LONDON
& PARTNERS

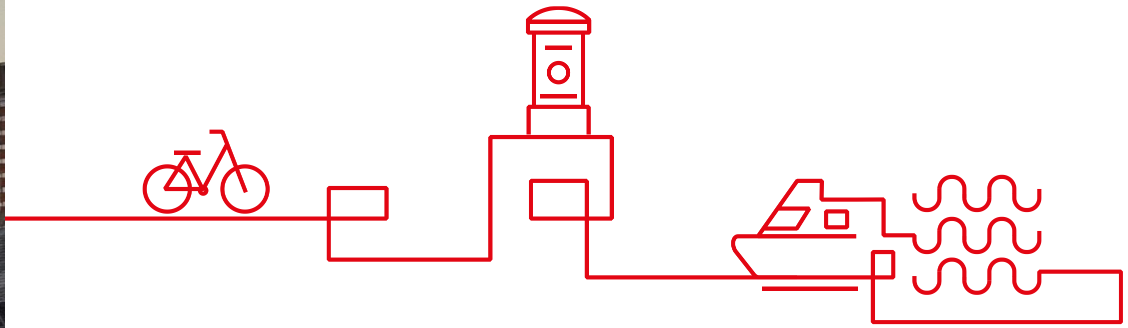
INSIGHT REPORT

Report #17
9th November 2023

Welcome

This report is presented as a summary of insights gathered from a range of external sources with the intention of providing an overview of current developments of key macro drivers impacting our core target audiences and markets.

It represents the current situation as of 9th November 2023.



EXECUTIVE SUMMARY

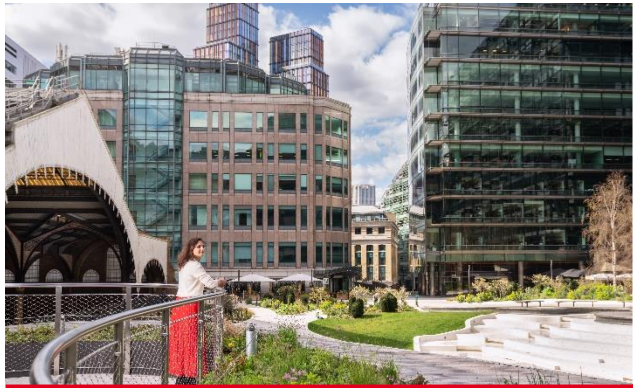
Executive summary

Geopolitics
Geopolitics and ongoing conflicts continue to restrict global growth and strain relationships. Upcoming elections in the new year will be key to see how countries navigate this challenging environment.

Economy
Global economic conditions remain challenging. The UK economy is predicted to grow 0.5 per cent in 2023 and 0.6 per cent in 2024, slightly less than other advanced economies. High interest rates are having an impact on the economy with inflation slowing its impact is being felt by companies.

Small business
The UK's economic environment remains challenging, leaving many small businesses currently vulnerable. However, there are signs of optimism emerging, with many small business now anticipating growth over the next 12 months.

Executive summary



FDI

Global economic conditions continue to weigh heavily on both FDI and VC investment globally, although London appears to be holding its leading position comparatively well. Climate and AI related sectors continue to take an increasing share of investment – and are areas London can capitalise on moving forward.

Trade

Trade globally remains slow, but In the last year, UK exports have rebounded and now exceed pre-pandemic 2019 levels. The government continues to prioritise trade deals, but negotiations on significant agreements, such as the UK-India and UK-US trade deals, remain ongoing.

Sustainability

Many markets are rushing to attract green investment. With the UK government introducing policy initiatives to achieve their own net zero targets. This comes as the impact of climate change is being felt globally.

Executive summary

Tourism

Despite the rising cost of holidays travel remains a priority for consumers, particularly for experiences which are prioritised over other spending. Future forecasts look positive but global GDP predictions, high interest rates question if this is sustainable.

GEOPOLITICS

Global, political and climate crises are challenging growth.

2023 has seen global, political and climate crises converging. The resultant economic challenges and inflationary pressures impact government, citizens and businesses alike - from limited capacity to increase spending or reduce taxation for governments to managing increasing overhead costs against uncertain income for businesses to cost of living biting for households.

Internationally, the US presidential election in November 2024 is one to watch

Still a year away but it could lead to a potential shift in foreign policy, including its continued commitment to Ukraine and Indo-Pacific relations. **Source**: Reuters, link

Closer to home…

In the UK, strikes earlier in the year bought into question the UK's reputation for stability in the eyes of investors. London's reputation for being a welcoming city with fundamental business strengths are more important than ever.

The Mayoral election (May 2024) and also the national UK election (probably autumn 2024) will be key moments in the year ahead.

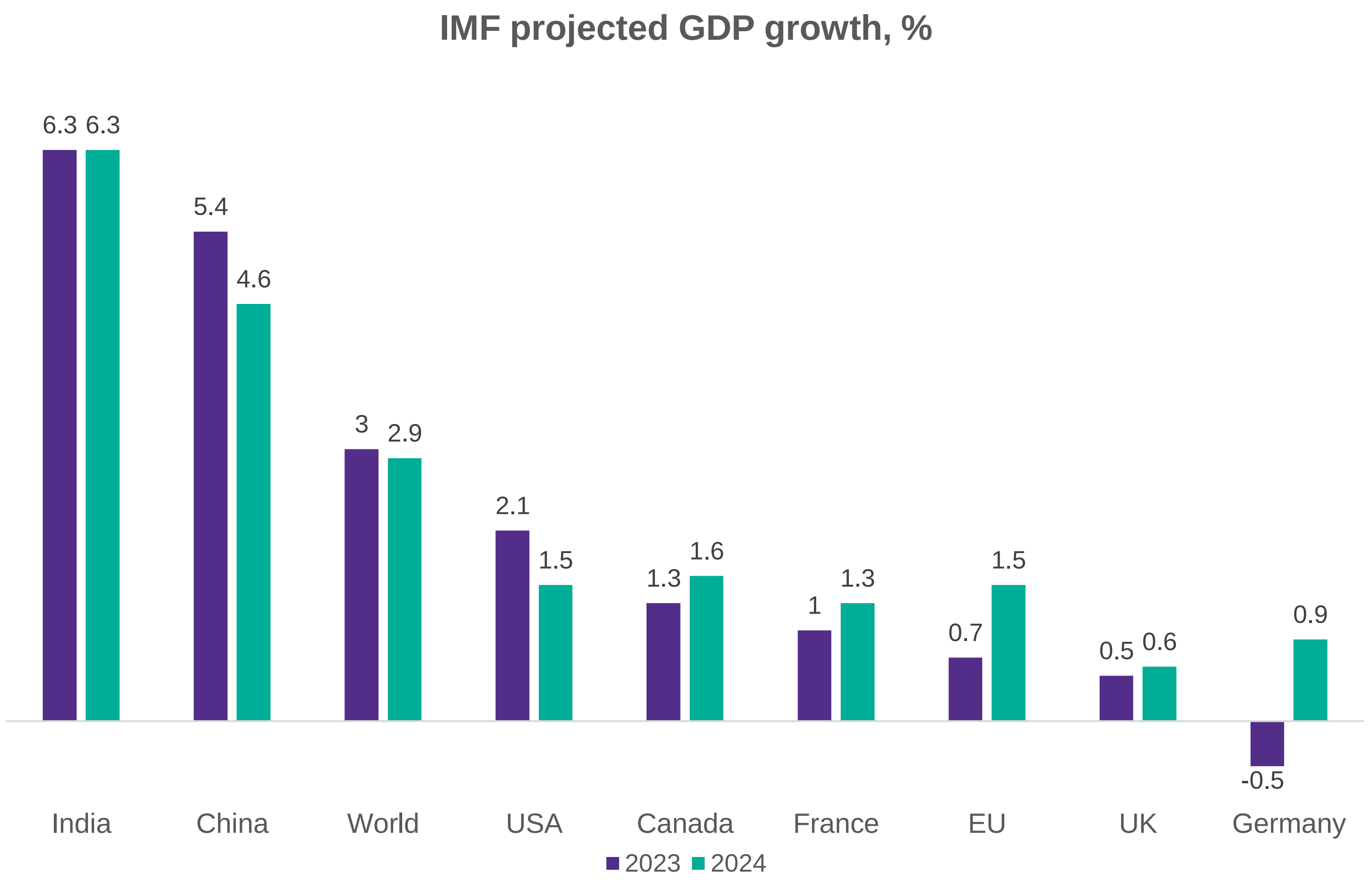
Source: Sky News, link

ECONOMY

UK economy set to grow 0.5 per cent in 2023

The International Monetary Fund's outlook from October projects UK's economy to grow 0.5 per cent in 2023 and 0.6 per cent in 2024. This growth rate is below the averages seen pre pandemic. However, UK's economy was 1.8 per cent larger in Q2 2023 than before the pandemic, an increase on par with that in France.

