



Modern Industrial Strategy

# Tourism Sector Deal

Tourism: a leading industry for the Government's future economic planning.



**The tourism and hospitality sectors are very important. They feature in the Industrial Strategy as two areas where it is particularly important to work together with firms big and small, as we are doing, to establish training institutions and spread technology so that we can raise their performance to compare with the strongest performance elsewhere in the economy.**



Rt Hon Greg Clark MP  
Secretary of State for Business,  
Energy and Industrial Strategy

# Introduction

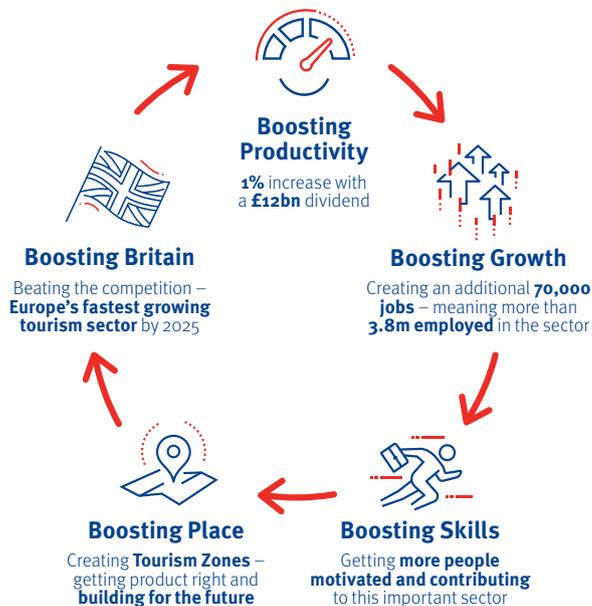


The tourism industry is ambitious for the future. It is an industry full of innovators, an industry which spans the nations and regions and where small changes have a big impact on the UK economy. It has bigger export earnings than large industries like automotive, digital and nuclear. And it can attract substantial inbound investment from around the world. The industry has worked collaboratively to produce a bid for a Sector Deal in the UK Government's Modern Industrial Strategy. This would be a step change for the industry and put us in prime position as a leading industry for the Government's future economic planning.

**Steve Ridgway CBE**  
*Tourism Sector Deal Lead*

# The Ambition

The tourism industry in the UK is currently worth £127 billion and accounts for 10% of GDP. With exports worth £29.8 billion a year, tourism is Britain's fourth largest service export. It also accounts for 3 million people working in every local authority across the country.



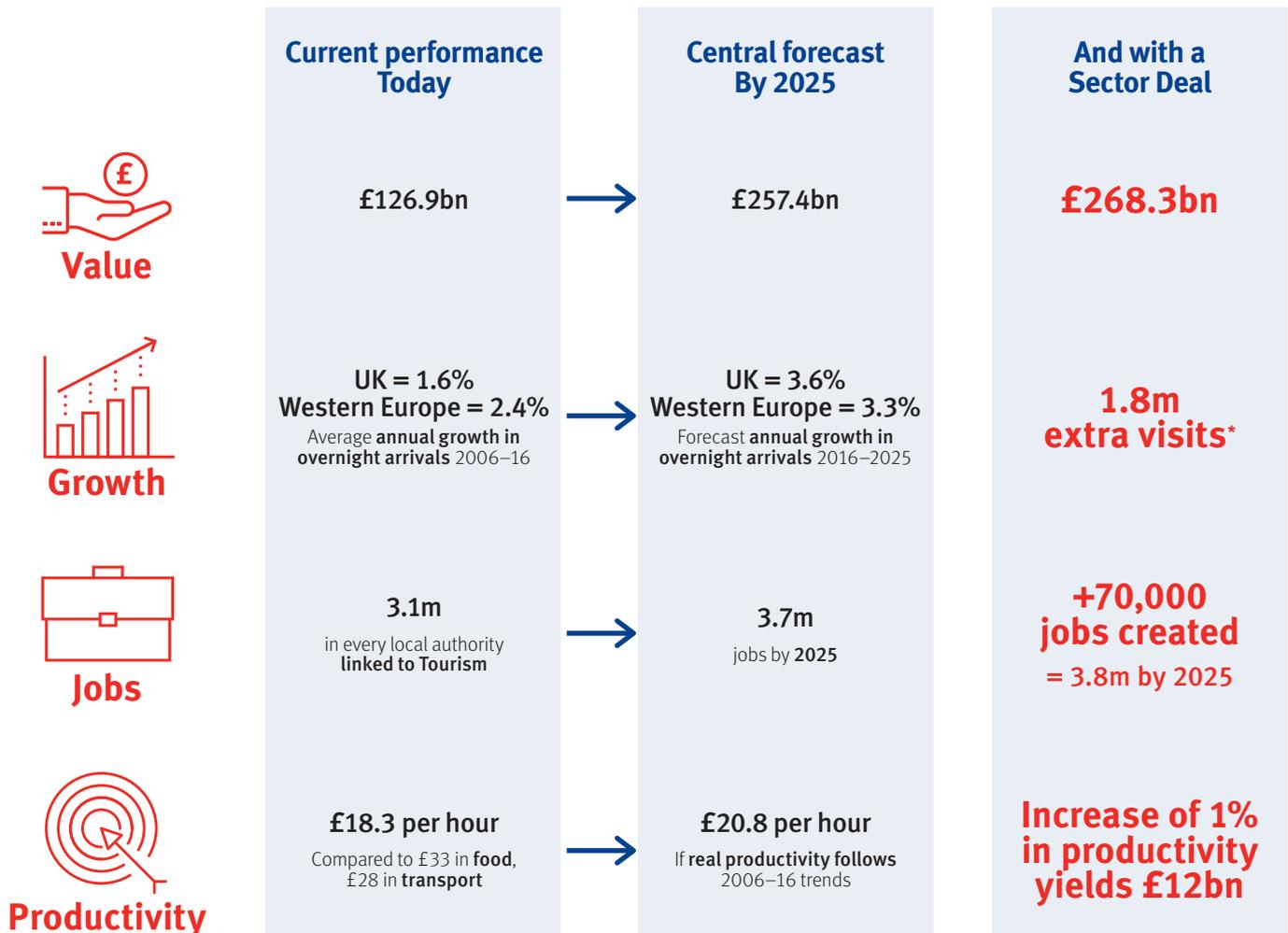
A Tourism Sector Deal comes with some strategic and big ambitions.

