

## International retail campaign

### **Background**

A new campaign is launched today calling for a Government to help rescue the ailing international retail sector, the UK's 12<sup>th</sup> largest export sector.

The abrupt halt of international visitors is a £6<sup>1</sup> billion body blow to the UK's International Centres in London, Oxford, Manchester and Edinburgh. And as city centres slowly reopen the lack of international visitors is evident in the low footfall and sales in these key international centres. Footfall in London's West End is half that of UK town Centres<sup>2</sup>. This is threatening the jobs of over 120,000 shop workers that are supported by sales to international visitors.

The Government's airbridges currently exclude visitors from countries that make up over 90% of international retail sales.

The Campaign, launched jointly by the Association of International Retail, New West End Company (the Business Improvement District for London's West End)<sup>3</sup> and Walpole, the Luxury industry body, is seeking cost-free policy changes in four key areas which would encourage more visits and higher spending from overseas in a boost both to the retail and tourism industries.

It is also seeking a targeted, short term extension of some existing business support measures for those businesses that rely wholly or mainly on sales to international visitors.

### **Campaign material**

The devastating decline in international shopper numbers deserves a sophisticated and practical response to ensure the strongest possible recovery of this vital, £6 billion sector of the UK economy.

The draw of international shopping, particularly to high spending visitors, in international centres such as London, Manchester, Edinburgh and Oxford, has a massive positive impact on hospitality and other tourist businesses and jobs.

COVID-19 has brought international travel and international retail to a standstill. It is unlikely to start recovering until early 2021.

In addition, the declining diplomatic relationship between the UK and China puts in jeopardy this vital part of the international retail market, which accounts for over 30% of all tax-free shopping sales in the UK.

---

<sup>1</sup> In 2018, international visitors spent £6 bn on shopping in the UK - VisitBritain

<sup>2</sup> 57% in UK town centres, 27% in the West End – Springboard and New West End Company

<sup>3</sup> 65% of all tax free shopping in the UK is done in London's West End

Government and business need to work together on a clear plan to prepare for the strongest possible return of the sector.

The Association of International Retail (AIR), New West end Company and Walpole have come together to propose a five-point strategy to ensure the survival and future growth of this, the UK's 12th largest export sector.

#### 1. Europe

Target the European market, particularly as Britain leaves the EU. Extend tax free shopping to visitors from EU member states (estimated to increase sales by £1.4 bn annually and add a total of £2.1 billion to the UK economy) as an additional incentive to visit and target early marketing at our near neighbours.

#### 2. Gulf States

Focus on encouraging more visitors from the GCC region who currently account for 30% of all UK tax free shopping. Lift quarantine measures for these States as soon as it is safe to do so. And enhance the visa waiver scheme so that it at least matches the Schengen offer which is drawing high spending visitors from this vital region to Schengen countries at the expense of the UK.

#### 3. China

Seek to protect tourist and student travel in discussions with China. Ensure that any visa improvements made for the GCC can easily be transferred to China and other high spending countries when the time is right.

#### 4. Far East

Identify and focus on other valuable Far Eastern markets, specifically Japan and South Korea.

#### 5. Business support

Protect the 120,000 retail jobs reliant on international retail by extending for a short while longer business support measures (specifically the furlough scheme and the business rate holiday) for those companies that rely largely or wholly on international spending until such time as the visitors return. In the longer term, exclude London's designated International Centres from Sunday trading restrictions.