Germany's growth will be slightly lower over the next two years whilst France's will be marginally higher. The USA and Canada will see higher growth with emerging markets India and China seeing the greatest growth of those countries.
Source: IMF, link, House of Commons Library, link, ONS , link.



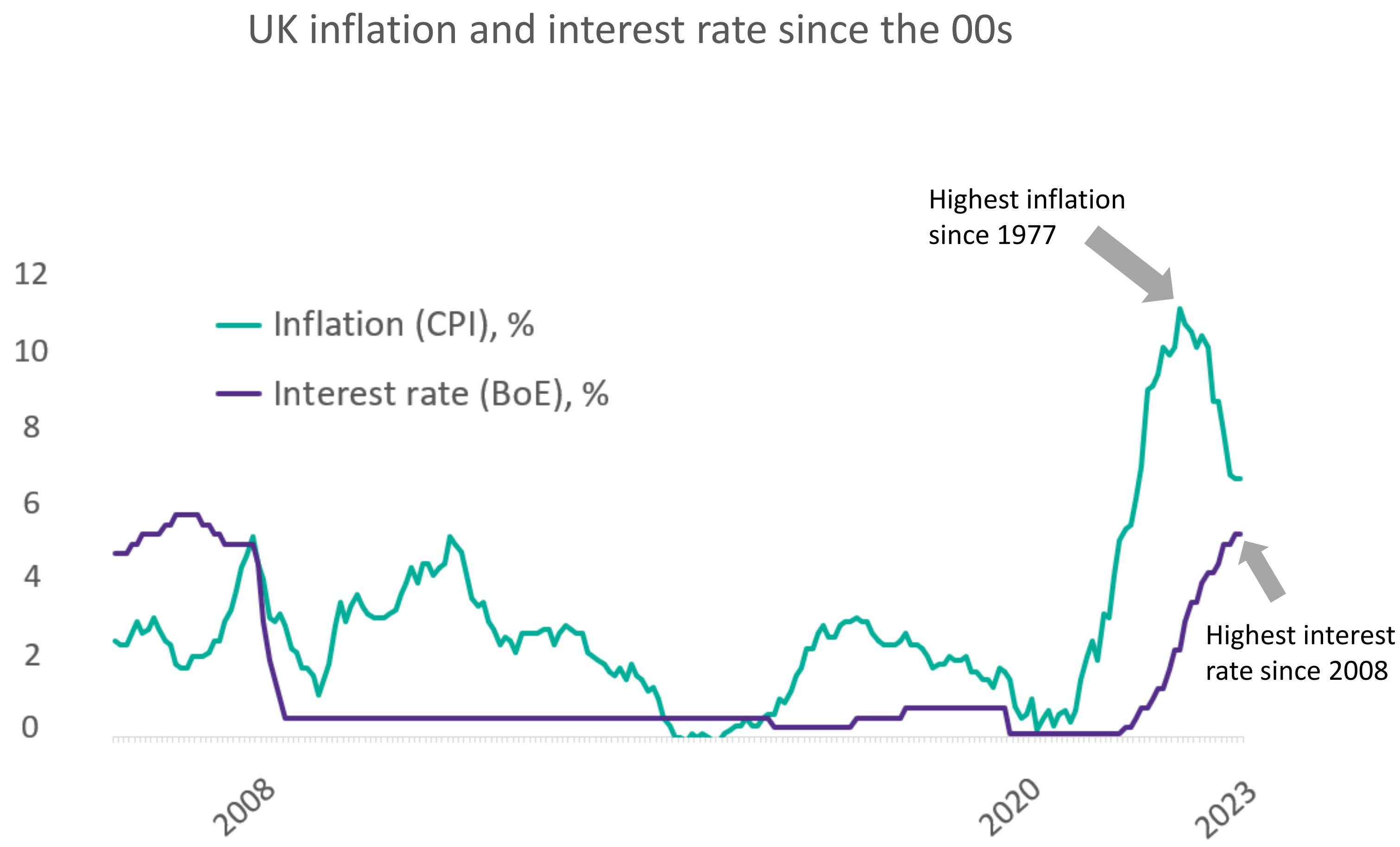
Source: International Monetary Fund (IMF)

High interest rates are challenging for the economy

Inflation levels not seen in the UK since the 70s have raised costs of running a business and put pressure on household finances. There is an expectation that interest rates will remain high over the medium term, making it expensive for businesses and households to renew their loans.

UK bankruptcies are increasing and are currently 70 per cent higher than the long-term average.

The issue of high interest rates is not unique to the UK. **Source:** The Economist, link & Trading Economics, link



Inflation is falling, but will remain above target for some time – whilst signs that companies are cutting back on staff

Whilst the pressure from inflation is easing slightly, the impact of levels remaining above the long term average will continue to impact growth in the short term.

UK consumer prices were 6.7 per cent higher in September than a year earlier
Whilst this is a smaller increase than previously seen, the 6.7 per cent is compared to September 2022, which had already increased 10.1 per cent compared to September 2021. Andrew Bailey, governor of the Bank of England, expects inflation to be back at their 2 per cent target in around two years. **Source:** ONS, link and link, Financial Times, link

More people in the UK seeking jobs
An index by the Recruitment & Employment Confederation and KPMG showed an increase in the number of people seeking jobs in the UK as companies being squeezed by higher interest rates and slowing demand reduce their staff. The construction and IT sectors are some of those reducing the number of jobs while other areas including hospitality are still facing staff shortages. **Source:** Financial Times, link

Online spend stabilizes above pre-pandemic levels
Card payment data from Visa shows that after the COVID-induced spike in the middle of 2020, online spend in the UK has stabilized at an average of 17 per cent above the level in 2019. **Source:** ONS, link

SMALL BUSINESS

Small Businesses have been struggling due to mounting economic pressures, but optimism is growing

The current economic environment remains challenging, leaving many small businesses vulnerable. As inflation continues to squeeze operating costs, more small businesses may need support to survive. However, there are signs of optimism being seen in the latest surveys – with many small businesses anticipating growth in the coming year.

Many small businesses continue to struggle with increasing operational costs, putting them in financial distress
A new report by Begbies Traynor, shows that there has been a ‘marked acceleration’ in the number of companies in the UK experiencing ‘significant’ financial distress with almost 480,000 businesses (including 137,515 in London) now affected in Q3 2023 - up 8.7 per cent from Q2 and 4.7 per cent year-on-year. The Construction and Support Services sectors accounted for nearly 50% of the quarter-on-quarter rise. The increase in those in 'critical' financial distress has been more marked, up nearly 25% from Q2 to 37,722 in Q3. They cite the pressure of higher interest rates, resilient inflation and weaker consumer confidence taking their toll, particularly within the construction and property sectors. The fact that 28 per cent of businesses in significant financial stress, and 32% of those in critical financial distress are London-based, helps highlight the need for support for these businesses. **Source:** Begbies Traynor, link

Q2 2023 was difficult revenue-wise for many small firms, but optimism for the future is picking up
Two in five small firms reported a fall in sales, according to the FSB’s Small Business Index for Q2 2023. However, consumer confidence levels rose steadily over the second quarter. Optimism is growing for the future, with 51 per cent of small firms expecting to grow over the next twelve months. **Source:** FSB, link

Micro businesses have increased confidence going into the end of the year and looking into next year
The London Chamber of Commerce & Industry’s latest Capital 500 survey shows that, whilst there has been a slight easing, cost pressures currently remain high for businesses. The report also noted that there was more optimism about the outlook for the next 12 months. Micro businesses had increased turnover expectations in Q3 of the year with 42 per cent anticipating a further increase over the coming year. Profitability expectations also strengthened for micro businesses in Q3. **Source:** LCCI, link

Half of British exporting SMEs interviewed by the British Chamber of Commerce are reporting challenges with overseas sales

This is a result of global uncertainty as a result SMEs are calling for more support to navigate through these tough times.

