TRAVELLING TOGETHER

The value of UK outbound tourism to Europe

ABTA
The Travel Association

FOREWORD

When ABTA originally commissioned this report, very few of us could have predicted COVID-19 would disrupt our way of life so dramatically, or the devastating impact that the virus would have on international travel. What the pandemic has also served to do, however, is to impress upon us all the vital importance of travel to our economies, as well as the societal and cultural benefits of travel that go far beyond the economic remit of this report.

As we seek to recover from the crisis, we know that we have the potential to build back better, and stronger, than ever before. We know the underlying appetite and desire for travel remains strong, and European countries, which account for around three quarters of all outbound travel from the UK, will continue to be favoured destinations for many UK residents. Through the longstanding relationships the UK travel sector has with European destinations, ABTA is confident we can achieve our joint aim of restoring travel flows, and ensuring the travel sector contributes to thriving destinations as well.

In this report, which is extended to include the European Free Trade Area, we have looked at every area touched by travel and tourism, from macro-economic impacts on national economies and employment levels, through to the number of businesses which are supported across the continent. The research quantifies how UK outbound tourism has positively impacted lives, stimulated economic growth, provided jobs and supported businesses throughout Europe.

We also publish this report at a time when the UK and EU are set to embark on a new relationship. The message of this report, and ABTA's message to policymakers in Westminster, Brussels and the national capitals across Europe, has remained clear and consistent: we must strive to preserve the benefits of travel, both economic and also cultural – for the latter are harder to quantify, but equally valuable.

While the benefits of travel might seem evident, recent events have also shown us they should not be taken for granted. We must continue to be proactive, and collaborative, in our approach to create the conditions that allow the industry to flourish and enable all our citizens to continue to travel with confidence.

Mark Tanzer
CHIEF EXECUTIVE

While the COVID-19 pandemic has led to a significant disruption across the global travel industry, both for leisure and business travel, polls show that the appetite for future travel remains strong amongst the general public, and the UK remains one of the most advanced travel economies in the world. Before COVID-19, UK residents took more than 72 million trips overseas from the UK, with the vast majority of those travellers heading for destinations within the European Union (75% of all trips) or wider European Free Trade Area (77% of all trips)[1].

This report, which is ABTA's second on the topic of the longstanding and resilient travel links between the UK and our closest neighbours in Europe, examines how UK travellers contribute to employment and economic prosperity in recipient countries, as well as at home. The report looks at the various motivations for travel, including leisure, business and visiting friends and relatives, to demonstrate the continuing reliance and inter-dependence of our economies and the importance of preserving, and indeed rebuilding, travel following the twin challenges of the UK's departure from the European Union and COVID-19.

Specifically, this report looks at the impact of UK outbound tourism on EU Member States and EFTA members with significant UK travel flows, particularly by air (ie Norway, Iceland and Switzerland). This group of destinations is referred to as the 'EU27+3' throughout the report. Once again, we will particularly look at the importance of the annual summer holiday by focusing on the effects of travel from the UK for the traditional 'summer sun' destinations perennially popular with UK visitors – Spain, France, Italy, Portugal, Greece, Malta and Cyprus.

The full economic analysis behind this report can be found on ABTA's website: www.abta.com/travellingtogether

Gross value added (GVA)
The contributions to the economy (GDP) that are attributable to UK travellers

Jobs
The number of jobs supported by UK travellers

Businesses
The number of businesses which UK travel sustains

[1] *ONS Travel Trends 2018*

UK OUTBOUND TRAVEL – AT A GLANCE[2]

Gross value added (GVA)

- UK trips to Europe directly generated **€15bn** in GVA for EU27+3 economies, and supported an aggregate impact of more than **€41bn**

Spending

- **62%** of UK outbound spending in destination goes to EU27+3 countries

Trips

- **77%** of trips made overseas by UK residents in 2018 were to countries within the EU27, Switzerland, Norway or Iceland (55.5m trips)

Jobs

- Outbound tourism from the UK directly sustains over **425,000** jobs across the EU27+3, in total UK travellers support just over **one million** jobs on aggregate through travel and tourism supply chains

Businesses

- Over **150,000** firms across the EU27+3 countries are sustained by the GVA contributions of UK outbound tourists

Catalyst

- For every €1 spent by UK travellers, an additional **€1.80** of added value is stimulated in the wider economy of the host country – generating jobs and economic growth

The traffic between the UK and Europe is enormous. Our economies benefit significantly from the close links we share, and the direct and indirect spending, job creation and wider-reaching contributions that travel generates.

