TourismAlliance
the voice of tourism

UK TOURISM STATISTICS 2019

Tourism: Supporting Key Government Policies

With the UK poised to leave the European Union this year, there is a very real need for the Government to support sectors of the economy that are well positioned to provide the country with economic growth and create employment opportunities in the post-Brexit environment.

Tourism is one of the main sectors of the economy that is well placed to achieve this. The UK continues to be not just one of the most popular destinations in the world for visitors, but the World Economic Forum continues to rank the UK's tourism industry and infrastructure as one of the most competitive in the world.

We are therefore delighted that a Tourism Sector Deal has been agreed under the Government's Industrial Strategy. This is only the 10th sector deal to be announced and highlights the Government's increasing recognition of the economic importance of the tourism industry and the opportunities and benefits that it can provide for the UK economy and in supporting Government policy.

Two very important examples are regional development and soft power.

Regional Development

One of the main challenges for Government is to boost growth outside London and the South East so as to address both the "North/South" divide and to support the economies of rural and seaside communities which have lagged behind urban areas in recovering from the Global Economic Crisis 10 years ago.

Tourism is one of the few industries that can directly support this objective quickly and without substantial investment in new infrastructure. Despite the growth in city-breaks, domestic tourism in the UK is largely composed of people in urban areas travelling to rural and seaside destinations. The £25bn that these visitors spend on breaks and holidays represents the single largest non-governmental transfer of wealth to the economies of rural and seaside communities, creating 460,000 fulltime jobs in these areas.

Soft Power

With the UK leaving the EU, one of the Government's key objectives is to increase the UK's global influence. Tourism is one of the key means of achieving this. Studies continue to show that enhancing and promoting a country's cultural and education offering in overseas markets is a key means of gaining greater global influence.

There strong linkages between the UK's culture, education and tourism sectors. Not only is heritage and culture the primary reason that people travel to the UK, recent research by Universities UK shows that 88% of people who visit the UK for educational purposes plan to return to the country as tourists due to the strong affinity that they build with the country as a result of gaining a qualification.

While the Sector Deal is a significant step forward, it is very much a first step. There is much more that can be done to boost tourism growth post Brexit. This publication therefore provides the data to support a range of policies, from tax and visa reform to resolving structural issues in domestic tourism funding and delivery, that need to be addressed if we are to maximise tourism growth.

Kate Nicholls
Chair
Tourism Alliance

SECTION 1: Volume and Value of the UK Tourism Industry

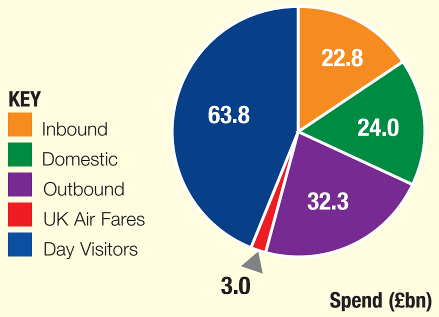
1: The Value of Tourism

Value of Tourism to the UK Economy

£145.9bn (7.2%) of UK GDP

ONS, 2018

Revenue from Tourists by Tourism Type



The UK Tourism Industry's International Ranking

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

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

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

  The first four destinations are USA, Spain, France and Thailand.