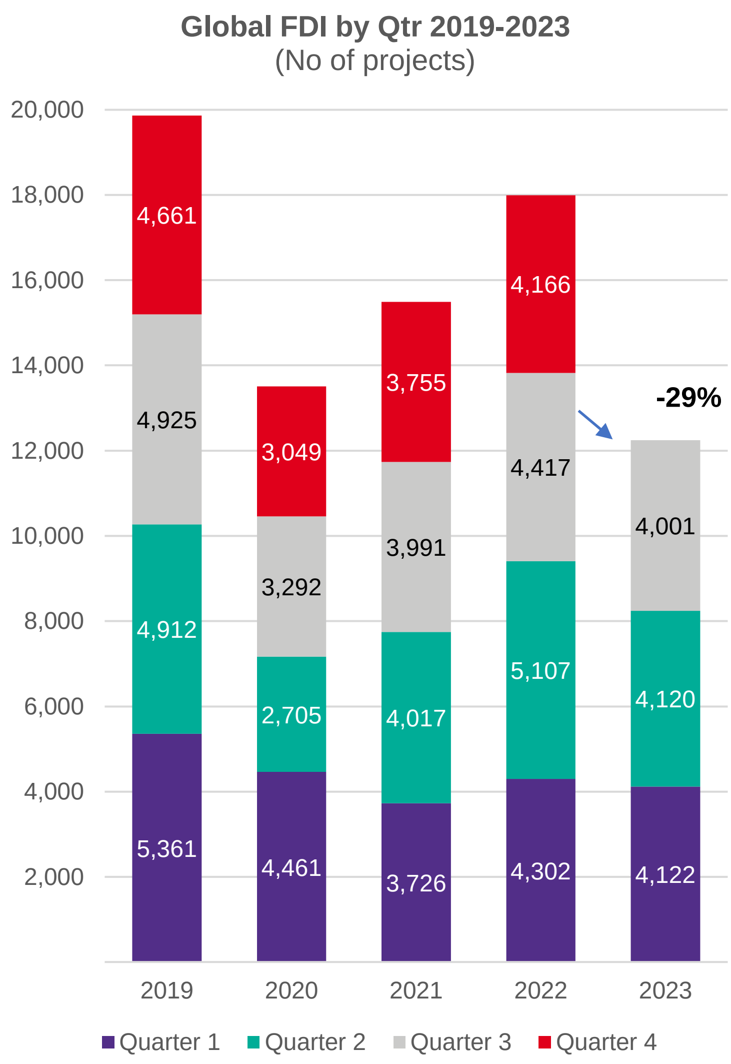
SMEs are facing export challenges
According to the Q3 2023 Trade Confidence Outlook by the British Chambers of Commerce (BCC), 49 per cent of small and medium-sized enterprise (SME) exporters reported stagnant overseas sales, with a quarter witnessing a decline. The report underscores the challenges currently facing SMEs, attributed to narrow profit margins and a lack of essential resources, encompassing financial constraints and market knowledge, hindering their expansion into new markets and participation in export endeavors.

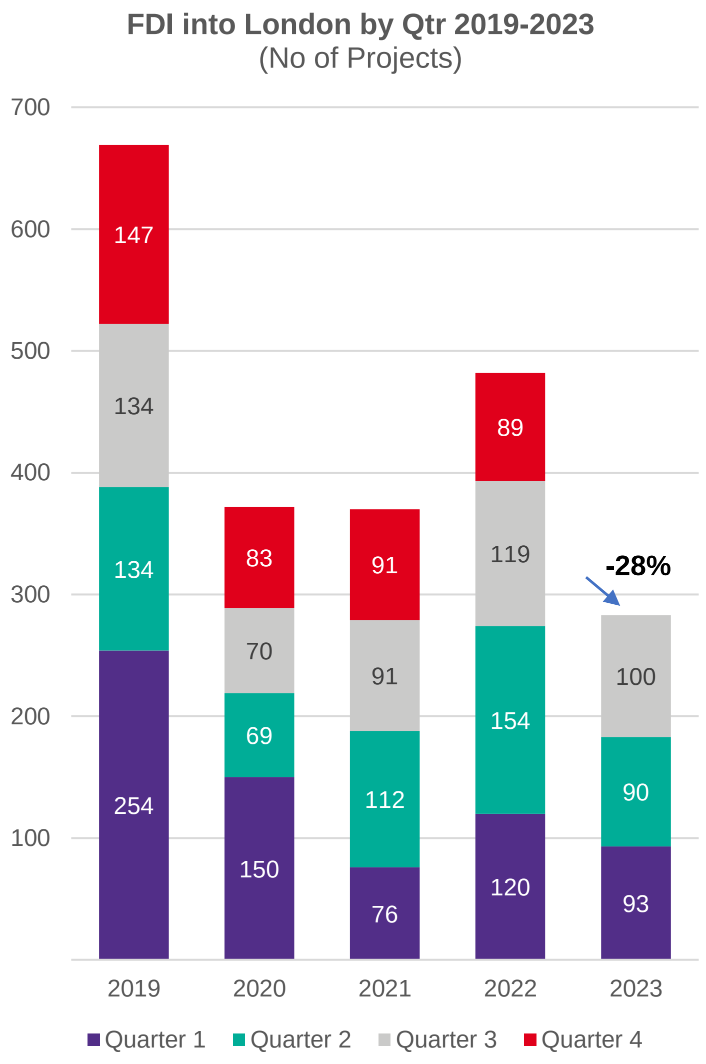
The BCC's outlook highlights the increasingly demanding global trade landscape for SMEs, exacerbated by heightened geo-political uncertainties. Consequently, they make an urgent call for more robust and tailored support mechanisms for SMEs, capitalising on the UK's strengths in digital trade, services, and technology sectors. **Source**: British Chambers of Commerce, link

FOREIGN DIRECT INVESTMENT (FDI)

London keeping par with global FDI in 2023

- Challenging global economic conditions means that the market for FDI remains weak – with global FDI down by 29 per cent through the first three quarters of the year.
- FDI into London appears to be slightly outperforming global FDI – despite volumes being down 28 per cent YoY.
- In July, UNCTAD reported that they expect FDI to 'bottom out' towards the end of 2023, with "cautious optimism" for a recovery in 2024.

