

TCA14 ABTA

Senedd Cymru | Welsh Parliament

Adolygiad o weithrediad y Cytundeb Masnach a Chydweithredu rhwng y DU a'r UE | UK-EU implementation review of the Trade and Cooperation Agreement

Ymateb gan: ABTA | Evidence from: ABTA

Senedd Committees

Culture, Communications, Welsh Language, Sport and International Relations Committee; Climate Change, Environment and Infrastructure Committee; Economy, Trade and Rural Affairs Committee; and Legislation, Justice and Constitution Committee.

UK-EU implementation review of the Trade and Cooperation Agreement

Submission from ABTA – The Travel Association

Terms of Reference

The committees would welcome your views on:

- your experiences of the TCA since its entry into force;
- areas of UK-EU cooperation covered by the TCA, and areas that are not covered;
- the effectiveness of the TCA in practice, including whether you have been affected by any implementation issues;
- areas of the TCA that are not fully implemented, such as UK participation in EU programmes or mutual recognition of professional qualifications;
- unintended consequences that you have experienced; and
- changes to the UK-EU relationship you would like to see.

Introduction

ABTA is a trade association for UK travel agents, tour operators and the wider travel industry. It is the largest travel trade body, with over 4000 travel brands in membership that have a combined pre-pandemic annual UK turnover of £40 billion. ABTA works closely with its members to help raise and maintain standards, build a more sustainable travel industry, and provide travellers with advice, guidance and support.

Annually there are around 67 million outbound trips taken by UK residents to the EU for either leisure purposes (holidays or visiting family and friends) or for business. There are longstanding and resilient travel links between the UK and our closest neighbours in Europe, with more than three-quarters of all outbound UK trips taken within the EU.

UK travellers contribute to the employment and economic prosperity in recipient countries and at home. The travel industry is a major contributor to the UK economy, with outbound travel alone generating over £49 billion in GVA annually and supporting more than 720,000 jobs across the country¹. Meanwhile, UK travellers support over €37 billion in GVA across the EU and more than 900,000 jobs in destinations².

ABTA welcomes the opportunity to provide feedback to the Senedd's Committees. Our submission focuses on the impact of the UK's exit from the EU on ABTA's members, the current provisions related to the travel industry in the UK-EU Trade and Cooperation Agreement, and potential solutions to mitigate the existing challenges. ABTA particularly wishes to highlight developments regarding labour mobility since the UK's departure from the EU which are acting as a significant barrier to growth within the outbound travel industry and an impediment to the operations of UK tour operators.

¹ ABTA/UKinbound, The Value of International Travel, 2022

² ABTA/Centre for Economic and Business Research, Travelling Together, 2020

Terms of Reference

ABTA intends to address the questions outlined in the Terms of Reference in the below submission.

ABTA's response to the UK-EU Trade and Cooperation Agreement

The conclusion of the UK-EU Trade and Cooperation Agreement (TCA) avoided the additional uncertainty and disruption that would have ensued in the event of a no-trade deal scenario for both businesses and individuals but left many areas unresolved. The commitment to visa-free travel for short-term leisure and business purposes was positive, as was the clarity around some key areas for travel, such as access agreements for transport providers (airlines etc.) and a deal on reciprocal emergency healthcare for citizens. However, the UK's exit from the EU has significantly impacted the operational capabilities of UK businesses, particularly by restricting labour mobility and limiting opportunities for young people.

Considering this, ABTA believes that the upcoming review of the TCA should be seen as a platform to build creative solutions that enhance the facilitation of tourism between the UK and the EU. Below are key issues that remain unresolved or only temporarily addressed, which the new UK government needs to focus on when resetting the UK's relationship with the EU.

Mobility and Employment

Given that the typical tourist season spans approximately six months, restrictions on the mobility of UK nationals within the EU post-Brexit – UK citizens are typically restricted to 90 days within any 180-day period - are a significant barrier. Research by ABTA reveals a substantial decline of 69% in the number of UK nationals working in overseas roles within the UK travel industry since 2017, with the proportion of young people (aged 18-24) in those roles declining from 62% in 2017 to 42% over the same period. Meanwhile, travel business costs per employee have increased by more than 30%³.

