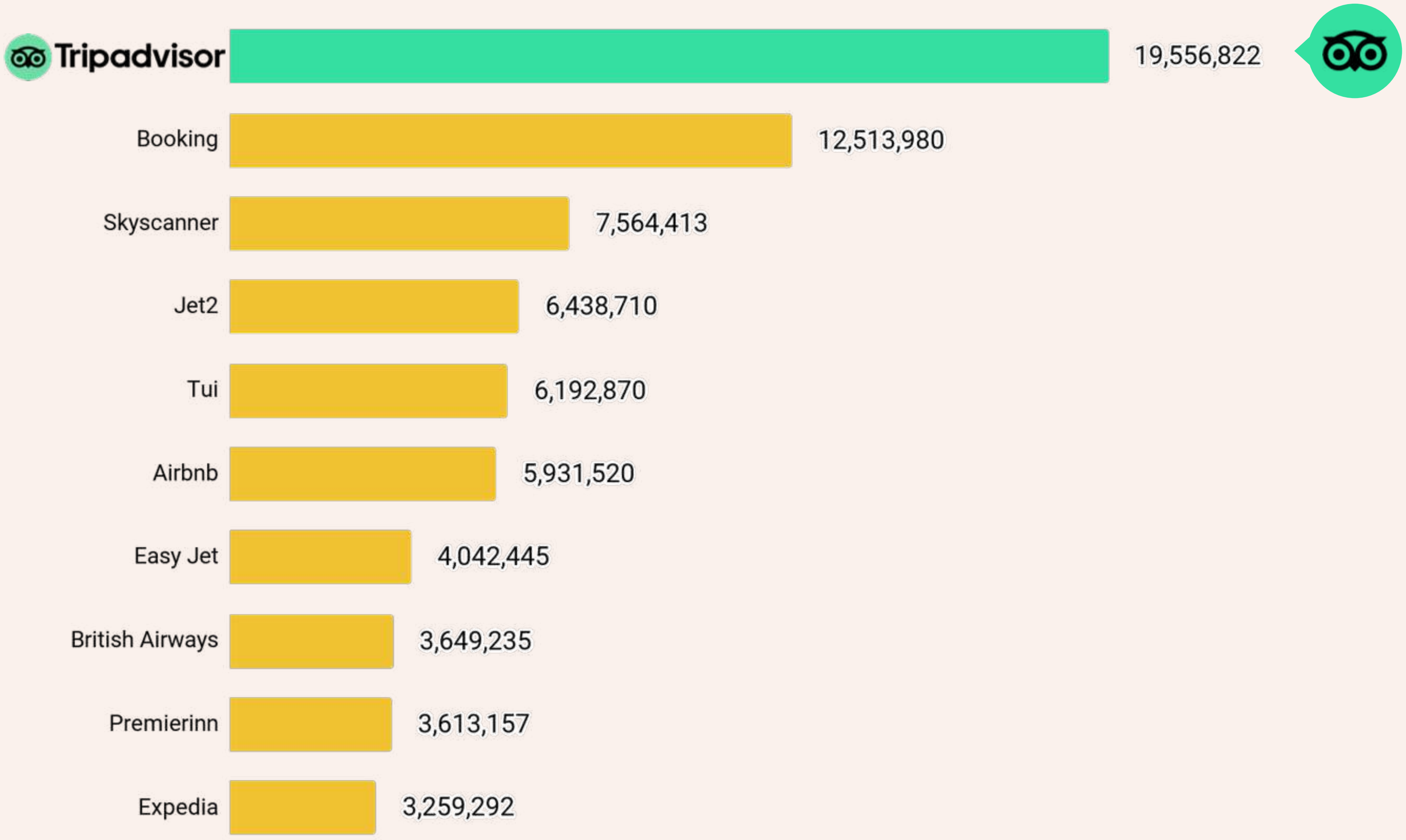
436M
Travelers guided every month

Global Unique Users - Travel, January 2023



Source:SimilarWeb, January 2023

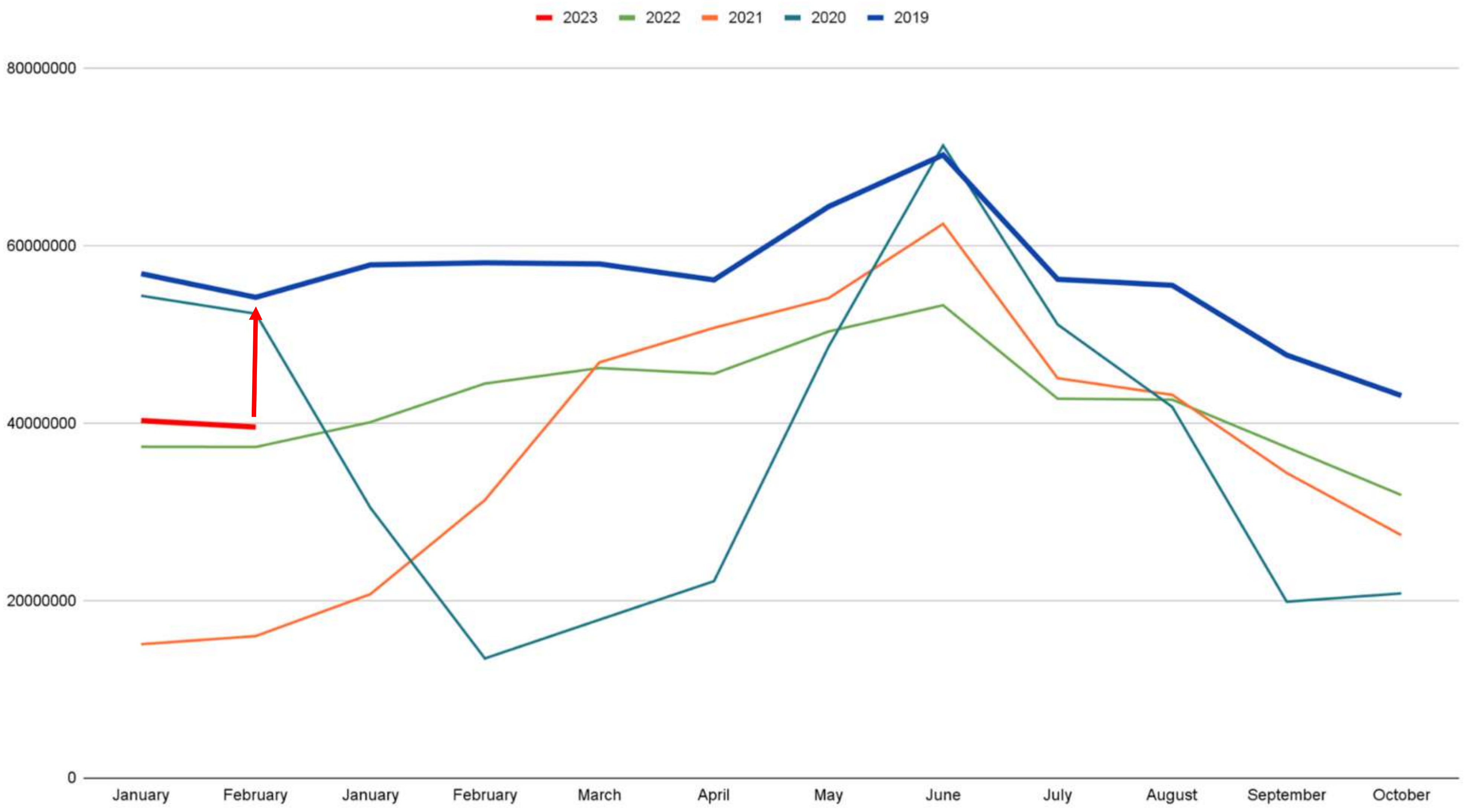
UK Unique Users - Travel, January 2023



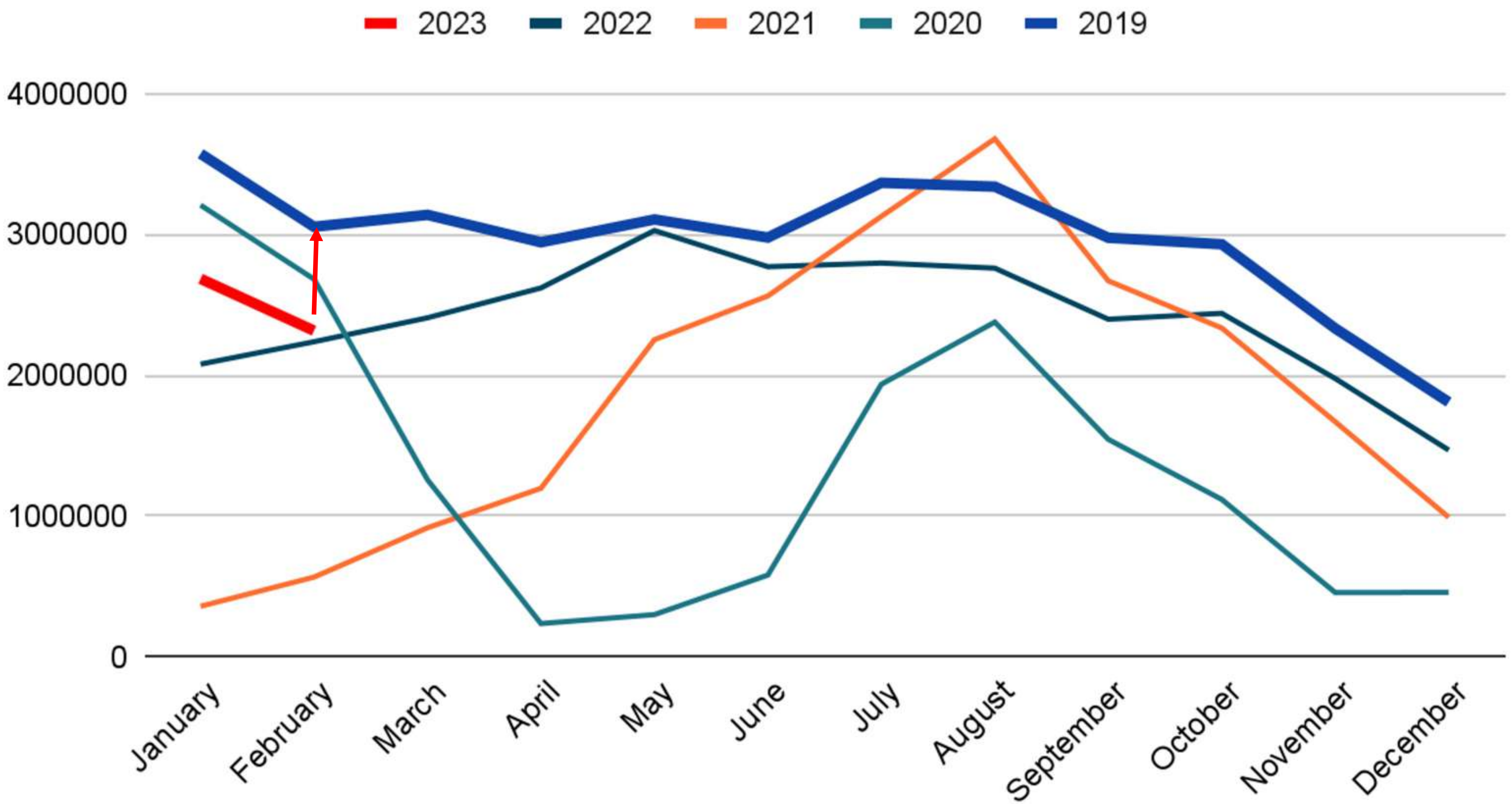
Source:SimilarWeb, January 2023

Traffic into the UK

Looking at UK



Bookers


2023
2022
2021
2020
2019
4000000
3000000
2000000
1000000
0
January
February
March
April
May
June
July
August
September
October
November
December

Before and after pics for Scotland

2019	2022
• United States	• United States
• Germany	• **IRELAND**
• Canada	• Canada
• France	• Germany
• Australia	• Spain
• Spain	• France

Traffic out of the UK

Top international destinations for UK users, ranked on unique user traffic

Last 90 days

Top Destinations For UK Users, Ranked on Unique User Traffic

Rank	Destination
1	Tenerife
2	Lanzarote
3	Majorca
4	Alicante
5	Paris
6	Malaga
7	Gran Canaria
8	Dodeconese
9	Barcelona
10	Fuertevntura

Source: Tripadvisor Internal Data, 2022-2023

But what are they thinking?

Executive summary

In the Fall of 2022, Tripadvisor carried out a wide-ranging sentiment survey in the United Kingdom, with the goal of examining both the state of travel leading into 2023, as well as highlighting the tremendous purchasing power of travellers. In these slides, we identify and elaborate on several distinct takeaways in consumer travel sentiment, as well as roles and spending habits relating to travel:

A bright travel outlook in 2023

- **More** than 9 in 10 respondents plan to travel in the next 12 months. Building on the recovery seen in 2022, travel intent is higher than pre-COVID (2019).
- They're planning to travel **more**, and for l**onger periods of time** compared to past behaviors. More than half (56%) will take three or more trips in the next 12 months.

Travel is a non-negotiable expense

- Travel accounts for the largest share of discretionary budget (21%).
- While inflation and rising costs are on travellers' minds, **more** than seven in ten respondents plan to spend more or the same on travel as last year.
- If necessary, they would rather scale back other purchases to **maintain travel** (95% of respondents).

Spending power extends across multiple categories and travel stages

- Respondents prepare for travel by purchasing from a wide range of categories.
- These are not one-off purchases, but rather regular pre- and in-travel behavior.
- More than half agree that shopping is an important category to allocate travel budget and time.
- Fewer than one in ten respondents don't typically shop during leisure trips.

Those who travel more, spend more

- Frequent travellers* are especially enthusiastic consumers: They book accommodations at **higher rates**, they dine out, **purchase** clothes and accessories **more frequently** than occasional travellers.
- Nearly half (45%) of frequent travellers will **spend more on travel** in the next 12 months than the past year, compared with 32% of occasional travellers.

Source: Tripadvisor, An Economic Portrait of the Traveller, N=829; United Kingdom; September 2022
*Frequent travellers are defined as those who are planning 3 or more trips over the next 12 months

MORE

MORE

LONGER PERIODS OF TIME

MORE

PAY HIGHER RATES

DINE OUT

MORE FREQUENTLY

SPEND MORE ON TRAVEL

WILL NOT CUT BACK ON TRAVEL

Leisure travel is a top priority over the next 12 months

93%

of respondents plan on travelling over the next 12 months

89%

of respondents are planning to travel for leisure

14%

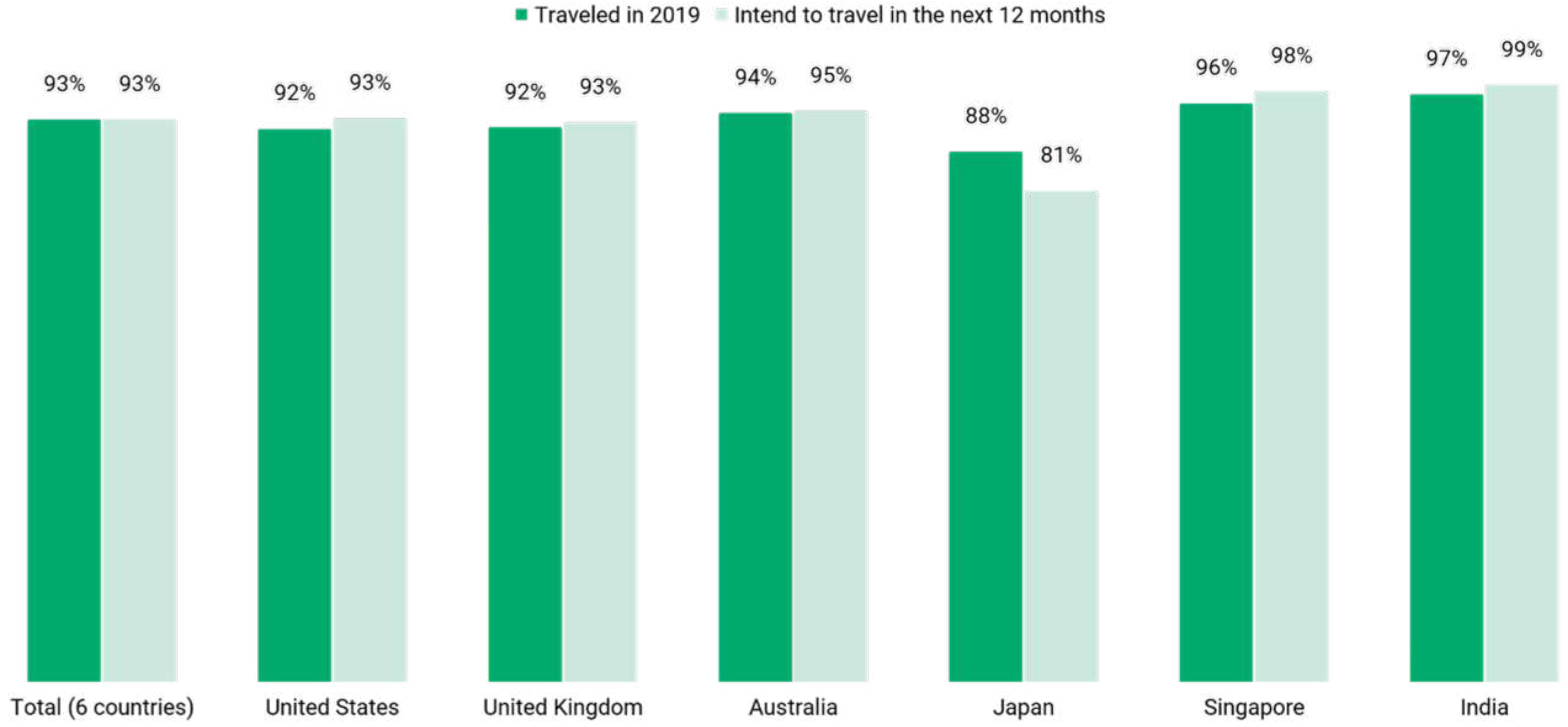
of respondents are planning to travel for business

7%

of respondents are not currently planning to travel

Source: Tripadvisor, An Economic Portrait of the Traveller, N=829; United Kingdom; September 2022

Travel intent is higher than 2019 travel in nearly all markets, including the U.K.

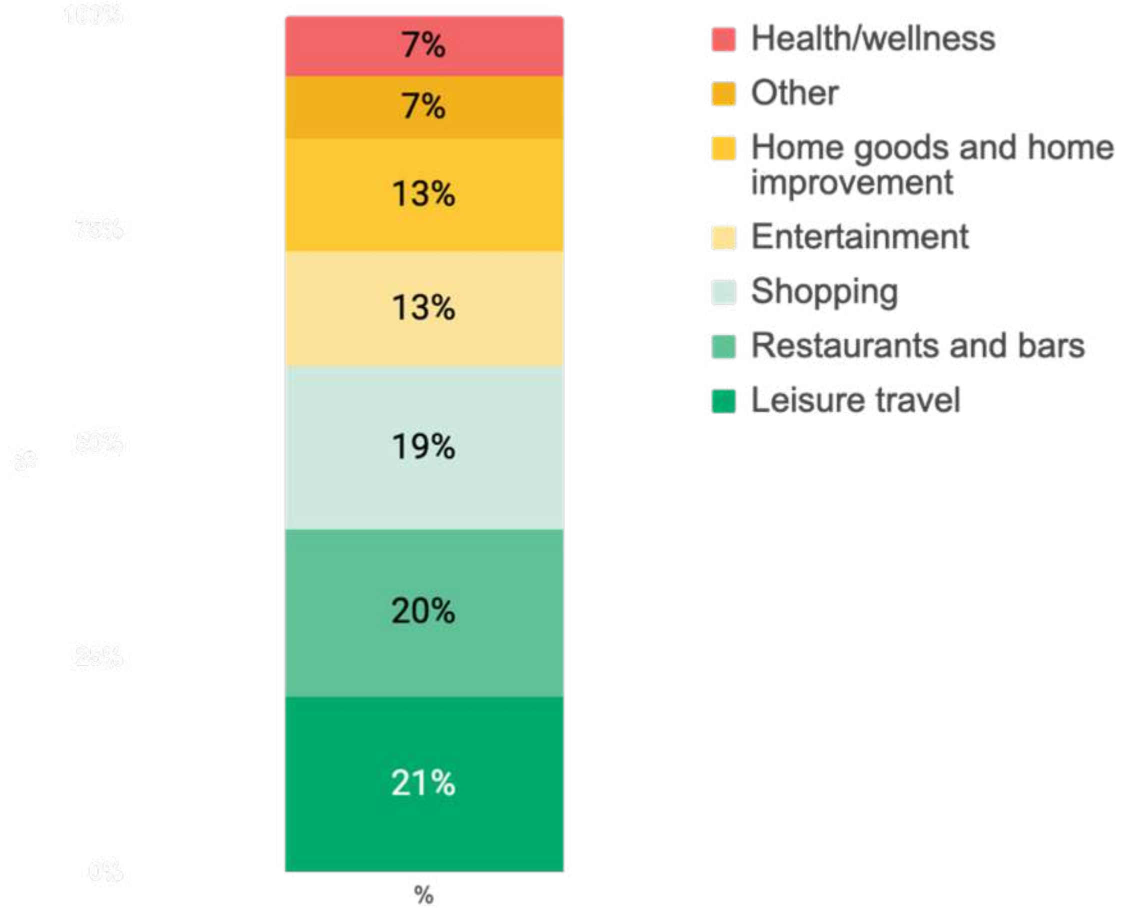


Source: Tripadvisor, An Economic Portrait of the Traveller, N=4,959; Australia, Japan, Singapore, United Kingdom, United States, India; September 2022

Travel is a non-negotiable expense

Leisure travel accounts for the largest share of annual discretionary budget

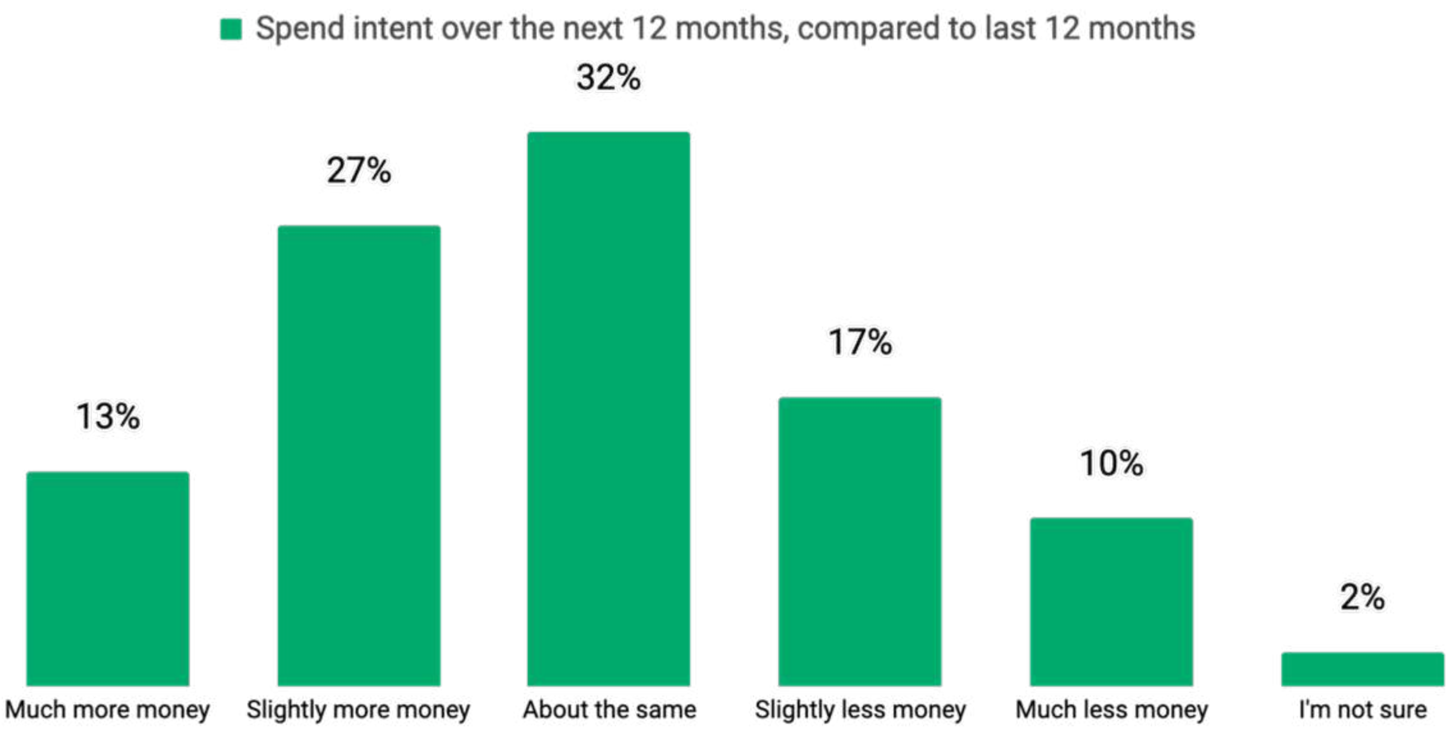
U.K. respondents allocate more than one in five discretionary dollars to leisure trips.



Source: Tripadvisor, An Economic Portrait of the Traveller, N=829; United Kingdom; September 2022

Despite global concern about rising costs, 72% of U.K. respondents plan to spend more or at least the same on travel as last year

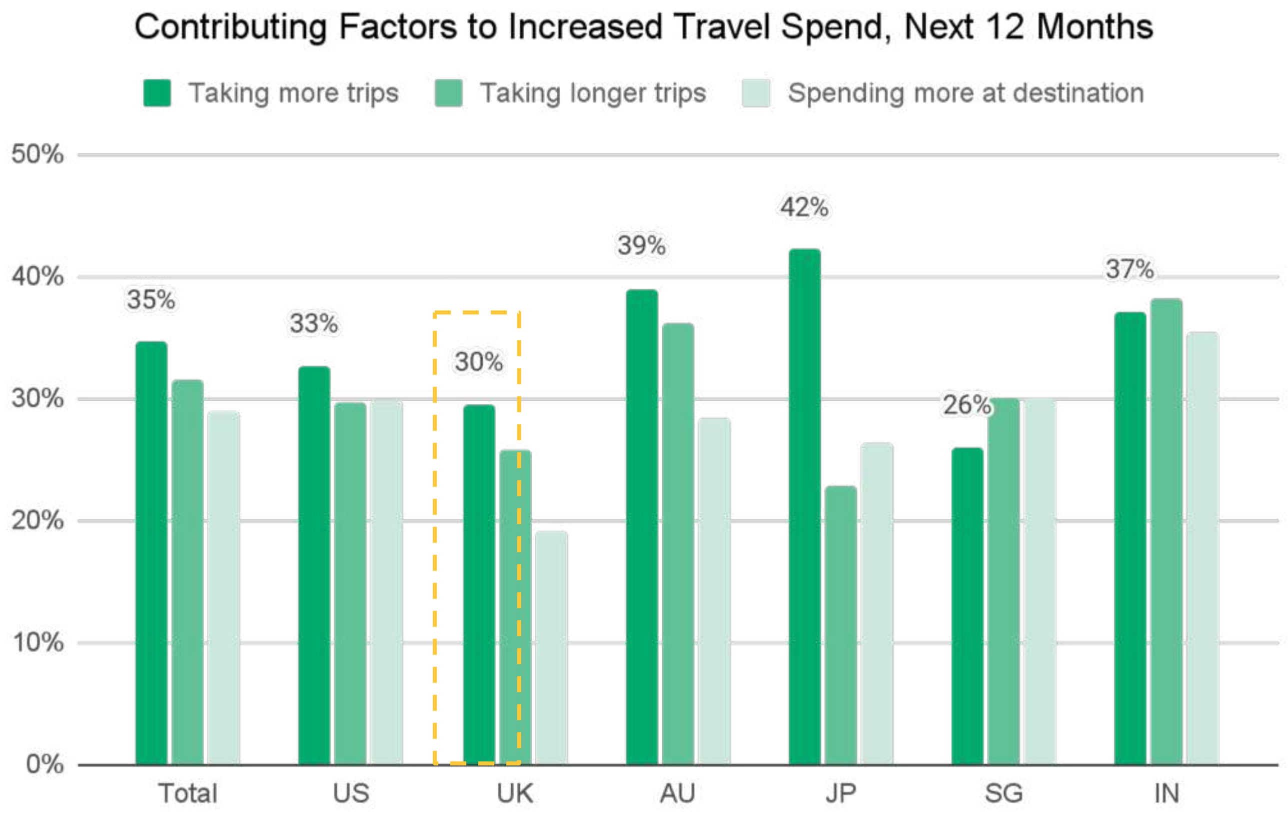
Four in ten will spend more; Only 1 in 10 plan to spend much less over the next 12 months



Source: Tripadvisor, An Economic Portrait of the Traveller, N=829; United Kingdom; September 2022

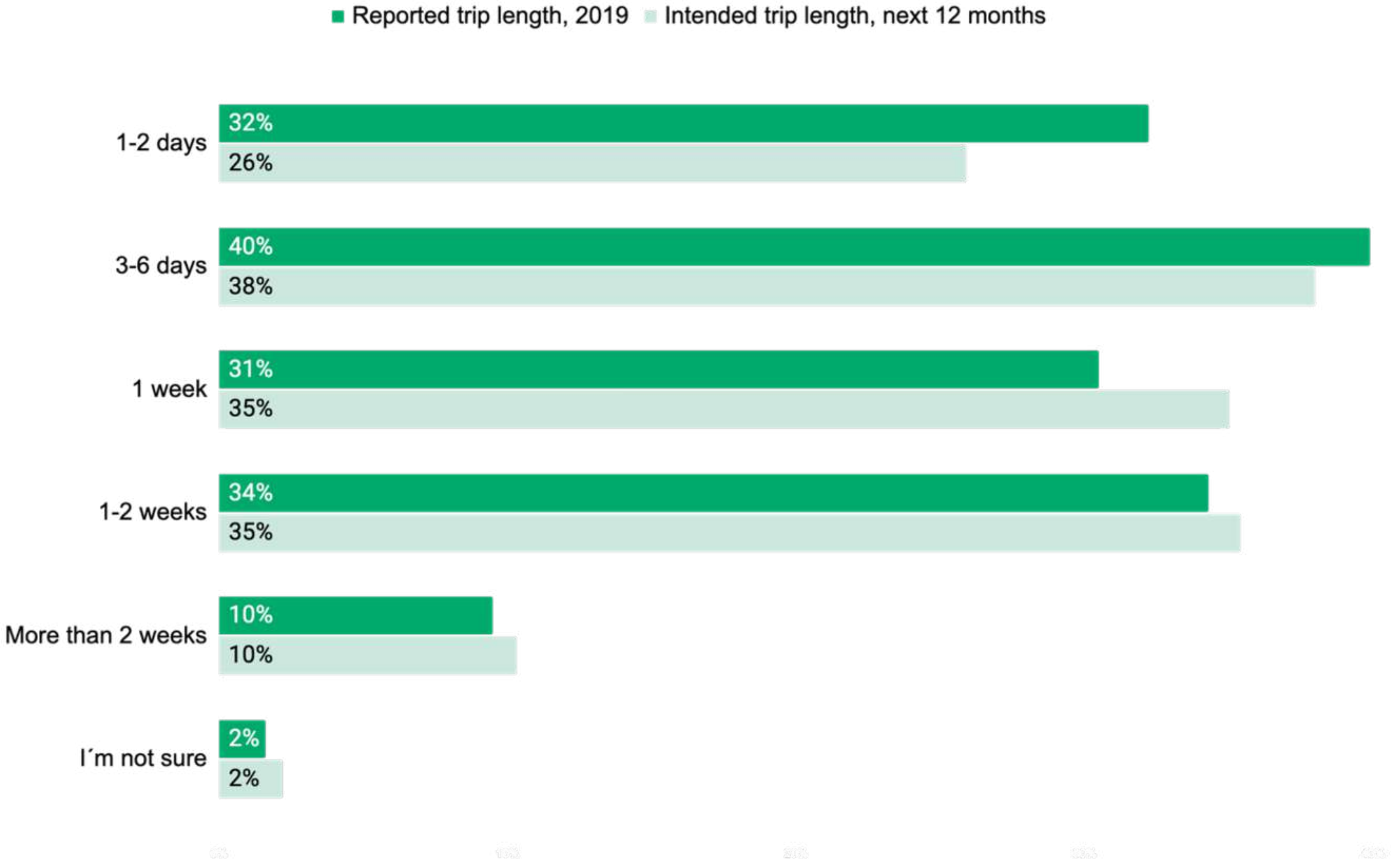
But they also have a bigger travel appetite —craving more trips and longer trips—and are willing to pay for it

Travelling more frequently was the **second most popular factor** for anticipated increased travel spend by U.K. respondents.