TOP Ten destinations for UK outbound travellers[3]

Destination	Number of visits (m)	Nights (m)	Spend (£bn)
Spain	15.6	135.2	8.9
France	8.55	62.2	4.3
Italy	4.3	33.7	2.6
Ireland	3.2	15.4	1
Portugal	2.8	23.6	1.5
Netherlands	2.8	14.2	1.1
Germany	2.7	12.2	1
Greece	2.47	24.3	0.9
Poland	2.46	23.2	1.8
Belgium	1.52	3.7	0.4
EU27+3 total	53.0	421.8	25.4

[2] *CEBR The economic importance of UK outbound tourism to the EU27+3 economies, 2020* [3] *ONS Travel Trends 2018*

THE ECONOMIC BENEFITS OF UK TRAVELLERS

UK outbound travellers act as economic catalysts, with their spending adding significant net value to the economy of their host country (direct GVA). However, spending by travellers also spurs wider economic benefits through supply chains and associated industries (aggregate GVA). These indicators provide a clearer picture of the overall benefits that travel and tourism bring to destination countries.

Each country will experience the broader benefits of travel in a unique way, dependent on the characteristics of their economy, such as labour intensity, and the number of industries that travel supports (also known as multipliers).

TOP Ten GVA beneficiaries of UK travellers[4]

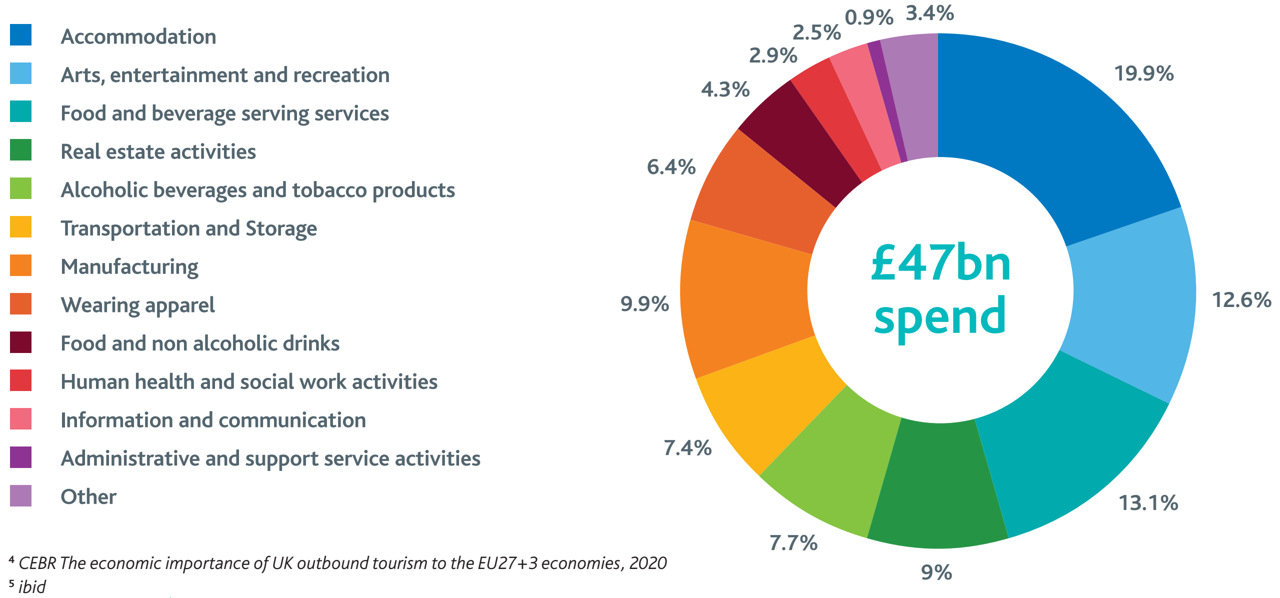
Destination	Direct impact (€bn)	Multiplier	Aggregate impact (€bn)
Spain	4.411	2.98	13.146
France	2.426	2.46	5.967
Italy	1.485	2.24	3.326
Greece	1.220	1.78	2.171
Portugal	0.812	2.51	2.037
Ireland	0.787	1.80	1.417
Germany	0.678	2.29	1.552
Netherlands	0.580	2.17	1.259
Austria	0.414	2.03	0.841
Poland	0.409	2.55	1.042
EU27 total	15.222	2.46	37.383

