

Tourism Industry Performance Review (2008 / January to March 2009)

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Summary:

- Overseas visits to the UK throughout 2008 were down two percent compared to the same period in 2007. Spending increased by 3%.
- Results from the UKTS suggest a drop of 5% in overnight trips in England over the year of 2008 compared with 2007. Spending decreased by 1%.
- Chain hotel annual occupancy rates for the first three months of 2009 were down 3.8% nationally compared with those achieved in 2008.
- Visitor numbers to attractions in England were down 1% in quarter four (October to December) compared to the equivalent quarter in 2007.
- Visitor numbers to the South East were down nearly 9% for 2008 compared with 2007. Spend remained the same.
- Regional serviced occupancy rates for the first three months of 2009 dropped 4.7% compared with the same period in 2008.
- Forty-six percent of businesses reported a decline in guest/visitor numbers during January to March of this year compared with the same period last year. Eighteen percent experienced an increase in guest/visitor numbers and 36% had a similar volume of guest/visitors
- Forty-seven percent of businesses reported a decline in income received from guest/visitors during January to March 2009 compared with the same period in 2008. Seventeen percent experienced an increase in income received from guest/visitors and 36% had a similar level of income from guest/visitors.

The National Picture:

Overseas Visitors:

- The number of overseas residents visiting the UK during the year of 2008 was down two percent compared with numbers recorded for the year 2007.
- Visitor spending for the year increased by 3% compared with 2007.
- Visits from North America were down 13% for 2008 compared with 2007.
- Visits from Asia had decreased by 2%, although this was not represented by all the individual Asian countries, notably visitors from Singapore and India, which were up 25% and 8% respectively.
- Visitor numbers from Latin America increased by 21%.
- The number of overall visitors from Europe decreased 1% compared to 2007. Visitor numbers from Germany, Switzerland and Austria fell 12% and visitor numbers from Russia decreased by 6%. However numbers from Central Europe rose 11% and visitors from Greece increased by 33%.

Overseas visitors to UK, January – December 2008/2007

	VISITS		SPEND	
	(000)	% change 08/07	£m	% change 08/07
January – December 2008	31,868	-2	16,359	+3
January – December 2007	32,778	-	15,959	-

Source: *International Passenger Survey, Office for National Statistics*

Domestic Visitors:

- According to the January – December 2008 figures from the United Kingdom Tourism Survey for England there was a total of 95.5 million overnight trips made by UK residents in England, a decrease of 5% compared with 2007.
- Holiday and VFR were the reasons for the majority of the trips (40% and 38% respectively).
- Visitor spending for this period was £16.4 billion, down 1%. This was the first year-to-date figure since the beginning of the year that was not a positive number.
- The number of outbound visits from the UK by UK residents over this period decreased 1% compared with 2007 yet outbound spend increased by 3%.

Domestic Tourism (England) January – December 2008/2007

	TRIPS		SPEND	
	(Mn)	% change 08/07	£m	% change 08/07
January – December 2008	95.5	-5	16,433	-1
January – December 2007	100.2	-	15,531	-

Source: *United Kingdom Tourism Survey, VisitBritain*

The Hotel Sector:

TRI UK Chain Hotels Performance – January to March 2009

		2009	2008	Difference 09/08 % Points
London Hotels				
Occupancy	%	72.9	76.6	-3.7
Hotels Outside London				
Occupancy	%	61.4	65.2	-3.8
UK Hotels				
Occupancy	%	65.5	69.3	-3.8

Source: TRI Hospitality Consulting

- Recent results from the TRI Hospitality Consulting chain hotel survey (3 and 4 star hotels) indicate that occupancy rates have fallen in UK Hotels over the January – March period in 2009 compared with 2008.

The Attractions Sector October to December 2008:

- Visitor numbers to attractions across England in the fourth quarter of 2008 were down 1% compared to the fourth quarter of 2007.
- Visitor numbers in October were 2% up compared to October 2007. However November remained the same and December dropped 8% compared to the respective months the previous year.
- Thirty-four percent of attractions recorded higher volumes of visitors than the fourth quarter of 2007 and 32% percent felt their admissions had declined (percentage of attractions who felt business had declined has improved since quarter three when 33% recorded higher volumes).

The Regional Picture:

Domestic Visitors:

- According to the January – December 2008 figures from the United Kingdom Tourism Survey there was a total of 16.3 million overnight trips made by UK residents to the South East, a decrease of nearly 9% compared with 2007.
- Visitor spending for this period was £2.4 billion almost the same as 2007. Although the percentage change in number of trips had dropped more for the South East than England the percentage change in spend was more positive.