Consequently, UK travel businesses are confronted with a dilemma regarding their UK staff— whether to rotate UK personnel, which substantially increases costs and poses inherent risks to service continuity, or to explore alternative routes for staff utilising national visa and work permit schemes. However, this latter option is not viable in many cases, as many EU Member States lack applicable entry routes. The only workable alternative in such cases is to hire EU nationals in place of UK staff, which reduces opportunities available to UK nationals, especially younger people who have historically made up a significant proportion of the industry's staff.

While ABTA's research indicates that UK travel businesses have sought to increase the number of EU national staff, the fact that overall staff numbers are down by 45% indicates that this approach has not proven sufficient to compensate for the loss of UK national staff⁴. There are also wider considerations for the industry too. The loss of a long-established and well-trodden entry route into the industry, not only diminishes opportunities for entry-level staff but also risks feeding through into a longer-term leadership challenge in the sector – something illustrated by ABTA's research findings that 49% of senior industry leaders within tour operators have undertaken a season overseas earlier in their careers⁵.

Short-term entry to the EU – tour guides and other roles

³ Unlocking Travel's Potential, ABTA/SBIT 2022.

⁴ Ibid

⁵ Ibid

While the TCA contains a reference to the activities that short-term business visitors are permitted to engage in, which includes “tourism personnel”, there are also several individual reservations contained within the Agreement which restrict the rights of UK nationals to perform certain roles in different Member States. One important example of outbound travel affects the ability of UK nationals to provide guiding services to tours in France, where the profession requires the nationality of an EU Member State. There are also several other national exemptions for both ‘tour hosts (managers)’ and ‘tour guides’ (see Annex for full list).

In addition, under WTO rules, which allow for preferential treatment in the granting of licences and permits to provide services to be given to residents of Member States of the European Union. For instance, the Maltese Tourist Authority (under which tour guiding is designated a regulated profession and which requires a licence⁶), states that *“If a person has pursued tourist guiding on a full-time basis for one year during the previous ten years in a Member State that does not regulate tourist guiding and possesses one or more attestations of competence or documents providing evidence of formal qualifications, then such person is also eligible to apply for a tourist guide licence with the Malta Tourism Authority”*. Although UK nationals can still apply, the eligibility criteria are more stringent as a non-EU Member State.

Coach drivers are also caught by the restrictions on UK citizens not being able to spend more than 90 days in the Schengen area within any 180-day period. In this case, visas are not applicable, as the driver accompanying the tour (most of which start in the UK), would not intend to reside in an EU Member State.

Again, the above are examples of instances where Brexit has created significant operational difficulties for UK travel businesses, which will result in businesses being forced to hire locally, at a higher cost, or to seek out dual nationality staff. The result has been a loss of jobs available to UK nationals, and the creation, in effect, of a two-tier employment regime for UK staff, with some roles restricted only to those carrying a dual nationality with an EU Member State.

Addressing mobility challenges - extending the UK Youth Mobility Scheme to the EU

Prior to the UK’s EU exit, the Posted Workers Directive enabled the posting of around 10,000-15,000 UK workers in temporary tourism roles each year into the EU. Although the TCA does cover WTO Mode IV provisions for the temporary entry of service workers, including those in tourism, the maximum length of stay is 90 days in any 180-day period, which is quite restrictive given that most tourism postings would be between 6-9 months, and there are a variety of national exemptions and rules that need to be accounted for. When seeking clarity around the limitations of the Mode IV approach, ABTA has been advised that it would be up to each Member State to adopt rules that are more permissive for UK nationals within their individual domestic immigration regimes.

To this end, ABTA has long advocated the extension of the existing Youth Mobility Scheme (YMS) to EU countries, either bilaterally or at the UK-EU level, as a partial solution. ABTA believes this is a creative and pragmatic policy resolution, which would recognise the difficulties that UK outbound travel businesses have experienced whilst also providing an avenue for domestic businesses engaged in the tourism and hospitality sectors to fill critical roles and those that require identified skills gaps within the UK labour market, such as foreign language skills. In fact, 90% of businesses in the travel and tourism sector say that a youth mobility deal would improve their growth prospects⁷. We also know there is strong support for such a move across the wider industry and amongst many other sectors of the UK economy.

