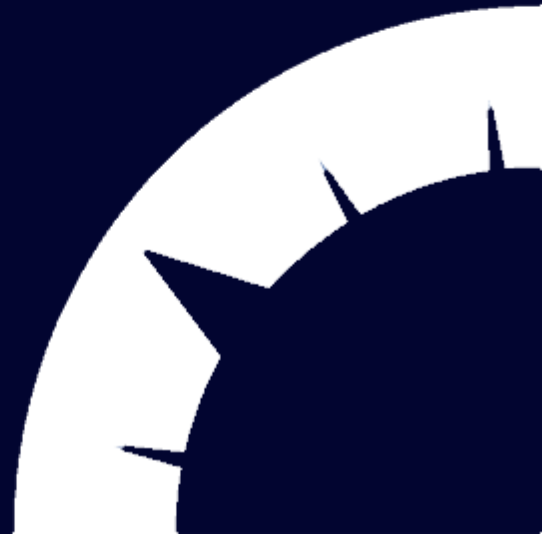


Britain and Ireland Marketplace: Trends and Prospects

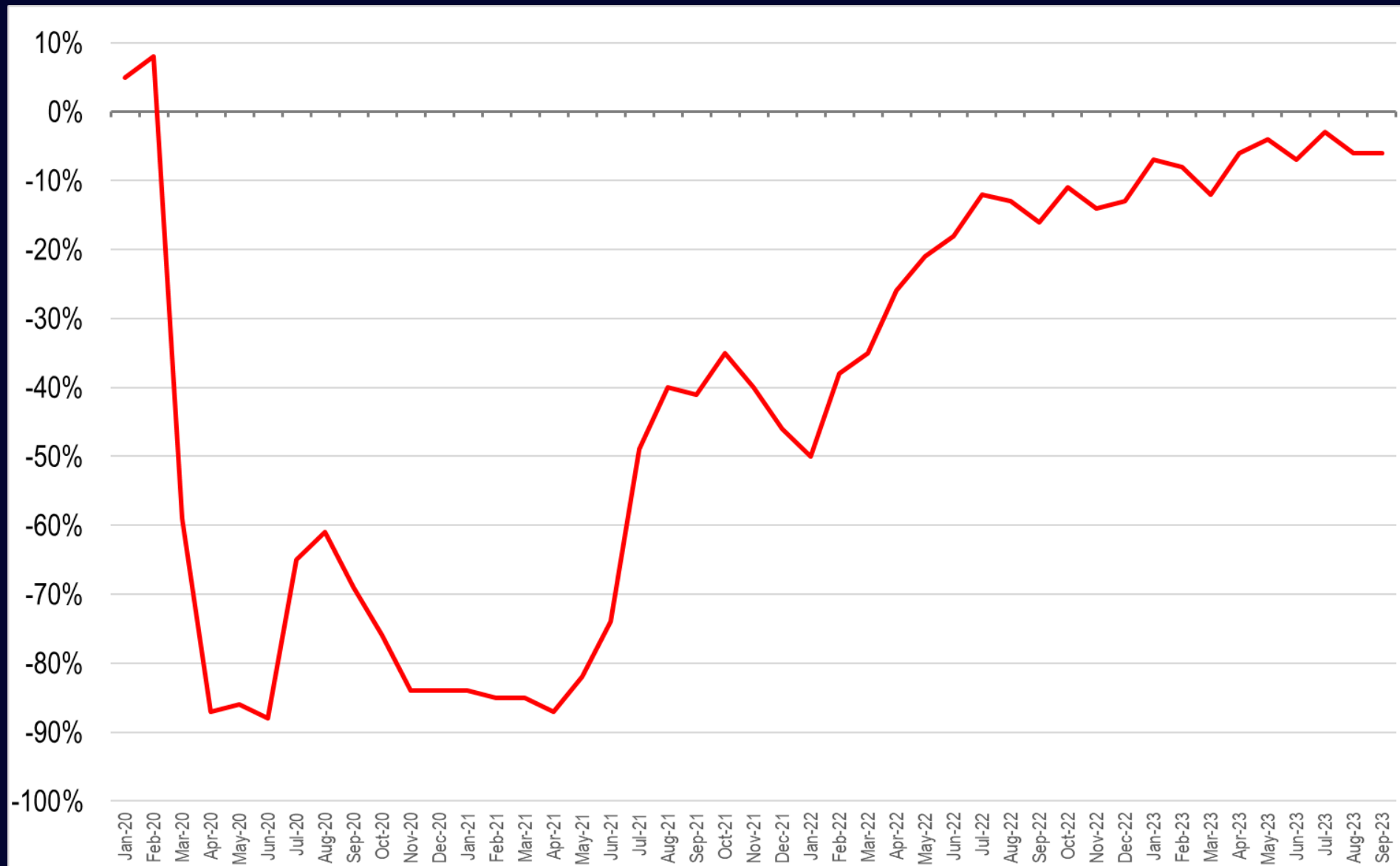
December 2023



Coming up...

- Recent inbound trends in Europe, the UK and Ireland
- Tourism Economics forecasts
- Factors shaping demand
 - Economics
 - Consumer sentiment
 - Bureaucracy
 - Events