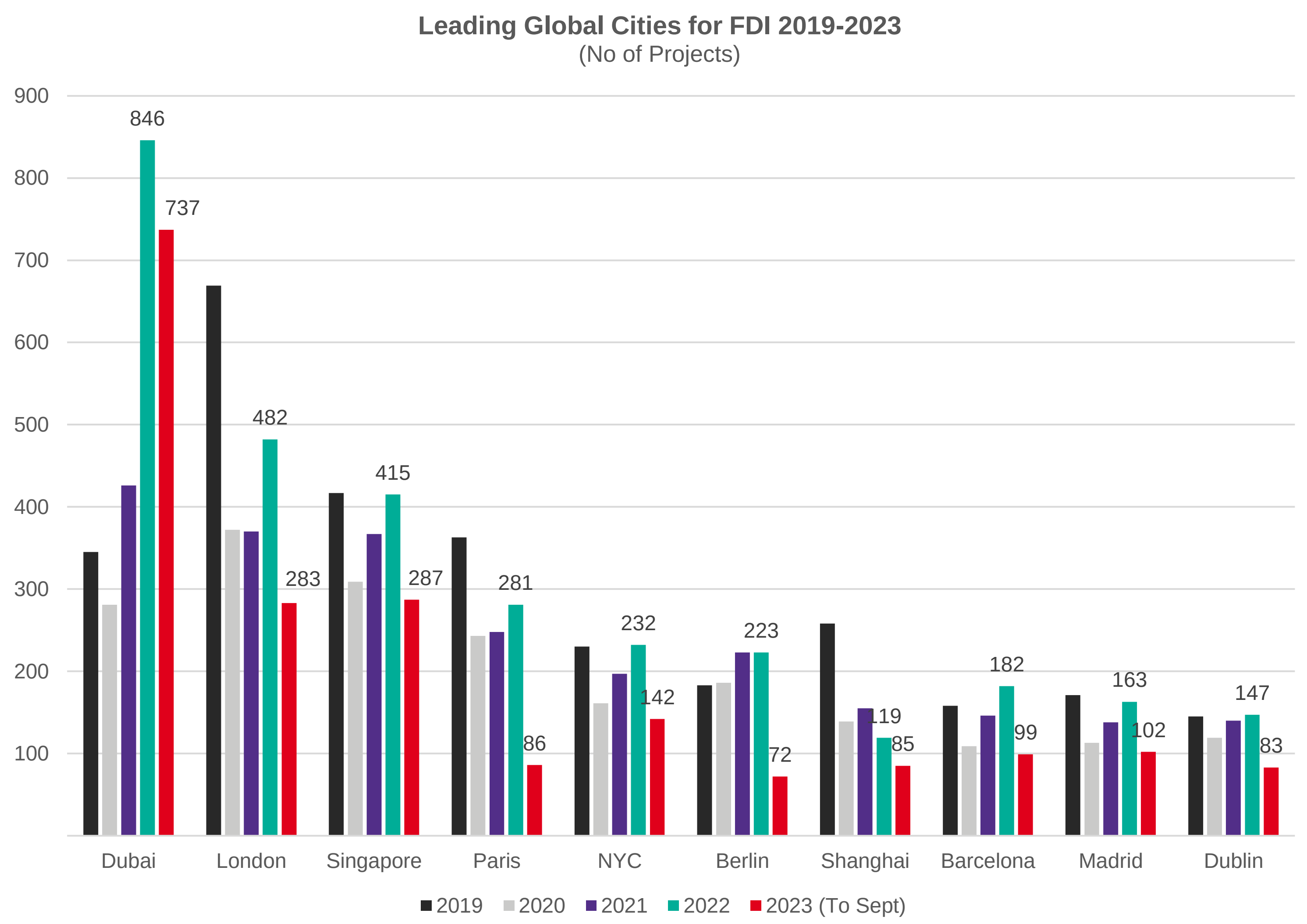




Source: fDi Markets from the Financial Times Ltd, fDi Intelligence, link

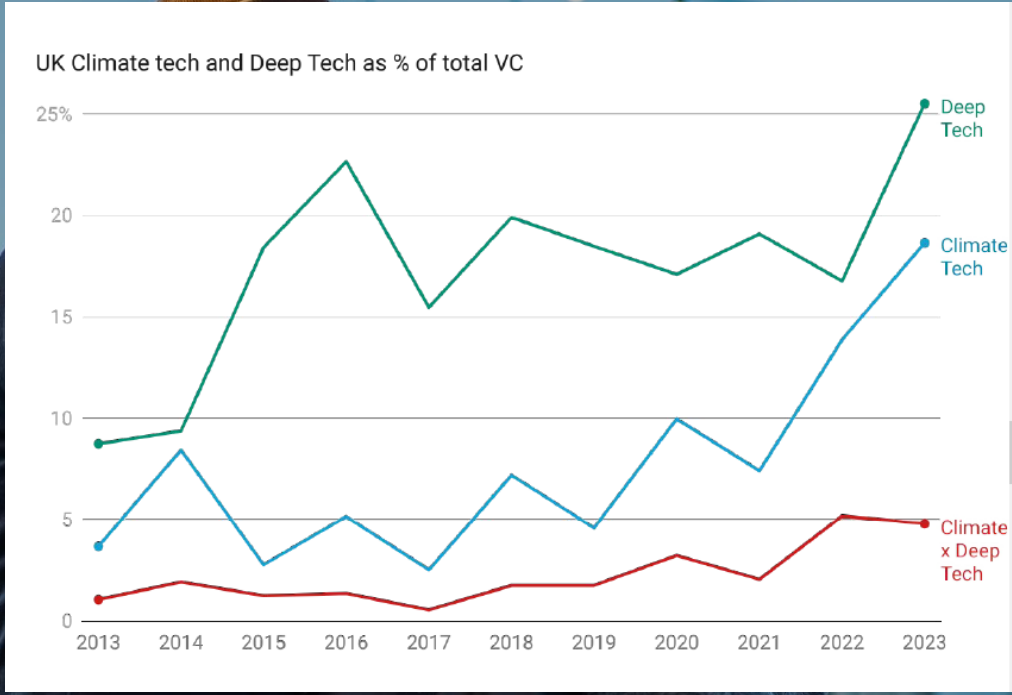
London still the leading European city for FDI

- London is currently the third most popular destination for FDI globally in 2023, behind only Dubai & Singapore.
- It remains, however, the leading European city for FDI, attracting more than twice as many projects as any other European city so far in 2023.



Source: fDi Markets from the Financial Times Ltd.

Global VC investment continues to struggle in 2023 – but Europe is bucking the trend



Mega-rounds in energy/climate have helped VC Investment in London and Europe, whilst Deeptech & AI also continuing to perform well which plays well to London's strengths.

Global VC funding continues to stumble, despite late-stage rebound led by huge AI deals in Q3 2023

Crunchbase reported in October that global venture funding in Q3 2023 reached $73 billion, up slightly quarter over quarter but was down 15 per cent from the $86 billion invested in Q3 2022. They note that seed and early-stage funding continued to decline year-on-year, whilst late-stage funding was up by close to 10 per cent year-on-year and 30 per cent quarter-on-quarter, as companies in sectors including semiconductors, AI, electric vehicles and sustainability raised large fundings. **Source**: Crunchbase, link

Europe though is bucking the trend

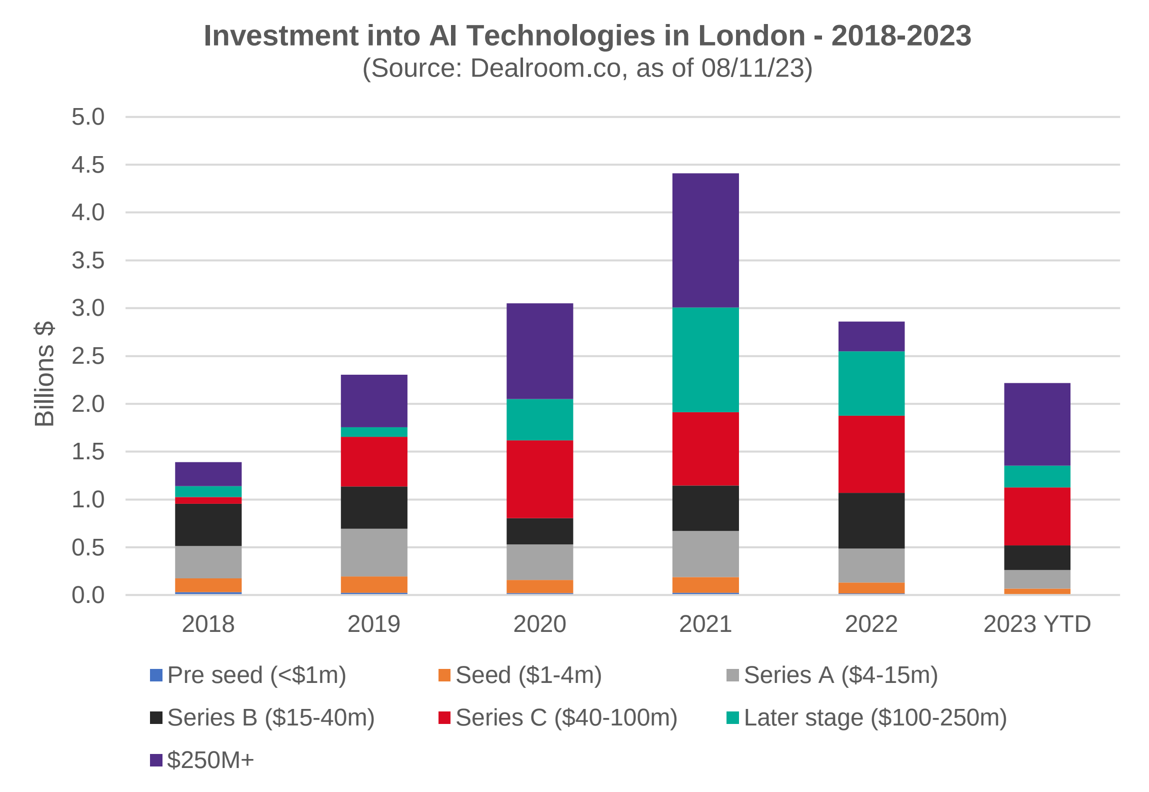
Dealroom report that of the biggest three global regions (North America, Europe & Asia), Europe is the only one where investment is above 2019 levels in 2023 - its share of global VC is at a record 19 per cent, up from only 13 per cent in 2013. Over $18 billion was invested in European startups in Q3 2023, up 27 per cent from Q2 2023 – with the rise mostly due to a few large mega rounds in climate tech. **Source:** Dealroom.co, link

UK & London remain the largest European markets

Investment in UK startups was up 14 per cent quarter-on-quarter in Q3 2023 and is expected to reach $18B for the full year 2023, on par with 2020. So far in 2023, London startups have raised over $9B. Early-stage investment in the UK has remained strong, whilst late-stage investment has meaningfully slowed. Deep tech & Climate tech sectors are taking an increasingly larger share of investment.

