

The £2.2bn Opportunity for the UK Govt to

Cut EU Red Tape

What's happening?

The UK needs to implement the updated EU Package Travel Directive by July 2018.

The Directive states that Package Travel is any two of:



Accommodation



Transport



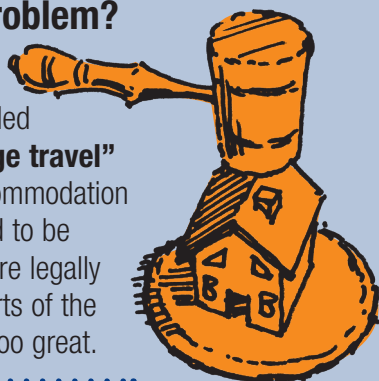
Other Tourism Service

This is **good** when it is
Transport + Accommodation
because UK consumers purchasing package travel
need protection when going overseas

But it is **bad** when it is
Accommodation + Other Tourism Service
because this combination is a Value-Added product
and not package travel

Why is this a problem?

Classifying Value-Added products as "**package travel**" means small UK accommodation providers are deemed to be Tour Operators and are legally responsible for all parts of the product. This risk is too great.



The Impact

Domestic tourism businesses don't work together to develop discounted offers.

UK consumers pay higher prices.

The Solution

Insert a clause in the new Package Travel Regulations (PTR) that, when the UK leaves the EU, a "package" must include "**transport**" so that small accommodation providers are not deemed to be tour operators.

Research Findings

61% businesses saying that the PTR are the reason why they do not sell Value-Added products

74% businesses saying that they would supply Value-Added products if these products were removed from the scope of the PTR

9% the average net increase in tourism revenue businesses expect to be generated by removing Value-Added products from the scope of the PTR

The Benefits

A 9% increase in tourism revenue would generate:

£2.2bn
in additional domestic tourism expenditure
40,000

additional jobs, **16,000** in seaside and rural areas.

And most importantly

UK consumer law means there is no detrimental impact on consumers from making this change.

The Tourism Alliance

The Tourism Alliance is the Voice of the Tourism Industry, comprising 55 Tourism Industry Organisations that together represent some 200,000 businesses of all sizes throughout the UK.

The purpose of the Tourism Alliance is to identify and develop policies and strategies to raise standards and promote quality within the industry and work with and lobby government on all key issues relevant to the growth and development of tourism in order to maximise its contribution to the economy.

The UK Tourism Industry

Tourism is one of the UK's largest and best performing industries. It is made up of over 250,000 businesses which provide jobs for 3.1m people (over 9.6% of the UK workforce) and contribute £127bn to the UK economy (7.1% of GDP). The tourism industry's value to the UK economy has been demonstrated by ONS research which has found that, since 2009, the UK tourism industry has provided economic growth at a faster rate than most other industries and provided additional employment at almost twice the rate of other industries.

The overriding characteristic of the domestic tourism industry is that it is largely composed of very small businesses. Work by the UK Commission for Employment and Skills shows that, of the 180,000 domestic tourism businesses in the UK, over 70% are micro-businesses and a further 25% are SMEs.

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