

ECCIA Covid-19 Recovery Position Paper

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1. Executive Summary

The recent outbreak of the COVID-19 is a multidimensional crisis that affects us all. Despite the economic health of our sector and the consistent growth we have enjoyed over the last years, the COVID-19 pandemic has significantly impacted our ability to produce and to distribute our products both across Europe and our key export markets. The crisis also affected - and continues to do so – an entire ecosystem of economic sectors which benefit from our industry and which our industry supports, such as the tourism and cultural sectors. As COVID-19 virus hit the European continent, our companies were among the first to turn around their production facilities in order to contribute to the fight against COVID-19 by addressing shortages of equipment of our frontline workers. In addition to helping national governments fight this unprecedented health crisis, high-end cultural and creative industries also demonstrated solidarity towards their entire supply chain, in particular towards the vast network of SMEs with whom they have worked over the past decades.

As a majority of European countries start implementing their exit strategies, some of our members are slowly resuming their activities (reopening of manufacturing sites and shops). Meanwhile, most of the high-end gastronomy and hospitality still remains at a standstill.

Our sector's ability to recover as well as the speed at which it will recover from the crisis will depend on the following factors:

- How main market drivers adjust to the post-COVID world and changing consumer behaviours;
- The efficiency of European and national policies, both through direct or indirect financial support to European companies and through the adapting of the European legislative landscape;
- The speed and efficiency with which the ecosystem surrounding our activities will be able to recover from the crisis. This includes the tourism and cultural sectors, as well as the indirect – yet vital – components of our supply chains (such as for example the craftspeople involved in the manufacturing of our products).

With this in mind, ECCIA would like to put forward to European and national decision-makers the following policy recommendations, which consist of a series of measures to adopt in order to facilitate and accelerate the economic recovery of our sector. These measures include:

- **Providing emergency financial support for companies**, with a particular focus on SMEs to guarantee quick and easy access to adequate financial support mechanisms.
- **Safeguarding employment in the high-end cultural and creative sectors**, through government-backed job retention schemes and by ensuring access to funding for the promotion of skills and vocational training. Furthermore, the immediate priority should remain the dissemination of appropriate protective equipment to guarantee the health and safety of our employees as they return to work.

- **Ensuring support to the tourism and cultural sectors**, who benefit from and contribute to our activities in Europe. Priority should be given to defining the conditions under which intra-Schengen tourism could be relaunched before the summer.
- **Creating the appropriate European legislative framework**, including pursuing the priorities of the von der Leyen Commission, such as the presentation of a Digital Services Act (to strengthen the fight against online counterfeiting) and the European Green Deal (to encourage a more sustainable path to recovery). Finally, we also encourage European decision-makers to work with our key trade partners, such as the USA and the UK, in order to guarantee free and fair access to our key export markets.

2. Introduction

The ongoing COVID-19 crisis poses a threat to European industries on an unprecedented scale. High-end cultural and creative industries are not immune to the crisis. Despite the economic health of our sector and the consistent growth we have enjoyed over previous years, the COVID-19 pandemic has significantly impacted our ability to produce and to distribute our products both across Europe and our key export markets.

This document aims to provide European decision-makers with an overview of the impact of the COVID-19 crisis on European high-end cultural and creative industries, as well as highlighting the successful mobilisation of our sector to help European governments and authorities fight the crisis. Finally, ECCIA wishes to put forward a number of policy recommendations to help mitigate the short- and long-term impact of the crisis on our industries.

3. Impact of the COVID-19 pandemic on the European cultural and creative sector

As an export-based sector, with sales in Europe strongly driven by tourist flows, and with supply chains spread across Europe, the **high-end and luxury industries are among the most affected by the COVID-19 crisis.**

High-end industries are part of a broader ecosystem of economic sectors which mutually benefit each other. In particular, the tourism and cultural sectors both benefit to and from our activities. The high-end hospitality and gastronomy sectors are and will be particularly affected by this situation. Furthermore, high-end industries support a wide network of SMEs, which form an essential part of our supply chains – from the craftspeople whose savoir-faire is essential to the crafting of our products, to the small passionate retailers who ensure that our products are available to the widest number of consumers across the EU. Therefore, it is important that the EU focuses on sustaining the entire ecosystem, rather than just focusing on its individual parts.

At a time of extreme economic uncertainty, with half of the world's population having been or still being in lockdown and retailers all over the world having shut down bricks and mortar stores, high-end and luxury industries will suffer a year-over-year decline of 25% to 30% (according to a recent study by Bain & Company). 50% of the losses in the personal luxury business in Europe are expected as a direct result of the absence of international tourists.

Purchases of high-quality goods and services for tourists as well as cultural activities, like visits to museums, art galleries and theatres will continue to be affected well into the second half next year by travel restrictions and a lingering fear of possible contagion on planes and cruise ships.

A return to the levels of 2019 (in absolute terms) is expected by 2022 or 2023, with different possible growth trajectories in the coming years depending on how main market drivers adjust to the post-COVID world and how companies can adapt to changing consumer behaviours. Trends in this "new normal" are: accelerated shift towards digital shopping, evolution of in-store experience to respect new hygiene precautions and consumption shift towards more environmental, social and patriotic behaviours. Finally, the efficiency and scale of the European Union's and Member States' response to the crisis will affect the speed at which companies can recover from the crisis.

4. Unprecedented mobilisation from ECCIA members to help fight the crisis

As a result of the measures adopted by governments around the world to stop the spread of the virus, production was stopped, many of our stores worldwide are or have closed too, and travel and tourism have stopped. Nevertheless, despite this unparalleled situation, our companies were among the first to turn around their production facilities to contribute to the fight against the COVID-19 by addressing shortages of equipment for our frontline workers.

Whether through direct financial support to healthcare facilities, through producing millions of face masks, tons of hydroalcoholic gel or protective equipment, our industry is committed and takes a leading role in the solidarity efforts needed to fight the virus.

