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DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

ATLANTIC, OUTERMOST REGIONS AND ARCTIC
MARITIME POLICY ATLANTIC, OUTERMOST REGIONS AND ARCTIC

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NOTE FOR EUROSTAT

Subject **the size of the coastal tourism economy in the Atlantic countries**

1. SCOPE

The aim of this short paper is to examine the contribution of the five Atlantic states, France, Ireland, Portugal, Spain and the United Kingdom to the coastal tourism economy in terms of contribution to GDP and employment. It considers the maritime economies of the countries as a whole – not only the Atlantic components.

A first estimate, based on records of tourist spending, suggests €50 billion and 700,000 jobs. This is mostly in the accommodation sector although transport, particularly by air, is more significant than had previously been realised. However, calculations for tourist spending do not match those for hotel income. With the help of Eurostat, there are good prospects for resolving this issue and delivering good estimates for the size of the largest component of Europe's blue economy.

2. ESTIMATION OF SIZE

Coastal tourism is almost certainly the largest employer in the blue economy, particularly in Spain and Portugal. Residents and visitors to both these countries predominantly go to the coast as do most British residents and a large proportion of French ones who stay in their own country for vacations. On the other hand visitors to France and the UK are, on average, more likely to prefer inland attractions.

Spending, by each nation's residents on tourism as a whole, not necessarily coastal is broken down in Figure 3 and Figure 4. The surprising finding to emerge from this analysis is that spending on travel is of the same order as spending on accommodation. Spending on food services – restaurants, bars etc. – is still significant – but less. The large travel component indicates a predominance of short breaks although Eurostat statistics on the length of stay do not go back far enough for us to determine whether or not this trend is increasing.

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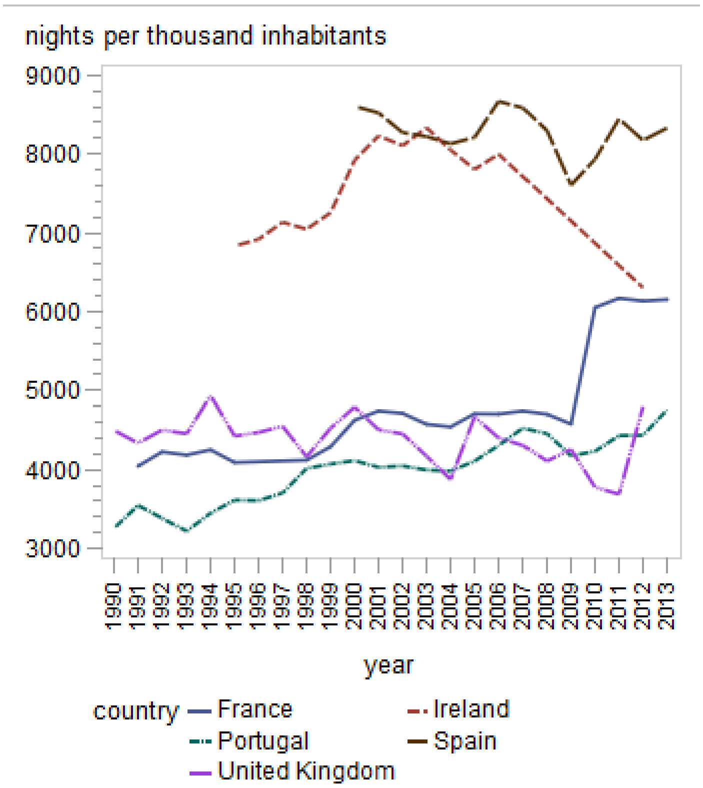

Figure 1 Nights spent in hotels, holiday and other short-stay accommodation; camping grounds, recreational vehicle parks and trailer parks. National figures (not only coastal)>Spain figures before 2000 do not include short-stay accommodation so were discarded.

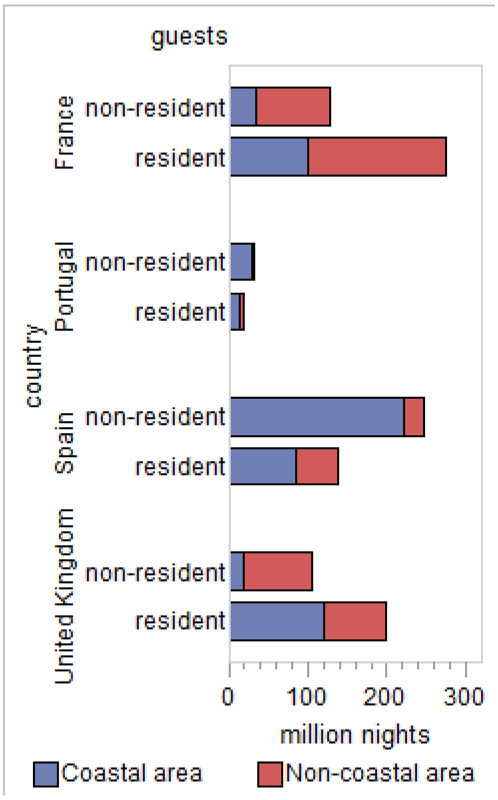

Figure 2 Average 2012-2013, nights spent in hotels, holiday and other short-stay accommodation; camping grounds, recreational vehicle parks and trailer parks

