2 MARKET FORECASTS

Tourism activity in the South West will continue to reflect national trends in tourism. The approach to forecasting activity in the South West therefore seeks to identify likely changes in activity in England, and the likely consequences for the South West and its sub regions.

This Chapter presents the results of a forecasting model which estimates the volume and value of tourism nationally, based on assumptions about socio-economic changes, and uses these to make projections for the South West based on assumptions about market share. The first two sections provide national forecasts for domestic and overseas tourism; next some qualitative implications of national changes are considered; and then the projections for tourism in the South West are given. The final section looks at national and regional forecasts for day visiting.

The National Tourist Boards produced a tourism forecast for domestic tourism down to the England level in January 2003. This was produced by a slightly different methodology than used here but gives very similar results. Rather than confusing the reader with references to both forecasts we quote only the forecasts produced for this study.

2.1 UK tourist activity

Holiday tourism

Holiday spending by UK residents is primarily affected by:

- Growth in personal disposable income
- Changes in holiday and leisure time
- Competition from alternative leisure spending opportunities.

During the last decade, disposable income per head has grown at around 2% per annum, although holiday and leisure time availability has remained relatively unchanged. Holiday spending has also remained relatively stable against other leisure spending alternatives. It is therefore assumed that the main driver for change in the coming decade will be increases in disposable income and overall growth in the population. The former is likely to be adversely affected by economic slowdown, financial and taxation changes in the short term, but in the medium and longer term is expected to continue to grow at around 2%.

TABLE 2.1 Projected change in UK total holiday spend at 2001 values

- £53,900 million in 2001
- £64,922 million in 2006
- £78,444 million in 2011

Much of the growth in UK holiday spending has been absorbed by holiday taking abroad. This trend is affected by:

- changes in the value of sterling against overseas currencies
- growth in travel opportunities and reductions in relative travel costs
- marketing and promotion activities by travel agents, carriers and competing destinations.

Sterling has varied in value over the last decade, being relatively weak in the first half but strong in the second half, particularly against Euro currencies. Thus overseas destinations have offered relatively good value for UK holidaymakers since the mid 1990s. The trend to holidays abroad has been further stimulated by the rapid development of budget airlines serving a widening network of routes within Europe. Sterling has recently fallen slightly in value against the Euro and strengthened against the dollar. For the purposes of projecting tourism spend, it is assumed that sterling will stabilise at its existing level, while travel opportunities and marketing impacts will remain a strong influence. The outcome is that UK spend overseas is likely to continue to grow at twice the rate of UK holiday spend at home.

TABLE 2.2 Projected division of holiday spending between UK and overseas (at 2001 values)

	Abroad	In the UK	In England
2001	£36,900,000,000	£17,000,000,000	£12,988,000,000
2006	£45,818,000,000	£19,104,000,000	£14,519,000,000
2011	£57,142,000,000	£21,602,000,000	£16,418,000,000

Apart from the trend towards overseas holidays, there has been a substantial switch within the UK towards spending on short breaks and additional holidays away from the traditional long main holiday. Much of the change is driven by the growth in main holiday taking abroad, but the decrease in longer main holidays in the UK has been offset by the growth in additional holidays of over 3 nights duration. As a result the number of trips has remained relatively stable although the number of nights has fallen.

In making future projections it is assumed that the overall trend towards short and additional holidays will continue. The outcome is that spending on short breaks is likely to grow by 53% over the period to 2011, while spending on long holidays will hardly change over the same period.

TABLE 2.3 Projected division of holiday spending within England (at 2001 values)

	All holiday spend	Short break	Long holidays
2001	£12,988,000,000	£6,408,000,000	£6,580,000,000
2006	£14,519,000,000	£7,935,000,000	£6,584,000,000
2011	£16,418,000,000	£9,828,000,000	£6,590,000,000

Note: Short breaks defined as stays of 3 nights or less, long holidays as stays of 4 or more nights.

However, the projection based on past relationships between growth in income and spend on holidays in England is likely to be modified by:

- an overall aging of the population with growth in the 45+ age groups, but also some growth in the 15-24 age groups
- a gradual increase in the proportion of the population falling within the ABC1 socio-economic groups
- increases in single people with no children in the 16-34 age group and an increase in the 55+ age groups, and some decline in the number of families with young children.

The changes in the population aging and in socio-economic composition, with higher spending groups tending to increase faster than the average, could result in an increase of up to 10% over the projected spend set out above.

Short break holidays (1 to 3 nights)

Short break holidays have shown strong growth over the last decade, and this trend is likely to continue. In estimating future projections, the trends in spend per night and average length of trip derived from regression analysis of trends in the 1990s have been used. These suggest that:

- the average spend per night will continue to fall slowly
- the average length of trip will also decline slowly.

On this basis, the projections suggest a growth in trips of 58% over the decade, with nights increasing by 49% and spending at 2001 values of 53%.

TABLE 2.4 Projected short break activity in England

	Trips	Nights	Spend (2001 values)
2001	51,480,000	97,297,000	£6,408,000,000
2006	64,780,000	118,685,000	£7,935,000,000
2011	81,544,000	144,825,000	£9,828,000,000

Taking account of likely changes in the age and socio-economic profile of the population over the decade, spending could be up to 15% higher than the projection set out above with consequent associated increases in trips and nights.

