

Thomas Cook Collapse: First Major Brexit Casualty?

By [Johanna Ross](#)

Global Research, September 23, 2019

[InfoBrics](#)

Region: [Europe](#)

Theme: [Global Economy](#), [Intelligence](#)

Brexit has not yet taken place, and there's no certainty that it will, but it seems the fallout has already begun with the announcement today that one of Britain's largest and oldest tour operators, Thomas Cook has ceased trading with immediate effect. With 150,000 customers stranded abroad, 105 planes grounded, and 30,000 jobs lost, the news has caused chaos across airports and hotels worldwide.

In some hotels in Tunisia holidaymakers have been asked to pay for their accommodation upfront, having already paid in full to Thomas Cook, as hoteliers have been left short. There has been widespread panic as people in need of medication from the UK have been left stranded abroad, unable as yet to organise a flight home. Some customers have paid up holidays for months now, only to find out that they cannot travel and unclear as to when they'll be reimbursed. Not everyone is in a financial position to rebook another holiday at short notice, and so it's likely that many will miss out on their vacation altogether.

The issue has, of course, immediately become a political one, with Shadow Chancellor John McDonnell stating on Monday that a Labour government would have in fact bailed out the company in the short term, to give it a 'breathing space'. However Transport Minister Grant Shapps insisted that this would not have worked in the longer term. Although, he said, Thomas Cook was looking for a sum of £250 million to keep it afloat in the interim, he stressed the real figure required was £900 million and that it had £1.7 billion in debts. Therefore spending taxpayers' money on this 'was not really a goer'.

The collapse of Thomas Cook ought to be seen however in its wider context. It is far from the only tour operator struggling at the moment, and travel experts are already pointing the finger of blame at Brexit. Since the 2016 vote to leave the EU, fewer and fewer Brits have booked holidays abroad, due to the uncertainty surrounding Britain's future status in Europe. With the UK government's inability to secure a withdrawal agreement time and again it's never been clear just what holidaymakers could expect from future travel to Europe. The original Brexit date of 29th March was not met, and it's still not evident whether Boris Johnson will succeed in taking Britain out of the EU on 31st October. Even in a scenario where the UK does exit, there is a huge amount of confusion and lack of knowledge as to whether Brits will be able to continue travelling as normal to Europe. The decreasing value of the pound - directly linked to fears over a No Deal Brexit - may also have impacted on people's decision to stay at home.

The government however remains defiant that there is no link to Brexit whatsoever. Health Secretary Matt Hancock, speaking on Monday said that the company had faced 'long term problems' and an issue 'bigger than Brexit' was the role of the internet, with holiday-goers increasingly choosing to book breaks online direct where they believe they can get a

cheaper deal. The internet no doubt has changed the landscape completely in terms of how people book their foreign holidays, but nonetheless Thomas Cook itself several months ago acknowledged the part Brexit had played in its downfall. Announcing losses of more than £1bn in May it stated “In the UK, the political uncertainty related to Brexit over recent months has led to softer demand for summer holidays across the industry’ and suggested people had put their holidays on hold until it was clear what was happening over Britain’s withdrawal from the EU.

The UK’s Civil Aviation Authority is now set to lead one of the largest ever peacetime repatriation programmes, using around 40 planes, to bring British holidaymakers home. Coined ‘Operation Matterhorn’, £100 million will be spent on rescuing stranded passengers who have return flights booked between now and 6th October. Aircraft have reportedly been secured from all corners of the globe. The Transport Minister said however the task would not be easy and that customers should brace themselves for ‘problems and delays.’

The question is however, how much more of this type of scenario will we see if Britain does indeed, leave the EU on 31st October without a deal? The chaos predicted in the leaked Operation Yellowhammer documents detailed a range of negative aspects of a No Deal Brexit, including delays at ports and shortages of food and medicines – these are some of the expected results. But what about the unexpected? Even the prospect of a No Deal Brexit has already harmed the pound; how much more damage to the economy could we see? It seems the demise of Thomas Cook is just the tip of the iceberg in what could emerge as a very risky political experiment being played out on the British people; the true costs of which are not yet known...

*

Note to readers: please click the share buttons above or below. Forward this article to your email lists. Crosspost on your blog site, internet forums. etc.

Johanna Ross is a journalist.

Featured image is from InfoBrics

The original source of this article is [InfoBrics](#)
Copyright © [Johanna Ross](#), [InfoBrics](#), 2019

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Johanna Ross](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca