

# Re-starting tourism in the EU amid the pandemic

## SUMMARY

Tourism plays an enormously important role in the EU economy and society. It generates foreign exchange, supports jobs and businesses, and drives forward local development and cultural exchanges. It also makes places more attractive, not only as destinations to visit but also as locations to live, work, invest and study. Furthermore, as tourism is closely linked with many other sectors – particularly transport – it also affects the wider economy.

The coronavirus pandemic has hit the tourism sector hard. The impact on various tourist destinations in the EU has been asymmetrical and highly localised, reflecting differences in types of tourism on offer, varying travel restrictions, the size of domestic tourism markets, level of exposure to international tourism, and the importance of tourism in the local economy. At the beginning of summer 2021, several EU Member States started to remove certain travel restrictions (such as the requirements for quarantine or testing for fully vaccinated travellers coming from certain countries). However, all continue to apply many sanitary and health measures (such as limits on the number of people in common areas, and cleaning and disinfection of spaces). Such measures and restrictions change in line with the evolving public health situation, sometimes at short notice, making recovery difficult for the sector.

The EU and its Member States have provided the tourism sector with financial and other support. Some measures were already adopted in 2020. Others were endorsed only shortly before the beginning of summer 2021. One flagship action has been the speedy adoption of an EU Digital Covid Certificate. This certificate harmonises, at EU level, proof of vaccination, Covid-19 test results and certified recovery from the virus. However, it does not end the patchwork of travel rules. Despite efforts to harmonise travel rules at Council level, Member States still apply different rules to various categories of traveller (such as children or travellers arriving from third countries).



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## Introduction

Before the coronavirus pandemic, tourism contributed close to 10 % of the EU's gross domestic product (GDP) and provided jobs for about 22.6 million people. The European Commission's Joint Research Centre (JRC) estimates that tourism industries are responsible for more than 6 % of total EU employment.<sup>1</sup> In some regions, tourism's contribution to regional employment is significantly higher. For example in Crete in Greece, Jadranska Hrvatska in Croatia, the Valle d'Aosta in Italy and the Canary Islands, tourism accounts for more than 30 % of total regional employment.

The EU Member States' economies rely heavily on [tourism](#), as it generates foreign exchange, supports jobs and businesses, and drives local development and cultural exchanges. Moreover, being closely linked with many other sectors (e.g. food production and transport), tourism also affects the GDP those sectors generate. Lastly, tourism also plays a part in places' attractiveness, not only as visitor destinations but as locations in which to live, work, invest and study.

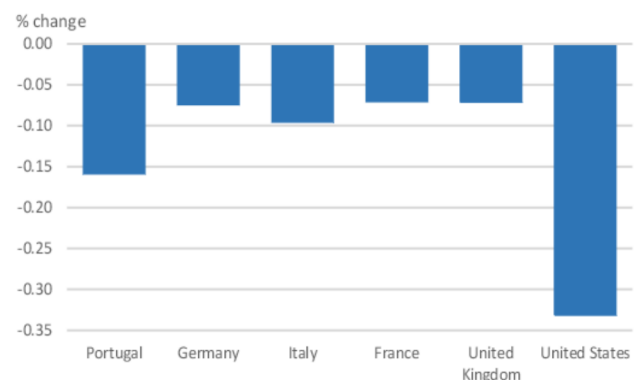
## State of play

At the time of writing, the situation in the [tourism](#) sector in the EU continues to be very difficult. While positive news about vaccination has boosted the hopes of tourism businesses for this summer, a number of challenges remain. Firstly, vaccine roll-out takes time. Although in the EU, by 6 July 2021, [61.5 % of adults](#) had received at least one dose of coronavirus vaccine (40.3 % fully vaccinated), in a number of the countries from which tourists come, the majority of adults are not yet vaccinated. Travel conditions for summer 2021 continue to be very different from what they were in summer 2019. Although most Member States now allow travel for non-essential reasons, several still have quarantine measures or testing requirement for tourists on arrival. Destinations also apply a number of sanitary and health measures to limit the spread of the virus. These include limits on the number of people in common areas, cleaning or disinfection of spaces, the mandatory use of face-masks by staff and tourists, and the prohibition of buffets in hotels. These measures change in line with the evolving sanitary situation, sometimes at short notice, making the recovery difficult for the sector.