Long holidays

Holidays involving overnight stays of 4 nights or more in England have been adversely affected by the trend to take main holidays abroad. However, the growth in additional holidays particularly those in the 4-6 night length has offset the fall in longer main holidays. Nevertheless the relative decline compared to short break holidays is likely to continue. The age shift will tend to slow the decline in that older age groups generally have a higher expenditure per head on long holidays than younger age groups, the exception being the 35-44 age group with young families who also tend to favour holidays in England.

The analysis of trends in the 1990s suggest that:

- spend per head will not change significantly over the next decade
- the average length of trip will continue to decline.

On this basis, the projections suggest a modest increase in the number of trips by 4%, with a fall of 4% in nights and little change in spend at 2001 values.

TABLE 2.5 Projected long holiday activity in England

	Trips	Nights	Spend (at 2001 values)
2001	28,500,000	184,100,000	£6,580,000,000
2006	29,007,000	180,542,000	£6,584,000,000
2011	29,527,000	177,053,000	£6,590,000,000

The impact of changes in the age and socio-economic profile of the population could result in greater spend on long holidays with an increase in trips and nights over the base case.

Business tourism

Business tourism including attendance at conferences and exhibitions is driven by a number of factors, but primarily by the overall level of business activity. The change in Gross Domestic Product provides a proxy measure of national business activity. Future business tourism spending is therefore based on anticipated changes in GDP. The projected changes in business tourism are therefore based on the following:

- GDP growth is expected to be slow in 2003/4 before resuming growth of around 2.5% per year in line with annual growth in the latter half of the 1990s.
- Spend per night on business trips will continue to decline in line with the trend in the 1990s
- Average trip length will remain stable at around 2.46 nights per trip.

The anticipated changes suggest a 41% growth in trips, 38% in nights and 16% in spend at 2001 values.

TABLE 2.6 Projected trends in business tourism in England

	Trips	Nights	Spend (at 2001 values)
2001	18,400,000	46,300,000	£4,435,000,000
2006	21,523,000	52,947,000	£4,655,000,000
2011	25,999,000	63,957,000	£5,161,000,000

Visits to Friends and Relatives

Visits to friends and relatives grew strongly in the 1990s, particularly in the first half of the decade. However, more recent trends suggest a slow down in the growth of such visits, and this trend is expected to continue over the next decade, given that there are likely only to be limited changes in available leisure time.

In making projections of the future change in visits to friends and relatives for non-holiday purposes, it is assumed that:

- The rate of increase in spending will only be around two thirds that experienced in the 1990s
- Average spend per night will continue to decline albeit at a slower rate than in the previous decade
- Average trip length will also decline again at a slower rate than in the 1990s.

The projections suggest that the visits to friends and relatives will increase by around 71% over the ten years, with nights increasing by 53% and spending at 2001 values by 24%.

TABLE 2.7 Projected trends for VFR in England

	Trips	Nights	Spend (at 2001 values)
2001	31,200,000	74,300,000	£2,513,000,000
2006	40,856,000	91,958,000	£2,806,000,000
2011	53,346,000	113,484,000	£3,125,000,000

In addition to spending by visitors, a recent study by the English Tourism Council of Visits to Friends and Relatives found that host households spent on average a further £108 per visit. This additional spending is not included in the forecasts above, but assuming similar spending in future, would result in additional spending of £5.8 million by 2011.

Changes related to age groups in the population over the period could increase the volume of nights by around 10% and spending at 2001 value by 6%.

Overseas tourism

The volume of visits and spend by overseas visitors to the UK is affected by a number of factors which may impact on different origin areas in different ways. The main influences are:

- Changes in the economic activity and disposable income in the origin countries
- The relative value of sterling against the origin country currencies
- Changes in the routes and opportunities to access the UK, together with the marketing and promotion of those opportunities in the origin countries
- Political and health events such as war, terrorism incidents and disease outbreaks that can have significant, albeit short term, impacts on the willingness to travel.

Following relatively strong growth in the first half of the 1990s, there has been a decline in overall activity since 1998. The changes conceal differences by region of origin and by purpose.

EU visitors

Spending by EU visitors rose sharply to 1996 stimulated by the relative weakness of sterling against European currencies. However, since 1997, spending has declined partly as a result of a strengthening of sterling but also as a result of economic slowdown in the main origin countries and the impact of foot and mouth and other poor publicity for the UK.

Recently, the Euro has gained strength against sterling, but the European economy continues to be sluggish. In generating a view of future activity, it is assumed that:

- Holiday visitors from Europe will continue to be depressed by the economy in the short term but will recover from 2004 onwards towards their long term growth rates
- Business visits will continue to grow albeit, more slowly in the short term
- Visits to friends and relatives will continue to grow steadily
- Miscellaneous visits including study trips will continue to be depressed in the short term and grow slowly from 2004 onwards.

The projections suggest that trips will grow by 31% over the decade, but nights will increase by only 4% and spending by 12%.

