

A Scottish TSA



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Scottish Executive

Scottish TSA project

- Scottish Executive
 - Central Government
- VisitScotland
 - National Tourism Organisation
- Scottish Enterprise / Highlands & Islands Enterprise
 - Economic Development Agencies

Demand for Scottish TSA data

- Inform statements made about the sector's contribution to the economy.
- Economic baseline to monitor effect of policy interventions.
- Scottish Enterprise analysis of industry linkages to inform development strategies and identify key stakeholders.
- Feed into VisitScotland forecasting, trends and scenario planning (Moffat) model.
- Inform Scottish Executive tourism targets.

Tourism targets

2002 Spending Review

- *To establish a method by 2004 to assess the contribution of tourism to the Scottish economy; and to identify how this contribution could be increased.*

2004 Spending Review

- *Year on year real terms increase of Scottish tourism Gross Value Added (GVA) to end 2007.*

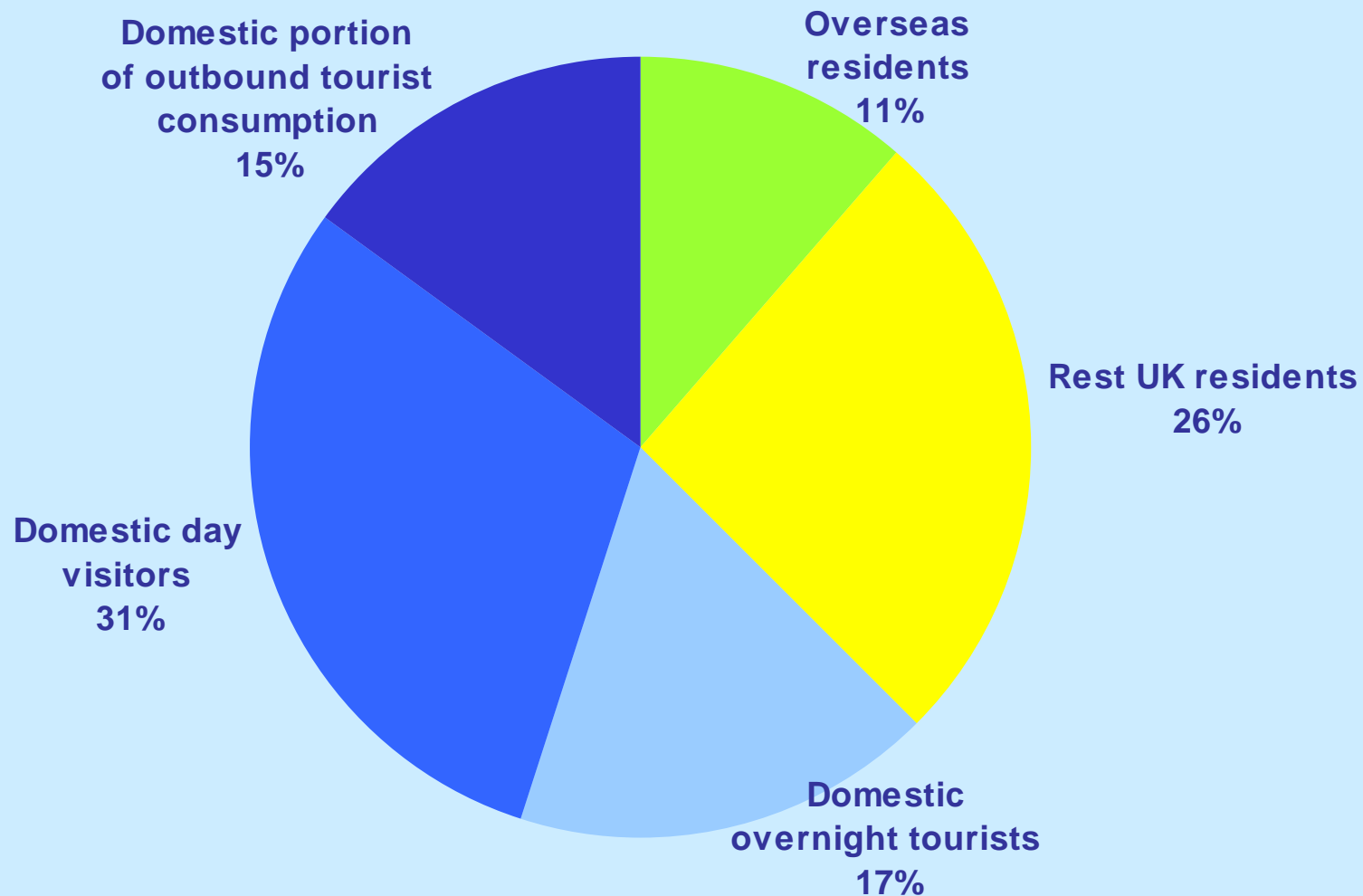
Scottish TSA project

- Phase 1 – scoping study by Prof Iain McNicoll, 2002-03
- Phase 2 – detailed analysis of tourism data for Scottish input-output tables
- Phase 3 – publication of provisional TSA tables for 2000 in October 2004
- Phase 4 – further development work

Provisional TSA results

| | £million | Percentage |
|---------------------------------------|--------------|-------------|
| INTERNAL TOURISM CONSUMPTION | 7,423 | 100% |
| Overseas visitors | 845 | 11% |
| Rest UK visitors | 1,908 | 26% |
| Domestic visitors | 3,493 | 47% |
| Overnight visitors | 1,283 | 17% |
| Same-day visitors | 2,210 | 30% |
| Domestic portion of outbound spend | 1,106 | 15% |
| Second homes on own account | 71 | 1% |
| TOURISM PRODUCTION | | |
| Direct tourism gross output | 3,531 | |
| Direct tourism value added | 2,033 | |
| <i>proportion of GVA</i> | | 3.0% |
| TOURISM EMPLOYMENT | Jobs | |
| Tourism dependent employment | 130,000 | |
| <i>proportion of total employment</i> | | 5.2% |

Total tourism final expenditure in cash, Scotland, 2000 by tourist type



