

Restarting and Returning to Growth: IAAPA's Recommendations for Post-COVID-19 Recovery



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RESTARTING AND RETURNING TO GROWTH: IAAPA'S RECOMMENDATIONS FOR POST-COVID RECOVERY

Introduction – an industry deeply-rooted in Europe contributing to jobs and growth

The amusement parks and attractions sector is a dynamic part of Europe's economy and tourism offer. Most of our members are important employers in the areas where they operate, playing a positive role in terms of revenue, jobs and tourism flows in Europe's regions. We are an industry with deep roots in local communities, and it is not uncommon to find IAAPA members who are family-owned and have been in the business for centuries.

Our contribution to Europe's economy is substantial: according to our periodic economic impact study, the industry generated revenues of €29.6 billion, contributing €3.43 billion in tax and supporting 85,115 direct and 170,382 indirect jobs (2018 figures).

As part of the European, national and local tourism offer, our industry has been dramatically hit by the COVID-19 pandemic and the necessary restrictions put in place to combat it.

As most businesses in the tourism and hospitality sector, our industry is in survival mode. Although some countries permitted opening for some months in 2020 and some regional parks benefitted from staycations during the summer, the broader picture is grim.

Our members, with IAAPA support, have undertaken significant investment to ensure they can operate safely. IAAPA drafted guidelines for safe reopening and our members put in place crowd management and cleaning protocols, as well as adapting their venues to guarantee smoother circulation of visitors.

This paper lays out the industry's needs in the short- and long-term. It presents what we need from European decision-makers to restart our economic activity and what actions they can take to accelerate economic growth, once activity restarts. Prior to the crisis, Europe had a thriving attractions sector and we want to make sure that healthy and valuable European businesses can emerge intact after the crisis.

Short-term: A question of survival

Our members have identified the following immediate priorities to ensure the sector's survival:

- **Employment support:** Employment costs are one of the biggest business expenditure for our industry. Employment support measures have been very welcome, although we observed significant variations in coverage between countries, ranging from 30%-70% in Spain, depending on the level of the salary, to 80-90% of coverage in Sweden and 100% in Denmark. In the UK it is also possible to train people while on furlough. These efforts have been essential for us to help keep staff in jobs while operations have been at a standstill.
- Having come this far, we think **it would be foolhardy for Member States (MS) not to extend this support** until restrictions are loosened sufficiently to allow for safer operations. In general, governments have extended their furlough relief (e.g. in Spain this has now been extended to the end of May), but we must stress that support is likely to be needed even after economic activity restarts. Some of our members do not expect business activity to recover fully before the end of summer.
- We must also emphasise that our members cannot furlough all their staff, like in other industries, but need some employees to maintain park rides and other infrastructure, as well as take care of animals, where necessary.

- **Liquidity and fixed business costs:** Support with employment costs, is not sufficient to address the fixed costs of maintaining a park or attraction. IAAPA members are in regular talks with banks to secure liquidity, but they still need support with fixed business costs. This could take the form of support as a percentage of last year's revenue, or coverage of fixed costs. A good example of such a plan comes from Germany, where business support was a percentage of the previous year's revenue. In France, a new aid plan is in place for the tourism sector, covering 70% of the fixed costs in the period January-December 2021 for companies with more than 50 employees and 90% for small companies (up to a cap of €10 million). While these are positive examples, this type of support has been lacking throughout the region and is necessary to ensure the survival of many in the industry. There have also been cases where promises for support were not realised.
 - In many cases, business support efforts have also not been designed with seasonal businesses in mind, resulting in even poorer performance for our sector.
 - In addition, there have been instances where the European Commission procedure was not fast enough in approving support efforts, resulting in substantial delays in the disbursement of funds. One such example is from Sweden, where the Commission delayed a positive decision believing that Sweden had not locked down its economy. However, the amusement parks and attractions sector was among a few sectors that had been forced to close and needed support.
- **Vaccination passports:** Vaccination programmes are likely to continue beyond the summer season and their positive effects will take time to be felt. Our industry urges policy makers to consider the option of vaccination passports as a pragmatic way to curb the economic impact of the crisis. A digital standard for a vaccination passport would be extremely beneficial to our industry, and will help boost visitor confidence. We hope governments will encourage, rather than mandate the use of vaccine passports for visits to private venues. It is also imperative vaccination programmes around the region advance as quickly as possible.
- **Harmonised travel restrictions:** Despite efforts at a coordinated approach, many EU MS imposed different restrictions on travel, creating a confusing situation for travellers. We call for as much harmonization as possible in border closures between MS. As we approach spring and summer and expect some economic activity to restart, a lack of uniformity will deter visitors from travelling to destination parks. In addition, workers and businesses in border regions are particularly affected by restrictions and special consideration must be given to them.
- **Clear communication and sufficient lead time:** Governments should inform the industry about plans to reopen with sufficient lead time. Although our members are taking every step they can to ensure they are ready to open at short notice, we cannot simply hit a switch, turn on the lights and welcome guests. The lead time needed depends on how long a venue has been closed for, as this determines whether we need to recruit, retrain staff etc. This can range from 10 days to over a month. We urge governments to be in regular contact with the industry to make sure that reopening timelines are developed with these considerations in mind.
- **Clear recognition that parks and location-based leisure activities are part of the tourism industry:** In some MS, amusement parks and attractions are not formally considered part of the tourism industry, despite strong evidence that parks are major drivers of tourism flows in the regions where they operate. This is the case in Spain and Italy, where our members are strongly advocating for a change in formal legislation to achieve this recognition. This exclusion means that we have lost out on support plans targeted at the tourism industry. At the EU level, we are a recognized stakeholder of the tourism ecosystem and we would like to see a formal recognition of that role in the national / regional context.

