TRAVELLING TOGETHER

The value of UK outbound tourism

ABTA
Travel with confidence

FOREWORD

As the UK and EU prepare to negotiate for a future trading agreement, and to put in place transitional arrangements, ABTA is publishing research to demonstrate the importance of UK travellers to the economies of all EU countries. The report also reflects on the importance of the industry to the UK.

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 demonstrates the huge appetite for overseas travel across the EU, and quantifies how UK outbound tourism, in particular, has positively impacted lives, stimulating economic growth, providing jobs and supporting businesses.

There are a myriad of drivers for travel between the UK and the EU, and we examine the economic knock-on effect of all travel within this report: leisure and holidays, business travel and visiting friends and relatives. We also take a closer look at the economic value of the British summer holiday, with specific reference to the countries we have called the "Sunshine Seven": Spain, France, Italy, Portugal, Greece, Cyprus and Malta.

The message of this report, and ABTA's message to policymakers in Westminster, Brussels and the national capitals across the EU, is clear: we must strive to preserve the benefits of travel, both economic and also cultural – for the latter are harder to quantify, but equally valuable.

We must find a long-term solution that works for all, and enables all of our citizens to continue to travel with confidence.

Mark Tanzer
CHIEF EXECUTIVE

The UK has one of the most developed outbound travel markets in the world. UK residents take more than 70 million trips abroad each year, with around 75% of these – more than 53 million – to destinations in the other 27 member states of the European Union[1].

We will be looking at how UK travellers – whether they are taking a holiday, travelling on business, or visiting friends and relatives – stimulate growth and boost employment throughout the UK and EU, exploring the direct and indirect economic effects across three important indicators:

Exploring each of the main motivators for travel – holidays, business trips and visiting friends and relatives – the report looks at what drives travel between the UK and other EU countries. It also demonstrates the crucial role that the UK travel industry plays within the interconnected and intertwined economic and cultural relationship between the UK and EU.

In particular, we take a closer look at the vital economic importance of the annual British summer holiday. Investigating the effect of UK tourism on the main 'summer sun' destinations that are popular with UK visitors –

53

MILLION TRIPS BY UK RESIDENTS
to EU destinations in 2016, up more than **10%** on 2015 (48m)[2]

Spain, France, Italy, Portugal, Greece, Cyprus and Malta – the report reveals where the economic impact of UK travel is most keenly felt.

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

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] *Office for National Statistics (ONS), Travel Trends 2016.* [2] *Ibid*

OUR TRAVEL TIES: AT A GLANCE

The EU is the UK's largest travel destination, so it makes sense that the economic impact will be considerable. This shows the number of jobs and businesses that the UK traveller supports, as well as the total economic value created.

Gross value added (GVA)

- UK trips to the EU generate more than **€15bn** in GVA for EU member state economies, and more than **€37bn** in aggregate or indirect impacts

Over half of all GVA from tourism in the EU goes directly to employees through wages

Spending

- **58%** of UK outbound spending goes to EU countries

Jobs

- Outbound tourism from the UK directly sustains over **380,000** jobs across the EU, supporting a further **486,000** jobs indirectly through supply chains

Businesses

- UK travellers support over **440,000** businesses across the EU

For every €1 spent by UK travellers, **€0.58** is added value to the economy of the host country – generating jobs and economic growth

The traffic between the UK and EU 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.

TOTAL TRIPS

- UK residents made **53m** trips to the EU

75% of UK trips abroad were to EU countries

TOP 10 destinations for UK outbound travellers[3]

Destination	Number of visits (m)	Nights (m)	Spend (£bn)
1. Spain	14.7	133.6	7.9
2. France	8.5	62.5	3.7
3. Italy	4.1	32.6	2.4
4. Ireland	3.7	17.1	1.2
5. Portugal	2.8	25.1	1.6
6. Netherlands	2.8	11.8	1.0
7. Germany	2.7	15.3	1.0
8. Greece	2.5	26.1	1.6
9. Poland	2.4	25.0	0.8
10. Belgium	1.5	4.9	0.4
EU27 total	53.0	421.8	25.4

[3] *ONS, Travel Trends 2016; International Passenger Survey.*

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 (Multipliers).

