

ETOA

Britain and Ireland: Trends and Prospects



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International buyers contract British & Irish tourism products

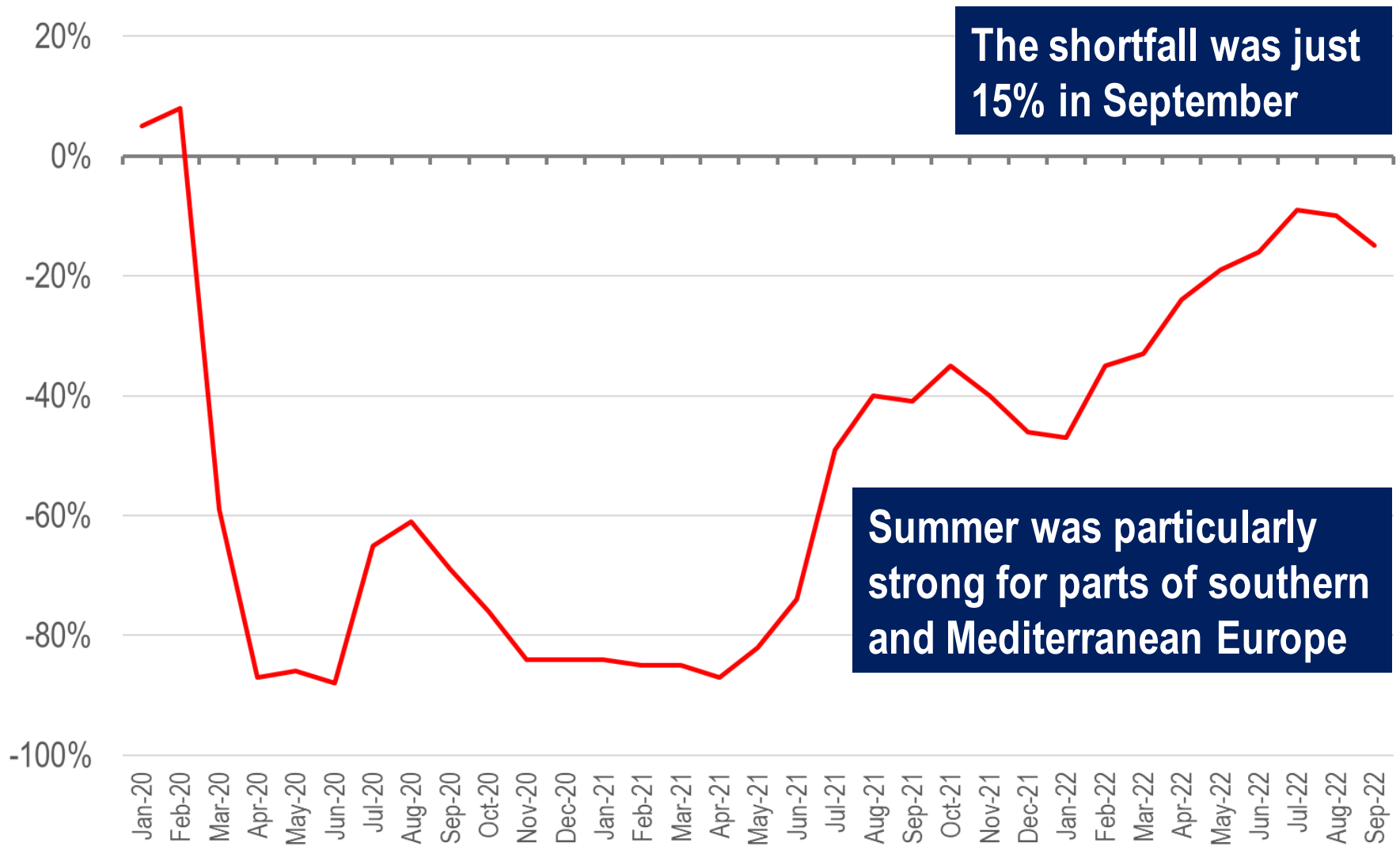
London, 27th January 2023

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or visit the website: etoa.org/bim