When wider economic impacts are accounted for, the aggregate impact on GVA is **€41.2bn** across the EU27+3

The footprint of UK traveller spending in destination economies[5]

It is not surprising that amongst the main beneficiaries of UK travellers' spending habits are those sectors of the economy we readily associate with travel and having a good time, such as hotels, bars and restaurants, and other entertainment facilities.

However, in addition to direct spending, travellers also make important contributions to less obvious, hidden industries, consuming goods and services produced in the wider economy. For example, when a tourist buys new clothes this will directly benefit the local shopkeeper, but also supports the textile industry and distributors.



[4] *CEBR The economic importance of UK outbound tourism to the EU27+3 economies, 2020*
[5] *ibid*

UK travel supporting jobs[6]

The UK outbound travel sector directly supports around **425,000** jobs in the EU27+3, and supports more than one million jobs throughout the respective economies in total.

Destination	Jobs direct impact	Multiplier	Jobs aggregate impact
Spain	97,292	2.84	276,124
Romania	38,619	1.96	75,782
France	36,983	2.87	106,158
Greece	30,466	2.09	63,780
Bulgaria	26,174	2.07	54,301
Portugal	24,211	2.84	68,705
Poland	23,564	2.24	52,880
Italy	22,898	2.49	56,961
Netherlands	17,985	2.30	41,292
Ireland	13,481	1.50	20,272
EU27+3 total	426,917	2.42	1,034,870

On average **23 JOBS** are supported for every £1 million of UK tourism spending

For every job directly catalysed by UK outbound tourism spending, **0.57 JOBS** are supported in supply chains

For every job directly catalysed by UK outbound tourism spending, **0.86 JOBS** are supported in the wider economy through employee spending

UK travel supporting household incomes[7]

On average, wages account for just under half (**48%**) of the direct added value (GVA) that travel brings to destinations and their local economies. As a major employer of people across the EU27+3, the UK outbound travel sector contributes considerably to household income in destination countries.

Destination	Wages direct impact (€bn)	Multiplier	Wages aggregate impact (€bn)
Spain	2.3	3.18	7.3
France	1.4	3.17	4.3
Italy	0.5	2.76	1.5
Portugal	0.3	3.25	1.0
Germany	0.3	3.05	1.0
Greece	0.3	2.61	0.8
Ireland	0.3	1.92	0.5
Netherlands	0.2	2.36	0.6
Croatia	0.1	2.91	0.4
Cyprus	0.1	2.45	0.3
EU 27+3	7.0	2.89	20.4

UK travel supporting businesses[8]

The UK travel industry impacts a huge breadth of business types, with a wide range of enterprises of different sizes and scales benefiting from the spending of UK travellers. This table sets out the number of businesses that are directly linked to UK tourism.

