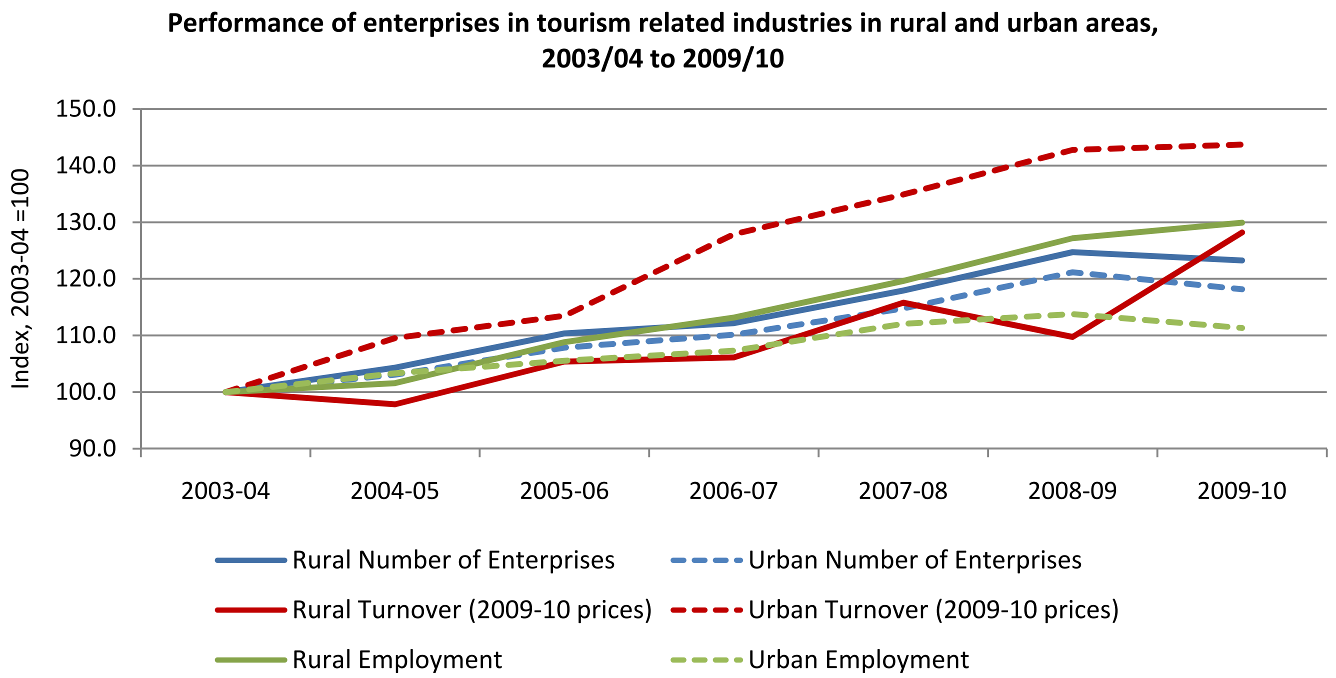
September 2011 Statistical Feature Report - Tourism

'Tourism related industries' as used extensively in this report have been identified by the Office for National Statistics (ONS) and are based on the 'United Nations International Recommendations for Tourism Statistics 2008' (IRTS 2008). The ONS definition provides a list of Standard Industrial Classification (SIC) codes at Division level which have been applied to data from the Inter Departmental Business Register (IDBR).

Key Tourism Facts

- The number of enterprises, turnover and employment in tourism related industries all increased by between 11% and 44% in both rural and urban areas between 2003/04 and 2009/10.
- Tourism related industries accounted for 10.2% of enterprises, 7.3% of turnover and 12.6% of employment in rural areas in 2009/10.
- 'Food and beverage service activities' accounts for 42.1% of enterprises, 25.7% of turnover and 44.4% of employment within rural tourism industry, making it the largest division.
- In rural England, 10.6% of local business units are in tourism related industries. This compares to 27.5% in National Parks and 12.3% in Areas of Outstanding Natural Beauty (AONBs).

Performance of tourism related industries



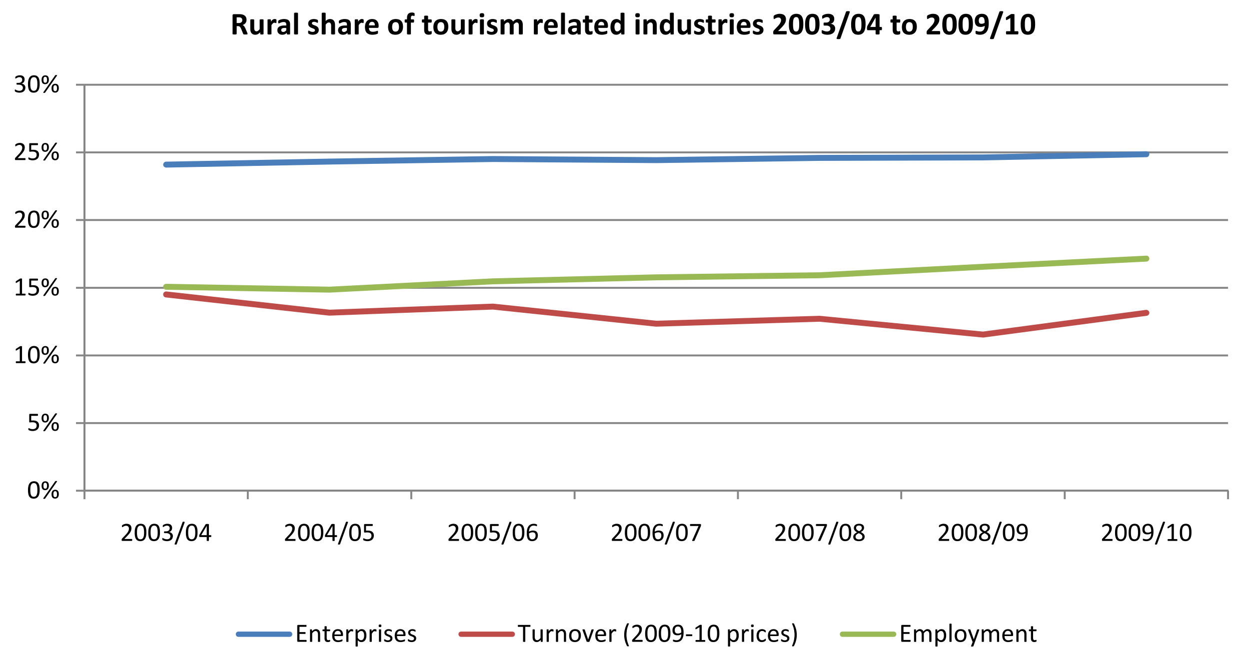
Performance of enterprises in tourism related industries in rural and urban areas, 2003/04 to 2009/10
Index, 2003/04 =100

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Rural Number of Enterprises	100.0	104.3	110.4	112.2	117.9	124.7	123.2
Urban Number of Enterprises	100.0	103.1	107.8	110.2	114.8	121.2	118.2
Rural Turnover (2009-10 prices)	100.0	97.9	105.4	106.1	115.8	109.8	128.2
Urban Turnover (2009-10 prices)	100.0	109.5	113.5	127.9	134.9	142.8	143.7
Rural Employment	100.0	101.6	108.8	113.2	119.6	127.2	129.9
Urban Employment	100.0	103.3	105.5	107.3	112.1	113.8	111.3

Interpretation: The chart and table show that the number of enterprises, turnover and employment in tourism related industries increased by at least 11% in both rural and urban areas between 2003/04 and 2009/10. The number of enterprises and employment increased most in rural areas (23.2% and 29.9%), whereas turnover increased most in urban areas (43.7%). As a result, turnover per enterprise increased by 21.6% in urban areas from 2003/04 to 2009/10 compared to an increase of 4.0% in rural areas whilst turnover per job increased by 29.1% in urban areas compared to a decrease of 1.3% in rural areas.

Tourism is usually classed as a 'luxury good' whereby expenditure as a proportion of income will increase as incomes do. Therefore an increase in the importance of tourism related industries should be expected as incomes generally rise over time. All of the measures above except for rural turnover show a levelling off in the last year of the time series which reflects the downturn in the national economy. The increase in turnover in rural tourism-related businesses between 2008/09 and 2009/10 is interesting. It is possible that during and following the recession people took domestic holidays in rural England rather than going overseas (also known as "staycationing") which resulted in higher turnover for tourism-related businesses there.

It is important to recognise that the industries used here to represent the tourism industry (from the ONS International Tourism Classification) are very broad and will include individual enterprises that are not tourism focused. For example all enterprises classed as 'Passenger rail transport, interurban' and 'Management of real estate on a fee or contract basis' are included in this definition, despite much of the custom not coming from tourists. It is possible that some SIC codes which many people would class as tourism have been omitted, although no examples have come to light. As a result, it is suggested that the term 'tourism related industries' is used and to recognise that any nominal figures are likely to be overstated.