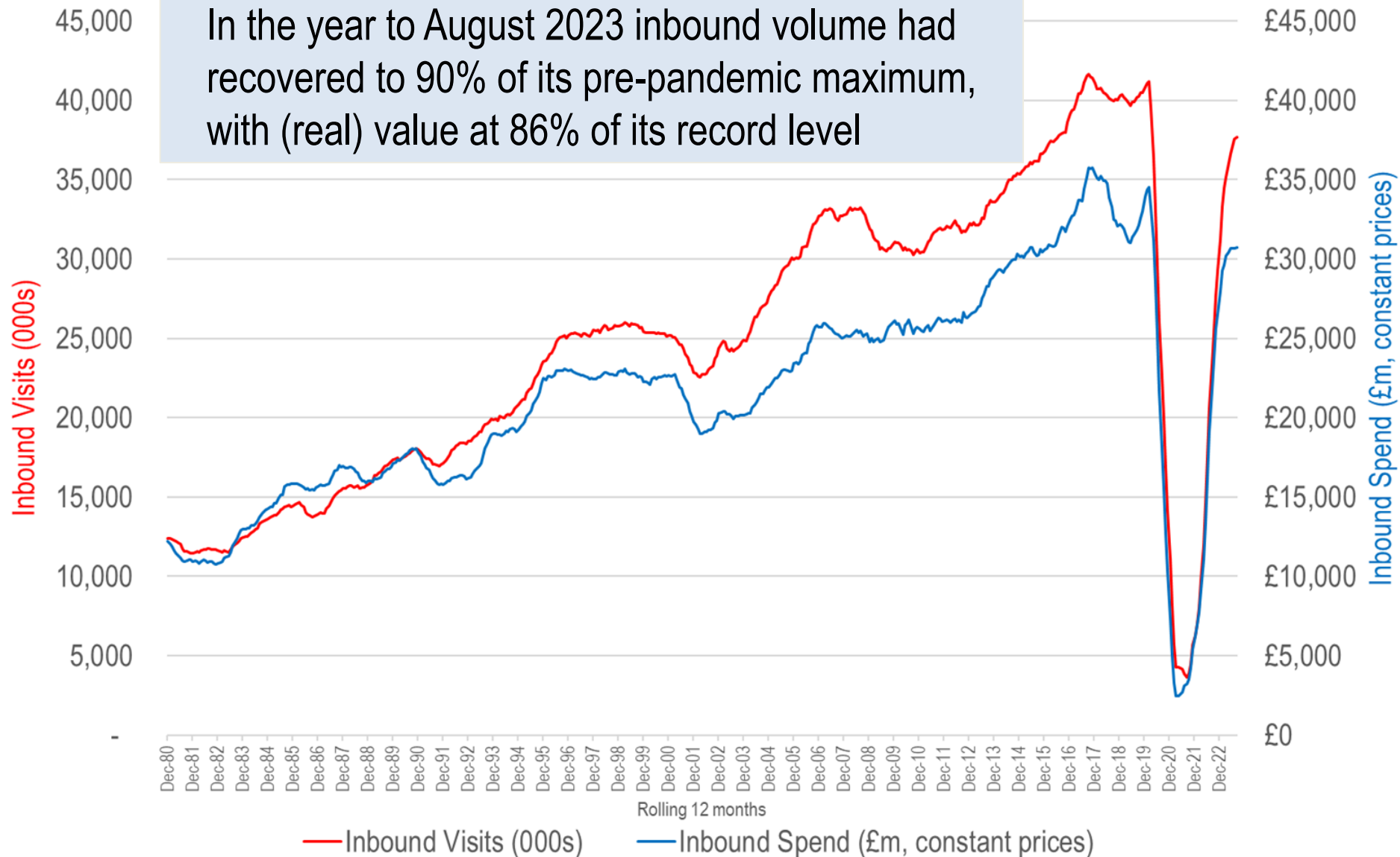
International arrivals in Europe vs equivalent month in 2019



Source: UNWTO

UK inbound volume and value (at constant prices) since 1980

In the year to August 2023 inbound volume had recovered to 90% of its pre-pandemic maximum, with (real) value at 86% of its record level



UK inbound visits by journey purpose since 1978 (000s)

Year to August 2023 vs
pre-pandemic maximum:

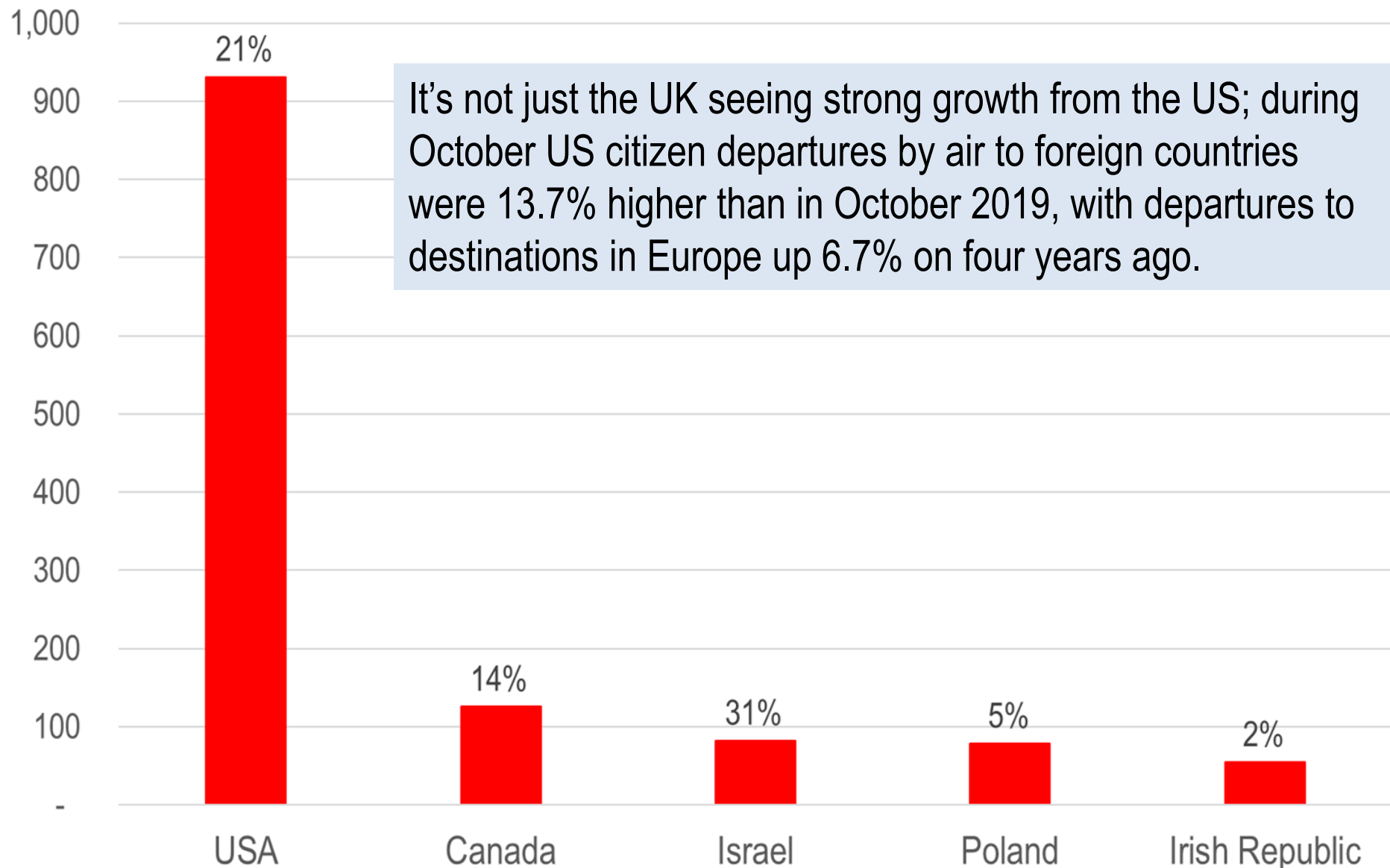
Holiday:	92%
VFR:	106%
Business:	65%
Misc/Study:	75%



