

## THE EFFECTS OF COVID-19 ON TOUR OPERATORS AND TRAVEL AGENTS

**Consumers asked to be patient as discussions with government aiming to resolve the problematic situation are at an advanced stage.**

The Malta Chamber of SMEs represents businesses from all economic sectors. While we can surely state that almost all businesses have been negatively affected by COVID-19, the Tour Operators and Travel Agents are certainly amongst the worst hit.

The Package Travel Directive provides consumers whose package travel has been cancelled with the right to a full refund from the Travel Operator within 14 days. The Package Travel Directive, as drafted, did not envisage the current International scenario occurring in a large number of countries simultaneously, resulting in cancellations of travel packages *en masse*.

Contrary to what might be the perception, upon payment by the consumer, Tour Operators and Travel Agents immediately pass on the payment to the service provider, be it flights, cruises, accommodation, transfers or other. This practice is industry standard required to secure the service bought by the customer.

### ABOUT MALTA CHAMBER OF SMES

Malta Chamber of SMEs (Formerly known as GRTU) is the largest social partner in Malta representing over 7,000 SMEs from over 90 different sectors. The SME Chamber has been established for over 70 years and its aim is of safeguarding the interest of businesses at large.

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During COVID-19, these service providers, which are mostly foreign, refused to refund the money they received from the local Travel Operators and Travel Agents in order to preserve their own existence in a very difficult time.

Tour Operators and Travel Agents would like to issue refunds, however they cannot give back money they do not have. In an attempt to find a common solution to safeguard the interests of Tour Operators, Travel Agents and their customers, the Malta Chamber of SMEs has been in discussions for the past weeks with the Minister for Tourism, the Parliamentary Secretary for Consumer Protection and the MCCA to find solutions that would give consumers what is rightfully theirs, whilst ensuring the survival of Tour Operators and Travel Agents in the process.

The SME Chamber has in fact presented a position paper with proposals to the government based on EU State aid rules, which rules have already been used to address the same concerns of consumers and Tour Operators elsewhere in the EU.

Whilst discussions are still ongoing, they are at an advanced stage and we are positive that a solution will be found in the immediate. We would therefore like to put consumers' minds at rest that their concerns are under careful consideration by Government.

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Consumers, Tour Operators and Travel Agents have the same interest and we ask for consumers' cooperation to afford us some more time to be able to come out with a workable solution. The Authorities have been very understanding of the situation and have so far given their full support to assist this industry but most of all to protect the interest of consumers and safeguard their rights in full.

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