- **The UK accounts for 3.8% of global international tourism receipts.**

UNWTO Tourism Highlights, 2018 edition

GVA

£67.8bn. 3.9% of UK GVA

(2017 est) ONS, Tourism Satellite Accounts

Forecast Growth 2019

7.8%

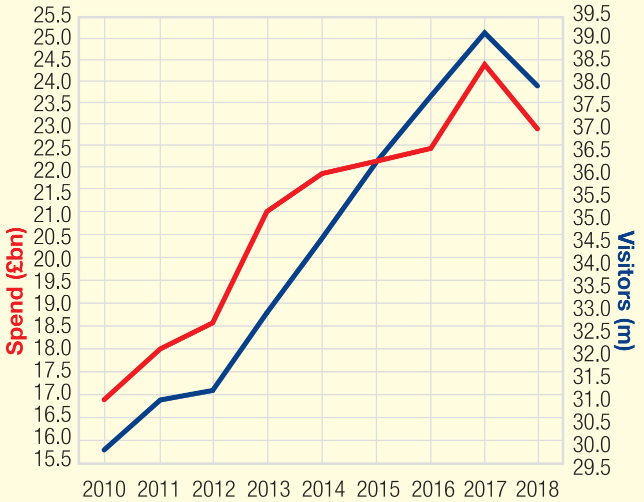
VisitBritain, 2019

Value of UK Tourism By Region

	Day Visits (£m)	%	Domestic (£m)	%	Inbound (£m)	%	Total (£m)	%	Direct employment	%
East Midlands	2,867	5.4	1,192	6.2	527	2.7	4,586	5.0	84,926	5.0
East of England	5,042	9.5	1,570	8.1	704	3.6	7,316	7.9	135,481	7.9
London	13,964	26.3	2,984	15.5	12,330	62.3	29,278	31.8	542,185	31.8
North East	2,547	4.8	759	3.9	293	1.5	3,599	3.9	66,648	3.9
North West	6,345	12.0	2,677	13.9	1,350	6.8	10,372	11.3	192,074	11.3
South East	7,515	14.2	2,705	14.0	2,010	10.2	12,230	13.3	226,481	13.3
South West	5,862	11.1	4,338	22.5	1,130	5.7	11,330	12.3	209,815	12.3
West Midlands	3,829	7.2	1,327	6.9	837	4.2	5,993	6.5	110,981	6.5
Yorkshire	5,066	9.6	1,744	9.0	604	3.1	7,414	8.0	137,296	8.0
Total	**53,037**		**19,296**		**19,785**		**92,118**		**1,705,889**	

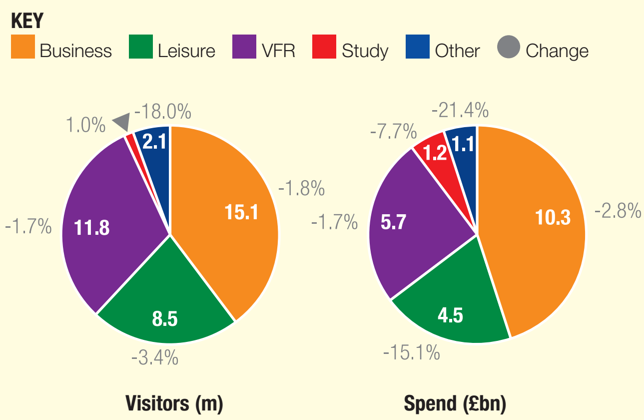
Inernational Passenger Survey (IPS), GTBS, GB Day Visits Survey, 2018

Visitor Numbers and Total Spend



IPS 2018, Office for National Statistics

Visitor Numbers and Total Spend by Sector



IPS 2018, Office for National Statistics

Average Spend per Visit

£601
(down 3.5%)

IPS 2018
Office for National Statistics

Average Length of Stay

7.0 nights
(down 3.3%)

IPS 2018
Office for National Statistics

Growing and Declining Markets (Visits)

Largest Increase 2017-18		Largest Decline 2017-18	
Pakistan	+ 47%	**Slovenia**	- 41%
Ukraine	+ 43%	**South Cyprus**	- 38%
Qatar	+ 37%	**Malta**	- 30%
Croatia	+ 22%	**Turkey**	- 23%
China	+ 16%	**Singapore**	- 22%

IPS 2018, Office for National Statistics

Students

English as a Foreign Language

- 550,000 students come to the UK to learn English each year
- EFL students generate £1.2 billion in export earnings for the UK annually and supporting over 20,000 jobs.
- EFL visitors spent £2399 per visit, four times the average expenditure of visitors to the UK
- The number of EFL students visiting the UK has declined by 23% since 2014 resulting in the loss of £570m in export earnings.