Source: ONS

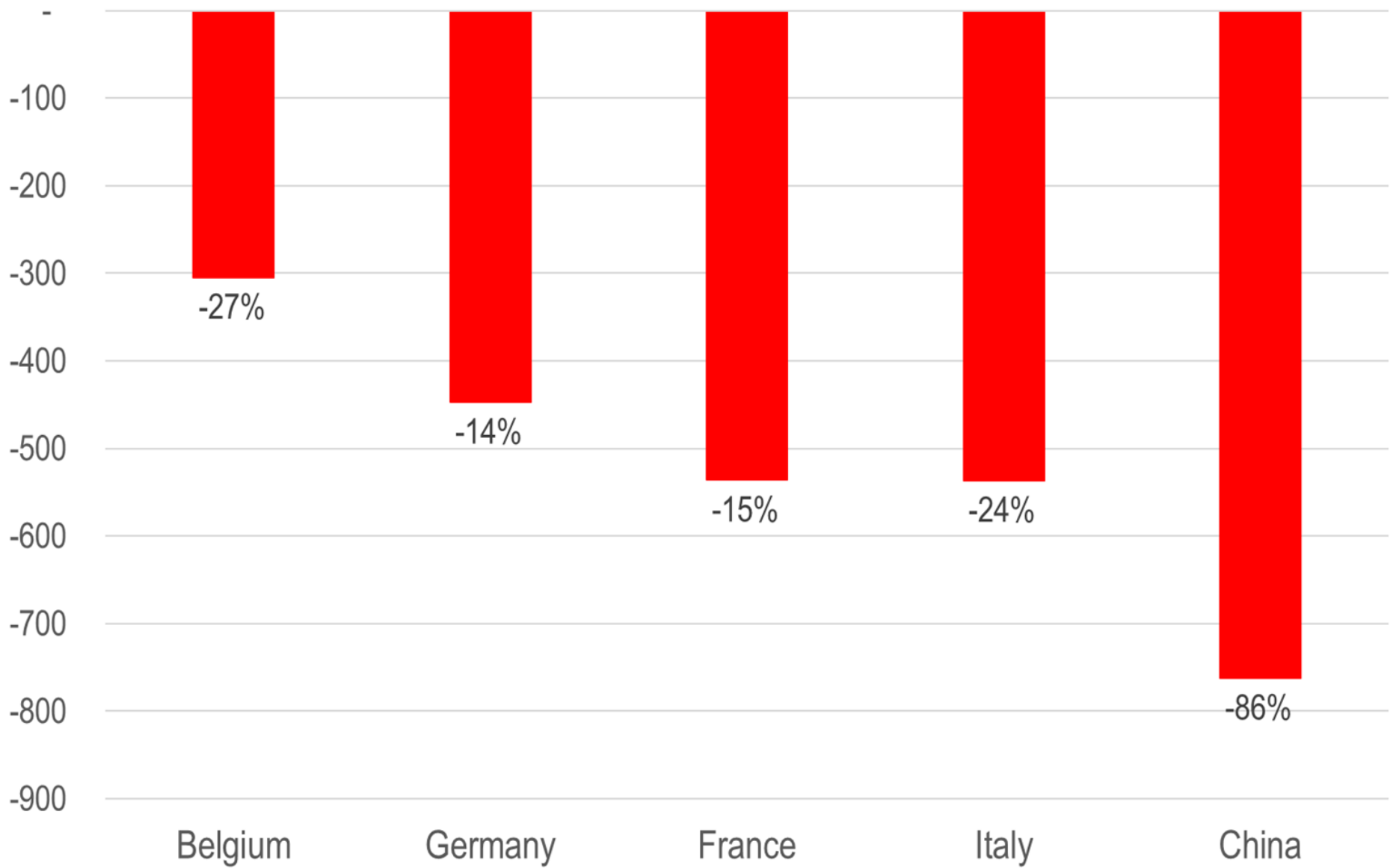
Yr to Aug 23

Comparing year to June 2023 with 2019: strongest growth (000s)

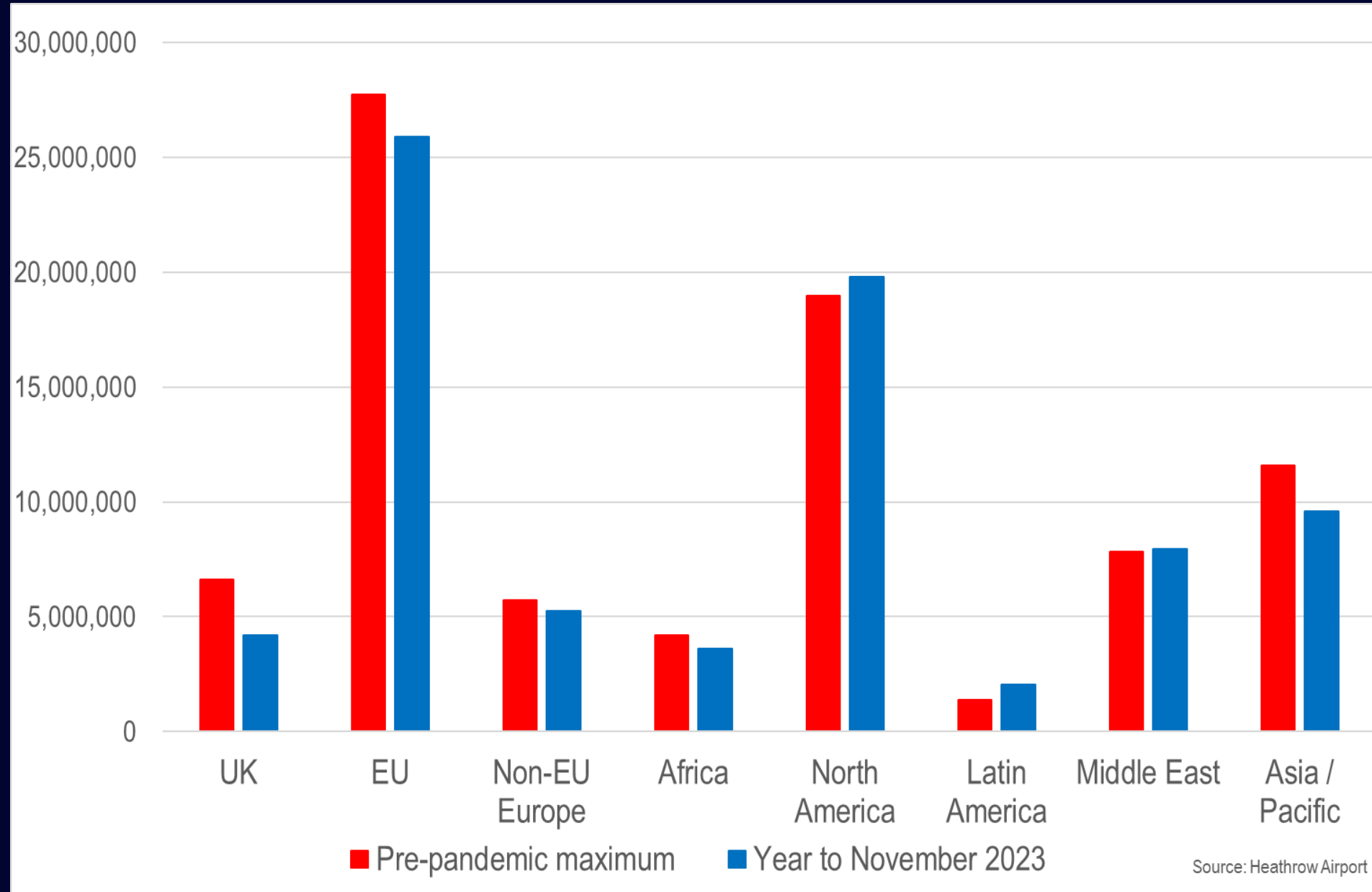


It's not just the UK seeing strong growth from the US; during October US citizen departures by air to foreign countries were 13.7% higher than in October 2019, with departures to destinations in Europe up 6.7% on four years ago.