They're planning to travel for longer

Length of travel is increasing in addition to trip number, with more reporting plans to take 1+ week long trips, and fewer people taking shorter trips



Source: Tripadvisor, An Economic Portrait of the Traveller, N=829; United Kingdom; September 2022

If necessary, travelers would rather scale back other purchases to maintain their wanderlust

95%

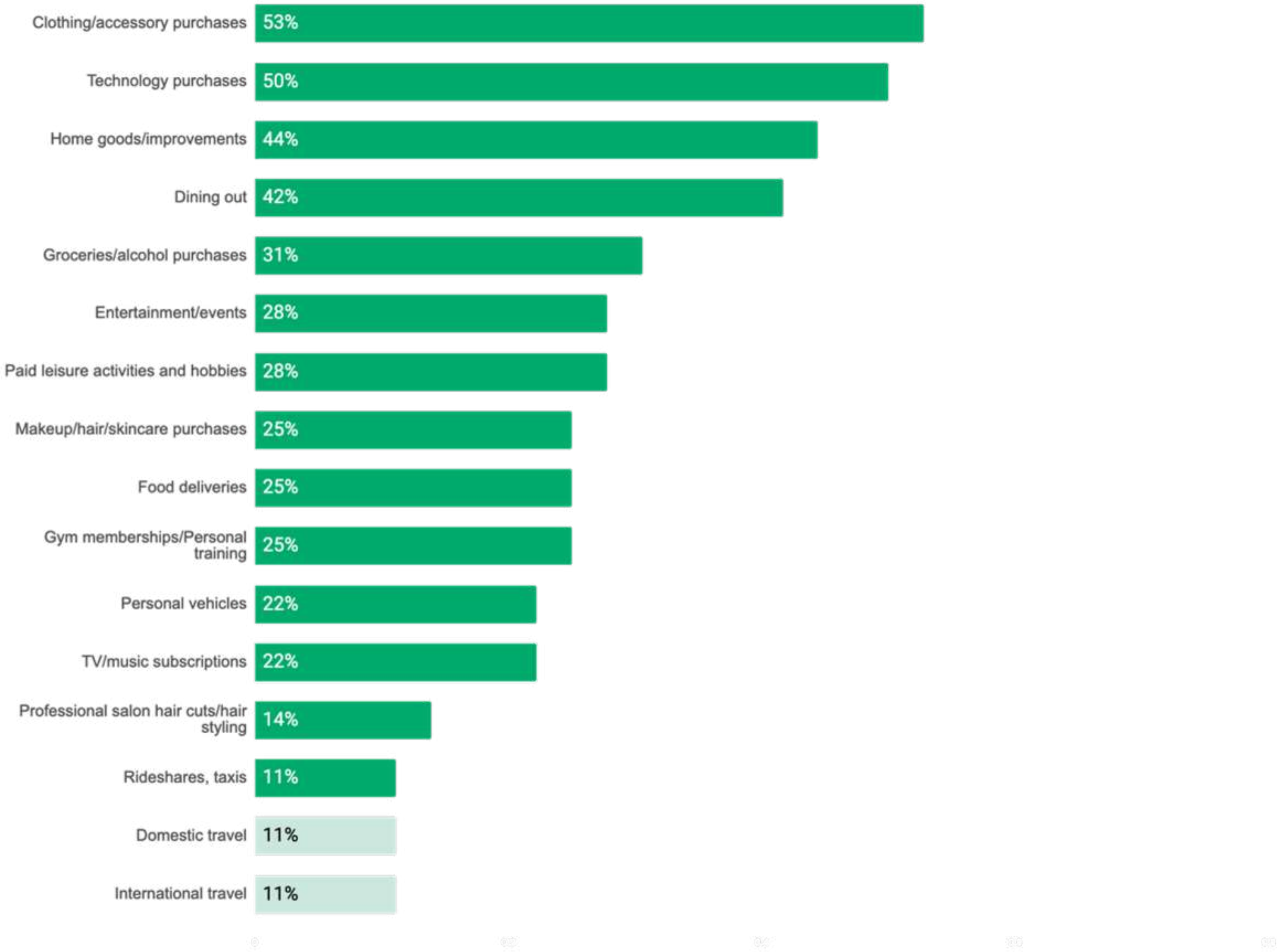
of U.K. respondents would decrease spend in other categories to save for their next vacation

By age: Younger respondents in particular are more willing to prioritize saving for travel over other purchases

Source: Tripadvisor, An Economic Portrait of the Traveller, N=829; United Kingdom; September 2022

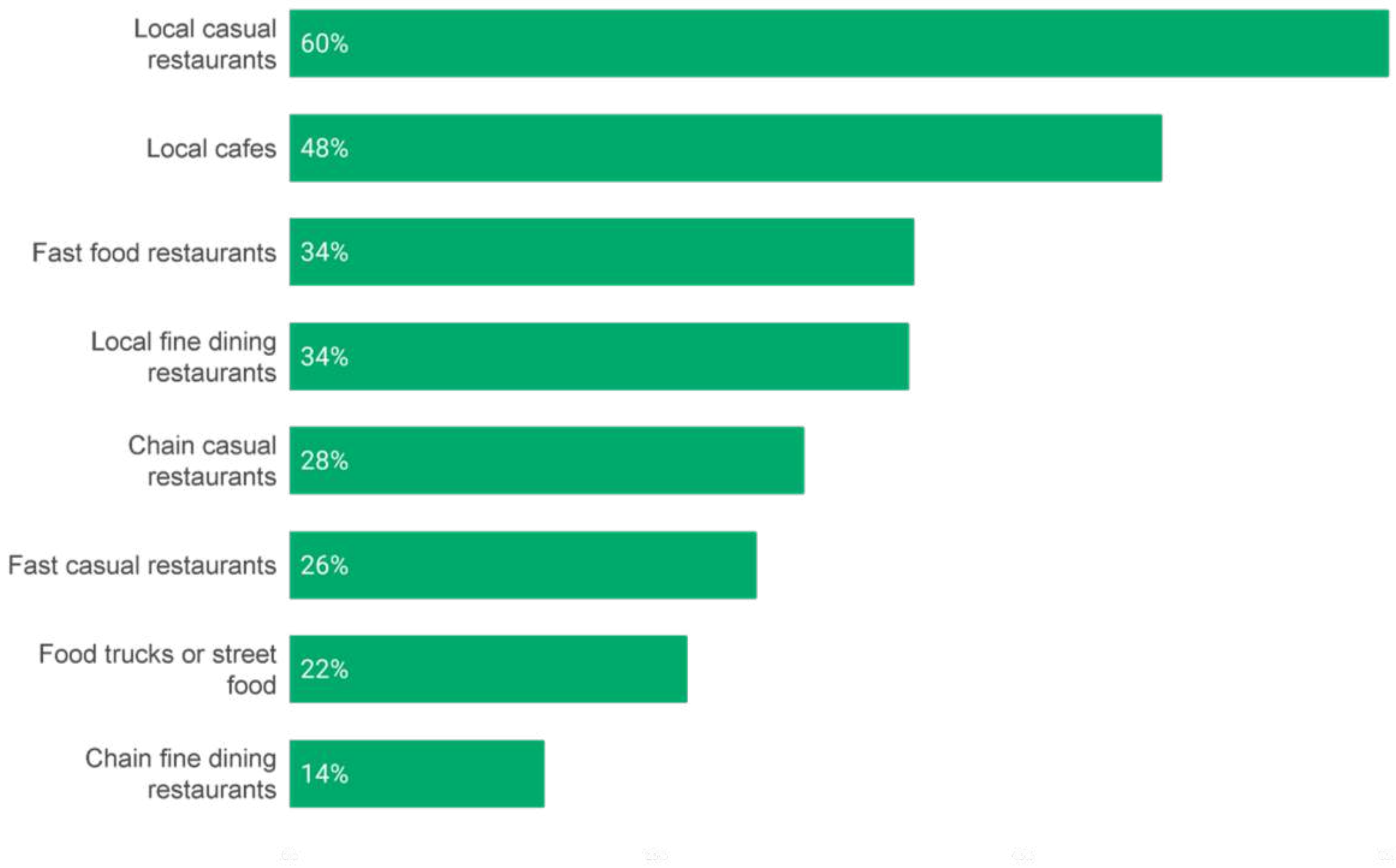
Those who are considering cutting spend, but have not yet, are also cutting other categories, prioritizing travel

Travel falls to the bottom of the downsizing list



Source: Tripadvisor, An Economic Portrait of the Traveller, N=829; United Kingdom; September 2022

Eating local during travel: Local options account for 3 of the top 5 preferred dining options, including the top 2 spots



Source: Tripadvisor, An Economic Portrait of the Traveller, N=829; United Kingdom; September 2022

What do people like in the UK ?

Destination	Geo Id	Traveler Type	User Market	User Country	Traveler Segment	Start Date	End Date	Data Through
United Kingdom	186216	(All)	(All)	(All)	(All)	01/01/2019	29/02/2020	16/03/2023

Average Traveler Rating	Average Accommodation Rating	Average Attraction Rating	Average Restaurant Rating
4.26	4.11	4.49	4.22

Destination	Geo Id	Traveler Type	User Market	User Country	Traveler Segment	Start Date	End Date	Data Through
United Kingdom	186216	(All)	(All)	(All)	(All)	29/02/2020	28/02/2023	16/03/2023

Average Traveler Rating	Average Accommodation Rating	Average Attraction Rating	Average Restaurant Rating
4.26	4.10	4.48	4.25

Destination	Geo Id	Traveler Type	User Market	User Country	Traveler Segment	Start Date	End Date	Data Through
Yorkshire	1526974	(All)	(All)	(All)	(All)	29/02/2020	28/02/2023	16/03/2023

Average Traveler Rating	Average Accommodation Rating	Average Attraction Rating	Average Restaurant Rating
4.28	4.20	4.37	4.29

Destination	Geo Id	Traveler Type	User Market	User Country	Traveler Segment	Start Date	End Date	Data Through
United Kingdom	186216	Foreign	(All)	United States	(All)	01/01/2019	16/03/2023	16/03/2023

Average Traveler Rating	Average Accommodation Rating	Average Attraction Rating	Average Restaurant Rating
4.38	4.28	4.58	4.32

Destination	Geo Id	Traveler Type	User Market	User Country	Traveler Segment	Start Date	End Date	Data Through
Emirate of Du...	2630221	Foreign	(All)	United States	(All)	01/01/2019	16/03/2023	16/03/2023

Average Traveler Rating	Average Accommodation Rating	Average Attraction Rating	Average Restaurant Rating
4.70	4.71	4.72	4.67

Destination	Geo Id	Traveler Type	User Market	User Country	Traveler Segment	Start Date	End Date	Data Through
Rome	187791	Foreign	(All)	United States	(All)	01/01/2019	16/03/2023	16/03/2023

Average Traveler Rating	Average Accommodation Rating	Average Attraction Rating	Average Restaurant Rating
4.51	4.39	4.67	4.43

Destination	Geo Id	Traveler Type	User Market	User Country	Traveler Segment	Start Date	End Date	Data Through
Paris	187147	Foreign	(All)	United States	(All)	01/01/2019	16/03/2023	16/03/2023

Average Traveler Rating	Average Accommodation Rating	Average Attraction Rating	Average Restaurant Rating
4.41	4.48	4.50	4.25

UK Search Trends

Top attractions in UK

5. Borough Market
4. Natural History Museum
3. Harry Potter World
2. O2 Centre
1. Sky Garden

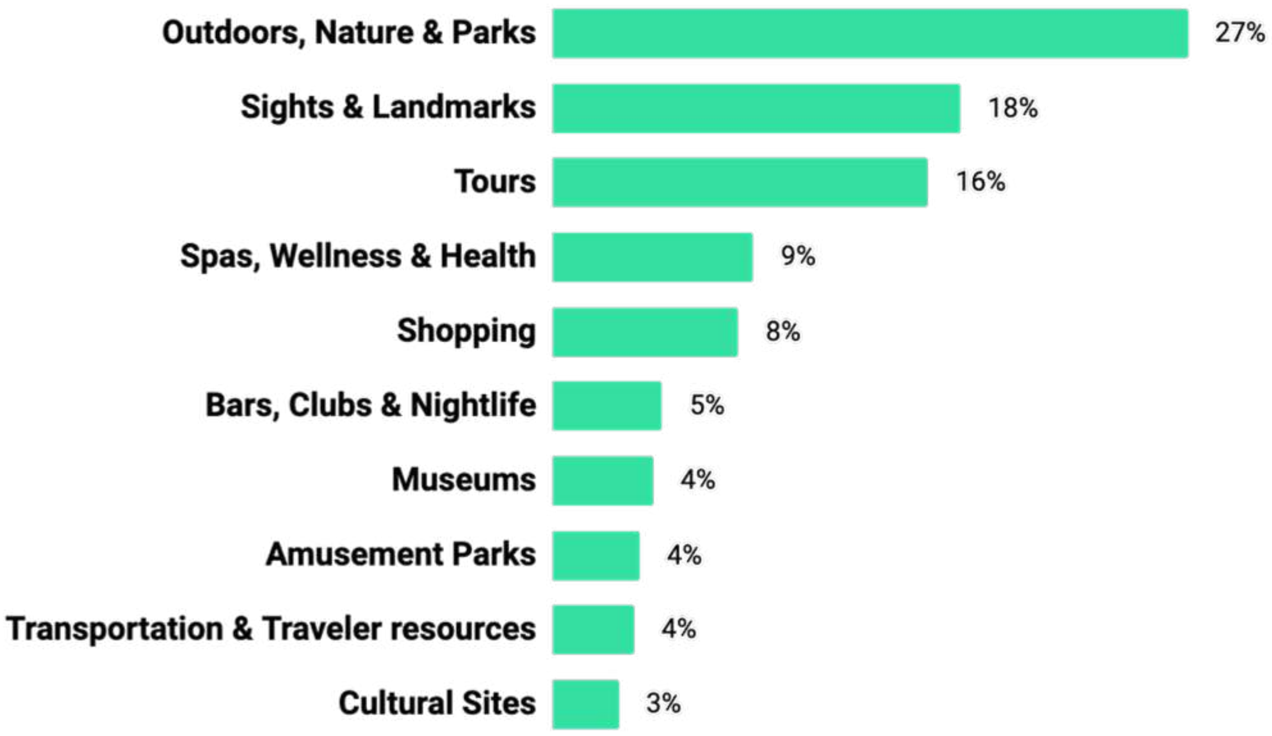
2022-2023

Source: Tripadvisor Internal Data, 2022-2023

Type of attractions

2022-2023

Top Attraction Categories by Share of Traffic



Source: Tripadvisor Internal Data, 2022-2023

Top cities looked at by users from All

	Uniques	Page Views
London, England	156,107,641	369,274,192
Paris, Ile-de-France	128,512,334	335,859,083
Rome, Lazio	95,272,338	259,523,954
New York City, New York	90,818,047	219,559,574
Las Vegas, Nevada	83,471,057	208,689,888
Dubai, Emirate of Dubai	83,190,768	218,829,238
Istanbul, Istanbul	66,034,382	164,204,406
Madrid, Community of Madrid	65,832,210	158,496,332
Orlando, Florida	61,614,117	141,239,186
Barcelona, Catalonia	59,829,788	158,323,256

In Summary:

- We’re getting there but we’re not there yet!
- Intentions are HIGH , actions trailing a little
- Travel is NOT about pent up demand….much more than this
- Externally UK still loves lager and “a bucket and spade”
- People love what the UK has to offer….especially your attractions
- But they do love other places more…
- But London is still #1 in the world !

The picture can't be displayed.

Thank You

DMO Panel

Nick Brooks-Sykes – Marketing Manchester
Hayley Beer-Gamage – Experience Oxfordshire
Kathryn Davis – Visit West
Asa Morrison – Visit Great Yarmouth

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Welcome to the Tourism Alliance

Tourism Insights Conference

23rd March 2023

0930-1400

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David Edwards

Tourism Statistician
Scattered Clouds/ETOA

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OK-UK: A long-haul journey through time – past, present and future

March 2023

Coming up…

- Past trends
- Competitive environment
- Short-term prospects
- Longer-term prospects
- Constraints
- Questions

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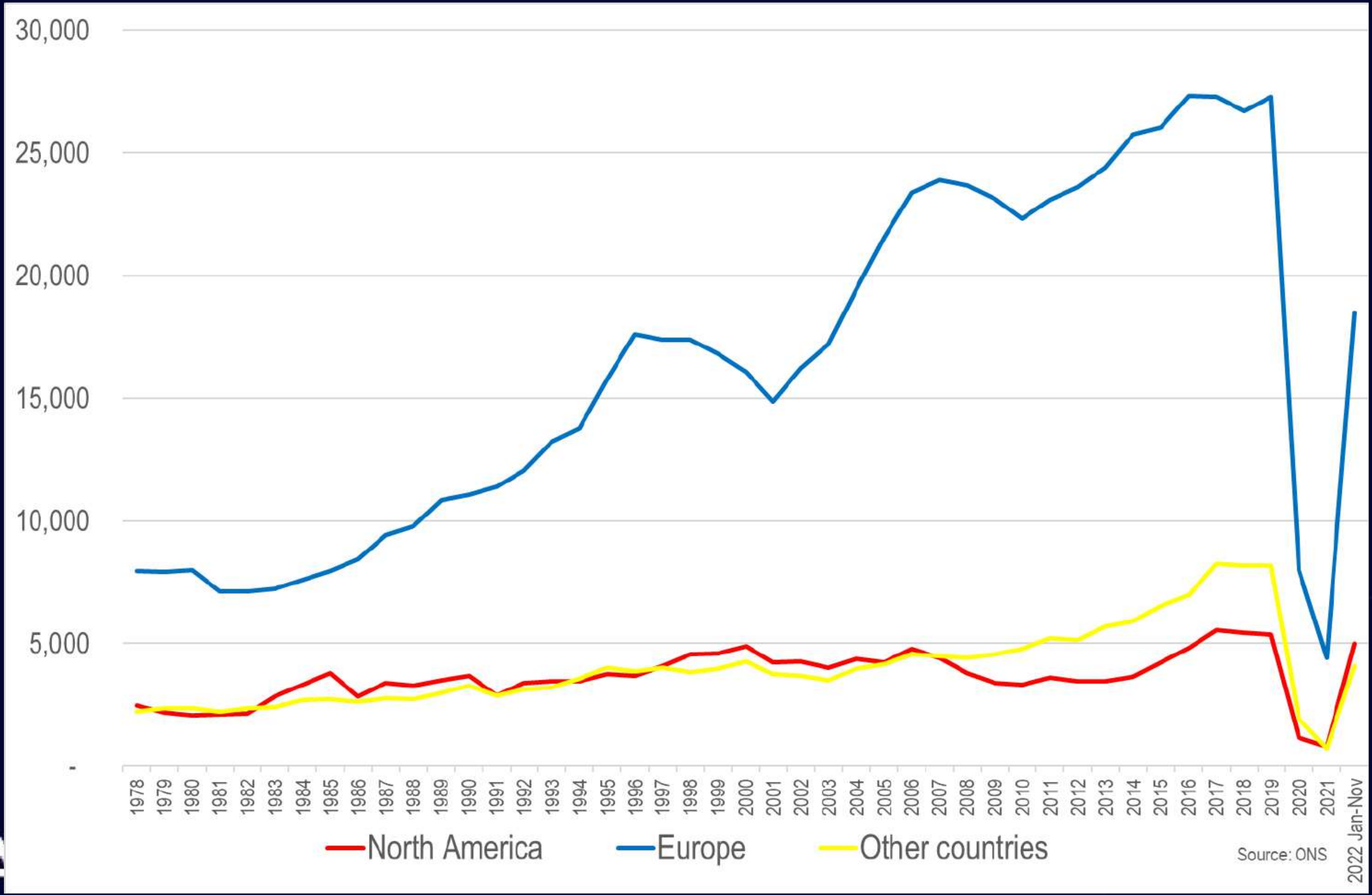
Past trends

Inbound visits to the UK by world region since 1978 (000s)



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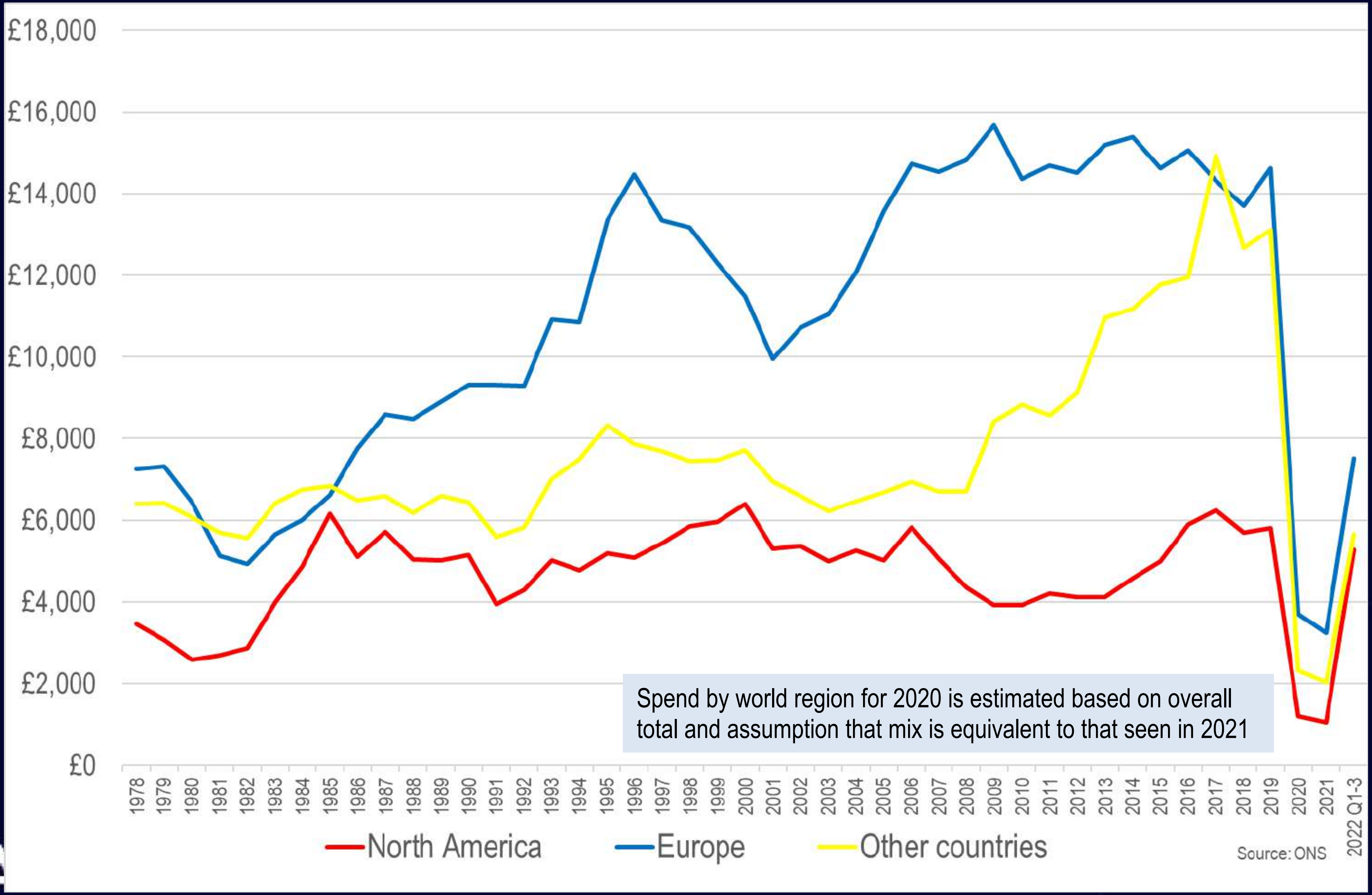
Inbound spend by world region since 1978 (£m, 2022 prices)



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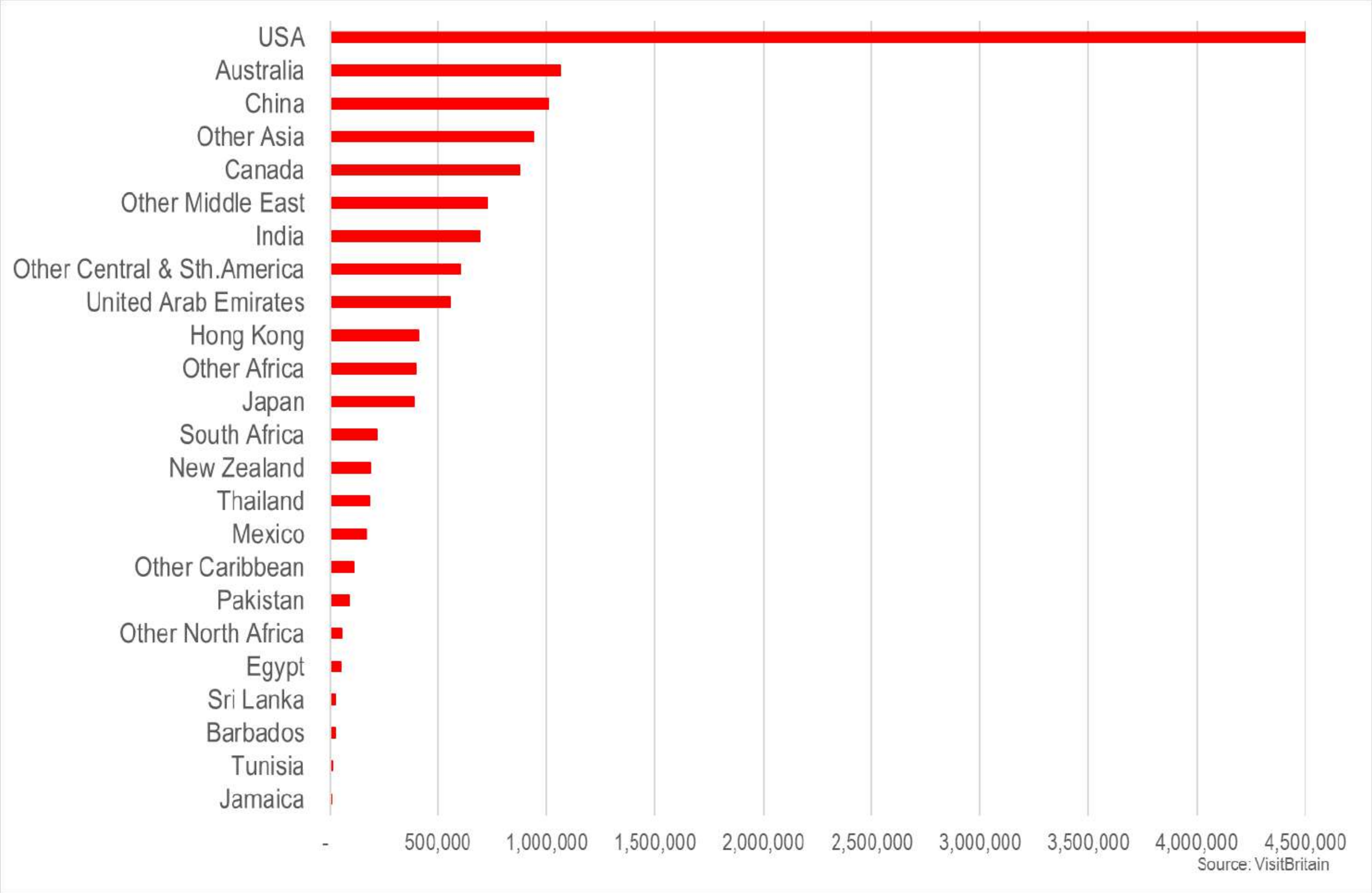
Inbound visits from long-haul source markets in 2019