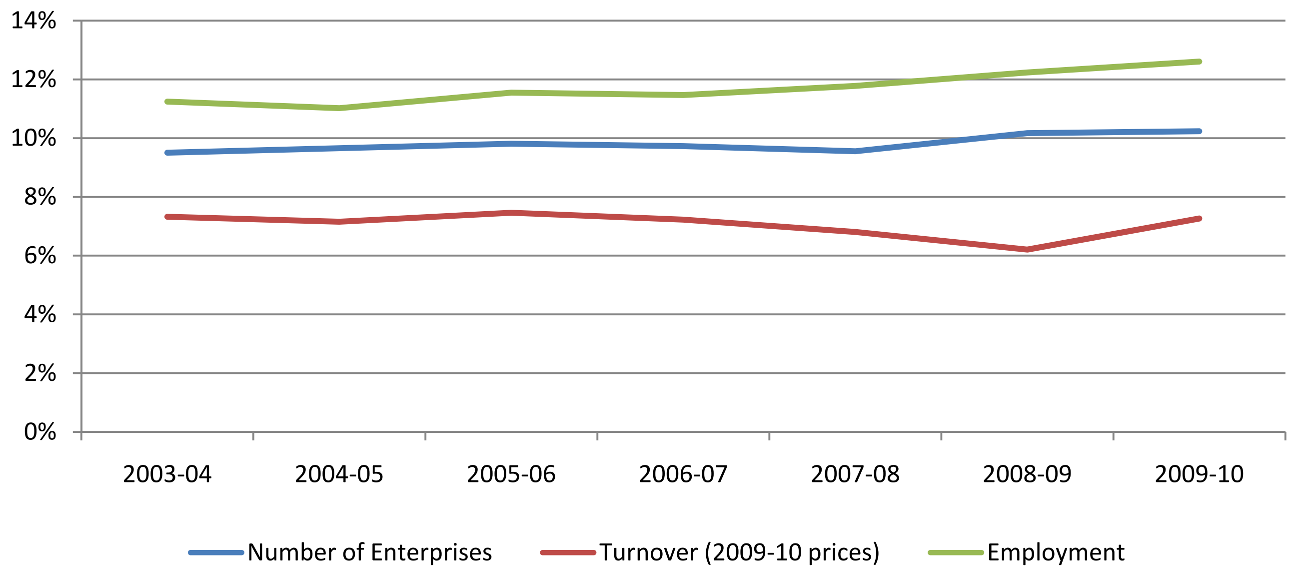


Rural share of tourism related industries 2003/04 to 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Enterprises	24.1%	24.3%	24.5%	24.4%	24.6%	24.6%	24.9%
Turnover (2009-10 prices)	14.5%	13.2%	13.6%	12.3%	12.7%	11.5%	13.1%
Employment	15.1%	14.9%	15.5%	15.8%	15.9%	16.6%	17.2%

Interpretation: The chart and table show how the rural share of tourism related industries changed over the period 2003/04 to 2009/2010. The rural share of enterprises in tourism related industries has been very stable at just under a quarter. The rural share of turnover from tourism related industries has decreased from 14.5% to 13.1% whilst the rural share of employment has increased from 15.1% to 17.2%.

Tourism related industries as a % of all industries, rural areas, 2003/04 to 2009/10



Tourism related industries as a share of all industries in rural areas 2003/04 to 2009/10

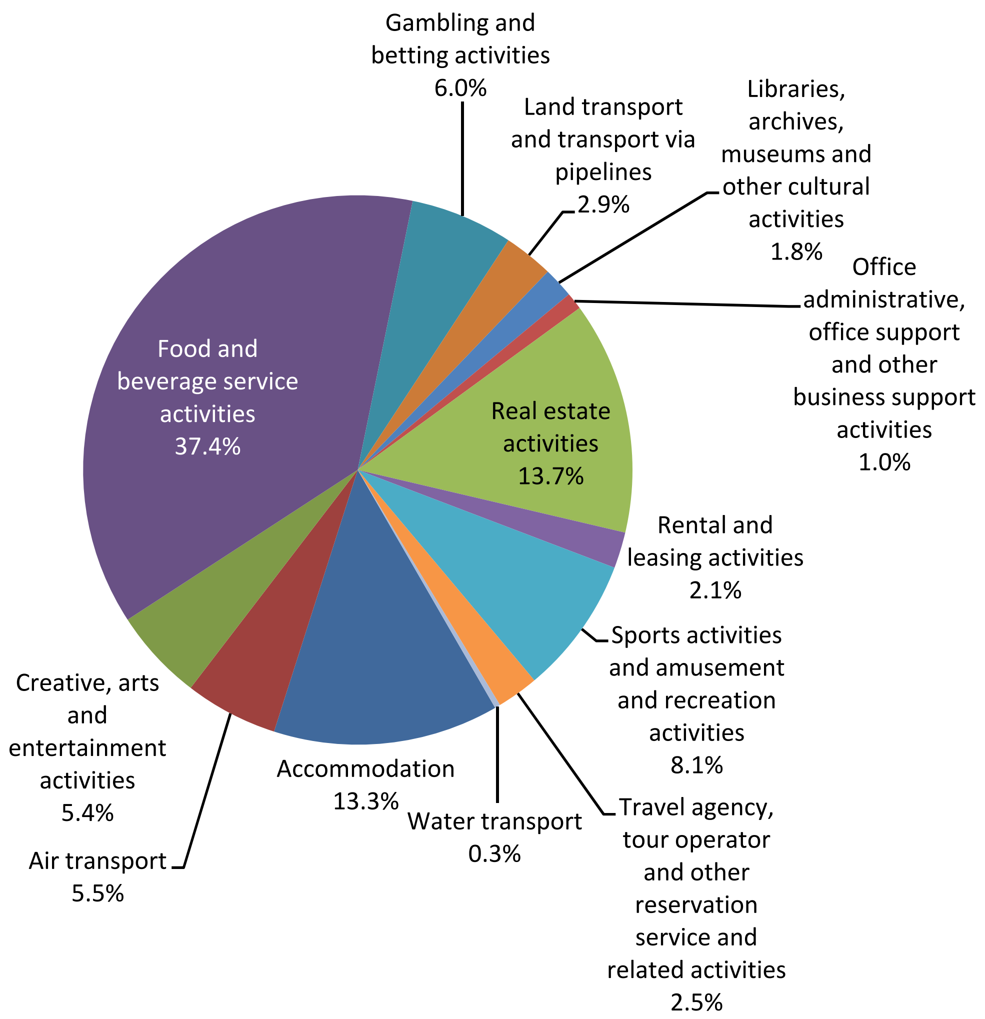
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Enterprises	9.5%	9.7%	9.8%	9.7%	9.6%	10.2%	10.2%
Turnover (2009-10 prices)	7.3%	7.2%	7.5%	7.2%	6.8%	6.2%	7.3%
Employment	11.2%	11.0%	11.5%	11.5%	11.8%	12.2%	12.6%

