



Out of the ballot box

HOSPA CEO Carl Weldon takes stock of the likely impact of the new government on tourism

I was recently asked about the effect of the election result. Being somewhat non-political in terms of activity my only comment was that it would certainly appear that the business community – and many of those connected via jobs and their living to it – voted Conservative. In other words voted for their commercial future rather than any political bias.

Tourism was actually listed in the main Election manifestos for the first time which was recognised and welcomed by the BHA - Ufi Ibrahim, CEO of the BHA who pointed out: "For the first time ever, tourism and hospitality has been recognised as a key contributor to jobs and the economy across the manifestos of several key parties. This is a small triumph, not only for the BHA, but for the 3 million people working in our industry who together make a significant contribution to the country's GDP. This is just the first step." See the BHA's website for further comment.

After the election Ufi added: "The threat of having no clear winner in the general election was just as bad as the wrong result for business and consumers. Now the coalition veil has been lifted there is no room for excuses. The hospitality and tourism industry expect the new Conservative Government to start delivering from day one.

"Our top agenda item for the Prime Minister and the Chancellor is to cut tourism VAT to 5% which could massively boost jobs, bring billions of new revenue to the Treasury and directly improve the livelihoods of people in struggling communities

across the UK. Let's hope consumers are the winners in the final result and can look forward to the benefits of an increasingly healthy economy."

The sector was largely reticent to lay its political heart on the line - a week being a long time in politics - but Christie & Co said that it welcomed "news of a majority government, positive news for all businesses and brings stability to the sectors in which we operate".

Graham Dodd, Development Director (UK & Ireland) at Hilton Worldwide, told us at HOSPA: "I think much will become clearer once we know what our In/Out future is within Europe. In reality, I don't think anyone can say for sure that coming out would be disastrous but that won't stop the scare-mongering. Tourism is one thing but a strong corporate market is also important and frankly, the biggest impact either way is probably exchange rate movements.

"The strong pound recently has done us no favours in terms of attracting visitation into the UK and the uncertainty around the future of the Euro won't help. Understanding how that is likely to change in the near future is a key indicator of tourism visitation and spend."

Looking wider afield at the wider economic area in which we operate a recent report from Visit Britain underlined that it bodes well for tourism in the UK.

"Inbound tourism is already one of Britain's top export industries and its record performance since the Olympics bodes well for the future." As you can see from some of the graphics taken from the report, the growth of the sector is important to the future health of the UK economy.

A recent World Economic Forum Report has the UK as ranked fifth in the world for tourism competitiveness based on a number of criteria, including business environment, safety and security, and health & hygiene.

So considering this all from a hospitality business point of view it is interesting now to see if the excellent initiative of the Tourism Council that was started off last June will continue its good work albeit having to wait for the change of government and personnel to take effect

There is consideration that this Council should 'strengthen and broaden' its remit by adding in further governmental attendees and therefore input. Simon Vincent – President of Hilton EMEA and Joint Chair of the Tourism Council wants to ensure there really is 'cohesive thinking' within this group - and ensure that there are realistic achievable objectives rather than just 'grand designs'.

We must ensure that Tourism and Hospitality does NOT come under threat in the Government's CSR (Comprehensive Spending Review) and that areas such as the Trailblazers scheme for apprenticeships does include Hospitality and Tourism related sections from the start in future rather than when pressure is brought to bear – but chefs apprenticeships are now in that agenda.

Building our reputation and standing as an industry with government can only help ourselves and the wider economy in the end. It appears to be a 'no-brainer' given that we employed

International tourism had a **record breaking** 2013...

£21bn spent by overseas visitors

32.9m visits from overseas

13% increase on 2012

6% increase on 2012

...and generated **revenues** directly to the Exchequer

c.£6.7bn tax in 2013 from inbound tourism

Source: International Passenger Survey December 2013, Office for National Statistics

9.6% of the jobs (3.1m in 2013) and £21bn was spent by overseas visitors in the same year.

We must continue to be heard by a Government that is starting to listen...perhaps?

2025

Tourism is predicted to grow...



...and be worth

£257.4bn by 2025

9.9% UK GDP

providing...

+6%

international demand growth p.a.

3.7m jobs

+1.5%

outbound demand growth p.a.

3.8%
Tourism GDP CAGR:
+0.8% higher than UK

+3%

domestic demand growth p.a.

+630,000 more tourism jobs

Source: Tourism: jobs and growth. Deloitte November 2013