## **European Parliament**

2019-2024



#### Plenary sitting

B9-0118/2019 } B9-0119/2019 } B9-0120/2019 } B9-0122/2019 } B9-0124/2019 } RC1

22.10.2019

# JOINT MOTION FOR A RESOLUTION

pursuant to Rule 132(2) and (4) of the Rules of Procedure

replacing the following motions:

B9-0118/2019 (Renew)

B9-0119/2019 (S&D)

B9-0120/2019 (PPE)

B9-0122/2019 (ECR)

B9-0124/2019 (GUE/NGL)

on the negative impact of the bankruptcy of Thomas Cook on EU tourism (2019/2854(RSP))

#### Rosa Estaràs Ferragut

on behalf of the PPE Group

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on behalf of the S&D Group

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### José Ramón Bauzá Díaz, Dinesh Dhamija on behalf of the Renew Group Carlo Fidanza, Jorge Buxadé Villalba, Angel Dzhambazki on behalf of the ECR Group Elena Kountoura on behalf of the GUE/NGL Group

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# European Parliament resolution on the negative impact of the bankruptcy of Thomas Cook on EU tourism (2019/2854(RSP))

The European Parliament,

- having regard to Article 6(d) of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Article 195 of the TFEU,
- having regard to the statement by the Commission of 21 October 2019 on the effects of the bankruptcy of the Thomas Cook Group,
- having regard to Regulation (EC) No 261/2004 of the European Parliament and of the Council of 11 February 2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and repealing Regulation (EEC) No 295/91¹,
- having regard to the Commission communication of 19 October 2007 entitled 'Agenda for a sustainable and competitive European tourism' (COM(2007)0621),
- having regard to the Commission communication of 30 June 2010 entitled 'Europe, the world's No 1 tourist destination a new political framework for tourism in Europe' (COM(2010)0352),
- having regard to Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council<sup>2</sup>.
- having regard to Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community<sup>3</sup>, in particular Article 8 on the validity of an operating licence and Article 9 on the suspension and revocation of an operating licence,
- having regard to its resolution of 29 October 2015 on new challenges and concepts for the promotion of tourism in Europe<sup>4</sup>,
- having regard to its resolution of 29 March 2012 on the functioning and application of established rights of people travelling by air<sup>5</sup>,

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<sup>2</sup> OJ L 304, 22.11.2011, p. 64.

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<sup>&</sup>lt;sup>1</sup> OJ L 46, 17.2.2004, p. 1.

<sup>&</sup>lt;sup>3</sup> OJ L 293, 31.10.2008, p. 3.

<sup>&</sup>lt;sup>4</sup> OJ C 355, 20.10.2017, p. 71.

<sup>&</sup>lt;sup>5</sup> OJ C 257 E, 6.9.2013, p. 1.

- having regard to its resolution of 25 November 2009 on passenger compensation in the event of airline bankruptcy<sup>6</sup>,
- having regard to the Commission communication of 18 March 2013 on passenger protection in the event of airline insolvency (COM(2013)0129), in which the Commission set out measures to improve the protection of travellers in the event of airline insolvency, including better enforcement of Regulation (EC) No 261/2004,
- having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 ('EGF Regulation')<sup>7</sup>,
- having regard to the Commission communication of 20 February 2014 entitled 'A
  European Strategy for more Growth and Jobs in Coastal and Maritime Tourism'
  (COM(2014)0086),
- having regard to its position adopted at first reading on 5 February 2014 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights and Regulation (EC) No 2027/97 on air carrier liability in respect of the carriage of passengers and their baggage by air<sup>8</sup>,
- having regard to Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC<sup>9</sup>,
- having regard to the Commission communication of 1 March 2019 entitled 'Aviation Strategy for Europe: Maintaining and promoting high social standards' (COM(2019)0120),
- having regard to its resolution of 14 November 2018 entitled 'Multiannual Financial Framework 2021-2027 Parliament's position with a view to an agreement' 10,
- having regard to the Council conclusions of 27 May 2019 on the competitiveness of the tourism sector as a driver for sustainable growth, jobs and social cohesion in the EU for the next decade,
- having regard to Rule 132(2) and (4) of its Rules of Procedure,
- A. whereas the collapse of the British company Thomas Cook, the second-largest tour operator in the world and one of the longest established, is having a profoundly negative

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<sup>6</sup> OJ C 285 E, 21.10.2010, p. 42.
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<sup>&</sup>lt;sup>7</sup> OJ L 347, 20.12.2013, p. 855.