TABLE 2.8 Projected trends for visitors from the EU

	Trips	Nights	Spend (at 2001 values)
2001	12,865,000	73,558,000	£4,015,000,000
2006	14,321,000	72,918,000	£4,065,000,000
2011	16,796,000	76,254,000	£4,498,000,000

North American visitors

The volume of visitors from North America rose steadily from 1991 through to 2001, helped by a decline in the value of sterling against the dollar and fierce competition on airline services across the Atlantic. However there was a sharp fall in 2001 associated with the adverse impacts of foot and mouth and terrorist incidents.

In considering future projections, it is assumed that:
- The uncertainty surrounding the Iraq war will depress any growth in North American traffic in the short term
- Growth will start to recover in 2004 and attain the longer term trend figures established in the previous two decades
- Business and vfr traffic will grow faster than holiday visits.

On this basis, the projections suggest a growth in trips of 35%, with nights increasing by 11% and spending by 28%. In the short term, it is likely that there will be a fall in the number of nights and spending.

TABLE 2.9 Projected trends for visitors from North America

	Trips	Nights	Spend (at 2001 values)
2001	4,227,000	35,841,000	£2,690,000,000
2006	4,663,000	35,987,000	£2,879,000,000
2011	5,714,000	39,862,000	£3,456,000,000

Other Europe

The pattern of visits from other European countries has been broadly similar to the EU trends, with growth in the 1990s, tailing off in 2000 and 2001. Holiday tourism has fallen slightly over the period following a peak in the early 1990s following the collapse of communism at the beginning of the decade. Compared to the EU, business tourism has grown relatively more strongly.

In projecting the future growth in visitor numbers it is assumed that:
- Short term growth will be limited, particularly with regard to holidays and miscellaneous visits
- There will be recovery in line with past trends from 2004 onwards, with business tourism continuing to grow more strongly than other sectors, stimulated by increased involvement with the EU.

The projections suggest that there will be a 40% increase in trips, a 20% in nights and a 23% increase in spending over the next decade.

TABLE 2.10 Projected trends for visitors from other Europe

	Trips	Nights	Spend (at 2001 values)
2001	1,992,000	18,274,000	£1,088,000,000
2006	2,307,000	19,512,000	£1,131,000,000
2011	2,794,000	22,019,000	£1,337,000,000

Other countries

Visitor numbers from other countries grew during the 1990s, although growth checked in 1996 coincident with the strengthening of sterling against a basket of other currencies in that year. There has been a fall in the overall numbers in 2001. Compared with other origin areas, the strongest growth has been in the friends and relatives sector.

In considering future growth, it is assumed that:
- There will be a decline in holiday trips in the short term as a result of the Iraq war
- Following 2004, growth rates will resume the long term trend
- Visits to friends and relatives will continue to increase faster than other trips

The projections suggest that there will be a 34% increase in trips, a 31% increase in nights and a 19% increase in spend.

TABLE 2.11 Projected trends for visitors from other countries

	Trips	Nights	Spend (at 2001 values)
2001	3,751,000	61,888,000	£3,509,000,000
2006	4,205,000	68,996,000	£3,726,000,000
2011	5,029,000	80,869,000	£4,181,000,000

Overseas tourism by purpose

The slow down in overseas tourism in recent years has largely been due to the fall in holiday tourism. In contrast, business tourism and visits to friends and relatives have generally remained positive. While renewed growth is projected in the number of holiday and other purpose trips over the decade, the long term trends towards fewer nights per trip and less spend per night will result in less change in the level of spending in real terms.

The overall outcome of the projections suggests significant differences in the changes between trips taken for different tourism purposes.

TABLE 2.12 Change in overseas tourism by purpose 2001-2011

	Holiday	Business	VFR	Miscellaneous	All
Trips	18%	44%	43%	25%	33%
Nights	3%	24%	21%	18%	16%
Spend	-14%	33%	27%	45%	19%

TABLE 2.13 Projected trends in overseas tourism by purpose

	Holidays	Business	VFR	Miscellaneous	Total
Overseas trips					
2001	7,585,000	6,779,000	5,898,000	2,573,000	22,835,000
2006	7,787,000	7,946,000	6,998,000	2,765,000	25,496,000
2011	8,951,000	9,734,000	8,443,000	3,205,000	30,333,000
Overseas nights					
2001	54,510,400	28,332,100	65,074,000	41,645,000	189,561,500
2006	52,041,100	30,878,100	70,640,000	43,853,700	197,412,900
2011	55,977,300	35,127,200	78,564,800	49,334,500	219,003,800
Overseas spend (at 2001 values)					
2001	£3,500,000,000	£3,590,000,000	£2,252,000,000	£1,960,000,000	£11,302,000,000
2006	£2,989,000,000	£4,041,000,000	£2,490,000,000	£2,281,000,000	£11,801,000,000
2011	£3,022,000,000	£4,759,000,000	£2,850,000,000	£2,841,000,000	£13,472,000,000

2.2 Implications of national changes

The projections of changes in tourism activity at national level have been based on anticipated changes in key drivers such as disposable income, gross domestic product and exchange rates, together with trends established during the previous decade. Any projections should be viewed with some caution since changes in trends can have a significant effect over a decade. For instance, a strong recovery in the world economy could stimulate faster rates of growth in overseas tourism compared with the assumptions used in the base forecasts.

