



**UKINBOUND**  
THE VOICE OF INBOUND TOURISM

**DRIVING EXPORT GROWTH  
A MANIFESTO FOR THE  
UK'S INBOUND VISITOR  
ECONOMY**

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## ABOUT UKINBOUND

Established in 1977, UKinbound is the only trade association dedicated to the inbound visitor economy. We have a diverse membership of 430+ businesses from all corners of the UK which spans the full spectrum of inbound tourism sectors, including tour operators and destination management companies, accommodation providers, attractions, destinations, transport, restaurants and bars, technology companies, business service providers and more.

Our mission is to help our members manage successful, profitable businesses as part of a vibrant and sustainable industry.

A fundamental element of this is our work with governments and arm's length departments such as national tourism boards. As inbound visitor economy experts, we are here to educate and advise government on behalf of businesses in our sector, and we are committed to presenting data driven asks that allow the inbound visitor economy to continue contributing to the UK economy. We highly value the ongoing collaborative relationship we have with Parliamentarians and civil servants, and we hope to continue building on this as this vital export industry grows.

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## CONTACT INFORMATION

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## FOREWORD

**It is to the immense credit of all involved in the UK inbound visitor economy, that by the end of 2024 international visitor numbers and their spend will have returned to pre-pandemic levels, and that we can approach the future with optimism knowing that our industry will continue to grow and become an even larger driver of our nation's economy.**



Inbound tourism is the shining jewel in the UK crown, an industry forecast to garner over 39 million visits in 2024, with an export value of £34 billion - 97% and 96%, when adjusted for inflation, of the 2019 levels respectively<sup>1</sup>.

It is the UK's second largest service export industry bringing new money into the UK, worth more in export value than the automotive industry and telecoms, computer and information services<sup>2</sup>. It transcends the four nations, supporting over 500,000 jobs in cities and regional economies across England, Scotland, Wales and Northern Ireland. It directly impacts the levelling up agenda, driving growth in regional towns, cities, coastal and rural communities.

Inbound travel and tourism also drives international trade and investment in the UK, whilst additionally supporting international advocacy. It significantly aids the opportunities provided by our departure from the EU and is a key component of the UK's soft power strategy.

With international tourism spend due to grow 20% in the UK by 2027<sup>3</sup>, in comparison with a UK average of 5% for the wider economy, this is an industry of the future where actions by government now can deliver an immediate return.

As a vitally important export industry, international tourism is incredibly competitive, but we believe the UK should be more ambitious about the role that it can play in economic growth. In a report prepared for VisitBritain by Deloitte in 2013, they projected that the inbound visitor economy could be worth as much as £57 billion by 2025<sup>4</sup>. Whilst this growth was stunted by the pandemic, with the right policy support and a united industry, we should view this as an achievable goal for the next Parliament.

To reach our potential, we need to remove the barriers that are holding back the industry. In the 2023 Anholt-Ipsos Nation Brands Index<sup>5</sup>, which measures the image of 60 nations, the UK ranked an impressive 4th for its overall image, however the UK's rank for welcome remained low, dipping to 19th place, the lowest ever received for this measure. It should also be of concern to all that the World Economic Forum places the UK 116, out of 117 countries for price competitiveness<sup>6</sup>, a position that is at odds with our economic growth ambitions.

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1. 2024 Inbound Forecast, VisitBritain, December 2023
  2. UK Trade in Numbers, Office of National Statistics, October 2023
  3. International Travel: Powering the UK economy, ABTA & UKinbound, 2022
  4. British Tourism – A Powerhouse for Job Creation, VisitBritain, 2013
  5. The Anholt-Ipsos Nation Brands Index, Ipsos, 2023
  6. Travel & Tourism Development Index: Rebuilding for a sustainable and resilient future, World Economic Forum, 2022

Our manifesto presents a range of policy ideas and reforms that support the levelling up agenda, aiding growth in regional economies and sustaining and creating skilled jobs across the country, whilst also giving the UK a competitive advantage and improving our welcome image.

Growing our industry sustainably is also important and will ensure the inbound visitor economy continues to be a viable driver of UK exports in the long-term. This means encouraging high spending visitors to stay longer, use public transport and embrace the UK's diverse offering up and down the country and throughout the year, driving higher levels of productivity from the sector.

