

# Competitor response to COVID-19 to help mitigate impact on tourism sector

11 May 2020

# Summary of global actions

## Information and cooperation:

- The governments all are in touch with the tourism sector in similar formats like TIER group to **establish most effective impact mitigation.**

## Relief and mitigation measures by authorities:

- Several countries have announced or are considering **financial and further support** to help mitigate the impact on the tourism sector as well as stimulus for the wider economy.
- Most recognise that tourism is among the most exposed industries and **tailored measures for the sector often go beyond general measures announced** to mitigate the impact of COVID-19 for the economy as a whole.
- **Measures granted** or discussed include e.g. subsidies and help with cash-flow issues like loans, temporary tax relief, as well as changes to workplace regulations incl. short-time work. These include a particular focus on **SMEs**, the backbone of travel and tourism in most countries. Several countries, like Iceland, Italy, and Japan, look at **demand stimulus** for citizens to take domestic trips once circumstances allow for travel again.
- Particular attention is also paid to areas which are of **strategic importance** e.g. aviation.
- Some **tourist boards are also tasked by the authorities to help mitigate the impact** or to **support the recovery** with **strategy, coordination, and marketing** as the first destinations plan for re-opening the sector, and some, like Australia, Hong Kong, the Philippines, Switzerland or New Zealand, receive **additional funding for delivering it.**

*Please note that the response varies according to the stage of COVID-19 outbreak in each destination.*

# New actions considered or confirmed

Destination	Government actions
Australia	Safe Work Australia has released a number of <b>work health &amp; safety guidelines and tools</b> for Australian workplaces to use in managing the health and safety risks posed by COVID-19. Restaurant and Catering Australia (RCA) have also released 'COVID-19 Best Practice Guidelines' to <b>provide guidance for food service businesses</b> operating in a post-coronavirus world.
Austria	On 11 May, the Austrian Government has announced a financial aid package for gastronomy, the so-called "Wirtschaftspaket", worth <b>€500m (£440m)</b> . The package includes <b>measures such tax relief</b> via a reduction of VAT on non-alcoholic drinks to 10% and the lowering of tax limits but also <b>measures of stimulus</b> such as e.g. the tax deductibility of business meals which has been increased to 75%.
Baltics	The Baltics are among the first to <b>allow citizens from their respective Baltic neighbours to travel freely between their countries from 15 May 2020</b> , i.e. without a 14-day quarantine period. Citizens of other EU countries will be allowed to travel to e.g. Lithuania for work, business, or education, with a 14-day quarantine period for all but Baltic and Polish travellers. As many other European countries, the Baltics have started to reopen their tourism sector gradually. Lithuania for example has allowed outdoor cafes, restaurants and bars, as well as sightseeing paths, parks, zoos, outdoor botanical gardens, but not observation towers, to open. Theatres, cinemas, as well as tourist information centres remain closed. Wearing of face masks/scarfs and distancing is required in public. Outdoor events of max. of 30 people restart from <b>18 May</b> .
Belgium	The <b>Belgian Government plans to reopen</b> all shops from 11 May, followed by opening of museums, and zoos from <b>18 May</b> . Restaurants, cafes and bars are not expected to open again before <b>8 June</b> . Day trips, visits to second homes and holiday homes may also be assessed at that stage. Major events remain prohibited until the <b>end of August 2020</b> .