From a London perspective, Fintech remains the largest sector for investment, but has so far seen volumes fall by 77 per cent year-on-year in 2023. This contrasts with the strong performance in the climate (energy) and transportation sectors, up 33 per cent and 47 per cent year-on-year respectively. **Source:** Dealroom.co, link

AI remains a hot topic



As the boom in Generative AI continues, London is well placed to take advantage with its research & talent pool – whilst the UK government pushes to take a leading global role, despite heavy competition from the US.

Investment in AI continues to boom

Dealroom report that so far in 2023, over $48 billion has been invested into AI Technology related companies globally in 2023, including $2.2 billion in London. CB Insights report that the boom in generative AI has seen $17.4 billion raised by GenAI companies so far in 2023, with a heavy focus on the US, which has attracted twice as many deals as the rest of the world combined. **Source:** CB Insights, link, Dealroom.co, link

London's competitive position was boosted in June with the announcement that OpenAI, the developer of ChatGPT, has chosen London as the location for its first international office, with CEO Sam Altman saying "We see this expansion as an opportunity to attract world-class talent and drive innovation in AGI development and policy". In addition, London is also home to leading global AI companies including Google's DeepMind, cybersecurity firm Darktrace and image generation startup Stability AI. **Source:** Guardian, link

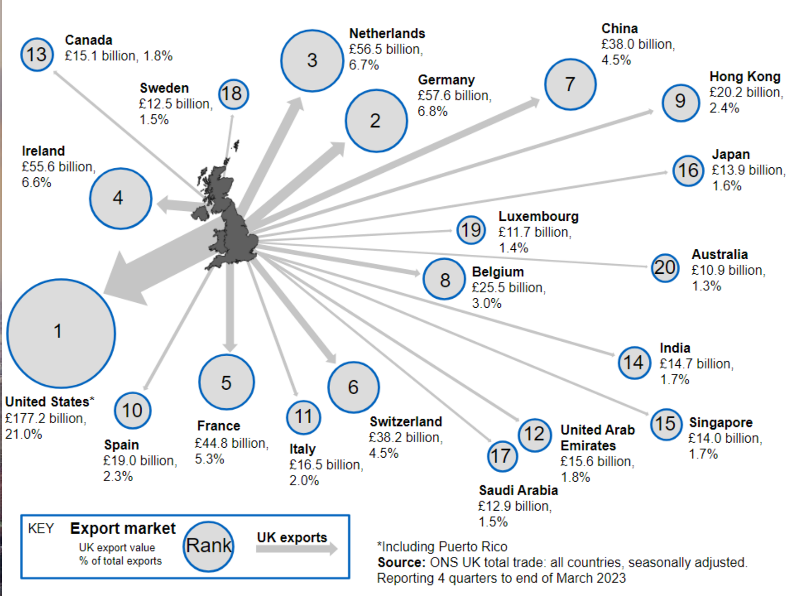
UK hosts first AI Safety Summit

The UK hosted the first AI Safety Summit at Bletchley Park, in Buckinghamshire on 1-2nd November, which was broadly hailed as a diplomatic success, managing to bring together senior US and Chinese officials, plus European Commission president Ursula von der Leyen and tech entrepreneurs Elon Musk and OpenAI's Sam Altman.

The summit resulted in broad commitments from 28 nations to work together to tackle the existential risks stemming from advanced AI and the Government announced plans to create an AI Safety Institute to cement the UK's position as a world leader. The FT report that the summit did, however, also expose underlying tensions about AI development. US vice-president Kamala Harris held a press conference in London during the summit, detailing the US' intent to write its own rules of the game and its plan to create its own AI Safety Institute to monitor risks, which would work closely with the UK's similar body. **Source:** Financial Times, link, Sifted, link

TRADE

Whilst global trade remains slow, some UK export markets have experienced growth



The US and EU remains a key destination for UK and London exports, but the significant growth in trading with other emerging markets highlights opportunities for diversifying trade strategies in these regions.

Global Trade remains slow in 2023
Despite expectations of a swift recovery in 2023 following the lifting of Chinese pandemic restrictions, increasing inflation pressures have impeded progress. The WTO now predicts a global growth rate of 0.8 percent for trade in goods in 2023, significantly lower than a previous estimate of 1.7 per cent, with a modest rebound to 3.3 per cent in 2024. On the contrary, the trade in services has shown signs of recovery, especially in the tourism and transport sectors. However, services only account for 22 per cent of global trade, which is insufficient to fully support and drive global trade growth. **Source:** WTO Global trade Outlook, link.

Which UK exports markets have experienced growth?
The US retained its position as the UK's primary trading partner, constituting 21 per cent of the UK's total exports. The EU's share has declined from its peak of 55 percent in the 2000s but still maintains a significant position. Q2 2023, it had risen to 53 percent. **Source:** UK Trade Tracker Q3 2023, link

Notably, Hong Kong has demonstrated significant growth, experiencing a 50 per cent increase in trade and solidified its position as the UK's ninth-largest export destination, whilst the UAE has emerged as a thriving market for UK businesses, with exports totaling £15.6 billion, reflecting an impressive 65 per cent growth compared to March 2022.

These trends underscore the increasing interest of UK businesses in diversifying their trade strategies, with a particular focus on Asian and Middle Eastern markets and the rising interest of these markets in engaging with UK businesses. **Source**: ONS Trade in Numbers, link, UK Trade Tracker, link

The UK now has 70+ Trade Agreements in Place

Trade deals remain a focal point for the government, they are seen as an opportunity to capitalise on Brexit. Notable progress has been made, particularly in accessing the CPTPP. However, major deals are still in negotiation with expected delays, such as the UK-India and UK-US trade deals, which appear to be facing final roadblocks.

The UK-Australia FTA entered into force in May 2023
This FTA sets the stage for a positive, long-term environment for trade and business cooperation between both countries, aiding businesses in establishing a stronger presence. Whilst the volume of bilateral trade between the two countries is relatively small, the services sector is expected to be the primary beneficiary of this agreement, as it stands to gain from the relaxation of mobility restrictions. **Source**: Deloitte UK, link

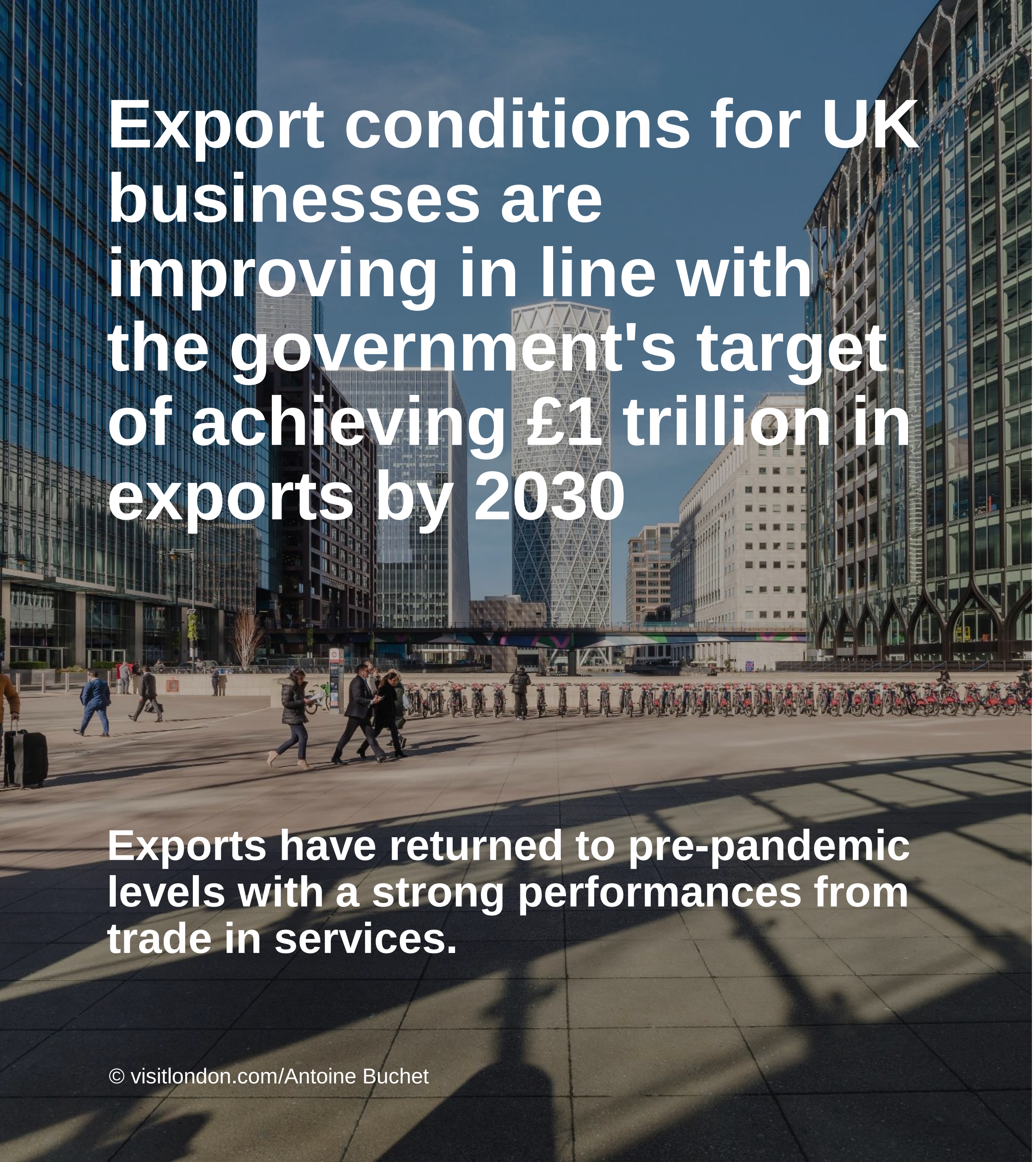
The UK joined the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in July 2023
The CPTPP countries represent 500 million people, contribute 15 per cent of global GDP (including the UK), and account for £110 billion of UK trade. The agreement promotes modern rules for trade in services, removing common market access barriers, and ensures equal treatment for traders among member states. **Source**: Deloitte UK, link