Sustainable growth also differs depending on the context of the business, something that is reflected in our manifesto. The inbound visitor economy is driven by hundreds of different types of UK businesses, including tour operators, destination management companies, attractions, accommodation providers, destinations and businesses service providers, and for many growth is more about yields than simple visitor numbers.

We also recognise the fiscal challenges the government faces and therefore the majority of our policy ideas and reforms included in our manifesto do not require additional economic intervention.

We are committed to working with government(s) and the industry to not only grow but exceed the potential of this vital UK export industry, whilst protecting, maintaining and creating skilled jobs across the UK.

**Joss Croft OBE**  
**Chief Executive**



## EXECUTIVE SUMMARY

For decades, the UK's inbound visitor economy has been a success story for Britain PLC. As a vitally important export industry, it brings new money into the country which supports regional economies across the UK and sustains hundreds of thousands of jobs.

In 2024, international visitors are forecast to spend £34 billion in the UK, and this spending has the potential to grow 20% by 2027. However, international tourism is incredibly competitive and whilst the UK is renowned as a fantastic destination to visit, we cannot assume that high-value visitors will continue to choose or return to the UK.

The overseas perception of the UK as an open and welcoming destination has declined in recent years, and we remain one of the least globally competitive destinations on price. As a result, the UK risks falling behind competitor destinations, thus losing out on the massive economic, cultural and soft power benefits that inbound visitation brings.

Therefore, to ensure the UK continues to reach and exceed its export growth potential in the short and long term, we have set out a suite of policy measures and reforms that supports UK jobs and businesses, and that would significantly enhance this UK export industry and Britain PLC.

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### OUR PROPOSED POLICY MEASURES AND REFORMS ARE:

#### BUILDING BRAND BRITAIN

- Expand and reform the Youth Mobility Scheme
- Extend passport-free travel schemes for under 18-year olds
- Create home-grown talent with language skills

#### THRIVING IN A COMPETITIVE MARKET

- Enhance the UK's competitiveness via a reduced-price five-year visitor visa
- Make the Electronic Travel Authorisation (ETA) more competitive
- Boost regional economic growth through the introduction of a new VAT Reclaim Scheme
- Reinstate our national tourist board budgets to pre-inflationary levels to strengthen international marketing

Figure 1:  
THE VALUE OF INBOUND TOURISM  
TO THE UK ECONOMY

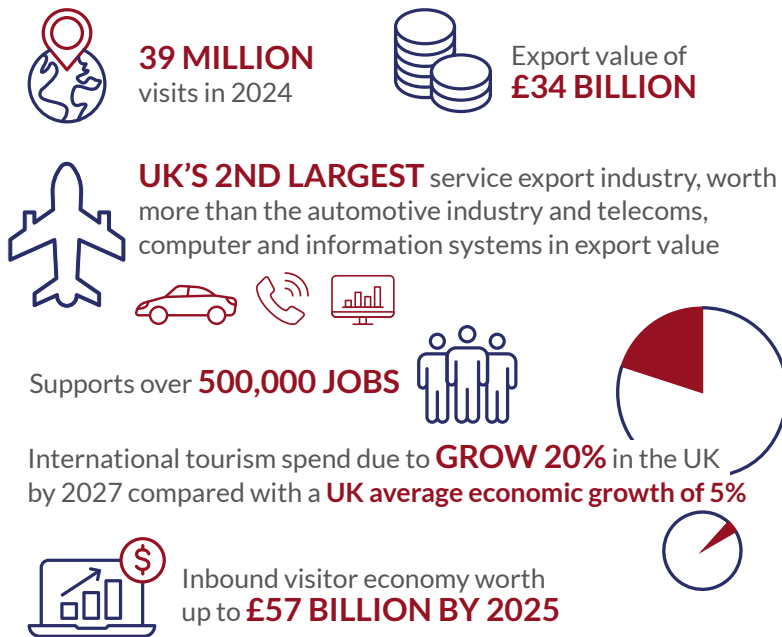


Figure 2:  
HOW GLOBALLY COMPETITIVE IS THE UK  
ON PRICE AND REPUTATION?

