REVIEW OF TOURISM STATISTICS

APPENDIX 6: Consultees' Suggestions For Data Improvements To Be Given Priority Because Of Value For TSA Development

In addition to the input-output tables and additional detail from a sample of relevant businesses considered in 7.1.43 and 44, the following areas of data were identified by consultees as possible priorities for improvement from the perspective of TSA development.

- The volume and nature of, and expenditure on, business tourism (i.e. activities within the scope of the definition of tourism which are funded by business). These statistics would need to avoid any double counting through the individual reporting the same expenditure in responding to UKTS, DVS or IPS
- Improvements to the LFS to
  - Provide more reliable SIC by SOC analyses down to 3 or 4 digits (for use in developing the employment table of the TSA – essentially by splitting employment within a detailed industry pro rata to expenditure)
  - Reduce any tendency to miss very small – infrequent – jobs, often self employed, which are relatively common in this industry.
- Foreign Direct Investment in tourism industries
- Output and employment (split between domestic and foreign) of businesses receiving such investment
- Fuller analysis of tourist expenditure; e.g. to identify hotels; B&B/hostel, use of second homes, other accommodation (e.g. campsites), restaurants, road transport, rail transport, sea transport, air transport, transport services, car hire, travel agents, various types of leisure activity; and with a regional analysis
- Imports into the sectors listed in the previous bullet
- Tourism proportions for those sectors
- Spend on package tours – allocated to the recipient areas
- Clearer data on travel costs with a consistent definition used by all sources
- Split of tourist expenditure between imports and local production
- Refinement of SIC as part of a detailed analysis of sector content from a supply perspective
- Survey-based demand side information to develop pictures of spend and behaviour patterns in a manner which supports examination of supply chains, and verification of tourism proportions for relevant industries, in a region
- Tourism investment

Appendix 7: The Scale of, and Trends in, Selected Elements of Tourism

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1 - COMPONENTS OF TOURISM EXPENDITURE

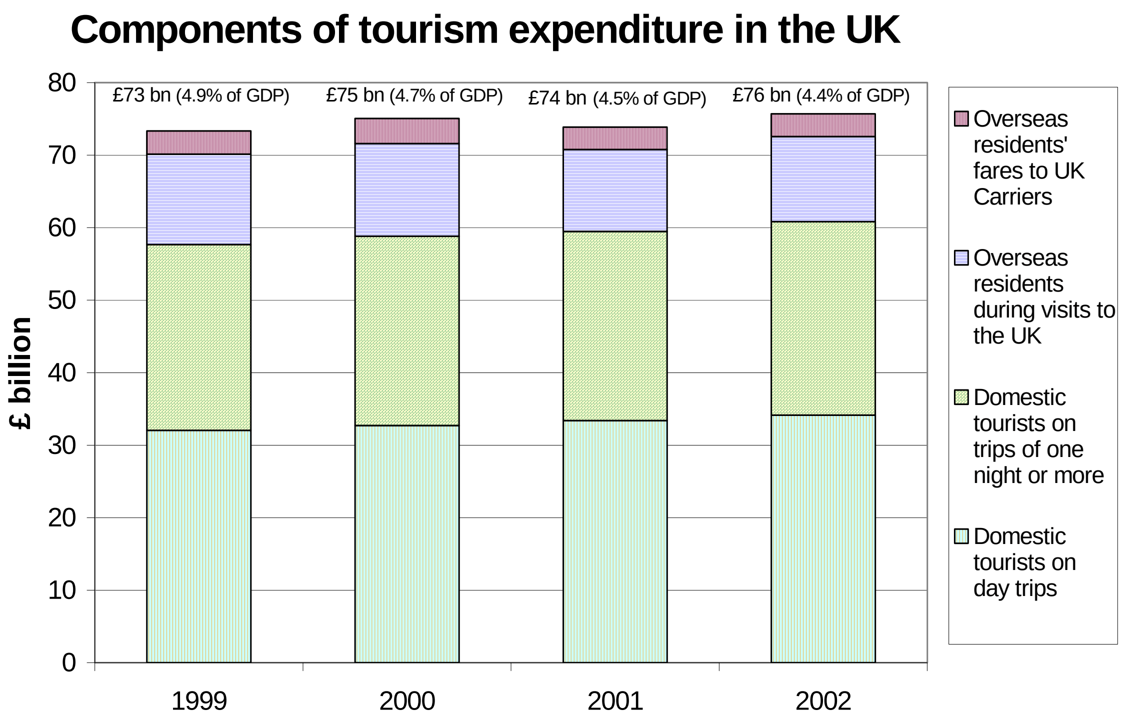
- In 2002 tourist expenditure stood at £76 billion (accounting for 4.4% of the UK economy) compared to £74billion (4.5% of the economy) in 2001.

