



Brexit – Potential Impact on Tourism and Aviation

European Parliament | Brussels | 11 July 2017



Agenda

- 1 TUI Group at a glance
- 2 GDP Contribution of Tourism within EU
- 3 Potential impact of Brexit on tourism and aviation
- 4 Brexit – Stability and predictability is needed



TUI GROUP – The world's number one tourism company



Global group –
headquartered in
Germany



Turnover
€ 17.2bn



Underlying
EBITA
€ 1bn



A **FTSE 100**
company



Market capitalisation
€ 8bn



67,000 employees in
more than **100** countries



More than **300** hotels
with **214,000** beds



16 cruise ships



153 long and short haul
aircraft



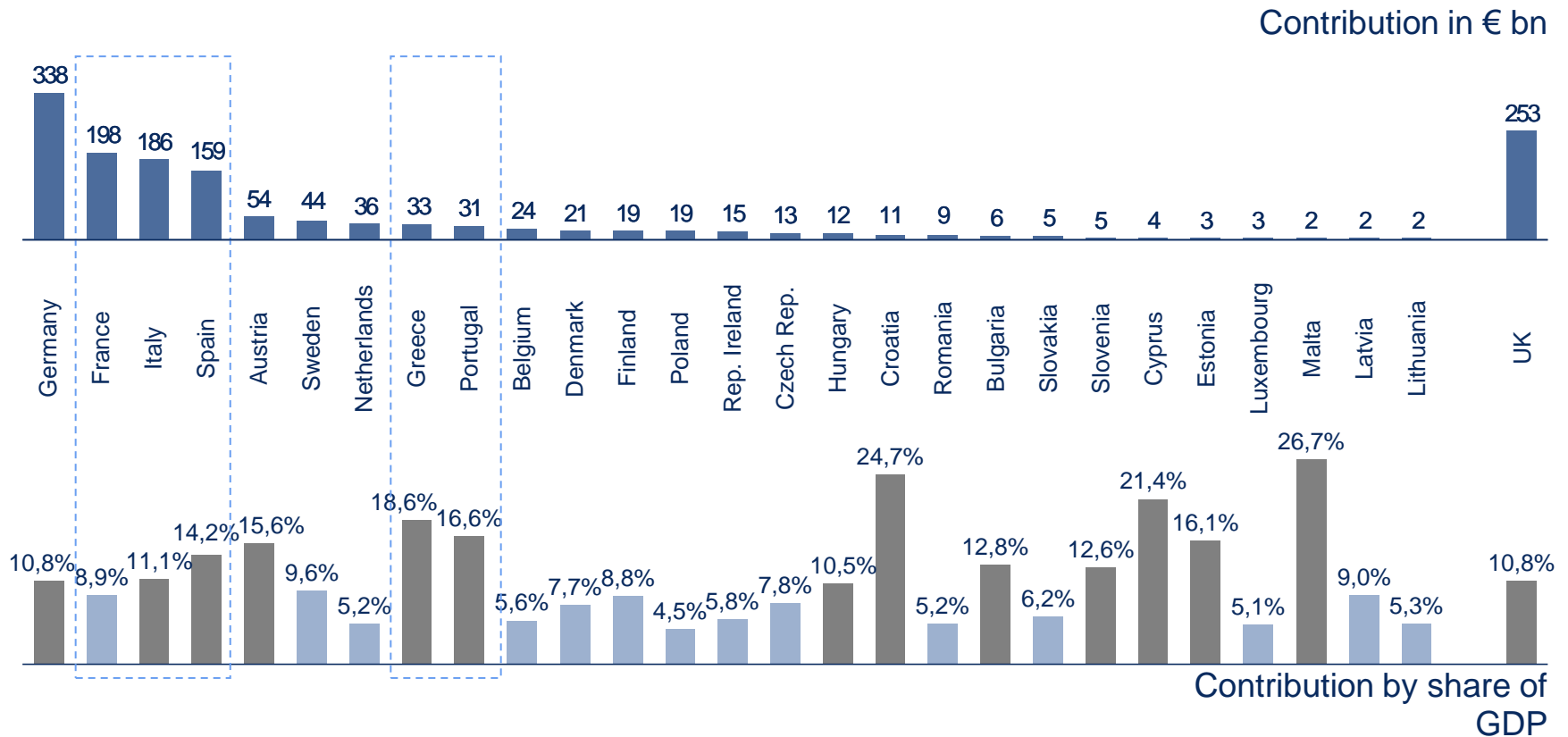
Around **1,600** travel
shops in Europe



More than **20 million** customers
from **31** source markets travelling
to **180** countries worldwide



Total contribution of tourism to EU GDP amounts to € 1.500bn



Top 5 destinations for UK residents

Countries Tourism GDP contribution ≥ 10%



Potential Brexit impact on tourism in the EU 27: € 21bn loss in tourism spending

Tourism in the EU¹⁾



- Travel & Tourism account for **10.2% of GDP** (€ 1.5 trillion)