2023 Anholt-Ipsos Nation Brands Index – UK<sup>7</sup>

**OVERALL IMAGE: 4TH**

**1**

(down 1 place from 2015)

**TOURISM: 6TH**

**2**

(down 2 places from 2015)

**PEOPLE: 10TH\***

**5**

(down 5 places from 2015)

**WELCOME: 19TH\***

**8**

(down 8 places from 2015)

\*lowest score ever received for this measure

World Economic Forum Travel & Tourism<sup>7</sup>  
Competitiveness Report 2019:

**UK RANKED 116 OUT OF 117**  
countries on price competitiveness



7. The Anholt-Ipsos Nation Brands Index, Ipsos, 2023

8. Travel & Tourism Development Index: Rebuilding for a sustainable and resilient future, World Economic Forum, 2022

## BUILDING BRAND BRITAIN

Creating lifelong affiliations and connections to the UK at an early age means individuals are more likely to grow up with a positive perception of the UK and are therefore more likely to study in the UK, trade with the UK and invest in the UK. These affiliations help grow Brand Britain internationally and aid the UK's soft power strategy. We are proposing three policy measures, each of which would enhance Brand Britain whilst aiding regional growth in the short and long term, support businesses across the UK, and create home grown language talent.

### Expand and reform the Youth Mobility Scheme

We are asking the government to:

- **Expand the Youth Mobility Scheme to major EU source markets**

#### Background

The UK Youth Mobility Scheme (YMS) is a reciprocal cultural exchange programme that gives young people - typically aged 18-30 - from a variety of countries and territories the opportunity to live, work and study in the UK for a period of two years. There is no right to remain for successful YMS applicants, so they do not contribute to immigration figures. It also gives young people from the UK the opportunity to work abroad.

Several YMS reforms have recently taken place. The scheme has been expanded to two new countries, India and Uruguay; those from Australia, Canada, New Zealand and South Korea can now apply if aged between 18-35; the entry ballots have been removed for several countries; and quotas have been increased. Other countries that are part of the YMS include Japan, Monaco and Hong Kong. This is welcome progress.

However, the UK currently has no agreements with any full EU member states, as there was never a need for a programme when the UK was itself a member state.

#### The Opportunity

In addition to being a vital component of our soft power programme, the YMS gives young people the chance to experience life in another country, learn a new language and develop skills that will benefit them throughout their career.

As the UK is no longer part of the EU, it's critical that YMS agreements are reached with key European states such as France, Germany, Spain, Switzerland, Italy, The Netherlands and Poland.

In the short term this can be done on a bilateral basis, as was recently seen between Canada and Italy. However, in the long term, the review of the UK's Trade and Co-operation Agreement in 2026 is an opportunity to discuss how the post-Brexit trade agreement is functioning and in the case of the YMS, pushing for it to be part of a new comprehensive UK-EU mobility agreement.

## Extend passport-free travel schemes for under 18-year olds

We are asking the government to:

- **Work with safe countries across Europe to put in place passport-free travel schemes that would allow organised school groups, with students under the age of 18, to travel to the UK on an ID card**
- **Alongside organised school groups, extend the policy to other educational, sporting and cultural groups**

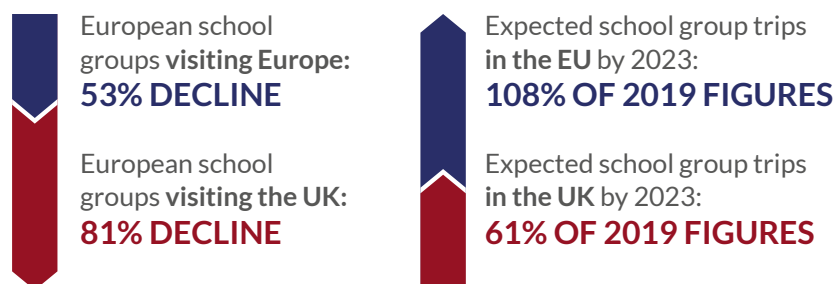
### Background

Since the UK left the EU, every EU school child under the age of 18 who is visiting the UK as part of an organised group has been required to travel on a valid passport. They can no longer travel on an ID card or on the List of Travellers scheme. This has had a hugely detrimental effect on the UK's valuable school group travel industry and has also created difficulties for UK children taking school trips overseas.

The challenge with the requirement to have a passport is that a large percentage of EU school children do not possess one but they can travel freely across the Schengen area on a national ID card. Figures vary by country but as an example, it is estimated that only 35% of Italian school children have a passport<sup>9</sup>. Additionally, many EU schools have children who are foreign nationals with the right to live in the EU, but who do not have the right to an EU passport. These children are therefore required to have a visa to enter the UK. Due to inclusivity laws, a school trip is often not permitted to go ahead unless all members of a class can attend.