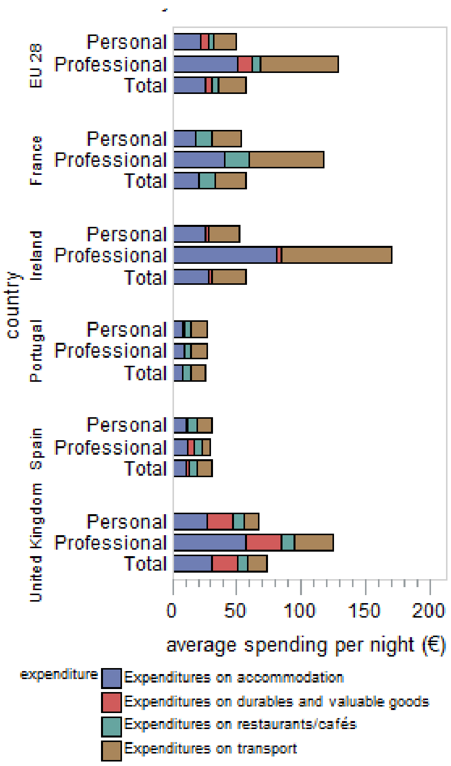

Figure 3 The average spending per night of tourists from five Atlantic countries and EU average –both personal and professional trips

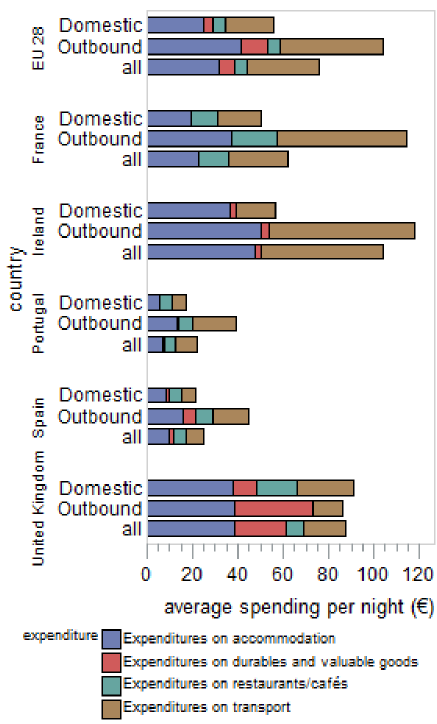

Figure 4 The average spending per night of tourists from five Atlantic countries and EU average – comparison between spending in their own countries and when they travel abroad.

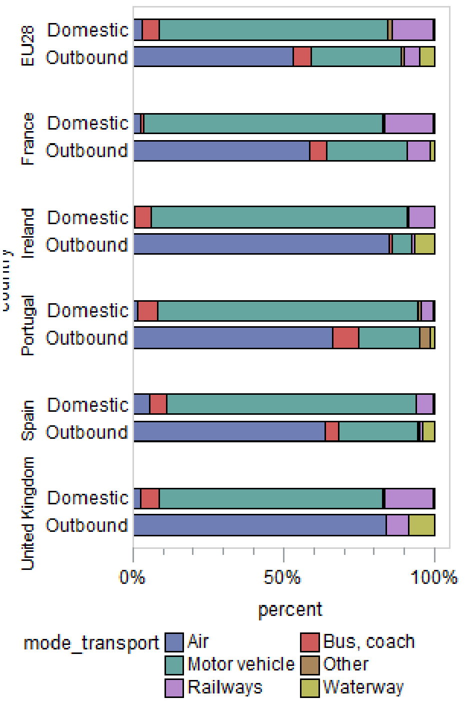

Figure 5 means of transport used for tourism expressed as percentage of number of trips.

As indicated by Eurostat[1], and shown in Figure 5, nearly all tourists travel by car to holiday destinations in their own country and a significant, although lower, number of tourists also use their car to travel abroad. However most travellers going abroad, and particularly those from the islands of Great Britain and Ireland, travel by airplane. Travel by train is insignificant.

