



# Tourism Policy Responses

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This note has been prepared by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) for discussion by the OECD Tourism Committee<sup>1</sup>. The Tourism Committee analyses and monitors policies and structural changes affecting the development of domestic and international tourism. It also serves as an important repository of tourism policy responses in times of crisis<sup>2</sup>.

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<sup>2</sup> New additions highlighted in orange. More information: [www.oecd.org/coronavirus](http://www.oecd.org/coronavirus).

## Key messages: the impact of COVID-19 on the tourism economy

The pandemic is an unprecedented crisis for the tourism economy. Preliminary OECD estimates on the COVID-19 impact point to **45% decline in international tourism in 2020**. This could rise to **70% if recovery is delayed until September**. Domestic tourism is also heavily affected by containment measures, however a quicker recovery is expected with an important role to play during the recovery phase.

Tourism is a significant part of many national economies - directly contributing, on average, 4.4% of GDP and 6.9% of employment in OECD countries. The immediate and immense shock to the tourism sector resulting from the coronavirus pandemic is affecting the wider economy. This will **translate into significant macro-economic effects, particularly in countries, cities and regions where the sector supports many jobs and businesses**.

Tourism businesses in all branches of the sector are at the forefront of the crisis, and governments are introducing **policy measures to mitigate the economic impact and support recovery** of the tourism economy. In particular, governments are taking action to ensure that tourism businesses and workers can **benefit from economy-wide stimulus packages** (e.g. liquidity injections and fiscal relief).

**Many governments are also introducing tourism specific measures to address the immediate impacts** on the sector, and facilitate recovery, but more needs to be done **at sectoral level, and in a more co-ordinated way, to support tourism businesses and workers, restore traveller confidence and be ready to restart business operations and stimulate demand once containment measures are lifted**.

Three major response categories and types of responses emerge:

- **Protecting people:** protecting visitors (e.g. information, repatriation assistance, consumer protection) and tourism workers (e.g. the provision of income support).
- **Ensuring business survival:** along the tourism supply chain, and in particular supporting SMEs, including through cash flow supports.
- **Putting in place co-ordination mechanisms:** including taskforces and co-ordination measures to better target responses and support sector recovery (e.g. private sector dialogue, timely provision of data, co-ordinated policy responses for the short, medium and long-term).

Beyond the immediate responses needed, policy makers will need to **prepare comprehensive tourism recovery plans**, as well as learn the lessons of the COVID-19 crisis, to improve crisis management strategies, strengthen co-ordination mechanisms and **better prepare destinations and the sector more broadly to respond to future shocks**.

It is important to already consider the **longer term implications of the crisis on the tourism sector** in the context of the digital transformation and climate change, and the structural transformation that will be needed to **build a stronger, more sustainable and resilient tourism economy**.

Tourism is a significant part of many national economies, and the immediate and immense shock to the tourism sector resulting from the coronavirus pandemic is affecting the wider economy. Outbound travel from China fell sharply in January/February, spreading to the rest of the world in February/March. The tourism economy is now at a standstill in many countries around the world and is likely to remain this way until at least the middle of this year. Containment measures are likely to continue in many countries over the coming months. Even when tourism supply chains start to function again, demand-side recovery will take some time, given the interlinked consequences of the economic and health crises, and the progressive lifting of travel restrictions. This will have knock-on implications for many national economies.

**The implied shock could amount to a 45-70% decline in the international tourism economy<sup>3</sup> in 2020**, depending on the duration of the crisis and the speed with which travel and tourism rebounds. With a baseline assumption that tourism flows will remain shut down up to June, this estimate is based on international tourism arrivals for the OECD area with two scenarios proposed:

- Scenario 1: International tourism arrivals start to recover in July, and strengthen progressively in the second half of the year (-45%).
- Scenario 2: International tourism arrivals start to recover in September, and then strengthen progressively in the final quarter of the year (-70%).

The **domestic tourism economy<sup>4</sup> is also heavily affected by restrictions** on the movement of people (as of 14 April, around half of the world's population is estimated to be constrained by containment measures globally)<sup>5</sup>, but is expected to recover more quickly once containment measures are lifted. Nonetheless, it is unlikely that domestic tourism could compensate for the decline of international tourism flows. This will translate into significant macro-economic effects in countries, cities and regions where the sector supports many jobs and businesses.

Beyond the tourism economy, the **pandemic is triggering a global economic crisis**, and many economies fall into recession. Latest OECD macro-economic estimates<sup>6</sup> indicate that for each month strict containment measures are in place, there will be a loss of output equivalent to 2 percentage points in annual GDP growth. If the shutdown continues for three months, with no offsetting factors, annual GDP growth could be between 4-6 percentage points lower than it otherwise might have been. This in turn has consequences for the tourism recovery.

## The pandemic is an unprecedented crisis for the tourism economy

The COVID-19 pandemic is, first and foremost, a humanitarian crisis affecting people's lives, and has triggered a global economic crisis. This has very tangible impacts for the tourism sector, which is critical for many people, places and businesses. The **sector directly contributes, on average, 4.4% of GDP**,

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<sup>3</sup> International tourism refers to tourism that crosses national borders for tourism purposes (leisure, business etc.). OECD estimates are based on international tourism arrivals in the OECD area.

<sup>4</sup> Domestic tourism is tourism involving residents of a country travelling only within that country.

<sup>5</sup> <https://www.euronews.com/2020/04/02/coronavirus-in-europe-spain-s-death-toll-hits-10-000-after-record-950-new-deaths-in-24-hou>

<sup>6</sup> [https://read.oecd-ilibrary.org/view/?ref=126\\_126496-evgsi2gmqj&title=Evaluating\\_the\\_initial\\_impact\\_of\\_COVID-19\\_containment\\_measures\\_on\\_economic\\_activity](https://read.oecd-ilibrary.org/view/?ref=126_126496-evgsi2gmqj&title=Evaluating_the_initial_impact_of_COVID-19_containment_measures_on_economic_activity)

and **21.5% of service exports** in OECD countries<sup>7</sup>. These shares are much higher for several OECD countries. For example, tourism in Spain contributes 11.8% of GDP while travel represents 52.3% of total service exports, in Mexico these figures are 8.7% and 78.3%, in Iceland 8.6% and 47.7%, in Portugal 8.0% and 51.1%, and in France 7.4% and 22.2%<sup>8</sup>.

Tourism generates foreign exchange, drives regional development, directly supports numerous types of jobs and businesses and underpins many local communities. As a **labour intensive sector**, directly contributing **6.9% of employment on average in OECD countries**. Tourism is a leading job creator, and in normal circumstances can help provide diverse employment opportunities for many low skilled immigrants, women, students and older workers, not only in major cities, but also in remote, rural, coastal and other often economically fragile locations where alternative opportunities may be limited. For example the share of tourism employment represents 15.7% of total employment in Iceland, 13.5% in Spain, 10.3% in Ireland, 10.0% in Greece, and 9.8% in Portugal<sup>9</sup>.

Against this background, the tourism sector is one of the most directly affected sectors in this current crisis and will call for immediate and long term responses. With international aviation at a virtual standstill<sup>10</sup>, the closure of most iconic tourism sites/attractions, the cancellation or postponement of major festivals and events, and the ban on public gatherings (indoor and outdoor) in many countries, **the impact of COVID-19 on global tourism has been overwhelming and immediate**. Furthermore, despite the sector's proven resilience in response to previous crises, the sheer depth and breadth of COVID-19-related impacts on tourism and the wider economy will mean a quick recovery is unlikely.

The reality is that global tourism will be hard hit throughout 2020 and beyond, even if the spread of the virus is brought under control in the coming months. Current OECD estimates point to 45% decline in international tourism in 2020, rising to 70% if recovery is delayed until September. The last time the global tourism economy contracted was immediately following the financial crisis in 2009 when international arrivals decreased by 3.9%. Recent projections from other organisations also indicate a significant reversal from previous growth projections<sup>11</sup>. Revised forecasts issued by the UNWTO on 26 March estimate that international tourist arrivals could be down by 20% to 30% in 2020 compared with 2019.<sup>12</sup> The World Travel and Tourism Council (WTTC) forecast on 25 March that 75 million jobs are at risk globally to.<sup>13</sup> **Expectations are growing that recovery to pre-crisis levels may take two years or more. The International Air Travel Association (IATA)<sup>14</sup> predicts that airlines are unlikely to see a return to pre-crisis traffic levels**

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<sup>7</sup> [https://www.oecd-ilibrary.org/industry-and-services/oecd-tourism-trends-and-policies\\_20767773](https://www.oecd-ilibrary.org/industry-and-services/oecd-tourism-trends-and-policies_20767773)

<sup>8</sup> Full data for OECD countries is available at <http://dx.doi.org/10.1787/888934076134>. Data for Mexico, Portugal and Spain refers to 2018, while data for Spain and Iceland refers to 2017.

<sup>9</sup> Data for Iceland, Spain, Greece refers to 2018, while data for Ireland to 2017 and for Portugal to 2016. Full data for OECD countries is available at <http://dx.doi.org/10.1787/888934076134>

<sup>10</sup> Over 185,000 passenger flights have been cancelled since the end of January in response to government travel restrictions (IATA press release 16 March 2020 - <https://www.iata.org/en/pressroom/pr/2020-03-16-01/>)

<sup>11</sup> <https://unwto.org/unwto-convenes-global-tourism-crisis-committee>

<sup>12</sup> <https://www.unwto.org/news/international-tourism-arrivals-could-fall-in-2020>

<sup>13</sup> <https://www.wttc.org/about/media-centre/press-releases/press-releases/2020/latest-research-from-wttc-shows-an-increase-in-jobs-at-risk-in-travel-and-tourism/> - 25 March

<sup>14</sup> <https://www.iata.org/en/pressroom/pr/2020-04-14-01/>

before the start of 2021, while hospitality data company STR estimates that return to pre-crisis levels will not occur before 2022<sup>15</sup>.

Attempts to forecast the likely impact of the pandemic on the tourism economy have quickly been overtaken by the speed the situation has evolved as the pandemic has spread. Eventual impacts will depend not only on the length of the pandemic (with ramifications for business survival), but also potential **long-term changes in travel behaviour as a result of the crisis** – will people be more cautious about travelling overseas in the future? The importance of domestic tourism varies considerably at country level, however, on average, domestic tourism in OECD countries normally accounts for, on average, 75% of internal tourism consumption. It is expected that it will play an even more important role for many countries during the recovery phase. **The crisis is expected to have a permanent impact on consumer behaviour, accelerating the move to online, with a greater emphasis on hygiene and healthy living, and higher use of cashless and contactless payment methods.**<sup>16</sup> The impact on travel behaviour remains to be seen, but tourism businesses, such as cruise and aviation, are already preparing to improve health screening and hygiene measures, and there is strong recognition that **much will need to be done to restore travellers confidence**. The negative perception of tourists as risk carriers by host community may also be a consequence of the pandemic.

China has emerged as a global tourism powerhouse over the past decade, ranking first as a source of outbound tourists in 2018 (10.6%), fourth in international tourist arrivals (4.5% - behind only France, Spain and the United States), and eleventh in international tourism receipts (2.8%). As such, **the sudden interruption of outbound travel from China in January had an immediate demand-side impact on destinations around the world**, and particularly on airlines, hotels, tour operators and other businesses. In fact, 80% of flight capacity between China and the rest of the world was cut during the month of February because of the coronavirus. A report by travel analytics company ForwardKeys showed **seat cancellations began in early February in response to emergency government regulations, and by the third week of the month only 20% of seats remained in service**<sup>17</sup>. This was only the first indication of the potential threat the virus posed to international tourism, and as it has spread, it has had knock-on effects on other main markets and destinations around the world, including European countries and the United States.

With **half of the world population currently in lock-down**, the current pandemic is much more global and will cover a much longer period than former more localised crises in terms of the effect on tourism. Previous examples include the H1N1 outbreak in Mexico in 2009, which resulted in a loss to the tourism industry in the order of USD 5 billion in 2009 alone (to give a sense of scale travel receipts in Mexico in 2018 amounted to USD 22.5 billion). More recently, during the outbreak of MERS (Middle East Respiratory Syndrome) in 2015, more than 54 000 people cancelled trips to South Korea in the first half of the year only (Korea received 15.5 million international tourists in 2018) and economists estimated that the impact on the economy was in the region of several billion US dollars as a result<sup>18</sup>.

**Some countries are now moving to ease restrictions, as the pandemic response moves to the next stage.** In China, lockdown restrictions are being eased and people started travelling again. Major

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<sup>15</sup> <https://str.com/data-insights-blog/covid-19-webinar-summary-5-key-points-our-europe-forecast-webinar-2-april> - 2 April

<sup>16</sup> <https://www.euromonitor.com/the-impact-of-coronavirus-on-the-global-economy/report>

<sup>17</sup> <https://forwardkeys.com/air-capacity-to-china-slashed-by-80/>

<sup>18</sup> <https://www.weforum.org/agenda/2015/06/mers-5-implications-for-the-tourism-industry/>

landmarks across the country welcomed thousands of visitors over the second weekend of April. However the growth in tourism is expected to be mostly domestic, and a survey conducted at the end of March unveiled how 90% of respondents would prefer to travel in China.<sup>19</sup> Having initially eased restrictions on the movement of people, Singapore moved to reintroduce containment measures amid concerns of a second wave of the virus. In Europe, restrictions are progressively being lifted in Austria, Italy and Spain, where some people have returned to work. **This is expected to be a gradual and non-linear process**, as countries seek to manage a gradual return to daily life while containing the virus, and it is not yet clear when tourism activities will be possible.

### ***Tourism businesses in all branches of the sector are at the forefront of the crisis***

**The economic impact will vary across branches of the tourism sector, firms, and destinations** depending upon a number of factors, including the nature of the tourism offer, the impact of travel restrictions on visitor flows, the speed with which the economy picks up in main source markets, the scale and complexity of business operations, the size of the domestic tourism market and exposure to international source markets, and the place of tourism in the economy.

This has obvious connections with SMEs as **most firms in the tourism sector are small in scale**. The OECD Policy Note *COVID-19: SME Policy Responses*<sup>20</sup>, highlights that SMEs may have less resilience and flexibility to cope with the costs that such shocks entail. Costs associated with prevention and changes in work processes (where practicable in the tourism context), such as the shift to teleworking, may be relatively higher for SMEs. Given their often-limited resources and existing obstacles in accessing capital, the period over which SMEs can survive a shock will likely be shorter than for larger firms. As the OECD Interim Outlook signals, there is a risk that otherwise solvent firms, particularly SMEs, could go bankrupt while containment measures are in force<sup>21</sup>.

In addition to being characterised by a very large group of SME/micro-businesses, the tourism sector is also **highly fragmented and diverse, covering a wide range of industries**. The sector faces particular challenges due to this cross-cutting, multi-level, and fragmented nature. Tourism services are often interdependent and a crisis in one sub-sector, such as aviation, can have disastrous follow-on effects on the tourism value chain.

