

YOUTH TRAVEL OUTLOOK TURNS PESSIMISTIC FOLLOWING BREXIT



A youth travel businesses survey shows discouraging prospects as far as the sector is concerned following Brexit. This is expected to impact the performance of online travel firms in the short term, according to the survey by the WYSE Travel Confederation.

The survey of 460 companies specializing in youth travel noted that companies receiving travelers from the UK and sending travelers to the UK believed Brexit would negatively impact their businesses. **While the companies sending travelers to the UK expect their businesses to decline by 19 percent, companies receiving travelers from the UK expect a decline of 18 percent.** As far as the outbound receiving and sending travel businesses are concerned, the drop in youth travel is expected to be less severe at 12 percent.

The survey does not specifically mention anything about the impact of Brexit on online travel businesses, but says that confusion as regards the issue of work permits and visas could affect these businesses. However, statistics such as a 10 percent drop in volume expected by accommodation providers and a 9 percent decline anticipated by the tours and activities sector provide some indications about the outlook for online businesses.

As the WYSE spoke to businesses dealing with younger people (Millennials, digital natives and Gen Y), online players are likely to experience bigger declines in youth travel compared to that of the overall market. **The survey also identified the top three factors that could affect travel as economic uncertainty, visas and exchange rates.**

According to WYSE, travelers from the UK (aged 25 years and under) made over 10 million outbound trips in 2015. The number of outbound trips jumps to 18 million, if people up to 35 years are considered.

The real impact of Brexit will emerge only over time and online travel businesses will be impacted just like others in the industry. It may be difficult for many youth travel businesses to cope with the anticipated drop in volumes. Further, the uncertainty is expected to continue even beyond 2017.

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