# New actions considered or confirmed

Destination	Government actions
Brazil	<p>On 8 May, Tourism Minister Marcelo Alvaro Antonio, announced that the federal government has approved up to <b>BRL5bn (£697m) in credit lines for tourism and cultural industries</b> to help them survive the period of the COVID-19 crisis. The scope of financial support is unprecedented for the country. 80% of the BRL5bn will benefit micro-, small- and medium-sized businesses, while 20% will go to larger companies which are registered with Cadastur. The credit lines will be supervised by the General Tourism Fund (Fungetur) and released via Caixa Economica Federal. The interest rates used by Fungetur will be below 1% (per month) and a grace period for payment of up to 1 year will be granted on the first instalment. Individual micro and small businesses may receive up to BRL1m (£139k), medium-sized companies up to BRL3m (£418k) and large companies up to BRL30m (£4.2m).</p> <p>The Ministry of Tourism also launched a “<b>Protected Tourist</b>” label on 8 May which shows the compliance with the best practise and the required health and safety protocol. Guidance on such protocols for different types of sector businesses is due to be released soon.</p>
Canada	<p>The Canadian Government and the First Ministers of the provinces have set out a joint statement of criteria which need to be fulfilled to allow for resuming activity step by step. <b>Individual provinces have started the re-opening process</b> coming out of the lockdown gradually, including <a href="#">British Columbia</a>, <a href="#">New Brunswick</a>, <a href="#">Ontario</a>, <a href="#">Quebec</a>, <a href="#">Manitoba</a>, and <a href="#">Saskatchewan</a>. While timelines vary and currently all of them are in the very early stages, all require adherence to social distancing measures and hygiene protocols for activity to resume.</p> <p>On 11 May, the Canadian Prime Minister announced <b>additional support for businesses to help safe jobs</b>. The measures announced include a <b>Large Employer Emergency Financing Facility (LEEFF)</b> to provide bridge financing to Canada’s largest employers, whose needs during the pandemic are not met through conventional financing, in order to keep operations going. Companies seeking to benefit from the scheme are required to demonstrate how they preserve employment and maintain investment activities.</p> <p>The Business Credit Availability Program (BCAP) is also expanded to mid-sized companies with larger financing needs including loans of up to <b>CAD60m (£35m)</b> per company and guarantees of up to <b>CAD80m (£46m)</b>.</p>

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Destination	Government actions
Denmark	The Danish tourism sector keeps voicing discontent with the current support measures in place and calls on the government for more tailored support as the sector faces not only the lack of revenue and lack of refunds from suppliers, but also the burden of refunds to customers. As agreed on 7 May, Denmark sees the full reopening of the retail sector from <b>11 May</b> in phase two, and restaurants and cafes will follow from <b>18 May</b> , all subject to adhering to social distancing as well as specific guidelines around opening hours, hygiene etc.
France	Prime Minister Johnson and President Macron confirmed the “need for close bilateral, European and international cooperation in the fight against COVID-19.” This includes that there will be <b>no quarantine measures required for travellers</b> coming to the UK <b>from France</b> at this stage and measures going forward will be reciprocated. A working group with members of both governments is due to be set up in the near future. The <b>South of France</b> (PACA region) has a <b>Marshall plan for tourism recovery</b> with a budget of <b>€2.6m (£2.3m)</b> . €1.5m (£1.3m) feature in plans for a large <b>domestic marketing campaign</b> , and a further €700k (£611k) will later support the <b>recovery of inbound tourism</b> . Atout France is reported to have asked the French Government for funding for additional promotional recovery activity (amount not disclosed). The French Government’s support for Air France-KLM of €7bn has been approved by the EU. The airline seeks further aid from Dutch authorities.
Germany	The German cabinet has decided to <b>temporarily reduce VAT on food in gastronomy to 7%</b> for the period of <b>1 July 2020 to 30 June 2021</b> in order to help restaurants, cafes and other gastronomic businesses with liquidity issues. They have also agreed <b>further changes to the short-time work scheme</b> . If Germans are on a short-time work scheme of min. 50% for longer, they receive 70% of their normal net income from the 4 <sup>th</sup> month and 80% from the 7 <sup>th</sup> month. Those with children receive 77% and 87% respectively in this timeline. From 1 May 2020 those in short-time work scheme are also allowed to earn up to their full normal monthly income with other work. This was previously restricted and applies until the end of 2020. The <b>eligibility period for unemployment benefits</b> has also been <b>extended</b> by 3 months. The industry association DRV calls for a <b>state-backed €10bn aid fund</b> to save travel companies as estimates warn of €10.8bn hit by mid-June. After the EU blocked Germany’s plans to introduce compulsory travel vouchers for customers with a view to helping airlines and tour operators shouldering mass cancellations, the Federal Government is now <b>considering state subsidies</b> .

