

Utilisation of the UK's Existing Airport Capacity: Response by VisitBritain



July 2014

About VisitBritain

VisitBritain is the national tourism agency, responsible for marketing Britain worldwide and developing Britain's visitor economy. VisitBritain plays a unique role promoting Britain around the world, supporting tourism growth. VisitBritain has been directed by Government to run a £100 million marketing programme across a four year period (2010/11-2014/15) to maximise the tourism benefits of hosting the 2012 Olympic and Paralympic Games.

VisitBritain is also a key part of the GREAT Britain campaign, which brings together the Foreign & Commonwealth Office, Department for Culture, Media and Sport, UK Trade & Investment and the British Council to promote the UK as a GREAT place to visit, invest, trade and study.

Inbound tourism is worth £24 billion a year to the UK economy and is Britain's fifth largest export industry. On the back of a successful Olympic Games, the Government backed our ambition to attract 40 million visitors a year by 2020 (an increase of 7 million on 2013). This would deliver £31.7 billion annual spend by overseas visitors annually (at today's prices) and support an additional 200,000 additional jobs across the UK. VisitBritain has developed a clear strategy to deliver on this ambition which was launched by the Secretary of State for Culture, Media and Sport in April 2013.

Tourism in this response refers to all inbound travel to Britain, whether for recreational, leisure or business purposes, encompassing people visiting Britain for a holiday, for business or to visit friends and family. Given the specialised nature of its remit, VisitBritain's response to the questions is focused on issues which impact tourism.

Summary of VisitBritain's response

- **Increased flights and ground capacity are necessary for Britain to achieve its full tourism growth potential.**
- **Airports other than those short-listed by the Commission for further consideration as long-term capacity options provide a crucial role in Britain's current and future air capacity.**
- **Britain's connectivity to emerging markets is relatively low in terms of seat capacity and is also concentrated on London; however large regional airports could sustain long-haul routes.**
- **Inbound tourism is a key component of demand-building for airports. The sustainable growth of inbound tourism will benefit airports' longer term commercial viability.**

7.5. Has the Commission correctly identified the major options to support or bolster the regional airports sector? Of the options here explored, which have the potential to be most beneficial?

VisitBritain agrees with the Commission's identification of attracting tourists to the area that an airport serves, as a means of stimulating traffic to non-London airports.

2013 was a record year for inbound tourism in Britain as 32.8 million visits from abroad were made to the country. This also resulted in a record in nominal spend of £21 billion from inbound visitors. VisitBritain has set the target of attracting 40 million inbound visits, a 22% increase on the level recorded in 2013.

The vast majority of visitors to Britain arrive in the country by air - in 2013, 72% of visits were by air. Furthermore, those visitors that arrive by air tend to spend more than those that arrive by ferry or train, during their time in Britain as they accounted for a disproportionately large 84% of spend in 2013. As such, air capacity is and will remain fundamental to visits to Britain.

Currently, tourism in Britain is principally focussed on the capital city, as 47% of visitors only spend time in London (International Passenger Survey - IPS - 2013). Last year did, though, see visitor numbers increase by a greater percentage for Scotland and for the Rest of England than was the case for London. VisitBritain recognises that London is a huge global asset for Britain – a dynamic, cosmopolitan and well-connected city that visitors aspire to visit. Our challenge is to encourage visitors to add to their holiday experience by exploring more of Britain. To this end, destinations outside of London feature prominently in our activities promoting Britain – a few examples are listed below:

- Our keynote Sounds of GREAT Britain TV film to be played in markets across the world including the US, China and Brazil featured prominently many locations outside of London – e.g. the English Riviera, Stonehenge, Caerphilly Castle and Gleneagles.
- In early 2015 we will launch a major Countryside is GREAT campaign in key markets such as France, USA and China that will showcase national parks and rural locations across England, Scotland and Wales.
- In 2014 Heathrow Airport granted to VisitBritain £4 million worth of advertising space for a 12 month period to promote the UK's regions and nations. The first three months featured adverts showcasing destinations in the South West of England and Wales (for example Glastonbury and the Wales Coast Path) and the second three months is showcasing destinations in Yorkshire (for example Brodsworth Hall and Gardens in South Yorkshire and Buttermere Pass in the Yorkshire Dales).
- We take journalists, bloggers and buyers from overseas on familiarisation trips across the country so as to experience in person and increase their knowledge of the breadth of attractions Britain has to offer.
- On our regular missions abroad, we take suppliers from across the country allowing them to meet with buyers from the markets visited.
- Our social platforms (such as Twitter, Facebook, Weibo) on a daily basis feature destinations outside of London.

