



School of Management  
Yr Ysgol Reolaeth



# The Impact of Brexit on Tourism

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@touristuff



## UK and EU tourism industries are highly interdependent

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- 45.7m (76%) trips by UK residents to other EU destinations and 23m (67%) of visitors to the UK come from other EU destinations.
- Visitors from the EU contribute around £10bn to the UK economy each year
- Outbound tourism to the EU contributes an estimated £19bn to the UK economy.
- One of the main reasons for this high level of interdependence is the Single Market.



# UK Outbound to Europe

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- Spain was the most visited country with over 14.6 million visits by UK residents in 2016. France and Italy ranked second and third. In total UK residents took over 56 million European trips in 2016.
- Will UK travellers continue this volume post-Brexit?



## UK visitor economy

- Worth more to the UK economy than the agriculture or automotive industries
- Generates £130bn in revenue for the UK economy earnings & employs 3.1m people.
- It is essential that the travel industry prospers post-Brexit and business & leisure travellers continue to travel freely and enjoy the current benefits.



# How is the UK industry performing?

- **Since 2009, the UK tourism industry has grown at a faster rate than many other industries**
- **Generated additional employment at almost twice the rate of other industries**
- **Increased export earnings by 26.5%**
- **Significant incubator for entrepreneurship and start-ups**

Sources: UKTA 2017; GBTS, 2016 & IPS 2015



**Brexit's unseen consequences**

# Brexit challenges



- 80% of the UK's top 10 markets are European and account for 50% of spend
- Brexit impact on UK destination reputation unknown
- Higher insurance and medical costs for UK/EU visitors?
- Increased fuel and APD costs may deter UK/EU visitors?
- UK will look to develop long-haul markets/staycations?

# Key brand challenges



- A survey asks travel industry representatives and stakeholders at the London WTM exhibition (UK) to what extent Brexit has impacted the UK's reputation as a holiday destination.
- In 2016, following the referendum results, 42% believed the result had some negative impact. By 2017 this figure had increased, with 62% believing the result has had a negative impact on the UK's reputation as a holiday destination.



# Impact on UK Inbound travel

- Barclays' Destination UK report highlighted that in a survey of more than 7,000 international holidaymakers, over 60% stated that they were now more interested in visiting the UK than they were 12 months previously.
- 97% also responded that they would like to see the UK in person, either in the coming months or at least some point in the future.
- This probably reflects non-EU market perceptions and attractiveness of low exchange rates



# UK travellers will look more to home...

- UK travellers expect holidays to EU member states to be affected by Brexit.
- Almost half of survey respondents expect less favourable exchange rates on their holiday destinations while around a third expect more expensive air travel.



# The mobility challenge



- EU nationals tourism and hospitality workers increased by 23% 2011-2016 in the UK.
- As the UK unemployment rate has fallen, businesses have become increasingly reliant on EU nationals to fill vacancies.
- UK citizens work in Europe supporting seasonal tourism (e.g. ski holidays); these could be under threat post-Brexit.

# Funding challenges



- Money talks and works. Every £1 spent on marketing generates £23 in visitor spend (Visit Britain).
- Local government tourism budgets are fragmented and decreasing.
- More investment required across the board and key regions will lose EU funds.

- Wales' natural and legislative environment and its strong adventure travel brand means it can be a global beacon for adventure and wellbeing tourism.
- Tourism delivers £6.9bn Gross Value Added to the wider Welsh economy and supports almost 250,000 FTE jobs. It is a major export industry for Wales, with 80% of visitor spend coming from outside Wales.
- Wales' tourism industry has received EU funding for marketing & product development
- Wales' overseas market accounts for 10% of visitors but 20% of spend.
- Future growth in Welsh tourism is likely to be driven by the overseas market.



A top-down photograph of a workspace on a dark, textured wooden surface. In the center is a white, spiral-bound notebook with the words "Key takeaways" written in a bold, black, sans-serif font. To the left and above the notebook are several crumpled pieces of white paper, suggesting a process of editing or discarding ideas. To the right of the notebook lies a single orange pencil with a black eraser and a sharpened lead tip. The lighting is soft, creating subtle shadows and highlighting the grain of the wood and the texture of the crumpled paper.

**Key  
takeaways**