



# **IRISH HOTELS FEDERATION**

**Opening Statement**

**to the Joint Committee on Media,  
Tourism, Arts, Culture, Sport and the  
Gaeltacht**

**Ref: JCM-I-237**

**roundtable discussion on the impact  
of Covid-19 on the hospitality sector.**

**March 2021**

## 1. Introduction

Good Afternoon Chairman, Deputies,

The Irish Hotels Federation welcomes this opportunity to address the Joint Committee in this roundtable discussion on the impact of Covid-19 on the hospitality sector and hotels and guesthouses.

Public health is always the number one priority for hotels and the IHF would like to reiterate our full support for Government in the task of suppressing Covid-19. We would like to thank the Government for the supports that have been put in place to help our industry. They are very much appreciated and are making an enormous difference to our prospects for survival and recovery and to the people who have lost their livelihoods due to Covid-19.

Covid-19 has had a catastrophic impact on our industry manifesting itself in job losses, revenue losses and a significant reduction in business financial resources. We are focused on the process of restoring the economy and the livelihoods of the almost 270,000 people who worked in our industry before the pandemic.

Due to Covid-19 we estimate that revenue across the hotels sector fell by in excess of €2.5 billion last year (an unprecedented drop of 60%). The immediate outlook remains exceptionally challenging this year.

The key to restoring employment quickly is the survival of the businesses that can drive recovery, but our businesses require additional financial supports as presented here today. The cost of these Government Financial Supports is small relative to the malaise of enduring unemployment and can be offset quickly by a reduction in unemployment supports. Speeding up the restoration of the livelihoods of people in our industry will also have an enormous impact on their mental health and wellbeing.

### **The Key Additional supports required:**

- Extending the EWSS and the Local Authority Rates waiver up until the end of March 2022.

- We suggest a doubling of CRSS payment amounts irrespective of the level of Covid restrictions as well as removal of the current €5,000 weekly cap.
- A new Restart Grant Plus at double the payment amounts from last year
- Extending Tax Warehousing and to push out the pay back by one year.
- A Clear commitment to retain 9% tourism VAT at least up until 2025.
- A Refund on Energy Pass-Through Charges

### **The Key Banking Measures required:**

We believe that it is appropriate now for Government to ask the Regulator and the banks to take a longer-term view in their approach to dealing with people and businesses in our sector.

We suggest:

- A Further six-month moratorium on bank term loans to support cash flow.
- Additional mortgage deferment for employees impacted by the crisis.
- Reactivating the Future Growth Loan Scheme long-term loan (7-10 years) which has been fully subscribed and is no longer available.

### **The Key Finance Measures Required:**

Some businesses will require recapitalisation when the pandemic is over. We suggest that consideration be given to:

- Providing Capital Gains Tax incentives to investors for designated businesses including hotels and guesthouses.
- Introducing a less restrictive Temporary Employment Investment Incentive (TEII) scheme.
- Using the ISIF Pandemic Stabilisation and Recovery Fund to provide long term debt and equity to hotels.
- Providing an enhancement to the COVID-19 Credit Guarantee Scheme that can be applied to viable businesses that require restructuring and re-financing due to Covid-19.

Thank you.