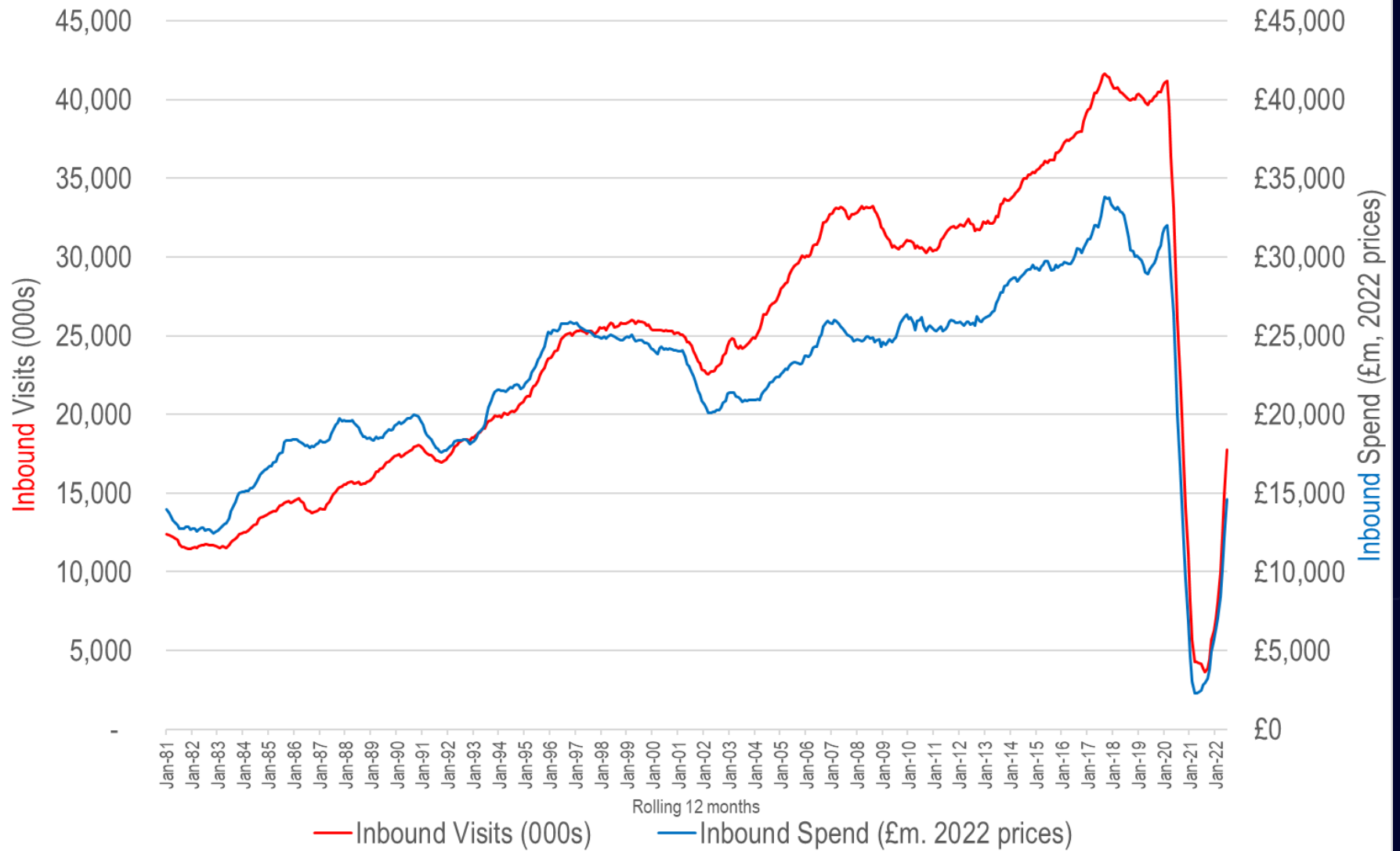
BIM
Britain & Ireland
Marketplace

International arrivals in Europe compared with 2019