This spending breakdown allows us to estimate the size of the coastal tourism economy (Table 1). This is determined by multiplying the spending per night by the number of nights spent in all categories of coastal accommodation. For non-residents the EU average for outbound tourists was used. The numbers suggest a ball-park figure of €50 billion. A more sophisticated analysis might distinguish between business and personal spending but business travellers account for only about one eighth of EU trips so, given the other uncertainties, the conclusions would not change much,

We can use this information to determine how many jobs depend on coastal tourism (Table 2).. Eurostat provide figures for turnover per person employed for the accommodation and restaurant industries. Transport is more difficult. The Economist reckon[2] that the 70% of the costs of running a car are fixed and the remaining 30% are fuel. For determining fixed costs, the EU-average productivity in the car industry was used. The productivity for retail sales was used for the running costs. In fact productivity in both these sectors is between five and ten times that in the food and accommodation sectors, so the overall impact of car transport on employment is not very high.

[1] http://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_statistics_-_characteristics_of_tourism_trips

[2] The cost of driving Apr 4th 2013, 15:03 by Economist.com

Table 1 spending of tourists (€ millions) using average data for 2012 and 2013

		France	Portugal	Spain	United Kingdom	All
accommodation	**non-residents**	€1,403	€1,187	€9,263	€834	€12,687
	residents	€1,955	€76	€690	€4,536	€7,257
durables and valuable goods	**non-residents**	€386	€327	€2,547	€229	€3,489
	residents		€4	€115	€1,269	€1,388
restaurants/cafés	**non-residents**	€179	€151	€1,180	€106	€1,616
	residents	€1,194	€66	€479	€2,179	€3,917
transport	**non-residents**	€1,537	€1,301	€10,150	€914	€13,902
	residents	€1,908	€84	€535	€2,946	€5,473
All		€8,561	€3,195	€24,958	€13,015	€49,729

Table 2 Employment generated by coastal tourism in Atlantic countries

		France	Ireland	Portugal	Spain	United Kingdom	
accommodation	**non-residents**	12,332	.	27,447	141,548	15,103	196,430
	residents	17,187	.	1,750	10,548	82,121	111,606
durables and valuable goods	**non-residents**	3,857	.	3,265	25,472	2,294	34,889
	residents	0	.	38	1,148	12,695	13,882
restaurants/cafés	**non-residents**	2,313	.	4,916	27,577	2,612	37,418
	residents	15,459	.	2,135	11,185	53,555	82,333
transport	**non-residents**	22,429	.	18,987	148,120	13,341	202,876
	residents	3,615	.	159	1,013	5,580	10,367
All	**non-residents**	40,931	.	54,616	342,717	33,349	471,613
	residents	36,260	.	4,082	23,895	153,951	218,188

For aviation a turnover of €68,000 per person employed was used which used direct turnover and employment figures for Europe from the Air Traffic Action Group[3]. For simplicity all domestic travel was assumed to be by car and all inbound travel by air

The sector is labour-intensive. It shows disproportionately high numbers of young people and women compared to the rest of the blue economy. One exception is accommodation in camping or short-stay-holiday accommodation where the workforce is decidedly older than that in the hotel industry and indeed in the blue economy as a whole.