The impact of the Covid-19 pandemic on various [tourism](#) destinations in the EU is asymmetrical and highly localised. It reflects differences in the types of tourism on offer, travel restrictions, the speed of economic recovery in the countries from which tourists come, the size of domestic tourism markets, level of exposure to international tourism, and the importance of tourism in the economy. Destinations most dependent on long-haul international tourism flows and urban destinations are the most negatively affected while [low-density destinations](#) away from big cities and in regions with lower virus circulation have received more visitors.

As seen from Figures 1 and 2, during the pandemic, tourism's contribution to employment and GDP has reduced considerably. In [Italy](#), for example, tourism's contribution to GDP halved in 2020 (compared with 2019) from 13.1 % to 7 %, and 337 000 jobs were lost. Compared with the United States, several EU Member States (e.g. Germany, Italy and France) saw a bigger loss in terms of GDP but suffered less in terms of employment.

Figure 1 – Contribution of travel and tourism to employment (2020 change compared with 2019)



Data source: [World Travel and Tourism Council](#).

According to [data](#) from the UN World Tourism Organization (UNWTO) international tourist arrivals in the world dropped by 83 % in the first quarter of 2021 (compared with the same period in 2019). Even in 2020, the drop in international tourist arrivals in the world was not as sharp (-73 %). Asia and the Pacific recorded the largest declines (-94 % in the first quarter of 2021), followed by Europe (-83 %), Africa (-81 %), the Middle East (-78 %) and the Americas (-71 %). International tourism receipts<sup>2</sup> in 2020 were down by about 64 % in real terms (local currencies, constant prices) and internal visitors spent about one third of the sums spent in 2019.

The crisis is also having a radical impact on the [way people travel](#). Many tourists are now paying greater attention to low tourist density and sanitary conditions. A growing number of tourists prefer rural, local and regional destinations to crowded big cities. Some try to avoid flying. An increasing number of tourists expect a diversified and sustainable tourism offer that builds on Europe's rich geographical and cultural diversity. Tourists increasingly use technology (such as contactless payments and services) to reduce risk and look for flexible conditions (such as the possibility to cancel accommodation free of charge).

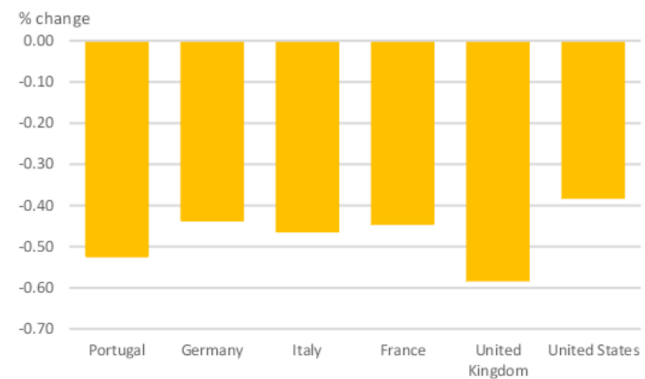
Many tourism businesses are trying to adapt to these changes. According to the Organisation for Economic Co-operation and Development ([OECD](#)), the TUI Group, for example, has launched the Better Holidays, Better World strategy, designed in part to reduce holidays' environmental impact. Destinations themselves are also looking into ways to make tourism more sustainable. Corsica, for instance, has focused on preserving maritime areas in nautical sector operations, helping tourism accommodation to adopt eco-responsible practices and creating an eco-responsible accommodation chain, through a shared label and platform. Some private persons have also taken initiatives to help tourists adapt to the changed environment. For example, the website [avoid-crowds.com](#) helps consumers to choose less crowded destinations. The website collects different touristic datasets to show when big crowds are expected and why.

## EU support for tourism recovery

A large number of initiatives were taken back in 2020 to help the tourism sector recover. In May 2020, the European Commission proposed [guidelines and recommendations](#) to allow the gradual and coordinated reopening of tourism services and facilities that summer. The package included recommendations on passenger and traveller [vouchers](#) for cancelled trips and [guidance](#) on health and sanitary measures that hospitality establishments such as hotels could apply. To promote safe travel, the European Commission also set up the Reopen EU [website](#) and mobile app, which gives information on the various measures in place in Europe, including on quarantine and testing requirements, and rules on face-masks and physical distancing. In March 2020, the Commission also issued guidance on [passenger rights](#) and the application of the [Package Travel Directive](#).

