



## DEBATE PACK

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# Potential effect of the UK leaving the EU on UK tourism

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## Summary

This debate pack has been prepared ahead of the Westminster Hall debate on the potential effect of the UK leaving the EU on UK tourism, initiated by Nigel Huddleston MP, to be held on 12 October 2016 at 4:30pm.

For further information on tourism, please see the House of Commons Library Briefing Paper, [Tourism: statistics and policy](#).

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

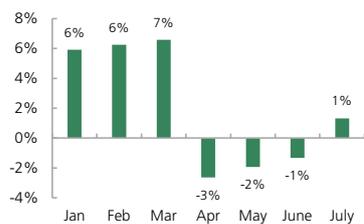
# 1. Statistical summary

Since the EU referendum in June 2016, there has been scant official data showing how UK tourism has been affected by the decision to leave the EU. What data has been published is presented below, with a brief discussion of the impact of the fall in value of Sterling since June.

## Visitor numbers

In July 2016 (the first full month after the referendum) there were

**Overseas residents' visits to the UK, 2016** 3.1 million [foreign visitors to the UK](#),  
*% change on previous year, seasonally adjusted* up from 3.0 million in July 2015  
 (using seasonally adjusted data).



This 1% increase in foreign visitors is notable because it follows three successive months of declining foreign visitor numbers compared with the same months in 2015.

This data suggests that the UK became more attractive to foreign visitors in the period immediately after the referendum, perhaps as a result of the increased coverage that the UK received in foreign media, and because of the fall in the value of the pound which reduced the cost of visiting the UK.

## Domestic tourism

Domestic tourism (holidays by UK residents to elsewhere in the UK; or 'staycations' as they are sometimes called) is an important part of the tourism industry. In 2015, there were 124 million overnight visits by British residents to elsewhere in Great Britain.

[Data on overnight domestic tourism](#) is not available for the post-referendum period. However, some data on [domestic day trips](#) is available. In the three months to August 2016 (so including the immediate pre-referendum period as well) there were 494 million domestic day trips, up 11% on the same period in 2015.

## Exchange rates

Exchange rates are important in the tourism industry. A weaker pound is effectively a price cut for foreign visitors to the UK – their money is worth more in the UK than it was previously. Conversely, for UK residents going abroad, a weaker pound means that the value of their money falls and their foreign holidays become more expensive.

The value of the pound declined sharply against the dollar and the euro following the referendum (Europe and America are the UK's biggest overseas tourism markets).

The value of the pound has remained subdued in the months since then and in early October it was around 12% down against the dollar and the euro compared with the mid-June level.

## 2. Press Articles

The following is a small selection of recent press and media articles which may be relevant to this debate. Please note: the Library is not responsible for either the views or accuracy of external content.

[Tourist industry jumps on Brexit-inspired wave](#)

The Times

Dominic Walsh, 10 September 2016

[Theresa May announces £40m fund to boost post-Brexit UK tourism](#)

The Guardian

Jessica Elgot, 26 August 2016

[UK staycations grow in strength as pound weakens: Visit England looks to build on rising number of Britons taking bank holiday break at home as exchange rates and terror attacks deter foreign travel](#)

The Guardian

Sarah Butler, 26 August 2016

[Theresa May says Brexit can boost UK tourism as she encourages families to go on 'staycations'](#)

Daily Telegraph

Laura Hughes, 25 August 2016

[UK businesses upbeat as weak pound triggers mini tourism boom](#)

Financial Times

Paul McClean, 12 August 2016

['Staycation' boost to UK economy as millions of families shun foreign holidays](#)

Daily Telegraph

Katie Morley, 21 July 2016

[Sharp rise in cost of holidays abroad leads to staycation boom](#)

The Guardian

Isabel Choat, 10 July 2016

[How the UK plans to tempt international tourists post-Brexit](#)

Daily Telegraph

Hugh Morris, 30 June 2016

[UK tourism set to benefit from weak pound](#)

Financial Times

Murad Ahmed and Paul McClean, 27 June 2016

[How Brexit will affect British tourism](#)

The Independent

Simon Calder, 5 June 2016

[What could Brexit mean for the UK's travel and tourism industry? It could depend on whether we join the European Economic Area and if we require EU citizens to apply for visas to enter the UK](#)

The Guardian

11 May 2016

[Brexit threatens London's world beating tourism industry: Don't let the capital become a museum](#)

City AM

Matt Hill, 24 May 2016

### 3. Press Releases

#### [Government invests £40 million and cuts red tape to boost tourism across England](#)

Department for Culture, Media and Sport

26 August 2016

Towns and cities from across England will benefit from a £40 million fund to deliver new tourism outside London and ease travel around Britain, helping visitors from abroad as well as Brits holidaying at home to explore the wealth of tourism opportunities across the country.

The announcement comes as we go into the August bank holiday – the perfect time to enjoy the world class attractions the UK has to offer.

