

Statistical bulletin

UK Tourism Satellite Account: 2017

Annual inbound, outbound and domestic expenditure on tourism, internal tourism consumption and employment for the tourism industries.

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1 . Main points

- Expenditure by inbound visitors to the UK rose from £25.9 billion in 2016 to £28.2 billion in current prices in 2017, largely driven by an 8.9% (£2.3 billion) increase in expenditure by foreign overnight tourists.
- Domestic tourism expenditure by UK residents increased from £116.8 billion in 2016 to £119.4 billion in 2017, partly driven by a £0.9 billion rise in spending by same-day visitors.
- Outbound tourism expenditure by UK residents increased to £53.9 billion in 2017, mainly because of a £1.1 billion rise in spending by overnight visitors.
- Tourism direct employment (TDE) was 1.6 million in 2017 with 1.2 million full-time equivalent employees working in 233,080 tourism-related enterprises.
- Tourism direct gross value added (TDGVA) was £59.7 billion in 2017.
- Because of methodology improvements made while preparing the 2017 UK-TSA, the 2016 UK-TSA reference tables and associated data have been revised and included within this release.

2 . Things you need to know about this release

Table 1 shows the three forms of tourism expenditure in the UK Tourism Satellite Account (UK-TSA):

- Inbound tourism: expenditure on trips in the UK by visitors from abroad where the money spent stays in the UK economy (UK-TSA Table 1).
- Domestic tourism: expenditure on trips domestically and abroad by UK residents where the money spent stays in the UK economy (UK-TSA Table 2); when travelling abroad, this is referred to as domestic outbound tourism and can include spend at ports or expenditure on outbound flights on UK carriers.
- Outbound tourism: expenditure on trips domestically and abroad by UK residents where the money spent remains outside of the UK economy (UK-TSA Table 3).

Table 1: Forms of tourism and categories of tourism expenditure, UK, 2017

| | | | |
|-------------------|---|------------------|---|
| Domestic tourism: | The activities of a resident visitor within the country of reference either as part of a domestic tourism trip or part of an outbound tourism trip. | Domestic tourism | The tourism consumption of a resident visitor within the consumption: economy of reference. |
| Inbound tourism: | The activities of a non-resident visitor within the country of reference on an inbound tourism trip. | Inbound tourism | The tourism consumption of a non-resident visitor within the consumption: economy of reference. |
| Outbound tourism: | The activities of a resident visitor outside the country of reference either as part of an outbound tourism trip or as part of a domestic trip. | Outbound tourism | The tourism consumption of a resident visitor outside the consumption: economy of reference |

Source: Tourism Satellite Account: Recommended Methodological Framework 2008

This bulletin presents the findings for the 2017 UK-TSA. All findings are in current prices – also known as nominal, cash or value series – which means they are not adjusted for inflation. Caution should be taken when comparing with previous years.

A new data source, the institutional sector accounts, was introduced into the 2017 supply and use tables (SUT) framework. Allowing this information to feed into the balancing process provides a much broader dataset to support the quality assurance process and improves coherence within the UK National Accounts. This has resulted in a step change in the series (for more information see [Section 2 of Blue Book 2019 estimates](#)). As the data feed into Table 5 of the UK-TSA, and subsequently into the tourism ratios calculated in Table 6, it is inadvisable to compare Tables 5, 6, 7 and TDGVA in 2016 to 2017. When the affected SUT back series is updated in 2020, the UK-TSA back series will also be updated.

Several methodology improvements were made in the 2017 UK-TSA:

- UK-TSA Tables 2 and 3: historically, all outbound fares have been included in Table 2 (domestic tourism outbound trips). After discussions with Eurostat and the World Trade Organisation (WTO), it was identified that outbound fares on non-UK carriers should instead be included in Table 3 (outbound tourism).
- UK-TSA Table 6: rather than including imports for a subset of the TSA industries, imports have been included for all TSA industries (for definitions of these industries see [Chapter 3 of the Tourism Satellite Account: Recommended Methodological Framework 2008](#)).
- UK-TSA Table 7: to calculate employment in the TSA industries, Work Force Jobs (WFJ) and Annual Population Survey (APS) data are used. Historically, proportions of jobs by industry from APS are applied to the WFJ total to obtain the number of employees and self-employed by industry for the TSA categories. The new methodology uses two-digit Standard Industrial Classification (SIC) level WFJ data, with lower level proportions from APS applied when needed.

These methodology improvements have been implemented in the 2016 UK-TSA. The UK-TSA back series will be updated in the coming year. Until then, it is inadvisable to compare the UK-TSA back series with the 2016 and 2017 UK-TSA.

We continue to review and improve the methodology, communication and reporting within this release. We are working closely with the Department for Digital, Culture, Media and Sport (DCMS) and have agreed with DCMS to identify the priority development work.

