



MONTHLY REPORT CENTRAL EUROPE FEBRUARY 2022



**ST.PETE
CLEARWATER**

**KAUS
MEDIA
SERVICES**



Marketing
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1. Overview of Monthly Highlights

In February 2022, we continued contacting about 40 operators selling the U.S. and Florida. The tour operators and wholesalers reported that sales continues to increase and more bookings are coming in as the months progress. Of the contacted operators one of the most notable ones is Secret Escapes. The company has done several direct campaigns in the past and would look to do them again with us. Here is an example that could prove successful with the current market trends: <https://mp.secretescapes.com/de/st-pete-clearwater/>



We also followed up with America Journal since they had organized a event together with FTI, one of Germany's big five operators that proved to be very successful. It was a combined effort between VSPC, Marco Island, the Florida Keys, and Tampa Bay. The event was geared toward consumers and was very successful due to the large following that Florida has in the markets of Germany, Switzerland and Austria. There are discussions to do a similar event again.

TUI Germany confirmed that VSPC is their largest supplier in the destination marketing department for the Florida region in general and looks forward to the world starting to reopen and work with us again. As it stands, calls continue to be made, increasing visibility and relationships of VSPC – to be continued.

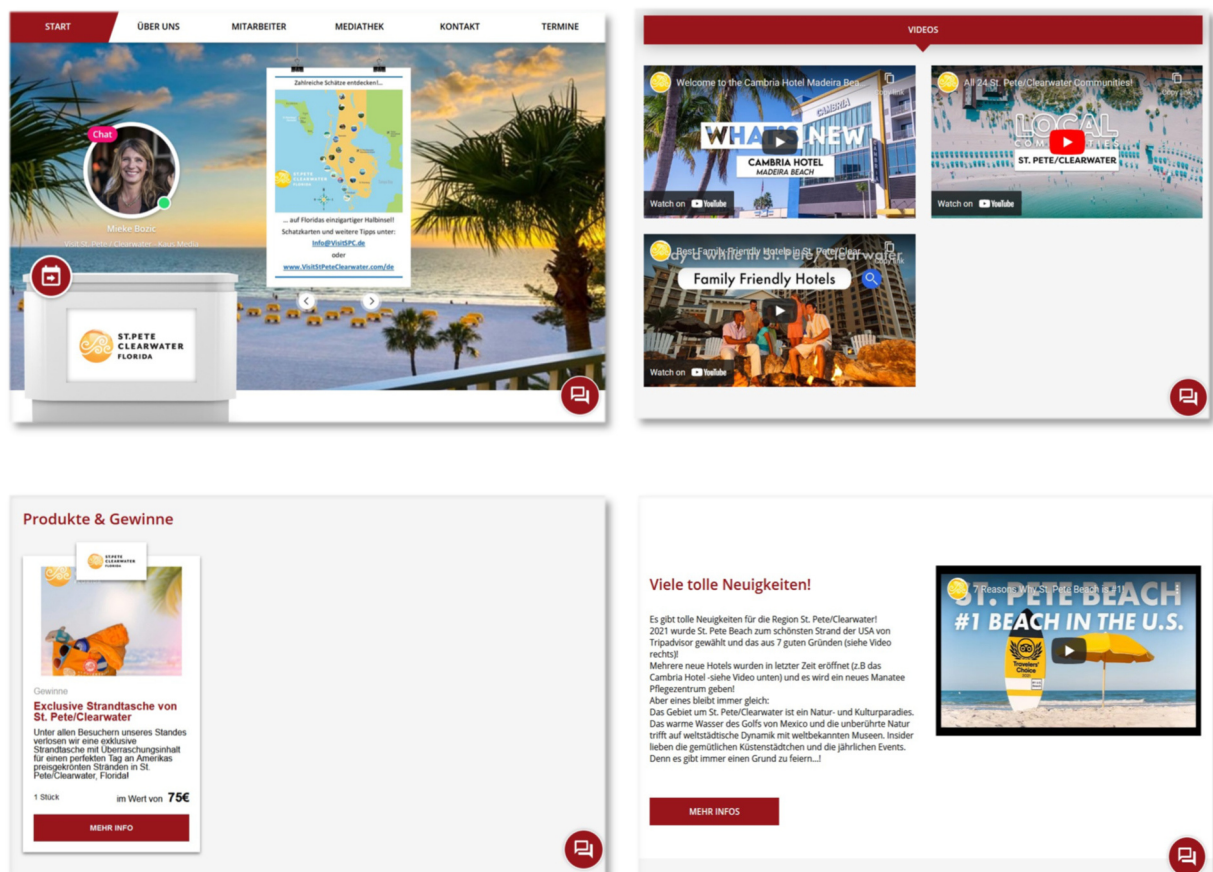
On February 23-24, 2022, VSPC also participated in the FVW Counter Days. FVW Internationals is the largest travel trade magazine in the German speaking countries and the two days long virtual show was designed for tour operators and travel agents to move booth to booth connecting with destination marketing organizations and other travel organizations.

