



THE **travel** CONVENTION

IN ASSOCIATION WITH

The Telegraph

The Economy and the State of the Market Generally

- Travel is a “Discretionary Spend”
- Global economy is close to “staring down the barrel” – David Cameron
- “Six weeks until Euro Zone melt down” – George Osborne
- The Global Travel Industry – “Crucible of Crisis”!
- Market volatility and dramatic changes to market demand
- Changing patterns

The City's View of Travel

- How are the Big Two perceived by the City?
- TUI share price down 28.87%, Thomas Cook down 77.3% over the last 12 months
- FTSE 250 down 5.24% in the last 12 months
- The City does not perceive that travel gives good shareholder value
- Why? – Discretionary spend, Geo-political upheaval, quality of management, recurring huge capital outlay

The Relationship Between Principal and Travel Agent

- Airlines, tour operators and travel agents
 - Vertical Integration
- Travel arrangers
- Commission discounting – Cruising
- Who collects the money?
- Peripherals
- Routes to market
- Regulatory Impact

Where is Travel's Growth and Innovation Going to Come From?

- Benchmarking surveys
- Expanded choice
- Regulatory barriers to start up – are they too high?
- Funding and bonding
- Where are the travel innovations?

VAT

- The Secret Hotels 2 (Med Hotels) Case – TOMS
- The First Tier Tribunal ruling
- The Upper Tribunal Appeal decision
- Why so different?
- HMRC have been granted leave to appeal
- The future
- Will HMRC only apply this to bedbanks?

Flight-plus and the Lack of Genuine Support to the Industry by Government

- APD
- VAT
- The ATOL Protection Scheme – ATOL “Reform”
- This is a money generation exercise not for consumer clarity
- Airlines can still “Flight-Plus”
- The four year rule for new applicants
- Paucity of bonding
- The status of an agent

Merchant Acquiring Facilities and Insurance Needs

- Risk and reward
- The Consumer Credit Act and the CAA
- Methods of security
- An industry risk levy
- Little choice for Supplier and Financial Failure Insurance

The “Burning Issues”

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- The Relationship Between Principal and Travel Agent
- Where is Travel’s Growth and Innovation Going to Come From?
- VAT
- Flight-plus and the Lack of Genuine Support to the Industry by Government
- Merchant Acquiring Facilities and Insurance Needs



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