

## PROGRESS REPORT TO THE TOURISM SUMMIT TUESDAY - 26 NOVEMBER 02

DCMS, COCKSPUR STREET, LONDON

### Background

The Tourism Alliance (an Alliance of some 60+ trade sector bodies) has now been in operation for a year. Its formation was announced by the Culture Secretary at the conclusion of the Hartwell House seminar (October 2001).

Digby Jones, Director-General of the CBI, is its first Chairman. He has agreed to chair the Alliance for a further year. Both Digby and the Alliance Executive Group consider the present time to be a key stage in the government's modernisation agenda of tourism. As such, it believes a strong and positive input from the private sector will be a key determining factor in achieving a successful outcome. The CBI continues to fund the secretariat as its contribution to the Alliance's successful launch

The purpose of the Alliance is to create a voice for tourism, to raise the profile of the sector and bring coherence to the many disparate aspects of tourism operation and delivery. It also provides the industry with a focal lobbying point for strategic issues.

The continued overall aim of the Alliance is to improve the competitive standing of Britain's tourism sector:

- post FMD
- post September 11<sup>th</sup>; and
- in the face of increasing competition from Europe (both EU and the rise in popularity of several of the Accession States)
- in the face of the on-going threat of acts of world terrorism and a war in the Middle East.

### Key lobbying activities

Since the last Tourism Summit, and following the submission of its **Tourism Spending Priorities** (submitted in advance of the CSR 2002) the Alliance is now concentrating on lobbying on key aspects highlighted in the report. It recognises and accepts that some issues will take time to come to fruition, such as an alteration to VAT on tourism services and especially tourist accommodation.

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Chairman: Digby Jones

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The report identified five key areas and through these also set out the Alliance's strategic vision for tourism. The areas examine:

- Public expenditure
- The tax environment for tourism
- SME activity and the delivery of quality
- Marketing and promotion, particularly of England
- London – and its role as part of the wider gateway issue

The Alliance will use these broad issues upon which to base its continuing lobbying activities. In particular, we seek to

- raise the profile of tourism and thereby increase awareness and understanding of its contribution to the economy
- underscore the fact that a successful tourism industry is dependent upon many other economic and social activities within the wider economy and to lobby on tourism's behalf where decisions are considered to have an adverse effect on tourism business, be it taxation, training, SMEs etc; and
- ensure that the wider operating climate for tourism businesses does not put them at a disadvantage, particularly when considered within the highly competitive international arena.

### **Short-term successes**

The Alliance called for marketing money for England. The government was persuaded by the arguments surrounding this issue and we welcome the key points of progress announced on 31 October. Nevertheless, the concern of the Alliance remains that any funding (predicated on a joint marketing budget between the private and public sector) should be sufficient and sustainable to ensure a programme of relevant and productive marketing campaigns.

The government is mid-term in its bid to streamline tourism delivery. The Alliance welcomes the opportunity to assist the government with its deliberations and to help the industry to act in a cohesive and structured manner. The Alliance has strong links not only with key tourism-specific delivery bodies, but also with local government, through the Local Government Association. The LGA is a member of its Executive Group. It expects to forge stronger links with RDAs.

### **Future work programme**

Besides on-going lobbying (ahead of the Budget) the Alliance will be looking at two or three projects over the coming months. These will include

- Lobbying on areas of concern especially regarding the fiscal climate eg VAT on tourism services, VAT on building repairs, tourism-specific taxes (such as Air Passenger Duty)
- further work in helping to bed-down the changes in the delivery of tourism in England (and especially in London where its gateway role needs to be further and better understood)

- working to create a better marriage between the collection and supply of data by the public sector, and its usefulness and relevance to the tourism sector in general. Data should be a reliable indicator and leverage tool in assisting businesses to invest further in the provision and quality of the tourism product. The Alliance will be lobbying to achieve this.

## **Conclusion**

The Tourism Alliance represents the private sector across the full spectrum of tourism delivery. It is the outward commitment of an industry looking to help itself, and to work in partnership with the government, to help raise the standard of tourism in Britain and especially in England.

November 02

Quality:

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