TOP 10 GVA beneficiaries of UK travellers

Destination	Direct impact (€bn)	Multipliers	Aggregate impact (€bn)
1. Spain	4.4	2.98	13.1
2. France	2.4	2.46	6.0
3. Italy	1.5	2.24	3.3
4. Greece	1.2	1.78	2.2
5. Portugal	0.8	2.51	2.0
6. Ireland	0.8	1.80	1.4
7. Germany	0.7	2.29	1.6
8. Netherlands	0.6	2.17	1.3
9. Austria	0.4	2.03	0.8
10. Poland	0.4	2.55	1.0
EU27 total	15.2	2.46	37.4

The number of different sectors and businesses touched by travellers across the EU is testament to the importance of ensuring the UK traveller's appetite for travel is maintained.

When wider economic impacts are accounted for, the aggregate impact on GVA is

€37.4bn

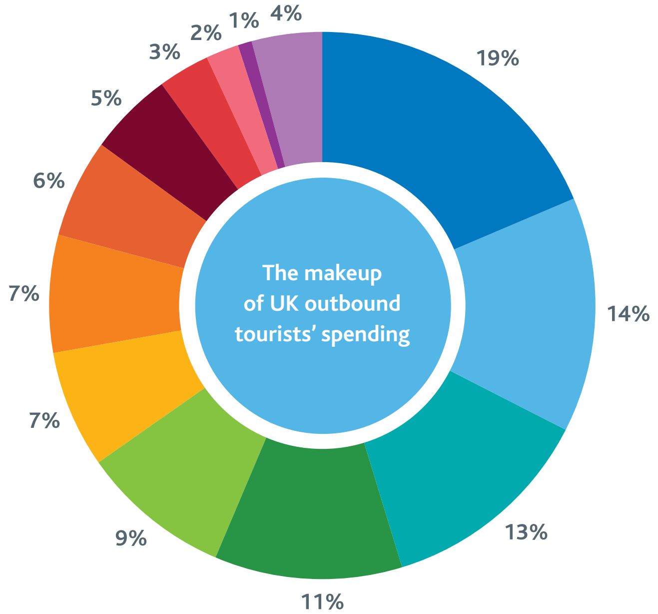
across the EU27

The footprint of UK traveller spending in destination economies

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.

- Accommodation
- Arts, entertainment and recreation
- Food and beverage serving services
- Real estate activities
- Alcoholic beverages and tobacco products
- Transportation and Storage
- Manufacturing
- Wearing apparel
- Food and non alcoholic drinks
- Human health and social work activities
- Information and communication
- Administrative and support service activities
- Other



Source: ONS Travel Trends 2016 (Input-Output tables for the UK), Cebr analysis

THE ECONOMIC BENEFITS OF UK TRAVELLERS CONTINUED

UK travel supporting jobs

The outbound travel sector directly employs over **380,000** people and supports more than **486,000** jobs in associated industries across Europe, accounting for over **870,000** jobs in total.

The industry supports a wide variety of jobs, from the bartenders and waiters in resort, to supply chain roles such as taxi drivers and catering suppliers. The wider economy supports roles such as produce supplier and delivery driver.

Destination	Jobs direct impact	Multipliers	Jobs aggregate impact
Spain	65,000	3.65	236,000
France	44,000	2.07	90,000
Portugal	37,000	1.99	74,000
Greece	29,000	1.75	51,000
Italy	26,000	2.06	53,000
Romania	20,000	2.29	47,000
Lithuania	19,000	1.61	30,000
Poland	18,000	2.80	50,000
Bulgaria	18,000	1.73	31,000
Ireland	17,000	1.52	27,000
EU27 total	384,000	2.27	871,000

On average **27 JOBS** are created for every **£1m** of UK traveller spending

For every direct job supported by UK travellers, **0.54 JOBS** are supported in supply chains

For every direct job supported by UK travellers, **0.73 JOBS** are supported in the wider economy

UK travel supporting household incomes

On average, wages account for just over half (**51%**) of the added-value (GVA) that travel brings to destinations and their local economies. As a major employer of people across the EU, the UK outbound travel sector contributes considerably to household income in destination countries.

