

Research for TRAN Committee – Relaunching transport and tourism in the EU after COVID-19

Part I: Overview

KEY FINDINGS

- Commuting and shopping patterns in urban areas have changed with increased walking, cycling, car travel, and online shopping, at the expense of public transport use. Long distance travel declined drastically, leading to revenue and job losses in the transport and tourism sectors and those dependent on them (e.g. industrial and retail sectors).
- The impact on freight transport has been modest but depends on the future direction the economy takes.
- The main operational challenge facing the transport and tourism industry has been to ensure the health of personnel and passengers, while securing an adequate supply of services.
- The EU provides crucial assistance to citizens, governments and the transport and tourism industry so that they can emerge better placed to achieve sustainability and resilience following the present crisis.
- The EU has provided guidelines, legislation and financial support to mitigate virus spread, maintain essential cross-border services and protect the single market.
- The industries' recovery relies on the vaccination campaign's successful roll-out, and on financial support and policy actions that will help the industry to adapt to economic situation.



The COVID-19 pandemic severely impacted the EU's transport and tourism sectors in 2020, both directly **impacting the industries' income** and indirectly by **changing mobility and tourism patterns**. While the EU's economy has suffered, the impact on the income of countries and regions reliant on tourism have been worse, leading in some areas to 40% job losses.

The present document is the executive summary of the overview briefing on Relaunching transport and tourism in the EU after COVID-19. The full briefing, which is available in English can be downloaded at: <https://bit.ly/2PryheX>

Policy Department for Structural and Cohesion Policies
Directorate-General for Internal Policies

Author: Maria RODRIGUES, Tharsis TEOH, Carolina RAMOS, Thomas de WINTER, Ljubica KNEZEVIC (PANTEIA), Edoardo MARCUCCI, Giacomo LOZZI, Valerio GATTA, Barbara ANTONUCCI, Nicole CUTRUFO, Lidia MARONGIU (Università degli Studi Roma Tre), Giacomo LOZZI, Ivo CRÉ (POLIS)
PE 652.235 - February 2021

Commuting and shopping patterns in urban areas adapted to government-imposed travel restrictions by increasing walking, cycling, car travel, and online shopping, at the expense of public transport ridership. Travel by rail, cruise, passenger ships, and flights have suffered, in line with a 70 % drop in international tourism demand, leading to revenue and job losses in both sectors and the sectors that depend on them (e.g. industrial and retail sectors). Though the impact on freight transport have thus far been modest, the sector is expected to shrink in the coming years, especially if the economy is in recession.

The subsectors in the **tourism industry** were impacted by the pandemic in different ways. **Tourist arrivals** to Europe dropped 68% year-on-year (yoy). **Intra-EU tourism** also suffered, as visits to popular destinations, such as France, Germany, and the Netherlands, were just 40 % compared to 2019. **Domestic tourism** was affected, depending on accessibility by road (e.g. islands of Cyprus and Malta), its generally strong demand (e.g. Germany and France), or smaller tourist destinations (e.g. [Slovenia's](#) grew by 43%). The effect on travel propagated to accommodation providers, tour and travel operators, and the hospitality industry.

EU action is essentially structured around: i) guidelines; ii) dedicated legislation to provide relief to the transport sector; iii) economic support, as outlined in the Communication on the coordinated economic response to COVID-19 to the Temporary framework for state aids, the recovery plan and the Multiannual Financial Framework (MFF). It aims at keeping the single market functioning, mitigating the virus spread, and ensuring the proper functioning of essential services, especially in cross-border movement and freight.

The **Commission published guidelines** to promote a consistent set of passenger rights, including rights for ticket reimbursement or alternative travel solutions. Recommendations to reduce disruption of passenger and tourist movement have been adopted by the EU Council, providing common principles for rules on testing, passenger locator forms and quarantine periods. **Legislation** has been adopted to temporarily reduce the administrative burden of transport operators, managing bodies or authorities in the context of the COVID-19 pandemic. The EU published a package of guidance and recommendations to help Member States gradually lift travel restrictions. The Commission also adopted a **State aid Temporary Framework**, which allowed Member States to provide state aid to the economy, including the transport and tourism industries. The **MFF** and '**NextGenerationEU**' **recovery plan** are expected to help the EU rebuild its economy, including transport and tourism sectors, during and after the pandemic.

