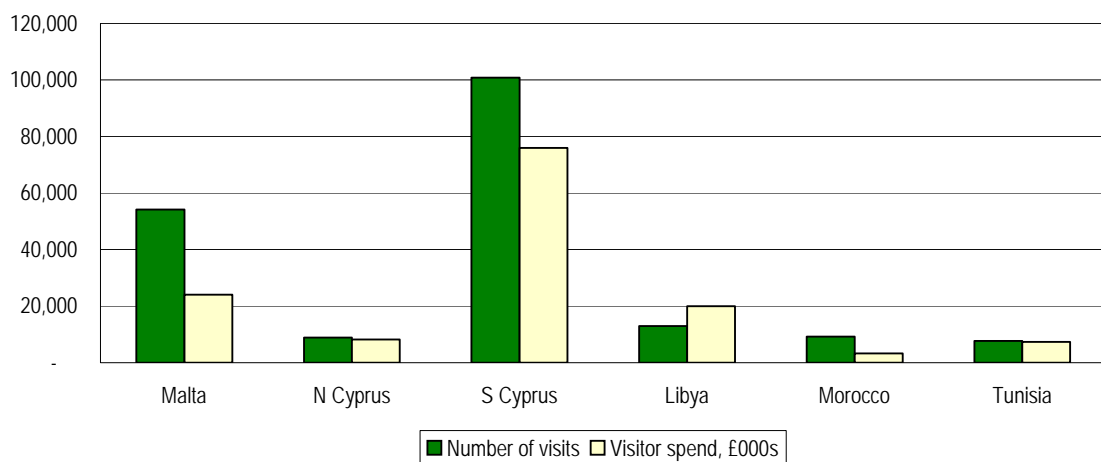


FORESIGHT is a monthly commentary on significant issues within the tourism sector. Each month 'Market Focus' discusses economic, social and political factors that underlie demand for tourism now and in the future. In addition, a spotlight is focused on a significant tourism issue. This month 'Market Focus' looks at North Africa and the Mediterranean islands of Malta and Cyprus with 'Issue of the Month' considering the two sides of the wind farm debate – are wind farms good or bad for tourism in Britain?

Market Focus – Libya, Morocco, Tunisia, Malta and Cyprus

Relatively few residents of Libya, Morocco and Tunisia currently visit the UK in relation to the size of the resident population of these nations, whereas there is a high propensity to visit the UK for those living on the islands of Malta and Cyprus. The following chart shows provisional estimates for visits and spend by visitors to the UK in 2005 from these markets based on the International Passenger Survey¹.

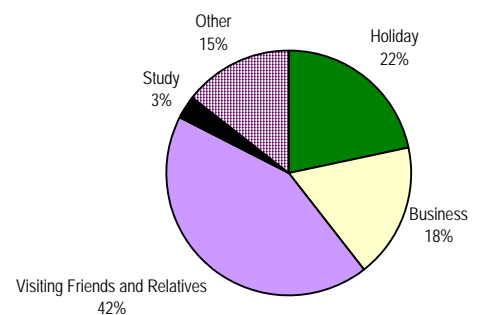
Visits and spend in 2005



Over half of the visitors from Cyprus to the UK are in reality British citizens resident in Cyprus. For visitors from Malta and Morocco the proportion of ex-pats is a little over a quarter, whereas for Libya and Tunisia the majority of visitors are nationals of that country.

The influence of large numbers of ex-pats reveals itself when we look at the journey purpose mix of visitors from these markets. As we can see, more than two-out-of-five visits are to see friends or relatives, with holiday and business trips each accounting for about a fifth of all visits.

Journey Purpose



Libya

Libya, with a population of six million, is the newfound friend of the West, with the US having restored full diplomatic relations after more than a generation of discord. However, years of sanctions mean that the nation's vast reserves of oil and gas have not been developed fully, but with increased investment and expertise flowing into the country this situation is starting to change.

Morocco

Unlike Turkey, which geographically is technically partly European, Morocco is clearly part of the African continent, nonetheless that has not stopped the nation in bidding to become a member of the European Union as the EU is Morocco's main trading partner.

EasyJet plan daily flight from Marrakech to the UK, and an agreement between Ryanair and the Moroccan government to develop up to twenty routes to destinations in Morocco from across the airlines European network was recently announced. We can anticipate a step-change in access from Morocco to the UK in the next few years. Whilst British residents travelling to North Africa may fill the majority of seats on these planes we should certainly expect an increase in the number of Moroccans visiting the UK.

In addition to opening up its skies, Morocco is keen to attract foreign investment, which has increased fivefold during the past ten years. The government has set an annual economic growth target of 7% per annum.

There are relatively low levels of adult literacy in Morocco but unlike some nations nearby the media is permitted to cover most, but not all topics, and access to satellite television stations is widespread. Women are increasingly allowed into positions of authority within Moroccan society, and most recently fifty women were appointed as preachers for the first time.