Executive analysis shows Scottish residents are spending far more than Japanese and American visitors

Scotland's big-spending tourists are home grown

BILL JAMIESON
EXECUTIVE EDITOR

Credit card-waving Americans and picture-snapping Japanese may be the conventional idea of Scotland's big-spend tourists. But the biggest tourist spender by far are Scots, according to official figures yesterday.

Scottish residents account for £3.5 billion or 58 per cent of total annual tourist spending in Scotland. Visitors from the rest of the UK account for £1.9 billion, while those from overseas spent just £0.8 billion, or 12 per cent of the total.

The figures, for 2001, are carried in a new Scottish Executive analysis of the tourism industry. They will dismay tourist industry chiefs, as they put the contribution of tourism to the economy in Scotland at just

£2 billion, or 3 per cent of Gross Value Added (broadly profits plus wages generated). This is substantially smaller than the contribution from electronics and just one percentage point above that for farming, forestry and fishing.

The analysis also finds that the number of jobs generated by tourism is much smaller than the 9 per cent or so widely claimed. This larger total includes jobs in businesses that also depend significantly on local custom - for example, bars, cafes and sports centres.

But stripping out this element leaves just 130,000 or 5 per cent of total employment in Scotland directly supported by tourism. In addition, an estimated 47 per cent of tourism dependent jobs are part time.

The figures, in the 2004 edi-



Of Scotland's £6.2bn income from tourism, Scots account for £3.5bn, UK visitors for £1.9bn and overseas guests for just £0.8bn

tion of Scottish Executive Economic Statistics, are part of a study aimed at gaining a clearer idea of the role of tourism in economic development. Policy has been dogged for years by difficulty in how to measure tourist spend. Catriona Hayes, a co-author of the report, said:

"Tourism spending is difficult to capture, and this is a preliminary analysis. It is an on-going process of improving data."