3 . Tourism demand in the UK in 2017

Tourism demand consists of inbound tourism and domestic tourism.

Inbound tourism expenditure within the UK was valued at £28.2 billion in 2017, an increase of 8.7% when compared with £25.9 billion in 2016. This increase coincided with a 4.3% rise in the number of visits to the UK between 2016 and 2017. For more information, see [Travel trends estimates: overseas residents in the UK and UK residents abroad](#).

The contribution made by foreign same-day visitors in 2017 was similar to 2016, £0.5 billion, while overnight visitors increased by 8.9% to £27.7 billion.

The largest contribution to inbound tourism expenditure in 2017 came from other consumption products which increased by 6.9% to £12.4 billion (see Figure 1). This was followed by increases in accommodation services for visitors which increased by 10.6% to £6.0 billion, and food and beverage serving activities which increased by 10.8% to £4.1 billion.

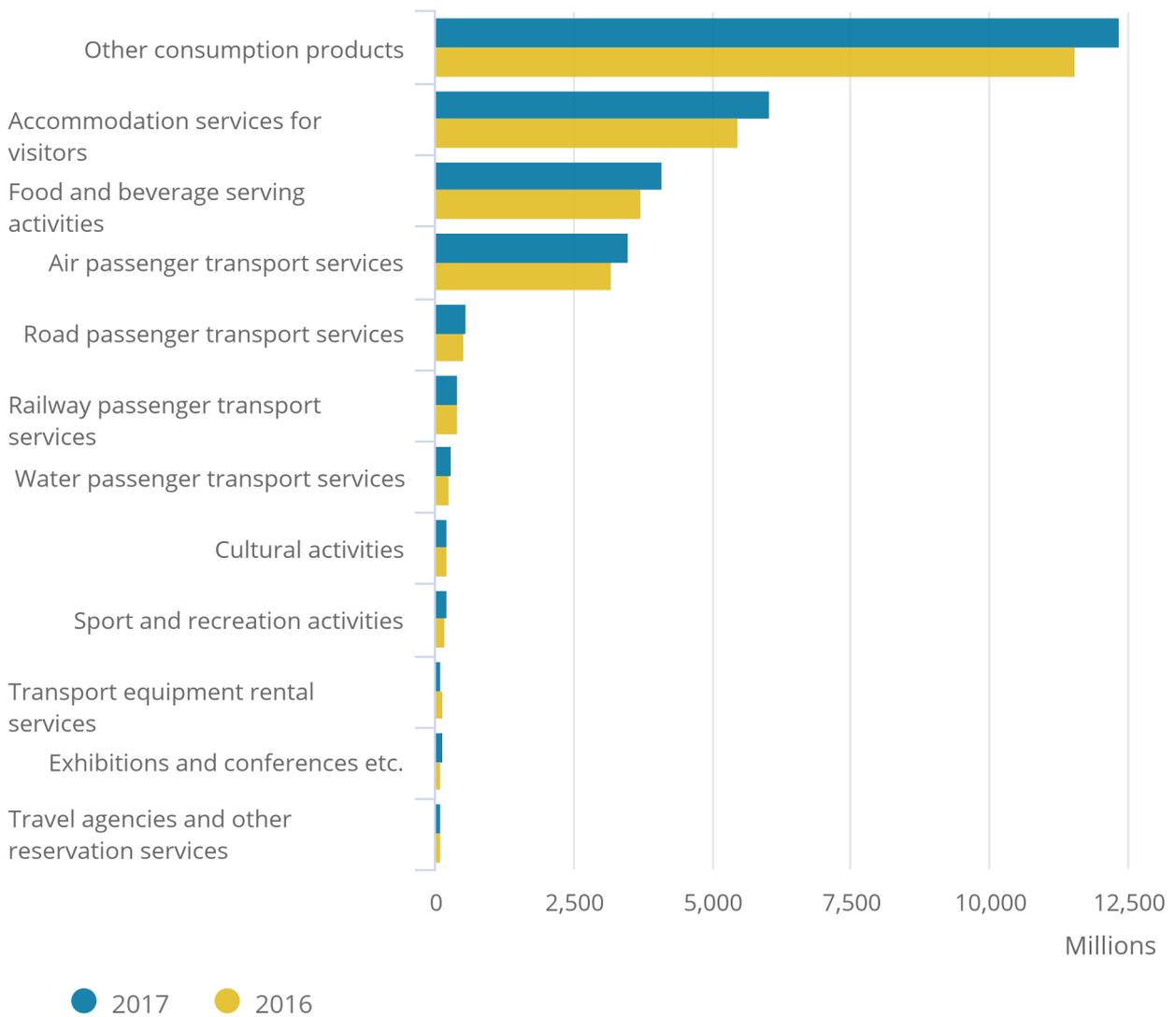
In percentage terms, the largest increase was for sports and recreation activities which saw an increase of 34.2% in inbound tourism expenditure when compared with 2016. Transport equipment and rental services was the only tourism product to show a decline between 2016 and 2017, experiencing a 25.8% fall from £168.1 million to £124.7 million.