Ensuring that visitor numbers to parts of the country outside of London increase is linked to the ease of access. Having to take connecting flights via a London airport or even a foreign airport complicates journey plans and consequently reduces the desire to visit. Through increasing direct air access between regional airports and airports abroad the ease of access for overseas visitors can be greatly facilitated.

In 2013/2014 VisitBritain commissioned research to identify barriers and opportunities with regards to encouraging visitors to stay longer and go further in Britain (the London and Beyond study). The research was commissioned in both mature markets (Norway, Germany, France and USA) and emerging markets (Brazil, India and Gulf Cooperation Council – GCC – States). The research showed that London shines brightly in perceptions of Britain in both mature and emerging markets. The distance of locations outside of London was not an insurmountable barrier for those visiting Britain from the emerging markets, the barriers were more centred around a fundamental lack of awareness of any offer outside London. When asked the distance (in time) they would consider travelling around Great Britain just over two thirds of respondents from the emerging markets indicated 4 hours was the maximum time they would be prepared to travel. In terms of the mature markets in this

study, respondents tended to be more aware of the offer outside London than their emerging counterparts and most mature market visitors had a tolerance of 2-3 hours travel time between destinations. Three of the mature markets are short-haul destinations, for which leisure breaks to the UK tend to be only a few days long, this acts as a constraint on willingness to travel larger distances (time) from port of arrival to actual destination. Long-haul visitors from the emerging markets (each of which are long-haul) stay longer and therefore are perhaps more willing to spend time travelling in order to explore more of Britain.

Currently, as shown in the table below in several high growth markets, only a limited number of airports in Britain have direct flights to international long haul destinations and this is the case on relatively few routes. For example, only London Heathrow has direct flights to and from Argentina, Brazil, Japan, Malaysia, South Africa and South Korea. China is one of the key growth markets for inbound tourism (in 2013 visitor spend by Chinese visitors increased by 64% in 2013 over 2012, reaching £492 million), and yet only three British airports have direct flights to cities in China. This contributes to the fact that Britain's market share of visitors from China relative to its key competitors (for example. France, USA and Australia) is declining as Britain's competitors are seeing Chinese visits increase at a quicker pace.

Table: Direct flight connections between Britain and long-haul markets (July 2014 figures), VisitBritain market snapshots (<http://www.visitbritain.org/insightsandstatistics/markets/>):

Market	British airports with direct flights to the market	Market airports with direct flights to Britain	Weekly departures	Weekly seat capacity
Argentina	1	1	7	1,735
Bahrain	1	1	21	5,177
Brazil	1	2	23	7,212
Canada	6	8	132	35,545
China	3	4	45	13,086
Hong Kong	2	1	56	17,225
India	4	8	131	34,753
Japan	1	2	36	10,990
Kuwait	1	1	14	4,016
Malaysia	1	1	14	6,935
Mexico	8	3	34	9,808
Saudi Arabia	3	3	33	10,753
Singapore	2	1	48	15,975
South Africa	1	2	49	15,184
South Korea	1	1	21	5,329
Taiwan	1	1	7	2,159
Thailand	2	2	28	8,364
UAE	6	3	199	76,352
USA	12	35	905	231,959

There have been some encouraging recent developments with regards to regional connectivity. A direct flight between Birmingham and New Delhi was launched in August 2013 and, encouragingly, visitor numbers from India in Birmingham increased from 8,000 in 2012 to 14,000 in 2013. Following several months of work in which VisitBritain, Marketing Birmingham, the Foreign and Commonwealth Office (FCO) and UK Trade and Investment (UKTI) were involved, a new chartered air route between Birmingham and Beijing operated for the first time in July 2014. This is the first time that direct charter flights have been operated between China and an airport in Britain outside of London.

A more long-term example can be provided by Emirates' connection between Newcastle International Airport and the UAE which began in 2007 and has since demonstrated the value long-haul connectivity can bring to a region. Due to its extensive onward connections the route has enabled visitors from 152 different destinations to fly to Newcastle via Dubai. The value of exports shipped via Newcastle Airport is £173.6 million per annum. Of this, £150million is carried on the Emirates service, which highlights the transformational effect a single long haul scheduled service can have.

It is through demand-side, rather than supply-side measures with regards to inbound tourism that visits to destinations outside London and the South East can best be increased. The capacity in regional airports is there for flights taking tourists from many different markets to arrive, but this requires the visitors from abroad being attracted to Britain so that such routes would be commercially viable. It is to this end that marketing involving airports, airline companies, local destination authorities and VisitBritain is already underway and should continue to play a key role in generating the necessary interest in visiting these destinations. The discussion paper is therefore right to underline the importance of creating or match-funding such destination marketing campaigns centred on ensuring that new routes to and from regional airports are sustainable.

Further Information:

Thank you for taking our comments into consideration. We would welcome the opportunity to discuss any points raised in our response further with the commission.

For further information please contact:

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