There are also a number of established trends that are likely to continue and which will have an impact on demand for different tourism facilities. These include:

- An overall aging in holiday tourists from home and abroad as a result of demographic changes
- A decline in the main family forming age group, with a consequent fall in families with small children, as well as a continuing trend towards single parent families.
- An increasing proportion of the population benefiting from higher education and working in the higher socio-economic groups, resulting in a growth in interest in culture and arts.
- A continuing interest in the environment, evidenced by the growth in membership of environmental organisations and the development of green grading schemes
- A continuing interest in health and personal development, evidenced by the doubling in the number of people taking activities while on holiday over the last decade.
- Growth in personal incomes and individual standards of living.

The impact of these changes is likely to be reflected in:

- Increased demand for serviced accommodation, reinforced by the continued strong growth in business tourism
- Better quality provision continuing to generate higher activity rates
- Increased interest in arts and heritage.
- Increased interest in outdoor recreation and sport, particularly those which are enjoyed by a wide age spectrum such as walking, and in those sports with a relatively high entry cost such as sailing.
- A continuing fall in traditional family holidays by the seaside
- City and countryside destinations enjoying increased demand as a result of the growth in short breaks, additional holidays, business and vfr tourism.

2.3 Projections for the South West

The projections for the South West region are based on those for England and the United Kingdom as set out in the previous sections, and assume that the region will retain its existing market share of each of the different market sectors, modified to reflect changes in market share.

UK tourist projections for the South West

The projections suggest that over the decade, UK tourist trips to the South West will rise by 39%. Within the overall total:

- Short breaks are expected to increase by 58%
- Long holiday trips by 4%
- Business trips by 41%
- Visits to friends and relatives by 71%
- Other trips are assumed to remain the same

TABLE 2.14 Projections for tourism trips by UK tourists to the South West

	Short breaks	Long holidays	Business	VFR	Other	Total
2001	8,800,000	8,200,000	2,300,000	4,500,000	200,000	24,000,000
2002	8,900,000	8,200,000	2,300,000	4,700,000	200,000	24,300,000
2003	9,600,000	8,300,000	2,400,000	5,000,000	200,000	25,500,000
2004	10,000,000	8,300,000	2,500,000	5,300,000	200,000	26,300,000
2005	10,500,000	8,300,000	2,600,000	5,600,000	200,000	27,200,000
2006	11,100,000	8,300,000	2,700,000	5,900,000	200,000	28,200,000
2007	11,600,000	8,400,000	2,800,000	6,200,000	200,000	29,200,000
2008	12,200,000	8,400,000	2,900,000	6,600,000	200,000	30,300,000
2009	12,800,000	8,400,000	3,000,000	6,900,000	200,000	31,300,000
2010	13,300,000	8,500,000	3,100,000	7,300,000	200,000	32,400,000
2011	13,900,000	8,500,000	3,200,000	7,700,000	200,000	33,500,000

There will be a similar pattern in terms of nights although overall the volume of nights is not expected to increase at the same rate as the average length of trip declines. The total volume of UK tourism nights is likely to increase by 17%. Within this total:

- Short break nights are expected to increase by 49%
- Long holiday nights will decline by 4%
- Business nights will increase by 38%
- Visits to friends and relatives will increase by 53%
- Other are assumed to stay stable at 2001 levels.

TABLE 2.15 Projections for tourism nights by UK tourists to the South West

	Short breaks	Long holidays	Business	VFR	Other	Total
2001	17,600,000	54,000,000	6,700,000	10,800,000	800,000	89,900,000
2002	17,700,000	53,800,000	6,700,000	11,300,000	800,000	90,300,000
2003	19,000,000	53,600,000	6,800,000	11,800,000	800,000	92,000,000
2004	19,700,000	53,400,000	7,100,000	12,300,000	800,000	93,300,000
2005	20,500,000	53,200,000	7,400,000	12,800,000	800,000	94,700,000
2006	21,500,000	53,000,000	7,700,000	13,400,000	800,000	96,400,000
2007	22,400,000	52,800,000	8,000,000	14,000,000	800,000	98,000,000
2008	23,300,000	52,500,000	8,300,000	14,600,000	800,000	99,500,000
2009	24,300,000	52,300,000	8,600,000	15,200,000	800,000	101,200,000
2010	25,200,000	52,100,000	8,900,000	15,800,000	800,000	102,800,000
2011	26,200,000	51,900,000	9,300,000	16,500,000	800,000	104,700,000

Tourism spending associated with UK visits is projected to increase by 20% at 2001 values. Within the overall total, the following changes are anticipated over the decade:

- Short breaks spending will increase by 53%
- Long holiday spending will show no change in real value

- Business tourism spending will increase by 16%
- Spending associated with visits to friends and relatives will increase by 24%
- Other spending is assumed to remain stable at 2001 levels.