By 2025, the deal will...

- More than **DOUBLE** the size of the industry to £268 billion.
- Grow those employed in the sector to 3.8 million.
- Deliver a 1% increase in productivity worth £12 billion.
- Become the most successful destination in Western Europe.

This will happen through collaboration and appetite across the industry, to work alongside Government for the long-term. That's what the Tourism Sector Deal is about.

# Tourism: A High Performance Sector



\* if inbound tourism to the UK had grown at the same pace as Western Europe in 2006–16

# Productivity



Productivity is one of the most significant indicators of a strong and sustainable economy. It's the measure of output against hours worked. For over a decade the UK has struggled to make sufficient productivity gains, languishing behind key competitors.

With 3 million people whose jobs are supported by tourism, a gain in this area will deliver big results for the UK economy.

This is how we are going to achieve it:

- A 1% increase across the sector meaning a £12 billion increase for the economy.
- A clear plan to extend the seasons, making British tourism product more efficient, for longer.
- A new plan for business visits and events (a sector already worth £42.3 billion), helping to boost areas across the country through long-term planning improvements and skills development to aid retention of staff within the industry.
- Upskilling in digital and use of new technology.

# Skills



The UK tourism sector is all about people. From international retail, to hospitality, to digital skills, the UK already delivers a successful product, but skills remain a critical anchor to future ambitions.

The industry has been clear, that overall, there is an image problem, with not enough people wanting to work in this sector. With productivity gains requiring more retention, and a better skilled workforce, this area has been identified by both the industry and the Government as an area for key improvements.

This is how we're going to achieve it:

- A big, industry-led, 10-year campaign to shift perceptions about tourism and hospitality jobs and to encourage more people to join the industry.
- Tourism and hospitality to be included in Government's new T-Levels and apprenticeship schemes.
- To get many more industry figures out into schools and colleges to promote the industry.

# Tourism Zones



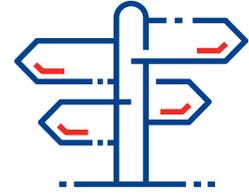
Tourism can only thrive with successful destinations. The UK's tourism sector is in every local authority, and happens every single day. This 'place' based aspect to the industry, means we need localised leadership to ensure success happens on the ground.

In a Tourism Sector Deal, we would achieve this through Tourism Zones.

Tourism Zones would:

- Be areas with a dominant tourism-based economy.
- Help bring together locations of real success, and areas that need more intervention.
- Concentrate on strong, local leadership with LEPs, building product, extending the shoulder season and fixing local transport issues, with planning laws reflecting strong tourism economies.

# Connectivity



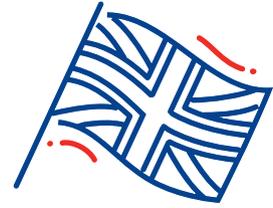
A connected UK is essential for a successful tourism sector. From rail to air, roads to online connectivity, a Tourism Sector Deal would address some key areas of impact.

With ambitions to make the UK the most successful destination in Western Europe by 2025, there are key areas we need to address through the Sector Deal.

We are asking for:

- A commitment to extending visas to key markets and an intelligent ETA (Electronic Travel Authorisation) system.
- Better surface access to airports from where 73% of our inbound visitors arrive and depart.
- Fixing the ‘rail final mile’ issue and improved rail ticketing processes.
- A clear drive towards digital connectivity across the whole country for the tourism industry.

# Why a Tourism Sector Deal Matters



The Government's Modern Industrial Strategy is a key plank of its overall vision for the economy to deal with many of the implications of Brexit. It focuses on a number of areas, such as improving productivity where the UK has big structural problems, boosting innovation and supporting business for the long-term.

A Sector Deal is the Government's method of finding its 'winners' and backing them. Similar to the City Deal process, it asks industries to unify behind their own plans with their own ideas for the future and working in partnership with the Government.

For tourism, a Sector Deal would be a game changer – putting the sector at the top table alongside automotive, digital and nuclear sciences – giving the industry a clear and direct line across Government.



**It is really important that this tourism sector deal is achieved and I am doing everything I can with my colleagues in Whitehall. It is important not to be complacent. We have got to work hard to secure a really sound sector deal. I know the challenges you face with Brexit and my job is to work flat out to get the results this industry needs.**



**John Glen MP  
Minister for Tourism**