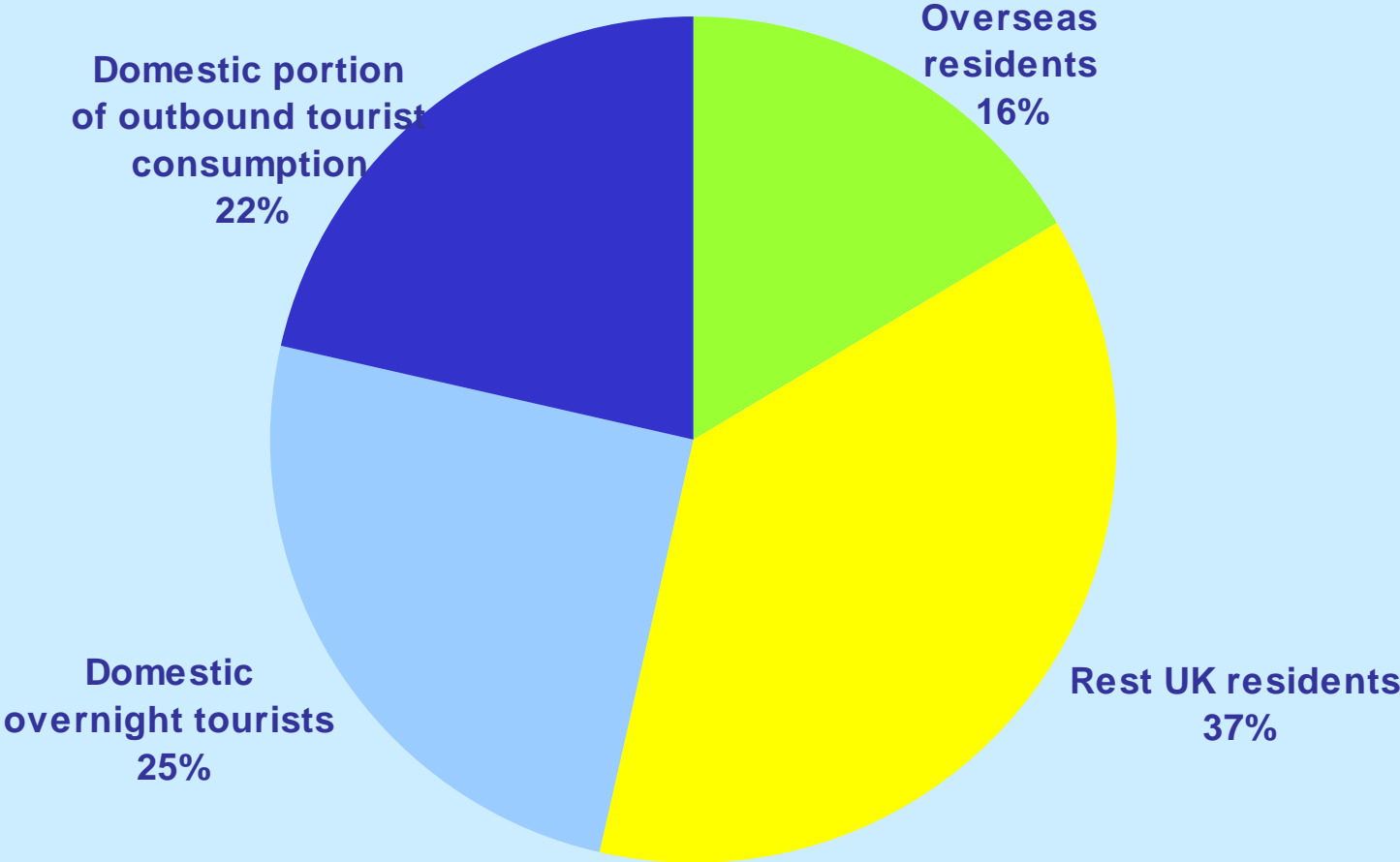
Total internal tourist consumption in 2000 - non-Scottish visitors as well as Scots - is estimated at £7.4 billion. But more than £3 billion is

accounted for by imported goods and services. Tourism GVA is reckoned at £2 billion a year (3 per cent of Scotland's total). Biggest contributors are hotels (18 per cent), restaurants (17 per cent) and recreational services (12 per cent).

Of the total value added,

only 20 per cent is tourism spend as currently defined. "The rest", says the analysis, "could be due to consumption by residents for non-tourism purposes, or by tourists for non-tourism purposes, or by tourists for tourism that has not been fully captured".