Figure 1: Accommodation services for visitors remains one of the largest contributors to inbound tourism expenditure

Inbound tourism expenditure (£ millions) by product, UK, 2016 and 2017

Figure 1: Accommodation services for visitors remains one of the largest contributors to inbound tourism expenditure

Inbound tourism expenditure (£ millions) by product, UK, 2016 and 2017



Source: UK Tourism Satellite Account – Office for National Statistics

Notes:

- 1. Current prices

Domestic tourism within the UK was £119.4 billion in 2017, an increase of 2.2% or £2.6 billion from 2016 (see Figure 2). Domestic trips increased by 1.6% to £94.7 billion while domestic outbound trips saw a larger increase of 4.7% to £24.7 billion when compared with 2016.

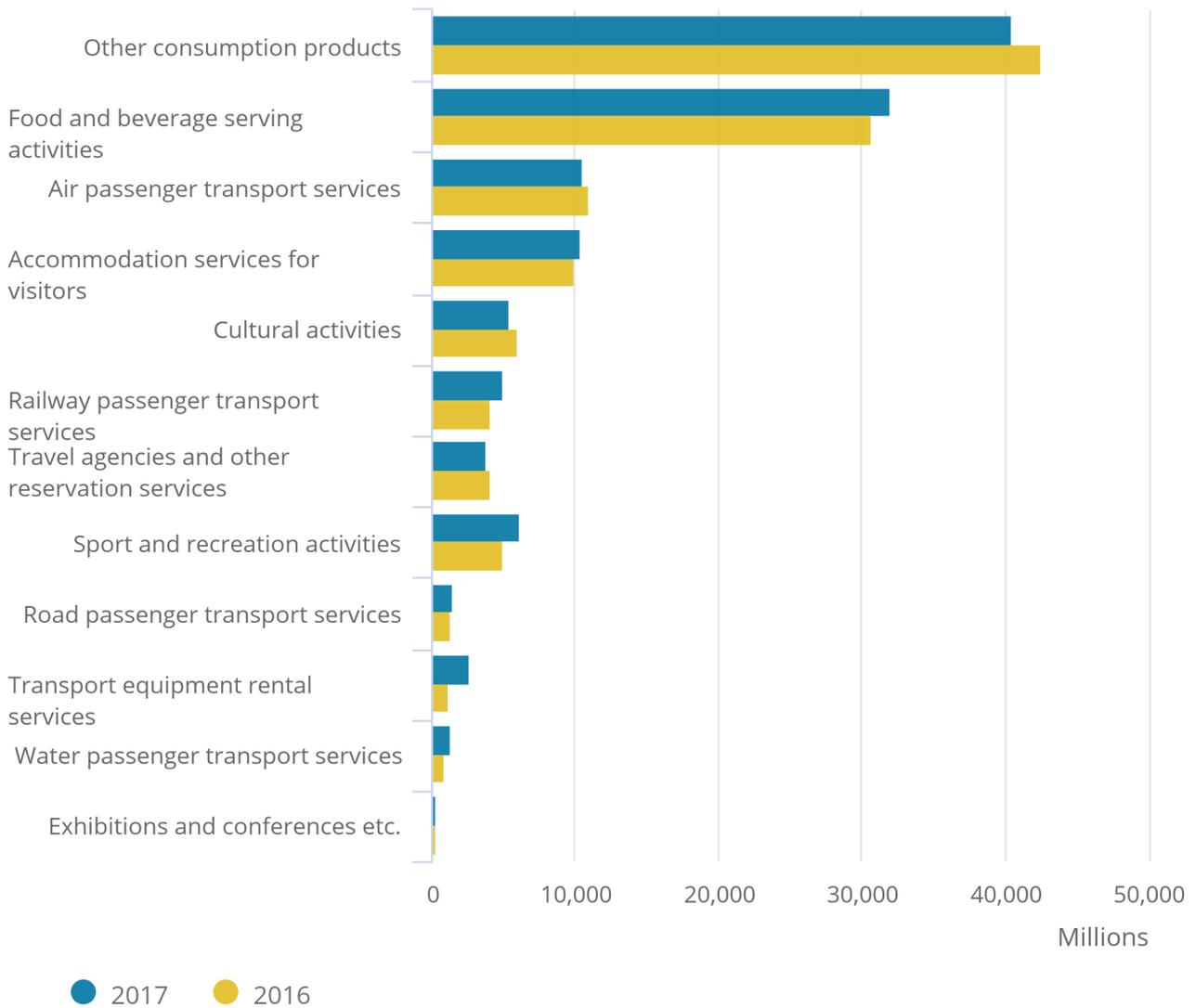
In contrast to inbound tourism expenditure, domestic tourism expenditure on other consumption products declined in 2017 when compared with 2016, falling 4.6% from £42.5 billion to £40.5 billion.