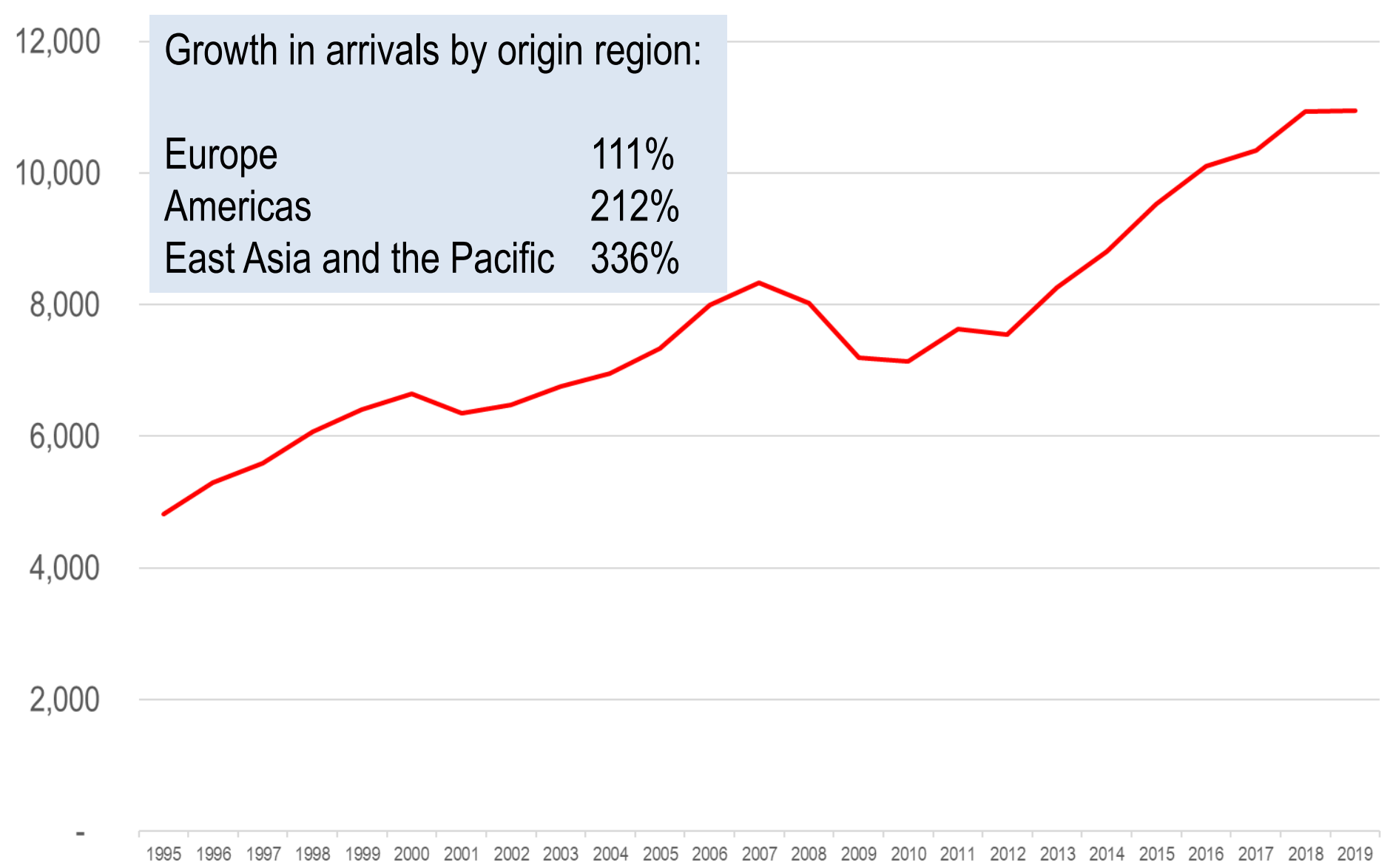
Comparing year to June 2023 with 2019: steepest declines (000s)



