

AIR Briefing Paper

Brits Spending Abroad

1. Since Britain left the EU in January 2021, Britain's 66m residents can shop tax-free in the EU.

- Britain could have offered the same to the 450m EU residents but chose not to.

2. Last year (2024) Britons spent £750m on tax-free shopping in the EU. (Industry data collated by Global Blue)

		Percentage of 2021
• 2021	€169m	
• 2022	€608m	+360%
• 2023	€744 m	+440%
• 20 24	€854m	+505%

- Spending on tax-free shopping by Brits in the EU has risen from €169m in 2021 when it was introduced to €854m in 2024, a 500% rise in three years
- (Note €854m = £730m or nearly three quarters of a billion pounds)

3. This is not the same people spending a bit more – it's a whole new shopping-led tourism market spending additionally on hotels, travel, restaurants etc.

- Paris Tourist Board says that the number of British bed nights is up by over 200% in 2019 whereas it's been virtually static for other European visitors.

4. So, they are spending hundreds of millions of additional euros on hotels, restaurants, transport, fun – all of which generates additional VAT for EU states – at Britain's expense

5. If the UK reciprocated, AIR estimates that it would create a new EU shopping-led tourism market worth £3.65bn across the whole of the UK and generating over £500m in additional VAT alone

- £730m VAT free shopping
- 4x £730m on travel, accommodation, food, etc. = £ 2.9bn (VisitBritain, 2019 non-EU ratio of spend on tax-free shopping and taxed spending = 1:6. So we have assumed a lower ratio because it's shopping-led)
- Additional VAT = £530m. Jobs created 73,000
- EU spend 50% outside London – so benefits the regions, not just London (VisitBritain)