Outlined below are a selection of impacts experienced by selected tourism industry branches:

#### *Transport*

- **Aviation.** Aviation companies have had to drastically reduce and in some cases ground their fleets and cease their activities, with extreme impacts on the short-term on employees and dependant activities. International Civil Aviation Organization (ICAO) estimates, as of 8 April, indicate that the fall in scheduled international passenger traffic during the first half of 2020, will equate to a reduction of between 41 to 51% of seats offered by airlines. This is an overall reduction of 443 to 561 million passengers compared to what originally planned before the outbreak, and will generate a potential loss between USD 98 and 124 billion in the operating revenues of airlines.<sup>21</sup>

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<sup>19</sup> <https://edition.cnn.com/travel/article/china-travel-recovery-domestic/index.html>

<sup>20</sup> <http://www.oecd.org/cfe/COVID-19-SME-Policy-Responses.pdf>

<sup>21</sup> <https://www.icao.int/sustainability/Documents/COVID-19/ICAO%20Coronavirus%202020%2004%2008%20Econ%20Impact.pdf> – 8 April

To give an indicative figure of the impact on the aviation industry, on 14 April, updated estimates from IATA indicate that airlines expect to see full year passenger revenues fall by up to USD 314 billion, or 55% in 2020, compared to 2019<sup>22</sup>. This is putting directly 2.7 million airline jobs at risk, and indirectly a further 24 million jobs in the travel and tourism value chain.<sup>23</sup>

As of 13 April, globally the number of scheduled flights is now down by 59% compared to the same week last year.<sup>24</sup> For example, Air France announced on 15 March that it would place 80% of its workforce in partial unemployment<sup>25</sup>. On 30 March, Easyjet, one of Europe's largest airlines by passenger numbers, announced it would ground its fleet, apart from rescue flights as requested<sup>26</sup>, similarly Ryanair announced it will ground all flights from the 24 March until June<sup>27</sup>. Lufthansa announced on 7 April that it will decommission and sell part of its fleet, since it is not expecting a quick recovery.<sup>28</sup> In Australia, on 18 March the national carrier Qantas and subsidiary Jetstar announced that they would be suspending all international flights, 60% of domestic flights, and standing down 66% of their combined workforce until the end of May. Virgin Australia announced it would suspend all international flights from 30 March to June 14, and that the airline would halve domestic flights during that period. On 22 March, Emirates Airline announced it would suspend, temporarily, all passenger flights<sup>29</sup> (in the fiscal year of 2018/19, the group transported more than 58 million passengers). Similarly in the United States, American Airlines reduced international capacity by 75% year on year from March 16 to May 6.<sup>30</sup>

As a result, the sector is calling for government bailouts and financial aid to avoid bankruptcies of companies providing strategic access to countries and destinations<sup>31</sup>. IATA has estimated that only 30 airlines (from over 700) have the financial capacity of survive a prolonged crisis, and stay in operation<sup>32</sup>. Airlines worldwide are reported to have raised more than USD 17 billion in bank loans

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<sup>22</sup> <https://www.iata.org/en/iata-repository/publications/economic-reports/covid-fourth-impact-assessment/> - 14 April

<sup>23</sup> <https://www.iata.org/en/pressroom/pr/2020-04-07-02/> - 7 April

<sup>24</sup> <https://www.oag.com/coronavirus-airline-schedules-data> - accessed on 14 April

<sup>25</sup> [https://www.lemonde.fr/economie/article/2020/03/15/covid-19-air-france-va-mettre-80-de-ses-salaries-au-chomage-partiel\\_6033155\\_3234.html](https://www.lemonde.fr/economie/article/2020/03/15/covid-19-air-france-va-mettre-80-de-ses-salaries-au-chomage-partiel_6033155_3234.html)

<sup>26</sup> <https://www.bbc.com/news/business-52084003>

<sup>27</sup> <https://twitter.com/Ryanair/status/1242376531508432897/photo/1> - 24 M

<sup>28</sup> <https://newsroom.lufthansagroup.com/english/newsroom/news-releases/lufthansa-group-decides-on-first-restructuring-package/s/0695cc64-1a64-4939-b409-7da5d5b2c0d3>

<sup>29</sup> <https://www.emirates.com/media-centre/the-emirates-groups-business-response-to-covid-19-updated/>

<sup>30</sup> <http://news.aa.com/news/news-details/2020/American-Airlines-Announces-Additional-Schedule-Changes-in-Response-to-Customer-Demand-Related-to-COVID-19-031420-OPS-DIS-03/default.aspx>

<sup>31</sup> <https://www.iata.org/en/pressroom/pr/2020-03-24-01/> - 24 March

<sup>32</sup> [https://www.theguardian.com/commentisfree/2020/apr/09/flights-are-grounded-is-this-the-moment-we-give-up-our-addiction-to-flying?CMP=Share\\_iOSApp\\_Other](https://www.theguardian.com/commentisfree/2020/apr/09/flights-are-grounded-is-this-the-moment-we-give-up-our-addiction-to-flying?CMP=Share_iOSApp_Other)

in March to shore up their finances<sup>33</sup>, as IATA reports that airlines are burning through USD 61 billion in cash<sup>34</sup>.

Airports are also suffering, with the Airport Council International predicting, on 1 April, that close to two-fifths (38.1%) of global passenger traffic will be lost compared to pre-COVID-19 forecasts, and the industry could lose about 45%, or more than USD 76 billion, by the end of this year.<sup>35</sup> In Singapore, it was announced that the international terminal will be closed for 18 months, due to the crisis.<sup>36</sup>

On 16 March, IATA reported that **around 150 governments have imposed some form of travel restrictions**. As of 9 April, there are around 105 countries worldwide that have completely closed their borders to inbound tourists, allowing only citizens and residents to re-enter the country.<sup>37</sup> On 16 March, the European Union introduced a global travel ban. Beyond travel bans, localised restrictions on recreational activities, the movement of people, and the promotion of 'self-isolation' have completely shut down the tourism sector in the vast majority of destinations.

- **Cruise.** Cruise lines have faced the double challenge of ensuring visitor safety (some cruises were not able to disembark clients and repatriate them), and losses in bookings and revenues. Major cruise lines, such as Carnival Princess Cruises, Norwegian Cruises and Royal Caribbean announced the immediate suspension of global operations in mid-March. By 13 March, shares of all three companies have fallen over 60% since the beginning of the year<sup>38</sup>. Since the announcement by Cruise Lines International Association (CLIA) of the immediate suspension of operations by its members from 14 March<sup>39</sup>, an immediate operational issue has been to access to ports to disembark passengers, and support the repatriation of passengers to their home countries. Following an extended period where a number of cruise ships remained at sea while seeking to secure permission to berth and disembark passengers, as of 6 April CLIA reported that only seven of its members' cruise ships remain at sea on their way to port.<sup>40</sup>
- **Railways.** As people movement are limited or dis-incentivised, railways are seeing significant drops in revenues and passengers. For instance, in Germany, as of 6 April long-distance and regional passenger train usage during the coronavirus restrictions is at 15% of normal demand.<sup>41</sup>, in Japan, the number of passengers on high-speed railway since late February is about 50%, compared to the previous year<sup>42</sup>.

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<sup>33</sup> <https://www.bloomberg.com/news/articles/2020-03-29/global-airlines-raised-more-than-17-billion-from-banks-in-weeks>

<sup>34</sup> <https://www.iata.org/en/pressroom/pr/2020-04-07-02/> - 7 April

<sup>35</sup> <https://aci.aero/news/2020/04/01/economic-analysis-shows-covid-19-is-an-existential-threat-to-airport-business/>

<sup>36</sup> <https://www.forbes.com/sites/jamesasquith/2020/04/07/18-month-closure-for-singapores-changi-airport-t2/#2a0f19ee6d17>

<sup>37</sup> [https://en.wikipedia.org/wiki/Travel\\_restrictions\\_related\\_to\\_the\\_2019%E2%80%9320\\_coronavirus\\_pandemic](https://en.wikipedia.org/wiki/Travel_restrictions_related_to_the_2019%E2%80%9320_coronavirus_pandemic)

<sup>38</sup> <https://www.cnn.com/2020/03/13/coronavirus-pandemic-the-big-3-cruise-companies-suspend-operations.html>

<sup>39</sup> <https://cruising.org/news-and-research/press-room/2020/march/cliacovid-19-toolkit>

<sup>40</sup> <https://twitter.com/CLIAGlobal/status/1247272902820614144?s=20>

<sup>41</sup> <https://www.dw.com/en/coronavirus-german-passenger-rail-demand-plummets-but-freight-services-key/a-53042113>

<sup>42</sup> [https://www5.cao.go.jp/keizai-shimon/kaigi/special/keizaieikyoku/04/shiryo\\_02.pdf](https://www5.cao.go.jp/keizai-shimon/kaigi/special/keizaieikyoku/04/shiryo_02.pdf) – last accessed on 30 March

- **Tour operators** have reduced or halted operations in recent weeks as the pace at which the situation evolved has increased organisational complexity, across administrative boundaries. For example, TUI has suspended all activities from mid-March until 15 May at the earliest,<sup>43</sup> with other tour operators similarly suspending all operations until further notice. On 6 March in Europe, the crisis was preliminarily estimated to cause a reduction of business for tour operators of at least 50% in 2020<sup>44</sup>.

#### *Accommodation*

- **Hotels.** Globally, hotels are seeing lower occupancy rates, and in some countries complete closures, depending on the level of the virus spread. **Big hotel chains have seen their stock price plunge in 2020 as a result. As of 13 April, for example, Marriott stocks were down 48.5%<sup>45</sup> compared on the same date in 2019, while MGM resorts were down 58.2%<sup>46</sup>.** The effects range from significantly lower occupancy rates to the closure of hotels in some destinations. STR report that in countries for which data is available, occupancy decreased more than 90% compared to 2019 in 11 countries (Czech Republic, Italy, Greece, Austria, Lebanon, Poland, Romania, Israel, Bulgaria, Hungary and Serbia), and more than 70% in a further 39 countries occupancy between 15-21 March<sup>47</sup>, and has remained at these levels since. **China occupancy had fallen by 89% in the first two weeks of February, to less than 10%<sup>48</sup>. By 25 March, 87% of hotels that were operating in China in January had re-opened<sup>49</sup>.**
- **The platform economy.** The virus outbreak is putting transport and accommodation platforms, such as Airbnb under pressure. **As of 2 April, apartment bookings have been reported to have decreased anywhere from 41% to 96%.<sup>50</sup>** The crisis is highlighting the need to regulate gig economy workers and people dependent on these platforms for income. Gig economy workers are among the most vulnerable as the virus spreads, both because of the very social nature of their jobs and because they do not tend to qualify for sick leave as independent contractors.
- **Holiday resorts.** Ski resorts were forced to end the winter season earlier due to increasing coronavirus spread, and those that have successfully diversified to develop an alternative summer season offer are increasing seeing this at risk. The future for beach resorts in the Northern hemisphere summer remains uncertain. A study in Colorado, United States, released on 17 March shows how in 13 ski towns over the past two years residents and visitors have spent more than USD 500 million in the last two months of ski season; this figure could provide some indication of the estimated loss expected for 2020<sup>51</sup>.

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<sup>43</sup> <https://www.tui.co.uk/destinations/info/coronavirus>

<sup>44</sup> <https://www.etoa.org/etoa-covid19-update-and-analysis/>

<sup>45</sup> <https://money.cnn.com/quote/forecast/forecast.html?symb=MAR>

<sup>46</sup> <https://money.cnn.com/quote/forecast/forecast.html?symb=MGM>

<sup>47</sup> <https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>

<sup>48</sup> <https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>

<sup>49</sup> <https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>

<sup>50</sup> <https://www.bloomberg.com/opinion/articles/2020-04-02/will-airbnb-become-obsolete-after-the-coronavirus> - 2 April

<sup>51</sup> <https://coloradosun.com/2020/03/17/colorado-mountain-communities-economic-impact-coronavirus/>

### Other sectors

- **Restaurants.** Food and catering service providers had initially been required in many countries to increase social spacing in eating establishments, limit their activity to delivery only in some instances, or entirely shut down activities. In the United States, the National Restaurant Association estimates that the industry's sales will decline by USD 225 billion during the next three months, which will prompt the loss of between five and seven million jobs<sup>52</sup>. In France, lock down measures have resulted in the closing of 75 000 restaurants, 3 000 clubs, and 40 000 cafes, affecting 1 million employees, who have been temporarily laid off and placed on technical unemployment.<sup>53</sup>
- **Business meetings and events travel.** Around the globe, companies are cancelling or suspending business travel due to the coronavirus. Almost every member of the Global Business Travel Association reports cancelling or suspending all international business travel (98%), with domestic travel only marginally less impacted (92%).<sup>54</sup><sup>55</sup> Cancellations and suspensions to regions other than Asia have increased exponentially as the virus has spread<sup>56</sup>. Countries have moved to cancel professional events and limit gatherings of people in groups of all sizes for health purposes, while travel bans have also forced event organisers to cancel or postpone major business/trade events and meetings as a consequence of low forecast attendance. By 20 March, the Global Association of the Exhibition Industry (UFI) estimated that more than 500 trade shows had been cancelled in the preceding weeks, with an estimated cost of up to EUR 23 billion in lost orders for exhibitors. On 20 March, UFI estimated that at least EUR 134 billion of contracts will not be concluded if events do not take place as planned through Q2 2020.<sup>57</sup> The European Exhibition Industry Alliance, on the same date (20 March), estimated that over 220 exhibitions were already cancelled or postponed, with potential economic losses of close to EUR 6 billion<sup>58</sup>.
- **Culture, sports and entertainment.** Museums and cultural event organisers are preparing for huge financial losses as facilities shut down. *The International Council of Museums (ICOM), reported on 2 April, that in Italy, the cultural sector is expected to lose EUR 3 billion in the next semester; in Spain, EUR 980 million just in April. Moreover, the American Alliance of Museums (AAM) estimates that a third of museums in the United States will not reopen.*<sup>59</sup>  
Major sporting and entertainment events are also being affected, with some being postponed and others cancelled. For example, the US Masters golf tournament scheduled to take place in May

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<sup>52</sup> <https://thehill.com/business-a-lobbying/business-a-lobbying/488223-restaurant-industry-estimates-225b-in-losses-from>

<sup>53</sup> <https://www.lci.fr/population/coronavirus-restaurants-cafes-et-bars-fermes-un-million-de-salaries-dans-l-inquietude-2148069.html>

<sup>54</sup> <https://www.gbta.org/blog/global-business-travel-becomes-the-latest-casualty-of-the-coronavirus-pandemic/> - 8 April 2020

<sup>55</sup> <https://www.gbta.org/blog/new-gbta-research-shows-coronavirus-continues-to-impact-the-business-travel-industry/>

<sup>56</sup> <https://www.gbta.org/blog/new-gbta-research-shows-coronavirus-continues-to-impact-the-business-travel-industry/>

<sup>57</sup> [https://www.ufi.org/wp-content/uploads/2020/03/UFI\\_releases\\_updated\\_global\\_assessment\\_of\\_economic\\_impact.docx-200320.pdf](https://www.ufi.org/wp-content/uploads/2020/03/UFI_releases_updated_global_assessment_of_economic_impact.docx-200320.pdf)

<sup>58</sup> <http://www.emeca.eu/press-area/releases/coronavirus-outbreak-impact-on-the-european-exhibition-industry>

<sup>59</sup> <https://icom.museum/en/news/statement-on-the-necessity-for-relief-funds-for-museums-during-the-covid-19-crisis/> - 2 April 2020

will now take place after the summer. The UEFA EURO 2020 football championships has been postponed for 12 months. The 2020 Wimbledon Tennis Championships has been cancelled outright.

On 24 March, the International Olympic Committee and Japan jointly announced that the Tokyo 2020 Summer Olympics would “be rescheduled to a date beyond 2020 but not later than summer 2021, to safeguard the health of the athletes, everybody involved in the Olympic Games and the international community”<sup>60</sup>. The Olympics is the largest spectator event impacted by the COVID-19 pandemic, with the 2016 Games having sold 6.2 million tickets. The city of Tokyo is estimated to have invested between USD 12.6 billion to USD 25.2 billion for the event<sup>61</sup>.

There continues to be increased uncertainty around the staging of other global events, while many smaller, more local festivals and events that are important to destinations have been cancelled, or are at risk in the coming weeks and months. *The August Edinburgh festivals have been cancelled<sup>62</sup>, for example, while as part of its plan to ease confinement restrictions France announced on 13 April that no festivals or events will take place before mid-July.*

- **Tour guides.** Often working as freelancers, tour guides are seeing significant drops in their activities, placing significant constraints on their income. In Japan, for example, workloads for March and April had declined more than 80% on average. In Israel, 4 000 tour guides have been left jobless.

### ***The spatial dimension: different impacts across destinations***

The effects of the virus outbreak on tourism are likely to be asymmetrical and highly localised within countries. Currently, under strict containment measures, all destinations in many country are essentially closed for business. Under normal circumstances, **some destinations tend to be disproportionately vulnerable to the effects of such crises due to their high reliance on the sector.** This disparity is likely to be significantly exacerbated following the pandemic.

In the United States for example Kahului, Hawaii, Atlantic City, New Jersey, and Las Vegas, Nevada all fall into the top five most recession-vulnerable metro areas, each with more than a third of their workforce in industries threatened by coronavirus-related uncertainties<sup>63</sup>. Another example is Venice, which reported a steep occupancy decline beginning on 24 February, with only 6% of rooms occupied on 1 March. Destination management organisations (DMO), are faced with the challenge of providing timely and accurate information and communication to stakeholders. *Moreover some DMOs are redeploying their websites to provide information to residents to discover local businesses and respond to current needs, this is happening for instance in Raleigh<sup>64</sup>, United States, and in Seignanx dans les Landes<sup>65</sup>, France.*

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<sup>60</sup> <https://www.olympic.org/news/joint-statement-from-the-international-olympic-committee-and-the-tokyo-2020-organising-committee>

<sup>61</sup> <https://www.forbes.com/sites/mattperez/2020/03/24/tokyo-2020-summer-olympics-officially-cancelled-due-to-coronavirus-the-first-time-since-wwii/#68a2fbcd5058>

<sup>62</sup> <https://www.edinburghfestivalcity.com/news/1065-edinburghs-august-festivals-will-not-take-place-in-2020>

<sup>63</sup> <https://www.brookings.edu/blog/the-avenue/2020/03/17/the-places-a-covid-19-recession-will-likely-hit-hardest/>

<sup>64</sup> <https://www.visitraleigh.com/plan-a-trip/visitraleigh-insider-blog/post/support-local-businesses/>

<sup>65</sup> <https://www.monatourisme.fr/initiatives-du-reseau-face-au-covid-19-la-cartographie-interactive/>

## The industry is proactively developing response initiatives

The current **crisis is affecting businesses of all sizes**, from the largest international airlines to the smallest independent hotel owners. The immediate response by these businesses is focused on proactively designing plans for **short-term survival**. As the crisis evolves, the industry is also co-operating with governments to identify the key priorities to facilitate **recovery in the medium to long-term**.

