



DEBATE PACK

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Effect of the UK leaving the EU on tourism and the creative industries

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Summary

There will be a Westminster Hall Debate on 17 April 2018, 2.30 – 4pm on the Effect of the UK leaving the EU on tourism and the creative industries. This debate, concerning the consequences of Brexit for these industries will be led by Christine Jardine MP.

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

1. The impact of Brexit on the tourism and creative industries

1.1 The economic importance of tourism

This section outlines the economic contribution of tourism to in the UK. It includes information on employment and economic output (in terms of Gross Value Added, similar to GDP). It also includes some information on international and domestic visits in the UK.¹

Tourism contributed £66.1 billion to the economy in 2016. This was 3.8% of total economic output in the UK.

The economic output of the tourism industry has increased each year since 2010, and by 34% in total between 2010 and 2016. The whole economy of the UK has grown by less than this over the same period: 23%.²

There were 1.5 million jobs directly associated with tourism in the UK in 2015. This was 4.5% of all jobs in the UK.

The following table shows the top 20 areas by the proportion of people who have either their first or second job in directly tourism related employment.³

Top 20 areas by proportion of people working in tourism industries in their first or second job, 2013/14	
	% employed in tourism industries
Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute	17%
Blackpool	16%
Orkney Islands	15%
Gwynedd	15%
York	15%
Brighton and Hove	15%
Torbay	14%
Cornwall and Isles of Scilly	14%
Isle of Anglesey	14%
Perth & Kinross and Stirling	14%
East Cumbria	14%
South Ayrshire	13%
Isle of Wight	13%
Outer London - West and North West	13%
Devon CC	12%
Edinburgh, City of	12%
Conwy and Denbighshire	12%
East Dunbartonshire, West Dunbartonshire and Helensburgh & Lomond	12%
Shetland Islands	12%
West Sussex	12%

Source: ONS, Tourism related summaries, 2016

Areas are grouped local Authority areas, (NUTS 3 regions, 2015 classification)

¹ Estimates of the economic contribution of tourism come from the ONS, [Tourism Satellite Account 2015](#) (published in November 2017)

² Whole economy figure is from the ONS, [Quarterly National Accounts Q4 2017, Low Level Aggregates Table](#). Figures are current prices.

³ ONS, [Tourism employment summaries 2014](#), 2016, [attached data table](#).

The islands of Western Scotland have the highest proportion of tourism-related jobs at 17%, followed by Blackpool at 16% and the Orkney Islands at 15%.

Box 1: Calculating the economic contribution of tourism

Estimating the economic contribution of tourism is more complicated than for other industries. The tourism industry includes any business that provides services to tourists, but often these businesses also provide services to non-tourists as well. For example, a museum is a tourist attraction, but is also open to people from the local area.

In order to estimate the economic importance of tourism, economists calculate the “tourism ratio” of an industry, which means the proportion of economic activity in that industry that is directly tourism-related. For example, the accommodation for visitors sector has a tourism ratio of 70%, whilst the sports and recreation activities industry has a tourism ratio of 25%.

The industries that are included in the definition of ‘tourism’ used here are accommodation services for visitors, food and beverage services, rail, road, water and air passenger services, transport rental services, travel agencies, cultural, sport, recreational and exhibition services and other consumption services.

Each industry is given a tourism ratio, and the results are then used to produce the economic contribution and employment figures quoted above.

Further information on the methodology behind the tourism economic estimates used here can be found in the ONS document, [Economic value of tourism: guidance](#).

Visitors to the UK

The tourism industry in the UK supports overseas visitors coming to the UK, UK residents visiting other parts of the UK (domestic tourists) UK residents going abroad (for example airports serve this kind of tourist).

In 2016, there were:

- 70.8 million visits by UK residents abroad.⁴
- 37.6 million visits by overseas residents to the UK.⁵
- 119.5 million domestic overnight trips by UK residents to somewhere in Great Britain.⁶

The following table shows visits by overseas residents to the UK and domestic overnight visits by UK residents to Great Britain in 2016.

Overseas tourists spent £23.1 billion. Domestic tourists spent £23.5 billion.

