

A manifesto for jobs and growth in tourism

Investing for the future, enabling competitiveness, building confidence in travel

Travel and tourism is the UK's fifth largest industry, accounting for 9% of UK GDP or £127bn. The industry supports 3.12 million jobs, and has created a third of all new employment since 2010. To promote jobs and growth, ABTA has outlined key priorities for the UK's travel and tourism industry for 2015, and beyond:

1. Act urgently to increase airport capacity once the Airports Commission completes its work and delivers recommendations.
2. Invest in infrastructure across all transport modes, enhancing surface access and connectivity, while improving services for passengers and businesses alike.
3. Further reform and reduce Air Passenger Duty to ensure the UK is a more competitive place to invest in, trade with, and visit.
4. Embed a cohesive approach to tourism policy in support of the UK's vibrant mix of outbound, inbound and domestic travel and tourism businesses and the jobs we support.
5. Ensure completion of consumer protection reforms to provide coherent protection for the travelling public and a balanced regulatory environment for UK businesses.

Investing for the future

The UK travel and tourism industry is an engine for growth. Not only does it facilitate foreign direct investment, support the UK's connectivity to global markets, and promote the global UK brand; it is also the UK's largest private sector employer, and has delivered more than a third of all new UK jobs since 2009¹.

To facilitate future industry growth, we are calling on Government to:

1. Act urgently to facilitate an increase to airport capacity

ABTA is calling for a commitment to urgent action on airport capacity in response to recommendations made by the Airports Commission. ABTA believes that political consensus on the future of the UK's aviation infrastructure is absolutely crucial. The UK is a global leader in aviation. Our strategically important connectivity to all parts of the world grows the UK economy and provides employment by facilitating trade in services, goods, tourism, and investment. ABTA welcomes acknowledgment by the Airports Commission that new runway capacity is necessary in the south east to secure our position as a global leader in aviation and to ensure improved air links between UK cities and the UK's hub airport. Without urgent action, the UK risks being left unable to compete globally.

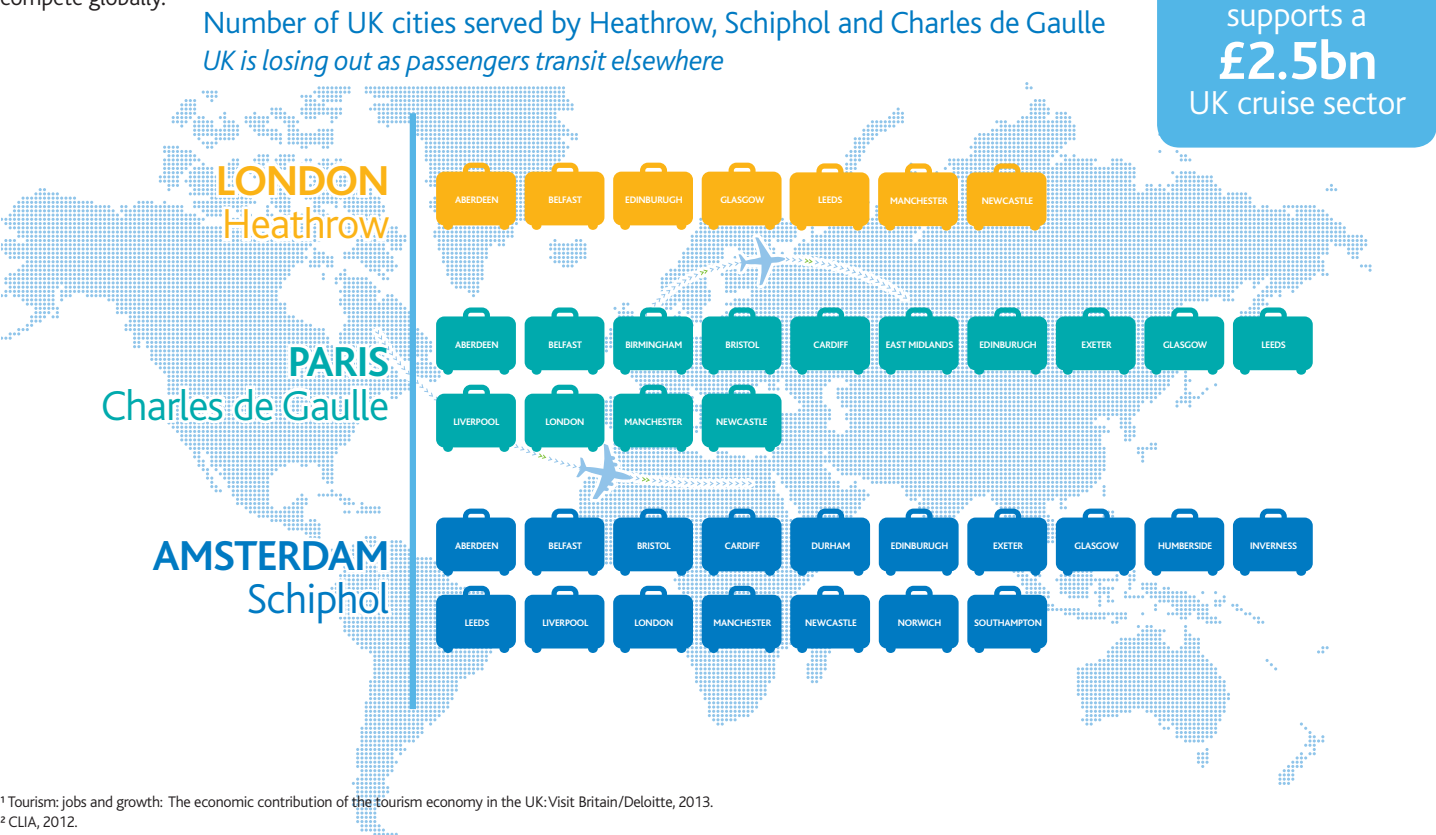
2. Prioritise and facilitate investment in rail and maritime infrastructure

