

Brexit & beyond...

The future of UK travel

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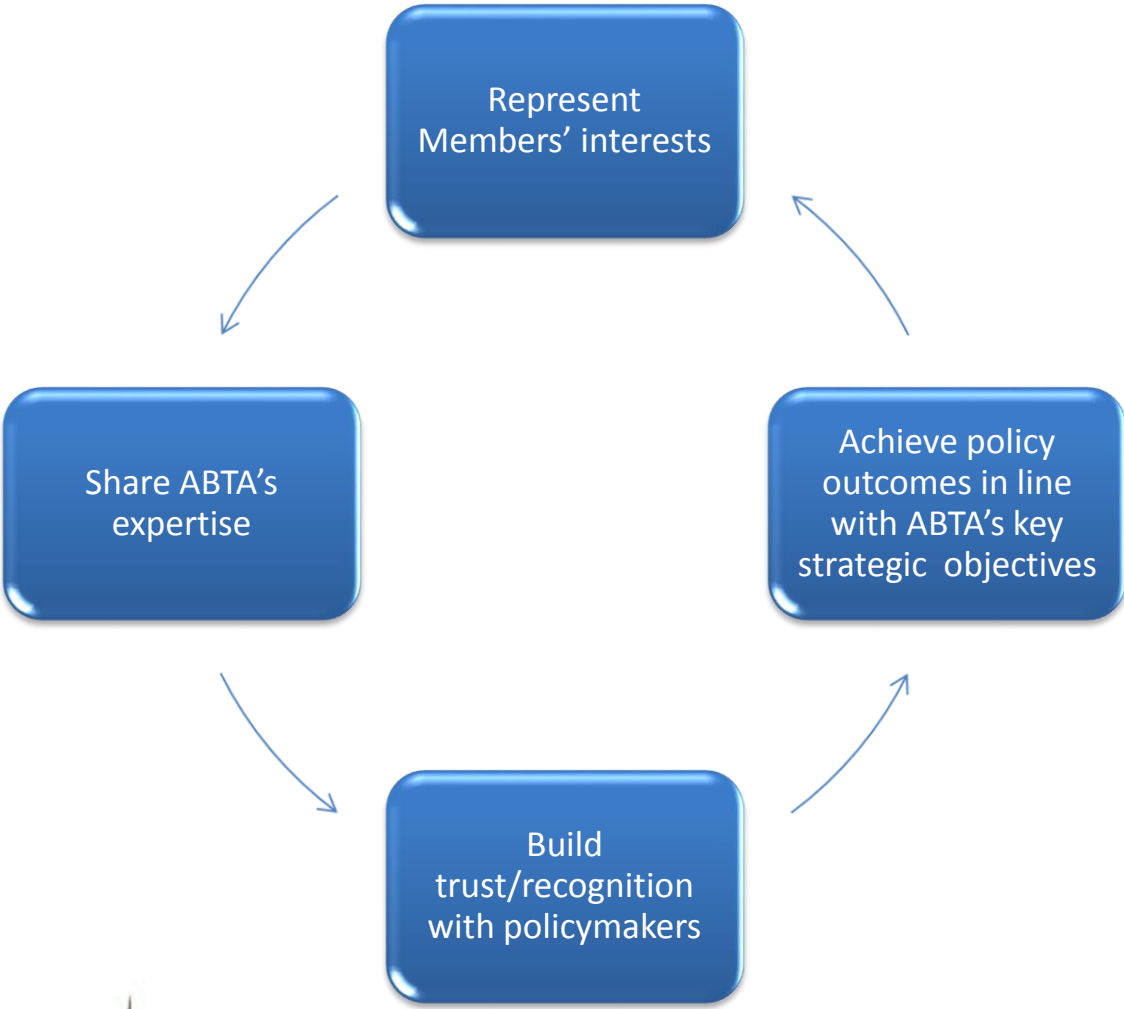
About ABTA



- ABTA is the largest travel trade association in the UK.
- Established more than 60 years ago.
- 74% Consumer brand recognition, making it the UK's most recognised travel trade association
- Based in London but with regional representatives across the UK.
- A key part of ABTA's role is influencing Government policy and the perception of tourism



