

# GERMAN TRAVEL AND HOSPITALITY INDUSTRY IN CRITICAL SITUATION



The travel and hospitality industry in Germany is expecting another huge loss of income due to anti-corona regulations this month. Losses in sales are estimated to reach 10.2 billion euros.

According to calculations by the German Economic Institute for Tourism, the losses from March to August amount to around 46.6 billion euros. This was announced by the German Tourism Association (DTV) last week.

According to the assessment of the German Chamber of Commerce and Industry (DIHK), **the situation of many businesses in the travel and hospitality industry is extremely critical.**

DTV President Reinhard Meyer said that the pandemic had torn a billion-dollar hole in the coffers of restaurants, accommodation providers, and other stakeholders in the sector.

“Even in the summer months, the losses could not be made up. The November lockdown threatens to deprive many companies of their economic basis,” he said.

## **Emergency Aid Necessary**

German hotels, restaurants, cinemas, and other facilities have largely been closed since the beginning of last week. Citizens must refrain from private travel and restrict contacts between one another.

Should the restrictions continue in December, the tourism association fears further losses in sales of around 9.5 billion euros.

“It is very important that the companies now receive emergency aid quickly and unbureaucratically. Even healthy companies are financially at their limit and need this help,” Meyer added. The federal government has decided to allocate a total of ten billion in emergency aid for this month.

## **Continuous Struggles**

The DIHK pointed out that the companies were already struggling hard before November. At the beginning of autumn, only every tenth accommodation company was working at pre-crisis levels.

94 % of the companies in the travel and hospitality industry say that the business situation has deteriorated. According to DIHK’s estimates, the situation is worse than in any other industry.

The Chamber also adds that because of the new restrictions, the short and medium-term development of the business situation is critical. 90 % of the companies from the travel industry expect sale declines of 50% and more this year. A third of the hospitality industry is also expecting a drop in sales of over a half.

## **Travel Warnings a Blow**

Other factors that are significantly slowing down the travel and hospitality industry in Germany are various **travel warnings and political guidelines from the government on the matter**. The DRV even labelled the recent restrictions as a “state-ordered lockdown” for the industry.

“Due to travel warnings, quarantines and other governmental orders, 193 countries around the world cannot be visited or can only be visited with considerable restrictions,” a spokesperson for the association said.

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