Rather than travel to the UK, these groups are heading to countries such as the Republic of Ireland and Malta. Communities across the UK, particularly in coastal areas which are traditionally home to the language schools that many of these school groups attend, are losing out on valuable expenditure. Many British families who traditionally host students every year are also missing out on income they would have otherwise received.

*Figure 3:*  
**THE IMPACT OF THE UK'S ID CARD POLICY ON BUSINESS BETWEEN 2019 - 2022<sup>10</sup>**



9. Realising the Potential: A manifesto for tourism in the next parliament, Tourism Alliance, 2024

10. School Group Travel Survey Report, Tourism Alliance, 2023



## The Opportunity

Encouraging under-18s to visit the UK as part of a group helps create a lifelong affiliation and connection to our country at an early stage, with individuals more likely to grow up with a positive perception of the UK. We know these students are then more likely to study at a UK university, do business and invest here.

In December 2023, following bilateral talks, the Home Office introduced a new scheme that allows school groups from France to use a national ID card to visit the UK. This was a very welcome step, but we now need this guidance to be rolled out to other safe key European countries including France, Germany, Spain, Switzerland, Italy, The Netherlands and Poland. Its expansion would stimulate the UK's inbound visitor economy, drive Brand Britain, and support levelling up in deprived coastal areas along with cities.

Alongside this, we would also like to see the guidance extended to other authorised educational and cultural groups, such as those with a focus on sports and music, in addition to summer camps. Under 18s in these groups are still required to use passports to enter the UK, meaning the UK is losing out on the valuable revenue they would bring, which is instead being redirected to other European destinations.

## Create home-grown talent with language skills

We are asking the government to:

- **Reintroduce modern foreign languages as a compulsory GCSE**
- **Introduce a T-Level in Tourism, with languages as part of the curriculum**
- **Work with the industry to launch 'Generation Tourism' to promote careers in the industry**

### Background

With two thirds of our international visitors coming from the EU, and with many UK tourism organisations focusing on growth from non-English speaking, high-value markets such as China, there is a heightened need for tourism employees to be equipped with these language skills.

Research by The British Academy<sup>11</sup> demonstrated the need for language skills, with 70% of organisations believing that future executives will need language skills and international experience.

This battle for language skills, along with the changes to immigration rules following our departure from the EU, has led to a significant and growing shortage of skilled workers serving our inbound visitor economy. In a UKinbound survey<sup>12</sup>, 66% of members said that the challenges the tourism and hospitality industry is facing in retaining and recruiting sufficiently skilled staff will impact their ability to operate efficiently, and/or meet demand.

Whilst it is welcome that the number of pupils taking GCSE languages increased last year, the numbers of pupils learning foreign languages continues to lag behind the levels seen at the turn of the century, with the decision to make studying languages optional in 2004 seen as the driver of the collapse in language GCSEs.

Both undergraduate and graduate level language capabilities are also lacking from tourism and hospitality course syllabuses, meaning the next generation of tourism industry workers are not sufficiently equipped to negotiate with overseas counterparts or provide a world class welcome to visitors on the ground.

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11. Lost for Words: The need for languages in UK diplomacy and security, The British Academy, 2013

12. UKinbound Business Barometer, December 2023

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Figure 4:  
PROVISION OF LANGUAGE OPTIONS IN  
TOURISM AND HOSPITALITY COURSES<sup>13</sup>



Of the **196** tourism and/or hospitality undergraduate programmes offered by **78 INSTITUTIONS**, **ONLY 29% OFFER A LANGUAGE OPTION.**



Of the **87** postgraduate courses offered by **45 INSTITUTIONS**, **ONLY 6% HAVE A LANGUAGE OPTION.**



### The Opportunity

Having a skilled workforce that can provide a warm welcome and excellent customer service for our international visitors, as well as negotiate effectively with international intermediaries through whom 80% of all inbound visitors to the UK book their travel, is critical to the short-term growth and long-term success of the inbound visitor economy. The two joint biggest drivers for destination choice for international travellers is whether a destination ‘offers good value for money’ and importantly whether a destination ‘is a welcoming place to visit’<sup>14</sup>. Language skills are vital to being able to offer the world class, globally competitive welcome that international consumers demand.

