



# Tourism: A Passport to Growth

## *FSB one page briefing*

The UK is going to be centre stage in the coming years with the 2012 Olympic and Paralympic Games, the Champions League Final, the Rugby League World Cup, the Commonwealth Games and the Rugby Union World Cup all being hosted on these shores.

Increasing tourism not only benefits tourism businesses but also has knock-on effects to other parts of the economy. Increased visitor numbers benefit the retail, food & drink and leisure sectors as well as stimulating regeneration and improvements in infrastructure – this is known as the multiplier effect.

In order to strengthen the tourism industry the FSB proposes the following:

### **Pass responsibility for tourism to the Department for Business, Innovation and Skills**

Responsibility for tourism officially lies within the remit of the Department for Culture, Media & Sport (DCMS), yet tourism is subject to a myriad of legislation and regulation that originate from other government departments.

### **Reinstate the level of funding Regional Development Agencies (RDAs) allocated for regional promotion of tourism**

With the dissolution of the RDA structure, the 'single pot' funding for tourism looks likely to disappear which will have severe consequences for tourism activity at a local level.

### **Incentivising local authorities to encourage tourism in their areas**

Attracting tourists to an area should mean more local prosperity but for too many local authorities an increase in tourism means more money that will have to be spent on cleaning pavements, maintaining beaches and disposing of rubbish.

### **Make the UK more competitive compared to other leading tourism destinations**

In order to increase the level of inbound tourism to the UK we must look at the issues that make us internationally uncompetitive compared to other key tourism destinations. The FSB recommends: a reduction or the removal of Air Passenger Duty; consideration to be given to lower the rate of VAT for tourism related services; and reform of the visa system in order to encourage inbound tourism.

## Key Statistics

- Tourism was worth £115bn to the UK economy in 2009 – equivalent to 8.9 per cent of UK GDP (Deloitte)
- Over 2.6 million jobs are supported by tourism in the UK - which means that one in twelve jobs is currently either directly or indirectly supported by tourism (Deloitte)
- VisitBritain estimate that every £40,000 spent in the visitor economy creates one new job
- Every £1 spent on tourism marketing can generate up to £37 in tourism revenue (Highland Council)
- Every region in the UK receives at least £5bn a year in tourism expenditure and employs over 100,000 people in related industries (Tourism Alliance)

#### **For further information:**

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