Passenger traffic at Heathrow

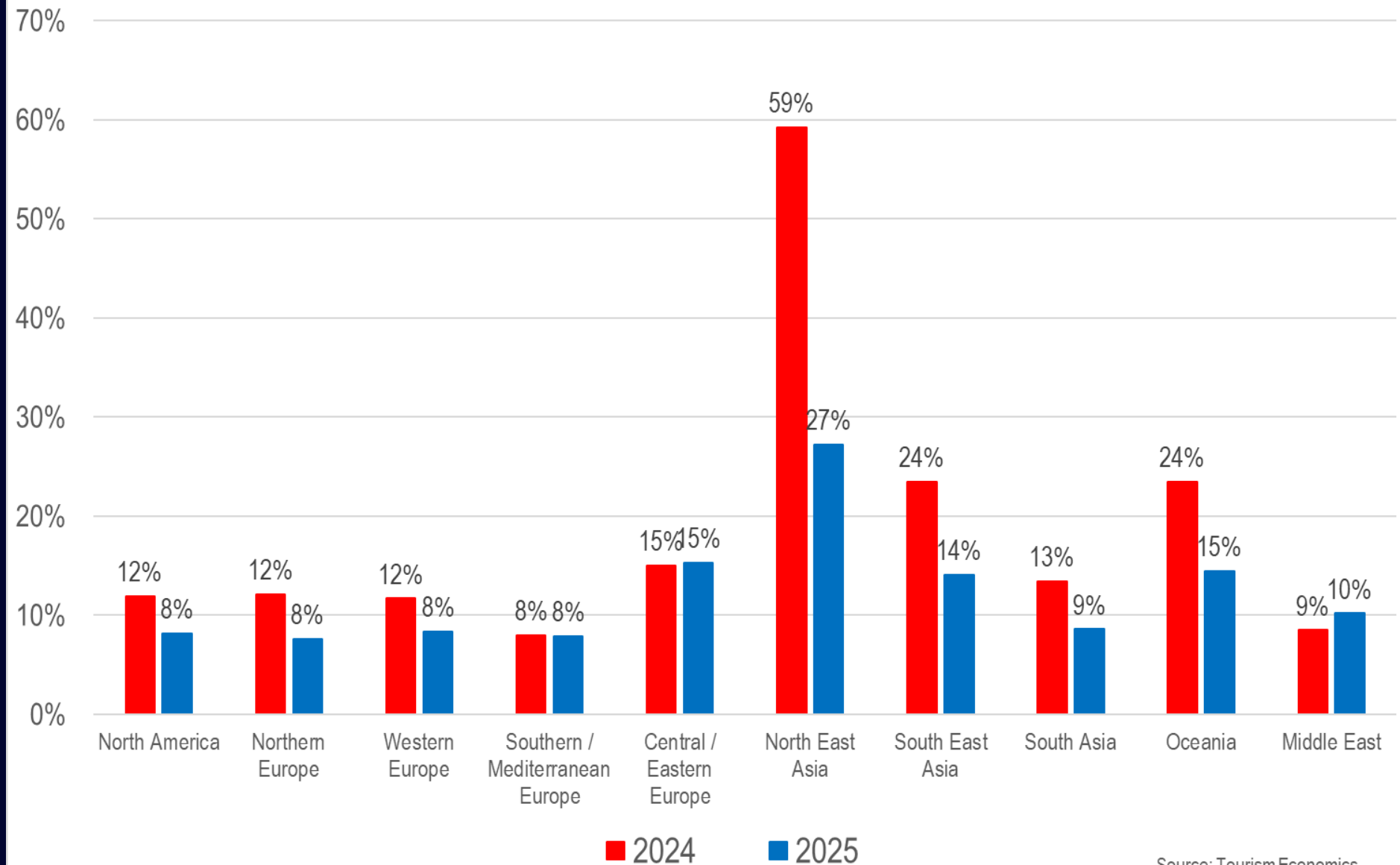


Inbound visits to Ireland 1995-2019 (000s)