In order to guarantee an effective promotion for VSPC, we designed and set up the VSPC booth over the course of the three weeks before the show. We uploaded videos, photos and destination texts.

The show itself proved to be successful with approximately 240 tour operators and travel agents "visiting" our VSPC stand, over 90 chat messages, 169 received messages and 76 agents that left their business cards (data provided by FVW). They all requested further information on or destination and we added all of them in our database to receive our destination news in the future.

Our FVW Counter Days set-up for VSPC will remain open for the next year (365 days) for travel trade professionals to go in and get information on any of the booths they may have missed. Our information will remain available for this duration. We started following up on each visitor individually providing the requested information.

Below please find a few screen shots of the two days long event:



Furthermore, we continued registering for upcoming promotional activities and road shows in order to promote our destination in the lucrative Central European markets. Please find an overview of these activities in the subsequent sections of this report.

2. Overview of Regional Activities

Germany

- From February 22-23, we attended the FVW Virtual Counter Days. FVW is the leading travel trade magazine in Germany and the Virtual Counter Days provided two full days of destination promotion for the travel trade in the German speaking countries. Please find details in section 3 of this report.
- We comprehensively prepared Visit St. Pete / Clearwater's media promotion at TravMedia's International Media Marketplace Germany 2022 (IMM) in Berlin on March 08, 2022. In this regard, we contacted a large number of attending media professionals and pre-scheduled all of the possible 24 media appointments during the media event. Please find details in section 3 of this report.
- KMS continued contacting a large number of tour operators offering the U.S. and Florida in Germany and we discussed potential co-op activities. In addition, we discussed potential group or individual fam trips to our destination pre or post ipw 2022 in Orlando, which will take place from June 4-8, 2022.
- KMS drafted all destination texts and compiled photos for our destination that will be presented on the Visit USA Committee Germany's new website.
- KMS registered VSPC for a destination webinar for travel agents to be hosted on March 10, 2022. Please find details in section 3 of this report.
- KMS completed a conference call with Visit Tampa's representative in Germany in order to discuss joint opportunities for non-competing promotional activities.
- KMS continued working with the luxury tour operator *Art of Travel* in Munich that wants to add our destination. In coordination with VPSC's Director of Leisure Travel we arranged a meeting and site inspections for the product manager in our area in April 2022.
- KMS attended a conference call with Visit Florida's office in Germany as well as other Florida destination offices in order to discuss Visit Florida's co-op programs for 2022. We will be able to propose activities to VSPC as soon as they will become available.
- After approval from VSPC, we registered for ipw 2022 that will be held in Orlando, FL from June 4-8, 2022. We started discussing opportunities for media and trade fam trips to our destination pre or post the show.

- KMS made comprehensive arrangements for VSPC's promotion at the *Eurowings Road Show* in Germany from March 14-18, 2022. The road show will stop in Dusseldorf, Frankfurt, Baden-Baden, Nuremberg and Munich. Please find details in section 3 of this report.
- KMS forwarded a complete overview of all current non-stop flights from Germany to the U.S. for further evaluation.
- We followed up on all media professionals that we met at the Visit USA Committee Germany's virtual media event on January 25, 2022. Please find details in our VSPC PR Report for February 2022.
- Eurowing Discover asked us for support of a tour operator fam to Florida from March 29 – April 02, 2022 in order to promote their gateways in Tampa and Ft. Myers. The tentative list of tour operators include America Unlimited, Canusa, Explorer, Argus Reisen, Meso Reisen and Dertour. After consultation with VSPC and due to the high-season during the requested dates we unfortunately had to kindly decline our support for those dates.
- In coordination with the Visit USA Committee Germany, KMS drafted texts for the promotion of our destination in a trade newsletter that will be distributed at the beginning of March 2022.
- We maintained a strong communication with Eurowings Discover in order to support the airline with their flights from Frankfurt to Tampa. We discussed joint promotional opportunities such as travel trade and press fam trips among other activities.
- We attended a coordination call with VSPC in February 2022.
- We received several proposals for joint marketing activities and forwarded them for evaluation and discussion to VSPC.
- We coordinated the warehouse that we have subcontracted on behalf of VSPC, proofread their inventory report for February 2022 and forwarded it to VSPC.
- We followed up on the proposed marketing, sales and public relations plan for the current fiscal year.

