

Live from Brussels Newsletter



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A message by Ms Marie Audren, Director General of HOTREC

Dear readers,

Welcome to this new edition of Live from Brussels.



As we are approaching the end of the current mandate, important files are being finalised. In this newsletter, the HOTREC team reflects on the latest developments in European affairs.

Let's start with the heavily debated EU proposal on Packaging and Packaging Waste Regulation (PPWR). HOTREC is committed to responsible waste management and playing its part in achieving a green and circular economy. Following the approval of the PPWR deal by EU ambassadors last week, we remain concerned by the lack of balance between ambitious environmental goals and the industry's practical needs and reality.

In an ever-evolving digital landscape, fairness and transparency are paramount. The effective implementation of the DMA will be crucial in the coming months. Recent developments in compliance demonstrated that we need to remain vigilant. Together with other sectors, we have been alarmed that the new system leads to a massive deterioration in the visibility of direct suppliers' websites in Google's search. In the meantime, we took note of Booking.com's announcement on its gatekeeper status and we look forward to the formal designation by the Commission very soon. Hotel businesses, mostly SMEs, have long been advocating for a legal framework to address the unfair behaviour and business practices of dominant Online Travel Agents.

Labour shortages remain a significant issue across our industry as for many sectors of the European economy. The creativity and actions of hospitality businesses are to be underlined. Yet we also expect real and concrete support from the European Union. We look forward to reading the Commission's action plan on Labour and Skills shortages to be presented in a few days. On that note, let's not give up on making progress regarding labour mobility and in particular the EU Talent Pool proposal which can help to tackle this serious problem.

In this edition, I am also very grateful for Kevin Carey, interim President & CEO of the American Hotel & Lodging Association (AHLA), for sharing his insights into the situation of accommodation in the US, some of their flagship initiatives, and priorities. This regular dialogue among sister international organisations is invaluable.

Last but not least, we are actively preparing for the upcoming HOTREC General Assembly which will take place in Budapest on 24 – 26 April 2024. We look forward to this opportunity to exchanging with our members on our many priorities and what to expect for the months ahead.

Stay tuned and enjoy your reading.

Perspective from across the pond with Kevin Carey

#EUHospitality #EUTourism



Kevin Carey, Interim President & CEO of the American Hotel & Lodging Association, HOTREC's counterpart across the pond.

Having seen the impact of COVID in hospitality industry, could you give us some insights on the performance of the US hotel and lodging sector?

AHLA's 2024 State of the Industry Report forecasts that American hotels will generate historic amounts of tax revenue, pay employees a record in total wages, and inch closer to pre-pandemic occupancy levels in 2024.

Despite this good news, hoteliers are still facing a number of hurdles. These include labor shortages, stubborn inflation, and a host of federal regulations that are tying hoteliers up in red tape.

That's why AHLA will continue advocating for hoteliers at all levels of government to solve these problems and keep our industry on an upward path.

Could you describe AHLA's mission and the main goals you have in store for this year?

Advocacy is at the center of everything AHLA does, and we're now at the peak time of activity in state legislatures across the country. That means we're tracking legislation in several states on a range of issues.

New Jersey is a particular focus for us. We're pulling out all the stops to defeat legislation there (A3495 and S2336) that would destroy the industry's franchise model by making it harder for hotels to enforce the quality, service, and safety standards that guests have come to trust.

At the national level, we're busy fighting a number of federal regulatory efforts that would make it harder for hoteliers to do business, including:

- The National Labor Relations Board's joint-employer regulation, which directly targets the franchise model, a business model that has helped restore minority entrepreneurship and job creation across the country. AHLA is engaged in litigation to stop implementation of the rule and is working with members of Congress on both sides of the aisle to overturn it.
- The Department of Labor's proposed overtime-pay regulation that would eliminate hotel jobs, make it more difficult for employees to rise in the ranks, and put small business hoteliers at risk of going out of business. AHLA has filed comments in opposition to this rule and is supporting the Overtime Pay Flexibility Act, which would prevent the rule's implementation.
- A new Department of Labor regulation that radically changes the way workers are classified as independent contractors or employees. It will limit opportunities for individuals to work as independent contractors and hurt hotels' ability to maintain operations. AHLA is supporting a Congressional Review Act resolution to overturn this rule.

The strong rise of the sharing economy has impacted the industry. How do you approach this phenomenon in the US?

In this space, AHLA's biggest focus is ensuring hotels and short-term rentals are competing on a level playing field. That means fighting back against efforts in states to give short-term rentals like Airbnb unfair tax and regulatory advantages.