As the COVID-19 crisis hit China first, the impact on global supply chains was immediate. As the crisis hit Europe, European governments turned to their own industries for help, fearing that closed production sites in China would quickly lead to shortages in essential products needed to fight the crisis.

As deeply-rooted European industries producing most of our goods in Europe, we were the first to work successfully with European governments and national authorities to turn around our production sites to help produce essential products such as hydroalcoholic gel, face masks, or other personal protective equipment for healthcare workers.

However, our sector's mobilisation was much broader than its contribution to the production of essential products, as our industries adopted many other forms of successful measures such as:

- Direct financial support to hospitals and other local authorities dealing with the crisis;
- Donations – whether financial or material (food, clothes or protective equipment) - to associations helping the more vulnerable populations, such as the elderly or homeless;
- In addition to providing healthcare workers with protective equipment, the sector also provided meals, cosmetic products and accommodation for frontline workers;
- Support to our local partners, in particular craftspeople involved in the manufacturing of our products.

For a more detailed list of our members' mobilisation during the COVID-19 crisis, please refer to Annex I.

5. ECCIA policy recommendations to recover from the crisis

Based on European production and a relentless focus on providing high-quality and sustainable products, high-end cultural and creative industries account for 4% of Europe's GDP, 10% of its total exports, and employ over 2 million people in regional hubs and cities. In addition, our activities and footprint contribute to Europe's attractiveness as a tourist destination and as a strategic asset and a key driver of European soft power. Therefore, ECCIA is keen to play an active role in Europe's recovery and highlight meaningful and essential measures to stimulate a sustainable European-wide economic recovery.

While our efforts have focused on contributing to the common effort to fight the COVID-19 virus, we also need to start reflecting on how our companies will be able to recover from this unprecedented crisis, the financial consequences of which will undeniably last for several years.

Many uncertainties still remain as to when and how our companies will be able to relaunch their productions, reopen their stores, and gradually go back to a "normal" level of activity. However, one thing is certain: just as the European Union and its Member States could not address the crisis alone, companies will not be able to recover from it without short- and long-term support measures.

All our members, whether they are globally recognised market leaders or SMEs, and regardless of their product category (automotive, fashion, perfumes and cosmetics, watches and jewellery, hospitality, architecture and design, wines and spirits, etc.), will need the support of the European Union and of national governments in order to help mitigate the financial impact that the COVID-19 crisis will have on our businesses.

In addition, as explained earlier in this paper, high-end cultural and creative industries are part of a wider ecosystem of economic sectors whose activities benefit to and from each other. Therefore, our capacity to fully recover from the crisis will also depend on the efficiency of the measures in favour of these sectors, in particular tourism and culture.

Please find below a number of policies which we believe will accelerate the recovery of our sector and attenuate the long-term impact of the COVID-19 crisis on our sector.

i. Providing Emergency support for companies and their workforce

As the COVID-19 crisis hit Europe, the revenues of thousands of small and medium-sized enterprises (SMEs), artisans and craftsmen have halted work due to the forced suspension of their activities.

SMEs are at the heart of our sector's ecosystem, from the production to the distribution and promotion of our products. These companies have become increasingly vulnerable because of the crisis. Therefore, the speed and efficiency at which these SMEs – regardless of whether they are individual companies, or directly or indirectly integrated in our supply chains - will receive support from their national governments will determine their ability to survive this crisis.

As the European Union announced a temporary relaxation of its state aid rules, it is important to ensure that European SMEs get access to financial support mechanisms.

At the same time, larger actors of our industries are also strongly affected by the crisis. They are usually major employers across the EU, both through their production and their retail networks. It is therefore also important that these companies can benefit from adequate support in order to stay afloat.

Finally, European high-end and luxury industries are closely linked to the arts, culture and tourism sectors, which have also been severely affected by the crisis. It is therefore also important that financial aid goes to those sectors whose activities interlink with ours.

Measures could for example include the following ideas:

a) Overcome liquidity shortages in otherwise financially sound companies

- Facilitate guaranteed loans for companies from our sectors. In Germany, the state guarantee on emergency loans can go up to 100% and in the UK financial support packages provide 80% guaranteed loans to provide liquidity as well as grants for small businesses. In Italy, the State provides 100% guaranteed loans up to 25,000 euro. In France, financial measures are also implemented through State-guaranteed loans.
- Offer financial aid to high-end cultural and creative industries, including the Coronavirus Response Investment Initiative, to ensure that our companies have fast and easy access to urgent, substantial short-term low- or no-interest loans to support their operations.

- Continue to allow temporary state aid from national governments to our companies in order to compensate them for losses and ensure the liquidity and continuation of our activities.
- Facilitate/support significant capital into the European Investment Bank and create a new EIB credit line to ensure permanent liquidity to companies, including those from the creative and cultural industries considered as high-risk investments.
- Reduce the financial burden on SMEs by granting them short term refunding of already paid tax and social contributions, and temporary deferment of new payments.

b) Safeguard employment in the high-end cultural and creative sectors

- The immediate short-time priority is to coordinate the dissemination of key protective equipment at EU level to ensure that our staff employed in the manufacturing supply chain are not unduly exposed to the virus and can resume work as lockdown measures are progressively relaxed.
- Ensure access to unemployment and other social benefits for the CCI's workforce, for example through the SURE (Support Mitigating Unemployment Risks) programme or the European Social Fund.
- Continue to support and develop national government-backed job retention schemes which enable businesses to furlough employees and protect jobs through the crisis.
- Increase funding for vocational and digital training including, for example, training during a period of temporary unemployment or for upskilling, while encouraging the reshoring of production in Europe. Such initiatives could be financed by boosting and facilitating access to the European Social Fund.
- Provide emergency aid to companies by changing public procurement rules to allow them to be favoured in public tenders.

c) Ensure access to EU funding for creative and cultural industries, including the EU solidarity fund

High-end Creative and Cultural Industries are a key driver of Europe's attractiveness and soft power. We also contribute to the social and economic fabric of many European regions.