ABTA is calling for a continued commitment to investment in national and international rail and port infrastructure, including HS2, to enhance connectivity for tourism arrivals and departures. A coherent and comprehensive UK transport infrastructure is essential to UK growth. The importance of a national network in achieving better rail connectivity as a means of bringing people into, around, and out of the UK cannot be overstated. In the area of maritime, investments in port infrastructure in Liverpool and the east of London are positive examples of how targeted investment can boost UK competitiveness and drive local growth, particularly in the UK's £2.5 billion cruise sector².

3. Improve surface access to transport hubs

ABTA is calling for continued investment to integrate and improve surface access to our strategic transport hubs and airports across the country. Surface access to transport hubs is an important aspect of the passenger experience. A modern, integrated transport system can play a decisive role in attracting international investment, offering greater accessibility for passengers with reduced mobility, and easing surface transport disruptions for the local people near transport hubs.

Investment in the UK's maritime infrastructure supports a **£2.5bn** UK cruise sector



¹ Tourism: jobs and growth: The economic contribution of the tourism economy in the UK: Visit Britain/Deloitte, 2013.
² CLIA, 2012.

Enabling competitiveness in the global economy

The UK is strongly positioned as a competitive place to invest in, trade with, and visit; but it is important for Government to consider what more can be done to build on these strengths. Tourism is global, and in order to compete in the global marketplace, the UK's tourism offering must be second to none. While the World Economic Forum ranks the UK highly in terms of our tourism offering, we lag badly behind when it comes to price competitiveness.

To improve the UK's tourism competitiveness, and build on our strengths, we are calling on Government to:

1. Reform and reduce Air Passenger Duty

ABTA is calling for a commitment to review Air Passenger Duty's (APD) economic impact, and a reduction to bring it in line with the departure tax of other countries to make it less punitive for passengers departing from UK airports.

APD is the highest tax on flying anywhere in the world. It is a regressive tax that is inhibiting UK competitiveness; it is making the UK a less attractive destination to invest in and visit; and it is making holidays more expensive for hardworking families.

ABTA strongly welcomes the Government's acknowledgment in the 2014 Budget that reducing this damaging duty will boost travel and tourism as well as promote greater UK connectivity. The changes announced in the 2014 Budget are an important first step in the process of reforming APD, and we support the case for further changes. Research by PwC has shown that reductions in APD would be revenue neutral for the Treasury, and ABTA is calling for the Government to launch an urgent review of the economic impacts of this tax with a view to further reductions to boost the UK's international competitiveness.