TABLE 2.16 Projections for tourism spending by UK tourists to the South West

	Short breaks	Long holidays	Business	VFR	Other	Total
2001	£1,079	£1,913	£485	£362	£50	£3,889
2002	£1,089	£1,913	£474	£370	£50	£3,896
2003	£1,170	£1,913	£479	£378	£50	£3,990
2004	£1,216	£1,914	£489	£387	£50	£4,055
2005	£1,275	£1,914	£499	£395	£50	£4,133
2006	£1,336	£1,914	£509	£404	£50	£4,214
2007	£1,398	£1,915	£520	£413	£50	£4,296
2008	£1,461	£1,915	£530	£422	£50	£4,379
2009	£1,525	£1,915	£542	£432	£50	£4,463
2010	£1,589	£1,915	£553	£441	£50	£4,548
2011	£1,655	£1,916	£564	£450	£50	£4,635

Note: Figures in millions
VFR spending does not include additional spending by host households. Such spending could rise to £831 billion by 2011. (see VFR paragraphs in section 2.1 above)

The base projections for UK tourists assume that the South West will retain the same market share that it gained in 2001. However, during the 1990s, the South West gained market share in the short breaks, long holidays and business tourism sectors, although it lost market share in the visits to friends and relatives sector. If the same trends continue during the next decade, then there would be significant differences in the level of tourism activity, with the overall volume of tourism trips rising by 43% compared to 39% with the base case projection. Within the change, there would be much stronger growth in the short break and business tourism sectors but little growth in the visits to friends and relatives sector.

In particular, if past trends in market share continue, then:

- Short break spend would increase by 113% instead of 53%
- Long holiday spend would increase by 5% rather than staying the same
- Business spend would increase by 64% instead of 16%
- Spend on visits to friends and relatives would fall by 3% instead of growing by 24%.

TABLE 2.17 Comparison of projections assuming growth in market share

	Short breaks	Long holidays	Business	VFR	All
UK trips					
2001	8,800,000	8,200,000	2,300,000	4,500,000	24,000,000
2011 base	13,900,000	8,500,000	3,200,000	7,700,000	33,500,000
2011 trend	16,900,000	8,900,000	4,300,000	4,800,000	35,100,000
UK nights					
2001	17,600,000	54,000,000	6,700,000	10,800,000	89,600,000
2011 base	26,200,000	51,900,000	9,300,000	16,500,000	104,400,000
2011 trend	31,400,000	51,500,000	13,700,000	11,200,000	108,300,000
UK spend (£ million)					
2001	£1,079	£1,913	£485	£362	£3,842
2011 base	£1,655	£1,916	£564	£450	£4,588
2011 trend	£2,330	£1,927	£802	£340	£5,431

In seeking to gain market share, then the South West is likely to meet increasing competition from other regions seeking to protect their markets. The South West region has a slightly higher proportion of faster growing older age groups in the profile of short break visitors than the national average, but the difference is limited and projections based on trends in the last decade therefore represent a top range compared to the base projection.

Overseas visitors to the South West

Assuming that the South West retains its share of overseas tourists from the main origin areas, then the projections suggest that overseas trips to the South West are likely to grow by 32% between 2001 and 2011, with the number of nights increasing by 16% and spending by 14% in 2001 values. The projections reflect changes in the average length of stay and spend per night, both of which vary by origin and purpose. The overall numbers therefore conceal wide variations by major origins and by purpose of trip.

EU Europe

The projections suggest that the number of EU trips to the South West will increase by 29% overall, with increases of 2% in nights and 4% in spend, reflecting the contraction in the average length of trip. Within the total:

- Holiday trips will increase by 23% and nights by 2%, while spend will still be 13% lower than at 2001
- Business tourism trips will increase by 41%, nights by 13% and spend by 24%
- Visits to friends and relatives will increase by 28%, but nights are expected to fall by 2% and spending by 19%
- Study visits are expected to increase by 22%, with nights by 6% and spend by 52%.

TABLE 2.18 EU tourists by purpose

	Holiday	Business	VFR	Study	Other	Total
Volume of trips						
2001	363,000	234,000	296,000	66,000	43,000	1,002,000
2006	385,000	271,000	335,000	70,000	46,000	1,107,000
2011	446,000	330,000	379,000	81,000	53,000	1,289,000
Volume of nights						
2001	2,324,000	1,329,000	2,032,000	1,657,000	259,000	7,601,000
2006	2,241,000	1,379,000	2,012,000	1,635,000	257,000	7,524,000
2011	2,361,000	1,501,000	1,992,000	1,763,000	268,000	7,885,000
Value of spend (2001 value)						
2001	£78,000,000	£86,000,000	£53,000,000	£55,000,000	£8,000,000	£280,000,000
2006	£67,000,000	£94,000,000	£48,000,000	£66,000,000	£8,000,000	£283,000,000
2011	£68,000,000	£107,000,000	£44,000,000	£86,000,000	£9,000,000	£314,000,000

North America

The projections suggest that the number of North America trips to the South West will increase by 33% overall, with increases of 8% in nights and 21% in spend. Within the total:

- Holiday trips will increase by 14%, but nights will fall by 10% and spend by 12%.
- Business tourism trips will increase by 52%, nights by 44% and spend by 66%
- Visits to friends and relatives will increase by 57%, nights by 18% and spending by 46%
- Study visits are expected to increase by 50%, with nights by 32% and spend staying the same, but from a very low base.