<sup>&</sup>lt;sup>8</sup> OJ C 93, 24.3.2017, p. 336.

<sup>&</sup>lt;sup>9</sup> OJ L 326, 11.12.2015, p. 1.

<sup>&</sup>lt;sup>10</sup> Texts adopted, P8 TA(2018)0449.

- effect on the economy, the EU's internal market, employment, consumer trust and the free movement of persons throughout the EU and beyond;
- B. whereas the liquidation of the Thomas Cook Group has put 22 000 jobs at risk worldwide, of which 9 000 are located in the UK, 2 500 in Spain, and more than 1 000 in Greece; whereas even if the fate of these jobs is still uncertain, it is likely to have a considerable multiple knock-on effect not only on the tourism industry and on the transport sector, but on the EU's economy as a whole;
- C. whereas the bankruptcy of the Thomas Cook Group has been caused by multiple factors, one of them being the company's failure to change its business model and to innovate in order to be able to compete in the digital economy; whereas the financial situation of the Thomas Cook Group was already well known by the British authorities;
- D. whereas the cessation of the operations of Thomas Cook, which ran hotels, resorts and airlines across 16 countries and served 19 million people a year, has required an enormous repatriation operation for more than 600 000 holidaymakers from different locations around the world to their places of origin;
- E. whereas this year alone, a number of airlines have declared insolvency, which has had serious repercussions on businesses, tourism and consumers; whereas in April 2019, the Thomas Cook Group was granted another 12-month operating licence by the UK Civil Aviation Authority;
- F. whereas several Member States have announced targeted measures to support their tourism sector in order to mitigate the negative effects of the collapse of the Thomas Cook Group; whereas no EU support mechanism has yet been activated;
- G. whereas tourism accounts for about 4 % of the EU's GDP, employing an estimated 12.3 million workers and providing at least 5 % of all jobs (more than 27 million workers and almost 12 % of all jobs when considering its links to other sectors); whereas Europe is the number one destination in the world, with a market share of 50.8 % in 2018; whereas tourism generates, both directly and indirectly, 10.3 % of the total GDP of the EU-28 a figure that is expected to rise to 11.2 % of GDP by 2027;
- H. whereas the tourism sector encompasses a great diversity of services and professions in which mobility plays a crucial part and, owing to the personal nature of activities in the sector, requires large numbers of employees; whereas tourism acts as a powerful stimulus to many other sectors of the economy; whereas the sector is dominated by small and medium-sized enterprises (SMEs), as well as self-employed individuals, whose activities generate employment and wealth in regions heavily dependent on tourism; whereas the tourism sector is particularly vulnerable to hazards of both natural and human origin which cannot be predicted;
- I. whereas, since the entry into force of the Treaty of Lisbon, the EU has competence to support or supplement the actions of Member States in the field of tourism; whereas, on the other hand, tourism does not have any specific line in the EU budget, as requested by Parliament in its resolution of 14 November 2018 on the multiannual financial