2. Embed a cohesive approach to policy in support of the UK's vibrant travel and tourism mix

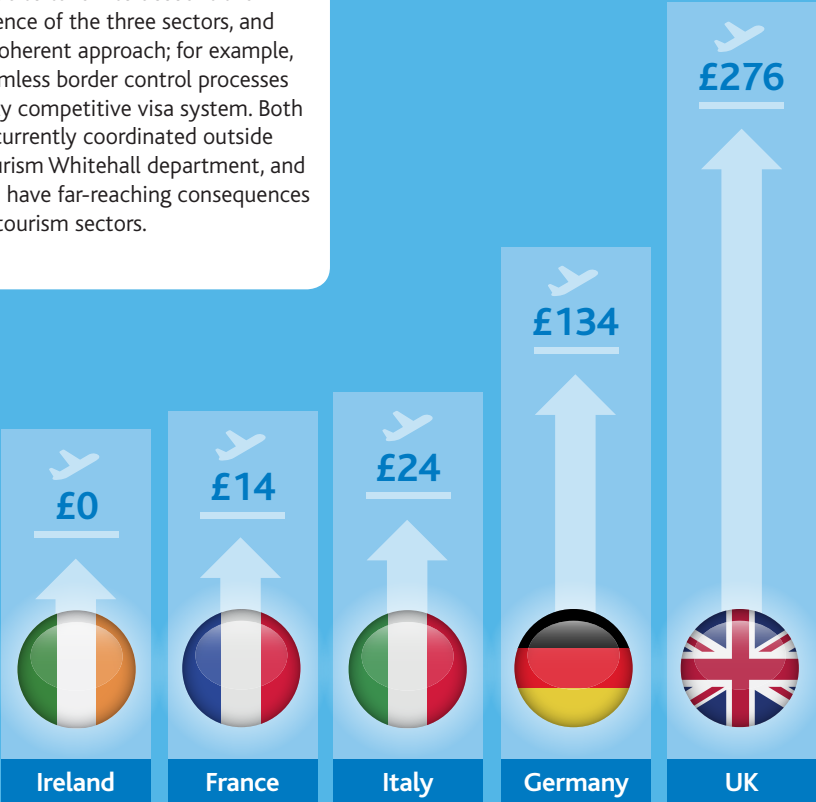
ABTA is calling for the Tourism Council to ensure that policymakers across Whitehall consider the impact of all Government policy on travel and tourism. For example, a coherent approach to policymaking can help deliver a seamless border control process and a globally competitive visa regime, providing the UK with a highly attractive tourism offering internationally.

The UK has a vibrant mix of outbound, inbound and domestic travel and tourism businesses. Through a shared infrastructure, shared products and a shared consumer base, all three sectors make a positive contribution to the UK economy to the tune of £127 billion annually. Effective policymaking must continue to take into account the interdependence of the three sectors, and maintain a coherent approach; for example, ensuring seamless border control processes and a globally competitive visa system. Both policies are currently coordinated outside the main tourism Whitehall department, and both policies have far-reaching consequences for all three tourism sectors.

3. Improve the competitiveness of the UK's travel and tourism businesses

ABTA is calling for further commitment to policies focused on delivering growth for all UK businesses, and particularly SMEs.

Given the high number of SMEs present in our sector – 97% of travel and tourism businesses have fewer than 50 employees – we urge a sensible approach to regulation in the travel and tourism industry in order to preserve the entrepreneurial environment which has allowed companies to thrive. Issues affecting travel and tourism businesses, such as business rates, employer contributions, corporation taxes, and parking charges continue to factor in their success.



Departure taxes across Europe for a family of four flying to Florida²

¹ ONS Travel Trends, 2013.
² IATA Global Ticket Tax data, 2014.

Building confidence in travel

For our industry to thrive, it is vital that consumers are confident that they will enjoy a high quality, safe, and secure holiday. The Government has a unique opportunity to create the right framework for the industry to deliver even better consumer outcomes, and we are calling on Government to:

1. Deliver clear and consistent financial protection for UK travellers

ABTA is calling on Government to continue to work with industry to deliver a clear and consistent consumer protection regime for holidaymakers and travel businesses. ABTA is calling for clear and effective implementation of the revised EU Package Travel Directive (PTD) in the UK and the inclusion of airline holiday sales by way of website click-throughs.