Total tourism final expenditure in cash, Scotland, 2000 by tourist type (excluding day visitors)

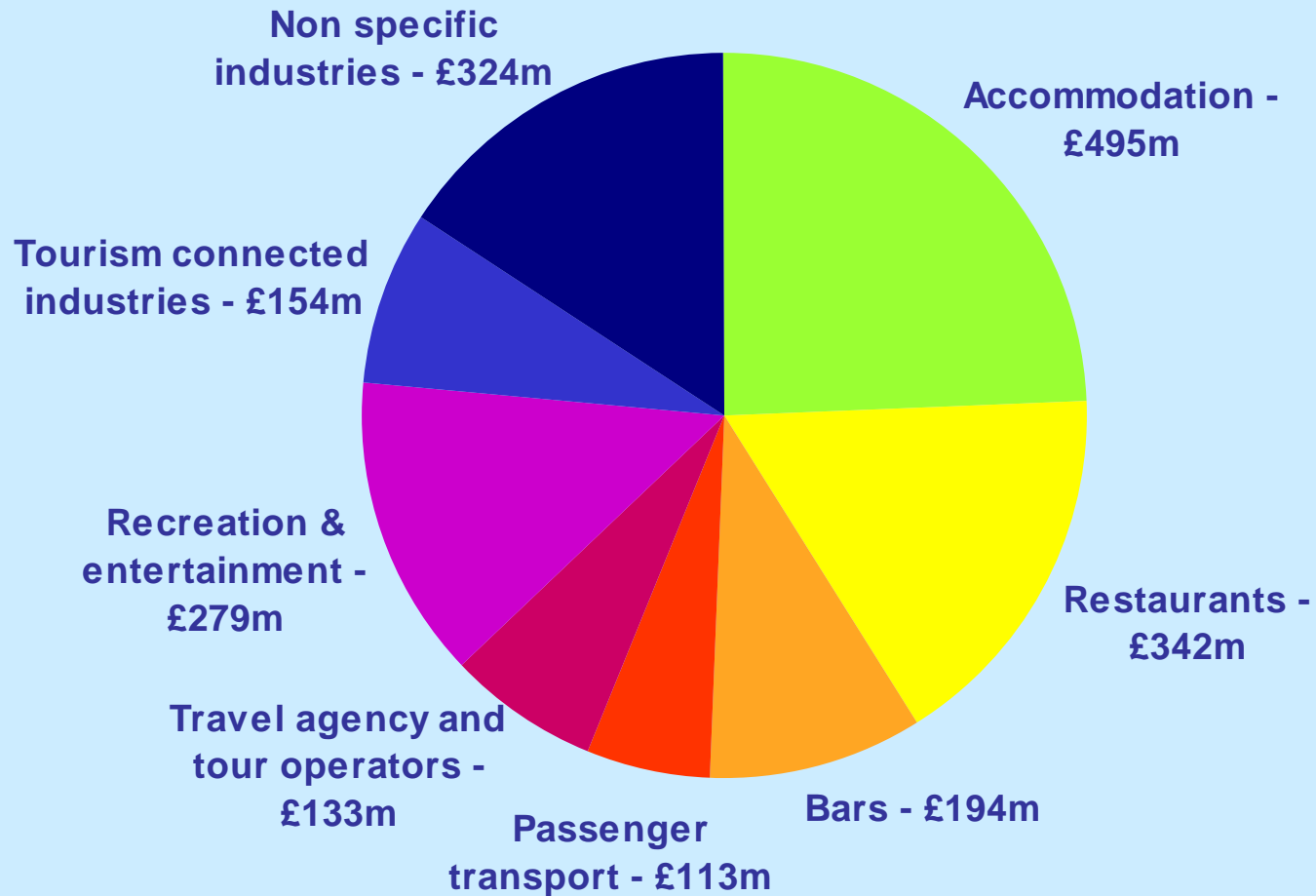


Excluding day visitors

- GVA £1.59 billion (2.4%)
- Employment 99,000 (4.0%)
- Proportion of total industry output for tourism