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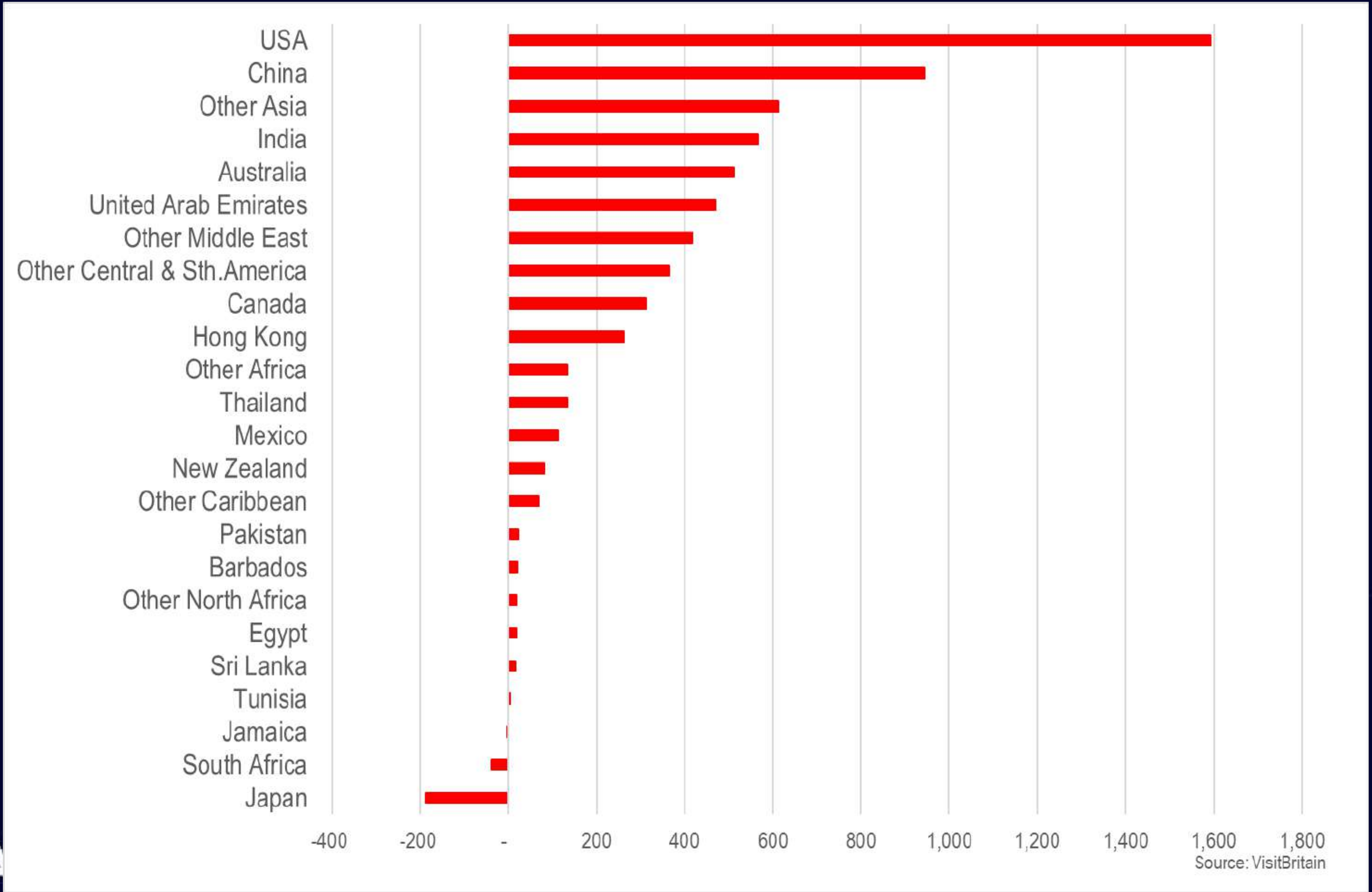
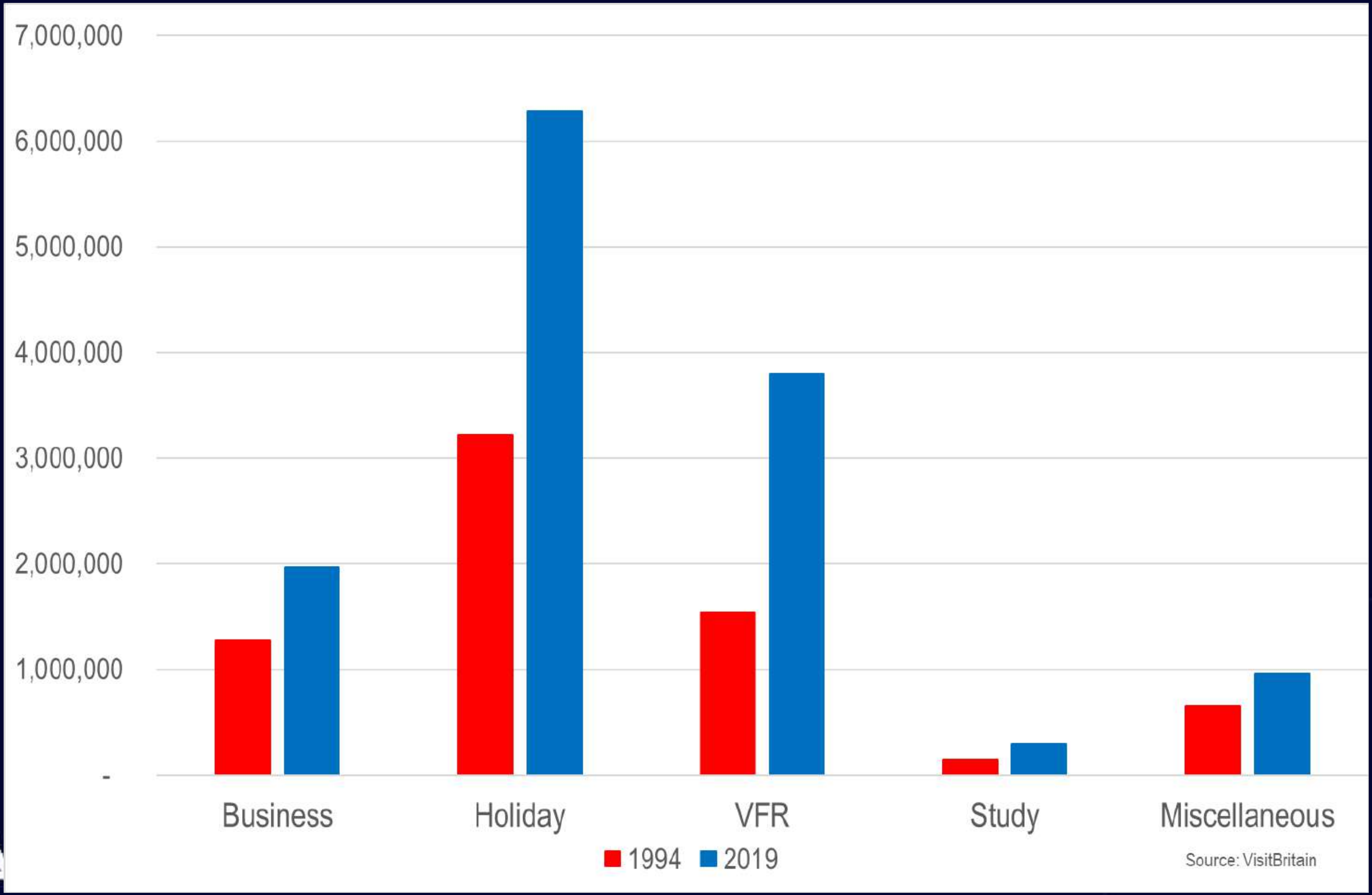
Growth (000s of visits) from long-haul markets 1994-2019



Inbound visits from long-haul source markets by journey purpose



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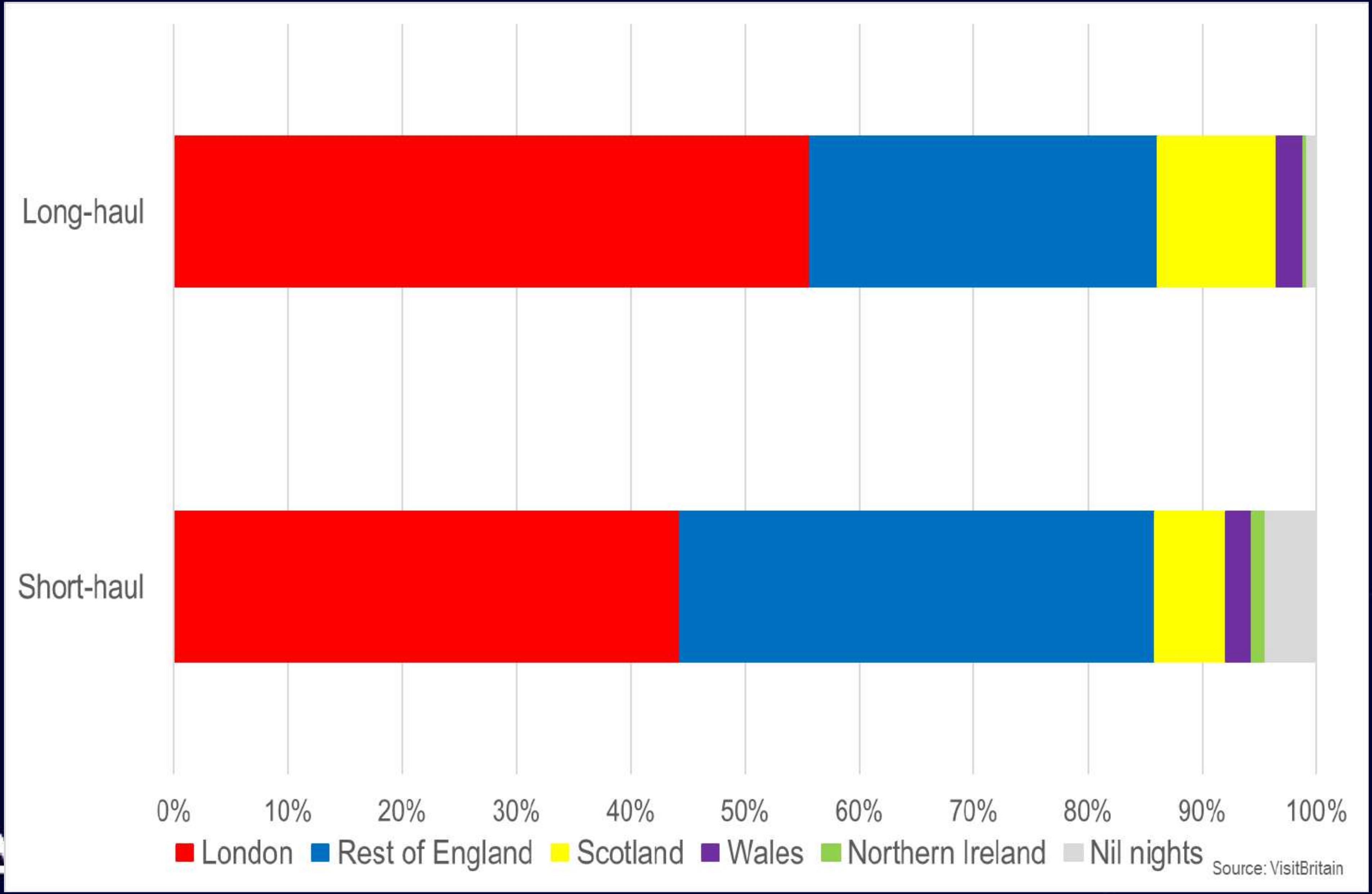
Regional spread of visits in 2019



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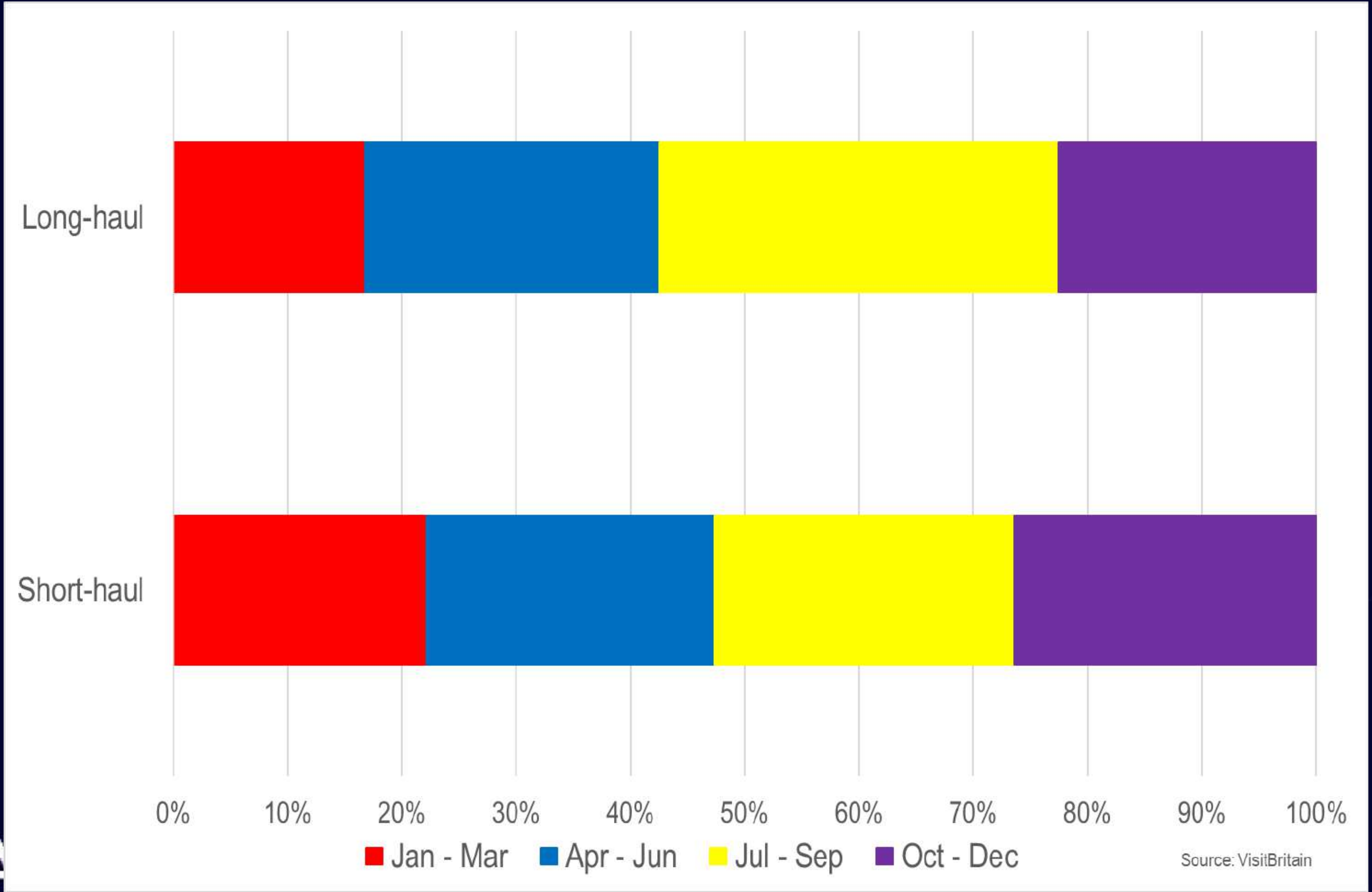
Seasonal spread of visits in 2019



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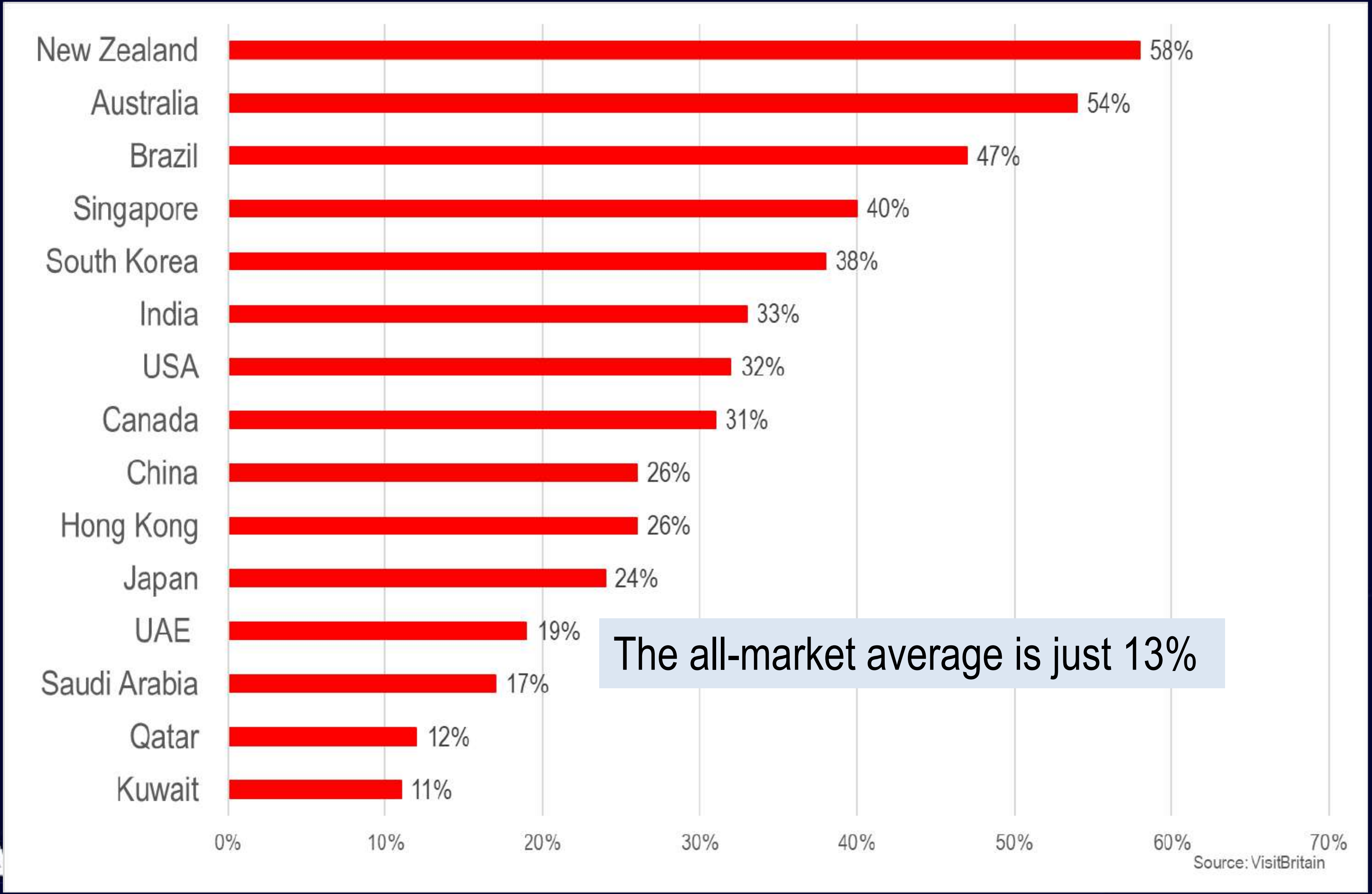
Multi-country trip propensity for long-haul visits to Britain



Britain's rank out of sixty nations in 2022

	Tourism	Culture	People
Australia	**2**	**2**	**5**
Brazil	**12**	**9**	**10**
Canada	**7**	**5**	**12**
China	**5**	**7**	**14**
France	14	3	21
Germany	15	4	19
India	**6**	**4**	**5**
Italy	6	4	11
Japan	**6**	**4**	**9**
Netherlands	6	3	12
Saudi Arabia	**13**	**8**	**12**
South Africa	**6**	**9**	**1**
Spain	3	4	8
Sweden	6	1	5
USA	**3**	**6**	**5**

Source: VisitBritain

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Competitive environment

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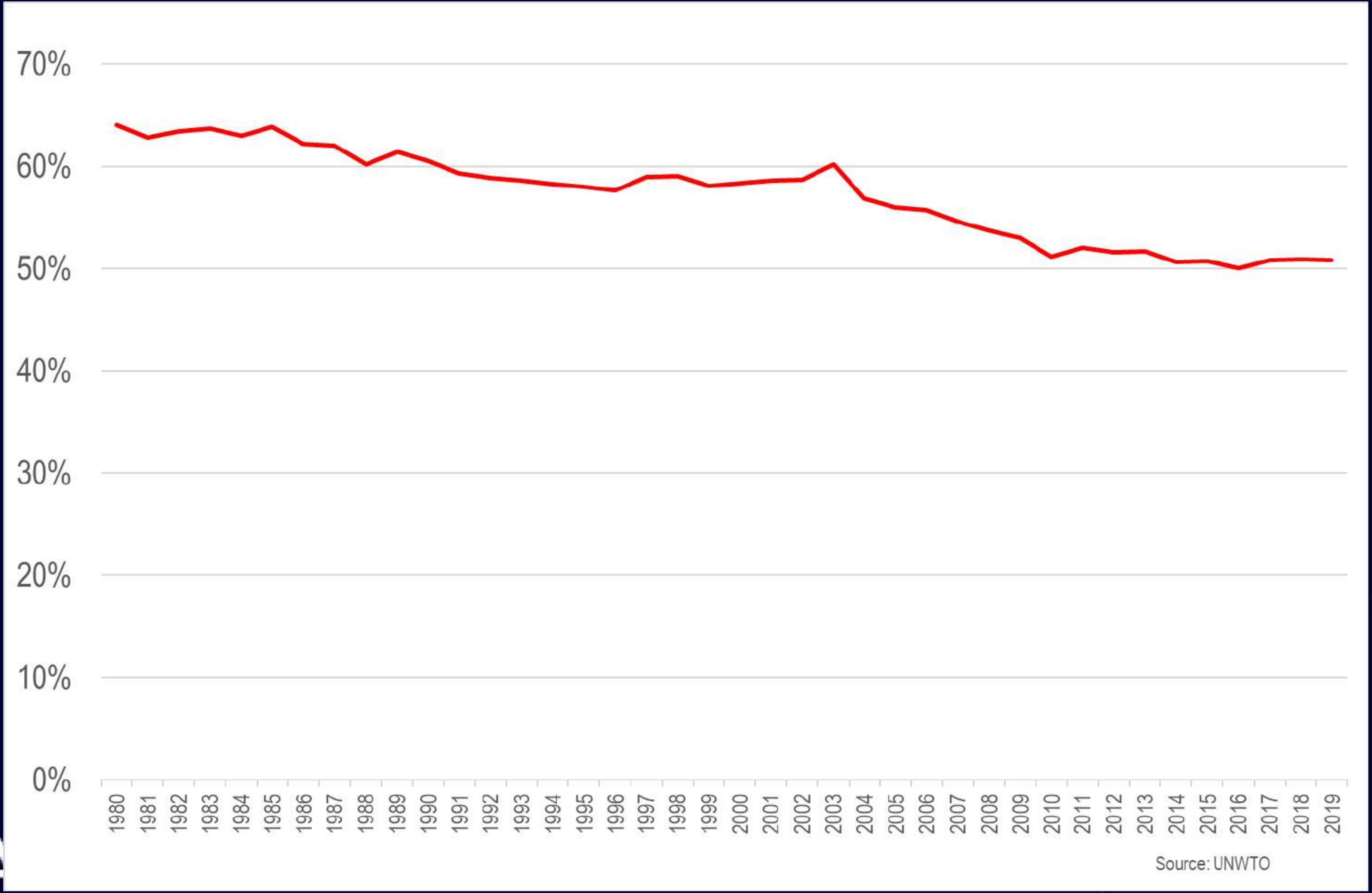
Europe's share of global international visits since 1980



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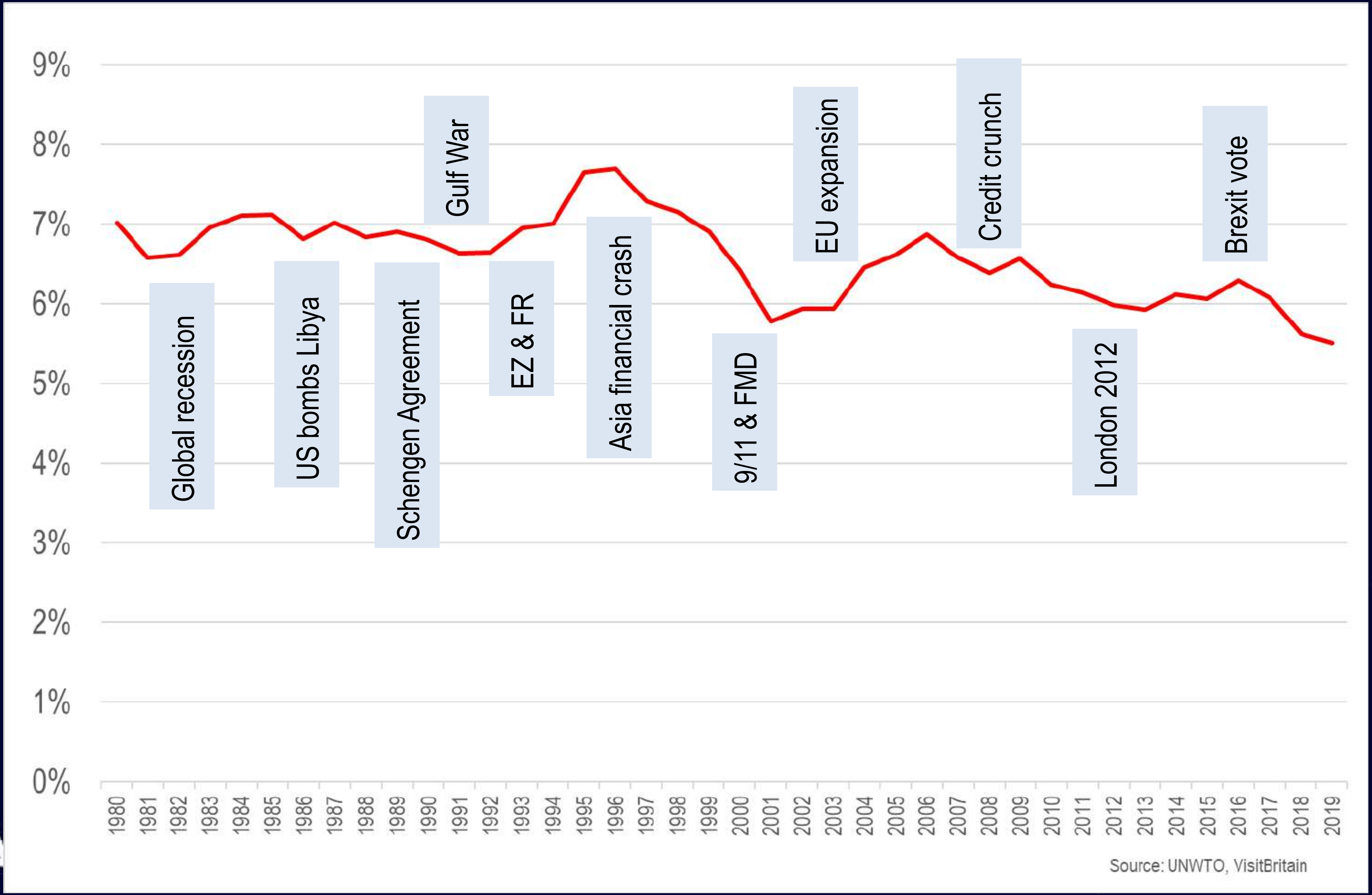
UK's share of international visits to / within Europe since 1980



