

## NEWS RELEASE

### **Industry to press Prime Minister to reverse funding cuts that threaten Britain's £85Bn Tourism Industry**

The Tourism Alliance accused the Government of grossly misunderstanding and mismanaging the UK's tourism sector in a crisis meeting with Tourism Minister Margaret Hodge.

If the Olympics opportunity is squandered and forecasts of the UK's underperformance in global tourism under the Government's current policy continue, the UK could forgo 110,000 jobs and up to £5Bn<sup>1</sup> in lost revenues over the next ten years.

Industry will now write to Prime Minister Gordon Brown to press for an independent review of tourism policy, a reversal of the funding cuts and separate funding to deliver the 2012 Olympic tourism strategy.

Next week – Monday, 19<sup>th</sup> November - the Tourism Alliance will launch a '**Take Tourism Seriously**' campaign opposing Government policy supported by leading figures from business including, David Michels, former CEO of Hilton Hotels and Nick Varney, CEO of Merlin Entertainments.

Industry frustration is running at an all time high following a succession of policy decisions that have angered the 200,000 tourism businesses in Britain's sixth largest industry. Tourism leaders gave notice the 18% cut in Visit Britain's funding, which takes the total real terms cut in tourism marketing to 50% since 1997, threatened:

- UK's position as the 6<sup>th</sup> most popular world tourist destination
- 2012 Olympic tourism legacy forecast at between £2.1Bn in new revenue
- Competitiveness of UK tourism and its global market share
- Ability of VisitBritain to attract visitors from emerging markets, such as India and Asia, and stem the decline our biggest market - the USA
- Growth prospects in domestic tourism, particularly seaside tourism locations needing regeneration

Tourism Alliance Chairman, Ros Pritchard OBE commented: "*Our members are furious that DCMS is abdicating its statutory responsibility to the national tourist board. The industry deplores the obfuscation of justifying these cuts on the basis of regional and local tourism budgets.*"

*Failure to secure a change in Government policy towards a pro-tourism national agenda is the tipping point in the industry's relationship with DCMS. In the absence of the necessary leadership from DCMS, the Tourism Alliance has now lost patience with the Government's attitude toward tourism.*

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<sup>1</sup> WTTC forecasts that Britain will under perform world tourism growth by 3% from 2005 to 2015 resulting in a net loss of £3Bn income. Research by Oxford Economics predicts potential tourism benefits expected from the 2012 Olympic Games at between £1.6bn to £2.9bn for the UK depending on the right strategies and investments.

*Funding is always a clear and accurate indicator of the importance that Government Departments place on specific sectors under their remit. The 18% cut in funding for domestic and international marketing obviously means that they do not take the industry seriously."*

Speaking for the hotel industry Sir David Michels, former CEO of Hilton commented, "Changes in the global and domestic tourism market are happening at such pace that must be anticipated with strong leadership and competitive policy. Government is failing on both accounts in its mishandling of the tourism sector. As a result both our major hotel brands and the Tourism Alliance will be collectively urging Gordon Brown to re-engage in supporting tourism growth, particularly as we approach the 2012 London Olympic Games."

Meetings with opposition parties are lined up and a dossier is being compiled to expose missed growth opportunities as result of wrong policy decisions.

The Tourism Alliance will also push Government on how it will reduce the tourism balance of payments deficit that has spiralled from £5bn to £18bn per annum, now accounting for 40% of the UK's national payments deficit.

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**For further information or interview, please contact:**

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**Notes to Editor**

- Overseas visitors to the UK fell 9% in September year on year figures. In the 3month period to September visitor numbers dropped 10% while spending fell 4% compared to last year (Visit Britain).
- Spending on domestic tourism is set to fall by £1Bn over four yeas, claims new research by Key Note. Domestic tourism will be down 6.2% in 2007.
- WTTC forecasts that between 2005 and 2015 the UK will under-perform world tourism growth rates by 3% losing £3.2Bn of extra revenue
- Visit Britain Chairman Christopher Rodrigues warned in October that the UK travel and tourism industry faces a "vice-like squeeze" from 100 competing nations
- By comparison the Irish Government invests £557Mn for tourism development for 2007-2013 five year period

**Tourism Alliance**

- The Tourism Alliance is the Voice of the Tourism Industry and comprises 50 leading trade associations/trade bodies within the sector.
- It represents hotels, visitor attractions, pubs and restaurants, holiday and caravan parks, resorts and destinations, sport and leisure, travel, inbound travel sector, heritage sites and all the main tourist regions. Visit [www.tourismalliance.com](http://www.tourismalliance.com) for details
- Established in 2001 with the support of CBI and Secretary of State for Culture, Media and Sport, the Tourism Alliance represents some 200,000 businesses of all sizes throughout the UK.
- Tourism contributes 6% to UK GDP and employs 2.1M people. It is the UK's third largest export industry (£18Bn) and generates £15Bn pa in direct taxation for the UK Exchequer