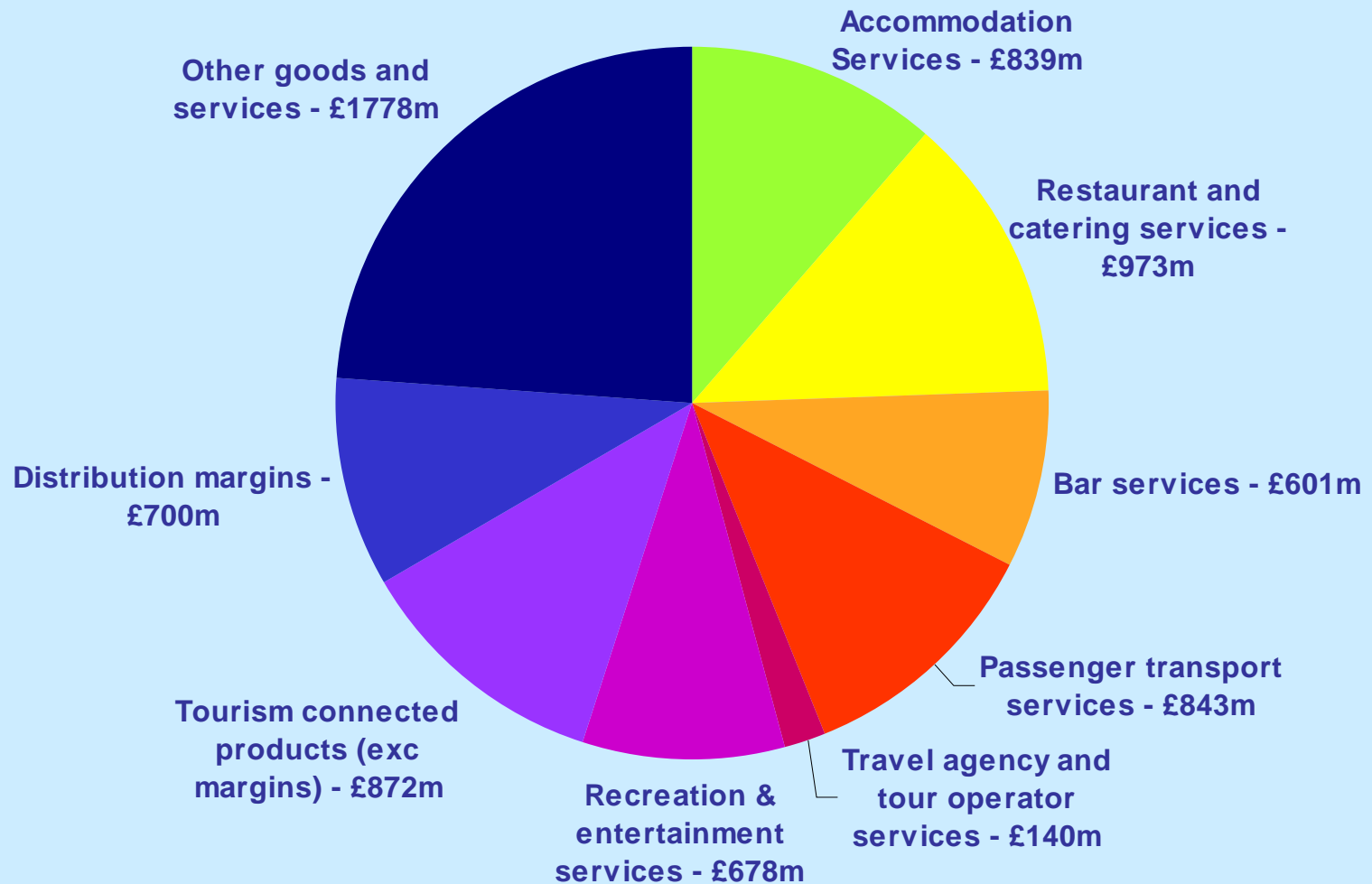
| | Restaurants | Bars |
|------------------------|-------------|------|
| Including day visitors | 61% | 45% |
| Excluding day visitors | 37% | 30% |

