

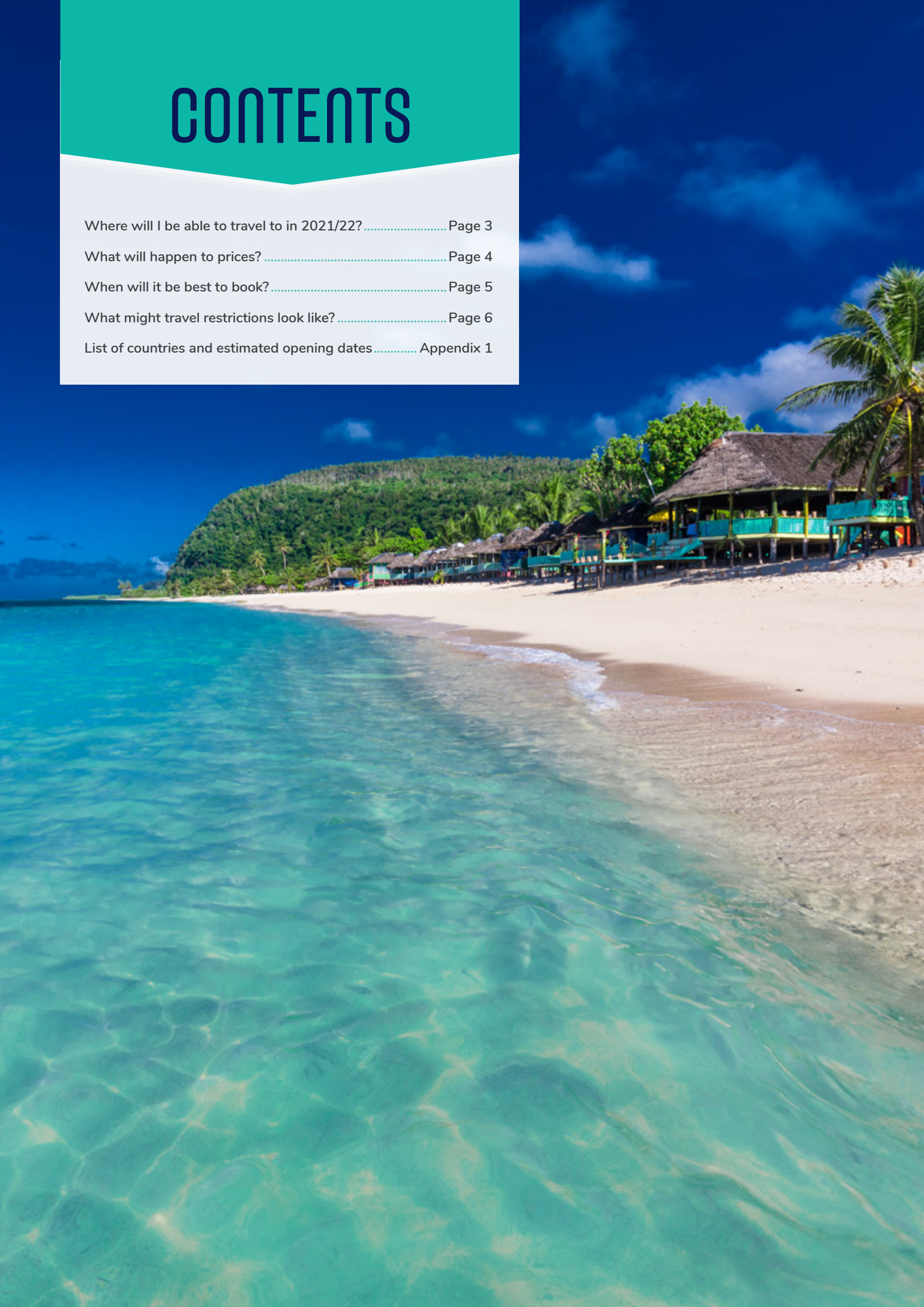
HOLIDAY BOOKING GUIDE

2021/22



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WHERE WILL I BE ABLE TO TRAVEL TO IN 2021/22?