Destination	Businesses linked to UK tourism	% share of all businesses
Spain	43,560	1.6%
Greece	30,856	4.3%
France	13,981	0.5%
Italy	13,456	0.4%
Portugal	9,787	1.1%
Poland	7,084	0.4%
Romania	5,861	1.2%
Bulgaria	5,044	1.5%
Germany	2,842	0.1%
Croatia	2,675	1.8%
EU 27+3	150,000	

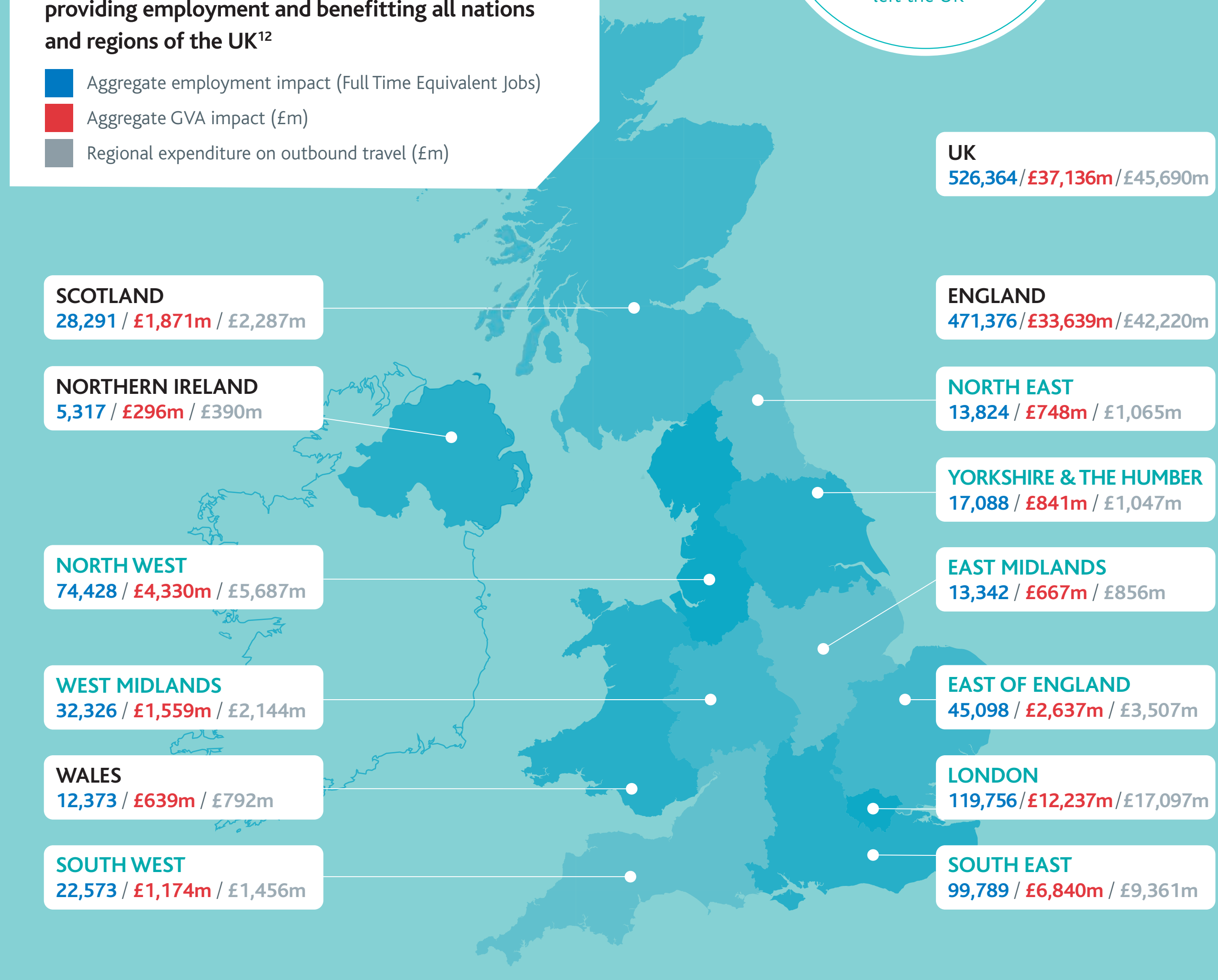
[6,7,8] *ibid*

As well as benefitting the economies of our European partners, outbound travel is also hugely valuable to the UK. ABTA has long-championed the economic contribution made to the UK by the outbound sector, which is often overlooked.