Switzerland

- VSPC and KMS discussed Edelweiss' return of its air service from Zurich to Tampa Bay that will begin on March 02, 2022. Together with the airline, TPA Airport and Visit Tampa Bay and arrival event will be planned on March 02, 2022 and potentially another community event on March 03, 2022. At this time, Edelweiss' service is planned twice a week (on Wednesdays and Fridays) as a year-round service. Edelweiss' CEO and Chief Commercial Officer are planning to come with a Swiss media delegation on the inaugural flight and they are looking to do activities for a few days to showcase our area. KMS will assist with proposals for future co-op marketing activities.
- KMS continued contacting USA tour operators in Switzerland and introduced our office as the new representative for Visit St. Pete / Clearwater in Central Europe. We will continue reaching out to all of them in the next few weeks. In addition, discussed potential group or individual fam trips to our destination pre or post ipw 2022 in Orlando, which will take place from June 4-8, 2022.
- After approval from VSPC, we registered for the "Visit USA Road Show" in Switzerland from April 5-7, 2022. The road show will be organized by the Visit USA Committee Switzerland and it will stop in six of the largest Swiss cities: St. Gallen, Zurich, Lucerne, Basel, Bern and Lausanne. We will receive 15 minutes long destination presentations in small groups in each city. Approximately 300 travel agents will be trained in total.
- KMS attended the Swiss Visit USA Committee's General Assembly on February 08, 2022, in which the committee gave an update of the Swiss travel market. In addition, the Visit USA Committee Switzerland gave an overview of their planned co-op programs for 2022. We forwarded the meeting minutes to VSPC for review..

The Netherlands

- KMS followed up on the Visit USA Committee in the Netherlands to request their co-op programs for 2022. The Visit USA Committee Netherlands planned to have it available in February but promised to send it to us as soon as possible.
- KMS continued contacting USA tour operators in the Netherlands and introduced our office as the new representative for Visit St. Pete / Clearwater in Central Europe. We will continue reaching out to all of them in the next few weeks.
- We also contacted selected Austrian operators to discuss potential group or individual fam trips to our destination pre or post ipw 2022 in Orlando.

Austria

- KMS continued contacting USA tour operators in Austria and introduced our office as the new representative for Visit St. Pete / Clearwater in Central Europe. We will continue reaching out to all of them in the next few weeks.
- We reached out to selected Austrian operators to discuss potential group or individual fam trips to our destination pre or post ipw 2022 in Orlando.

Belgium

- After approval from VSPC, we registered for a "USA Relaunch Workshop" in Antwerp, Belgium on April 21, 2022 that will be organized by the Visit USA Committee Belgium. The event is planned in a "speed dating" format for three hours followed by a networking dinner. The invitation for the event will be distributed to 2,000 travel trade professionals. In addition to the event, the VUSA Committee offers a dedicated newsletter to all exhibitors that will be distributed to their travel trade and media contacts as an added value.
- KMS continued contacting tour operators offering the U.S. and Florida in Belgium to introduce our office as the new representative for Visit St. Pete / Clearwater in Central Europe. We will continue reaching out to all of them in the next few weeks.
- We reached out to selected operators to discuss potential group or individual fam trips to our destination pre or post ipw 2022 in Orlando.

Czech Republic

- After approval from VSPC, we registered for a "USA Destination Showcase Bruch" in Prague on April 27, 2022 that will be organized by the U.S. Commercial Service in the Czech Republic. Approximately 150-250 media and travel trade professionals as well as corporate clients are expected for the event.
- KMS continued contacting tour operators offering the U.S. and Florida in the Czech Republic to introduce our office as the new representative for Visit St. Pete / Clearwater in Central Europe. We will continue reaching out to all of them in the next few weeks.



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3. Status of Sales Activities and Promotions

FVW Counter Days (February 22-23, 2022)

- On February 23-24, 2022, VSPC participated in the FVW Counter Days. FVW Internationals is the largest travel trade magazine in the German speaking countries and the two days long virtual show was designed for tour operators and travel agents to move booth to booth connecting with destination marketing organizations and other travel organizations.
- In order to guarantee an effective promotion for VSPC, we designed and set up the VSPC booth over the course of the three weeks before the show. We uploaded videos, photos and destination texts.
- The show itself proved to be successful with approximately 240 tour operators and travel agents "visiting" our VSPC stand, over 90 chat messages, 169 received messages and 76 agents that left their business cards (data provided by FVW). They all requested further information on our destination and we added all of them in our database to receive our destination news in the future.
- Our FVW Counter Days set-up for VSPC will remain open for the next year (365 days) for travel trade professionals to go in and get information on any of the booths they may have missed. Our information will remain available for this duration. We started following up on each visitor individually providing the requested information.