Travel and tourism businesses are amongst those sectors that most acutely feel the effects of the crisis, often unable to sustain operations longer than a few months without revenue streams due to high fixed operating costs. The industry is now focussed on **ensuring business continuity** despite the crisis. Hotels, airlines, transport companies, the platform economy, and other service providers have **altered booking policies**, including easing restrictions on cancellations and allowing changes to bookings to increase flexibility for customers. Even before formal lock-down, companies had started also **halting operations** voluntarily (e.g. hotel closures, reduction in airline services and/or routes), **furloughing staff** in an effort to secure their long-term employment, and taking steps to **protect workers** by increasing sanitation measures, reducing workforce density to promote greater distancing.

In addition, distressed tourism companies in recent weeks have been forced to make job cuts, freeze hiring, **introduce job sharing**, and asking staff to voluntarily draw on annual and sick leave. Some platform economy companies have responded to the fragile situation of freelance workers by offering previously unavailable basic sick leave provisions and cleaning products like hand sanitizer for drivers. **Digital solutions** are being developed to create virtual tourism experiences, as is the case for several museums who are opening their virtual doors to tourists worldwide in an effort to support those experiencing extended, often government enforced, periods of social distancing. *To give a sense of scale of digital opportunities arising, the number of visitors to the Louvre Museums website has risen from 14 000 views per day to reach 400 000 visits per day.*<sup>66</sup>

The industry is involved in **setting up dedicated task forces to ensure a co-ordinated response to the crisis**. One example at the global level is the World Travel and Tourism Council (WTTC) Taskforce, which is co-ordinating private sector representatives and international organisations to find common solutions to ease the pressure on tourism businesses. *The UNWTO-led Global Tourism Crisis Committee is a public-private initiative to co-ordinate the pandemic response, which on 1 April published recommendations for government action focusing on three key areas: mitigating the impact on employment and liquidity, protecting the most vulnerable and preparing for recovery.*<sup>67</sup>

At national and international level, the industry has also played an important role in **communicating to governments the importance of focused initiatives to support the sector**. In Ireland, for instance, the Irish Tourism Industry Confederation has outlined a 3-step plan calling for government action to support the proposal (business survival, liquidity measures, and demand stimulus). Annex B provides a list of some private sector organisations webpages posting regular updates and analysis on the crisis.

In response to the immediate and widespread effects on the sector, governments are being requested to immediately develop and introduce **policy measures that will provide financial relief to suffering businesses**. Measures to **support workers** are advocated. Another key area identified by the private sector is the provision of **crucial and timely data and guidance** on how to react to rapidly evolving regulations. Industry associations are also active in providing data. In Spain, Exceltur, Alliance for

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<sup>66</sup> <https://www.oecd.org/cfe/leed/culture-webinars.htm#Museums> – 10 April 2020

<sup>67</sup> <https://www.unwto.org/news/unwto-launches-a-call-for-action-for-tourisms-covid-19-mitigation-and-recovery>

Excellency in Tourism, for example estimates that tourism GDP in Spain could decrease by 32.4% or EUR 54.7 million in 2020<sup>68</sup>. Although tourism businesses fully recognise that the crisis is first of all humanitarian in nature, they are **calling for governments to ease financial constraint to businesses and ensure a continuous dialogue between policy makers and industry**. For example, the Ministry of Tourism in Greece set up an Open Communication Line for tourism operators, businesses and market representatives to address emerging issues.

An emerging phenomenon is also voluntary **co-operation between the tourism and the health sector** to support the containment effort. In several instances, businesses are making available excess hospitality capacity to support the medical system, by providing meals to medical personnel, or older people, or by providing spaces for people needing quarantine. *For example, the Four Seasons Hotel in New York transformed into a home for medical workers.*<sup>69</sup> *Accor, opened up 40 of its hotels in France for nursing staff, vulnerable populations and anyone fighting the spread of coronavirus.*<sup>70</sup> *Hotels are also being transformed into medical care spaces to absorb the escalating demand for hospital treatments. Spain's Madrid-based hotels have offered hospitals 9 000 extra beds for Coronavirus-infected patients.*<sup>71</sup> *Carnival cruise operator had offered a number of its ships as makeshift hospitals.*<sup>72</sup>

## Governments are introducing policy measures to mitigate the impact of the coronavirus on the tourism economy

While the medium and long-term impacts of COVID-19 remain uncertain and will vary between countries and segments of the industry, **governments will need to take aggressive and co-ordinated policy action** at the local, national and international level, to minimise job losses and business closures in the immediate and long-term. The OECD has created a map of country-by-country COVID-19 economic measures, available at the link <https://oecd.github.io/OECD-covid-action-map/>.

Countries have taken action to respond to the crisis (see Annex A). While the first priority of countries responding to the pandemic is rightly public health, governments have moved quickly to introduce measures to **mitigate the economic impact of the coronavirus on businesses and workers**. These most often take the form of economy-wide stimulus packages, often including some liquidity injections and fiscal relief. The European Commission, for example, has introduced, as of 1 April, a EUR 37 billion Coronavirus Response Investment Initiative to provide liquidity to small businesses and the health care sector.<sup>73</sup>

The **tourism sector benefits from these general economic measures**, which are relevant and accessible to workers and tourism businesses of all sizes, including SMEs which require particular support. However, given the dramatic pressures the tourism economy is facing, many OECD countries are also

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<sup>68</sup> <https://www.exceltur.org/sala-de-prensa/>

<sup>69</sup> <https://www.cntraveler.com/story/how-the-four-seasons-hotel-new-york-transformed-into-a-home-for-medical-workers>

<sup>70</sup> <https://edition.cnn.com/travel/article/hotels-turned-hospitals-coronavirus/index.html>

<sup>71</sup> <https://www.euroweeklynews.com/2020/03/18/spains-madrid-based-hotels-offer-hospitals-9000-extra-beds-for-coronavirus-infected-patients/>

<sup>72</sup> <https://www.washingtonpost.com/travel/2020/03/19/with-coronavirus-overwhelming-facilities-land-carnival-offers-its-cruise-ships-makeshift-hospitals/>

<sup>73</sup> [https://ec.europa.eu/regional\\_policy/en/newsroom/news/2020/03/30-03-2020-coronavirus-response-investment-initiative-adopted](https://ec.europa.eu/regional_policy/en/newsroom/news/2020/03/30-03-2020-coronavirus-response-investment-initiative-adopted) - 30 March 2020

taking steps to introduce **tourism-specific measures to address the immediate impacts on the sector, and to facilitate its recovery**. Most initiatives in this emergency response and mitigation phase are intended to ensure tourism businesses are in a position to restart operations when containment measures come to an end, as well as assisting tourism workers.

These measures aim to **inject liquidity, provide financial relief** (e.g. through loans, tax holidays or postponements, guarantee schemes), **and minimise income and job losses**, and in some countries such as Costa Rica and Croatia are also being extended to informal and sharing economy workers. Financial relief to tourism business is being supported through **exceptional legislation and rule changes**, to for example allow businesses to offer **vouchers to consumers in place of cash refunds** (e.g. France, Lithuania, European Union). Policy makers are taking steps to **protect tourism consumers** and provide timely information. Other measures being implemented include the establishment of COVID-related **taskforces**, to ensure timely responses and private sector co-ordination, targeted support to airlines as a key access industry, and collection and communication of **data** to support destinations and businesses in their contingency plans.

As the situation continues to evolve, countries are already reviewing the effectiveness of emergency response policy measures introduced to better address need of tourism businesses, workers and visitors. Countries are also mindful of the need to already start to **prepare comprehensive tourism recovery plans, as well as to strengthen the resilience of the sector in the longer term**. While the focus at the moment is rightly on protecting workers and visitors, and supporting business survival, policy makers are also encouraged to consider already consider the longer term implications of the crisis on the tourism sector, and the structural transformation which will be needed to build a stronger, more sustainable and resilient tourism economy in the future. In the aftermath of the immediate crisis response, the green transition and digital transformation will remain relevant and decisions by policy makers will play an important role in shaping the tourism sector in the post-COVID-19 context.

A preliminary overview of country policy responses to the COVID-19 pandemic, highlights **three major response categories** and types of responses:

*People: protecting visitors and tourism workers*

- **Visitor protection.** Tourists outside their normal environment often suffer from an information deficit and countries are taking steps to provide assistance and information in multiple languages and formats.
- **Workers support.** The tourism sector benefits also from cross-sectoral measures introduced by governments to provide flexibility and relief for companies and workers in the reduction of working hours, temporary lay-offs and sick-leave. Some countries have introduced measures specifically aimed at the self-employed<sup>74</sup>.

#### **Box 1. Focus on supporting visitors and workers: selected COVID-19 tourism policy responses**

In **Italy**, a special compensation of EUR 600 for the month of March will be granted to **tourism seasonal workers** who lost their job due to the pandemic.

The **Japan** Tourism Agency will spend JPY 3.6 billion to provide **timely accurate information to international travellers** and make tourist destinations more attractive in order to attract tourists soon after the end of the pandemic.

<sup>74</sup> <http://oe.cd/covid-SME>

In **Korea**, tourism was designated as a '**special employment support sector**', and is eligible for employment support providing up to 90% of annual leave allowance for 6 months to support job retention in the sector.

In **Norway**, the **VAT rate**, which applies to passenger transport, accommodation and the majority of cultural events and attractions, has been reduced from 12% to 8% until 31 October 2020.

In **Poland**, the Department of Tourism has developed a Q&A guide for travellers and tour operators. This **guide points to regulations** which define the rights of tourism market entities, with particular emphasis on those regulations that may apply in the current situation.

#### *Firms: ensuring travel and tourism business survival*

- **Business Survival.** Countries for which the impact of the pandemic on tourism is most drastically felt have focused on providing financial relief to tourism SMEs, such as postponed VAT payment. Liquidity injections have been introduced to ensure business survival in the immediate term (e.g. Austria, Croatia, Greece). In Iceland the bed-night tax is being suspended until 31 December 2021. Other assistance efforts include information on helping to prevent the spread of the virus, supports to provide flexibility and relief for companies and workers in the reduction of working hours, temporary lay-offs and sick leave, financial instruments to reduce the impact (e.g. tax relief, guarantees, grants), measures regarding procurement and late payments, and actions to help SME adopt new work processes and find new markets.

#### **Box 2. Focus on businesses survival: selected COVID-19 tourism policy responses**

**Australia**, will help tourism businesses identify alternative export markets or supply chains as part of its tourism **industry stimulus package**. Targeted measures will also be developed to promote domestic tourism. Follow-on plans and measures to support recovery will be designed and delivered in partnership with the affected industries and communities.

In **Brazil**, the National Development Bank opened a **working capital loan line** for tourism and service sectors small and medium-sized firms.

**Croatia** implemented a set of measures to support tourism businesses including: postponing payment of fees, tourism taxes, and increasing the liquidity. Besides tourism specific measures, general economy interventions support the sector by including tourism in the scope of the Export Guarantee Fund with the aim of **enabling the issuance of guarantees** for loans to banks for additional liquidity.

In **France**, as a tourism-specific measure, the government **modified the conditions for cancellations** of travel (and similar) bookings, to allow professionals to propose that the reimbursement be replaced by a credit or voucher of an equivalent amount on a future service. The aim is to avoid an immediate cash outflow and help businesses get through a very difficult phase, with customers eligible to request a reimbursement after 18 months if the voucher is not used.

Turismo de **Portugal** provided a specialised **online support service**, provided by a team of 60 trainers from the Hotel and Tourism Schools, who provide advisory services to businesses in dealing with specific operational issues, helping to design Contingency Plans for COVID-19.

In **Spain**, economic measures introduced to respond to the COVID-19 crisis, include the **suspension of interest and loan payments** for entrepreneurs in the tourism industry for one year.

In **Sweden**, as part of a SEK 300 billion crisis package to help struggling businesses, the government has offered credit **guarantees for airlines** in 2020 amounting to a maximum of SEK 5 billion, of which SEK 1.5 billion is intended for SAS.

The **Swiss** Society for Hotel Credit grants **amortization deferrals** on loans of up to one year to existing customers.

In the **United States**, the travel and tourism sector will benefit from a USD 2 trillion economic stimulus package open to all businesses, which includes **funding pots earmarked** for industries hit hardest, including airlines, airports, and travel agents, which will be delivered through a mix of measures including cash payments, loans, grants and guarantees.

**EU** State aid rules enable Member States to help companies cope with **liquidity shortages** and needing urgent rescue aid. Member States can compensate companies for the damage directly caused by exceptional occurrences, including measures in sectors such as aviation and tourism.

*Sectoral Policy: fostering co-ordination for targeted responses and recovery*

- **Co-ordination measure and taskforces.** Some countries have put in place co-ordination mechanisms, such as taskforces, to monitor the impact of the pandemic on tourism and respond to a fast evolving situation (e.g. Canada, France, and Ireland). These mechanisms often aim to identify those sub-sectors in the greatest distress and where immediate assistance is required. Dialogue with the industry has been made a priority to ensure targeted and efficient responses measures.

**Box 3. Focus on co-ordination measures: selected COVID-19 tourism policy responses**

In **Canada**, the Minister responsible for tourism is part of the Cabinet Committee on the Federal Response to the Coronavirus Disease, which will meet for the first on 5 March and will meet regularly to ensure **whole-of-government leadership and co-ordination** across policy areas.

The Ministry of Tourism of **Greece** activated a **Committee for Crisis Management** to promptly respond to crises affecting the industry. The main responsibility is to minimise the potential damage to the image and the visibility of the Greek tourism through protecting travellers and restoring trust.

In **Ireland**, the National Tourism Development Authority, Fáilte Ireland, established a special **Business Supports Taskforce** to provide recommendations to the Government including measures to support business sustainability, employment and initiatives designed to kick-start demand.

In the **United Kingdom**, the **Tourism Industry Events Response Group** (TIER) is the key forum for gathering information on impact and response to the pandemic, and feed into the Government and sharing any practical advice as soon as it becomes available. TIER is a group Chaired by VisitBritain, it is made up of key tourism industry organisations, businesses, DMOs and government, including the Department for Digital, Culture, Media and Sport. It provides a forum for industry to raise concerns, challenges and observations for discussion with the UK Government.

- **Preparing for sector recovery.** Countries are also looking at **marketing efforts to encourage demand** from alternative markets and change the country image (e.g. Australia, Greece, Israel, and Italy). Other countries, such as New Zealand, are also starting to look to the future of the tourism sector, and are taking the opportunity to rethink the tourism system.

The crisis is also highlighting shortcomings in the availability of timely and comparable data to support policy and decision making in quickly evolving situations. In this context, some countries have established **tools for sharing updated information and data with businesses**. For example, Fáilte Ireland provides weekly bulletins on the COVID-19 evolving situations and Germany set up a webpage including daily updates on the mood of the sector survey. Turismo de Portugal, meanwhile, has refocused its work to collect and provide market information on a weekly basis to companies, and is developing digital content for national operators in each market.

The pandemic is also having an impact on the collection of tourism data during the crisis, as the usual data sources and collection methods may not be available (e.g. no survey of visitors at borders, or data provided by closed accommodation providers and other tourism businesses). This has implications for the reliability of official tourism statistics, once available, and will require estimates to be made, possibly by relying on alternative data source. Initiatives are already underway in some countries.

#### Box 4. Focus on preparing tourism recovery: selected COVID-19 tourism policy response

In **Greece**, an online platform called “Greece from Home” was launched by the Ministry of Tourism, the Greek Tourism Organization, and Marketing Greece, with the support of Google, aimed at reinforcing the country’s positive image during the COVID-19 pandemic. The platform, also aimed at retaining the interest of potential visitors, also leverages YouTube, with hours of videos featuring popular figures including tennis star Stefanos Tsitsipas and basket player Giannis Antetokounmpo.<sup>75</sup>

**Tourism New Zealand** was tasked by the Minister of Tourism on 8 April 2020 to lead work on *‘reimagining’ the way tourism operates in a post-COVID-19 world*. This work will examine how tourism is governed, how it is marketed both domestically and internationally, as well as how visitors are managed. Ministers will also review the International Visitor Conservation and Tourism Levy Investment plan to understand how revenue from the Levy can best be used to help rebuild the tourism sector after the crisis.

