

An Assessment of the Possible Impact of a No Agreement Decision on Tourist Traveling to and from the UK and Northern Ireland on the Period Following the UK's Exit .

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Executive Summary

A no-deal situation could have major impacts upon the UK's travel and tourism industries. The aviation industry faces the potential grounding of flights to Europe if a deal is not agreed. Given that leaving the EU means that the UK also leaves the Open Skies agreement no flights would be allowed to fly into Europe without seeking prior approval this could significantly restrict the amount of destinations that are available from British airports. However given that British tourists contribute a considerable amount to the economy of many European countries it is unlikely that many countries would deny the UK's requests to fly. In terms of the freedom of movement; additional checks may need to be introduced at airports and ferry ports as common security regulations would no longer apply. This may result in longer queues both in airports and huge traffic jams at ferry ports. UK citizens may also have to pay a €7 ETIAS charge to be able to travel to the EU. Visas may also be introduced however this would mean that electronic passport checks may no longer be an option and this would put an immense strain on airports infrastructure. Therefor it would be advisable to not introduce visas for leisure visitors. Lack of infrastructure is also an issue at ferry ports; the bottle neck at Dover may cause particular problems as the road infrastructure around the port is not at a suitable level to deal with the huge amount of traffic. One solution to this could be to divert some of Dover's traffic to other ports along the East coast. There are also issues along the UK's West coast; given that the Republic of Ireland is part of the EU a hard boarder may have to be introduced within Ireland, however given the Common Travel Area this is highly unlikely instead checks would have to apply when travellers attempt to enter mainland Britain primarily through Welsh Ports. Because of additional checks when coming into Welsh ports from Ireland some ferry providers, like Stena Lines, may choose to avoid the UK as a land bridge and instead take passengers directly from Ireland to Europe. Should the amount of ferries into Welsh ports be reduced one of the Pembrokeshire ports may be forced into closure which would be detrimental for that community. Under a no-deal Brexit the government would still have to create smaller scale deals regarding travel regulations or the UK risks travel being cut off entirely.

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An Assessment of the Possible Impacts of a No-deal Brexit on Tourists Travelling To and From the UK

Once the UK government signed Article 50 on the 29th of March 2017 the deadline for a deal on Brexit was set for the 29th of March 2019. With only five months left until the deadline there is still no strategy in place and the situation of a no-deal Brexit is looking increasingly likely. A no-deal Brexit has the potential to have detrimental effects upon travel and tourism both in and out of the UK.

1. No-deal Brexit

A no-deal Brexit would mean the UK would *'immediately crash out of the EU'* without the agreed transition period that would have lasted until 2020 (Channel 4 News, 2018). Freedom of movement would come to an end with *'customs checks'* needing to be implemented immediately (Taylor, 2018). A no-deal Brexit could have a detrimental impact on air travel both in and out of the UK. Some may believe that outbound tourism does not contribute much to the UK economy and a drop in outbound tourism may in fact reduce economic leakage and hence be beneficial to the UK economy. However Ogiehor from ABTA (2018) states that outbound tourism directly contributes *'£15.9 billion'* to the UK economy and, given that *'75%'* of all outbound tourism from the UK travels to Europe, should the flow of tourist out of the UK to the EU be disrupted it could in fact be harmful to the UK economy.

2. Impacts on Flights

A government report published in September 2018 highlighted that should the UK leave the EU under a no-deal all *'UK and EU licensed airlines would lose the automatic right to operate'* under the single aviation market between the UK and EU without requesting advance authorisation. It is also stated in this report that *'it would not be in the interest of any EU country or the UK to restrict the choice of*

