

Britain's Tourism Deficit Soars Despite Record Visitor Numbers

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VisitBritain, the national tourism agency, has published a 25 year review of inbound tourism, which for the first time reveals the trends that have seen the sector moving from a surplus to a £17 billion deficit even though visitor numbers have more than doubled over the period.

The Foresight Review shows that while the numbers of inbound tourists has grown by 122% to more than 27 million between 1979 and 2004, spending has only risen by 40% in real terms, as visitors to the country spend significantly less time here and are increasingly likely to be visiting friends or relatives than coming on holiday.

In 1979, the average visitor to Britain came for 12.5 nights. By 2004 this had shrunk to just over eight nights. At the same time the 'spend per head' in real terms for each stay had fallen from more than £740 to £470 (2004 prices).

At the same time the reasons for people visiting Britain have changed dramatically since 1979. Then almost 45% were coming for a holiday. Today that proportion has shrunk to 34%. The fastest growth in visitor numbers has been in people coming to visit friends and relatives, which has risen by 249% to almost 8 million. Business traveller numbers have also risen far more quickly than tourist, up 212% compared with 68%.

As a result the total amount spent by visitors coming on holiday has scarcely risen in real terms since 1979. The actual sum in real terms spent on holidays by inbound visitors is up just 3% to £4.2 billion.

It is these trends that have driven the balance of payments in the visitor economy. In 1979 Britain recorded a surplus of more than £2 billion as the amount spent by visitors coming to the country exceeded the sum spent by Britons abroad. By 2004 that had been transformed to a deficit of more than £17 billion. Last year UK residents spent £2.32 overseas for every £1 that was spent in Britain by overseas visitors.

There is some good news in the survey for the British visitor economy however. Britain is still recording faster growth in visitor numbers than many of our traditional competitors. In addition the pattern of inbound tourism is far less seasonal than it was in 1979.

Tom Wright, chief executive of VisitBritain, commented: 'These figures graphically demonstrate both the success of Britain's visitor economy and everyone working in it but also the challenge we face. VisitBritain's work has helped to double the number of visitors to Britain since the days of the Sony Walkman and the Winter of Discontent, but the figures on the growth of tourism's balance of payments make sobering reading.

'Britain really must do everything it can to stimulate and encourage its visitor economy. We need first class attractions, destinations and hospitality, and a compelling Britain brand to prosper in an increasingly competitive global market. We cannot ignore the fact that spending by inbound tourists to Britain has not risen in any significant way in the past quarter of a century and everyone in the public and private sector needs to address that.'

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