The UK and India agreement is still in negotiation
Currently, only 3 per cent of UK exports to India are tariff-free, while 60 per cent of Indian exports to the UK enjoy that status. A UK-India trade deal is a significant milestone, as India is now the fifth-largest global economy. While the likelihood of a UK-India trade deal is higher than ever, final roadblocks, including migration and visa issues, could further delay the agreement. **Source**: UK Trade Tracker, link

The UK and US initiated FTA negotiations continue
Substantial work on the US agreement is anticipated to commence in the new year. A major obstacle in this agreement revolves around the agriculture and environment departments. To address this issue, a new initiative was announced on October 23 called the US-UK Trade Partnership Forum (TPF). Other areas for discussion are labour rights, trade in services, and digital trade documents. **Source**: POLITICO, link

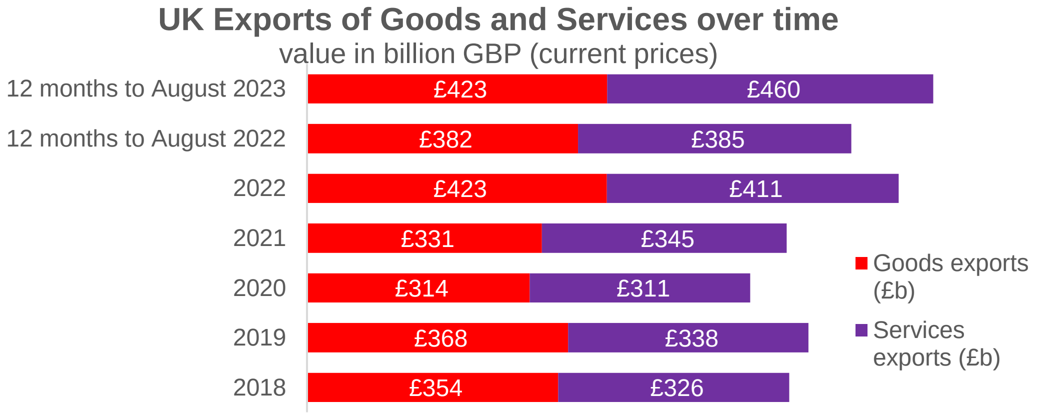
Export conditions for UK businesses are improving in line with the government's target of achieving £1 trillion in exports by 2030

Exports have returned to pre-pandemic levels with a strong performances from trade in services.



Recent trade surveys highlight a growing interest among businesses in exploring international markets
According to the Lloyds Bank Business Barometer, 17 per cent of respondents have expressed their intention to expand internationally in the next 12 months, while 31 per cent believe that diversifying their export destinations and entering new markets represents the most significant opportunity for business growth.

Additionally, after adjusting for the effects of inflation, UK exports experienced a significant 10 per cent growth over the 12 months leading up to Q2 2023, surpassing their pre-pandemic levels from 2019. This growth trend aligns with the current prices of exports in 2023. Notably, trade in services exhibited a strong performance, reaching a total of £460 billion in the 12 months ending in August 2023, marking a substantial 19 per cent increase in current prices and 9 per cent growth in chained volumes compared to the same period the previous year. This clearly indicates a return to pre-pandemic export levels. **Source**: ONS Trade in Numbers, link



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SUSTAINABILITY

Global economies are racing to attract and retain clean energy businesses

Global competition for green and sustainable investment is fierce. The US has led the charge but London’s fundamentals strengths put it in a good position to take advantage of the opportunity.

The US Inflation Reduction Act (IRA) sparked a global race for clean energy leadership
As the IRA sets the stage for a race towards environmental sustainability, it also introduced complexities into the geopolitical arena with emerging trade tensions with key U.S. trading partners, including the EU, UK, Japan, and South Korea. In response to the US IRA, several countries have a direct policy actions such as the EU Green Deal, Canadian IRA response package, Indo-Pacific Economic Framework. **Source**: BCG Executives Perspectives, link

IRA has the potential for the US to become an attractive green market for non-US businesses
Several international corporates have already expanded in the US as a response to the IRA. With some US companies delayed or putting off their decision to expand internationally to localise their supply chains to benefit from the IRA incentives. Although the available data is fragmented and provides only a partial view of the situation, initial findings indicate a growing appeal of the US market. **Source**: Konrad-Adenauer-Stiftung, link & EIA, link

The IRA could impact the competitiveness of the UK
The UK could be considered behind in response to US and EU subsidies for green industries. **Source**: Politico, link. Particularly in response from the initiatives from the EU, which accounts for a much larger share of British exports. **Source**: Social Market Foundation, link. Early indications however suggest from a London perspective there has been a strong performance in the climate (energy) sector, up 33 per cent year-on-year. **Source:** Dealroom.co, link

There have been some changes in domestic policy as the government has reaffirmed its committed to net zero by 2050

Despite the changes in government policy, the UK commitments appear to remain on par with other countries.

