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Temporary European Tourism Vouchers

EUROCHAMBRES calls for a joint European solution on the crisis that is unfolding in the European tourism sector as a consequence of the Corona pandemic. After consultation with affected companies and consideration between the various sectors, Chambers of Commerce and Industry from across Europe believe that the existence of the travel, hospitality and transportation industry in the EU is threatened, and temporarily allowing vouchers instead of cash refunds for cancellations would be the right solution to defer payment obligations and prevent insolvencies. Customers should exceptionally and temporarily be obliged to accept vouchers to deal with the corona pandemic economic impact, which would not constitute a permanent change to consumer rights.

To underline what is at stake: 10% of European businesses belong to the tourism industry. These 2.4 million companies employ an estimated 13.6 million people in Europe. Companies in industries with tourism related activities account for 9.5 % of the persons employed in the whole non-financial European business economy. The European tourism industries account for 4% of the turnover and 5.8 % of the value added of the non-financial European business economy.

Current surveys from Chambers as well as other organizations reveal that the Corona pandemic threatens the very existence of the travel, hospitality and transportation (especially airlines) industry. Since hotel rooms and transportation are being cancelled, or trips cancelled entirely, the turnover of many companies has fallen to almost zero overnight, even though rents and salaries still have to be paid. All companies in the concerned sectors are currently in a dangerous dilemma because they have to refund cancelled holidays reservations and at the same time are left sitting on costs that they have advanced. According to figures from surveys, the number of businesses in the travel and transportation industry suffering from a complete standstill of all business activities compared to the overall economy is dramatically higher. Assisting these companies with the temporary voucher solution in order to defer their payment obligations, accordingly, is the best way forward.

Possible features of the voucher should include:

- The voucher only postpones the right to be reimbursed and does not oblige the client to buy a service later. The idea is to avoid payments during the crisis.
- Vouchers should be valid until 31 December 2021. This means: If the traveler does not redeem the travel voucher by then, the tour operators must refund the value of the travel voucher within 14 days.

- In the case of tour operators, if they have to file for bankruptcy in the meantime, the customers' claim for repayment is secured by already existing national guarantee schemes (fund or insurance) only as far as package travel is concerned, so for this product the risk is not with the client.

A joint European approach for vouchers instead of national solutions would avoid distortions in the single market. This is why we call upon the European Commission to enable a temporary voucher solution to mitigate the economic impact of the coronavirus pandemic and ensure the survival of the European tourism sector as a whole.

In fact, some national regulations have already taken measures on this regard, which may mean that, if there is not European regulation on this for the entire tourism sector, making options more flexible, there may be distortions in the service that customers receive in different member states.

Should the voucher system referred to above not be pursued, we propose alternatively to consider extending repayment terms, i.e. to extend the period in which companies must reimburse clients for the payment of services not provided.

EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through 45 members and a European network of 1700 regional and local Chambers.

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