Source: UNWTO

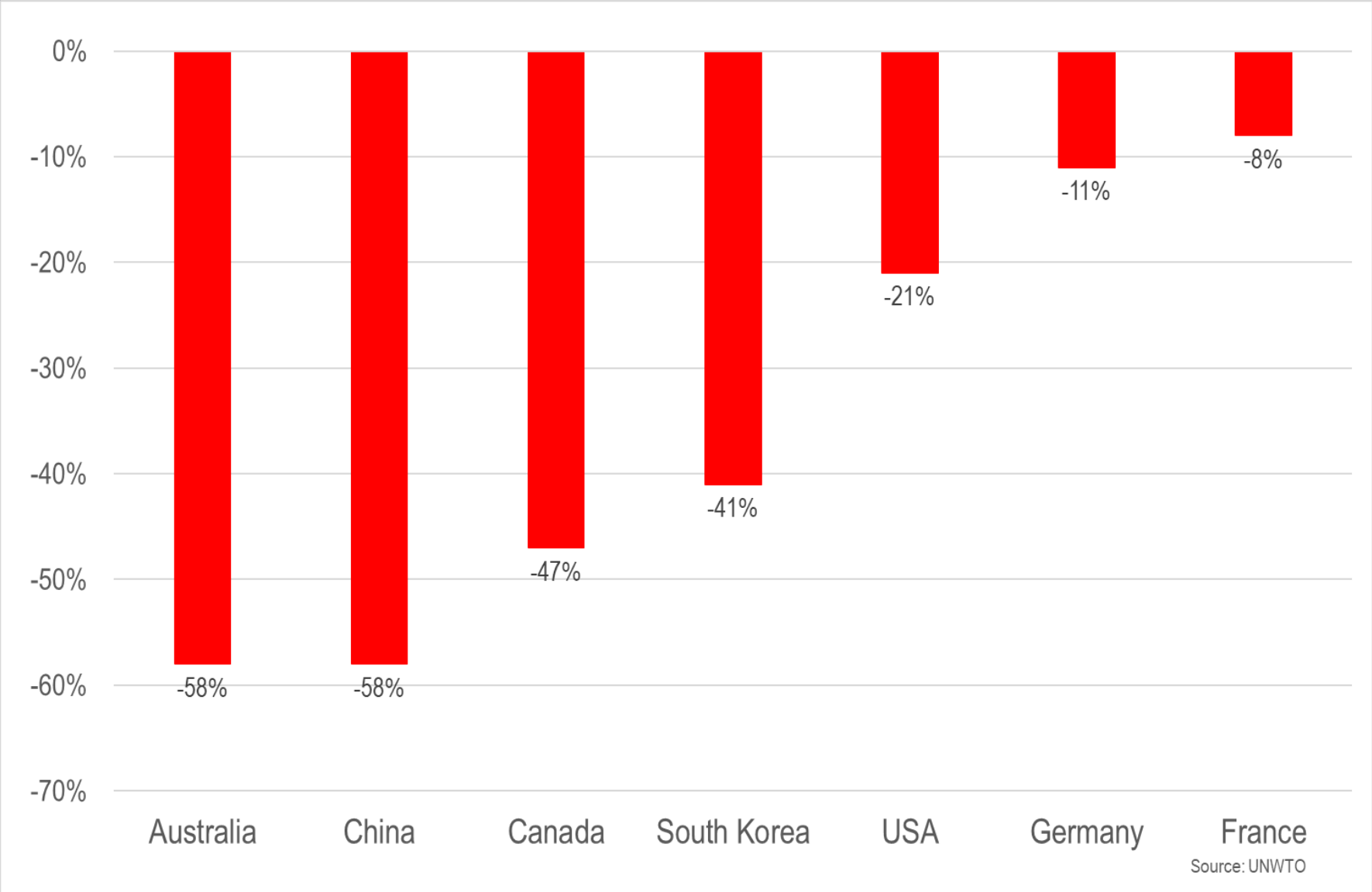
UK inbound volume and value (rolling 12 months)



