



Plenary sitting

B9-0119/2019

21.10.2019

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on the negative impact of the bankruptcy of Thomas Cook on EU tourism
(2019/2854(RSP))

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on behalf of the S&D Group

**European Parliament resolution on the negative impact of the bankruptcy of Thomas Cook on EU tourism
(2019/2854(RSP))**

The European Parliament,

- having regard to Article 6(d) of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Article 195 of the TFEU,
- having regard to Regulation (EC) No 261/2004 of the European Parliament and of the Council of 11 February 2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and repealing Regulation (EEC) No 295/91¹,
- having regard to the Commission communication of 19 October 2007 entitled ‘Agenda for a sustainable and competitive European tourism’ (COM(2007)0621),
- having regard to the Commission communication of 30 June 2010 entitled ‘Europe, the world’s No 1 tourist destination – a new political framework for tourism in Europe’ (COM(2010)0352),
- having regard to Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council²,
- having regard to its resolution of 29 March 2012 on the functioning and application of established rights of people travelling by air³,
- having regard to the Commission communication of 18 March 2013 entitled ‘Passenger protection in the event of airline insolvency’ (COM(2013)0129), in which the Commission set out measures to improve the protection of travellers in the event of airline insolvency, including better enforcement of Regulation (EC) No 261/2004 of the European Parliament and of the Council,
- having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (‘EGF Regulation’)⁴,

¹ OJ L 46, 17.2.2004, p. 1.

² OJ L 304, 22.11.2011, p. 64.

³ OJ C 257E, 6.9.2013, p. 1.

⁴ OJ L 347, 20.12.2013, p. 855.

- having regard to the Commission communication of 20 February 2014 entitled ‘A European strategy for more growth and jobs in coastal and maritime tourism’ (COM(2014)0086),
 - having regard to its position adopted at first reading on 5 February 2014 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights and Regulation (EC) No 2027/97 on air carrier liability in respect of the carriage of passengers and their baggage by air⁵,
 - having regard to its resolution of 29 October 2015 on new challenges and concepts for the promotion of tourism in Europe⁶,
 - having regard to Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements⁷, and in particular Article 13 thereof on responsibility for the performance of the package, Article 16 on the obligation to provide assistance and Chapter V, which regulates the protection of travellers against the insolvency of an organiser or a retailer,
 - having regard to its resolution of 14 November 2018 on the Multiannual Financial Framework 2021-2027 – Parliament’s position with a view to an agreement⁸,
 - having regard to the Commission communication of 1 March 2019 entitled ‘Aviation Strategy for Europe: Maintaining and promoting high social standards’ (COM(2019)0120),
 - having regard to the Council conclusions of 27 May 2019 on the competitiveness of the tourism sector as a driver for sustainable growth, jobs and social cohesion in the EU for the next decade,
 - having regard to Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community⁹,
 - having regard to Rule 132(2) of its Rules of Procedure,
- A. whereas the collapse of the British company Thomas Cook, the second-largest tour operator in the world, is having a profoundly negative effect on the economy, the EU’s internal market, employment, consumer trust and the free movement of persons throughout the EU and beyond;
- B. whereas this impact on the tourism sector is being aggravated by the uncertainty

⁵ OJ C 93, 24.3.2017, p. 336.

⁶ OJ C 355, 20.10.2017, p. 71.

⁷ OJ L 326, 11.12.2015, p. 1.

⁸ Texts adopted, P8_TA(2018)0449.

⁹ OJ L 293, 31.10.2008, p. 3.

surrounding the withdrawal of the UK from the EU;

- C. whereas statistics show that most EU citizens travelling abroad do so within the EU and that the number of international tourists visiting the EU will continue to increase;
- D. whereas tourism accounts for about 4 % of the EU's GDP, and for more than 10 % if all sectors related to tourism are taken into account; whereas the tourism sector is also a key driver of employment, employing almost 12 million workers and providing at least 5 % of all jobs (more than 27 million workers and almost 12 % of all jobs when considering its links to other sectors), as well as 20 % of the jobs performed by young people under the age of 25;
- E. whereas the tourism sector encompasses a great diversity of services and professions, in which mobility plays a crucial part; whereas the sector is dominated by small and medium-sized enterprises, as well as self-employed individuals, whose activities generate employment and wealth in regions that are heavily dependent on tourism;
- F. whereas since the entry into force of the Treaty of Lisbon the EU has had the power to support or supplement the actions of its Member States in the field of tourism; whereas, on the other hand, tourism does not have any specific line in the EU budget, as requested by Parliament in its resolution of 14 November 2018 on the Multiannual Financial Framework 2021-2027 – Parliament's position with a view to an agreement, in which it calls for the introduction of a specific allocation for sustainable tourism;
- G. whereas the collapse of Thomas Cook has required an enormous repatriation operation of more than 600 000 people from different locations around the world to their places of origin;
- H. whereas the cessation of Thomas Cook's operations has caused serious economic damage to the tourism sector and to employment; whereas this will require appropriate measures to be taken to improve the competitiveness of the sector and to ensure that Europe maintains its position as the world's number one tourist destination, as a driver for the growth and sustainable development of its cities and regions;
- I. whereas the cessation of Thomas Cook's operations has resulted in the loss of air connectivity of some territories of the EU Member States; whereas this has a particular impact on the EU's outermost regions and islands, where accessibility and connectivity are crucial;
- J. whereas the collapse of Thomas Cook directly affects around 22 000 workers in Europe and beyond, who are facing unemployment and might not receive the wages they are due;
- K. whereas passengers have the right to receive services as scheduled, especially since they have already paid the price of the ticket before the service is provided; whereas it is essential to provide passengers with comprehensible, accurate and timely information that is accessible to all;
- 1. Expresses its strong solidarity with and support for all Thomas Cook staff and their families, as well as the subcontractors involved, and regrets the detrimental effects that