Tunisia

Europe is Tunisia's main trading partner, and holidaying Europeans are a key source of revenue for Tunisia. According to figures from the International Monetary Fund the average per capita income for Tunisia's 10 million strong population in 2007 is expected to be \$9,401 in 'purchasing power parity' terms (that's taking into account the different cost of living from one country to another). This means that the average Tunisian's income matches that of someone from either Brazil or Thailand.

Malta and Cyprus

The April 2004 edition of Foresight provided basic facts and figures about these two islands, but it is worth providing an update in relation to the status of Cyprus. Despite EU membership there is still no settlement to allow free travel between the Greek south and Turkish north of the island of Cyprus. Turkey, wanting to join the EU itself, agreed to recognise Cyprus as an EU member last year, but continued to reject any move towards developing full diplomatic relations. As is evident from the earlier chart the majority of visitors to the UK from Cyprus hail from the south of the island.

Issue of the Month – Wind Farms and the Visitor Economy

Staunch opponent or ardent supporter – at first sight this seems to sum up the two camps that have emerged relating to whether wind farms are a good or a bad thing for tourism in Britain. This month we review the current state of wind farm development in the UK and try to pull together the existing 'evidence' for and against further development of wind farms amidst Britain's landscape.

There can be little doubt that new solutions are needed to tackle the energy needs of future generations in an environmentally sustainable fashion, but these solutions have to be judged against the widest possible set of criteria. Consideration must be given to the role of tourism in an area deemed suitable for renewable energy generation, as must the impact of schemes on an area's future attractiveness to visitors.

Targets

Although not yet finalised, it looks likely that the Government's Energy Review will recommend a greater push towards the use of renewable energy. There are strong hints that greater energy efficiency and investment in nuclear technology will also feature in the findings of the Review, as the Government attempts to address the impact of energy generation on climate change and tackle the nation's energy 'security' in an environmentally sensitive fashion.

Today the UK Government has a target of 10% for the proportion of our electricity that should be generated by means of renewable sources by 2010, with what is termed 'an aspiration' for this to reach 20% by 2020. It is expected that wind energy will make the main contribution towards achieving these targets. At present onshore wind energy is the most mature renewables sector and the Department for Trade and Industry (DTI) consider it to be the most viable option for large-scale renewable energy expansion in the short to medium term.

According to the British Wind Energy Association (BWEA) the UK comes sixth in the European wind use league table, despite being buffeted by 40% of Europe's wind resources. Germany and Denmark make the most use of wind power.

No matter how great the potential of wind energy, as Alistair Darling the new Secretary of State for Trade and Industry recently commented, wind can only be considered a 'supplementary generator', as the supply of power from a wind farm is subject to the whims of the weather – the wind is a variable and unpredictable source of energy generation.

Where we are today

The following map shows (at June 2006) the location of the UK's 127 operational wind farms, both onshore and offshore, along with the latest facts and figures published by the British Wind Energy Association about these farms. As can be seen from the table BWEA estimate that significant reductions in harmful emissions are being delivered through the use of wind energy. Some arithmetic enables us to see that the BWEA data shown in the table implies that, on average, each of the UK's 1,618 operational wind turbines generates enough power to supply 585 homes with their electricity needs. The most modern, and largest, wind turbines located in an ideal location can, say BWEA, produce enough power to supply over 1,000 homes. A

further 22 wind farms set to be home to 246 turbines are currently under construction, with another 83 sites constituting 1,109 additional turbines having been granted planning consent.



It is evident then that the vast majority of wind farms are onshore facilities. Harnessing offshore wind energy is estimated, by BWEA, to be between 30%-50% more expensive than onshore wind energy. A further issue is that a connection from the wind farm to the National Grid has to be developed, adding to the cost of wind farms far offshore, or for that matter farms

in the most remote onshore locations. Nevertheless, the DTI estimate that offshore wind power may generate 5% of UK electricity by 2010 and offshore farms tend to generate more power than onshore farms due to the ocean being flat and winds stronger. In May this year Airtricity announced it was considering a 2,000-turbine farm in the North Sea supplying electricity to parts of East Anglia, the Netherlands and Germany.

The operational life of an offshore wind farm is reckoned to be between 20 and 25 years. Many inbound visitors who fly into a London airport on a clear day may catch a glimpse of the offshore wind farm that recently started generating power at Kentish Flats, but with a potential 440 turbines planned for the Thames Estuary the sight of offshore turbines may become a familiar one in the years to come. Clearly it isn't only those in the air who will see offshore wind farms, as depending on the exact siting of the farm, coastal tourists will experience a changed horizon when looking out to sea.