ABTA Public Affairs Team



EU-UK travel - travel flows and value of travel





UK outbound travel is a major provider of jobs and growth to the UK economy

Direct economic impact

Outbound travel directly contributes
£15.9 billion
to the UK economy each year

Jobs

221,000
directly employed in outbound travel in the UK supporting...
489,000
jobs in the wider economy

Expenditure

Nearly
£46 billion
spent annually by holidaymakers in the UK economy each year before departure

- Launching spring 2019
- Sent to all 650 UK MPs
- 3-yearly research that counters narrative of “tourism deficit”
- Supports lobbying work around APD, aviation capacity and other issues

Travelling together: The value of UK outbound tourism to the EU27

TRAVELLING TOGETHER

The value of UK outbound tourism

There are a myriad of drivers for travel between the UK and the EU, and we examine the economic knock-on effect of all travel within this report: leisure and holidays, business travel and visiting friends and relatives. We also take a closer look at the economic value of the British summer holiday, with specific reference to the countries we have called the "Sunshine Seven": Spain, France, Italy, Portugal, Greece, Cyprus and Malta.

The message of this report, and ABTA's message to policymakers in Westminster, Brussels and the national capitals across the EU, is clear: we must strive to preserve the benefits of travel, both economic and also cultural – for the latter are harder to quantify, but equally valuable.

We must find a long-term solution that works for all, and enables all of our citizens to continue to travel with confidence.



Mark Tanzer

Mark Tanzer
CHIEF EXECUTIVE

Launched in November 2017 – www.abta.com/Brexit



Travel between the UK & EU

- The UK's largest outbound travel market for both leisure and business
- The UK is the largest source market for many EU countries, especially for leisure travel
- Around 75% of trips by UK nationals were to EU destinations
- UK tourists spent around £52bn in the EU last year (56.8% of all spending by outbound travel)

Top 5 EU Travel Destinations for Brits?



Overview - UK outbound tourism



Gross value added (GVA)

- UK trips to the EU generate more than **€15bn** in GVA for EU member state economies, and more than **€37bn** in aggregate or indirect impacts

Over half of all GVA from tourism in the EU goes directly to employees through wages

Spending

- 58%** of UK outbound spending goes to EU countries



Businesses

- UK travellers support over **440,000** businesses across the EU



Jobs

- Outbound tourism from the UK directly sustains over **380,000** jobs across the EU supporting a further **486,000** jobs indirectly through supply chains

For every €1 spent by UK travellers, **€0.58** is added value to the economy of the host country – generating jobs and economic growth



‘Sunshine Seven’

- Spain, France, Italy, Portugal, Greece, Cyprus, Malta
- **34 million UK trips** taken to these countries in 2016
- Sustaining **329,000 businesses**
- Supporting **540,000 jobs**
- Generating **€28 billion** in aggregate GVA contribution
- Greatest GDP contributions (6.2% Malta; 2.8% Cyprus)