Figure 2: Food and beverage serving activities remains one of the largest contributors to domestic tourism expenditure

Domestic tourism expenditure (£ millions) by product, UK, 2016 and 2017

Figure 2: Food and beverage serving activities remains one of the largest contributors to domestic tourism expenditure

Domestic tourism expenditure (£ millions) by product, UK, 2016 and 2017



Source: UK Tourism Satellite Account – Office for National Statistics

Notes:

- 1. Current prices

Figure 3 shows a comparison of the contribution to domestic tourism expenditure by product for day and overnight visitors on domestic trips in 2017; both increased compared with 2016. Day visitors contributed £70.0 billion (73.9%) and overnight visitors contributed £24.7 billion (26.1%).

Even though the expenditure of day visitors increased from 2016 to 2017, the number of domestic day visitors fell by 2.2% compared with 2016 to 1.8 billion. For more information see [Visit Britain's The Great Britain Day Visitors 2017 Annual Report \(PDF, 4.5MB\)](#).

There were 120.7 million domestic overnight trips taken by UK residents in 2017, increasing 1.0% from 2016. For more information see [Visit Britain's The GB Tourist 2017 Annual report \(PDF 2.8MB\)](#).

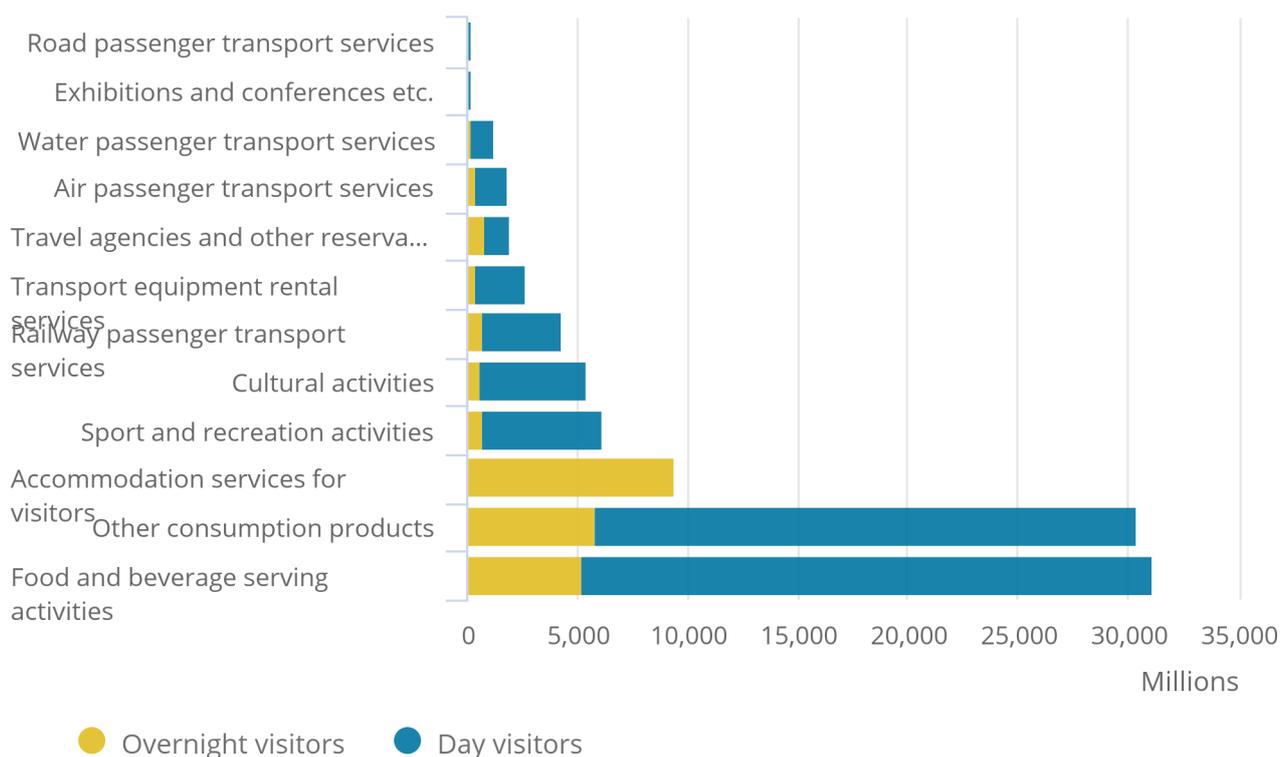
Day visitors spent £20.6 billion more than overnight visitors on food and beverage serving activities in 2017. Cultural activities and other consumption products were the only products that showed a fall for both overnight visitors and same-day tourists.

