

United Kingdom

Tourism in the economy

In the UK, tourism is one of the six biggest industries and the third-largest export earner. Tourism's direct gross value added (GVA) for 2009 was just under GBP 68 billion, representing 3.6% of total UK GVA. Tourism is one of the UK's biggest employers, with over 249 000 tourism businesses in the UK, representing 10% of total number of businesses, providing 1.74 million jobs. It creates wealth and employment in all parts of the country, creating jobs at every skill level in both full- and part-time employment.

In 2010, there were 29.8 million international arrivals in the UK, compared with 29.9 million in 2009 and 31.9 million in 2008. The five largest origin markets (France, Germany, the United States, Ireland and Spain, together accounting for 46.2% of all foreign visitors) enjoyed mixed fortunes in 2010. Increases were recorded from Germany (3 million arrivals, 8.1% more than in 2009), but the other four leading international markets recorded declines. Arrivals from the United States fell by 5.8% (from 2.9 million in 2009 to 2.7 million in 2010), while those from France fell by 4.4% (from 3.8 million to 3.6 million), the Irish Republic by 10.8% (from 2.9 million to 2.6 million), and Spain by 16.4% (from 2.2 million to 1.8 million).

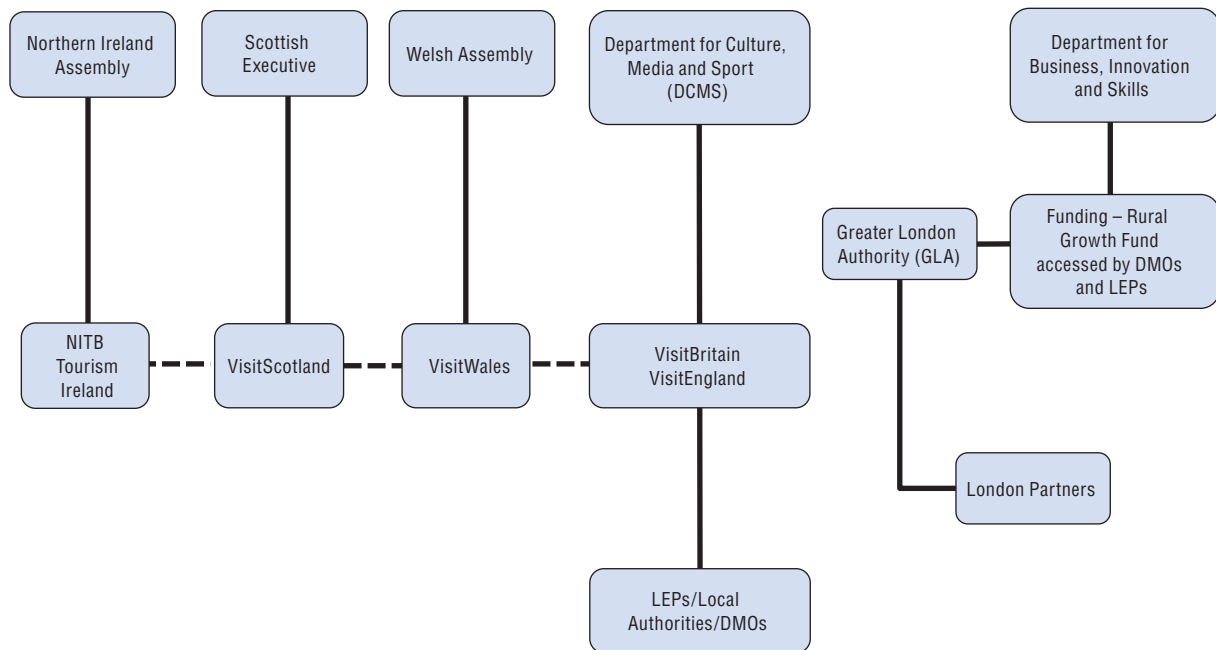
International travel receipts (excluding transport receipts) stood at GBP 19.3 billion in 2009. Outbound travel from the UK in 2010 fell slightly from 2009 levels – to 55.6 million trips from 58.6 million trips, itself a significant fall from the 2008 level of 69 million trips. Spending abroad in 2009 was GBP 32.3 billion, a fall of 13.3% from the GBP 37.3 billion in 2008.