BREXIT – update on what’s happened since the referendum



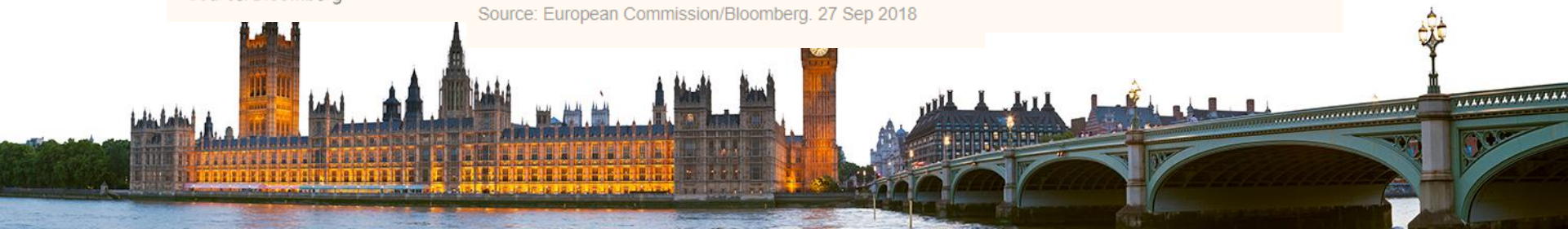
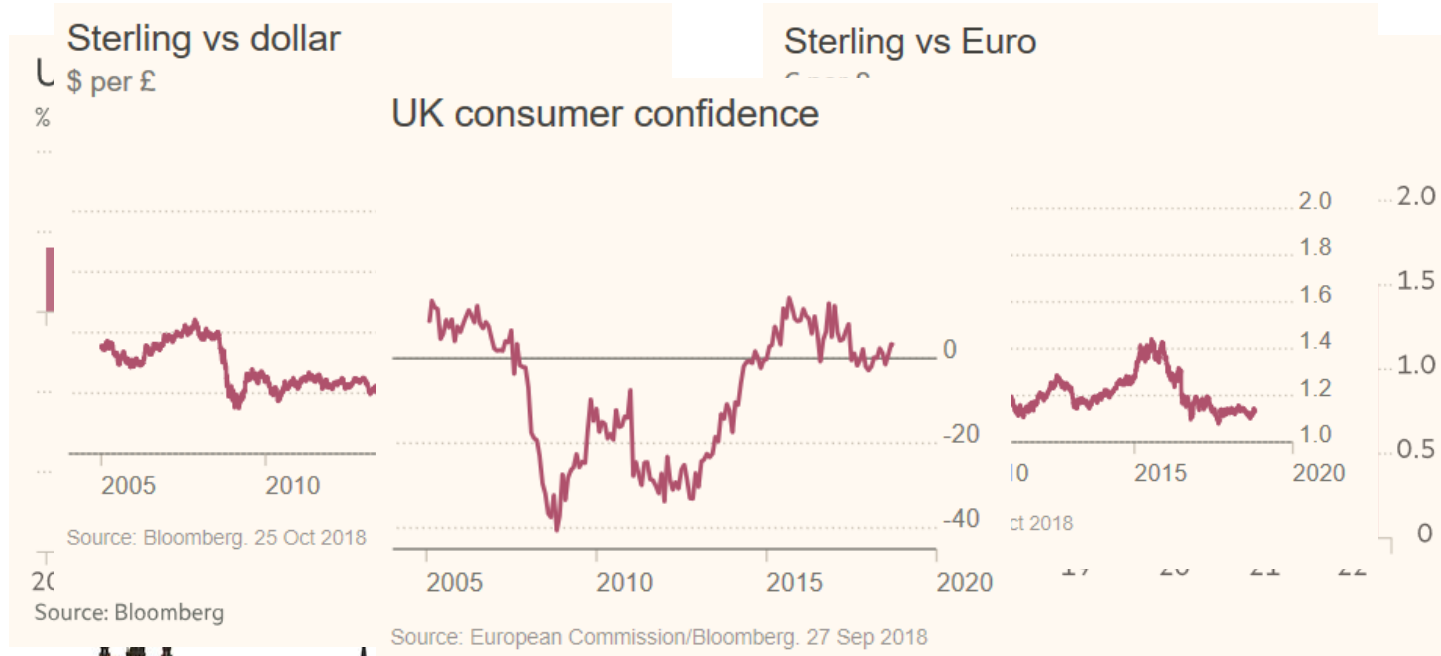
Political outlook: where are we now?

- UK & EU negotiators aiming for deal in autumn (November/December)
- A deal will secure a transition period until 31 December 2020 (at least – possibly 2021);
- Both sides want a deal, but equally both have issued no-deal contingency papers;



The economic outlook

- UK economy in growth – but, low, and slowing since referendum
- Consumer confidence shaky – in positive territory - just
- Currency remains weak – not recovered since referendum.



UK-EU travel – the bigger picture



- The EU remains the UK's largest outbound travel market for both leisure and business
- The UK is the largest source market for many EU countries, especially for leisure travel.