TravMedia's International Media Marketplace Germany (March 08, 2022)

- The day-long event is Germany's leading media event and it will take place at the prestigious Ritz-Carlton in Berlin on March 08, 2022. VSPC will have an own table and will be represented through its PR manager in Central Europe. During up to 24 pre-scheduled media appointments we will discuss projects with top-tier media for our destination.

Visit USA Virtual Road Show (March 07-11, 2022)

- We will promote St. Pete / Clearwater at the Visit USA Committee Germany's virtual roadshow on March 11, 2022. The roadshow is exclusively available to Visit USA members and we will have a presentation time of 20 minutes plus 5 minutes for questions and answers. The road show will consist of one webinar per day starting at 10:00 a.m. over a period of five days. Each webinar block will have three to four U.S. partners.

Eurowings Discover Road Show (March 14-18, 2022)

- From March 14-18, 2022, we will attend the *Eurowings Road Show* in Germany that will stop in Dusseldorf, Frankfurt, Baden-Baden, Nuremberg and Munich. Approximately 50 travel agents are expected to attend each event.

Visit USA Road Show Switzerland (April 5-7, 2022)

- After approval from VSPC, we registered for the "Visit USA Road Show" in Switzerland from April 5-7, 2022. The road show will be organized by the Visit USA Committee Switzerland and it will stop in six of the largest Swiss cities: St. Gallen, Zurich, Lucerne, Basel, Bern and Lausanne. We will receive 15 minutes long destination presentations in small groups in each city. Approximately 300 travel agents will be trained in total.

USA Relaunch Workshop, Antwerp/Belgium (April 21, 2022)

- After approval from VSPC, we registered for the "USA Relaunch Workshop" in Antwerp, Belgium on April 21, 2022 that will be organized by the Visit USA Committee Belgium. The event is planned in a "speed dating" format for three hours followed by a networking dinner. The invitation for the event will be distributed to 2,000 travel trade professionals. In addition to the event, the VUSA Committee offers a dedicated newsletter to all exhibitors that will be distributed to their travel trade and media contacts as an added value.

USA Destination Brunch, Prague/Czech Republic (April 27, 2022)

- After approval from VSPC, we registered for a "USA Destination Showcase Bruch" in Prague on April 27, 2022 that will be organized by the U.S. Commercial Service in the Czech Republic. Approximately 150-250 media and travel trade professionals as well as corporate clients are expected for the event.

IPW Orlando, FL (June 04-08, 2022)

- Support of VSPC during IPW 2022 with pre-scheduling and coordinating meetings with travel trade professionals and media interviews as well as onsite representation. We also plan pre or post fam trip activities to our destination.

Brand USA Travel Week Europe (September 26-29, 2022)

- The Brand USA Travel Week Europe 2022 is designed to showcase the diverse range of travel experiences available throughout the U.S.. Registration is open to all tourism industry entities operating export-ready tourism services in the U.S. We currently received the "save the date" for the event only with no detailed information.

Further sales activities and promotions will be added after approval.

4. Public Relations Activities

Please see our separate PR Activity Plan for an overview of all our public relations and media relations activities in February 2022.

5. Market Updates

Ukraine war could dampen holiday appetite

Bookings for the coming summer are picking up significantly. Package holidays in particular are experiencing a renaissance, according to the TDA's sales analysis. But the Ukraine war is overshadowing the development. Effects are not foreseeable at the moment – not yet.

The good news: at least until mid-February, weekly arrivals for summer bookings have picked up significantly and are even above the comparable period in 2019 before the Corona pandemic. Three quarters of all new bookings in travel agencies and on online portals are for package tours, according to the Travel Data & Analytics (TDA) analysis tool commissioned by the German Travel Industry Association (DRV).

But since last week, the world looks different. "Russia's war of aggression in Ukraine casts a dark shadow of uncertainty," said DRV President Norbert Fiebig at the presentation of travel figures in the run-up to ITB. "It remains to be seen at this stage whether and to what extent the war will lead to general uncertainty in the coming weeks and thus also have an impact on the booking and travel behaviour of German citizens."

Cancellations of flights and route changes

Some concrete decisions have already been made by the travel industry: Cancellations of flights and trips to Russia, route changes for ocean cruises in the Baltic Sea to avoid Russian ports, and the abandonment of river cruises in Russia are already making the effects of the war felt.

Yet the industry was already well on the way to leaving the pandemic-related hurdles behind. Thus, Norbert Fiebig expressly welcomes the decision of the German government to abolish the classification of holiday destinations as high-risk areas and the associated travel rules at this point in time. "People need more reliability again," he says.

Classic Mediterranean destinations in high demand

According to the TDA's analysis, the classic Mediterranean destinations are particularly in demand this summer: Spain, Greece, Turkey and Italy, as well as Egypt, are especially far ahead in customers' favour. But the long-haul destination USA has also made it into the Germans' top ten in recent weeks. Ocean and river cruises are now also picking up again.