Destination	Wages direct impact (€bn)	Multipliers	Wages aggregate impact (€bn)
Spain	2.4	2.90	6.9
France	1.4	2.31	3.3
Italy	0.6	2.22	1.3
Portugal	0.5	2.25	1.1
Ireland	0.4	1.73	0.7
Germany	0.4	2.19	0.8
Greece	0.3	2.04	0.7
Netherlands	0.3	2.90	0.7
Austria	0.2	1.98	0.4
Poland	0.2	2.41	0.4
EU27 total	7.7	2.41	18.7

UK travel supporting businesses

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
Malta	4,000	16.0%
Cyprus	4,000	8.5%
Greece	50,000	7.1%
Portugal	49,000	6.2%
Spain	140,000	5.9%
Croatia	7,000	4.8%
Bulgaria	11,000	3.4%
Romania	14,000	3.0%
Ireland	6,000	2.7%
Hungary	9,000	1.8%
EU27 total	443,000	2.1%

THE BENEFITS TO THE UK OF OUTBOUND TRAVEL

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.

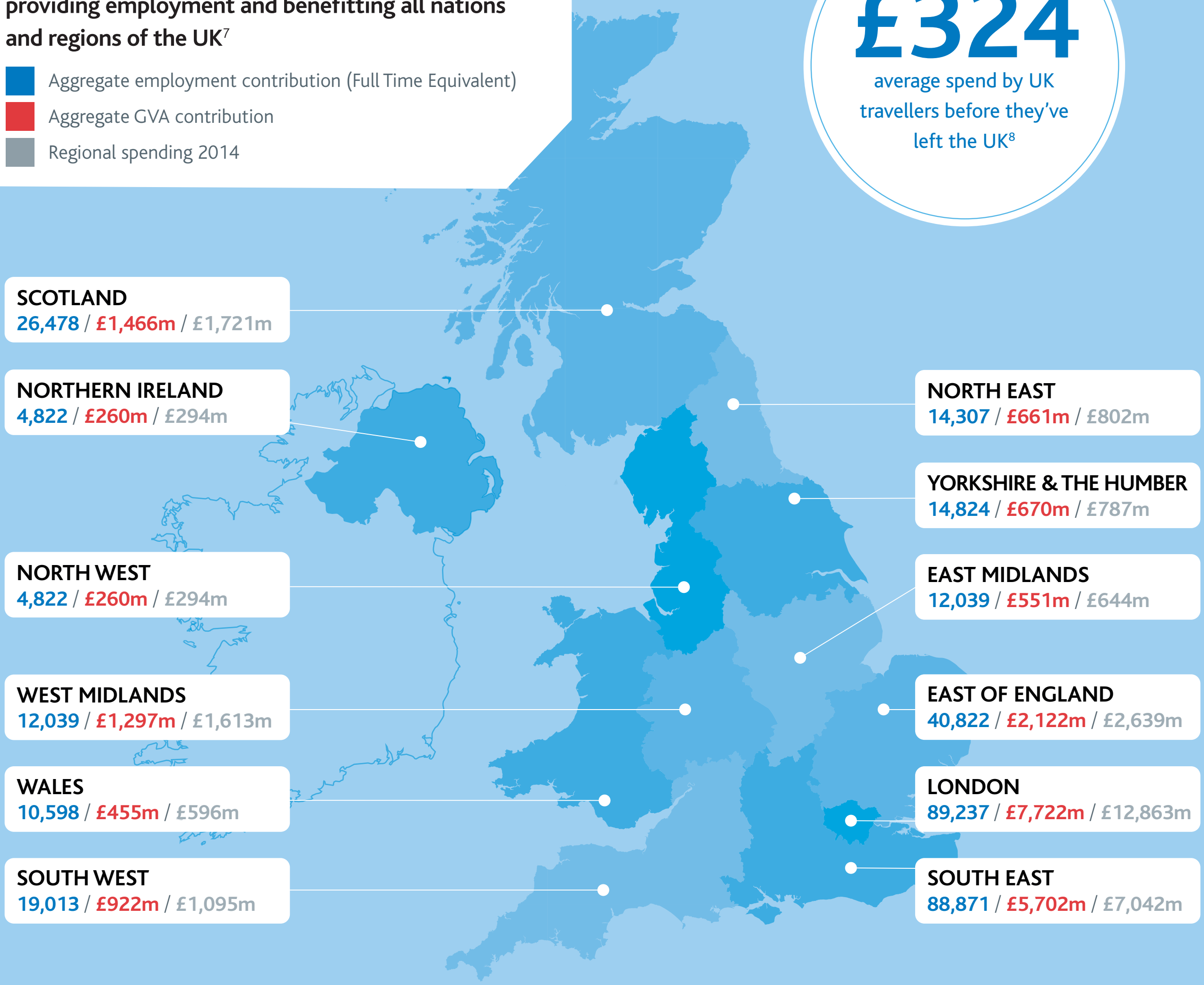
- UK outbound travellers are worth more than **£11.7bn** a year to the UK economy (GVA); and in excess of **£28.3bn** by the time aggregate impacts are taken into account[4]
- The ONS notes that spending in the UK on outbound travel related items amounted to more than **£35bn** in 2016[5]
- Outbound tourism directly sustains more than **214,000** jobs in the UK; supporting a further **169,000** jobs indirectly[6].

Outbound tourism benefits the whole of the UK, providing employment and benefitting all nations and regions of the UK[7]

- Aggregate employment contribution (Full Time Equivalent)
- Aggregate GVA contribution
- Regional spending 2014

£324

average spend by UK travellers before they've left the UK[8]



[4] ABTA/CEBR Driving Growth 2015 [5] ONS Tourism Satellite Accounts, May 2016 [6] Ibid
[7] ABTA/CEBR Driving Growth 2015; outbound spending was calculated at £34.4bn in 2015, which is below the £35bn recorded by the ONS in 2016 Tourism Satellite Accounts. [8] ABTA/Arkenford Travel Consumer Survey 2017

THE UK SUMMER HOLIDAY AND THE SUNSHINE SEVEN

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 **34m** UK travellers visited Sunshine Seven destinations combined

Across the Sunshine Seven around **215,000 jobs** are directly linked to UK tourists, and a further **325,000 jobs** are connected indirectly

Combined spending by UK travellers in the Sunshine Seven economies amounts to more than **£18.1bn**

This spending generates an aggregate GVA IMPACT of **€28bn**

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.

The UK is the third largest EU CRUISE MARKET, with more than 1.8 million cruises taken each year[9], worth in excess of **£2.5bn**[10]

The UK SKI MARKET is worth around **£3bn** a year[11]

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

By some distance the no.1 destination for UK travellers, with record numbers of UK holidaymakers in recent years. Visitors from the UK make a huge contribution to the Spanish economy. Whether it be the family resorts of the Costas, Balearic and Canary Islands or the sophistication and cultural attractions of major cities like Madrid and Barcelona, British holidaymakers simply cannot get enough of Spanish hospitality.

14.7m visits[12]

£7.9bn in UK tourist spending (31% of EU total)[13]

Around **140,000** Spanish businesses are linked to UK tourism (5.9% of all businesses)

€4.4bn direct contribution to Spain's GDP with **€13.1**bn aggregate impact (1%)

65,000 jobs directly linked to UK tourists, and **236,000** indirectly

€2.4bn in direct earnings for Spanish employees and **€6.9**bn indirectly

[9] *CLIA Europe, The Cruise Industry, 2017; CLIA UK & Ireland, Cruise Review, 2016*
[10] *CLIA UK & Ireland, 2015* [11] *Duplare/Ski Weekends/, UK Ski Market, 2017*
[12/13/14/15] *ONS Input-Output tables for the UK*

FRANCE

As our nearest continental neighbour, France draws millions of UK visitors each year with its long list of alluring destinations and fabulous cuisine. Destinations which particularly benefit from British tourists include Paris, the Dordogne, Côte d'Azur, Brittany and the country's famous wine regions.

8.5m visits in 2016

£3.7bn spend in 2016 (14% of EU total)

Around **44,000** French businesses are linked to UK tourism (1.4% of all businesses)

€2.4bn contribution to France's GDP with **€6.0**bn aggregate impact (0.3%)

44,000 jobs directly linked to UK tourists, and **90,000** indirectly

€1.4bn in direct earnings for French employees and **€3.3**bn indirectly

ITALY

Outstanding culture, food, cities and stunning countryside: Italy has them all and is the UK's third favourite destination in Europe.

4m visits[16]

£2.4bn spend in 2016[17] (9% of EU total)

Around **38,000** Italian businesses are linked to UK tourism (1% of all businesses)

€1.5bn contribution to Italy's GDP with **€3.3**bn aggregate impact (0.2%)

26,000 jobs directly linked to UK tourists and **53,000** indirectly

€0.6bn in direct earnings for Italian employees, and **€1.3**bn indirectly

PORTUGAL

Portugal has been growing significantly in popularity in recent years with holidaymakers flocking to the beaches of the Algarve and the laid-back charms of Lisbon and Oporto.