Interpretation: The chart and table show how the tourism related industries as a share of the rural economy has changed over the period 2003/04 to 2009/2010. Enterprises in tourism related industries have increased their share of the rural economy from 9.5% to 10.2%. Turnover from tourism related industries represented 7.3% of the rural economy in both 2003/04 and 2009/10, fluctuating only slightly in between. The share of employment accounted for by rural based tourism related industries increased from 11.2% to 12.6%.

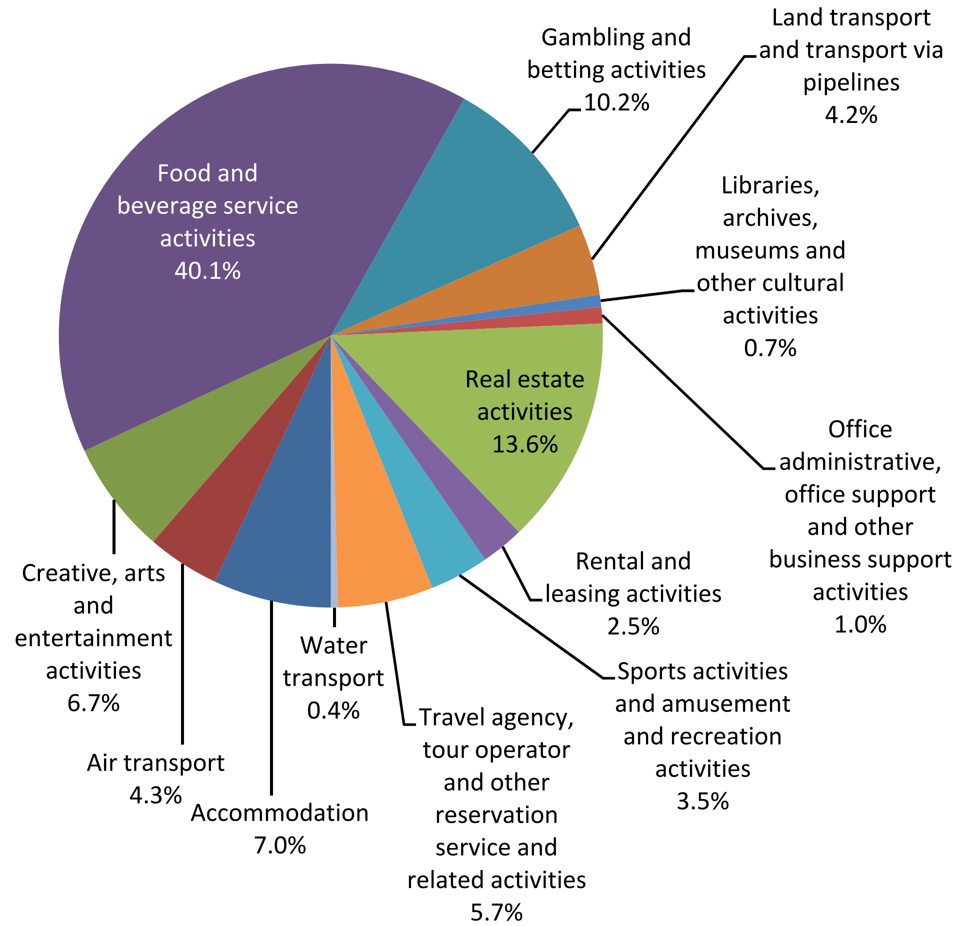
The rural share of tourism related enterprises is about 25%, which is substantially higher than the rural share of tourism related turnover or employment (both approximately 15%). This suggests that rural enterprises in tourism related industries are smaller (in terms of turnover and employment) than their urban equivalents.

Divisional breakdown of tourism related industries

Rural tourism related industries split by division, composite measure*, 2009/10



Urban tourism related industries split by division, composite measure*, 2009/10



*The composite measure is the average of the proportional contributions to tourism related industries for enterprises, turnover and employment.