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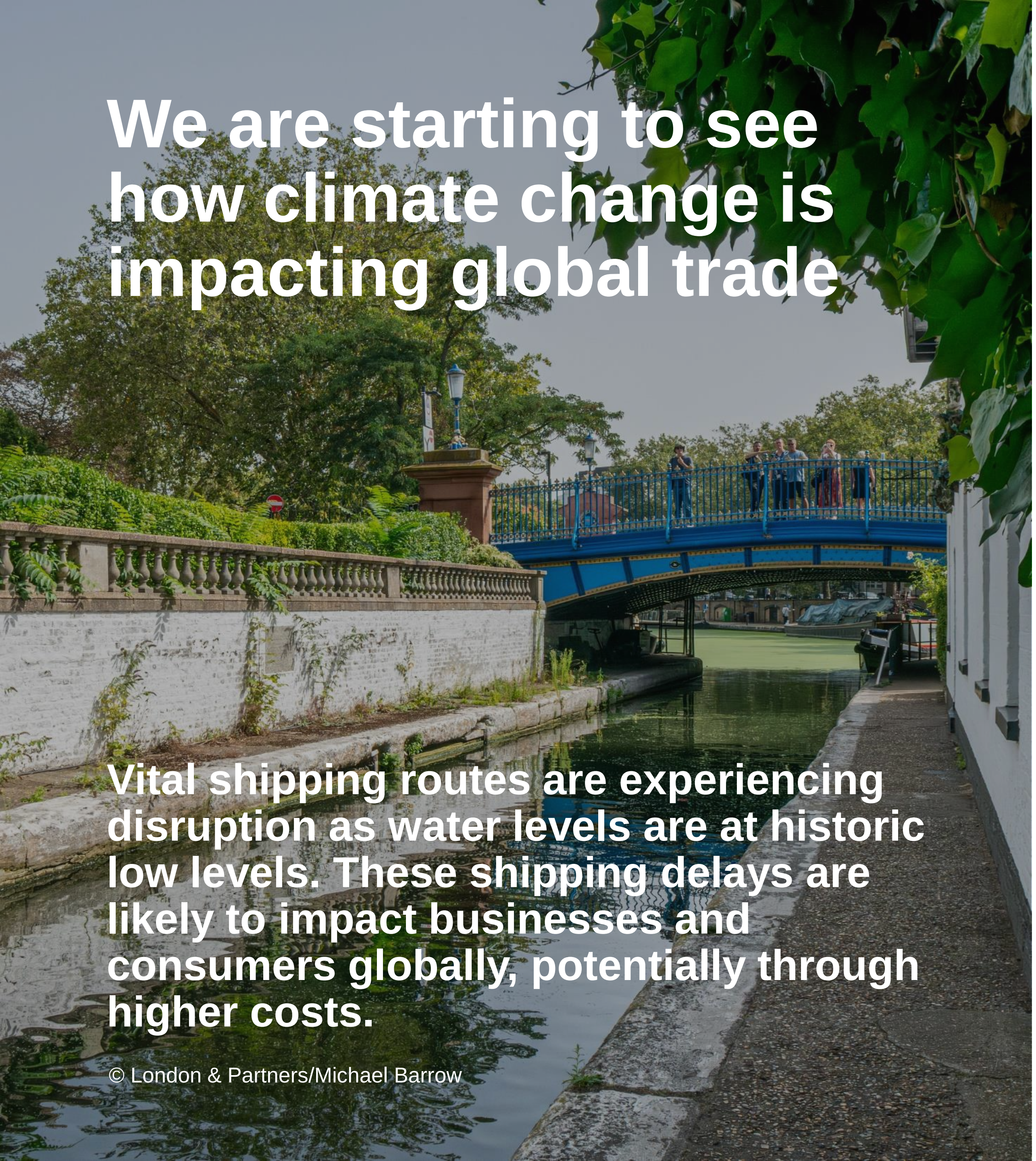
UK Government pledges a “fairer” path to achieving net zero targets
The UK Prime Minister has committed to net zero by 2050 and promises a fairer and realistic approach to reaching net zero. The ban on new fossil fuel boilers will be delayed while cash grants for boiler upgrade schemes will increase. Similarly, the ban on the sale of petrol and diesel cars moved back to 2035 with the removal of new policies forcing landlords to upgrade the energy efficiency of properties. **Source**: Gov.uk, link.

This was echoed in the King’s speech which outlined annually rewarded licenses for oil and gas projects in the North Sea. **Source**: BBC News, link

We are starting to see how climate change is impacting global trade



Vital shipping routes are experiencing disruption as water levels are at historic low levels. These shipping delays are likely to impact businesses and consumers globally, potentially through higher costs.

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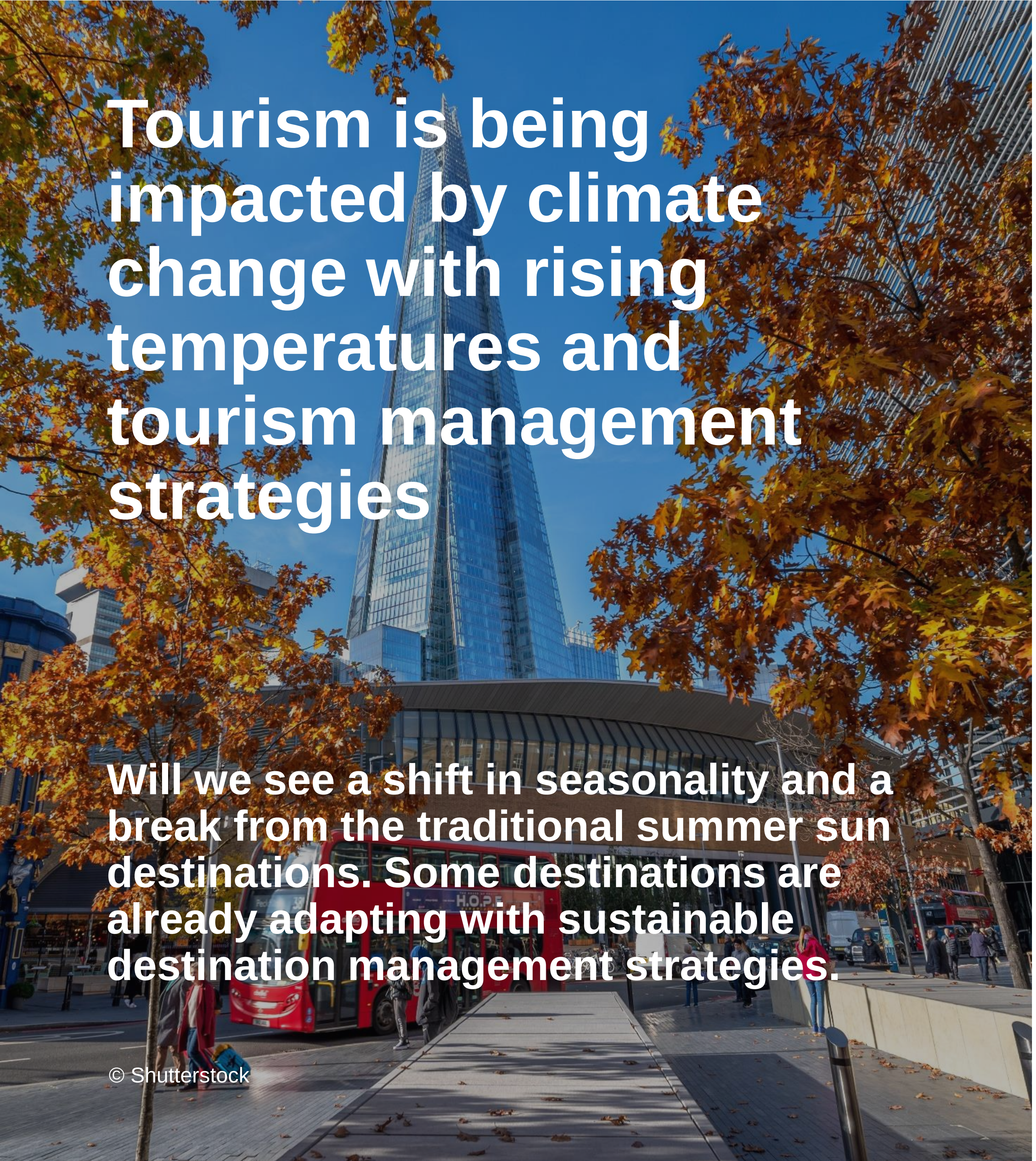
Cost of shipping goods around the world are expected to be impacted by restriction
The Panama Canal reduces the time and distance for ships to travel between the Atlantic and Pacific oceans, it's open 24 hours a day 365 days a year. The Panama Canal Authority (ACP) says it has been forced to make the decision to cut the number of ship due to the driest October since records began in 1950. **Source:** BBC News, link

Shipping is disrupted along the Mississippi River
For the second consecutive year, the Mississippi River is experiencing historically low water levels causing bottlenecks at various points along the river. Due to the decreasing channel depth, requiring ships to navigate further inland. **Source**: CNBC, link

The impact of climate change on ports could cost the shipping industry up to $10 billion annually by 2050
A recent study of RTI and Environment Defense Fund estimates that the impacts of climate change on ports, from infrastructure damage to disruptions, could cost the shipping industry up to $10 billion annually by 2050. **Source**: Environmental Defense Fund, link



Tourism is being impacted by climate change with rising temperatures and tourism management strategies