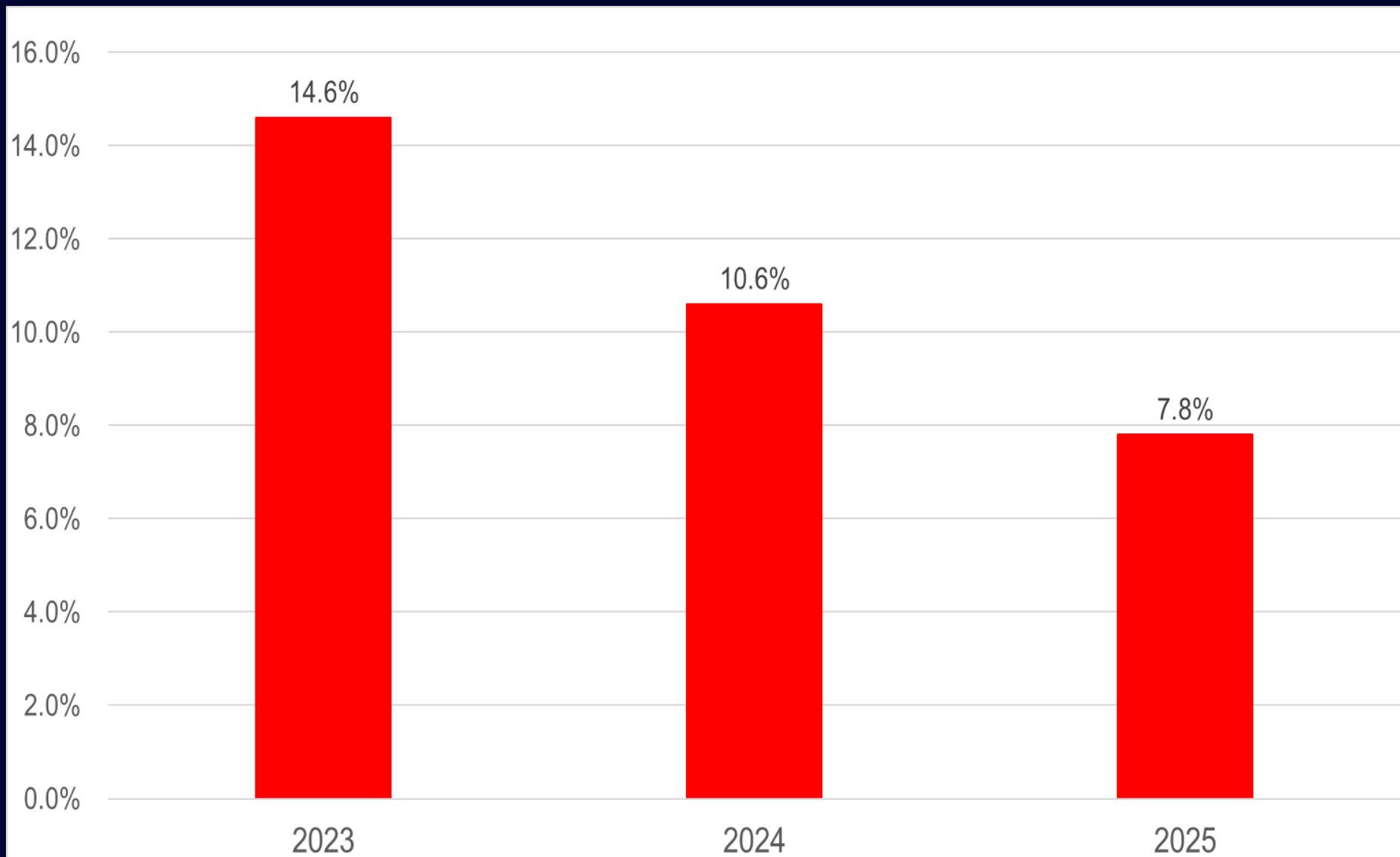
Source: UNWTO

Global outbound tourism forecasts for the next two years



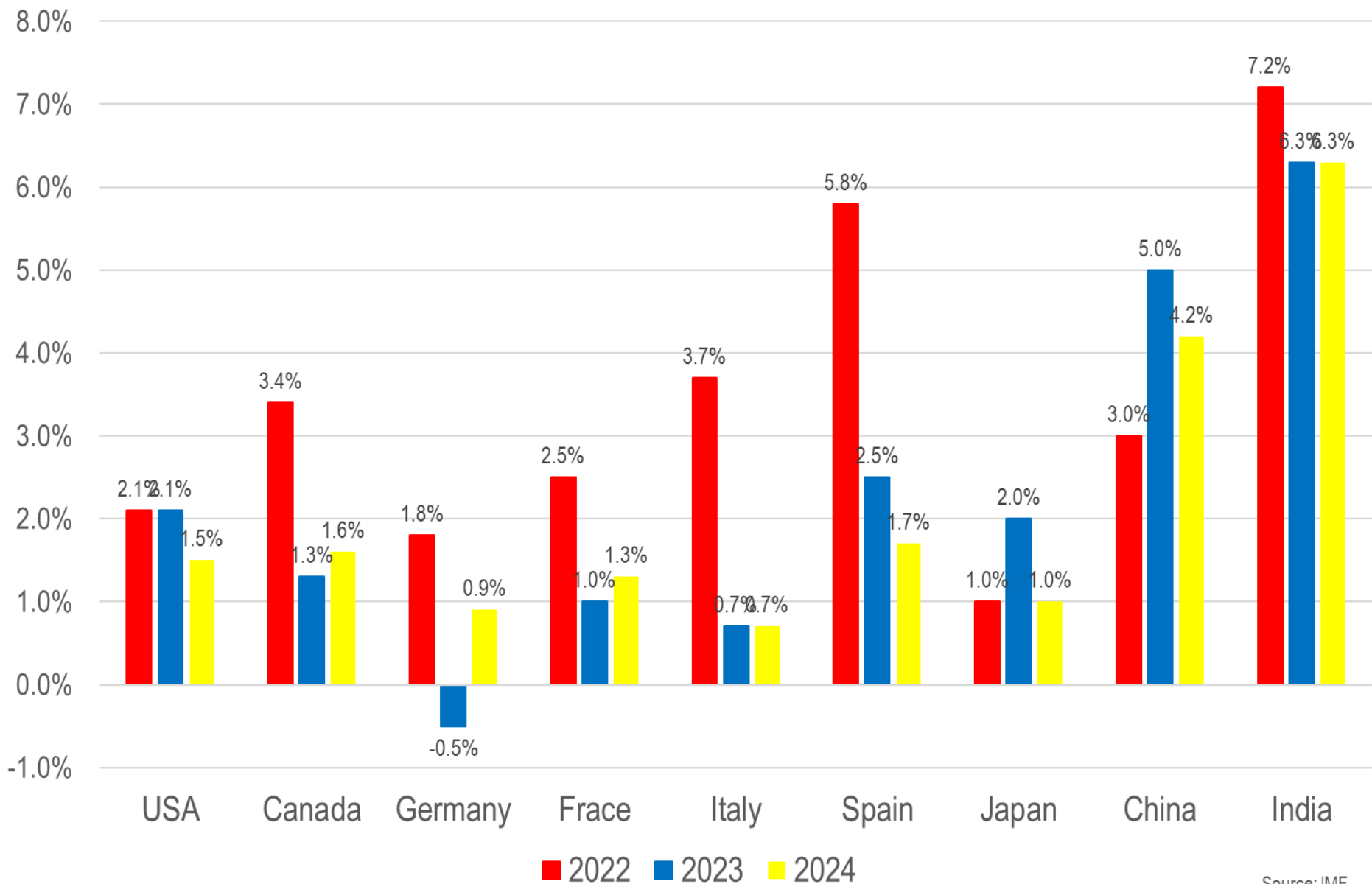
Source: Tourism Economics

Inbound tourism annual growth forecast for Northern Europe



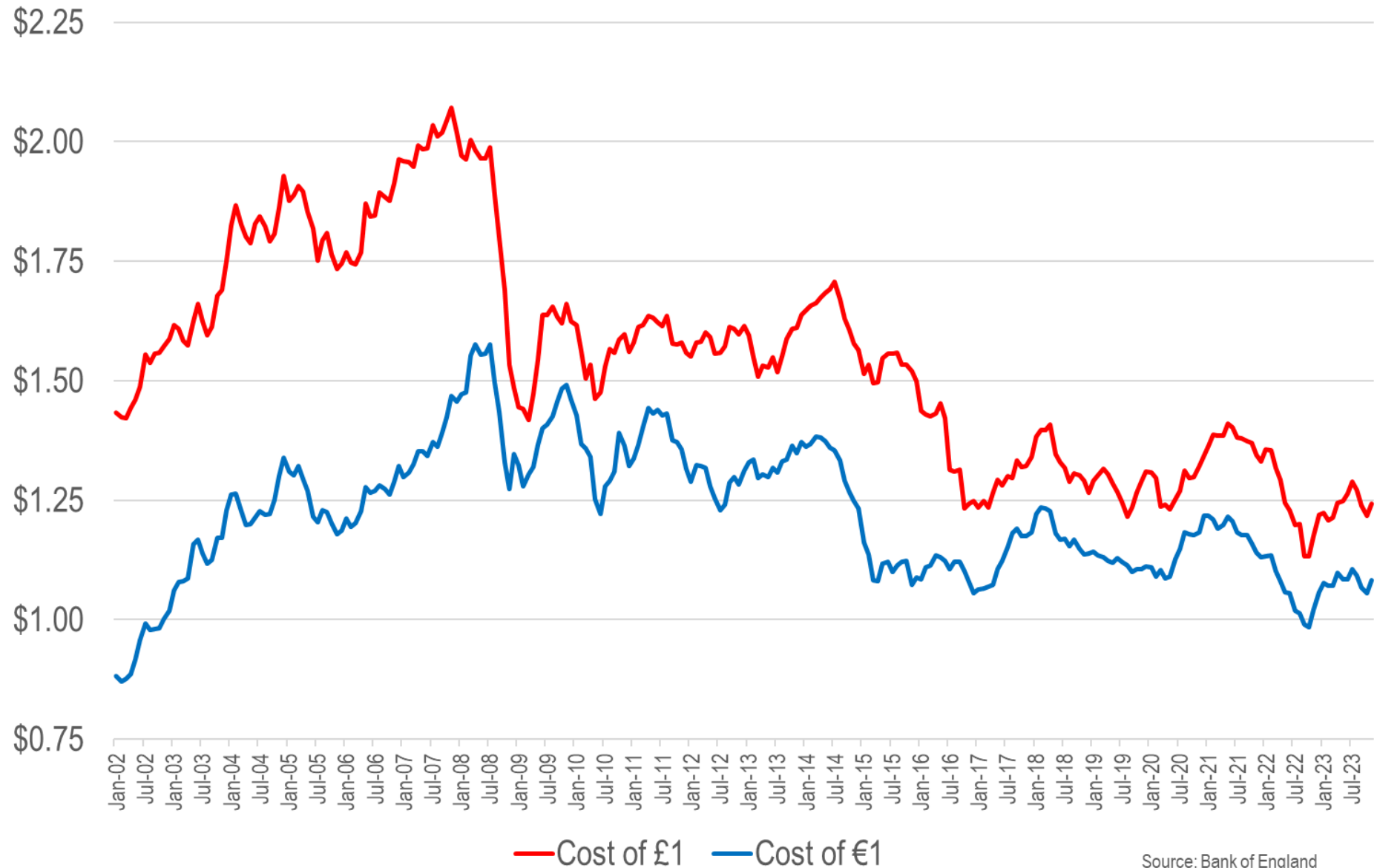