TABLE 2.19 North American tourists by purpose

	Holiday	Business	VFR	Study	Other	Total
Volume of trips						
2001	205,000	57,000	117,000	2,000	9,000	390,000
2006	201,000	68,000	144,000	2,000	10,000	425,000
2011	234,000	87,000	183,000	3,000	12,000	519,000
Volume of nights						
2001	790,000	228,000	825,000	50,000	62,000	1,955,000
2006	689,000	264,000	879,000	52,000	62,000	1,946,000
2011	709,000	328,000	973,000	59,000	69,000	2,138,000
Value of spend (2001 value)						
2001	£46,000,000	£24,000,000	£27,000,000	£1,000,000	£2,000,000	£100,000,000
2006	£40,000,000	£30,000,000	£32,000,000	£1,000,000	£2,000,000	£105,000,000
2011	£41,000,000	£40,000,000	£40,000,000	£1,000,000	£3,000,000	£125,000,000

Other Europe

The projections suggest that the number of Other European trips to the South West will increase by 37% overall, with increases of 18% in nights and 20% in spend. Within the total:

- Holiday trips will increase by 23% and nights by 6%, but spend is likely to fall by 26%.
- Business tourism trips will increase by 62%, nights by 42% and spend by 25%
- Visits to friends and relatives will increase by 39%, nights by 9% and spending by 77%
- Study visits are expected to increase by 25%, with nights by 29% and spend by 47%.

TABLE 2.20 Other European tourists by purpose

	Holiday	Business	VFR	Study	Other	Total
Volume of trips						
2001	61,000	43,000	41,000	18,000	7,000	170,000
2006	65,000	54,000	48,000	19,000	7,000	193,000
2011	75,000	69,000	57,000	22,000	9,000	232,000
Volume of nights						
2001	325,000	248,000	248,000	463,000	105,000	1,389,000
2006	321,000	294,000	258,000	499,000	112,000	1,484,000
2011	347,000	351,000	271,000	588,000	127,000	1,684,000
Value of spend (2001 value)						
2001	£13,000,000	£19,000,000	£11,000,000	£23,000,000	£2,000,000	£68,000,000
2006	£10,000,000	£21,000,000	£15,000,000	£26,000,000	£2,000,000	£74,000,000
2011	£10,000,000	£24,000,000	£19,000,000	£34,000,000	£2,000,000	£89,000,000

Rest of world

The projections suggest that the number of trips from the rest of the world to the South West will increase by 38% overall, with increases of 32% in nights and 17% in spend. Within the total:

- Holiday trips will increase by 8% and nights by 13%, but spend is likely to fall by 13%.
- Business tourism trips will increase by 32%, nights by 23% and spend by 21%
- Visits to friends and relatives will increase by 75%, nights by 47% and spending by 43%
- Study visits are expected to increase by 17%, with nights by 26% and spend by 35%.

TABLE 2.21 Rest of the world tourists by purpose

	Holiday	Business	VFR	Study	Other	Total
Volume of trips						
2001	155,000	32,000	144,000	14,000	24,000	369,000
2006	151,000	36,000	189,000	15,000	26,000	417,000
2011	167,000	42,000	253,000	17,000	29,000	508,000
Volume of nights						
2001	1,109,000	311,000	1,604,000	736,000	295,000	4,055,000
2006	1,106,000	341,000	1,929,000	830,000	329,000	4,535,000
2011	1,248,000	381,000	2,366,000	955,000	385,000	5,335,000
Value of spend (2001 value)						
2001	£47,000,000	£32,000,000	£58,000,000	£34,000,000	£15,000,000	£186,000,000
2006	£41,000,000	£34,000,000	£69,000,000	£40,000,000	£16,000,000	£200,000,000
2011	£41,000,000	£38,000,000	£84,000,000	£47,000,000	£18,000,000	£228,000,000

Overseas tourism to the South West by purpose

It is clear from the individual projections for the main origin areas that the various sectors within the overseas market are likely to perform rather differently from each other over the next decade. In particular,

- The holiday sector is likely to be slow to recover from the impact of the national and international political and medical crises of the first few years of the decade. The number of nights will also reflect the decline in average trip length and of spend per night.

- The business tourism sector is likely to be the most robust of the market sectors in terms of growth.
- Visits to friends and relatives will also be relatively robust
- Study visits will also show modest growth although the actual change is likely to be particularly sensitive to changes in the exchange rate.

TABLE 2.22 Overseas trips by purpose in the South West

	Holiday	Business	VFR	Study	Other	Total
2001	784,000	366,000	598,000	100,000	83,000	1,931,000
2002	793,000	377,000	621,000	100,000	83,000	1,974,000
2003	761,000	383,000	638,000	100,000	83,000	1,965,000
2004	766,000	396,000	662,000	102,000	84,000	2,010,000
2005	781,000	413,000	688,000	104,000	86,000	2,072,000
2006	802,000	429,000	716,000	106,000	89,000	2,142,000
2007	826,000	447,000	744,000	109,000	92,000	2,218,000
2008	850,000	467,000	774,000	112,000	94,000	2,297,000
2009	873,000	487,000	805,000	116,000	97,000	2,378,000
2010	897,000	507,000	838,000	120,000	99,000	2,461,000
2011	922,000	528,000	872,000	123,000	103,000	2,548,000

