

Voluntary Report – Voluntary - Public Distribution

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Report Name: Food Service Establishments Largely Remain Closed Until
December 2020

Country: Netherlands

Post: The Hague

Report Category: Agriculture in the News, Agricultural Situation, Food Service - Hotel Restaurant
Institutional

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Report Highlights:

On October 27, 2020, in an effort to contain the rising number of coronavirus (COVID-19) infections in the Netherlands, the Dutch Government decided that foodservice-HRI outlets will remain closed until, at least, early December. Restaurants' kitchens will only remain open for take-away and home-delivery of meals. In addition to the existing support measures, the government offered an additional \$47 million in financial support for the foodservice-HRI sector. The Dutch hotel, restaurant, and catering (HORECA) industry organization, Koninklijke Horeca Nederland (or KHN), commented that while the financial support is welcome, the subsidy might come too late for the industry as members are already struggling to pay bills, salaries, and rent. Industry sources report that restaurant and bar owners, especially those that are small and medium-sized, are increasingly depleting their financial reserves.

Background

FAS/The Hague previously reported that the Dutch foodservice-hotel, restaurant, and institutional (HRI) industry is being hit hard by the measures imposed to combat the spread of the coronavirus (COVID-19). The industry's turnover fell by 46 percent during the second quarter of calendar year 2020, compared to the first quarter, (when turnover had already decreased by nearly 14 percent). Cafés recorded the largest turnover decline in the Netherlands, followed by restaurants, caterers, and fast-food restaurants. Online ordering and delivery of meals, however, saw sales grow, in some cases by as much as 25 percent. For additional information, see [NL2020-0043: Foodservice-HRI Industry Turnover Declines at Unprecedented Levels](#).

On October 13, 2020, the Dutch government announced a closure of foodservice-HRI outlets for a four-week period to slow the growth of COVID-19 infections in the Netherlands. In an effort to try to further suppress the increase in infections, on October 27, 2020, the Dutch Government decided to extend the closure of foodservice-HRI outlets until, at least, early December. Restaurants will only be permitted to remain open for take-away and home-delivery of meals.

Government Support for the Industry

Keeping cafés and restaurants closed until, at least, December is a major blow for the sector, especially since the end of the year is traditionally an important period for bars and restaurants. Although many restaurants will continue to offer take-away and home-delivery, many entrepreneurs within the Dutch foodservice-HRI industry are afraid they will not survive this crisis. This fear is further exacerbated by the fact that there is no clarity on when they can open again and under what circumstances.

With the extended closure period, the Government announced its intention to provide an additional \$588 million in financial support for all sectors affected. In addition to the third set of support work retention measures (known as [NOW3](#)) and the Compensation Fixed Costs for SMEs (also known as the [Tegenmoetkoming Vaste Lasten or TVL](#) (in Dutch)), the sector will receive a one-off subsidy. This subsidy is compensation for the stocks that restaurants have been building up which have now become unusable, as well as monies needed to make restaurants more COVID-19 proof. The subsidy is roughly 2.75 percent of the loss in turnover -- or, on average, almost \$3,000 per entrepreneur. The government has set aside \$47 million for this one-off subsidy.

In addition, the Government has also temporarily expanded TVL eligibility to include companies that are active in the following sectors: transportation, suppliers to the sector (e.g., distributors), and the horticultural sector (only food). The government has increased TVL funding by \$165 million to expand the program.

An additional \$13 million will be provided to an estimated 800 companies that are active in the events industry. More information on these additional forms of support can be found online at: <https://www.rijksoverheid.nl/actueel/nieuws/2020/10/27/aanvullingen-op-derde-steunpakket-corona> (in Dutch).

Comments from the Dutch HORECA Industry Association

The Koninklijke Horeca Nederland (KHN) commented:

With the second lockdown for the foodservice-HRI sector, additional support is essential for the survival of the sector. The application process for the NOW3 and TVL as well as this one-off subsidy will only start {in} mid-November. While the support is extremely welcome, it might come too late for our companies. They need to pay bills, salaries, and rent now. Restaurant and bar owners, especially the SMEs, are increasingly running out of money. While, since the Corona virus outbreak, the sector has received an estimated \$1.8 billion of financial support from the government, the entrepreneurs themselves have contributed \$4.1 billion in order to keep their business open.

The KHN believes more needs to be done to provide establishments that offer food and drinks some kind of long-term clarity. KHN's ideas on improvements (including 100 percent reimbursement for the industry's fixed costs during the shutdown) can be found online at: https://www.missethoreca.nl/horeca/nieuws/2020/10/khn-nieuwe-steunmaatregelen-zijn-welkom-maar-onvoldoende-101341798?_ga=2.79582804.1938326035.1604320872-197782324.1604320872 (in Dutch) and were presented to the Dutch Parliament on October 28, 2020.

Additional FAS/The Hague Reporting

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

[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](#),
[NL2020-0020 – Impact of COVID-19 on the Dutch Food Retail Market](#),
[NL2020-0021 – Dutch Slaughterhouse Closed After COVID-19 Detected](#),
[NL2020-0023 – Dutch Meat Producers Told to Implement Strict COVID-19 Control Measures](#),
[NL2020-0028 – COVID-19 Impact on the Dutch Foodservice-HRI Industry](#), and
[NL2020-0043 – Foodservice-HRI Industry Turnover Declines at Unprecedented Levels](#).

Attachments:

No Attachments.