[3] Aviation benefits beyond borders, Air Traffic Action Group, April 2014

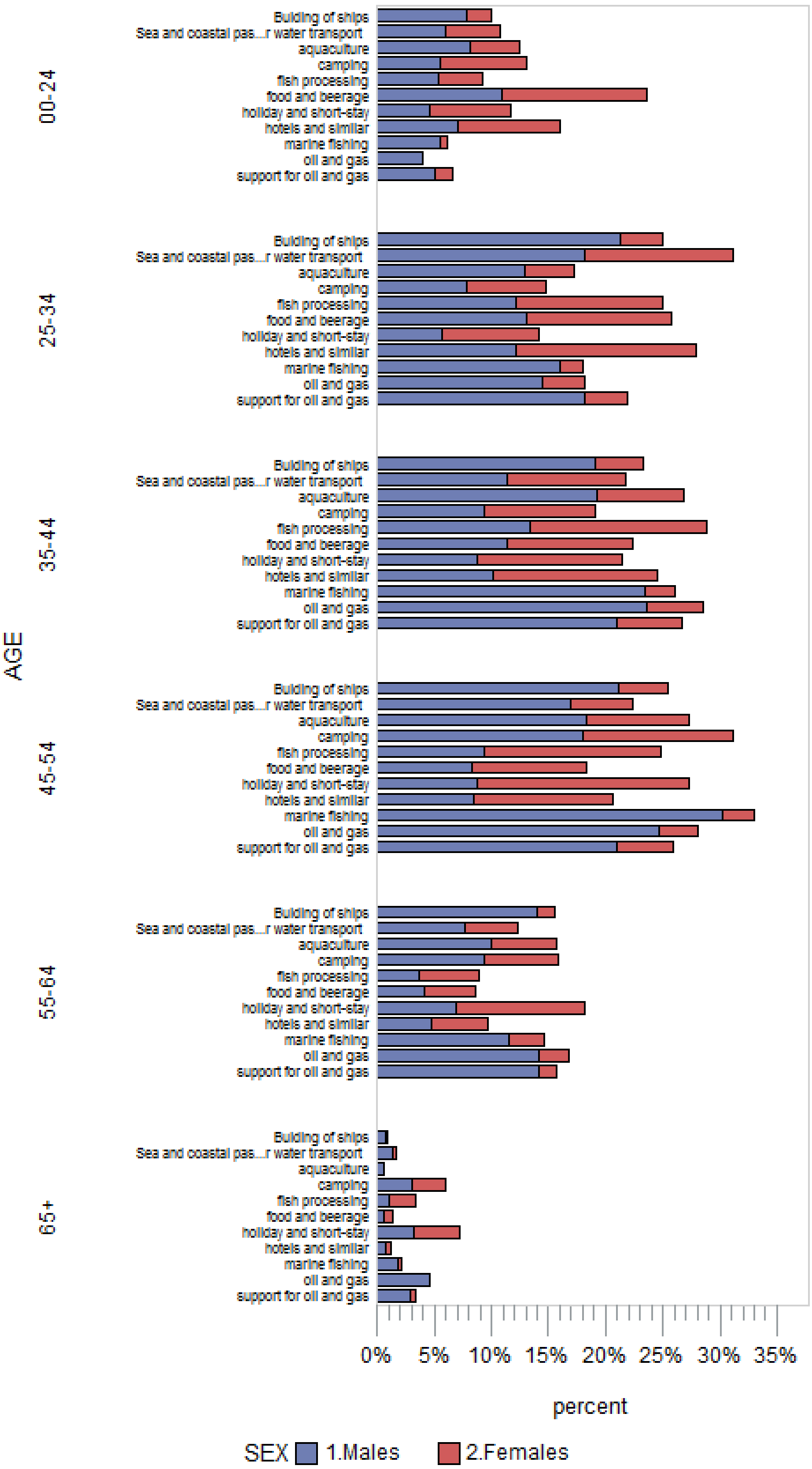

Figure 6 Age and sex structure of labour I blue economy

3. SPECIALIST SECTORS

The yachting sector weathered the economic storm rather well. Although orders for new boats dropped, marinas maintained a steady workflow. On average a marina generates 7 to 8 permanent direct jobs and 84 to 108 jobs in supplying sectors in the value chain such as yacht trade, construction and maintenance, equipment supply and services (which include the hospitality sector). Applying these multipliers to the total estimated number of marinas along the Atlantic Arc the number of direct jobs along the Atlantic Arc can be estimated at 2 625 and the number of indirect jobs at around 31 500.

Ireland, Portugal and the United Kingdom have a third of the number of marinas per unit length of coastline that France and Spain do. This might mean potential for growth in these countries. Growth would also be enhanced if Member States could agree to common licence requirements for skippers.

The elderly have been less hit by the recession than other sectors of society so cruise tourism is booming and given the demographics of the western world, will continue to do so.

4. DISCUSSION

Two points need further discussion

(1) The estimates of tourism spending on accommodation used in this analysis are probably underestimates

(2) We need to know more precisely how consumer spending on car or air travel translates into jobs

4.1. Spending on accommodation

Tourist spending on accommodation can be compared with business statistics of turnover per night in the accommodation industry (Table 3). The spending per night based on turnover is much higher than that based on surveys of tourists. We need to work out why and refine the calculation.

Table 3 Spending of tourists on accommodation per night (mean data from 2012 and 2013)

	Turnover of accommodation segment per person night	Spending of domestic tourists on accommodation	Spending of tourists when they travel abroad
EU28		€17	€34
France	€62	€13	€32
Ireland	€90	€26	€29
Portugal	€50	€4	€14
Spain	€45	€7	€17
United Kingdom	€80	€30	€31

4.2. Spending on transport

Transport to the coast is a significant part of the coastal tourism economy, particularly as there is, we assume, a tendency for more short breaks and fewer long ones.

For an accurate estimate of the number of jobs, we need to know how consumer spending relates to jobs. It is clear that there would be fewer jobs in Airbus, airlines and different regional airports rely heavily on coastal tourism in the Atlantic

We need the same estimates for transport by car. And does the reported spending on cars by tourists represent only the marginal fuel costs which are, by most estimates, only about 30% of the cost of running a car?