We would like to see an industry wide initiative launched in collaboration with government, ‘Generation Tourism’, that equips our young people with the skills, knowledge and drive to launch a career in the UK’s tourism industry. We would like to see languages as a key component of this, with the reintroduction of modern foreign languages as a compulsory GCSE, and the introduction of a T-Level in Tourism that includes languages as a part of the curriculum. This will help the UK create a pool of home-grown language talent, future proof the UK’s visitor economy, and ensure the UK continues to be competitive in the international tourism market.

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13. Breaking the Language Barrier: Equipping our tourism workforce for the UK’s future, Canterbury Christchurch University, 2018

14. Motivations, Influences, Decisions and Sustainability Research, VisitBritain, 2022

## THRIVING IN A COMPETITIVE MARKET

International tourism is incredibly competitive. With an endless list of destinations vying to attract visitors to their shores, we need to ensure the UK continues to stand head and shoulders above its competitors. International visitors' decision to travel is driven by two key factors: means and motivation. We are therefore proposing four policy measures that will reduce the bureaucratic burden on visitors, enhance our global competitiveness, and boost Brand Britain overseas to ensure that the UK is the destination of choice for international visitors.

### Enhance the UK's competitiveness via a reduced-price five-year visitor visa

We are asking the government to:

- Make the UK more globally competitive by reducing the price of a five-year multi-entry visa to £150
- Make tourism export growth a priority - repeat visitation from visa nationals can generate an additional £1 billion in revenue for the UK

### Background

Visa nationals are a very valuable element of the UK's inbound visitor economy, significantly contributing to UK exports. In 2019 they made up only 10% of all international visitors coming to the UK but were responsible for more than 20% of spend, a figure of £6.1 billion<sup>15</sup>.

They also aid the growth of regional UK wealth. In 2019, 48% of all spend by Chinese visitors, the UK's number one visa national market by value, took place outside of London<sup>16</sup>.

However, the UK's performance in visa national markets has declined in recent years and one of the main reasons for this is that rival destinations have improved their visa offering.

A UK five-year multi-entry visitor visa costs £771 and a ten-year visa is £963. In contrast the USA charges a Chinese national £150 (\$185) for a 10-year multi-entry visa, in recognition of the value that inbound visitors bring.

*Figure 5:*  
COST OF A 10-YEAR MULTI-ENTRY VISA  
FOR A CHINESE NATIONAL



15. International Passenger Survey, Office for National Statistics, 2022

16. International Passenger Survey, Office for National Statistics, 2019

One of the major drivers of destination choice is price competitiveness, and VisitBritain research shows that the UK suffers from poor perceptions of value for money<sup>17</sup>. With sky-high rates of air passenger duty (APD), the introduction of ETAs, higher levels of VAT on hospitality than our competitors and the recent 15% increase on visitor visas, it's clear to see why.

*Figure 6:*  
**VISITOR VISA COST COMPARISON**  
**(SIMPLIFIED SUMMARY)**

Jurisdiction	Price*	Entry type	Validity Period
UK	£115	Single-entry	n/a
UK	£400	Multi-entry	Two years
UK	£771	Multi-entry	Five years
UK	£963	Multi-entry	Ten years
EU Schengen	£69	Single- or multi-entry (no difference in fee)	One, two, or five years (no difference in fee)
USA	£150	Multi-entry	Up to ten years (varies by nationality)
Australia	£99	Single- or multi-entry (no difference in fee)	
Canada	£60	Single- or multi-entry (no difference in fee)	Up to ten years

\*Prices may fluctuate depending on exchange rate

17. Motivations, Influences, Decisions, and Sustainability Research, VisitBritain, 2022



## The Opportunity

Encouraging repeat visitation to the UK from visa nationals could generate an additional £1 billion in revenue for the UK<sup>18</sup>. This potential revenue stream could be realised by strategically reducing the cost of a five-year multi-entry visitor visa to £150. This is a rapid means of driving additional export revenue across the whole of the UK in a short period of time.

Repeat visitors significantly support the levelling up agenda, as they are fantastic at travelling beyond London, spending valuable money on attractions, hotels, restaurants, bars, and transport across the UK. Research by VisitBritain shows that 53% of visits to destinations in England outside London were by repeat visitors, increasing to 76% for Wales.