Wind farms currently being planned, both onshore and offshore, are increasing in magnitude. This covers both the number of turbines on individual farms, for example some of the farms being planned will involve over 200 turbines, and the size of turbines themselves. The most modern turbines are approximately 400 foot tall, that is the same height as the spire of Salisbury Cathedral. It is not surprising then that plans to construct farms containing numerous such tall structures can engender strong sentiments by those living in close proximity, or whose livelihoods depend on the willingness of visitors to travel into the area on leisure trips. Some opponents of wind farms fear that proliferation may lead to 'forests' of turbines encroaching across the landscape.

Inquisitive tourists

A number of visitor centres have been developed at wind farms. This was the case at the UK's first commercial wind farm in Cornwall which received 60,000 visitors during its first year of operation, and a further 290,000 in the subsequent seven years. However, due to funding difficulties the visitor centre has now closed, perhaps indicating that tourists may be inquisitive enough to pop into a visitor centre when driving past, but that wind farms do not in reality represent a 'financially viable' tourism attraction. As more and more wind farms come online there is the risk that an attitude of 'once you've seen one you've seen them all' could evolve.

Alternative 'renewables'

In addition to the wind it is possible to harness the power of the sun, waves and the tides, though in the case of wave and solar power a continuous supply cannot be guaranteed and there are relatively few sites suitable for developing tidal power. However, there is a mooted plan for a £15bn barrage stretching ten miles across the Severn Estuary.

It is estimated that the barrage could generate 6% of the electricity needs of England and Wales, that's more than the combined output from three nuclear power stations, courtesy of the Severn having the second highest tidal range in the world at 14 metres. There are of course potential disadvantages of the scheme, with the Royal Society for the Protection of Birds highlighting the possible damage to the winter feeding grounds of 80,000 waterfowl.

According to the DTI the UK has wave power levels among the highest in the world and this resource could provide as much energy as wind, but the development of wave technology is currently at the same level as the wind industry ten years ago.

A drop in the ocean

An argument put forward by those questioning the wisdom of pursuing further development of wind energy points to China's rapidly expanding economy and the rate at which it is contributing to global warming. Even if the UK meets all its targets the reduction in emissions here could be swamped by much higher levels of pollution in China, and for that matter other developing economies such as India. Indeed, according to Renewable Energy Foundation figures, by 2020 China will be consuming thirty times more energy than the UK.

The obvious counter-argument to this point is that if all developed nations achieved the targets set in the UK, global reductions in emissions would be more significant. The fact that a global solution is needed to ensure energy supplies meet demand in the coming decades does not lessen the relevance or importance of 'local' action.

Many micro level impacts

Just about every form of energy production has an impact on the surroundings in which it is located, be this a gas fired or nuclear power station, a wind farm, or the capture of tidal energy in a river estuary. Each form of production will have a different set of undesirable 'outputs' be these visible pollutants in the air, a risk of catastrophe, scarring an otherwise unblemished landscape or compromising delicate marine ecosystems.

Wind farms are almost exclusively 'rural', but any visit to the valleys of South Wales or former tin mining regions of Cornwall reveals that this is not the first time that the countryside has been host to an industry that can be considered unsympathetic to its surroundings. Other symbols of modernity that can appear at odds with the landscape in which they sit include electricity pylons, indeed it is estimated that there are around 80,000 of these dotted across Britain.

A point put by those against the unchecked development of wind farms is that if a significant motivator for a trip is to experience a 'rural idyll', the budding visitor may well be disinclined to stay at a B&B where the middle-distance view from the bedroom window is a hillside carpeted in giant wind turbines. A large-scale wind farm may not blend in with its surrounding rural landscape, or go unnoticed by visitors to the area.

The potential harmful impact on birdlife that wind farms can have if sited inappropriately has recently been highlighted by the deaths of several white tailed eagles in northern Norway. Nine of the birds died following collisions with wind turbine blades at Europe's largest (68 turbine) wind farm. The number of breeding pairs at the site has fallen from nineteen to just one.

Surveys aplenty... but contradictory 'evidence'

With wind farms relatively thin on the ground in the UK, and with those that do exist consisting of only a small number of turbines, it is tricky to devise a survey that will enable us to foresee the impact on visitor numbers to an area with a high density of wind farms, each consisting of several large turbines. Could there be a 'tipping point' at which the popular opinion of wind farms shifts from being one of 'benign curiosity' for something not seen before, to one of 'active dislike' for an intrusion into the landscape's natural beauty? If the answer to this question is 'yes' then without careful consideration of both impacts at the local level around individual wind farms, and the wider regional impact from wind farm proliferation, there is a heightened risk that serious damage to an area's attractiveness to tourists could result.