Tourism related industries split by division, rural and urban, 2009/10

Standard Industrial Class (SIC) Division Description	**Enterprises**		**Turnover**		**Employment**		**Average**	
	Rural	**Urban**	**Rural**	**Urban**	**Rural**	**Urban**	**Rural**	**Urban**
Accommodation	9.1%	3.9%	12.0%	6.1%	18.7%	11.1%	13.3%	7.0%
Air transport	0.5%	0.3%	13.2%	9.6%	2.7%	3.0%	5.5%	4.3%
Creative, arts and entertainment activities	10.4%	13.4%	3.1%	3.3%	2.7%	3.4%	5.4%	6.7%
Food and beverage service activities	42.1%	46.6%	25.7%	20.9%	44.4%	52.8%	37.4%	40.1%
Gambling and betting activities	0.4%	0.6%	16.9%	25.3%	0.8%	4.7%	6.0%	10.2%
Land transport and transport via pipelines	3.6%	4.3%	2.1%	4.2%	3.1%	4.2%	2.9%	4.2%
Libraries, archives, museums and other cultural activities	0.9%	0.4%	1.2%	0.5%	3.3%	1.4%	1.8%	0.7%
Office administrative, office support and other business support activities	1.4%	1.3%	1.0%	0.9%	0.6%	0.7%	1.0%	1.0%
Real estate activities	21.6%	21.0%	11.3%	11.7%	8.1%	7.9%	13.7%	13.6%
Rental and leasing activities	1.9%	1.8%	3.2%	4.3%	1.3%	1.5%	2.1%	2.5%
Sports activities and amusement and recreation activities	5.8%	3.5%	5.9%	2.1%	12.5%	5.0%	8.1%	3.5%
Travel agency, tour operator and other reservation service and related activities	1.9%	2.6%	4.0%	10.6%	1.5%	3.8%	2.5%	5.7%
Water transport	0.4%	0.2%	0.4%	0.7%	0.2%	0.3%	0.3%	0.4%
All tourism related industries	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Interpretation: The pie charts and tables above show that the divisional split of tourism related industries is similar in rural and urban areas. The pie charts display a composite measure for each division which is the average of the proportions of enterprises, turnover and employment in each division. Comparing a composite measure is easier than trying to analyse the three measures separately. The table shows the full detail for enterprises, turnover and employment.

In rural areas, 'food and beverage service enterprises' is the dominant division with a 37.4% share of tourism related industries. This is followed by 'real estate activities' (13.7%) and 'accommodation' (13.3%). In urban areas, 'food and beverage service enterprises' is also the dominant division with a 40.1% share of tourism related industries. Again this is followed by 'real estate activities' (13.6%) and then 'gambling and betting activities' (10.2%).

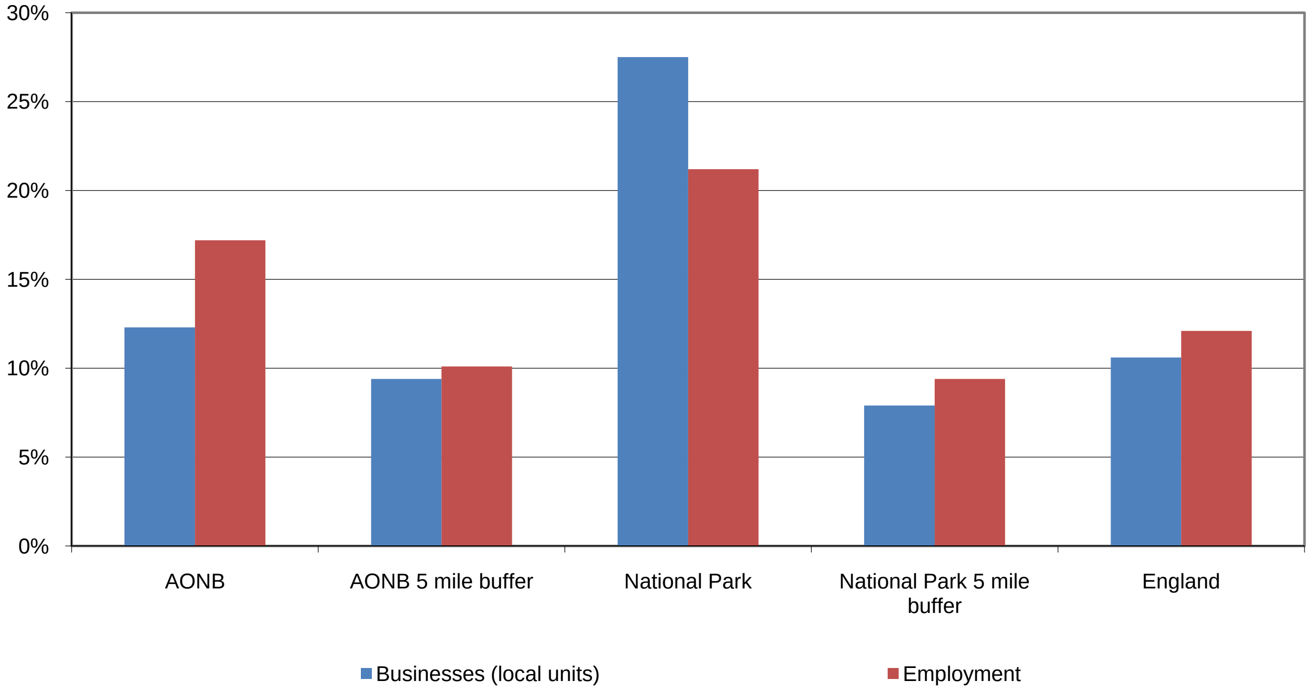
The 'accommodation', 'libraries, archives, museums and other cultural activities' and 'sports activities and amusement and recreation activities' appear more important in rural than urban areas. The share of tourism related industry is higher in rural enterprises than urban enterprises for all three measures; number of enterprises, turnover and employment. For example, the 'accommodation' division is responsible for 9.1% of rural tourism related enterprises, 12.0% of turnover and 18.7% of employment, compared to 3.9% of urban tourism related enterprises, 6.1% of turnover and 11.1% of employment. For the 'land transport and transport via pipelines' and 'travel agency, tour operator and other reservation service and related activities' divisions, the opposite is true with these divisions having greater importance to tourism related industry in urban areas than in rural areas.

