

Written evidence submitted by ABTA – The Travel Association (BBP0013)

Introduction

ABTA is the largest travel association in the UK, with around 1,100 Members operating from more than 4,000 locations across the country. Our Members range from small, specialist tour operators and independent travel agencies specialising in business and leisure travel, through to publicly listed companies and household names, from call centres to internet booking services to high street shops.

ABTA has consistently avoided taking a political stance on the UK's membership of the EU, but we have sought to communicate clearly the risks associated with any form of departure that does not seek to preserve the policies that have enabled the travel industry to thrive over recent decades. While ABTA and our Members understand that the political choice made by the British people will necessitate some changes, it is imperative that the future relationship does not erect unnecessary barriers to trade that damage travel flows between the UK and EU, which have benefitted both parties, sustaining many businesses and millions of jobs, and creating economic prosperity.

In ordinary economic circumstances, UK residents take more than 66 million visits to EU Member States each year, which account for around 72% of all international travel from the UK. Of these trips, there are 44.6 million holidays, 6.2 million business trips and 14.8 million visits for the purpose of visiting friends or relatives. The flow of visitors from the UK to the EU Member States is a vital component of the UK's vibrant outbound travel industry, which is worth more than £37.1 billion a year to the UK economy, equating to around 1.8% of GDP, and supporting a total of 526,000 jobs right across the UK.

Crucial to maintaining the economic conditions that have supported tourism flows between the UK and EU will be the ability to maintain:

- Liberal transport links;
- Visa-free travel for short-term business and leisure trips;
- Employment flexibility that enables travel businesses, notably tour operators, to move critical support staff between the UK and EU;
- Consumer benefits, such as reciprocal healthcare, which underpin consumer confidence in travel, and;
- The free exchange of data, including data adequacy and data protection agreements.

Executive Summary

Looking ahead to the end of the transition period, travel businesses require certainty as soon as possible about the terms of the future UK-EU relationship to be able to prepare adequately for any structural or operational changes. There can be little doubt that a WTO terms trading position beyond December 2020 would result in significant disruption to existing business models in the travel industry, and action would be required to avoid serious economic consequences, including the loss of UK jobs currently delivered under the EU's Posted Workers Directive. Businesses face a significant challenge in undertaking the necessary preparedness measures ahead of the 31 December deadline, especially set against the backdrop of the COVID-19 pandemic, which has left many businesses under-staffed and facing serious financial and administrative strain. There has also been a dearth of detailed and timely information from Government for business organisations on what the UK is seeking from the future trade deal, or progress towards these aims.

As such, while businesses are putting in place contingency arrangements, their ability to adequately forward plan and prepare for the new UK-EU relationship has been hampered.

There are a number of areas in particular where the lack of information about the future arrangements, or the anticipated removal of current benefits gained from the UK's former membership of the EU, are causing particular difficulties for travel businesses. These are outlined below.

Mobility arrangements

The UK's outbound tourism industry relies heavily on the ability to move staff freely between the UK and EU to support the delivery of tourism services, with many vital support staff utilising the EU's Posted Workers Directive (PWD) or Freedom of Movement (FOM) rights to undertake their roles at present. In light of the upcoming end of the transition period, UK outbound travel workers are not only set to lose their FOM rights, but businesses will also lose the ability to post travel workers in EU Member States under PWD. The PWD currently enables up to 15,000 UK residents to temporarily live and work in EU Member States, providing an important role supporting UK holiday makers in destination.

It is ABTA's understanding that the UK is not seeking a specific replacement to the existing Posted Workers Directive. Instead the UK is aiming to reach an agreement on mobility within a future UK-EU trade deal, based on GATS Mode IV provisions, which would permit mobility between the UK and EU for certain professions within a restricted time period (maximum length of stay of 90 days within any 180-day period). The restriction on length of stay is a serious barrier to current employment arrangements, and it is our understanding that any relaxation of this rule would be based on national immigration rules in each Member State. Future social security arrangements will be subject to the outcome of the negotiations on the future UK-EU relationship.

In order to continue to benefit from the Posted Workers Directive, it would be necessary for businesses to establish a presence in a qualifying EU/EEA Member State and to hire the relevant staff in that country of establishment. Separate arrangements could be put in place unilaterally in certain EU Member States, as national labour rules and regulations will take precedence. Some Member States had previously confirmed a period of leniency for UK nationals temporarily in their country at the point of exit, and the Withdrawal Agreement will protect those who are registered as living and working in a Member State, on local contracts.