Despite a rocky start, foreign travel is opening up to UK travellers during 2021. This is mainly due to the roll out of a successful vaccination programme and the associated protection that it offers.

However different countries will open their borders at different rates depending on:-

- ✓ The country's historic and projected Covid rates;
- ✓ Their government's appetite for Covid risk and implementation of restrictions on the public;
- ✓ Environmental factors such as climate and density of population;
- ✓ Whether vaccines can cope with or quickly be adapted to cope with further Covid variations;
- ✓ Vaccine roll out schedules

Having dealt with tens of millions of pounds' worth of rearranged holidays during Covid we feel we have a pretty good grasp as to how individual governments have reacted and are likely to continue to manage the crisis.

We have therefore looked at the factors above and have prepared a country by country guide in Appendix 1 which gives our best estimate as to when you should be able to travel to those countries in 2021 and beyond.



AVAILABILITY AND PRICES IN 2021

Prices at the start of 2021 remained low as both hotels and airlines tried to fill their decimated forward order book.

However, this could be short-lived as demand is likely to outstrip supply very quickly for these reasons-

INCREDIBLE DEMAND IN 2021/22

- ✈ Many people will not have had a foreign holiday since 2019 and so they will be desperate to get away. Some people might even look to book more than one holiday in 2021 in order to make up for "lost time".
- ✈ Some sectors of the economy have done very well in 2021 (e commerce, essential retail, procurement/logistics and parts of the public sector) and so there will be a number of customers with "money to burn"
- ✈ With more limited opportunities to spend on leisure activities during lockdown, the UK's household savings ratio has increased to record levels. There is an estimated £125bn in extra savings that people have available to spend on discretionary purchases (like holidays).

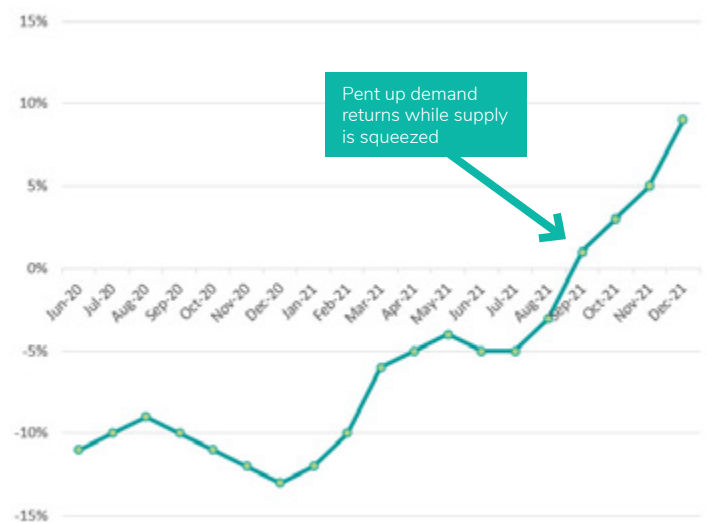
RESTRICTED SUPPLY

- ✈ Many "Covid cautious" countries will not be opening their borders to UK travellers until much later in 2021 (See Appendix 1). As there will be fewer countries for people to choose from there will therefore be higher demand (and prices) for those countries that open up first.
- ✈ Instead of getting a refund on cancelled 2020 holidays, many customers accepted tour operator credit notes for future bookings. To remain financially protected, these credit notes will have to be used in 2021. With hundreds of thousands of these in circulation they are going to gobble up a lot of the hotel and airline availability in 2021.
- ✈ Airlines have cut back on their schedules like no other time in living memory. They have mothballed planes, surrendered landing slots, cancelled aircraft orders and made staff redundant. These measures cannot be reversed overnight and so it will take some time for capacity to recover to pre-Covid levels. They are also going to be very cautious about bringing back supply until they can see a pathway to a sustained recovery.

Some hotel capacity may also be lost with hotel failures/closures but the loss of capacity is nowhere near as significant as the loss of airline capacity. It will be the loss of airline capacity and the fact that they have billions of pounds' worth of losses to recover and heavy debt to service, that means flight price rises are likely to cause a significant increase in holiday costs.

