



Удружење туристичких агенција Србије
Udruženje turističkih agencija Srbije
Association of Serbian Travel Agencies

Dear All,

We are writing to you from the Association of Travel Agencies of Serbia, UTAS in the hope of understanding and recognizing the problem we are currently facing. We are hoping you would be willing to share our situation with the general public while helping us with the battle we are fighting with our government.

The future and existence of the vast majority of travel businesses in Serbia are, highly uncertain, with thousands of travel and tourism jobs being at great risk. One may think that this must be due to COVID-19, but our daily struggle tells us differently. Every day, more and more, we see that it has to do with the moves of the Serbian government which is using this situation as an excuse for reducing the number of tour operators and travel agents by nearly 90% while creating a monopoly for a few chosen.

Per our Travel and Tourism law, in order to obtain a license to work, all tour operators are obliged to have insurance that covers insolvency and compensation to its passengers. The lowest amount recognized by the newest law from 1st January 2020 is 200.000 Eur. Considering that the majority of travel businesses in our association and Serbia are small, family-owned companies with turnovers between 20 and 50.000 Eur per year, this amount highly exceeds the money that could be at risk at any given time in reality.

The amounts that we've all been paying per insurance policy used to be between 2.500 Eur to 10.000 Eur per year depending on the size of the agency.

Since almost all insurance companies right before 1st October bluntly announced that they are no longer interested in doing business with travel companies, travel agencies are left with no way out, unable to work. We now can choose between only three insurance companies which, as it turns out, are willing to work only with the few chosen agencies because the number of agencies they can insure is limited as they informed us. They are rejecting the majority of the smaller agencies without giving a proper and exact explanation while putting them in the position of not being able to meet the legal standards to work. To be precise, they don't just reject small agencies, but to some, they offer the possibility to pay the policies in the amount of 8.000 do 18.000 Eur while putting mortgages on their properties in the amount of 150% of the insured amount. This means that the small agencies should put mortgages on their properties with the lowest amount of 300.000 Eur. This is as close to saying NO as it gets! Just to give a comparison with what happens around the world, in the UK the lowest guarantee amount is 20.000 GBP, which is far less than in Serbia. You can of course do analysis yourself of the other countries in the market and make your comparison.

Since our insurance policies expired on 1st October, we haven't been able to work legally. All the business costs are running as usual, while we are not able to sell any travel arrangements because selling travel packages without the insurance coverage isn't legal. Even though we are repeatedly contacting our government officials, we are getting no understanding. We have also contacted European travel organizations (UNWTO, ETC), however, we have not heard

back from any of them. Needless to say that our government did not provide financial support for travel agencies as the most affected of all industries, while other European countries helped tremendously and they still do. Considering that Serbia is on its way to the EU, one would expect a much more serious approach.

We are hoping that you would be able to help us, above all with having our problem recognized.

Thank you sincerely in advance.

Lastly, if you need any further information we'd more than glad to share it with you.

Thank you for helping us save our businesses!

Yours Sincerely,

Belgrade 05th November 2020

UTAS