- 20% of tourism expenditure came from inbound overseas visitors while 35% came from domestic tourism trips with an overnight stay and the remaining 45% from domestic tourism day trips.

Components of tourist expenditure in the UK £ billion

	2002	
Spending by overseas residents :		
during visits to the UK 1	11.7	16%
overseas fares to UK Carriers 2	3.1	4.1%
Spending by domestic tourists on:		
trips of one night or more 3	26.7	36%
tourism day trips 4	34.1	45%
	75.7	100%
Estimate of value added	45.4	
% of all GDP	4.4%	

1 Source: International Passenger Survey, Office for National Statistics
2 Sources: Estimates based on ONS Balance of Payments data and numbers of International Passengers
3 Source: UK Tourism Survey
4 Day trips Survey 1998 - The figures for tourism day visits expenditure is estimated by uprating the 1998 figure by inflation using RPI(X). Ie This assumes no change in visitors numbers since 1998.



- Domestic tourism expenditure has risen steadily for both day trips and trips involving an overnight stay.
- The above figures for tourism expenditure are likely to be revised following the delivery of the Department's Tourism Satellite Accounts first steps project in summer 2004.

2a – Recent trends in inbound tourism (since 2000)

i) Inbound

In 2000 there were 25.2 million visits by overseas residents to the UK. This fell by nearly 10% in 2001 down to 22.8 million. The fall was due to foot and mouth disease and the global drop in tourism following the September 11 attack.

Expenditure fell by nearly 12% from £12,805 million in 2000 to £11,306 million in 2001. The sharp fall in visits from North America (down 13% in 2001) was a key factor as North Americans traditionally spend more than European visitors.

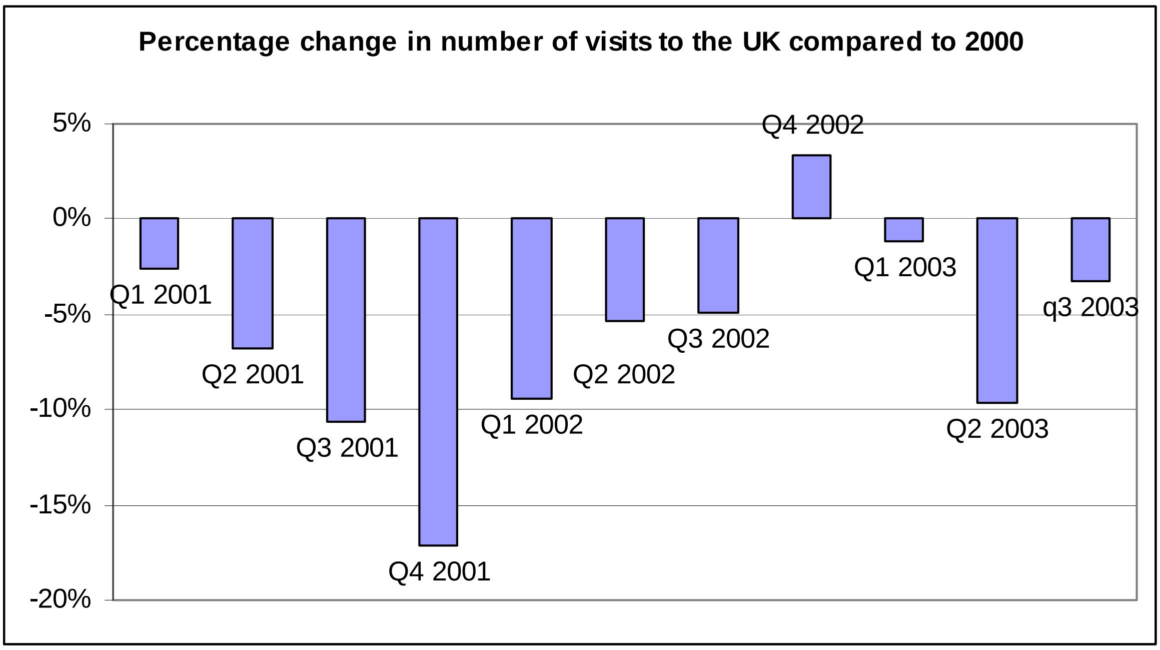
There was some recovery in 2002 (see chart below) with total visits rising by 6% to 24.2 million and expenditure rising by 4% to £11,737 million.

