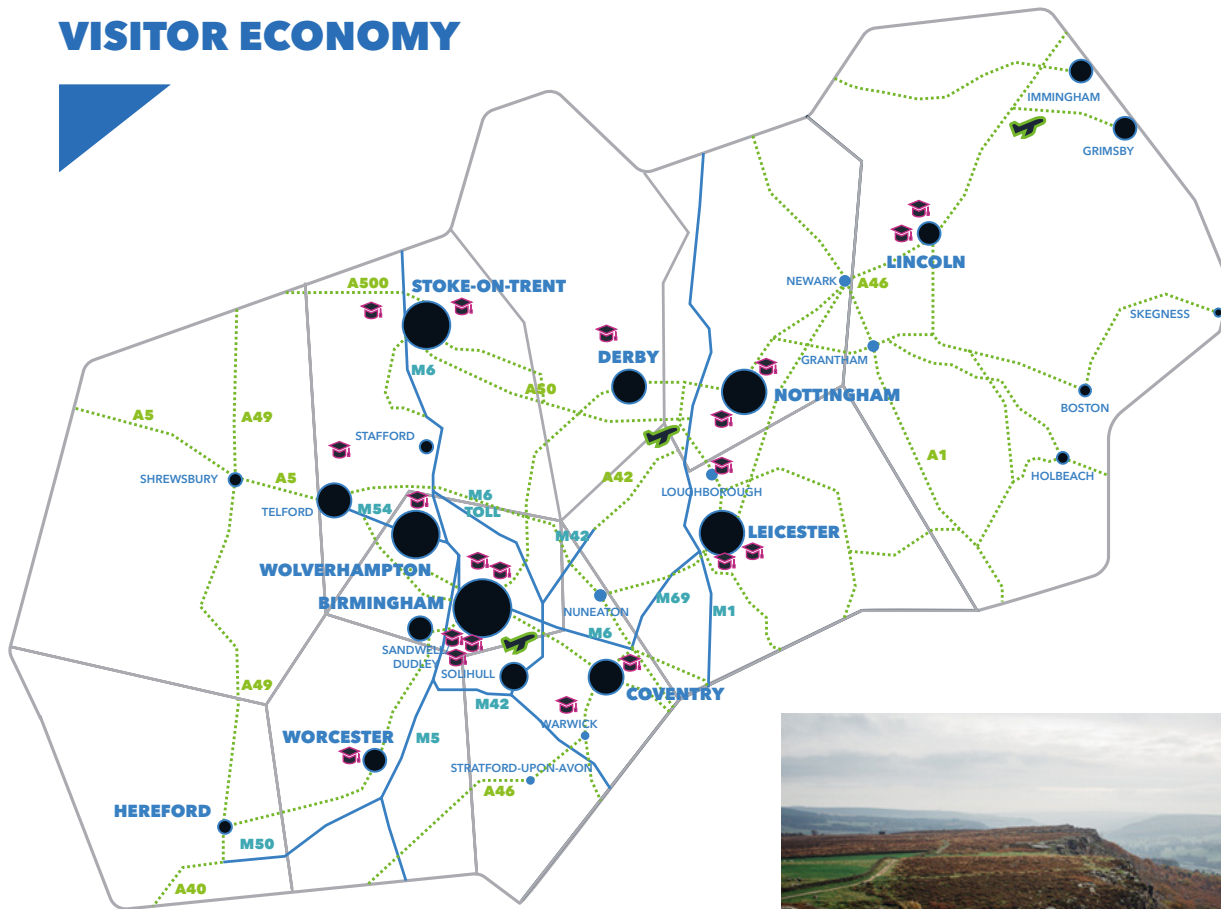


MIDLANDS ENGINE

VISITOR ECONOMY



KEY ATTRactions

- The Midlands cultural heritage is of global renown, with internationally **significant attractions and museum collections** and three of the country's leading contemporary art galleries making the Midlands a magnet for tourists from the UK and overseas
- Areas of global appeal include:
 - The **resting place of King Richard III** in Leicester
 - The legend of **Robin Hood**
 - The **hometown of William Shakespeare** in Stratford-upon-Avon
 - **Six Areas of Outstanding Nature Beauty** - Cannock Chase, The Cotswolds, Malvern Hills, Shropshire Hills, Wye Valley and Lincolnshire Wolds
 - **Peak District National Park**
 - Home to two of the best Cathedrals in England; **Coventry Cathedral** and **Lincoln Cathedral**
 - Extensive **canal network** - including; Llangollen, Trent and Mersey and Grand Union
 - **UNESCO World Heritage Site at Ironbridge**
 - **Black Country UNESCO Global Geopark.**