'Gambling and betting activities' is an unusual division in that due to the nature of the operation the turnovers are extremely high in relation to number of enterprises and employment. This can be seen in both rural and urban areas where the division accounts for 16.9% and 25.3% of tourism related turnover, but less than 1% of enterprises.

Studying the contribution made by different divisions to the enterprises and turnover of rural tourism related industries gives an indication of the size of the businesses. 'Air transport' represents 0.5% of enterprises but 13.2% of turnover. Some of these enterprises will be international airports, which accounts for the large turnover. At the other end of the scale, 'Creative, arts and entertainment activities' represent 10.4% of enterprises but 3.1% of turnover. This makes intuitive sense as we expect enterprises in this division to include a lot of 'cottage industries'.

Areas of Outstanding Natural Beauty (AONBs) and National Parks

Tourism related businesses and employment as a percentage of all businesses and employment in rural areas, 2009



Interpretation: This chart shows that the percentage of businesses and employment from tourism related industries are higher in AONBs and National Parks than in rural England as a whole. In National Parks, 27.5% of businesses and 21.2% of employment are in tourism related industries compared to 10.6% of businesses and 12.1% of employment in England. The rates are higher in AONBs and National Parks than their respective 5 mile buffers. Tourism accounts for a larger proportion of the economy in National Parks than in AONBs. The percentages of businesses and employment follow similar patterns.

Tourism related businesses as a percentage of all businesses in rural areas, 2009

	Accommodation	Food and Beverage	Transport	Culture and Leisure	Total Tourism Industries
AONB	3.8%	4.9%	0.7%	2.9%	12.3%
AONB 5 mile buffer	2.4%	4.4%	0.8%	1.8%	9.4%
National Park	9.6%	11.2%	1.8%	4.9%	27.5%
National Park 5 mile buffer	2.3%	3.4%	0.7%	1.5%	7.9%
England	**3.1%**	**4.7%**	**0.8%**	**2.1%**	**10.6%**

Tourism related employment as a percentage of all employment in rural areas, 2009

	Accommodation	Food and Beverage	Transport	Culture and Leisure	Total Tourism Industries
AONB	6.1%	7.5%	0.6%	3.0%	17.2%
AONB 5 mile buffer	2.6%	5.1%	0.8%	1.6%	10.1%
National Park	7.4%	9.2%	0.9%	3.6%	21.2%
National Park 5 mile buffer	2.7%	4.6%	0.6%	1.5%	9.4%
England	**3.5%**	**5.6%**	**1.0%**	**2.0%**	**12.1%**

Interpretation: The tables show additional detail with tourism related industries split into four sub-groups. For example, in AONBs, 12.3% of all rural businesses are tourism related with the Food and Beverage sector contributing 4.9% of all businesses and Transport only 0.7% of all businesses. In all areas and for both businesses and employment the same order of contribution is maintained. Food and Beverage is the largest sector followed by accommodation, culture and leisure then transport.

The chart shows that tourism is more important to rural areas of National Parks than AONBs. National Parks tend to be larger than AONBs and the brand is probably more widely recognised, which may give tourism based businesses in National Parks more of a selling point. Planning regulations may also be tighter in National Parks compared to AONBs, restricting non location-dependent development. Tourism is less important to the 5 mile buffer areas than rural England as a whole, which suggests that they only manage to trade on their close proximity to desirable habitats to a limited extent.