A visa price reduction would also help entice back the incredibly valuable Chinese market. China was the UK's most valuable visa national market to the UK in 2019, worth £1.71 billion annually<sup>19</sup>, however provisional figures up until Q3 2023 show spend is still down 64% to £621 million<sup>20</sup>.

Research undertaken by VisitBritain in 2022 showed that reducing the visa price and extending its validity would positively impact the number of Chinese visitors and their spend in the UK. There is also precedent for this. In 2015 the then Prime Minister David Cameron cut the cost of a two-year visa to that of a six-month visa. Between 2015 (pre-policy announcement) and 2017 (post implementation of visa application), the number of entry clearance visitor visas issued to Chinese nationals for the UK increased by over 33%.

A reduced price five-year multi-visit visa would help the UK be more competitive and encourage visa nationals to choose the UK over other global destinations.

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18. Realising the Potential: A manifesto for tourism in the next parliament, Tourism Alliance, 2024

19. International Passenger Survey, Office for National Statistics, 2019

20. International Passenger Survey, Office for National Statistics, 2023

## Make the electronic travel authorisation (ETA) more competitive

We are asking the government to:

- **Introduce an exemption for transit passengers**
- **Bring the ETA in line with the EU's European Travel Information and Authorization System (ETIAS) and offer payment exemptions for over 70s and under 18s**
- **Introduce an exemption for international visitors travelling to Northern Ireland via the land border with the Republic of Ireland**

### Background

Currently all non-visa passengers arriving in the UK (excluding the Common Travel Area) will require an ETA, including transit passengers who make up a high percentage of arrivals - ranging from 20% to 50% of total arrivals. UK-based airlines' hub networks facilitate the transfer of most passengers connecting via UK airports, mainly through London Heathrow, which handled 83% of all connecting journeys in 2019<sup>21</sup>.

Given that these passengers are vital to route retention and connectivity, it is essential that we ensure that the law of unintended consequences does not lead to these passengers being pushed towards flying instead via airports such as Amsterdam Schiphol Airport, Paris Charles de Gaulle to avoid the bureaucracy and cost of having to apply for the ETA.

In addition to this, international passengers that are under the age of 18 and over the age of 70 will both need to pay for an ETA. The UK scheme is out of step with its EU equivalent, ETIAS, which is due to be introduced in 2025. It is free for over 70s and under 18s to apply for an ETIAS. This clearly puts the UK at a competitive disadvantage, especially as the ETIAS provides entry to 27 countries.

As it stands, international travellers visiting the Republic of Ireland will also require an ETA if they plan to visit Northern Ireland during a visit to the island. This is a key concern for the Northern Ireland tourism industry, where 70% of its customers arrive via the land border<sup>22</sup>. There are strong concerns that international visitors will focus their visit to the Republic of Ireland, rather than exploring north if they are required to apply for an ETA, which is an additional cost and requires further bureaucracy.

### The Opportunity

Consumers are bombarded with choice with regards to who they can fly with and where they visit. By waiving the ETA fee for transiting passengers, over 70s and under 18s, and visitors to Northern Ireland, the UK automatically becomes a more viable travel option that is on par with Europe. We need to ensure international travellers continue to choose the UK and that we do not lose out to our competitors.

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21. Assessment of the strategic and economic importance of UK-based airlines, Airlines UK, 2023

22. Electronic Travel Authorisation Scheme threatens tourism growth, Northern Ireland Department for the Economy, 2024

## Boost regional economic growth through the introduction of a new VAT reclaim scheme

We are asking the government to:

- Reintroduce the VAT Reclaim Scheme and Airside Tax-Free Shopping Scheme
- Prioritise UK exports, and bolster regional economic growth and competitiveness, by extending the scheme to EU citizens
- Fully digitalise the process, which would streamline its implementation and provide vital data about consumer spending habits

### Background

In 2021 the government scrapped the VAT Reclaim Scheme and Airside Tax-Free Shopping Scheme (tax-free shopping) for international visitors. As a consequence, the UK became the only European country to not offer tax-free shopping, adding another layer of competitive disadvantage to the UK.

Today, the reintroduction of tax-free shopping is a key ask for the UK tourism industry, alongside the retail and hospitality sectors, as well as many manufacturing businesses who rely on continued demand for their products.