Domestic tourism in 2010 also demonstrated a slight fall to 373.3 million trips, down by 6.4% on the 2009 total of 398.8 million, which had been an increase on the 2008 total of 378.4 million.

Tourism organisation

The Department for Culture, Media and Sport (DCMS) is the sponsoring government department for tourism (Figure 4.35). Tourism is a devolved matter in Scotland, Wales, Northern Ireland and Greater London, but DCMS retains responsibility for tourism in England outside London.

The Development of Tourism Act 1969 established the British Tourism Authority and Tourist Boards for England, Scotland and Wales with responsibility for promoting the development of tourism to and within Great Britain. In Northern Ireland, the Northern Ireland Tourist Board (NITB) was established in 1948, and its constitution and continuation were affirmed by the Tourism (NI) Order 1992.

Figure 4.35. **United Kingdom: Organisational chart of tourism bodies**

Source: OECD, adapted from Department for Culture, Media and Sport, 2012.

VisitBritain is the national tourism agency, a non-departmental public body responsible to DCMS. Its primary responsibility is to promote Britain overseas. Visit Britain also has a statutory advisory function to advise government on international competitiveness. In addition to this remit, VisitBritain also incorporates VisitEngland which is responsible for promoting England within the UK and to selected overseas markets.

In Scotland, VisitScotland is a non-departmental public body responsible to Scottish Ministers. Its main role is to market Scotland in the UK and overseas, encourage the highest quality standards within the industry and operate an event strategy to support tourism. Enterprise Agencies, also responsible to Scottish Ministers, provide business support and investment to encourage growth within the tourism sector.

In Wales, the responsibility for promoting and developing tourism now lies with the Welsh Government and these functions are carried out by its tourism department, Visit Wales. Visit Wales is the Welsh Government's tourism team, within the Department for Business, Enterprise Technology and Science (BETS). Visit Wales is responsible for formulating tourism policy, encouraging investment in, and improving the quality of the visitor experience in Wales. Visit Wales is also responsible for marketing Wales within the UK and internationally. Tourism has recently been announced as a key sector of the Welsh economy and has created a sector panel to provide advice to the Minister for BETS on the opportunities and needs of the tourism sector in Wales. Tourism is big business in Wales. Tourists and visitors spend well over GBP 10 million a day in Wales. Recent work by the Welsh Economy Research Unit (WERU) at Cardiff University indicates that total annual tourism demand is around GBP 4.2 billion. The GVA attributable to tourism is at GBP 1.8 billion, equating to some 4.3% of GVA for the Welsh economy as a whole. This research

work also indicates that some 78 000 jobs (7.1% of the total Welsh workforce) are directly supported by tourism.

In Northern Ireland, tourism is managed by the NITB and Tourism Ireland Ltd. The functions of the NITB are to encourage tourism development in Northern Ireland, including the provision and improvement of tourist accommodation and tourist amenities, as well as promoting Northern Ireland domestically and in the Republic of Ireland. Tourism Ireland Ltd, on the other hand, markets Northern Ireland and the Republic of Ireland in overseas markets.

Tourism budget

DCMS funds VisitBritain and VisitEngland through a grant-in-aid funding settlement. Total government funding from DCMS to the British Tourism Authority, over the financial years 2011-12 to 2014-15, is GBP 128.6 million. Of this, GBP 95.6 million is allocated to VisitBritain and GBP 33 million to VisitEngland. Funding is not apportioned by VisitBritain on a national or regional basis, or by VisitEngland on a regional or area-specific basis.

