



[Check Against Delivery]

## Commissioner Breton's introductory speech at the videoconference with the ministers of tourism

Brussels, 27 April 2020

Minister Cappelli, Honourable Ministers, dear colleagues,

The coronavirus pandemic is an unprecedented crisis in scale and speed. It calls for extraordinary action to protect public health and lives, the economy and our society.

Europe has demonstrated remarkable courage and solidarity in fighting this human tragedy.

We had to take measures to contain the virus. But these measures inevitably have exacted a high price on our economies.

The impact on the **entire tourism ecosystem** - hospitality, travel agencies, tour operators, airlines and other forms of transport - is particularly **devastating**. SMEs are amongst those to suffer most.

The 2003 SARS epidemic impacted global arrivals of international tourism by 0.4%. The 2009 economic crisis saw a 4% reduction.

The impact of the coronavirus is much worse.

According to the World Travel Organisation, international tourism traffic will be reduced by 20-30% this year.

The OECD predicts a decline of the global tourism economy by as much as 45-70%.

Let me assure you that the **EU is mobilising every tool** at its disposal to support the response on the ground in each Member State.

I would like to outline the **four essential components** for supporting the tourism ecosystem: **liquidity, mobility, safety and a long-term strategy** for a greener and more digital sector.

### **[Liquidity - Financial and economic support]**

First, the **Coronavirus Response Investment Initiative** will allow public authorities to redirect unused amounts under the European Structural and Investment Funds to inject liquidity into the most affected businesses, including in the tourism industry.

This instrument provides exceptional flexibility: 2020 allocations can be moved between funds and regions, can be used where they are needed most, irrespective of the usual requirements for thematic concentration. Co-financing can temporarily be increased to 100%.

Second, the Commission unlocked **€1 billion as a guarantee for the European Investment Fund** to issue special guarantees for available financing of up to €8 billion, incentivising banks and other lenders to provide liquidity to 100,000 European SMEs and small mid-cap companies.

Third, to protect jobs and workers we put in place the temporary initiative SURE - **Support to mitigate Unemployment Risks in an Emergency**. It helps Member States cover the costs of national short-time work schemes through financial assistance of up to €100 billion

It is clear that the EU budget support cannot replace but must complement the measures taken by each of your countries.

For further support, the Commission adopted the **state aid temporary framework** to enable Member States to use the full flexibility foreseen under State aid rules to support the economy in the CORONAVIRUS outbreak.

In addition, **EU State aid rules allow** Member States to **compensate companies** for the damage directly caused by exceptional occurrences, such as the coronavirus outbreak.

Last, but not least, the Commission recognised the need for making full use of the **flexibility that exists in the Stability and Growth Pact**.

Let's be clear – we will need unprecedented funds to overcome this crisis. There is a need for a **“new Marshall Plan”, with a powerful EU budget**, to jumpstart the path towards European recovery and

a stronger and more resilient Union.

It is premature to speculate on the proposals that will be made for the new Recovery Fund as part of a revised Multi-annual Financial Framework. But I trust that with your finance ministers, we will soon agree the right way to raise and allocate such funds.

***[Long-term roadmap – recovery towards green and digital transition]***

Dear Ministers,

We will need **fast action, pragmatism and creativity** to recover and build a resilient and sustainable tourism industry. But above all, this crisis calls for **solidarity**.

No country can overcome this crisis alone.

Concretely, from each of you we will **need an overview of the national measures** planned in your countries and we need to discuss them regularly and very openly.

We need to cooperate on the coronavirus exit and the recovery strategies in order to maximise the positive effects.

***[Mobility and safety]***

Beyond liquidity, tourism needs **mobility** - We immediately need to work together on **restoring trust** in travelling, to prepare for when travel gradually becomes possible again. We must be aware that for the foreseeable future, we will be talking about travel and tourism *with the virus* and with all necessary precautions. For that, we need to **coordinate the criteria for the re-opening** of tourism facilities, such as hotels, restaurants or transport.

The recently adopted **European roadmap** towards lifting the containment measures is the first step.

As a **third component**, we will need to ensure **safety**. The Commission will soon **propose protocols** to guide safe operation of tourism facilities across the EU.

It will be essential that we all follow the same principles, the same safety and hygiene measures to rebuild trust and get people to travel again when the deconfinement process allows it.

***Recovery strategy – green and digital***

This brings me to the **fourth component** – a **recovery strategy** to build a more resilient and sustainable tourism ecosystem by **accelerating the green and digital transition**.

Accompanying the EU tourism industry and destinations towards a sustainable restart and a more innovative and data driven future remains our long-term goal.

I will call a **Tourism Summit** to discuss this roadmap for such a future tourism ecosystem, **as soon as the sanitary situation allows it**.

I look forward to **hearing your ideas** on how we can support you and the tourism industry recover and emerge stronger from this crisis.

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