Provisional figures for 2003 show that the number of visits dipped sharply in the second quarter of 2003, during the second Gulf War. Total visits were down 10% from 2000 with visits from North America down 28%. Expenditure was down by 17%

The figures for the most recently available 3 months (August – October) show that there has been an encouraging recovery in the number of visitors to the UK since the end of that war. The total number of visits was approximately level with the number seen in the same period of 2000, while expenditure was down 3% from 2000. Visits from Western Europe were in fact higher (up by 5%) than in 2000 while visits from North America and All Other Areas were still slightly down, by 8% and 5% respectively.

Provisional figures for the whole of 2003 will be available from 6 Feb 2004 for inbound tourism and by the end of March 2004 for domestic tourism.

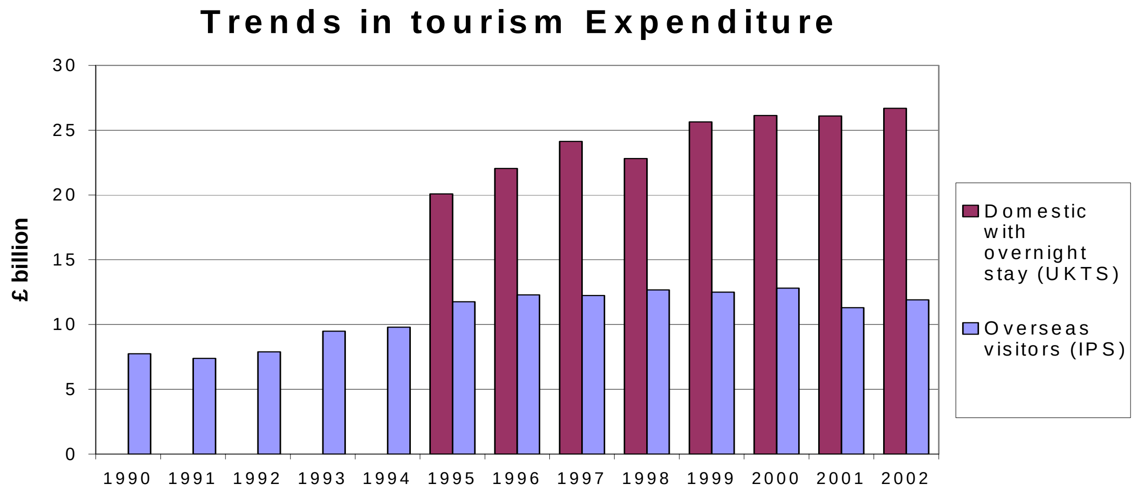
The chart below shows how total visits to the UK, compared to 2000, declined throughout 2001 but recovered in 2002 and were above the level seen in 2000 by the final quarter. In the third quarter of 2003 there was recovery back towards the 2000 level, following the end of the second Gulf War.



2b TRENDS since 1990

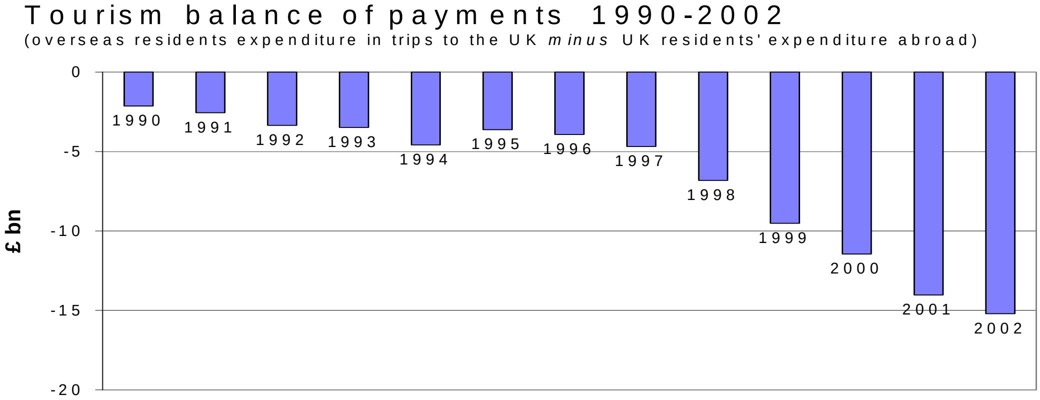
Inbound Expenditure grew steadily from 1991 to 1996 and was between £12bn and £13bn in each year from 1996 to 2000. It fell to £11.3bn in 2001 before recovering to £11.7 billion in 2002.
Domestic Tourism Expenditure grew between 1995 and 2000. It remained unchanged in 2001 and then grew by 2.3% in 2002.