The sales analysts at TDA are observing two trends here: customers are spending more money on holidays and booking higher-value trips. And flexibility continues to be in high demand. As tour operators report, travel is predominantly booked at flex rates, which allow free rebooking or cancellation up to shortly before departure.

Only about half of pre-pandemic bookings

However, the steep rise in bookings for the summer should not hide the fact that only about half of the usual sales level has been reached. The cumulative minus compared to the pre-Corona summer 2019 is still 48 percent (as of mid-February).

DRV boss Norbert Fiebig therefore remains cautious in his forecast for 2022. "Due to the challenging winter, the current tourism year will not quite match the pre-Corona year," he says. "In 2023, I am optimistic, from today's point of view we can again expect sales at the level of 2019."

(Source: FVW)

TUI forecasts continued strong summer business – Optimism despite Ukraine crisis

Tour operator TUI Deutschland is predicting a positive trend for summer 2022 despite the crisis-ridden times. Chief executive Stefan Baumert expects bottlenecks in certain regions and figures at pre-crisis levels.

Before the CEO of TUI Deutschland, Stefan Baumert, spoke about the current travel trends at the start of the ITB, he devoted himself to the topic of the Ukraine war, as is almost unavoidable these days. He deeply condemned the attacks by the Russians, he said.

TUI was trying to help the people in the Ukraine with free flights from Poland as well as monetary donations, he said, explaining the scope of the tour operator's possibilities. In a first step, 100,000 euros had already flowed into a specially created Ukraine aid fund, Baumert said this morning.

Whether the war will have an impact on the booking mood of TUI customers cannot be answered at the moment. "It is simply too early for that at this point in time," says Baumert, who was able to report a booking trend for February above the level of 2019. "Our early booking campaigns were still running until the end of February. After that, we always see a slump," the TUI Germany boss explained the situation.

Very satisfied with the Easter business

Baumert is obviously very satisfied with the Easter business. The demand for Majorca and Greece, but also for the Cape Verde Islands and the Canary Islands, even makes the manager smile. TUI has added 120 flights to Greece alone to meet the demand. This year, the start of the season is already celebrated there at the beginning of April – and thus earlier than in the past.

On the Canary Islands, Baumert noted, families in particular would have to hurry if they wanted to book family rooms for Easter. "They are already as good as gone," he reported.

Good for TUI: Summer business is also going well – and Germany's largest tour operator, like many of its competitors, still expects to be able to reach the level of 2019 again.

Strong interest in rental cars and campers

According to Baumert, there is strong interest in rental cars and campers. He even speaks of "historic highs". Campers are in particularly high demand in the USA, Canada, Germany and Scandinavia.

As in the past, demand for rental cars is high in Spain, Majorca, Greece, Italy and Portugal. Due to the current shortage of vehicles, Baumert strongly advises booking early to avoid being without a car on holiday.

(Source: FVW)

Why holidays will be more expensive this year

After two years of the Corona pandemic, the desire to travel is greater than ever. But holidaymakers must prepare for rising prices - whether they stay in a hotel or holiday flat, rent a car or fly.

High demand: everyone wants to travel on holiday

Corona has created a pile-up of demand. This can be proven, for example, with the Travel Analysis 2021/22 of the Forschungsgemeinschaft Urlaub und Reisen (FUR). Thus, the respondents' desire to travel has risen to a high of 61 percent. That is ten percent more than in the previous year. Moreover, 72 percent of the survey participants have the time and 70 percent also the money to travel.

Hotels: less choice, even fewer professionals

Especially in the countries around the Mediterranean, the hotel supply is limited. Many hotels have received less state support than the German hospitality industry. Therefore, they have temporarily closed their establishments or gone bankrupt. At the same time, many employees have migrated to other sectors because of the uncertainty. So there is a lack of skilled workers everywhere who can now demand better wages. The international umbrella organisation of business travel associations (GBTA) expects hotel rates in Europe to rise by 10.4 per cent this year and by 7.6 per cent in 2023.

Flights: Expensive paraffin and scarce capacities

Without state aid, Lufthansa and Condor would no longer exist in this form because of Corona. Worldwide, airlines are currently operating on the edge of existence. In order to survive, they have shut down aircraft, laid off staff, cancelled routes. This means that capacities are limited. With increasing demand, prices are therefore rising.

According to the German Air Transport Association (BDL), for example, flights within Europe cost around 22 per cent more last year than in the record year of 2019. Even if airlines can adapt their supply to demand relatively quickly, this has its price. In addition, the high oil price puts pressure on the cost structure and is passed on promptly.