The swift adoption of an ambitious Multiannual Financial Framework (MFF) would be an important step forward to support and revitalise our sectors. Other initiatives could include:

- Set up a promotion fund specifically addressing the needs of the cultural and creative sectors, which should be focusing on small and medium-sized companies
- Raise awareness about the different funding schemes available (incl. Structural Funds etc) for SMEs
- Simplify the application procedure (while upholding high standards) to facilitate access of SMEs to such schemes.
- Introduce Fast-Track Funding as in European Investment Council for Quick Market Uptake of Corona-hidden companies.

d) Maintain the efficient functioning of the EU internal market

- Despite the closure of some national borders, support our manufacturing supply chain by putting in place simplified procedures that allow for the swift transportation of both raw materials and manufactured products that are critical as we move into the restart phase.

ii. Ensure support to the tourism sector

One of the most challenging tasks that European and national decision-makers will face in their crisis exit strategies is the planning of a gradual return for European citizens to travel freely across national borders and when international visitors will be able to return to Europe.

Tourism is a key sector for Europe's economy and a major generator of employment and economic welfare, with positive spill-overs on many sectors of the European economy – including ours. Indeed, the tourism, cultural and high-end industries have for many years enjoyed a mutually beneficial relationship. On the one hand, by investing in “public goods” (architecture, maintenance and restoration of cultural monuments), high-end cultural and creative industries strongly contribute to the attractiveness of city centres as tourist destinations. On the other hand, shopping experiences in Europe are boosted by tourists, which account for almost half of personal luxury goods spending in Europe, while high-end hospitality and gastronomy also strongly contribute to Europe's attractiveness as a tourist destination.

ECCIA recommends that the European Commission consider developing a global communication initiative in order to promote these unique assets for European tourism.

The crisis does not just impact cultural and leisure tourism but also business travel, mainly due to restrictions on international travel, cancellation/postponement of key B2B events such as trade-, art- and design-fairs, reduced travel due to budget cuts or risk-prevention policies.

As a result, the impact on our sector of no or restricted tourism in Europe could be of up to €90 billion (see Annex II for detailed figures). It is therefore urgent for European decision-makers to provide clarity on the short- and long-term crisis exit strategies detailing the conditions under which the reopening of Europe's borders will take place, while of course guaranteeing the highest level of safety for both EU citizens and tourists.

Consequently, we would welcome the highest level of coordination in defining all of the hygiene requirements and health-check measures for a safe return to travel. The priority should be given to putting all efforts possible to define the conditions under which intra-Schengen tourism could be allowed to return with the appropriate safeguards to protect tourists and industries during the summer of 2020.

Finally, following the recent publication of the Commission's Tourism and Transport package, we would appreciate that representatives of the high-end industries are involved in any advisory group created to maintain a dialogue with representatives of the European tourism industry.

iii. An appropriate legal framework to stimulate recovery

a) Creating a safe and trusted digital environment

The COVID-19 crisis has highlighted the importance of our brands' digital presence as an integral part of their marketing and distribution strategies. In order to fully adapt to the acceleration of e-commerce and to remain competitive in the digital world, high-end and luxury industries need a safe and trusted environment to make sure that we can guarantee the excellence of our customer experience and safeguard the high-quality environment in which our products and services are sold, as well as protecting our intellectual property rights.

As the sale of our products is associated with substantial investments into the quality of the selling environment and customer experience, it will be of primary importance to make sure that legitimate businesses can reap the benefits of e-commerce, without being unfairly competed against by rogue actors who abuse our brands' notoriety to sell fake products (see section 2) or who sell our products without being authorised to do so. This will be particularly true in a post-COVID recovery context.

b) Tackling the spread of counterfeit products online

Unfortunately, as the lockdown has boosted e-commerce, it also created opportunities for rogue operators to sell non-authentic, often unsafe, goods online, with serious consequences for both consumers and our business investments.

The fact that a majority of products can only be purchased online by consumers increases their vulnerability to all types of scams and safety issues. In addition to the exponential increase in fake masks and hydroalcoholic gel being sold online, we also witnessed an increase in counterfeited products presented as authentic, discounted products. This trend was already widely present before, but the current context of increased online traffic, the closure of brick-and-mortar stores in which the clients can actually see the products, together with the fact that several brands are actually discounting their products, increases the likelihood of consumers being tricked into buying fake goods.

Therefore, we urge the Commission and Member States' authorities to swiftly take the necessary enforcement measures to limit the presence and visibility of counterfeit products online.

The COVID-19 crisis has also shown that, under pressure from European and national governments and when their reputation is at stake, in particular when the health and safety of consumers is at stake, online platforms have no difficulties taking swift and efficient measures to limit the appearance of illegal content online. Therefore, in order to ensure that, in an increasingly-digitalised post-COVID world, intermediaries continue to proactively fight the appearance and reappearance of illegal content online, there needs to be a legal obligation to do so.

We therefore encourage the European Commission to use the upcoming *Digital Services Act* to strengthen the fight against illegal content online, such as counterfeiting. In particular, we hope that the Commission will bring the necessary clarifications to the existing limited liability framework in order to create an obligation for all online intermediaries to proactively participate in the fight against counterfeiting.

c) Towards a European Green Deal

Many discussions have already started as to how the current crisis has shed light on the shortcomings of our current patterns of consumption and their impact on the environment. As a result, there is an increasing consensus among citizens that things will necessarily have to change after the crisis.

While the intention to present a European Green Deal pre-dates the crisis, it has become even more relevant now. ECCIA supports the long-term objectives set by the European Commission in the Green Deal and is committed to participate in a collective effort to contribute to its achievement.