Foreign Students

- 88% of students that study in the UK plan to return for a holiday.

Top 10 Source Markets

	Visits (000s)	% of all visits	Spend (000s)	% of all spend
USA	4,171	10	£3,010	15
France	3,266	10	£1,493	7
Germany	3,249	9	£1,378	6
Irish Republic	2,632	7	£1,113	5
Spain	2,197	7	£999	5
Netherlands	1,897	5	£934	4
Poland	1,794	5	£890	3
Italy	1,707	5	£676	3
Belgium	1,175	3	£586	3
Australia	1,043	3	£556	3

IPS 2018, Office for National Statistics

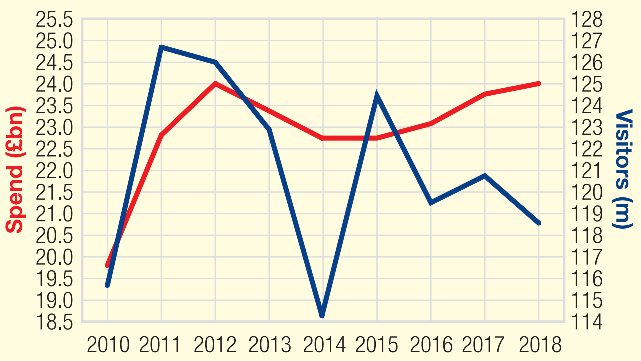
UK's Share of Outbound Visitors from BRIC Markets (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Brazil	2.64	3.39	3.05	2.95	3.33	3.81	2.21	2.58	2.14
Russia	0.43	0.47	0.45	0.52	0.62	0.44	0.43	0.54	0.41
India	2.86	2.50	2.27	2.25	2.21	2.07	1.90	2.35	2.00
China	0.19	0.21	0.22	0.20	0.17	0.22	0.21	0.26	0.26

IPS 2018, Office for National Statistics

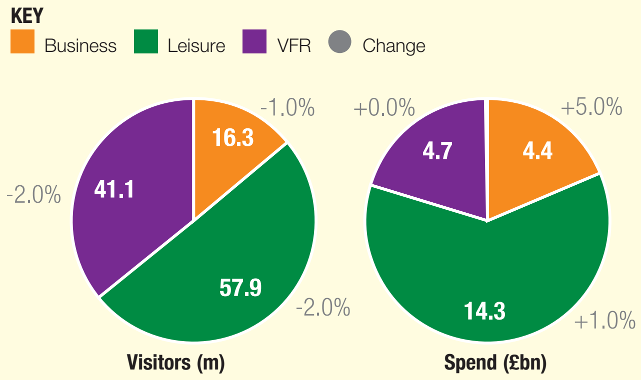
3: Domestic Tourism

Visitor Numbers and Total Spend



GB Tourism Survey 2015, VisitEngland *Estimate

Visitor Numbers and Total Spend by Sector



GB Tourism Survey 2018, VisitEngland

Domestic Tourism by Region

	2017 Trips (m)	2018 Trips (m)	Change	2017 Spend (£m)	2018 Spend (£m)	Change
East of England	9.9	8.8	-11.1%	1,711	1,570	-8.2%
East Midlands	7.7	7.8	1.3%	1,049	1,192	13.6%
London	12.2	11.9	-2.5%	2,688	2,984	11.0%
North East	3.7	4.0	8.1%	680	759	11.6%
North West	13.9	13.3	-4.3%	2,733	2,677	-2.0%
South East	16.3	16.2	-0.6%	2,707	2,705	0.0%
South West	21.3	19.1	-10.3%	4,454	4,338	-2.6%
West Midlands	7.9	7.8	-1.3%	1,225	1,327	8.3%
Yorkshire & the Humber	10.8	10.5	-2.8%	1,745	1,744	0.0%
Scotland	11.7	11.8	1.2%	3,006	2,762	-8.1%
Wales	9.3	10.2	9.7%	1,628	1,853	13.8%