Rental cars: Long wait for new cars

In 2021, consumers experienced the sharpest price increases for rental cars. According to the comparison portal Check24, there were price jumps of up to 78 percent compared to 2020. In Spain and Italy, there were even up to 150 percent in some cases. It will not get cheaper in the near future.

The main reason for this is the fleet management of the car rental companies. During the Corona crisis, Sixt and other companies drastically reduced their fleets - in some cases by up to a quarter. Then, when demand picked up in mid-2021, the rental car companies ran into a problem that every buyer knows: long waiting times due to suppliers' problems because of the semiconductor crisis in the car industry.

Tour operators: juggling with prices

Tour operators are dependent on the price changes of other service providers such as agencies, buses, trains, etc. and pass these costs on to the clientele. In addition, since last November, large tour operators with a turnover of more than ten million euros per year have to insure themselves against bankruptcy with the German Travel Security Fund (DRSF). "This makes travelling financially risk-free for customers. On the other hand, this extra security also leads to a small price increase," explains Ralph Schiller, CEO of tour operator FTI. At the same time, customers' money is loose. After months of limited mobility, many treat themselves. TUI Germany boss Stefan Baumert, for example, observes that "the share of bookings with stays in five-star hotels has increased significantly". This also pushes up the price of travel.

Travelers also have to pay for corona tests and insurance. Often, antigen tests are not enough, but expensive PCR tests are required. And the all-round insurance packages offered by the tour operators to ensure that they are not left unprovided for in the event of corona do not come free of charge either, of course.

(Source: welt.de)

Tourism analysis expects good travel year

Already 57 percent of Germans are sure they will go on holiday this year - about a quarter more than a year ago, according to the latest tourism analysis by the Stiftung für Zukunftsfragen. About one in five is still undecided and just as many are not planning a holiday in 2022.

When it comes to choosing a destination, just under a third prefer a domestic destination, the foundation found. The reasons for this are manifold: short journeys and a - at least perceived - high level of safety, numerous investments in the holiday regions themselves, plus high standards, hospitality, beautiful landscapes with water, mountains and forests - all this is often found on one's own doorstep, according to the market researchers.

Within Europe, according to the tourism analysis, destinations around the Mediterranean are traditionally on the wish list. Spain and Italy are the most popular, but Greece, France and Turkey can also look forward to many visitors from Germany. According to the survey, destinations outside Europe can expect slight growth in 2022. About one in seven Germans is already planning a long-distance trip, according to the analysis.

According to the survey, the concern about cancelling a trip is greater than that about a Corona infection. One in four Germans (24%) is worried that their holiday trip will be cancelled at short notice and that they will incur costs. Another 24 percent are worried that they will have to go into quarantine. Only 19 per cent are worried about contracting Corona while on holiday. 17 percent said they were worried that they would not be allowed to re-enter Germany.

For the tourism analysis, 3,000 people aged 18 and over in Germany were surveyed in December 2021 and January 2022.

(Source: reisevor9.de)

Bookings at pre-pandemic level

The upcoming ITB, which will once again be held digitally this year, is an opportunity for tour operator FTI to take stock of the situation. "The development is extremely positive at the moment," says managing director Ralph Schiller. Demand has recovered significantly, so that all signs point to a very good summer season.

"In the meantime, we are even back to pre-pandemic levels in terms of bookings for the summer," says Schiller.

Situation in Ukraine could affect summer bookings

However, he sees the situation in Ukraine as a possible threat to a good summer of travel. He is convinced that a conflict at the gates of Europe would have an influence on the booking behavior of German citizens. According to Schiller, bookings are currently being made both in the short term, as a reaction to the removal of Corona restrictions, and in the longer term. There are clear winners among the destinations: In the course of February, Turkey overtook Greece as the most-booked destination. Spain, the Emirates, Malta and Cyprus, as well as Morocco, which recently opened its borders, were also very popular.

On long-haul routes, the USA and Australia were ahead. The islands in the Indian Ocean, above all the Maldives, remained a perennial favorite.

Flex fares in strong demand

The Munich-based airline is also registering strong demand for its Flex fares. Every second package holidaymaker opts for this. The trend towards higher-quality and longer trips continues this year. "Guests are staying longer and booking a higher category of hotel or room - or both at the same time, which of course increases the total price," says Schiller. Overall, the revenue per guest and booking is about 15 per cent above the pre-pandemic level. The "anticipation of travel in winter 2022/2023" is supported by a large availability of the programme for this period. Depending on the destination, almost 80 per cent of the hotels are bookable, the Managing Director reports. The expansion of the e-mag is also progressing: around 5,000 hotels and round trips in 48 destinations are available in the interactive magazine. In addition, the brochure "Best of Summer" will be published at the end of April.