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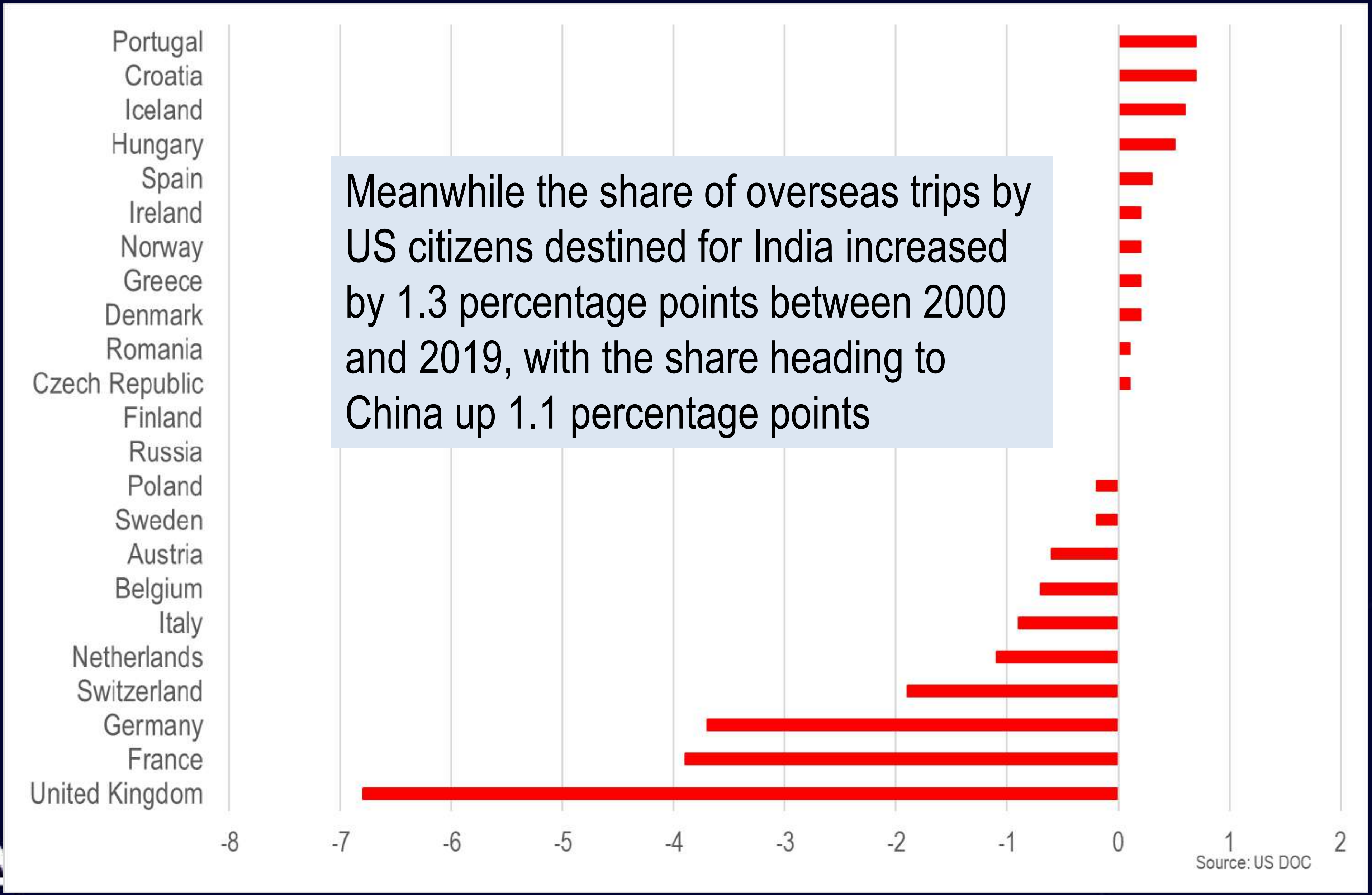
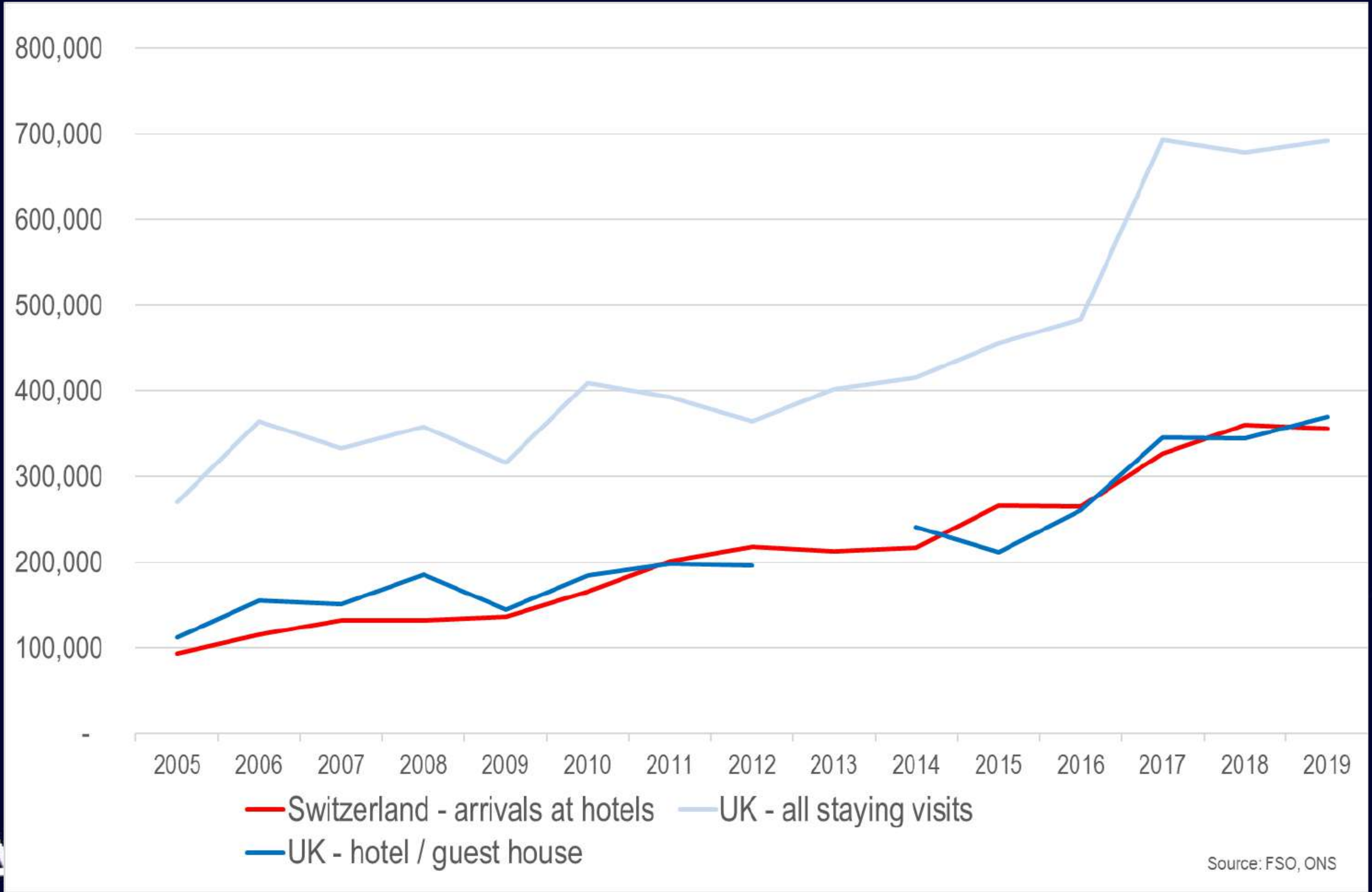
Change in share of overseas trips by US citizens 2000-19 (pp)



UK and Swiss performance in attracting visits from India



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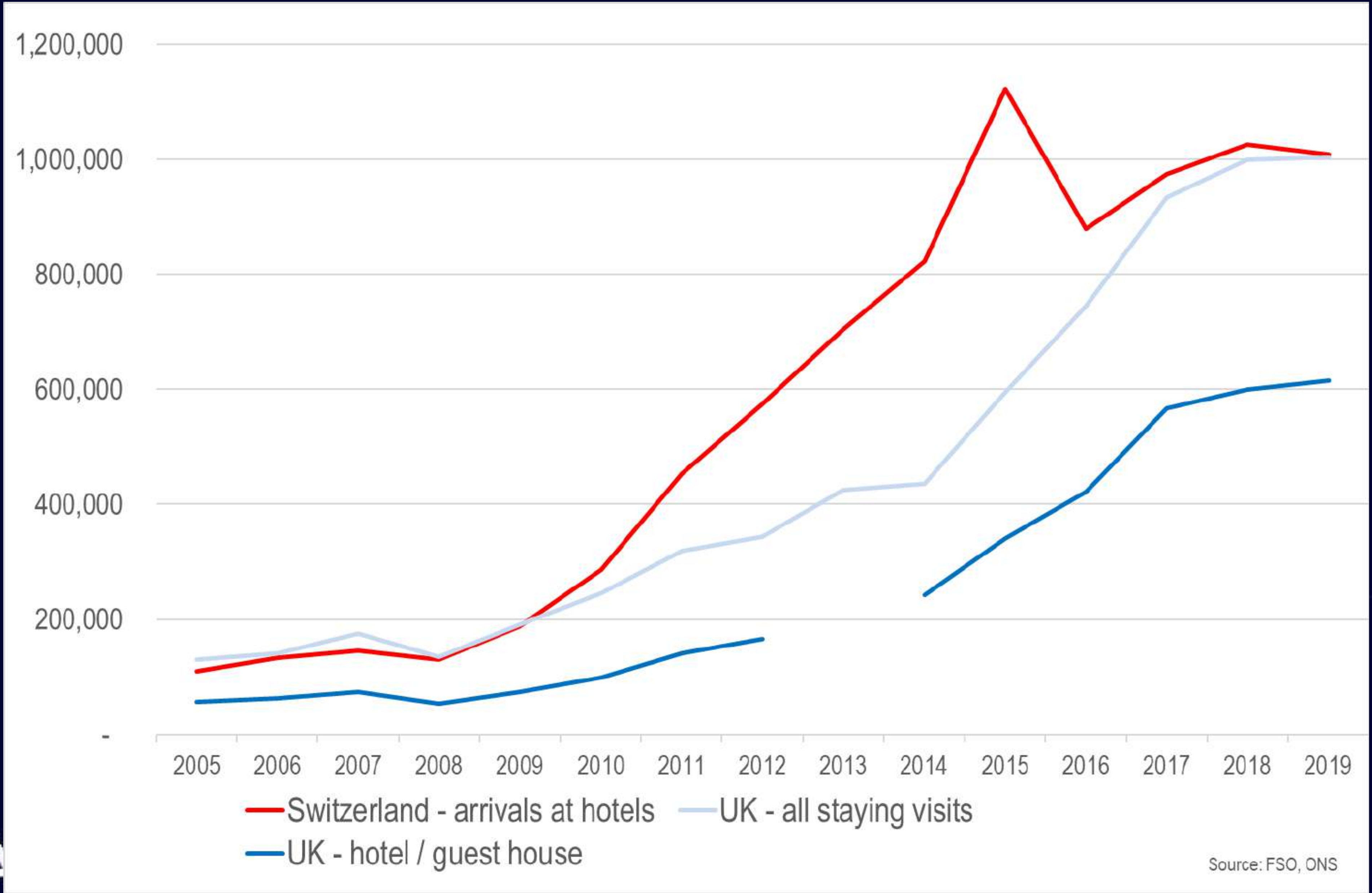
UK and Swiss performance in attracting visits from China



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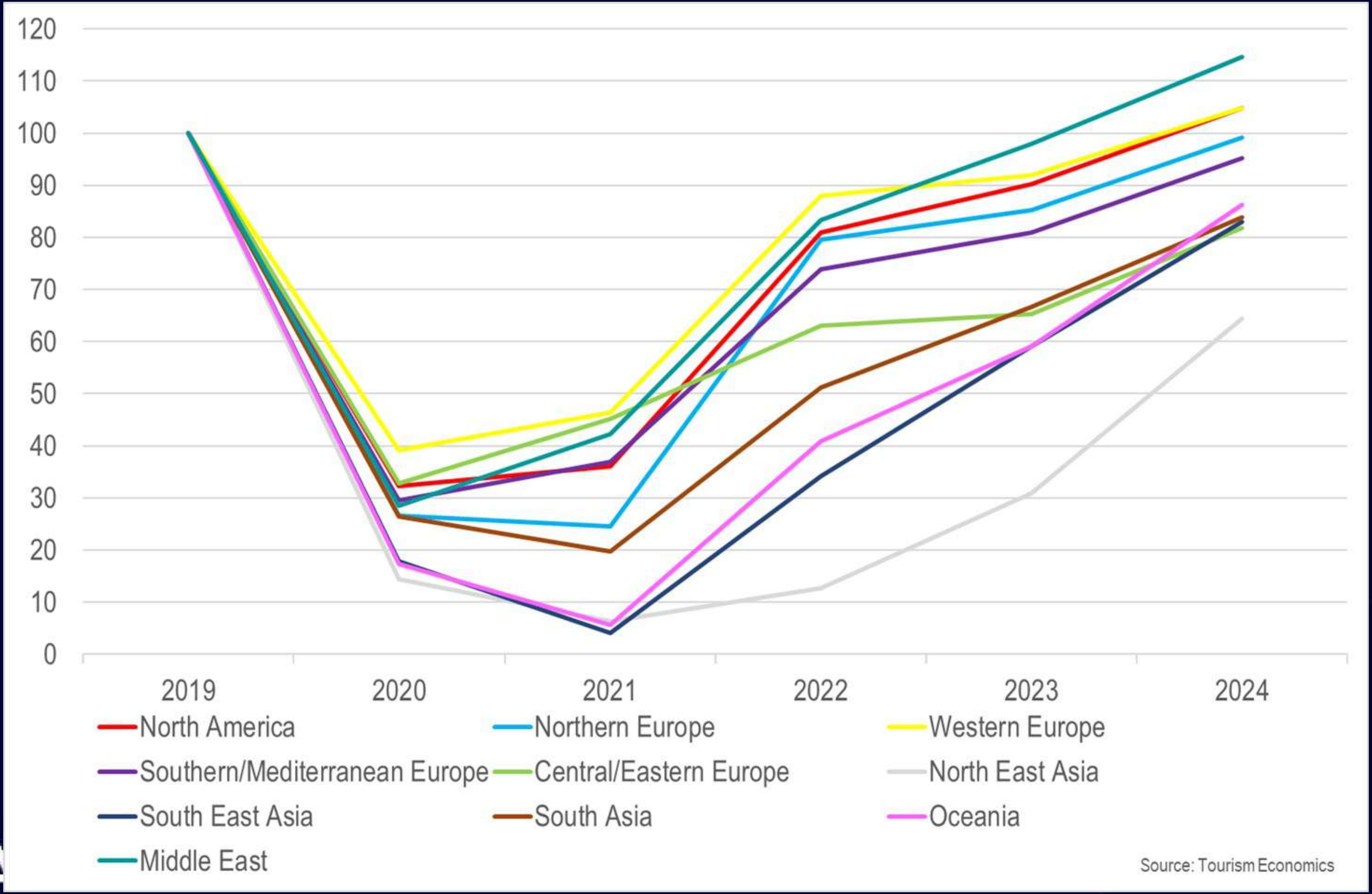
Short-term prospects

Outbound forecasts for world regions (2019 = 100)



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Market prospects

- Despite the easing of restrictions Tourism Economics forecast outbound travel from China to Europe will be at least 50% below 2019 levels in 2023 due to capacity constraints and the need for traveller confidence to be fully restored
- Full recovery from China not anticipated until 2026
- Travel to Europe from India and Brazil forecast to be 20-30% below 2019 levels this year and fully restored by 2025
- At the Europe level arrivals from the US forecast to be 10-20% down on 2019 in 2023, but destinations in Western and Northern Europe could match pre-pandemic levels

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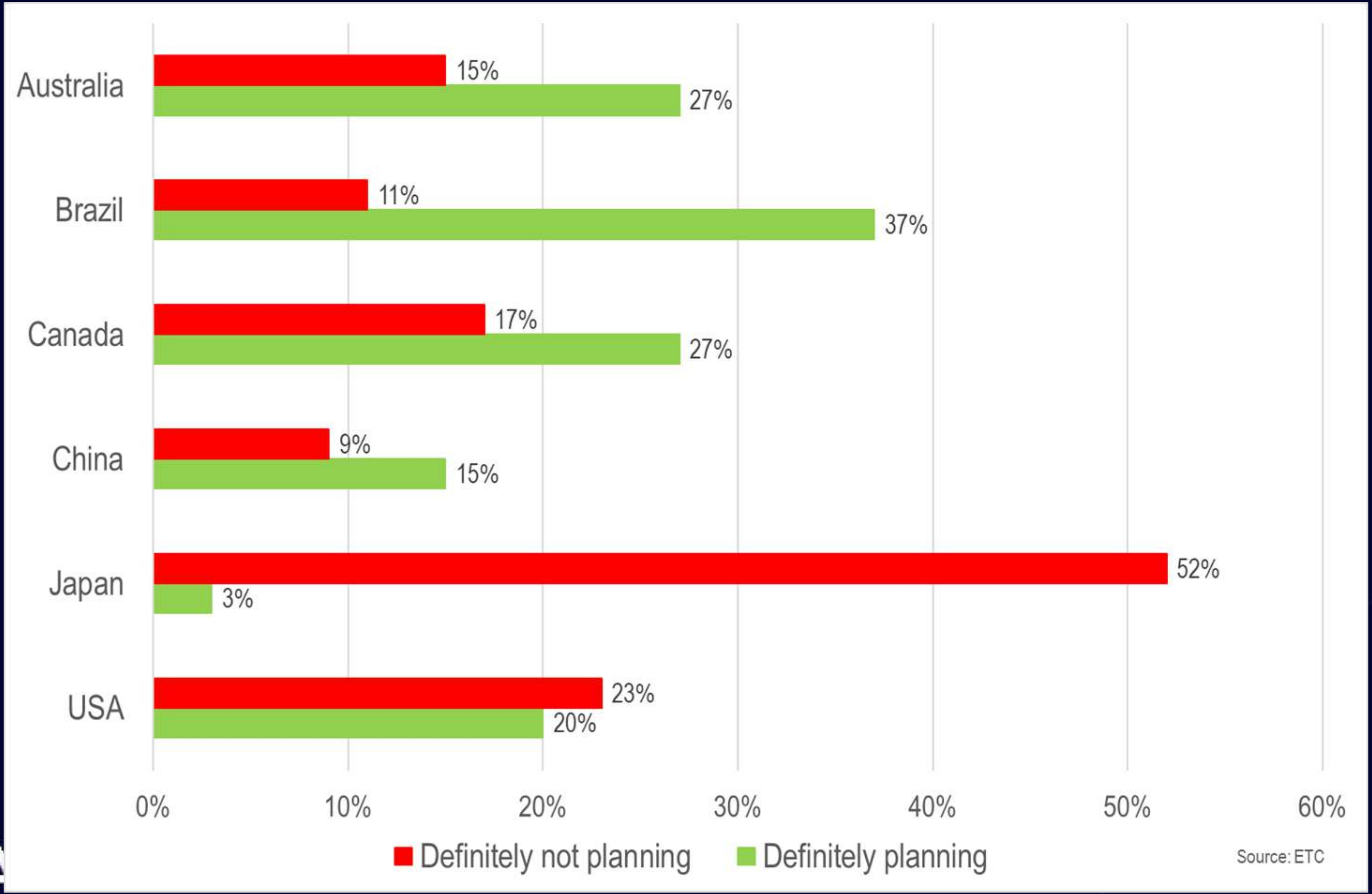
Intention to travel long-haul in 2023 by source market



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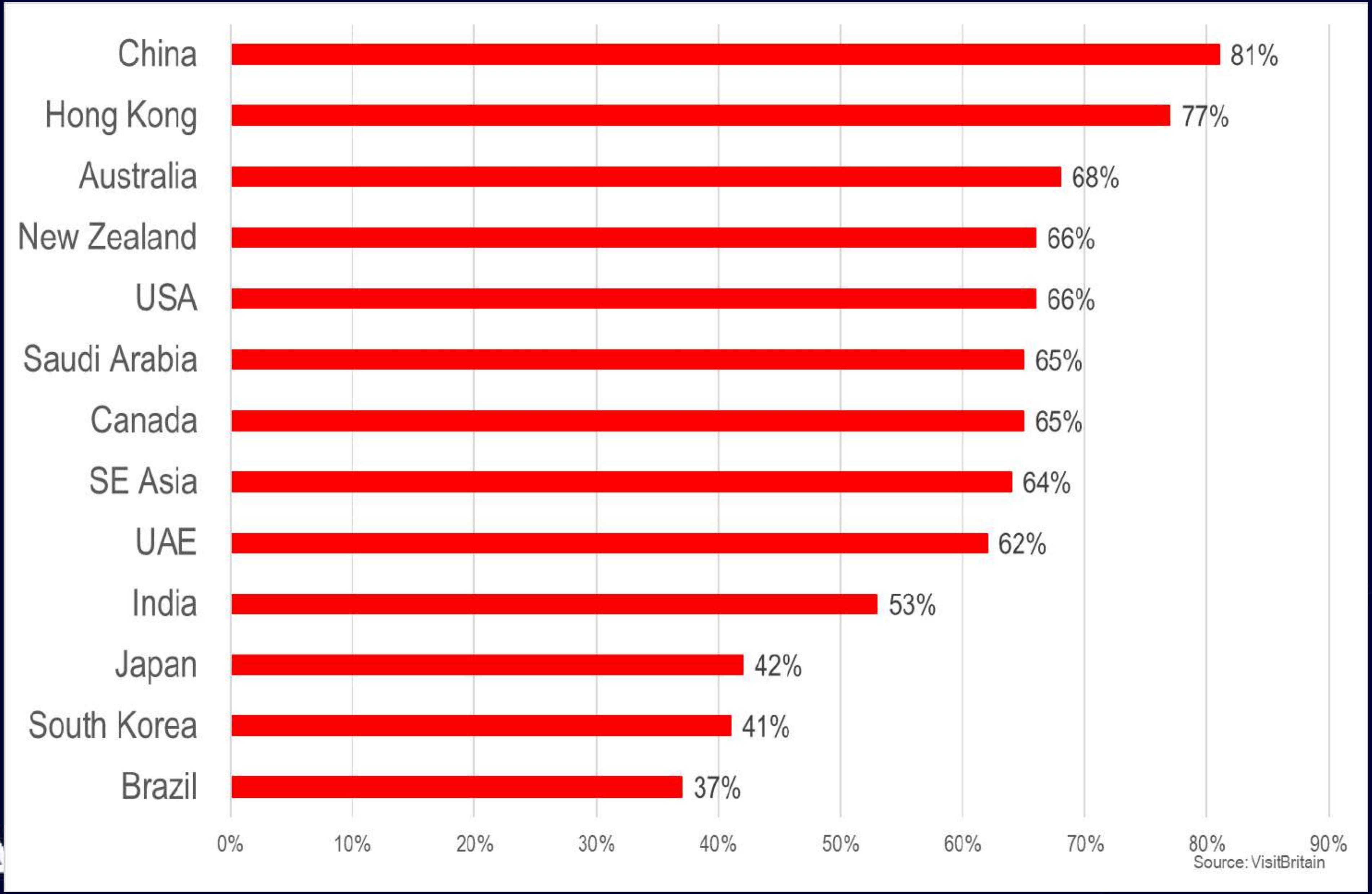
% that would consider a holiday in Britain in next 5 years



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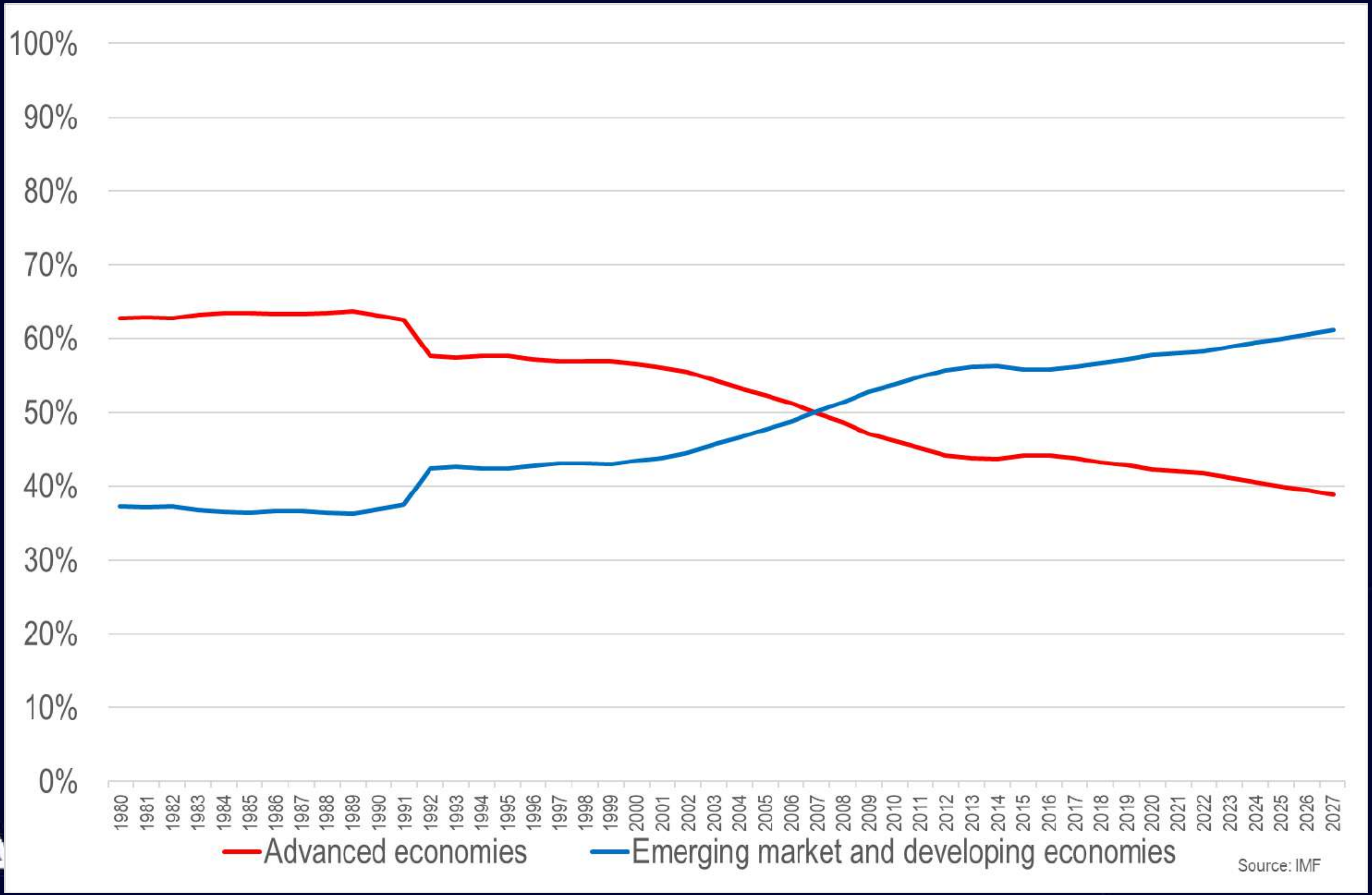
Longer-term prospects

Estimated and projected share of the global economy 1980-2027



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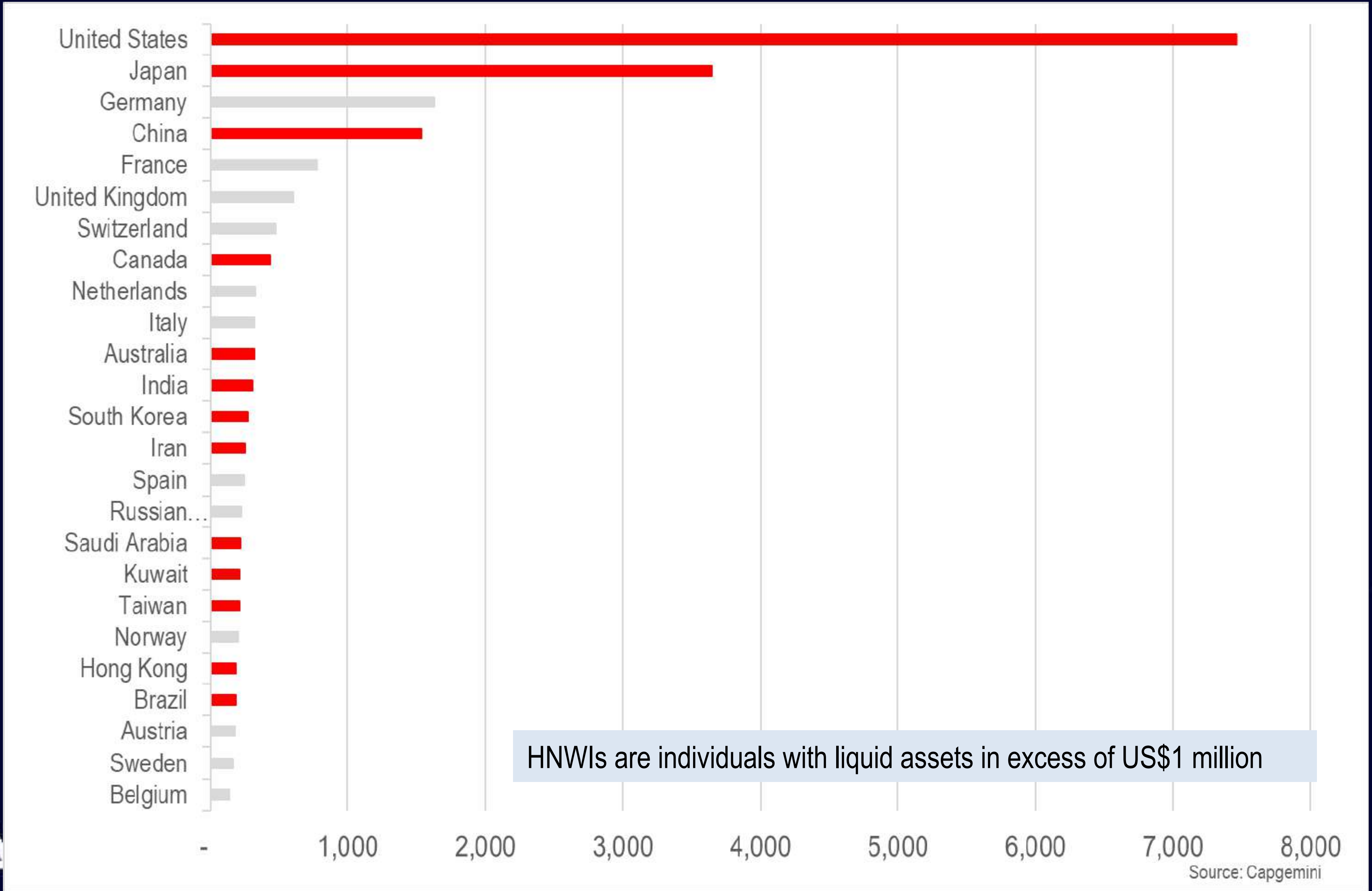
Top nations for High Net Worth Individuals in 2021 (000s)