Member States have adopted a wide variety of measures that promote the health of transport workers, financially support and boost investments in the transport sector, and relax existing transport-related policies. Besides fiscal and monetary measures, Member States have focused efforts on measures that support workforce retention and re-skilling, and enabling quick responses to the impacts of the pandemic.

Promising **initiatives to mitigate the crisis** in the transport sector have focused on **digital tools, innovative data analytics, automation in transport, contactless solutions, and better coordinated guidelines** to reduce the spread of the virus. A few solutions have aimed at providing better information to travellers and transport operators, such as displaying real-time occupancy of trains (e.g. Trainline) and route planners integrating cross-border delays (e.g. Truck Route Planner). Contactless solutions are part of the strategy to reduce the spread of the virus, and have been used for cross-border operations, ticketing and payment.

Traveller confidence in **international tourism** can be restored with clear and unified travel protocols, especially in safety and hygiene measures. As international travel reduced, the tourism

industry shifted away from mass tourism towards local, domestic and regional tourism, specifically by enhancing the hospitality experience, promoting niche and 'experience' tourism, and emphasizing sustainability. The pandemic has accelerated the pace of digitalization in tourism industry through video conferencing; automating and providing touchless operations, and improving data management.

The **EU's aim** is to **repair the short-term damage caused by the pandemic** and **invest towards the European Green Deal targets, resilience in the transport system** and the **adoption of 'smart' technology**. Recovery of the **industries rely on the vaccination campaign, financial support**, and **policy actions** that help them adapt to the economic situation. It is unlikely that the industries will revert to pre-COVID-19 patterns after the crisis is over, considering the behavioural and structural changes they have experienced. These changes include the strong shift to online shopping, the use of smart and teleworking solutions, automation, virtual tourism and better data analytics. These are expected to continue to transform the industries, significantly lowering the demand for passenger transport services.

Investing in sustainability could be an opportunity for the transport and tourism sectors as the crisis recedes. Freight could shift towards efficient modes, such as rail, shipping, and towards the use of clean fuels. Environmentally-friendly and niche tourism could replace mass tourism, which would be more locally acceptable and profitable, and preserve good working conditions.

The **role of the EU** is vital to help citizens, the transport and tourism industries, and governments overcome the crisis and emerge stronger, especially to achieve sustainability and resilience.

Recommendations include facilitating active modes, such as walking and cycling, in urban planning, flexible working, data-driven monitoring of mobility patterns and transport planning, reducing cross-border administrative burdens, promoting contactless solutions and digitalisation of the industry.

The EU could also **promote coordinated health and safety protocols** in transport and tourism sectors. Harmonization of the protocols would help to improve traveller perception and promote collaboration. Identifying what the vaccine will do and how it can be integrated in travel protocols, e.g. with a digital vaccine passport, will be vital in the short term, as vaccination has begun.

Financial measures, especially for SMEs, could support workers, protect jobs and maintain services in the short term. Finally, the EU should take advantage of the crisis to stimulate sustainable development with an EU Green Scheme for destinations and businesses, and to provide investment in knowledge on sustainable practices implementation at destinations' and operators' levels.

Further information

This executive summary will be available in the following languages: English, French, German, Italian and Spanish. The briefing, which is available in English, and the summaries can be downloaded at: <https://bit.ly/2PryheX>

More information on Policy Department research for TRAN: <https://research4committees.blog/tran/>



Disclaimer and copyright. The opinions expressed in this document are the sole responsibility of the authors and do not necessarily represent the official position of the European Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2021.
© Image on page 1 used under the licence from Adobe Stock

Research administrator: Ariane DEBYSER, Davide PERNICE, Balazs MELLAR

Editorial assistant: Mariana VÁCLAVOVÁ

Contact: Poldep-cohesion@ep.europa.eu

This document is available on the Internet at: www.europarl.europa.eu/supporting-analyses