destinations that could be served' however this is simply trusting in the good will of EU countries to allow UK aircraft to continue flying which gives no concrete security in terms of legislation. If the UK wishes to tighten its borders, which was one of the British public's primary reasons for voting to leave the EU (Chu, 2016). It has to expect a reciprocation from EU countries which may make it difficult for British citizens to enter EU countries. After reading the UK government's paper Alexandre de Juniac, the CEO and director general of the International Air Transport Association (IATA), remarked that *'an assumption that "it will be all right on the night" is far too risky to accept'* and given that Philip Hammond stated back in 2017 that *'it is theoretically conceivable in a no-deal scenario that there will be no air traffic moving between the UK and EU'* this concern is grounded in legal reasoning (Calder, 2018) (Morris, 2018). Although this is the worst-case scenario it is still possible under a no-deal as in regards to aviation, unlike trade, *'there is no fall-back'* either there is a deal or there is nothing (Morris, 2018). In spite of this UK citizens are a huge part of the tourist economy coming into the EU it is highly unlikely that aircrafts will be grounded after the 29th of March as the transport secretary Chris Grayling remarked that countries like Spain would not *'intervene to stop planes flying'* as to do so would see their own hotel trade collapse (Agerholm, 2018). A no-deal situation would not only affect the UK's ability to fly to the EU freely but also to the rest of the world as flights between the UK and *'17 non-EU countries'* *'operate due to the UK being an EU member'* (BBC News, 2018). Although a deal has already been agreed with some countries it still remains unclear as to who the UK will be able to fly to both within and outside of the EU. Despite planes not being able to fly out of the UK being very unlikely airlines like Ryanair have prepared for such an eventuality by adding a *'Brexit clause'* to tickets for the summer of 2019 which, if activated, would render tickets invalid if there is an issue with flying brought on by Britain leaving the EU and the Open skies agreement (Smout, 2018). Given the current state the IATA and airlines are unable to plan for business activity after the 29th of March 2019 as there has been very little transparency between the British government and the general public in regards to plans that have been put in place meaning that the airlines do not know what they will be faced with after March 2019. If the government cannot agree a full Brexit agreement then a top

priority for now legislation for aviation and diminutive deals, potentially with individual countries, otherwise the UK risks all flights being grounded or destinations being cut off from UK travellers. The '*tit for tat*' arrangement that the UK government may be forced into relying on is simply not legally stable and would require written agreements to be passed between either the EU as a whole or individual EU countries by the 29th of March 2019 (Rutter, 2018).

3. Impacts on Air Passengers

Presuming that planes will be allowed to fly between the UK and the EU the issue of safety regulations and border checks then come into the argument. The governments paper on aviation security under a no-deal Brexit published in 2018 states that '*the vast majority of passengers will not experience any difference in aviation security*' however those passengers that are transferring flights at an EU airport will be subject to '*rescreening when changing flights*' which will add significant amounts of time to people's journeys. It is also as yet unclear as to whether UK citizens will need to apply for visas to visit EU countries or if they will be affected by the EU's '*travel authorisation system*' (Fleming, 2018).

According to Calder (2018) it is more likely with UK citizens will not need a visa but instead will have to go through an '*online border*' called ETIAS, European Travel Information and Authorisation System, and will involve paying the €7' fee and filling in a multitude of personal information including '*state of health*' and any criminal convictions. The information provided will be checked and if a traveller is granted a permit this permit is then valid for '*three years*'. In addition to visas and charges potentially being brought in the European health insurance would no longer apply to British citizens traveling within the EU and roaming charges may also be brought back making traveling to Europe increasingly inconvenient and expensive. Pair this with the pound losing value against the euro and holidaying in Europe begins to look like an unattractive option for many British citizens therefore this could seriously decrease the number of British that travel outside of the UK for leisure purposes (Fleming, 2018). This could however become a positive for the UK's domestic tourism economy from 2016-2017 the UK spend on domestic travel as increased by '*5.8%*' and should

the UK not agree any deal to fly this figure has the potential to increase further (WTTC, 2018).

4. Passports and Freedom of Movement

Once the UK becomes separate from the EU British passport holders will become '*third country national[s]*' under the '*Schengen Border Code*' much like Canada, Australia and the USA are (Gov.uk, 2018). The Schengen areas currently includes of 26 States, including four non-EU states, that have open borders (Foreign & Commonwealth Office, 2014). The Schengen Border Code only applies if the traveller's passport has been issued within the last '*10 years*' and the passport must also have at least '*3 months' validity remaining of the date of intended departure*' if someone's passport did not meet this requirements they would be denied entry to the Schengen area (Devlin, 2018). In addition to this under the Schengen Border Code UK citizens would also not be able to stay within the EU for more than '*90 days*' which could seriously affect backpackers and long duration travellers as they would have to return back to the UK after a 90 day duration to then go back to the EU (Gov.uk, 2018). In addition to this British citizens may also no longer be able to use the blue routes at airports which would slow the check in process down drastically and given that the current target is '*25 minutes*' and most airports advise passengers arrive two hours before their flight it is clear that the UK simply does not have the infrastructure to cope with this (Ogiehor, 2018) (Whitehead, 2018). It is therefore in the interest of both the EU and the UK to continue to allow British and EU citizens to use the electronic passport system and not introduce visas for leisure and business travel.