Finally, the EU has helped travel to resume safely by launching a common [European digital passenger locator form](#) (PLF). Member States use PLFs to facilitate contact-tracing if travellers are exposed to an infectious disease during their stay. Some countries are using paper-based forms, while others have developed online systems. The PLFs used by Member States usually contain essential information about the traveller's visit including details, such as their country of origin and

Figure 2 – Contribution of travel and tourism to GDP (2020 change compared with 2019)



Data source: [World Travel and Tourism Council](#).

the countries they have visited in the preceding 15 days, the accommodation they will stay in, etc. Based on the details given, a risk profile is created and a unique quick response (QR) code is created. This code is sent to the passenger, who has to show it upon arrival in the country. Based on the data given, some Member States decide whether the traveller has to test and/or quarantine or self-isolate. Despite EU efforts to promote a common form, a patchwork of PLFs still exists in the EU. Even the name of the form is not the same in all EU Member States.

## EU financial support

Since the beginning of the pandemic, the EU has taken various measures to ensure that tourism businesses get the necessary financial support. First, it provided flexibility under State aid rules so that Member States can introduce guarantee schemes for vouchers and liquidity support schemes for companies, for instance. The EU also provides liquidity for businesses affected by the crisis through the [Coronavirus Response Investment Initiative](#), which is under shared management with Member States. In addition, financing for tourism small and medium-sized enterprises (SMEs) hit by the crisis is also available through the [European Investment Bank](#).

In May 2021, the Commission published a [guide](#) on EU funding for tourism, which draws attention to the wide range of funding programmes available for actors in the tourism ecosystem in the 2021-2027 multiannual financial framework, and under Next Generation EU. It focuses on practical information such as the type of actions supported, eligible organisations and businesses and the type of funding available. It also contains links to the relevant EU programmes' websites and gives examples of tourism projects co-funded by EU funds in the past.

Tourism can get support, for example, from the [Recovery and Resilience Facility](#) (part of Next Generation EU), one of the aims of which is to mitigate the economic and social impact of the pandemic. Member States are responsible for developing national recovery and resilience plans to determine how the funds of the Recovery and Resilience Facility are allocated. Tourism can be covered by either tourism-specific, or by horizontal, measures relevant to all sectors. It can be helped for example for renovating tourism infrastructure; providing training for tourism entrepreneurs, workers and destination managers; investing in clean mobility and improving connectivity to tourism destinations; or supporting the digitalisation of public administrations responsible for tourism policy. [Italy](#) plans, for example, to spend €8 billion to make the country's tourist and cultural system more attractive by modernising both tangible and intangible infrastructure. Tourism is also high in Spain's priorities in its recovery and resilience plan – [España Puede](#). Spain plans to spend about 17 % of the €72 billion plan on modernising and digitalising the industry and SMEs, helping the tourism sector recover and promoting Spain as an entrepreneurial nation.

## EU Digital Covid Certificate

On 17 March 2021, the Commission put forward two legislative proposals on a 'digital green certificate' to facilitate free movement in the EU: [one](#) concerning EU citizens and members of their families and the [other](#) concerning third-country nationals legally staying or legally residing in the territory of a Member State. On 20 May, Parliament and Council reached a provisional [agreement](#) on the certificate, renamed the 'EU Digital Covid Certificate'. On 14 June 2021, the two regulations<sup>3</sup> were officially [signed](#) by the European Parliament and Council presidents. The certificate applies from 1 July 2021 to 30 June 2022.

The regulations lay down a framework for the issuance, verification and acceptance of interoperable Covid-19 vaccination, test and recovery certificates (EU Digital Covid Certificate). The certificate will be free of charge and will be issued on a mobile phone (using a QR code) or in paper format. Member States are obliged to accept vaccines recognised by the European Medicines Agency (EMA). They may also include other vaccines (e.g. vaccines that have completed the WHO Emergency Use Listing process). The information included will be limited to what is strictly necessary for its purpose. No data will be centralised at EU level.

All Member States are now effectively connected to the new system. However, they are not yet all issuing and/or verifying all EU Digital Covid Certificates (e.g. recovery certificates). As of 1 July when the EU Digital Covid Certificate entered into force, more than [200 million](#) certificates had already been issued. Member States did not connect to the new system at the same pace. Those heavily dependent on tourism (such as Greece) were quick to start using the EU Digital Covid Certificate system and cancel the quarantine requirement (for fully vaccinated travellers, for travellers presenting a negative PCR-test or proof of antibodies). Other countries less dependent on tourism (e.g. Finland) took longer to connect to the new system.

