

## Written evidence submitted by Travelport

Travelport is grateful for the opportunity to contribute to the Transport Select Committee's inquiry into the implications of Coronavirus on transport.

Travelport is an e-commerce pioneer, born and bred in the UK. As one of three major players in the global distribution system sector, we are the only operator headquartered in the UK. On an average day last year, 26,000 flights from the UK and just short of 8,000 combined UK hotel nights and car days were being booked using Travelport technology.

We are a global distribution system (GDS) platform that enables airlines, hotels, rail carriers, rental cars, and tour operators to sell content to almost 70,000 travel agent customers (both online and bricks-and-mortar) worldwide, connecting buyers and sellers of travel across the globe. Our B2B marketplace has 800 active agency customers in the UK, 82 percent of which are small- and medium-sized businesses.

We operate in 180 countries and employed approximately 3,500 people as of 01 April 2020. Travelport has around 800 staff in the UK, with 700 at our headquarters in Langley and a further 100 at our finance centre in Swindon. Over the last ten years, Travelport has dedicated more than £1 billion to technology-specific R&D, offering high-skill technology jobs in an exciting industry. In 2019, Travelport processed £63 billion in travel transactions (meaning more value flowing across our platform than eBay).

Since March 2020, Travelport has seen revenues plunge. The necessary steps taken by the government to stop the spread of Coronavirus, including travel bans, have decimated our business operations. This has had significant implications on the monies we would expect to be paying HMRC this year; prior to this crisis our corporate income taxes to the Exchequer were anticipated to be £14m for 2020. To date, the PAYE on Travelport employees for April to June 2020 of £7m has been deferred.

Travelport has welcomed the prompt and proactive announcements of business support made by Her Majesty's Government. We are, however, increasingly concerned by the direction of this government's policies for operators in the travel sector. Following eight weeks of lockdown, rather than easing restrictions it appears that the UK government is tightening them around foreign travel. While the health and safety of British citizens must be the priority, HMG should be wary of blanket restrictions on the travel and tourism industry. This week's announcement to consider "air bridges" is a welcomed approach (albeit temporary) and one we strongly encourage.

Travelport strongly supports the loosening of travel restrictions and the return of consumer confidence to book travel. The government must lay out milestone dates for its staggered opening, to allow consumers and companies to be able to plan towards those dates. **A removal of current measures tomorrow would not see a return to travel and tourism businesses' taking a sustainable number of bookings a week tomorrow, or even a month tomorrow.**

The proposed 14-day quarantine for travellers coming back to, or into the UK will, in effect, kneecap the travel and tourism industry just as it needs the rehabilitation to get it walking

again. Travelport urges the Transport Select Committee to press HMG to **work with other governments to ensure that less economically invasive health security measures, such as rapid testing and certification, are introduced instead of a mandated quarantine.**

It would be helpful for the government to nuance its rhetoric and signalling to consumers, in order to show greater confidence in our travel infrastructure. When appropriate, we recommend that the **government issue a public information campaign encouraging people and businesses to resume travel as before**, utilizing UK-based businesses as spokespeople.

We are thankful for the extension of the Job Retention Scheme to October as it will help us through an incredibly difficult summer. It will continue to be crucial that the measures of support introduced to help businesses through a total loss of trade do not come to an abrupt end. The relaxation of societal measures to prevent the spread of COVID-19 will not mean our sector will have returned to revenues necessary to retain staff. The pragmatic approach we have seen introduced week commencing 11 May will be needed to see us through the rest of this year, including **a further extension of the Job Retention Scheme.** We hope the Treasury will see the benefit of a bespoke approach to support sectors least able to operate due to the longer-term impact of government restrictions.

HMG's **decision to defer a number of taxes during this crisis is very welcome** and we recognise the willingness of HMRC to work proactively with firms like ours to help in this respect. **We believe deferral of the digital services tax is also much needed.**

As a global business we recognise (and rely on) the value of being able to hire the best talent for the job. Britain must continue to cultivate an environment that will attract global talent to the country. It will be important to UK does not forget the established foundation stones for economic recovery and growth. As the travel sector reaches the recovery phase, Travelport encourages the government **to introduce consumer tax holidays to help make travel more affordable** for both people and businesses.

In 2019, Travelport paid out a total of £54m to UK agencies using Travelport's global distribution system. If Travelport were to go out of business, it would leave the agencies, corporations, technology startups, small businesses and developers that depend on our distribution of content and technology solutions to face significant challenges in managing their day-to-day business operations. Likewise, if a significant percentage of our agency customers were to go out of business, our own ability to continue would be greatly jeopardised. Allowing airlines and travel companies the **option to offer vouchers instead of immediate refunds** is a straightforward means of stimulating these sectors.

Allowing future **vouchers to be used across all channels of sale will provide travellers with greater flexibility for use and give the entire travel and tourist ecosystem a joint boost** post-virus. There are current impediments to such voucher scheme in EU law and we would encourage the UK government join with France and the other EU national governments who are taking steps to remove these barriers.

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