

Travel companies warn European holiday prices set to rise 31% as a result of Brexit

Survey points to 25,000 UK jobs in the sector also at risk and warns of the damage to UK businesses and training opportunities for young people.

Government plans for Brexit could see the price of European holidays rise by almost a third and put thousands of British jobs at risk by forcing British companies to pay into overseas state social insurance schemes, so escalating staff costs, reports SBIT (Seasonal Businesses in Travel) an organisation representing over 200 outbound British travel companies today 6th August.

A survey of over 130 companies highlights 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.

Such changes could mean:

- Holiday companies facing a 58% increase in costs
- Holiday companies employing less staff from Britain – reducing job and training opportunities at home, especially for younger Britons and negatively impacting holiday experiences for millions of British tourists
- The closure or merger of smaller family-owned holiday businesses

The companies (with a combined turnover in excess of £470 million) were surveyed by independent research consultants LHM Conseil on behalf of SBIT (Seasonal Businesses in Travel) and findings are published in a report by SBIT today. 87% of respondents are CEOs, MDs or owners.

Commenting Katie Waddington of Zenith Holidays said:

‘Many independent UK holiday companies stay cost efficient and deliver great prices and service to holidaymakers by employing UK staff to work in the EU during peak times. Our membership of the EU means no visas or bureaucracy and staff taxes and NI contributions stay in the UK’.

‘The prospect of losing this has already started to push prices up as companies that can are trying to prepare for the worst. For others it will mean the end....’

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 Exchequer¹.

Charles Owen, Managing Director of European Pubs Ltd said:

‘After 14 years, I have made the painful decision to close 2 of our venues, Jacks Bar and Evolution in Meribel as our business model is no longer viable under any forms of Brexit’

¹ SBIT Brexit Impact Assessment December 2017

outlined to date. It's impossible for me to wait until October to have the slightest idea of how I might be able to run these businesses and then have only 5 months to change or sell them."

"These venues have hosted award winning musicians including Newton Falkner & Natalie Imbruglia and Comedians Al Murray & Marcus Brigstocke to name but a few. We have employed and trained 100's of British staff and given many of them their first significant job, and in doing so we have contributed to the UK tax revenues."

"All of that has come to an end as a direct result of Brexit. I am still waiting to see any up-side to this ".

There are an estimated 25,000 UK nationals² working in the EU supporting the seasonal holiday industry whose jobs are at risk with any of the Brexit scenarios currently in prospect the SBIT report warns.

The companies surveyed reveal they have already been affected by Brexit uncertainty as they are posting 7% fewer British staff overseas this season.

The loss of jobs will be predominantly amongst the young aged 18 – 24 who, the survey reveals, are the bulk of those employed in the sector. 60% of the companies surveyed run apprenticeships or training in the UK or the EU for their workers. A contraction of this sector will mean a loss of training as well as job opportunities for the young.

Sarah Searson Managing Director of Skiworld, the largest independent ski specialist said:

'More than 75% of the team in the London office have worked overseas and they bring their knowledge and experience back into the company.'

'Experience in customer service, logistics and operations are key skills in a service driven economy and it will be a loss for UK PLC, let alone for the holiday industry, if we cannot continue to seamlessly second our UK staff to Europe.'

The report also points to a loss of both competitiveness and possibly market share to European based multi nationals that has occurred already. Two thirds of those in the survey have shortened their accommodation leases, reduced their programmes and introduced break clauses around Brexit into their contracts.

This is on top of the reductions in programme size reported by SBIT in December 2017.

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

SBIT is calling on the Government to:

- Give travel businesses much needed operational certainty by continuing the freedom of labour movement for seasonal workers currently guaranteed by Single Market membership after March 2019

² Ibid.

- 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.
- Follow ABTA’s calls for the protection of holidaymakers’ rights (EHIC and consumer rights), to maintain visa free travel in Europe for UK citizens and to protect our aviation industry

End

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The following can be found on the SBIT website: 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