# New actions considered or confirmed

Destination	New action taken by the government
Germany (cont.)	The <b>16 federal states</b> have each decided on their own pace of opening the tourism sector starting between <b>9 May and 22 May</b> , with overnight stays by tourists from other federal states possible from the <b>end of May</b> . Particularly the federal states on the Northern Coast incl. Mecklenburg-Western Pomerania, Schleswig-Holstein and Lower Saxony have led with their opening efforts with visits allowed initially for residents and those with second homes, but in the meantime more affected states like Bavaria and Baden-Württemberg have also agreed a timeline. All is subject to adherence to social distancing and hygiene protocols as per official guidelines. Face masks are mandatory in public spaces. The SoS Thomas Bareiß is optimistic that <b>summer holidays abroad in neighbouring European countries</b> might be possible again soon if progress continues. On 6 May the German Government also decided that <b>exhibitions</b> (Messen) are no longer regarded as mass events and federal states will decide which hygiene and social distancing rules apply so that the <b>MICE sector</b> can resume some of its activity.
Greece	Greece has set out its plans for opening in <u><a href="#">A bridge of safety towards a new daily reality</a></u> . From <b>4 May</b> , Greeks were able to travel freely within their prefecture (with the exception of the islands). From <b>18 May</b> , depending on the progress achieved, a possible suspension of all travel restrictions is outlined and cultural sites incl. archaeological sites, zoos and botanical gardens can reopen. The measures include the recommendation to use passenger vehicles and Athens will allow free parking in order to take pressure off public transport particularly in the critical first two months. In addition public transport is only to be used by key workers in peak hours. From <b>1<sup>st</sup> June stages 4-7</b> should be implemented which will gradually reopen (in that order): shopping malls, outdoor restaurants, cafes, summer cinemas, year-round hotels, amusement parks, theme parks, outdoor playgrounds, indoor restaurants and cafes, seasonal hotels & resorts and indoor sports facilities. All is subject to adherence to social distancing and hygiene protocols as per official guidelines. Face masks are mandatory in public spaces. The Greek SoS H. Theoharis expects that <b>foreign tourists might be welcomed</b> again from <b>1 July 2020</b> , depending on progress.
Hong Kong	The Hong Kong Airport Authority has offered to <b>buy 500,000 air tickets in HK\$2bn (£207m) relief package for four home-based airlines</b> . The purchase will serve the purpose of injecting liquidity into the airlines upfront, while the <b>tickets will be given away to global visitors and Hong Kong residents</b> in the <b>future market recovery campaign</b> to be launched when the pandemic is over.

# New actions considered or confirmed

Destination	New action taken by the government
Iceland	The Icelandic Government has strengthened workers' protections by approving an Act for <b>temporary payments to individuals who have lost their income due to being quarantined</b> . Where an employee does not have the right to a salary from their employer at this time, it will be paid by the state. The Minister of Social Affairs and Children also submitted a bill to Parliament which <b>proposes changes to unemployment benefits and the Act of the Wage Guarantee Fund</b> . In this proposal those who have had their job downgraded to part-time employment may be eligible for unemployment benefits. It also offers greater protection to the self-employed who can apply for temporary suspension of their business operations with the tax authority and then be entitled to unemployment benefits.
Italy	<p>The Italian Minister of Cultural Heritage, Activities and Tourism, Dario Franceschini <b>is in favour of uniform rules and standards for free movement of tourists between European countries</b> to avoid different standards and imbalance that could be created with bilateral agreements within the Single Market.</p> <p>The Italian Government works on a <b>new decree called "Relaunch"</b> to further tackle the impact of the COVID-19 crisis.</p> <p>The draft decree <b>reportedly contains three funds with a total of €130m (£115m) dedicated to tourism for 2020:</b></p> <ul style="list-style-type: none"> <li>- <b>€50m (£44m)</b> aimed at subscribing to units/shares of collective investment schemes and investment funds to purchase and enhance properties intended for tourist accommodation,</li> <li>- <b>€50m (£44m)</b> for grants for tourist accommodation businesses, spas and bathing establishments to contribute to the costs of sanitising the rooms, equipment and adapting the spaces to the new requirements</li> <li>- <b>€30m (£26.5m) for the promotion of tourism in Italy</b></li> </ul> <p>The decree is also thought to include tax credits for households (<b>€35k/£31k</b>) to use on payment of accommodation in Italy valid between 1 July and 31 December with a maximum of <b>€500 (£442)</b> per family, <b>€300 (£265)</b> for a two-person household and <b>€150 (£133)</b> for single person households. Up to 90% of it could be used as a discount, 10% as a tax deduction.</p> <p>In addition, a <b>€200m (£177m)</b> compensation fund for damages to the aviation sector is also planned.</p> <p>On a regional level, Puglia has also announced additional support: <b>€665m (£584m)</b> in aid of struggling tourism businesses and workers.</p>

