

Written evidence submitted by the Latin American Travel Association (AAS0002)

The Latin American Travel Association is a trade body for businesses in the UK to Latin American tourism sector, with members in the UK, Europe and Latin America that include UK-based tour operators and travel agents, airlines, and Latin American operators and accommodation providers.

This submission does take into account the changes to travel restrictions announced by the Transport Secretary on the 17th September 2021.

Key statistics (pre-Covid)

- Outbound travel annually contributed **£37bn** to the UK economy.
- **£46bn** spent annually by UK residents prior to trips overseas & **£6bn in tax revenues**
- Outbound business travel adds **£220bn of growth to UK GDP** each year
- **Department for International Trade** recognises tourism as a key driver for international trade – very important in post-Brexit, Global Britain.

Sources: ABTA, Driving Growth: the economic value of outbound travel 2019; International passenger survey; The Business Travel Association

To put the value of the travel industry in context, the recently announced increase in National Insurance contributions to fund the NHS and Social Care is expected to raise £12bn annually. The outbound travel industry contributes £6bn annually to the Treasury – to lose that would put a serious dent in central funding.

Presumption to allow travel

We must move to a policy structure that is based on the presumption to allow international travel except where there are genuine, identifiable, quantifiable, and transparently published reasons not to. This is an approach that we see governments particularly in Europe, taking.

The stop-start restrictions have further eroded what was already-fragile consumer confidence. Consumers are generally not worried about the risk of catching Covid when on holiday, but about the risk of being forced into a new category of restrictions when away. Nobody wants to risk going to a country that subsequently turns red, and being forced into hotel quarantine. Especially when the published

data on red list quarantine shows that the infection rate is negligible and not identifying any particular risk to the UK. This could be inadvertently exacerbated under the newly proposed two-tier system as the binary on/off approach doesn't have the buffer of a green-to-amber move, that warns consumers of concerns over a specific destination.

We believe that a UK resident should always be able to return to the UK on the same basis that they left within, say, two weeks. That would avoid the mad scramble to find expensive flights to come back to the UK before an arbitrary deadline.

Removing barriers to travel

Instead of sweeping assumptions about individual destinations and the risk posed by going to or arriving from those destinations, we would like to see the risk being attached to the individual traveller.

Published data also shows that very few of the currently mandatory PCR tests show a positive result, and a negligible number of those positive results are actually genetically sequenced, rendering null the argument that PCR tests are necessary for the safety of the UK.

Whilst the proposal to move to a Day 2 Lateral Flow testing regime is an improvement, it is still an unnecessary additional cost to the traveller, especially as these tests are given out free-of-charge by the NHS. There is some logic to having a supervised test, which is presumably the intention, but that same logic should apply to people attending football matches or other events where LFT is employed. The implication seems to be that returning holidaymakers are untrustworthy.

We would want to see all testing abolished for anyone that is fully vaccinated or has evidence of a recent Covid infection.

The process for validation of a passenger's travel status needs to be streamlined to avoid the problems that travellers are facing when trying to pass through the UK's border controls. News reports of many-hour-long queues at airports are a huge disincentive to travel as well as, arguably, giving rise to concerns that airports are becoming the place where you are most likely to be exposed to Covid, crammed into crowded arrivals halls.

Traffic light system

The traffic light system was designed to offer clarity to consumers and the trade, and to facilitate the opening of international travel. In practice, it has created

confusion, panicked returns to the UK, and is no better than 2020's ill-fated Travel Corridors.

The lack of transparency over how the system is run and how decisions are made, has rendered the traffic light system unfit for purpose, even under the new two-tier system that applies from 4th October. Indeed, the ongoing refusal by the UK Government to give detail of the methodology employed in grading countries has led many to believe that politics plays more of a role than data, despite the supposed 'data-first' approach claimed by the government.

Where there have been notable movements, particularly the downgrading of India from red to amber and the consequent removal of the FCDO advice against travel, there have been significant unanswered questions. How India went from being a human disaster, with people dying due to lack of oxygen, overflowing hospitals, and out-of-control case rates to being a safe place to travel within the space of about six weeks is difficult to understand. That is especially true when one considers the extreme measures that we have had to implement to get the UK to its current position. After 18 months of restrictions, with long periods of lockdown, closed retail and hospitality, and so on, the UK still finds itself with case rates running at 22 times the supposed level in India. Yet countries in Latin America, with case rates substantially lower than the UK are stuck on the red list.

As a comparison, looking at Chile against Turkey and Sri Lanka (two countries that have been announced as coming off the red list):

Country	14 day ave case rate per 100k	14 day ave death rate/100k	Fully vaccinated	7 day ave tests per 100k
Chile	33.2	1.4	72.92%	256.4
Turkey	410.6	4.1	49.42%	383.2
Sri Lanka	194.1	9.2	51.42	50.7

It is difficult not to look at the data and conclude that Chile has a much better grip on Covid than either Turkey or Sri Lanka.

