



# CROSS INDUSTRY STATEMENT ON THE WINTER SPORT MISFORTUNE AHEAD

*Brussels, 9th December 2020*

## Introduction:

Recently, several country leaders in Europe have taken the entire winter sports industry by surprise. Only a few weeks before the vacation season, they called for their residents to avoid winter sports and for an EU wide closure of winter sports resorts during the 2020/21 winter holidays. According to the signatories of this statement, these last minute announcements and unfounded arguments have been made without preliminary concertation with our members, without preparation, and without any coordination between countries. As a result, the situation has generated an unpredictably disastrous and chaotic situation for all actors in the winter sports industry and especially for the 10% of Europeans[1] who are enthusiastic skiers. Our members from the winter sports equipment industry (hard goods, soft goods and accessories) including thousands of sports retailers and their employees, representing the 4th largest international sporting goods trade in the EU[2], are now confronted with the struggle of a century where many companies, service providers, and local family-owned businesses are battling for their survival. This situation is a reality for the destination countries but also for the outbound countries such as the Netherlands where almost 1 million skiers are forced to cancel their holidays and all reservations, rentals, and purchases. The entire sector has made tremendous investments this entire year to save an already complicated season. But it is expected to be confronted a net loss of **around 30% of its annual turnover** (3 billion € in 2 weeks)[3] if resorts are closed during the end of year holidays. This reality will however be far more dramatic for our **65 % of SMEs[4] that will probably not survive this season** if nothing is done to save them. While we understand the current health crisis is generating concerns for everyone, we urge decision makers to take into consideration the following points and recommendations.

## Winter sports generates not only wealth and employment but also enhances health and culture

Economically, winter sports are a major engine in Europe. While around **60 Million European citizens are regular skiers[5]**, Europe and its slopes represent **62 % of skier visits worldwide, 43% only for the Alps[6]**. The winter sports industry is estimated to generate around **10 billion Euro turnover in Europe per year**, employing **around 1.5 million people annually** during an average season[7]. However, in Europe, winter sports are more than just a business.

[1] [Number of people who ski in Europe as of 2020, by country](#)

[2] [Eurostat](#)

[3] Internal FESI survey results

[4] Internal FESI survey results

[5] [Laurent Vanat, 2020 International report on snow and mountain tourism](#)

[6] [Laurent Vanat, 2020 International report on snow and mountain tourism](#)

[7] FESI internal survey results

Snow sports are part of the cultural heritage of local areas, and also drive a dynamic leisure industry that brings together healthy sporting activity, tourism, and hospitality. Winter sports like any type of sport improves mental and physical wellbeing but it also strengthens the immune system through exercise, fresh air, and a healthy dose of light therapy during the dark days of winter.

### **Specificity of our sector: seasonal, rental focused and specialized**

The winter sports industry is a very special segment of the sport industry. Generally, the hard and soft goods have already been delivered and the products are ready for sale/rental in the sports shops as winter season commences. This means that at present, **the invoices for the 2020/21 seasonal goods and in the coming weeks are due**. The situation is even more dramatic for companies that have become increasingly specialized in renting winter sports equipment and accessories, especially in response to the growing green economy trend and circular economy. As a result, **rental income, services income, and ski depots that are not used during the holidays will be irretrievably lost**.

### **The unforeseen knock-on effect**

In addition to the existential losses of income, jobs and the long-term business disruption, the consequences will be devastating on the tourist regions and destinations themselves. The local fabric of small family-owned shops, service providers and subcontractors will be irrevocably damaged and, will in some cases, **strongly affect the lion share of income of small communities entirely**.

### **Proper Sanitary measures**

It is safe to say that since March 2020, all stakeholders know far more about the pandemic which caught our sector and all the others by surprise in Q1 this year.

It is a fact that most of the winter sports associations, the ski and snowboard schools, the sports shops, the cable car operators and clubs throughout Europe and the Alpine region have **worked and massively invested in clear and comprehensive sanitary guidelines and measures over the last few months**. This cannot and must not be ignored. A solution must be found that creates planning security for all parties involved for the entire 2020/21 winter season.

It is therefore relatively **disproportionate to impose a blanket ban** to an entire sector if proper sanitary measures can be developed and implemented in concertation with public and private actors.

### **Proportionality of the measures**

In most Member States and in the EU Treaties, **“proportionality”, “necessity” and “objectivity” are required in case of necessary restrictions** to prevent discriminatory treatments. This is also perfectly in line with the governing principles and rules of European constitutional law as interpreted by the Court of Justice of the European Union (ECJ) since the Treaty of Lisbon. **It is therefore undoubtedly proportionate to combine travelling or skiing in winter with effective measures we have listed above**.

