



Tourism Policy Responses to the coronavirus (COVID-19)

Updated 2 June 2020

The tourism economy has been heavily hit by the coronavirus (COVID-19) pandemic, and measures introduced to contain its spread. Depending on the duration of the crisis, revised scenarios indicate that the potential shock could range between a 60-80% decline in the international tourism economy in 2020. Beyond immediate measures to support the tourism sector, countries are also shifting to develop recovery measures. These include considerations on lifting travel restrictions, restoring traveller confidence and rethinking the tourism sector for the future.



Key messages: responding to the impact of coronavirus (COVID-19) on the tourism economy

The coronavirus (COVID-19) pandemic has triggered an unprecedented crisis in the tourism economy, given the immediate and immense shock to the sector. Revised OECD estimates on the COVID-19 impact point to **60% decline in international tourism in 2020**. This could rise to **80% if recovery is delayed until December**. International tourism within specific geographic-regions (e.g. in the European Union) is expected to rebound first.

Domestic tourism, which accounts for around 75% of the tourism economy in OECD countries, is expected to recover more quickly. It **offers the main chance for driving recovery**, particularly in countries, regions and cities where the sector supports many jobs and businesses.

The impact of the crisis is being felt throughout the entire tourism ecosystem, and reopening and rebuilding destinations will require a joined up approach. Tourism businesses and workers are benefiting from economy-wide stimulus packages, with many governments also introducing tourism specific measures. Governments and industry are focusing their efforts on:

- Lifting travel restrictions and working with businesses to access liquidity supports, apply new health protocols for safe travel, and help to diversify their markets.
- Restoring traveller confidence and stimulating demand with new safe and clean labels for the sector, information apps for visitors and domestic tourism promotion campaigns.
- Preparing comprehensive tourism recovery plans, to rebuild destinations, encourage innovation and investment, and rethink the tourism sector.

These actions are essential, but to reopen the tourism economy successfully and get businesses up and running, **more needs to be done in a coordinated way as tourism services are very interdependent**. The travel and tourism industry and governments should continue to reinforce their coordination mechanisms to accompany the businesses, notably the smallest ones, and the workers. Particular attention should be given also to the most sensitive/vulnerable destinations in the recovery phase.

Looking ahead, the measures put in place today will shape tourism of tomorrow. Governments need to already consider the **longer term implications of the crisis**, while staying ahead of the digital curve, supporting the low carbon transition, and promoting the structural transformation needed to **build a stronger, more sustainable and resilient tourism economy**. **The crisis is an opportunity to rethink tourism for the future.**



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. As governments around the world have introduced unprecedented measures to contain the virus, restrictions on travel, business operations and people-to-people interactions have brought the tourism economy to a standstill. Many countries are **now entering a new phase in fighting the virus while at the same time managing the re-opening of the tourism economy**. This is a complex and challenging task, and quantifying the impact on the tourism economy is difficult.

Five months into the crisis, the situation continues to evolve and the outlook remains uncertain. **Recovery is now expected to start later and be slower than previously foreseen.** Travel restrictions and containment measures are likely to be in place for longer, and are expected to be lifted only gradually, with the possibility of reversal should new waves occur. Even when tourism supply chains start to function again, new health protocols mean businesses will be operating at restricted capacity. Demand-side recovery will also take some time, given the interlinked consequences of the economic and health crises, and the progressive lifting of travel restrictions, while consumer confidence and travel behaviour will be more deeply impacted the longer the pandemic goes on. This will have knock-on implications for many national economies.

Revised scenarios indicate that the implied shock could amount to a 60-80% decline in the international tourism economy¹ in 2020, depending on the duration of the crisis and the speed with which travel and tourism rebounds. Maintaining the baseline that tourism flows have remained severely restricted up to June, these estimates are based on the revision of two earlier scenarios for international tourism arrivals for the OECD area, supplemented by a third scenario which would see any meaningful recovery essentially delayed until 2021:

- Scenario 1 (revised): International tourist arrivals start to recover in July, and strengthen progressively in the second half of the year, but at a slower rate than previously foreseen (-60%).
- Scenario 2 (revised): International tourist arrivals start to recover in September, and then strengthen progressively in the final quarter of the year, but at a slower rate than previously foreseen (-75%).
- Scenario 3 (new): International tourist arrivals start to recover in December, based on limited recovery in international tourism before the end of the year (-80%).

In the near term, the expectation is that **domestic tourism² offers the main chance for driving recovery and supporting the tourism sector**. The domestic tourism economy is significant and accounts for around 75% of the total tourism economy in OECD countries³. Domestic tourism flows have also been heavily affected by restrictions on the movement of people, but are expected to recover more quickly once containment measures are lifted. Nonetheless, it is unlikely that domestic tourism could compensate for the decline of

¹ 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.

² Domestic tourism is tourism involving residents of a country travelling only within that country.

³ OECD (2020), *OECD Tourism Trends and Policies 2020*, OECD Publishing, Paris, <https://doi.org/10.1787/6b47b985-en>.



international tourism flows, particularly in destinations heavily dependent on international markets. This will translate into significant macro-economic effects in countries, regions and cities where the sector supports many jobs and businesses.

Beyond the tourism economy, the **pandemic has triggered a global economic crisis**, and many economies are falling into recession. Early OECD macro-economic estimates⁴ indicated that for each month strict containment measures are in place, there would be a loss of output equivalent to 2 percentage points in annual GDP growth. If the shutdown continued for three months, with no offsetting factors, annual GDP growth could be between 4-6 percentage points lower than it otherwise might have been. However, with the outlook becoming gloomier, this in turn will have consequences for the tourism recovery.

Coronavirus pandemic is an unprecedented crisis for the tourism economy

The coronavirus (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, with the impact particularly felt in countries, cities and regions where tourism is an important part of the economy.

Tourism generates foreign exchange, drives regional development, directly supports numerous types of jobs and businesses and underpins many local communities. The **sector directly contributes, on average, 4.4% of GDP, and 21.5% of service exports** in OECD countries⁵. 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%⁶.

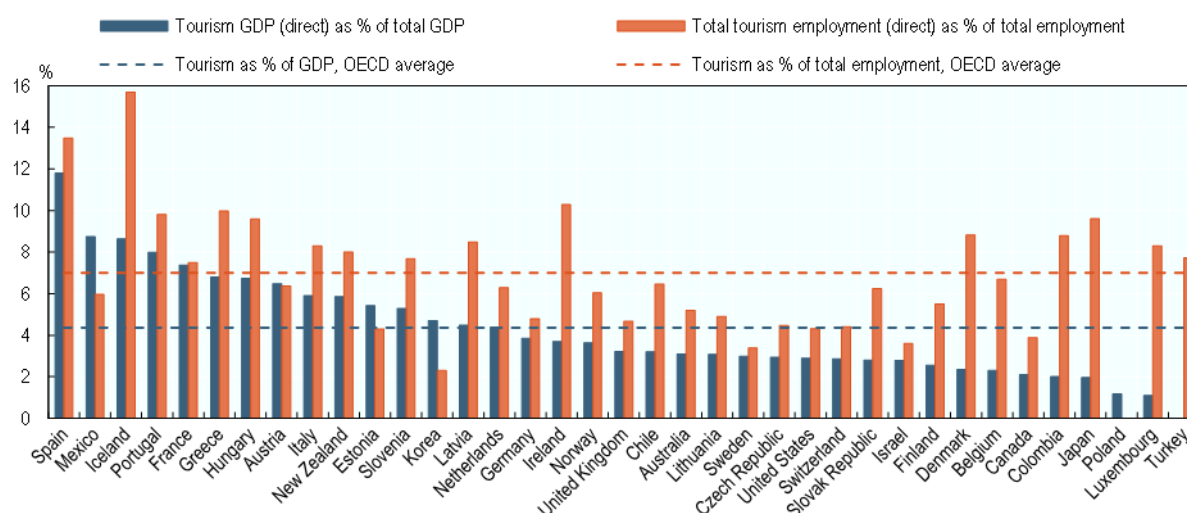
⁴ OECD, [Evaluating the initial impact of COVID-19 containment measures on economic activity](#), 14 April 2020

⁵ OECD (2020), *OECD Tourism Trends and Policies 2020*, OECD Publishing, Paris, <https://doi.org/10.1787/6b47b985-en>.

⁶ 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.



Figure 1. Direct contribution of tourism in OECD economies



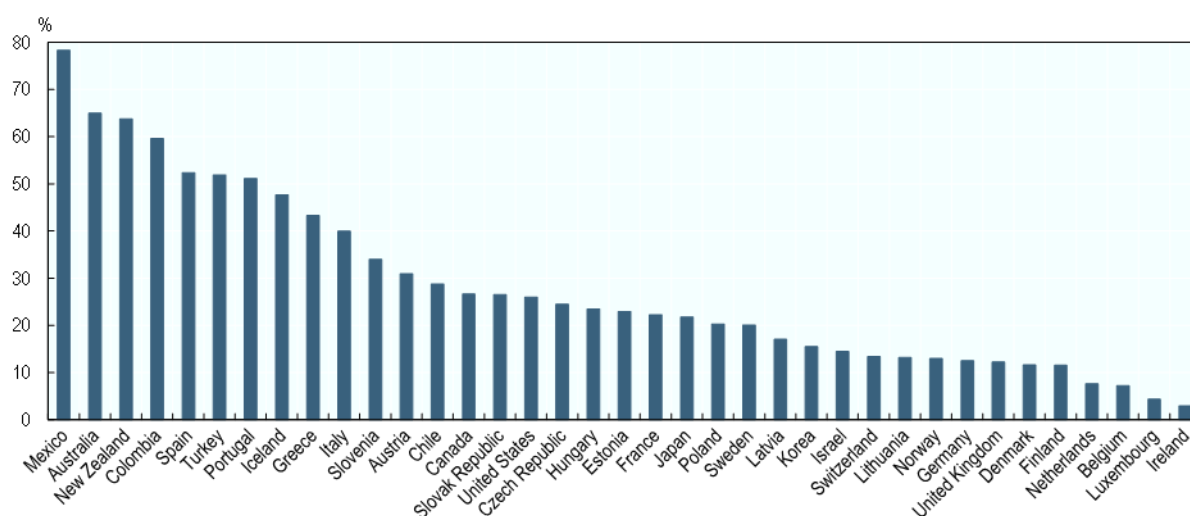
Note: GDP refers to GVA for Canada, Chile, Colombia, Denmark, Finland, Germany, Greece, Hungary, Israel, Italy, Latvia, Lithuania, Mexico, the Netherlands, New Zealand, Portugal, Sweden, Switzerland, United Kingdom and the United States.

GDP data for France refer to internal tourism consumption.

GDP data for Korea and Spain includes indirect effects.

Source: OECD Tourism Statistics (Database).

Figure 2. Contribution of tourism to service exports



Source: OECD Tourism Statistics (Database).

Tourism is a **labour intensive sector**, directly contributing **6.9% of employment on average in OECD countries**. The sector is a leading source of employment and job creation, providing a high volume of jobs for low skilled workers, together with higher skilled jobs. The sector employs many seasonal, part-time and temporary workers. With the impact of the crisis continuing over June-July-August and reduced capacity for many industry branches, many of these jobs will be directly affected. In normal circumstances, the sector can help provide diverse employment opportunities for migrants, women, students and older workers, not only in major cities but also in remote, rural and coastal areas, as well as 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 Portugal⁷.

Tourism is one of the most directly affected sectors in this current crisis and this calls for immediate and long term responses. With international aviation at a virtual standstill since March⁸, the closure of tourism sites and attractions, the cancellation or postponement of major festivals and events, and restrictions 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 means a quick recovery is unlikely. Reflecting the urgency of the situation, an extraordinary convening of the G20 Tourism Ministers was held on 23 April, with Ministers issuing a statement welcoming national efforts to mitigate the economic and social impact of the pandemic, and committing work together to provide support to support a sustainable and inclusive recovery of the tourism sector⁹.

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. Tourism businesses were among the first to be shut down following the introduction of measures to contain the virus, as tourism necessarily involves people-to-people interactions and the movement of people travelling from their place of usual residence to destinations within their own country, and to other countries. Tourism activities are also likely to be among the last to restart, and on a phased basis. Even when these businesses do open, it will be under new operating procedures in the absence of a vaccine. The pandemic is also likely to have an impact on tourist behaviour, impacting the resumption and recover of domestic and international tourism.

Revised OECD estimates point to 60% decline in international tourism in 2020, rising to 80% if recovery is delayed until December. The last time the global tourism economy contracted was immediately following the financial crisis in 2008 when international arrivals decreased by 3.9%. This is in line with recent projections from other organisations, which similarly indicate a significant reversal from previous growth projections. Latest UNWTO estimates point to 22% decline on international tourist arrivals in the first three months of the year, while for 2020 a fall of between 58% and 78% is predicted, which would imply a loss of between USD 910 billion to USD 1.2 trillion in export revenues from tourism¹⁰. The World Travel and Tourism Council (WTTC), meanwhile, forecast on 24 April that 100.8 million jobs are at risk globally¹¹. An ILO sectoral policy brief has identified tourism as one of the most vulnerable

⁷ 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>

⁸ IATA, <https://www.iata.org/en/pressroom/pr/2020-03-16-01/>, 16 March 2020

⁹ G20 Tourism Ministers Statement, https://g20.org/en/media/Documents/G20_Tourism%20Ministers%20Meeting_Statement_EN.pdf, 23 April 2020

¹⁰ UNWTO, [UNWTO World Tourism Barometer May 2020 - Special focus on the Impact of COVID-19](#), May 2020

¹¹ WTTC, [WTTC now estimates over 100 million jobs losses in the Travel & Tourism sector and alerts G20 countries to the scale of the crisis](#), 24 April 2020



sectors that is extremely likely to witness a drastic fall in jobs as a result of the COVID-19 crisis¹².

National level forecasts similarly reflect the scale of the expected impact on tourism in 2020, together with the challenges in making predictions in a fast-moving and uncertain situation. Countries including Chile, Finland and the United Kingdom have developed scenario-based approaches based on assumptions and simplifications, and which point to different possible outcomes. This will ultimately be determined by the how the economic and sanitary crisis evolves, and the interaction of a complex range of demand and supply factors (Box 1).

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. However, **expectations are growing that recovery to pre-crisis levels may take two years or more.** The International Air Travel Association (IATA)¹³ predicts that airlines are unlikely to see a return to pre-crisis traffic levels before the start of 2021, while hospitality data company STR estimates that return to pre-crisis levels will not occur before 2022¹⁴.

¹² International Labour Organisation Sectoral Brief, [COVID-19 and the tourism sector](#), 9 April 2020

¹³ IATA, [COVID-19 Puts Over Half of 2020 Passenger Revenues at Risk](#), 14 April 2020

¹⁴ STR Webinar, [Europe Forecast](#), 2 April 2020



Box 1. Forecasting the impact of the COVID-19 crisis on tourism in selected OECD countries

In **Chile**, preliminary forecasts based on information available on 23 March 2020 point to an expected combined drop of USD 1.8 billion in absolute terms for domestic and international tourism in 2020, down 20.4% compared to 2019. This is equivalent to 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. International arrivals are expected to fall by 32.5% compared to 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 billion, or 32.2% in domestic and international tourism compared to 2019.

In **Finland**, a scenario model released in early May predicts a decline in tourism demand of between 60% to 70% in 2020, equivalent to EUR 10–11 billion. The model is based on most recent Tourism Satellite Account figures that were linked to inbound, outbound and domestic tourism monthly seasonality, and how those will be affected by the crisis. The forecasts have been developed by Statistics Finland in close collaboration with the Ministry of Economic Affairs and Employment, Visit Finland and the hospitality industry

In **Korea**, two scenarios on the impact of COVID-19 on tourism are informing the policy response:

- Scenario 1: tourism flows remain shut down for 4 months, starting to recover from July. It is expected to receive 10.2 million international tourists (down 7.3 million or 41.7% compared to 2019) and USD 13.3 billion revenue in 2020 (down USD 4.5 billion or 25.3% compared 2019).
- Scenario 2: tourism flows remain shut down for 6 months, starting to recover from September. It is expected to receive 7.5 million international inbound tourists (down 10.0 million or 57.1%) and USD 10.3 billion tourism revenue (down USD 10.2 billion or 42.1%) in 2020.

In the **United Kingdom**, several modelled scenarios developed by VisitBritain on the short term impact on domestic and international tourism reflects the uncertainty about the prospects for tourism. As of mid-April, the central scenario for international tourism is for a decline of 54% in arrivals and 55% in spend, or GBP 15.1 billion, based on a gradual recovery of inbound tourism from August 2020. An early estimate for domestic tourism, meanwhile, forecasts a drop of 24% in visitor spending (overnight and same-day trips), which is equivalent to GBP 22.1 billion and higher in absolute value terms than the forecast loss in international spending. This central scenario for domestic tourism is based on a re-opening of the tourism sector from early June under social distancing measures, and an anticipated bounce back in the last four months of the year from pent-up demand.

With **more than 9 out of 10 people in the world living in countries which have put in place cross-border travel restrictions**¹⁵, the current pandemic is more global and will cover a much longer period than previous health-related crises. By comparison, crises such as SARS in 2003, the H1N1 outbreak in 2009, and MERS in 2015 were of a smaller scale and the impact on tourism was more localised. While the experience of these crises show how eagerness to travel was recovered quickly, after health scares were under control and confidence restored, the widespread nature of the COVID-19 pandemic and the depth of the economic crisis it has triggered mean that the tourism recovery will be slower. WTTC estimates that the impact of this

¹⁵ PEW Research Centre, <https://www.pewresearch.org/fact-tank/2020/04/01/more-than-nine-in-ten-people-worldwide-live-in-countries-with-travel-restrictions-amid-covid-19/> 1 April 2020



crisis on tourism will be five times that of the global financial crisis¹⁶, while STR data also shows the depth of the impact, with revenues per available room (RevPAR) plunging by 84.9% in April 2020, compared with a reduction on previous year of 28% following the financial crisis¹⁷.

