

## Cost-of-living poses biggest challenge for 2023 travel : WTM poll

- A Monitor Desk Report

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The soaring cost of living around the world is by far the greatest threat to travel businesses in 2023, according to WTM London research.

A poll of travel professionals asked: “Which of the following is most likely to affect your business negatively in 2023?” and almost half (44.8pc) cited ‘cost of living generally’.

The price of petrol was cited by 13.4pc, while energy prices were a concern for one in ten respondents (9.6pc).

Taken together, the cost of living plus petrol and energy prices, these responses amounted to more than two thirds of those surveyed (67.8pc).

The war in Ukraine was cited by just over one in ten (11.9pc), while other issues were mentioned by smaller proportions of the respondents – increased Covid rates (5.4pc); 2022 chaos at airports (4.2pc); climate change (2.3pc); Brexit (1.9pc); and enhanced border checks (1.1pc).

The survey reflects warnings by the World Travel & Tourism Council about the industry’s global bounce-back being at risk from economic headwinds.

In September, the WTTC highlighted the challenges to the G20 Tourism Ministers, saying collaboration between the public and private sector is needed now more than ever.

Julia Simpson, WTTC President and CEO, pressed home the message, saying that

rising energy prices, cost of living, labour shortages, airspace restrictions and climate change “all threaten the full of recovery of our sector”.

In the UK, the government pledged to cap energy bills for consumers and businesses over the winter but fears about tough economic times remained as recessions loomed across Europe, following Russia’s invasion of Ukraine and its squeeze on natural gas supplies.

Sterling tumbled to a record low in the wake of the UK’s mini-budget and package of tax cuts – exacerbating the cost-of-living concerns and making spending overseas more expensive for Brits.

Juliette Losardo, Exhibition Director at World Travel Market London, said:

“Assistance with energy bills has offered some reassurance for consumers and businesses but we’re still facing a grim winter, especially as so many travel firms have been devastated by the pandemic disruption.

“Soaring fuel prices will hit the price of holidays, while inflation will eat away at families’ disposable income – meaning leisure travel may be unaffordable for some, especially at the budget end of the market.

“However, experience has shown us that consumers are keen to prioritise spending on holidays, especially as they have been hit by lockdowns in 2020 and 2021.

“Many of our sessions at WTM will help delegates navigate these choppy waters ahead and seize the opportunities that are out there to emerge stronger in 2023 and beyond.”

The WTM London trade survey quizzed 210 travel industry professionals from around the world. The consumer survey had 2,000 respondents.

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