### **Internal Market and Competition**

It is very unclear to the sector what criteria and potential coordination is currently used in the political discourse to address the issue. While some areas such as the Alpine region are pin-pointed, others are not mentioned at all, such as resorts in Central, Eastern, Northern Europe and non-EU countries. We are therefore **concerned that the current decisions are potentially only displacing the issue or generating an unhealthy competition between countries** and will not provide any concrete solutions.

### **Short Trips**

We want to emphasize that the source of infection does not lie in the mountains, on the ski slopes, but in locations where people gather for social activities. The latter has been taken care of by for example closing all bars and restaurants and by raising the awareness of people who are now much more careful and sensitive about these factors than they were in the previous season.

However, the importance of day trips is very high for many European winter sports areas, cable car operators, manufacturers of ski equipment, sports retailers, rental stations and, last but not least, for the winter sports enthusiasts themselves.

## **Sector proposals**

While we fully acknowledge that the European Commission only has a coordinating and supporting competence when it comes to sport and/or tourism. It is also our understanding that some Member States are relying on the EU to provide guidance on this critical issue. Considering a potential upcoming EU wide discussion on this topic, we would like to ask all Member States and decision makers involved to consider the following proposals made by our respective sectors, calling for:

- **Recognition and support**: An official recognition that beyond the downstream constellation of ski resorts, hotels, restaurateurs, monitors, seasonal workers, service providers and sports shops, the entire winter sport industry upstream is directly and severely impacted as well for a long duration. Many sectors have received clear commitments from EU and National authorities that they will receive financial safety packages in various forms. The winter sport sector should be one of them. We also consider the current threshold of financial support of 800,000 EUR per company in the area of fixed cost compensation as a massive disadvantage even for medium-sized enterprises that should be re-evaluated.
- **A concerted approach**: In preparation of the re-openings of resorts in January, our sector would call for a coordinated approach between the Member States with the support of the European Commission. Our sector would also be interested in joining such a dialogue and share its expertise and recommendations for the future.
- **Predictability**: The entire winter sports sector has been taken by surprise by individual declarations without having been proactively consulted or informed in advance. We are presented with decisions that are based on incomprehensible and sometimes also somewhat un-adapted procedures and policy processes. We call on the development of clear and reliable risk indicators for inbound or outbound countries, as it has been done in many other tourism and travel sectors. This would allow winter sports actors to be properly informed in advance and to predict when and which resorts might close.
- **Long term discussion on Winter Sports Holidays**: The COVID-19 sanitary crisis shows that the winter sports industry is relying on a very fragile model. Indeed, due to uncoordinated holidays throughout Europe, millions of people have a very limited time to practice their favorite sport, and often in crowded conditions. If only 1 or 2 weeks are missed due to weather conditions or a sanitary crisis, an entire business year can be impacted. A thorough discussion with all actors should be organized around a more efficient and sustainable coordination of winter sports related holidays for a long-term perspective.

We herewith acknowledge that the current times are not easy and call also once more on solidarity and unity between all the stakeholders. We hope you will consider these proposals during the discussions and remain at your disposal to follow up on all these recommendations.

Very sincerely yours,

Signatories

## **THE SIGNATORIES:**

### **COMPANIES:**

- Atomic
- Elan
- Faction
- Fischer
- HEAD
- Inretail
- Intersport
- K2
- Marker Dalbello Völkl
- Groupe Rossignol
- Salomon
- Skimium
- Ski Set
- Sport 2000
- Tecnica Group

### **FEDERATIONS:**

- Asociación Española de Fabricantes y Distribuidores de Artículos Deportivos (AFYDAD)
- Association Suisse des Magasins d'Articles de Sport (ASMAS)
- Associazione Nazionale fra i Produttori di Articoli Sportivi (Assosport)
- Bundesverband der Deutschen Sportartikel-Industrie (BSI)
- European Outdoor Group (EOG)
- Federation of European sporting goods retail associations (FEDAS)
- Federation of the European Sporting Goods Industry (FESI)
- Dutch industry association for sporting goods suppliers (FGHS)
- Union Sport Cycle
- Verband Deutscher Sportfachhandel (VDS)
- Verband der Sportartikelerzeuger und Sportausrüster Österreichs (VSSÖ)
- World Federation of the Sporting Goods Industry (WFSGI)