⁶ <https://legislation.mt/eli/sl/409.12/eng/pdf>

⁷ ABTA/SBiT, Unlocking Travel’s Potential, 2023

Importantly, youth mobility deals have already been offered to other nations in recent trade agreements by the UK. There are currently 13 active youth mobility schemes in place between the UK and countries and territories around the world, including Australia, New Zealand, Japan, Iceland, and even Monaco. Similarly, EU member states have youth mobility deals in place with countries around the world too, and recent experience of extending these. For example, Italy signed a deal with Canada on youth mobility in 2020. These deals are temporary in nature and are primarily designed to enhance cultural exchange. Participants can live, work, and study, in either place for a defined period but they are not offered any longer-term right to remain. ABTA is clear that youth mobility deals should not be seen as akin to normal migration/immigration and are in no way comparable to the EU's freedom of movement rights. As such, it is extremely disappointing that freedom of movement has become part of the debate around any potential UK-EU youth mobility deal, following the European Commission's request to the Council for permission to negotiate a future youth mobility deal with the UK, in April 2024.

Separately, while the TCA recognises the economic benefits of tourism workers for both signatories and extends the right for them to work in each jurisdiction for 90 days within any 180-day period (provided they meet national requirements for qualifications and permitted activities), this provision falls short of covering many essential roles in the tourism industry, as discussed above. Given the economic significance of travel and tourism, ABTA believes that an enhanced seasonal mobility agreement for tourism workers should also be considered in the TCA review.

ABTA is clear that generating economic and social value through travel and tourism will play a strategically important role in the UK's global trade and diplomatic relationships. Without progress on mobility agreements for professionals between the UK and EU, future young people in the UK risk missing out on the opportunities to develop language skills and cultural knowledge that were available to previous generations. This not only has personal consequences for the individuals involved but also risks damaging the soft power of the UK, as often those who take part in cultural exchange programs such as youth mobility schemes go on to be life-long advocates for the places they visit. While there are clearly employment benefits to the UK outbound tourism in expanding youth mobility schemes to the EU and reciprocal benefits for inbound and domestic tourism businesses across the UK in accessing EU workers through such schemes, these are only a part of the broader benefits and considerations that should be in play in terms of a future UK-EU youth mobility scheme.

Visas/work permits

Following the UK's departure from the EU, UK nationals no longer have an automatic right to work across EU countries, whether under Freedom of Movement or the Posted Workers Directive. The UK Government has published "living-in" guides for each EU country, which outline key requirements for working abroad, including work permits and visa requirements for tourism workers.

The French Government, for instance, has introduced a unilateral system allowing UK nationals to obtain work permits for the winter season. However, the process for UK firms employing UK staff in the EU is now significantly more complex, time-consuming, and costly. Staff members need French employment contracts and must contribute to French social security on their earnings, despite being unlikely to benefit from French pensions or healthcare. Consequently, many UK companies have either reduced their operations or ceased them altogether due to the added costs and bureaucracy.

An additional concern has arisen for UK school teachers and 'subordinate teachers' who accompany school groups on educational visits to the EU, continuing to teach their pupils while abroad (i.e.,

teaching UK residents overseas without offering services to EU residents). It remains unclear if the UK-EU Trade and Cooperation Agreement allows this activity under short-term visa-free visit allowances.

Further complications arise as UK nationals can now only secure single-country visas and work permits, limiting the movement of staff across the EU. This restricts UK businesses' flexibility in responding to staff relocations due to illness or injury, where trained personnel may need to be transferred quickly between locations. Again, expanding the Youth Mobility Scheme would help UK businesses manage staff mobility across the EU more effectively.

Mutual Recognition of Professional Qualifications

Previously, Directive 2005/36/EC enabled certain professionals to rely on qualifications obtained within another EU Member State when seeking applicable employment elsewhere across the EEA. For example, certain tour guiding services, including ski guides and bike guides in some Member States, are covered by the Directive. Following the UK's departure from the EU, this Directive no longer applies to employees of UK-registered businesses.