Thoughts on pent-up demand

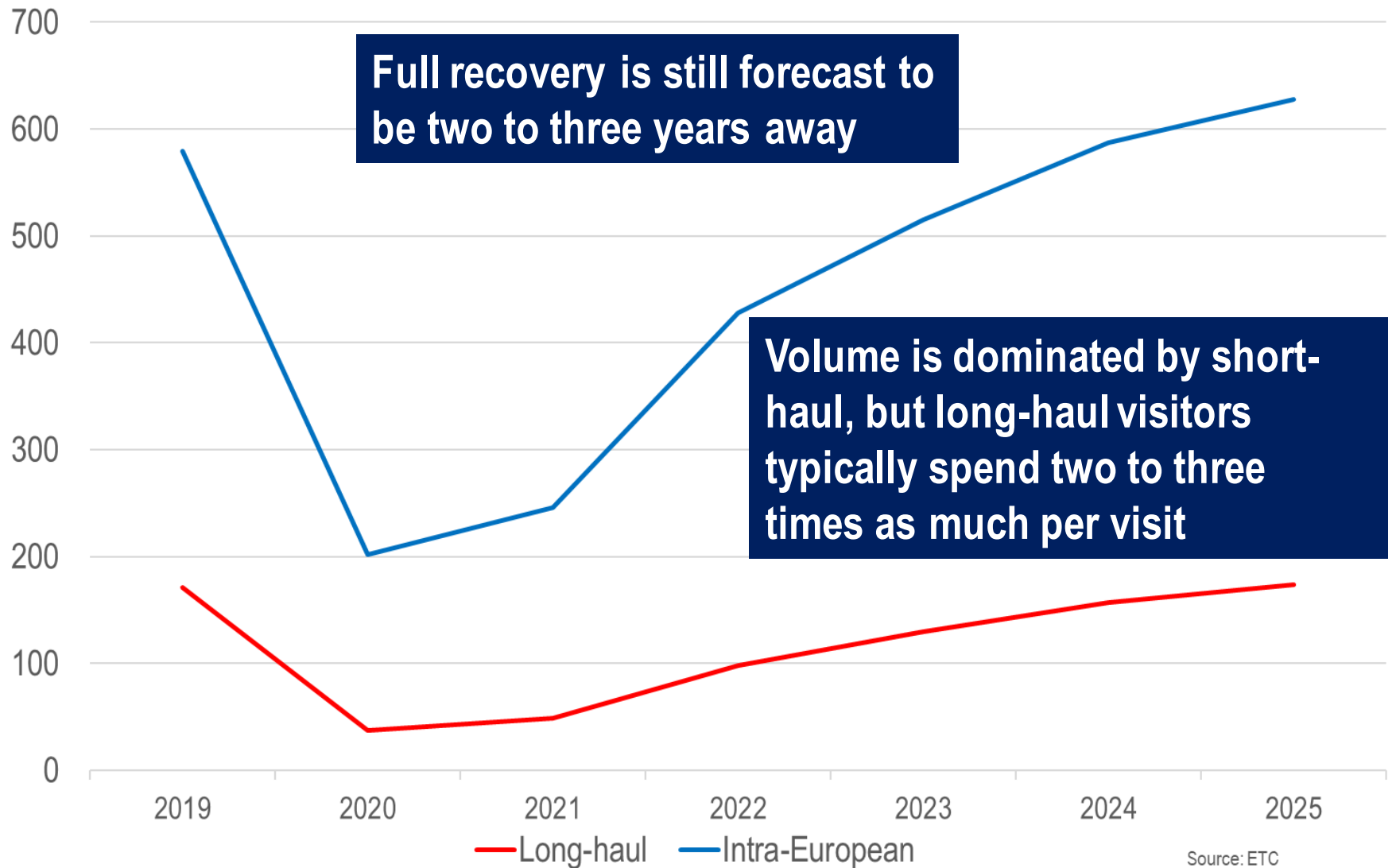


Spend on outbound travel compared with 2019 (year-to-date)