(Source: www.touristik-aktuell.de)

"All far-reaching restrictions" are to fall in Germany

According to a draft resolution by the federal and state governments, all far-reaching Corona restrictions in Germany are to be dropped by 20 March. Before that, there is to be a three-step plan. The federal and state governments are considering a three-step plan for the far-reaching relaxation of Corona protection measures by the start of spring on 20 March. This is the proposal agreed upon by the Chancellery, the Chair and Co-Chair of the Conference of Ministers-Presidents (MPK), as reported by the Deutsche Presse-Agentur. This Wednesday, the federal and state governments want to set the further corona course.

The proposal states: "In a third and final step, from 20 March 2022, all more far-reaching protective measures will be dropped." This is to apply to all far-reaching restrictions on social, cultural and economic life. Only basic protective measures such as the wearing of masks will continue to exist.

Basis for discussion in federal-state talks

According to dpa information, the proposed resolution is only a basis for discussion for a draft resolution for the federal-state talks on Wednesday. On Monday, the heads of the state chancelleries of the Länder would first discuss the proposal. In a first step, according to the proposal, private meetings for vaccinated and convalescent persons with more participants should be made possible. So far, there has been an upper limit of 10 persons. The proposal is now for 20 people, but the final number is still open. For the unvaccinated, however, contact restrictions are to remain in place until 19 March, according to the draft.

Masks to stay

In retail, the 2G rule is to fall. Access is to be possible nationwide for all persons without controls. However, masks will be compulsory. In a second step, according to the proposal, access to restaurants and cafés is to be made possible from 4 March for those who have been vaccinated, those who have recovered and those who have been tested on a daily basis (3G rule).

Overnight accommodation is also to be made possible for these groups of people with a daily test. Discotheques and clubs are to be opened for people who have recovered and have been vaccinated with a daily test or third vaccination (2G plus). The restrictions on the number of people allowed to attend major supra-regional events - including sports - are also to be relaxed.

Home office regulations are also to be abolished

In the third and final step, the compulsory home office regulations are to be abolished as of 20 March. However, employers are to be allowed to continue to offer home office work in agreement with employees. The relaxation proposals refer to the latest opinion of the government's expert council issued on Sunday evening. The council considers relaxations possible in the coming weeks under certain conditions. This is because a plateauing and a drop in the current wave of omicron is to be expected - it seems sensible to scale back protective measures in the event of a stable drop in hospitalization and occupancy of intensive care units. However, the Council expressly called for a prudent approach.

Epidemic emergency was not prolonged

Back in October, the traffic light parties had proposed that access rules and other Corona requirements should apply until the beginning of spring on 20 March 2022 at the longest. Then a fourth Corona wave grew in the autumn before Omikron, with the Delta variant and many sick people. Nevertheless, the previously valid epidemic emergency as the basis of Corona restrictions was not extended. However, numerous restrictions could continue to take effect with an end date of 19 March 2022. The mask requirement is not yet to be abolished with the start of spring. According to the first proposal for the federal-state roundtable on Wednesday, "low-threshold basic protection measures" such as mandatory masks on buses and trains should be able to continue beyond 19 March. In the event of a worsening infection situation, the government is also to initiate the necessary legislative procedures quickly.

Shortening of convalescent status had caused criticism

Further proposals: The importance of personal responsibility is emphasized - for example, in testing or hygiene measures. With regard to compulsory vaccination for health and nursing staff, the leeway of the health authorities is reaffirmed - bans on entry should only be "the last step". The delegation of determinations on vaccination and convalescence status to the Paul Ehrlich and Robert Koch Institutes (PEI/RKI) is to be dropped. In January, a reduction of the convalescent status from six to three months as well as a change in Johnson & Johnson vaccinations had caused criticism.

Overall, "as many restrictions as possible under the current situation" are to be withdrawn. According to the first paper, there should be as many accompanying measures as necessary. North Rhine-Westphalia's head of government and MPK chairman Hendrik Wüst (CDU) told the "Welt" (Monday): "Thanks to milder courses of the disease, we are entering a new phase of the pandemic, which opens up perspectives for gradual openings. These must be secured by basic protection so that we don't have to take them back again."

(Source: www.stuttgarter-zeitung.de)

Travel Trade News

High staff turnover at tour operators

71 per cent of employees at tour operators stated in a Reise vor9 survey that fluctuation, i.e. the number of departures and new arrivals, is high in their company. In the travel agency sector, 48 percent of the respondents share this assessment, in the hotel industry it is 53 percent.

22 percent of the respondents from the tour operator sector describe the fluctuation in their company as very high, another 49 percent as rather high. Among the travel agency employees surveyed, 17 percent confirm a very high fluctuation in their company, another 31 percent consider it rather high. In the hotel industry, only five per cent of the respondents stated a very high fluctuation. However, 48 percent state that the number of departures and new arrivals is rather high.

