Making the case for catering

By Rick Lundstrom on April, 15 2020 | Catering





Airline Catering Association Managing Director Fabio Gamba

The COVID-19 virus outbreak showed clear signs of peaking in Europe this week, but the fallout for civil aviation and its supplier companies is far from over. Aid is required to help in an "unprecedented crisis" says the Managing Director of the <u>Airline Catering Association</u>, Fabio Gamba.

The Brussels-based group that represents caterers on the continent <u>linked up with seven other groups</u> in the air travel value chain last week to ask the European Union and its member states for financial support.

"There is currently a cash liquidity issue at every level of the air travel ecosystem," said a statement from the groups. "To face this liquidity crisis, it is crucial that all actors and supporting measures are considered on a non-discriminatory basis."

But how much filters down to businesses that support aviation from the EU's €500 billion stimulus package is yet to be determined and depends heavily on industry influence and member state

willingness.

Meanwhile, the losses mount up. The International Air Transport Association (IATA) on Tuesday released an updated analysis showing that the COVID-19 crisis will see airline passenger revenues drop by US\$314 billion in 2020, a 55 percent decline compared to 2019.

Where airline caterers and other suppliers on the continent are in the triage of aid distribution will depend much how much leverage they can wield with member states of the European Union, says Gamba.

"How long, or if it trickles down to the industry depends on how this or that government perceives aviation," Gamba tells *PAX International*. Unlike the Coronavirus Aid, Relief, and Economic Security (CARES) Act in the United States, the aid package in Europe can only be distributed through the member states.

Under the \$2.3 trillion CARES Act, passenger airlines in the US are eligible for \$25 billion in cash grants for payroll while cargo carriers can get \$4 billion. Contractors, like caterers and aircraft cleaners get \$3 billion, in addition to a separate loan package for which they can apply.

To help an industry like airline catering in Europe, which is less visible than other businesses, Gamba says a strong voice is needed to convince governments in Europe of the importance of the service caterers and suppliers provide.

Since the group was formed two years ago, Gamba says one of its primary roles has been to bring the industry message to regulators and governments. Now, he says it's even more critical in a time "that means life or death" for many companies.

"This is really an unprecedented time and we are learning every day how to introduce ourselves," Gamba says.

In addition to dealing with the effects of the COVID-19 crisis, the ACA is also working with regulators on sustainability initiatives for onboard items and how to best implement, in the aircraft cabin, the European Union-approved ban on single use plastics. The ban is scheduled to take effect in 2021.

While stressing that the initiative has support of the ACA and is important for the future, Gamba says it is the group's hope that pressure by regulators can be put on the back burner.

He says the ACA and its membership will "gladly resume conversations where we left off before the crisis."