ABTA has been at the forefront of urging greater clarity and consistency in consumer financial protection, and though improvements have been delivered through recent reforms to the ATOL scheme, ONS and CAA statistics show an estimated 4 in 10 UK holidaymakers still travel outside of the scope of this existing regulation. ABTA will continue to work with the UK Government and UK MEPs in Brussels in order to create a consumer protection regime that delivers for consumers, whilst also ensuring that travel and tourism businesses are competing on a level playing field.

2. Cut red-tape and promote transparency in the sale of travel insurance

ABTA is calling for a review of the regulation of the sale of simple, low risk travel insurance products, and a sensible regulatory approach to help reduce the number of UK holidaymakers travelling abroad without travel insurance.

There are significant consumer benefits to travel professionals selling simple, low risk insurance products. Consumers are most likely to purchase travel insurance if it is offered at the point of sale¹. Yet, cumbersome regulation of travel professionals since 2007 has resulted in travel businesses opting not to sell travel insurance, and a notable rise in the number of consumers travelling abroad without insurance. ABTA recognises the need for greater transparency and clarity for consumers when purchasing travel insurance, and we urge the Government to promote closer cooperation between regulators, including the FCA, insurance companies and the travel industry to ensure consumers are given greater clarity on the suitability of their products.

3. Ensure safety and security, at home and abroad

ABTA is calling on the UK Government to proactively work with the industry to achieve common minimum standards and consistent enforcement of tourism accommodation safety in Europe. ABTA is also calling for continued investment in an engaged and comprehensive global consular network.

It is essential that UK holidaymakers feel safe and secure, whether they are holidaying in the UK, or abroad; however, accommodation safety standards vary greatly across Europe, and are in some locations weak (for example as relates to fire or gas safety). It is also important that consumers have confidence in an engaged and comprehensive consular network to assist them if things do go wrong.

4. Embed accessibility practices for persons with reduced mobility

ABTA is calling for the continued joint working of industry and Government to safeguard and enhance accessibility for persons with reduced mobility (PRMs).

The travel and tourism industry is committed to facilitating fair and equal access for PRMs to travel services. Working jointly, industry and regulators have created the conditions where a growing number of people are empowered to enjoy a fuller life. We hope to see the recent legislative gains in rights of PRMs safeguarded and enhanced over the coming years.



1 in 5 UK holidaymakers travel overseas without insurance; rising to nearly



2 in 4 of those aged **18-24²**



4 in 10 UK holidaymakers book their foreign holidays outside of the scope of existing consumer financial protection legislation

¹ General Insurance add-ons: Provisional findings of market study and proposed remedies: Financial Conduct Authority 2014.
² Consumer research was conducted by Arkenford Ltd (www.arkenford.co.uk). The ABTA Consumer Trends survey generated response from a nationally representative sample of 2008 consumers using an online research methodology and related to holiday booking habits in the 12 months to September 2012. Fieldwork was conducted in September 2012.

Creating jobs and generating growth throughout the UK

The UK's travel and tourism industry represents a thriving mix of inbound, outbound, and domestic travel and tourism businesses and can boast of growing local economies and creating jobs across the whole of the UK in a way that few other industries can.

With jobs and spend diffused to every high street and rural area in every part of the country, the economic activity generated by the industry has an important impact in every constituency across the UK.

“ If we are to grow our businesses, and create more employment, neither we as an industry, nor the Government, can be complacent about our success. It is crucial that the momentum that the industry has been steadily building behind necessary reforms and policies picks up steam beyond 2015. ”

