FRENCH OVERSEAS TERRITORIES: NEW MEASURES ANNOUNCED TO SUPPORT TOURISM

The French government announced new measures to support the retail and ship repair and maintenance sectors in the French overseas territories, which have been heavily impacted by the current health crisis.

The government announced last week to put in place new measures to support tourism businesses in overseas France. **The retail and ship repair and maintenance sectors can now benefit from the "reinforced" solidarity fund, previously applied to hotels and restaurants.**

These measures are valid "as of February 1, 2021," said in a joint statement the ministers of Overseas Sébastien Lecornu, and Small and Medium Enterprises, Alain Griset, and the Secretary of State for Tourism, Jean-Baptiste Lemoyne. They are therefore retroactive, to cover the entire period from which the ultra-marine territories have suffered from tightened health rules.

In the territories, where tourism represents a significant part of the economy, the introduction of a mandatory seven-day check-in and the limitation of travel to only compelling reasons since the end of January have led to the cessation of tourist flows in the high season.

Reunion, Guadeloupe, Martinique, Saint-Martin, Saint-Barthélemy and French Polynesia are eligible for the new aid. "Companies in the retail and ship repair/maintenance sector suffering a loss of turnover of more than 50% due to the fall in tourist numbers will now be able to benefit from the 'reinforced' solidarity fund," the statement said.

Beneficiaries will have the choice between compensation for loss of turnover up to 10,000 euros within the limit of 80% of turnover or compensation of 15 to 20% of turnover up to 200,000 euros per month, without condition on the size of the company, according to the text.

These new measures extend the aid already implemented by the State, said the statement: "**in total, 5 billion euros of aid have been allocated to businesses in the Overseas Territories** since the beginning of the crisis, including nearly 500 million for the accommodation and catering sectors.

"Companies in the hotel, restaurant, tourism, events, sports and culture sector (as well as companies in related sectors) suffering a loss of turnover of more than 50% already benefit from the "reinforced" solidarity fund, regardless of their size," the statement recalls.

Companies in other sectors suffering a loss of turnover of more than 50% may benefit from the "ordinary law" solidarity fund up to 1,500 euros per month, provided they have fewer than 50 employees, the text adds. Exemptions from social security contributions, partial activity and the state-guaranteed loan remain available under the same conditions as before.

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