The government has suggested any reintroduction would be expensive to implement, with HM Treasury (HMT) estimating that implementing this scheme would incur costs to the Exchequer of £1.3 billion in 2024/25 and £2 billion in 2025/26.

However, research by Oxford Economics for the Association of International Retail (AIR) calculated that reintroducing the scheme would actually attract more than 1.5 million extra visitors to the UK, of which one million would come from the EU and would lead to an increase in foreign visitor spending of over £3.1 billion in 2025/26<sup>23</sup>.

Figure 7:  
BENEFITS OF INTRODUCING A NEW  
VAT RECLAIM SCHEME IN 2025/26



23. The Impact of Tax-Free Shopping in the UK, Oxford Economics, 2022

24. What It's Worth: Enabling the return of the £30bn high-end tourism sector, Walpole, 2022

Whilst international visitors would still be willing to visit the UK, they intend to spend less, and 90% of those who have used the scheme in the past said they would choose a different shopping destination if tax-free shopping is not reintroduced.

Traditionally, tax-free shopping was a key reason the Chinese and Middle Eastern markets chose to visit the UK. However, the slow return of Chinese visitors to the UK post-pandemic and strong recovery of international visitor spend in nations like France and Italy, suggest that these highly valuable markets are now choosing Europe over the UK.

British residents are also spending less in the UK, instead choosing to take advantage of tax-free shopping in the EU to which they now have access. In Q4 2021, British spending on tax-free shopping in the EU reached €5 million a week, or €250 million a year. The negative impacts of this on the UK's economy could be offset by the expansion of the tax-free shopping scheme to cover Europe.

### **The Opportunity**

Relaunching and expanding tax-free shopping to EU countries, alongside the rest of the world, would allow the UK to establish itself as a global shopping destination, setting us apart from other destinations and making us a more attractive and competitive holiday proposition.

Due to the UK's European connectivity, this would also reap substantial and immediate economic benefits to the UK regions. Manchester, Cardiff, Birmingham, Edinburgh, Bristol, Belfast; each of these airports has extensive airlinks with European cities and offering tax-free shopping would encourage EU nationals to choose the UK over other European cities.

Alongside shopping, these visitors would be spending in hotels, restaurants, bars and attractions across the UK, boosting regional economies. Oxford Economics have also estimated that the reintroduction of tax-free shopping would help sustain 78,000 jobs across the country in 2025/26 – another positive boost to the regions.

The international tourism marketplace is incredibly competitive and in order to maintain - and exceed – our pre-pandemic position as one of the world's leading tourism economies and to reap the substantial economic benefit this brings, we need to signal to the world that the UK is open and welcoming to international visitors.

## Reinstate our national tourist boards' budgets to pre-inflationary levels

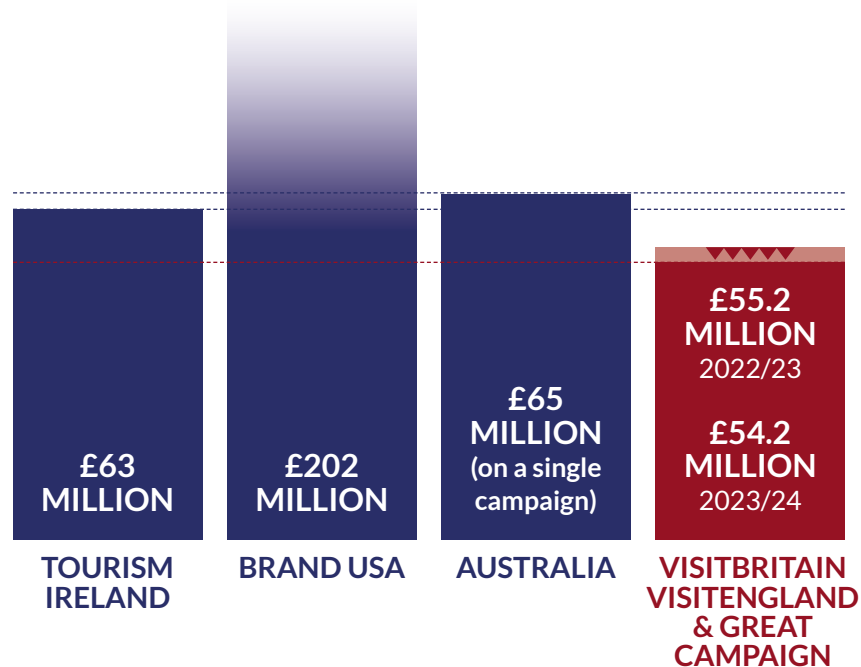
We are asking the government to:

- Reinstate the marketing budget of VisitBritain to pre-inflationary levels to ensure the UK continues to be competitive
- Reinstate the budgets of the devolved governments to pre-inflationary levels, allowing them to increase the marketing budgets of VisitScotland, Visit Wales and Tourism Northern Ireland
- Put the UK on a level playing field with the rest of Europe

### Background

Whilst we are encouraged by the recovery and growth of the inbound visitor economy, we remain concerned at how we lag internationally, particularly in terms of marketing budget. Post-pandemic, our competitor destinations allocated significant funds to tourism marketing to win back visitors and bolster growth, but the level of investment in the marketing of Britain overseas has not kept up.

Figure 8:  
NATIONAL TOURIST BOARDS INTERNATIONAL  
MARKETING BUDGETS, 2024





Research by the Tourism Alliance shows that central government funding for tourism development and promotion is just £0.81 per person, one of the lowest of the major global tourism destinations, compared with an average of £5.88 across the nine other countries surveyed<sup>25</sup>.

As a result, the UK receives just £391 (per head of the UK population) in revenue from overseas visitors compared to an average of £689 across the other countries surveyed. As with any other product or service, these figures show that the more that is invested in high quality marketing, the higher the sales of the product will be and the greater the revenue generated.

*Figure 9:*



## The Opportunity

For many years VisitBritain has consistently shown that investment in tourism marketing yields a very high return on investment (ROI), with significant tax generation for the Exchequer.

With an ROI of 21:1 on the funds deployed, VisitBritain's activities in 2019/20 generated **£793 million** in additional visitor spend, of which the Exchequer received **£150 million** in tax through Air Passenger Duty and VAT payments alone<sup>26</sup>.

This mirrors the success of other national tourism boards, such as America's Brand USA. A 2019 report by Oxford Economics found that Brand USA generated an ROI of 20:9 in terms of additional inbound tourism revenue. This resulted in \$375m in additional federal tax being paid, 3.2 times the \$117m allocated to Brand USA through the Commerce Department's Travel Promotion Fund<sup>27</sup>.

If the UK is to exceed its inbound visitor economy growth predictions and win back its share of international tourism revenue the UK's tourism boards must see their settlement needs reinstated to pre-inflationary levels from the current benchmarks, with an ambition to grow budget in line with a demonstratable ROI over the next two to three years.

25. Realising the Potential: a manifesto for tourism in the next parliament, Tourism Alliance, 2024

26. Tourism as a service export, VisitBritain, 2023

27. The Return on Investment of Brand USA Marketing, Oxford Economics, 2019

## CONCLUSION

The UK's inbound visitor economy brings new money into the UK. It supports regional economies up and down the country - making it a fantastic redistributor of wealth. It provides skilled, long-term employment opportunities, and it positively impacts UK investment, trade, education, and sustainability.

The ideas presented in this document not only focus on building Brand Britain, enhancing the UK welcome and thriving in a competitive market, but fundamentally they provide any UK government with both short-term and long-term growth opportunities, the majority of which do not require additional economic intervention.

UK businesses from across the inbound visitor economy have shown incredibly resilience in recent years and are now once again on a positive trajectory, however significant barriers to growth remain. As we head towards a general election and beyond, UKinbound is committed to continuing its collaboration with the UK government, ensuring the continued sustainable growth of this valuable export industry.

### OUR PROPOSED POLICY MEASURES AND REFORMS ARE:

#### BUILDING BRAND BRITAIN

- Expand and reform the Youth Mobility Scheme
- Extend passport-free travel schemes for under 18-year olds
- Create home-grown talent with language skills

#### THRIVING IN A COMPETITIVE MARKET

- Enhance the UK's competitiveness via a reduced-price five-year visitor visa
- Make the Electronic Travel Authorisation (ETA) more competitive
- Boost regional economic growth through the introduction of a new VAT Reclaim Scheme
- Reinstate our national tourist board budgets to pre-inflationary levels to strengthen international marketing



**UKINBOUND**  
THE VOICE OF INBOUND TOURISM