# New actions considered or confirmed

Destination	New action taken by the government
Japan	<p>On 7 May, the Japan Tourism Agency announced additional budget for the fiscal year 2020. A four-pillar support programme has been developed for the recovery of tourism consumption which was impacted by the COVID-19 crisis. The programme includes:</p> <ul style="list-style-type: none"> <li>- <b>JPY1,679.4bn (12.7bn)</b> to stimulate domestic tourism demand,</li> <li>- <b>JPY10.2bn (£377m)</b> for attractive stay-at-home content to inspire customers to explore</li> <li>- <b>JPY5.2bn (£39m)</b> emergency measures to improve the environment for foreign visitors to Japan</li> <li>- <b>JPY9.6bn (£72m)</b> for promotion for inbound tourism</li> </ul> <p>The package includes support for businesses to safeguard business operations and employment, to prevent infection and to stimulate domestic tourism demand. The 'Go To' Campaign, an integrated public-private campaign includes <b>meal vouchers</b> worth 20% in the 'Go To Eat' campaign stream, and <b>coupons worth JPY20k (£151)</b> per person per night for accommodation and local discounts in its 'Go To Travel' stream. The budget is appropriated to the Ministry of Economy, Trade and Industry and executed by the Ministry of Land, Infrastructure, Transport and Tourism. The demand stimulation is to start <b>from July 2020</b> in the current proposal.</p>
Netherlands	<p>From 11 May the Dutch government allows to open only local services. From <b>1 June</b>, cafes, restaurants, cinemas and cultural institutions open with max. 30 people, subject to pre-booking and social distancing. Museums and heritage sites can also reopen with pre-booking and social distancing. From <b>1 July</b> shared facilities at campsites and holiday parks can resume their business. The visitor limit is raised to 100 for cinemas, restaurants, cafes and cultural institutions at the same time. From <b>1 September</b> gyms, saunas, health spas, casinos and sports events (no spectators) follow and a decision about mass spectator events e.g. festivals and major concerts is also expected by that time. Social distancing and face masks in public spaces apply. Attractions association Club Van Elf's has released <a href="#">guidelines</a> for safe operations.</p>
New Zealand	<p>The government in New Zealand has announced that under alert level 2 which applies from <b>14 May 2020</b>, pubs and bars will be able to open following health &amp; safety guidelines incl. guests need to be seated, and social distancing. That means they follow restaurants and cafes which will be doing dining-only at first. Other public venues which will then open include: museums and libraries, cinemas, and markets. Gatherings of more than 10 people are also allowed in public or at a venue as long as they practise social distancing and adhere to health &amp; safety protocol. Safe <b>domestic travel</b> can also resume, on condition of adherence to the new rules.</p>