GVA generated directly by tourism in Scotland, 2000



Tourism GVA = £2,033m, or 3% of Scottish GVA

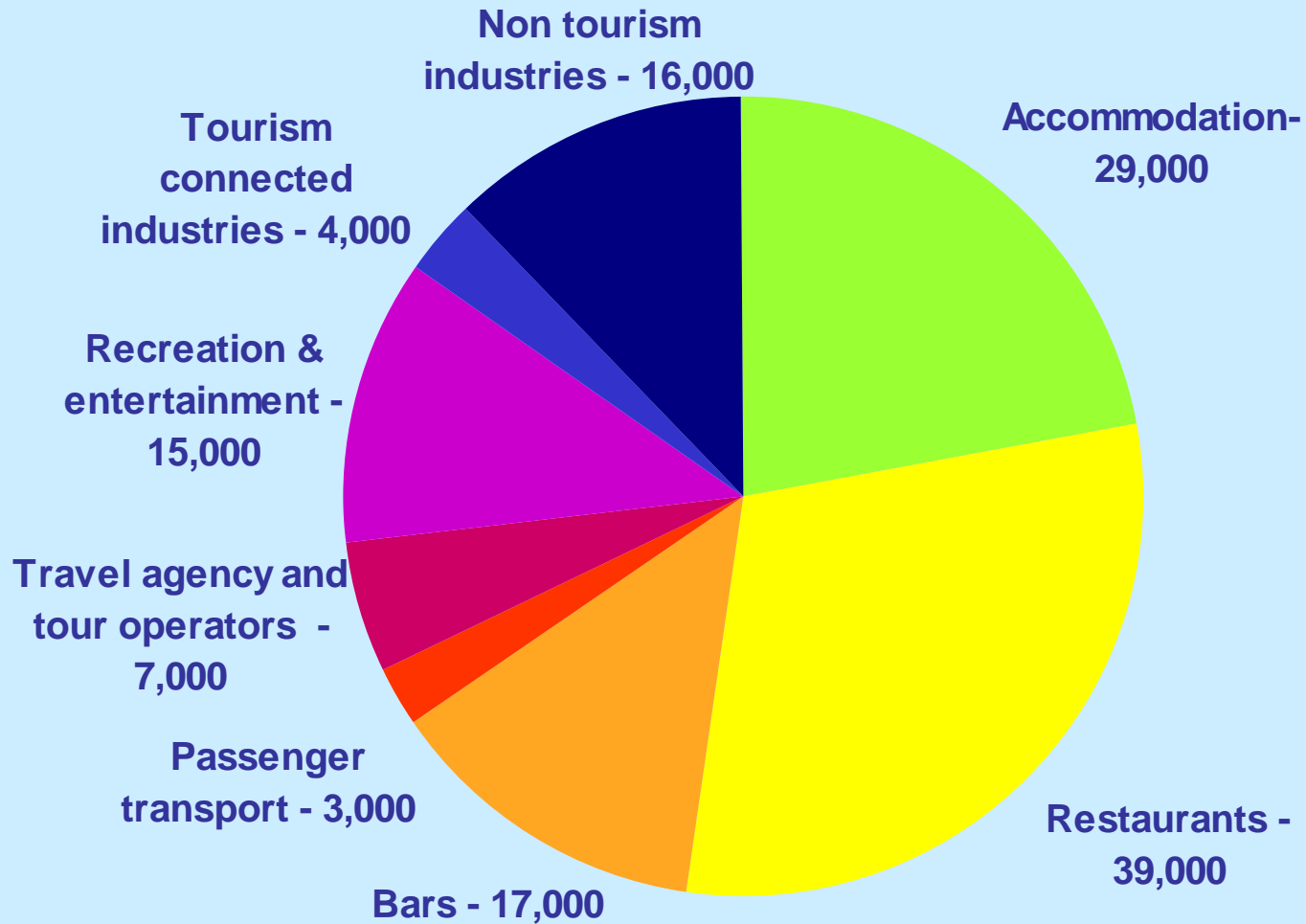
Total internal tourism consumption in Scotland, 2000 by expenditure category



Total internal tourism consumption = £7,423m

- Accommodation accounts for 11% of tourist expenditure but the accommodation industry contributes 24% to tourism GVA.
- Because day visitors do not pay for accommodation and tend to spend more on imported goods, their contribution to tourism GVA is relatively less than overnight tourists.