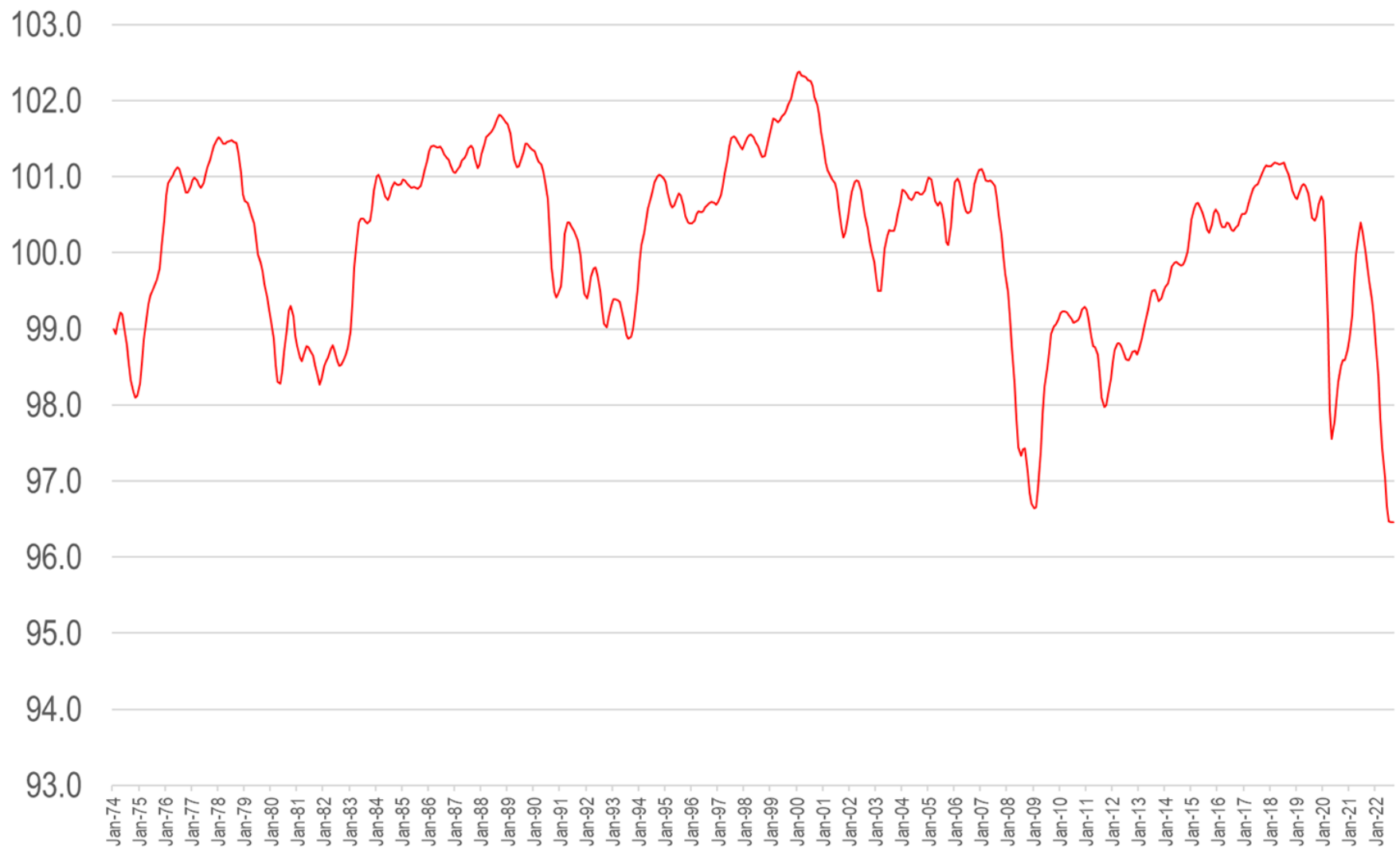


Source: UNWTO

International arrivals in Europe: trends and forecasts (millions)



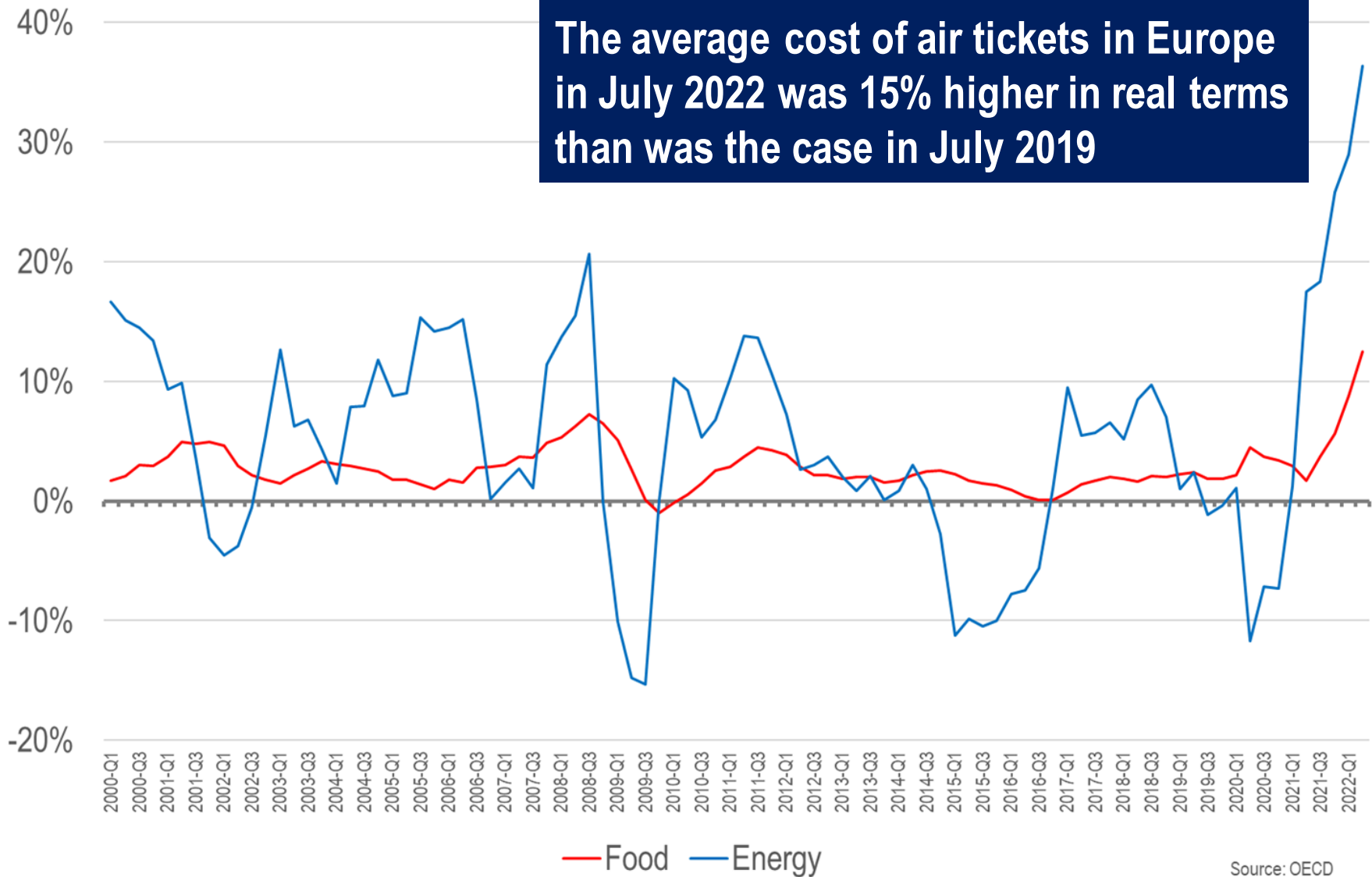
OECD consumer confidence since 1974 (long-term average = 100)