Figure 3: Food and beverage serving activities continues to be one of the largest contributors to domestic tourism on domestic trips

Domestic tourism expenditure by day and overnight visitors (£ millions) on domestic trips by product, UK, 2017

Figure 3: Food and beverage serving activities continues to be one of the largest contributors to domestic tourism on domestic trips

Domestic tourism expenditure by day and overnight visitors (£ millions) on domestic trips by product, UK, 2017



Source: UK Tourism Satellite Account – Office for National Statistics

Notes:

1. Current prices

For domestic outbound tourism, the amount spent on trips abroad by UK residents increased by 4.7% to £24.7 billion between 2016 and 2017. Broken down, this equates to increases of 4.7% for overnight visitors and 10.2% for same-day visitors.

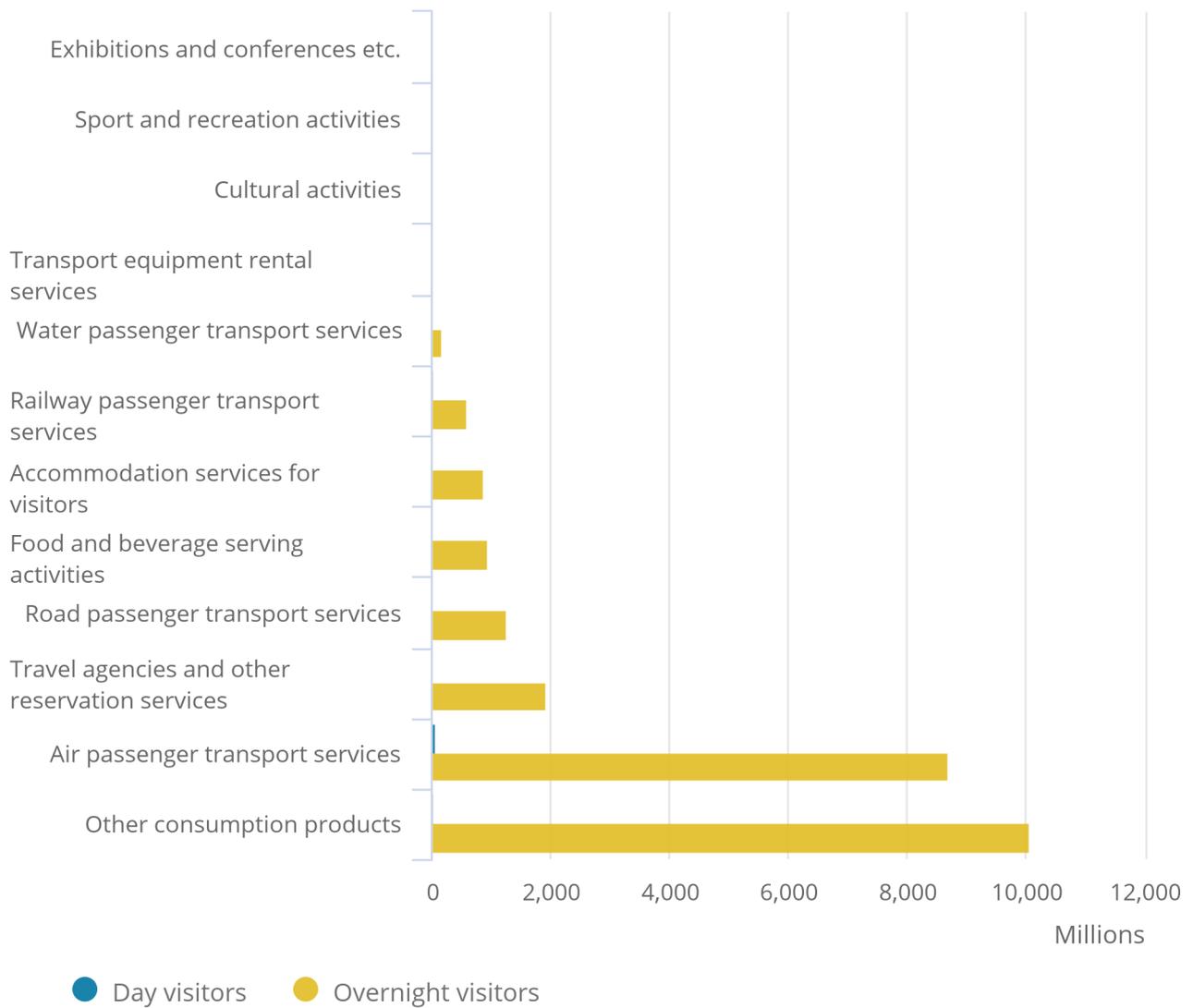
Air passenger transport is the only product which decreased for overnight and same-day visitors for domestic outbound tourism. For all other products, excluding air passenger transport and accommodation services for visitors, there was a larger percentage increase for same-day visitors than overnight visitors.