Top 5 European Destinations for Brits - 2017

75% of all outbound trips – 54.7m (up 3%)

79% of all holiday visits – 36.7m (up 4%)

**65% of all outbound business visits – 4.4m
(down 12%)**

1. **Spain** – 16m travellers; £9bn
2. **France** – 9m; £4bn
3. **Italy** - 4.1m; 2.4bn
4. **Portugal** - 2.8m; 1.6bn
5. **Greece** – 2.4m; 1.7bn



BREXIT – industry priorities and the no-deal scenario



1. Transport links

Since 1990s the EU has developed a single market across all transport modes, especially in aviation – 185% growth since 1993. UK had 284m passengers in 2017.

- No WTO fall-back exists for aviation
- Right to operate many routes tied into EU bilateral Air Service Agreements – including to the US
- Safety and ownership rules

Deal or (No-deal) – what is possible?

- Aviation – UK-EU air service agreement (bare-bones deal - UK airlines seeking EU licenses)
- Coach operators – access, but limited cabotage (sub-contracting)
- Rail – access (bilateral deals)
- Cruise/Ferry – most access not impacted as International Maritime Law



2. Employment rules

- Posted Workers Directive
 - Around 20,000 staff posted overseas by UK tour operators
 - In addition, operators also hire hundreds of UK nationals locally
- Directly hiring UK staff in EU
- Hiring of EU workers in the UK



No-deal – what might happen?

- Significant disruption to posted workers in resort
- Work permits and national labour laws will dictate approach
- Immigration Bill will shed light on UK approach, but expect
 - Mobility framework
 - Youth workers scheme



3. Visas and borders

- **The industry wants minimal changes to UK-EU border/customs arrangements**
 - UK/EEA/EU queues and e-passport gate usage
 - UK border target set at 25 minutes
- **The EU is introducing a visa waiver scheme (ETIAS)**
 - €7 multi-entry electronic waiver
 - Lasts for 3 years
 - Likely to come in 2020-2021

Where do we appear to be heading?

- No desire to lessen usage of e-borders technology within UK government
- UK waiver scheme also remains on the table
- Immigration and Customs Bills will be published in the next parliamentary term



4. Tax and customs cooperation

- VAT – Tour Operators Margins Scheme
 - Enables VAT to be accounted for in home Member State
- Single tax area and Customs Union
 - Ensures seamless operations at ports

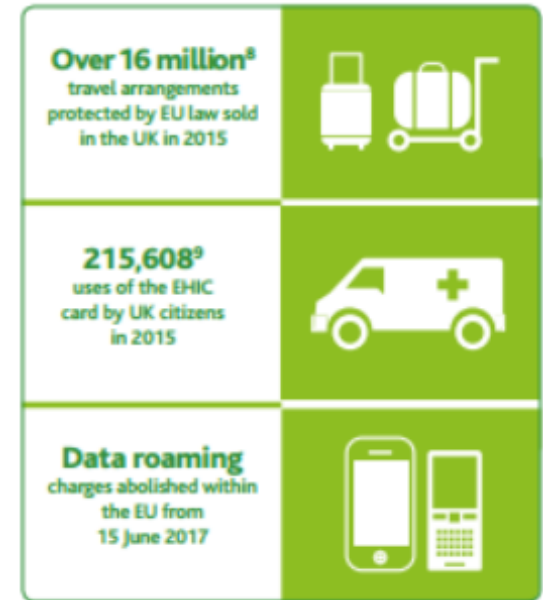
Where do we appear to be heading?

- Chequers deal seeks “common rulebook” and a “customs agreement”
- Services are not covered by majority of provisions



5. Consumer issues

- There are a number of important and valued consumer protections tied into the UK's EU Membership:
 - Reciprocal healthcare (EHIC)
 - 26 million in circulation
 - Package Travel protection
 - 16 million protected arrangements sold in 2015
 - Air Passenger Rights
 - Millions paid out annually
 - Roaming Fees
 - Abolished from this summer



Where do we appear to be heading?

- Consumer rights are popular with voters and customers
- UK government wants a deal on enforcing cross-border disputes
- Reciprocal healthcare Bill due – UK has agreements with non-EU countries



No-deal scenario: consumer impacts

Brexit: no-deal scenario How could it affect...

YOUR BUSINESS

Would you be affected by changes in exchange rates?
Do you use the Tour Operators' Margin Scheme (TOMS)?
Could delays or disruption at air and sea ports affect your services?
Do you operate transport services that require licensing?
On what basis do you transfer personal data overseas?
Do you have European trademarks?