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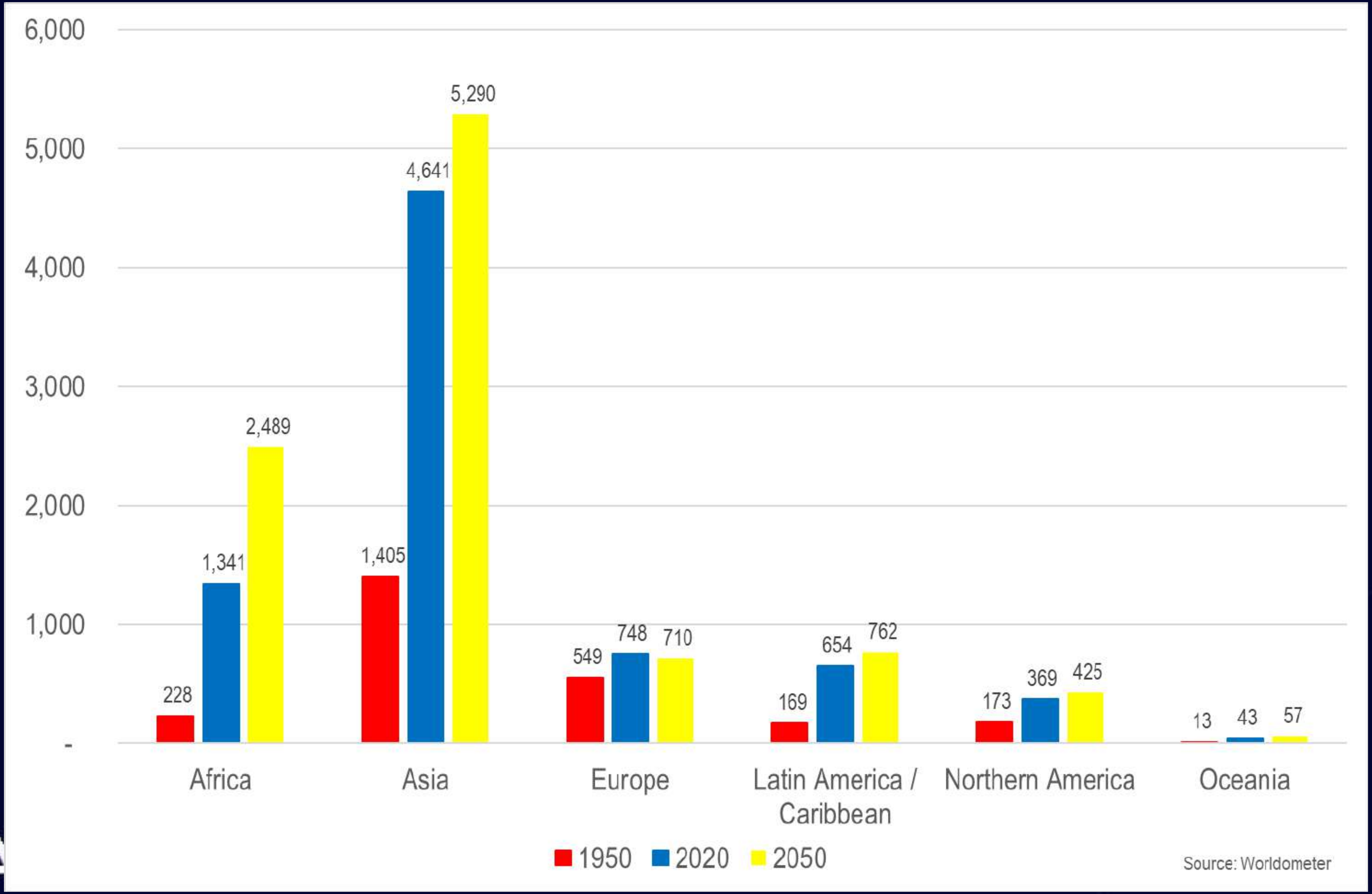
Global population; estimates and projections (m)



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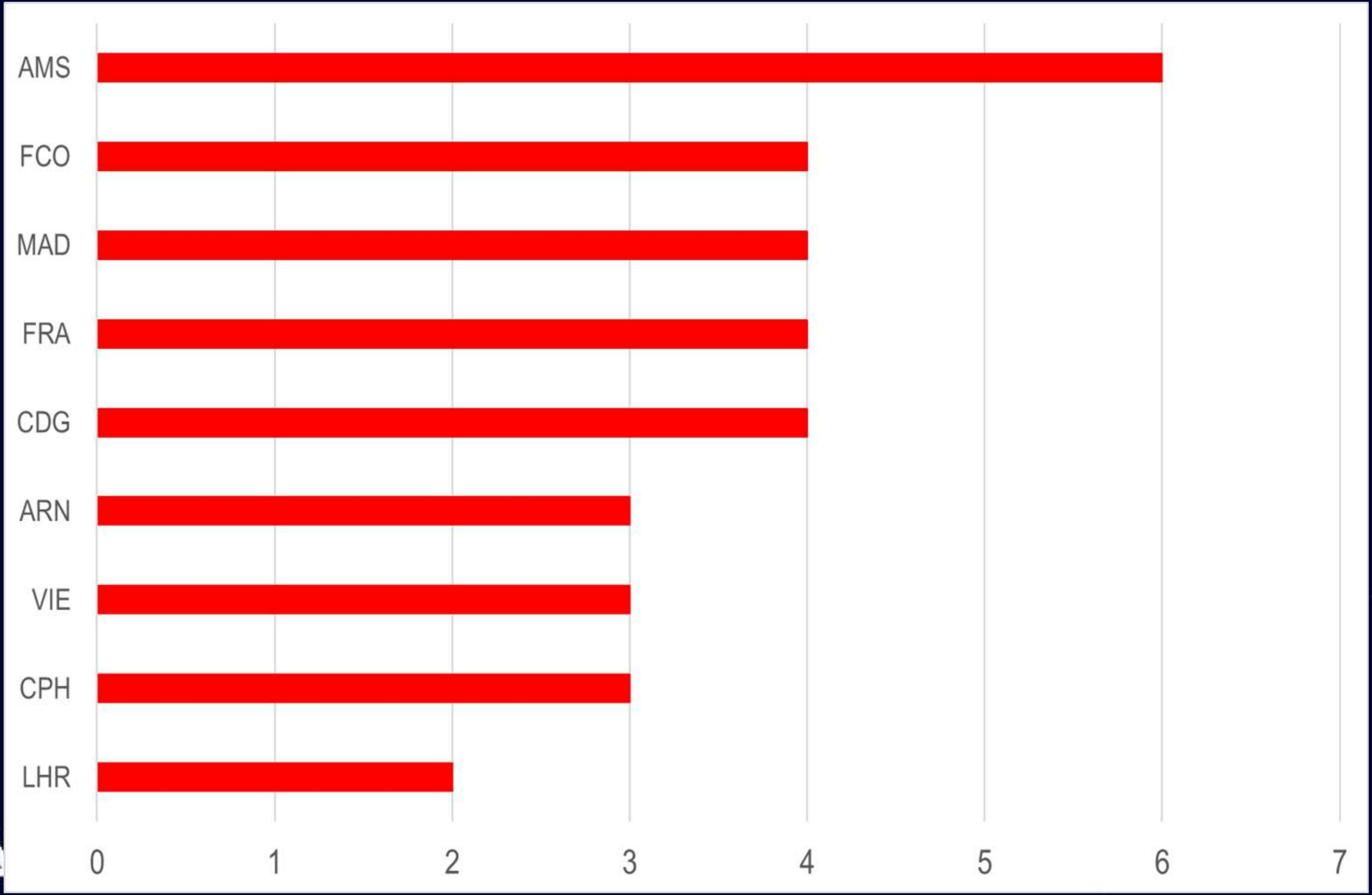
Constraints

Number of runways at leading European airports



Air Passenger Duty rates from April 2023

Flights of between 2,001 and 5,500 miles - £87 for travel in the lowest class of travel available on the aircraft, £191 for travel in any other class.

For flights over 5,500 miles equivalent figures are £91 and £200 respectively.

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Breaking news: World not flat, Britain not at its centre

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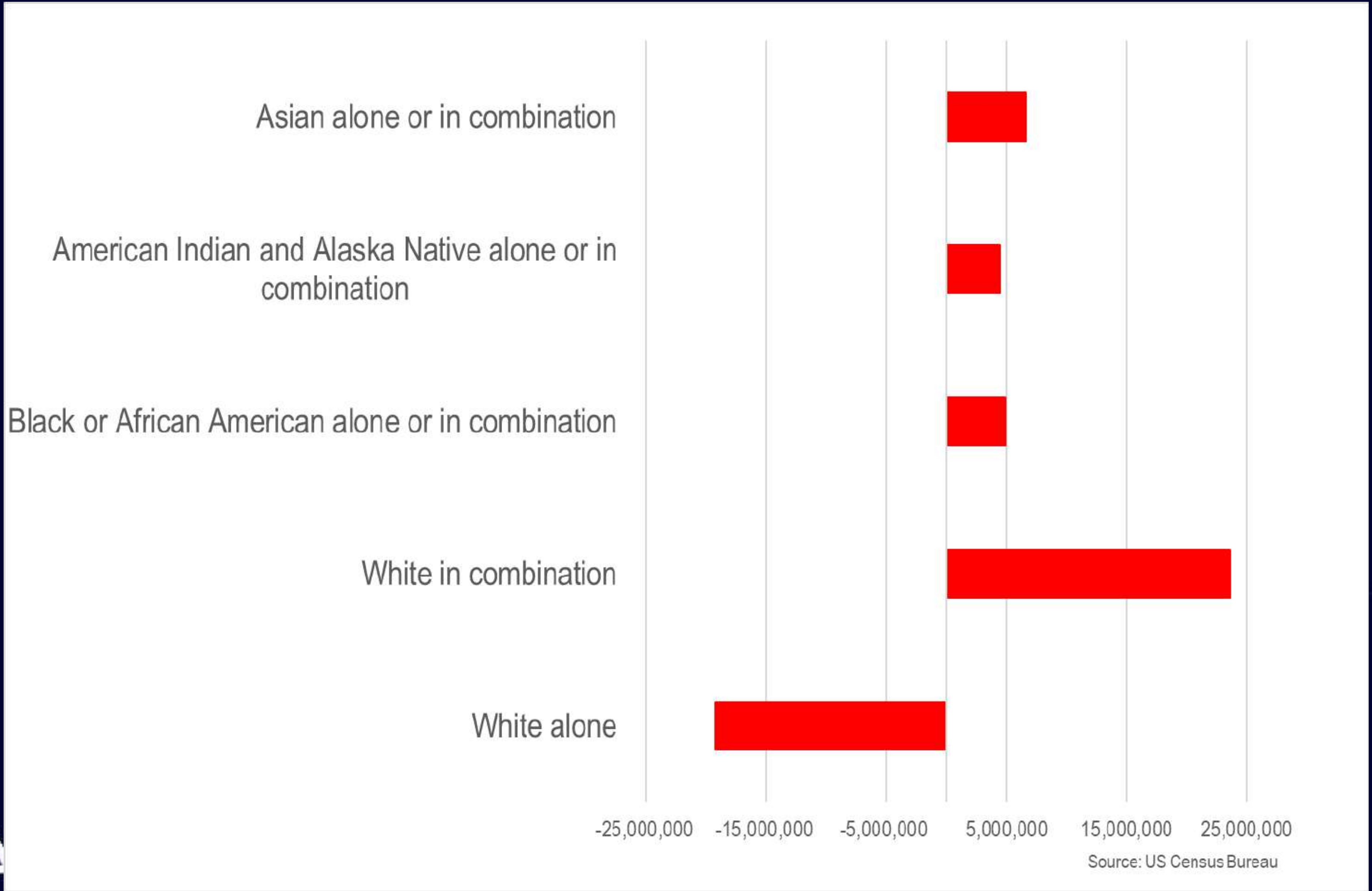
Change in ethnic mix of US population 2010 to 2020



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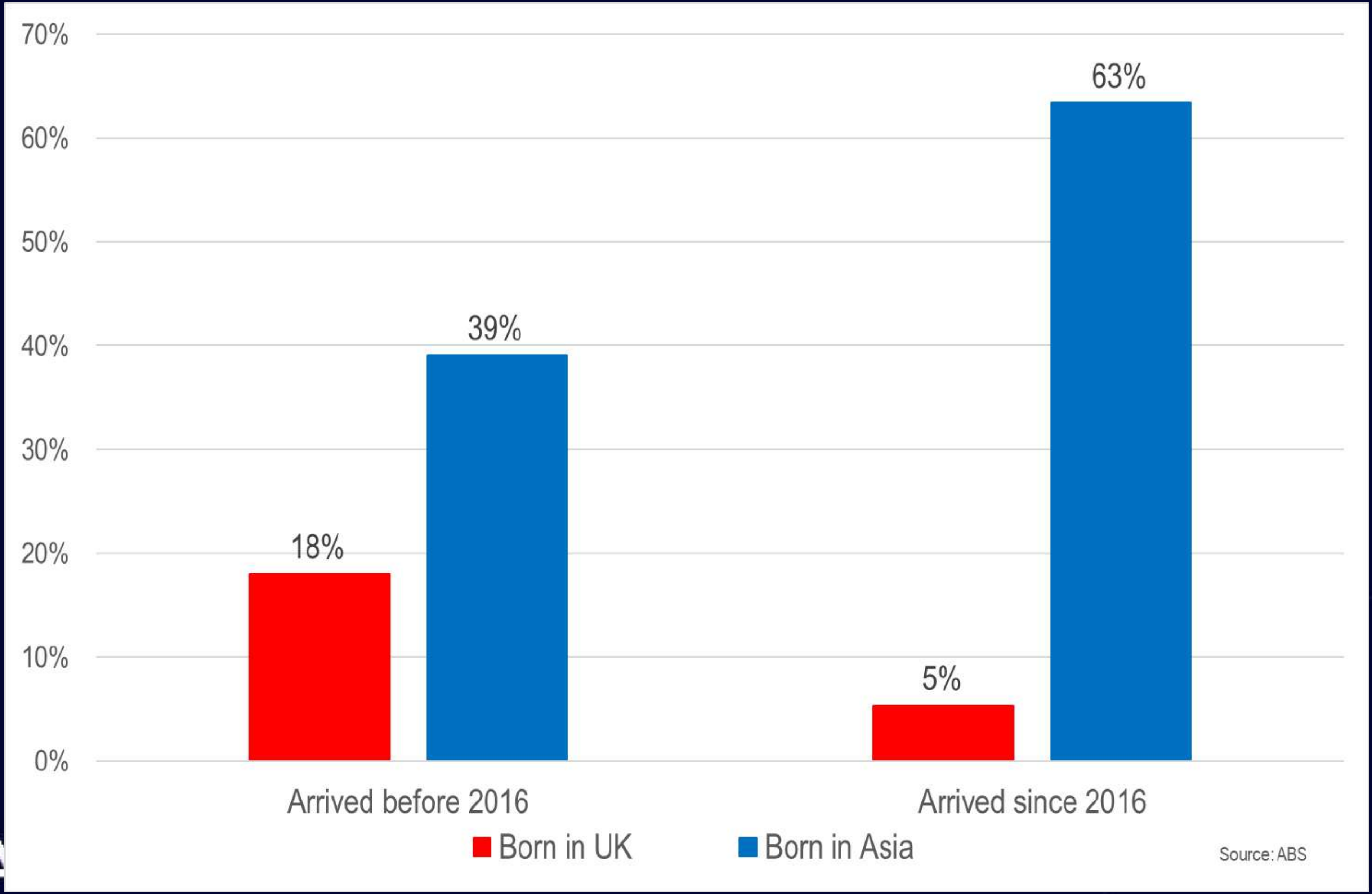
Share of foreign born population of Australia by arrival date



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Bureaucracy

Visa fees

You can apply for a Standard Visitor visa, or if you visit the UK regularly you can choose to apply for a long-term Standard Visitor visa instead.

	Fee	Maximum length of stay
Standard Visitor visa	£100	6 months
Standard Visitor visa for medical reasons	£200	11 months
Standard Visitor visa for academics	£200	12 months
2 year long-term Standard Visitor visa	£376	6 months per visit
5 year long-term Standard Visitor visa	£670	6 months per visit
10 year long-term Standard Visitor visa	£837	6 months per visit

Guidance

Electronic Travel Authorisation (ETA)

People travelling to the UK without a visa will soon need to get an ETA.

From: UK Visas and Immigration

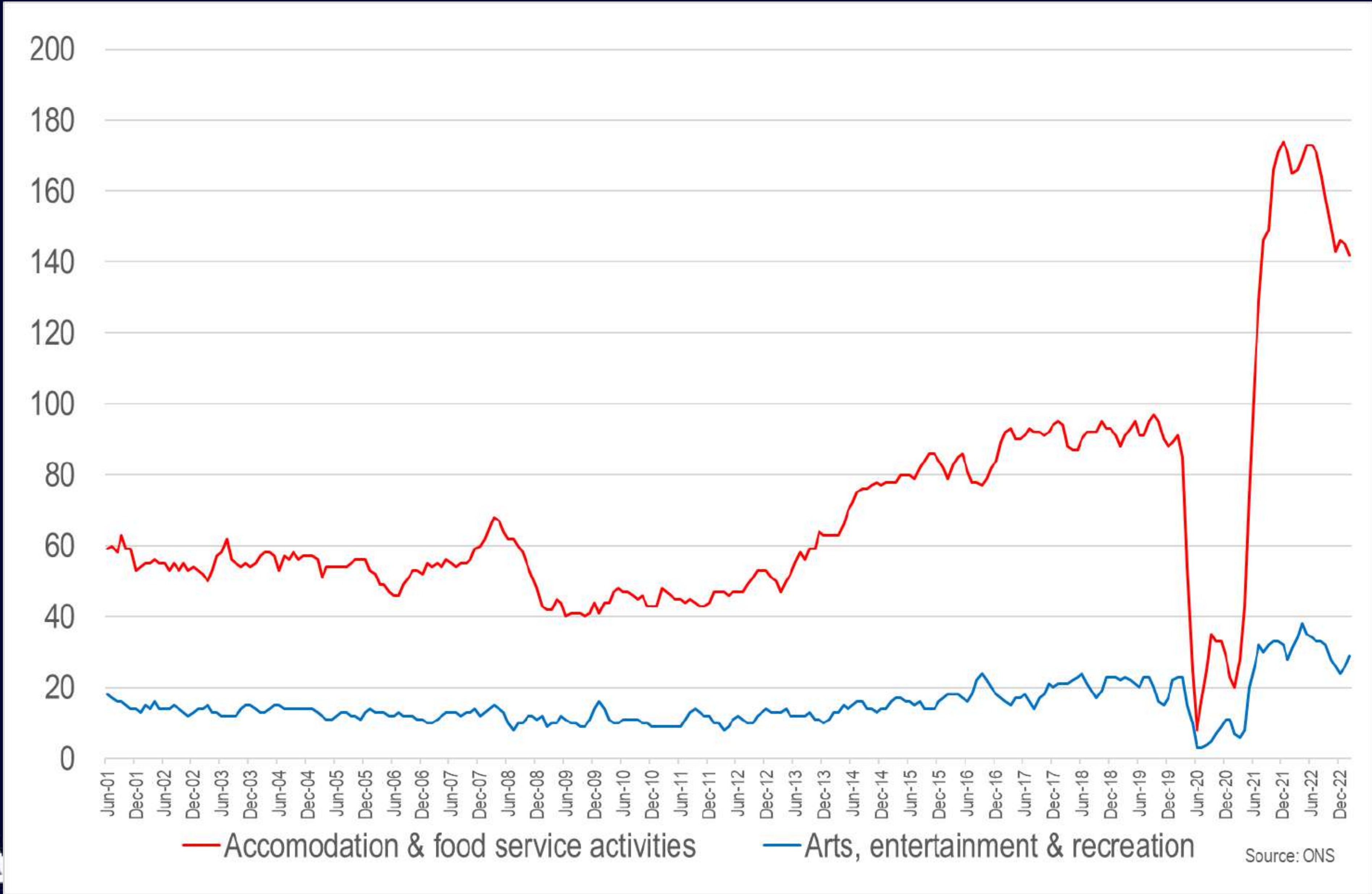
Published 9 March 2023

Last updated 9 March 2023 — See all updates

The UK form has 94 questions

The fee for single **OR** multi-entry Schengen visas is €80 and the form has 37 questions

Vacancies (000s, seasonally adjusted)



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Questions

ETOA

Linda Ristragno

Assistant Director, External Affairs/Global Accessibility & Tourism
IATA

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Nose-dive and recovery. Is global aviation back on the right flight path?

Linda Ristagno

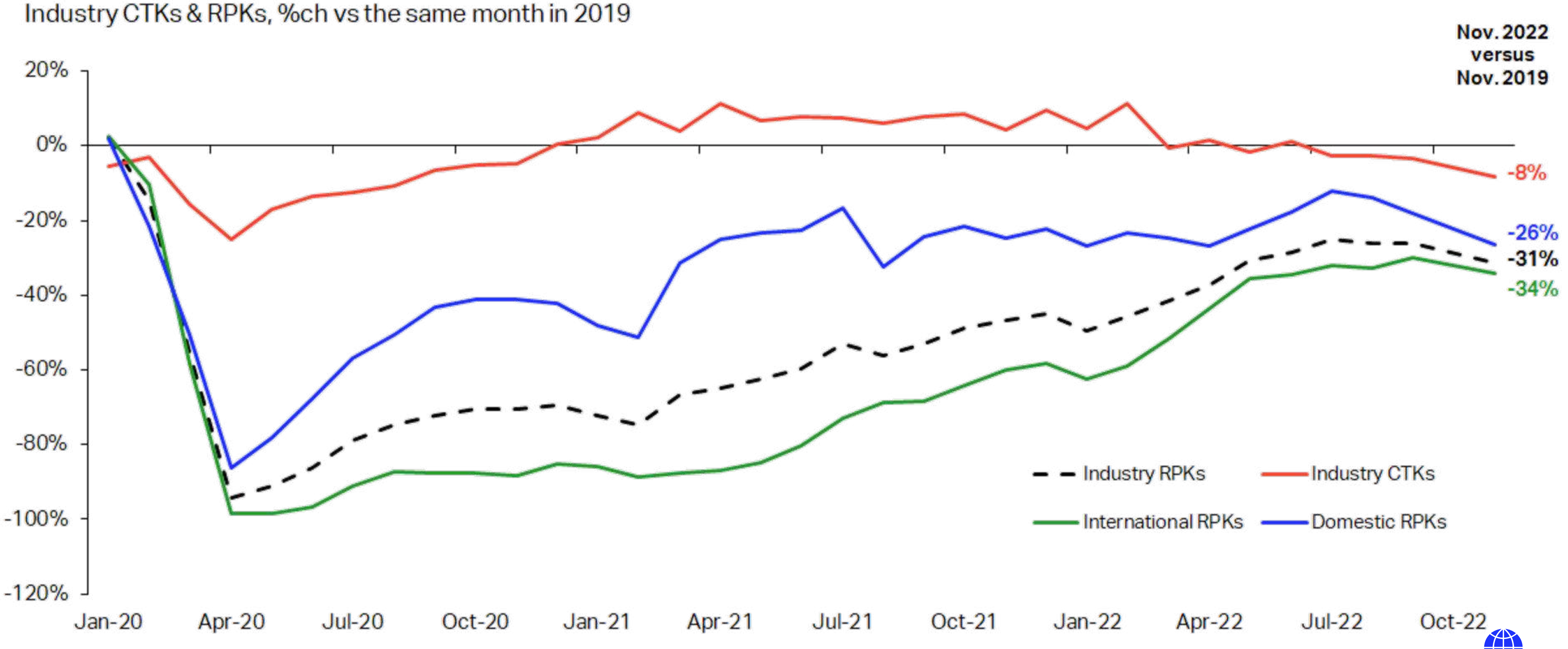
Assistant Director External Affairs, IATA

Introduction

- Travel and Tourism are major driver of the global economy
- Air travel provides vital links for the recovering global tourism industry.
- According to the UNWTO World Tourism Barometer, international tourist arrivals almost tripled from January to July 2022 (+172%) compared to the same period in 2021.
- The steady recovery reflects strong pent-up demand for international travel as well as the easing or lifting of travel restrictions

Recovery remains broadly on track despite headwinds

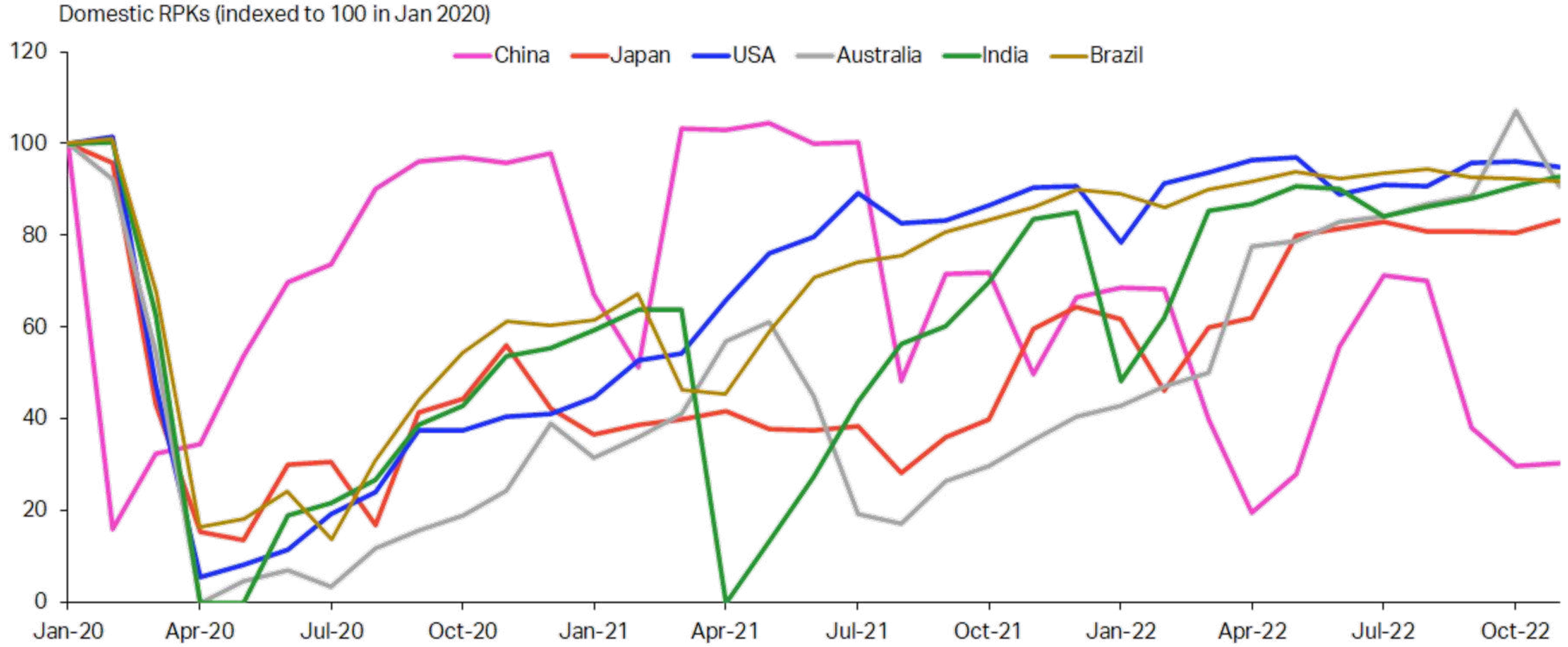
Industry RPKs are currently 70% of 2019 level, CTKs at 92%



Source: IATA Monthly Statistics

Domestic market performance remains mixed

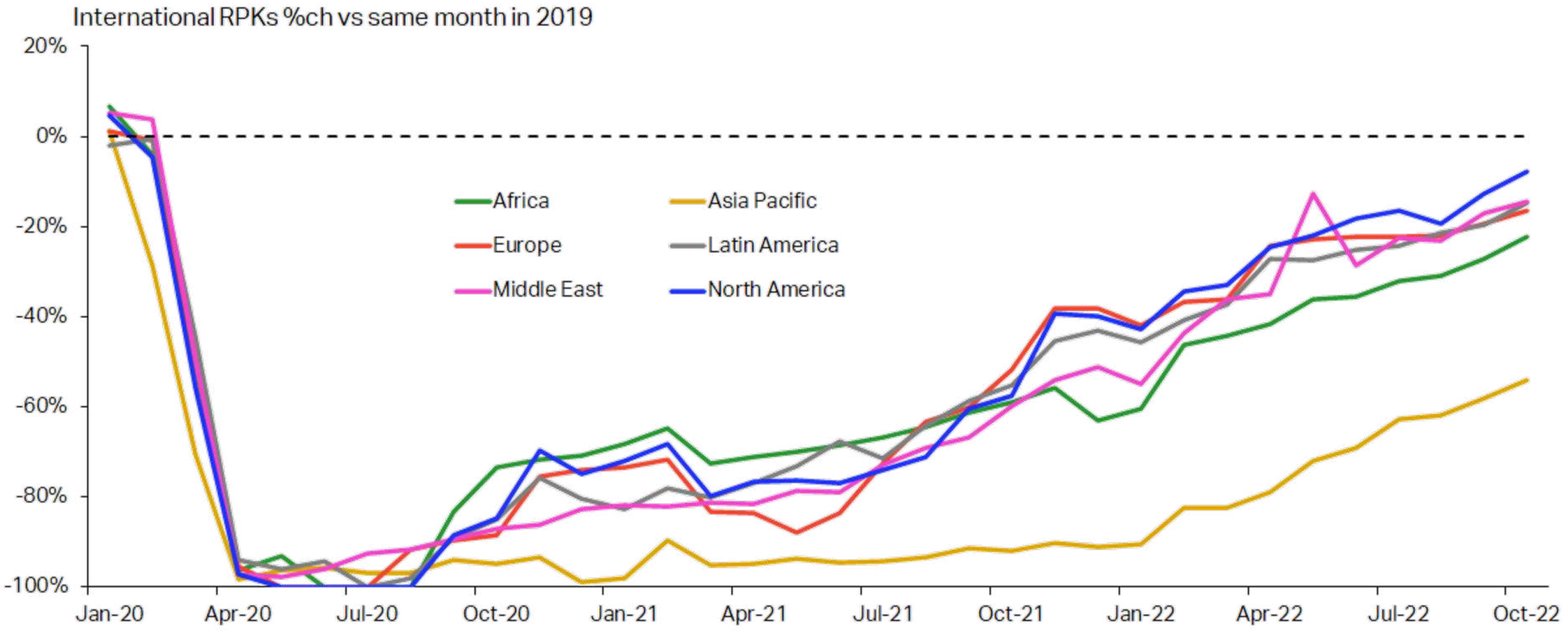
Recovery trajectories reflect country-specific developments