In a post COVID-19 recovery context, we believe it is important that we focus on the long-term goals set out in the European Green Deal, while avoiding putting an unreasonable short-term economic burden on companies. Therefore, we look forward to engaging with European decision-makers in order to discuss how to achieve these ambitious goals and share leading best practices from across our sector.

d) Promoting free and fair trade

High-end cultural and creative industries are strong contributors to Europe's exports. We therefore strongly encourage the EU to continue its work towards reducing trade barriers with third countries and to work towards easing existing trade tensions with some of its key economic partners, such as the United States of America.

The future EU/UK trade relationship is a priority for the high-end industries given its integrated supply and distribution chains - a fully integrated network of small businesses and artisans in specialist regional clusters and the network of luxury stores and digital retailers across European capitals. The high-end creative and cultural industries are underpinned by the barrier-free flow of materials, goods and services across Europe and the UK. Ensuring that a future trading relationship prioritises frictionless trade supporting these long-established supply and distribution chains is key to the continued growth of our industries.

ANNEX I – Examples of contribution of ECCIA members to help fight the crisis

Contribution of Altagamma Members

Over € 43 million in donations, including € 400,000 raised through Altagamma, by Altagamma's Members and Partners.

Alfa Romeo, Ferrari, Maserati

The Agnelli family and its companies (including Ferrari, Maserati and Alfa Romeo - Altagamma's Members) have made a contribution of 10 million euros to the Italian Civil Protection Department, to deal with the emergency nationally; and to La Stampa - Specchio dei Tempi, a foundation committed to responding to the social and health needs of Turin and Piedmont. **Ferrari** and other companies of the FCA Group have made the Emilian factories and their employees available to Siare Engineering for the production of components and the assembly of new lung respirators necessary for patients in intensive care.

- **Acqua di Parma** launched the #StayHome solidarity campaign: all proceeds from the online sales of Acqua di Parma for the home and personal care products (shaving, creams, etc.), throughout the month of April, will be donated to charities to support urgent public health care and the purchase of medical care
- **Alberta Ferretti** from March 24, for each purchase made on the brand's website, will donate 15% to the Local Health Unit of Romagna (AUSL Romagna) and to the Humanitas Clinical Institute of Milan.
- **Automobili Lamborghini** started the production of medical masks and visors for the S. Orsola-Malpighi hospital in Bologna. Automobili Lamborghini has provided tools and staff from the research and development department for the production of lung simulators.
- **Bottega Veneta** funded 300,000 Euro in biennial scholarships in Veneto, Lazio and Campania "with the aim to guarantee the progress of the research and support the Italian medical body even beyond the immediate management of the ongoing health emergency".
- **Brioni** converted its production and donated 30,000 masks per week to the Abruzzo region
- **Brunello Cucinelli** has produced and made available 3,000 masks.

- **Bvlgari:** after contributing to the research by donating a new high-definition 3D microscope to the Spallanzani hospital, Bvlgari also decided to produce, together with its historic fragrance partner, ICR (Industrie Cosmetiche Riunite in Lodi), 200,000 bottles of hand sanitizer gel.
- **Campari Group** and Intercos Group joined forces in a collaboration for the production of alcohol-based sanitizing gel (15,000 bottles), intended for healthcare workers in the Lombardy hospitals, fighting in the front lines against the Coronavirus COVID-19 emergency. Campari donated 1 million Euros to the Fatebenefratelli Sacco Territorial Healthcare Company of Milan.
- **Davines** has started the production of hand sanitizing gel (110,000 units) to be distributed free of charge to various institutions active in fighting the emergency.
- **Ermenegildo Zegna:** the Zegna family, together with the group's top management, personally donated € 3 million to the Italian Civil Protection, to support nurses, doctors, researchers and volunteers from all over Italy. The Zegna Group also dedicated part of the production lines of its plants in Italy and Switzerland to the manufacturing of masks, to meet both the internal needs of employees and external ones. The Zegna Group will manufacture 280,000 protective gowns for medical and hospital staff in the Piedmont region and in the Canton of Ticino.
- **Fendi** has donated 250,000 Euros to the Lombardy Region and will produce over 100,000 masks. Carla Fendi Foundation donated 100,000 Euros to the Gemelli Hospital in Rome and also donated 10,000 masks to the Umbrian hospitals.
- **Gucci** responded to the appeal of the Tuscany region for the production of masks and gowns for healthcare personnel. Over 1,100,000 surgical masks and 55,000 gowns will be donated, subject to the competent authorities' authorization. Gucci launched two crowdfunding campaigns and a donation of 2 million euros destined, one million each, to the Italian Civil Protection (in partnership with Intesa Sanpaolo Bank) and to the "COVID-19 Solidarity Response Fund", which supported the World Health Organization through Facebook's matchmaking campaign.
- **Herno** moved into the mask-making business making its fabrics available and starting the production of 25,000 masks and 10,000 gowns.
- **Loro Piana** produced and sent blankets for quarantine centers and provided logistic support to the hospitals of Valsesia, and has started to test prototypes of masks that may be produced
- **Moncler** supported the Fiera di Milano hospital project with 10 million euros.