YOUR COMMERCIAL PARTNERS

Can you change the terms of a contract when circumstances change?
Can you get out of a contract you no longer want?
Do you have bonds or insurance policies with businesses based in the EEA?

YOUR PEOPLE

Do you employ staff in Europe on a permanent or seasonal basis?
Do you employ EU citizens in the UK?
Do you send UK staff to work in Europe?

YOUR CUSTOMERS

Do you provide passport and visa information to your customers?
What rights do your customers have if their holidays are disrupted?
Could your customers be affected by changes in exchange rates?
Do your customers rely on the EHIC card?

Visit abta.com/brexitguidance for more information.

Looking beyond the B word – what’s happening in UK travel 2018/19

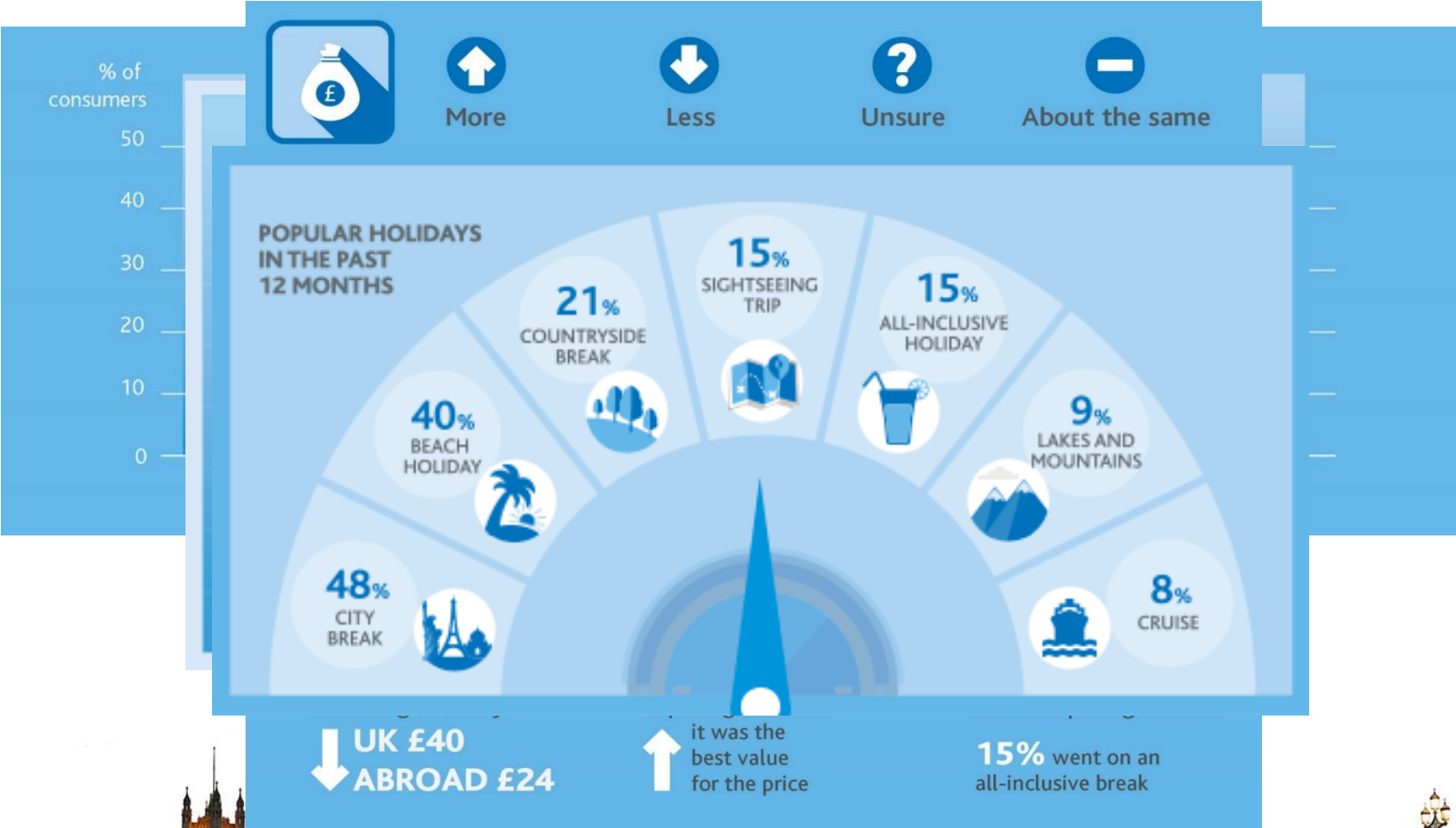


Beyond Brexit – ABTA reports on trends and consumer booking plans



- Launched at ABTA Convention in Seville – October 2018
- Looks at consumer trends for travel in 2019
- Survey of 2,000 consumers
- In 8th year

Holiday Habits 2018



Beyond Brexit – Travel Trends 2018



12 Destinations to watch

2018 Travel Trends

1. Responsible tourism
2. Alternative destinations
3. Package holidays for pricing certainty
4. Growth of low-cost long-haul
5. Luxury meets escapism

26 November – ABTA Travel Trends 2019 Launch

<https://www.abta.com/events/travel-trends-2019>

SWEDEN

Outstanding design, vibrant cities and picturesque countryside in the real winter wonderland

Want to visit the No.1 nation for Health & Wellbeing? Then head off to Sweden, which took the top spot in the latest "Good Country Index", based on data from bodies such as the United Nations and the World Bank.

Sweden is renowned for its liberal outlook and chilled ways, epitomised by the national wine of "lagom" – everything in moderation. Sweden's capital city, Stockholm, has a wonderful mix of urban and beautiful design, from the buildings to the furniture. However, one of Sweden's main draws has to be its countryside, which is diverse and unspoilt. In the summer, head south to the countryside which will be very familiar to fans of TV series Wallander, with its idyllic wide plains dotted with pretty cottages and