TABLE 2.23 Overseas nights by purpose in the South West

	Holiday	Business	VFR	Study	Other	Total
2001	4,548,000	2,116,000	4,709,000	2,906,000	721,000	15,000,000
2002	4,530,000	2,139,000	4,791,000	2,905,000	730,000	15,095,000
2003	4,312,000	2,143,000	4,815,000	2,889,000	722,000	14,881,000
2004	4,278,000	2,174,000	4,894,000	2,909,000	730,000	14,985,000
2005	4,300,000	2,224,000	4,984,000	2,951,000	744,000	15,203,000
2006	4,357,000	2,278,000	5,078,000	3,016,000	760,000	15,489,000
2007	4,419,000	2,330,000	5,174,000	3,084,000	777,000	15,784,000
2008	4,477,000	2,385,000	5,275,000	3,152,000	794,000	16,083,000
2009	4,539,000	2,443,000	5,379,000	3,220,000	812,000	16,393,000
2010	4,601,000	2,500,000	5,489,000	3,292,000	830,000	16,712,000
2011	4,665,000	2,561,000	5,602,000	3,365,000	849,000	17,042,000

TABLE 2.24 Overseas spending by purpose in the South West (at 2001 values)

	Holiday	Business	VFR	Study	Other	Total
2001	£184,000,000	£161,000,000	£149,000,000	£113,000,000	£27,000,000	£634,000,000
2002	£173,000,000	£164,000,000	£151,000,000	£115,000,000	£27,000,000	£630,000,000
2003	£161,000,000	£166,000,000	£152,000,000	£119,000,000	£27,000,000	£625,000,000
2004	£158,000,000	£169,000,000	£156,000,000	£122,000,000	£27,000,000	£632,000,000
2005	£158,000,000	£174,000,000	£160,000,000	£126,000,000	£28,000,000	£646,000,000
2006	£158,000,000	£179,000,000	£164,000,000	£133,000,000	£28,000,000	£662,000,000
2007	£158,000,000	£185,000,000	£168,000,000	£138,000,000	£28,000,000	£677,000,000
2008	£158,000,000	£190,000,000	£172,000,000	£146,000,000	£29,000,000	£695,000,000
2009	£160,000,000	£195,000,000	£176,000,000	£152,000,000	£30,000,000	£713,000,000
2010	£160,000,000	£202,000,000	£180,000,000	£160,000,000	£30,000,000	£732,000,000
2011	£160,000,000	£209,000,000	£187,000,000	£168,000,000	£32,000,000	£756,000,000

Note: VFR expenditure excludes any additional spending by host households. This could amount to £94 million by 2011.

Sub region projections

The future pattern of tourism in the sub regions of the South West will reflect the market mix within the region and the impact of changes in the market sectors within the region as a whole. Sub regions where the proportion of short breaks, business and vfr market in UK tourism, and of business and vfr in the overseas tourism, can be expected to enjoy faster than average growth. The projections assume that the sub regions will retain their market share of the individual sectors.

TABLE 2.25 Avon

	UK tourists	Overseas tourists	Total
Trips			
2001	2,400,000	566,000	2,966,000
2006	2,932,000	613,000	3,545,000
2011	3,597,000	726,000	4,323,000
Nights			
2001	6,409,000	4,223,000	10,623,000
2006	7,262,000	4,296,000	11,558,000
2011	8,320,000	4,717,000	13,037,000
Spend			
2001	£346,000,000	£175,000,000	£522,000,000
2006	£404,000,000	£179,000,000	£583,000,000
2011	£479,000,000	£202,000,000	£681,000,000

TABLE 2.26 Cornwall

	UK tourists	Overseas tourists	Total
Trips			
2001	4,800,000	200,000	5,000,000
2006	5,512,000	215,000	5,727,000
2011	6,425,000	253,000	6,498,000
Nights			
2001	22,743,000	1,475,000	24,218,000
2006	23,863,000	1,474,000	25,337,000
2011	25,324,000	1,609,000	26,933,000
Spend			
2001	£980,000,000	£55,000,000	£1,035,000
2006	£1,034,000,000	£54,000,000	£1,088,000
2011	£1,104,000,000	£59,000,000	£1,163,000

TABLE 2.27 Devon

	UK tourists	Overseas tourists	Total
Trips			
2001	7,404,000	391,000	7,795,000
2006	8,498,000	430,000	8,928,000
2011	9,884,000	509,000	10,393,000
Nights			
2001	28,844,000	3,518,000	32,362,000
2006	30,465,000	3,628,000	34,093,000
2011	32,567,000	3,991,000	36,558,000
Spend			
2001	£1,184,000,000	£131,000,000	£1,315,000,000
2006	£1,263,000,000	£140,000,000	£1,403,000,000
2011	£1,364,000,000	£161,000.000	£1,525,000,000

TABLE 2.28 Dorset

	UK tourists	Overseas tourists	Total
Trips			
2001	4,001,000	261,000	4,262,000
2006	4,723,000	289,000	5,012,000
2011	5,632,000	342,000	5,974,000
Nights			
2001	12,913,000	2,840,000	15,753,000
2006	13,947,000	2,942,000	16,889,000
2011	15,244,000	3,241,000	18,485,000
Spend			
2001	£530,000,000	£134,000,000	£664,000,000
2006	£578,000,000	£146,000,000	£724,000,000
2011	£642,000,000	£169,000,000	£811,000,000

