

Data Alert: UK Visitor Statistics 2010

Latest ONS release

February 2011

Introduction

These data alerts highlight key economic statistics as they are released and relate the messages they convey to the SW economy.

This particular alert considers the UK international visitor numbers just released for 2010. The main message for SW business is that the market has been contracting in real terms as a result of the world economic downturn.

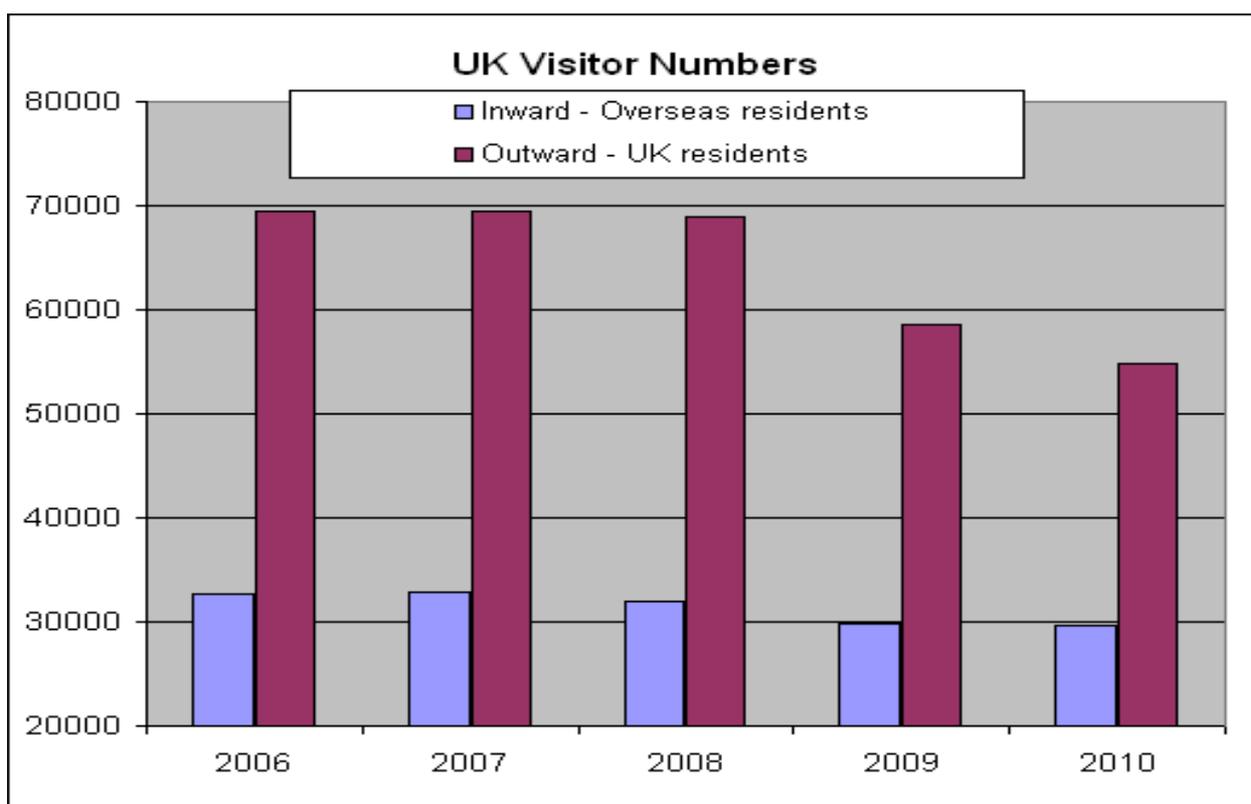
The region’s share of international visitors is relatively low at under 6% of overseas visitor spend. This, however, is distorted by London which accounts for half of the total. Take London out and the SW performance is relatively strong (though concentrated in a few key spots).

The key question going forward is will the SW visitor economy invest enough to attract even more visitor spend from foreign and non-regional domestic visitors as it strives to rebalance its earning power from “exports”?

Data Headlines

At the end of 2010, international travel in and out of the United Kingdom was severely impacted by the adverse weather. Nevertheless, this only emphasised the trend for the year. In 2010, visitors to the United Kingdom by overseas residents were 1% lower than in 2009 and visits overseas by UK residents were down 6%.

The total numbers were 29.6 million and 54.9 million respectively. These compare with recent peaks of 32.8 million in 2007 and 69.5 million in 2006 respectively (see chart).



Overseas visitors to the United Kingdom came for various reasons: 39% for holidays, 23% for business and 28% to visit friends and relatives: 74% came from Europe, 11% from North America and 15% from elsewhere.

UK travel overseas was 78% to Europe, 6% to North America and 16% elsewhere. By purpose, 66% were for holidays, 12% for business and 19% to visit friends and relatives

UK earnings from overseas visitors were estimated at £16.7 billion in 2010, only 0.4% higher than in 2009 – a fall in real terms.

UK residents spent £30.9 billion overseas; 2.6% lower than the previous year. The UK visitor deficit was £14.2 billion – down from a peak of £20.5 billion in 2008.

Prospects

In 2011, with spending power under pressure from falling real incomes, job losses and tighter fiscal policy in many countries, you might expect the visitor numbers to SW England to contract.

It is difficult to assess, ex ante, however which way it will go. The household and business choice on travel is affected by a range of relative factors such as price incentives and currency movements, political risks and travel disruption, length of stay and spend per visit, personal preference and experience and, of course, the weather and “events” (the Royal Wedding in 2011 and the Olympics in 2012).

A range of scenarios is possible from fewer traditional but more shorter visits, to the same visits with less spend. In times of comparative austerity, though, you would expect competitive value to be a key criterion in choice of destination and expenditure for most visitors.

With money tight for many households, a shift of emphasis towards business related travel is probably advisable, assuming there is some growth in the economy and some rebalancing towards exports.

Nigel Jump, February 2011



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