bordered by sandy beaches. Take the ferry to the island of Gotland and the UNESCO World Heritage site of Visby in the winter, head northwards and visit the Aurora Sky Station in the Abisko National Park, the perfect place to catch the spectacular northern lights. Spend some time with the Sami and their reindeer herds in Lapland and, for a truly magical experience, book into the hotel in the town of Jukkasjärvi, just north of the Arctic Circle.



‘DID YOU KNOW’ FACTS & ECO ADVICE

- ☒ You should get a free European Health Insurance Card (EHIC) before you travel. If you already have an EHIC, make sure it hasn't expired.
- ☒ The currency for Sweden is Swedish Krona, not the euro.
- ☒ Border control are in place in Sweden for people travelling from Denmark via the Øresund crossing and arriving as ferries from Denmark and Germany. Make sure you carry a passport or national ID card when entering Sweden.
- ☒ It is a legal requirement for all vehicles to have either studded tyres or an anti-studded friction tyres from 1 December to 31 March and when weather conditions are wet/snowy.
- ☒ To contact the emergency services, call 112.
- ☒ Visit www.gov.uk/foreign-travel-advice/sweden for more information.



ABTA Travel Trends Report 2018

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ABTA Internship

- Applications are open now for the internship
- Essays are submitted
- 1 Month paid internship starting in the summer (LLW)
- Working in ABTA's Team
- **Selection process** – 4 candidates shortlisted. Rail costs to London covered by ABTA.
- Amy Edmonds from Plymouth successful in 2015 – now works for TUI Travel (Thomson)



ABTA Internship

SPOTLIGHT

YOUR STORIES



Nicola Pearce from Leeds Beckett University has been unveiled as Abta's fourth intern. **Robin Searle** reports



ABTA HOPEFULS: The shortlisted internship students, from left: Danni Wong, University of Surrey; Jessica Tracey, University of Wolverhampton; Yasmin Aytüre, University of Surrey; Lindsey Allen, University of Hertfordshire; and winner Nicola Pearce, Leeds Beckett University

Abta has selected its 2018 intern, with Nicola Pearce from Leeds Beckett University beating stiff competition to win the chance to spend a month working with the association.