UNWTO reports that COVID-19 related travel restrictions are in place in all countries worldwide, and on 1 June 2020 156 governments have completely closed their borders to international tourism. Such **travel restrictions are likely to remain in place in the coming weeks, and possibly longer**. In Europe, for example, the European Commission has called for external borders to remain closed for non-essential travel until 15 June at the earliest. Countries like New Zealand and Australia, which moved quickly to restrict inbound travel to prevent the importation of COVID-19 cases, are exploring the creation of a 'travel bubble' between the two countries. Other countries are also looking to permit travel with neighbouring countries, such as the creation of a Baltic travel bubble allowing tourism between Estonia, Latvia and Lithuania¹⁸, or 'airbridges' between countries where the virus is contained.

It is not yet clear when a more widespread re-opening of borders will occur, and under what conditions. Where borders are open, some countries have announced mandatory 14 day quarantine periods for people coming from abroad. However, the situation remains fluid, as countries look to find solutions to manage the virus while minimising the impact of the containment measures, including on tourism. Iceland is one country that has announced plans to re-open international travel starting 15 June, offering tourists the option of getting tested for the virus, or undertaking a quarantine period.

While much attention has focused on international tourism, not least because of the availability of more data, **domestic tourism has also been severely impacted by the containment measures**. Before the crisis, domestic tourism accounted for 75% of tourism expenditures on average in OECD countries. However this figure varies highly among countries (Figure 3).

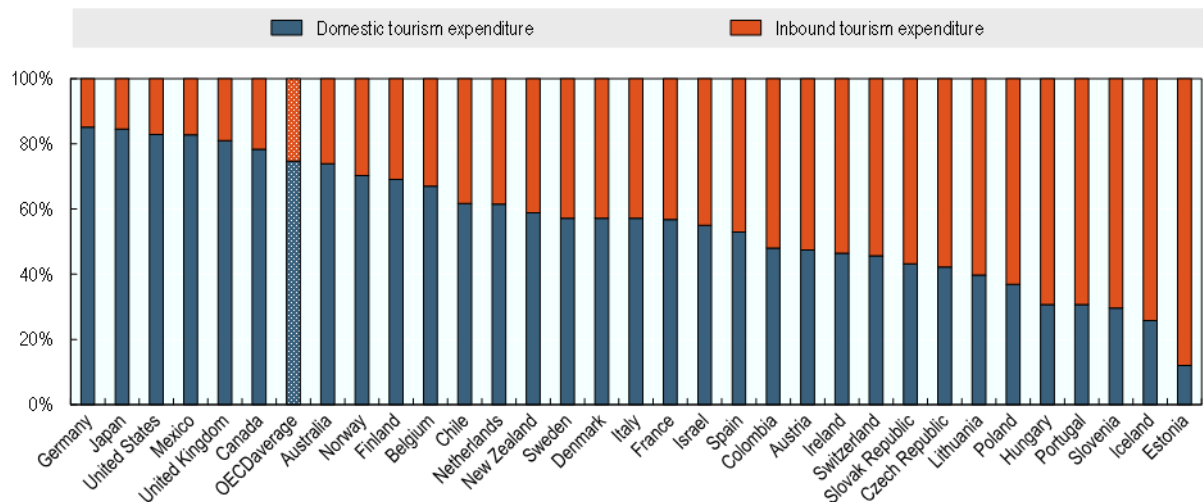
Domestic tourism is expected to play an important role in leading the initial recovery phase, given the uncertain outlook for international travel. Countries where domestic tourism already represents a significant share of the tourism economy are thus likely to see recovery in the sector more quickly than countries that are heavily dependent on international tourism flows. Many countries, and the tourism sector, are moving to promote domestic travel and cater to visitors from their own country.

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**. 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.

¹⁶ Financial Times Global Economic Crisis - What Now? Global Digital Conference, 12-14 May, 2020, "[What is the future of travel and tourism after COVID-19?](#)", 12 May 2020

¹⁷ STR webinar, [COVID-19 impact on Mediterranean hotel performance](#), 23 April 2020



Figure 3. Relative importance of domestic tourism in selected OECD countries

Source: OECD Tourism Statistics (Database).

Box 2. Green shoots and changing travel behaviours in the Chinese domestic travel market

As virus containment measures in China have been lifted, people have re-started travelling domestically, guarding a cautious mind-set. International travel is still constrained due to the presence of 14 quarantine days upon arrival from abroad. Driving and taking trains to regional destinations are the most used modes of transport, and people prefer to avoid group experiences and crowded tourist spots. Tourist sites and parks have capped their entrances at 30-50% of previous levels. Traveller demographics have changed to younger and non-family segment in the first wave after the crisis, while lower spending patterns have favoured midscale and economy hotels. Luxury hotels, business travel and conference demand have been slowest to recover due to the lack of international tourists. The peak of recovery is expected after September, more than 5 full months after the lifting of lock-down measures. Tourism businesses in China are responding to these trends through three main strategies: i) ensuring physical distancing and enhancing hygiene, ii) aggressive pricing promotion, iii) engaging customers through latest social media, targeting the younger segment.

Source: McKinsey & Company, [The way back: What the world can learn from China's travel restart after COVID-19](#), 11 May 2020

Many countries are now moving to ease restrictions, as the pandemic response moves to the next phase. Starting in China (Box 2) and spreading elsewhere, restrictions are progressively being lifted in most countries, as people return to work and start travelling again on a limited scale.

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 a full return to tourism activities will be possible. This is a situation which will be closely monitored, and governments have been keen to stress the potential need to re-introduce restrictions should the circulation of the virus rise again. This has been the experience in Singapore, for example, where having initially eased restrictions on the movement of people containment measures were reintroduced amid concerns of a second wave of the virus.



Table 1. Easing restrictions and re-opening tourism activities: country examples

Country	Re-opening timeline
Austria	From 15 May , all restaurants, cafes, bars, will reopen under certain restrictions, such as limited number of people at one table, while accommodation providers and tourism sites may reopen at the end of May .
Greece	From 1 June year-round hotels and campings will open, while seasonal hotels/resorts will open on 15 June . Flights from abroad will start in two stages: on 15 June flights to Athens will start from countries with good epidemiological features. As of 1 July , all Greek airports will be open to flights. There will be no test or quarantine.
Hungary	The first steps taken to ease the restrictive measures in the countryside as of the 4 May will favour the hospitality sector, with the re-opening of restaurants and cafés with open air areas. Borders restrictions are being lifted, and Budapest Airport is resuming passenger services with strict security measures. From 4 May, KLM reopen the Budapest-Amsterdam flight with once a week frequency. Wizz Air will resume flights on 16 routes from Budapest in May.
Iceland	Since the 4 May , museums and Iceland's main conference venue have re-opened. On 12 May the Icelandic Government announced that it expects to start easing restrictions on international arrivals no later than 15 June , while from 15 May some professionals arriving in Iceland including scientists, filmmakers and athletes will be eligible for a modified quarantine. No later than 15 June, travellers are expected to be given a choice between a two-week quarantine or being tested for the virus upon arrival.
Ireland	Under Ireland's 'Roadmap for Reopening Society and Business', a phased reopening of the tourism sector aims at kick-starting domestic tourism in the third and fourth quarter of 2020. Phase 3 should see cafés and restaurants reopening on 29 June . Hotels (not including hotel bars), hostels, caravan parks and holiday parks are due to reopen under Phase 4 on 20 July , with Phase 5 seeing pubs, bars, nightclubs, cinemas and theatres reopening on 10 August .
Israel	Starting 5 May , activities and businesses have been allowed to open, including rural accommodations, hotels and lodges, nature reserves, heritage sites and national parks, under strict hygiene regulations of the Ministry of Health and the Ministry of Tourism.

Opening up the sector is going to be more difficult than shutting it down, and will require a balanced measured approach. While tourism has been heavily impacted by the pandemic, and the measures put in place to contain the virus, tourism flows are also a potential vector for spreading the virus. While the delay in re-opening and continued uncertainty creates further challenges for the sector, moving too quickly risks further dampening government and consumer confidence in getting the sector up and running for the longer term.

Eventual impacts will depend not only on the length of the pandemic, which will have 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 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 methods¹⁹.

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**. Such measures will need to be fully actionable by small and micro-businesses, and government has a role to play in working with peak national industry bodies to support these businesses. Businesses will also need to take steps to protect workers, who are at the front line in delivering tourism services.

Another issue will be how welcome visitors will be in destinations, as the negative perception of tourists as risk carriers by host community may also be a consequence of the pandemic, while

¹⁹ <https://www.euromonitor.com/the-impact-of-coronavirus-on-the-global-economy/report>



local communities in destinations which before the crisis were experiencing issues associated with high visitor volumes and overcrowding have reclaimed their local areas.

Impact of the crisis is being felt throughout the tourism ecosystem

The pandemic has been disruptive across branches of the tourism sector, firms, and destinations, with some parts of the sector more affected than others, now and in the longer term. This has obvious connections with SMEs as **most firms in the tourism sector are small in scale**. 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 force²¹. Tourism businesses that were viable before the pandemic may now be vulnerable. Costs associated with prevention and changes in work processes, such as the adoption of digital tools and implementation of new operating protocols, may also be relatively higher for SMEs.

The OECD Policy Note [COVID-19: SME Policy Responses](https://www.oecd.org/cfe/COVID-19-SME-Policy-Responses.pdf)²⁰, highlights that SMEs may have less resilience and flexibility to cope with the costs that such shocks entail, with a survey of SMEs indicating there is a serious risk that over 50% of SMEs will not survive the next few months. A widespread collapse of SMEs could have a strong impact on national economies and global growth prospects, and on the tourism economy. Governments have been quick to acknowledge the specific circumstances of SMEs, and have put in place policies to support them, with policy responses frequently followed this sequence of measures: health measures, and information on how to adhere to them, measures to address liquidity by deferring payments, measures to supply extra and more easily available credit to strengthen SME resilience, measures to avoid the consequences of unorganised lay-offs, and structural policies. These general SME measures have also been accessible to SMEs in the tourism sector.

In addition to being characterised by a very large group of small and 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. A key challenge as the sector looks to re-open is how to get all these interlinked parts of the tourism supply chain working together again, to provide a seamless tourism experiences for visitors. Box 3 outlines a selection of impacts experienced by selected tourism industry branches.

Box 3. Impacts of COVID-19 on selected tourism industry branches

Transport and tour operators

- **Aviation.** Airlines 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 May, indicate that the fall in scheduled international passenger traffic during 2020, will equate to a reduction of

²⁰ [http://www.oecd.org/cfe/COVID-19-SME-Policy-Responses.pdf](https://www.oecd.org/cfe/COVID-19-SME-Policy-Responses.pdf)



between 44 to 80% of international passengers²¹. Airports Council International, as of 5 May, estimates that the crisis will result in a reduction of 4.6 billion passengers in 2020. This will have a knock on effect on airports, which could face a global loss of USD 97 billion²². IATA expects recovery in air travel to lag economic recovery, with no uptick before 2021²³. Some airlines which had grounded flights, such as Ryanair, have announced plans to restart flight operations at a reduced capacity²⁴, while Emirate is has introduced COVID-19 testing prior to boarding²⁵

- **Cruise.** Cruise lines have faced the double challenge of ensuring visitor and worker safety, as some cruises were not able to disembark and repatriate clients, and losses in bookings and revenues. In the United States, a no-sail order had been extended until July²⁶. 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 port²⁷.
- **Railways.** As people movement is limited or discouraged, including in countries which are easing restrictions, railways are seeing significant drops in revenues and passengers.
- **Tour operators** have reduced or halted operations until further notice as the pace at which the situation evolved increased organisational complexity, across administrative boundaries. Having suspended all activities from mid-March until mid-May at the earliest, TUI Group announced on 13 May it was ready to resume activities and indicated that forward-bookings for summer 2021 were performing strongly²⁸.

Accommodation and food service

- **Hotels.** Globally, hotels have reported having extremely low occupancy rates, or have experienced closures on a massive scale. Big hotel chains have seen their stock price plunge as a result. In Europe it was estimated that 76% of hotels were closed. According to STR, in the first week of May many countries had an average occupancy rate lower than 30%. Some shared accommodation categories, such as hostels or camping, may be impacted in the longer term.

²¹ International Civil Aviation Organisation, [Effects of Novel Coronavirus \(COVID- 19\) on Civil Aviation: Economic Impact Analysis](#), 8 May 2020.

²² Airports Council International, Economic impact assessment of COVID-19 on the airport business, 5 May 2020

²³ IATA, <https://www.iata.org/en/iata-repository/publications/economic-reports/recovery-in-air-travel-expected-to-lag-economic-activity/>, 15 May 2020.

²⁴ Financial Times Global Economic Crisis - What Now? Global Digital Conference, 12-14 May, 2020, "[How can airlines fly out of the danger zone??](#)", 12 May 2020

²⁵ Emirates, <https://www.emirates.com/media-centre/emirates-becomes-first-airline-to-conduct-on-site-rapid-covid-19-tests-for-passengers/> 15 April 2020.

²⁶ Skift, [Cruise Industry Defies New 100-Day 'No Sail' Order](#), 14 April

²⁷ <https://twitter.com/CLIAGlobal/status/1247272902820614144?s=20>

²⁸ TUI, <https://www.tuigroup.com/en-en/media/press-releases/2020/2020-05-13-h1-20>, 13 May 2020



- **Shared accommodation platform economy.** The virus outbreak has put shared accommodation platforms under pressure, with reported declines in apartment bookings. In May, Airbnb cut 25% of workforce²⁹.
- **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.
- **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. Even as restrictions are being lifted, food-related activities are still limited. In the United States, the National Restaurant Association estimates that the industry's sales will decline by USD 225 billion during the three months from March, prompting the loss of between five and seven million jobs³⁰. In France, lock down measures introduced in March 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 unemployment³¹.

Other sectors

- **Business, meetings and events travel.** Around the globe, companies have cancelled or suspending business travel due to the coronavirus, in some cases until 2021. Events of all sizes have also been affected, including the 2020 Olympic Games. By 20 March, the Global Association of the Exhibition Industry 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 concluded if events do not take place as planned through Q2 2020.
- **Culture, sports and entertainment.** Museums and cultural event organisers are facing huge financial losses as facilities shut down, and events have been cancelled. 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. Major sporting and entertainment events are also being affected, including the Tokyo 2020 Summer Olympics which have been postponed. 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 local destinations have also been cancelled.
- **Tour guides.** Often working as freelancers, tour guides are seeing significant drops in their activities, placing significant constraints on their income.
- **Travel technology companies.** Global distributions systems, online travel agencies and online booking platforms are also being hit by the crisis due to the significant slowdown in transactions.

²⁹ Skift, [Airbnb Cuts 25 Percent of Workforce and Downsizes Hotel Investments](#), 5 May 2020

³⁰ The Hill, <https://thehill.com/business-a-lobbying/business-a-lobbying/488223-restaurant-industry-estimates-225b-in-losses-from>, 18 March 2020

³¹ LCI, <https://www.lci.fr/population/coronavirus-restaurants-cafes-et-bars-fermes-un-million-de-salaries-dans-l-inquietude-2148069.html>



Rebuilding destinations will require a co-ordinated approach

The effects of the virus outbreak on tourism are likely to be asymmetrical and highly localised within countries, with some destinations more exposed than others. Even under normal circumstances, **some destinations tend to be disproportionately vulnerable to the effects of such crises due to their high reliance on the tourism sector**. This disparity is likely to be significantly exacerbated following the pandemic. In addition, previous experiences suggests that the most affected local economies will not be able to bounce back quickly, and local labour markets could suffer for years to come, exacerbating regional disparities in unemployment, economic inactivity and job quality³².

Analysis by the European Commission's Joint Research Centre highlights that the economies in tourism hotspots will be more vulnerable to travel restrictions, taking into account seasonality and the scale of tourism relative to the size of the local population. Coastal regions are expected to be the most impacted, and the cumulative reduction on GDP over the period April to June is estimated be between EUR 9.7 billion to EUR 24.9 billion³³.

Tourism destinations often show the highest shares of jobs potentially at risk. OECD analysis indicates that a high share of jobs are at risk in European destinations such as the Ionian islands in Greece, Balearic and Canary Islands in Spain, and the Algarve region in Portugal, given the importance of tourism in the local economy. Similarly in Korea, Jeju-do is the region with the highest risk, while in North America, Nevada (which includes Las Vegas) stands out as the most potentially affected state, followed by Hawaii³⁴.

Under strict containment measures, destinations in many countries have been essentially closed for business. The easing of restrictions is now taking place on a phased and uneven basis, with differences across regions and cities, reflecting the local context and sanitary situation. The interaction of these measures and the extent to which they impact tourism activities during key tourism periods will also have a bearing. The pandemic led to the premature curtailment of the ski season in some destinations, while the summer holiday season in the northern hemisphere is currently at risk.

The extent of the economic impact at destination level will also depend on 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.

Destinations most dependent on international markets are likely to be most affected (particularly long-haul), as are urban destinations. More remote and rural destinations and natural areas are likely to be more attractive to visitors, at least in the short term. Tourism Economics expects domestic city tourism to recover in 2021, but recovery of international

³² OECD Policy Note, <http://www.oecd.org/coronavirus/policy-responses/from-pandemic-to-recovery-local-employment-and-economic-development-879d2913/>, 27 April 2020

³³ JRC-B3 Territorial Development, Barranco, R., Rainoldi A., Lavalle C., EU Regional impact on GDP from travel restrictions for non-residents, April 2020

³⁴ OECD, [Coronavirus \(COVID-19\) From pandemic to recovery: Local employment and economic development](http://www.oecd.org/coronavirus/policy-responses/from-pandemic-to-recovery-local-employment-and-economic-development-879d2913/), 27 April 2020



tourism is likely to take two years or more. Tourism to major cities is expected to recover first, with a more widespread recovery in international tourism to cities not expected before 2024³⁵.

Previously overcrowded destinations might see high reductions in tourism flows while smaller rural destinations may become more popular. Veneto Region (Italy) for example as part of its recovery plan wants to leverage lesser known UNESCO heritage sites, to shift volumes from Venice to different attractions. Popular destinations may also need to reconfigure their development model to attract people, while ensuring sufficient social distancing.

A key issue for destination recovery is whether the critical mass of services will remain operating after the crisis, to cater to visitors when they do come. A dynamic tourism economy depends on the availability of a variety of tourism services within destinations, from accommodation and food services to attractions, activities and events. In the meantime, 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 Raleigh³⁶, United States, and in Seignanx dans les Landes³⁷, France.

Another issue will be how welcome visitors will be in local areas. There is a danger that tourism flows will become a vector for spreading the virus. Should this become the case, this may further dampen government, business and consumer confidence in getting the sector back up and running in the longer term. It may also lead to a backlash from local communities who may resist the arrival of visitors over concerns they may bring the virus and put pressure on local health services. There has been some evidence of this happening following the introduction of containment measures, as people left cities to travel to spending the confinement period in second homes, and also since the easing of travel restrictions, with some local authorities and tourism organisations issuing calls for people not to visit³⁸.

Industry is taking steps to be ready for the restart

The current **crisis continues to affect travel and tourism businesses of all sizes**, from the largest international airlines to the smallest independent hotel owners. The immediate response by these businesses has understandably focused on proactively designing plans for **short-term survival**. As the crisis evolves, the industry is now working with governments to identify key priorities and to facilitate **recovery in the medium to long-term**.

A key concern and ongoing area of uncertainty for many tourism businesses across all parts of the sector are the conditions under which they will be allowed to reopen and operate, and whether it will be viable for the business to resume activities under these conditions. In response, industry actors have been proactive in proposing new operating standards and

³⁵ Tourism Economics, [City Tourism Outlook and Ranking: Coronavirus Impacts and Recovery](#), 15 April 2020

³⁶ <https://www.visitraleigh.com/plan-a-trip/visitraleigh-insider-blog/post/support-local-businesses/>

³⁷ <https://www.monatourisme.fr/initiatives-du-reseau-face-au-covid-19-la-cartographie-interactive/>

³⁸ Visit Weston-super-Mare <https://www.visit-westonsupermare.com/>, 18 May 2020



protocols, which seek to protect workers, restore travellers' confidence, ensure social distancing, and put in place the necessary cleaning and hygiene standards. WTTC has presented new global protocols to restart tourism, named "Safe Travels"³⁹, while on 4 May 2020, the U.S. travel industry provided detailed guidance for travel-related businesses to help keep their customers and employees safe as the country emerges from the COVID-19 pandemic (Box 4).

Box 4. Allowing travel to safely resume in the United States

Developed in collaboration with medical experts and a broad array of travel businesses and organisations, "Travel in the New Normal" describes the types of vigorous measures the U.S. travel industry will need to adopt to reduce the risk of COVID-19, and help to communicate across each and every step of a traveller's journey. The goal of the guidance is to allow travel to safely resume as states and municipalities relax physical distancing guidance.

The "Travel in the New Normal" guidance, is focused on six main areas where travel businesses should:

- Adapt operations, modify employee practices and/or redesign public spaces to help protect employees and customers.
- Consider implementing touchless solutions, where practical, to limit the opportunity for virus transmission while also enabling a positive travel experience.
- Adopt and implement enhanced sanitation procedures specifically designed to combat the transmission of COVID-19.
- Promote health screening measures for employees and isolate workers with possible symptoms and provide health resources to customers.
- Establish a set of procedures aligned with official guidance should an employee test positive.
- Follow best practices in food and beverage service to promote employee and customer health.

Source: U.S. Travel Association Press Release, [U.S. Travel Industry Releases Guidance for "Travel in the New Normal"](#), 4 May 2020

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 WTTC COVID-19 Taskforce, which is co-ordinating private sector representatives and international organisations to find common solutions to ease the pressure on tourism businesses. Annex B provides a list of some private sector organisations webpages posting regular updates and analysis on the crisis

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: i) mitigating the impact on employment and liquidity, ii) protecting the most vulnerable, and iii) preparing for recovery.⁴⁰ Subsequently, on the 28 May, the Committee agreed a series of priorities for tourism recovery and endorsed the UNWTO Global Guidelines to Restart Tourism. At national and international level, the industry has also played

³⁹ WTTC [New measures unveiled to re-establish confidence in Travel & Tourism](#), 12 May 2020

⁴⁰ <https://www.unwto.org/news/unwto-launches-a-call-for-action-for-tourisms-covid-19-mitigation-and-recovery>



an important role in **communicating to governments the importance of focused initiatives to support the sector.**

Businesses are still in survival mode in several countries. 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, as distressed tourism companies have been forced to make job cuts, freeze hiring, **introduce job sharing**, and asking staff to voluntarily draw on annual and sick leave. 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. 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.

A wide-spread phenomenon is also voluntary **co-operation between the tourism and the health sector** to support the containment effort. In several instances, businesses have made 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. Vouchers for holidays are also being provided for medical staff. For example, the Four Seasons Hotel in New York transformed into a home for medical workers.⁴¹ Accor opened up 40 of its hotels in France for nursing staff, vulnerable populations and anyone fighting the spread of coronavirus.⁴² Hotels have also been transformed into medical care spaces to absorb the escalating demand for hospital treatments. Spain's Madrid-based hotels offered hospitals 9 000 extra beds for Coronavirus-infected patients⁴³, while Carnival cruise operator offered a number of its ships as makeshift hospitals.⁴⁴

One area where the pandemic is providing **an opportunity for potential development of the sector**, is in the area of digitalisation. Initial indications are that the current crisis is accelerating the digital transformation of the sector. **Digital solutions** are being developed to create 'live remote'⁴⁵ tourism and/or 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 periods of social distancing. The move to digital is also changing work trends in the sector.

In the longer-term, social distancing requirements, as well as broader shifts in business and risk management strategies, and consumer demand for contactless, self-service, and personalised experiences, could further the uptake of cloud-based property management systems, and

⁴¹ <https://www.cntraveler.com/story/how-the-four-seasons-hotel-new-york-transformed-into-a-home-for-medical-workers>

⁴² <https://edition.cnn.com/travel/article/hotels-turned-hospitals-coronavirus/index.html>

⁴³ <https://www.euroweeklynews.com/2020/03/18/spains-madrid-based-hotels-offer-hospitals-9000-extra-beds-for-coronavirus-infected-patients/>

⁴⁴ <https://www.washingtonpost.com/travel/2020/03/19/with-coronavirus-overwhelming-facilities-land-carnival-offers-its-cruise-ships-makeshift-hospitals/>

⁴⁵ For example, 'WildEarth' provide twice daily live and interactive safari experiences from Djuma Game Reserve in South Africa via youtube.com (www.wildearth.tv)



automatic check-in/out kiosks in hotels, transport terminals and attractions. The use of autonomous robots to clean or undertake back of house activities may also become more prevalent.

Governments are moving from crisis response to preparing for recovery

Government support in the first phase of the crisis has been focused on immediate response and mitigation efforts to protect visitors and workers and ensure business continuity following the imposition of containment measures. Supports have largely focused on getting financial aid out to the widest possible net of workers and businesses, as quickly as possible. As the containment measures start to ease, the next steps will be to get travellers moving, tourism businesses back up and running, and people back to work. This is an important, but complex and challenging task.

While the medium and long-term tourism impacts of COVID-19 will vary between countries, destinations, and segments of the sector, it is clear that in order to open up while the virus is still circulating, **governments will need to take balanced, measured and co-ordinated policy action** at the local, national and international level, in order to protect people, while minimising 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 exceptional steps to respond to the crisis (see Annex A). While country response measures continue to focus on **public health issues**, governments have also moved quickly to introduce extraordinary initiatives to **mitigate the economic impact of the coronavirus on businesses and workers**. These have most often taken the form of economy-wide stimulus packages, often including some **liquidity injections and fiscal relief** (e.g. through loans, tax holidays or postponements, guarantee schemes). For example, the European Commission's EUR 37 billion Coronavirus Response Investment Initiative came into force on 1 April to provide liquidity to small businesses and the health care sector.⁴⁶ This initiative has been complemented by the Coronavirus Response Investment Initiative Plus (CRII+) package, designed to enable all non-utilised support from the European Structural and Investment Funds to be mobilised to the fullest⁴⁷.

The **tourism sector is greatly benefiting from these general economic stimulus and support measures**, which are relevant and accessible to workers and tourism businesses of all sizes. In some countries, tourism is also earmarked as a target sector for support within these frameworks, in recognition of the extent to which the sector has been impacted. Given the dramatic pressures the tourism economy is facing, and as the situation evolves, many OECD countries are also taking steps to introduce **tourism-specific measures to address the immediate impacts on the sector, and to facilitate its recovery**. Governments are also adjusting the measures put in place to take better address the needs to tourism businesses, and the sector as a whole.

⁴⁶ https://ec.europa.eu/regional_policy/en/newsroom/news/2020/03/30-03-2020-coronavirus-response-investment-initiative-adopted - 30 March 2020

⁴⁷ https://ec.europa.eu/regional_policy/en/newsroom/news/2020/04/04-02-2020-coronavirus-response-investment-initiative-plus-new-actions-to-mobilise-essential-investments-and-resources - 2 April 2020



Most initiatives in the emergency response and mitigation phase are intended to provide some income continuity for tourism workers, and ensure that tourism businesses are in a position to restart operations when containment measures come to an end, as well as assisting tourism workers. While workers have been protected in many countries (e.g. some governments are paying the salaries of more than half of the workforce), in the long-term this is not sustainable – once businesses are able to re-open, the full scale of job losses will become more apparent. Likewise for businesses, the fight to stay open will not end with the lifting of travel restrictions.

More specifically, 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**, which may then be claimed by consumers if vouchers are not used after a pre-determined period. Policy makers are taking steps to **protect tourism consumers** and provide timely information. Other measures being implemented include the establishment of COVID-related cabinet **committees or taskforces** (e.g. Canada, France, Ireland, New Zealand) to ensure a **whole-of-government leadership and co-ordination** across policy areas, and to serve as a platform for industry engagement and the development of effective recovery plans.

An overview of country policy responses to the COVID-19 pandemic, highlights **three major response categories** and types of responses, which continue to evolve:

Supporting people, businesses (particularly SMEs) and destinations through the crisis

Governments have been taking unprecedented steps to respond to the crisis through general economy stimulus packages, however, much more needs to be done, and quickly, at a 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. The crisis is also 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).

- **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.
- **Worker and business support.** The tourism sector benefits from cross-sectoral measures introduced by governments to provide flexibility and relief for workers. Some countries have introduced measures specifically aimed at the self-employed, which is particularly relevant for many micro and small tourism businesses. In countries where the impact of the pandemic on tourism businesses has been particularly significant, many have focused on providing financial relief to tourism SMEs, such as postponed VAT payment. Non-financial supports are also provided, including information provision and advisory services to comply with new rules.
- **Destination support.** The impact of the pandemic on destinations varies depending on a variety of factors, with those most dependent on international markets likely to be most affected (urban, rural and natural areas). Other key factors include the nature of the tourism offer, the impact of travel restrictions on visitor flows, the scale and complexity of business operations, the size of the domestic tourism market, and the place of tourism in the wider economy. Tailored responses will often be required.

Government assistance efforts include communication campaigns to help 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, liquidity injections and other financial instruments (e.g. tax relief, guarantees, grants), to ensure business survival in the immediate term, measures regarding procurement and late payments, and actions to help SME adopt new work processes and find new markets. Examples of specific country initiatives are outlined in Box 5.

In most countries, tourism businesses are benefiting also from economy wide stimulus measures. 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 those hardest hit industries, including airlines, airports, and travel agents. The package will be delivered through a mix of measures including cash payments, loans, grants and guarantees.

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Box 5. Focus on supporting visitors and workers: selected COVID-19 tourism policy responses

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.

In **Ireland**, Fáilte Ireland is currently finalising detailed guidelines for the sector, in consultation with the tourism industry and the relevant authorities, to assist tourism businesses meet social distancing and cleaning requirements in line with the national '*Return to Work Safely*' protocol.

In **Italy**, after the temporary measures introduced on 19 March to support the tourism sector, new measures are planned, including to extend up to the end of July layoffs to seasonal workers, and allowing closed sea and outdoor resorts to make ordinary maintenance works.

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.

Spain, has developed guidelines by i) the Ministry of Labour and Social Economy on how to operate in labour related aspects in the context of Coronavirus, and ii) the Ministry of Industry, Trade and Tourism on good practices for businesses and workers in the tourism sector.

The **United Kingdom** has introduced a **Coronavirus Job Retention Scheme** where small and large employers will be eligible to apply for a government grant of 80% of workers' salaries up to GBP 2 500 a month. The scheme will be backdated to 1 March. On 12 May the Chancellor extended the scheme until the end of October 2020 and more detail will be shared by the end of May.



The scale of the relief packages that are being introduced to support and ensure a speedy recovery for tourism businesses and destinations is extraordinary, and applies to businesses of all sizes throughout the tourism supply chain. For example, Portugal has dedicated EUR 1.7 billion to support accommodation providers, restaurants and travel agencies, while in Australia the Aviation Relief Package provides refunds and waives a range of Government charges on the industry including aviation fuel excise, Airservices charges on domestic airline operations and domestic and regional aviation security charges – the total cost of the measures are estimated to be AUD 715 million⁴⁸.

Box 6. Focus on businesses survival and destination support: selected COVID-19 tourism policy responses

In **Australia**, an *SME Guarantee Scheme* will support up to AUD 40 billion of lending to SMEs with turnover of less than AUD 50 million, including sole traders and not-for-profit organisations, with the Government guaranteeing up to 50 per cent of new loans issues by eligible lenders until 30 September 2020. In addition, the *COVID-19 Export Capital Facility* is a AUD 500 million Facility to assist previously profitable Australian exporters whose businesses have been impacted by COVID-19. Exporters will be able to access loans from AUD 250,000 to AUD 50 million under the Facility.

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**, the government **modified the conditions for cancellations** of travel (and similar) bookings, to allow refunds to 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 refund after 18 months if the voucher is not used.

In **Greece**, an **Open Communication Line** has been established to enable tourism operators, businesses and market representatives to contact the Ministry of Tourism to address emerging issues, while key information is also disseminated via the Ministry's website.

In **Iceland**, payment and collection of the tax on overnight stays (bed-night tax) will be suspended from 1 April 2020 through 31 December 2021, while residents over 18 years of age will collectively receive ISK 1.5 billion worth of travel vouchers from the Government, to spend domestically.

Korea will be relaxing regulations to support the tourism sector in the COVID-era. These measures include simplifying the hotel classification system, legitimization (institutionalisation) of sharing economy accommodation platforms, and promoting forest recreation and tourism, and implementing special relaxed regulations for the camping industry.

In **New Zealand**, the Tourism Transition Programme will deliver advice and support to pivot businesses towards domestic and Australian markets, hibernating a business, or other options. Tourism New Zealand (TNZ) will provide customer insight and views of overseas market conditions.

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.

⁴⁸ OECD (2020), [COVID-19: Tourism Policies Responses](#), last updated on 15 April 2020



In **Spain**, economic measures introduced to respond to the COVID-19 crisis, include **suspension of interest and principal payments of loans** previously granted by the Secretariat of State for Tourism, and the postponement of payments interest and/or principal of loans by regions to companies and self-employed workers affected by the crisis.

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.

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.

While **Norway** and the **United Kingdom**, have both identified the important role of destination management organisations (DMOs) in providing crucial support and expert guidance to tourism SMEs in the post-COVID period. VisitEngland, for example, has administered a GBP 1.3 million fund to help **ensure the continued functioning of DMOs** during the pandemic.

While recognising the exceptional nature of country response measures and the challenges governments have faced in setting up new programmes in a short timeframe, a consistent message emerging from industry representatives is the pressing need for immediate injections of liquidity for businesses throughout the tourism supply chain, and that aid and economic stimulus packages are not reaching the tourism sector in a timely fashion. Other initiatives to support businesses and destinations, are outlined in Box 6.

Reopening the tourism economy

The challenge over the coming months will be **how to evolve emergency mitigation measures into longer term recovery and stimulus measures** that can more effectively support sector recovery and in particular those viable businesses that may be in distress, but are key to getting the tourism system functioning again. This is a particularly complex challenge, as some businesses that were viable before the pandemic may not be in the post-COVID period, with the application of social distancing and other restrictions that will be in place for an undetermined length of time. A specific consideration for governments will be determining the appropriate length of time to offer business support, and identifying which businesses to support. Attention is also needed to what adjustments are needed to the current measures to better address the needs of tourism businesses.

Key areas of government action include:

- **Using co-ordination measures and taskforces.** Some countries have put in place co-ordination mechanisms, such as cabinet committees and 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, as well as develop recovery support roadmaps and action plans. Dialogue with the industry has been made a priority to ensure targeted and efficient responses measures.
- **Lifting travel restrictions.** There is currently high uncertainty about when travel restrictions will be lifted. Co-ordination within and across countries will be key in ensuring health needs are addressed while allowing a recovery of tourism in due time.



In this regard some countries with similar coronavirus case loads and case management processes (e.g. testing and tracing versus quarantine periods) are exploring opportunities to open travel 'corridors' or 'bubbles' as a first step in opening up countries to international tourism.

- **Restoring traveller confidence and stimulating demand.** A survey from IATA, published on 21 April, shows that 40% of respondents intend to wait six months or more before travelling, after restrictions are lifted⁴⁹. Travellers will need to be reassured of the safety of travelling, and governments will need to collaborate with the private sector to put in place new standards in terms of safety, hygiene, testing, and procedures. Equally, governments will need to take steps to ensure that destination communities are comfortable that the benefits associated with the return of visitors outweigh any concerns over the potential health risks. Some countries have introduced safe and clean labels to reassure visitors (e.g. Portugal, Israel), while the use of digital tools is also being explored (e.g. beach safe app in Portugal). Countries are also looking to further develop domestic and alternative markets and to promote a positive image as they emerge from the COVID-19 pandemic (e.g. Australia, Greece, Israel, and Italy).

From business support and advisory perspective **Ireland's** tourism Development Authority, *Fáilte Ireland*, is providing a suite of training and advisory supports for tourism businesses, to enable them to respond to the challenges and threats now being faced in the sector. Furthermore, to assist tourism businesses meet social distancing and cleaning requirements, in line with the national '*Return to Work Safely*' protocol, *Fáilte Ireland* is currently finalising detailed guidelines for the sector, in consultation with the tourism industry and the relevant authorities.

⁴⁹ IATA press release, [Slow Recovery Needs Confidence Boosting Measures](#), 21 April 2020



Box 7. Focus on co-ordination measures: selected COVID-19 tourism policy responses

In **Belgium** Regional task forces bring together public bodies and the private sector. These are working on recovery plans for the post-COVID-19-period and with regular surveys. Useful information is bundled and distributed as for instance FAQ's about the crisis and about the national and regional governmental measures to challenge it.

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.

In **Finland** the Inter-ministerial working group (MiniMatka) will contribute to the preparation of the revision of the national tourism strategy for the years 2020–2021. It will include updated goals and measures, which will be carried out during the recovery phase.

In **Greece**, a governmental coordination committee was created, with representatives from all ministries. The strategic aims of the committee for tourism recovery are to open businesses as soon as possible, preserve of destinations' safety in terms of public health, support the entire value chain of the tourism industry (tourism enterprises and employees). In addition, the Regional Tourism Council provides a valuable communication instrument for the coordination of tourism development and promotion, including crisis management.

Ireland's Department of Transport, Tourism and Sport established a *COVID-19 Tourism Monitoring Group*, made up of industry stakeholders, the state tourism agencies and Department officials. The group, which has met regularly since this crisis began, is monitoring the disruption to the sector, facilitating the rapid sharing of information and assisting in the formulation of a recovery plan.

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.

Countries are also supporting skills development in the sector. In **Israel**, the Ministry has been operating a programme of professional webinars and web-based courses, in order to preserve and enrich the human capital of the Israeli tourism industry, including hoteliers, travel agents, tour operators, tour guides, and other travel professionals. The information focussing on practical expert guidance to cope with the corona crisis, and planning ahead for post-corona period. While in **Finland**, Visit Finland has launched free online training material on the digitalisation of tourism businesses.



Box 8. Focus on restoring confidence and stimulating demand: selected COVID-19 tourism policy response

In **Finland**, domestic tourism will be stimulated by a campaign “100 reasons to travel in Finland” where various organisations are involved and participate in funding.

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 NBA basketball player Giannis Antetokounmpo.

In **Iceland**, actions for the recovery included at first domestic travel vouchers and domestic promotional campaign, followed by an international promotional campaign when travel restrictions are lifted.

In **Israel**, The Ministry as well as some local authorities has issued on-line virtual tours of sites and attractions around the country, in order to raise appetite and keep the postponed tours alive in the memory. Starting 5 May, businesses, including rural accommodations, hotels and lodges, nature reserves, heritage sites and national parks, will be allowed to open under strict hygiene regulations. Due to their relative isolation and small number of rooms, rural and urban bed and breakfast will be the first to open up for tourists. Accommodation facilities will be required to meet high standards of cleaning, training workers according to the new guidelines, upgrading air ventilation, and social-distancing.

In **Japan**, an emergency economic package (introduced on 7 April) includes strong demand stimulation measures for tourism, seeking to support the economy after the COVID-19 pandemic is resolved. The demand stimulus measures include a new subsidy amounting to over USD 10 billion in the form of discounts and vouchers to consumers to support tourism, transport, food services, and event businesses to create an immediate post-pandemic recovery. The Japan Tourism Agency will spend USD 2.2 billion to attract tourists after the end of the pandemic in an effort to make tourist destinations attractive, improving the travel environment, and carry out promotions for international tourists.

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.

The **European Commission**, on the 13 May, published a package on tourism and transport in 2020 and beyond⁵⁰. This includes guidelines and a recommendation to help EU countries gradually lift travel restrictions, allow businesses to reopen and restoring travellers confidence for the summer season. The package brings together guidance and recommendations to:

- Safely restore unrestricted free movement and reopen internal borders: Guidance on restoring freedom of movement and lifting of internal border controls
- Safely restore transport and connectivity: Guidance on transport
- Safely resume tourism services: Guidance on tourism, in particular hospitality
- Address the liquidity crunch and rebuild consumer confidence: Recommendation on vouchers

The crisis is also highlighting shortcomings in the availability of timely and comparable data to support policy and business decision making in quickly evolving situations. In this context, some countries have established **tools for sharing updated information and data with**



businesses. For example, Germany set up a webpage including daily updates on the mood of the sector survey, which maps the business expectations in the tourism sector each day. 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.

Preparing the recovery and shaping tourism of tomorrow

Countries are in different phases of the COVID-19 crisis management, and while some countries are **adjusting policies to address the gaps and tourism businesses' needs**, others are mindful of the need to start **preparing comprehensive tourism recovery plans**. While the focus in recent months has rightly been on protecting workers and visitors, and supporting business survival, policy makers are also considering the longer term implications of the crisis on the 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.

Beyond the immediate responses needed, 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**. As the situation evolves, countries are devolving resources to ensure a speedy recovery after the crisis. As recovery plans are being designed, countries identified the following areas as key priorities and challenges:

- **Re-thinking the tourism sector.** The crisis presents an opportunity to rethink the tourism system for a more sustainable and resilient future. Policy intervention will be necessary to address structural problems of the sector, avoid the return to issues of tourism management (e.g. overtourism), and advance key priorities, such as encouraging new business models, embracing digitalisation and promoting connectivity. The latter will be of key importance in an after-crisis scenario where social distancing will be still relevant and tourists will look to less crowded destinations. Sustainability should be a guiding principle in the recovery, also with the aim to limit tourism as a vector of pandemic (e.g. issues related to waste management).
- **Rebuilding destinations and the tourism system.** Support and recovery measures need to be comprehensive across the sector branches that make up the tourism experience. Accessibility, connectivity and transport should be high on the agenda just as accommodations, restaurants, resorts, events, travel association, travel tech companies, tour operators, and tourism associations. Work to develop strong and dynamic destinations over many years has been wiped out in a fraction of the time, and rebuilding this will be a necessary challenge to support local economies.

⁵⁰ European Commission Press Corner, [European tourism and transport package](#), 13 May 2020



- **Innovating and investing in tourism.** Governments need to ensure that the sector will be ready to resume and keep on innovating and transforming. Moreover investments will be needed to make structural and physical changes to address health requirements and visitors expectations in the first phase of recovery and in the long term. Some countries have also put in places measures to support innovation in SMEs to ensure stronger long term economic resilience. Tourism businesses and destinations will also need to adjust their offer to respond to changed travel behaviours.



Box 9. Toward recovery and shaping tourism of tomorrow: selected COVID-19 tourism policy response

In **New Zealand**, 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.

In **Spain**, authorities are now preparing a ***Tourist Recovery Plan, based on the 4 pillars***, of

- **Health** – undertaken with the private sector to develop socio-sanitary specifications to ensure that tourist destinations are safe, and perceived to be safe, which is essential in order to recover both domestic and international tourism demand;
- **Support** – a new package of measures, developed with other government ministerial departments (Finance, Economic Affairs, Labour, etc.), will provide financial, economic and social support for tourism companies and workers, as well as destinations that are being particularly affected by this crisis;
- **Knowledge** – with a focus on improving the tourism knowledge model, improving data processing, creating new indicators, and designing new observation mechanisms, and;
- **Promotion** – national and international promotion campaigns to activate demand at the appropriate time.

In **Lithuania**, as part of recovery measures for the tourism sector, the transformation of the tourism sector will be pursued by promoting innovation and digital technologies through the development of tourism services and products. To this end, the 'E-business model' tool will be used to finance new business models created via introducing e-business solutions, as well as the 'Retraining of Enterprise Workers' tool and the 'Innovative Checks' tool, which will finance the purchase of services of publishing, voice-reading, translation, photography, filming, design, communication, etc.

In **Estonia**, the Ministry of Economic Affairs and Communications in co-operation with the Kredex Foundation (a public financing institution for Estonian businesses) and Enterprise Estonia have developed a EUR 25 million euro aid package for supporting the tourism sector. Tourism sector businesses will be provided loans guaranteed on favourable conditions by Kredex and micro, small and medium-sized tourism enterprises will be able to apply for direct support from Enterprise Estonia.

In **France**, on the 14 May 2020, the Prime Minister announced that the Government will commit EUR 18 billion to the tourism sector to support the recovery. The support will start with EUR 6.2 billion of guaranteed loans granted to 50 000 companies in the sector. A EUR 1.3 billion recovery plan financed by Caisse des Dépôts and Bpifrance. This sum will be supplemented by additional private investments to reach a total of EUR 7 billion.

In **Iceland**, the tourism response package includes funding for infrastructure projects to help strengthen Iceland as a destination and prepare it for when tourist numbers start to increase again. The package also includes a special ISK 15 billion investment acceleration initiative including several projects that are aimed at supporting tourism, such as ISK 650 million for infrastructure at national parks and protected areas including large public tourist sites.

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 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 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.



Table 2. 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/

Country	1. Protecting people:	2. Ensuring business survival:	3. Reopening and preparing the recovery
Australia		AUD 1 billion to support those sectors, regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including tourism. Waiving of AUD 715 million worth of fees and charges for domestic airlines An <i>SME Guarantee Scheme</i> will support up to AUD 40 billion of lending to SMEs with turnover of less than AUD 50 million, including sole traders and not-for-profit organisations, with the Government guaranteeing up to 50 per cent of new loans issues by eligible lenders until 30 September 2020. The <i>COVID-19 Export Capital Facility</i> is a AUD 500 million Facility to assist previously profitable Australian exporters whose businesses have been impacted by COVID-19. Exporters will be able to access loans from AUD 250,000 to AUD 50 million under the Facility. The <i>National Tourism Incident Communications Plan</i> (NTICP) committee comprises representatives from Australian, state and territory governments and key peak tourism industry bodies and is the main conduit to distribute consistent, reliable information on the developing crises. The committee holds regular meetings and receives direct advice from the Department of Health.	Developing Australia's next national long-term tourism strategy - Tourism 2030, with a focus on the issue of industry resilience
Austria		Coronavirus package of measures (state guarantees) for tourism together with the Austrian Hotel and Tourism Bank	
Belgium		Travel businesses can reimburse costumers through vouchers Ease of delivery services for the hospitality industry and no new licence required for restaurants. In Wallonia, EUR 5000 are provided to businesses shut down	The Walloon Minister of Tourism is elaborating a post-corona plan within a task force
Brazil		The National Development Bank (BNDES) opened a working capital loan line for tourism and service sectors small and medium-sized	



Country	1. Protecting people:	2. Ensuring business survival:	3. Reopening and preparing the recovery
		firms. This includes 6-month interruption of loan payments, with no late interest payment.	
Canada		Tourism operators in national parks, historic sites, and marine conservation areas will be able to defer payments on commercial leases and licences of occupation without interest until September 1, 2020.	Tourism plays a leading role on the ad-hoc created Cabinet Committee on the Federal Response to the Coronavirus Disease
Colombia	Training to handle the situation in companies in the hotel environment. Resources were allocated to support, during the emergency, the tour guides who have an active and valid registration in the Registro Nacional de Turismo.	Credit line "Colombia Responde", through Bancoldex, including USD 62 million for the tourism sector, including airlines.	
Croatia		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	Giving the power to the Ministry of Tourism to additionally regulate, in special circumstances caused by the coronavirus epidemic
Czech Republic			The Ministry is preparing holiday vouchers for employees and self-employed persons for stays in the Czech Republic, to stimulate domestic tourism.
Denmark		Compensation to organisers of events that are cancelled due to the ban on large public gatherings. The Danish and Swedish governments have agreed to provide credit guarantees for SAS Airline worth approx. DKK 2 billion (Denmark accounts for 50%). A state Guarantee for the Travel Guarantee Fund worth DKK 1.5 billion was also established with the scope to cover compensation for travel companies' costs associated with refunds due to COVID-19 related cancellations.	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.
Estonia		The Government announced an economic stimulus package that will support businesses in difficulty, including tourism. A specific pillar is dedicated to events. As a tourism-specific measure, the Ministry of Economic Affairs and Communications in cooperation with the Kredex Foundation (a public financing institution for Estonian businesses) and Enterprise Estonia have also developed a EUR 25 million euro aid package for supporting the tourism sector (loans guaranteed on favourable conditions, grants).	



Country	1. Protecting people:	2. Ensuring business survival:	3. Reopening and preparing the recovery
Finland	Visit Finland has published guidance for travellers to Finland Occupational Safety and Health Administration in Finland has published information and answers concerning occupational safety and health. It offers also telephone service. The Ministry of Economic Affairs and Employment of Finland has published guidance and answers for instance concerning worker mobility, working life, closing restaurants, seasonal work, entrepreneurs' right on social security and support available for businesses and sole entrepreneurs (https://tem.fi/en/frequently-asked-questions).	Visit Finland has suspended all marketing activities in response to current travel restrictions and focuses on developing plans and supporting tourism businesses with 6 employees or more applying funding from Business Finland. ELY Centers support tourism businesses with less than 6 employees. Municipalities support entrepreneurs. Business Finland and Visit Finland monitor the impacts on tourism businesses and organize webinars for instance concerning scenarios and recovery of tourism in Finland. Visit Finland has launched free online training material i.e. on digitalization of tourism businesses. Ministry of Agriculture and Forestry of Finland is preparing support mechanism for farm-connected tourism businesses.	The Ministry of Economic Affairs and Employment of Finland will coordinate the preparation of a supplement to the Finland's Tourism Strategy 2019–2028 for the years 2020–2021. It will include updated goals and measures, which will be carried out during the recovery phase. Inter-ministerial working group (MiniMatka) will contribute to the preparation of the supplement strategy. Domestic tourism will be stimulated by a campaign "100 reasons to travel in Finland" where various organizations are involved and participate in funding. The Ministry of Economic Affairs and Employment of Finland, responsible for tourism, and Business Finland/Visit Finland are constantly in close exchange with the tourism industry and other relevant tourism stakeholders to discuss the current situation and further step.
France		Allow all tourism professionals to propose that the reimbursement be replaced by a credit of an equivalent amount on a next service	EUR 18 billion to the tourism sector to support the recovery. The support will start with EUR 6.2 billion of guaranteed loans granted to 50 000 companies in the sector. A EUR 1.3 billion recovery plan financed by Caisse des Dépôts and Bpifrance.
Germany		COVID-19 information webpage for the tourism industry that collects, bundles and disseminates relevant private and public information for tourism professionals.	
Greece		An Open Communication Line for tourism operators, businesses and market representatives with the Ministry of Tourism	Set up a Crisis Management Committee for Coronavirus
Hungary		In its first package of economic measures the Government gave priority to tourism.	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. The Hungarian Tourism Agency has set up a task force in order to consult the stakeholders, to collect information. The Hungarian Tourism Agency is currently working on an action plan in order to support the recovery of the sector.
Iceland		Payment and collection of the tax on overnight stays (bed-night tax) will be suspended from 1 April 2020 through 31 December 2021.	On 12 May 2020 the Icelandic Government announced that it expects to start easing restrictions on international arrivals no later than 15 June 2020. The response package also includes a special ISK 15 billion investment acceleration initiative including several projects



Country	1. Protecting people:	2. Ensuring business survival:	3. Reopening and preparing the recovery
			that are aimed at supporting tourism Isavia has received ISK 4 billion for infrastructure projects including the Keflavik international airport. Actions for the recovery included at first domestic travel vouchers and domestic promotional campaign, followed by an international promotional campaign when travel restrictions are lifted.
Ireland		Ireland's tourism Development Authority, Fáilte Ireland, is providing a suite of training and advisory supports for tourism businesses, to enable them to respond to the challenges and threats now being faced in the sector	Ireland's Department of Transport, Tourism and Sport established a <i>COVID-19 Tourism Monitoring Group</i> , made up of industry stakeholders, the state tourism agencies and Department officials. Department recently appointed a Tourism Recovery Taskforce to prepare a Tourism Recovery Plan which will include a set of recommendations on how best the Irish tourism sector can adapt and recover in the changed tourism environment as a result of Covid-19.
Israel	The Ministry has been operating a complex program of professional webinars and web based courses, in order to preserve and enrich the human capital of the Israeli tourism industry (hoteliers, travel agents, tour operators, tour guides, and other travel professionals).	Starting 5 May, businesses, including rural accommodations, hotels and lodges, nature reserves, heritage sites and national parks, will be allowed to open under strict hygiene regulations. Due to their relative isolation and small number of rooms, rural and urban bed and breakfast will be the first to open up for tourists. Accommodation facilities will be required to meet high standards of cleaning, training workers according to the new guidelines, upgrading air ventilation, and social-distancing.	The Ministry of Tourism is responsible to issuing detailed complementary regulations to national health regulations ("purple stamp") for the different tourism establishments. The Ministry of Tourism is looking for ways to broaden its marketing fund to include businesses affected by coronavirus International tourism offices operate series of webinars and on-line presentations for the Israeli tour operators and for the local tourism suppliers in key source markets in order to strengthen each other's commitment for future co-operation. The Ministry as well as some local authorities has issued on-line virtual tours of sites and attractions around the country, in order to raise appetite and keep the postponed tours alive in the memory.
Italy	Extraordinary allowances for tourism and culture workers Extension of the social safety net also to seasonal workers in tourism and entertainment 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	Support for culture, entertainment and tourism businesses: Suspension of withholding tax payments, social security and welfare contributions and compulsory insurance premiums Refunds with vouchers already provided for trips and tourist packages cancelled as a result of the Covid-19 Measures to support the troubled airlines, Alitalia, and Air Italy.	
Japan	The Japan Tourism Agency will spend JPY 3.6	Japanese Government is considering taking additional fiscal policy	A subsidy amounting to over 10 billion USD in the form of



Country	1. Protecting people:	2. Ensuring business survival:	3. Reopening and preparing the recovery
	billion to provide timely accurate information to international travellers Japan National Tourism Organization (JNTO) operates a visitor hotline 24 hours a day, 365 days a year.	to support tourism industry	discounts and vouchers to support tourism, transport, food services, and event businesses to create an immediate post-pandemic recovery.
Korea	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.'	A total of KRW 300 billion (USD 243 million) is being mobilised from the National Tourism Fund to support tourism companies in the form of preferential non-collateral financing, general loan at 1.5% interest rate, and a deferment period of one year. The distribution of hand sanitisers to support the prevention of the virus within the industry Relaxing regulations to support the growth of the tourism sector	The Prime Minister chairs the Central Disaster and Safety Countermeasure (CDSC) Headquarters Meeting, comprising all relevant ministries of the central government as well as the seventeen provinces and major cities. The Ministry of Foreign Affairs (MOFA) runs the Taskforce for International Cooperation on Disease Control headed by the Vice Minister of MOFA to systematically respond to the growing demand for cooperation, with the participation of twelve relevant ministries and six government agencies. The Ministry of Culture, Sports and Tourism (MCST) chairs regular virtual meetings with tourism stakeholders to closely monitor the current situation and to discuss the needs of the private sector(8 meetings from 24 March 2020)
Latvia		Introduced a reduced value added tax rate of 5% for catering and tourist accommodation sectors, Assess and implement a balanced voucher system to address the situation of tourism operators and agencies in complex tourism services, Support measures for the development of local tourism in order to provide special support to local tourism companies and to stimulate local demand, including an informative campaign for local tourism development, attracting new foreign tourists after the Covid-19 crisis, providing support specifically for the development of MICE, support for those tourism operators who carried out repatriation services in good faith by returning tourists travelling before the conditions of emergency occurred, additional specific health safety guidelines for tourism service providers and travellers are planned to be developed.	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.
Lithuania		Allow businesses to reimburse customers through vouchers, transferrable to other people.	EUR 200 holiday vouchers for medical staff working in Lithuania
Mexico			The Secretary of Tourism released a promotional video that



Country	1. Protecting people:	2. Ensuring business survival:	3. Reopening and preparing the recovery
			will be disseminated, as part of a campaign that seeks to project the strength of Mexico as a tourism destination.
Netherlands			Additionally, the NBTC ('Holland Marketing', Dutch national destination marketing organisation) is working with local marketing organizations on a national recovery strategy. With this strategy they will stimulate a sustainable recovery of the tourism industry.
New Zealand		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.	NZD 400 million which has been allocated to a Tourism Recovery Fund (TRF). 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.
Norway		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.	
Poland	Organised charter flights in order to repatriate tourists abroad		A campaign "Poland Don't Cancel Postpone
Portugal	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	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) The Support Line for Tourism Microenterprises Liquidity Specialised online support to companies by the Portuguese Tourism School	Transformed its destination's communication from #CantSkipPortugal to #CantSkipHope,
Romania	Payment of the technical unemployment from the Ministry of Labour, covering 75% of the average gross salary, including tourism		



Country	1. Protecting people:	2. Ensuring business survival:	3. Reopening and preparing the recovery
Saudi Arabia	Awareness campaigns to avoid confusion and panic amongst existing tourists and tourists planning to visit		Additional subsidies to private sector salaries for national employees working in companies most affected financially by COVID-19, including tourism.
Slovak Republic		The "First-aid" economic package due to coronavirus, which will benefit tourism businesses shut down	
South Africa		Tourism Relief Fund, providing once-off capped grant assistance to Small Micro and Medium Sized Enterprises	
Spain	Publication of sectoral guidelines: (i) guidelines by the Ministry of Labour and Social Economy on how to operate in labour related aspects in the context of Coronavirus, and (ii) Guidelines by the Ministry of Industry, Trade and Tourism on good practices for businesses and workers in the tourism sector.	Suspension of interest and loan payments for entrepreneurs in the tourism industry for one year Postponement of payments interest and/or principal of loans by regions to companies and self-employed workers affected by the crisis.	
Sweden		Credit guarantees for airlines in 2020	
Switzerland		The Swiss Society for Hotel Credit SGH grants amortisation deferrals of up to one year	
Turkey		Accommodation tax in hotels and tourism facilities will be waived until November.	
United Kingdom		Hospitality and leisure businesses in England will receive a 100% business rates holiday for the next 12 months VisitEngland has administered a GBP 1.3m fund to support DMOs to continue to provide crucial support and expert guidance to the hundreds of thousands of small-to-medium sized businesses that make up England's tourism sector.	VisitBritain is currently working with the UK Government to develop a recovery campaign to promote UK tourism after the pandemic is over
United States		The government introduced a 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 travel agents	



Annex 1.A. Overview of country impacts and policy responses to the COVID-19 pandemic⁵¹

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 economic actions can be found at the link: www.oecd.org/coronavirus/en/.

Australia

The Australian Government has announced a series of economic stimulus packages. Tourism specific elements include support for aviation, fee waivers for tourism destinations and cash flow support for SMEs. These measures are outlined below.

Aviation

- *Regional Air Network Assistance:* provides AUD 198 million to assist domestic commercial airlines to maintain a basic level of connectivity across their network of regional routes. This will support critical air services connecting regional Australia to freight, medical testing, supplies and essential personnel.
- *Regional Airlines Funding Assistance:* provides AUD 100 million to financially assist smaller regional domestic air service providers to help manage cash flow issues they may be experiencing as a result of the impacts of the Coronavirus. This will help these service providers to maintain essential connectivity for regional and remote communities.
- *Aviation Relief Package* involves the refunding and ongoing waiving of a range of Government charges on the industry including aviation fuel excise, Airservices charges on domestic airline operations and domestic and regional aviation security charges. The total cost of the measures are estimated to be AUD 715 million with an upfront estimated benefit of AUD 159 million to be paid to airlines for reimbursement of applicable charges paid by domestic airlines since 1 February 2020.
- *Australian Airline Financial Relief Package:* The Australian Airline Financial Relief Measures (the program) will run over 6 months from 1 April 2020 to 30 September 2020. The package of measures includes the refunding and ongoing waiving of a range of Government charges on the industry including aviation fuel excise, Airservices Australia charges on domestic airline operations and domestic and regional aviation security charges. The objective of the program is to reduce the cost base faced by commercial airlines, improving the financial viability of scheduled and commercial flights.

⁵¹ 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,



Exports

- *EMDG funding boost:* The Government will inject an extra AUD 49.8 million into the Export Market Development Grants (EMDG) program in the 2019-20 financial year, allowing exporters and tourism businesses to get additional reimbursements for costs incurred in marketing their products and services around the world.
- *COVID-19 Export Capital Facility:* a AUD 500 million Facility to assist previously profitable Australian exporters whose businesses have been impacted by COVID-19. Exporters will be able to access loans from AUD 250 000 to AUD 50 million under the Facility.

Waivers

- *Commonwealth National Parks – Fee Waivers:* From 16 March to 31 December, 2020, the Australian Government is waiving up to AUD 11.2 million in entry fees to Booderee, Kakadu, and Uluru-Kata Tjuta National Parks. Free park entry will provide additional incentives for travelers to visit these iconic destinations, once travel restrictions are relaxed.
- In addition, up to AUD 772,000 is available to assist businesses operating in Commonwealth National Parks by providing temporary relief from licence fees and permit charges levied by the Director of National Parks for the period of 1 January 2020 to 31 March 2021, and providing rent relief to tenants of the Australian National Botanic Gardens in accordance with the Australian Government's Rent Relief Policy.
- *Temporary waiver of Environmental Management Charge for the Great Barrier Reef Marine Park:* This AUD 8.1 million initiative temporarily waives the Environmental Management Charge (EMC) for the Great Barrier Reef Marine Park until 31 December 2020. Backdating the waiver from 1 April 2020 to 1 January of this year will result in around AUD 3 million in further relief for the industry. In addition, the Government will be waiving tourism operator Marine Park permit fees to 30 June 2021.

SMEs

- *JobKeeper Payment:* The Government is supporting a demand driven wage subsidy payment. This is helping Australian businesses, including those in the tourism industry, significantly impacted by COVID-19 to cover the costs of their employees' wages. It is estimated that Government support through this payment will be around AUD 70 billion.
- *SME Guarantee Scheme:* The Government will support up to AUD 40 billion of lending to SMEs with turnover of less than AUD 50 million, including sole traders and not-for-profit organisations, with the Government guaranteeing up to 50 per cent of new loans issues by eligible lenders until 30 September 2020.
- *Supporting Trainees and Apprentices:* The Government is supporting small business to retain their apprentices and trainees. Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage paid during the 9 months from 1 January 2020 to 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer.
- *Cash flow support for SME enterprises:* The Government is providing temporary cash flow support to small and medium businesses and not-for-profit organisations that employ staff during the economic downturn associated with COVID-19 (novel coronavirus). This will be done through two sets of cash flow boosts delivered from 28 April 2020 to support employers to retain employees.
- The Government will provide tax-free cash flow boosts of between AUD 20 000 and AUD 100 000 to eligible businesses, delivered through credits in the activity statement system, when eligible businesses lodge their activity statements.



Public-private partnerships

- *National Tourism Incident Communications Plan (NTICP)*: Austrade, the Australian government agency with policy responsibility for tourism, activated the NTICP on 8 January 2020 in response to the bushfire crisis and extended it to cover the COVID-19 crisis. The NTICP committee comprises representatives from Australian, state and territory governments and key peak tourism industry bodies and is the main conduit to distribute consistent, reliable information on the developing crises. The committee holds regular meetings and receives direct advice from the Department of Health.

(Information last updated on 27 May 2020)

Austria

Preliminary tourism data for March 2020 indicate a decline in overnight stays of 58.9% and 67.8% in tourist arrivals. The closing down of accommodation providers due to the outbreak of COVID-19 in Austria has had a massive impact on the results of the entire winter season 2019/2020. From November 2019 to March 2020 a decrease of 8.1% in overnight stays and 9.9% in tourist arrivals is registered – despite the fact that overnight figures for February 2020 grew 7.2% compared to 2019.

From 15 May, all restaurants, cafes, bars, will reopen under certain restrictions, such as limited number of people at one table, while accommodation providers and tourism sites may reopen at the end of May.

To support the economy in this difficult situation, the Austrian Government has launched a recovery package of EUR 38 billion open for all sectors, including tourism. This includes subsidies for small enterprises, salary payment support, guarantees for loans, and tax deferrals.

Taking into account these measures, the Federal Ministry of Agriculture, Regions and Tourism has developed a specific coronavirus package for tourism together with the Austrian Bank for Tourism Development:

- State guarantees for bridging loans used to cover temporary liquidity shortages caused by decreases in turnover because of COVID-19. The volume of available guarantees has been increased to EUR 1 billion).
- 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.

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 30 April 2020)

Belgium

Due to the coronavirus outbreak, it is estimated that the revenue losses within the tourism value chain in Belgium will be more than EUR 2 billion per month (EUR 1.3 billion in Flanders, EUR 400 million in Brussels and EUR 326.1 million in Wallonia). Around 95 % of tourism establishments are closed. After a decision of the Federal Government on 15 April, festivals are cancelled until end of August. Belgium has enacted a National Crisis Plan, focused on economic support for impacted employees, SMEs and industries. The Belgian Plan for Social and Economic Protection, which benefits tourism businesses, is based on three pillars, with measure to: (1) protect the spending power of employees; (2) directly support the self-employed and (3) support companies. The most important instrument is the temporary unemployment, which is granted automatically, without the need to provide a reason. Self-employed who had to close their



business or are having difficulties can get a monthly allowance up to EUR 1 600. Facilitations are granted regarding social security, VAT and income taxes.

Specific to the travel sector, if a package holiday is cancelled, customers may be given a credit voucher of equal value, valid for at least one year, in place of a refund. Moreover, ease delivery services for the hospitality industry, the rules on deliveries have been applied with flexibility, and no new licence required for restaurants.

At a regional level, the Wallonia Government has granted EUR 5 000 per company which was required to close (catering, accommodation, travel agencies, tour operators, reservation services and related activities, coach operators, tourist attractions). Similarly the Brussels and Flanders Governments are providing EUR 4 000 to businesses which were shut down. In the Brussels Region, the City Tax on tourist accommodation was suspended for the period 1 January to 30 June 2020. Moreover, a loan at a reduced rate for the hospitality sector for companies is provided and subsidies are maintained for postponed events and up to the amount of the expenses incurred. Flanders grants financial support for social and youth tourism. Lease payments of youth hostels are cancelled for 2020.hote

Local authorities are also suspending taxes for tourism accommodations.

The Walloon Tourism Observatory and the Flanders Tourism Agency are monitoring the effect of the Covid-19 crisis on the tourism sector in their region. Regions, which are competent in tourism, are working on recovery plans for the post-COVID-19-period and with regular surveys. Useful information is bundled and distributed as for instance FAQ's about the crisis and about the national and regional governmental measures to challenge it. Regional task forces bring together public bodies and the private sector. The Walloon Minister of Tourism is elaborating a post-corona plan within a task force (composed of the representatives of the Minister, and also of the Walloon tourist public bodies) which works in collaboration with the private sector.

The Walloon administration of tourism was requested to conduct a consumer survey on travelling after the COVID-19, and a survey within the tourist professional associations to determine the sectors' concerns and needs. Moreover the administration informs the tourist sector about the national and regional measures taken, and provides tourist operators with operational guides to simple and clear health directives by type of tourism activity. Wallonia Belgium Tourism (in charge of promotion of Wallonia in Belgium and abroad) was requested by the task force to work on a promotional campaign on Wallonia.

(Information last updated on 13 May 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 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 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 opened a working capital loan line for small and medium-sized firms in the tourism and service sectors. 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 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)

Bulgaria

The Ministry of Tourism undertook the following measures to support tourism business during the COVID-19 crisis:

- Possibility for tour operators to provide vouchers to customers for cancelled trips.
- Deadline extension for tourism businesses to fulfil obligations
- Issuing of guidelines and recommendations for tourism packages.

Tourism businesses will benefit as well of general fiscal policy, monetary policy, and labour measures, to support the recovery, the Ministry of Tourism is currently working on vouchers to stimulate domestic tourism for the late summer season. Recommendations for tourism accommodation establishments are being developed. Another crucial long-term measure under development is the establishment of a Guarantee Fund in the tourist interest protection.

The Ministry of Tourism is working to integrate long-term support measures for the tourism sector in the next programming period under the EU Operational Programs and other EU programs.

(Information last updated on 23 April 2020)

Canada

The Government of Canada continues to monitor the situation with respect to COVID-19 and recognizes that tourism is one of the hardest-hit sectors of the economy. The Minister responsible for tourism is playing a leading role on the recently created Cabinet Committee on the Federal Response to the Coronavirus Disease, which meets regularly to ensure whole-of-government leadership, coordination, and preparedness for a response to the health and economic impacts of the virus. This includes coordinating efforts with other levels of government.

To support individuals and businesses facing hardships resulting from the global COVID-19 outbreak, the Government of Canada has announced a set of broad-based measures that are assisting businesses and workers throughout the economy, including in the tourism sector. These measures include:

For individuals:

- The Canada Emergency Response Benefit (CERB), a taxable benefit that provides CAD 2,000 every four weeks for up to four months to workers who lose their income as a result of the COVID-19 pandemic.
 - The CERB also applies to wage earners, as well as contract workers and self-employed individuals who would not otherwise be eligible for Employment Insurance (EI) and are unable to work due to COVID-19.



For businesses and communities:

- Liquidity support programs, such as
 - the Business Credit Availability Program (BCAP) to support small and medium-sized enterprises. The BCAP provides loan guarantee measures as well as a co-lending program (a collaboration between the Business Development Bank of Canada and private-sector financial institutions), and
 - The Canada Emergency Business Account (CEBA), which provides interest-free loans of up to CAD 40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced.
- A CAD962 million Regional Relief and Recovery Fund, administered by the federal Regional Development Agencies (RDAs), which will provide support for regional economies, communities and businesses across Canada, including those in the tourism sector.
- The Canada Emergency Wage Subsidy (CEWS), which will subsidize 75% of employee wages to help employers retain workers or rehire those that have been laid off, and to hire summer students. While the CEWS was originally set to expire on June 6, 2020, the Prime Minister has announced that it will be extended to the end of August 2020.
- The Canada Emergency Commercial Rent Assistance (CERCA), which offers forgivable loans to eligible commercial property owners so that they can reduce the rent owed by their impacted small business tenants by at least 75% for the months of April, May and June 2020.
- A CAD 500 million COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations, which will address the financial needs of affected organizations within these sectors so that they can continue to support artists and athletes.
- The Large Employer Emergency Financing Facility (LEEFF), which will provide liquidity to keep Canada's largest companies and their suppliers active during this difficult period and position them for a rapid economic recovery. This assistance will be available to companies with annual revenues in excess of CAD 300 million seeking financing of CAD 60 million or more.
- CAD 306.8 million in funding to help small and medium-sized Indigenous businesses and support financial institutions that offer financing to these businesses. The funding will allow the businesses to obtain short-term, interest-free loans and non-repayable contributions.
- CAD 1 million in funds from the Canadian Experiences Fund (CEF), which has been re-purposed to alleviate pressures on Indigenous tourism businesses. The CEF is a CAD 60 million fund announced in 2019, aimed at enhancing and developing tourism experiences across the country

The Government of Canada is also working with tourism operators in national parks, historic sites, and marine conservation areas to defer payments on commercial leases and licences of occupation without interest until September 1, 2020.

The provinces and territories are also taking steps to help the Canadian tourism sector, including preparing new marketing campaigns, and reducing or deferring some regulatory obligations.

(Information last updated 18 May 2020)

Chile

According to joint preliminary forecasts by the 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 23 March, 2020, a combined drop of USD 1.8 million in absolute terms for domestic and international



tourisms expected in 2020, down 20.4% compared to 2019. This is equivalent to 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 a decrease of 32.5% in international arrivals is expected 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 tourism compared to 2019.

On 19 March, 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 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 1 to 16 March, national passenger air traffic decreased by 12.5% and international passenger 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 19 March was 21%, the lowest level in history for this month, with a loss of USD 105.4 million.
- Amusement parks will lose USD 19.6 million per month, while the closure of operations continues, putting at least 5 000 jobs 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 29 July, 2020.
- Deadline for the renewal of the registration on the Registro Único Empresarial y Social (RUES) - and which include the Registro Nacional de Turismo and the Registro Mercantil- were extended until 3 July 2020. It also extends the deadline for holding ordinary general assembly meetings until the month following the end of the health emergency.
- The Ministry of Commerce, Industry and Tourism launched credit line "Colombia Responde", through Bancoldex, for USD 86.4 million, in order to help the enterprises, of which an amount up to USD 62 million was assigned for the tourism sector, including airlines.
- The payment dates for the following taxes were postponed: i) the income tax for the 2019, ii) VAT for bars, hotels, travel agencies, airlines and tour operators, iii) national consumption tax for the two-month period March-April 2020 for those responsible of food and beverage services, iv) parafiscal contribution for the promotion of tourism of the first quarter of 2020.



- A tariff of zero pesos was established for the parking services of aircraft of Colombian regular public passenger transport companies (Resolution 713 of 2020).
- The Financial Superintendence of Colombia established transitory measures to have grace periods and increase the terms for credits granted to the economic sectors affected by COVID-19
- More than 9.000 hotel rooms available to be used in the hospital emergency plan and under the required health standards.
- Training in the management of the current situation in hotel environment was given by the Ministry of Commerce, Industry and Tourism, National Institute of Health and the Ministry of Health and Social Protection.
- Implementation of a communication channel with the trades, regions and national entities, in order to monitor the economic impacts on the sector and respond to contingencies.
- Implementation of a communication channel with Latin American tourism authorities and tourism organizations worldwide to share information on good practices.
- Resources were allocated to support, during the emergency, the tour guides who have an active and valid registration in the Registro Nacional de Turismo.
- The payment of the National Tourism Tax as a social investment was postponed, which comes from the purchase of international tickets to Colombia.
- Until December 31, 2021: i) income tax payers who make new investments in the national aeronautical sector for a value equal to or greater than 2 million Tax Value Unit (previously 30 million), may receive tax benefits; ii) aviation fuel becomes taxed at a rate of 5%; and iii) VAT for air tickets becomes 5%
- Procolombia's campaign "Let's take care now, so we can meet again soon" was launched as a message to strengthen the sector.

(Information last updated on 6 May 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 period of April to July 2020. (OECD COVID action map)⁵²

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.

⁵² <https://oecd.github.io/OECD-covid-action-map/>



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 Ministry the power 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.

It is expected that hospitality premises will be able to re-open on the 11 May. On the same date, inter-city bus routes and domestic air traffic will be relaunched. Physical distancing, the use of masks and the respect of health indication will be mandatory. Campsites as well as some of the hotels in Istria, Kvarner and Dalmatia will open their doors at the end of May, while in June, a majority of hotels and other tourist accommodation facilities will be opened.

The web page of the Ministry of Tourism, provides the latest, updated information regarding information and recommendation for different sub-sectors of tourism and hospitality in Croatia.

(Information last updated 28 May 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)

Denmark

According to a survey from the Danish Chamber of Commerce, the tourism sector on average experienced a decrease of 75% in turnover between 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 DKK 285 billion 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.



DKK 2 billion (Denmark accounts for 50%). A State Guarantee for the Travel Guarantee Fund worth DKK 1.5 billion 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 organising companies to compensate for financial losses.

The Ministry of Industry, Business and Financial Affairs, which 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

A survey of businesses commissioned by the Ministry of Economic Affairs and Communications found tourism to be the most affected sector, with 98% of hotels, 97% of restaurants and 82% of tour operators considering the impact of COVID-19 significant.

As of the 25 March, most of the hotels, spas and accommodation establishments were 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 Estonian Government announced a EUR 2 billion general economic stimulus package on 19 March 2020 to support businesses in difficulty, including tourism, and also includes labour market support measures. The first payouts have already been made from 1 April, including to a number of tourism businesses.

As a tourism-specific measure, the Ministry of Economic Affairs and Communications in co-operation with the Kredex Foundation (a public financing institution for Estonian businesses) and Enterprise Estonia have also developed a EUR 25 million aid package for supporting the tourism sector. Tourism sector businesses will be provided loans guaranteed on favourable conditions by Kredex and micro, small and medium-sized tourism enterprises will be able to apply for direct support from Enterprise Estonia.

Additional support measures will be offered by the Estonian Ministry of Culture, for cultural and creative industries, including museums and public attractions, and the Rural Development Foundation, including rural tourism businesses in regions.

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.

(Information last updated 20 April 2020)

Finland

As of 1 April, the Finnish Hospitality Association estimated that among member businesses, demand has dropped over 90%, all congresses and events have been cancelled. According to the Association of Finnish Travel Industry, 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%.

A survey conducted by Visit Finland from the 27 March pointed out tourism businesses will face outstanding economic losses especially in the second quarter, with almost all businesses (96%) reporting cancellations. Companies are preparing 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 including grants, loan guarantees for the tourism sector is provided by Finnvera, Business Finland and ELY Centres. Municipalities support sole entrepreneurs.

Visit Finland has suspended all marketing activities in response to current travel restrictions and is focusing on developing plans and supporting tourism businesses when applying funding from Business Finland.

As a tourism-specific measure, the Government has 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.

The Ministry of Economic Affairs and Employment of Finland will co-ordinate the preparation of a supplement to the Finland's Tourism Strategy 2019–28 for the years 2020–21. It will include updated goals and measures, which will be carried out during the recovery phase. An Inter-Ministerial Working Group (MiniMatka) will contribute to the preparation of the supplement strategy.

Domestic tourism will be stimulated by a campaign "100 reasons to travel in Finland" where various organisations are involved and participate in funding.

(Information last updated 27 April 2020)

France

The closure of non-food shops, restaurants, cafes, as well as concert halls, nightclubs, museums, leisure parks on 25 March affected approximately 75 000 restaurants, 40 000 cafes and 3 000 nightclubs, which employ more than a million people. From 2 June, restaurants, cafés, and museums will reopen, and accommodation services will progressively reopen.

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. The European Package Travel Directive explicitly provides for a refund within 14 days of cancellation. In a notification relating to Directive 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. Therefore, if the credit is not used by the client for a new service within the 18-month period, reimbursement may be requested.



In order to contribute to making vouchers an attractive and reliable alternative to reimbursement in money, at least vouchers presenting the characteristics described in points 3 to 12 should be covered by protection against insolvency of the carrier or of the organiser that is sufficiently effective and robust.

On the 14 May, the Prime Minister announced that the Government will commit EUR 18 billion to the tourism sector to support the recovery. The support will start with EUR 6.2 billion of guaranteed loans granted to 50 000 companies in the sector. In addition, the solidarity fund for tourism businesses currently in place will remain available until the end of 2020. Other measures are planned to help the sector get through the current closure period and avoid mass layoffs. Employee and employer contributions will be removed as long as the closure lasts.⁵³

A EUR 1.3 billion recovery plan financed by Caisse des Dépôts and Bpifrance. This sum will be supplemented by additional private investments to reach a total of 7 billion euros.

The Government also announced that communities will be able to reduce tourist taxes.

Finally, in a measure for consumers, the ceiling for using restaurant vouchers will be doubled from EUR 19 to EUR 38, and can be used on weekends and holidays to allow French people to spend in bars and restaurants.

(Information last updated 29 May 2020)

Germany

In Germany, the Federal Government Centre of Excellence for Tourism, which is 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. Of the all year round operating hotels, 91% estimate a loss of turnover by 51% in 2020, while 83% of the seasonal operating hotels estimate a loss of turnover by 36% for 2020. It is also estimated that 38 234 jobs 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.

⁵³ BMFT, [Edouard Philippe détaille le "plan Marshall" de 18 milliards d'euros pour le tourisme](#), 14 May



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, while key information is also disseminated via the Ministry's website, including in the form of FAQs.

At national level, a Governmental Co-ordination Committee has been created, with the participation of the Secretaries General of all ministries. For the tourism sector, the strategic aims for the recovery are to open businesses as soon as possible, preserve destination safety in terms of public health, and support the entire value chain of the tourism industry (tourism enterprises and employees).

To fulfil these goals, the Ministry is elaborating further measures and policies in order to:

- strengthen the competitiveness and resilience of the industry and ensure the adequate marketability of the product,
- create the necessary framework to ensure health conditions before/during/after the trip, and
- support domestic demand, expanding the tourism season and increasing economic resources for the marketing of the national tourism product.

Furthermore, as far as co-ordination mechanisms are concerned, in Greece, the Regional Tourism Council provides a valuable communication instrument for the co-ordination of tourism development and promotion, including crisis management.

The transition to a greener tourism economy and sustainable tourism development, paired with the digital transformation of the sector, remain of utmost relevance, serving as mega trends of decisive importance, contributing to better shape the tourism sector in the post COVID-19 context.

Digital skills are also widely supported and educational units supervised by the Ministry of Tourism offer the opportunity to their students to continue from home through a distant learning platform. This opportunity also refers to further education and training programmes addressed to people already working in tourism.

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

The Greek Tourism Confederation (SETE) has proposed a series of measures to promptly support tourism businesses, which are targeted at reducing the operational cost for the months of crisis, supporting employment, and ensuring liquidity to enable the possibility of a quick "recovery" after the crisis.

(Information updated on 24 April 2020)



Hungary

As of 20 May, Hungary is gradually reopening. First steps taken to ease the restrictive measures in the countryside as of 4 May favour the hospitality sector, with the reopening of restaurants and cafés with open air areas. Restaurants and cafés already fully reopened in the countryside while in Budapest they can fully resume operation indoors from the 29 May. People can visit outdoor beaches in the whole country with specific safety measures. Hotels can restart their operation, most of them will reopen for the weekend beginning on the 29 May. Events larger than 500 people cannot be held until the 15 August. Open-air museums, national parks and zoos can reopen. Outdoor sporting and cultural events can also be held.

Borders restrictions are being lifted. From 25 May citizens of Hungary and Serbia are allowed to travel between the two countries without undergoing a mandatory quarantine upon entry. Hungary, Slovakia and the Czech Republic reopened their borders on the 27 of May: their citizens crossing the borders will not need to be isolated unless they wish to stay in the other country longer than 48 hours.

Budapest Airport will soon resume passenger service with strict security measures. Passengers arriving at Budapest's Liszt Ferenc International Airport, which saw the relaunch of some flights, will undergo a compulsory medical test upon arrival. Depending on the test's result, they may be taken to hospital quarantine or ordered to stay in home quarantine for 14 days. The occupancy figure of Wizz Air, the Hungarian low-cost airline for April was 75%, and they are seeing a steady increase in their resumed flights. By the end of the year Wizz Air expect to reached 60-70% of their pre-COVID-19 capacity and 100% by next summer. In June, Wizz Air will be flying from Budapest to 12 cities, and some of resumed flights will also fly from their bases in London, Vienna and Varna.

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 from March to June 2020, except for the healthcare contribution which is limited to HUF 7 710. Those liable for the tourism development contribution tax on commercial accommodation services will also not have to pay this for the period from 1 March to 30 June. By releasing the pension and health contribution of the employees, 30% of labour costs were released or assumed by the Government. A moratorium on credit and interest payments applies to businesses also.

On 6 April, the second cycle of economic measures was announced consisting of five new programmes aimed at protecting Hungary's economy, including support for hard-hit economic sectors, such as tourism and hospitality. The second cycle consists of five new programmes aimed at protecting Hungary's economy and 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 programmes. In 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. According to the Hungarian Tourism Agency, the perception of Hungary may further improve in the eyes of international tourists, because Hungary is one of the countries less affected by the virus. The Agency has prepared a detailed Covid Handbook, (one week before the EU protocols), which includes basic public health information for travellers as well as for accommodation providers. The Handbook formulates recommendations to help hotel managers and other tourism companies to adjust to the current situation affected by the coronavirus to serve the safety of guests and employees. In writing the handbook, existing Western European examples and models have been considered and a number of WHO recommendations have been incorporated.

The Hungarian Tourism Agency launched several tourism video campaigns, to encourage domestic tourism demand after restrictions are removed. There is regular consultation with the festival organisers and the Agency will allocate much more resources than the previous festival grants to organise 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. The Agency has embarked on a domestic campaign to promote staying at home and preparing to come back (#visszajovok) to the favourite places after the coronavirus crisis. The newest campaign video of the HTA is titled "Take care of each other and we will succeed!" in Hungarian. The Agency will refrain from conducting any international campaign to boost tourist traffic, as long as restrictions in European travel are in force. When the time is more appropriate, the Agency will start targeting Austria and the Czech Republic. It has set up a task force in order to consult with stakeholders and collect information. The Agency is also currently working on an action plan in order to support the recovery of the sector. It is expected that in March 2021, the sector could reach the level of March 2019 and then Hungarian tourism can return to a dynamic growth trajectory again.

Forward bookings for summer 2021 are stronger in the country side than Budapest. With recovery of domestic tourism performance could be 50% of last year, hopefully returning to 2019 levels in March 2021. Monitoring research found that more than half of the Hungarians are preparing to travel after the epidemic this year, mostly domestically, but 12% of the respondents would look for a foreign destination. The Agency is collecting inputs from stakeholders to provide to decision makers of the Hungarian Government.

(Information last updated 29 May 2020)

Iceland

Overnight stays in hotels in March 2020 were down 54% on March 2019, with hotel bed occupancy was 30.1% which is a decrease of 35.8% year-on-year.

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.

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.

On 21 April 2020, the Government of Iceland announced the second phase of response measures to mitigate the effects of the COVID-19 pandemic. Worth up to ISK 60 billion (EUR 377 million), the latest phase of the economic response focuses on support and protections for small enterprises, innovation and vulnerable groups.

On 28 April 2020 the Government of Iceland announced a third stimulus package in support of employees and companies. The aim of the proposals is to mitigate the damage caused by mass lay-offs and mass insolvencies, thereby protecting workers' rights while fostering greater resilience in the economy as a whole. The proposals should be particularly beneficial for tourism companies.



There is also a focus on stimulating innovation. When the direct impact of the pandemic will begin to slow down, the authorities will give strong support to the revitalisation of the economy. For tourism, this includes at first the domestic travel vouchers and domestic promotional campaign mentioned above, followed by an international promotional campaign when travel restrictions are lifted.

On 30 April 2020 the Government agreed to proposal that Icelandair may be granted a credit line or state guaranteed loans against the successful increase of share capital and financial restructuring.

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.

In an agreement between Icelandair and the Icelandic State (in effect from end of March 2020, and renewed until the 5 May), Icelandair agreed 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. The public company which runs Iceland's airports, Isavia, has temporarily waived user charges at Keflavik international airport. Isavia has received ISK 4 billion for infrastructure projects including the Keflavik airport.

On 12 May 2020 the Icelandic Government announced that it expects to start easing restrictions on international arrivals no later than 15 June 2020, while from 15 May some professionals arriving in Iceland will be eligible for a modified quarantine, including scientists, filmmakers and athletes.

No later than 15 June 2020, travellers arriving in Iceland are expected to be given a choice between a two-week quarantine, or being tested for the virus upon arrival or otherwise proving that they are free of coronavirus infection. Exact requirements are still being developed, but travellers will likely be required to download and use the official tracing app which is already in use by around 40% of the population in Iceland. Final details on the easing of quarantine requirements for travellers will be announced by the end of May.

(Information last updated 27 May 2020)

Ireland

Ireland's Department of Transport, Tourism and Sport established a *COVID-19 Tourism Monitoring Group*, made up of industry stakeholders, the state tourism agencies and Department officials. The group, which has met regularly since this crisis began, is monitoring the disruption to the sector, facilitating the rapid sharing of information and assisting in the formulation of a recovery plan.

The Department continues to liaise with other Government Departments to align the economy wide COVID-19 supports and initiatives, with tourism and hospitality needs. As a result, many tourism businesses are now availing of the various supports that the Government has already put in place.

The Department also engaged with the banking and insurance sectors to address issues being encountered by tourism businesses.



Ireland's tourism Development Authority, Fáilte Ireland, is providing a suite of training and advisory supports for tourism businesses, to enable them to respond to the challenges and threats now being faced in the sector.

At EU level, Ireland is advocating for the introduction of new, tourism-specific funding supports for member states and to allow maximum flexibility in State Aids rules to enable the provision of timely and appropriate supports for the sector.

The phased reopening of the tourism sector under Ireland's *Roadmap for Reopening Society and Business* will kick-start domestic tourism in Quarters 3 and 4 of 2020. In line with the sequence of actions detailed in the *Roadmap*, Phase 3 should see cafés and restaurants reopening on 29 June. Hotels (not including hotel bars), hostels, caravan parks and holiday parks are due to reopen under Phase 4 on 20 July, with Phase 5 seeing pubs, bars, nightclubs, cinemas and theatres reopening on 10 August. All of these dates are conditional on the continued successful suppression of the spread of COVID-19 in Ireland and final decisions will be guided by the public health advice applying at the time.

To assist tourism businesses meet social distancing and cleaning requirements in line with the national 'Return to Work Safely' protocol, Fáilte Ireland is currently finalising detailed guidelines for the sector, in consultation with the tourism industry and the relevant authorities.

The Department recently appointed a Tourism Recovery Taskforce to prepare a Tourism Recovery Plan which will include a set of recommendations on how best the Irish tourism sector can adapt and recover in the changed tourism environment as a result of Covid-19. The plan will identify priority aims, key enablers and market opportunities for the sector for the period 2020-2023. The Taskforce may consult with stakeholders to inform its deliberations before reporting back later this year.

(Information updated on 26 May 2020)

Israel

Starting 5 May, businesses have been allowed to open under strict hygiene regulations of the Ministry of Health and the Ministry of Tourism, including rural accommodations, hotels and lodges, nature reserves, heritage sites and national parks. Domestic tourism is expected to lead the revival stage of tourism in the country, and due to their relative isolation and minority of rooms, rural and urban bed and breakfast are the first to open up for tourists out of many types of tourist accommodations in Israel. Accommodation facilities will be held to high standards of cleaning, training workers according to the new guidelines, upgrading air ventilation, reducing crowd-gathering and offering special booking and cancellation terms.

The Israeli Ministry of Health prepared a regulations scheme "Purple Stamp" for the recovery period, and it deals with all aspects of public life. The Ministry of Tourism is responsible to issuing detailed complementary regulations for the different tourism establishments.

In terms of fiscal policy, the Government had announced the allocation of ILS 10 billion as a loan fund in support of businesses hit by the initial stages of coronavirus crisis. This was only a first-aid measure. Naturally, a major number of these were tourism businesses. On 30 March the Government has announced a support plan of ILS 80 billion (USD 22.4 billion) for healthcare, social protections, SMEs affected by the crisis and money for the revival stage. 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. International tourism offices operate series of webinars and online presentations for the Israeli tour operators and for the local tourism suppliers in key source markets in order to strengthen each other's commitment for future co-operation.



Jobs and training: between mid-March and the end of April, the Ministry has been operating a complex programme of professional webinars and web-based courses, in order to preserve and enrich the human capital of the Israeli tourism industry, including hoteliers, travel agents, tour operators, tour guides, and other travel professionals. The information provided included practical expert guidance for coping with the corona crisis, and planning ahead for post-corona days. On the other hand, other topics requested by the private sector, were also covered, in order to use the crisis as leverage for mastering practices which will be of advantage coming out of the corona crisis. The series presented, inter alia, tools for upgrading the business, marketing, digital, economic and operational infrastructure of the Israeli tourism industry.

The Ministry as well as some local authorities has issued online virtual tours of sites and attractions around the country, in order to raise appetite and keep the postponed tours alive in the memory.

The Ministry initiated a project of using hotels, emptied by the crisis, as temporary quarantine accommodations for non-acute levels of Covid-19 diagnosed patients or those who just have to stay in 14 days confinement.

(Information last updated 9 May 2020)

Italy

Following on from preliminary measures set out on 28 February, on 16 March the Council of Ministers approved further measures 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, 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 Alitalia and Air Italy. (website⁵⁴ 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 to Japan was 1.7 million in January 2020 (down from 2.7 million in 2019) and was 1.1 million in February 2020 (down from 2.6 million in 2019).

The travel consumption by international visitors for the January-March period of 2020 is estimated to be JPY 672.7 billion, a decrease of 41.6% from the same period of the previous year. The number of international flights during the third week of April has decreased by more than 90% compared to the period before the spread of COVID-19. The overall occupancy rate of hotels in February 2020 was 53.0%. In addition, the Tokyo Olympic Games were postponed.

Regarding policy measures to support affected industries, the Japanese Government has already expanded employment adjustment subsidies and provided strong liquidity support, including interest-free unsecured loans. On the 7 April 2020, the Japanese Government announced a new Emergency Economic Package, which amounted to JPY 117 trillion (approx. USD 1 trillion), to support the continuation of employment and business in all industries, including tourism, as well as to foster future economic recovery. The emergency economic package includes expansions of the employment adjustment subsidy, the liquidity support, and strong demand stimulation measures for tourism, seeking to support the economy after the COVID-19 pandemic is resolved. The demand stimulus measures include a new subsidy amounting to over USD 10 billion in the form of discounts and vouchers to support tourism, transport, food services, and event businesses to create an immediate post-pandemic recovery.

In addition to the above emergency economic package, the Japan Tourism Agency will spend USD 2.2 billion to attract tourists immediately after the end of the pandemic in an effort to make tourist destinations attractive, improving the travel environment, and carrying out promotions for international tourists.

The Japan Tourism Agency and the Japan National Tourism Organization (JNTO) provide timely information in multiple languages through their respective websites, as well as their official twitter and weibo accounts.

JNTO operates a visitor hotline 24 hours a day, 365 days a year. Call for tourist information or assistance in case of accidents and emergencies, including those involving the novel coronavirus (COVID-19). Support is available in English, Chinese, Korean, and Japanese.

(Information updated on 23 April 2020)

⁵⁴ <https://www.beniculturali.it/mibac/export/MiBAC/index.html#&panel1-1>



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 2020 and 17 May 2020, international tourist arrivals and outbound travel departures decreased by 67%, respectively, over the same period last year. This severe drop in tourism demand is estimated to account for a loss of 2.8 billion USD (3.6 trillion KRW) to Korea's tourism industry as of April 2020. 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 15 trillion (approx. USD 12 billion) in about 4 months (between 17 January and 10 April)

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 7.3 million or 41.7% compared to 2019) and USD 13.3 billion tourism revenue (down USD 4.5 billion or 25.3% compared 2019) in 2020.
- Scenario 2: tourism flows remain shut down for 6 months, starting to recover from September. It is expect to receive 7.5 million international inbound tourists (down 10.0 million or 57.1%) and USD 10.3 billion tourism revenue (down USD 10.2 billion or 42.1%) 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 (updated four times on 17 February, 18 March, 28 March, and 1 April 2020) for the tourism industry which includes financial/fiscal support, tax relief, and job/employment support:

- **Financing tourism enterprises:** A total of KRW 300 billion (USD 243 million) has been mobilised from the National Tourism Fund to support tourism companies. As part of this initiative, funding of KRW 100 billion (USD 81 million) has been allocated so that small and medium-sized tourism companies can access temporary unsecured low interest loans (at a rate of approx. 1%). Also, greater coverage on new general loans to tourism related businesses with a total of KRW 200 billion (USD 162 million) has been made available. In addition, loan extensions or deferments for a period of one year will be made available on previous loans up to a total of KRW 200 billion (USD 162 million). Other financial, fiscal, and tax relief measures for the tourism industry includes the following:
 - An emergency relief fund for all affected SMEs including tourism startups and SMEs valued at a total of KRW 2.2 trillion (USD 1.8 billion)
 - Tax cuts for businesses such as a property tax reduction and a decrease to the comprehensive real estate holding tax imposed on hospitality businesses with support of the local/regional council resolution
 - Extending the hotel tax refund policy for international visitors (from 2020 to 2022)
- **Supporting tourism jobs and skills training:** Tourism companies will be able to provide paid leave for their employees since the travel and tourism industry was designated as a 'special employment support sector. The special employment support provides up to 90% of the leave allowance for six months upon a paid leave and will further provide KRW 500 000 (USD 410) for three months upon unpaid leave. Other measures include further vocational training and subsistence loans provided to job seekers.



- **Boosting demand for domestic tourism:** Encouraging local tourism spending by issuing domestic travel and tourism vouchers; and increasing the ‘vacation bonus subsidy’ programme that provides employees of small companies with vacation bonuses partly subsidised by the government (25% of the set amount).
- **Other measures:** Measures to prevent the spread of the virus in the industry have been implemented including the distribution of hand sanitisers and face masks to tourism businesses and facilities (hotels, camping facilities, information centres, etc.); and the provision of disinfection services to tourism businesses visited by persons who have tested positive for COVID-19 for further prevention of the virus.

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

The Korean government plans to make greater use of its digital application initiatives, since it is expected that the COVID-19 pandemic will accelerate the digital transformation, shifting towards a more ‘smart,’ ‘personalised,’ and ‘non-contact⁵⁵’ travel. The ‘Tourism Forecast Service’ is a Big Data solution that aims to assist travel planning with useful travel information of the local destination such as real-time visitors, booking rates on transportation and accommodations, and weather information, etc. For tourists who are reluctant to tour with a guide, the “Digital Storytelling Service” will provide a substitute to in-person tour guides. Users can easily download the application titled “smart tour guide” to a mobile device in Korean, English, Japanese, and Chinese, with additional languages to be added in the near future. As more people tend to avoid busy indoor areas during their travel, the “Durunubi” (Korea Mobility) system that recommends tour routes for trekking, cycling, and driving will become useful to the growing number of tourists seeking for outdoor activities. This tourist information service also provides additional information on the route including popular tourist attractions, cultural heritage sites, transportation, accommodation, and restaurants.

(Information last updated 27 May 2020)

Latvia

In April, general economic measures were introduced to support the sectors most affected by the crisis, such as tourism. Measures included social distancing and health requirements for operating businesses, social protection measures, aid to companies and tax alleviations.

⁵⁵ The term ‘Untact [sic]’ meaning “no contact” emerged out of the widespread social distancing in Korea. ‘Non-contact tourism’ refers to a new travel trend that avoids crowded places or indoor activities, but prefers outdoor attractions with plenty of space.



In May, the Ministry of Economics has started to work on series of support mechanisms for tourism industry, including:

- introduce a reduced value added tax rate of 5% for catering and tourist accommodation sectors,
- assess and implement a balanced voucher system to address the situation of tourism operators and agencies in complex tourism services,
- support measures for the development of local tourism in order to provide special support to local tourism companies and to stimulate local demand, including an informative campaign for local tourism development,
- attracting new international tourists after the Covid-19 crisis, providing support specifically for the development of MICE,
- support for those tourism operators who carried out repatriation services in good faith by returning tourists travelling before the conditions of emergency occurred,
- additional specific health safety guidelines for tourism service providers and travellers are planned to be developed.

(Information last updated 14 May 2020)

Lithuania

In order to manage the crisis and mitigate its impact on the tourism sector, the Ministry of the Economy and Innovation presented to the Government a plan for the tourism sector promotion, which includes measures to reduce the effects of COVID-19, as well as measures to promote the tourism sector after the quarantine, and measures to transform the tourism system. Approximately EUR 45 million from the state budget are planned to be allotted for the implementation of these measures:

- In order to ensure the liquidity of the tourism sector, a new instrument is planned to provide an interest-free loan to tour operators to enable them to settle immediately with tourists who have refused travel vouchers.
- To regulate the relations between tour operators and insurers, the Ministry of the Economy and Innovation has initiated amendments to the Law on State Debt proposing a granted financial guarantee to the tour operator. It also provides for a return to the creation of a travel guarantee fund model to compensate for the losses incurred by tourists as a result of the insolvency of tour operators.
- Compensations will be provided for Lithuanian tour operators for the transportation of tourists from abroad after the declaration of an emergency situation.
- Marketing measures will be developed to promote tourism on local and priority markets. The measures would be implemented by Travel Lithuania. It is planned that tourists from neighbouring markets would help to recover the inbound tourism. It is therefore important to promote internal tourism consumption and attract tourists from the neighbouring countries traveling by road transport.
- To encourage the recovery of tourism sector after COVID-19, it is planned to create a system of holiday vouchers for medical people working in Lithuania. The estimated value of a holiday coupon will not exceed EUR 200. The aim of this initiative is to thank the medical people for their work during the quarantine period and to encourage the recovery of the local tourism market.

The transformation of the tourism sector will be pursued by promoting innovation and digital technologies through the development of tourism services and products. To this end, the 'E-business model' tool will be used to finance new business models created via introducing e-business solutions, as well as the



'Retraining of Enterprise Workers' tool and the 'Innovative Checks' tool, which will finance the purchase of services of publishing, voice-reading, translation, photography, filming, design, communication, etc.

Also, there are plans to increase the financing of existing EU investment instruments which would enable the development of new tourism services. The 'Innovative cheques' is one of such measures aimed to finance the implementation of R&D projects.

In order to promote tourism, the proposed measures include accelerating the protracted reconstruction of the Sport Palace into the National Congress Centre. The Congress Centre would help Lithuania become competitive in the field of business tourism, reduce seasonality, create new jobs and enable the tourism sector to be prepared to organise major conferences and congresses in the centre of Vilnius in the future.

Measures aimed to recover tourism are included in the Government's plan to promote the economy and reduce the effects of the spread of Coronavirus (COVID-19).

(Information last updated 6 May 2020)

Mexico

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 12 March, 2020, the Tianguis Turístico de México tourism fair was officially postponed to 19-22 September, 2020, in Mérida, Yucatán.

On 18 March, 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 20 March, 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 and to support the affected sectors, the Netherlands has introduced a broad economic package, which includes both measures to prevent unemployment as well as to provide liquidity for businesses, with an emphasis on supporting SMEs. While not specifically designed for the tourism industry, these measures do give a helping hand to a large part of the tourism industry as well.

The following are the most relevant measures for the tourism sector:

- To support firms that are affected by the Dutch Government's health-related measures in response to the COVID19 outbreak - for example the closure of restaurants - an emergency desk was introduced in an effort to financially help entrepreneurs in the most affected sectors. With this arrangement firms can receive a one-off lump sum allowance of EUR 4 000. This support is applicable to most companies in the tourism industry.
- Employers who expect a decline of at least 20% in revenue can request an allowance for a period of 3 months of maximally 90% of the total wage sum. The Employee Insurance Agency will pay a



deposit beforehand, and it will be determined afterwards whether a firm has received too much or too little support. Employers using the scheme must commit to not fire their employees on economic grounds, and to continue paying the full salaries of their employees, including those with a flexible contract. This is especially important for the tourism and hospitality industry as these industries consist of a lot of employees with temporary and flexible contracts.

- A guarantee facility for SME loans (BMKB) is already in place and working. SMEs can use the BMKB scheme for bridge loans or to increase the overdraft limit on their current account, despite not having the required collateral.

Additionally, the Dutch national destination marketing organisation NBTC ('Holland Marketing'), is working with local marketing organisations on a national recovery strategy to stimulate a sustainable recovery of the tourism industry.

In addition, the Government is currently looking for sectoral measures specifically for affected sectors (like tourism industry, restaurants etc). This will probably be announced in early May.

The Dutch Government has regular and intensive contact with firms in the tourism and hospitality industry and their sector organisations. The measures taken, as well as their effects, are closely monitored and evaluated by the Dutch Government.

(Information last updated 24 April 2020)

New Zealand

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 NZD 12.1 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.

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.

On 14 May, the Government announced the Budget for 2020. As part of Budget 2020, there will be a NZD 4 billion business support package, which includes a targeted NZD 3.2 billion in a wage subsidy extension. There were strong calls from the tourism industry in pre-Budget consultation for further support for staff costs. The extension to the Wage Subsidy Scheme will help businesses cover staffing costs and protect jobs, while we ramp up a domestic tourism campaign.

Budget 2020 also includes NZD 400 million which has been allocated to a Tourism Recovery Fund (TRF). This response package includes:

- Tourism Transition Programme which will deliver advice and support for pivoting businesses towards domestic and Australian markets, hibernating a business, or other options. Tourism New Zealand (TNZ) will provide customer insight and views of overseas market conditions.



- Strategic Tourism Assets Protection Programme. This fund will identify key tourism assets that play a vital part in New Zealand's domestic tourism offerings and international brand and provide them with the protection and assistance they need.
- Tourism Recovery Ministers Group. This group will be established to oversee the TRF and the tourism industry's recovery.
- New Zealand Futures Tourism Taskforce. This public-private taskforce would lead the thinking on the future of tourism in New Zealand, and will consist of cross-government and tourism sector representatives. It will prioritise the current and future issues that would shape and impact tourism, and lead recommendations on further policy and regulatory reform in the sector.

In addition to these measures, on 1 May, the Government announced that it will provide interest free loans for a year to small businesses impacted by the COVID-19 economic shock to support their immediate cashflow needs and meet fixed costs. The Small Business Cashflow Loan Scheme (SBCS) will provide assistance of up to NZD 100 000 to firms employing 50 or fewer full time equivalent employees. Loans will be interest free if they are paid back within a year. The interest rate will be 3% for a maximum term of five years. Repayments are not required for the first two years.

The eligibility criteria are the same as for the Wage Subsidy Scheme. Businesses will also have to declare that they are a viable business, they will use the money for core business operating costs and enter into a legally binding loan contract.

(Information last updated 14 May 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.

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 destination management organisations (DMOs) 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)

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 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 organiser's insolvency. Tour operators 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 accordance with the package tour participation contract they have signed. The current support of the organisers is to enable them to continue their activities, including covering existing obligations towards travellers (consumers).

On 31 March, the Government implemented a shielding package for entrepreneurs who have found themselves in a crisis situation as a result of an outbreak, which benefits also tourism businesses. The Act contains proposals for entrepreneurs in the field of: possible relief for the payment of taxes and social security contributions, instruments for improving financial liquidity of companies, issues of protection and support of the labour 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. It 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. 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 12 March, 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 - rescheduled 2 500 flights in 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. This includes EUR 3 billion in state-backed credit guarantees to provide liquidity for companies affected by the coronavirus outbreak, of which EUR 900 million are for hotels and accommodations (EUR 75 million of which 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 minimising 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 organisers whose events in 2020 were postponed or cancelled 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/2WGqLoM>).
- 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 international tourists at visitportugal.com (which 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 would 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

It is difficult to estimate the precise impact that the pandemic will have on KSA tourism but the spread to a number of KSA's key source markets, including China and many European countries, means that the targets initially set for 2020 will need to be revised. The overarching objectives of a 3.8% contribution to national GDP, a total of 615k direct jobs in the tourism industry and a total of 633k room keys are all currently being reassessed based on the latest input.



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.

The Government has approved a gradual easing of coronavirus lockdown restrictions starting from Thursday, 28 May, 2020. This will be implemented in three phases (with the third beginning on 21 June) while continuing to adhere to the precautionary and social-distancing guidelines issued by the Ministry of Health. Umrah and international flights will remain suspended until further notice.

Other measures implemented by the Saudi Ministry of Tourism and other government agencies to ensure public safety by preventing the spread of COVID-19, and with specific impacts for tourism, include:

1. Temporary suspension on Tourists-Type Visa facility to the most effected countries by the coronavirus based on the health standards from the Saudi health authorities.
2. Cancellation & postponement of Conferences, exhibitions and events in an attempt to limit the spread of the virus and the harm it may cause.
3. Anyone returning from outside the Kingdom, will be quarantined for 14 days at home before returning to work or being allowed to go out in public.
4. Suspending all flights in/out of the Kingdom of Saudi Arabia
5. Prohibiting movement between the boundaries all 13 provinces except for emergency situations and travelers with prior approval.

(Information last updated 28 May 2020)

Slovak Republic

According to the Statistical Office of the Slovak Republic, in March 2020 the total number of visitors in accommodation establishments decreased by 65 %, of which domestic visitors decreased by 63.9 % and international visitors by 66.9%, compared to the same period in 2019. The number of overnight stays was lower by 56% year-on-year. Overnight stays by domestic visitors accounted for more than 70%. Visitors spent an average of 3.4 nights in the accommodation establishments, including domestic visitors 3.6 nights and foreign ones 2.9 nights.

The balance of the entire first quarter was significantly affected by the March declines in the number of visitors, as well as overnight stays in connection with anti-coronavirus measures. In the first three months of 2020: 1.1 million visitors were accommodated in Slovakia, which represents a decrease of 13.7 % compared to the same period last year. The number of overnight stays decreased by 10.6 % to 3.1 million. Accommodation establishments were visited by 699 572 domestic visitors, their number decreased by 12.9 % year-on-year. They spent 2.0 million nights in tourism establishments. The number of international visitors decreased by 14.9 % to 383 018 visitors, the number of overnight stays reached 1.0 million, which represents a year-on-year decrease of 12.2%.

As of 7 April, according to the Slovak Hotels and Restaurants Association (AHRS), the jobs of 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. All 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.

From 21 May 2020 all persons with permanent or temporary residence in the Slovak Republic, who will travel to Austria, Croatia, Czech Republic, Germany, Hungary, Poland, Slovenia and Switzerland will be exempt from quarantine requirements and the need to submit a negative RT-PCR test for COVID-19 on condition that they will return to the territory of the Slovak Republic within 24 hours. Before, each person shall fill in the form on the time of departure, which shall be confirmed at the border by the member of the police force. The option to make short trips of up to 24 hours to eight foreign countries without mandatory quarantine upon return will be extended to 48 hours as of May 27. The extension to 48 hours can open the way for example to make visits to family, relations in more remote destinations, etc.

On 20 May, the Government approved an order from the Ministry of the Interior, according to which entry into the territory of the Slovak Republic will continue to be possible only at selected border crossings and airports. The number of people allowed to cross the border will increase as compared to the previous period. Slovak border checks with Austria, the Czech Republic, Poland and Hungary have been extended until 26 June.

Civil flights to/from Bratislava Airport are prohibited as of 13 March, 2020, until further notice, or at least until 28 May, 2020.

On 20 May, the last phase of the loosening of coronavirus-related restrictions began. It means that: all shops, including shopping malls, are allowed to open with a limit on the number of people (1 person per 15m²); shops and restaurants can be open until 10pm; indoor sport facilities may open to sport clubs and their members (not to the public); outdoor sport facilities may be open to the public; theatres and cinemas may be open with a limit of 100 people; and restaurants can open their indoor premises with a maximum of 2 people or one family at each table. Shops will not open on Sundays as of yet, and kids corners within shopping malls remain closed for the time being.

(Information last updated the 25 May 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 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)⁵⁶

Spain

The Spanish Government has adopted. Four main packages of economic and social measures to fight the pandemic have been adopted so far, on 12, 17, 31 March and 21 April. Measures include:

Tax measures

- Increased flexibility of the tax deferral regime within 2020: possibility for SMEs and self-employed workers, upon request, to defer tax payments for six months, and benefit from interest rate subsidies (relief of up to EUR 14,000 million estimated).
- Extension until May 20th of the April deadline for tax filings by SMEs and self-employed workers (estimated by the authorities to provide liquidity injection of up to 3,558 million).
- 50% exemption from employer's social security contributions, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities.

Other measures

- Publication of sectoral guidelines: (i) guidelines by the Ministry of Labour and Social Economy on how to operate in labour related aspects in the context of Coronavirus, and (ii) Guidelines by the Ministry of Industry, Trade and Tourism on good practices for businesses and workers in the tourism sector.
- Specific ICO financing facility amounting to EUR 400 million to support, through liquidity provision, firms and self-employed workers in the tourism sector affected by COVID-19.
- Measures to support the tourism sector and related activities: the aforementioned ICO financing facility and the aforementioned exemption from employer's social security contributions for workers with permanent discontinuous contracts in the tourism sector and related activities.
- The Government has opened a new line of guarantees via the national development bank (Instituto de Crédito Oficial) of up to EUR 100 billion so that the financial sector provides liquidity to firms and self-employed workers to fund working capital, payment of bills and other needs to maintain operations and protect economic activity and employment. On April 21st, the ICO State Guarantee Line was extended to cover Alternative Fixed-Income Market (MARF) commercial paper.
- Deferral of the reimbursement of principal and/or interest of loans received from the Ministry of Industry, Trade and Tourism if COVID-19 has caused disruptions to the beneficiary firm. Flexibility in procedures for accessing and repaying loans or aid from the Ministry of industry was enhanced on March 31st.
- Suspension of interest and principal payments of loans previously granted by the Secretariat of State for Tourism.

⁵⁶ [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%20Relief%20Fund%20for%20SMMEs/Pages/Tourism%20Relief%20Fund%20for%20SMMEs.aspx)



- Postponement of payments interest and/or principal of loans by regions to companies and self-employed workers affected by the crisis.

Labour measures

- Improved protection for workers under precautionary confinement and/or suffering from COVID-19: workers and civil servants under precautionary confinement or affected by coronavirus will benefit from the regime applicable to leave due to workplace accidents instead of leave due to a regular sickness.
- Changes in the temporary employment adjustment schemes (ERTEs - Expedientes de Regulación Temporal de Empleo) in order to avoid (and forbid during the lockdown) outright dismissal by promoting temporary unemployment (the suspension of employment) or reductions in working time.

(Information last updated 29 May 2020)

Sweden

As of 21 March, the Hotel and Restaurant Union reported that 10 000 hotel and restaurant workers had been put on notice and another 10 000 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. For example, 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. In Stockholm the occupancy rate in March was 12%, compared to 84% at the same time last year. Similarly, the occupancy rate in Gothenburg was 17% (compared with 79%) and 22% in Malmö (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

In 2020, the Swiss tourism sector is expected to experience a decline in overnight stays and turnover on a scale not seen for decades. Based on the tourism forecasts of the 28 of May 2020 by the Economic Research Institute of Technology KOF, SECO is assuming a 31% decline in hotel overnight stays in Switzerland for the tourism year 2020 (November 2019 to October 2020). For the tourism year 2021 a growth in hotel overnight stays of 42% is expected. This means that hotel overnight stays in 2021 will probably be slightly below the level of 2019.

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

Since the 9 of March 2020, the Swiss Society for Hotel Credit SGH has been offering its customers the suspension of amortisation (maximum 12 months) and retrospective financing of investments (generally a maximum amount of CHF 500 000), which the lodging companies have made in 2018 and 2019 via their own cash flow, in order to ease liquidity bottlenecks. By 20 May 2020, two thirds of SGH's customers had taken advantage of these offers (Amortisation suspensions: total CHF 11.7 million for 150 commitments; financing investments 2018/19: total CHF 7.2 million for 23 commitments). Furthermore, on 20 March 2020, the Federal Council decided to refrain from a repayment of the additional loan in order to support the measures of the SGH. This decision will permanently increase the refinancing of SGH by CHF 5.5 million.



In an extraordinary session at the beginning of May, the Swiss Parliament approved additional federal funding of CHF 40 million for Switzerland Tourism (ST) for the years 2020 and 2021. As a general condition for the use of the funds, it was stipulated that half of the funds be used to relieve the burden on ST's tourism partners. Moreover, the additional funds are used to promote sustainable tourism with a focus on domestic tourism. Further, it was noted that the additional funds must be used to provide attractively priced offers, in order to make sure that everybody can afford holidays in Switzerland.

In Switzerland, a temporary legal standstill for the travel agency industry regarding customer claims arising from the default of a travel service came into force on the 21 of May. The legal standstill is valid until 30 September 2020 and gives the Federal Council time to work out possible solutions for the travel agency sector and to submit a proposal to parliament.

In addition, the Federal Council has decided to support the airlines. In doing so, parliament has imposed conditions on the support. The Federal Council must ensure that Swiss International Air Lines Ltd. (Swiss) and Edelweiss Air Ltd. (Edelweiss) give a written assurance that they will reimburse travel agencies the money paid for cancelled flights due to the coronavirus by the 30 of September 2020 (end of legal standstill), subject to a uniform European solution regarding the repayment modalities.

General economic measures with relevance for the tourism industry: Due to the closure of companies and reductions in demand, many companies have shrinking liquid funds to cover their running costs despite short-time work compensation. A package of complementary measures, in the form of guaranteed COVID bridging loans is designed to prevent fundamentally solvent companies from getting into trouble: The Federal Council set up a CHF 40 billion guarantee program to ensure that affected SMEs (sole proprietorships, partnerships, legal entities) receive bridging loans from the banks. Affected companies should be able to obtain credit amounts of up to 10% of turnover or a maximum of CHF 20 million quickly and easily. In addition, the instrument of short-time work compensation makes it possible to compensate for temporary employment losses and to maintain jobs. Due to the current exceptional economic situation, people who work on a fixed-term, temporary or employer-like basis as well as people who are in an apprenticeship are also severely affected. For this reason, the entitlement to short-time work compensation will be extended and the application process simplified.

(Information last updated 27 May 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.
- Ministry-certified travel agencies are allowed to work online without opening their workplaces, until the end of April.
- 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 to submit the relevant documents to obtain a Certificate from the Ministry of Culture and Tourism to open service and tourism establishments is frozen for tourism investments located on public lands with a due date of 1 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

VisitBritain and the Department for Digital, Culture, Media and Sport have been working closely with the industry to monitor and respond to the COVID-19 outbreak. The Tourism Industry Events Response Group (TIER) and the Tourism Industry Council have both been meeting weekly.

VisitBritain is also providing advice for tourism and events businesses affected by COVID-19 through an advice hub. This sector specific information supplements a range of UK Government sources of advice for businesses, employees and consumers (e.g. [COVID-19: guidance for employers and businesses](#)).

The Prime Minister set out the UK Government's COVID-19 recovery strategy on 11 May. The majority of tourism and hospitality businesses fall within step 3. The Government's current planning assumption is that this step will be no earlier than 4 July, subject to the five tests justifying some or all of the measures below, and further detailed scientific advice, provided closer to the time. Furthermore, three of five new ministerial-led taskforces established to plan how closed sectors can reopen safely, focus on pubs and restaurants, recreation and leisure, including tourism, culture and heritage, libraries, entertainment and sport, and international aviation, reflecting the unique challenges that sector is facing. The Recreation and Leisure Sectoral Working Groups will be tasked with:

- Identifying and resolving practical, sector-specific guidance-related issues
- Developing a sector-wide plan for dissemination and implementation of guidance
- Providing a forum for sector specialist experts to update and feed into the development of guidance
- Discussing actions/updates from the Recreation and leisure taskforce
- Giving stakeholders the opportunity to present guidance-related questions/suggestions directly to Ministers

The UK has also announced that there will be a 14 day quarantine for passengers arriving in the UK. Further policy details will be set out shortly and there will be regular review points to ensure the measures are proportionate. As agreed in the [Extraordinary G20 Tourism Ministers' Meeting](#) in April, the UK will continue to work through forums such as the G20 and OECD to ensure that the introduction and removal of travel restrictions are coordinated and proportionate to the national and international situation, and to ensure the safety of travellers.

VisitBritain is currently working with the UK Government to develop a recovery campaign to promote UK tourism after the pandemic is over. The UK tourism industry is made up of 200,000 SMEs and employs 1.6m people directly. The impact is almost immediate and tourism jobs are already being lost despite government support such as the Jobs Retention Scheme.

The impact during the outbreak is the immediate concern for all businesses, and visitors globally are in lock down. Recovery packages must look at consumer sentiment, business support, product support, marketing, and industry coordination. The domestic market is likely to return first, but focus must remain on the very viability of the sector.

VisitEngland has administered a GBP 1.3m [fund](#) to support Destination Management Organisations (DMOs) during the COVID-19 period. This scheme will help to ensure DMOs can continue to provide crucial support and expert guidance to the hundreds of thousands of small-to-medium sized businesses that make up England's tourism sector. The scheme covers costs of up to two members of staff with an upper threshold of GBP 2,500 per employee per month and up to GBP 5,000 towards operating costs over a three-month period. The scheme must support frontline business engagement and communication posts (not marketing or other functions).

Government support for tourism and hospitality businesses fall broadly under the headings of Employment protection support and liquidity support. Examples include:



- A **Coronavirus Job Retention Scheme** where small and large employers will be eligible to apply for a government grant of 80% of workers' salaries up to GBP 2,500 a month. The scheme will be backdated to 1 March. On 12 May the Chancellor extended the scheme until the end of October 2020 and more detail will be shared by the end of May.
- 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:
 - The Coronavirus Business Interruption Loan Scheme (CBILS) will make it easier for SMEs with a turnover of up to GBP 45 million access vital financial support. The Government has increased the amount businesses can borrow through the Coronavirus Business Interruption Loan Scheme from GBP 1.2m to GBP 5m, and ensured businesses can access the first months of that finance interest free, as the Government will cover the first 6 months of interest payments.
 - A Bounce Back Loans scheme to provide loans of up to £50,000 to benefit small businesses with a 100% government-backed guarantee for lenders. Bounce Back Loans are now open for applications from small and micro businesses affected by the COVID-19 outbreak.
- Deferral of the next quarter of VAT payments for firms, until the end of June - representing a GBP 30bn injection into the economy. That means no business will pay any VAT in March, April or May; and they will have until the end of the financial year to repay those bills.
- £20bn of direct fiscal support for businesses in England through tax relief and cash grants to help business manage cash flow.

The Devolved Administrations have also implemented support for businesses:

- **Scotland:** Launched a £20m Creative, Tourism and Hospitality Enterprises Hardship Fund distributing GBP 3,000 grants to businesses ineligible for rates relief with fewer than 50 employees, or grants of up to GBP 25,000 'where it can be demonstrated that support is needed.'
- **Wales:** Launched a GBP 100m fund for micro businesses that provides grants of GBP 10,000 to businesses ineligible for business rates relief with less than 10 employees, including tourism employees.
- **Northern Ireland:** GBP 40 million is to be made available for a new Hardship Fund aimed at microbusinesses which have not been able to avail of the existing support schemes and which require financial support due to the impact of COVID-19.

(Information last updated 18 May 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 travel agents. US 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 USD10 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)⁵⁷

European Union

The European Union is supporting the tourism ecosystem through liquidity support measures:

- The Coronavirus Response Investment Initiative will allow public authorities to redirect unused amounts under the European Structural and Investment Funds to inject liquidity into the most affected businesses, including in the tourism industry. This instrument provides exceptional flexibility: 2020 allocations can be moved between funds and regions, can be used where they are needed most, irrespective of the usual requirements for thematic concentration. Co-financing can temporarily be increased to 100%.
- The Commission unlocked EUR 1 billion as a guarantee for the European Investment Fund to issue special guarantees for available financing of up to EUR 8 billion, incentivising banks and other lenders to provide liquidity to 100 000 European SMEs and small mid-cap companies.
- The temporary initiative SURE - Support to mitigate Unemployment Risks in an Emergency helps Member States cover the costs of national short-time work schemes through financial assistance of up to EUR 100 billion. It is clear that the EU budget support cannot replace but must complement the measures taken by each of your countries.
- The Commission recognised the need for making full use of the flexibility that exists in the Stability and Growth Pact.

On 13 May, the Commission presented a package of guidelines and recommendations to help Member States gradually lift travel restrictions and allow tourism businesses to reopen, after months of lockdown, while respecting necessary health precautions. The guidance aims to offer people the chance to get some well-needed rest, relaxation and fresh air. As soon as the health situation allows, people should be able to catch up with friends and family, in their own EU country or across borders, with all the safety and precautionary measures needed in place. The package also aims to help the EU tourism sector recover from the pandemic, by supporting businesses and ensuring that Europe continues to be the number one destination for visitors.

The Commission's Tourism and Transport package includes:

- An [overall strategy](#) towards recovery in 2020 and beyond;
- A [common approach](#) to restoring free movement and lifting restrictions at EU internal borders in a gradual and coordinated way;
- A [framework](#) to support the gradual re-establishment of transport whilst ensuring the safety of passengers and personnel;
- A [recommendation](#) which aims to make travel vouchers an attractive alternative to cash reimbursement for consumers;
- [Criteria](#) for restoring tourism activities safely and gradually and for developing health protocols for hospitality establishments such as hotels.

(Information last updated 13 May 2020)

⁵⁷ 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-8IYYZO6jmzz_z1tZanXObKtKBD5d7v3Lvqc5-VnqGIETJ5FK_LFjdsW5QjgiHcy3aipZ8ceSYW5qKFs84rXzi2v1kvnA&hsmi=85723322 – 30 March



Annex 1.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.

International Organisations

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

International Transport Forum - <https://www.itf-oecd.org/covid-19>

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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