GBTS 2018, VisitEngland

Visits bt Destination Type

	Visits (m)	Spend (£bn)
All visits	118.6	24.0
Visits to		
Large town / city	42%	43%
Small town	19%	15%
Countryside / village	17%	16%
Seaside / coast	23%	25%

GBTS 2018, VisitEngland

Average Spend per Visit

£202.10
(up 3.0%)

GBTS 2018, VisitEngland

Average Length per Stay

3.1 nights
(up 1.3%)

GBTS 2018, VisitEngland

4: Outbound Tourism

Outbound Tourism Expenditure

Product / service category	Expenditure (£m)
Accommodation services for visitors	839
Food and beverage serving services	868
Railway passenger transport services	747
Road passenger transport services	1,165
Water passenger transport services	439
Air passenger transport services	17,295
Transport equipment rental services	0
Travel agencies and reservation services	1,883
Cultural activities	0
Sport and recreation activities	0
Exhibitions and conferences etc	0
Other consumption products	9,082
Total	**32,318**

Tourism Satellite Accounts 2016, Office for National Statistics

5: Day Visitors

Day Visitors

	Visits (m)	Spend (£bn)
All visits	1,703.4	63.8
Visits to		
Large town / city	43%	56%
Small town	24%	19%
Countryside / village	23%	17%
Seaside / coast	8%	7%

GB Day Visits Survey 2018 and 2017, VisitEngland

Day Visitors	2013	2014	2015	2016	2017	2018
Visits (m)	1826.3	1822.3	1754	1834.3	1793.4	1703.4
Spend (£bn)	62.0	61.8	61.9	63.9	62.4	63.7

6: Events

Current Estimated Value of Visitor Expenditure From Events

	Spend (£bn)
Conferences and meetings	19.2
UK Exhibitions and trade fairs	11.0
Global Exhibitions by UK Organisers	2.0
Incentive travel and performance improvement	1.2
Corporate hospitality and corporate events	1.2
Outdoor events	1.1
Festivals and cultural events	1.1
Music events	2.3
Sporting events	2.3
Total	**41.4**

Opportunities For Growth in the UK Events Sector, Business Visits and Events Partnership, 2017

- Accompanying attendees of business delegates and exhibitors are estimated to spend an **additional £7.7 billion** during their stay in Britain.
- Trade transacted and facilitated at exhibitions and business events is conservatively estimated to be worth **over £150 billion**.

7: Tourism Economics

Price Elasticity of Tourism

- For every **1% decrease** in the cost of visiting the UK, the UK's inbound tourism earnings **increase by 1.3%**.
- For every **1% increase** in the cost of travelling overseas, the UK's domestic tourism earnings **increase by 0.8%**.

Sensitive Tourists, BTA, 2001

Tourism Export Earnings

- In 2017 travel expenditure by non-residents visiting the UK totalled £ 29.8bn, accounting for 14.4% of UK service sector exports and 6.5% of total UK exports.
- Tourism is the UK's fifth largest export earner after Chemicals, Intermediate Manufactured Goods, Financial Services and Capital Goods.

The Pink Book, Office for National Statistics, 2018

Job Creation

- A new Full Time Equivalent tourism job is created with every £58,000* increase in tourism revenue.

Tourism: jobs and growth, VisitBritain / Deloitte, 2013
*adjusted for inflation since 2013

International Competitiveness

- World Economic Forum's international Travel and Tourism Report shows that the UK is the 5th most competitive tourism destination in the world but ranks 135th out of 136 countries in terms of price competitiveness due to taxes on aviation, accommodation, attractions and fuel.