- UK outbound travellers are worth more than **£15.9bn** a year to the UK economy (GVA); and in excess of **£37.1bn** by the time aggregate impacts are taken into account[9]
- Outbound tourism directly sustains more than **221,000** jobs in the UK; supporting a total **526,000** across the wider supply chain[10]
- In 2017, total expenditure within the UK by residents engaged in outbound travel reached **£45.7** billion[11].

£278pp Average spend by UK travellers before they've left the UK[13]

Outbound tourism benefits the whole of the UK, providing employment and benefitting all nations and regions of the UK[12]



[9] *ABTA, Driving Growth: The Economic Value of Outbound Travel, 2019*
[10,11,12] *ibid*
[13] *ABTA Consumer Survey, Arkenford, August 2019*

THE UK SUMMER HOLIDAY AND THE SUNSHINE SEVEN[14]

The UK summer sun holiday is a national institution, which can be traced back to the advent of passenger jet travel in the 1970s. For decades, the arrival of summer, and the school holidays, has been welcomed by millions of UK holidaymakers looking to get away to destinations offering guaranteed summer sunshine.

In this section of the report, we have taken a closer look at seven countries that have long been popular summer sun destinations: **Spain, France, Italy, Portugal, Greece, Cyprus** and **Malta**, exploring the economic boost given to these economies – what we are calling the 'Sunshine Seven' – by UK travellers.

More than **45m** UK travellers visited Sunshine Seven destinations combined

Combined spending by UK travellers in the Sunshine Seven economies generates an aggregate GVA impact of **£31bn**

Across the Sunshine Seven around **227,000 jobs** are directly linked to UK tourists, and a further **380,000 jobs** are supported indirectly

The UK is the second largest EU cruise market, with 1.93 million cruises taken by residents each year and direct expenditures of **£3.85bn**[15]

UK winter ski and snowboarding market is worth **£2.7bn** a year[16]

Whilst the majority of trips to these destinations take place for holidays, a significant number of trips taken to each country occur at other times of the year or for other purposes. For example, there is a thriving ski and winter sports industry in France, in particular, and other holiday trip types, such as cruise, also make a significant contribution in these countries.

Over the next three pages we take a closer look at each of the Sunshine Seven countries, exploring what UK tourism means to these countries, and what is at stake for their tourism industries.

SPAIN

Spain is by far the most popular overseas destination for UK holidaymakers. The beach resorts of the Balearic and Canary Islands, the Costa del Sol and Costa Blanca are ideal for families and the cities of Madrid and Barcelona offer world class museums, restaurants, and nightlife. Increasingly holidaymakers are heading to less well-known parts of the country such as Galicia, Asturias and Extremadura, discovering more of Spain's incredibly diverse, beautiful landscapes and cities.

18.5m visits in 2018 represented **14.9**% of all overnight inbound tourists to Spain

£8.9bn in UK tourist spending (31% of EU27+3 total)

Around **43,560** Spanish businesses are dependent on UK tourism (1.6% of all businesses)

€4.9bn direct contribution to Spain's GDP with **€14.8**bn aggregate impact

97,292 jobs directly linked to UK tourists, and **276,124** on aggregate

€2.3bn in direct earnings for Spanish employees and **€7.3**bn on aggregate

[14] CEBR, The economic importance of UK outbound tourism to the EU27+3 economies, 2020 – please note that for this section of their report, CEBR relied on OECD figures to determine the UK traveller proportion within destination markets. OECD and ONS visitor numbers do not align. [15] CLIA, Contribution of Cruise Tourism to the Economies of Europe, 2017 [16] Mintel, UK Skiing and Snowboarding Market Report, 2018

FRANCE

The British have a long-standing love affair with our nearest neighbour, attracted by France's stunning countryside, world class cuisine and high-quality local produce. Favourite regions are Brittany, the Dordogne, the Cote d'Azur and in Paris, France has one of the greatest cities on earth.