Within this funding settlement, funding for top priority programmes is protected as far as possible. This includes funding (provided on the basis that it is match-funded by the private sector), for VisitBritain's core international marketing and PR activity, in both leading and emerging markets, and funding for VisitEngland's investment in and support for destination management organisations and local businesses, local authorities and enterprise partnerships involved in tourism.

There are other aspects of public funding support for UK tourism, such as the Regional Growth Fund, led by BIS as the sponsor Department and for which VisitEngland successfully bid for over GBP 19 million over three years.

There are also contributions from the Welsh Government, the Scottish Government, the Northern Ireland Assembly, and at the sub-national level from potential funding sources such as the Coastal Communities Fund, which although not specifically dedicated to tourism, may allow for future tourism-based bids.

Tourism-related policies and programmes

Tourism policy

In March 2011, DCMS published a document entitled Government Tourism Policy which sets out the government's strategy to help the tourism industry maximise its potential for growth. This is part of the government's policy, led by DCMS but supported by VisitEngland.

The strategy sets out three key aims:

- fund the most ambitious international marketing campaign ever in the years following 2012;
- increase the proportion of UK residents who holiday in the UK to match those who holiday abroad; and
- improve the sector's productivity to become one of the five most efficient and competitive visitor economies in the world.

Promotional initiatives

Over the next four years, VisitBritain will be running the GREAT Britain You're Invited programme, which will capitalise on the international interest generated by major events such as the Royal Wedding in 2011, the Queen's Diamond Jubilee, and Olympic and Paralympic Games in 2012, and showcase Britain to the world. The programme is backed by a GBP 100 million marketing fund, financed by the public and private sectors.

VisitBritain is also running a GBP 25 million GREAT Image campaign in 14 cities in nine key inbound tourism markets, making Britain's biggest ever tourism marketing campaign. The GBP 125 million investment in the GREAT Britain You're Invited and GREAT Image campaigns aims to attract 4.6 million visitors over four years, who will spend GBP 2.3 billion, creating 57 000 job opportunities.

Domestically, VisitEngland is leading a 2012 campaign with the aim of generating GBP 500 million in additional visitor spend and an extra 5.3 million short-break nights. VisitEngland's marketing effort is geared towards an all-England approach using both destinations and thematics within campaigns. For example, unaccredited 2012 media are being invited on escorted tours of England outside London and both the Torch Relay and the Cultural Olympiad will highlight activities throughout the whole country.

Product improvements

Work to improve the sector's productivity includes helping the industry to improve staff and management skills, preparing for changes in technology and information provision, cutting red tape and identifying sector-specific rules and regulations that are holding the industry back, streamlining UK visa processes, and improving the visitor welcome upon arrival at UK gateways. This process is being undertaken across a number of fronts including as a series of actions within various Tourism Action Plans led by VisitEngland.

Wales, Scotland and Northern Ireland

In Wales, the Welsh government has its own strategy for promoting and developing tourism – *Achieving our Potential* – published in 2006. Over the next three years, the priority in terms of marketing is to maintain the visitor economy's GBP 3.5 billion annual contribution to Wales, and to improve perceptions of Wales as a tourist destination in order to create an environment of increased demand for stakeholders in 2013 and beyond.

Alongside international and domestic marketing campaigns, Scotland will stage a second Year of Homecoming in 2014, with a series of Focus Years, highlighting some of Scotland's great assets and running from 2010 to 2013. These will co-ordinate national activity in tourism and the events industry.

In Northern Ireland, 2012 will be a significant year of celebration with the anticipated completion of an overall investment of GBP 300 million in tourism-related infrastructure. This will include the 100th anniversary of the maiden voyage of the Titanic in 2012, the 50th Anniversary of the Belfast Festival at Queens, and the completion of several key projects such as the Giant's Causeway Visitor Centre. This year, high profile events and celebrations are being marketed as Project NI 2012 which aims to raise Northern Ireland's profile as a tourist destination in overseas markets. The celebrations of 2012 will continue into 2013 as Northern Ireland celebrates Derry/Londonderry as UK City of Culture and Belfast will host the World Police and Fire Games.