- **Prada**, at the request of the Tuscany Region, started the production of 80,000 gowns and 110,000 masks to be destined to the health personnel of the Region. Prada donated two complete intensive care units to each of the hospitals Vittore Buzzi, Sacco and San Raffaele in Milan. Prada announced the decision to support the "Proteggimi" scientific research project, promoted by the San Raffaele Hospital in Milan, aimed at analyzing the role of male sex hormones in relation to the greater fragility of men in coronavirus
- **Riva** has launched a "A Wave of Caring" social campaign to promote online fundraising for Bergamo Hospital
- **Salvatore Ferragamo** produced and donated 100,000 antibacterial masks, 50,000 hand disinfectants, 3,000 masks with filter for healthcare facilities.
- **Sergio Rossi** donated 100% of the site's e-commerce revenues from 14 to 20 March to the health emergency.
- **S. Pellegrino** supplied 10,000 masks and other personal protective equipment (such as disposable gowns, goggles and visors) which will be distributed mainly to territorial and home healthcare personnel in the Bergamo area. Further, San Pellegrino will guarantee the supply of water in the area to those who are facing the emergency, both as a patient and as a healthcare or assistance staff.
- **Technogym** has donated 1 million Euros to the intensive care units of the Hospitals of Romagna
- **Tod's**: the Della Valle family, also in the name of their employees, donated a sum of 5 million Euros to the Civil Protection to be allocated to the family members of the health personnel who lost their lives in the fight against COVID-19.
- **Valentino** (through his Mayhoola Group and the Valentino Garavani and Giancarlo Gaimmetti Foundation) donated 3 million Euros to the Italian Civil Protection, the Sacco Hospital in Milan and the Gemelli Policlinic in Rome. Valentino also converted the production to produce sanitary material for the Tuscany Region.
- **Versace** gave \$ 500,000 to the San Raffaele Hospital in Milan and to the Camera Moda project, which adds up to € 200,000 donated personally by Donatella and Allegra Versace also to the San Raffaele Hospital
- **Giorgio Armani*** (not Altagamma member) donated 2 million euros to the Italian Civil Protection and to several Italian hospitals. The brand converted all its Italian production plants into the production of disposable gowns.

Contribution of Círculo Fortuny members

LOEWE (fashion)

To contribute to the creation of a better future for children in situations of social vulnerability affected by COVID-19, LOEWE collaborates with the Children's Platform - an alliance of 67 social organizations that works to protect the rights of children and teens — to launch a series of educational programs this summer that will help reduce inequality and prevent school dropouts. For each product in the Paula's Ibiza collection sold between May and August 2020 in LOEWE stores and on [loewe.com](https://www.loewe.com), LOEWE will donate 40 euros to these educational projects, with an initial donation of 500,000 euros.

On the other hand, in the current state of emergency and to contribute to help the institutions that are in the front line of fighting the pandemic, LOEWE donated 100,000 surgical masks to the Spanish Red Cross.

At the same time, LOEWE is producing non-surgical masks at their Getafe factory to be distributed to volunteer workers, LOEWE employees and their families.

Lastly, some minor donations have been made:

- a charity raffle bag
- 100 books from last year's poetry prize to be distributed among patients and health personnel.

TOUS (jewellery)

TOUS has adapted its 3D printing machines to produce components for ICU oxygen bypass tubes to help alleviate the current lack of resources in hospitals.

With this project, TOUS joins the 3D initiative COVID19.tech, a platform created by more than 25 companies and 500 collaborators nationwide, which connects companies with 3D printing systems with hospitals that require their logistics, through the Official College of Physicians of Barcelona (COMB). In this sense, the volume of production will be adapted to the need of the health system.

Additionally, TOUS together with the Chamber of Commerce of Barcelona has donated more than 100 acrylic sheets (1000x600mm) for the production of methacrylate urns that protect and increase safety to intubate COVID-19 positive patients.

TOUS is in contact with other institutions to extend its production and logistics capacity and its collaboration throughout Spain, wherever necessary, and even internationally.

GASTON Y DANIELA (interior design and furniture)

- Manufacture of masks for the elderly that doesn't have access to protective material. All made by our seamstresses in our workshop located in central Madrid.
- Fabrics provided to garment workshops located in cities such as Teruel, Madrid and Antequera for the manufacture of masks and their subsequent delivery to disadvantaged populations.
- Assignment of fabrics to Soledad Ordóñez, from "Bontemps Les Espaces" for the manufacture of 5,000 masks and their subsequent delivery to homes for the elderly and hospitals: Hermann Foundation and Gómez-Ulla Hospital.
- Fabrics sent to the UK to make robes and other materials for healthcare personnel.

CASTILLO DE CANENA (gastronomy)

- Castillo de Canena donated more than 6,000 litres of extra virgin olive oil for disadvantaged homes and hospitals throughout Spain.
- In order to make these donations, Castillo de Canena enjoys the collaboration and experience of prestigious social organisations and participates in other solidarity initiatives being promoted by renowned chefs such as José Andrés and Mario Sandoval.
- The main organisations and social initiatives with which Castillo de Canena is collaborating are *World Central Kitchen* foundation (Madrid, Barcelona & Valencia), Spanish Red Cross, Ángel Nieto Foundation, *Food for Good* Barcelona, Turismo Solidario 2020 – in collaboration with ACYRE, Gastronomía Solidaria and *Food Truck* Spain – Ronald McDonald Children's Foundation, Santa María de La Paz hostel, *Foodie Angels*, Association Jóvenes por España (Youth for Spain) and *Pequeños Pasos* foundation.

VEGA SICILIA (gastronomy)

Bodegas Vega Sicilia S.A. has made two donations, for a total amount of 150 thousand euros to Fundación Instituto Ciencias de la Salud de Castilla y León for its "acquisition program of critical sanitary material in Castilla y León due to Coronavirus" Donations were made on March 26 and 27.

CULTURAL INSTITUTIONS

Cultural Institutions such as Teatro Real, Museo Nacional del Prado, Museo Thyssen-Bornemisza, Gran Teatro Liceo de Barcelona and Escuela Superior de Música Reina offer free audiovisual content on its digital channels since the beginning of the crisis

Contributions of Comité Colbert members

Solidarity with health authorities and health workers

The luxury groups Chanel, Hermès, Kering, LVMH, L'Oréal and Richemont have provided swift, massive and unwavering support to health authorities in France, China, the United States and the many other countries where they operate. Their many different actions – monetary donations, purchases and manufacturing of masks or medical gowns, production of hand sanitiser, contributions to ventilator purchases, logistics support – have greatly bolstered the resources needed to effectively fight the pandemic.