13m visits in 2018 represented **6.1**% of all overnight inbound tourists to France

£4.3bn spend in 2018 (15% of EU27+3 total)

Around **13,981** French businesses are dependent on UK tourism (0.5% of all businesses)

€2.3bn contribution to France's GDP with **€7.5**bn aggregate impact (0.4%)

36,983 jobs directly linked to UK tourists, and **106,158** on aggregate

€1.4bn in direct earnings for French employees and **€4.3**bn on aggregate

ITALY

Italy has more world heritage sites than any other country on the planet and is bursting with incredible architecture, picture perfect cities and stunning countryside. Rome, Venice and Florence are the most popular city break destinations.

5.7m visits represented **6.1**% of all overnight inbound tourists to Italy

£2.6bn spend in 2018

Around **13,456** Italian businesses are dependent on UK tourism (0.4% of all businesses)

€1.3bn contribution to Italy's GDP with **€3.8**bn aggregate impact (0.3%)

22,898 jobs directly linked to UK tourists and **56,961** on aggregate

€0.5bn in direct earnings for Italian employees, and **€1.5**bn on aggregate

PORTUGAL

The Algarve is the number one spot for UK holidaymakers attracted by its rugged coastline and golden beaches. Culture vultures also adore the cities of Lisbon and Porto.

2.8m visits in 2018 represented **16**% of all overnight inbound tourists to Portugal

£1.5bn spend in 2018

Around **9,787** Portuguese businesses are dependent on UK tourism (1.1% of all businesses)

€0.5bn contribution to Portugal's GDP with **€1.7**bn aggregate impact (1.1%)

24,563 jobs directly linked to UK tourists and 68,705 on aggregate

€0.3bn in direct earnings for Portuguese employees and **€1**bn on aggregate

GREECE

Greece is an incredibly welcoming country, and the islands of Crete, Corfu and Rhodes lead the way. The capital Athens and second city Thessaloniki are both lively, fun destinations, full of impressive historical treasures.

2.9m visits in 2018 represented **8.9**% of all overnight inbound tourists to Greece

£1.8bn spend in 2018

Around **30,856** Greek businesses are dependent on UK tourism (4.3% of all businesses)

€1.1bn contribution to Greece's GDP with **€2.3**bn in aggregate impact (1.5%)

30,466 jobs directly linked to UK tourists and **63,780** on aggregate

0.3bn in direct earnings for Greek employees and **€0.8**bn on aggregate

Few countries share closer ties with the UK than Cyprus and Malta. The links, from a historical and cultural perspective, go back many years and both remain firm favourites with the UK holidaymaker. With lower populations and smaller economies than the other Sunshine Seven countries examined, the importance of tourism is amplified. While the gross impact of UK traveller spending is larger elsewhere, these two countries feel the economic benefits of the UK's outbound tourism industry most keenly.

CYPRUS

Cyprus has very close ties with the UK and many British holidaymakers return year after year. The island has a great climate making it an ideal winter sun destination.

1.3m visits in 2018 represented **33.7**% of all overnight inbound tourists to Cyprus

£0.5bn spend in 2018

1,248 businesses dependent on UK tourism (2.4% of all businesses)

€0.3bn contribution to Cyprus' GDP with **€0.6**bn in aggregate impact (4%)

6,793 jobs directly linked to UK tourists, and **16,392** on aggregate

€0.1bn in direct earnings for Cypriot employees and €0.3bn on aggregate

MALTA

The jewel in Malta's crown is undoubtedly the UNESCO world heritage site of the capital Valetta. Malta is an ideal place to relax and unwind but more active holidaymakers will also find some of the best dive sites in the Mediterranean.

