ETOA

Impact Survey

Schengen visa processing in India

October 2018

This impact survey presents high level preliminary findings from research conducted by the European Tourism Association (ETOA) between July and September 2018. It is intended to inform current debate on the reform of the Schengen Visa Code. It focuses on the strong 'deterrent effect' of visas and suggests how that effect may be quantified.

US$1bn

Potential loss to Schengen zone of in-destination spend per year

The Indian market represents an important opportunity for European tourism. On average, Indian travellers visit 2.4 countries and 5 cities on each trip to Europe. Notably, 39% of India travellers have had their trip organised by a travel agency, and then travel independently without joining a tour group.[1] If Europe wants to attract this growing population of confident travellers who are used to shopping around and often book relatively late, improved visa processing is essential.

Costing the deterrent effect

59% of all respondents' clients who travelled in the preceding 12 months considered the Schengen zone as a destination. Of these, over half did not complete a Schengen visa application, as follows:

- 30% considered travelling to Schengen zone, but changed their mind before applying for a visa, primarily due to cost, perceived practical difficulty or other negative factor associated with application. The relative ease and appeal of other destinations is highly influential on these travellers, and to those trying to sell them a holiday.
- 25% abandoned the idea during the Schengen visa application process, primarily due to cost, perceived practical difficulty or other negative factor associated with application.

In 2017, 920,699 Schengen visa applications were received from Indian citizens. 837,109 were granted, giving an average refusal rate of 9%.[2]

If the same refusal rate would have applied to the 55% who, instead of changing their mind before applying or during the process went on to complete a visa application, over half a million more visas would have been granted to Indian travellers. At an average in-destination spend of $2000 per person, that represents one billion dollars of potential opportunity cost to Europe, not counting the spend on international travel and accommodation.[3]

While this figure is necessarily speculative, its scale illustrates the urgent need to ensure visa facilitation processes for legitimate travel are fit for purpose. Investment in processing ability, together with intelligent reform to the Visa Code, are both strategic necessities.

Note on data

1 Source: Section 2, 'Study on tracking multi-destination travel in Europe from long-haul source markets – US, China, Japan and India', a report produced for the European Travel Commission by Kairos Future, July 2018.

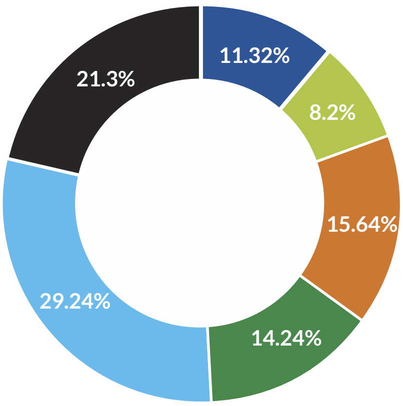
2 Source: Visa statistics for consulates, 2017, downloaded from https://ec.europa.eu/home-affairs/what-we-do/policies/borders-and-visas/visa-policy_en#stats 27.9.18

3 $2000 average spend is an estimate based on a range of sources, and is used for ease of calculation to illustrate approximate scale of loss. Precise figures are problematic as factors affecting the figure include: length of stay and destination countries visited; ratio of group business to FIT; for groups business, the degree to which food, accommodation and road or rail transport are pre-paid as part of a package, in addition to international travel. For more information please email: **policy@etoa.org**

Competitive appeal of other destinations

Prospective visitors from India to Europe have options. Two-thirds of those who either never made or abandoned a Schengen visa application still went on a foreign holiday; over a fifth to a European destination outside Schengen and UK/Ireland. Both travel agents and outbound operators sell a wide range of products: most will not lose business if their clients want a non-Schengen option. Other destinations are eager to capture market share.

Respondents were asked to think about their clients "who abandoned the idea of a trip to Schengen either before or during the visa application process" and estimate what their subsequent holiday plans may have been.



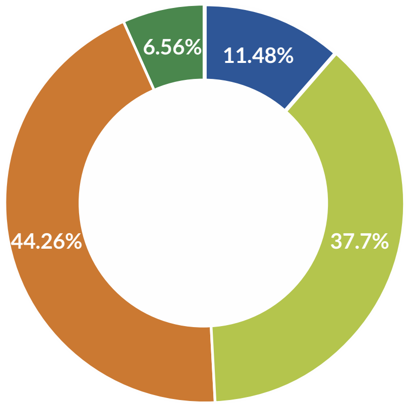
Response
- N/A or Don't know
- They did not go on holiday
- They went to an international destination OUTSIDE both Asia and Europe
- They went on a domestic holiday in India
- They went to another international destination in Asia
- They went to European destination(s) OUTSIDE Schengen & UK/Ireland

Priorities for change

Improved processing capacity and streamlined documentary requirements are essential.

When respondents were asked for a single change which they thought would make the most difference, 44% chose processing times and 38% a simplification or streamlining of documentary requirements.

These are directly affected by the Visa Code and member states' practice, as well as the practice of external agencies to whom member states have sub-contracted visa-related work.

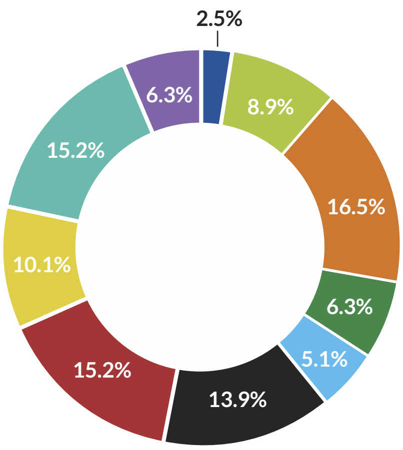


Response
- Reduce indirect costs of completing visa application process (time off work, travel, producing documents)
- Simplify or streamline requirements for documentation
- Increased processing capacity, especially at peak times
- Other

Respondent profile

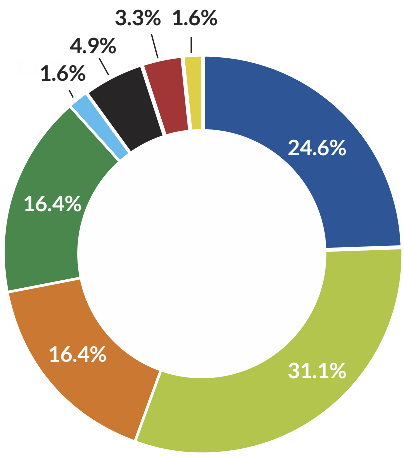
Total responses from India outbound businesses: 79, of which:
Groups business only: 11.4%; FIT business only: 22.8%; both groups and FIT: 65.8%

Respondents' business size



Range
- 1 million + pax
- 500k < 1 million pax
- 250k < 500k pax
- 100k < 250k pax
- 50k < 100k pax
- 10k < 50k pax
- 5k < 10k pax
- 1k < 5k pax
- 100 < 1k pax
- 0 - 99 pax

% of respondents' clients who travelled outside India in last 12 months



Range
- 90-100%
- 80-90%
- 70-80%
- 60-70%
- 50-60%
- 40-50%
- 30-40%
- 20-30%
- 10-20%
- 0-10%