

**Written evidence submitted by the Business Travel
Association (BTA) (AAS0008)**

About the Business Travel Association (BTA) and the value of business travel to the UK economy.

The BTA is the representative body for the UK business travel industry. Its member travel management companies (TMCs) account for over 90% of all business travel booked in the UK.

In a typical year this equates to 6.4 million journeys and 32 million transactions which contribute £220 billion to UK GDP.

Business travellers are the people who make the deals and relationships which drive international trade. They also include humanitarian aid workers, engineers, scientists, education providers and researchers.

Business travellers are lifeblood to airlines, accounting for 15-20% of their customer base, and on certain routes are twice as profitable as leisure travellers. Airlines depend on TMCs to distribute their product to business travellers as they do not have the infrastructure to handle the volume and requirements of large-scale business travel needs.

An additional benefit of the business travel sector to the wider economy is that the higher yields per business travel passenger allows leisure travellers fares to be reduced, opening up international travel to a wider range of people.

Thank you for considering our submission to the Committee's inquiry. We would be delighted to provide further evidence to the Committee either through an oral evidence session or via additional written evidence.

Should you require any further information on this submission, please contact us.

Key BTA recommendations

- The Government should provide **targeted sector specific financial support for the aviation and business travel sector** for as long as restrictions on international travel remain in place. This could take the form of targeted loans or grants now that furlough has come to an end to continue to support jobs and livelihoods.

- The Government must work and take the lead with **international partners to develop international standards** that would allow reciprocity on travel and vaccines to be established between nations as a matter of urgency.
- **Greater transparency is needed on the conditions needed for a country to be placed on the 'go' or 'no go' list** and a longer time period given before countries are moved in order to give businesses greater time to prepare and help increase confidence in international travel.
- There must be a greater recognition from Government on the **importance of business travel** to the UK economy and to work with the business travel sector to help make Global Britain a reality.
- The Government should provide further support and investment to **regional airports** who have been badly affected by the Covid-19 pandemic in order to ensure that they not only survive but thrive, allowing total UK connectivity and supporting the levelling up of the UK.

Recovery of the business travel sector

Key data

- According to our data, as a direct result of a loss of business travel, the UK has lost a total of approximately £86 billion from its GDP since May 2021 compared to 2019, and since May 2021 there has been nearly 6,000,000 fewer business travel trips compared to 2019 levels.
- The BTA's latest Business Travel Tracker for w/c 4th October 2021 showed that the UK lost £4.76 billion in GDP in just the last week of September due to a decline in business travel trips.
- The data has also highlighted a stark contrast between the recovery of domestic business travel trips and international business trips, with domestic business travel bookings at 53.24% of pre-pandemic levels – the highest since May 2021. However, international business travel is currently at just 21.37% of pre-pandemic levels.
- Since the start of the pandemic, TMCs have also seen a collapse in revenue of up to 90%.
- We estimate that 60% of employees operating in the sector have been made redundant.

Overall picture

- The business travel and aviation sectors have been severely impacted by the coronavirus pandemic, which has subsequently affected the UK economy.

- With furlough having come to an end on 30 September, we can expect this to have a significant impact on the sector over the coming months, particularly if there is no sustained upturn in international travel.
- There remains a lot of uncertainty over the future of business travel, and whilst there may not be immediate job losses from the end of September, it remains to be seen whether business travel will return to pre-pandemic levels. This, combined with a loss of Government support, could result in future redundancies.
- The loss of skills as a result of staff being previously made redundant is also a critical factor for the aviation and business travel industry. Since being made redundant many people have gone on to find other jobs and it is proving to be a struggle to get them back. The sector desperately needs the certainty to invest and train new members of staff in the relevant skills, as well as convince those who may be worried about returning to the sector to return.
- As some of the last remaining sectors to still be affected by Covid-19 restrictions, the BTA would urge the Government to consider continuing economic support for both the aviation and business travel sector as long as the international travel sector remains subject to these restrictions.
- Whilst the reciprocated travel agreement with the US set to begin in November has been hugely welcomed by the sector, there are still many details still yet to be confirmed, including the international recognition of the Oxford-Astra Zeneca vaccine and the testing requirements for travel.
- As the business travel and aviation sector plan for this return to US travel, certainty over testing and vaccines remains crucial for sector confidence and encouraging people to return to international business travel. The BTA urges the UK Government to work with the US to set a date for the re-opening of travel between the two countries as soon as possible.

The traffic light system for international travel

- The business travel and aviation sector also welcomes the scrapping of the green and amber lists to be replaced with a more simplified system around international travel.
- The BTA would like to see the Government now lead the way in establishing international protocols that safeguard the future of the travel industry. It is only once all countries have the confidence to open their borders that the industry can truly recover.