# New actions considered or confirmed

Destination	New action taken by the government
<b>New Zealand (cont.)</b>	<p>The country has also enacted a legislative package to mitigate the impact of the coronavirus crisis further. The measures include:</p> <p><b>Business Income tax:</b> reintroduction of 2% DV depreciation deduction for commercial and industrial buildings incl. <b>hotels and motels</b> from the 2020-21 income year, temporary increase in threshold for expensing low-value assets to NZ\$5k (£2.5k) during income year 2020-21, and NZ\$2.8bn (£1.4bn) in business tax changes to help with cash flow incl. a lift of provisional tax threshold.</p> <p><b>Filing/Payment Deadline Extension:</b> Threshold for paying provisional tax to increase to NZ\$5k (£2.5k) of residual income tax from 2020-21 income year, Inland Revenue can decide to write off interest on late payments. The Reserve Bank announced policy rate cut to 0.25% and forward guidance stating this will apply for at least a year. Inland Revenue will organise <b>Small Business Cashflow Loan scheme:</b> up to NZ\$100k (£50k) to firms of 50 or fewer full-time staff. The loan is made up of NZ\$10k (£5k) for an applicant plus NZ\$1.8k (£891) per full-time staff.</p>
<b>Norway</b>	<p>From <b>7 May</b>, events of up to 50 people are allowed provided social distancing can be practised. The Norwegian Government still advises against travel abroad, and a quarantine period of 10 days applies on return to Norway. From <b>1 June</b> bars and other establishments serving drinks but no food, and amusement parks can reopen. From <b>15 June</b> events up to 200 people will be permitted, water parks can reopen, and matches in the top division of Norwegian football resume from <b>16 June</b>. Next steps with updated guidelines are due to be announced on 15 May.</p>
<b>Russia</b>	<p>The Russian government has also made large sums available to support its economy during the COVID-19 crisis. Among the many measures are support for SMEs worth \$32.9m (£26.8m) and tax deferrals, subsidies to support job safeguarding, a package of RUB23bn (£250m) for airlines and government-backed interest-free loans. All Russian operators are members of the association TourPomosch which is a fund topped up by each operator as a financial guarantee against insolvency. The <b>Government allowed operators not to make contributions this year</b> and has given <b>permission to use the fund to make compensation payments to tourists who could not travel due to the COVID-19 crisis</b>. If operators make use of the fund for compensation, they are not exempt from contributions in 2020. The option to use the fund for compensation is most used by operators in the SME category, while large companies incur losses which are so substantial that not much of their share would be covered by the TourPomosch fund.</p>

# New actions considered or confirmed

Destination	New action taken by the government
Singapore	To free up crucial cash-flow the minimum financial requirement for <b>travel agents</b> was reduced by 90%, from 8 April 2020 to 31 December 2020. All travel agents may also submit auditor-certified accounts in lieu of audited statement of accounts for the financial year ending on/after 1 March.
South Korea	The Government injects <b>KRW40tr (26.5bn)</b> into the economy to support key sectors, including <b>aviation</b> , shipbuilding and automobile. The South Korean administration also plans to inject KRW10.1tr (£6.6bn) into the labour market to stabilise it and create 550k jobs. The equivalent of <b>almost £200m</b> (KRW300bn) will be given to <b>low cost carriers</b> . The Transport Ministry also decided to <b>purchase airline tickets</b> worth <b>KRW1.5bn (£994k)</b> for overseas business trips to inject liquidity. The Government's plan for recovery for the next 2-3 years called " <b>Korean New Deal</b> " also include ambitious investment in digital infrastructure.
Spain	The Spanish industry association EXCELTUR submitted " <b>The Renaissance of Tourism</b> " <b>plan 2020-2023 proposal</b> to the government in order to overcome the extreme challenge the sector is currently asking for a commitment <ul style="list-style-type: none"> <li>• to guarantee business survival and safeguard employment,</li> <li>• facilitate the earliest opening possible for the whole of the tourism value chain for both domestic and inbound demand and if possible for the summer months, and</li> <li>• the promotion of a strengthening of Spanish tourism's competitiveness with a review of the tourism model which will have to be fit for a new global post-COVID-19 world scenario.</li> </ul> The plan is based on the assumption that domestic tourism will gradually be able to return and inbound tourism is not realistically going to play a key role until the autumn. It includes the call for lowering the burden on the sector with measures to help liquidity e.g. extension of the short-time work scheme ERTE, reduced taxes and charges for transport (air initially, later also boats/ports), moratoriums, suspension of tourism tax, and a rescue package for businesses operating on the coast. They also call for an initial domestic tourism promotional campaign, followed by an international campaign, and ask for an ambitious budget commitment from the Ministry and SoS for tourism, as well as a co-funding model with public and private partners.