Source: OECD

OECD food and energy inflation since 2000

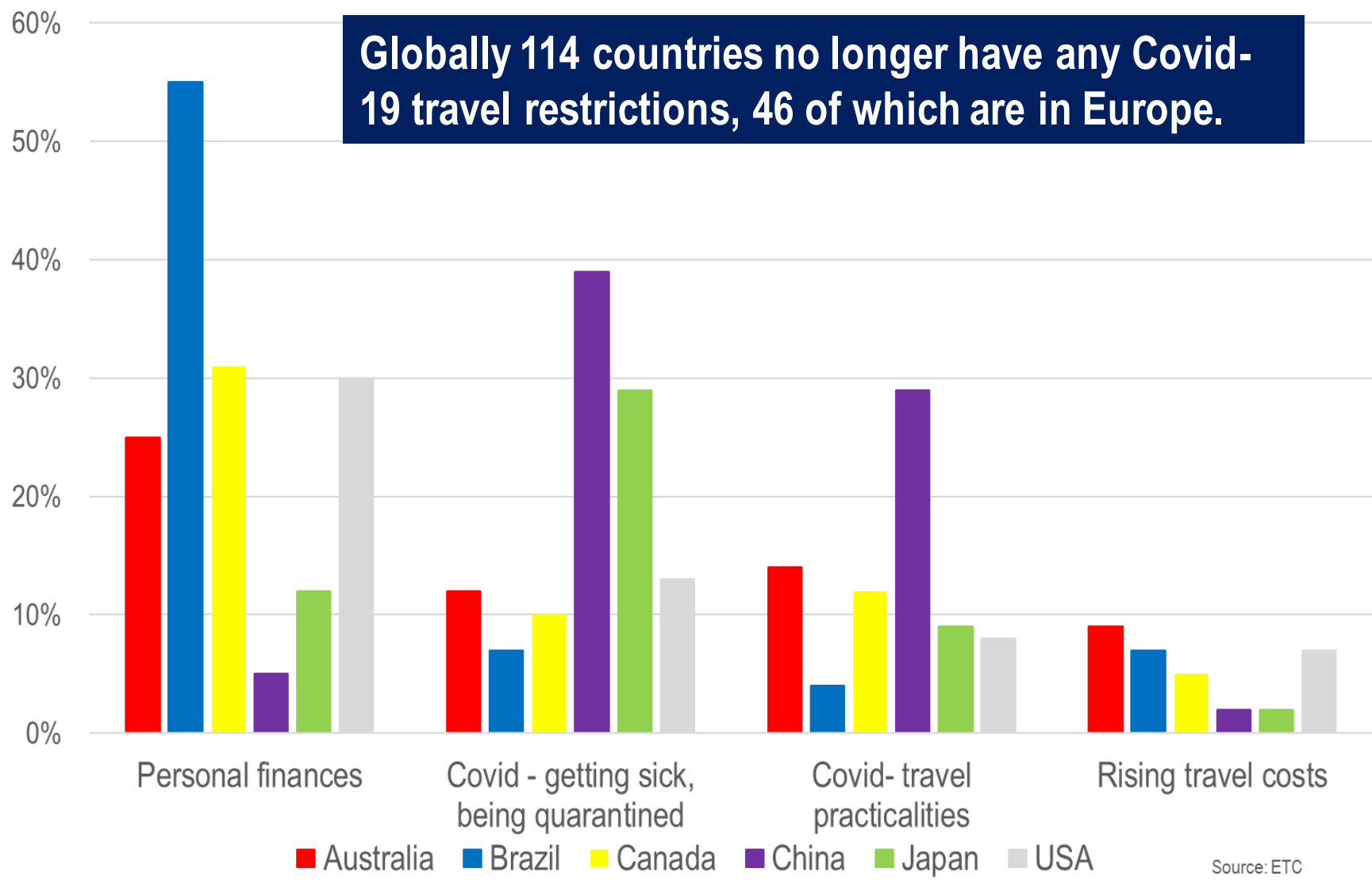
The average cost of air tickets in Europe in July 2022 was 15% higher in real terms than was the case in July 2019