- In order to bring confidence to international travel it is vital that there is full transparency from Government as to why a country is on the 'go' or 'no go' list, and that notices of any changes are given more than 48 hours in advance. Without this understanding, it is unlikely that international business travel will be up to speed quickly.
- It is also crucial that FCDO office advice matches the DfT advice for international travel, as it currently doesn't always do that.
- International reciprocity to international travel is still an issue for the sector and international agreements can often be misleading. For example, we recently saw the Government sign an international trade deal with Australia but travel to Australia remains restricted. It is vital that the Government continues to work with international partners to help reopen international borders to UK travellers.
- The BTA would like to see the Civil Aviation Authority be given the power to ensure airlines are giving refunds to customers following any Government changes to the traffic light system. This will help to restore further confidence for passengers to return to flying abroad.

The cost of international travel

- It's vital that the Government provides the confidence and certainty to encourage people to return to international business travel both for the future of the business travel sector, but also the aviation sector.
- Business travellers are the lifeblood of airlines and offer airlines a significantly higher yield across all cabins, which indirectly affects those who are travelling for leisure.
- The average cost of an international fare for TMC members is £1,048, while the average fare for a leisure passenger is approximately £350-400. This shows how business travel is vital for the cost of leisure travel to remain low.
- Both leisure and business travellers have had to factor in the cost of PCR and antigen testing when travelling abroad, and the BTA welcomes the Government's decision to move away from PCR to lateral flow to significantly reduce this cost for travellers. However, we urge the Government to confirm when this transition will take place as it will help business travelers to plan ahead.
- There remains a conversation to be had on the cost and effectiveness of hotel quarantine in the UK. Whilst the BTA recognises the importance of hotel quarantine to stop the spread of possible new variants of Covid-19 from abroad, the implementation of hotel quarantine remains a barrier to international travel returning to pre-pandemic levels, and this impact

on the sector should continue to be recognised by the Government by the financial support that it gives to the sector.

Border readiness

- Whilst it is positive to see UK airports busy once again, this hasn't come without its complications, which has been widely reported (often in a catastrophised way) in the media.
- Long border queues and delays for passengers due to greater checks at borders, and a shortage of staff, is something which needs to be dealt with, especially as it appears that these restrictions on international travel may be here to stay.
- Passenger locator forms, for example will need to be automated. It will not be feasible for documentation to continue to be manually checked and it's important that this happens at all airports, including our small regional airports, so that 'frictionless travel' is possible everywhere.
- This is particularly important for the business traveller who is more likely to be going on shorter trips and relies on frictionless travel to make these trips both feasible and economically worthwhile.

Regional and global connectivity

- UK business travellers rely on the UK Government investing in regional and global connectivity in order to allow the business traveller to make the deals which grow the UK economy and help make Global Britain a reality.
- For Global Britain to be a success we need to continue to invest in the key international economies and the emerging cities, otherwise we will lose ground.
- Regional airports are essential for business travel and UK plc. Like all parts of the transport sector, regional airports have been badly affected by the Covid-19 pandemic. It is now vital that Government prioritises support for regional airports to ensure that they not only survive but thrive, allowing total UK connectivity and supporting the levelling up of the UK. We also hope to see further details on this included in the Government's upcoming Union Connectivity Review.
- Business travel is essential to ensuring that international routes to key economies remain open. Business travel is the reason that many routes are available for the leisure traveler, so without sufficient business travel customers airlines could start to rethink the routes they offer, and international connectivity could shrink. This would have serious negative economic consequences for the UK economy.

Sustainability

- The aviation and travel sector are committed to playing their part in reducing the environmental impact of domestic and international travel up and down the supply chain. The BTA's members are implementing significant changes to their operations in order to help meet the Government's net zero targets.
- TMCs have an important role to play in making business journeys less carbon intensive, they have a unique role to play as they're able to plan an entire trip they can ensure that each element reduces carbon use to make journeys as sustainable as possible.
- Greater regulation of decarbonisation schemes may be needed to reduce 'greenwashing' and ensure all businesses are being held to the same standards to protect fair competition in the market.
- Both greater intermodal transport and direct connections for flights are two solutions which can help make transport more environmentally sustainable.
- Should the business travel sector not be supported to survive the coming months, much of this pressure could vanish.

Summary

- The BTA would like to see targeted sector specific financial support for the aviation and business travel sector for as long as restrictions on travel remain in place.
- The BTA welcomes the changes to the traffic light system to help make international travel simpler, as well as a move away from expensive PCR tests to cheaper lateral flows for both business and leisure travellers.
- Global reciprocity remains an issue for international travel and it's vital that the Government works with international partners to ensure that there is a universal acceptance of vaccine passports in place, as well as ensuring that the re-opening of travel to UK travellers is placed at the centre of discussions with international partners.
- The recovery of regional airports remains a key issue and the BTA would like to regional airports given the support they need to remain a crucial part of the UK's connectivity and ensure that they are given the attention they deserve as part of the Government's levelling up agenda.
- The BTA would like to see greater transparency from the Government on how it places a country on either the 'go' or 'no go' list and more notice given before any changes are made to these lists in order to give

businesses and travellers greater confidence in their ability to travel abroad.

- Finally, the BTA would like to see from Government a greater recognition on the importance of business travel to the UK economy and to work with the sector to regain confidence in international travel and help to continue to make Global Britain a reality.

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