Statistical profile

Table 4.207. **United Kingdom: Domestic overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of nights	Millions	400.08	394.41	378.39	398.75	373.32

Source: United Kingdom Tourism Survey.


StatLink  <http://dx.doi.org/10.1787/888932632636>

Table 4.208. **United Kingdom: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010
Total international arrivals	Thousands	32 713	32 778	31 888	29 889	29 803
Top 5 markets						
<i>France</i>	Thousands	3 693	3 404	3 636	3 784	3 618
<i>Germany</i>	Thousands	3 411	3 376	2 900	2 780	3 004
<i>United States</i>	Thousands	3 896	3 551	2 950	2 877	2 711
<i>Ireland</i>	Thousands	2 909	2 970	3 070	2 948	2 629
<i>Spain</i>	Thousands	1 981	2 227	1 974	2 164	1 809
Number of same-day visitors	Thousands	2 059	1 907	1 746	1 690	1 508
International travel receipts	Million GBP	18 803	19 292	19 598	19 353	20 969
International passenger transport receipts	Million GBP	4 886	4 740	4 796	4 972	5 388

Source: Office for National Statistics, International Passenger Survey, 2010.


StatLink  <http://dx.doi.org/10.1787/888932632655>

Table 4.209. **United Kingdom: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourism trips	Trips	69 536	69 450	69 011	58 614	55 562
International travel expenditure	Million GBP	34 291	35 692	37 256	32 188	32 360
International passenger transport expenditure	Million GBP	7 779	7 944	7 747	6 749	7 366

Source: Office for National Statistics, International Passenger Survey, 2010.


StatLink  <http://dx.doi.org/10.1787/888932632674>

Table 4.210. **United Kingdom: Enterprises in tourism**

	Units	2006	2007	2008 ¹	2009	2010
Hotels and other tourist accommodation	Establishments	16 300	13 160	15 726	15 157	15 075
Restaurants, bars and canteens	Establishments	135 335	135 610	120 779	113 953	112 769
Transport	Establishments	49 130	46 195	49 440	46 304	44 810
Travel agencies and tour operators	Establishments	10 850	10 820	6 804	6 537	6 363
Recreation services	Establishments	38 705	39 990	58 389	56 398	55 866
Total	Establishments	250 320	245 775	251 138	237 233	234 883

1. Break of series.

Source: Department for Culture, Media and Sport, Office for National Statistics.


StatLink  <http://dx.doi.org/10.1787/888932632693>

Table 4.211. **United Kingdom: Tourism in the national economy**

2008	Units	Domestic tourism consumption	Inbound tourism consumption	Domestic supply at purchasers prices	Tourism ratio (%) ¹
Accommodation services	Million GBP	7 465	4 655	15 637	84.1
Food and beverage serving services	Million GBP	19 906	2 813	89 343	25.4
Passenger transport services	Million GBP	21 432	994	60 546	37.0
Travel agency, tour operator and tourist guide services	Million GBP	2 727	60	4 089	68.2
Cultural services	Million GBP	3 212	212	5 224	65.6
Recreation and other entertainment services	Million GBP	2 014	244	42 088	5.3
Other services	Million GBP	228	85	18 987	1.7
Goods	Million GBP	39 314	7 260	3 042 850	1.5
Total	Million GBP	96 298	16 323	3 278 766	3.5

1. Tourism ratio reconciles demand and supply through the computation of a simple ratio of the sum of all the demand side data components to the total obtained from the supply side data components.


Source: Office for National Statistics, Tourism Satellite Account, 2008.

StatLink  <http://dx.doi.org/10.1787/888932632712>

Table 4.212. **United Kingdom: Other economic indicators**

	Units	2006	2007	2008	2009	2010
Tourism gross value added	Billion GBP	33.6	33.9	47
Tourism share of total gross value added	Percentage	2.9	2.7	3.6

Source: Office for National Statistics, Tourism Satellite Account, 2008.

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