Tourism employment in Scotland, 2000



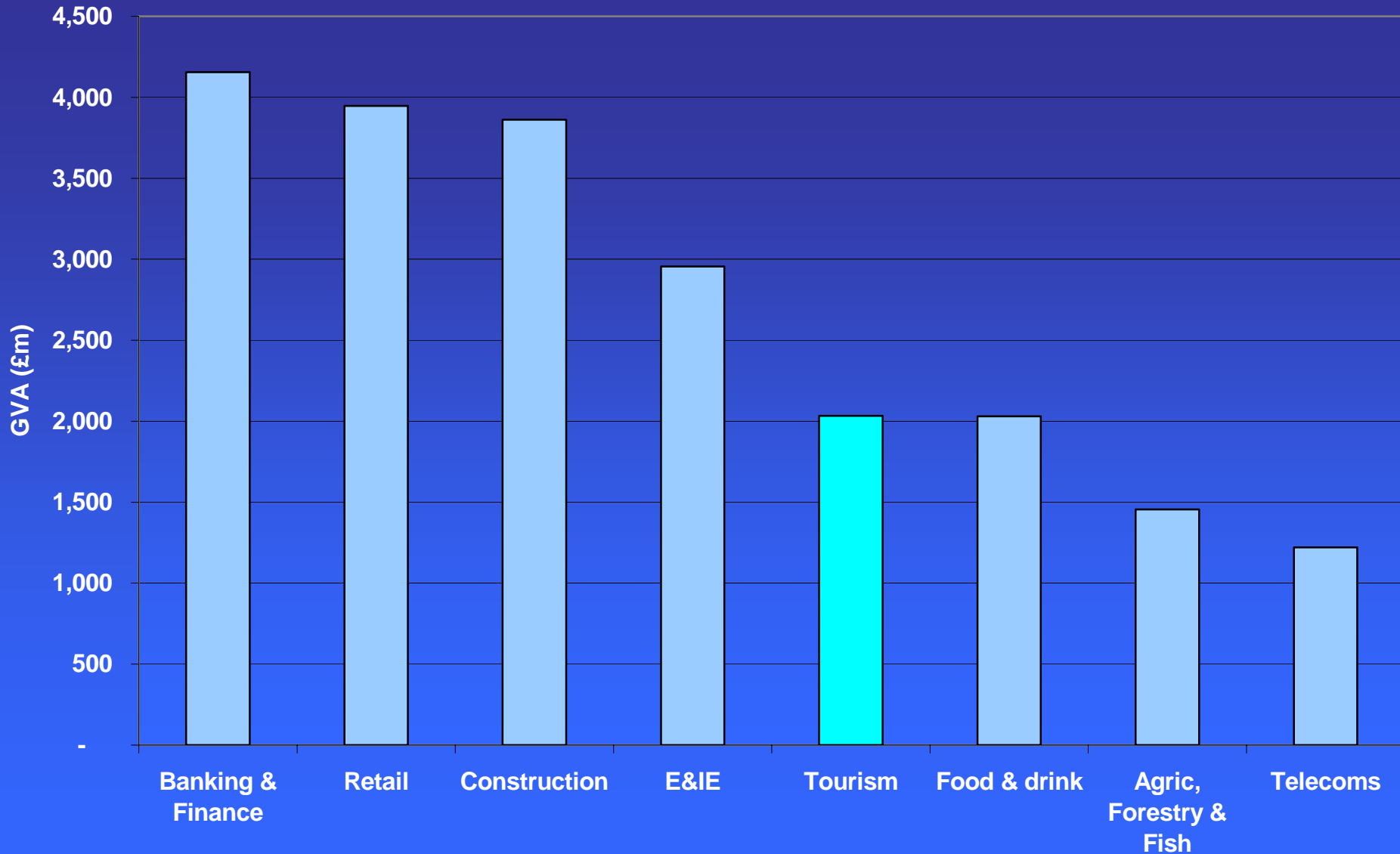
Total tourism employment: 130,000 jobs = 5.2% of total employment

Tourism connected industries

- Post & telecoms
- Jewellery
- Rental services
- Knitted goods
- Refined petroleum products
- Confectionery



