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Per E-mail

Ms Ursula von der Leyen
President of the European Commission

Mr Thierry Breton
Ms Adina Vălean
Members of the European Commission

European Commission
Rue de la Loi 200
B-1049 Brussels

Brussels, 11 March 2020

Dear President von der Leyen,
Dear Commissioners Breton and Vălean,

Re: Covid-19 impact on the travel industry and support measures

The unpredictable and continuous development of the Coronavirus (COVID-19) is a head-on challenge for the world economy, and particularly for the travel industry: restricted mobility is the antonym of travelling; hence the threats for the tourism industry are total.

In recent years, the 70.000 travel agents in Europe issued 300 million air tickets on scheduled flights and sold approximately 120 million prearranged and 90 million dynamic travel packages. Today, business travel has collapsed by 80%, cancellation of already booked travel packages is above 50% and nobody, in such an anxiety-provoking context, is interested in booking their next business or leisure trip. In addition, travelling is becoming complicated; not only for health reasons, but also because of legal uncertainties (such as unclear travel advice), new entry and exit requirements imposed for travellers originating from specific countries or cancellation and consolidation of flights (fewer or no connections).

The loss for the travel industry is already immense. Travel agents and tour operators, as a central part in the tourism value chain, are being squeezed from all sides: they have booked travel services for their customers and have made part or full payments to service suppliers. But customers are cancelling their trips and requesting refunds, without the possibility for travel agents to get the money back from the service suppliers. This is the case for many travel agents, but particularly for the organisers of school trips, who have seen massive cancellations following recommendations from governments to defer or cancel school trips. At the same time, customers are not making any new bookings.

Travel agents and tour operators, most of which are SMEs with no financial buffer, are running out of cashflow and their credit lines are under scrutiny, being renegotiated or even closed by banks. In our opinion, even a few minor bankruptcies can cause a snowball effect throughout the tourism value chain, as a result of which many service suppliers will disappear. The situation can lead to the permanent collapse of thousands of undertakings, contributing in turn to an economic slowdown.

To avoid a crisis of unprecedented proportions, it is vital to keep customers reassured and to prevent panic, resulting in mass cancellations. It is also necessary to provide temporary aid packages to help travel companies overcome financial liquidity problems. Such assistance is currently being considered, and sometimes already granted, in countries most affected by the epidemic.

Article 107 2b of the Treaty allows Member States to grant State aid to "make good the damage caused by natural disasters and exceptional occurrences". During the 9/11 terrorist attacks and the ash cloud crisis, the Commission considered such aid measures possible, to the extent that aid was provided in a non-discriminatory way, that the amount of aid was limited to the real costs and that aid did not constitute a hidden assistance for the restructuration of companies.

ECTAA welcomes the Commission's announcement made on 10 March that state aid can flow to companies that need it and we invite the Commission to quickly adopt clear guidance on such state aid. In our understanding, national relief measures should as a minimum include:

- **Access to short- and medium-term loans to overcome liquidity shortages**
- **Possibility to put employees on temporary leave or reduced working time, to avoid lay-offs**
- **Deferment of fiscal and social contribution payments to the government**
- **Reimbursement of cancellation costs incurred by travel agents and tour operators as a result of the Package Travel Directive requirements.**

ECTAA would like to reiterate its commitment to cooperate with the Commission, providing information about difficulties and delivering data, as well as potential solutions. We remain of course available for any specific request that could support your services in performing their duty.

Yours faithfully,



Paweł Niewiadomski
President