Figure 4: Other consumption products continues to be the largest contributor to domestic tourism on outbound trips

Domestic tourism expenditure by day and overnight visitors (£ millions) on domestic outbound trips by product, UK, 2017

Figure 4: Other consumption products continues to be the largest contributor to domestic tourism on outbound trips

Domestic tourism expenditure by day and overnight visitors (£ millions) on domestic outbound trips by product, UK, 2017



Source: UK Tourism Satellite Account – Office for National Statistics

Notes:

- 1. Current prices

4 . Outbound tourism expenditure by UK residents in 2017

Outbound tourism expenditure by UK residents increased to £53.9 billion in 2017, mainly because of a £1.1 billion rise in spending by overnight visitors.

The amount spent by UK residents who travelled abroad but returned the same day increased by 5.9% when compared with 2016, to £0.3 billion for non-domestic outbound expenditure. UK residents who spent one or more nights abroad spent £53.6 billion compared with £52.5 in 2016, an increase of 2.1%.

Although one of the smallest contributors to same-day visitors, water passenger services saw an increase of 143.7% compared with 2016. Air passenger services was down 23.5% for same-day visitors compared with 2016, but for overnight visitors there was only a 0.5% change.

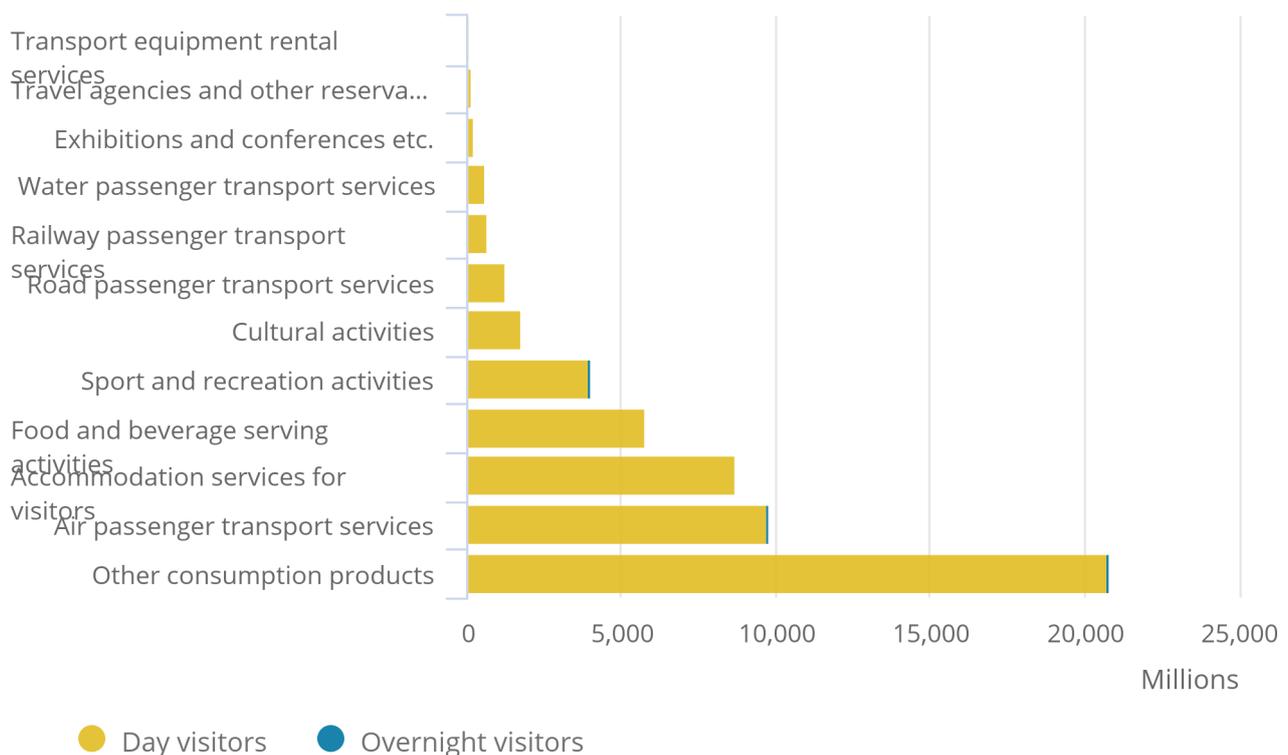
Transport equipment rental services was the only product which experienced a decrease compared with 2016, falling 28.6% for all visitors.