Especially for the tour operator sector, the mood raises serious questions. For, as already reported, 47 per cent of the employees who took part in the survey are thinking about changing the industry. Another 15 per cent are flirting with a career change. This indicates a high level of dissatisfaction.

(Source: reisevor9.de)

Germany – Economic News

A quarter less growth in 2022 due to supply bottlenecks and Corona - Ifo significantly lowers economic forecast

Economists at the Munich-based institute expect growth to slow significantly. Inflation is likely to remain high, according to Ifo.

The economic problems in Germany will last longer than previously feared due to the ongoing Corona pandemic and persistent supply bottlenecks. Following its forecast for the current year, the Ifo Institute has therefore also significantly weakened its forecast for next year. For the gross domestic product (GDP), they expect growth of only 3.7 percent instead of the previously assumed 5.1 percent in 2022, as the economic researchers announced on Tuesday.

The economy is being "noticeably slowed down," said Ifo's head of economic research, Timo Wollmershäuser. At the very moment, Germany's economy will even shrink, he added. According to the institute, GDP in the current fourth quarter will be 0.5 percent lower than in the previous quarter and will only stagnate at the beginning of the year.

Hopes of a major economic upswing after the Corona crisis are thus being further postponed. After economic output collapsed at the height of the pandemic, growth was supposed to catch up this year. However, a renewed increase in the number of infections and, above all, considerable problems in international logistics are preventing this. Experts forecast that the upswing would be delayed until 2022.

But it now appears that they will also have to revise this outlook to some extent. The disruptions in the global economy continue to ensure that companies receive too few and expensive materials, so that production falters. The Ifo Institute expects this to continue until the middle of next year. There is currently no sign of any easing in the supply chains.

In the current winter, the increased infection figures are depressing the mood. The exclusion of the unvaccinated from parts of public life and the general concern about contagion will cause a drop in sales. Wollmershäuser justifies the capped economic forecast primarily with the end of the recovery in contact-intensive services.

Economy unlikely to pick up speed until summer 2022

Very recent figures on reservations showed that. "We assume that infection activity will remain so dynamic until the end of winter that voluntary contact restrictions will continue to weigh on consumption," Wollmershäuser explained.

Hopes are now pinned on the second half of 2022 and, in particular, the year after that. For 2023, the Ifo Institute has now raised its forecast by 1.4 percentage points and expects growth of 2.9 percent - almost double.

This forecast is fueled by the high order backlogs at German companies. It is true that incoming orders had declined recently. But that's not a problem, according to Wollmershäuser: "Even if nothing more is added or orders only increase slightly, companies will still have enough to do." In 2021 alone, orders worth 40 billion euros would have piled up.

Another 30 to 40 billion euros would be added by the summer, when the supply chain problems are now expected to clear up.

Until that happens, business and consumers will have to continue to deal with rising prices. At 5.2 percent, the inflation rate in November was the highest in almost 30 years. Surprisingly, the Ifo Institute does not expect the high inflation rates to normalize quickly.

On the contrary, the economists even expect inflation to be slightly higher in 2022 than in the current year. They expect 3.1 percent for 2021 and 3.3 percent for 2022, after which price increases are expected to return to normal levels.

Current inflation rates will not be maintained, Ifo President Clemens Fuest said: "But we have strong signals from companies that significant price increases are imminent." Fuest therefore sees intervention by the European Central Bank (ECB) as necessary, which has so far refused to budge from its loose monetary policy. According to Fuest, an end to bond purchases would have to be initiated.

Wollmershäuser also pointed to the planned increase in the minimum wage in Germany to twelve euros. That would push up collectively agreed wages along with it, he said. "That would have the potential to be visible in the inflation rate," Wollmershäuser said.

Federal government prepares economy for hard winter

The Federal Ministry of Economics does not expect the economic situation to improve quickly either. According to the German government, the German economy must prepare for a harsh Corona winter. "In view of the current pandemic, the economic risks have recently increased again," according to the ministry's latest monthly report, which was published on Tuesday.

In the current quarter, economic output is therefore likely to be "rather weak." This is mainly related to the current pandemic, it said. Services would be slowed down by the 2G regulation.

In industry, persistent supply bottlenecks were also having a negative impact. "If the supply bottlenecks ease over the next year, there will be a significant acceleration in the economic recovery," says the Ministry for Economic Affairs and Climate Protection, headed since last week by the Green Party's Robert Habeck.

Unlike Ifo, however, the government has hopes for a faster improvement in inflation. "At the beginning of next year, after the special effects have expired, the upward trend in consumer prices should weaken noticeably again," the ministry said. These include the value-added tax, which was cut in the second half of 2020 in the fight against the Corona recession and is now back at the old level.

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