

MEDITERRANEAN TOURISM TO BE AFFECTED BY BREXIT



Experts point to the impact of Brexit on the Mediterranean tourism. Spain and Cyprus are expected to be most affected by the decline in the number of British tourists.

Credit ratings agency Moody's has warned that Spain will be among the countries most affected by the United Kingdom's departure from the European Union (EU), due to the potential impact on the revenue it receives from tourists from the British Isles.

"The direct impact of Brexit will be limited for most EU Member States, although the effect on Ireland, Belgium, Spain and Cyprus could be more serious," according to a note from Moody's.

"Ireland is undoubtedly the country most exposed by the UK's departure from the EU. Other countries exposed to the impact of Brexit are Belgium, because of its trade links with the United Kingdom, as well as Spain and Cyprus which benefit from Mediterranean tourism," the agency added.

Analysts from the US agency have indicated that countries that may experience the biggest reduction in the number of UK tourists are those with "the highest debt levels and the highest funding requirements for 2016".

"Northern EU states with solid fiscal parameters, such as Germany, the Netherlands and Sweden, are best positioned to withstand any pressure," says Moody's. These countries could nevertheless end up paying a greater contribution to the EU budget as a result of Brexit.

With regard to the possibility that some corporations and financial services might move from London to the continent, the agency believes that any gain from relocations will be small and gradual.

Analysts point out that many European companies have important manufacturing, sales and research operations in the UK, so the depreciation of the pound could have a negative impact on their profits in euros.

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