Visits to the UK in 2016		
	Overseas tourists	Domestic tourists
Number of visits, millions	38	119
Expenditure, £ billions	23	23

Sources: Overseas tourism: ONS, *Travel Trends*, Table 4.01

Domestic Tourism: Visit Britain, *GB tourist*, All trip purposes

Domestic tourism is overnight stays in Great Britain locations only

⁴ ONS, [Travel Trends](#), 2017, [Table 1](#)

⁵ *Ibid*

⁶ Visit Britain, [GB Tourist](#), 2017, [GB all trip purposes](#)

1.2 Creative industries

The creative industries in the UK account for 6% of employment and 5% of economic output.

The table below shows employment and economic output in terms of Gross Value Added (GVA, which is similar to GDP) in each sector.⁷

Creative industries in the UK, sub-sectors in 2015				
	Employment		Economic output	
	1000s	% of creative industries	£ billions	% of creative industries
IT, software and computer services	640	34%	34.7	40%
Music, performing and visual arts	286	15%	8.5	10%
Film, TV, video, radio and photography	231	12%	15.9	18%
Publishing	200	11%	10.1	12%
Advertising and marketing	182	10%	10.7	12%
Design and designer fashion	132	7%	2.6	3%
Museums, Galleries and Libraries	97	5%	1.1	1%
Architecture	90	5%	3.4	4%
Crafts	7	0%	0.4	0%
<i>Total</i>	<i>1,866</i>		<i>87.4</i>	

Source: DCMS, DCMS economic estimates 2015, published 2016

Employment: Creative industries employment sub-sectors table

Output in terms of Gross Value Added (GVA): GVA sub-sectors table

The creative industries employed 1.9 million people in the UK in 2016, 6% of all employment in the UK. The largest of the creative sub-sectors is the IT, software and computer services industry, employing 640,000 people, 34% of all creative industry employees.

The economic output of the creative industries was £87.4 billion. This was 5% of the whole UK economy. The largest creative sub-sector in terms of economic output was also the IT, software and computer services industry, which accounted for £34.7 billion, 40% of the whole creative sector.

Box 2: Defining the creative industries

The Government defines creative industries as those that “have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”.⁸

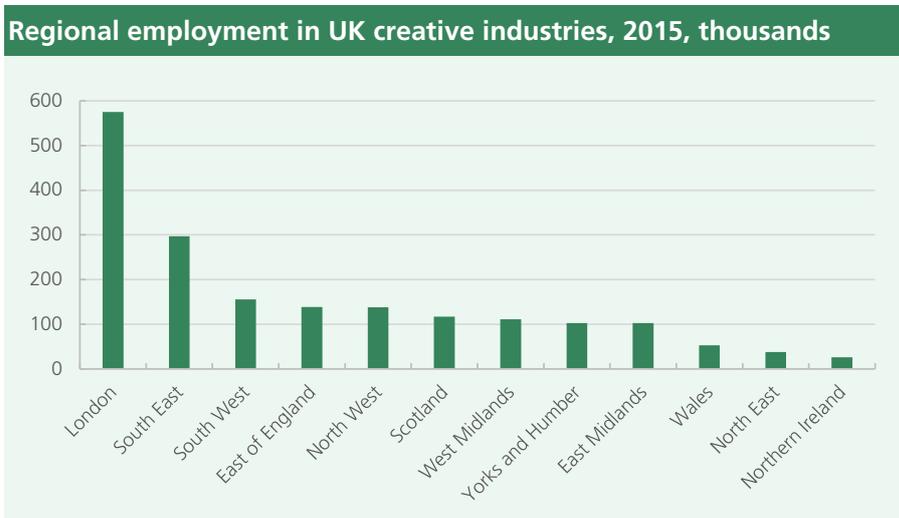
If an industry has over a certain proportion of jobs that full the above criteria, then that industry is considered ‘creative’.

The creative sub-sectors are defined using four digit Standard Industrial Classification (SIC) codes, which are detailed on page 13 of [DCMS Economic Estimates: methodology](#)

⁷ The official source for estimates of the creative industries is DCMS, [DCMS sector economic estimates](#), published in 2016. For employment figures see the [Creative industries sub-sector employment tables](#). For economic output (GVA) figures see [DCMS GVA sub-sectors tables](#).