Turismo de **Portugal** transformed its destination’s communication from #CantSkipPortugal to #CantSkipHope, a message of hope for all and adjusted to the moment of uncertainty in which we live (video available here: <https://youtu.be/IFIFkGV207A>). There has also been a refocus from marketing departments and all the delegations abroad: collecting more information on the markets and providing this information on a weekly basis to companies, developing digital contents for e-training the national operators in each market.

In the **United Kingdom**, Visit Britain will be sharing content focused on themes linked to popular British culture designed to stimulate demand in the future. This leverages television/streaming content (e.g. British series on Netflix, film and TV locations in the UK), literature (author itineraries, literary locations), and music. As restrictions are lifted, this will move to sharing inspirational content.

Annex A gives an overview of examples of country tourism policy responses in these different domains, a synthesis of which is presented in Table 1. Given the fast moving nature of the situation, this preliminary **inventory of country responses** aims to share country practices and promote mutual learning and is being updated regularly. At the moment, the stage of the outbreak varies greatly from country to country

<sup>75</sup> <https://www.tornosnews.gr/en/greek-news/39584-greecefromhome-greek-tourism-ministry-s-innovative-platform-keeps-the-destination-in-the-heart-of-fans.html> - 2 April 2020

and policy responses are highly specific to the national economic and public health contexts. There is also no assessment made at this stage on the effectiveness of such measures, but this will be an important as the situation evolves.

Beyond the immediate responses needed, in the long run policy makers will need to learn from the lessons of the COVID-19 crisis, to **improve crisis management strategies to better prepare destinations and the sector more broadly to respond to future shocks**.

## **OECD works with its governments and the travel and tourism industry to identify and promote effective response initiatives**

The travel and tourism economy is facing an unprecedented crisis. **Governments have been doing a lot to respond to the crisis at the level of the whole economy but much more needs to be done, and quickly, at sectoral level with creative solutions to support tourism businesses and workers, restore travellers confidence and be ready to stimulate demand once containment measures are lifted.**

In this context, the OECD Tourism Committee is monitoring the impact of the crisis on the tourism sector, and collecting and sharing government policy responses. In particular, the OECD aims to identify effective measures taken to:

- Protect visitors (e.g. information, repatriation assistance, consumer protection)
- Protect tourism workers (e.g. the provision of income support)
- Support business survival, in particular SMEs, including through cash flow supports
- Promote sector recovery (e.g. private sector dialogue, timely provision of data, co-ordinated policy responses for the short, medium and long-term).

The crisis is revealing the crucial need for tourism policy to adopt an integrated governmental approach so that response measures are consistent and complementary to general economic stimulus packages (e.g. support measures for SMEs and for workers).

The OECD will work with its member and partner countries, the travel and tourism industry, and with other international organisations to help address the immediate impact of COVID-19 crisis on the tourism economy, build a more resilient tourism economy for the future and strengthen co-ordination mechanisms across policy areas, levels of government and with the private sector.

**Table 1. COVID-19 policies response measures targeting tourism: Highlights**

This table provides some flash information on tourism-specific initiatives introduced by countries to respond to the COVID-19 crisis. More complete information can be found in Annex A. This table focuses on policy measures targeted at tourism. Tourism businesses also stand to benefit strongly from general economic stimulus measures. For more information on general economic stimulus responses, please visit [www.oecd.org/coronavirus/en/](http://www.oecd.org/coronavirus/en/).

Country	1. Protecting people: protecting visitors and tourism workers	2. Ensuring business survival: along the tourism supply chain	3. Putting in place co-ordination mechanisms and recovery
Australia		<ul style="list-style-type: none"> <li>AUD 1 billion to support those sectors, regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including tourism.</li> <li>Waiving of AUD 715 million worth of fees and charges for domestic airlines</li> </ul>	<ul style="list-style-type: none"> <li>Developing Australia's next national long-term tourism strategy - Tourism 2030, with a focus on the issue of industry resilience</li> </ul>
Austria		<ul style="list-style-type: none"> <li>Coronavirus package of measures (state guarantees) for tourism together with the Austrian Hotel and Tourism Bank</li> </ul>	
Belgium		<ul style="list-style-type: none"> <li>Travel businesses can reimburse costumers through vouchers</li> <li>In Wallonia, EUR 5000 are provided to businesses shut down</li> </ul>	
Brazil		<ul style="list-style-type: none"> <li>The National Development Bank (BNDES) opened a working capital loan line for tourism and service sectors small and medium-sized firms. This includes 6-month interruption of loan payments, with no late interest payment.</li> </ul>	
Canada			<ul style="list-style-type: none"> <li>Tourism plays a leading role on the ad-hoc created Cabinet Committee on the Federal Response to the Coronavirus Disease</li> </ul>
Colombia	<ul style="list-style-type: none"> <li>Training to handle the situation in companies in the hotel environment.</li> </ul>	<ul style="list-style-type: none"> <li>Credit line "Colombia Responde", through Bancoldex , including USD 62 million for the tourism sector, including airlines.</li> </ul>	
Croatia		<ul style="list-style-type: none"> <li>Tourism is included in the scope of the Export Guarantee Fund with the aim of enabling the issuance of guarantees for loans to banks for additional liquidity</li> </ul>	<ul style="list-style-type: none"> <li>Giving the power to the Ministry of Tourism to additionally regulate, in special circumstances caused by the coronavirus epidemic</li> </ul>
Czech Republic			<ul style="list-style-type: none"> <li>The Ministry is preparing holiday vouchers for employees and self-employed persons for stays in the Czech Republic, to stimulate domestic tourism.</li> </ul>
Denmark		<ul style="list-style-type: none"> <li>Compensation to organisers of events that are cancelled due to the ban on large public gatherings.</li> <li>The Danish and Swedish governments have agreed to provide</li> </ul>	<ul style="list-style-type: none"> <li>The Ministry of Industry, Business and Financial Affairs, who is responsible for tourism, is constantly in close exchange with the tourism industry and other</li> </ul>

Country	1. Protecting people: protecting visitors and tourism workers	2. Ensuring business survival: along the tourism supply chain	3. Putting in place co-ordination mechanisms and recovery
		<p>credit guarantees for SAS worth approx. 2 billion DKK (Denmark accounts for 50%).</p> <ul style="list-style-type: none"> <li>• A state Guarantee for the Travel Guarantee Fund worth 1.5 billion DKK was also established with the scope to cover compensation for travel companies' costs associated with refunds due to COVID-19 related cancellations.</li> </ul>	<p>relevant tourism stakeholders to discuss the current situation and further steps.</p>
Estonia		<ul style="list-style-type: none"> <li>• The Government announced an economic stimulus package that will support businesses in difficulty, including tourism. A specific pillar is dedicated to events.</li> </ul>	
Finland		<ul style="list-style-type: none"> <li>• Visit Finland has suspended all marketing activities in response to current travel re-strictions and focus on developing plans and giving support to tourism businesses when applying funding from Business Finland.</li> </ul>	
France		<ul style="list-style-type: none"> <li>• Allow all tourism professionals to propose that the reimbursement be replaced by a credit of an equivalent amount on a next service</li> </ul>	
Germany		<ul style="list-style-type: none"> <li>• COVID-19 information webpage for the tourism industry that collects, bundles and disseminates relevant private and public information for tourism professionals.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
Greece		<ul style="list-style-type: none"> <li>• An Open Communication Line for tourism operators, businesses and market representatives with the Ministry of Tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Set up a Crisis Management Committee for Coronavirus</li> </ul>
Hungary		<ul style="list-style-type: none"> <li>• In its first package of economic measures the Government gave priority to tourism.</li> </ul>	<ul style="list-style-type: none"> <li>• The Hungarian Tourism Agency has said that HUF 20 billion (EUR 57 million) will be spent to get tourism back to Hungary as quickly as possible.</li> </ul>
Iceland		<ul style="list-style-type: none"> <li>• Payment and collection of the tax on overnight stays (bed-night tax) will be suspended from 1 April 2020 through 31 December 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• The response package also includes a special ISK 15 billion investment acceleration initiative including several projects that are aimed at supporting tourism</li> <li>• Isavia has received ISK 4 billion for infrastructure projects including the Keflavik international airport.</li> <li>• Once the situation returns to normal, a marketing campaign will be launched to promote Iceland as a tourist destination and Icelanders will be encouraged to travel domestically.</li> <li>•</li> </ul>

Country	1. Protecting people: protecting visitors and tourism workers	2. Ensuring business survival: along the tourism supply chain	3. Putting in place co-ordination mechanisms and recovery
Ireland		<ul style="list-style-type: none"> <li>Website with information on business supports and notes and recorded webinars on actions businesses should take</li> </ul>	<ul style="list-style-type: none"> <li>Special Business Supports Taskforce focusing solely on supporting the tourism industry during the crisis</li> </ul>
Israel			<ul style="list-style-type: none"> <li>The Ministry of Tourism is looking for ways to broaden its marketing fund to include businesses affected by coronavirus</li> </ul>
Italy	<ul style="list-style-type: none"> <li>Extraordinary allowances for tourism and culture workers</li> <li>Extension of the social safety net also to seasonal workers in tourism and entertainment</li> <li>A special compensation of EUR 600 for March will be granted to tourism seasonal workers who lost their job as a result of the coronavirus</li> </ul>	<ul style="list-style-type: none"> <li>Support for culture, entertainment and tourism businesses: Suspension of withholding tax payments, social security and welfare contributions and compulsory insurance premiums</li> <li>Refunds with vouchers already provided for trips and tourist packages cancelled as a result of the Covid-19</li> <li>Measures to support the troubled airlines, Alitalia, and Air Italy.</li> </ul>	
Japan	<ul style="list-style-type: none"> <li>The Japan Tourism Agency will spend JPY 3.6 billion to provide timely accurate information to international travellers</li> <li>Japan National Tourism Organization (JNTO) operates a visitor hotline 24 hours a day, 365 days a year.</li> </ul>	<ul style="list-style-type: none"> <li>Japanese Government is considering taking additional fiscal policy to support tourism industry</li> </ul>	
Korea	<ul style="list-style-type: none"> <li>Tourism companies will be able to give their workers a paid leave since the travel and tourism industry was designated as a 'special employment support sector.'</li> </ul>	<ul style="list-style-type: none"> <li>The distribution of hand sanitisers to support the prevention of the virus within the industry</li> </ul>	
Latvia			<ul style="list-style-type: none"> <li>The Ministry of Economics developed a crisis plan for tourism in co-operation with NGOs of tourism industry sectors and related governmental subordinated bodies such as Consumer Rights Protection Centre, State Revenue service and as well as the Ministry of Finance and the Ministry of Transport.</li> </ul>
Lithuania		<ul style="list-style-type: none"> <li>Allow businesses to reimburse customers through vouchers, transferrable to other people.</li> </ul>	
Mexico			<ul style="list-style-type: none"> <li>The Secretary of Tourism released a promotional video that will be disseminated, as part of a campaign that seeks to project the strength of Mexico as a tourism destination.</li> </ul>

Country	1. Protecting people: protecting visitors and tourism workers	2. Ensuring business survival: along the tourism supply chain	3. Putting in place co-ordination mechanisms and recovery
New Zealand			<ul style="list-style-type: none"> <li>On 8 April 2020, Tourism New Zealand (TNZ) was tasked by the Minister of Tourism to lead work on 'reimagining' the way tourism operates in a post-COVID-19 world. This work will examine how tourism is governed, how it is marketed both domestically and internationally, as well as how visitors are managed.</li> <li>Ministers will also review the International Visitor Conservation and Tourism Levy (IVL) Investment plan to understand how the IVL revenue can best be used to help rebuild the tourism sector in New Zealand.</li> </ul>
Norway		<p>Introduction of an aviation guarantee scheme totalling NOK 6 billion, with a 90% government guarantee on each loan</p> <p>For organisers of cultural and sports events, a compensation scheme of NOK 900 million (around EUR 80-90 million) for cultural and sports events that were cancelled due to state restrictions.</p>	
Peru	<ul style="list-style-type: none"> <li>The Ministry of Tourism (MINCETUR) designated the amount of PER 3.5 million for lodging and food in hotels to Peruvian citizens who have returned from abroad and are in quarantine for 15 days.</li> </ul>		
Philippines			<ul style="list-style-type: none"> <li>PHP 14-billion (USD 271 million) aid from the Tourism Infrastructure and Enterprise Zone Authority</li> <li>PHP 421 million is earmarked for a new campaign for domestic travel</li> </ul>
Poland	<ul style="list-style-type: none"> <li>Organised charter flights in order to repatriate tourists abroad</li> </ul>		<ul style="list-style-type: none"> <li>A campaign "Poland Don't Cancel Postpone"</li> </ul>
Portugal	<ul style="list-style-type: none"> <li>Useful and up-to-date information on protection advice to tourists, restriction measures in force in the country and useful contacts for those who are at the destination</li> </ul>	<ul style="list-style-type: none"> <li>EUR 900 million are for hotels and accommodations (of which EUR 75 million are for micro and small businesses), EUR 200 million for travel agencies, recreational services and events organisers, and EUR 600 million for restaurants (EUR 270 million of which for micro and small businesses)</li> <li>The Support Line for Tourism Microenterprises Liquidity</li> <li>Specialised online support to companies by the Portuguese Tourism School</li> </ul>	<ul style="list-style-type: none"> <li>Transformed its destination's communication from #CantSkipPortugal to #CantSkipHope,</li> </ul>
Romania	<p>Payment of the technical unemployment from the Ministry of Labour, covering 75% of the</p>		

Country	1. Protecting people: protecting visitors and tourism workers	2. Ensuring business survival: along the tourism supply chain	3. Putting in place co-ordination mechanisms and recovery
	average gross salary, including tourism		
Saudi Arabia	<ul style="list-style-type: none"> <li>Awareness campaigns to avoid confusion and panic amongst existing tourists and tourists planning to visit</li> </ul>		<ul style="list-style-type: none"> <li>Additional subsidies to private sector salaries for national employees working in companies most affected financially by COVID-19, including tourism.</li> </ul>
Slovak Republic		<ul style="list-style-type: none"> <li>The “First-aid” economic package due to coronavirus, which will benefit tourism businesses shut down</li> </ul>	
South Africa		<ul style="list-style-type: none"> <li>Tourism Relief Fund, providing once-off capped grant assistance to Small Micro and Medium Sized Enterprises</li> </ul>	
Spain		<ul style="list-style-type: none"> <li>Suspension of interest and loan payments for entrepreneurs in the tourism industry for one year</li> </ul>	
Sweden		<ul style="list-style-type: none"> <li>Credit guarantees for airlines in 2020</li> </ul>	
Switzerland		<ul style="list-style-type: none"> <li>The Swiss Society for Hotel Credit SGH grants amortisation deferrals of up to one year</li> </ul>	
Turkey		<ul style="list-style-type: none"> <li>Accommodation tax in hotels and tourism facilities will be waived until November.</li> </ul>	
United Kingdom		<ul style="list-style-type: none"> <li>Hospitality and leisure businesses in England will receive a 100% business rates holiday for the next 12 months</li> </ul>	<ul style="list-style-type: none"> <li>VisitBritain is currently working with the UK Government to develop a recovery campaign to promote UK tourism after the pandemic is over</li> </ul>
United States		<ul style="list-style-type: none"> <li>Stimulus package open to all businesses, with travel at the forefront</li> </ul>	

# Annex A. Preliminary overview of country impacts and policy responses to the COVID-19 pandemic<sup>76</sup>

**NOTE:** This annex focuses on policy measures targeted at tourism. Tourism businesses also stand to benefit strongly from general economic stimulus measures. Unless otherwise stated, policy measures mentioned in this Annex were inputs sent by countries in response to a survey of OECD member and partner countries, and updates provided based on an earlier version of this paper. Additional information on general economy actions can be found at the link: [www.oecd.org/coronavirus/en/](http://www.oecd.org/coronavirus/en/).

## Australia

While official data is not yet available, Tourism Australia has analysed Forward Keys bookings data for some markets. This shows for the 13 weeks between 9 December 2019 and 8 March 2020, bookings for priority markets overall were down by 40 per cent (29 per cent excluding China and Hong Kong), with the largest declines being seen from North Asian countries.

In absolute terms, the economic impacts of COVID-19 are likely to be felt most strongly in the cities – with Sydney and Melbourne accounting for 60 per cent of international spend. However, these are larger, more diverse economies with a lower reliance on tourism than many of Australia's regional economies. The most impacted regions will be the Gold Coast, Tropical North Queensland (Cairns), Lasseter (Uluru), Kangaroo Island and the Whitsundays which have a greater reliance on tourism and a higher proportion of international visitors.