Source: Tourism Economics

Recent and forecast growth in real GDP



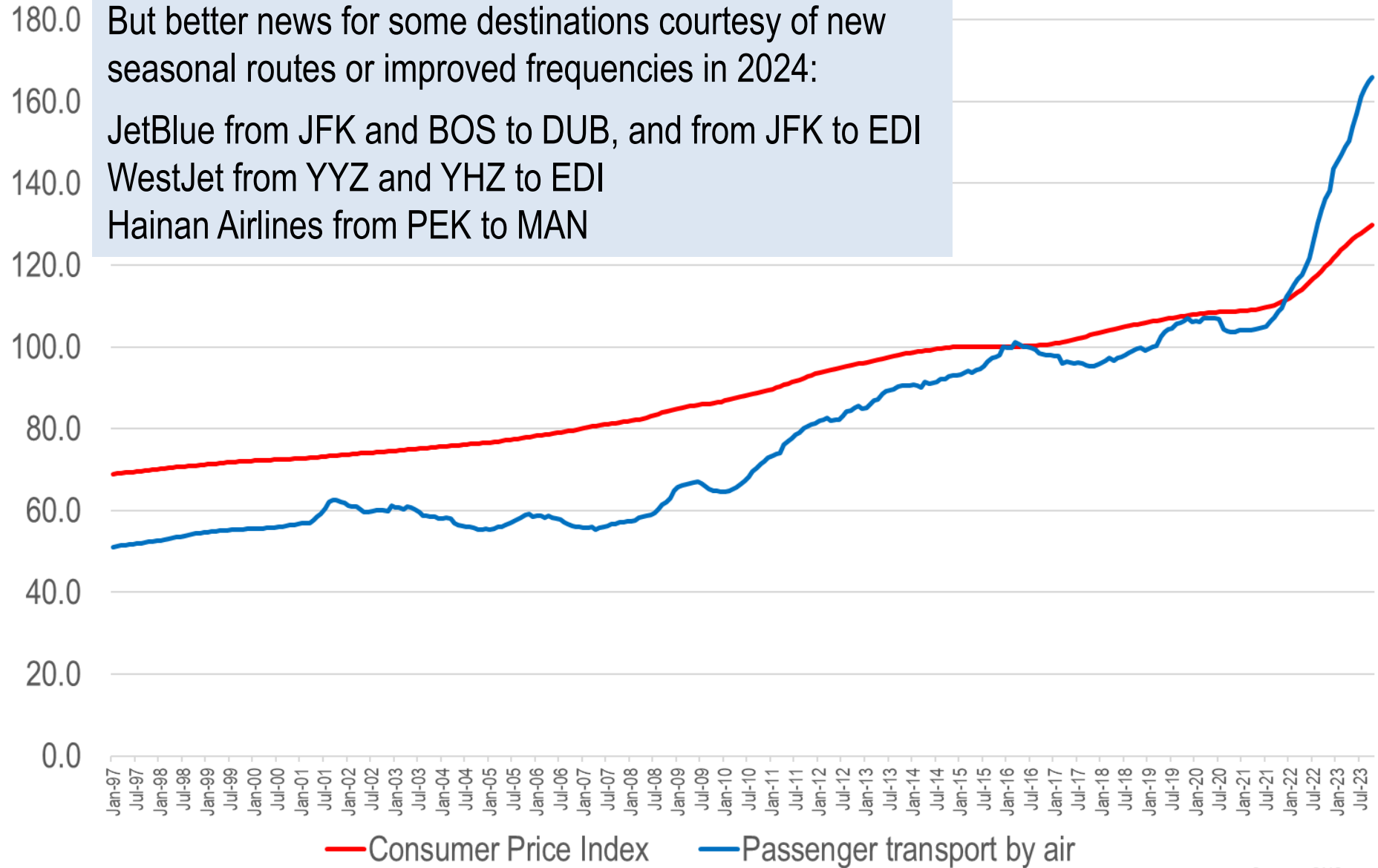
Source: IMF

How much Americans need to pay to buy £1 or €1

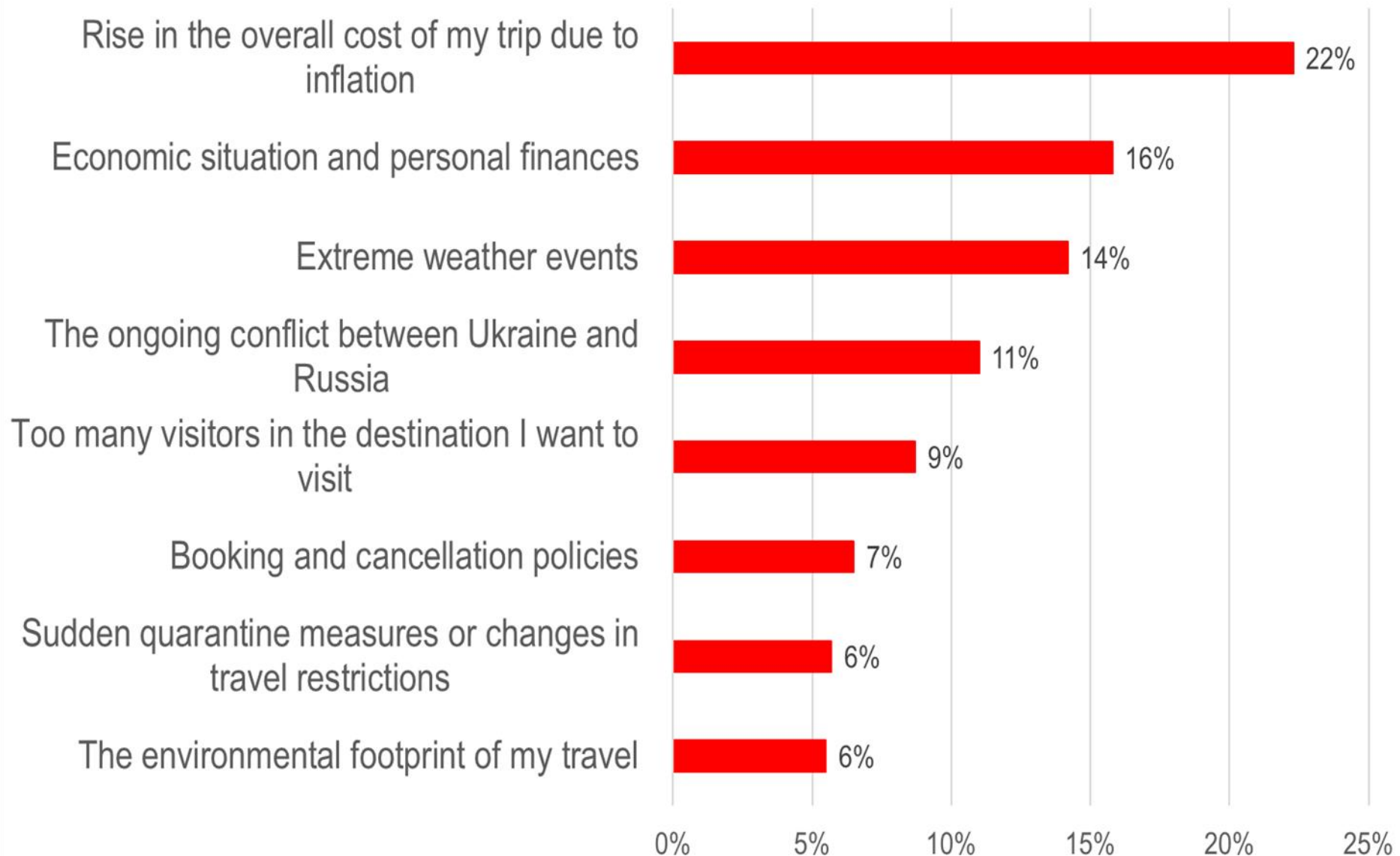


Source: Bank of England

Air fares have not been immune to rising inflation (2015=100)