The first grants from the £40 million Discover England fund have been awarded to projects and organisations in different geographic areas to join up and create offers that can attract tourism outside of London.

Funding will go on projects to shine a spotlight on some of the country's great cultural and sporting assets, from music festivals to championship golf courses and our world-class cuisine. This investment in tourism and support for local businesses will ensure that Britain remains a world beating destination for visitors from across the globe.

2015 was a record-breaking year for UK tourism - with over 36 million overseas visitors spending £22.1 billion. The tourism industry and the Government are working hand in hand to build on this success to generate more investment and jobs right across the country.

The Government has also today, Friday 26 August, published its [Tourism Action Plan](#) which includes a series of new initiatives and measures to help Britain out-compete other major tourism destinations, welcoming more international visitors than ever before and see more "staycations" as Brits holiday at home.

The new initiatives include:

- Making travel easier with a new GREAT tourism rail offer, including five new easy to book rail itineraries to help tourists seamlessly travel around the UK. The Government in association with VisitBritain and the Rail Delivery Group will launch a competition for five pairs of people to road-test the itineraries.
- Addressing the industry's seasonal nature through a flexible apprenticeship scheme that allows training to be completed over 16-18 months rather than 12, with breaks included.
- Cutting red tape with sensible regulation by changing licensing to allow B&Bs to offer a welcome drink, and modifying vehicle licensing will allow B&B owners to pick up visitors from train stations.

This work is supported by industry partners including a £10.2m partnership between VisitBritain and Expedia to market Britain abroad to key markets including USA, Germany and France.

Prime Minister Theresa May said:

Tourism is vitally important to the UK and the sector goes from strength to strength. Our stunning scenery, centuries-old monuments and cultural traditions continue to draw visitors from both home and abroad.

The British people's decision to leave the European Union creates real opportunities for growth and we will work in close partnership with the tourism industry, to ensure it continues to thrive as negotiations on the UK's exit progress.

We are making it easier for visitors to travel beyond London and experience all of the world-class attractions the UK has to offer, to make sure the benefits of this thriving industry are felt by the many and not the few.

We will make sure Britain is even more attractive, accessible and welcoming to visitors.

Secretary of State for Culture, Media and Sport Karen Bradley said:

With world-class museums, fantastic heritage sites and stunning countryside the UK has a lot to offer tourists - from both home and abroad.

Through the Discover England Fund and working with the industry, I look forward to helping further strengthen tourism outside London to ensure that growth from the sector is enjoyed right across the whole country.

This comes as the Communities Minister Andrew Percy sets out plans to establish 20 new coastal communities teams in our seaside towns, that are so vital to the tourist economy. This will build on the work of the 118 team of volunteers already working to make their communities better places in coastal towns around the country.

Coastal Communities Minister Andrew Percy said:

Across our Great British Coast we've got an amazing variety of resorts to be proud of from Cleethorpes to Brighton and beyond.

People in those areas can now come together and bid for Government cash to revive tourist attractions to their former glory.

We've got sight-seeing gems that are a match for anywhere in the world and I'd urge families to take a trip down to the seaside to discover them.

## 4. Parliamentary Material

### 4.1 Parliamentary Questions

#### [EU Referendum: Discussions with Business](#)

##### **Asked by Caroline Ansell**

My home constituency of Eastbourne and Willingdon is a long-established, beautiful seaside destination, with big future ambitions, including for a new hot air balloon festival in 2017. Tourism is the lifeblood of my town, and I am delighted to be welcoming the Eastbourne Hospitality Association to Parliament today. Will the Secretary of State tell me whether he has had discussions with the tourism industry about reducing the level of VAT on tourism services to bring us into line with competitor destinations in the EU, and to give our industry a competitive platform from which it can stimulate investment, create jobs, deliver growth and take full advantage of the opportunities in life after Brexit?

##### **Answered by Greg Clark**

My hon. Friend is a big campaigner for the tourism industry. I welcome her visitors today, as I am sure the whole House does. We have the highest VAT threshold in the European Union, so many small businesses do not need to charge VAT. But I will continue discussions with her—the hot air balloon festival sounds a very tempting excursion, perhaps for many Members. I look forward to continuing these discussions with her and her colleagues.

[HC Deb 13 Sept 2016, c 746](#)

### 4.2 Debates

#### [Brexit: Tourism and Hospitality Industries](#)

HL Deb 18 Jul 2016, c 435-37

#### [EU Withdrawal: Tourism and Hospitality Industries](#)

HL Deb 18 April 2016, c 440-42

## 5. Further Reading

[Tourism: Statistics and policy](#), House of Commons Library Briefing Paper, 29 June 2016

[Tourism Action Plan](#), Department for Culture, Media and Sport, 26 August 2016

[Global Travel and Tourism Economic Impact Update](#), World Travel and Tourism Council, August 2016

[Referendum Impact Survey](#), Tourism Alliance, August 2016

[What Brexit might mean for UK travel](#), Association of British Travel Agents, March 2016

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