The Government introduced a Stimulus Package, which includes as one of four main pillars assistance for severely-affected regions. This includes AUD 1 billion to support those sectors, regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including tourism. The assistance measure will include the waiver of fees and charges for tourism businesses that operate in the Great Barrier Reef Marine Park and Commonwealth National Parks. It will also include additional assistance to help businesses identify alternative export markets or supply chains. Targeted measures will also be developed to further promote domestic tourism. Further plans and measures to support recovery will be designed and delivered in partnership with the affected industries and communities. (Response to OECD Survey, updated on 12 March)

On the 17 March, the Federal Government announced it will waive AUD 715 million worth of fees and charges for domestic airlines, as Australia's aviation industry buckles from the fallout of the coronavirus

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<sup>76</sup> Travel ban and restrictions are changing very rapidly. For this reason, the annex does not provide a comprehensive list of restrictions. Please consult each country Ministry of Foreign Affairs website to see the most up to date information,

pandemic. This assistance aims to help airlines, the entire aviation industry, regional Australians, and industries such as tourism and trade.

The Australian Government's AUD 76 million Rebuilding Australia's Tourism Package was announced on 19 January 2020 to assist businesses impacted by the bushfires, and will now assist the industry who are being impacted by the coronavirus. The package includes:

- a AUD 25 million international 'There's Still Nothing Like Australia' campaign
- a AUD 20 million domestic 'Holiday Here This Year' campaign
- AUD 5 million to support international public diplomacy efforts to mitigate impacts on Australia's interests.

As a long term effort, Austrade, in conjunction with Tourism Australia, state and territory governments, and industry, is developing Australia's next national long-term tourism strategy - Tourism 2030. The issue of industry resilience has been canvassed in consultations for development of the strategy and this has been brought into sharper focus as a result of the current crises. Austrade is working with states and territories and industry partners to develop new and enhanced content on industry resilience. The strategy needs to address short, medium and long-term priorities for creating a resilient Australian tourism industry.

Australia released a combined economic response to COVID-19 totals AUD 320 billion across and representing 16.4 per cent of annual GDP. This includes support to tourism, through business support measures, supporting the credit flow to businesses, income support for people who lost their jobs.

(Information last updated on 9 April 2020)

## Austria

Hotel industry revenues have already dropped by 30% since the beginning of 2020 compared to the same period in 2019. Popular city destinations like Vienna or Salzburg are likely to be most affected, as Italians constitute around 25% of incoming tourists in March and April. (OECD internal macro-economic update, 16 March 2020).

To support the tourism industry in this difficult situation and to avoid existential liquidity bottlenecks of the affected SMEs, the Federal Ministry of Agriculture, Regions and Tourism has developed a coronavirus package of measures for tourism together with the Austrian Hotel and Tourism Bank.

- State guarantees for bridging loans used to cover temporary liquidity shortages caused by decreases in turnover as a result of COVID-19. The existing volume of available guarantees has been increased to EUR 1 billion.
- The costs for these state guarantees (1% processing fee, 0,8% liability fee usually to be paid by the recipient of the guarantee) are borne by the Tourism Ministry.
- Several regional provinces cover the interest rates of the above-mentioned bridging loans that are equipped with a state guarantee.
- Tourism enterprises that have had an active loan before the outbreak of COVID-19 can apply for the suspension of all loan repayments for the year 2020.

Moreover, the Ministry is in permanent close exchange with the tourism industry and other tourism stakeholders to discuss the current situation/problems arising and further steps; several Round Table Sessions were organised by the Tourism Minister, bringing together important Austrian tourism stakeholders (Austrian National Tourist Office, social partners, industry associations, etc.). Comprehensive information for tourists and enterprises is available on the respective websites of the competent authorities and industry associations.

Tourism businesses can also benefit from a COVID-19-Recovery Package (total of EUR 38 billion), with the aim of securing liquidity for enterprises (guarantees and fiscal measures), securing jobs (short-time work/reduced working hours), supporting cases of hardship (specific fund): in particular for small and very small enterprises.

A matching platform was established to provide accommodation options for companies looking for accommodation for key workers such as caregivers, food retailers, fitters and aid workers.

(Information last updated on 6 April 2020)

## Belgium

As of 23 March, the Brussels airport registered a decrease of 90% on passenger numbers, and will receive only 5% of planned flights for the week of 23 March. A survey released on 20 March by Wallonia pointed to a loss in tourism turnover of more than EUR 100 million.

On the 20 March, the Government launched the second part of the Federal Plan for Social and Economic Protection<sup>77</sup>:

- Regarding the travel sector, in case of cancellation of a package holiday, a voucher of equal value will be awarded, valid for at least one year.
- Regarding the events sector, the tickets purchased are still valid if the event is postponed. If the consumer is unable to attend the event, sufficient time will be provided for the refund.

At a regional level, the Wallonia Government has granted EUR 5 000 per company completely closed or shut down as a result of decisions adopted by the National Security Council (catering, accommodation, travel agencies, tour operators, reservation services and related activities, coaches of occasional transport, tourist attraction). Similarly Brussels and Flanders are providing EUR 4000 to businesses which were shut down.

The Walloon Tourism Observatory is doing each week a survey among a number of tourist accommodation establishments, in collaboration with professional associations (tourist attractions and museums can't be contacted because they had to close), to measure the impact of coronavirus on tourism.

Visit Flanders decided to waive tax collection in 2020 from youth hostels<sup>78</sup>.

(Information last updated on 9 April 2020)

## Brazil

In Brazil, demand for domestic flights fell by 50% and international bookings were 85% down in the second half of March. On 16 March LATAM Airlines Group, South America's largest carrier, cancelled 90% of its international flights as demand collapsed and countries shut down borders due to the Coronavirus outbreak, leaving the region increasingly isolated. Brazil's largest domestic carrier Gol Airlines, said it would cancel up to 95% of international flights while cutting domestic flights by up to 60% until June. Brazil's third airline, Azul, said it would cut all international flights out of its main hub in Sao Paulo. Airline

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<sup>77</sup> <https://economie.fgov.be/fr/themes/entreprises/coronavirus/informations-pour-les/reduction-des-pertes/coronavirus-premier-volet-du>, website accessed 20 March 2020

<sup>78</sup> <https://economie.fgov.be/fr/themes/entreprises/coronavirus/informations-pour-les/reduction-des-pertes/coronavirus-premier-volet-du>, website accessed 29 March 2020

association ABEAR said the sudden halt in travel was the worst crisis ever faced by the country's aviation sector. (OECD internal briefing note on LAC countries, updated on 2 April 2020)

The National Development Bank (BNDES) opened a working capital loan line for tourism and service sectors small and medium-sized firms. This includes 6-month interruption of loan payments, with no late interest payment.

Tax liabilities have been deferred for firms, especially SMEs. In addition, administrative procedures for some imports and for loan renegotiations have been eased. The national development bank BNDES has announced new credit lines to companies with a loan volume of 0.6% of GDP. As part of these measures, tourism firms were given facilitated access to credit and deferred payments. The government also designed an airlines relief package, including: i) a 6-month postponement of the collection of air navigation tariffs; ii) postponement to December 2020 of the collection of concession fees from airport concessionaires; and iii) a 12-month extension period for companies to reimburse costumers for cancelled flights.

(Information last updated on 26 March 2020)

## Canada

The Minister responsible for tourism is expected to play a leading role on the recently created Cabinet Committee on the Federal Response to the Coronavirus Disease, which will meet regularly to ensure whole-of-government leadership, co-ordination, and preparedness for a response to the health and economic impacts of the virus. This includes co-ordination of efforts with other levels of government.

Regional Development Agencies are closely monitoring the COVID-19 global challenge<sup>79</sup>. Tourism operators who have received RDA funding may be eligible to receive additional funding and/or flexible arrangements, further support will be determined on a case-by-case basis as the situation evolves. While tourism operators affected by the sudden shifts in the economy can access to federal funding to help to stay in business, or receive advice and pathfinding services to other federal programmes and services available. (website accessed 20 March 2020)

(Information last updated 11 March 2020)

## Chile

According to joint preliminary forecasts by National Tourism Service's Statistics Department and the Division of Studies and Territory of the Under Secretariat of Tourism, based on the information available on March 23, 2020, it is expected for this year a combined drop of USD 1.8 million in absolute terms for domestic and international tourism (i.e. internal tourism), down 20,4% compared to 2019, which would mean a loss of approximately 5.7 million of trips as a result of the Covid-19 pandemic, which began to expand in Chile in March 2020. In particular, for international arrivals there would be a decrease of 32.5% compared to total arrivals in 2019. These estimates are based on a moderate scenario that supposes a strong contraction during the second quarter of the year. A pessimist scenario with a contraction during the second and third quarters would mean a combined drop of USD 3.0 million, or 32,2% in domestic and international compared to 2019.

On March 19, the Chilean Government announced an unprecedented emergency plan that will allow the economy to recover in the midst of the coronavirus pandemic. This package includes suspensions and

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<sup>79</sup><https://www.canada.ca/en/services/business/maintaingrowimprovebusiness/resources-for-canadian-businesses.html>

postponements of tax payments, tax flexibilities and other measures aimed at providing more liquidity to the affected companies. These measures particularly benefit SMEs across the country, including those in the tourism sector.

(Information last updated on 14 April 2020)

## Colombia

As of 4 April, the main associations of the tourism sector in Colombia have reported the following data from the coronavirus outbreak:

- From the 1<sup>st</sup> to the 16<sup>th</sup> of March, national passenger's air traffic decreased by 12.5% and international passenger's air traffic decreased by 49.7%. IATA reported losses of USD 1.9 billion in Colombia alone.
- Losses of USD 26.5 million in cancellations for travel agencies.
- Hotel occupancy rate as of March 19 was 21%, the lowest level in history for this month, with a loss of USD 105.39 million.
- The amusement parks will stop receiving USD 19.61 million per month, while the closure of operations continues, at least 5 000 jobs are at risk, 40% of which correspond to young people between 18 and 25 years old.

The Colombian Government has been monitoring and analysing the situation of COVID-19 in the world to take timely and proportional measures according to the evolution of the pandemic in the country. Thus, to date, the Government has adopted a series of measures aimed at containing the spread of the virus and mitigating its effects on the economy. Including measures to protect the tourism sector, such as:

- VAT exemption of the first four months of 2020 extended for companies dedicated to commercial passenger air transport, the hotel sector, among others that may be affected by the situation of the Coronavirus
- Postponement of the payment of the fiscal Contribution for the Promotion of Tourism of the first quarter of 2020 until July 29, 2020.
- The deadline for the renewal of the registers of the Registro Único Empresarial y Social (RUES) - and which include the Registro Nacional de Turismo and the Registro Mercantil- were extended until July 3, 2020. It also extends the deadline for holding ordinary general assembly meetings until the month following the end of the health emergency.
- Rental fees for commercial spaces located at the airports and aerodromes administered by the Civil Aeronautics should be suspended for the period of the emergency. Charges applied to airport infrastructure should be suspended for the same period
- Training to handle the situation in companies in the hotel environment.
- Implementation of a communication channel to monitor the economic impacts on the sector and respond to contingencies (Tourism Contingencies Whatsapp Chat).

The Ministry of Commerce, Industry and Tourism (MINCIT) launched credit line "Colombia Responde", through Bancoldex, for USD 86,4 million, in order to help the enterprises. For the tourism sector, including airlines, an amount up to USD 62 million was assigned.

The ministry is making progress in the formulation of travel and tourism facilitation measures, such as the elimination of visas and the easing of the migration process. This together with preventive measures and health controls to protect the travellers.

(Information last updated on 8 April 2020)

## Costa Rica

Tourism, accommodation, transport services and shipping sectors are particularly vulnerable to the crisis. Many hotels started working in limited capacity, which also affect their labour usage. As of 24 March, more than 8 000 nights of hotel bookings are cancelled. Costa Rican Chamber of Hotels and Hospitality estimates a decline in sales of 5%-50% depending on the region. (OECD internal macro-economic update, 24 March 2020)

On 31 March, the Costa Rican Tourism Institute declared a three-month tax moratorium on air ticket sales and per tourist income for companies that submit requests for non-payment due to liquidity problems in the months of April, May, June and July 2020. (OECD COVID action map)<sup>80</sup>

## Croatia

A Task Force comprising all the relevant governmental and business sector representatives was established to design measures to mitigate the crisis. Locally many destinations are considering specific measures, which are being analysed and will soon be announced.

As a general economy measure established on 18 March, tourism is included in the scope of the Export Guarantee Fund with the aim of enabling the issuance of guarantees for loans to banks for additional liquidity. Concurrently, the Ministry of Tourism also undertook the following measures:

- Postponement of payment of tourism association membership fees for economic operators and private renters.
- Postponement of payment of tourist tax for private renters (flat rate).
- Restriction of working/opening hours of catering facilities.
- Support for programmes for financing working capital and improving the liquidity of vulnerable tourism businesses.
- Delay of payment of the fee for the concession on tourist land in the camps.

As of 9 April, the government approved amendments to the laws under the jurisdiction of the Ministry of Tourism, giving the power to the Ministry to additionally regulate, in special circumstances caused by the coronavirus epidemic, a number of by-laws which are currently already being drafted:

- The use of voucher for reimbursement;
- Amount of the tourist tax and deadlines for payment.
- postponing mandatory re-classification of accommodation facilities (every 4 years)
- financing of tourist boards;

(Information last updated 9 April 2020)

## Czech Republic

The government is preparing, in co-operation with tourism industry representatives, an instrument for financing the re-bounce of domestic tourism. The programme should be based on the holiday vouchers for employees and self-employed persons for stays in the Czech Republic.

(Information last updated on 2 April 2020)

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<sup>80</sup> <https://oecd.github.io/OECD-covid-action-map/>

## Denmark

According to a survey from The Danish Chamber of Commerce, the tourism sector, has on average experienced a decrease of 75% in turnover during 1.-26 March 2020, while retailers and the transportation industry has respectively lost 42% and 34% in turnover.

Denmark has taken several economic measures of a total amount of 285 billion DKK to support businesses and industries to tackle the impacts of the current COVID-19 situation.

The government has taken temporary measures to strengthen the liquidity and loans of Danish businesses, which among others include: loan guarantee schemes, postponement of payment deadlines for taxes, increased access to export credit for SMEs, a credit guarantee for Scandinavian Airlines (SAS). The Danish and Swedish governments have agreed to provide credit guarantees for SAS worth approx. 2 billion DKK (Denmark accounts for 50%). A state Guarantee for the Travel Guarantee Fund worth 1.5 billion DKK was also established with the scope to cover compensation for travel companies' costs associated with refunds due to COVID-19 related cancellations.

Furthermore, the government has taken a set of measures on turnover, income and retention of employees, which can benefit tourism businesses as well. A compensation scheme for the cancellation and postponement of major events following COVID-19 includes events for over 1 000 participants or over 500 for specific risk groups. The compensation scheme is targeted event organizing companies to compensate for financial losses.

The Ministry of Industry, Business and Financial Affairs, who is responsible for tourism, is constantly in close exchange with the tourism industry and other relevant tourism stakeholders to discuss the current situation and further steps.

(Information last updated on 14 April 2020)

## Estonia

The Ministry of Economic Affairs and Communications has commissioned a survey of the business sector/entrepreneurs on the impact of COVID-19. Based on this survey, the most affected sector is tourism, with 98% of responding hotels, 97% of restaurants and 82% of tour operators considering the impact significant.

As of the 25 March, most of the hotels, spas and accommodation establishments are closed. Many restaurants have closed or restricted opening hours, due to lack of clients and new restrictions to gatherings and opening times. A number have moved to offering take away services to home.

The Ministry is working on a medium term national tourism strategy for 2021-24 and the planning for the new EU financial framework 2027. Many strategic issues are being revalued, refocused and strengthened. For example, the role of DMOs in managing and leading the tourism sector through the crisis as well as co-operation with ministries and policy areas (e.g. tourism and transport) to restart the business as soon as the crisis alleviates.

On the 19 March the Government announced a EUR 2 billion economic stimulus package that will support businesses in difficulty, including tourism. A specific pillar is dedicated to events, with a partial compensation by the state of up to EUR 3 million of costs incurred due to events that have been cancelled.

(Information last updated 25 March 2020)

## Finland

As of 1 April, the Finnish Hospitality Association estimates that among the member businesses, the demand has dropped over 90%, all congresses and events have been cancelled. According to The Association of Finnish Travel Industry SMAL, consumers are waiting for more than EUR 114 million reimbursement from the businesses under European Travel Package Directive. Finnair, the national airline carrier, has cut flight capacity by 90%. While official data is not available, a survey conducted by Visit Finland from the 27 March pointed out tourism businesses will face outstanding economic losses especially in the second quarter. Companies are prepared to cut significant amount of jobs in the sector until end of June. Over 30% of the respondents estimate a decrease in number of international travellers will continue until the end of the year.

In Finland, tourism businesses stand to benefit strongly from general economic stimulus measures. In the administrative sector of the Ministry of Economic Affairs and Employment, business financing for the tourism sector is provided by Finnvera, Business Finland and ELY Centres (grants, loan guarantees). Visit Finland has suspended all marketing activities in response to current travel restrictions and focus on developing plans and giving support to tourism businesses when applying funding from Business Finland.