The EU-UK TCA does not contain provisions on the continued applicability of the framework on the Mutual Recognition of Professional Qualifications⁸, however, there is a commitment to looking at this as a potential area for future agreement. The UK and the EU have agreed on a framework for the recognition of qualifications between the Parties which is based on the EU's recent FTA agreements. It makes improvements to those agreements, which are designed to make the system more flexible and easier for regulatory authorities to use. Agreements are expected to be negotiated on a profession-by-profession basis.

List of Travellers and School Travel

UK residents have also not been able to use the List of Travellers visa scheme to visit the EU since 1 January 2021. Previously, the British Council issued the List of Travellers (or 'Visa Waiver Form') in the UK, for school trips to countries in the EU for pupils on the trip who were of non-EU nationality. If the pupils on a trip were all from the UK or EU countries, then the form wasn't needed. Non-EU/non-UK children resident in the UK may now need visas for 16 European countries, including Greece, Portugal and Austria. Visas cost €80 (£70) for over-12s, €40 for 6–11-year-olds. The result will be an additional financial cost for schools and families.

Moreover, while the previous government put in place welcome bilateral arrangements with France to facilitate school travel between the two countries— allowing French children to travel without passports and allowing visa-required children to visit the UK without obtaining a full visa when on school trips— these arrangements currently only benefit children looking to travel to the UK, and have not addressed the concerns faced by outbound organisers. ABTA is calling to prioritise the facilitation of school travel between the UK and the EU, as a whole. School travel has clear cultural and educational benefits, including language learning, and there is no evidence that organised school travel presents any risk in terms of overstaying or breaches of immigration rules.

Electronic Border Management Changes

A key priority for ABTA's members is the EU's upcoming border system for third-country nationals entering the Schengen Area: the Electronic Travel Information and Authorisation System (ETIAS) and

⁸ Note, however, that under the Withdrawal Agreement, recognition decisions made on qualifications obtained in the UK or the EU on or before 31 December 2020 are not affected.

the Entry/Exit System (EES). While ABTA does not foresee long-term issues with ETIAS—which will function similarly to the US ESTA system, costing €7 and valid for up to three years—the EES has raised significant concerns in the UK travel sector regarding its potential impact on travel flows as the initial registration process begins. Specifically, there is apprehension about the requirement for travellers to provide biometric identifiers at the border during their first post-implementation journey. This registration process is expected to take considerably longer than current border crossing times—potentially more than double—which could result in major disruptions and delays.

ABTA is also concerned about low public awareness of the EES; recent research commissioned by ABTA in September 2024 revealed that only 27% of the public is aware of the upcoming border changes. However, the most pressing concerns for the travel industry relate to juxtaposed borders, such as those at the Port of Dover, Folkestone (Eurotunnel), and St Pancras International (Eurostar). In these locations, the EU's border processes, including initial EES registration, will take place on UK soil, raising questions about whether there is sufficient physical space to conduct these checks without causing substantial disruption to travel flows. For air travellers, there is also a risk of disruption when large numbers of third-country travellers, including those from the UK, arrive at Schengen Area airports where border infrastructure may be limited.

There are further concerns about the impact of delays and disruptions at UK borders on international school and youth group travel post-Brexit. Without appropriate mitigation measures, there is a high risk of continued disruption to this part of the sector, particularly at juxtaposed borders. Severe delays at UK ports, as seen during Easter in 2023, can leave young passengers without access to necessary facilities, such as toilets and comfortable resting areas. School and youth group tour operators must prioritise the safety and welfare of young people in their care, but border disruptions can result in groups travelling at extremely unsociable hours, in breach of Department for Education (DfE) guidelines.

Another consequence of the introduction of electronic border checks is the automated enforcement by the EU of the 90-day-in-180-day limit for non-EU nationals within the Schengen Area. While this rule, as discussed above, has been in place since the end of the transition period, anecdotal evidence suggests that compliance checks have not been consistently enforced. With automation, individuals may inadvertently breach this rule, especially coach drivers who typically spend over 200 days a year in the EU. This is also anticipated to be an issue for the haulage industry. ABTA believes a solution to this challenge could lie in an agreement between the UK and EU on temporary mobility for tourism workers, and we urge policymakers to consider this in light of the upcoming review of the TCA.