Source: IATA Monthly Statistics

International travel steadily recovering

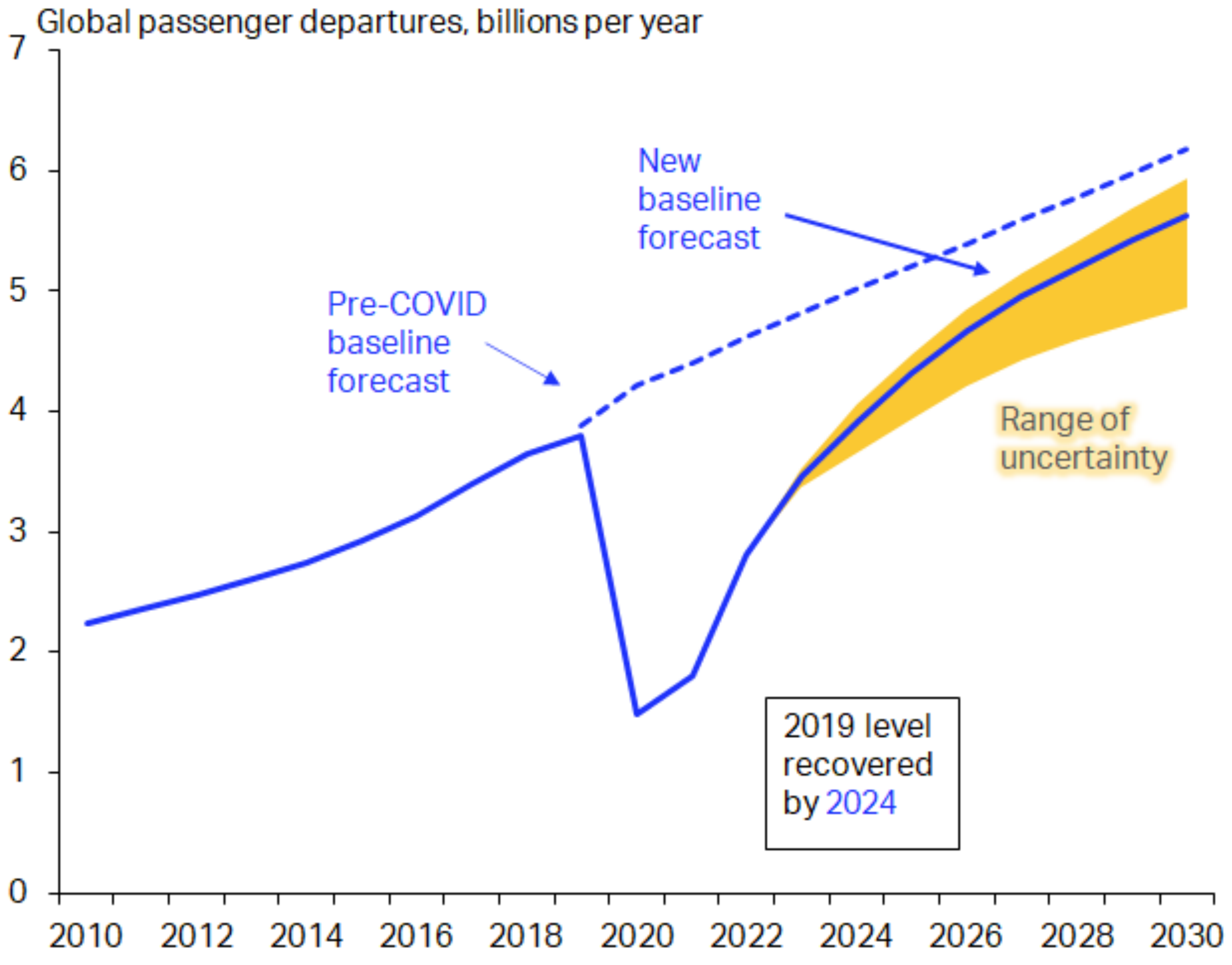
Key Asia Pacific markets continue to lag, reflecting travel restrictions



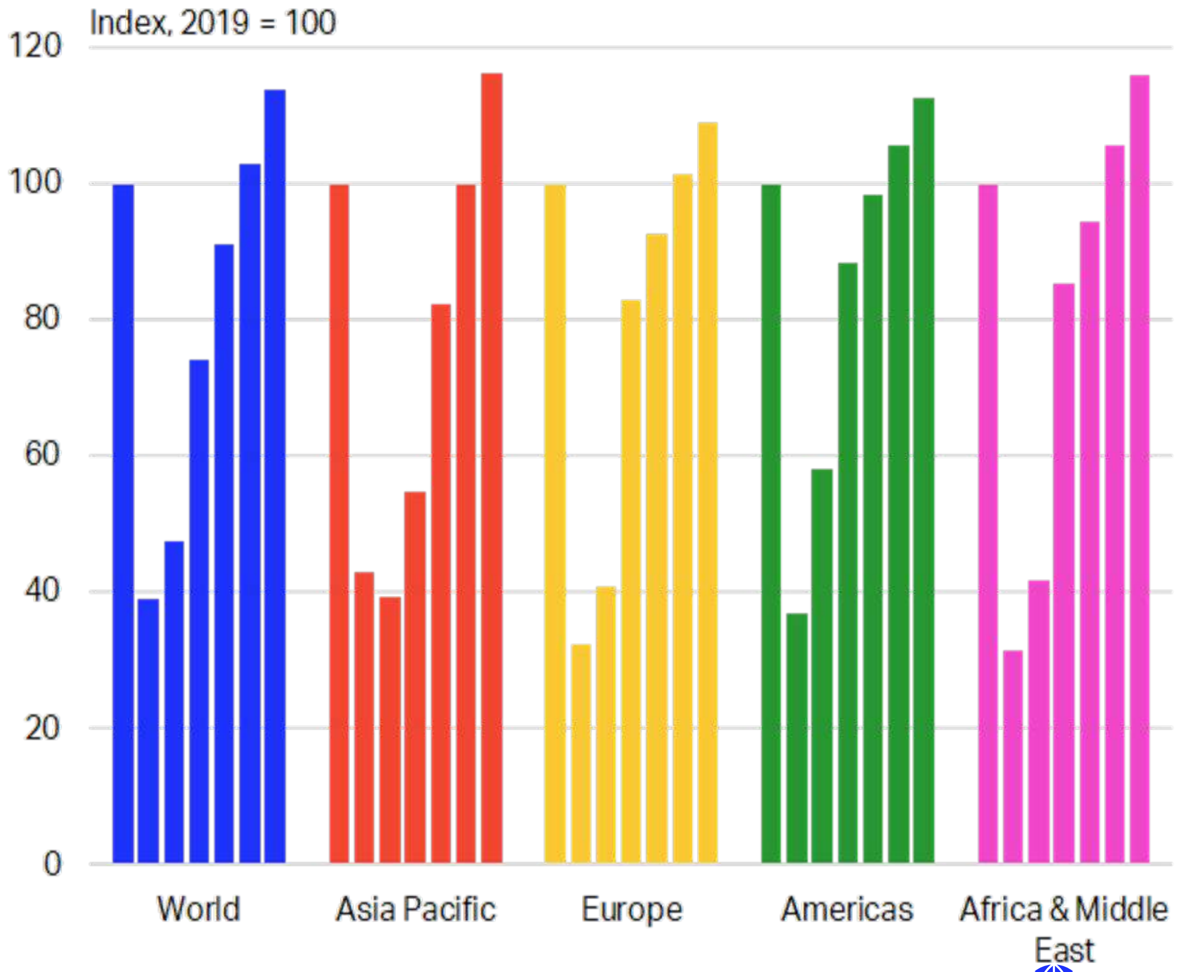
Source: IATA Monthly Statistics

Passenger numbers expected to recover by 2024

Industry recovers to 2019 level by 2024



All regions recover to 2019 level by 2025



Source: IATA/Tourism Economics Air Passenger Forecasts

IATA

Driving factors: profit, people planet, governance

Economic

Governance

Social

Environmental

Key takeaways - economics

- 2022 highlights the resilience of the air transport industry. After the largest shock in history, recovery is well underway and is forecast to continue into 2023.
- The recovery has accelerated in 2022 as travel restrictions have been lifted, and international traffic has closed the gap with the domestic recovery.
- Tourism is very vulnerable to crises and disastrous events, and for a destination to be resilient in the long term it is important to implement a response built on sustainability in its different environmental, social and economic dimensions.

- Industry-wide passenger numbers are expected to recover their pre-pandemic level by 2024.
- Pent-up demand helps overcome cost/price pressures, but this will likely wane in 2023.

Key takeaways – social

- The concept of resilience is applicable to different fields (legal, scientific, IT, tourism, etc.) and always refers to the ability of the system in question to recover or return to its initial state after a traumatic event.

- It is worth looking at resilience as a state of continuous evolution and in the long term, in line with the concept of sustainability.

- Tourism is very vulnerable to crises and disastrous events, and for a destination to be resilient in the long term it is important to implement a response built on sustainability in its different environmental, social, governmental and economic dimensions.

And some question marks

- Are states confident that we can manage future outbreaks of communicable diseases without the total shut down of air transport, travel and tourism?
- Where does aviation fit in countries strategic plans for growth of the tourism industry? What is expected of airlines in developing the tourism sector?
- Do governments have a “whole of government” approach to tourism?
- If so, what can ‘Ministries of Tourism’ do to promote the conditions needed for successful aviation growth particularly the availability of cost-effective infrastructure, modernization of facilitation processes, and pandemic preparedness?

Nose-dive and recovery. Is global aviation back on the right flight path?

Thank you!

Nejc Jus

Head of Research
World Travel and Tourism Council (WTTC)

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Tourism Alliance

Tourism Insights Conference

World in Motion: Global Travel Insights

Nejc Jus, Head of Research, WTTC

London, 23 MARCH 2023

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Research

For over 30 years we have been quantifying the impact of Travel & Tourism in 185 countries in our annual **Economic Impact Research.**

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ECONOMIC IMPACT

TRAVEL & TOURISM
SECTOR BENCHMARKING

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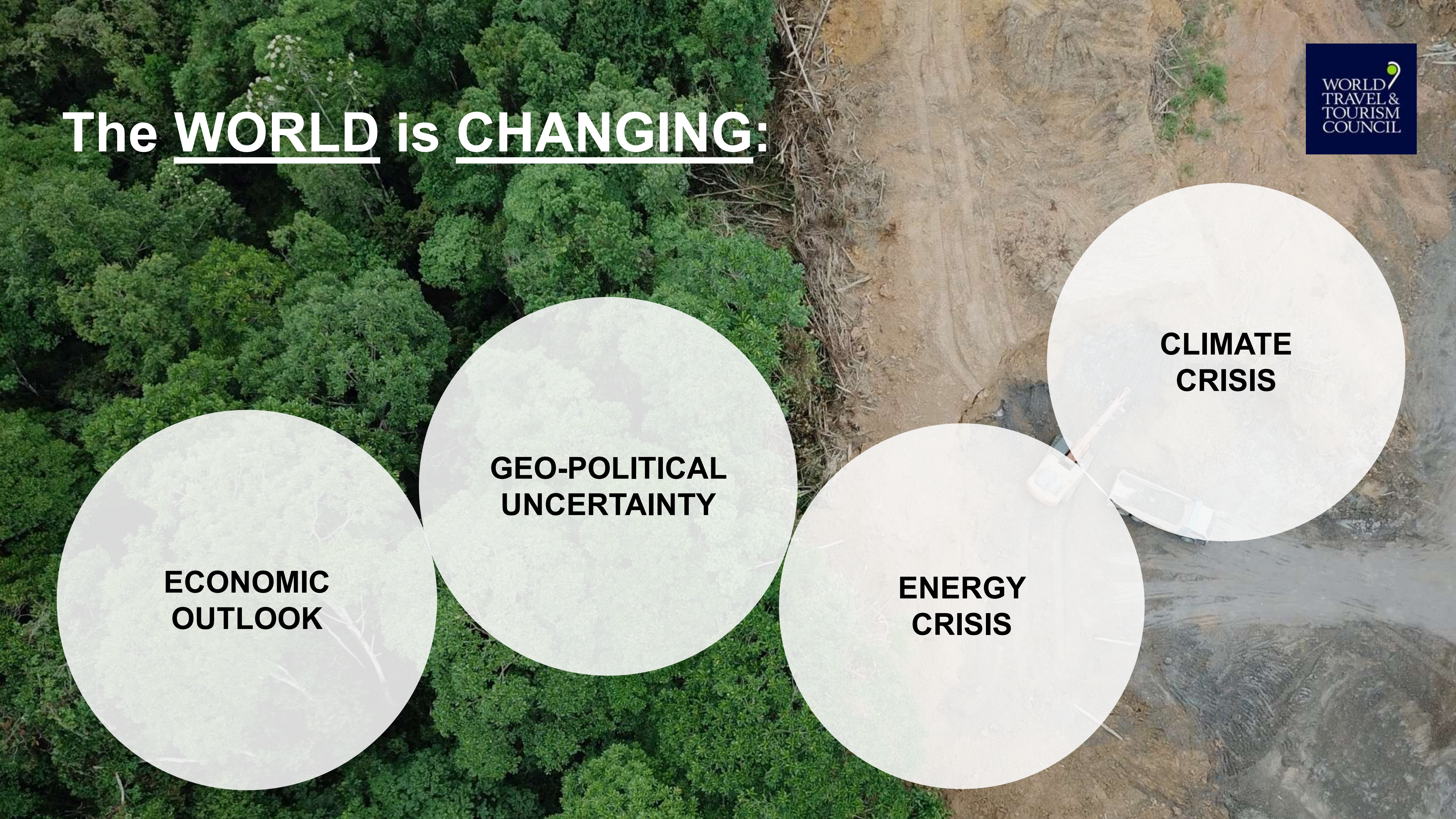
The WORLD is CHANGING:
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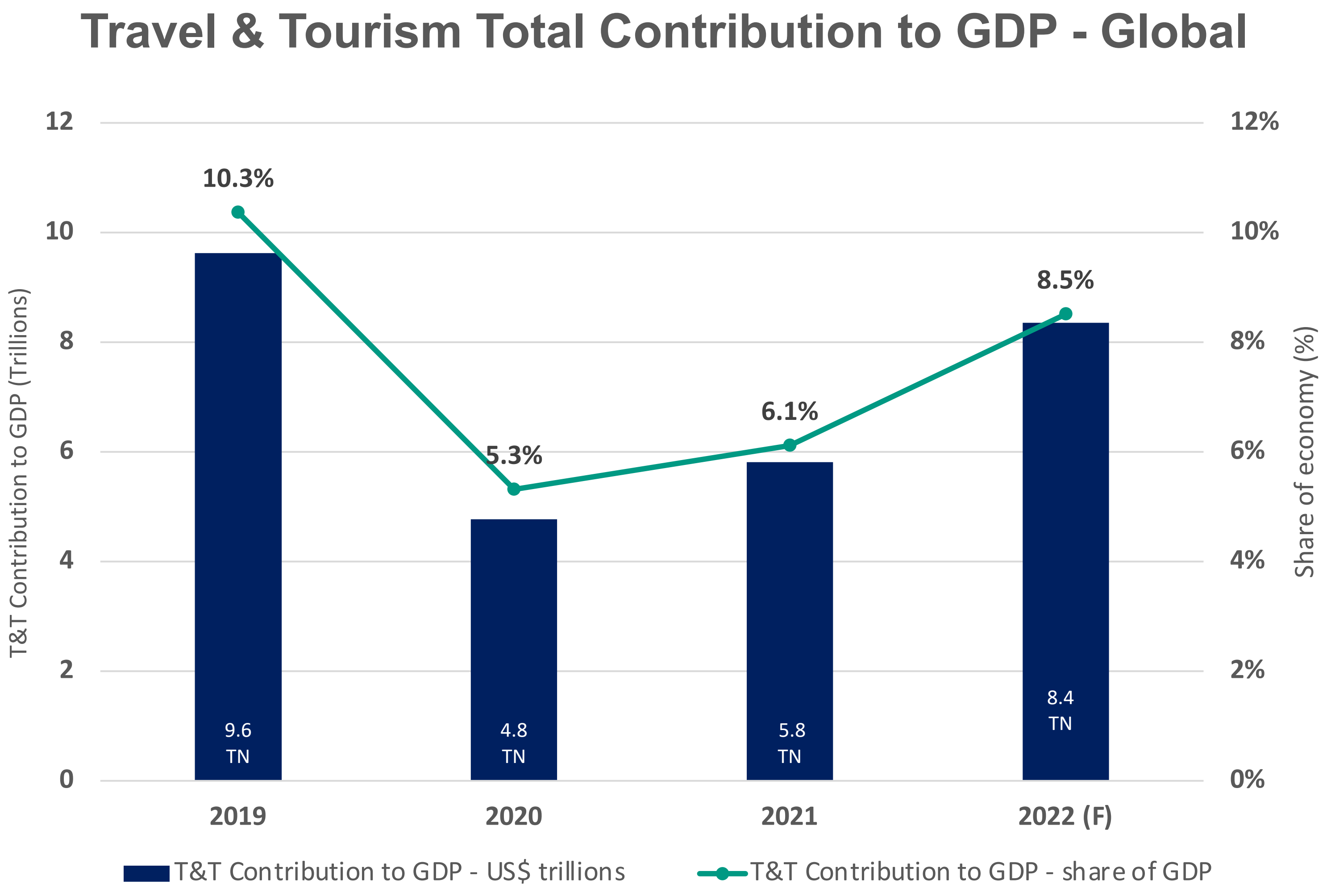
ECONOMIC OUTLOOK
GEO-POLITICAL UNCERTAINTY
ENERGY CRISIS
CLIMATE CRISIS

Economic Impact Research - Global

WORLD TRAVEL & TOURISM COUNCIL



2022-2032 forecast:

126 million new jobs

+5.8%

Average Annual Growth (T&T GDP)

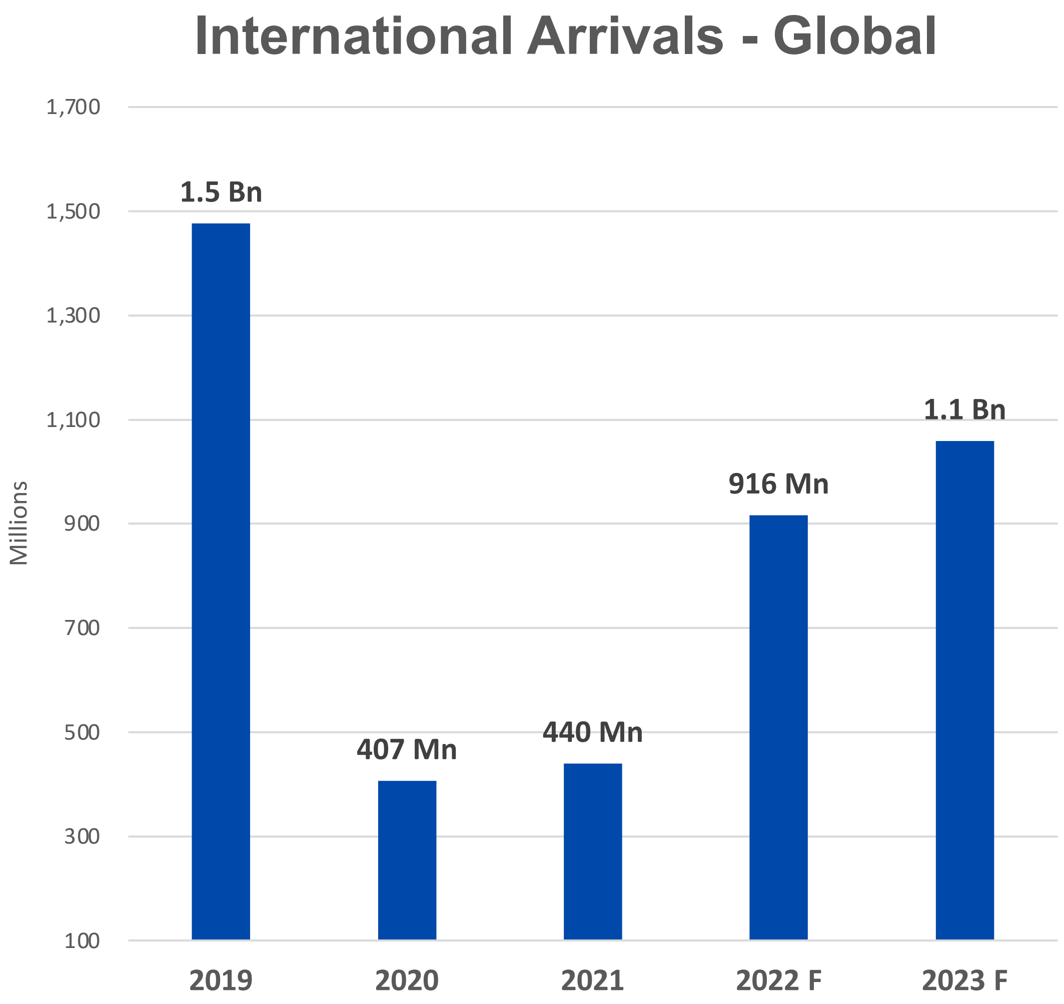
Vs

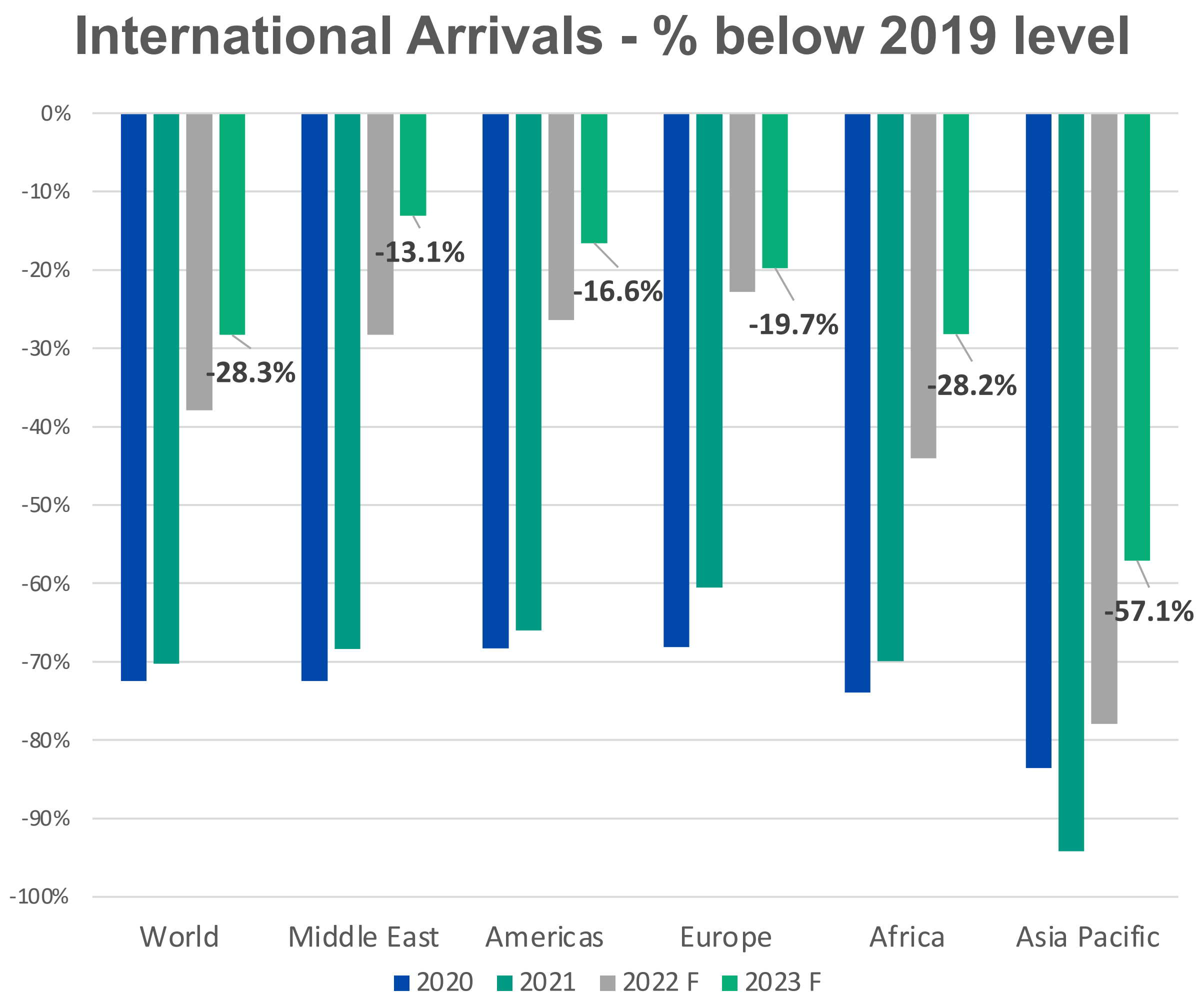
+2.7%

Global Economy GDP average annual growth rate

Source: WTTC/Oxford Economics, April 2022

International Arrivals

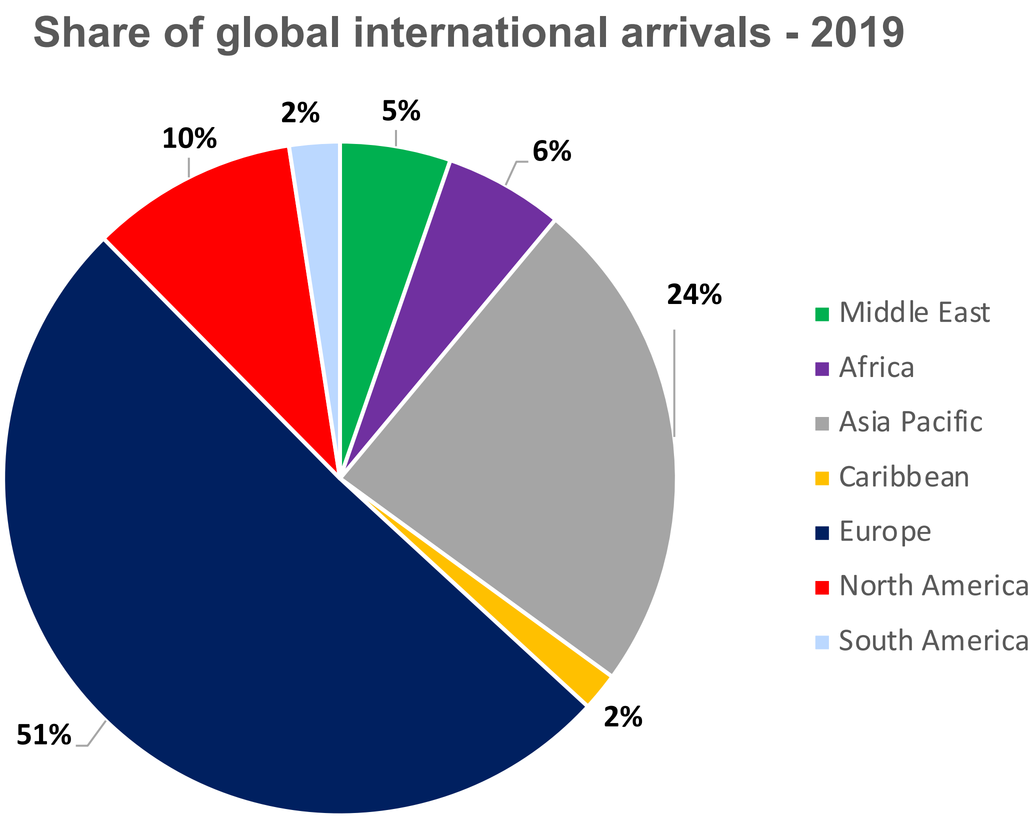




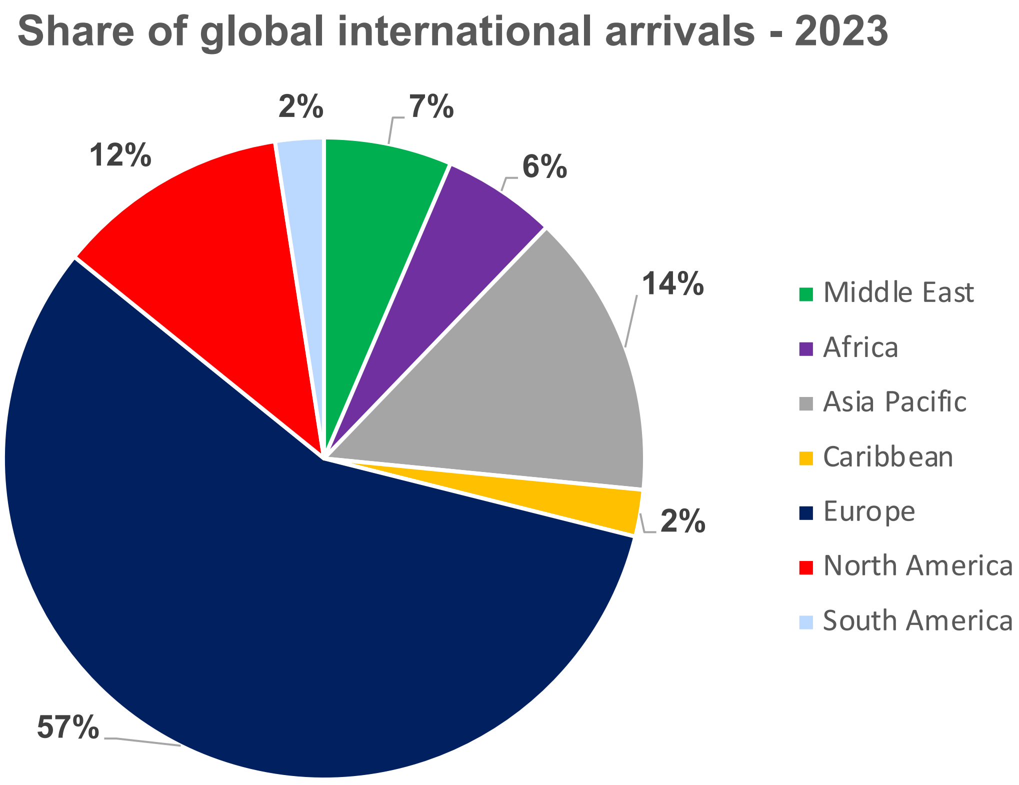
Source: Oxford Economics, Dec 2022

International Arrivals – Shares by Region

2019 Global international arrivals: 1.5 bn



2023 Global international arrivals: 1.1 bn (Forecast)



Source: Oxford Economics, Dec 2022

CITIES ECONOMIC IMPACT RESEARCH

82 Cities covered in this year's research

10-year projections:

T&T in 2032

8% **Of all jobs** in the cities analysed

Doha forecast for largest increase (2019-2022)

+21%
Increase in T&T contribution to GDP

- **Key indicators:** direct T&T GDP contribution, employment, international & domestic visitor spending, leisure & business spending
- **Cities accounted for almost half of all international visits pre COVID-19**
- **Lack of international travel had a severe impact on cities during the pandemic**
- Our research shows that **travellers are returning to cities, with 2022 marking the first year of true recovery**

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2022 Cities Economic Impact Research

WORLD TRAVEL & TOURISM COUNCIL

Direct T&T GDP (82 cities combined)

2019:
US$734bn

2022 Forecast:
US$582bn
-21% below 2019 levels

2032 Forecast:
US$1.1tn
2032 vs. 2022 average annual growth: **6.3%**

Direct T&T Jobs (82 cities combined)