Along with these groups' exceptional efforts, Comité Colbert Maisons have also been involved individually to support hospitals and health workers. Here are a few examples of their initiatives:

- **Baccarat:** From 10 April to 31 May, Baccarat is donating 10% of its online turnover to the Lunéville hospital.
- **Rémy Martin:** Donation of 8,000 surgical and FFP2 masks to hospitals in Cognac and Saintes.
- **Lenôtre:** Donation of meal trays to the hospitals in Paris (Lariboisière, Robert-Debré, Avicenne, Paul Brousse, Bicêtre and Necker). Lenôtre also gave Easter chocolates to health workers' children.
- **Four Seasons Hôtel George V Paris:** The Michelin-starred chefs cooked a special meal for the Robert Debré hospital. Christian Le Squer, Simone Zanoni, Alan Taudon and pastry chef Michaël Bartocetti joined forces to prepare the Easter Monday lunch, served to the Paris hospital's nursing staff of 170 carers, doctors and nurses.
- **Guy Savoy:** One of the chefs at the Guy Savoy restaurant cooks a meal five days a week for the 16 nurses assigned to COVID-19 patients at the Robert Debré hospital. The chef at Chiberta (one of the "other" Guy Savoy Maisons) prepares a meal twice a week for 25 doctors and nurses from the intensive care unit at the Louis Mourier hospital in Colombes. Chiberta's managing director delivers the meals to the hospital.
- **Château de Versailles, Faïencerie de Gien:** Donation of masks from their own stocks.
- **Maison Krug:** Donation of 9,000 masks to the Maison Blanche hospital in Reims.
- **Potel et Chabot:** Donation of 8,000 latex gloves and 9,000 masks to the *Aux captifs, la libération* non-profit association that works with the homeless. Additionally, Potel et Chabot has delivered 2,000 meal trays every day since Monday, 6 April to AP-HP hospitals in the Paris region.
- **Château d'Yquem:** Donation of several thousand euros to the Bordeaux university hospital.
- **Leonard:** Donation of a product for the fund set up with *Collab for Love* to benefit the hospitals in the Paris region.
- **Veuve Clicquot:** Donation of masks and protective goggles to the Maison Blanche hospital in Reims.
- **Longchamp:** Purchase and donation of masks to the Segré hospital.

- **Parfums Christian Dior:** Donation of moisturising hand and face gels to health workers at hospitals in the Paris region through the *Sauver la vie* foundation. Manufacture of 12,000 medical gowns for hospitals. Free manufacture of hand sanitiser (a joint initiative by Parfums Christian Dior, Guerlain and Parfums Givenchy) for French hospitals and various public agencies/organisations (Paris police prefecture, Air France, among others): 50 to 60 tonnes currently produced weekly and for as long as necessary.
- **Celine:** Donation of 25,000 disposable gowns to hospitals, as well as 2,000 aprons to the Anthony hospital; an additional 25,000 disposable gowns will be delivered to other hospitals in the Paris region.
- **CHANEL:** Donations in China, France, Italy, USA and UK, to support hospitals, emergency services, medical and humanitarian responders, and several charitable initiatives. CHANEL and its partners also produced protective face masks and gowns: 300 volunteers manufactured 60,000 face masks from home and the weaver Denis & Fils and CHANEL's partner, the garment maker Grandis, reopened their workshops to produce face masks and hospital gowns, with a total of 665,000 masks and 160,000 gowns produced.

Solidarity with pharmaceutical companies

Pharmaceutical companies are on the front lines when it comes to manufacturing hand sanitiser. Our Maisons producing wines and spirits have supplied them with ethyl alcohol.

- **Pernod Ricard:** Donation of 70,000 litres of alcohol to Cooper, which supplies French pharmacies with hand sanitiser.
- **Rémy Cointreau:** Donation of ethyl alcohol from its production sites in Cognac (Rémy Martin), Angers (Cointreau) and Le Trièze (Domaine des Hautes Glaces distillery) to local healthcare companies so that they can produce hand sanitiser for pharmacies, doctors and hospitals in their region.
- **Château d'Yquem:** Donation of alcohol to the central pharmacy of the Sauternes hospital to produce hand sanitiser.

Solidarity with elderly care homes

Our Maisons have also mobilised to support our most vulnerable elders. A total of 35 have participated in a charity sale for SOS EHPAD, a network of elderly care homes.

- **Tajan:** Comité Colbert Maisons are working together on the exceptional charity sale #lestalentssengagent for the benefit of sosehpads.fr organised by Tajan under the leadership of Laurence Benaïm. A total of 200 prize lots have been collected.
- **Louis Vuitton:** More than 300 leatherworkers are working in 12 workshops at the production sites in Marsaz and Saint-Donat (Drôme), Condé (Indre), Saint-Pourçain (Allier), Ducey (Manche), and Sainte-Florence (Vendée) to produce non-surgical masks for fragile populations, particularly at elderly care homes.

Solidarity with artists and artisans

The luxury industry would be nothing without the talent of its artists and artisans, who contribute their outstanding know-how.

- All Comité Colbert Maisons are going to great lengths to maintain their relationships with their artists and artisans by continuing projects that started before the crisis and ensuring early payment to support a quick recovery as soon as possible.

Solidarity with the citizens

In their concern for everyone's overall well-being, Comité Colbert Maisons are actively contributing to the production of non-medical masks for the citizens. Comité Colbert associate members – museums, castles and the Paris Opera – are offering free visits and access to their archives.