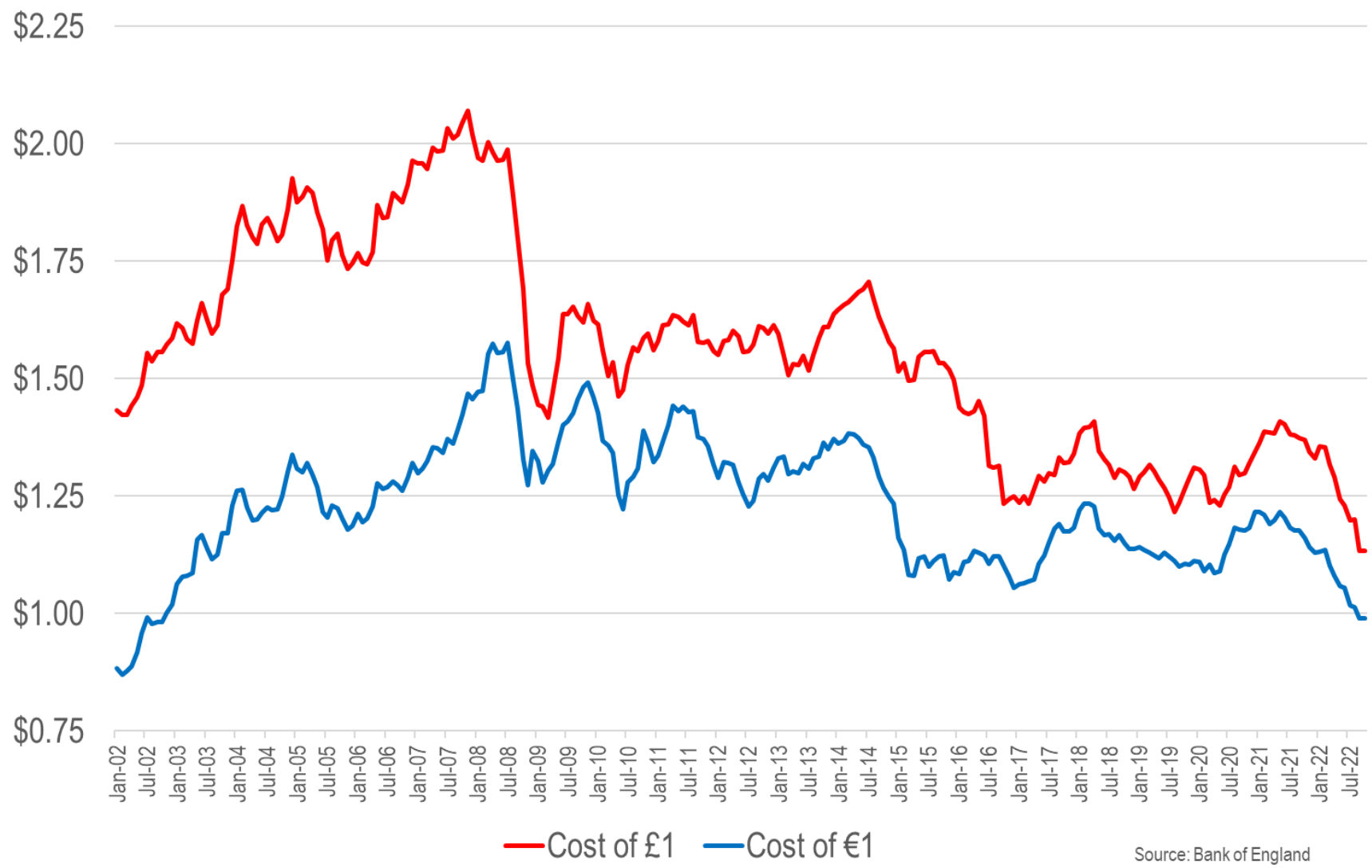
Source: OECD

Perceived barriers to long-haul travel

Globally 114 countries no longer have any Covid-19 travel restrictions, 46 of which are in Europe.