5. Impact on Ferries and Ports

Restrictions on passports would not only affect air travel but also the UK's prosperous maritime industry. As an '*island nation*' the UK is '*dependant on the sea*' for both imports, exports and tourism (House of Commons Committee, 2017). The maritime annual report 2018 states that over '*22 million*' '*international sea passengers passed through UK ports*' and '*829000*' cruise

passengers starting their cruise journey at Southampton port alone. Ian Hampton, the senior executive of Stena Line ferries, warned that should checks along the Irish border be introduced Stena Line may reduce its services to and from UK ports and instead opt to sail '*directly to the continent rather than via Great Britain*' (2018). At the Conservative Party conference in Birmingham Philip Hammond mentioned that should the UK become bound by WTO rules a hard border with checks would need to be instated between the UK and the Republic of Ireland (Mctague, 2018). Should a hard border be instated it could pose a huge threat of reigniting sectarian violence within Northern Ireland. When asked whether she could '*guarantee there will not be a hard border*' Theresa May said that '*we are working to make sure that we leave with a good deal*' this statement made by Mrs May suggests that the UK government has not made plans for the Irish border under a no-deal situation and this statement is also typical of many of the governments statements regarding decisions on Brexit as in all government papers about a no-deal situation begin with the line '*a scenario in which the UK leaves the EU without agreement remains unlikely*' this denial of an issue may be the very reason that the UK is highly likely to find itself without any sort of deal by March 2019 (Mctague, 2018) (Gov.uk, 2018). Should the UK leave the EU with no-deal legal it may be an impossibility to retain free movement between the UK and the Republic of Ireland (Simpson et al, 2018). However under the Common Travel Area (CTA) British and Irish citizens can move freely within each other's jurisdiction and this agreement pre-dates the UK and Irelands membership to the EU it is therefore unlikely that free movement would cease if Britain left the EU with no-deal (Government of Ireland, 2018). The CTA does however only give British and Irish citizens the right to freedom of movement across the Irish border while EU citizens would need to have hard border checks when crossing from the EU, the Republic of Ireland, and the UK, Northern Ireland. According to ABTA (2018) only 2.58 million UK international sea passengers came from Ireland in 2015 this is compared to 17.49 million EU citizens in the same year, see figure 5.1. It would therefore not be possible to

have no checks along the Irish boarded as EU citizen could otherwise take advantage of this week point in the UK's border security.