The three-week cycle of updates has led to customers using those as booking periods, looking to book and complete a trip within the three-week period. Whilst that is feasible for short haul, that can never work for long haul destinations.

The traffic light system should be abolished and, as per the German model, only in extreme circumstances should a country become off limits, with a clear explanation of the reasons and a return to 'safe' status as soon as possible.

FCDO Travel Advice

As per the traffic light scheme being abolished, the FCDO advice against all but essential travel for reasons related to Covid, which persists for many countries, should be reversed unless there is a demonstrable and transparently published risk to UK travellers visiting that destination.

Global Travel Taskforce

The GTT was intended to work with the travel industry to devise a strategy for the restart of international travel, both outbound and inbound. Whilst the process and outcomes seemed positive, the failure to observe the agreed outcomes was disappointing, however it is recognised that this was not a failure of the GTT itself, but rather that other government departments overrode the GTT.

The final planned review point for restrictions on travel by the GTT is scheduled for the 1st October, but unless international travel reverts back to pre-Covid regulations, which is highly unlikely, the GTT needs to remain in place and to continue to engage with the industry on further opening of the sector.

International recognition of vaccines

It is imperative that the UK Government extends its recognition of vaccines that have been administered abroad and that have not been proposed for approval by the MHRA, as they are not needed in the UK. A significant number of people globally have received the Sputnik and Sinovac vaccines, with Latin America seeing a reasonably high deployment of Sinovac. It is not clear whether the UK Government considers these populations to be vaccinated when assessing the Covid risk to UK travellers in those destinations.

The government must state its position on these vaccines and, if they are not taken into account when assessing a population, there must be a process that qualifies these vaccines. This should not be a very difficult process as there is significant empirical data available for assessment – certainly more than is available from the clinical trials that led the MHRA to approve the vaccines that we use in the UK.

Rapid assessment of variants

It is clear that policy on international travel is heavily influenced by concern over Covid 19 variants being imported into the UK – although we should remember that the original Variant of Concern was the home-grown Kent variant, and that we were probably the biggest spreader of the Indian/Delta variant, which is now dominant across the world.

There has to be recognition that Covid is with us forever, and that means variants will continue to arise on a daily basis, some of which will become Variants of Interest and Variants of Concern. We can't have a travel industry that is subject to sudden closures due to overcaution of government scientists – we need a process to rapidly assess these variants, but we also need to realise that variants will spread. That is inevitable, and we can't hide from them. As yet, even where variants are somewhat vaccine-escaping, e.g. Delta, the vaccine still dampens the impact sufficiently to levels that fall well below level that of a typical seasonal flu.

The inevitability of variant spread is well illustrated by looking at Australia and New Zealand. Despite some of the most draconian restrictions on travel in the world, they still have the Delta variant in their countries.

International relations

Having discussed travel restrictions at length with Latin American tourism boards, other government departments, and Ambassadors and Heads of Mission to the UK, there is an underlying feeling that the UK Government is acting rather dismissively towards countries that are supposed to be our partners for post-Brexit trade growth.

I know that Ambassadors have been told semi-off-the-record that the UK Government does not trust the Covid data published by their government. That is not how we should be treating valued partners.

What the countries in Latin America, whose economies have a high reliance on tourism, want to know is where they need to get to for travel restrictions to be eased. They are not expecting the UK to bow to pressure and just change restrictions, but they want to work *with* the UK to get to a place that allays the concerns of the government. The rather dismissive approach to foreign governments is certain to have in impact on international trade, especially when countries such as Germany are not imposing restrictions on travel and are being open and transparent.

Falling behind the EU

The UK has now fallen significantly behind its former partners in the EU.

Some months ago we saw headlines on the front of German newspapers expressing envy of the UK's vaccination programme. However, now we find ourselves lagging way behind Germany in our appetite for opening up to the world. They have a 'red list' for countries that people cannot travel to and from, but have no country actually on the list. How have we gone from being so far ahead of EU countries to being so far behind?

Latin American travel is fully available to German residents and even fully-vaccinated Brazilian residents are able to visit Germany as tourists, with no restriction.

Ecological impact

For many countries, and especially in Latin America, tourism is a key economic driver and has, over recent decades, helped to transform many economies. One of the key benefits to the whole world has been in driving protection of environments.

By allowing communities to earn a living from tourists that want to visit areas like the Amazon, we encourage local people to move from exploiting the environment through logging and deforestation for farming, to protecting the rainforest and working as local guides and conservationists.

The last two years have seen tourism revenues disappear, which normally pay for protections such as park rangers and for reforestation and conservation activities. Instead local people are forced by necessity to start exploiting their environment just to make a living and put food on the table. This does nobody any favours and will inevitably contribute to an acceleration in climate change.

