

# PRESS RELEASE

## Follow-up survey of independent UK based travel companies reveals industry average job cuts of 30% across the workforce with job losses particularly affecting 18 – 34 year olds

Fears that leaving the EU will mean the loss of the ability to move their UK staff and resources easily around Europe has caused UK travel companies to **cut an average of 30% of their workforce** since 2016 a survey has revealed.

The same fears have been behind cuts in holidays available to the public and price increases the survey shows.

The survey of 65 travel companies was conducted this November by SBIT (Seasonal Businesses in Travel) an organisation representing over 200 outbound British travel companies and is a follow up to their report '**A Crisis Looming**' published in August last year.

Over **1,700 jobs have been cut since 2016** just amongst the 65 companies in the survey it reports. This is a significant acceleration in the job losses highlighted in the last report (Aug 2018).

With most of these cuts affecting jobs seconded to the EU to run holiday operations being filled by **18 - 34 year olds, it is this age group bearing the brunt of these job losses.**

*'If you apply even the lowest level of cuts identified in the survey across the rest of the jobs in our industry, we are already looking **at job losses in the order of 3,200 people since 2016.***

*If this had happened all at once it would have made headlines. It really goes to highlight the unrecognised effect leaving the EU is and will continue to have on jobs and opportunities for young people in our sector'.*

**Charles Owen, Managing Director of European Pubs Ltd said**

The report also points to average **cuts in holiday programmes of 19% or 3,800 beds per week**. This represents a loss of economies of scale for many companies which has filtered through to higher prices for consumers – despite the best efforts of most companies to keep prices down.

These cuts of almost a fifth in holiday programmes is in response to fears that British holiday companies will no longer be able to employ their UK staff on the continent on UK terms – for instance paying tax and NI in the UK for the NHS – and will instead have to pay into much more expensive continental state social insurance schemes.

Holiday companies plan 12 – 18 months in advance which is why Brexit has already hit these businesses.

For many companies, cost increases of this scale will just not be feasible and they are not set up to be able to employ EU nationals. They will be forced to close or sell. This will put in jeopardy the **£16.5 billion** this sector contributes to the UK economy and **£1 billion** it delivers directly to the UK Exchequer<sup>1</sup>.

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<sup>1</sup> SBIT Brexit Impact Assessment December 2017

*‘Small and medium sized independent companies like ours are the mainstay of the outbound travel industry and all together we represent a significant contribution to UK GDP and employment’.*

**Said Dan Fox, Managing Director of Ski Weekends**

*‘The EU has brought us the most incredible benefits of freedom of movement of our staff, transport and resources and holidaymakers have benefitted not just in terms of affordable prices but also an amazing diversity of holidays’.*

The report also identifies price increases since 2016 of on average **£97 per person** rising to **£370 in the luxury end of the market.**

#### **HEADLINE FIGURES:**

**Job cuts of over 1,700 – a 30% reduction** compared to 2016 amongst the 65 companies in the survey

- Amongst the larger operators where the percentage and numbers of jobs cuts have been the largest (**37% and 1,400 fewer roles**)
- These job cuts affect the young disproportionately – the previous survey showed that 64% of posted workers are **18-24 years and 23% are 25 – 34 (87% are under 34 years)**
- Loss of apprenticeships and training opportunities – **78% of the 134 companies** who were previously surveyed ran apprenticeships or training programmes
- In 2016 SBIT Calculated that there are **25,000 people** employed in the EU supporting UK outbound travel

**19% reduction in holidays available** in this sector compared to 2016

- Equates to a reduction of **3,800 beds per week** (over an average ski season for example of 17 weeks equates to nearly 66,000 fewer holidays on sale to the UK consumer in 2020 compared to 2016)
- Amongst some companies in the survey, the cuts to the size of their programmes have been between **30% and 50%**
- Loss of choice for the consumer and competitiveness internationally for many companies with the possibility that some will not be able to re-invent their business models

**End**

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The following can be found on the SBIT website: [www.sbit.org.uk](http://www.sbit.org.uk):

- ‘A Crisis Looming’ Brexit and the British Outbound Tourism Industry August 2018
- Press release December 2017
- SBIT Brexit Impact Assessment December 2017