

# GERMAN SPAS STRUGGLE WITH ENERGY CRISIS



Thermal baths and spas are considered the flagships of Germany's spas and health resorts - but the energy crisis and inflation have made their operation enormously more expensive.

This also poses major financial challenges for the local authorities. First German spas already had to close temporarily or even completely, and this is likely to happen soon for others. **The German Spas Association is sounding the alarm and is calling for rapid state aid, because spas are of enormous importance for tourism, the economy and medical care in rural areas.**

The festival city of Bad Hersfeld, for example, temporarily closed its spa on November 1 - to save gas. Other facilities are trying to squeeze costs through shorter opening hours or temporary closure of sauna areas, such as some establishments in Rhineland-Palatinate. This is also likely to happen in Baden-Württemberg, as the spa association in the southwest had explained.

## Price Increases Inevitable

Some providers also reacted with price increases. That may however scare away guests who are currently careful with their spendings because of inflation worries - meaning the spas would not generate more revenue either, says Brigitte Goertz-Meissner, president of the German Spas Association.

She fears a downward spiral with dire consequences for the locations: If spas have to limit their offerings or even close altogether, this will affect the rehabilitation clinics as well as hotels, restaurants and retail in the affected cities. A decline would then be inevitable. Last but not least, the municipalities affected would also have to fear for their spa city status.

The spas could not simply lower the water temperature to save energy, because then the health benefits of the healing springs would be lost, for example for rheumatism patients, Goertz-Meissner said. In the case of thermal baths, the water already comes out of the ground at a warm temperature, but the ambient air in the baths as well as changing rooms, restrooms and therapy rooms must also be heated to take full advantage of the healing effects.

## Hardship Fund for Businesses

In experts' view, healthcare facilities in health resorts therefore urgently need to benefit from the planned hardship fund. The federal and state governments had decided to make twelve billion available from the Economic Stabilization Fund for facilities and businesses that can hardly save on electricity and gas. Eight billion of this is to go to clinics and health care facilities.

Before Corona, Germany's 350 or so spas and health resorts had a combined workforce of around 520,000 - but that number had already shrunk significantly during the pandemic because operations had to be curtailed at times and many employees left, says Goertz-Meissner.

That's why specialists such as doctors and physiotherapists are urgently needed - especially since

rehabilitation clinics are increasingly also an important pillar in the care of Long Covid patients, whose numbers are likely to continue to grow in the coming years.

In addition, there are many patients with chronic diseases of all ages, as well as people who want to get back on their feet after an accident or surgery. Rehab clinics are therefore "systemically relevant" and should not be left out of state aid once again.

### **Dramatic Situation**

The German Association of Towns and Municipalities also speaks of a sometimes dramatic situation. Municipalities and operators whose energy supply contracts expire and who have to conclude new contracts at sometimes exorbitantly increased prices are particularly affected by pool closures. This also has a negative impact on school swimming, clubs and programs for senior citizens.

"That's why it's important that all municipal consumption points fall under the electricity and gas price cap," the association said. It also demanded that affected municipalities and their facilities be included in the hardship scheme and assistance programs. "Until the outbreak of the Ukraine war, municipalities had total energy costs of around 5 billion euros a year. These now threaten to multiply, and that alone shows the enormous cost pressure on cities and municipalities."

### **Hotel Industry Is Also Concerned**

The German hotel industry is also concerned about the situation - especially since the establishments themselves are struggling with high costs, as Tobias Warnecke, Managing Director of the German Hotel Association, makes clear.

**They are currently working intensively on solutions to survive the cold months economically, for example with comprehensive investments in energy-saving measures.**

"But that alone will not be enough to compensate for the gigantic increase in energy costs," says Warnecke.

The situation is worsened by ever-higher food purchase prices and rising personnel costs. A recent Dehoga survey showed that without relief, 18.5 percent of businesses would be forced to give up.

Politicians must therefore deliver now and ensure energy security for the winter, he said. "It would be completely unacceptable if individual businesses or entire sectors had to be sent into hibernation," Warnecke said.

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