The rising cost of travel is concerning Europeans



Source: ETC

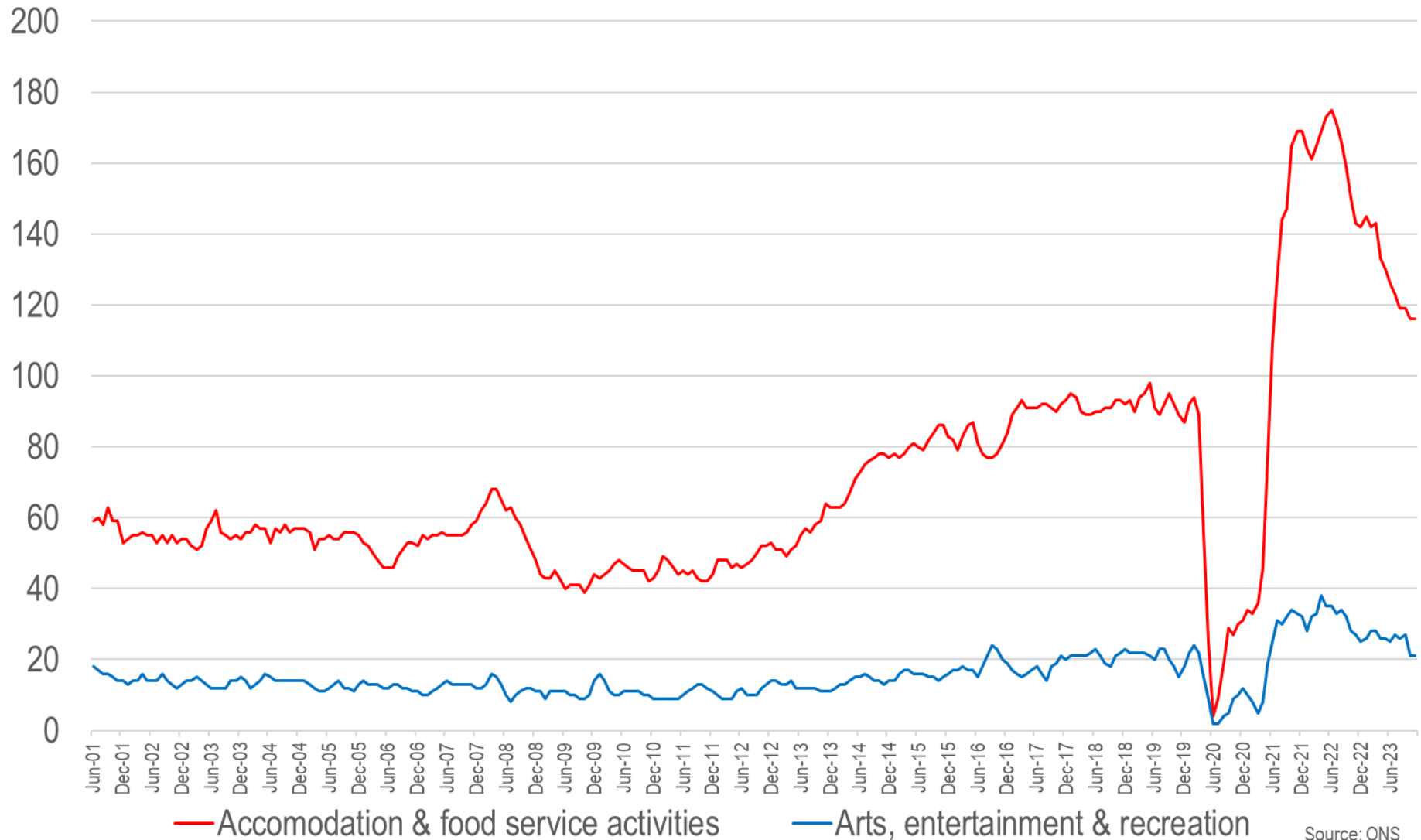
OECD Consumer Confidence since 1974



Source: OECD

Labour shortages in the tourism sector remain elevated

Vacancies (UK, 000s, seasonally adjusted)



Source: ONS

How the world ranks the UK out of 60 nations (Anholt-Ipsos NBI)

	2015	2023
OVERALL Nations Brand Index	3	4
Tourism	4	6
Is rich in historic buildings and monuments	5	5
Has a vibrant city life and urban attractions	4	5
Would like to visit if money was no object	6	7
Is rich in natural beauty	18	27
Culture	5	4
Interesting & exciting contemporary culture	3	4
Excels at sport	4	5
Has a rich cultural heritage	6	6
People	5	10
If visited, people would make me feel very welcome	11	19

Ireland was ranked 18th in 2023 and Scotland 16th.

‘Nations as Personalities’: Ireland was ranked 3rd for “Happy” and the UK 3rd for “Sophisticated”.

The UK was ranked 18th for “The country’s food is good” (ranked 60th by those in France...)

Bureaucracy

UK visa costs from October 2023

Visit visa – short up to 6 months	£115
Visit visa – long up to 2 years	£400
Visit visa – long up to 5 years	£771
Visit visa – long up to 10 years	£963
Transit visa (direct airside transit)	£35
Transit visit visa (landside transit)	£64
Student – main applicant and dependants	£490
Child Student	£200
Short term student studying English language (6-11 months)	£200

Over the coming months visitors from non-visa markets will need to apply for an Electronic Travel Authorisation to visit the UK, including those transiting airside.

An ETA will cost £10 and be valid for 2 years or until the person's passport expires.

ETIAS, the EU's version of the ETA, will cost the equivalent of £6, be valid for 3 years, free to under 18s and over 70s, and not apply to airside transit. Likely to be introduced in 2025. Meanwhile the EU's Entry/Exit Scheme may go live as soon as October 2024.

The UK government agreeing to allow French school groups to visit without needing a full passport should boost this market segment in 2024.

Events that may shape tourism in 2024

- The geopolitical environment remains a significant headwind
- If the conflict in the Middle East worsens there are ramifications for traveller confidence, commercial aviation and the wider macroeconomic situation
- The Olympic and Paralympic Games in Paris during July and August may displace some inbound traffic if securing hotel rooms and accessing key tourist sites proves challenging
- There will be a general election in the UK at some point next year, and a US presidential election in November, and, despite the urban myth, between 2000 and 2019 outbound travel from the US grew at a faster pace in election years than other years