The impact of the EU Digital Covid Certificate on tourism this summer remains to be seen. As it harmonises proofs of vaccination, Covid-19 test results and/or information on the acquisition of antibodies, it should facilitate travel. According to the [regulation](#) on the EU Digital Covid Certificate (EU citizens), verification of EU Digital Covid Certificates should not be used as an excuse to reintroduce temporary border controls at internal borders. Certificates are to be verified in airports, ports, and railway and bus stations only where appropriate.

The EU Digital Covid Certificate also makes it more difficult for Member States to impose additional travel restrictions (such as quarantine/self-isolation), as they can do it only in duly justified cases and would have to notify them to the Commission and the other Member States at the latest 48 hours<sup>4</sup> in advance. However, the effectiveness of such obligations remains to be seen, in particular given the [limited effectiveness](#) of the comparable but stronger notification obligations imposed by the Schengen Code concerning the introduction of border controls. At the time of writing, several Member States (e.g. [Finland](#) and [Ireland](#)) were using the possibility to impose additional travel restrictions, even on travellers coming from areas that are marked green on the ECDC map. This, despite the EU Digital Covid Certificate Regulation stating that Member States should refrain from imposing additional restrictions on free movement, unless they are 'necessary and proportionate for the purpose of safeguarding public health in response to the Covid-19 pandemic, also taking into account available scientific evidence, including epidemiological data published by the ECDC'.

The impact of the EU Digital Covid Certificate on tourism also depends on developments in the price of Covid-19 tests. Currently many Member States require travellers to take a costly PCR<sup>5</sup>-test, hindering [international travel](#). To make affordable testing more widely available, as demanded by Parliament, the co-legislators agreed to mobilise at least €100 million for the purchase of PCR-tests. However, it will be for the Member States to decide who benefits from free testing. Increasingly, as antigen tests<sup>6</sup> become more reliable, Member States are accepting these tests for travel purposes.

In some respects, the EU Digital Covid Certificate still leaves room for fragmented implementation. In particular, it does not specify when a person is to be considered vaccinated (after one or two doses, or two weeks after being fully vaccinated?); nor does it say whether young children should be exempt from travel-related testing requirements.

## Council recommendation to harmonise intra-EU travel restrictions

On 14 June 2021, the Council adopted an updated [recommendation](#) on a coordinated approach to Covid-19 travel measures within the EU. According to the Council, people who have been fully vaccinated<sup>7</sup> for at least 14 days and people who have recovered from Covid-19 in the previous six months should be exempt from additional restrictions to free movement (such as quarantine or self-isolation). Furthermore, the Council proposes a standard validity period of 72 hours for PCR-tests and – where accepted by a Member State – of 48 hours for rapid antigen tests. Member States would still be able to respond to any further worsening of the pandemic and reinstate restrictions if that became necessary.

The Council also raised certain colour-coding thresholds of the European Centre for Disease Control and Prevention (ECDC) map, to reflect the changed context, and included two additional criteria to be taken into account when considering whether to restrict free movement: vaccination uptake and prevalence of Covid-19 variants of concern or of interest.

Furthermore, the Council recommended that minors should be exempt from quarantine where no such requirement is imposed on the accompanying person and children under 12 years of age should not be tested for travel purposes.

Unfortunately, many Member States are not yet applying all these recommendations. They still apply differing timeframes for cancelling testing and quarantine or self-isolation requirements for vaccinated persons. For example, [France](#) considers travellers vaccinated when they have been fully vaccinated for at least two weeks on the date of travel, four weeks for the one-shot Johnson & Johnson vaccine or two weeks after the first shot if they have had Covid in the past. [Estonia](#) considers travellers vaccinated when they have been fully vaccinated against Covid in the last 12 months. Furthermore, many Member States are not using the ECDC map to define different risk areas; it seems that several Member States individually do not wish to apply the recommendations that they have adopted collectively at Council level. For instance, in Council [Recommendation](#) (EU) 2020/1475, they recommended that the ECDC publish such a map and stated which restrictions should apply to travellers from which risk area.