Figure 5: Other consumption products continues to make the largest contribution to outbound tourism expenditure

Outbound tourism expenditure by day and overnight visitors (£ millions), UK, 2017

Figure 5: Other consumption products continues to make the largest contribution to outbound tourism expenditure

Outbound tourism expenditure by day and overnight visitors (£ millions), UK, 2017



Source: UK Tourism Satellite Account – Office for National Statistics

Notes:

1. Current prices

5 . Tourism employment in the UK in 2017

It is recommended that values in this section are not compared with 2016 values. A new data source, the institutional sector accounts, was introduced into the 2017 supply and use tables (SUT) framework, resulting in a step change in the series. This affects the tourism ratios feeding into UK-TSA Table 7: Employment in the Tourism Industries.

Tourism direct employment (TDE) is a measure of jobs within the UK that are supported directly by demand from tourists. Tourism totals for TDE and tourism direct full-time equivalents (TDFTE) include employment data relating to jobs that support tourism activities in both the tourism industries and other consumption products (non-tourism industries).

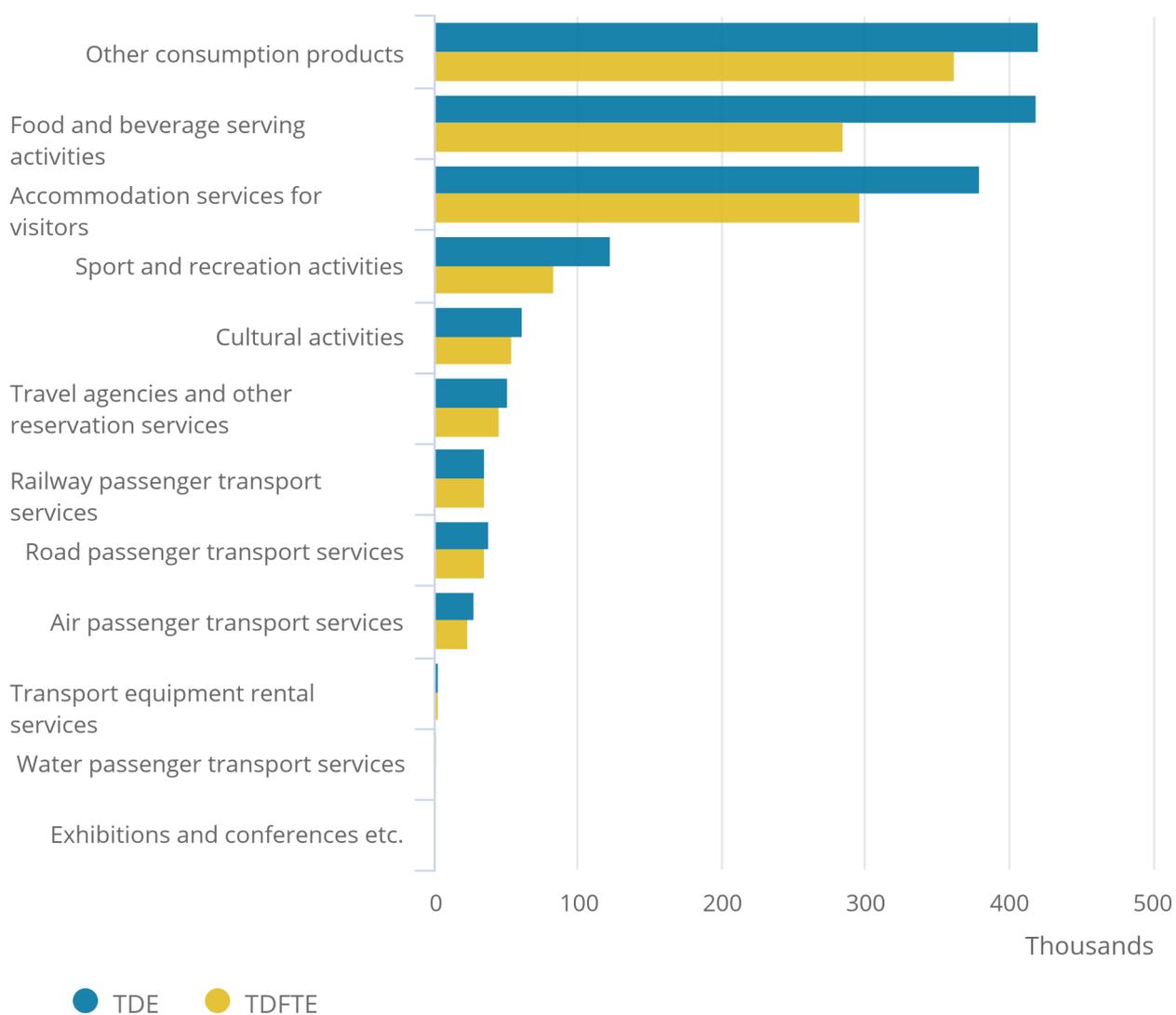
In 2017, there were approximately 1.6 million TDE jobs and an estimated 1.2 million TDFTE employees in the UK. As Figure 6 shows, other consumption products was the largest contributor to both TDE and TDFTE, followed by food and beverage serving activities for TDE and accommodation services for visitors for TDFTE.