# New actions considered or confirmed

Destination	New action taken by the government
Spain (cont.)	The proposal also calls for a new long-term vision for tourism from end of 2020 to 2023 to transform tourism with more sustainable digital tourism management and product, as well as changes to governance, including more involvement of the private sector in decision-making and resource allocation. Maroto Reyes, the Minister of Industry, Commerce and Tourism, has thanked EXCELTUR for the proposal on behalf of the government and confirmed that they are working on the <b>future recovery plan which will see budget allocated to tourism recovery and focus on four key areas</b> : Health & safety, additional financial support, tourism knowledge/skills and repositioning of tourism in Spain as a safe and sustainable destination. She confirmed that tourism is a priority for the Spanish Government and that they are working with stakeholders of the sector incl. airlines, tour-operators as well as the European Commission and other European governments. SoS for Tourism Isabel Oliver announced that <b>Turespana will promote domestic tourism for the first time in its history in 2020</b> .
Sweden	Sweden announced further measures to support businesses and employment including support with reorientation worth <b>SEK39bn (£34.4bn)</b> . The <b>reorientation support</b> e.g. applies to <b>restaurants</b> which now need to sell more food via takeaway app. The level of support depends on the size of loss in turnover.
Switzerland	The Swiss Parliament has approved the <b>CHF40m (£33m)</b> bid for extra government funding by Switzerland Tourism (ST) for its recovery plans for 2020-2022. Detailed conditions attached to the funding are being refined and ST will adapt its plans accordingly. With further contributions by ST and third parties they hope to achieve a budget of <b>CHF52m (£43m)</b> , of which 28% is allocated to domestic marketing, 36% to short-haul and 30% to long-haul markets in the current plans. The Swiss parliament has backed the government's request for nearly <b>CHF1.9bn (£1.6bn)</b> in aid for the struggling <b>aviation sector</b> which is heavily impacted by the COVID-19 pandemic, but stated carriers must meet environmental targets. The package includes <b>CHF1.3bn (£1.1bn)</b> in loan guarantees for Lufthansa-owned Swiss and Edelweiss, and <b>CHF600m (£500m)</b> for companies that provide services to aviation including Swissport International, Gategroup and SR Technics From <b>1 May 2020</b> the <b>relaxation of restrictions in Switzerland</b> allows meetings again (not events) with no cap on attendants as long as social distancing and hygiene protocols can be adhered to. Hotels can now open again in Switzerland incl. wellness areas and swimming pools (but access only to hotel guests); restaurants (incl. service on terraces) and bars will follow from 11 May 2020. All subject to adherence to guidelines.

# New actions considered or confirmed

Destination	New action taken by the government
Turkey	Turkey has launched a ' <b>coronavirus-free</b> ' <b>certification for tourism resorts</b> across the country. The certificate is to be rolled out over the course of May and domestic tourism is expected to resume from June. They plan to regularly sanitise transportation vehicles, to make airports, hotels, restaurants, museums and archaeological sites fit for social distancing, and to have health staff and equipment on site (incl. thermal cameras). Relevant health infrastructure will be mapped and documented for tour operators. Tourists are expected to be required to hold health documents for travel. Further reported measures include hotel operations at a maximum capacity of 60% following a strict hygiene protocol.
USA	<p>The US Travel Association has submitted '<b>Travel in the New Normal</b>' to the White House and State Governors. The document was created by a task force of medical experts and travel businesses in order to identify ways to keep customers and employees safe. It covers operations, sanitation, health screening, food &amp; beverage and effective response to employee infections.</p> <p>The American Hotel &amp; Lodging Association also introduced <b>Safe Stay</b>, an industry-wide, enhanced standard of health and safety protocols designed to prepare America's hotels to safely welcome back guests and employees.</p> <p>President Trump reportedly said that the US administration <b>considers to buy several years' worth of plane tickets</b> in order to inject liquidity into currently struggling airlines and make flying affordable for its citizens. According to Treasury Secretary Steven Mnuchin, the administration is also looking into <b>potential tax incentives</b> and <b>stimulus</b> e.g. to help <b>restaurants</b> get their customers back. While domestic demand is likely to come back, it was "too hard to tell" at the moment if international travel could still open up before the end of 2020.</p> <p><b>31 of 50 states are partially reopened or reopening soon.</b> In those states most businesses are reopening with new health &amp; safety/social distancing protocols. Most include opening businesses at partial capacity, curbside pickups or at a percentage of regular numbers allowed to operate.</p>



# Competitor response to COVID-19 to help mitigate impact on tourism sector

11 May 2020