The Travel and Tourism Competitiveness Report, WEF, 2017

Tourism Taxation

Air Passenger Duty	**£3.6bn***
VAT (estimate)	**£16.5bn**

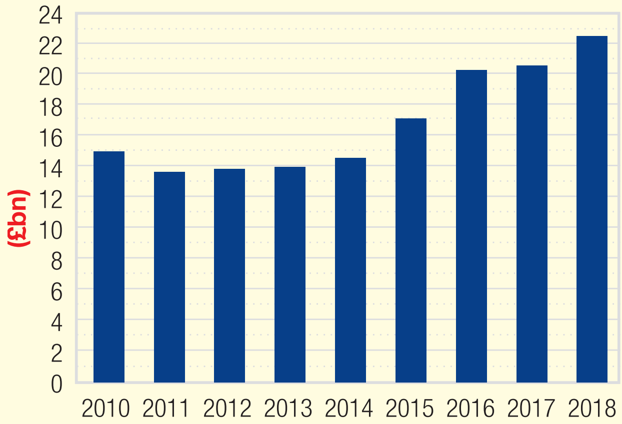
APD bulletin Dec 2019, HMRC

UK Tourism GVA by Sector

Sector	Spend (£bn)
Accommodation services for visitors	9.1
Food and beverage serving services	10.0
Railway passenger transport services	2.1
Road passenger transport services	0.5
Water passenger transport services	0.3
Air passenger transport services	5.1
Transport equipment rental services	0.4
Travel agencies and other reservation services	10.9
Cultural activities	2.8
Sport and recreation activities	2.6
Exhibitions and conferences etc	0.03
Other consumption products	24.5
TOTAL GVA	**68.4**

Tourism Satellite Account 2016, Office for National Statistics

UK Tourism Deficit



IPS 2018 Office for National Statistics

8: Tourism Employment

- 3.3m people work in tourism-related businesses, of which 1.5m are employed as a redirect result of expenditure by tourists
- Of the 3.3m people working in tourism-related businesses, 1.4m are fulltime employees, 1.3m are part-time employees and 0.6m are self-employed.
- More people work in tourism related businesses than manufacturing (2.9m), construction (2.4m), or transport and storage (1.6m)

Tourism Satellite Account 2016, Office for National Statistics

- 90% of employees are permanent with only 5% being casual employees

Tourism employment summaries: Characteristics of tourism industries, Office for National Statistics, 2016

Tourism Employment by Sector

Accommodation services for visitors	275
Food and beverage serving services	395
Passenger transport services	147
Culture, sport and recreation	192
Travel Agencies	113
Retail	464

Tourism Satellite Account 2016, Office for National Statistics

- **There are 241,000 businesses in the UK tourism industry**
- **Almost 90% of tourism and hospitality businesses employ fewer than 25 people.**
- **The tourism industry has created more than 400,000 new jobs over the last 10 years**

Office for National Statistics 2019

- **The tourism sector is a significant incubator for entrepreneurs with 27,000 new businesses being established in 2017**

Business Demography, Office for National Statistics, 2017

- Foreign nations comprise 24% of the workforce, including 11% from the EU.
- Tourism businesses have 39% of their staff aged under 30, compared to an average of 21% for other businesses
- Over 26% of employees in the Tourism sector have GCE, A Level or equivalent qualifications compared to 23% for non-tourism businesses

Employment Characteristics of Tourism Industries, Office for National Statistics, 2014

- Projections suggest that the sector will need to recruit an additional 1.3m more staff by the end of 2024.

Skills and workforce profile - hospitality and tourism, People 1st

SECTION 2: Policy Related Statistics

Taxation

- Of the 28 EU countries, the UK is one of only two that charge the full rate of VAT on tourism accommodation (the other being Denmark, which has no reduced rates of VAT).
- The average VAT rate for accommodation in the other European countries is 10.3%.
- The other major European tourism destinations – France, Italy and Spain – all apply a reduced rate of 10% VAT on accommodation
- The UK is one of only 12 EU countries that apply full rate VAT on restaurant meals. The average for the rest of the EU is 15.1%.
- Modelling using the Treasury's own Computable General Equilibrium Model and research by Deloitte and others shows that, over 10 years, reducing VAT to 5% would:
  - Improve the UK's exports by £23bn
  - Create 121,000 jobs
  - Deliver £4.6bn to the Exchequer