Domestic Tourism (England) January – December 2008/2007

	TRIPS		SPEND	
	(Mn)	% change 08/07	£m	% change 08/07
January – December 2008	16.3	-8.8	2,350	-0.1
January – December 2007	17.9	-	2,353	-

Source: United Kingdom Tourism Survey, VisitBritain

Regional Serviced Accommodation Occupancy:

- The *provisional* regional occupancy data for all serviced accommodation for the first three months of 2009 indicates that room occupancy in the region has dropped by 4.7 percentage points compared with 2008.

South East Serviced Accommodation Occupancy Rates. January to March 2009

	2009 Room Occupancy (%)	2008 Room Occupancy (%)	Difference 09/08 (% Point)
South East Region	43.5	48.2	-4.7 Points
Berkshire	47.0	49.7	-2.7 Points
Buckinghamshire	40.4	52.5	-12.1 Points
East Sussex	38.0	36.2	+1.8 Points
Hampshire	48.6	55.5	-6.9 Points
Isle of Wight	37.2	27.9	+9.3 Points
Kent	38.8	43.1	-4.3 Points
Oxfordshire	51.2	59.0	-7.8 Points
Surrey	44.3	64.8	-20.5 Points
West Sussex	48.5	48.1	+0.4 Points

Source: TSE Regional Serviced Accommodation Occupancy Survey 2009

- Isle of Wight had the highest increase with a difference of +9.3 percentage points compared to the same period in 2008.
- Six regions experienced a drop in occupancy rates over the first three months compared with 2008.

The Attractions Sector: October to December 2008:

- South East visitor attractions participating in the Attractions Monitor reported an overall decline in visitor admissions (-6%) over the October to December period 2008 compared with to the same period in 2007, which followed the trend for England as a whole. The South East experienced the highest decline of all the regions across England.
- October showed an increase of 1% in numbers, 1% lower than England as a whole.
- November and December were the poorest performing months for South East attractions with declines of -7% and -14% respectively in visitor numbers.

	Total Qtr 4 Change (%)	October change (%)	November change (%)	December change (%)
South East	-6	+1	-7	-14
England	-1	+2	0	-8

Source: VisitBritain England Attractions Monitor

Business Confidence in the Tourism Industry across the South East region:

- Forty-six percent of businesses reported a decline in guest/visitor numbers during January to March 2009 compared with the same period in 2008. Eighteen percent experienced an increase in guest/visitor numbers and 36% had a similar volume of guest/visitors.
- Forty-seven percent of businesses reported a decline in income received from guest/visitors during January to March 2009 compared with the same period in 2008. Seventeen percent experienced an increase in income received from guest/visitors and 36% had a similar level of income from guest/visitors.
- Thirty-one percent of businesses interviewed expect performance overall to be down in 2009. Twenty-five percent remain optimistic for the year ahead and expect performance to improve and 31% expect their overall performance to be the same. The remaining 13% of businesses were unsure and unable to comment

Prospects for remainder of 2009

- VisitEngland are suggesting that 1 in 5 Britons who holidayed abroad last year will choose to stay in the UK this year for their summer holiday to save money.
- Many Britons are determined not to loose out on a holiday this year so holiday makers are being cost conscious and are managing their budgets carefully. A recent survey by TravelMole shows holiday makers in the UK are opting for lower grade accommodation, fewer days out and reduced number of activities. Forty-nine percent (of a poll of 1,500) said they would cut back on expensive excursions, water sports and theme parks due to high costs.
- Holiday parks are proving to be popular this summer - according to Travelsupermarket.com 1 in 10 will visit a holiday park this year. Visitors may decide to save on extra costs by staying in the holiday park for the whole holiday and not venture out to nearby destinations and attractions.
- In March 2009 Centre Parcs reported an increased interest in breaks nearer home this year due to recession and cost of holidaying abroad. They are on course for a record at the end of this financial year with an average occupancy of more than 95%. Bookings for 2009 are 4.6% ahead of last year. Pontins has seen a 20% rise in bookings compared to last year and Butlins has seen an increase of 15% in visitor numbers over the July / August period.
- Out of all the regions South East were proven to be the most likely to visit this year according to a travelsupermarket.com survey. Camber Sands (East Sussex) and Bognor Regis are in travelsupermarket's top 10 UK destinations this summer.
- According to the SEEDA update in March Caravan Parks are also seeing a rise in bookings with some up 40% compared to last year. Visitor numbers to museums and heritage centres are also up so far this year.