Travel industry finances

It is clear that the government has no appetite for support for the travel sector, despite it being the only sector that is still suffering reduced trade as a result of the pandemic. Compare that to the hospitality sector that has been the beneficiary of the 'Eat out to help out' scheme, and has enjoyed support in the form of reduced VAT for the purposes of:

To support businesses and protect 2.4 million jobs following the lifting of the COVID-19 lockdown, the government have temporarily applied a reduced rate of VAT (5%) to certain supplies in the tourism and hospitality sectors. (source:

<https://www.gov.uk/government/publications/introduction-of-a-new-reduced-rate-of-vat-for-hospitality-holiday-accommodation-and-attractions>

Despite that sector being full open, as it has for many months, the VAT reduction continues at 12.5% until the end of March 2022. It is not clear why hospitality is considered worthy of support despite trading at relatively normal levels, but travel is not.

Travel businesses face severe financial challenges, even as travel does begin to open up. New bookings may take months to be fulfilled, with profits not able to be realised until the trip takes place. However the tour operator needs to be fully staffed to provide operational and logistical support to the holiday, as well as having to pay sales staff to take bookings that are months in the future.

On top of this, travel companies face severe conditions being imposed by the CAA for the renewal of ATOL licences due to reduced financial stability caused by the pandemic. Whilst this is understandable in so far as the protection of consumer monies is very important, the CAA does not appear to recognise that it is in many cases taking action that will precipitate business failures. Many companies are being obliged to put most or all customer monies into trust accounts until the customer holiday has been fulfilled. Whilst there is some rationale behind this, it fails to take a couple of key factors into account:

- Tour operators normally have to pay for airfares, accommodation and ground arrangements in advance. This means having to find funds to pay for the customer's holiday despite the customer having already paid in full
- Credit and debit card acquirers do not, on the whole, recognise ATOL as a method of consumer protection. This is largely due to the CAA advising consumers to seek redress from their card company before making an ATOL claim – the Thomas Cook and Monarch Holiday failures are an excellent example of this. Despite holidays being ATOL protected and the APC being paid, the CAA does not see its role as the underwriter of the industry except in the last resort. Because of this, card acquirers see travel as high risk and often impose onerous retention conditions on travel businesses. Some tour operators will have to wait two years before the acquirer releases all the funds to the operator! The knock on effect is huge – if a tour operator has a long retention period on card transactions, and has an ATOL condition requiring funds to be held in trust, the operator has to find funds to top up the trust account and also find funds to prepay suppliers for fulfilling the holiday. This is obviously not sustainable.

It was reported last week that the Treasury expects the travel industry to trade its way out of trouble rather than receive support (<https://www.ttgmedia.com/news/treasury-travel-must-now-trade-its-way-out-of-the-covid-crisis-30500>).

This is what travel companies have always wanted to do, especially as the end of the CJRS is rapidly approaching. However, with almost all Latin American destinations stuck on the red list, that is simply not possible for operators that specialise in this part of the world. There does seem to be a real lack of understanding of how the travel industry is structured, with the government seeming to believe that all travel countries sell all destinations. This is simply not the case. The removal of, for instance, Turkey from the red list does nothing to help Latin American operators. Nor does the reduction of barriers to travel to Europe. Latin American specialists don't sell these places.

In the short term it would be extremely helpful if companies were able to defer the repayment of CBILS loans until 2022, without any negative impact on their credit-worthiness – with the government underwriting 80% of the loan, this should not be difficult to achieve.

We would also like a secondary financing option specifically for travel businesses, 100% government underwritten, to allow companies to manage their cashflow and restart trading, saving jobs and maintaining skills in the industry.

Outbound and inbound travel

Although this submission comes from a body whose goal is promoting UK-outbound travel to Latin America, we recognise the importance of UK-inbound tourism, both for its contribution towards maintaining the infrastructure of travel, whether airport, airline or other travel-related services, and for its contribution to the UK economy through retail and hospitality spend.

Without a healthy UK economy, we have fewer potential customers to support the outbound sector.

Summary

- Policy of presumption to allow travel
- Removal of all testing for vaccinated travellers
- Recognition of vaccines globally
- Abolish traffic light/stop-go system
- Remove FCDO travel advisories that relate to Covid

- Continuation of the Global Travel Taskforce
- Rapid assessment of variants
- Transparency over reasons for countries where restrictions do arise
- Interim cashflow support
- Deferral of CBILS repayments
- Support from the CAA and ATOL
- Lack of travel is having a severe detrimental impact on the environment
- Inbound tourism is vital to the survival of the whole travel, tourism and aviation sectors.

I would be pleased to share any further insights from the UK to Latin American travel sector that you feel would be of benefit to your inquiry. If you would like clarification on any of the points herein, please do not hesitate to contact me.

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