European Collaboration Networks Following the UK's Exit from the EU

The UK's departure from the EU has disrupted automatic UK membership in key European health networks, such as the European Centre for Disease Prevention and Control (ECDC) and the European Legionnaires' Disease Surveillance Network (ELDSNet). These networks have been essential for sharing health security data between the UK and EU Member States, which is particularly crucial for the UK travel industry.

European Centre for Disease Prevention and Control (ECDC)

The ECDC is an EU agency focused on strengthening Europe's defences against infectious diseases. Its core activities include surveillance, epidemic intelligence, emergency response, scientific guidance, public health training, international relations, health communication, and managing the scientific journal Eurosurveillance. ECDC's programs cover a broad spectrum of disease control,

including antimicrobial resistance, vector-borne diseases, waterborne diseases, sexually transmitted infections, influenza, tuberculosis, and vaccine-preventable illnesses.

While general information is available to the UK through the ECDC website, the UK no longer participates directly in destination-specific health surveillance and investigations. Previously, Public Health England (now the UK Health Security Agency) served as a liaison for coordinating investigations affecting British nationals, such as foodborne diseases, vector-borne illnesses, and zoonotic outbreaks.

The UK-EU Trade and Cooperation Agreement allows for technical and scientific cooperation, with a Memorandum of Understanding (MoU) signed in December 2021 to facilitate this. However, ABTA has yet to see the full details of the MoU, including whether the ELDSNet notification system is covered and when full implementation is expected.

Additionally, experts from the EU, EEA, and international organisations within ECDC's cooperation framework can access the 'EpiPulse' portal, an online platform that collects and analyses infectious disease data across EU/EEA countries. It is ABTA's understanding that the UK has a nominated 'EpiPulse Focal Point' to manage data access as a non-EU country. Although Public Health England has published a communications protocol for serious cross-border health threats, it remains unclear if communicable diseases, such as Legionnaires' disease, fall within this protocol and if UK tour operators could access these notifications.

Additionally, a UKHSA and ECDC Joint Action Plan intended to formalise the UK-EU health security cooperation was signed following the agreement of the Windsor Framework. It is, however, unclear what the formalisation of the relationship will look like.

European Legionnaires' Disease Surveillance Network (ELDSNet)

ELDSNet, coordinated by the ECDC, monitors and works to prevent Legionnaires' disease in Europe. The network is supported by a coordination committee comprising EU Member State representatives, who guide surveillance efforts, review technical documents, and help organise annual meetings. ELDSNet also collaborates with entities like the World Health Organisation (WHO) and various non-EU health authorities and tour operators.

When the UK was an EU Member, Public Health England provided details of all Legionnaires' disease cases within the UK and reported travel-associated cases (TALD) from general practitioners, hospitals, and clinics. Through ELDSNet, EU Member States share standardised information on TALD cases, facilitating early detection of clusters and notifying relevant stakeholders, which previously included ABTA and other non-governmental organisations.

Following Brexit, ABTA's contact details were removed from ELDSNet's notification list in January 2021, ending direct access to vital information about Legionnaires' disease clusters in the EU. Historically, ABTA and its members have relied on ELDSNet notifications to proactively manage Legionnaires' disease risks in global properties. The inability to receive this information now hinders ABTA's capacity to inform its members and to ensure preventative measures are taken.

Under current arrangements, the UK Department of Health and Social Care (via the UK Health Security Agency) could sign up and pay to rejoin ELDSNet as a separate country. However, the UK Government's intentions regarding rejoining the network are unclear.

Conclusion

UK outbound tourism has long enriched lives, stimulated economic growth, generated employment, and supported businesses across Europe. As the UK and EU review their trading relationship, ABTA's message to policymakers, both domestically and in Brussels, remains clear: we must preserve the multifaceted benefits of travel, both economic and cultural. While the economic advantages are more easily quantified, the cultural benefits, though less tangible, are equally valuable. However, recent events have underscored that these benefits cannot be taken for granted. We must remain proactive and collaborative in creating conditions that allow the industry to thrive, empowering citizens to travel with confidence.