So, prices will rise steeply during the final quarter of 2021. The rises might be dampened slightly by increasing unemployment and consumer nervousness but it's unlikely that these factors will dampen demand too much, especially in the long-haul travel market where these consumers have weathered previous financial crisis better than most.

PREDICTED HOLIDAY PRICE CHANGE VS PREVIOUS YEAR





WHEN WILL IT BE BEST TO BOOK?

To secure the biggest discounts and avoid the inevitable price rises it's best to book as early as possible and certainly by autumn/winter 2021 at the latest. However, by booking early you are likely to be still booking during a time of uncertainty and risk.

So, to book early and at the same time to guard against uncertainty we suggest the following: -

- ✈ Look at our guide in Appendix 1 to see when destinations are likely to re-open;
- ✈ Try to book a long way in advance to give your desired destination the maximum amount of time to relax their travel restrictions;
- ✈ Book a package holiday rather than individual elements separately so that you have the full protection of the Package Travel Regulations and financial protection like ATOL;
- ✈ Ask us to use tour operators who have behaved well during Covid and are still offering flexible booking terms so that your plans can be changed at no cost if the travel restrictions last longer than expected;
- ✈ Take out Covid travel insurance, we have access to a number of these policies.
- ✈ Smaller hotels have less rooms to fill and so their prices are likely to rise more quickly. So, the more boutique the hotel, the earlier you want to book..

TRAVEL REGULATIONS IN 2021?

If you are travelling from October 2021 onwards these regulations apply:-

NON-RED LIST COUNTRIES

The vast majority of countries in the world have now been removed from the UK government's "Red list". If you are a child or fully vaccinated adult then you can travel to non-Red list countries with pretty easy regulations from Oct 2021 onwards:-

- ✓ Comply with the destination's own entry requirements;
- ✓ Fill in a passenger locator form;
- ✓ Take a Covid test on day 2 after you return to the UK.

If you are not a fully vaccinated adult then you will need to take a PCR test 2 days before you return to the UK, self-isolate on return and take PCR tests on day 2 and day 8 of this isolation with the option to end it with a negative test on day 5.

RED LIST COUNTRIES

If you are returning from a Red list country then both vaccinated and unvaccinated people need to take a PCR test prior to return to the UK. Also when they return they need to isolate in a government hotel for 10 days and pay the cost of this and for 2 PCR tests during that time.