VISITOR ECONOMY AS A SECTOR

- **Nearly £6.8bn of Midlands Engine Gross Value Added (GVA)** is attributed to the visitor economy, 2.8% of the whole economy - UK average was 3.1%. Forecasts from the Oxford Economic Model estimate the sector could grow to **over 13.4bn by 2040**
- Prior to Covid-19, **GVA in the visitor economy sector had increased each year** for the past ten years
- **362,345 jobs** in the Midlands are in visitor economy, 8.2% of overall employment. Forecasts estimate that jobs in this sector could increase **up to 481,000 by 2040**
- **30,050 enterprises** are in the visitor economy sector, 7.9% of all businesses in the area - UK average is 8.5%. **Since 2010, visitor economy enterprises have increased by 28.7%** and both 2020 and 2021 saw annual growth rates of 3.8%
- **Prior to Covid-19, Midlands' visitor economy was growing fast** - 18% growth in jobs since 2015.

However...

- Between 2019 and 2020 there has been a **decline of 13% in visitor economy jobs and a decline of 35.5% in visitor economy GVA**
- The number of people reporting their **main job as being in the travel and tourism industry** during Quarter 3 2020 was 10.8% lower than in the same quarter of 2019
- **Potential labour market crisis** brewing in the sector, caused by Covid-19 and EU exit factors. It is reported that many EU citizens who have worked in the sector in the UK are returning home, leaving widespread gaps in skills
- An **estimated 70,000 Midlands Engine businesses had to be temporarily closed or couldn't open as normal** in the third lockdown: including over **14,000 restaurants, over 6,000 pubs & bars, and over 2,000 each of accommodation and arts/entertainment venues**
- **11% of all CBILS and BBLs loans** offered nationally have gone to the visitor economy: **£6.4bn worth of loans.**

BREAKDOWN OF SECTOR

- **Accommodation and food services account for 61.6% of the Midlands Engine visitor economy GVA, and 64.4% (c. 233k) of visitor economy jobs**
- **Food and beverage service activities make up 70.9% of the Midlands Engine visitor economy enterprises compared to 63.1% nationally**
- The visitor economy sector accounts for **21.6% of jobs in East Lindsey, 18.2% of jobs in Derbyshire Dales and 15.6% of jobs in the Staffordshire Moorlands**
- Within this sector, **East Lindsey has 4,500 jobs in accommodation and Birmingham has 30,000 jobs in food and beverage services and 4,500 jobs in sports activities and amusements**
- The visitor economy sector accounts for **13.7% of enterprises in East Lindsey, 12.4% of enterprises in Lincoln and 11.3% of enterprises in Derbyshire Dales**
- Within this sector, **Birmingham has 2,110 enterprises in food and beverage services, 245 in sports activities and amusements and 205 in creative, arts and entertainment activities.**

UK AND INTERNATIONAL VISITORS

- Pre Covid-19, within the UK per year there were **236m day visitors** to the Midlands, **15.3m overnight trips** amounting to **40m nights** and a total spend of **£9.1bn**
- **3.63m international visitors** to the Midlands stayed for a total of **24.42m nights** and spent **£1.51bn**
- The Midlands hosting prestigious events such as **Coventry: UK City of Culture 2021** and **Birmingham: Commonwealth Games 2022** is a boost for visitor numbers from around the UK and beyond. There is also significant investments into the Coastal resort towns along the Midlands Coasts attracting large number of visitors from the Midlands.

However...

- **New restrictions on freedom of movement following EU exit are potentially damaging for tourism**
- **Huge Covid-19 related decrease in visits, and therefore spend, from air passengers** when comparing Q3 2021 with Q3 2019: **85% and 87% decrease in air passenger visits** in West and East Midlands respectively; **78% and 83% decrease in air passenger spend**
- Impact modelling suggested a **47% fall in visitor numbers for 2020 compared with 2019**. This could mean **Midlands' visitor numbers fell by 109m in 2020, with a corresponding loss of £3.8bn of visitor spending.**