TABLE 2.29 Gloucestershire

	UK tourists	Overseas tourists	Total
Trips			
2001	1,602,000	179,000	1,781,000
2006	1,908,000	208,000	2,116,000
2011	2,289,000	251,000	2,540,000
Nights			
2001	5,143,000	1,048,000	6,191,000
2006	5,716,000	1,103,000	6,819,000
2011	6,461,000	1,220,000	7,681,000
Spend			
2001	£216,000,000	£50,000,000	£266,000,000
2006	£238,000,000	£51,000,000	£289,000,000
2011	£269,000,000	£59,000,000	£328,000,000

TABLE 2.30 Somerset

	UK tourists	Overseas tourists	Total
Trips			
2001	2,901,000	170,000	3,071,000
2006	3,423,000	193,000	3,616,000
2011	4,078,000	231,000	4,309,000
Nights			
2001	9,746,000	1,037,000	10,783,000
2006	10,547,000	1,074,000	11,621,000
2011	11,563,000	1,184,000	12,747,000
Spend			
2001	£415,000,000	£42,000,000	£457,000,000
2006	£455,000,000	£41,000,000	£496,000,000
2011	£507,000,000	£47,000,000	£554,000,000

TABLE 2.31 Wiltshire

	UK tourists	Overseas tourists	Total
Trips			
2001	1,499,000	160,000	1,659,000
2006	1,812,000	194,000	2,006,000
2011	2,205,000	236,000	2,441,000
Nights			
2001	4,099,000	903,000	5,002,000
2006	4,595,000	971,000	5,566,000
2011	5,216,000	1,080,000	6,296,000
Spend			
2001	£218,000,000	£48,000,000	£266,000,000
2006	£247,000,000	£50,000,000	£297,000,000
2011	£286,000,000	£59,000,000	£345,000,000

2.4 Day trips

UK tourism day trips

Tourism day trips from home, defined as those leisure trips starting from and finishing at home lasting 3 hours or more and taken on an irregular basis, are an important part of tourism activity in England. Data on such activity is more limited than for staying tourism with the latest available information relating to the 1998 UK Day Visits Survey, although data from 2002 should be available later this year.

The available evidence suggests that town trips increased by between 4% and 6% per year in the ten years to 1998, with countryside trips increasing at a slower rate and coastal trips remaining the same or even falling in number. It is likely that the rate of growth over the next decade is likely to be slower in that:

- Available leisure time is not expected to increase significantly
- Increasing congestion particularly in the urban areas will impact on travel times and constrain growth in the volume of trips.

In projecting future growth, it is therefore assumed that:

- Town trips will increase by around 2% per annum
- Countryside trips will increase by around 1% per annum, after recovering to pre foot and mouth levels in 2002/3
- Coastal trips will increase marginally at around 0.5% per annum.

Spend per trip will remain the same over the period at constant values. The projections suggest that the total number of tourism day trips will increase by 21%.

TABLE 2.32 Projected volume and value of tourism day trips in England

	Town trips	Countryside trips	Coastal trips	Total trips
Volume				
2001 (estimate)	843,000,000	223,000,000	65,000,000	1,131,000,000
2006	931,000,000	253,000,000	67,000,000	1,250,000,000
2011	1,028,000,000	268,000,000	68,000,000	1,364,000,000
Value (£ million at 2001 value)				
2001 (estimate)	£25,914	£3,630	£1,293	£30,837
2006	£28,619	£4,119	£1,323	£34,061
2011	£31,601	£4,363	£1,353	£37,317

Note: 2001 estimate derived from national tourist board forecast group.

Taking account of further increases in population and changes in the structure of the population, the increases in tourism day trips could be a further 5% higher across the board above the base projection.

South West Tourism day trips

The South West accounts for around 13% of tourism day trips within England and around 12% of associated spending. The difference is accounted for by the higher proportion of coastal and countryside day trips in the South West, with a lower proportion of the higher spending city/town trips.

Assuming that the current levels of market share are maintained, then tourism day trips are expected to increase from an estimated 148.5 million in 2001 to 177.5 million in 2011, with expenditure rising from £3,771 million to £4,528 million in 2011.

The projections assume that the level of countryside trips will recover to pre foot and mouth levels by 2003.

TABLE 2.33 Projected volume of tourism day trips in the South West (000s)

	Town	Coast	Country	Total
2001	89,314	16,986	42,248	148,548
2002	91,115	17,064	44,332	152,511
2003	92,916	17,143	46,605	156,664
2004	94,823	17,221	46,984	159,029
2005	96,730	17,300	47,363	161,393
2006	98,637	17,378	47,932	163,947
2007	100,650	17,456	48,500	166,607
2008	102,663	17,535	49,068	169,267
2009	104,676	17,613	49,637	171,926
2010	106,795	17,692	50,205	174,692
2011	108,914	17,770	50,773	177,458

TABLE 2.34 Projected spending associated with tourism day trips in the South West (£million at 2001 value)

	Town	Coast	Country	Total
2001	£2,746	£338	£688	£3,771
2002	£2,801	£339	£722	£3,862
2003	£2,856	£341	£759	£3,956
2004	£2,915	£343	£765	£4,022
2005	£2,973	£344	£771	£4,089
2006	£3,032	£346	£780	£4,158
2007	£3,094	£347	£790	£4,231
2008	£3,156	£349	£799	£4,303
2009	£3,218	£350	£808	£4,376
2010	£3,283	£352	£817	£4,452
2011	£3,348	£353	£827	£4,528