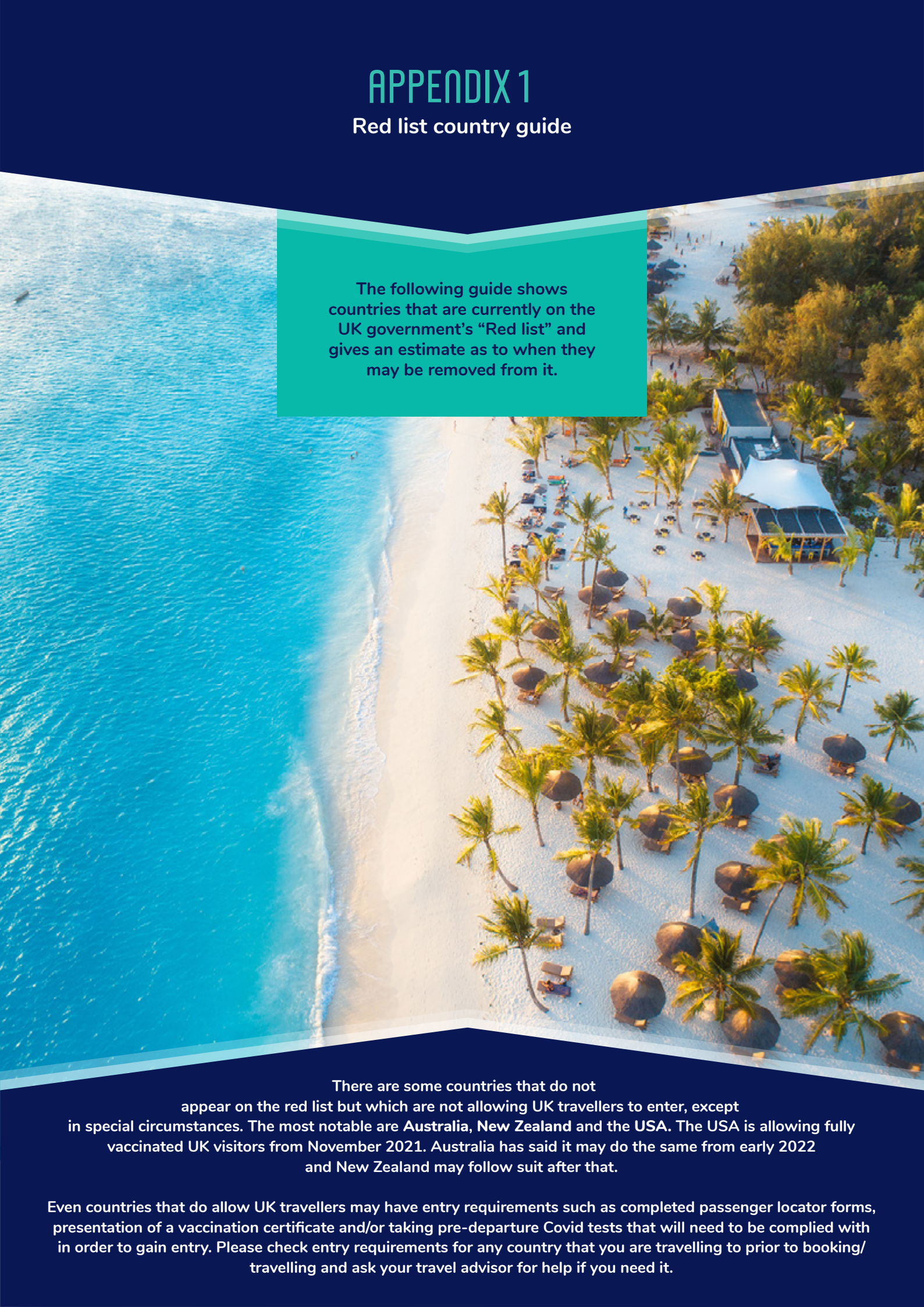
Red list destinations are listed in Appendix 1 of this guide.

Wherever you are travelling please make sure you take out Covid travel insurance at the time of booking. This is because it might cover cancellation charges that you incur if you have to cancel your holiday for certain reasons prior to departure.



APPENDIX 1

Red list country guide



The following guide shows countries that are currently on the UK government's "Red list" and gives an estimate as to when they may be removed from it.

There are some countries that do not appear on the red list but which are not allowing UK travellers to enter, except in special circumstances. The most notable are **Australia**, **New Zealand** and the **USA**. The USA is allowing fully vaccinated UK visitors from November 2021. Australia has said it may do the same from early 2022 and New Zealand may follow suit after that.

Even countries that do allow UK travellers may have entry requirements such as completed passenger locator forms, presentation of a vaccination certificate and/or taking pre-departure Covid tests that will need to be complied with in order to gain entry. Please check entry requirements for any country that you are travelling to prior to booking/travelling and ask your travel advisor for help if you need it.

RED COUNTRY LIST

Country	Commentary	When it might come off the red list
<u>Colombia</u>	Covid rates have reduced a lot but the UK government seems to be taking a very cautious view of north & west, South America	Nov/Dec 2021
<u>Dominican Republic</u>	Covid rates are rising but the country has shown before that they can get them under control	Nov/Dec 2021
<u>Ecuador</u>	Covid rates are low but the UK government seems to be taking a cautious view of north & west, South America	Nov/Dec 2021
<u>Haiti</u>	Relatively low covid rates and so it is not clear why they are on the red list	Nov/Dec 2021
<u>Panama</u>	Low rates and reducing but the UK government seems to be taking a very cautious view of north & west, South America	Nov 2021
<u>Peru</u>	Low rates and falling and again the UK government seems to be taking a very cautious view of north & west, South America	Nov 2021
<u>Venezuela</u>	Fairly static covid rates but the UK government is taking a very cautious view of north & west, South America	Nov/Dec 2021