⁸ DCMS, [DCMS Economic Estimates: methodology](#), 2016, p6

The regional importance of the creative industries varies across the country. The following chart shows the number of people employed in the creative industries



London has the highest number of creative industry employees and the highest proportion (13%).

The industry with the owest proportion of creative industry employees is Northern Ireland, where only 3% of jobs are in the creative industries.

Employment in creative industries, 2015

	1000s	% of total
London	575	13%
South East	297	7%
South West	156	6%
East of England	139	5%
North West	138	4%
Scotland	117	5%
West Midlands	111	4%
Yorks and Humber	103	4%
East Midlands	103	5%
Wales	53	4%
North East	38	3%
Northern Ireland	26	3%

Source: DCMS economic estimates, 2016, Creative industries employment sub-sectors table

ONS, Annual population survey, results for Q4 2015

2. Press articles

The following is a small selection of recent press and media articles which may be relevant to this debate. Please note: the Library is not responsible for either the views or accuracy of external content.

2.1 Tourism

[Brexit 'damaging UK travel industry'](#)

Ian Taylor

Travel Weekly, 9 February 2018

[Great Britain Tourism Survey shows Brexit impact on domestic tourism](#)

UK Inbound, 26 January 2018

[UK's post-Brexit vote tourism boom fades](#)

Reuters, 18 January 2018

[More Chinese tourists visiting Britain but Brexit deters French, Germans and Italians](#)

Oliver Wright

The Times, 2 January 2018

[Tourism body calls for shield against Brexit](#)

Seán McCárthaigh

The Times, 29 December 2017

[UK braced for record number of tourists in 2018](#)

Miles Brignall

The Guardian, 26 December 2017

[Number of visitors to Britain hits record high as weak pound lures tourists](#)

William Schomberg

The Independent, 17 November 2017

[Lonely Planet tells the world to visit cheap Britain](#)

BBC News, 24 October 2017

['Brexit effect' sees biggest boom in US tourists visiting the UK since the 1980s](#)

Kate Morley

Daily Telegraph, 18 August 2017

[Overseas tourists provide boost to Brexit Britain](#)

Gavin Jackson

Financial Times, 18 August 2017

[There is one industry Brexit might help – tourism](#)

Perry Gourley

Insider, 12 May 2017

[UK enjoys record tourism as fall in pound boosts visitor numbers: ONS says weaker sterling since Brexit vote led to 37.3m visits to UK in 2016, with big rise in North American tourists.](#)

Katie Allen

The Guardian 17 February 2017

[Number of European tourists to Scotland plummets after Brexit](#)

Jane Bradley

The Scotsman, 19 January 2017

2.2 Creative Industries

[Number of EU applicants for UK creative courses rises as Brexit approaches](#)

India Block

De Zeen, 13 February 2018

[Arts leaders demand special visa for performers to prevent skills crisis post-Brexit](#)

Georgia Snow

The Stage, 7 February 2018

[Sadiq Khan: Brexit could cost Britain's creative industries 27,000 jobs,](#)

Sadiq Khan

The Stage, 11 January 2018

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[Government's analysis of creative industries fails to address impact of Brexit](#)

Sarah Dawood

Design Week, 4 January 2018

[Government releases Brexit 'sector analysis' on creative industries,](#)

Christy Romer

Arts Professional, 21 December 2017

[We can't understate the importance of the creative sector to UK economy during Brexit](#)

Ian Burrell

iNews, 21 October 2017

[Creative sector warns of Brexit threat to economy](#)

BBC News, 19 October 2017

[Threat of Brexit creative talent exodus looms](#)

Alice Sholl,

Drapers, 19 October 2017

[Creative sector report warns of "disastrous skills shortage" following Brexit](#)

Sarah Dawood

Design Week, 18 October 2017

['We can take it almost anywhere': how Brexit threatens the UK's creative industries](#)

Jon Henley

Guardian, 19 October 2017

[Let the creative industries power Britain after Brexit](#)

Peter Bazalgette

Financial Times, 21 September 2017

3. Parliamentary material

3.1 Tourism

[The potential impact of Brexit on the creative industries, tourism and the digital single market](#), House of Commons Digital, Culture, Media and Sport Committee, Second Report of Session 2017-19, HC 365, 25 January 2018

