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Single Market

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Dear Honourable Members of the Steering Group of Tourism Task Force,

We would like to thank you for your letter of 24th March, emphasising the severe consequences of COVID-19 on the tourism and travel sectors, and calling for further measures to address the needs of tourism businesses, employees and consumers.

Let us assure you that the Commission is deeply concerned about the current situation for the tourism and travel industry, and we are working hard to address the different challenges. With the unprecedented drop of demand and the *de facto* halt of travel activities within the EU and other parts of the world, travel and tourism businesses face severe liquidity problems. All tourism destinations, European regions and cities are equally affected.

Since the COVID-19 outbreak in China, the services of DG GROW have been in close contact with all Member State ministries responsible for tourism in the context of the Tourism Advisory Committee, with international organisations (UNWTO, OECD) and the EU tourism and travel industry through an ad hoc network set up with the support of the European Travel Commission. At the Competitiveness Council of 27th February, we proposed to launch a coordinated exchange with the Member States to map the most affected economic sectors, including tourism, in order to proceed in an informed manner and ensure that measures taken at EU level support national action and bring additional value.

The Commission has adopted a series of measures over the last few weeks that are either directly or indirectly relevant to the tourism and travel industry. The new State aid Temporary Framework adopted on 19th March allows for Member State support in the form of grants, state loan guarantees or subsidised loans to hard-hit businesses and SMEs, including those in the tourism sector.

The Coronavirus Response Investment Initiative aims at mobilising €37 billion to support, inter alia, SMEs of sectors most affected by COVID-19 by redirecting unused cohesion policy funds. With the European Parliament's green light received in the extraordinary plenary session on 26th March, this initiative entered into force in record time, on 1st April. We would like to thank the Honourable Members for their support in the adoption of this legislation.

Furthermore, the Commission provided €1 billion from the EU budget as a guarantee to the European Investment Fund to reinforce existing financial instruments (i.e. COSME). This should mobilise €8 billion of working capital financing and support at least 100,000 small and medium-sized businesses and small mid-cap companies in the EU, including in the tourism sector. All these measures aim at supporting industry, including that of tourism, with the liquidity needed to keep operating.

On 13th March, the Commission also adopted a legislative proposal to relieve airlines of certain mandatory airport slot utilisation requirements under existing EU rules, following the collapse in demand for air travel due to the outbreak of COVID-19. This proposal was rapidly reviewed and amended by the European Parliament and the Council, and the regulation was adopted on 30th March. This emergency measure lasts until the end of the summer 2020 IATA season, with the option to extend if circumstances justify it.

With regards to the rights of passengers, we welcome EP support for the Commission's Interpretative Guidelines on the application of passenger rights in the context of COVID-19, adopted on 18th March 2020. When presenting these guidelines, the Commission underlined that it continues to monitor the rapidly evolving situation, and, if need be, further steps will be taken.

All of the above constitute building blocks of a 'tourism rescue action plan' to address short and medium-term challenges as a result of the COVID-19 outbreak.

We agree that we should focus our attention and efforts on addressing equally the long-term challenges of the COVID-19 outbreak, and also on preparing the swift recovery of the tourism sector after the end of this health crisis.

A coordinated response at EU level is key for tackling the economic damage caused by the COVID-19 pandemic. This is valid for most sectors of the EU economy and it is certainly valid for the tourism and travel industries, which have been hit particularly severely.

This was exactly the objective of the Ministerial Video-Conference on the impact of COVID-19 on the Internal Market and Industry that the Croatian Presidency, organised on 19th March. EU Ministers confirmed the importance of Europe-wide coordination.

We are also in close dialogue with executives of the European tourism industry and tourism industry associations to form an overview of the state of the industry, monitor the impact of short-term actions at national and European level, and to jointly reflect on the long-term measures and the vision for tourism after the end of the current crisis.

It is of primary importance to act in a concerted and coherent manner to address all short-term needs, but also to prepare an effective and ambitious exit strategy from the COVID-19 crisis, together with the Council and the European Parliament.

We would like to reassure you, Honourable Members, of our commitment to cooperating within the established EU institutional structures, and our commitment to continuing our exchanges on European tourism and on the European industry and economy more broadly.

Yours Sincerely,

Thierry BRETON

Adina VALEAN

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