

Velp, 9 June 2023

Dear Mister Didier Reynders,

We would like to contact you on behalf of our Association of Small-Scale Travel Organizations (VvKR). Our association represents the interests of more than 450 small-scale travel companies in the Netherlands. We are very concerned about the Commission's plans for the revision of the European Package Travel Directive (PTD), which we would like to share with you.

We understand that DG Just intends to submit a proposal that will limit travellers' deposit for the package to a maximum of 20% of the total package price. We would like to point out that this will have serious consequences for the travel industry and in particular for the many small and micro enterprises (SMEs) in this sector.

In the context of the proposed revision of the PTD, there is a large negative gap between the money that tour operators receive from their customers and the amount that they have to pay in advance to the providers of the various services in the travel package (accommodations, carriers, excursions, etc.). While large companies may have more resources to get around this, for example by negotiating better payment terms, SMEs normally do not, and most companies in this sector are micro or small enterprises.

These tour operators would then have to take out credit loans to pre-finance the traveller's trip long before they receive the traveller's payment. Not only will this increase the price of a package holiday – making them more expensive for travellers – it will also put tour operators in the undesirable position of actually granting credit to travellers and thus being subject to all laws relating to lending. The tour operator becomes a financier and a debt arises for the traveller towards the tour operator.

In Germany, companies with a turnover of less than 2.0 million per year are classified as micro-enterprises. We therefore call for an exception to be made for micro-enterprises and for the percentage of down payment to be increased to 35%.

The Ministry of Economic Affairs of the Netherlands has conducted a [survey](#) among the members of the VvKR and the ANVR (conducted by Panteia) which shows that a significant part of the SME tour operators will stop offering package holidays if there is a lower limit on the deposit that can be requested for the trip.

In addition, we believe that with the current PTD, the European Commission and the Member States already have a large and effective toolbox to protect travellers. Countries such as the Netherlands have worked this out well, through the guarantee fund for package holidays (e.g. SGR). This offers the traveller protection against the insolvency of the package

travel provider. And it offers the traveller significantly more protection than if the travel services were booked separately by the traveller.

Instead of focusing on new legislation, the European Commission could focus on better implementation and enforcement with Member States to ensure that travellers can benefit from the protection offered by the current Package Travel Directive. We notice that many Member States do not yet have this in order.

We support the Commission's aim of protecting travellers and helping them to get their money back faster. However, the current planned deposit limitation measure is designed to limit the risks in the event of an extreme and unique incident (the corona crisis), while for all regular circumstances it will have very significant and negative consequences for tour operators and limit the supply of travel packages to travellers.

We also foresee that the international flights and other elements that require a full deposit cannot be offered to travellers by more tour operators, effectively reducing consumer protection.

In short, the proposed measure disproportionately affects the regular commercial activities of companies in response to an extraordinary global event.

Furthermore, we note that the Commission's plans to limit the deposit are a restriction on Article 16 of the Charter of Fundamental Rights of the EU, which includes the freedom to carry out a (viable) commercial activity and the freedom to contract. The restriction is not justified, as the measure is unsuitable to further protect the traveller, goes beyond what is necessary to protect travellers and imposes a disproportionate burden on SME tour operators. This is even more evident with regard to business travel.

We would be very grateful if you could take these concerns into account when discussing DG JUST's revision proposal. We are also happy to discuss these concerns with you during a personal conversation.

Ton Brinkman
(Chairman VvKR)

Marleen Nijdam
(Secretary VvKR)