

# Britain's Tourism Industry Affected by Strong Pound



The number of visitors to the UK is steadily increasing. However, although there were 200,000 more visitors to the UK last year than in 2005, the majority of visitors arrived from the 12 'accession' countries such as the Czech Republic and Hungary. Many of these have come to find work, and those who arrive as tourists tend not to be big spenders. Very few of them visit the famous beauty spots such as the Lake District or the Cotswolds, for example.

The fact that the British pound has hit a 15-year high at almost two US dollars to the pound means that there are fewer Americans visiting the UK. In 2006, tourists from the US spent in the region of L2.7 billion. So far, there has been a depressing 7% fall in visitors from North America and the trend is expected to continue throughout the rest of the year.

Americans, it seems, have discovered Italy as a new favored destination, and this now provides serious competition for the British. It is, of course, cheaper. The Americans are not the only ones who have begun to avoid the UK; the Japanese have also turned their attention elsewhere. Again the reason is the relationship between the strong pound and the yen. So far this year, less than half of the number of Japanese tourists who visited Britain in the same period in 2005 have arrived. This has incurred a revenue loss of L339 million. A further result of the strong pound is the increase in Britons travelling abroad. This figure is up by 280,000 so far this year.

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