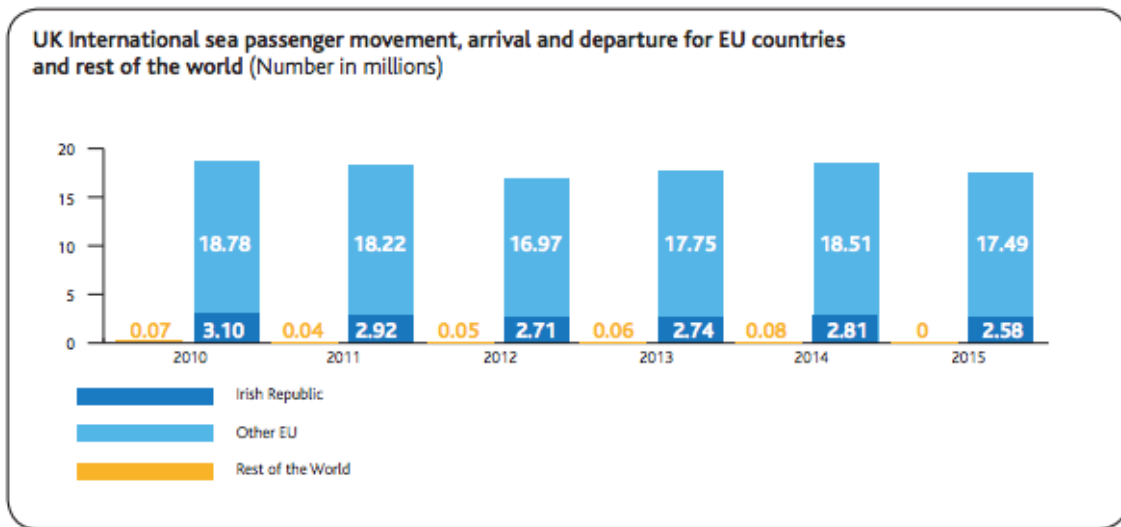


Figure 5.1. – ABTA ,2018

One potential solution to this is imposing checks at the ports rather than along the Irish border as imposing a physical hard border may reignite sectarian violence within Ireland (Channel 4, 2018). The potential issue that could come from increased security and checks at ports is similar to that at airports in terms of delays however at ports this situation becomes amplified by the inclusion of motor vehicles. Some port officials have warned that *'17-mile traffic jams'* could be caused by increasing the average time it takes to clear customs by just *'two minutes'* (BBC, 2018). David Dingle, chairman of Maritime UK, stated that the wider problem regarding ports in the UK is the *'lake of recognition of the importance of our ports and the areas around them in the planning system'* he raises an interesting point as the success of a port not only lies in there own ability to deal with volume but also in the surrounding infrastructure and in the UK the road infrastructure is simply not good enough to deal with people having to wait to board a ferry (House of Commons Library, 2018). This issue not only effects the tourism industry but also the freight industry as has been predicted to be the case for Dover. Dover district council has suggested that in the event of a no-deal Brexit as a temporary solution, to manage traffic to the port, part of the M20 could be turned into a *'temporary lorry park holding around 2,000 lorries'* this solution has been given the code name Operation Brock and in terms of

publications under the freedom of information there does not appear to be a 'plan B' (Press Association, 2018). With longer queues may come less business as tourists and businesses may choose to bypass the UK for convenience or choose to go elsewhere. This could lead to the decline and possible closure of some ports within the UK. Conversely should companies wish to mitigate the need for Operation Brock in Dover pressure could be taken away from the natural bottleneck by reducing the UK's 'dependency on Dover' and invest in other ports in the East and spread the ports that ferries come into to bring passengers to the UK (Rothwell, 2017). This may help spread the economic benefits of the ferry industry further across the UK. However it is unlikely that these benefits would spread as far as Wales and given that Pembroke and Fishguard dock are located so close to each other, see figure 5.2, should the number of ferry users drop both ports may no longer be necessary or sustainable to keep both ports open. Given that Fishguard only receives a third of all the lorries that came into Pembrokeshire in 2015 it is only logical that this would be the port to close which could spell disaster for the local community (BBC, 2018).

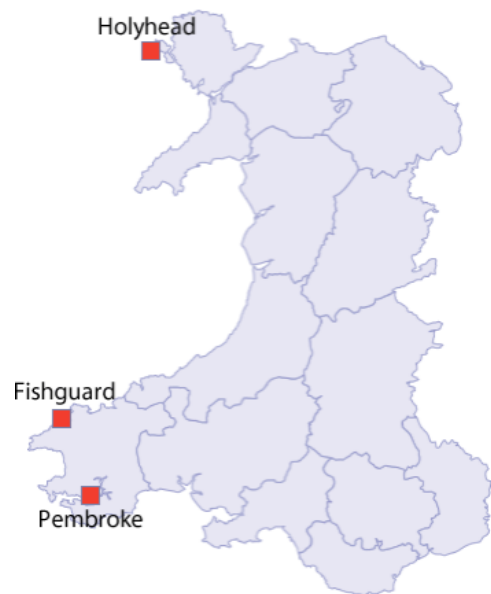


Figure 5.2. – GoHoliday Ltd, 2018

6. Conclusion and Recommendations

In conclusion in the event of a no-deal situation some deal regarding travel would still need to be struck. In terms of aviation it is within both the UK and the EU's interest not to prevent flights between the UK and EU as British tourists contribute significantly to many EU countries economy. However longer term agreements will need to be settled to provide industry security. It would also be ill-advised to stop British citizens from using the blue channel at airports as given the current size and infrastructure within both UK and EU airports is not good enough to handle an huge influx of extra people having to be checked by a person rather than being able to be checked electronically. The issue of

infrastructure also comes into play with ferry ports however there is not already the electronic resources in place therefore manual checks would be the only option. It would therefore be advisable to employ extra security staff at Dover port to try and mitigate the additional wait time to passengers and therefore reduce congestion. Ferries could also be dispersed more evenly across the UK coming from the EU to avoid the same issue of congestion. Additionally the UK government needs to look into the road infrastructure of the UK and think of upgrading it around port areas to mitigate the impacts of additional waiting times for ferry passengers. Overall a no-deal situation is the worst case scenario for the travel industry however if the UK government strives to make as many smaller deals for travel between themselves and other EU countries the major issues discussed in this report could be alleviated.

2750 Words

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