

Workshop on Cooperation in Tourism Industry at the Pandemic Crisis Era Concept Note

The economic shock derived from the pandemic crisis is expected to deeply affect the economy, more than in 2009, resulting in an economic deceleration of around 10% in the EU, as opposed to the 4.3% seen in 2009.

As regards, the EU tourism industry, although being among the first sectors to rebound after the 2008 financial crisis, it is now among the first sectors to be affected by the COVID-19 crisis. In fact, the EU tourism industry is confronted with an unprecedented reduction in international arrivals (American, Chinese, Japanese, South Koreans), aggravated by a massive drop in intra-EU and domestic tourism (representing 87% of tourist arrivals). With the de facto suspension of travel and tourism activities, due to confinement and border restriction measures in the EU and other parts of the world, tourism and travel businesses of all sizes (90% being SMEs) are faced with acute liquidity problems. This regards not only operational costs (i.e. staff salaries, tax obligations), but also refund obligations for cancelled trips, services, and bookings, under EU rules (i.e. EU passengers rights legislation, Package Travel Directive). Key EU policy actions and other tailor made Tourism sector actions have been already undertaken while others are on the pipeline (from relief measures to hard-hit tourism SMEs to loans and guarantees, to temporary derogation of EU legislation to allow for example companies to issue vouchers covered by a public guarantee and refundable in cash).

When referring to the impact of the pandemic crisis to the EU Tourism sector, one has to take into consideration the broader “systemic” impact affecting the whole EU tourism industry ecosystem. The EU tourism industry ecosystem encompasses a globalised and interconnected value chain comprising off-line and on-line information and services providers (tourist offices, digital platforms, travel technology providers), travel agents and tour operators, accommodation suppliers, destination managing organisations, visitor attractions and tourism-related transport activities (i.e. airlines, train, cruises), with 90% of the businesses operating in the sector are SMEs.

Last but not least, the economic impact of the tourism sector in the EU economy has to also take into account the following figures: before the crisis, EU tourism contributed to 10% of EU GDP and 12% of EU employment (over 27 million jobs, of which 43% are people under 35 years old).

All this becomes irrelevant, as we have deeply experienced, without the consumer, the tourist, the traveller. Referring to this final key issue, the consumer, tourism industry has to take into account his newly perceived vulnerability, which can be overcome only by sophisticated safety and security measures. We need to know who will be the new pioneers of travel and how to address them and make them feel safe. New modes of travel will necessarily appear, and for that innovative approaches and thoughtful communication are needed, including preparations on all levels, where social studies, digitalization, virtual reality play the key role.

Therefore, European Territorial cooperation programmes and the macro-regional strategies can facilitate the tourism recovery process, with activating existing networks, platforms and structures for a peer to peer exchange, best practice and lessons learnt sharing, for clustering and jointly addressing some national, regional and local needs.

The macro-regional tourism coordinators from the 4 macro-regional strategies acknowledge their role and would like to take the opportunity to facilitate this exchange among tourism economic key implementers. They, therefore, advocate for a workshop-taking place during the Mediterranean Coast and Macro-regional Strategies Week 2020 (Izola, Slovenia and on-line), where all actors will learn the finding of the impact assessment analysis on the “tourism recovery through cooperation”. During this major workshop, the actors will start reflecting and drafting the related “Declaration” which will be presented by the macro-regional coordinators to the Structural funds’ programmes, as inspiration on how to invest in sustainable tourism priorities in the upcoming programming period.

This work will be sealed then, at the EU REGIONS week 2020 in order to set up the aforementioned problematic, to facilitate the exchanges among the macro-regional tourism key implementers with lessons learnt and good practices, and to trace the way forward.

According to a recent survey taken by about the impact assessment of COVID-19 on tourism in the MRS, among the initial results, as of July 2020, week 1, are the following:

	EUSAIR	EUSALP	EUSBSR	EUSDR	Average*
% of the accommodation capacity open for business	41	40	41	44	42
% decline of international tourism demand	70	56	65	56	62
% of direct tourism jobs losses	22	22	35	27	27

*Average values not weighted.

There is an expected correlation between the percentage of the accommodation capacity open for business and the decline of international demand. However, it is not the same with the correlation of the decline of international tourism demand and the direct tourism job losses. The percentage of job losses is way below the percentage of decline of the demand. This is because of the various support measures for the employment, which have been taken by Member-countries under the guidance and financial support of the European Union.