

# ITALIAN TOURISM FACES MASS LAYOFFS



With the expiration of the so-called Cassa integrazione in deroga at the end of 2021, and the simultaneous termination of the ban on dismissals, mass layoffs in the sector of Italian tourism have started in 2022.

The Cassa integrazione in deroga was a state redundancy fund which was meant to support companies that were most affected by the Covid-19 crisis, including those from the Italian tourism sector, and which could not resort to the usual instruments at disposal.

## From Hotels to Airlines

The Sheraton hotel in Rome, for example, sent home 164 of its 166 workers. The 640 rooms of the structure and the 30 conference rooms have been under renovation since September and **without the protection against layoffs, the fate of the employees was perhaps inevitable.**

The employees of Hotel Majestic, also in Rome, share the same fate. The 5-star hotel had a 90.4 % drop in turnover, going from 7.1 million euros in 2019 to just 684 thousand euros in 2020, while in 2021 the turnover stood about 550 thousand euros. As a result, on January 3, the 47 employees were fired, and the hotel closed without any reopening date announced.

On January 2, the 1322 employees of Air Italy were also dismissed. It must be noted, however, that the company had already entered into crisis before Covid-19 when it went into liquidation at the beginning of 2020.

## Gloomy Prospects

While the revival of international travel is difficult and many events are being postponed due to the spread of the Omicron variant, Italian tourism companies need to plan the next seasons, to deal with the harsh reality and also to make unpopular decisions to ensure business continuity.

For this reason, now that the ban on dismissal has expired (in companies with more than 250 employees, 90 days' notice must still be given, but this does not apply to companies in crisis), those who cannot afford to pay salaries are leaving people at home.

While Italian politicians are looking for a solution that will have a retroactive effect (from January 1), whoever has the possibility to lay off will do so, and many workers, in this uncertainty, will change sectors. As a result, **the Italian tourism sector, MICE and restaurants will lose more specialized personnel.**

In a broader perspective, this could have some far-reaching implications. According to the latest data, at least 50 % of travel agencies will not survive the next Covid-19 wave. A potentially destructive effect on Italian tourism.

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