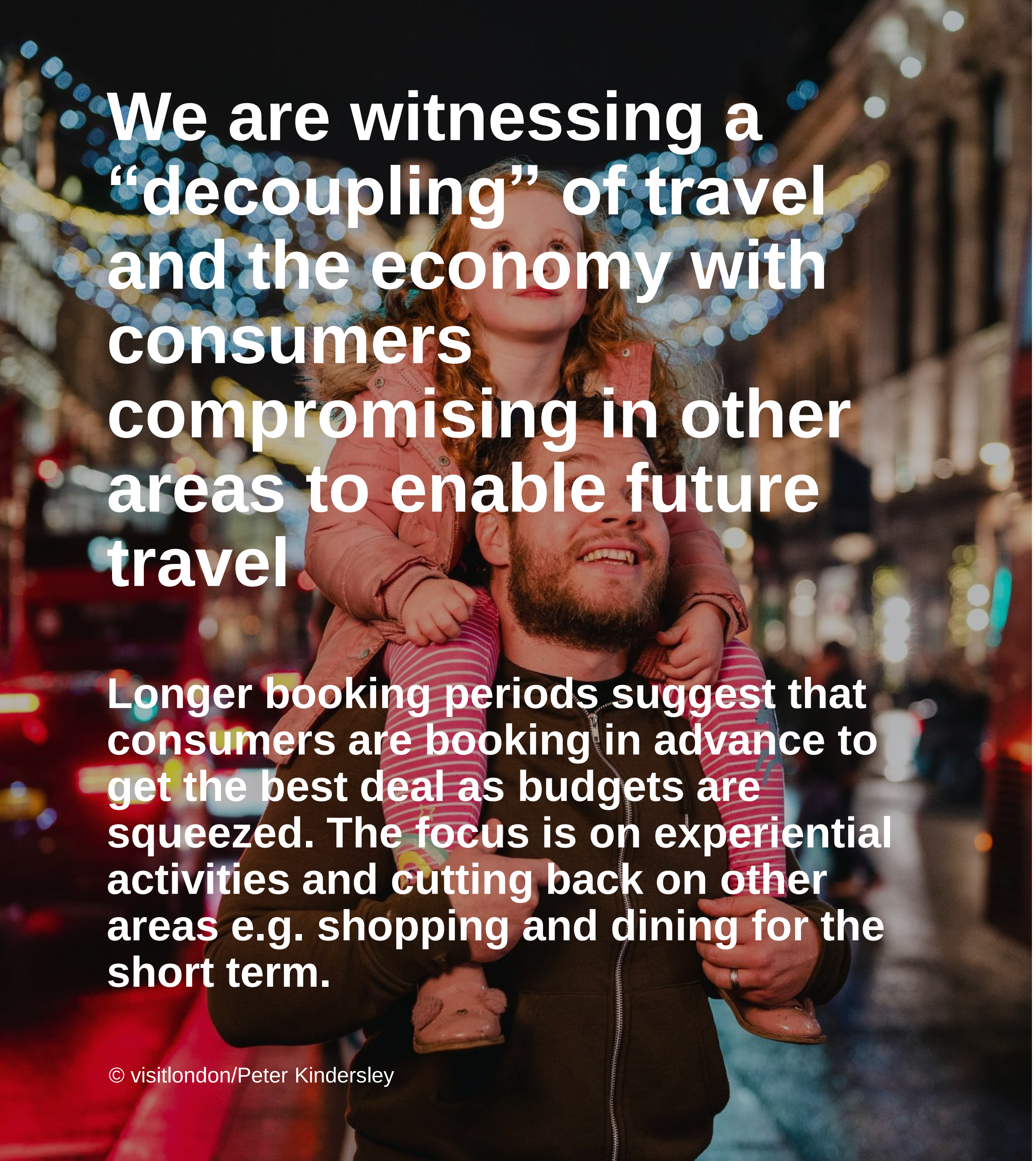
Will we see a shift in seasonality and a break from the traditional summer sun destinations. Some destinations are already adapting with sustainable destination management strategies.

High temperatures are set to impact destinations
According to European Travel Commission there has already been a 10 per cent drop in the number of people planning to visit the Mediterranean in June-November this year following last year’s high temperatures. Tourists are considering trips to the Czech Republic, Denmark, Ireland and Bulgaria instead.
Source: World Economic Forum, link & The Guardian, link

Blurring the lines of seasonality might be one outcome
Consumers are starting to consider destinations outside of their traditional seasonality. It’s not just summer holidays, global temperatures have reduced seasonal snow cover in the Alps by 8 per cent per decade in the past 50 years.
Source: Carbon Brief, link

Flight caps, adapting marketing strategy and limiting cruise arrivals are some destination management strategies
Examples include the Netherlands planning a flight cap at Schiphol airport to reduce noise pollution. **Source:** Skift, link. Copenhagen has stopped promoting the key tourist attractions in their advertising to disperse tourism across the city. Dubrovnik has changed their cruise ship arrival schedules and created a predictions calendar on visitor volumes to reduce congestion in the old town.

TOURISM



We are witnessing a “decoupling” of travel and the economy with consumers compromising in other areas to enable future travel

Longer booking periods suggest that consumers are booking in advance to get the best deal as budgets are squeezed. The focus is on experiential activities and cutting back on other areas e.g. shopping and dining for the short term.

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Could a high booking demand for travel this winter be a symptom of increasing travel costs
Data for flights currently “on the books” for London in Q4 2023 indicates a strong demand, with expected arrivals pacing 7 per cent in November and 10 per cent in December above where they were in 2019. The best performing source markets in Q4 are currently Saudi Arabia: +68 per cent, Germany: +26 per cent, Switzerland: +18 per cent, Canada: +16 per cent, USA: +12 per cent, and the UAE: +7 per cent. This comes as reports suggest that booking lead times are getting longer, with consumers wanting to lock in the best prices up front. **Source:** Forward Keys

Consumers compromise on lifestyle for leisure travel
Long-haul travellers are making in-destination compromises which include reduced shopping activities to cut overall spend, as well as turning to loyalty schemes and opting for budget friendly packages for the likes of accommodation and dining. All to savor every moment of their travels. **Source:** European Travel Commission, link

Experiences top the travel bucket list, as consumers aim to maximise what they can see and do with every purchase
In a study entitled *Changing Traveller Behaviour*, experiential activities were taking over conventional travel motivations. By experiential, the activities considered related to wellness, active and lifestyle, nature and food, and cuisine, as opposed to traditional activities of arts and culture, shopping, and sunbathing. **Source:** Mabrian, link

London is experiencing strong tourism volumes and spend for the first half of 2023 with forecast recovery to 2019 levels expected next year

Future forecasts are positive for the city but caution must be given, due to economic challenges facing consumers. Slower GDP growth into 2024 is anticipated, particularly for the most developed markets of Europe and North America.

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London maintains its central position within the UK for international visitors, with spend hitting a record high
Of the 9.9 million visitors to the UK from April to June 2023, London received just over half (54 per cent) at 5.3 million visits. This is down 1 per cent of Q2 2019 level. Inbound spend in London accounted for 54 per cent of the total UK inbound spend, reaching a record £4.3 bn in Q2 2023, 15 per cent above Q2 2019. **Source:** ONS IPS, link

London is expected to reach 2019 visitor levels by 2024
Forecasts predict visitor arrivals to reach around 15.9 mil in 2023, an increase of 18 per cent this year compared to last. This growth equates to an additional 2,455,000 arrivals compared to 2022. **Source:** Tourism Economics

North America and Europe are set to remain as London's largest source markets this year and next. London's largest source markets for 2023 are expected to be the United States (18 per cent of total international arrivals), followed by France, Germany and Spain. Oxford Economics upgraded their outlook for all inbound arrivals in 2023 to 14 per cent below 2019 levels, from 18 per cent below 2019 levels in their June forecast. This was to reflect the strong desire amongst consumers to travel above other discretionary spending, with the momentum set to continue in 2024. **Source:** Tourism Economics

Future border entry requirements from the European Union and the UK will impact travel to and from Europe next year

This could potentially cause some confusion with visitors and we will need to publicise these changes to potential visitors to London in advance of their trip.

EU Entry/Exit System (EES) is expected in 2024
The EES will be an automated IT system for registering travellers from non-EU countries, including the UK, each time they cross a border into or out of the EU. It has been delayed but is anticipated to take effect in 2024. Travellers will need to scan their passports at an automated self-service kiosk prior to crossing the border. This will replace the current manual stamping. No action will be required prior to travel, as registration will be at the external border. **Source**: House of Commons Library, link

European Travel Information and Authorisation System (ETIAS) expected in 2025
ETIAS is a new entry requirement for travellers who do not need a visa, entering for a short stay. ETIAS will apply to British and other non-EU/non Schengen country citizens travelling to all EU Member States, with the exception of Ireland. It will also apply for travel to the four non-EU Schengen countries. Travellers will need to apply for a travel authorisation before starting their trip. **Source**: House of Commons Library, link

UK will be introducing an Electronic Travel Authorisation (ETA)
By the end of 2024, people who do not need a visa to enter the United Kingdom will need to have an electronic travel authorisation, or ETA, before they visit. These ‘non-visa nationals’, including EU and US citizens, can currently travel to the UK without a visa if visiting for up to six months. The new system will require visitors to apply and pay for the ETA before travel. **Source**: House of Commons Library, link

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