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**28 July 2020**

**International retail sector to collapse without Government action**

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

The abrupt halt of international visitors is a £6[[1]](#footnote-1) billion body blow to the UK’s International Centres in London, Oxford, Manchester and Edinburgh. 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 currently half that of UK town Centres[[2]](#footnote-2). This is threatening the jobs of over 120,000 shop workers that are supported by sales to international visitors.

The campaign, launched jointly by the Association of International Retail, New West End Company (the Business Improvement District for London’s West End)[[3]](#footnote-3) 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.

The proposed five-point strategy put forward by the Association of International Retail, New West End Company and Walpole is intended to ensure the survival and future growth of this important sector:

1. 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. Focus on encouraging more visitors from the **Gulf States** 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. 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. Identify and focus on other valuable **Far Eastern markets**, specifically Japan and South Korea.
5. 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.

Jace Tyrrell, the Association of International Retail and Chief Executive of New West End Company, said:

*“COVID-19 has bought international travel and international retail to a standstill. It is unlikely to start recovering until early 2021. Exacerbating this, 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. Government and business need to work together on a clear plan to prepare for the strongest possible return of the sector.”*

Walpole Quote

Manchester/Edinburgh/Oxford quotes

Retailer quotes

**ENDS**

**About AIR**

* Launched in March 2020, AIR represents retailers, retail districts, property owners, hotels and tourism bodies, and works together with businesses and Government to ensure that the policy and economic environment allows international retail in the UK to realise its full growth potential.
* International retail is the sector of the retail industry that makes sales to visitors to the UK from abroad. Many of the goods purchased are subsequently exported when those visitors leave the UK.
* AIR’s purpose is to help retailers throughout the UK enhance their sales to international visitors.
* Its focus is to communicate the importance of the sector, identify and promote policies that drive growth, and provide market and international competitor research.
* Its long term objectives include campaigning for extending exemptions to Sunday trading laws; leading on innovations to visas and border queues so that it is easier for travellers to visit and shop at the UK’s retail hotspots; and making the case to government that the UK’s new post-Brexit immigration policy must help retailers get the staff they need from around the world.
* The association is led by Jace Tyrrell (Chair) and Paul Barnes (CEO), who together have almost 50 years of sector experience.

**About New West End Company**

**About Walpole**

1. In 2018, international visitors spent £6 bn on shopping in the UK – VisitBritain [↑](#footnote-ref-1)
2. 57% in UK town centres, 27% in the West End – Springboard and New West End Company [↑](#footnote-ref-2)
3. 65% of all tax-free shopping in the UK is done in London’s West End [↑](#footnote-ref-3)