



NETWORK FOR THE EUROPEAN PRIVATE SECTOR IN TOURISM

To:

Commissioner Breton, responsible for Internal Market
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CC:

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Brussels, 14th April 2020

NET letter to Commissioner Breton

As COVID-19 continues spreading around the world, the tourism industry is facing devastating effects, with thousands of companies closing down or fighting on a daily basis for their survival.

In this context, we would like to thank you for giving us the opportunity to meet you via video conference on 2 April 2020. We welcome a continuous dialogue between you and the industry on ways to help the sector cope with the situation and on trying to find solutions for the months ahead.

With this idea in mind, in line with and extending the summary of our views as already provided in summary by Mr. Tim Fairhurst in representation of NET, we propose you the following measures to be taken by the European Commission:

At present stage:

- We welcome the fact that the European Commission has raised the maximum State Aid fund per company to 800.000€. We advocate companies are able to use this help in the next three year period counting from December 2019 (as high expenses might have been done by companies e.g. in the past two years and a half). Administrative procedures to be dealt with by the European Commission for the approval of the aid should be processed as fast as possible. We also welcome the fact that direct grants, repayable advances or tax advantages are specifically covered in the legislation. But other possible aids should be included (e.g. loss of turnover compensation);
- The main objective at present stage is to bring liquidity to companies. Nevertheless, if the situation is prolonged, more aid would be needed, specially to help the small ones;
- We encourage the European Commission to work with several DGs on sector-specific actions, especially in respect of consumer refunds. More specifically, we would support the use of tourism vouchers to be encouraged, and that a mechanism for protecting value of such vouchers to minimise risk to consumer would be put forward;
- Burdensome new legislation and consultations should be postponed to another moment. Now the industry is focusing on trying to make the sector survive. Impact assessments preparing up-coming legislation are based on data when the economic situation was prosperous. As was mentioned, the crisis has precipitated a systemic review which should

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come before further legislation. Finally, all EU institutions need to contribute to the decision-making procedure;

- The application of cumbersome existing legislation should be postponed - e.g. the application of strong customer authentication in the Payment Services Directive (EU) 2015/2366 should be postponed at least to the end of 2021 – currently this is supposed to be applied by all sectors by the end of 2020;
- In addition, the Tourism Unit and the private sector should work together to identify all the pieces of legislation with an impact on the tourism sector, given the horizontal nature of the tourism sector (a list can be sent by NET at a later stage).

In the next months we would propose to:

- Encourage better coordination of action and response among Member States as we start to plan for recovery. Actions could include:
 - Coordinated approach in opening the borders to facilitate the movement of people
 - Build a quick and comprehensive information plan on changes to travel restrictions or other conditions in destination
 - Best practices sharing
 - Information sharing - information post-crisis is very uneven and fragmented when viewed from origin markets. Language barriers are also a factor. Consequently, clear and consistent communication is needed to overcome negative perceptions
- Include budgetary provision in Multi Annual Financial Framework for a sustainable and resilient recovery. A recovery plan should include the delivery of the EU Green Deal and the Digital Agenda for Europe. Therefore, budget is needed to support the following actions, namely:
 1. Confidence building in market: this will require better data sharing and management as well as an adequate digital response (NET can provide you further feedback on this point)
 2. Gather actionable insights from origin markets
 3. Joint promotion initiatives for Europe
 4. B2B networking events
- Create a stakeholder group to review governance as it affects the tourism sector. NET would be pleased to help build such a structure and we look forward to discuss this matter further with you.

Tourism is an ecosystem composed by travel agents, tour operators, hotels, bars, cafés, attraction parks, campsites, cruises, rural establishments, transport. All companies should benefit equally from the EU support, so that we are all ready to provide quality and sustainable services once the economy picks-up. Europe's prospects as a travel destination remain very strong. Once the health emergency passes, demand for tourism services will return quickly and NET is willing to ensure that we remain in a position to deliver.

Signed on behalf of the NET group by

HOTREC President, Mr. Jens Zimmer Christensen