## Council recommendation to harmonise travel from third countries into the EU

On 20 May 2021, [Council](#) updated its recommendation on temporary restrictions to non-essential travel into the EU. In the initial recommendation, Council recommended allowing EU entry to tourists from seven third countries (Australia, New Zealand, Rwanda, Singapore, South Korea, Thailand and China (subject to reciprocity)). Council now suggests removing restrictions to non-essential travel for fully vaccinated travellers<sup>8</sup> from all over the world. Children should be able to travel with their vaccinated parents providing they have tested negative to a PCR-test taken within 72 hours of arriving in the EU. In the updated recommendation, the Council also provides for an 'emergency brake' mechanism to allow Member States to quickly suspend travel, in a coordinated way, from countries where a 'variant of concern or of interest has been detected'. As outlined below, countries have not followed this Council recommendation in a harmonised way either.

On 18 June 2021, [Council](#) updated the list of third countries for which Covid-19 related travel restrictions should be lifted.<sup>9</sup> The list now includes: Albania (new), Australia, Israel, Japan, Lebanon (new), New Zealand, North Macedonia (new), Rwanda, Singapore, Serbia (new), South Korea, Thailand, United States of America (new) and China (subject to reciprocity).

## Member States' measures to help re-start tourism

National, regional and local governments across the EU have taken various actions to restore and re-activate the tourism sector. Many countries are developing measures to make the sector more resilient to future crises. These include plans to support the sustainable recovery of tourism, promoting digitalisation and rethinking tourism for the future. Some countries have prioritised the vaccination of tourism workers and islanders. In addition, several Member States have issued vouchers to support local tourism. For example, [Belgium](#) gave every Belgian resident the possibility to receive 10 free train tickets and Wallonia has distributed free [Visit Wallonia](#) passes, giving access to numerous museums, animal and attraction parks and hospitality establishments.

Some countries have developed a comprehensive tourism restart plan. For example, [Greece](#) officially opened its 2021 summer season on 14 May 2021. The Greek government's tourism restart plan includes health protocols and procedures, a [website](#) providing details on requirements for incoming tourists and a prioritisation of tourism workers and islanders in the [vaccination campaign](#) against the coronavirus. In accordance with this plan, Greece has opened its borders to travellers<sup>10</sup> from the EU and Schengen Area as well as from certain third countries.<sup>11</sup>

Greece has also announced financial support for tourism. The [Commission](#) recently approved an €800 million Greek scheme (under the State aid temporary framework) to help tourism businesses

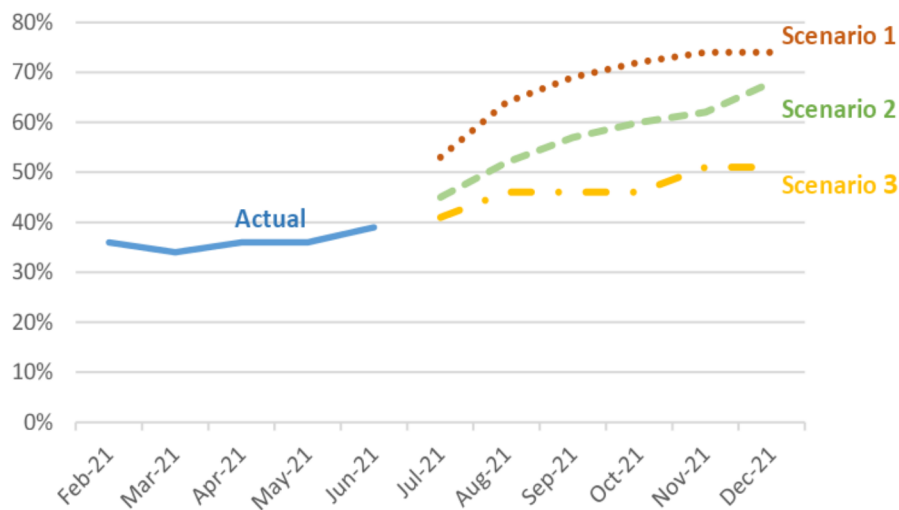
affected by the pandemic. The scheme is co-financed by the European Regional Development Fund. It will be open to tourism businesses of all sizes that experienced a turnover decline of more than 30 % in 2020, compared with 2019. The aid will take the form of direct grants (the maximum for each grant is either up to 5 % of the beneficiary's annual turnover or €400 000 per company).