As a tourism specific measure, the government granted a State guarantee of up to EUR 600 million to support Finnair's financing needs. Direct financial support for restaurants (which are closed following a government decision) is under consideration as well.

(Information last updated 1 April 2020)

## France

As of 25 March, non-food shops, restaurants, cafes, as well as concert halls, nightclubs, museums, leisure parks have been closed until further notice. The closure affects approximately 75 000 restaurants, 40 000 cafes and 3 000 nightclubs, which employ more than a million people.

Tourism specific measures include an ordinance (decree-law) modifying the conditions for cancellations of travel bookings and other types of contracts that was prepared following the adoption of the emergency law to deal with the COVID-19 pandemic. Prior to the ordinance, in the event of *force majeure* causing the consumer or the professional to cancel the service, a full refund was required - both by European law and by national law. However, cancellations of travel and tourist stays as a result of the COVID-19 pandemic are already numerous and will continue to increase in the coming weeks. Under these conditions, France has decided to allow all professionals to propose that the reimbursement be replaced by a credit of an equivalent amount on a next service. This will avoid an immediate cash outflow and help businesses get through a very difficult phase.

However, this credit does not completely replace the reimbursement. It was important to align with the framework of European law, where the package travel directive (known as DVAf) explicitly provides for a refund within 14 days of cancellation. In a notification relating to DVAf and COVID-19 (released on March 19), the European Commission opened the possibility of offering a "voucher". But maintaining that the traveller must be able to request reimbursement if he/she does not want to use the voucher. Therefore, if the credit is not used by the client for a new service within the 18-month period, reimbursement may be requested.

(Information last updated 25 March 2020)

## Germany

In Germany, the Federal Government Centre of Excellence for Tourism (the central interface between the industry, academia and federal policy-making) created an information webpage for the tourism industry dedicated to the COVID-19 impact on the sector (<https://corona-navigator.de/>). The so called 'Navigator' collects, bundles and disseminates relevant private and public information for tourism professionals. This includes sector-specific measures established by the Federal Government and the Länder, as well as news and analysis specific of the tourism industry worldwide. The service also includes a 'barometer of the mood in the tourism sector', which maps the business expectations in the tourism sector each day.

(website accessed on 23 March 2020).

## Greece

The Hellenic Chamber of Hotels estimated, as of 17 March, that the losses linked to the virus outbreak of the Greek hotels amounted to EUR 522 million (in terms of cancellations of rooms and conferences). Moreover, the study mentions the slowdown of the pace of future reservations, by 72% in 92% of the hotels operating all year round, as well as by 58% in 83% of the seasonally operating hotels, in comparison with 2019. 91% of the all year round operating hotels estimate that they will have a loss of turnover by 51% in 2020, while 83% of the seasonal operating hotels estimate a loss of turnover by 36% for 2020. According to the study, it is estimated that 38 234 working positions are directly at risk, constituting the 20.5% of the overall employment in hotels.

According to Alpha Bank's Weekly Economic Developments Bulletin published on 11 March on tourism, there is an expected decline of 940 000 travellers in incoming travel for 2020. The negative impact is estimated to be limited, inter alia, because of the seasonality of tourism demand, since 85% of total tourist arrivals take place between May and October each year.

The Ministry of Tourism monitors the developments, records the problems, informs the operators of the sector and elaborates measures and proposals to support the Greek tourism market in co-ordination with the National Tourism Organisation, the competent services and the private tourism sector. In this light, it has set up a Crisis Management Committee for Coronavirus, which:

- provides up to date information to the tourism market for developments,
- draws up a continuity plan for the Ministry
- elaborates a package of measures to stimulate the market in the short run and the long run, taking also into account proposals from the private tourism sector,
- sets up a programme to promote the country as a safe destination when conditions are deemed appropriate;
- plans how to recover in the international market
- participates in initiatives to provide a co-ordinated confrontation to the effects of COVID-19 at European and international level.

There is also an Open Communication Line for tourism operators, businesses and market representatives with the Ministry of Tourism to address emerging issues.

Policy responses, connected to the COVID-19 outbreak, are linked to the impact on employment, impact on the tourism businesses, including SMEs (income losses and liquidity issues). The Government has introduced general relief measures, which are available for tourism businesses as well (VAT exemption, special support measures for seasonal workers).

The Greek Tourism Confederation (SETE) has proposed a series of measures to promptly support tourism businesses (e.g. lodgings, travel agencies, exhibition and congress organisers, tourism buses, airlines, airports, handling companies, rent a car, shipping, cruise, yachting, marinas, ports, outdoor activities, etc). They are targeted at reducing the operational cost for the months of crisis, supporting employment, ensuring liquidity to enable the possibility of a quick “recovery” after the crisis.

(Response to OECD survey 20 March 2020)

The Greek Tourism Ministry recently announced that under a new regulation, tourism enterprises and airlines in Greece will be able to reimburse their customers by issuing 18-month vouchers in efforts to mitigate the effects of cancellations due to the coronavirus (Covid-19) pandemic.

(website accessed on 9 April)<sup>81</sup>

## Hungary

As of 14 April, tourism has stopped completely in Hungary: out of 1 070 hotels 1 000 will close or have closed. Hungarian low-cost carrier Wizz Air has grounded around 85% of its fleet and cancelled flights due to travel restrictions introduced by governments to contain the spread of novel coronavirus. In the hospitality industry, according to the Hungary Tourism Agency’s estimation 100 000 people lost their job.

In its first package of economic measures the Government gave priority to tourism. For those enterprises operating in affected sectors, employers are exempt from paying taxes on wages for the months of March, April, May and June 2020, except for the healthcare contribution, which cannot exceed HUF 7 710. Those liable for the tourism development contribution (a tax on commercial accommodation services) will also not have to pay this for the period from March 1 to June 30. By releasing the pension and health contribution of the employees, 30% of labour costs were released or assumed by the Government. The moratorium on credit and interest payments applies to not only people, but also businesses.

On the 6th of April, the second cycle of economic measures was announced consisting of new programs aimed at protecting Hungary’s economy, including to provide support for hard-hit economic sectors, such as tourism and hospitality. The government will provide HUF 600 billion support for priority areas of intervention in the next three years in the form of investment subsidies, tax reductions, infrastructure development, soft and guaranteed loans, and capital programs. On addition the Bank of Hungary announced new monetary measures.

The Hungarian Tourism Agency reports to the Government every 48 hours on the state of the sector, and consults daily with the leaders of the professional organisations.

The Hungarian Tourism Agency launched a tourism video campaign, which will be shown on television channels and on social media platforms to encourage domestic tourism demand after restrictions are removed. There is a constant consultation with the festival organizers and the Agency will allocate much more resources than the previous festival grants to organize events featuring domestic musicians and artists, who have been left without performances for months. The CEO of the Hungarian Tourism Agency has said that HUF 20 billion (EUR 57 million) will be spent to get tourism back to Hungary as quickly as possible.

(Information last updated 14 April 2020)

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<sup>81</sup> <https://news.gtp.gr/2020/04/08/covid-19-greek-tourism-businesses-offer-18-month-vouchers-instead-refunds/>

## Iceland

The number of international tourists present in the country 2 April 2020 is estimated at only 100-500 individuals. International and domestic flight schedules are currently operating at a minimum (Icelandair 10%, Air Iceland Connect 10-15%). M/S Norröna which sails between Iceland, Denmark and the Faroe Islands has suspended passenger travel temporarily. 26 cruise ships have cancelled their spring arrivals in Reykjavik. As of 14 April, according to the Centre for Retail Studies credit card spending of foreign tourists in Iceland (excluding flights) contracted by 60% in March 2020 compared to March 2019. Almost all tour guides in the country are out of work according to the Iceland Tourist Guide Association (also trade union).

Calculations by Íslandsbanki bank and the Icelandic Travel Industry Association estimate that the COVID-19 pandemic could cost the Icelandic travel industry as much as ISK 260 billion (EUR 1.7 billion) from mid-March through the end of August, based on last year's income. The Central Bank of Iceland has published scenarios estimating a 2.5-5% decline in GDP for 2020, depending on the decrease in the number of international arrivals (30-50%). International arrivals through the Keflavik airport are reported to have decreased by 52% in March and are expected to decrease by 92% in April. Revenues from international travellers in the first quarter of 2020 were down 26.3%, compared to 2019.

The Government of Iceland's action plan to respond to the economic impact of COVID-19 as was announced on 10 March includes tourism-specific measures, such as:

- Efforts will be made to provide temporary relief to the tourism industry, including temporarily reducing industry-specific tax payments (e.g. the accommodation tax).
- Once the situation returns to normal, a marketing campaign will be launched to promote Iceland as a tourist destination and Icelanders will be encouraged to travel domestically.

On 21 March, the Government announced the first phase of response measures to mitigate the effects of the COVID-19 pandemic. As part of the action, the following three tourism-specific actions together represent a ISK 4.6 billion injection into Iceland's tourism industry:

- Payment and collection of the tax on overnight stays (bed-night tax) will be suspended from 1 April 2020 through 31 December 2021. Payment of tax on overnight stays from 1 January 2020 through 31 March 2020 is deferred. The payment due date for tax on overnight stays during this period is deferred until 5 February 2022.
- Icelandic residents over 18 years of age will collectively receive ISK 1.5 billion worth of travel vouchers from the Government, to spend domestically. This action will be further implemented in co-operation with the Icelandic Travel Industry Association.
- A promotional campaign for Iceland as a destination is currently in preparation and will be rolled out when conditions allow and when travel can be expected to resume. The campaign is two-fold, one to encourage Icelanders to travel within the country and another to encourage international travel to Iceland.

In summary, the main focus as of now with regard to tourism is on helping viable tourism businesses to cope with a temporary loss of income, including liquidity measures and measures to minimise job losses and business closures. Infrastructure projects will help strengthen Iceland as a destination and prepare it for when tourist numbers start to increase again. The response package also includes a special ISK 15 billion investment acceleration initiative including several projects that are aimed at supporting tourism:

- ISK 650 million for infrastructure at national parks and protected areas including large public tourist sites.
- ISK 200 million for the Tourist Site Protection Fund (private/municipal tourist sites).
- Harbour improvements around the country.

- Road improvements around the country.
- Infrastructure to speed up electrification of harbours and rental car fleet.
- Renovation of Harpa Concert and Conference Centre in Reykjavik.

A 3-week agreement took effect at the end of March 2020 between Icelandair and the Icelandic State, in which Icelandair agrees to continue flying to Boston and either to London or Stockholm two days a week. In return, the Icelandic State will cover losses incurred for those flights. Isavia (a public company) has waived user charges at Keflavik airport temporarily. Isavia has received ISK 4 billion for infrastructure projects including the Keflavik international airport.

On 26 March 2020 the City of Reykjavik announced an action package including extended deadlines for taxes and charges, the lowering of commercial property tax, investment acceleration and a marketing campaign for Reykjavik as a destination once the situation returns to normal. Other municipalities are also discussing potential actions in response to COVID-19 to protect local businesses.

(Information last updated 14 April 2020)

## Indonesia

In **tourism**, foreign arrivals fell 29% in February (compared to February 2019) and the sector suffered much more in March. (OECD internal macro-economic update, 7 April 2020)

A first IDR 10.3 trillion (USD 725 million) stimulus package was unveiled at the end of February to support consumer spending and tourism. It consists mainly of reclassification and front-loading of previous spending commitments. (OECD internal macro-economic update, 12 March 2020)

## Ireland

Fáilte Ireland has established a special Business Supports Taskforce focusing solely on supporting the tourism industry during the crisis. The taskforce is providing recommendations to the Government including measures to support business sustainability, employment and initiatives designed to kick-start demand. Fáilte Ireland is working closely with tourism businesses to provide advice on drawing down Government support packages, cashflow management and liquidity, managing cancellations, and supplier relationships.

Fáilte Ireland launched a website<sup>82</sup> with information on business supports and notes and recorded webinars on actions businesses should take – including operational guidance (for businesses still open), guide to accessing government funding and supports. They also launched a weekly impact bulletin<sup>83</sup>. According to the bulletin of 10 March, bookings to Ireland were down 40% in first week of March, compared with 2020. Forward bookings in March-April are forecasted down 30-40%, with little impact yet expected on May/June. Businesses are moving from contingency planning to crisis management.

(website accessed on 23 March 2020)

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<sup>82</sup> <https://www.failteireland.ie/Utility/Covid-19.aspx>

<sup>83</sup> <https://www.failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/COVID-19/Failte-Ireland-Covid-19-Tourism-Impact-Bulletin-Issue-1-10th-March,-2020.pdf>

## Israel

News publications from 12 March reported that around 5 000 employees of the incoming tourism sector have been dismissed or sent on an unpaid leave, and more are expected to follow. In addition, around 4 000 tour guides are now jobless. 80% of El Al employees were also sent on unpaid leave, while another 1 100 were let go.

Since the 9 March, all Israelis returning from abroad are ordered into a 14-days quarantine. This measure will be in effect for two weeks initially. Non-Israeli citizens will be allowed to enter the country until Thursday 12 March 2020. After that, they will only be allowed enter if they can demonstrate that they have a place to quarantine in Israel for 14 days. This extends previous measures that were confined to travellers from most affected countries in Asia and Europe.

The Government has announced the allocation of ILS 10 billion as a loan fund in support of businesses hit by the initial stages of coronavirus crisis. This is only a first-aid measure. Naturally, a major number of these were tourism businesses. However, up until now, no assistance was offered to the travel industry directly. More funds will be allocated as the crisis unfolds. The Ministry of Tourism is looking for ways to broaden its marketing fund to include businesses affected by coronavirus

(Information last updated 17 March 2020)

## Italy

On 16 March, the Council of Ministers approved further measures (compared to preliminary measures set on 28 February) in aid of tourism and culture that supplement and strengthen the measures for tourism contained in the first decree. The measures are as follows:

- **Extraordinary allowances for tourism and culture workers:** Workers in the tourism, culture, entertainment, film and audio-visual sectors will receive special allowances to limit the negative effects of the restrictions due to the coronavirus emergency. The allowances are also extended to workers without social security benefits.
- **Social protection and social safety net:** Extension of the social safety net also to seasonal workers in tourism and entertainment and measures in favour of authors, artists, performers and agents.
- **Support for culture, entertainment and tourism businesses:** Suspension of withholding tax payments, social security and welfare contributions and compulsory insurance premiums for those who run or organise theatres, concert halls, cinemas, artistic or cultural fairs or events, museums, libraries, archives, historical places and monuments, bars, restaurants, thermal spas, amusement or theme parks, transport services, rental of sports and recreational equipment or facilities and equipment for events and shows, tourist guides and assistants.
- **Emergency fund for performing arts and cinema:** Creation of the emergency fund for live entertainment, cinema and audio-visual. EUR 130 million for 2020 to support operators, authors and performers affected by the measures adopted for the COVID-19 emergency and for investments aimed at revitalising these sectors. The modality of distribution and allocation of resources will be established by decree of the Ministry of Cultural Heritage and Activities and Tourism (MiBACT), taking into account the negative impact on beneficiaries resulting from the measures to contain the COVID-19 contagion.
- **Vouchers for cinema, theatre, museum and concert tickets:** Refunds with vouchers already provided for travel and tourist packages cancelled as a result of the COVID-19 emergency are also extended to tickets for shows, cinemas, theatres, museums and other cultural venues.

- **Vouchers also for hotels:** Refunds with vouchers already provided for trips and tourist packages cancelled as a result of the Covid-19 emergency are also extended to accommodation contracts and therefore also covering hotels and other accommodation facilities.
- **Relaunching the image of Italy in the world:** Preparation of an extraordinary campaign to promote Italy in the world also with tourist and cultural purposes.

Moreover, a special compensation of EUR 600 for March will be granted to tourism seasonal workers who lost their job as a result of the coronavirus.

On 16 March, the government announced EUR 200 million in measures to support the troubled airlines, Alitalia, and Air Italy. (website<sup>84</sup> accessed 9 March 2020)

(Information last updated 31 March 2020)

## Japan

Compared with January 2019, the total sales amount of the major travel agencies in Japan in January 2020 decreased by 6.8% due to the COVID-19 pandemic. The number of international visitors in January 2020 was 1.7 million (2.7 million in January 2019) and in February 2020 was 1.1 million (2.6 million in February 2019). The number of flights between Japan and China have decreased by around 80% and the number of flights between Japan and South Korea decreased by around 30% (as of March 6). The Japan Travel Agency will publish February vacancy rates for hotels at the end of March. In addition, the Tokyo Olympic Games was postponed.