the company's collapse has had on local economies and communities; calls for measures to be taken to support these workers and subcontractors, as well as the regions affected, in overcoming this difficult economic and social situation;

2. Is deeply concerned by the 600 000 people stranded away from home and the thousands of local suppliers and subsidiaries, mostly SMEs, finding themselves in serious financial difficulties caused by the collapse of Thomas Cook, in addition to its damaging impact on the image and reputation of Europe as the world's top tourist destination;
3. Congratulates the Member States for the urgency with which they executed contingency plans for the effective repatriation of the travellers concerned, as well as for their swift implementation of employment policy measures and other steps to limit the effects of Thomas Cook's bankruptcy for workers in the tourism sector and related industries; calls on the Commission to examine how it could participate swiftly and effectively in a similar situation in the future;
4. Regrets that workers, who are the ones most affected, usually have little influence or bargaining power when it comes to bankruptcy proceedings; stresses the need to improve the participation rights of workers in restructuring and insolvency procedures; calls on the Commission and the Member States to ensure that workers affected by insolvency are guaranteed their earned wages and retirement benefits;
5. Calls on the competent authorities to examine the reasons for Thomas Cook's bankruptcy with a view to anticipating future crises and laying down policies to prevent or minimise risks in a sector that is so important for the EU; underlines that better monitoring of the financial state of airlines by national supervisory authorities is necessary to prevent European passengers becoming victims of such failures, considering that since the beginning of 2017 32 airlines have gone bankrupt; recalls that Regulation (EC) No 1008/2008 is currently subject to an impact assessment, which includes a section on the obligation of airlines to obtain an operating license; calls on the Commission to consider a revision of this regulation in order to empower authorities to better monitor and control the financial state of airlines and respond where it is critical;
6. Encourages the Commission to evaluate the legal framework for insolvency in cases of bankruptcy, even though it has just been revised, and calls on the Member States to ensure workers' consultation and participation when transposing Directive (EU) 2019/1023¹⁰; stresses that this directive should not prioritise the interests of investors over those of consumers, customers, taxpayers and workers;
7. Calls on the Member States and the Commission to consider the differences in national insolvency laws, which became evident in the case of Thomas Cook and which are problematic in the case of multinational companies;

¹⁰ Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132, OJ L 172, 26.6.2019, p. 18.

8. Calls on the Commission to identify, and to enable swift and effective access to, EU financial instruments that could compensate for the harm caused to the sector and consumers, and that could help to improve the competitiveness of the sector and guarantee a high level of consumer protection;
9. Calls on the Commission to include tourism in the priorities of its strategy and rename the transport portfolio ‘Transport and Tourism’;
10. Highlights the fact that EU Member States are faced by common challenges and opportunities in the tourism sector, in areas such as crisis prevention and management, socio-economic and environmental sustainability, the creation of quality jobs, professional skilling and training of workers, support for small and medium-sized enterprises, and striking a balance between the interests of local communities and visitors; reiterates the importance of establishing an EU Strategy for Sustainable Tourism with coordinated and concrete measures; calls on the Commission to introduce a specific budget line for the tourism sector in its next draft budget, as requested by Parliament for the multiannual financial framework 2021-2027;
11. Points to the possibilities provided by the European Globalisation Adjustment Fund (EGF) for workers made redundant as a result of major structural changes; calls on the Member States affected by the bankruptcy of Thomas Cook to make full use of the possibilities of the EGF, in particular with regard to collective applications from SMEs; calls on the Commission to process these applications as quickly as possible within the timeframe set out in the EGF Regulation and to provide the necessary support to Member States if requested;
12. Urges the Member States and the Commission to consider State aid measures that could mitigate the negative economic impact on businesses, cities, regions, and destinations, together with the serious consequences for employment; stresses that affected workers must be regarded as preferential creditors in insolvency proceedings;
13. Welcomes the Commission communication ‘Aviation Strategy for Europe: Maintaining and promoting high social standards’; nevertheless, calls on the Commission to deliver a social package for the aviation sector aimed at protecting pilots, air cabin and ground crew, other workers and passengers; stresses, in this context, that this social package should include a protection system that gives a grace period to airlines with financial difficulties, under the supervision of the corresponding authorities, in order to protect workers and passengers and facilitate either the economic recovery of the airline or its transition towards an orderly closure;
14. Emphasises the importance of all types of transport services and activities, including scheduled, occasional, charter and renting transport services, as an integral part of the tourism sector; underlines the fact that transport services stimulate local economies, support job growth and reinforce socio-economic and territorial cohesion; in this respect, stresses the importance of transport services in the improvement of the competitiveness of the European tourism sector;
15. Stresses the importance of securing a well-functioning internal market for transport services, maintaining a high level of worker and consumer protection and improving the competitiveness of businesses and the sustainability of the tourism sector;