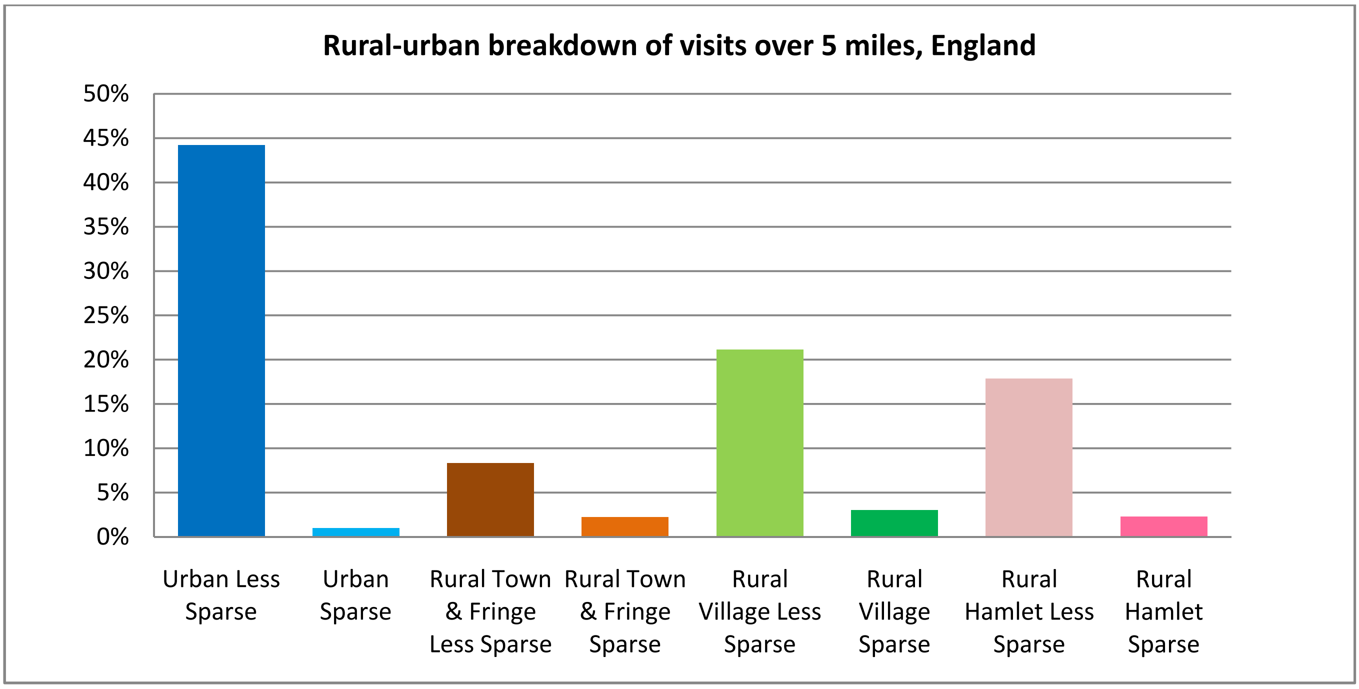
Notes: A group of legal units under common ownership is called an enterprise group. An enterprise is the smallest combination of legal units (generally based on VAT or PAYE) which has a certain degree of autonomy within an enterprise group. An individual site (for example factory or shop) in an enterprise is called a local unit.

Total tourism industries may not equal the sum of component parts in the tables due to rounding.

Source: Inter Departmental Business Register (IDBR), ONS
http://www.ons.gov.uk/ons/about-ons/who-we-are/services/idbr/about-the-idbr/index.html

Analysis of Day Visits to the Natural Environment

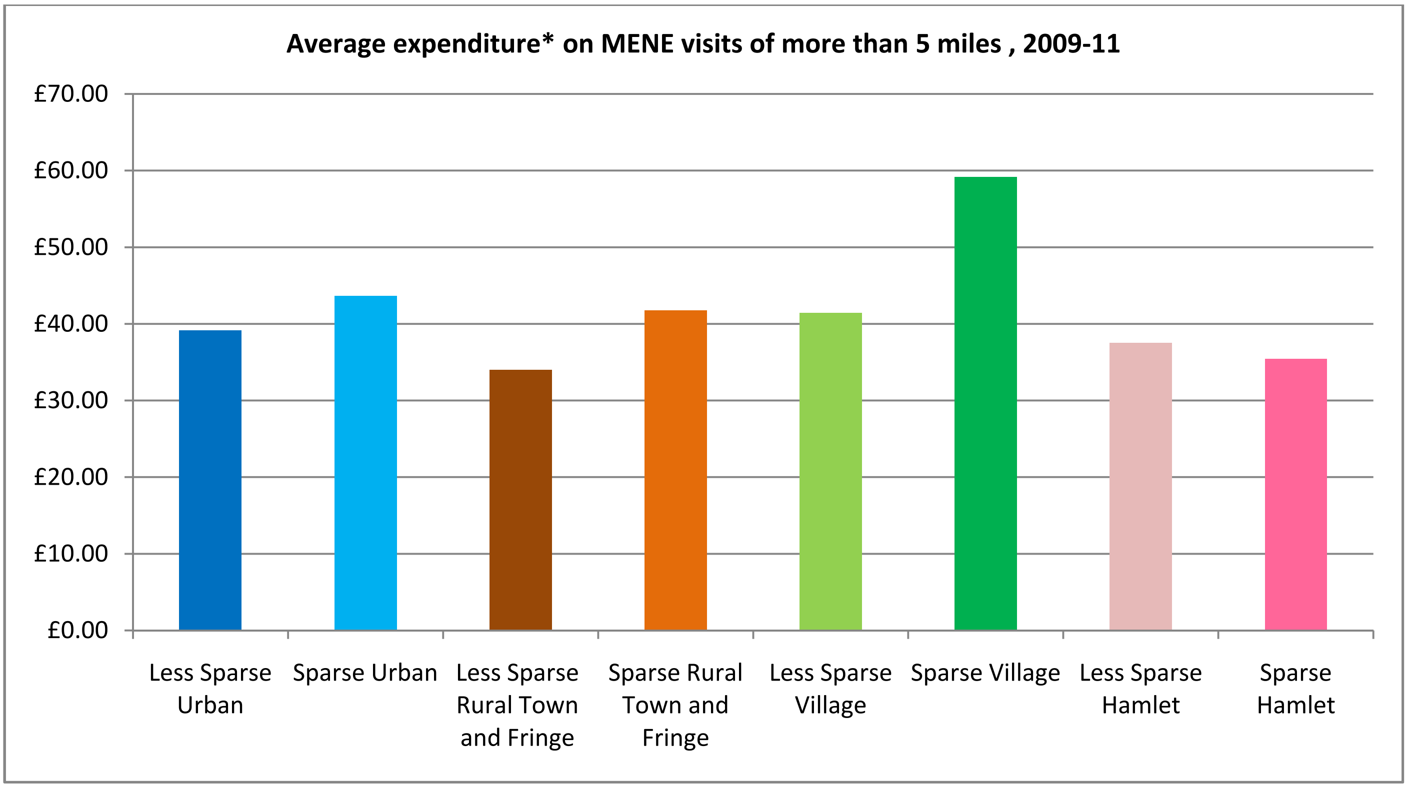
This section uses data from the 'Monitoring Engagement with the Natural Environment' (MENE) survey. The MENE survey records instances where people have left their home or garden and visited the 'natural environment' which includes the countryside as well as parks and other 'green spaces'. The survey results therefore cover some elements of tourism alongside more routine recreational activities such as walking a dog. In order to limit the influence of routine recreation, this analysis only considers trips which have required a journey of more than 5 miles. A small proportion of journeys are made from holiday homes, however in most cases the start point is the home, so these are in general, day trips. This analysis will not cover all forms of tourism as it is only focused on the natural environment.



