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Report Highlights:

This is an initial assessment of the Dutch foodservice-HRI industry after several months of being largely closed due to the coronavirus (COVID-19) pandemic. The COVID-19 outbreak has had an enormous impact on the Dutch foodservice-HRI industry as all bars, cafés, and restaurants had to close their doors for an extended period of time. Foodservice outlets were permitted to open their doors on June 1, 2020, but under strict conditions. Just one week after opening, four out of ten entrepreneurs have indicated that they are not sure whether they can afford to keep their businesses operational. While many Dutch restaurants made investments in order to comply with the government’s social distancing requirements, guests still appear reluctant to return en masse.

Background

On February 27, 2020, the first Dutch patient was diagnosed with coronavirus (COVID-19) in the Netherlands. Since then over 48,000 Dutch have tested positive for the disease. In response to the crisis, the Dutch government introduced a so-called “intelligent lockdown,” and emphasized hygiene rules, encouraging individuals to avoid public venues, and recommending people maintain physical distance from each other (known as social distancing).¹ These measures led to a significant slowing of infection in the Netherlands, and the government announced a roadmap in early May to begin to ease some of the restrictions.

Dutch Foodservice-HRI Industry Under Pressure

Despite the easing of some restrictions, the COVID-19 outbreak has an enormous impact on the Dutch foodservice-HRI industry. With the exception of hotels, takeaway restaurants, and delivery outlets, all bars, cafés, and restaurants had to close their doors for an extended period of time. Challenges quickly arose for the industry as many hospitality entrepreneurs went without income, while fixed costs, like rent and utilities, continued to stack up.

According to a recent poll by the Dutch Chamber of Commerce, only six out of ten foodservice-HRI entrepreneurs expect to survive the COVID-19 crisis. The sixty percent who expressed optimism believe they can survive the crisis because they have built up sufficient financial reserves, have low fixed costs, received government support, and/or are creating new opportunities to weather the crises.

Royal Dutch Hospitality Industry Is Concerned for its Members

The government permitted foodservice outlets to open their doors on June 1, 2020, under [strict conditions](#) (in Dutch). The umbrella organization for the Dutch foodservice-HRI industry, the Royal Dutch Hospitality Industry (known in the Netherlands as the Koninklijk Horeca Nederland or KHN), published extensive [guidelines](#) (in English) to help entrepreneurs restarting their businesses. Despite this, the KHN stated:²

{It} has serious reservations about the feasibility of the 1.5 m{eter} economy in the hospitality industry. Technically, the 1.5m economy is applicable everywhere, but it is not profitable for most of the hospitality industry. Why not:

- The 1.5m economy is based on the need to maintain distance, also known as ‘social distancing.’
- In the hospitality industry, the space required to safeguard that 1.5m distance is, in many cases, simply not there.
- Maintaining a 1.5m distance in the hospitality industry concretely means that far fewer people will be able to access the establishment.

¹ See, e.g., https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=COVID-19%20and%20its%20Impact%20on%20Dutch%20Agriculture_The%20Hague_Netherlands_04-12-2020

² See https://cdn.khn.nl/media/Corona/Documenten/Protocol/Protocol-Heropening-Horeca-KHN_22052020-ENG.pdf

- Far fewer guests (either inside or on the terrace) means significantly lower sales.
- Conversely, the fixed costs of hospitality entrepreneurs (accommodation, depreciation and especially staff wages) remain at 100 percent.

Simply put; there is not a single entrepreneur who can cover 100 percent of their fixed costs with 50 percent (or less) sales. Especially after having been closed for two months, with many uncertain months ahead.

KHN Guidelines for Hospitality Entrepreneur³

The KHN encouraged entrepreneurs to:

1. Make sure everyone can keep 1.5m distance from one another. This should be possible both indoors and outdoors. This goes for employees, guests, but also takeaway customers, delivery staff and suppliers.
2. Enforce the regulations through a door policy and monitoring. If the entrepreneur is not present, the manager bears final responsibility for this.
3. Be extra aware when it comes to social hygiene regulations (for companies with an Alcohol Licensing and Catering Act license) with regard to maintaining the 1.5m distance.
4. Ensure maximum company hygiene, especially in the kitchen, sanitary facilities, and the PIN machines.
5. Thoroughly clean tables, chairs and menus once the guests have left the establishment.
6. Instruct employees with regard to hygiene measures (such as washing hands) that they should adhere to and provide them with hygiene aids (such as disinfectants and, if necessary, face masks and gloves).
7. Any updates with regard to these agreements will be communicated as soon as possible.

KHN Guidelines for Guests⁴

The KHN also laid out general guidelines for visiting guests:

1. Keep a distance of 1.5 metres from other guests and employees:
 - A. a table can be used by a maximum of two people (or a single household consisting of more people) sitting within 1.5 metres from one another.
 - B. the bar can be used by a maximum of two people or a household consisting of more people sitting within 1.5 metres from one another.
2. On a terrace, only guests are allowed to be seated.
3. Stay home if you have a cold or display any flu or lu-like symptoms.
4. The establishment can deny access to any guests if there is suspicion of cold and/or flu symptoms.
5. Always follow the instructions of the staff.
6. Thoroughly wash your hands after entering the establishment.
7. Thoroughly wash your hands after using the toilet.

³ See [Id.](#)

⁴ See [Id.](#)

8. Make use of contactless payment options (PIN or mobile phone).
9. Products ordered online are delivered up to the front door, without physical contact.
10. If you fail to adhere to the 1.5m rules of the establishment and/or the applicable 1.5m rules of the government, you may be denied access to the establishment. Any damages suffered by the establishment due to your actions may be charged to you.

