

Thank you, Vice Prime Minister Bartoš, the Czech Presidency and the Ministry of Regional Development for organising that timely event on the package travel directive. And a big thanks for my esteemed colleagues for their presentation.

My name is Benoît Chantoin and I am director for legal and consumer affairs at ECTAA. Our Association has represented the travel agents and tour operator community for the past 60 years. This industry had been the first to apply the Package travel directive of 1990, as, in the pre internet era, going to your travel agency was the main way for most traveller to book their holiday.

With internet, new sales channels opened, it is now possible now to book your trip the way you want, directly or indirectly, standalone and combined. And little by little, this very protective piece of legislation covered less and less travellers. Protection has a cost and the main driver leading to a purchase remains the price.

The directive had been revised, modernised in 2015 in order to better fit in the digital age, with some successes and limits.

Since its entry into force, the PTD had now seen 2 major crises: the Thomas Cook insolvency and the Covid 19 pandemic. The latest has seen the whole travel and transport industry come to a halt, with massive waves of cancellations and a cashflow issue. Travel agents and tour operators were particularly vulnerable, not able to retrieve their customers' money from service providers.

Now, we are back at looking at a revision and how to improve upon the 2015 Directive.

I can list all the measures we would like to see in the revision but I have only 8 minutes. As the Commission is currently working on the possible revision of the directive, I will just give a few remarks on how, in our opinion, this revision should go:

1. **A TA/TO is typically an SME**, that will be in contact with clients, and be liable toward them. They will have a system protecting their prepayment against insolvency but don't hold the money of their client. Each of the protection they guarantee under the PTD comes at a cost, mostly professional insurances. Due to the successive crisis, insurers have either increase their premium or disappeared from the market.
2. **Let's not only look at the revision of the PTD but rather have a holistic approach.** What the pandemic has clearly shown is that the travel industry is one intricated ecosystem with a complex cash flow system. One element cannot work without the other: consumers, intermediaries, hotel. All are addressed in various separated legislations that are revised from time to time. It is important to see how the various legislations will work together. At the moment an organiser can have to refund a traveller free of charge but is not sure he will be able to recover the money from his suppliers.
3. There is a lot of discussion about limiting consumers prepayments. **Limiting consumer prepayments in the PTD at this stage does not make sense in our opinion.** The

intermediaries, composed of SMEs, hold for a very limited time their clients' payments, which is used to pay the services provider to secure the bookings. An airline will require 100% of the payment at the time of the booking. Limiting the prepayment of intermediaries will be asking SMEs to become the bankers of airlines. It would make more sense to protect those payments against an airline insolvency rather than limiting the payment in the PTD. A funds covering airline insolvency already exists in Denmark and is working, let's use this as an inspiration. If package organiser can protect the traveller's money against their insolvency, why not airlines? And who knows: In a few years, you might see more and more offer requiring no or very limited prepayments.

4. **We should also look at what had been done by Member States and the EU. Let's get inspired by the best practices.** The pandemic has been exceptional, both in duration and scale. It is important to address how to better handle the next crisis. But let's keep in mind that might not be the same crisis. Some Member States used voluntary voucher, others (Denmark) have set up a fund from which package organisers could refund their customer and pay back by instalment. Creating a preventive Fund might be though costly and less adaptive than ad hoc measures.
5. **Package organisers are not insurers.** The pandemic had been problematic for travellers and the PTD is already very protective legislation. However, let's not fall into the extreme that the PTD should solve all the problems that a traveller will encounter. A package travel is a contract and should regulate what happens within the boundaries of that contract, not more, not less. There are areas that are covered by travel insurances and if some works need to be done in that area, we are happy to assist.

As a conclusion, let's work to find the best practices and let's use the experiences gathered to make sure that travellers are protected along the whole travel value chain.

Thank you and happy to take questions

Benoît Chantoin