

François Alfonsi
Député européen
Vice-Président SEARICA en charge des Iles



Object - Devastating impact of the Covid-19 health crisis on the economy of islands

Mrs President of the Commission,
Mr President of the European Council,
Mr President of the Council of the EU,

The health crisis hitting Europe will generate a very serious economic crisis, which, to be overcome, will require a great deal of effort and solidarity, with regard to the populations that will be most affected, and also considering the territories whose economic structure is such that the foreseeable impacts are very significant.

This is particularly true with regard to the islands. Indeed, according to the most recent Eurostat statistics (2018), island economies are experiencing an economic decline in comparison with other regions. The health crisis we are going through will exacerbate this trend heavily, and may even cause the economic collapse of island areas if they are not sufficiently supported.

There are several reasons for this.

The first - and the main one - is that tourism is a fundamental activity for all islands, particularly in the Mediterranean. Yet tourism is the economic activity that will be most affected by the consequences of the pandemic, since it is, for the islands, entirely dependent on air and maritime transport - which are totally at a standstill and will most probably remain so for the next several months before total deconfinement in Europe.

As a result, tourism will be the last economic activity that can be revived, and it is not certain that this will happen before the end of the summer. A “white season” for tourism would be an insurmountable crisis for all island territories if reinforced solidarity mechanisms are not implemented.

Indeed, in “proximity tourism” areas, within reach of private cars, professionals can hope for a gradual recovery as soon as the confinement is eased. However, islands are by definition dependent for their tourism on maritime (including the cruise sector) and especially air transport, which is collective transport; for them there will be no possible transition allowing “to limit the breakage”.

Finally, our island economies are proportionally much more dependent on tourism than all other regional economies. This “endemic” fragility must be taken into account in the solidarity mechanisms that the Member States, with the support of European funds, will implement. However, during this global emergency we ask to preserve and maintain unused funds already earmarked for the islands from the 2014/2020 budget. In particular, transferring sums of money to other regions more affected by coronavirus but better equipped in terms of infrastructure and developed industrial network should be avoided.

The second reason relates to the potential fragility of activities which, in an island setting, are of vital

importance. This of course concerns all supplies, which very often depend on a single company that the crisis could precipitate into bankruptcy, or the managers of vital infrastructures. All this must be taken into account in the decisions that the European Commission and the Member States will take in the context of the emergency funds that will be mobilised. All public services are to be closely monitored: airlines, fuel supplies, health facilities, etc.

To this regard, we appreciate the effort made by the Commission in launching a temporal framework to permit larger state aid to flow during the crisis in order to save European companies. We propose that, once the crisis passes, some of these changes (such as the limits in the De Minimis rule modified by the temporal framework) stay in place, at least for island regions, as they would help to overcome the competitive disadvantage caused by insularity for island industries.

The undersigned MEPs from island territories, gathered in the SEARICA Intergroup, alert the European authorities: our regions are both much more fragile and much more impacted by the Covid-19 crisis. Each island territory is threatened with general economic collapse.

We call for, in addition to the first measures already adopted for all the European regions impacted by Covid-19, specific emergency measures and a reinforced and adapted solidarity mechanism to prevent, and limit, the major economic crisis looming in the EU Islands.

P.S.: In addition to the problems posed by the coronavirus pandemic, certain islands in the Mediterranean have been coping with an influx of migration that affects the normal development of their Welfare systems. We need to also factor a solution to this concern in the policies that must be devised to provide meaningful support to islands.

Respectfully,

François ALFONSI MEP, France (Greens/EFA)

Alex AGIUS SALIBA MEP, Malta (S&D)

Ignazio CORRAO MEP, Italy (NI)

Josianne CUTAJAR MEP, Malta (S&D)

Alicia HOMS GINEL MEP, Spain (S&D)

Costas MAVRIDES MEP, Cyprus (S&D)

Younous OMARJEE MEP, France (GUE/NGL)

Demetris PAPADAKIS MEP, Cyprus (S&D)

Tonino PICULA MEP, Croatia (S&D)

Alfred SANT MEP, Malta (S&D)

Nils TORVALDS MEP, Finland (Renew Europe)