- Travel & Tourism represent **11.6% of employment** (26.5 million jobs)



- 499 million international tourists per year
(= **40% of international arrivals worldwide**)

Brexit impact on tourism in EU27²⁾

- **Loss of € 21bn** in UK tourist spending
- Countries most affected (in % of GDP):
 - Malta - 2,4%
 - Cyprus - 2,2%
 - Portugal - 1,2%
 - Croatia - 0,6%
 - Greece - 0,6%
 - Spain - 0,5%
- **1,8m jobs at risk in EU27** (reduced trade, FDI and tourism spending)

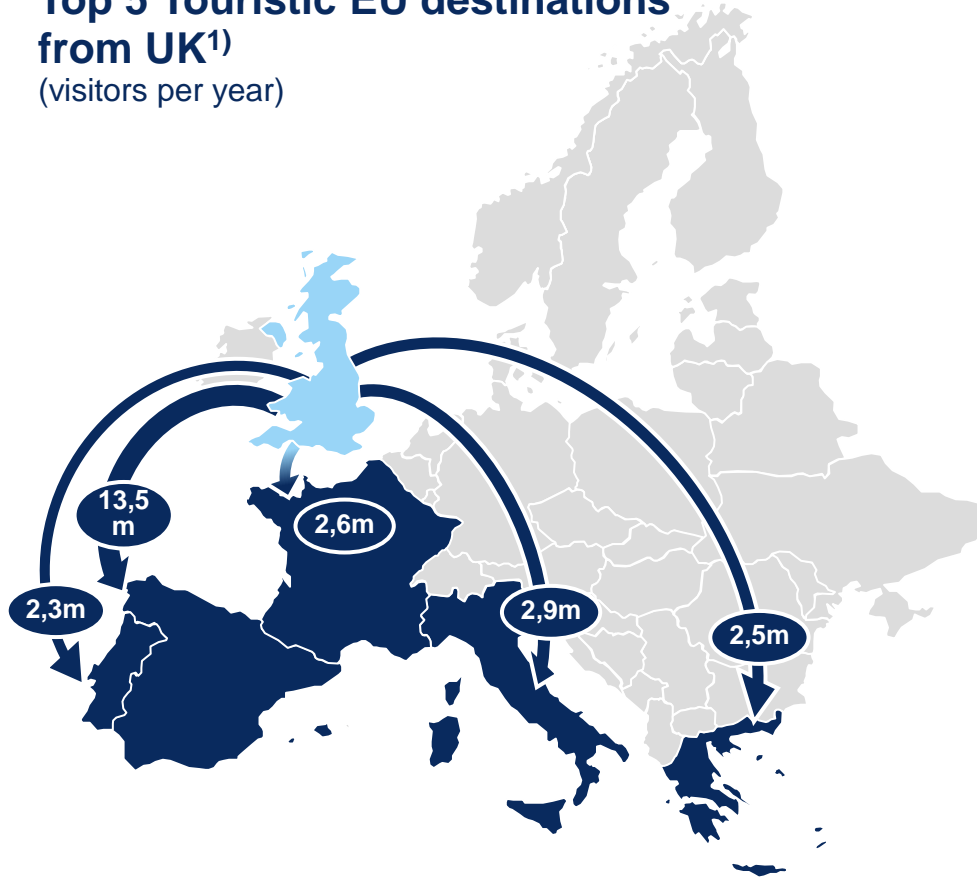
1) World Travel & Tourism Council (WTTC) and UNWTO 2) Frontier Economics Study



Brexit and aviation – It's a European issue!

Top 5 Touristic EU destinations from UK¹⁾

(visitors per year)



Implications of Brexit

- Number of flights currently operated²⁾:
 - 27 UK carriers to EU: 1,0m
 - 142 EU/EEA carriers to UK: 1,1m
- **Brexit could result in:**
 - Reduced air service agreements
 - Reduction in round trips
 - Fall in trade and foreign direct investments
 - Fall in tourism spending
- Overall potential **GDP impact** of € -210bn including trade, foreign direct investments and tourism³⁾
 - EU27 GDP: € -123bn (0,8%)
 - UK GDP: € -87bn (3,1%)

1) Frontier Economics Study (December 2016)

2) Based on ACL UK, Summer 2016 and Winter 2016/17

3) Based on Frontier Economics Study



Brexit – Stability and predictability is needed

- European common aviation area – Preserve the current status quo
- Traffic rights – Pre 1992 air service agreements (ASA's) provide insufficient basis
- European Aviation Safety Agency (EASA) – UK membership is a mutual interest
- Legal and planning security for holiday season 2019 needed





Thank you