

25,000 British tourism jobs at risk from Brexit

At least 25,000 jobs and £1 billion in tax revenue are at risk warns SBIT (Seasonal Businesses in Tourism) as it today publishes its assessment of the impact of Brexit on the outbound tourism industry.

The industry impact assessment, endorsed by over 50 independent UK outbound travel businesses, draws attention to the size of the travel and tourism industry and its importance to the UK economy, jobs and training.

With outbound tourism to the EU contributing an estimated **£16.5 billionⁱ to the economy** and over **£1 billion in incomeⁱⁱ** for the Exchequer, it is a sector that needs solutions - and soon - the assessment warns.

The report draws attention to the estimated 25,000ⁱⁱⁱ UK citizens who work in the European Single Market each year supporting the seasonal tourism industry. These are the people holiday makers meet at the airport and are their contact point at hotels, villas and chalets and who ensure holidays run smoothly. If it becomes costly or impossible for these people to work in the EU on a seasonal basis, cost may rise and jobs cut the assessment warns.

As with the UK's aviation industry with which it is closely intertwined, deadlines for planning in the outbound travel industry are typically 12 – 14 months, **much** earlier than March 2019.

Some tour operators are warning uncertainty about the status of flying programmes and the status of UK staff seasonally employed in the EU is already having an effect on their businesses.

Two of the largest winter operators for example have already reduced their chalet programmes for the approaching ski season by around 10%, over 8000 holidays, with a corresponding reduction in seasonal tourism jobs. More cuts may be coming for the 2018-19 season they warn.

'Skiers start booking their flight inclusive packages 11 months in advance with businesses like ours and holidays for 2018-19 Brexit year should be on sale in a matter of weeks' said Sarah Searson, Managing Director of Skiworld, the largest independent ski specialist in the UK.

"Instead we have uncertainty around flying programmes and importantly the status of our UK staff working for the 2019 season looking after our customers" she said. ***"If we don't soon have clarity on our ability to move staff around Europe during and after March 2019 there will be significant and possibly irreversible long-term impacts on the industry."***

European holidays make up a significant part of the UK economy. Whether it is ski chalet holidays in the French Alps, adventure holidays, sailing and windsurfing in the Mediterranean, or a relaxing summer beach holiday in one of many European destinations,

holidaymakers from the UK tend to book with British companies and are often looked after by UK nationals working in the foreign resorts.

Currently UK companies in the tourism industry can employ British workers to work in European holiday resorts under the European Single Market freedom of labour movement rules. If these rules or something similar are not in effect after March 2019 then there will be a devastating impact on companies in the British outbound seasonal tourism sector.

The activity holiday sector (skiing, watersports, etc) is particularly vulnerable post Brexit. The sector is responsible for an estimated £9 billion^{iv} of direct expenditure in the UK and companies in this sector are very reliant on existing EU and Single Market rules.

“We train our resort teams of often young people from different social backgrounds in high standards of customer service. They are responsible for looking after our guests and their travel arrangements, ensuring they have the best possible experience with us which is good for business.

They are a key part of our customers’ holiday experience, not just in managerial guest-facing roles, but also as kitchen porters, hotel assistants and nannies” said Paul Carter, CEO of Hotelplan, which operates Inghams, Ski Total and Esprit Ski.

“In having the opportunity to work overseas, it’s not just the way of life they fall in love with....they acquire logistics and language skills and see different cultures and learn the ropes of how a hospitality business operates. In my experience, our teams work extremely hard and have the opportunity to progress quickly within the company.

We must not lose these jobs and the training and experience these people in the hospitality sector bring back in to the UK economy, we therefore need the government to urgently address the issue of visa-free movement for our staff in Europe”

Today, members of SBIT have written to MPs calling on the British Government to agree transitional and permanent arrangements with the EU that preserve their ability to operate. This will preserve British jobs in tourism, protect UK treasury tax revenues and ensure the continuation of the successful British seasonal tourism industry in Europe.

Restrictions or red tape, or at worst a “no-deal” Brexit, could mean that many companies will see their business models undermined due to challenges with staff employment and cost increases to the extent that they may no longer be able to operate.

SBIT is calling on the Government to:

- Agree a transitional agreement with the EU that will continue Single Market freedom of labour movement after March 2019.
- Establish a longer-term practicable, “fast-tracked” work permit / visa process which will permit UK citizens to be able to work in Europe on a temporary basis to meet the seasonal demands of the tourism industry post Brexit.
- Retain the ability of workers posted abroad temporarily to remain in the social security system of their home nation.

End

Media contacts: Charles Owen: 0739 993 7244
Diane Palumbo 07712 818578

Attachments:

All the following can be found on the SBIT website: www.sbit.org.uk:

Timetable of planning for ski operators <http://sbit.org.uk/member-quotes/>

Brexit and the Impact on British Businesses in Tourism <http://sbit.org.uk/member-quotes/>

More quotes <http://sbit.org.uk/member-quotes/>

Editors notes on references:

ⁱ Based on Centre for Economics and Business Research (Cebr): “Driving Growth – The Economic Value of Outbound Travel” dated June 2015, Total expenditure within the UK by residents engaged in outbound travel was £34.4 billion (and directly contributed £11.7 billion to the UK economy in gross value added (GVA)) and 64% of all trips abroad were made for holiday purposes (excluding visits to family and friends), also ONS travel trends: in 2016, 75% of UK residents’ visits abroad were to EU countries.

ⁱⁱ This figure is derived from the abovementioned survey. Cebr estimates suggest that the outbound travel sector contributed £2.35 billion to the UK Exchequer in 2014, 0.5% of the aggregate HMRC tax take. The analysis referred to in footnote i gives the proportion of the outbound travel market that are holidays to the EU which are booked through UK companies

ⁱⁱⁱ Ref MPI survey Sept 2017: 20,000 posted workers and an estimated 5,000 EU mobile workers on local contracts

^{iv} This is taken from a survey of SBIT members which estimates the revenue for tour operators in this sector being more than £4.6 Bn. The Cebr survey “Driving Growth – The Economic Value of Outbound Travel”, June 2015. Cebr estimates that 53% of the expenditure in the UK derived from outgoing tourism is on tour operators. These figures taken together suggests that direct expenditure was more than £9Bn.