Air Passenger Duty

- Visitors flying to the UK contribute £19.7bn to the UK economy in tourism expenditure (86% of the total) and support over 500,000 FTE jobs in the UK tourism industry
- Visitors flying to the UK spend £678 per visit compared to £363 per visit by those arriving by train or ship
- Research by the World Economic Forum in 2017 shows that, while the UK's aviation infrastructure is the 8th most competitive in the world, but the UK's competitiveness on aviation taxes and airport charges is the 3rd worst in the world.
- A family of four over the age of 16 from China or India departing the UK in economy class currently pays £312 in APD.
- APD revenue has increased by over 330% between 2003 and 2018, from £770m to £3.47bn per annum. It is projected to reach £4bn in 2020.
- Since its introduction in 1994, APD for long-haul flights has increased by 680% in economy class and 1,680% in other classes of travel, while Short-haul APD has increased by 160% in economy class and 420% for other classes of travel.

- Research by PwC on the impact of abolishing APD showed that this would:
  - Boost UK GDP by 1.7%
  - Create 61,000 extra jobs in the UK

The Economic Impact of Air Passenger Duty, PwC

Visas

- In 2018, the UK received approximately 3m visitors from countries needing a visitor visa to enter the UK. These visitors:
  - spent £4bn in the UK during their stay
  - spent an average of £1250 per person per visit – over twice the £529 spent by visitors from visa waiver countries.
  - created direct employment for over 70,000 people in the UK.

- The UK's market share of the Chinese, Indian and Russian outbound tourism market has fallen by 42% since the introduction of biometric visas in 2008.
- A UK short stay visa costs £95, compared to around £50 for a Schengen visa, which allows visitors access to 26 countries.
- A family of four from China or India have to pay a total of £692 in APD and visa charges to travel to the UK.

Tourism Funding

- Local Authorities in England spend £59m per annum on tourism development and promotion – 0.5% of their Net Current Expenditure
- Since 2008/9 Local Authority Expenditure on tourism has decreased 58% (from £142m to £59m) while Net Current Expenditure has decreased only 1.8% (from £113bn to £111bn)
- Since 2008/9 total Government funding for tourism through DCMS has increased 5.8% (from £56.5m to £59.8m) while DCMS's total allocations have increased 27.6% (from £4.7bn to £6.0bn)
- Core funding for VisitBritain has decreased 39% since 2008 – from £51m to £31m

The Tourism Alliance is the Voice of the Tourism Industry, comprising 55 Tourism Industry Organisations that together represent some 200,000 businesses of all sizes throughout the UK.

The purpose of the Tourism Alliance is to identify and develop policies and strategies to raise standards and promote quality within the industry and work with and lobby government on all key issues relevant to the growth and development of tourism is in order to maximise its contribution to the economy.

Members

ABTA - The Travel Association
Airport Operators Association
AIPO
ALVA
ANTOR
Association of Group Travel Organisers
ASAP
ATHE
BACTA
Bed & Breakfast Association
British Beer & Pub Association
British Destinations
British Educational Travel Association
British Holiday & Home Parks Association
British Marine Federation
Business Visits & Events Partnership
Camping & Caravanning Club
Caravan and Motorhome Club
Churches Visitor and Tourism Association
Coach Tourism Association
Confederation of Passenger Transport
Country Land and Business Association
Cumbria Tourism
English UK
European Holiday Home Association
European Tour Operators Association
Family Holiday Association
Go New Forest
Group Travel Business Forum
Heritage Railway Association
Heritage Alliance
Historic Houses
Holiday Home Association
Institute of Tourist Guiding
Liverpool City Region LEP
Marketing Manchester
National Caravan Council
National Coastal Tourism Academy
National Trust
Outdoor Industries Association
PASC
Premier Cottages
Resort Development Organisation
South West Tourism Alliance
The Tourism Society
Tourism For All
Tourism Management Institute
Tourism South East
UKHospitality
UKinbound
Visit Brighton
Visit Cornwall
Visit Greenwich
Visit Kent
Visit Wiltshire
Welcome to Yorkshire

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VisitBritain
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