2019:
18.4mn

2022 Forecast:
15.7mn
-15% below 2019 levels

2032 Forecast:
25.2mn
9.5 mn new direct jobs between 2022-32

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Source: WTTC/Oxford Economics, November 2022

Direct T&T GDP 2022 vs. 2019 (% change)
Cities above 2019 levels in 2022

Doha forecast for largest increase (2019-2022)

+21%

Increase in T&T contribution to GDP

Rank	City	2022 (F)
1	Doha	21%
2	Warsaw	14%
3	Sanya	10%
4	Orlando	10%
5	Rio De Janeiro	9%
6	Las Vegas	5%
7	Miami	5%
8	Johannesburg	4%
9	Lisbon	4%
10	Antalya	3%

Source: WTTC/Oxford Economics, November 2022

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Largest T&T City Economies

Direct T&T GDP in 2022 and 2032 (USD bn)

WORLD TRAVEL & TOURISM COUNCIL

Rank	City	2022 (F)
1	Paris	35.7
2	Beijing	32.6
3	Orlando	31.1
4	Shanghai	29.7
5	Las Vegas	23.0
6	New York	21.1
7	Tokyo	18.0
8	Mexico City	16.8
9	London	14.9
10	Guangzhou	13.2

Rank		City	2032 (F)
1	↑	Beijing	77.3
2	↑	Shanghai	70.9
3	↓	Paris	49.2
4	↓	Orlando	45.0
5	=	Las Vegas	36.5
6	↑	Guangzhou	34.9
7	↓	New York	34.3
8	↑	Macau	33.3
9	↑	Bangkok	31.5
10	↓	Tokyo	29.9

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Source: WTTC/Oxford Economics, November 2022

T&T Direct Contribution to City GDP – European Cities

WORLD TRAVEL & TOURISM COUNCIL

T&T direct contribution to city GDP: 2022 (F) (US$, billion)			
Europe Rank	**Global Rank**	**City**	**Value**
1	1	Paris	35.65
2	9	London	14.92
3	15	Istanbul	10.31
4	16	Munich	9.94
5	18	Milan	8.80
6	19	Amsterdam	8.61
7	22	Barcelona	8.12
8	24	Berlin	7.71
9	27	Rome	6.95
10	29	Lisbon	6.46

T&T direct contribution to city GDP: 2032 (F) (US$, billion)			
Europe Rank	**Global Rank**	**City**	**Value**
1 =	3 ↓	Paris	49.15
2 =	12 ↓	London	21.07
3 ↑	23 ↓	Munich	12.45
4 ↑	28 ↓	Berlin	11.48
5 ↑	31 ↓	Amsterdam	11.35
6 ↑	32 ↓	Barcelona	11.02
7 ↓	33 ↓	Istanbul	10.95
8 ↑	34 ↓	Rome	10.84
9 ↓	39 ↓	Milan	9.60
10 ↑	42 ↓	Madrid	8.53

Sponsored by: VISA

ENVIRONMENTAL & SOCIAL REPORTING

WORLD TRAVEL & TOURISM COUNCIL

Building on WTTC's economic impact research, revealing T&T's environmental and social footprints.
Evidence for sustainability & the sector's progress on the SDGs

Example of indicators:

#Economic

- **GDP contribution**
- **Employment**

Goal: with sub-sector breakdowns

#Environment #Climate

- **GHG emissions**
  Scope 1-3 included and international transport
- Water footprint
- Energy source
- Air pollution
- Resource input

#Social

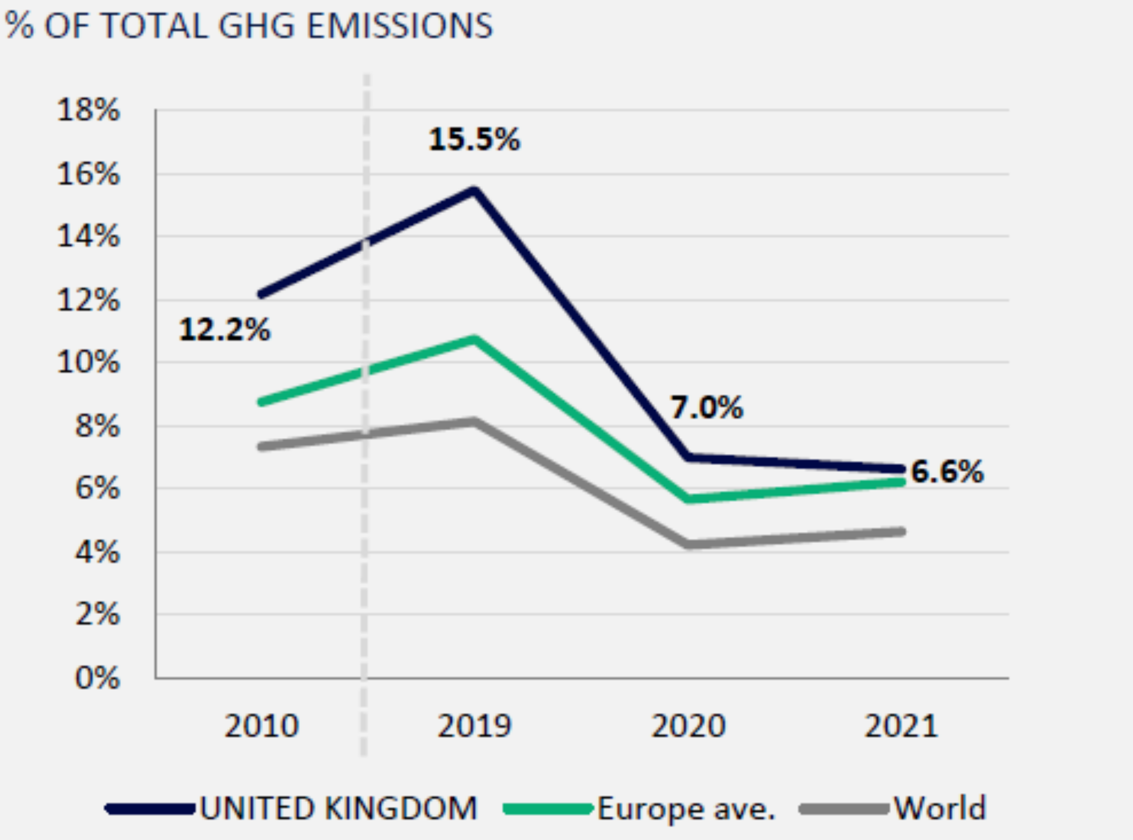
- **Employment** (wage, age, gender)
- Tourism supported jobs

185 countries (global and regional) for 2010, 2019, 2020 and 2021

T&T's CLIMATE FOOTPRINT

WORLD TRAVEL & TOURISM COUNCIL

TRAVEL & TOURISM'S CONTRIBUTION TO TOTAL GREENHOUSE GAS EMISSIONS



AVERAGE ANNUAL GROWTH FROM 2010 TO 2019

TRAVEL & TOURISM GDP

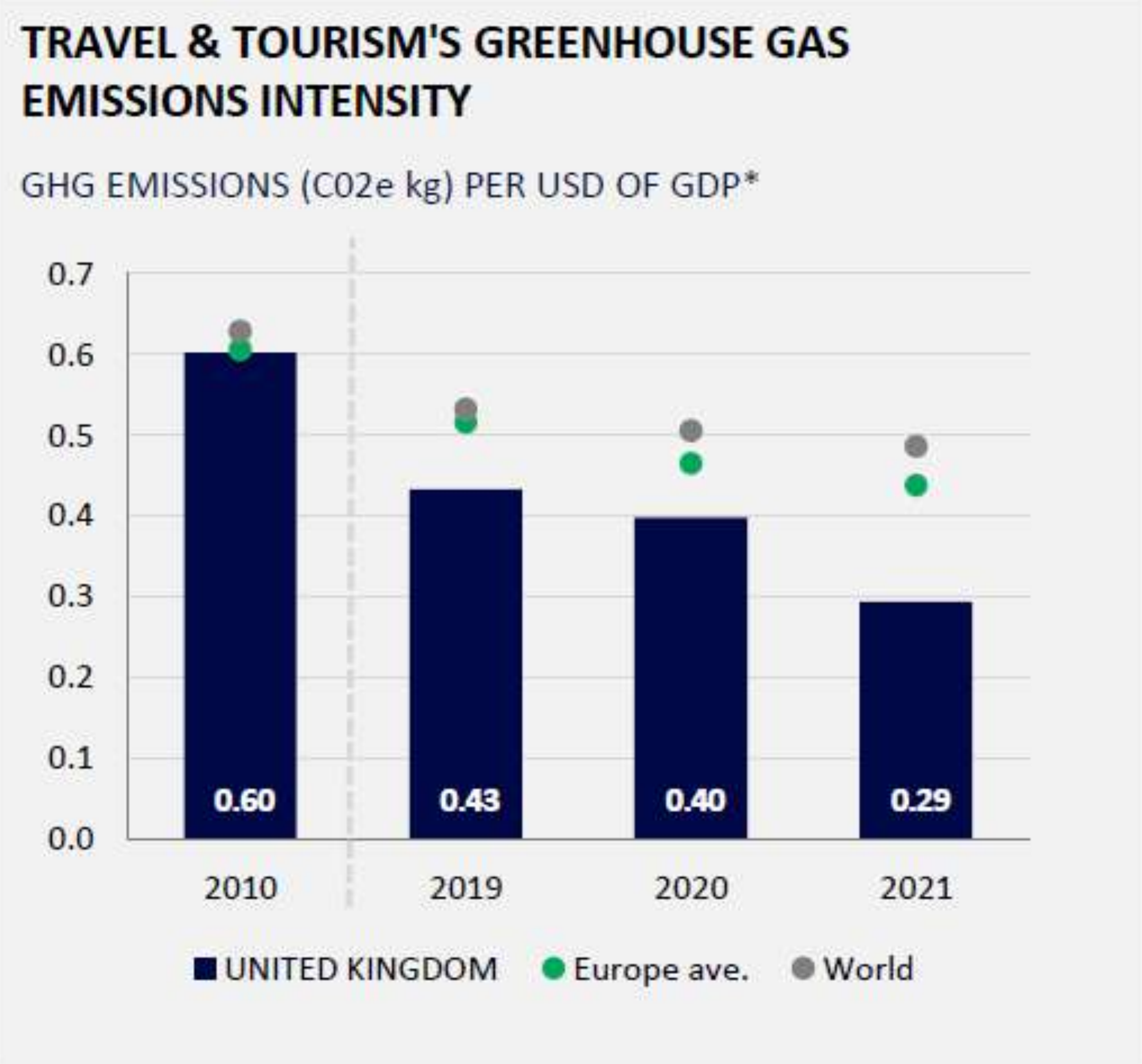
UNITED KINGDOM	Europe ave.	World
3.7%	2.4%	4.3%

GHG EMISSIONS LINKED TO TRAVEL & TOURISM

UNITED KINGDOM	Europe ave.	World
0.0%	0.6%	2.4%

Note: These figures are under embargo

EMISSIONS PER UNIT OF GDP

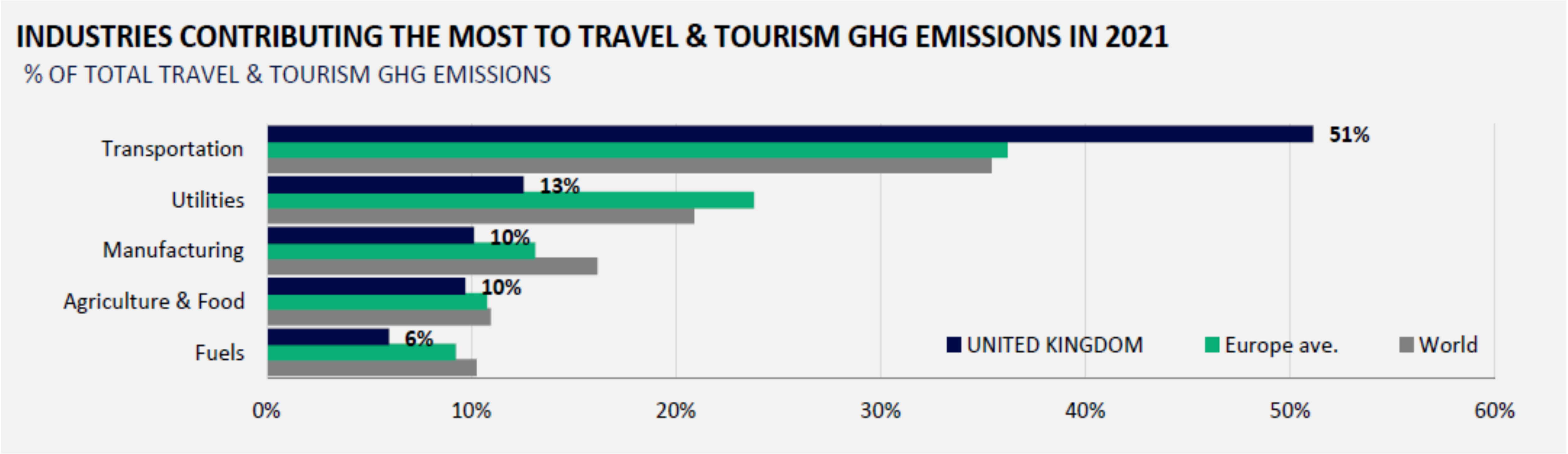


Emissions per unit of GDP continue to fall

- The chart shows emissions per $1 of T&T GDP (2010 – 2021).
- Data indicates that **emission intensity** for the sector is **falling.**
- Travel & Tourism emissions per dollar generated, are going down.

Note: These figures are under embargo

T&T SUB-SECTOR EMISSIONS



Our GHGs data includes Scope 1 (direct), Scope 2 (utilities), Scope 3 (supply chain) and international transport emissions

Note: These figures are under embargo

A World in Motion:
Shifting consumer travel trends in 2022 and beyond

WORLD TRAVEL & TOURISM COUNCIL

- **Travel intention remains strong** – leisure travel spending's share of consumer wallet remains unchanged despite high inflation
- **Influence of social media on travellers' decision making**
- **A return to the pre-pandemic favourites** - cities and beach holidays
- **An increased tendency towards 'blended' trips**
- **Luxury segment remains buoyant**
- **Interest in sustainable travel remains strong**
- **The desire for flexible booking policies and payment options**
- **Travellers are again booking trips further in advance and staying longer**

In partnership with:

Trip.com

Deloitte.

Challenges for the Sector

- **Economic headwinds – high inflation**
- **Capacity Constraints**
  - Infrastructure
  - Supply chain issues
  - Efficiency – need to continue investing in technology
- **Workforce shortage**
  - Staff shortage problem globally, particularly in Europe and the US
  - Upskilling and reskilling including new digital skills
  - Facilitate labour mobility
- **Sustainability**
  - Strong demand for sustainable travel options
  - Increased regulation ESG and Biodiversity
  - Ambitious targets to reach Net Zero

Staff Shortages – key issue for the sector

WTTC report discusses how staff shortages are impacting the T&T sector

T&T labour shortages in Q3 2022		
EU	1.19 mn	(1 in 9 unfilled jobs)
US	412,000	(1 in 15 unfilled jobs)
Italy	250,000	(1 in 6 unfilled jobs)
Spain	137,000	(1 in 8 unfilled jobs)
UK	128,000	(1 in 14 unfilled jobs)
France	71,000	(1 in 19 unfilled jobs)
Portugal	49,000	(1 in 10 unfilled jobs)

Recommendations to governments and businesses

1. Facilitate Labour Mobility
2. Facilitate Flexible and Remote Work
3. Enable Decent Work and Provide Competitive Employee Benefits
4. Develop and Support a Skilled Workforce
5. Promote Opportunities within the Sector
6. Strengthen Collaboration at all Levels
7. Adopt Technological and Digital Solutions

Concluding Remarks

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Thank you

WORLD TRAVEL & TOURISM COUNCIL

The Voice of Travel & Tourism.

For more details visit www.wttc.org
or contact nejc.jus@wttc.org

Mike Saul

National Head, Hospitality and Leisure
Barclays

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Tourism Insights Conference

Mike Saul, National Head of Hospitality & Leisure

BARCLAYS

Hospitality & Leisure Industry Overview

HOSPITALITY & LEISURE
- 3.2m employees
- Generates 4% of UK GDP worth > £120bn pa – Direct and significant contribution indirectly
- 4th Largest Industry Sector – ahead of Manufacturing, Transport and Financial Services

Hotels
- Hotel Owners
- Hotel Managers
- Hotel Franchisees & Franchisors

Gaming and Gambling
- Betting shops
- Bingo
- Online Betting and Gaming
- Casinos (physical and virtual)
- Lotteries

Travel
- Travel Operators
- Travel Agents
- Online Travel Agents
- DMC's/Inbound

Food & Drink
- Restaurants & Restaurant Groups
- Quick Service/Fast Food
- Cafes/Coffee Shops
- Bars
- Late Night Bars
- Pubs

Leisure Operators
- Camp Sites
- Health & Fitness Clubs
- Cinema/Theatre Operators
- Entertainment Centres
- Holiday Parks
- Competitive Socialising

Professional Sport
- Football Clubs/Associations
- Cricket Clubs/Associations
- Rugby Clubs/Associations
- Motorsport
- Golf Clubs
- Professional Sport Regulating Bodies

Market & Customer Insights

Market intelligence based on facts

Barclays Market and Customer Insights uses actual transaction data to help give you a deeper understanding of your business, so you can take action.

Barclays' scale unlocks insights based on:

17 million customers

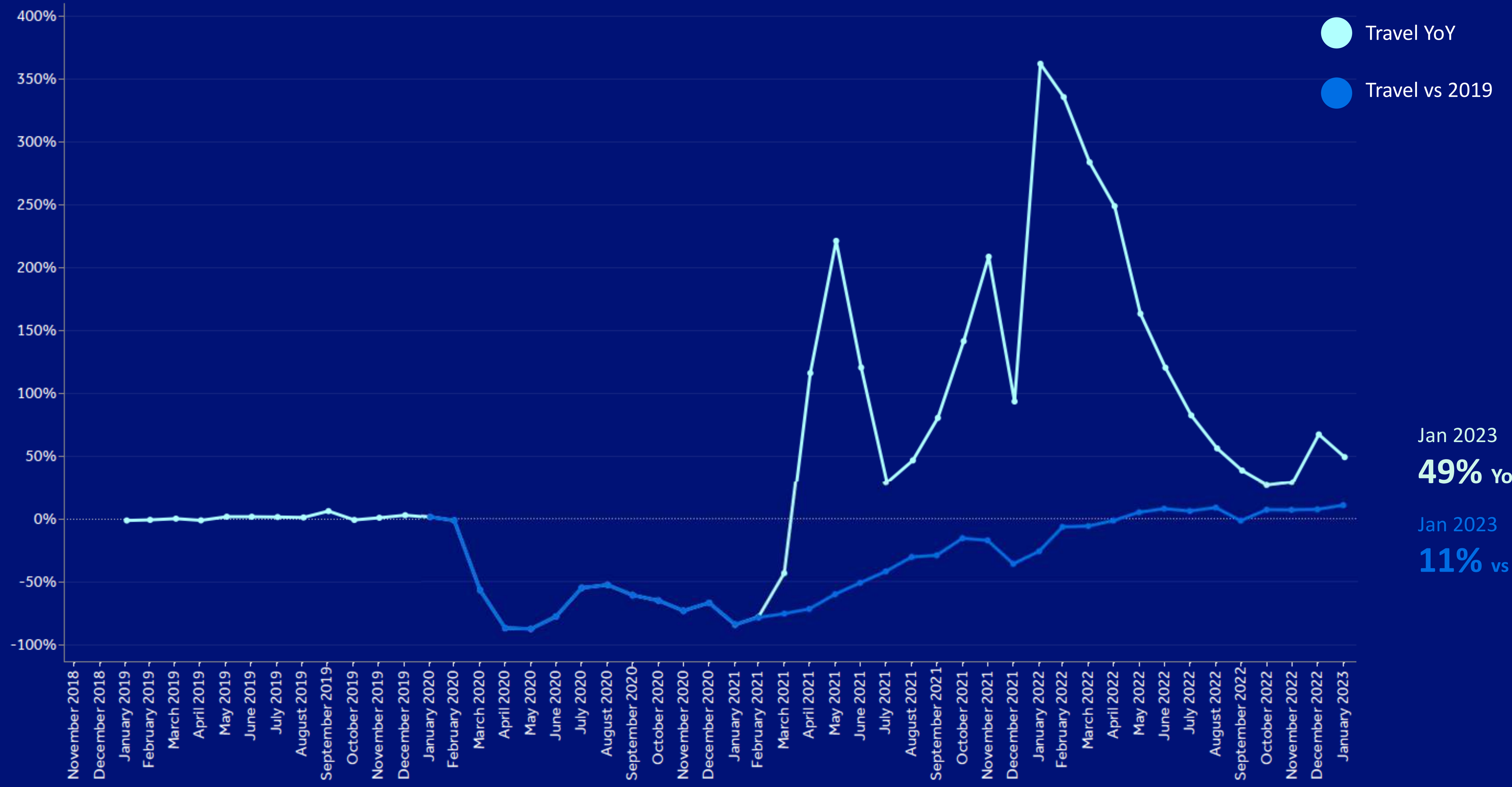
3 billion yearly transactions

11 million app-engaged customers

Trends in the travel industry

2022 in review

Travel - YoY Spend Change



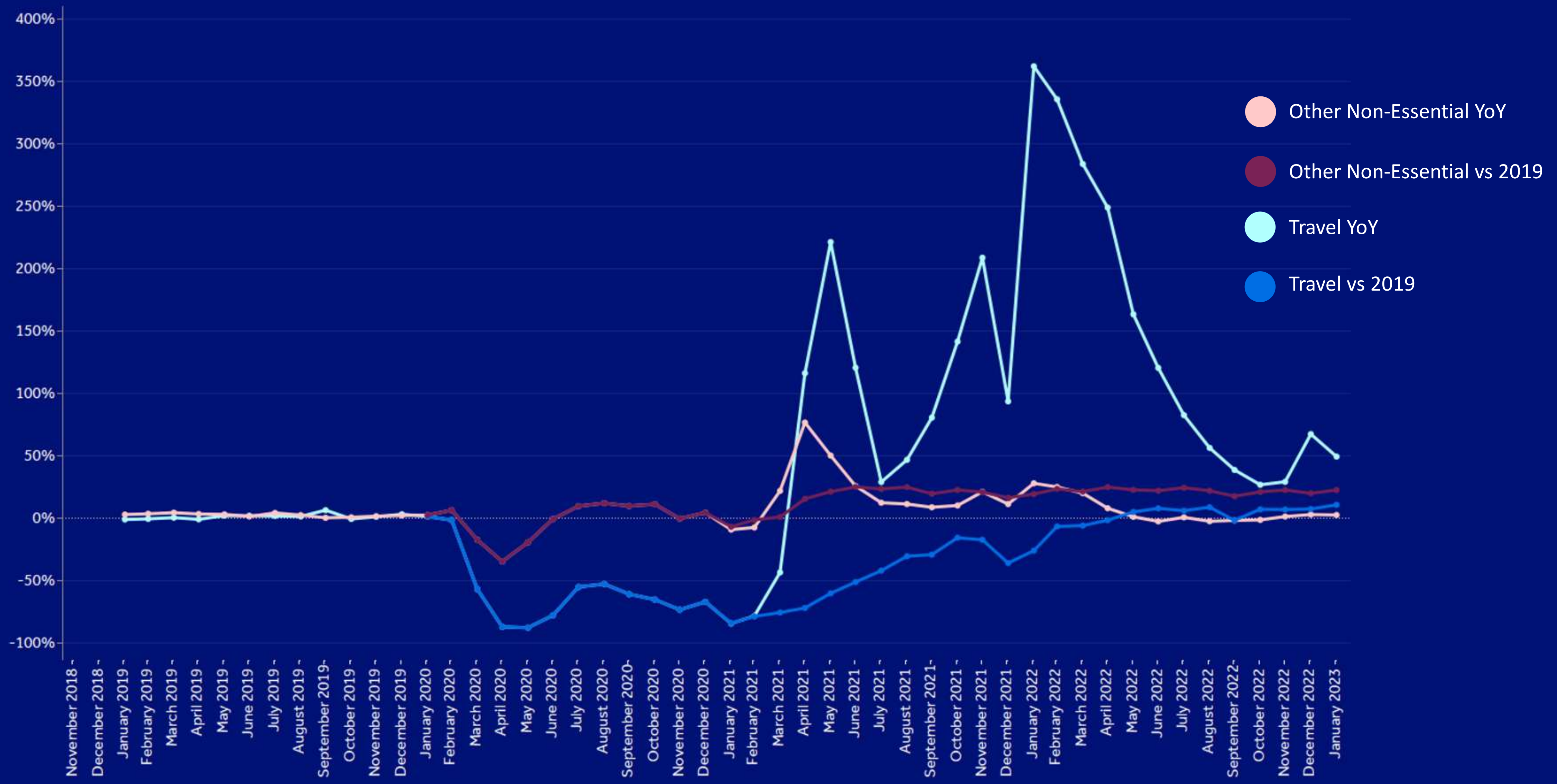
Jan 2023

49% YoY

Jan 2023

11% vs 2019

Travel – vs other non-essential spend



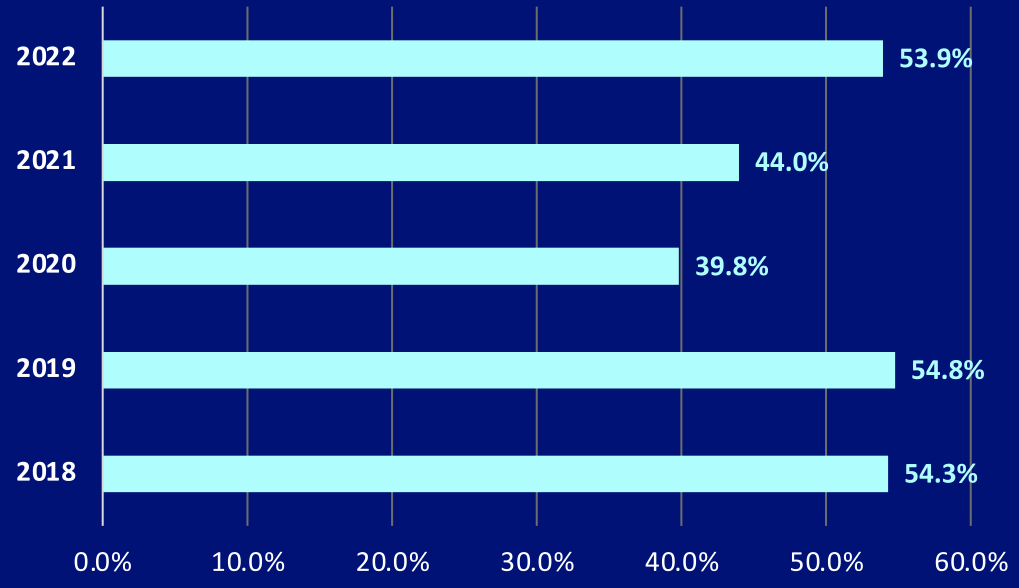
Travel – Spend 2022 vs 2019

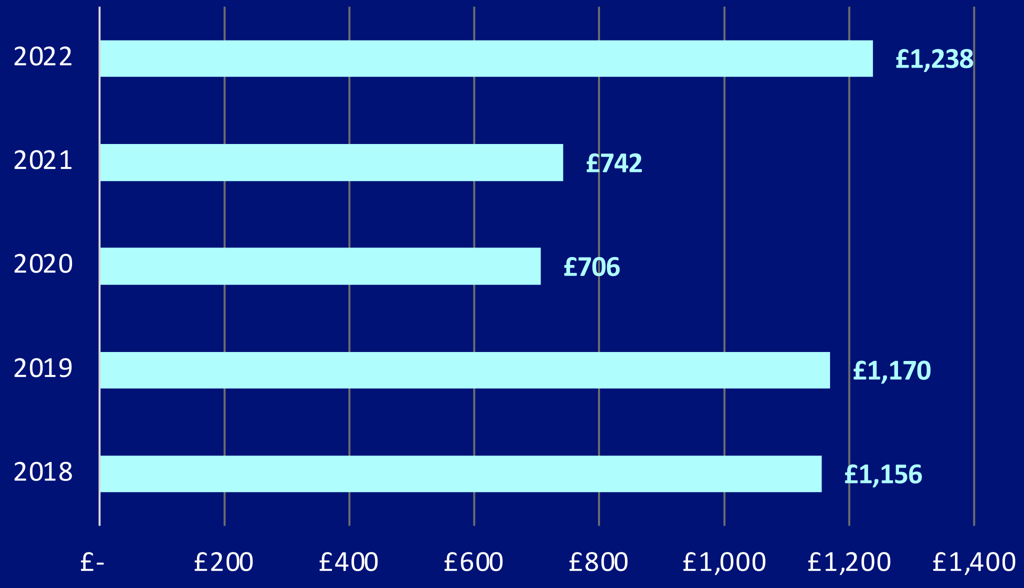
Travel Agents	Airlines	Cruises & Ferries	Hotels, Resorts & Accommodation	Other Travel
7.3%	-9.3%	8.3%	11.2%	5.5%

Spend per Spending Customer

Travel Agents	Airlines	Cruises & Ferries	Hotels, Resorts & Accommodation	Other Travel
6.5%	-0.6%	35%	9.8%	-1.0%