Some Restaurants Adjust to the So-Called 1.5 Meter Economy

Restaurants in the Netherlands have come up with creative solutions to work under these guidelines. For example, Ollie Schuiling of Kasteel Heemstede has adapted his restaurant in Houten to meet the new guidelines.⁵ He now places two less tables in his restaurant compared to before COVID-19 to accommodate social distancing requirements. He also can no longer personally accept the coat of guests. They now hang their coat on a rack assigned to the table. Kasteel Heemstede also has a special area where guests can wash and disinfect their hands. In order to guarantee sufficient distance, the staff waits the tables while making use of dedicated side tables from which the guests can take their ordered dishes and drinks. Kasteel Heemstede's waiters also wear a mask and wash their hands every half hour.

Picture 1: Kasteel Heemstede



Source: Missethoreca.nl

Picture 2: Café Caspar



Source: Missethoreca.nl

Picture 3: Example of a Sign Mandating Social Distancing in a Foodservice establishment



Source: <https://www.missethoreca.nl/horeca/nieuws/2020/05/horeca-breda-mag-niet-proefdraaien-in-15-meter-opstelling-101335934>

⁵ See, e.g., <https://www.facebook.com/pg/restaurantkasteelheemstede/posts/>

Café Caspar in Arnhem also reopened its doors and is taking a multitude of measures.⁶ The tables are separated from each other by curtains and there are screens at each table that separate the guests from the wait staff. Employees can lower the screen using a simple pulley system. The weights in the pulley system are empty coffee cans, that are filled with water. “But having screens and curtains is not enough,” explains Wolter De Bes of Café Caspar. “We have limited our {offerings} which {are} now being printed on a single page. When guests leave, we throw those {menus} away. This prevents contamination. Our staff receives guests, while keeping their distance. Our waiters are the only ones who are permitted to lower and lift the screens. Guests that would like to make use of the restrooms ask our staff to lift the screen.” According to the cafe, it is also the only way to ensure only one person can make use of the restroom at a time. “This is how we maintain the one and a half meter well.”

KHN is Concerned Many Cannot Profitably Operate in the 1.5 Meter Economy

On June 10, 2020, KHN published a press release stating that while they are happy that foodservice-HRI outlets were able to open their doors, by no means is it profitable for many entrepreneurs to be open under these strict conditions. An estimated three-quarter of all outlets opened their businesses on June 1, 2020, but it remains to be seen if many can afford to stay operational. “Several entrepreneurs have tried, but after a week - including a few days of bad weather – {several} have concluded that they lose less money when closed than when open,” according to KHN.⁷ “We have received signals that entrepreneurs have again closed their businesses because it is not possible to make a profit with all the limitations.” KHN believes this is predominantly because guests still seem to be reluctant to visit public places, such as restaurants or cafés. Also KHN notes the obligation to make a reservation and the check-in policy at the door often times prevents diners from dropping in to an establishment on a whim.

Bars and Cafés Also Under Pressure

Several bars and cafés are also considering closing their doors since it is proving difficult to maintain a 1.5 meter distance. Several café owners have received an official warning from enforcement agents and are risking a fine of €4,000 if they do not ensure 1.5 meters is maintained. The problem is exacerbated by some visitors to bars and cafés having seemingly become tired of the restrictions and not adhering to the 1.5 meter distance requirements.

The Security Council, known as [Het Veiligheidsberaad](#) in Dutch, is also concerned about compliance with social distancing and other coronavirus measures. Over the weekend, many bars and restaurants were too crowded or guests were found not to be keeping 1.5 meters apart. Multiple fines were issued, and at least one cafe (in Maastricht) was shut down for two weeks.⁸ The KHN, in turn, wants to shift the focus from 'are restaurant owners enforcing the rules' to 'are people still willing to comply with the rules'. "If you look at how society is moving, then we really have to conclude that we really need to give entrepreneurs more space outside and relax further," according to [Algemeen Dagblad](#).⁹

⁶ See <https://www.missethoreca.nl/cafe/nieuws/2020/05/cafe-caspar-is-weer-open-alleen-voor-hotelgasten-101335280>

⁷ See <https://www.nu.nl/economie/6056759/horeca-worstelt-een-week-na-heropening-deel-is-alweer-gesloten.html>

⁸ See <https://nltimes.nl/2020/06/15/coronavirus-measures-massively-ignored-bars-restaurants-fines-issued>

⁹ See [Id.](#)

Summary

The Dutch foodservice-HRI industry is clearly still adjusting to the new 1.5 meter economy. Many entrepreneurs have invested considerable resources to comply with the new guidelines while at the same time maintaining an environment that continues to appeal to visiting guests. However, some industry sources indicate the longer companies have to work under these strict conditions, the higher the chance of losing money and eventually of going out of business.

Additional Information

For additional information on the impact COVID-19 has had on Dutch food and agribusinesses see, for example:

- [NL2020-0008 – COVID-19 and its Impact on Dutch Agriculture](#),
- [NL2020-0009 – Dutch Veal Sector Faces Sharp Decline in Demand](#),
- [NL2020-0010 – Impact of COVID-19 on the Dutch Potato Industry](#),
- [NL2020-0014 – Financial Support to Help Businesses Endure Corona Crises](#), and
- [NL2020-0020 - Impact of COVID-19 on the Dutch Food Retail Market](#).

Attachments:

No Attachments.