



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR INTERNAL MARKET, INDUSTRY, ENTREPRENEURSHIP
AND SMES

Ecosystems III: Construction & Machinery

H2. Machinery & Equipment

Brussels
GROW.H.2/VS/me
grow.h.2(2021)2576759

EFCEM
Phil Williams
EFCEM President

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**Subject: Impact of COVID 19 pandemic for the producers of appliances for
foodservice and hospitality sectors**

Dear Mr Williams,

Thank you for your letter on 10 March 2021. President von der Leyen has asked me to reply on her behalf.

Let me inform you of a number of initiatives that the Commission has taken to support the recovery of the industry that might have a positive impact on the hospitality sector.

First, the Commission has set up the Coronavirus Response Investment Initiative (CRII) to help Member States overcome the healthcare crisis (€37 billion) aimed, among other things, at providing liquidity for businesses and support to people who have lost their jobs¹. For example, the tourism sector that is interlinked with the hospitality sector could get support from sources such as the European Globalisation Adjustment Fund², the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)³. The Commission's package on tourism and transport⁴ could be another positive, indirect contribution to the sector.

Second, the EU has brought forward another instrument to mitigate the negative economic effects of the COVID-19 with the temporary initiative called SURE (Support

¹ [fs_crii_0204_en.pdf \(europa.eu\)](#)

² [Covid-19: EU support for the tourism industry | News | European Parliament \(europa.eu\)](#) and <https://ec.europa.eu/social/main.jsp?catId=326>

³ https://www.eca.europa.eu/lists/ecadocuments/ap20_12/ap_tourism_en.pdf

⁴ https://ec.europa.eu/transport/news/2020-05-14-tourism-and-transport-2020-beyond_en

to mitigate Unemployment Risks in an Emergency), which provides €100 billion in the form of loans to prevent companies from laying off staff.

Third, as indicated in your letter, NextGeneration EU initiative (a €750-billion stimulus package) is meant to mitigate the effects of the pandemic at an early stage. Under NextGeneration EU, the European Commission, through REACT-EU, will make available €47.5 billion to help regions that are most dependent to recover from the crisis through investments as well through economic measures on sectors most affected by the crisis including tourism and hospitality services⁵. REACT EU will be mainstreamed through the European Social Fund (ESF) and the European Regional Development Fund (ERDF). Primary areas of investment under the ESF are jobs maintenance and job creation (incl. self-employed), youth employment, skills development, access to social services, while the primary areas of investment under the ERDF are products and services in health services, working capital and investment support to SMEs, sectors most affected by crisis, including tourism.

Indeed, the demand for digital transition is evident. At least 20% of NextGeneration EU will fund investments in digital: roughly €150 billion⁶. An enabler for this transition for your sector will be the intelligent connected appliances, with optimized technology (e.g. sensor technology, display controls and automatic cleaning systems) striking a balance between quality and efficiency.

Fourth, the Commission has also adopted a new State aid [Temporary Framework](#) to support the economy in the context of the coronavirus outbreak, based on Article 107(3)(b) of the Treaty on the Functioning of the European Union. The Temporary framework was thereafter amended several times to protect jobs and to further support the economy by enabling recapitalisation and subordinated debt measures as well as to support micro, small and start-up companies and to incentivise private investments. On [13 October 2020](#), the Commission adopted a fourth amendment to prolong the Temporary Framework and to enable aid covering part of the uncovered fixed costs of companies affected by the crisis. This can be useful to support particularly impacted sectors, such as transport, tourism, hospitality etc. A positive contribution to the catering industry was the approval by the Commission of €35.5 million Latvian direct grant scheme to support, among others, school catering sectors during the COVID-19 outbreak⁷.

Finally, regarding your call for an economic study on the economic impacts of smart working/home office activity and the significant impact that the reduction of use of restaurants, hotels and catering services may have on the catering appliances sector, the Commission has not envisaged such a study. Nevertheless the study commissioned by ITRE Committee of the European Parliament provides an overview on the situation in the sector during COVID-19. You can find it via the following link [Impacts of the COVID-19 pandemic on EU industries \(europa.eu\)](#). Specific reference on the hospitality and food sectors you can find in pages 25-26 and 32.

⁵ [REACT-EU - Regional Policy - European Commission \(europa.eu\)](#) and [EUR-Lex - 52020PC0451 - EN - EUR-Lex \(europa.eu\)](#) and https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_948

⁶ [mff_factsheet_agreement_en_web_20.11.pdf \(europa.eu\)](#) and [Recovery plan for Europe | European Commission \(europa.eu\)](#)

⁷ [State aid: Commission approves €35.5 million Latvian scheme \(europa.eu\)](#)

Please also note that JRC has published a study on the behavioural changes in tourism in times of Covid-19. You can have access to the full report via the following link [JRC Publications Repository - Behavioural changes in tourism in times of Covid-19 \(europa.eu\)](#) and more information on the sector via [Tourism and employment: how the severity of future coronavirus waves could impact jobs | EU Science Hub \(europa.eu\)](#).

I hope to have provided you with some further useful information.

Yours sincerely,

(e-signed)

Barbara Bonvissuto
Head of Unit