Travel – Customer Stats





54%

of Barclays customers spending on Travel in 2022

-0.9% vs 2019

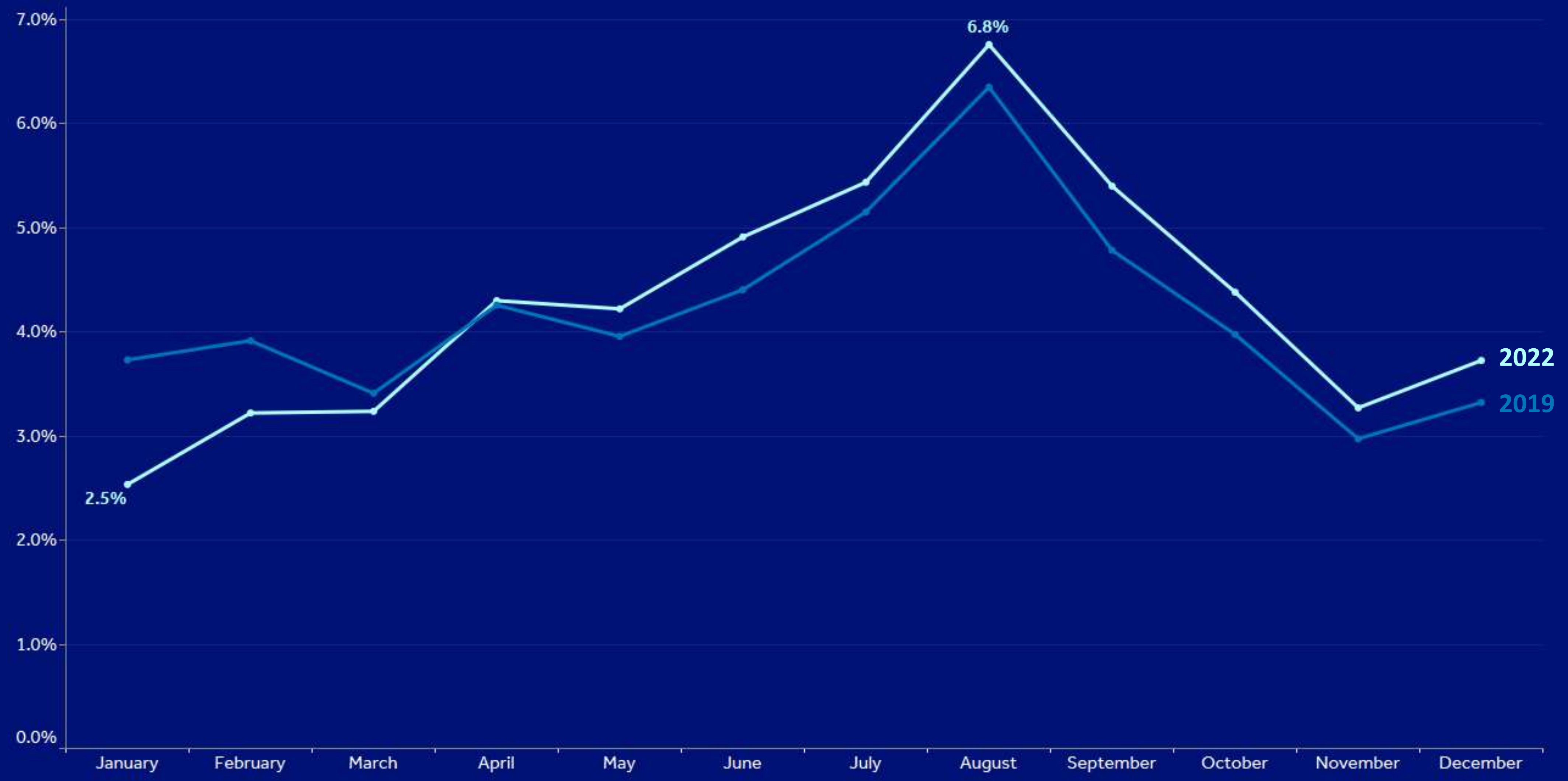
£1,238

Average Barclays customer spend on Travel in 2022

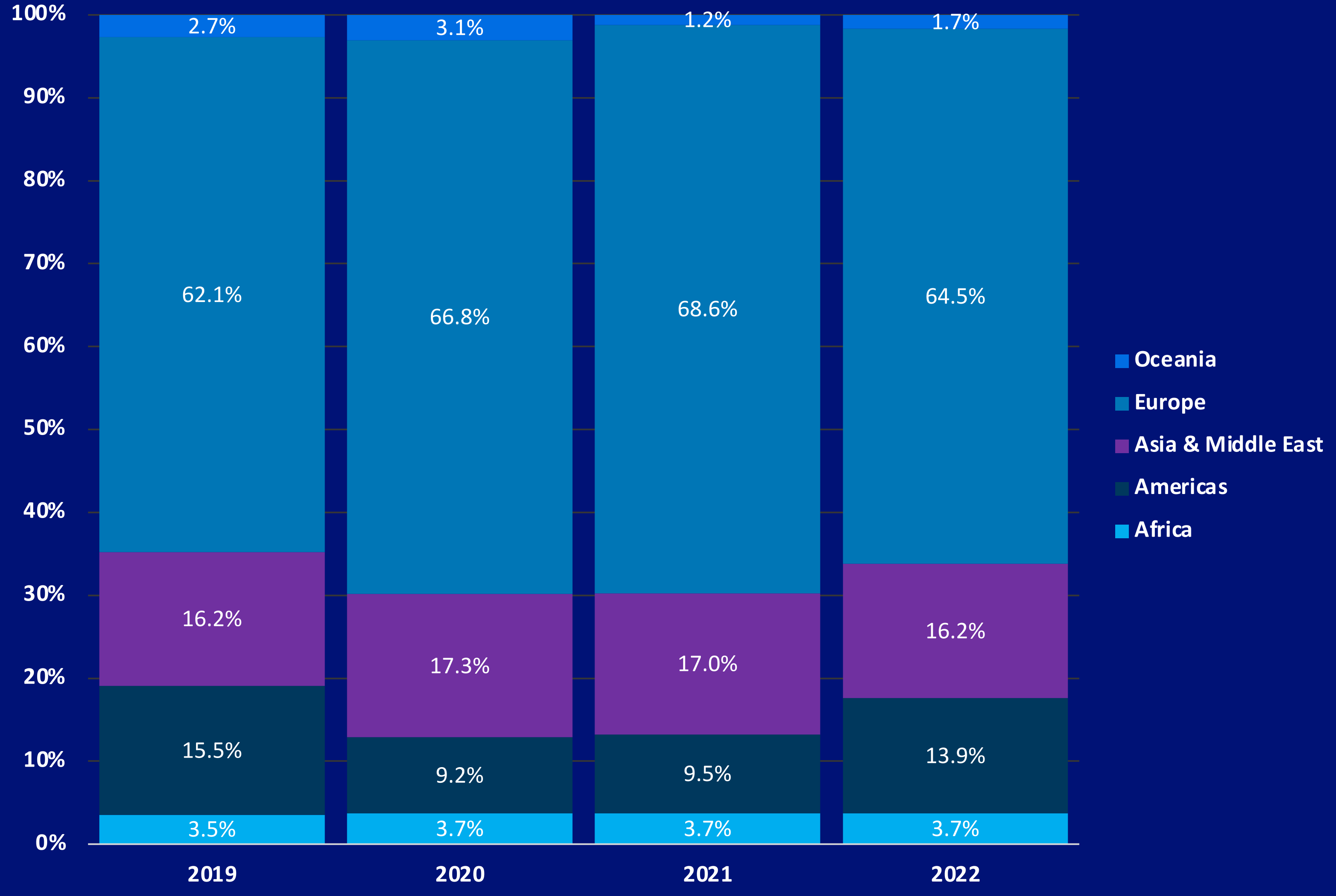
+5.8% vs 2019

International Spend %

Percent of Barclays spend happening outside the UK



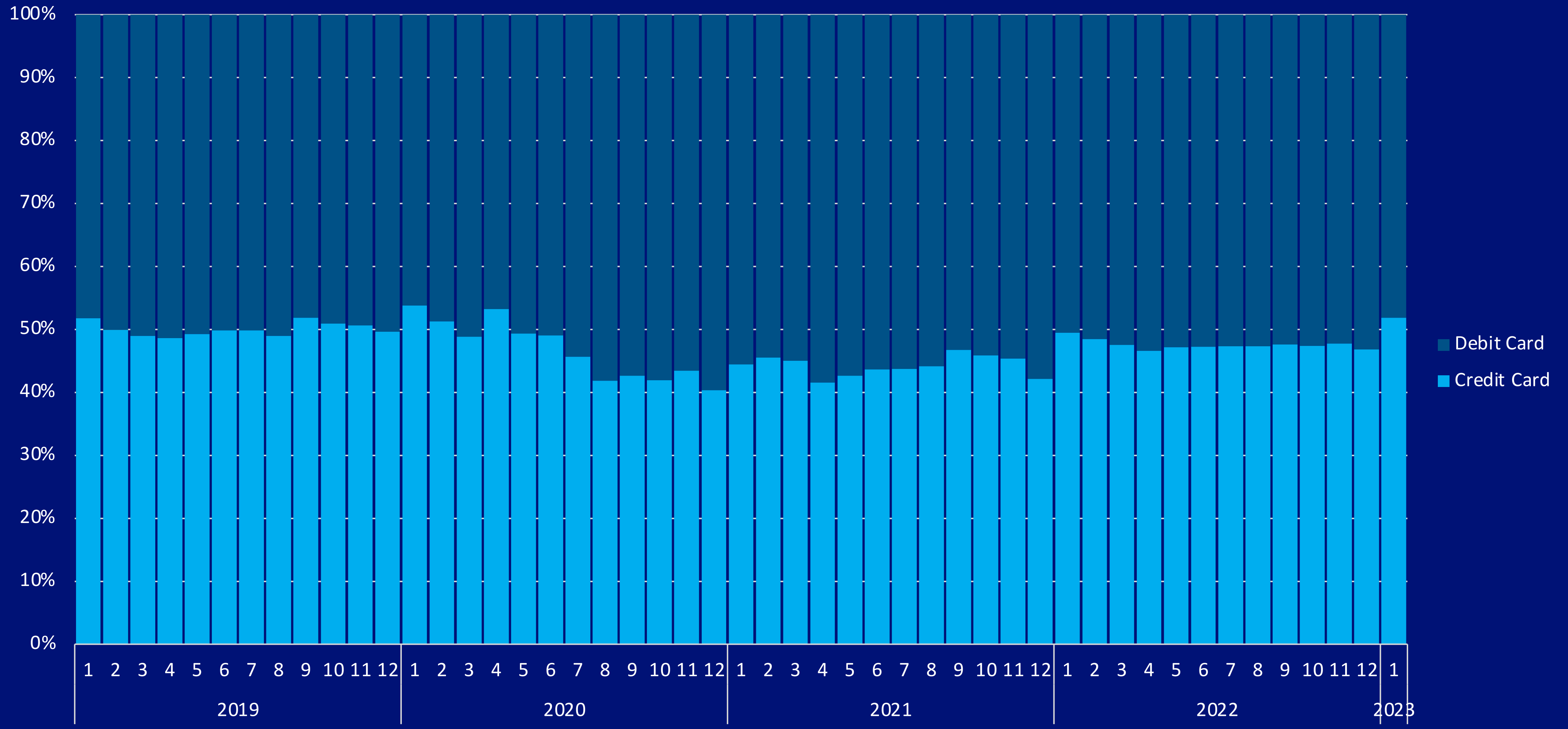
International Spend Location



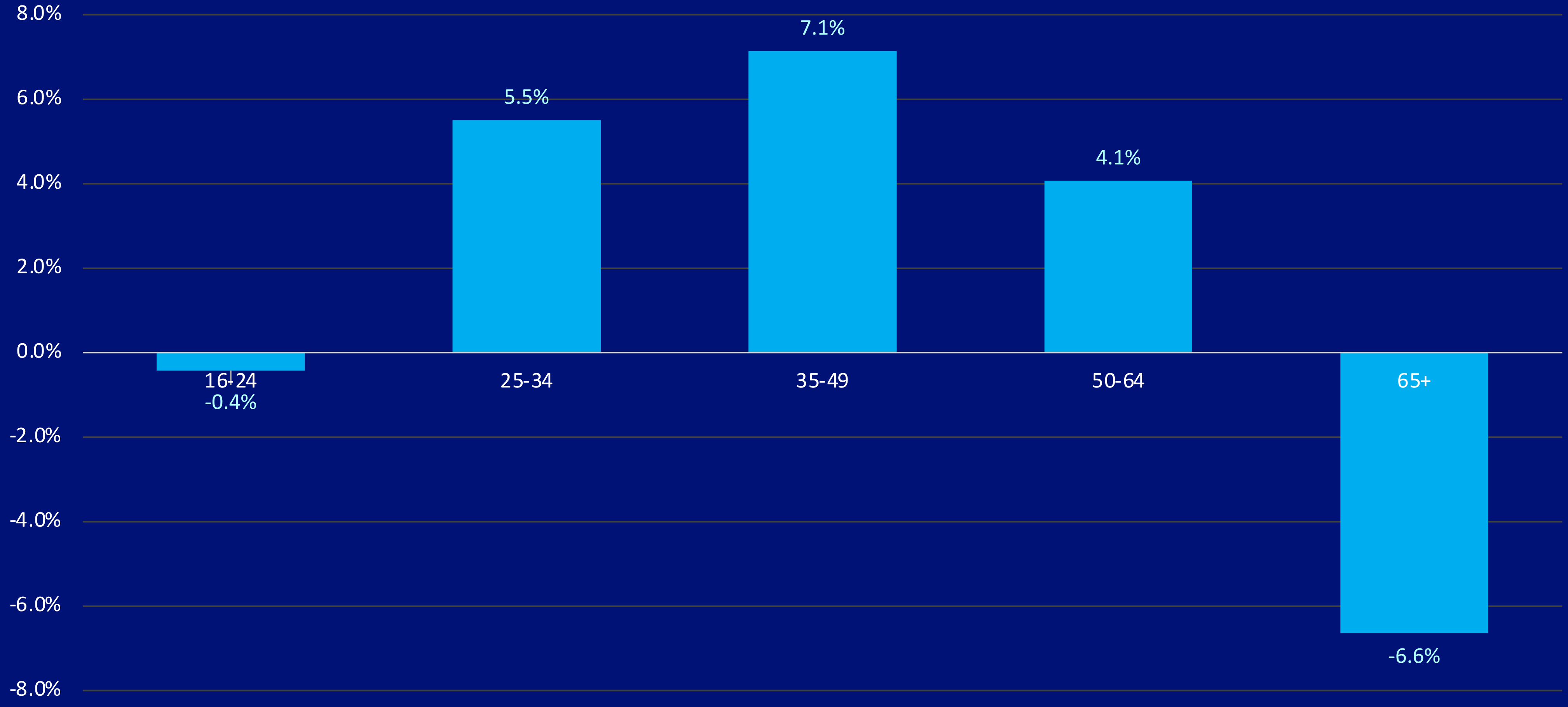
Largest Absolute Spend Growth

#	Country
1	Spain
2	Turkey
3	Greece
4	United Arab Emirates
5	Italy
6	France
7	Portugal
8	Romania
9	Ireland
10	Cyprus

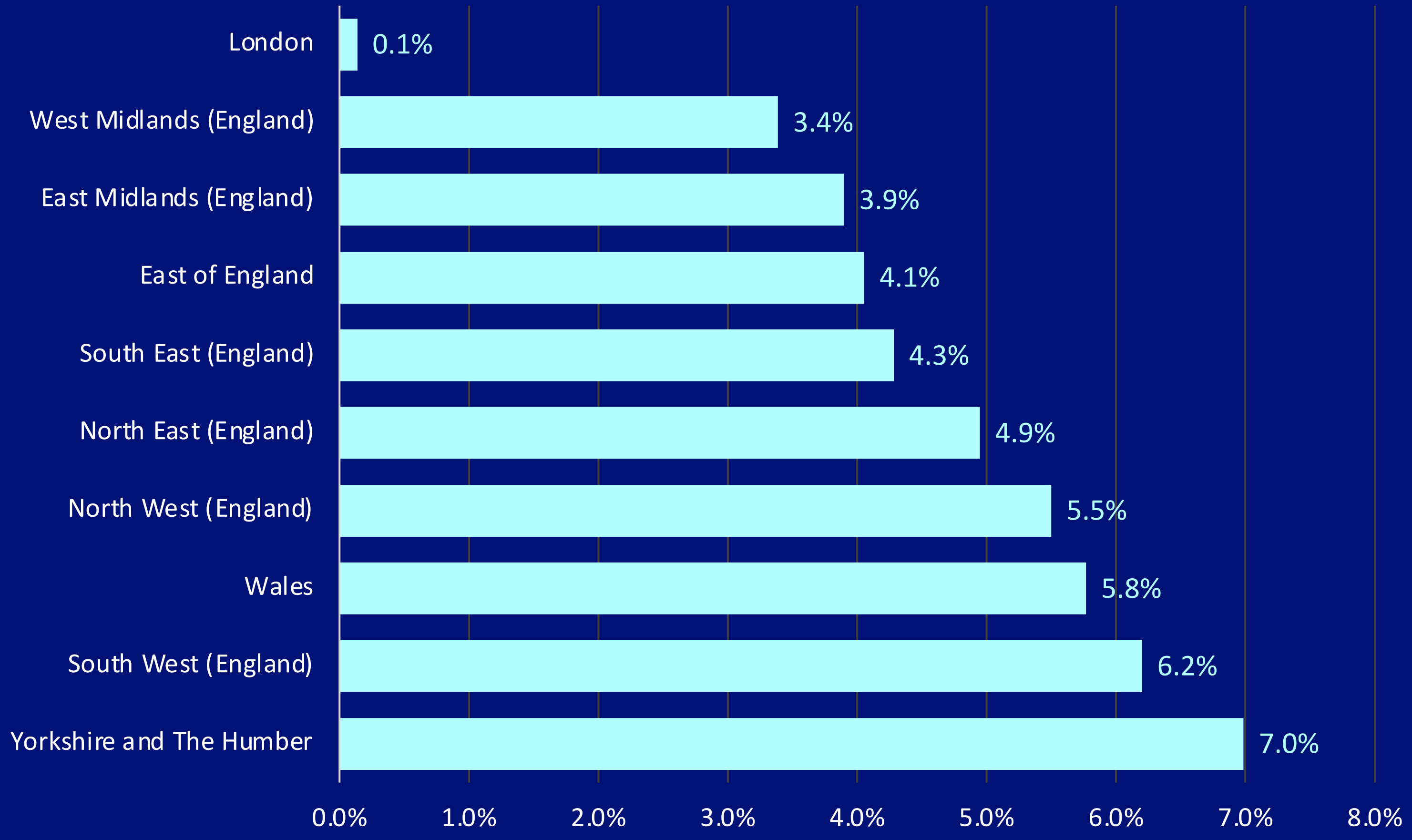
Travel – Credit / Debit card split



Travel – Spend Growth 2022 v 2019 by Age



Travel – Spend Growth 2022 v 2019 by Region



*Excluding Scotland & Northern Ireland

Barclays Spend Report

Email
contact-mci@barclays.com

CC your marketing, insights and strategy managers to get them all registered for our free monthly spend report

Hospitality & Leisure

Hospitality & Leisure

Strong growth in Entertainment & Travel

Entertainment spending grew **21.3%** in January compared to this time last year, in part due to the restrictions in place last year but also due to big cinema releases such as Avatar: The Way of Water, Babylon, and Whitney Houston: I Wanna Dance with Somebody boosting spending.

The Travel sector continues to see strong growth compared to last year as the absence of restrictions and pre-flight testing saw more Brits travel further afield. This comes as Travel Agents and Airlines saw year-on-year growth of **83.1%** and **75.7%** respectively.

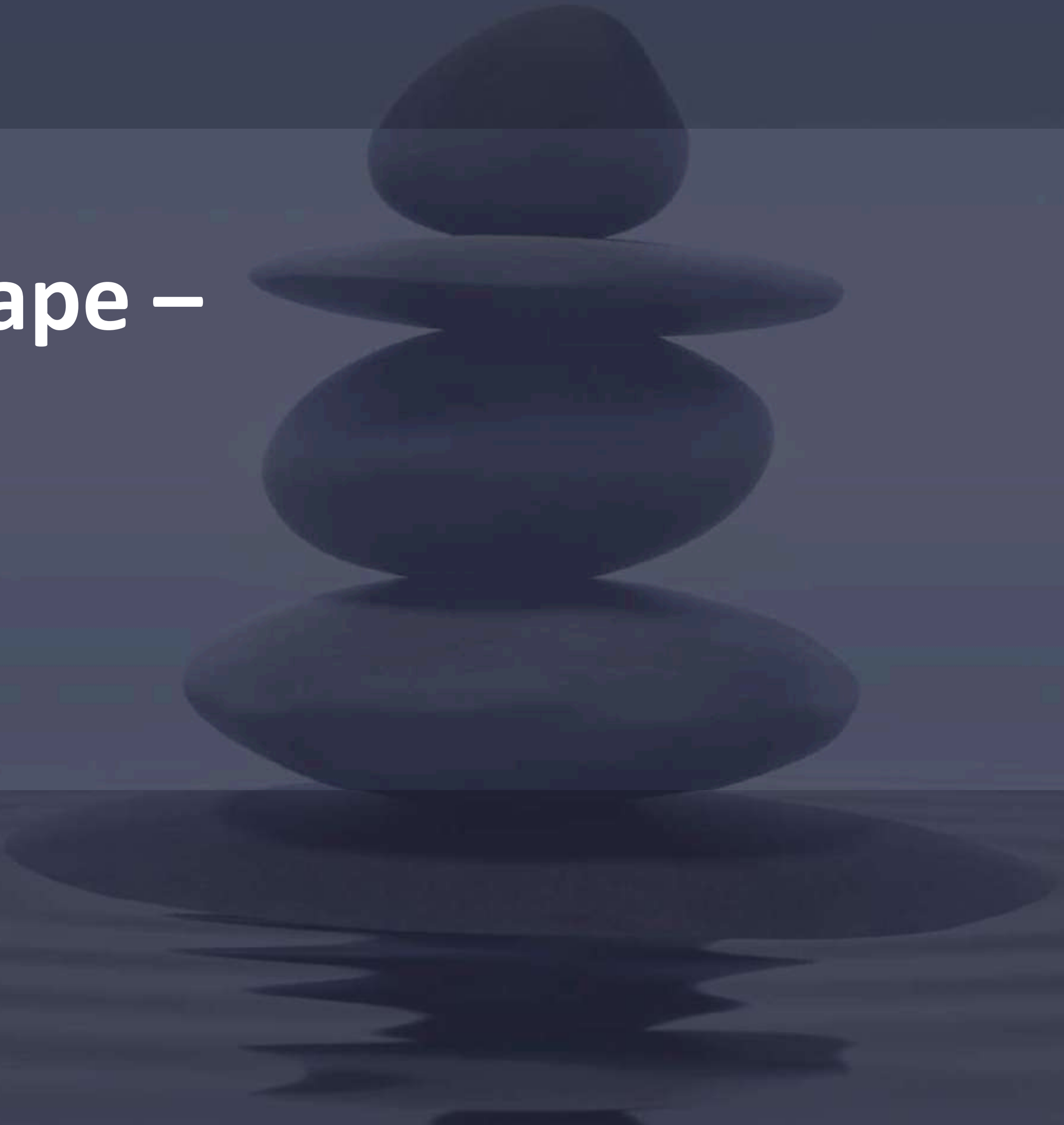
21.3%↑

Entertainment spend grew by 21.3% versus January last year, up from the 9.2% growth seen in December 2022.

January spend growth per customer

Hospitality & Leisure	**26.5%**
Digital Content & Subscription	-0.1%
Eating & Drinking	13.7%
Restaurants	4.7%
Bars, Pubs & Clubs	18.1%
Takeaways and Fast Food	9.0%
Other Food & Drink	19.0%
Entertainment	21.3%
Hotels, Resorts & Accommodation	12.2%
Travel	66.1%
Travel Agents	83.1%
Airlines	75.7%
Public Transport	37.9%
Other Travel	41.6%

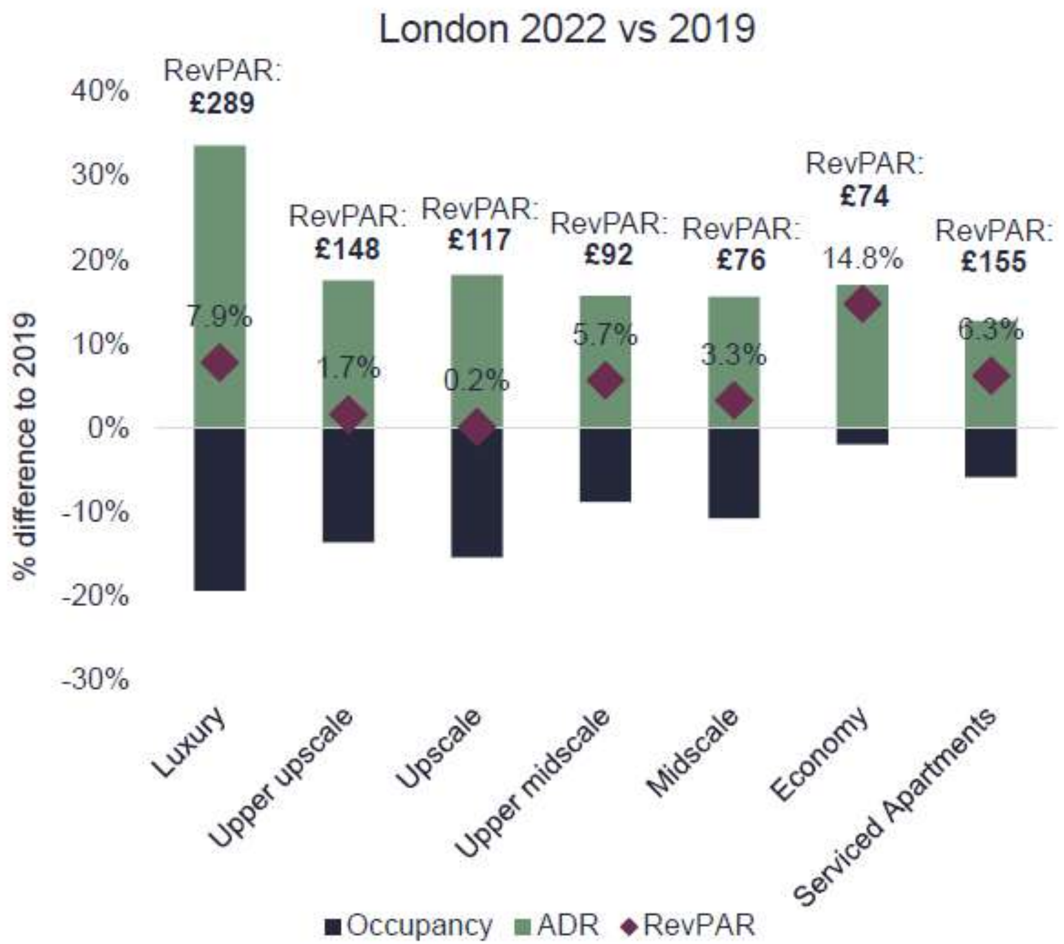
Savills-UK Hotels Landscape – March ‘23

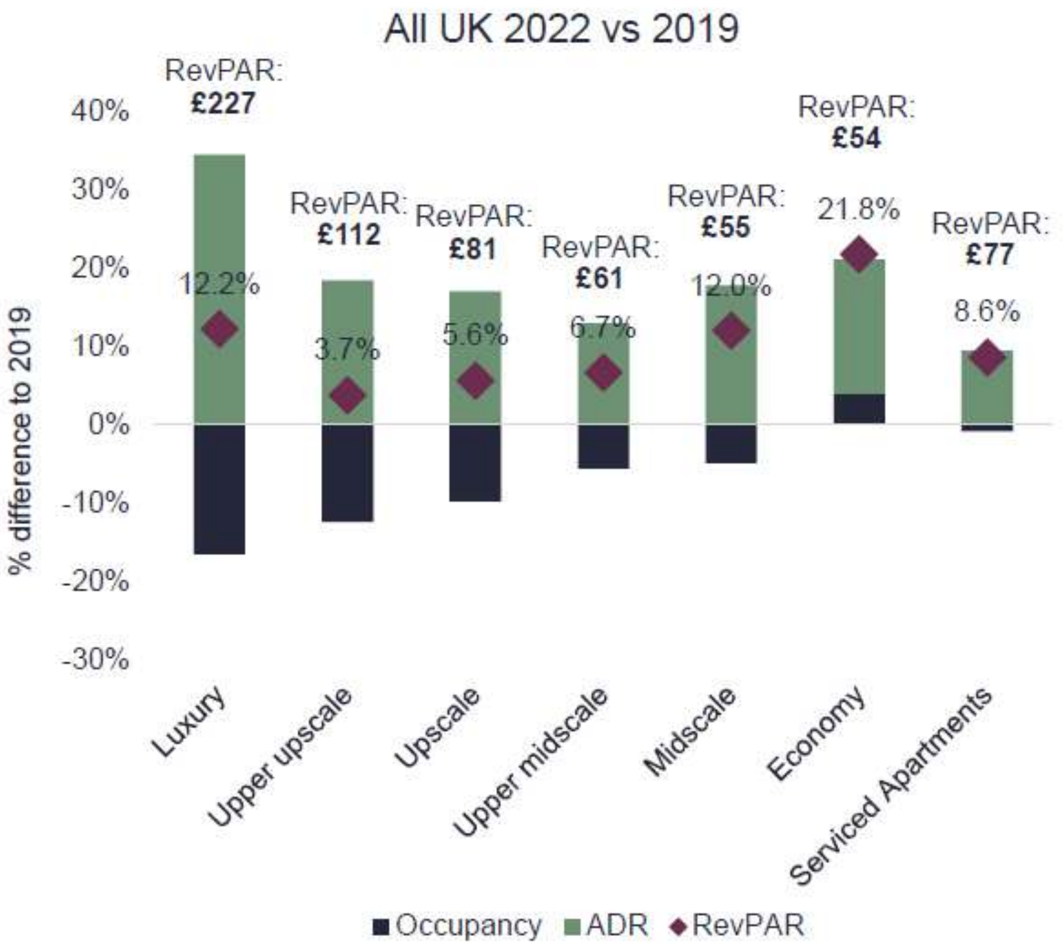


Headline RevPAR's fully recovered, driven by strong ADR bounce

Source: STR

Luxury and Economy saw strongest bounce in RevPAR driven by ADR growth





Source: STR

The real challenge will be around operational cost control

Food & energy cost inflation to outstrip headline

Reduction/removal of energy price support in April

Rise in living wage; +9.7% from 1 April 2023

Wholesale energy costs are falling; still significantly above pre-covid levels over Q1

Rates revaluation; valuations down 28% on average

Number of segments still to see full occupancy recovery

Welcome to the Tourism Alliance

Tourism Insights Conference

23rd March 2023

0930-1400

TOURISM ALLIANCE

the voice of tourism

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English Tourism Week Parliamentary Reception

Hosted by Simon Jupp MP
1500-1700
Terrace Pavilion, House of Commons

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