Mark Tanzer

Mark Tanzer
CHIEF EXECUTIVE

SCOTLAND

SPEND: £11 billion
EMPLOYMENT: 292,000
ECONOMIC IMPACT: £12 billion

NORTHERN IRELAND

SPEND: £2 billion
EMPLOYMENT: 43,000
ECONOMIC IMPACT: £2 billion

ENGLAND

SPEND: £67 billion
EMPLOYMENT: 1,875,000
ECONOMIC IMPACT: £70 billion

WALES

SPEND: £6 billion
EMPLOYMENT: 206,000
ECONOMIC IMPACT: £7 billion

LONDON

SPEND: £27 billion
EMPLOYMENT: 700,000
ECONOMIC IMPACT: £36 billion



SPEND – Total local spend in travel and tourism economy

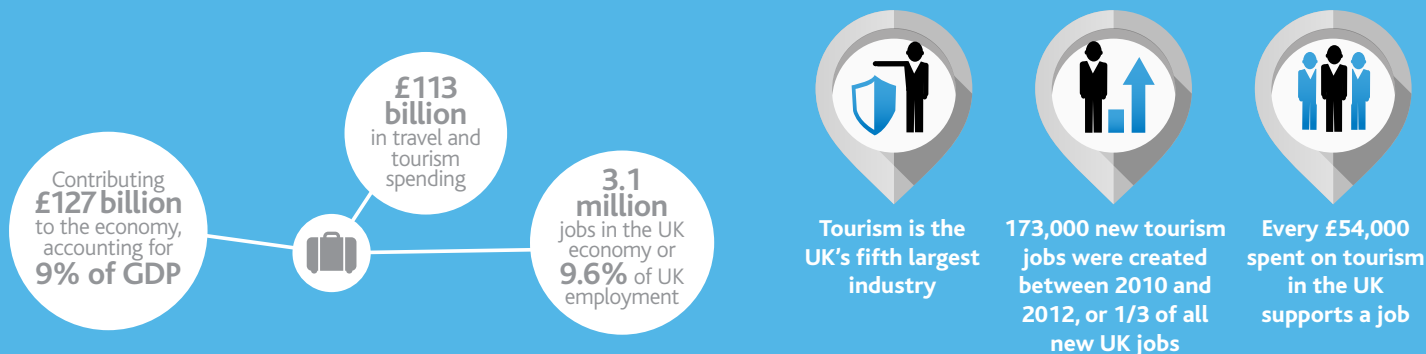
EMPLOYMENT – Total local employment in travel and tourism economy

ECONOMIC IMPACT – Total local economic impact of travel and tourism economy

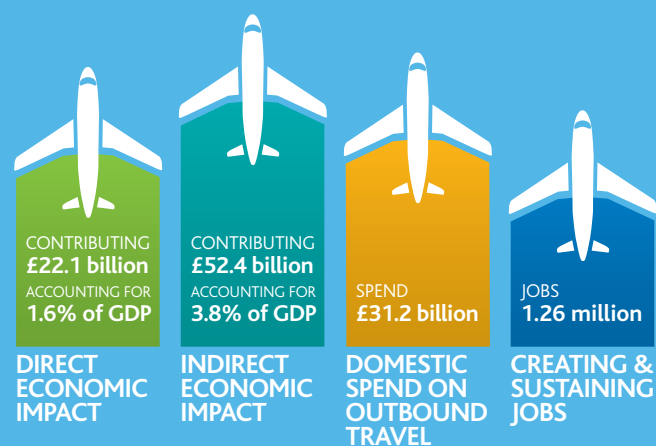
Economic benefits of travel and tourism

The economic contribution of the UK's travel and tourism industry is significant, delivering £127 billion annually, which accounts for 9% of GDP.

Annual economic impact of inbound, outbound, and domestic travel and tourism¹



Outbound travel and tourism's economic contribution at a glance²



Domestic retail 'spend' in the UK on outbound travel²



¹ Tourism Jobs and Growth: The economic contribution of the tourism economy in the UK: Deloitte, 2013.

² Driving Growth: The economic value of outbound travel: Centre for Economic and Business Research Ltd, 2012.

About ABTA

ABTA has been at the heart of travel for more than 60 years. Our purpose is to help our Members to grow their businesses successfully and sustainably, and to help their customers – the travelling public – have confidence in their travel experience.

The ABTA brand stands for expertise, reliability and fairness. These qualities are

core to us. They ensure that holidaymakers remain confident in the holiday products that they buy from our Members.

We help our Members and their customers navigate through today's changing travel landscape by providing schemes of financial protection and a course of redress if something goes wrong; by raising standards in the industry

and by giving guidance on issues from sustainability to health and safety; and by presenting a united voice to government to ensure the industry and the public get a fair deal.

ABTA has over 1,200 Members and represents nearly 4,000 retail outlets and offices.



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