Like several other EU Member States, [Spain](#) has also opened up to tourists from the EU and the Schengen Area, on similar conditions. The list of third countries from which travellers are welcome to Spain without quarantine or self-isolation, if they present either a negative PCR test, vaccination or recovery certificate is a bit shorter than for Greece: Albania, Australia, China, Israel, Japan, Lebanon, New Zealand, North Macedonia, Rwanda, Serbia, Singapore, South Korea, Thailand, United Kingdom and United States of America (the list is updated regularly). However, Spain also allows entry from other third countries, provided travellers are fully vaccinated.<sup>12</sup>

[Spain](#) has not submitted additional tourism support plans to the European Commission this year. However, in March 2021 the [Commission](#) approved a modification of Spanish horizontal aid schemes under the State aid temporary framework, including a €10 billion budget increase to support the economy in the context of the pandemic. This aid can also be used for companies and self-employed people working in the tourism sector. Spain has also launched a promotional campaign with the slogan '[You deserve Spain](#)'.

## Outlook

Figure 3 – Eurocontrol air traffic scenarios for 2021 (base year 2019)



Data source: [Eurocontrol](#).

The outlook of [tourism](#) for this and the coming years remains highly uncertain. It depends on a number of factors, such as the evolution of the pandemic, travel restrictions, the readiness of tourism businesses to meet changed demand, consumer confidence, and income developments in the wider economy. However, the pace of the vaccination rollout in some countries as well as policies to restart tourism safely, most notably the EU Digital Covid Certificate, have boosted hopes of a rebound in some destinations.

Various organisations have developed scenarios for tourism sector recovery. For example, [UNWTO](#) makes its predictions based on two scenarios, according to which international tourism would rebound either in July 2021 or in September 2021. If the rebound were in July, it would result in a 40 % increase in international arrivals in 2021 compared with 2020<sup>13</sup> and if the rebound were in September, then it would mean a 10 % increase in arrivals compared with 2020<sup>14</sup>. As for air transport, Eurocontrol is currently predicting that air traffic will reach higher levels than it initially predicted. It

has developed various recovery scenarios based on vaccine take-up, coordination of travel restrictions and the return of long-haul flights. As seen in Figure 3, under the most optimistic scenario (scenario 1), air traffic would reach about 74 % of 2019 levels by December 2021.

## MAIN REFERENCES

Dumbrava C. and de Groot D.A.J.G., [EU Covid-19 certificate: A tool to help restore the free movement of people across the European Union](#), EPRS, European Parliament, May 2021.

European Commission, JRC, [Behavioural changes in tourism in times of Covid-19](#), August 2020.

Organisation for Economic Co-operation and Development (OECD), [Rebuilding tourism for the future: COVID-19 policy responses and recovery](#), December 2020.

## ENDNOTES

- <sup>1</sup> Most of these jobs are in food and beverages services.
- <sup>2</sup> Expenditure of international inbound visitors including their payments to national carriers for international transport.
- <sup>3</sup> [Regulation 2021/953](#) on EU citizens and members of their families, and [Regulation 2021/954](#) on third-country nationals.
- <sup>4</sup> If possible.
- <sup>5</sup> Polymerase chain reaction.
- <sup>6</sup> Antigen tests offer faster, simpler and more inexpensive Covid-19 testing using rapid immunoassays on swab samples (for more information on testing techniques see the EPRS [briefing](#) on the subject).
- <sup>7</sup> According to the recommendation, full vaccination should be understood as a) having received the second dose in a two-dose series; having received a single-dose vaccine; having received a single dose of a two-dose vaccine after having previously been infected with SARS-CoV-2.
- <sup>8</sup> Persons who have received the last recommended dose of one of the Covid-19 vaccines that has completed the WHO Emergency Use Listing process at the latest 14 days before entering the EU.
- <sup>9</sup> Meaning that from these countries, travellers who are not vaccinated can also travel to the EU.
- <sup>10</sup> Without the requirement of quarantine/self-isolation.
- <sup>11</sup> The US, the UK, Israel, Serbia, the United Arab Emirates, New Zealand, Australia, South Korea, Thailand, Rwanda, Singapore, Russia, North Macedonia, Canada, Belarus, Bahrein, Qatar, China, Kuwait, Ukraine, Bosnia and Herzegovina, Montenegro, and Saudi Arabia (the list is updated regularly).
- <sup>12</sup> The [traveller](#) has to present a vaccination certificate. 14 days have to have elapsed since the last vaccination. Spain only accepts vaccines approved by the EMA.
- <sup>13</sup> This is still 63 % below 2019 pre-pandemic levels.
- <sup>14</sup> This is still 75 % below 2019 levels.

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