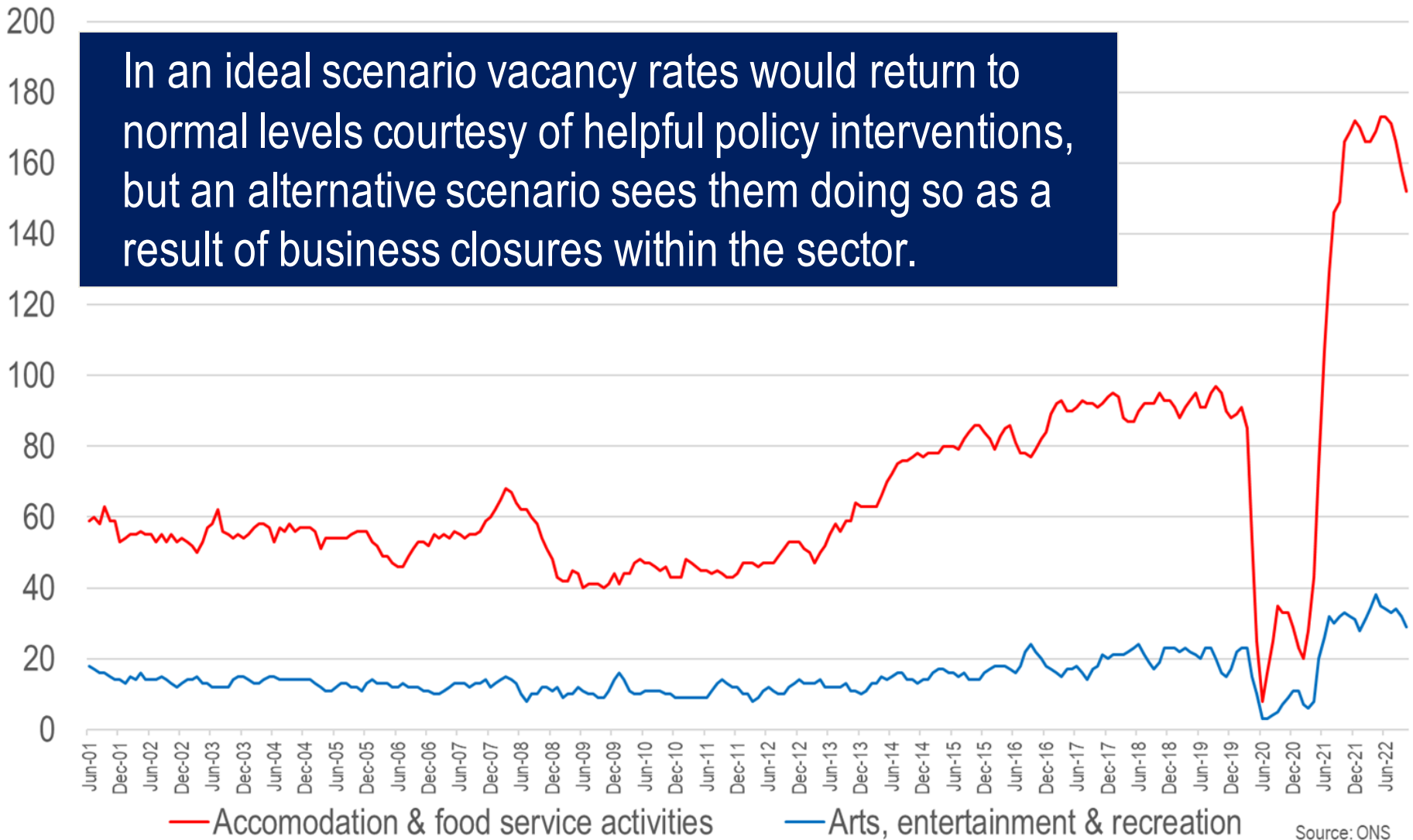
US\$ exchange rates – good news and bad news



Source: Bank of England

Labour market challenges (UK vacancies in sectors aligned to tourism, 000s)

In an ideal scenario vacancy rates would return to normal levels courtesy of helpful policy interventions, but an alternative scenario sees them doing so as a result of business closures within the sector.



Source: ONS

Covid-19

- We can say with a good deal of confidence, though not complete certainty, that Europe is in the post-lockdown era
- The same is not true in China, which in 2019 was the world's most valuable outbound source market
- What we cannot say is that we are in the post-Covid era
- The upcoming winter poses the risk of a so-called 'twindemic', with a resurgence in Covid-19 infections alongside a widely circulating seasonal flu virus for the first time since 2019
- The upshot could negatively impact demand, but equally impact the supply-side if there is above-average sickness among the visitor economy workforce

Inbound outlook for Britain and Ireland

- We can be confident that 2023 will be a stronger year than 2022
- But at an aggregate level (volume and value) it is unlikely to surpass 2019
- For Britain the ramifications of Brexit are only now being uncloaked, impacting some segments, eg youth travel, more than others
- International travellers face higher air fares and accommodation costs, but for US visitors the exchange will soften this blow
- While China persists with a zero-Covid policy there is little prospect of this market rebounding

Panel discussion