The evidence points towards an overwhelming majority of people agreeing that development of wind farms, and other forms of renewable energy, is a 'good thing', a recent NOP survey showed only 10% disagreeing with the statement 'Wind farms are necessary so that we can produce renewable energy'. On its own this does not demonstrate that constructing wind farms will not impact negatively on perceptions of an area. Britain does not have a large number of multi-turbine wind farms at present, but this situation is changing rapidly. Until such farms exist it is exceptionally challenging to develop robust survey methodologies to elicit realistic insights into how potential visitors will react once a farm is in situ.

One reason for this is that it is notoriously difficult to get an accurate understanding of people's true reaction to a proposed development when they are having to imagine what it might look like, or asked to react to an 'artist's impression'. This problem is even more apposite when considering the impact of wind farms – will respondents be able to imagine how the farm will look from a variety of perspectives, at different times of day, or at different times of year? Images could be designed in such a fashion as to over or under emphasise the visual impact of the farm, or be inadequate at conveying how the turbines will 'fit' into the wider landscape.

Other criticisms aimed at a number of surveys that apparently show tourism is, or is not, harmed by the presence of wind farms include small sample sizes, unrepresentative samples, the use of leading questions to elicit answers in line with those wished for by the commissioning organisation and so on. In the following box we simply highlight some of the 'findings', often contradictory, of the many surveys. There is insufficient space here to provide a methodological critique of each. The overarching message is that none of these surveys genuinely act as an accurate predictor of visitor behaviour in response to large-scale wind farm development within an area.

A MORI poll of 1,800 residents living within 20kms of a wind farm conducted for the Scottish Executive found 20% believed the farm had a broadly positive impact on the area, just 7% felt it had a negative impact. 69% were in favour of more use of wave energy and 82% in favour of using more wind energy instead of nuclear, coal or oil power

The Cumbria Tourist Board 2004 Business Performance Survey found 39% of tourism-based businesses believe wind farms will deter tourists

A BWEA survey of 300 visitors to Argyll in September 2002 found 91% said the presence of wind farms in the area made no difference to whether they would return, only one-in-five questions had actually seen a wind farm on their visit. The survey also found that scenery was by far the main attraction of the area.

A survey of 331 visitors to the site of a proposed wind farm in Somerset conducted by the Centre for Sustainable Energy found 92% said the proposed development would make no difference to how often they visited the area

In summer 2002 VisitScotland conducted 6 Hall Tests to explore the views of 180 visitors to wind farm development. When given a list of aspects that might be important in deciding to visit an area 81% cited 'beautiful scenery'. When asked what aspects of the Scottish countryside they particularly disliked only a single respondent mentioned wind farms without being prompted, compared to 12% who mentioned litter. When shown a list of facilities that might detract from their experience 51% cited electricity pylons and 29% wind farms. Asked about facilities that enhanced a visit to the countryside 18% cited wind farms. However when explicitly asked about the impact of wind farms on scenery and landscape 31% said this would be spoiled by the presence of a wind farm

A Wales Tourist Board Survey in 2003 found that only 68% said that if the number of wind farms increased this would have no impact on their likelihood to take a Welsh holiday in the future

'Holistic' planning process could be crucial

Assuming all the wind farms currently being constructed and granted planning consent come to fruition the UK will have at least 2,973 operational wind turbines. However, the favourable incentives on offer to those developing wind farms has led to keen interest in further construction. There are presently 178 wind farms at the planning stage, and if all were to be granted planning consent and built to current specifications an additional 3,317 turbines would be in operation across Britain. So in a decade or two there could be more than 6,000 turbines, about the same number as can be found in Denmark today.

To protect both small visitor economy businesses and the wider reputation of areas of Britain dependent on tourism courtesy of their being blessed with aesthetically pleasing or unique

landscapes the planning process must recognise not simply the need for increased use of renewable energy, but also the need to protect our unique selling points for potential visitors at home and abroad – the natural beauty of the British countryside.

Careful consideration of which areas are, and are not, suitable could perhaps be undertaken on a regional or national basis ahead of individual planning applications being looked at on a local basis. It is possible to imagine a range of criteria being used to identify the suitability of an area. For example is the area a National Park, Heritage Coastline, National Marine Nature Reserve, Area of Outstanding Natural Beauty or, importantly, is the area under consideration *visible* from such an area?

Speaking in response to a parliamentary question the Energy Minister recently acknowledged that the current 'Renewables Obligation' is a 'blunt instrument' and that it 'seems to be favouring one technology – the wind farm.' This will be one of the issues considered during the Government's Energy Review. Renewables are here to stay though, with the Government aiming to cut the UK's CO₂ emissions by 60% by 2050. This means that in the coming years it will be ever more important to ensure wind farm development recognises the vital importance of tourism in rural areas, and that the two sectors cannot be guaranteed to co-exist successfully in the same area, especially where an area's innate attractiveness is a key motivator for tourists to come and visit.

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