

Brussels, 12<sup>th</sup> March 2020

## An open letter to European policymakers from the Network for the European Private Sector in Tourism (NET)

As the current spread of the Coronavirus (COVID-19) continues to develop, the tourism and travel industry is monitoring the situation closely.

The World Health Organisation (WHO) has declared the outbreak of COVID-19 to be a Public Health Emergency of International Concern and issued a set of Temporary Recommendations. These do not yet include travel or trade restrictions.

The effects of the outbreak are already being felt throughout the global economy. Economic activity has dropped, and all evidence points towards a significant downturn in areas affected by the virus. The tourism and travel industry, as one of the sectors heavily reliant on the movement of people, has been particularly adversely hit.

Tourism's contribution to EU employment and GDP is crucial. It contributes more than 10% of GDP and provides c.12 million jobs largely in small and medium sized enterprises. This represents the third largest socio-economic activity in the EU. Its potential for growth will only be realised with coordinated support from policy makers and other stakeholders.

The tourism and travel industry requires substantial investment by all actors concerned. At the same time, as the current health emergency has demonstrated, it is also an industry that is very vulnerable to health emergencies. This means that the sector has already suffered and will continue to suffer serious repercussions, as the COVID-19 situation develops.

We are aware that some discussions on supportive economic measures to help the sector cope with the serious downturn are already ongoing and welcome the announcement by EU officials of a fast injection of €7.5 billion in assistance to health care systems, small businesses and hard-hit sectors. We would like to address this open letter to European policymakers and ask for a series of additional supportive measures:

- Politicians need to maintain open communication channels and engage in exchange of information, particularly with the most affected sectors.
- We urge financial institutions to start an open discussion with the tourism industry to agree on a sustainable way forward, ensuring the continuous operation of tourism businesses, while safeguarding the viability of financial institutions.
- We call on policy makers to consider all possible financial and economic measures to support economic recovery after the downturn caused by the COVID-19. In line with the recent UNWTO call, we also believe that tourism must be a priority in recovery

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plans and actions.

- We call on national governments to provide temporary state aid for the travel and tourism industries, with the Commission providing clear and precise guidance on state aid for the sector in the context of COVID-19.
- The industry would strongly welcome fast access to short- and medium-term loans to overcome liquidity shortages, as well as fiscal relief.
- We believe that a temporary relaxation of employment rules to be able to put employees on temporary leave or reduced working time, to avoid lay-offs is necessary.
- Finally, we ask for a deferment of fiscal and social contribution payments to the government to help the industry cope with the crisis.

In this developing and challenging situation, tourism industry stakeholders stand in solidarity with international efforts to stem the spread of COVID-19 and effectively treat affected patients.

While the global community is focussed on curtailing the spread of COVID-19, policy makers must also plan for the economic recovery after the outbreak is eventually put under control. The tourism and travel industry is particularly effective at creating new jobs in a recovery, especially for micro-enterprises and SMEs. It is thus necessary to support the sector, so it can assist in the subsequent economic recovery.

Europe's prospects as a travel destination remain very strong. Once the health emergency passes, demand for tourism services will return quickly and we need to ensure that we remain in a position to deliver.

**Signed on behalf of the NET group**



Jakob Wahl

Executive Director and Vice-President of IAAPA EMEA

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