ABTA has taken legal advice on the matter of WTO rules and their applicability to travel businesses, which has confirmed the likelihood of significant disruptions to workers' rights, in the absence of mitigation measures. While for certain roles, such as contractors and entertainers, WTO rules would likely enable these employees to operate throughout the EU/EEA, for roles such as travel reps and tour hosts the situation is much more complex, with national rules and qualifications acting as additional barriers to entry in many cases. ABTA has been advised that it would be up to each Member State to adopt rules that are more permissive for UK nationals within their individual domestic immigration regimes.

Youth Mobility Scheme extension – a potential solution

The UK already operates the (Tier 5) reciprocal youth mobility scheme covering several countries, including Australia, which enables young workers (18-30 years old) to move between the signatory

countries to find work for a period of up to two years. Youth mobility schemes recognise the significant cultural and economic benefits of enabling young people to live and work abroad for temporary periods.

Extending the current youth mobility regime to EU countries, on a reciprocal basis, as well as similar schemes with other countries that the UK is seeking trade deals with, could provide a useful employment route for so-called 'low-skilled' workers into travel and tourism, especially as the industry has a significantly younger workforce than the UK average. The existing youth mobility regime covers workers up to the age of 30 (at application).

ABTA would urge the Government to consider increasing the age limit for the initial application, ensuring the schemes can cover all workers under 34 years old to provide access to a wider pool of young workers. We would also urge the Government to consider extending the period covered for work to four years.

Contingency planning

ABTA is currently working to prepare the industry for the operational changes that will be required once the UK exits the transition period and is issuing regular guidance to our Members on the full range of regulatory changes anticipated. However, with a short amount of time left prior to the end of the transition period, there are several significant issues that remain unclear. As such, the potential exists for large scale disruption, including around pet travel, reciprocal healthcare, and employment arrangements across the travel industry. It is critical that UK businesses are given a clear, and honest assessment of the latest situation in negotiations, including the parameters of any future relationship and how this will affect their future operations.

An immediate priority for industry must be achieving stability in the short to medium term. Critical to this will be ensuring the efficacy of current and previous contingency arrangements designed to minimise disruption to travel. In a 'no-trade deal' scenario, ABTA recognises it will not be possible to mitigate every risk between the UK and EU, as several policy areas would likely revert to national competence, at least in the short-term, including reciprocal healthcare and taxation. For this reason, we would urge the UK Government, and EU Member States, to consider and exhaust all alternatives to avoid the no-trade deal scenario and ensure the UK's departure from the EU is managed in an orderly manner. In particular, given the traditional importance of the Christmas/New Year period for outbound travel, ABTA would welcome reassurance about the provision of contingency arrangements to provide immediate consumer confidence and alleviate potential disruption to the Winter holiday season.

There are also some fixed dates by which the industry will need to have appropriate arrangements in place in order to be fully operational for 1 January 2021. For example, in the event of a no-deal, the UK would become a third country for the purpose of the EU Pet Travel Scheme. UK Government advice previously stated that pets would continue to be able to travel from the UK to the EU, but the requirements for documents and health checks would differ depending on what category of third country the UK becomes – there are three categorisations – 'listed: Part 1'; 'listed: Part 2' or 'unlisted'. It is our understanding that the UK is seeking to become a listed third country. Should the UK become a Part 1 listed country, there would be little change to the current arrangements, with only minor changes of documentation and no change in health preparations. If the UK becomes a Part 2 listed country, there would be some new requirements but they would not be as burdensome as those for unlisted status. Should the UK become an unlisted third country, pet owners would

need to discuss preparations for their pet's travel with an Official Veterinarian at least four months in advance of the date they wish to travel. This means pet owners intending to travel to the EU after exit date would need to discuss requirements with their vet up to four months prior to travel. The Government urgently needs to provide clarification in relation to such time-sensitive changes, which require significant advanced planning for both consumers and stakeholders alike.

Conclusion

The travel and tourism industry has historically been a UK success story, and this success has permeated right across the depth and breadth of the country. The uncertainty of the future UK-EU relationship coupled with the unprecedented outbreak of COVID-19 has, however, wreaked havoc on a once thriving and vibrant industry, which now needs clarity and guidance from the Government to help navigate the end of the transition period.

Further information

For further information, please contact ABTA's Director of Public Affairs, Luke Petherbridge.

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