2.8m visits[18]

£1.6bn spend in 2016[19] (6% of EU total)

Around **49,000** Portuguese businesses are linked to UK tourism (6.2% of all businesses)

€0.8bn contribution to Portugal's GDP with **€2.0**bn in aggregate impact (1%)

37,000 jobs directly linked to UK tourists and **74,000** indirectly

€0.5bn in direct earnings for Portuguese employees and **€1.1**bn indirectly

GREECE

Ancient cultural sites, buzzy modern cities, fresh healthy food, white-washed villages on hundreds of islands set in a wine-dark sea, plus legendary hospitality, Greece has it all.

2.5m visits[20]

£1.6bn spend in 2016[21] (6% of EU total)

Around **50,000** Greek businesses are linked to UK tourism (7.1% of all businesses)

€1.2bn contribution to Greece's GDP with **€2.2**bn in aggregate impact (0.8%)

29,000 jobs directly linked to UK tourists and **51,000** indirectly

€0.3bn in direct earnings for Greek employees and **€0.7**bn indirectly

16/17/18/19/20/21/22/23/24/25 *ONS Input-Output tables for the UK*

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

Because of its very close ties with the UK Cyprus is a home from home for British holidaymakers with an amazing climate year round, stunning beaches and lively resorts.

840,000 visits in 2016[22]

£0.6bn spend in 2016 (2% of EU total)[23]

4,000 businesses linked to UK tourism (8.5% of all businesses)

€0.3bn contribution to Cyprus' GDP with **€0.7**bn in aggregate impact (2.8%)

7,000 jobs directly linked to UK tourists, and **18,000** indirectly

€0.2bn in direct earnings for Cypriot employees and **€0.4**bn indirectly

MALTA

Small Malta packs a big punch. It's home to the UNESCO world heritage site of Valetta and some of the best diving sites in the world, all this plus tasty food and friendly locals.

651,000 visits in 2016[24]

£0.4bn spend in 2016 (1.7% of EU total)[25]

4,000 businesses linked to UK tourism (16% of all businesses)

€0.2bn contribution to Malta's GDP with **€0.6**bn in aggregate impact (6.2%)

7,000 jobs directly linked to UK tourists, and **19,000** indirectly.

€0.1bn in direct earnings for Maltese employees and **€0.3**bn indirectly

OTHER REASONS TO TRAVEL

The importance of business travel

Business travel is another important motivator of travel to and from the UK, with outbound business trips accounting for nearly 10% 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 (7m)** than UK business trips to **EU countries (5m)**

	Destination	Number of visits (m)	Nights (m)	Spend (£bn)
1	France	0.9	4.2	0.4
2	Germany	0.8	2.9	0.4
3	Rep. of Ireland	0.7	1.6	0.4
4	Netherlands	0.6	1.6	0.2
5	Spain	0.4	2.8	0.2
6	Italy	0.4	1.3	0.2
7	Belgium	0.4	0.8	0.1
8	Switzerland	0.3	1.0	0.2
9	Denmark	0.1	0.4	0.1
10	Sweden	0.1	0.4	0.1
	EU27 total	5.0	18.9	2.4

Visiting friends and relatives

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 **£3.2bn** in the EU in 2016

	Destination	Number of visits (m)	Nights (m)	Spend (£bn)
1	Poland	1.7	19.9	0.5
2	France	1.5	11.0	0.3
3	Rep. of Ireland	1.5	8.9	0.4
4	Spain	1.2	11.0	0.3
5	Italy	0.9	9.1	0.3
6	Germany	0.7	5.3	0.1
7	Romania	0.5	8.2	0.3
8	Netherlands	0.4	2.5	0.1
9	Portugal	0.4	4.1	0.1
10	Lithuania	0.3	3.4	0.1
	EU27 total	11.0	104.2	3.2

VFR visitor spending was worth more than **£2.3bn** to the UK in 2016

ABOUT ABTA

ABTA has been a trusted travel brand for over 65 years. Our purpose is to help our Members to grow their businesses successfully and sustainably, and to help their customers travel with confidence.

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 1,200 Members with a combined annual UK turnover of £37 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 2016 and demonstrate the value of the UK outbound travel sector to the countries of the EU27. 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.

ABTA
Travel with confidence

CONTACT US

ABTA Ltd
Post: 30 Park Street, London, SE1 9EQ
Tel: +44 (0)20 3117 0500

Email: publicaffairs@abta.co.uk
Web: abta.com
Twitter: @ABTAmembers