0.6m visits in 2018 represented **20.3**% of all overnight inbound tourists to Malta

£0.4bn spend in 2018

743 businesses dependent on UK tourism (2.6% of all businesses)

€0.1bn contribution to Malta's GDP with **€0.3**bn in aggregate impact (3.6%)

7,885 jobs directly linked to UK tourists, and **18,174** on aggregate

€0.06bn in direct earnings for Maltese employees and €0.1bn on aggregate

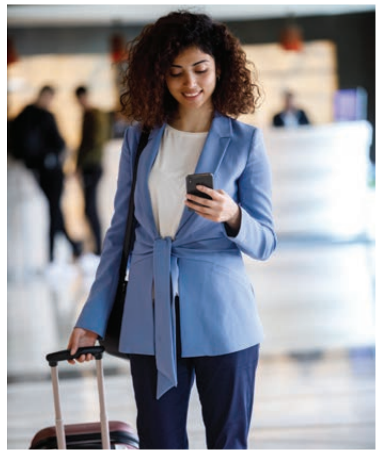
The importance of business travel[17]

Business travel is another important motivator of travel to and from the UK, with outbound business trips accounting for nearly 9% of all visits to the EU from the UK.

The ability to travel freely between the UK and the EU for business travellers has been an important factor in facilitating trade, sustaining jobs and delivering growth. It is important that policymakers ensure the excellent level of connectivity that exists for business travellers is maintained as the UK departs the EU.

Unlike leisure travel, the UK receives more business travel visits from the **EU (6.2m)** than UK business trips to **EU countries (4.8m)**

Destination	Number of visits (m)	Nights (m)	Spend (£bn)
Germany	0.8	2.7	0.4
France	0.8	3	0.3
Ireland	0.6	2	0.2
Netherlands	0.5	1.7	0.2
Spain	0.4	1.8	0.2
Belgium	0.3	0.3	0.1
Italy	0.3	1.5	0.9
Switzerland	0.2	0.9	0.1
Denmark	0.1	0.5	0.07
Sweden	0.1	0.8	0.08
EU+3 Total	5	22	2.5



Visiting friends and relatives[18]

Trips to visit friends and relatives (VFR) are important part of the UK travel industry. VFR trips help to underpin the economic viability of many air routes, in particular, which can be used to grow local tourism industries, supporting economic development in destinations, and enhancing business links.

VFR visitors from the UK spent **£3.5bn** in the EU in 2018

Destination	Number of visits (m)	Nights (m)	Spend (£bn)
Poland	1.6	19	0.6
France	1.5	10	0.3
Ireland	1.3	8	0.3
Spain	1.2	11	0.4
Italy	0.9	10	0.3
Romania	0.7	11	0.4
Germany	0.7	5	0.2
Netherlands	0.4	3	0.1
Portugal	0.4	4	0.1
Lithuania	0.3	3	0.1
EU+3 Total	12	115	4

EU VFR visitor spending was worth more than **£2.5bn** to the UK in 2018

[17] ONS Travel Trends 2018 [18] ibid

ABOUT ABTA

The ABTA brand stands for support, protection and expertise. This means consumers have confidence in ABTA and a strong trust in ABTA Members. These qualities are core to us as 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 raising standards in the industry; offering schemes of financial protection; providing an independent complaints resolution service should something go wrong; 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 currently has around 1,100 Members with a combined annual UK turnover of £40 billion. For more details about what we do, what being an ABTA Member means and how we help the British public travel with confidence, visit abta.com.

ABOUT CEBR

The Cebr provides independent economic forecasts and analysis to private, public and third sector organisation.

Founded in 1993, Cebr has helped hundreds of clients plan for the future, and better understand their markets.

ABOUT THIS REPORT

This report was commissioned by ABTA – The Travel Association and compiled by the Centre for Economic and Business Research (Cebr). The data are from 2018 and demonstrate the value of the UK outbound travel sector to the EU Member States and EFTA members. Unless sourced otherwise, all data are from the report.

For this study, the Cebr has isolated those parts of the relevant broad sectors of the economy that are either (i) geared to the provision of the goods and services that form part of the outbound travel offering; or (ii) exist as a direct result of outbound travel or, rather, that might not exist if it were not for UK outbound travel.

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