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- framework 2021-2027, in which it calls for the introduction of a specific allocation for sustainable tourism;
- J. whereas there is strong demand from the tourism industry for increased coordination at EU level and a clear EU tourism policy with proper budgetary support;
- K. whereas tourism is a key sector for the economy and employment in the EU, and the priorities of the new Commission, in particular that of supporting 'an economy that works for people', should therefore reflect the sector's importance and its needs;
- L. whereas the cessation of Thomas Cook's operations has caused serious economic damage to the tourism sector, employment and local communities, and has resulted in the loss of air connectivity in some territories of the EU Member States; whereas this will require appropriate measures to be taken to improve the competitiveness of the sector and to ensure that Europe maintains its position as the world's number one tourist destination, as a driver for the growth and sustainable development of its cities and regions;
- M. whereas passengers have the right to receive services as scheduled, especially since they have already paid the price of the ticket before the service is provided; whereas it is essential to provide passengers with comprehensible, accurate and timely information that is accessible to all; whereas for many consumers it was unclear what their entitlements to compensation were and which parts of their bookings were covered by their insurance;
- 1. Is deeply concerned by the 600 000 people stranded away from home, many of whom were left at their destination without any alternative return trip being offered, which proved to be an enormous legal uncertainty for the sector and entailed a considerable lack of protection for consumers; is equally concerned by the thousands of employees around Europe who have lost their jobs, by the thousands of local suppliers and subsidiaries, mostly SMEs, who have found themselves in serious financial difficulties caused by the collapse of Thomas Cook, and by its damaging impact on local economies and communities and on the image and reputation of Europe as the world's top tourist destination;
- 2. Points out that the Thomas Cook Group covered various activities such as accommodation, transport and leisure activities affecting different types of consumers and businesses and therefore that its collapse falls under different EU and national laws;
- 3. Congratulates the Member States for the urgency with which they executed contingency plans for the effective repatriation of the travellers concerned, and takes note of other measures to limit the effects of Thomas Cook's bankruptcy for employees in the tourism sector; calls on the Commission to assess how existing EU legislation and the respective laws in the Member States have responded to this huge rescue operation and to examine how it could participate swiftly and effectively in a similar situation in the future:
- 4. Calls on the competent authorities to carry out an analysis of the reasons for the

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bankruptcy of Thomas Cook, while taking into account the fact that the negative change in the company's financial situation was already known by the British authorities, in order to determine whether preventive measures could have been taken to avoid its sudden collapse; believes that this should help to anticipate future crises and lay down policies to minimise risks in a sector that is so important for the EU;

- 5. Underlines that better monitoring of the financial state of airlines by national supervisory authorities is necessary to prevent European passengers from becoming victims of such failures considering that since the beginning of 2017, 32 airlines have gone bankrupt; recalls that Regulation (EC) No 1008/2008 is currently subject to an impact assessment, which includes a section on the obligation of airlines to obtain an operating license; calls on the Commission to consider a revision of this regulation in order to empower authorities to better monitor and control the financial states of airlines and respond where it is critical;
- 6. Calls on the Commission to identify, and to enable swift and effective access to, EU financial instruments that could compensate for the harm caused to the sector and help to improve its competitiveness, and to guarantee a high level of consumer protection; notes that the crisis borne out of the bankruptcy of Thomas Cook Group is not an isolated event and may well happen again in the future; calls, therefore, on the Commission to evaluate the feasibility of adopting specific actions and/or measures to prevent situations of this kind from happening again in order to further boost consumer protection and passenger rights;
- 7. Calls on the Commission to include tourism in the priorities of its strategy and rename the transport portfolio 'Transport and Tourism';
- 8. Points to the possibilities provided by the European Globalisation Adjustment Fund (EGF) for workers made redundant as a result of major structural changes; calls on the Member States affected by the bankruptcy of Thomas Cook to make full use of the possibilities of the EGF, in particular with regard to collective applications from SMEs; calls on the Commission to process these applications as quickly as possible within the timeframe set out in the EGF Regulation and to provide the necessary support to Member States if requested;
- 9. Stresses that the tourism services in tourism-based regions, and in particular hotels, had a scheduled provision of services with many reservations already in place for the next tourist season before the Thomas Cook Group collapsed, and therefore recognises the need for support from the Member States to deal with the negative impact that this has had on many businesses; encourages, moreover, the Member States and local and regional authorities to make use of the tools provided by the European Social Fund and other EU, national, regional and local instruments; calls on the Commission and the Member States to draw up, on a regular basis, specific calls for tender related to the tourism industry based on the priorities set out in the respective funds;
- 10. Reiterates the importance of establishing an EU Strategy for Sustainable Tourism with coordinated and concrete measures, for example a crisis management mechanism and mechanisms for effective cooperation in the tourism sector; calls on the Commission to RC\1191250EN.docx

