

To: Brexit Review Scrutiny Panel
From: Amanda Burns, CEO Visit Jersey
Date: 18th November 2020

1. The Panel is concerned about the impact of Brexit on regional travel links and the consequences for Jersey businesses should the UK and EU fail to reach a negotiated outcome. Do you have any specific concerns for your sector about the consequences of such restrictions in the event of a 'no-deal' Brexit?

Although the vast majority of flights to Jersey are from the UK, there have been flights (pre-COVID-19) from EU countries including Ireland, Germany, Spain, The Netherlands and Switzerland. If a new agreement is not reached, there could be significant implications for airlines operating flights outside UK air space.

As a result of Brexit, the new passport requirements that are being introduced in October 2021 will make the national ID cards currently used by many EU nationals invalid for entry into the Island (see Q3). This may result in a reduction in demand for the St Malo ferry service currently operated by Condor, and the Granville, Carteret and Dielette services operated by Manche Iles Express, which may have consequential impacts on the frequency and/or continuation of these routes, resulting in an overall decline in French visitors; [REDACTED]

[REDACTED]—It is also important to note that Ireland will continue to accept EU ID cards within the common travel area next year.

The outlook for access to Jersey in 2021 is uncertain. [REDACTED] there is no long-term certainty about the continuation of [REDACTED] previously mature and high-performing routes, with schedules being reviewed, cancelled and consolidated on a weekly basis. [REDACTED]

[REDACTED] many jurisdictions and airports have and will put route funds on the table to recover and ensure connections, so it will be a very competitive marketplace.

A positive development for the Island's tourism sector is the announcement that Jet2 will add Birmingham, East Midlands, Manchester, Newcastle and London Stansted to its existing Leeds Bradford summer service, operating more than 200 flights from May 2021. As well as consumer

demand changing as a result of the pandemic, destination choice could also be influenced by changes caused by Brexit.

2. Do you have concerns about the supply of goods into Jersey and the possibility of a reduction in product standards due to delays in supply lines, in food and drinks for example, in the event of a 'no-deal' Brexit?

A detrimental impact on supply lines to Jersey would have a negative effect on Jersey's proposition and competitive advantage from our visitor economy and the customer experience. We understand that Jersey's Government (together with the Government of Guernsey) has been working with the UK for over a year to prepare for all eventualities in relation to Brexit, including a no-deal situation, to prevent any disruption to the supply chain. The island already has a robust supply chain in place and we understand that sea links and infrastructure plans will be maintained and are assured by the Government that any disruption will be extremely minimal.

3. Do you have any concerns about the impact Brexit might have on the hospitality sector? How might Visit Jersey's aims and objectives be impacted?

EU, EEA and Swiss citizens will continue to be able to travel to the UK for holidays or short trips without needing a visa, however they will not be able to use national ID cards to enter the UK from 1 October 2021. This is a big barrier to travel since a high percentage of EU nationals currently travel to Jersey with an ID card (nearly half coming from France). In particular this could affect group-based continental travel by sea from France and Germany especially French school trips when EU ID cards are no longer accepted.

Business travel is also an important aspect of Jersey's tourism market, just as it is within the UK, and there is a risk that if Brexit results in a reduction in the amount of trade that takes place and business travel to the UK, this will feed through to a reduction in the volume of travel to Jersey which could impact the hospitality sector. Business travel is outside the summer holiday period, so helps balance demand across the year which is important for hotel productivity.

Both these potential impacts to two very important market segments for Jersey's visitor economy have the potential to affect visitor numbers and revenue and will require a review of Jersey's best prospects and target audiences for our revised destination plan. Visit Jersey is agile and is already reviewing the Destination Plan taking Brexit and Covid into account as well as longer-term consumer behaviour shifts.

More generally, the hospitality industry, much like the agriculture industry, is heavily reliant on seasonal and temporary workers and both industries recruit a large number of EU nationals. There are already existing recruitment challenges for the hospitality sector in relation to licences and many

companies in Jersey are reporting problems with recruiting workers in the hospitality sector due to a lack of available labour in the Island.

The new points-based immigration system that will be introduced in the UK from 2021 may have an impact in Jersey. This system could make it more difficult to attract EU citizens to work in the UK which may have a ripple effect in Jersey, because if wages increase on the mainland due to shortages, it will become more challenging, and costly, for Jersey businesses to retain suitably skilled staff.

4. You will be aware that should the UK and EU fail to reach a negotiated outcome by 1 January 2021, this may result in higher prices through tariffs on trade and also via inflation. Do you anticipate any changes to the costs of operating a hospitality business and the costs of passenger travel and holidays in Jersey, due to such pressures?

If the UK leaves the EU Customs Union without a deal, then hospitality businesses may well face higher costs for goods imported from the EU together with additional administrative burdens.

Separately, if sterling depreciates significantly, this makes sterling denominated destinations much more attractive to Eurozone citizens. In addition, it makes Eurozone destinations a more expensive option for UK holidaymakers. This cost rise in going abroad may be reacted to in many ways – going to an equivalent destination but for fewer nights, going to a ‘cheaper’ foreign destination, or holidaying in a destination where there is no requirement to exchange currency. Jersey could therefore be in a strong position to capitalise and market itself as a ‘value for money’ holiday destination to both the UK and EU in the event of a hard Brexit.

[REDACTED]