Measures to support the tourism sector include:

- Among JPY 430 billion of general economic support to businesses in difficulty, the Japan Tourism Agency will spend JPY 3.6 billion to provide timely accurate information to international travellers and make tourist destinations more attractive in order to attract tourists soon after the end of the pandemic.
- The Japanese Government is considering taking additional fiscal policy to support tourism industry.
- Japan Tourism Agency and Japan National Tourism Organization (JNTO) provide timely information in multiple languages through website, twitter and weibo. (See: <https://www.japan.travel/en/news/coronavirus/>). JNTO operates a visitor hotline 24 hours a day, 365 days a year. Call for tourist information or assistance in the case of accidents and emergencies including novel coronavirus (COVID-19). Support is available in English, Chinese, Korean and Japanese.

(Response to OECD survey 25 March 2020)

Japan announced a financial aid package worth JPY1.6 trillion yen for small and medium-sized companies as well as self-employed workers in tourism and other virus-hit industries<sup>85</sup>.

(Article<sup>86</sup> published 10 March 2020)

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<sup>84</sup> <https://www.beniculturali.it/mibac/export/MiBAC/index.html#&panel1-1>

<sup>85</sup> <https://asia.nikkei.com/Business/Travel-Leisure/Japan-tour-guides-face-job-losses-as-coronavirus-slams-travel>

<sup>86</sup> [https://japan.kantei.go.jp/ongoingtopics/\\_00015.htm](https://japan.kantei.go.jp/ongoingtopics/_00015.htm)

## Korea

Being one of the first countries to show rapid increase of confirmed cases to the COVID-19 outside of mainland China, Korea's tourism sector has been hit hard from global travel restrictions, bans and advisories. Between 1 January and 23 March, international tourist arrivals decreased 41.3% and outbound travel departures decreased 49.5%. Severe damage has been caused to the tourism sector in Korea resulting in massive layoffs, unpaid leave, and business failures. While companies are struggling to balance operations, recent research shows that the total market value of Korea's top 30 tourism companies plunged by nearly KRW 4 trillion (approx. USD 3.2 billion) in just 2 weeks (between 28 February and 13 March)<sup>87</sup>.

The Korean Government has made its own analysis on the COVID-19 impact on the tourism sector and will implement adequate policy measures in accordance with the following scenario:

- **Scenario 1: tourism flows remain shut down for 4 months, starting to recover from July.** In this scenario it is expected to receive 10.2 million international inbound tourists (down 7.29 million compared to 2019) and USD 13.3 billion tourism revenue (down USD 4.16 billion compared 2019) in 2020.
- **Scenario 2: tourism flows remain shut down for 6 months, starting to recover from September.** It is expect to receive 7.49 million international inbound tourists (down 10.0 million) and USD 10.3 billion tourism revenue (down USD 10.2 billion) in 2020.

Taking into account of the recovery speed of the tourism market, recovery measures will be first taken in order to boost the domestic tourism market and then to foster the inbound market once the pandemic is over.

The Korean Government has announced its economic support measures (renewed three times on 17 February, 18 March and 28 March 2020) for the tourism industry which includes financial/fiscal support, tax relief, and job/employment support.

- First, small and medium-sized tourism companies can access preferential non-collateral financing that will fund these tourism SMEs with a total of KRW 100 billion (USD 8.17 million) at a very low interest rate (1%).
- Secondly, the Government extended the deadlines for national and local tax payments (up to nine months), patent rights payments from duty free shops (up to one year), and the hotel tax refund policy for international visitors (from 2020 to 2022).
- In addition, tourism companies will be able to give their workers a paid leave since the travel and tourism industry was designated as a 'special employment support sector.' The special employment support provides up to 90% of the suspension and leave allowance for six months to support the employment retention of the tourism industry.

Meanwhile, other support measures include the distribution of hand sanitisers to support the prevention of the virus within the industry, actively listening to the challenges and difficulties of the tourism industry during the COVID-19 through a designated channel to provide guidance, and monitoring the policy implementation at all times. As part of public spending principle for the crisis the government will also promote consumption by issuing discount coupons to be used for purchasing cultural events, as well as for tourism expenses.

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<sup>87</sup> <http://www.kcti.re.kr>.

The Korean Government will put forward promotional activities to attract international visitors and is thoroughly preparing in advance to fully recover the inbound market. The following strategies will be pursued in the different phases of the pandemic:

- Widespread phase: The Government will re-build trust with travellers on Korean tourism (e.g. 'Korea-friendly' campaigns with K-pop stars), discover new tourism content and enrich existing tourism content
- Stabilising phase: The Government will lay the ground work for early recovery (e.g. online and offline marketing of products, 'Safe to travel, Korea' campaigns, customized promotional videos for each source market, etc.)
- Extinction phase: The Government would conduct aggressive marketing and promotional activities that will lead to early recovery of the inbound market

(Information last updated 31 March 2020)

## Latvia

On the basis of operational data as well as information provided by the industry, as of 23 March, a 100% drop in the turnover of the tourism sector in March is currently recorded, and a 90% drop in April and May is forecasted. The forecasts show a catastrophic situation with a reduction in labour force in the sector of up to 80% in both Riga and the regions.

The Ministry of Economics developed a crisis plan for tourism in co-operation with NGOs of tourism industry sectors and related governmental subordinated bodies such as Consumer Rights Protection Centre, State Revenue service and as well as the Ministry of Finance and the Ministry of Transport. The plan divides the industry in primarily (tour operators, accommodation) and secondarily affected (food and beverage and other – events, tourist guides), to support an immediate action. The crisis plan consists of concrete proposals for rescuing the tourism sector that is primarily affected focusing on ease of access to current assets, deferral of taxes, and financial support to entrepreneurs to maintain salaries in the business standby. With these instruments it should be possible to boost the liquidity of the sector and thus prevent major bankruptcies.

(Information last updated 23 March 2020)

## Lithuania

Lithuania is working actively on tourism recovery actions and designing plans for short-term survival.

On 1 April, the Government agreed on the changes of the Civil Code and the Tourism law, to allow businesses to reimburse customers through vouchers. The voucher is transferrable to other people.

(Information last updated 1 April 2020)

## Mexico

As of December 2020, a reduction in the arrival of international tourists by air is estimated at 12.1% less than in December 2019, reaching a volume of 17.3 million tourists, which will represent a decrease in absolute terms of 2.4 million tourists.

The scenario in the fall in tourism GDP would be half a percentage point, dropping its participation from 8.7% of Mexico's GDP to 8.2%. Based on estimates made, it is expected that in 2020 tourist arrivals at hotels will register a reduction that goes from 4.3% to 7.7%, in relation to what was observed in 2019.

A loss in the Mexican ports of the Caribbean and Pacific of almost 829 000 cruise passengers is estimated, equivalent to a reduction in income of USD 57 million.

On March 12, 2020, the postponement of the 45<sup>th</sup> edition of the Tianguis Turístico de México tourism fair was officially announced, to be held from September 19 to 22, 2020, in Mérida, Yucatán.

On March 18, 2020, the Secretary of Tourism met with the Tourism Executive Committee of the National Conference of Governors, in order to co-ordinate joint work with the private sector of the tourism industry to face the effects of the pandemic of the COVID-19 in the sector.

On Friday March 20, the Secretary of Tourism released the first video of several that will be disseminated, as part of a campaign that seeks to project the strength of Mexico as a tourist power.

(Information last updated 24 March 2020)

## Netherlands

In order to deal with the economic consequences of COVID-19, the Dutch government has introduced several measures general measures which apply for tourism as well, which as of March 17 include a guarantee facility for SME loans, support for the self-employed and entrepreneurs, help entrepreneurs paying wages, and deferral of payment in taxes.

(Information last updated 2 April 2020)

## New Zealand

An industry-led survey (reported on 23 March) estimated that large tourism operators are preparing to cut 4 890 jobs in the immediate future.

On 17 March 2020, the New Zealand Government announced its COVID-19: Economic Response Package, to support New Zealanders, their jobs and their businesses from the global impact of COVID-19, and to ready the economy to recover. The overall investment in the Economic Response Package is NZD12.1 billion across the forecast period. This cash injection is on top of a NZD 12 billion New Zealand Upgrade Programme that was announced in January 2020. The package includes a substantial package to cushion the impact of the economic shock on businesses and workers, and support confidence in the near term.

The package also included a NZD 900 million loan facility for Air New Zealand from Government. On 23 March 2020, the Government made further announcements, such as agreeing to remove the cap on the Government's wage subsidy scheme, which will inject a further NZD 4 billion into the economy over eleven weeks. The Government's ultimate recovery package will go beyond the measures announced in the Economic Response Package on 17 March 2020, and the additional measures announced on 23 March 2020.

On 8 April 2020, Tourism New Zealand (TNZ) was tasked by the Minister of Tourism to lead work on 'reimagining' the way tourism operates in a post-COVID-19 world. This work will examine how tourism is governed, how it is marketed both domestically and internationally, as well as how visitors are managed.

Ministers will also review the International Visitor Conservation and Tourism Levy (IVL) Investment plan to understand how the IVL revenue can best be used to help rebuild the tourism sector in New Zealand.

(Information last updated 14 April 2020)

## Norway

As of 30 March, most tourism activities are closed, including all kinds of events. Surveys from business organisations show that 80-90% of employees in the industry (both HORECA and aviation/cruise) are temporarily unemployed. (Sources: *NHO tourism and Virke tourism, two major tourism business organisations*)

Tourism businesses will benefit from general economic measures, such as fiscal measures aimed at business and industries, and guarantee and loan schemes for businesses. Industry-specific measures with impact to the travel and tourism industry include the low VAT rate, which applies to passenger transport, accommodation and the majority of cultural events and attractions, is reduced from 12% to 8% until 31 October 2020. This rate may be lowered further by Parliament.

For the aviation industry the following measures are undertaken:

- Suspension of the tax on air passengers, for flights until 31 October 2020.
- Suspension of payments of aviation charges (no end date set).
- Purchase of domestic air routes where there is no basis for commercial operations due to the crisis.
- Introduction of an aviation guarantee scheme totalling NOK 6 billion, with a 90% government guarantee on each loan.

For organisers of cultural and sports events, a compensation scheme of NOK 900 million (around EUR 80-90 million) for cultural and sports events that were cancelled due to state restrictions.

Norway has entered the second phase of implementing financial measures related to the coronavirus outbreak. In this phase, more industry-specific measures are expected. Some specific issues that may arise in the tourism sector, requiring policy responses, are the following:

- The tour operators' need of financial assistance is still urgent.
- Some of ski resorts are also vulnerable to bankruptcies, due to the closure of alpine installations in the peak season. The losses are considerable, as most companies in ski resorts take in a large part of their income in the period March-May.
- The need to ensure the functioning of the DMOs (destination management organisations) as a part of the rebuild-up process of Norwegian destinations, in the "post-corona" phase. With no tourism company activity, DMOs no longer have a source of income, and are forced to halt their activity as network builder and hub of knowledge and competency.
- Increased funding of generic marketing of Norway as a destination.

(Information last updated 30 March 2020)

## Peru

The Ministry of Tourism (MINCETUR) designated the amount of PER 3.5 million for lodging and food in hotels to Peruvian citizens who have returned from abroad and are in quarantine for 15 days.

(Information last updated 26 March 2020)

## Philippines

The tourism sector will receive a significant portion of the Government's PHP 27.1-billion support package: PHP 14-billion (USD 271 million) aid from the Tourism Infrastructure and Enterprise Zone Authority (TIEZA)

has been earmarked for various programmes and projects of the Department of Tourism. About PHP 3.1 billion will be used to purchase test kits, among others. Mobilisation of funds from government-owned or -controlled corporations (GOCCs) to assist airlines and the rest of the tourism industry. The Department of Tourism is allocating approximately PHP 6 billion (USD 118 million) to spur tourism amid COVID-19. At least PHP 421 million is earmarked for a new campaign for domestic travel and PHP 467 million to create content that targets emerging countries unaffected by COVID-19. Money also for conducting international events, COVID-19 preparedness and infrastructure developments.

(Philippines news agency<sup>88</sup>, accessed 17 March)

## Poland

Polish Airlines LOT established an initiative “*LOT do domu*” (Fly home), organising charter flights in order to repatriate tourists abroad.

The Polish Tourism Organisation (PTO) initiated a campaign “Poland Don’t Cancel Postpone”, to ensure that tourists will be able to use the services they have already purchased in convenient date. This measure aims to help the tourism industry to get through the difficult time.

As a legislative measure, on 2 March, the Parliament adopted the Act on Special Solutions Related to COVID-19. The Act contains a regulation on the basis of which tour operators will be able to obtain a refund of contributions paid to the Tourist Guarantee Fund for package tours which have been cancelled by travellers or which have been terminated for reasons directly related to the outbreak of the epidemic.

The Tourist Guarantee Fund is part of a system intended to protect the traveller (consumer) against the effects of the tour organizer’s insolvency. Contributing to the Tourist Guarantee Fund is the tour operator’s obligation; they are obliged to make timely contributions to the Fund. The purpose of this regulation is to enable tour operators to recover their contributions to the Fund if the package tours for which the said contributions have been paid did not take place. The maximum contribution, as defined by law, amounts to PLN 30 and is calculated for each traveller, in accord with the package tour participation contract they have signed. The current support of the organizers is to enable them to continue their activities, including covering existing obligations towards travelers (consumers).

On the 31 March, the government implemented a shielding package, which benefit also Tourism businesses. This package applies to groups of entrepreneurs who have found themselves in a crisis situation as a result of an outbreak. The Act contains proposals for entrepreneurs in the field of: possible relief of receivables, including facilities for the payment of taxes and social security contributions, instruments for improving financial liquidity of companies, issues of protection and support of the labor market, including solutions for companies forced to stop working. The Department of Tourism of the Ministry of Economic Development has also undertaken other actions, apart from legislative ones, to identify the basic needs of the industry at the moment and plan for potential future aid and assistance.

On March 9, a meeting between the Minister of Economic Development and the representatives of national industry and consumer organisations took place, devoted to the coronavirus epidemic’s impacts on the tourism industry. The Department of Tourism has developed a guide containing answers to the questions most frequently asked by travellers and tour operators. This guide points to regulations which define the rights of tourism market entities, with particular emphasis on those regulations that may apply in the current situation. The study includes explanation of such terms as “extraordinary and unavoidable circumstances”, the concept of “withdrawal from the contract of participation in a package tour”, the time range of such withdrawal, the rights that a traveller has in such situation, and rights belonging to a tour operator.

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<sup>88</sup> <https://www.pna.gov.ph/>

Concerning sanitary guidelines for entrepreneurs providing hotel services, “Operating Manual for Hotel Facilities” has been prepared by the Chief Sanitary Inspector and published on the Ministry’s website.

(Information last updated 15 April 2020)

## Portugal

In a report published on March 12, the AHP hotels association reported that the hotel sector in the tourism-dependent country could lose 30%-50% of its revenues, or up to EUR 800 million between March and June. TAP – the national airline carrier - has rescheduled 2 500 flights scheduled for April-May, after cancelling 1 000 flights. This accounts for 7% of TAP's scheduled flights in March, 11% in April and 19% in May. Another sectoral association, AHRESP, reported that half of the accommodation companies registered occupancy drops above 40%, following the development of the new coronavirus, a percentage that also applies to the catering companies.

On 18 March, the Government announced EUR 9.2 billion package out of which EUR 3 billion are state-backed credit guarantees. The EUR 3 billion state-backed credit guarantees will provide liquidity for companies affected by the coronavirus outbreak, out of which EUR 900 million are for hotels and accommodations (of which EUR 75 million are for micro and small businesses), EUR 200 million for travel agencies, recreational services and events organisers, and EUR 600 million for restaurants (EUR 270 million of which for micro and small businesses). These credit lines include a four year repayment term, including a grace period until the end of the year.

Turismo de Portugal launched several specific measures to support the tourism sector, with the objective of minimizing the impact of the temporary reduction in demand levels in tourism, due to the crisis caused by COVID-19:

- The Support Line for Tourism Microenterprises Liquidity - COVID-19, with an allocation of EUR 60 million, it is a new line of financing aimed at tourist micro-enterprises that show little capacity to react to the strong retraction in demand that has been registered.
- It was also decided to support the reimbursement of costs incurred by events organizers whose events in 2020 were postponed or canceled due to the COVID-19 crisis.
- These investment support measures were further reinforced with measures to accelerate payments and reimbursements within the scope of the QREN and Portugal 2020 (EU Funds) and also to postpone the fulfilment of some tax obligations.

In addition to financial support for companies, advisory services were created for tourism entrepreneurs, and tourists:

- Upgrading the information and advisory team at Turismo de Portugal: Development of phone and online channels to support companies regarding advice on financial support instruments created to deal with the COVID-19 crisis.
- Specialised online support to companies by the Portuguese Tourism Schools: Turismo de Portugal provided a specialized online support service, provided by a team of 60 trainers from the Hotel and Tourism Schools who are available to help companies to provide support in dealing with specific operational issues, helping to minimize the impact Contingency Plans for COVID-19.
- Updated data on International Source Markets to Portugal: Daily update of market information for enterprises (air transport, reservations, tour operators and travel restrictions), produced by the offices of Turismo de Portugal worldwide and publicly available on Turismo de Portugal’s knowledge management platform – TravelBI (<https://bit.ly/2WGgLoM>).
- Monitoring the flow of tourists to Portugal, using mobile and airlines data.