16. Underlines the importance of sustained social dialogue at all levels and based on mutual trust and shared responsibilities as one of the best instruments for finding consensual solutions and common approaches in predicting, preventing and managing restructuring processes; calls on the Member States to consult the social partners in the development of all relevant measures; asks the Commission to identify best practices on the basis of the measures applied by national, regional and local authorities, as well as those undertaken by small and medium-sized enterprises in the sector, with a view to developing a common EU strategy for the tourism sector;
17. Calls on the competent authorities to ensure that all parties involved comply fully with national and European regulations on workers' right to information and consultation, especially during restructuring; stresses that companies must fulfil their legal obligations under European and national law, prioritising the right of workers to information and consultation and the opportunity to review alternatives put forward by the social partners;
18. Reiterates its call for the Commission to submit, after consulting the relevant social partners, a proposal for a legal act on the right of workers to information and consultation and the anticipation and management of restructuring, in line with the detailed recommendations set out in Parliament's resolution of 15 January 2013 on information and consultation of workers, anticipation and management of restructuring¹¹;
19. Is of the conviction that companies wishing to take advantage of the opportunities offered by the internal market and European company law must, at the same time, adhere to workplace democracy values; calls on the Commission, therefore, to present a proposal for a directive introducing a new and integrated architecture for workers' involvement in European company forms, setting high standards on workers' right to information and consultation and introducing minimum requirements for workers' board-level representation; stresses that this new framework should become the single reference for information, consultation and board-level representation for all European company forms, and that it should introduce an obligation to put in place a system for workers' representation on the board of directors (for one-tier systems) or on supervisory boards (for two-tier systems);
20. Calls on the Commission and the Council to assess and adopt all necessary measures to defend the EU's interests and prevent and avoid similar situations in the future, and to draw lessons from this experience that can be applied in the negotiation of future air services agreements;
21. Calls on the Commission to inform Parliament about any new relevant information about the bankruptcy of Thomas Cook; in this regard, underlines the importance of knowing whether the relevant licensing authorities had assessed the financial situation of Thomas Cook, whether any financial problems were identified and whether any measures could have been taken to avoid leaving thousands of passengers stranded away from home; calls on the Commission to consider introducing in Directive (EU) 2015/2302 on package travel and linked travel arrangements a provision setting out the

¹¹ OJ C 440, 30.12.2015, p. 23.

rights of workers in the event of insolvency;

22. Calls on the Commission to consider further measures and mechanisms to maintain a high level of worker and consumer protection in the event of business failure; calls on the Council to adopt its position on the amendment of Regulation (EC) No 261/2004, on the enforcement of air passenger rights and air carrier liability limits, as soon as possible and to endorse the position taken by Parliament in February 2014; regrets the fact that the Council has been unable to reach an agreement in the last five years; calls on the Commission to submit, after consulting the relevant social partners, a proposal for a legal act, similar to the Florange Act, obliging companies to inform the works council in the event of closure so that it can attempt to find a buyer for the company or the site;
23. Reiterates the need, as regards the amendment of Regulation (EC) No 261/2004, on the enforcement of air passenger rights and air carrier liability, for mandatory mechanisms to maintain a high level of protection of passengers in the event of insolvency or bankruptcy, including through the creation of guarantee funds or insurance contracts by airlines guaranteeing assistance, reimbursement, compensation and re-routing; stresses that passengers who booked a standalone service such as a single flight should receive the same protection as passengers who booked a travel package, especially since consumers are increasingly booking seat-only flights;
24. Calls on the Commission to consider legislation on the protection of workers in the event of insolvency with regard to repatriation, including the creation of a special fund for this purpose;
25. Calls on the Commission to consider facilitating the exchange of best practices among Member States on how best to deal with the closure of companies, encouraging them to look into examples contained in legal provisions in order to try – as far as feasible – to organise the search for a buyer in order to keep enterprises going despite the decision by the original owners to cease operations;
26. Believes that tax avoidance, including through the transfer of tangible and intangible assets or services between companies at inadequate prices (transfer price), should be prevented and that such practices are a result of the lack of European coordination in fiscal and commercial matters; calls for increased cooperation and convergence among Member States in fiscal, social and budgetary matters;
27. Stresses the need for decent social protection that allows people to remain economically active and to live with dignity; calls on the Member States to ensure adequate unemployment subsidies as well as professional training and mentoring services for people who have lost their job, with a particular focus on low-skilled workers and workers over the age of 50;
28. Instructs its President to forward this resolution to the Council and the Commission, and to the governments and parliaments of the Member States.