Long-term: Accelerating the return to growth

Once we are allowed to reopen and business activities resume, there are a number of actions governments can take to ensure the return to growth is expedited.

- **Recognition of industry's safety credentials:** Governments can help promote the message that amusement parks and attractions are safe destinations for a number of reasons. First of all, we are **different to a typical mass gathering**, as our members can easily control visitor flows and block areas of the venue that could create a higher risk of infection. In addition, some of our members were allowed to briefly reopen over the summer period; although figures vary, the best performing members operated at 70% of their usual visitor numbers. Despite handling a significant volume of visitors, **there were no confirmed clusters of infections in an amusement park.**
- **IAAPA developed an extensive guidance document for reopening**, making it available to members around the world. The guidance was first distributed last summer and has been shared with local and national government authorities to help educate and communicate the industry's readiness and ability to safely reopen and operate. The guidance covers general operating measures and protocol for attractions facilities: general health and safety, guest behaviour, communication, calculating venue capacity based on physical distancing requirements, cleaning and sanitizing, and more. It also includes considerations for specific types of attractions, such as ride operation, walk-through exhibits, ziplines, food and beverage operations, arcades, indoor leisure and more. This guidance has helped members develop their plans, and serves as a complement to the guidance and health protocols their local communities have recommended for safe business operation.
- Being allowed to briefly reopen in 2020 gave our members **significant experience with the challenges of reopening and operating under the COVID-19 reality**. These learnings make it possible for us to resume our activities earlier, as we know better how to manage our venues with enhanced public health measures in place.
- We welcome recognition of these efforts and the positive track record of our industry by governments. A local minister visiting an amusement park or an attraction would be a great way for members to highlight the efforts they are taking to keep guests safe, and also show support for the facility from local authorities.
- **Inclusion of tourism in national recovery plans:** Our members report that some EU MS, such as Germany, have not included the tourism industry in their national recovery plans. As one of the hardest hit sectors, with a potential for a quick and strong economic recovery, we believe it is imperative that the sector benefits from the funding available in the Recovery and Resilience Facility.
- **Proper adaptation of public health measures to the realities of the sector:** It is a given that when economic activity resumes, it will have to be done with certain public health measures in place. Blanket measures cannot apply across our industry, which is made up of different sizes and types of venues (indoors, outdoors, water parks etc.).
- **Investment facilitation:** Given the business cycle of our industry, the impact of the pandemic will have a prolonged impact on capital investments. Once we reopen, many members will have to pay off debts and cover losses, reducing their ability to invest in new and future enhancements for several years to come. This will leave a lasting, negative effect on the manufacturers and suppliers who support our industry. These businesses, located throughout the EU have had profound economic impact prior to the pandemic. Grants or subsidies to encourage investment in new projects with a recovery element for the region will be needed. Amusement parks were the most heavily impacted within the leisure sector and a lack of future investment will hurt our long-term competitiveness and relevance to the public. Capital investment is essential in our industry to remain attractive to new and repeat visitors.

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- **Infrastructure and mobility:** Our industry is ever-changing and we invest constantly to modernise the product we offer. Sustainability and digitalization are common priorities for us and prerequisites to attract the next generation of visitors. We welcome the inclusion of these priorities in national recovery plans and call on governments to support industry projects with these goals in mind. Such projects should have a clear recovery element for regions, as most of our members have strong ties with their regions.

As responsible stakeholders, we are ready to restart our operations and contribute to Europe's economic recovery. With proper support by policy makers, we can accelerate the return to growth.

IAAPA members take pride in providing happy memories to visitors and contributing to the mental wellbeing of the population. During a challenging period that seems unlikely to end soon, people want to be entertained. The amusement parks and attractions sector can provide much-needed joy in a safe environment and help alleviate the strain placed on people's mental health.

About IAAPA

IAAPA is a diverse and dynamic community of global attractions professionals. As the largest international trade association for permanently located attractions, IAAPA unifies the attractions community, connects people to learn and grow together, and strives to promote the highest professional standards for excellence and safety around the world.

Founded in 1918, IAAPA represents leading industry attractions and supplier companies, consultants and individual members from more than 100 countries. Members include professionals from amusement parks, theme parks, attractions, water parks, resorts, family entertainment centers, zoos, aquariums, science centers, museums, cruise lines, manufacturers and suppliers.

The association's global headquarters and North America office are located in Orlando, Florida, U.S. IAAPA also maintains offices in Brussels, Belgium; Hong Kong, China; Shanghai, China; and, Mexico City, Mexico.

Additional information is available at:

[IAAPA.org](https://iaapa.org) or through IAAPA's social media channels:
[@IAAPAHQ](https://twitter.com/IAAPAHQ) [@IAAPAEMEA](https://twitter.com/IAAPAEMEA) [#IAAPA](https://twitter.com/IAAPA)

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