[Report on the Inquiry into Coastal Communities](#), British Hospitality Association for the APPG for the Visitor Economy, November 2017

[Impact of Brexit on the creative industries, tourism and the digital single market](#), HC 690 2016-17 [Due to the general election on 08 June 2017, Inquiry closed without report – oral and written evidence published]

[Potential effect of the UK leaving the EU on UK tourism](#), House of Commons Library Debate Pack, 4 October 2016

[Promoting the tourism industry in Northern Ireland through the tax system](#), 20 March 2017, HC 50 2016-17

[Brexit impact on creative industries, tourism and digital market examined](#), Culture, Media and Sport Select Committee, 16 September 2016

3.2 Creative industries

In addition to Culture Committee reports, above:

Oral questions

[Brexit \(Creative Industries\)](#)

Oral questions

HC Deb 29 March 2018 c908-9

[Brexit: Audio-visual Services](#)

Oral questions

HL Deb 29 January 2018 c1269-71

Written questions

Department for Digital, Culture, Media and Sport: Arts: Written question - 126406

Asked by Kevin Brennan

Asked on 02 February 2018

To ask the Secretary of State for Digital, Culture, Media and Sport, with reference to the second report of the Digital, Culture, Media and Sport Committee, The potential impact of Brexit on the creative industries, tourism and the digital single market, published on 25 January 2018, HC 365, if he will publish a quarterly update outlining the progress and future objectives of EU negotiations as they relate to his Department.

Answered by Margot James

Answered on 07 February 2018

The Government is considering the Committee's report and will formally respond to its recommendations in due course. We are seeking to negotiate a trade agreement that works for all sectors of the economy, including the creative industries.

Government has been working closely with the creative industries to understand the impacts and opportunities presented by our decision to leave the EU, as well as working with them on an early sector deal as part of the Industrial Strategy to secure the sector's future prosperity and growth. We will continue to engage the creative industries as the UK prepares to leave the European Union and to ensure any negotiations and trade agreements best serve the UK's national interest.

Due to the ongoing and sensitive nature of the EU negotiations my Department does not currently have plans to publish a quarterly update on the progress and future objectives of these negotiations.

4. Press releases

Tourism

[Culture Secretary Karen Bradley on India mission to attract more tourists to Britain](#)

Department for Digital, Culture, Media and Sport, 10 November 2017

[Culture Secretary meets Swedish tourism leaders to promote the UK as a go-to destination](#)

Department for Digital, Culture, Media and Sport, 20 September 2017

[The challenges and opportunities for Welsh tourism post EU exit](#)

Department for Digital, Culture, Media and Sport, 26 July 2017

Creative industries

[Federation's response to the agreement on the implementation period](#)

Creative Industries Federation News, 23 March 2018

[Federation response to Theresa May's Brexit speech](#)

Creative Industries Federation News, 2 March 2018

[Federation response to Jeremy Corbyn's Brexit speech](#)

Creative Industries Federation News, 26 February 2018

[Federation trade report warns of danger to Brand Britain](#)

Creative Industries Federation News, 29 January 2018

[Mayor's Brexit report warns 27,000 UK creative jobs under threat](#)

Mayor of London, 11 January 2018

5. Further reading

Tourism

[2018 inbound tourism forecast](#)

VisitBritain, December 2017

[Brexit impacts on British tourism](#)

Claudia Sima (University of Lincoln)

Strategii Manageriale, V (34). pp. 297-303, 20 November 2017

[Tourism businesses: confident or concerned? Report on the factors affecting tourism businesses in Scotland,](#)

The Scottish Tourism Alliance, September 2017

[Tourism after Brexit 2017: a post-Brexit policy agenda for the UK tourism industry](#)

Tourism Alliance, 24 May 2017

[Making a success of Brexit for travel and tourism: priorities for the Brexit negotiations](#)

ABTA – the Travel Association, 3 April 2017

[Post Brexit manifesto](#)

Wales Tourism Alliance, March 2017

[Tourism NI: economic overview](#)

Gareth Hetherington, Ulster University, March 2017

Creative industries

[Creative industries: Sector Deal](#)

Department for Business, Energy and Industrial Strategy and
Department for Digital, Culture, Media and Sport, 28 March 2018

Creative Industries Federation, [Brexit Conference](#), March 2018

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