Rural-urban breakdown of visits over 5 miles, England, 2009-11

Rural/Urban Definition	Percent of visits by destination category	Number of visits (000s)	Visits per hectare
Urban Less Sparse	44%	330	0.85
Urban Sparse	1%	7	1.58
Rural Town & Fringe Less Sparse	8%	62	0.52
Rural Town & Fringe Sparse	2%	16	0.27
Rural Village Less Sparse	21%	157	0.13
Rural Village Sparse	3%	22	0.07
Rural Hamlet Less Sparse	18%	133	0.07
Rural Hamlet Sparse	2%	17	0.03
Urban	45%	337	0.85
Rural	55%	408	0.10
Rural Less Sparse	47%	352	0.11
Rural Sparse	8%	56	0.06
England	**100.0%**	**745**	**0.16**

Interpretation: The chart and table above show the rural-urban breakdown of the destinations of trips. 45% of all trips of over 5 miles were to urban area and 55% were to rural areas. The majority of trips to rural areas were to less sparse areas, but this is consistent with the majority of rural areas being less sparse, as indicated by the trips density column. There were 0.06 visits per hectare to rural sparse areas and 0.11 per hectare to rural less sparse areas.



* Only includes details of visits where expenditure was greater than zero.

Expenditure on MENE visits of more than 5 miles, 2009-11

	No expenditure	Average expenditure (where >0)
Less Sparse Urban	35.4%	£39.15
Sparse Urban	23.8%	£43.67
Less Sparse Rural Town and Fringe	30.0%	£34.03
Sparse Rural Town and Fringe	22.0%	£41.74
Less Sparse Village	37.0%	£41.46
Sparse Village	27.9%	£59.20
Less Sparse Hamlet	44.4%	£37.51
Sparse Hamlet	28.0%	£35.43
Less Sparse	37.0%	£38.83
Sparse	25.9%	£47.25
Urban	35.1%	£39.28
Rural	36.6%	£40.25
England	35.9%	£39.78

Interpretation: The chart and table above show expenditure on MENE visits where the journey made was greater than five miles. Where expenditure occurs, it varies across rural and urban areas with Sparse Villages enjoying the highest expenditure at £59.20 per trip and Less Sparse Rural Towns the lowest at £34.03 per trip. The proportion of visits with no expenditure also varies, with 44% of visits to Less Sparse Hamlets involving no expenditure, compared with just 22% of visits to Sparse Rural Towns.

Over half of all visits over 5 miles in 2009-11 were to rural areas. Given that the majority of the population lives in urban conurbations, this suggests that rural areas have a range of amenities that attract visitors. These may include facilities and popular tourist spots, or natural amenities such as the environment, landscape and tranquillity. It is also true that most designated areas – for example National Parks and AONBs – are rural, which may provide an additional draw to rural areas.

Expenditure on leisure visits contributes to the economy of an area as it can mean support for local retail, cultural, food and accommodation businesses. Expenditure on visits to rural areas is slightly higher than those to urban areas, and visits to sparse areas result in higher spend per trip (£47.25) than less sparse areas (£38.83). We might expect expenditure to be highest where people have travelled the furthest, as expenditure includes that on transport and fuel, and this likely to be to more rural and sparser areas.

Notes: The geographically coded data represents a proportion of the data collected by the MENE survey and so the analysis does not include data on all trips collected by the survey.
Visits of fewer than 5 miles have been excluded from the analysis. This is intended to remove the trips made by dog-walkers from the tourism analysis, but it is likely to have resulted in an underestimation of visits made.

Source: Monitor of Engagement with the Natural Environment, Natural England, 2009-11.
http://naturalengland.etraderstores.com/NaturalEnglandShop/NECR049