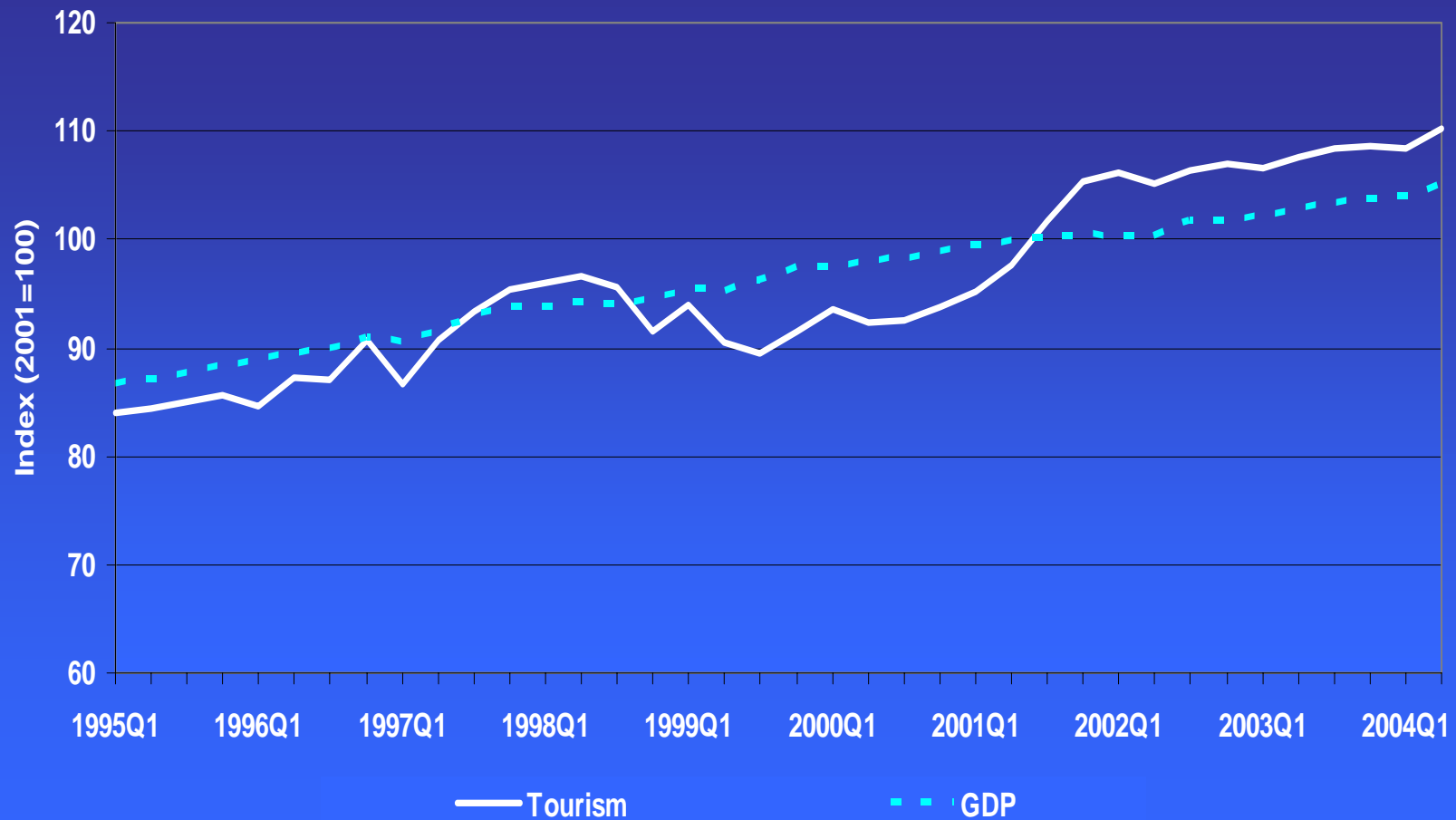
Tourism in the Scottish Economy



Tourism Index

- Derived from TSA information and quarterly Scottish GVA index
- Will give quarterly estimates of growth in output due to (overnight) tourism
- Provisional figures including day visits indicate annual average growth of 3% since 1995

Scottish tourism index and GDP



Potential future work....

- Further development of tourism index, excluding day visits.
- 2001 TSA on similar basis to 2000 but with some data improvements.
- Consider potential to include Public Sector contribution.
- Business tourism.
- Investigation of pre and post-trip spend.
- Improved expenditure data.