- Regarding tourists, specific initiatives were developed in the area of communication, with information on consumer rights in the context of the crisis on the Turismo de Portugal's corporate website, a page dedicated to foreign tourists at [visitportugal.com](http://visitportugal.com) (who transformed its website into Portugal Tourism Response) with useful and up-to-date information on protection advice to tourists, restriction measures in force in the country and useful contacts for those who are at the destination (airports, airlines, security, etc.) as well as suggestions to navigate at web discovering a different Portugal.
- Turismo de Portugal transformed its destination's communication from #CantSkipPortugal to #CantSkipHope, a message of hope for all and adjusted to the moment of uncertainty in which we live (video available here: <https://youtu.be/IFIFkGV207A>). There has also been a refocus from marketing departments and all the delegations abroad: collecting more information on the markets and providing this information on a weekly basis to companies, developing digital contents for e-training the national operators in each market.
- All Turismo de Portugal's Tourism Schools are now delivering classes fully online and the tuition fees were suspended during this period.
- Turismo de Portugal is collaborating with #Tech4COVID19, a platform to recruit accommodation (hotels and short-term rental) for use by health professionals who are unable or unwilling to return home for fear of contagion to the family. In this context, together with private sector associations such as ALEP, AHRESP and AHP, Turismo de Portugal will promote the platform to units that want to participate in this initiative, while having made available a fund of EUR 250 000 to support - through sector associations - accommodation and hotel owners, with electricity, water, gas and cleaning costs.

(Information last updated 28 March 2020)

## Romania

It was estimated that 450 hotels will be closed by the end of March for a period of at least 3 months. The occupancy rate of hotels nationwide decreased in the first week of March, compared to the same period last year, from 64% to 22%. The information is based on data analysis from 7 000 rooms out of the 12 000 existing in Bucharest. It is estimated that 70 000 people will lose their jobs from March–April (data reported on 23 March).

At the level of the Ministry of Economy, Energy and Business Environment – General Directorate for Tourism, a crisis cell has been created on the 5 March, in which proposals are elaborated for measures aimed at stimulating tourism and which could allow operators to operate and have continuity.

Economic measures were established on the 25 March, including the payment of the technical unemployment from the Ministry of Labour, covering 75% of the average gross salary. These measures will benefit the category of employers that has been directly affected by restrictive measures that have been ordered by authorities in the emergency situation, including hotels, restaurants, cafes, entertainment institutions)

On the 11 April, an aid scheme worth RON 16 billion (approximately EUR 3.3 billion) was introduced to support small and medium-sized enterprises (SMEs) in the context of the COVID-19 pandemic. This will benefit tourism businesses as well.

(Information last updated 14 April 2020)

## Saudi Arabia

In Saudi Arabia the Government launched awareness campaigns to avoid confusion and panic amongst existing tourists and tourists planning to visit Saudi Arabia by educating them about the virus and how to prevent it from spreading.

The Government has secured temporary quarantine accommodation in hotels for the affected and suspected cases, providing them with food and other needs.

On the 3 April, Saudi Arabia announced a SAR 9 Billion (USD 2.4 billion) package as additional subsidies to private sector salaries for national employees working in companies most affected financially by COVID-19. This includes the tourism sector (corporations as well as SMEs) as they have been heavily affected. This comes in follow-up to additional measures the government of Saudi Arabia has taken to mitigate the impact of Coronavirus on private sector economic activity, most notably employment.

(Information last updated 3 April 2020)

## Slovak Republic

As of 7 April, According to the Slovak Hotels and Restaurants Association (AHRS), almost 68 000 employees (63% of employees in accommodation and catering services) are directly at risk. Hotels and restaurants have been closed by a government order. 100% of accommodation facilities and more than 90% of catering facilities have no income. AHRS expects this year a decline in demand of domestic tourists by 50% and foreign tourists by 60%. It means a decrease by almost 9.5 million overnights in comparison to 2019.

The Government approved on 29 March 2020 the “First-aid” economic package due to coronavirus, which will benefit tourism businesses shut down. The state is planning to refund 80% of salaries received by people employed in facilities that have been obliged to close. Compensation will also be offered to the self-employed and employees depending on the drop in revenues of the affected businesses. In addition, EUR 500 million bank guarantees will be provided per month to allow banks to refund businesses’ expenditures under advantageous conditions.

(Information last updated the 7 April 2020)

## Slovenia

As of 23 March, there is practically no tourist business activity in Slovenia due to the lock down. Official figures on the status of Slovene tourism will be available in June 2020.

The Ministry of Economic Development and Technology is in constant contact with key national Industry associations to monitor the situation and to discuss the possible measures to mitigate the COVID-19 impact to the different industry sectors, particularly tourism. The special Governmental and experts Task Force has been established to prepare the first package of the legislative measures to help SMEs in all the most vulnerable economic sectors, including the tourism sector. It will be followed by a second package of the Government measures, which will be more specifically focused to specific sectors of the economy and based on the already estimated real damage and data.

The first package of measures will be relevant for tourism businesses and concerns fiscal legislation (temporary prolongation of payments of the corporate tax, payments of income tax prolongation, payments of all health and pensions assurances for employees who cannot work will be covered by the State), banking legislation (credit schemes for maintaining corporate liquidity), measures in the field of Labour legislation.

(Information last updated 27 March 2020)

## South Africa

The Tourism Relief Fund, available from the 7 April, provides once-off capped grant assistance to Small Micro and Medium Sized Enterprises in the tourism value chain to ensure their sustainability during and post the implementation of government measures to curb the spread of Covid-19 in South Africa. Capped at ZAR 50 000 per entity, grant funding can be used to subsidise expenses towards fixed costs, operational costs, supplies and other pressure cost items. Categories eligible to apply for the Tourism Relief Fund include accommodation establishments, hospitality and related services, travel and related services.

(website accessed on 7 April)<sup>89</sup>

## Spain

According to the latest data (published on 11 March) from the Madrid Hotel Business Association (AEHM), hotel occupancy had plummeted to 15% in March (70% last March). The association, in co-operation with the municipality, announced on 18 March that it has repurposed 40 hotels to help treat early and late stage coronavirus patients. On 19 March, the Government announced the closure of all hotels in Spain. Airlines flying in Spain have cancelled 4 400 flights in the second half of March, according to data from the Association of Airlines (ALA).

In the extraordinary Council of Minister meeting on the 13 March, the Government announced, among other measures, EUR 400 million credit line to most affected sectors such as tourism and transport.

(OECD internal macro-economic update 17 March 2020)

On the 31 March, the government announced a third policy package, including 50 measures, some of which are extensions of previous policies to a larger number of people and longer periods. The measures include the suspension of interest and loan payments for entrepreneurs in the tourism industry for one year.

(OECD internal macro-economic update 1 April 2020)

## Sweden

As of 21 March, the Hotel- and Restaurant Union reports that 10 000 people within hotel and restaurants have been put on notice and another 10 000 persons who have hourly and probationary workers will lose their job. Apart from these numbers there are other sectors connected to different services and also within the cultural area that are widely affected but no statistics are available. Also within the transport sector there are big problems, e.g. SAS has temporarily laid off 90% of workforce, affecting 10 000 jobs but it is critical also for passenger traffic within buses, taxis, ferries etc. Hotels in the three largest cities reported decreases in occupancy rates.

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[http://www.tourism.gov.za/CurrentProjects/Tourism\\_Relief\\_Fund\\_for\\_SMMES/Pages/Tourism\\_Relief\\_Fund\\_for\\_SMMES.aspx](http://www.tourism.gov.za/CurrentProjects/Tourism_Relief_Fund_for_SMMES/Pages/Tourism_Relief_Fund_for_SMMES.aspx)

In Stockholm the occupancy rate is 12%, compared to 84% at the same time last year. Similarly, the occupancy rate in Gothenburg is 17% (compared with 79%) and 22% in Malmo (compared with 73%).

The Swedish Government announced what could amount to a SEK 300 billion crisis package to help struggling businesses. Besides measures aimed at businesses, including tourism, the package includes credit guarantees for airlines in 2020 amounting to a maximum of SEK 5 billion, of which SEK 1.5 billion is intended for SAS.

(Information last updated 21 March 2020)

## Switzerland

According to a survey by Switzerland Tourism ST, hotel bed occupancy in mid-March was 30% below the previous year's level. A survey by Hotellerie Suisse comes to the conclusion that 45% of bookings for March and April have been cancelled. Overall, ST is expecting a 10% drop in tourist demand (measured by hotel overnight stays) for the current year, a decline which also corresponds to an initial assessment by the KOF Economic Research Institute.

Immediate measures have already been implemented since February within the framework of tourism policy promotion instruments. The focus is on information and advisory activities as well as measures to bridge liquidity bottlenecks.

The Swiss Society for Hotel Credit SGH grants amortisation deferrals of up to one year to existing customers and finances investments of customers who have financed them from cash flow in the past two years. Switzerland Tourism advises tourism service providers on how to deal with COVID-19. ST has also reallocated existing financial and personnel resources, staggered campaigns and is now implementing targeted measures to promote demand within the framework of the available financial resources.

There are also other extensive measures to support SMEs, from which tourism enterprises can also benefit. To ensure that affected SMEs receive bridging loans from the banks, the Federal Council will set up a guarantee programme worth CHF 20 billion.

(Information last updated 21 March 2020)

## Turkey

The following measures are in place in Turkey to support tourism businesses in the COVID-19 crisis:

- Bank loans are provided for reimbursement of advance payments for early bookings.
- Social Security payments are postponed for 6 months.
- The Ministry certified Travel Agencies, are allowed to work online without opening their workplaces, until 30.04.2020.
- The debts of tourism facilities located on public lands were delayed for 6 months.
- The activities of day-trip excursion boats, certified by the Ministry of Culture and Tourism, were stopped.
- The schedule is freezed for undergoing tourism investments located on public lands, which due dates for opening to service and tourism establishments needs to submit the relevant documents to obtain a Certificate from the Ministry of Culture and Tourism, by the first of April 2020.
- Swift bank loans offered for small scale tourism agencies without need of repayment for 6 months.
- The accommodation tax in hotels and tourism facilities is waived until November 2020.

(Information last updated 14 April 2020)

## United Kingdom

As of 1 April, in the past 4 weeks net flight bookings to the UK made through intermediaries are down 88% (and down 109% in the last three weeks) according to data from Forward Keys. These figures show that there have been far more cancellations than new bookings. We can conclude from these numbers that inbound bookings have almost totally ceased.

On 17 March the UK Government announced a GBP 330 billion financial rescue package to support and protect businesses affected by COVID-19, including those in the retail, hospitality and leisure sectors. This includes

- All retail, hospitality and leisure businesses in England will receive a 100% business rates holiday for the next 12 months.
- Support for liquidity amongst large firms, with a major new scheme being launched by the Bank of England to help them bridge Coronavirus disruption to their cash flows through loans
- Increasing the amount businesses can borrow through the Coronavirus Business Interruption Loan Scheme from £1.2m to £5m, and ensuring businesses can access the first 6 months of that finance interest free, as Government will cover the first 6 months of interest payments.
- Further £25,000 grants to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000.

VisitBritain is currently working with the UK Government to develop a recovery campaign to promote UK tourism after the pandemic is over. VisitBritain and the Department for Digital, Culture, Media and Sport have been closely to monitor and respond to the COVID-19 outbreak. The Tourism Industry Events Response Group (TIER) is the key forum for gathering this information to feed into the Government and sharing any practical advice as soon as it becomes available. TIER is a group chaired by VisitBritain and comprising of key tourism industry trade organisations, businesses, DMOs and government. It provides a forum for industry to raise concerns, challenges and observations for discussion with the UK Government.

VisitBritain also distributed an industry survey to gauge the economic loss by industry and how much of this was covered by insurance to inform Government policy. The other key forum for engaging with the sector is the [Tourism Industry Council](#). Deputy Chief Medical Officer Jenny Harries has attended both the Tourism Industry Council and the Tourism Industry Events Response Group (TIER).

VisitBritain is also providing advice for tourism and events businesses affected by COVID-19 through an [advice hub](#).

(Information last updated 7 April 2020)

## United States

The government launched an USD 2 trillion stimulus package open to all businesses, with travel at the forefront, with legislators creating special piles of money for industries hit hardest, including airlines, airports, and even travel agents. U.S. passenger airlines will have access to approximately USD 50 billion, half in grants, and half in loans. After airlines accept federal money, the Act bars them from laying off or furloughing frontline employee. Airports also will receive \$10 billion from the government. Hotels can also access loans, capped at 250% of a hotel's monthly payroll. Loans are subject to forgiveness, meaning they don't have to be paid back, if hoteliers re-hire employees by June 30. There are several facets in the bill that help travel advisors, but a key item was securing the eligibility of travel advisors to apply for USD 25 billion in loans, loan guarantees, and investments reserved for passenger airlines, other related aviation businesses, and "ticket agents".

(article accessed on 6 April)<sup>90</sup>

## Vietnam

Currently, no tourist visa is issued for Schengen countries, the UK and some US states, only business and diplomatic entries are still allowed, but travellers have to submit health certificate/questionnaire. All foreign and national travellers coming from infected countries have to be quarantined for a fortnight.

(OECD internal macro-economic update 16 March 2020)

## European Union

The Commission is liaising with Member States, international authorities and key EU professional associations to monitor the impact of the crisis on the tourism sector and co-ordinate support measures. Member States can design ample support measures in line with existing EU rules. First, they can decide to take measures, such as wage subsidies, suspension of payments of corporate and value added taxes or social contributions. In addition, Member States can grant financial support directly to consumers, for example for cancelled services or tickets that are not reimbursed by the operators concerned. Also, EU State aid rules enable Member States to help companies cope with liquidity shortages and needing urgent rescue aid. Article 107(2)(b) TFEU enables Member States to compensate companies for the damage directly caused by exceptional occurrences, including measures in sectors such as aviation and tourism. On the 15 of March, the European Union put forward to Members a proposal to stop all nonessential travel into the region for at least 30 days.

(EU press release on 14 March<sup>91</sup>)

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<sup>90</sup> [https://skift.com/2020/03/30/what-the-2-trillion-u-s-stimulus-package-means-for-travel-businesses/?utm\\_campaign=Weekly%20Review%20Newsletter&utm\\_source=hs\\_email&utm\\_medium=email&utm\\_content=85723322&hsenc=p2ANqtz-8lYYZO6jmzz\\_z1tZanXObKtKBD5d7v3Lvgc5-VnqGiETJ5FK\\_LFjdsW5QjgiHcy3aipZ8ceSYW5qKFs84rXzi2v1kvnA&hsmi=85723322](https://skift.com/2020/03/30/what-the-2-trillion-u-s-stimulus-package-means-for-travel-businesses/?utm_campaign=Weekly%20Review%20Newsletter&utm_source=hs_email&utm_medium=email&utm_content=85723322&hsenc=p2ANqtz-8lYYZO6jmzz_z1tZanXObKtKBD5d7v3Lvgc5-VnqGiETJ5FK_LFjdsW5QjgiHcy3aipZ8ceSYW5qKFs84rXzi2v1kvnA&hsmi=85723322) – 30 March

<sup>91</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_20\\_459](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_459)

## Annex B. International Organisations and industry associations' COVID-19 dedicated information

This annex provides links to pages set up by International Organisations and private sector associations on the evolution of the impact of the COVID-19 on the tourism sector.

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### International Organisations

OECD - <https://www.oecd.org/economic-outlook/>

UNWTO - <https://www.unwto.org/tourism-covid-19-coronavirus>

ICAO - <https://www.icao.int/sustainability/Pages/Economic-Impacts-of-COVID-19.aspx>

EUROPEAN TRAVEL COMMISSION - <https://etc-corporate.org/press-centre/>

PATA - <https://ptrm.pata.org/tourism-recovery-monitor/>

### Private sector

STR - COVID-19: Hotel Industry Impact: <https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>

ETOA - <https://www.etoa.org/destinations/coronavirus/>

AIRDNA - <https://www.airdna.co/blog/coronavirus-impact-on-global-short-term-rental-markets>

Global Business Travel Association - <https://www.gbta.org/blog/>

WTTC - <https://www.wttc.org/about/media-centre/>

Digital Tourism think tank- <https://www.thinkdigital.travel/opinion/coronavirus-how-is-the-industry-reacting/>

IATA - <https://www.iata.org/en/programs/safety/health/diseases/>

WEF - <https://www.weforum.org/focus/coronavirus-covid-19>

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