- **Yves Delorme:** Manufacture of around 5,000 surgical masks (category "UNS2", approved for non-medical use by private individuals) per week at its workshop near Lille. These masks are being distributed locally.
- **Dior Couture:** Manufacture of non-medical masks in its Baby Dior workshop in Redon.
- **La Monnaie de Paris:** Sale of appreciation medals to "thank family members, friends or acquaintances working as essential workers during the crisis". All funds collected will be donated to the Fondation de France.
- **Paris Opera:** Free online access provided to the most beautiful performances from its archives. Past dates: 13 to 19 April: Tribute to Jérôme Robbins; 20 to 26 April: *Les Contes d'Hoffmann*; 27 April to 3 May: *Carmenet*; through 3 May: Series of Tchaikovsky's six symphonies played by the Paris Opera Orchestra.
- **La Comédie Française:** Under the title *La Comédie continue* (Comedy continues), links are provided to free access to podcasts, reruns and performance broadcasts.
- **Château de Versailles, Musée des Arts Décoratifs, Le Louvre:** A wealth of important cultural content is being offered to bring everyone a little relief from the lockdown experience.

Contribution of Meisterkreis members

Babor cosmetics:

- Amplification of production facilities in Aachen to produce hand disinfectant.

Berlin Philharmonic Orchestra

- Donation of their fees for the European Concert to UNICEF
- Free access to the Digital Concert Hall with concerts and performances

BMW:

- Provision of vehicles to social and healthcare facilities
- Donation of goods and materials (breathing masks and disinfectants) to social and public institutions
- Procurement of respiratory and other medical equipment
- Donation of 1.000,000 masks to the state of Bavaria

Daimler:

- Production of face mask for employees
- Donation of medical equipment to the state of North rhine Westphalia
- Donation of 1.000,000 face masks to hospitals and practices
- Supporting the setup of a temporary hospital with 1,500 beds in India.

In normal times, passenger cars for the local market are assembled at the Mercedes-Benz plant in Pune, Maharashtra, India. Now Mercedes-Benz India is supporting the local authorities in their fight against the pandemic: The company has supported the setup of a temporary hospital in the town of Chakan, Khed in the Pune District. The facility was developed in record time and allows the medical treatment of up to 1,500 patients of COVID-19. Mercedes-Benz will continue to support the local authorities, for example with medical equipment.

Formula One is all about fast cars. But these days, many of the competing teams have joined their forces and are now working at high speed to produce breathing aids. The Mercedes-AMG Petronas Formula One Team is working together with six other Formula One teams in order to help. So-called CPAP breathing aids, which have been developed in record time by the University College London and Mercedes-AMG High Performance Powertrains, are already in use in hospitals; the company's experts are currently producing more of these machines. The knowledge required to make the device – such as details on design, materials, tools and kit used in the prototyping process – is freely available for industry manufacturers, academics and health experts.

Leica Camera:

- Donation of more than 15,000 face masks to local institutions

Meisterkreis

- Organization, coordination and distribution of masks among members and political authorities
- Work for public and social acceptance of face mask as an accessory but also as a symbol of respect towards others
- Political campaign for use of masks in public to support the re-opening of economic and everyday life

Occhio:

- Donation of more than 15,000 face masks to local institutions

Porsche:

- Donation of 5.0 million Euro for medical and social institutions
- Donation of 1.3 million Euro for hospitals in Stuttgart (headquarter)
- Organisation of supply chains (together with DB Schenker and Lufthansa Cargo) of protective equipment in China on behalf of the state governments (Sachsen and Baden-Württemberg), up to six aircrafts per week have been flying from China to Germany to deliver medical protective equipment, several million protective items have arrived in Stuttgart within the first two weeks, by the end of May protective materials with a value running into triple-digit millions of euros have been organised and transported to Germany, equalling up to 50 passenger aircrafts needed for transport.
- Donation of 250,000 Euros by each board member

Van Laack:

- Alteration of production facilities in Tunisia to produce face mask and free distribution to the local population
- April 2020: production of 5 million face masks
- May 2020: production of 20 million face masks
- Donation of 10,000 face mask to a German college

Contribution of Walpole Members

Anabella Chan

Ethical jewellery designer has pledged for a 2-week period that 20% of all online sales will be given to The Trussel Trust Food Banks and Age UK.

Anna Mason London

Manufacturing masks and for every sale (£25) will donate £5 to <https://carers.org> Carers Trust is a major charity for, with and about carers.

Asprey

Asprey have announced a zero-profit initiative supporting The National Emergencies Trust. In an all profit donation, renowned 167 Pendent has been created in sterling silver with a special engraving on the reverse with the NET logo.

Bremont

Bremont have closed its factory in Oxfordshire and have offered the facilities to the production of ventilator parts.

Burberry

The company has retooled its trench-coat factory in Castleford to make non-surgical gowns and masks for patients, and utilise its global supply chain network to fast-track the delivery of over 100,000 surgical masks to the NHS for use by medical staff.

Chivas Brothers/Pernod Ricard

The Scotch whisky business have begun the transportation of two tankers of Strathclyde grain spirit as part of an initial donation of 100,000 litres of pure alcohol to manufacturing partners who will use it to produce 120,000 litres of much-needed hand sanitiser gel for frontline NHS staff.

Claridge's

The Mayfair hotel has transformed into a refuge for St Mary's Hospital Paddington front line staff as well as providing supper, breakfast and over 500 daily packed meals via Meal Force.

Conker Gin

Conker Gin have been making hand sanitiser from the waste alcohol in their gin production and have been distributing to local wine shops, bars and restaurants.

Country of Origin

Hande, a new London-based hand sanitiser brand, launched yesterday as a collaboration between the founders of knitwear brand – and 2020 Brand of Tomorrow – Country of Origin, and design agency IYA Studio. Entirely manufactured in an industrial space in Peckham, South London, Hande is a premium organic product, made with TSDA organic ethanol and to a formula stipulated by the World Health Organisation, and will be supplied to the most vulnerable in society.

Dai

Part of the latest Brands of Tomorrow scheme, Dai have launched 'buy a pair, donate a pair' on their bestselling trouser so with each pair sold, another pair will be donated to the NHS. On top of this, Dai have already donated £15,000 worth of trousers to the NHS front line staff.

Freight Brokers

Committed to sending out a total of 1,000 parcels a month to the NHS on business' behalf.