This is the fourth internship offered by Abta to students from its university partners.

Pearce was one of a shortlist of five students from four universities who made it to a selection day at Abta's London office. There they learned about the association's work before being interviewed by a panel.

Pearce will join Abta in July for a month's paid internship within the destinations and sustainability team, working on projects including Make Holidays Greener and developing customer communications.

The other finalists were Jessica Tracey, from the University of Wolverhampton; Lindsey Allen, from the University of Hertfordshire; and Yasmin Aytüre and Danni Wong, both from the University of Surrey.

Vicki Wolf, Abta's education partnerships manager, said: "We are thrilled that Nicola will be joining us for the month of July; she really impressed the recruitment panel with her knowledge of the industry."

"It really was a very tough decision this year as all the candidates were of an exceptional standard, and it would be great to see these fantastic students secure roles with our members."

She added: "The exceptional quality of these students showcases the great teaching at our partner universities."

There are many great candidates waiting to work in our industry when they graduate. If any members are interested in taking on an intern, Abta would be happy to link them with our university partners."

Pearce said: "I am in the final year of an international tourism management degree, including a year-long

placement at a five-star golf resort in South Carolina."

"To apply for the internship, I initially had to write an essay on the impact of Brexit on British holidaymakers, and then spent the day in London for my interview. I found out I had got it the next day and I was over the moon and couldn't stop smiling."

She added: "I want to move into marketing as a career, so

I'm hoping I'll be able to get some experience within that department during my internship. I can't wait to get started."

Abta has 11 partner universities: Bournemouth, Cardiff Metropolitan, Derby, Hertfordshire, Leeds Beckett, London South Bank, Manchester Metropolitan, Plymouth, Surrey, UWTSO (University of Wales Trinity St David) and Wolverhampton.

Watch your career Take Off

To learn more about internships, and other routes into the travel industry, make sure you check out the 2018 edition of *Take Off in Travel*, the prospectus-style magazine published by *Travel Weekly* in association with Abta and headline partner dnata.

In addition to features on getting into travel and working in different sectors, *Take Off* also includes profiles of many travel companies looking to find the industry's future leaders, and interviews with people starting their careers and those who have risen to the top.

To find out more, visit takeoffintravel.co.uk



'Over the moon': Nicola Pearce

ABTA Interns

Surrey University student chosen for ABTA Internship

Gerasimos Margelis from the University of Surrey has been chosen for the ABTA internship in July this year.

Four students were shortlisted from applications from ABTA's Partner Universities including Plymouth, Surrey and Leeds Beckett. The students spent the day at ABTA learning about the organisation's work in various areas and meeting a number of staff members from different departments, before attending an interview at the end of the day.

Gerasimos will join ABTA in July for a month's paid internship within the Destinations and Sustainability team.

The internship is open to students from universities who are ABTA Partners of which ABTA currently has nine: Surrey, Plymouth, Leeds Beckett, Manchester Metropolitan, Bournemouth, Wolverhampton, Hertfordshire, Cardiff Metropolitan and UWTSO – University of Wales Trinity St David.

For details of each of these Partners, log into the [Business Services](#) area of the Member Zone.

From left to right in the photo: Sandrine Chevroliier, Leeds Beckett University | Gerasimos Margelis, University of Surrey | Huda Sufian, Plymouth University | Clara Roberts, Plymouth University.



Amy Edmonds

ABTA intern

Amy was ABTA's first intern from our university partners, and is a travel and tourism student at Plymouth University.

She enjoyed the opportunity to rotate around key areas within the Destinations and Sustainability department, including sustainable tourism, crisis management and Travelife. She says: "The most exciting part of the internship was working with Travelife, and launching social media (Facebook and Twitter) and a news section on the Travelife Collection website. I also attended the sustainable tourism board meeting with key industry stakeholders, which I found very interesting".

Amy developed an interest in sustainable tourism while at university, prompting her to apply for the internship. Her time with ABTA has greatly improved her understanding of the challenges facing the industry, and especially how ABTA and its members support each other to overcome them.



A first year LSBU tourism student has beat applicants from around the country to secure an internship with the UK's largest travel association, ABTA



Take off in Travel

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