The chart 'Trends in Tourism Expenditure' below shows inbound and domestic tourism expenditure each year since 1990.



Meanwhile inbound visits grew 8% per annum between 1991 and 1996, then were broadly level from 1996 to 2000. They fell by 9% in 2001 and rose again by 6% in 2002. Within these trends there are significant developments:

- numbers of business visits increased every year from 1992 (3.8 million or 21%) to 7.3 million in 2000 (29%). There were 6.8 million business visits in 2001 and 7.2 million in 2002 accounting for 30% of all visits.
- Holiday visits have fallen gradually from a peak of 11 million in 1996 and 1997. They accounted for 9.3 million (37%) in 2000, 7.6 million (33%) in 2001 and 7.7 million (32%) in 2002.
- The deficit in the balance of payments (see chart below) has increased from £3.9bn in 1996 to £11.4bn in 2000 and £15.2bn in 2002. This is due to UK outbound tourist expenditure rising by 66% since 1996, up to £27 billion in 2002, while inbound tourists expenditure has stayed quite level at around £12 billion over the same period.



3a - AVERAGE TOURIST EXPENDITURES

Expenditure by visitors from the US accounts for a fifth (£2.4bn) of the total expenditure by all visitors from overseas. (£11.7bn).

Visitors from the US spend £82 per day, which is well above the average daily overseas visitor spend of £58.

Other high daily spenders are tourists from the Middle East at £88 per day and Japanese tourists at £81 per day.

Spending by Overseas Visitors for 2002

	Spending per visit £	Spending per day £	Total Spending £ million	Visits (thousands)
Total world	481	58	11,737	24,180
Middle East	1500	88	527	350
Japan	868	81	320	368
Australia	756	45	531	702
USA	674	82	2,443	3,611
Canada	509	43	338	660
Spain	437	47	444	1,010
Italy	415	52	406	977
Germany	290	48	743	2,556
Irish Republic	274	67	674	2,439
France	238	41	733	3,077

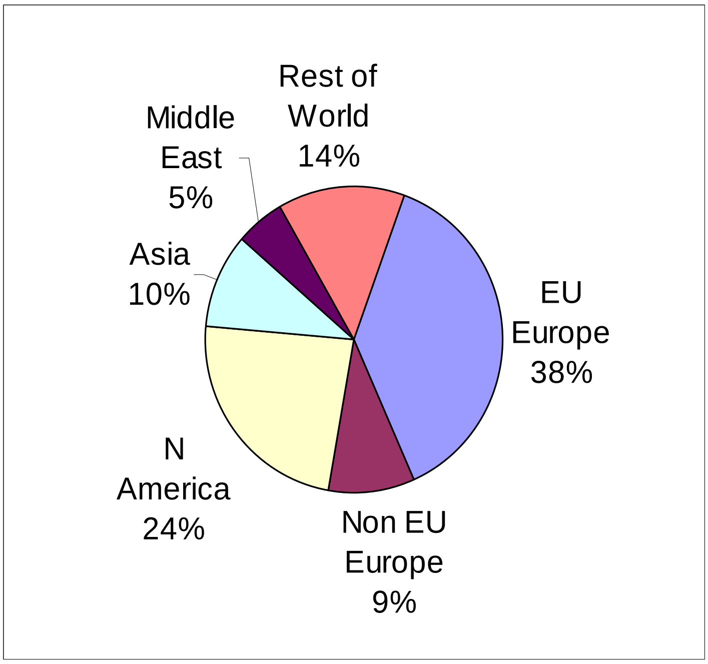
Source: International Passenger Survey — Last updated: 09/12/03

Produced by: ONS — Next update: November 2004

3b - Proportions of total Inbound

Expenditure by country in 2001

The biggest markets for inbound tourists are Europe 47% (the largest components of which are Germany and France each at 6%) and North America 24%.



4 Employment in Tourism-related industries (Provisional Figures)

Employment in the tourism-related industries in GB stood at 2.2million in the June 2003. Of these 157,000 were self-employment jobs.

The total of 2.2m was unchanged from June 2002, though some components had changed: Travel Agencies at 117,500 (–14.3%) and Libraries & Museums and Other Cultural Activities at 86,700 (+5.2%).

These data are estimates and the ONS will be revising the data early in 2004 to take account of the previous overestimates in the population figures.