Jo Malone

Jo Malone switched from producing candles in its Petersfield factory to making hand sanitizer.

Miller Harris

Miller Harris are offering a helping hand in conjunction with leading charity for older people, Age UK. The brand will be donating their entire stock of 11,000 hand washes, hand lotion and hand soaps to those most vulnerable across the UK at this time.

Molton Brown

The brand has donated 25,000 Ultra Pure Milk Soaps to Beauty Banks, a 'beauty with purpose' movement that organises donations of personal care and hygiene products to registered charities throughout Britain. They in turn dispense them to people who desperately need them.

Mulberry

Mulberry has begun producing re-usable PPE gowns in its Somerset factories for the University Hospitals Bristol and Weston NHS Foundation Trust to support in the protection of NHS frontline workers. The brand expects to produce over 8,000 gowns in the coming weeks. Mulberry is also supporting their local Bristol 'Scrub Hub' - a network of voluntary community groups who are making scrubs to order for NHS staff.

The Ned

Kitchen Social works with over 100 community groups across London to provide free healthy meals for children and families experiencing food insecurity during the school holidays. With schools closed and no fixed date to reopen, it's put extra pressure on families. The Ned are supporting Kitchen Social who are now delivering food parcels door to door whilst supporting these community groups with all the additional items.

Turnbull & Asser

Turnbull & Asser understand the importance of serving a nation, and are determined to make a positive contribution to the cause. In support of those on the frontline, the Royal Warrant holding shirtmakers are now in the process of producing thousands of much-needed garments for the NHS, proudly made in England.

Suitcase

Created limited edition t-shirts with proceeds going to the Red Cross UK Crisis Appeal

Victor

Victor's aviation specialists are supporting individuals, families and government officials all over the world to reach home or medical assistance safely and rapidly, where the airlines cannot.

Wildabout

Wildabout announced that they have closed their studio and will distribute their remaining flowers to NHS staff across London. Already known for their random acts of kindness, Wildabout will be delivering over 500 bouquets to six London hospitals including St. Thomas's, Chelsea and Westminster, and Lambeth Hospital.

YOOX-NET-A-PORTER

The group have donated its Premier Delivery Service fleet to serve as volunteered vehicles for local charities across the UK, Italy and Hong Kong.

ANNEX II – Tourism and high-end industries: key figures

Tourism is a key sector of the European economy

Tourism plays a major role in the European economy and is of great importance to economic growth and employment.

- The estimated size of this market worldwide is **260 Bn€** of which **33%** (86 Bn€) are extra-regional (non-domestic/EU resident).
- In 2018 this sector directly contributed **3.9% of the European GDP** and has been named the **3rd largest socio-economic activity in the EU** (Bain Report 2020).

High-end industries play a key role in the attractiveness of Europe and contribute spillovers to a larger cultural ecosystem

High-end tourism takes a special part in this sector as it caters to the demands of travellers seeking to achieve very individual and holistic goals by visiting other countries.

Shopping experiences are one of the most important activities for international travellers when visiting the EU and high spenders' international shoppers spend a significant amount of money on it. The vast majority of these travellers come from long haul destinations such as Asia, Middle East, Russia and the Americas and most of them visit Europe on a regular basis.

- The European "Personal Luxury Goods" market is evaluated at **80 Bn€**
- Among the **48 Bn€** of Tax Free Eligible Spend in Europe, **80%** (ie 38 Bn€) is related to "Personal Luxury Goods".
- Almost **50%** of "Personal Luxury Goods" market is related to international tourists non-resident in Europe (Global Blue statistics 2019).

The impact of high spenders' international shoppers is not only related to shopping, but their high spending power spill over to many sectors of the economy as well. While the initial reason for travelling might be shopping, directly affecting airlines, airports and the high-end shops, the travellers will and strive to do other activities, which other sectors such as accommodation, restauration, food & drink, cultural activities, museums, galleries, historical landmarks, wellness, sporting events, performing arts and outdoor entertainment, sporting events, cultural institutions are benefiting from. What all the affected sectors have in common is that the high spenders expect a high standard and unique experience in all of them.

- **2 million** high spenders' international shoppers (unique passport number) shopped in EU countries in 2019. These travellers do not travel alone. We estimate that each of them are part of a group of 3.5 people in average, making the total number of high spenders international shoppers who visited EU countries during 2019 of **6.9 million** people.

- High spenders' international shoppers account for **9%** of the international shoppers coming to EU countries but for **59%** of the total Tax Free Shopping spend in 2019.
- In average they've made **9 purchases**, stayed **12 days** and made **1.6 trips** to EU countries.
- They've spent **28 Bn€ in shopping** during the last year (with an average spend per traveller of 14,300€) and **32 Bn€ in Hospitality, beverage and entertainment** for a **grand total of 60 Bn€** (Global Blue internal analytics).

Impact of COVID -19 on High-end tourism

As previously said, the consequences of the Covid-19 crisis and the travel ban are multiple. It impacted the tourism sector as a whole: direct travel companies but also companies operating in the cultural area, fashion, beauty, sports, design and many more.

Countries with high total contributions to their GDP (in%) like Greece (21%), Portugal (19%), Spain (15%), Austria (15%), Italy (13%) and France (10%) have been severely affected (Global Travel Ecosystem Report 2019, World Cities Data Brief).

Impact analysis based under the following assumption: more or less no Chinese, Arabian and US tourists in 2020.

Loss in revenue overall in Europe: **90 Billion EUR** (worst case scenario):

- 55 Billion EUR in personal high-end sectors (excluding flight ticket cost)
- 25 Billion EUR in hospitality
- 10 Billion EUR in food

Loss in employment:

- Up to 190,000 direct jobs
- Up to 60,000 indirect jobs

Sources:

Luxury Travel's true Impact on business and employment 2020

Global Blue internal analytics 2019

Euromonitor International