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- introduce a specific budget line for the tourism sector in its next draft budget, as requested by Parliament for the multiannual financial framework 2021-2027;
- 11. Urges the Member States and the Commission to consider, as a last resort only, State aid measures that can mitigate the negative economic impact on businesses, cities, regions and destinations in addition to the serious consequences on employment;
- 12. Stresses the importance of securing a well-functioning internal market for transport services, maintaining a high level of consumer and employee protection and improving the competitiveness of businesses in the tourism sector;
- 13. Believes that the European tourism sector must make much better use of the excellent opportunities afforded by digital technologies and the digital single market; calls on the Commission, in this regard, to provide the necessary support to help EU companies manage the transition to a digital economy and new business models both through the relevant funding and training and by encouraging a digital business mindset;
- 14. Underlines the importance of sustained social dialogue at all levels, based on mutual trust and shared responsibilities, as one of the best instruments for finding consensual solutions and common approaches in predicting, preventing and managing restructuring processes; calls on the Member States to consult the social partners in the development of all relevant measures; asks the Commission to identify best practices on the basis of the measures applied by national, regional and local authorities, as well as those undertaken by SMEs in the sector, with a view to developing a common EU strategy for the tourism sector; reiterates its call for the Commission to submit, after consulting the relevant social partners, a proposal for a legal act on the right of workers to information and consultation and the anticipation and management of restructuring in line with the detailed recommendations set out in Parliament's resolution of 15 January 2013 on information and consultation of workers, anticipation and management of restructuring<sup>11</sup>;
- 15. Calls on the Commission and the Council to assess and adopt all necessary measures to defend the EU's interests and avoid similar situations in the future, and to draw lessons from this experience that can be applied in the negotiation of future air service agreements;
- 16. Calls on the Commission to inform Parliament of any new relevant information about the bankruptcy of Thomas Cook; underlines, in this regard, the importance of knowing whether the relevant licensing authorities had assessed the financial situation of Thomas Cook, whether any financial problems were identified and whether any measures could have been taken to avoid leaving thousands of passengers stranded away from home;
- 17. Calls on the Commission to consider further measures to maintain a high level of consumer and employee protection in the event of business failure; calls on the Council to adopt its position on the amendment of Regulation (EC) No 261/2004 on the enforcement of air passenger rights and air carrier liability limits as soon as possible and

<sup>11</sup> OJ C 440, 30.12.2015, p. 23. RC\1191250EN.docx

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- to endorse the position taken by Parliament in February 2014; regrets the fact that the Council has been unable to reach an agreement in the last five years;
- 18. Reiterates the need, as regards the amendment of Regulation (EC) No 261/2004 on the enforcement of air passenger rights and air carrier liability, for mandatory mechanisms to maintain the current level of protection of passengers in the event of insolvency or bankruptcy, including through the creation of guarantee funds or insurance contracts by airlines guaranteeing assistance, reimbursement, compensation and re-routing; stresses that passengers who booked a standalone service such as a single flight should receive the same protection as passengers who booked a travel package, especially since consumers are increasingly booking seat-only flights; calls therefore for minimum harmonisation of the highest standards in consumer rights in the transport, accommodation and tourism sector;
- 19. Calls on the Commission to consider facilitating the exchange of best practices among Member States on how best to deal with the closure of companies, encouraging them to look into examples contained in legal provisions in order to try as far as feasible to organise the search for a buyer in order to keep enterprises going despite the decision by the original owners to cease operations;
- 20. Instructs its President to forward this resolution to the Council and the Commission, and to the governments and parliaments of the Member States.