Figure 6: Other consumption products and food and beverage serving activities had the largest amount of tourism-related employees in 2017

Tourism direct employment and tourism direct full-time equivalents (thousands), UK, 2017

Figure 6: Other consumption products and food and beverage serving activities had the largest amount of tourism-related employees in 2017

Tourism direct employment and tourism direct full-time equivalents (thousands), UK, 2017



Source: UK Tourism Satellite Account – Office for National Statistics

Notes:

1. Tourism totals for tourism direct employment include employment data relating to "other consumption products".

6 . Tourism direct gross value added in the UK in 2017 and 2018

It is recommended that values in this section are not compared with 2016 values. A new data source, the institutional sector accounts, was introduced into the 2017 supply and use tables (SUT) framework, resulting in a step change in the series. This affects the tourism ratios feeding into UK-TSA Table Tourism direct gross value added (TDGVA).

TDGVA indicates the component of output from the UK tourism industries that is driven directly by tourism spend. TDGVA is calculated by reconciling the supply (the output of tourism industries) with the demand (tourist expenditure) side of tourism, so that the proportion of the output of the tourism industries that is accounted for by tourism expenditure can be estimated.

TDGVA contributed £59.7 billion to the UK economy in 2017; Table 2 shows the value contributed to TDGVA by each of the tourism industries. The main contributor to TDGVA over the year was other consumption products (£23.6 billion), which refers to the proportion of output for non-tourism industries that is accounted for by tourism spend. This includes activities such as non-food shopping or expenditure on personal transport and other activities not included within the tourism industries.

The main tourism industry contributors to TDGVA in 2017 were accommodation services for visitors (£11.2 billion) and food and beverage serving activities (£8.2 billion), contributing 18.8% and 13.7% to TDGVA respectively.

Table 2: Tourism direct gross value added by industry, UK, 2017

| | £ millions |
|--|-------------------|
| | 2017 |
| Accommodation services for visitors | 11,238 |
| Food and beverage serving activities | 8,191 |
| Railway passenger transport services | 2,465 |
| Road passenger transport services | 741 |
| Water passenger transport services | 634 |
| Air passenger transport services | 1,787 |
| Transport equipment rental services | 808 |
| Travel agencies and other reservation services | 4,560 |
| Cultural activities | 1,942 |
| Sport and recreation activities | 3,625 |
| Exhibitions and conferences etc. | 18 |
| Other consumption products | 23,648 |
| Total | 59,658 |

Source: UK-TSA 2017, Office for National Statistics

Notes

1. Current prices. [Back to table](#)
2. Data may not sum due to rounding. [Back to table](#)

Using a [nowcast technique \(PDF, 139KB\)](#), an estimate of TDGVA can be produced for 2018. Please see the [UK-TSA 2017 dataset](#) for these values.

7 . Quality and methodology

The Tourism Satellite Account (TSA) is an extension to a System of National Accounts (SNA). It enables users to gain an understanding of the size and role of tourism-related economic activity, which is usually "hidden" within standard national accounts.

Using an SNA framework to examine tourism is important as, in essence, this allows (through the TSA) for the separation of expenditure of residents and tourists. This facilitates the estimation of main variables such as how much individual industries depend upon tourists and, by extension, how much value-added and employment is supported by tourists.

The TSA is regarded as the central component of an Integrated System of Tourism Statistics (ISTS) and is used as a tool to assess the value of tourism, and to identify gaps in our knowledge of the sector. Furthermore, the TSA can be employed to illuminate linkages between tourism and other parts of the economy within a national accounting framework, for example, with environmental accounts or household consumption expenditure.

The challenge, therefore, is to measure economic activity generated by tourism in such a way that it enables comparisons to be made with other activities taking place in the same reference area. By adding complexity to the existing SNA we can reveal the economic worth of tourism activity.

It follows from this that there is potential for embedding the tourism sector more fully into the national accounts framework through the mechanism of a satellite account.

Further quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [UK Tourism Satellite Account methodology guide: 2017](#).