To that end, it is crucial to establish mechanisms that enable operators to send UK workers to European destinations. Various options could achieve this, such as bilateral agreements offering reciprocal access to tourism labour markets or extending the Youth Mobility Scheme to key European destinations, aligning with the UK's broader immigration policy of similar access for all nationalities. These roles should not be viewed through a traditional immigration lens, as they are temporary, yet they play an essential role in supporting the success of the UK outbound travel industry.

Further information

For further information, please contact ABTA's Public Affairs Team (E: publicaffairs@abta.co.uk)

11 November 2024

ANNEX

EU reservations under the UK-EU Trade and Cooperation Agreement – tourism

- Austria [Recreational, Cultural and Sporting Services]: (applies to the regional level of government): The operation of ski schools and mountain guide services is governed by the laws of the Bundesländer. The provision of these services may require nationality of a Member State of the EEA. Enterprises may be required to appoint a managing director who is a national of a Member State of the EEA.
- Bulgaria [Tourism and Travel Related Services]: Incorporation (no branches) is required. Tour operation or travel agency services may be provided by a person established in the EEA if, upon establishment in the territory of Bulgaria, the said person presents a copy of a document certifying the right thereof to practice that activity and a certificate or another document issued by a credit institution or an insurer containing data of the existence of insurance covering the liability of the said person for damage which may ensue as a result of a culpable non-fulfilment of professional duties. The number of foreign managers may not exceed the number of managers who are Bulgarian nationals, in cases where the public (state or municipal) share in the equity capital of a Bulgarian company exceeds 50 per cent. EEA nationality requirement for tourist guides (CPC 641, 642, 643, 7471, 7472).
- Croatia [Tourism and Travel Related Services]: A licence to establish and operate a tourism and travel company or agency, as well as the renewal of an operating licence of an existing company or agency, shall be granted only to European Union natural or legal persons. No non-resident company except those established in another Member State of the European Union, can provide in the Republic of Cyprus, on an organised or permanent basis, the activities referred to under Article 3 of the abovementioned Law, unless represented by a resident company. The provision of tourist guide services and travel agencies and tour operators services requires nationality of a Member State of the European Union (CPC 7471, 7472).
- Cyprus [Tourism and Travel Related Services]: A licence to establish and operate a tourism and travel company or agency, as well as the renewal of an operating licence of an existing company or agency, shall be granted only to European Union natural or legal persons. No non-resident company except those established in another Member State of the European Union, can provide in the Republic of Cyprus, on an organised or permanent basis, the activities referred to under Article 3 of the abovementioned Law, unless represented by a resident company. The provision of tourist guide services and travel agencies and tour operators services requires nationality of a Member State of the European Union (CPC 7471, 7472).
- Greece [Tourism and Travel Related Services]: Third-country nationals have to obtain a diploma from the Tourist Guide Schools of the Greek Ministry of Tourism, in order to be entitled to the right of practicing the profession. By exception, the right of practicing the profession can be temporarily (up to one year) accorded to third-country nationals under certain explicitly defined conditions, by way of derogation of the above mentioned provisions, in the event of the confirmed absence of a tourist guide for a specific language.
- Hungary [Tourism and Travel Related Services]: The supply of travel agent and tour operator services, and tourist guide services on a cross-border basis is subject to a licence issued by the Hungarian Trade Licensing Office. Licences are reserved to EEA nationals and legal persons having their seats in the EEA (CPC 7471, 7472).
- Spain [Tourism and Travel Related Services]: (for ES applies also to the regional level of government): Nationality of a Member State of the European Union is required for the provision of tourist guide services (CPC 7472).
- France [Tourism and Travel Related Services]: The EU reserves the right to adopt or maintain any measure with respect to the following: To require nationality of a Member State for the supply of tourist guide services.

- Lithuania [Tourism and Travel Related Services]: In so far as the United Kingdom allows nationals of Lithuania to provide tourist guide services, Lithuania will allow nationals of the United Kingdom to provide tourist guide services under the same conditions.