Because short-term rentals compete with hotels, we must ensure they are subject to the same laws, taxes, and regulatory standards as hotels. That means registering their business, paying taxes, following laws and regulations, and removing illegal listings – particularly for multi-unit operators that are effectively running illegal hotels.

How do you perceive international cooperation in our sector?

International cooperation among hoteliers is better than it's ever been, and it continues to improve.

At AHLA, we are steadily expanding our footprint across the globe with a number of exciting events and initiatives, including:

- AHLA's The Hospitality Show, produced in conjunction with Questex, is quickly becoming the world's most important hospitality technology event.
- AHLA is teaming up with the Hotel Association of Canada to operate the Green Key Global sustainability certification program in the U.S. and Canada starting April 1.
- AHLA's technology arm, HTNG, is leading the future of global hospitality tech through:
 - Events like HTNG Connect and HTNG Europe.
 - The prestigious Global Technology 100 (T100), a group of the world's best and brightest hospitality technology leaders that advises the hotel industry on leveraging the latest technology to better serve guests and maximize profitability.
- Through its work with the World Alliance of Hospitality Advocates, AHLA is partnering with our national hotel association counterparts to create a global forum for hospitality-related advocacy. AHLA is grateful for HOTREC's engagement and support of this effort.

DMA: Significant online changes for hotels and restaurants

The beginning of March brought forward many changes in the online environment which will also impact the hospitality sector.

The Online Travel Agent (OTA), Booking.com is finally set to be directly impacted by the Digital Markets Act (DMA). HOTREC issued a press release in which we express our hope that the European Commission will designate the company as a gatekeeper as soon as possible.

We also fully expect that the company will adjust its business behaviour such as removing all price parity clauses, enabling access to data generated by listings and allowing hoteliers to opt out of various services that entrench them in Booking services. Please read more in our press release [here](#).

Businesses and consumers are also experiencing a very different search experience on Google Search. Unfortunately, these changes were introduced at the expense of reduced visibility of hotels' and restaurants' websites. The initial impact can only be described as alarming since Google Search seems to be an accumulation of results leading to OTAs and metasearch engines websites.

PPWR deal: Mixed bag for hotels, cafés, bars and restaurants

While the European Commission's proposal on Packaging and Packaging Waste Regulation (PPWR) aims to bolster sustainability efforts, we remain skeptical of its practical implications for the hospitality industry.

During the implementation phase and through secondary legislations, we stress the need for a balanced approach, particularly concerning the PPWR impact on small and medium-sized enterprises (SMEs) within the hospitality sector.

We continue to voice our concerns regarding the ambiguous restrictions targeting all single-use toiletry packaging in hotel rooms. It is essential to provide clear regulatory frameworks that align with the operational realities of hotels. Hoteliers have started to phase out these individual toiletry amenities, a staple part of the traditional hotel experience, in favour of sustainable and innovative packaging solutions. We've never opposed a ban on miniature hotel cosmetics but the current annex V point 5 is unworkable.

Moreover, HOTREC expresses reservations about the provision of free or low-cost tap water in hospitality establishments. This requirement, viewed as potentially hindering the freedom to conduct business, could pose additional challenges for operators already grappling with various operational constraints.

Green Claims: A step in the right direction, but more proportionality is needed!

On 14 February 2024, both the ENVI (Environment, Public Health and Food Safety) and IMCO committees (Internal Market and Consumer Protection) of the European Parliament voted jointly on compromise amendments on the Green Claims proposal of Directive. On 12 March the plenary session of the European Parliament confirmed the joint vote.

HOTREC welcomes that traders will benefit from a simplified verification system of the substantiation of the green claims, that may include a presumption of conformity for certain environmental claims (e.g. most common claims). Burdens for companies will be cut.

We also welcome that new public labels can be launched; and the fact that the Commission will list which claims are not possible, if they relate to toxic or carcinogenic products.

Nevertheless, HOTREC deeply regrets that disproportionate penalties and measures for infringements are still part of the text. And that new private labels need to bring an “added value” to be considered valid. This will hinder innovation within the EU and discourage the private sector to put forward green claims.

We are counting on the European Parliament and the Council to take our concerns into account.



EU Talent Pool: A way to fight labour shortages

HOTREC fully welcomes the Commission proposal to create a platform that will connect employers in the EU with third-country nationals (the so-called EU Talent Pool). We consider the proposal to be a win-win for employers (as recruiting possibilities will raise) and for employees (as their way of life will improve).

On 9 February 2024, MEP Al-Sahlani (Renew/Sweden) issued her draft report on the Commission proposal on the EU Talent Pool for the LIBE committee. We consider that it would be positive if all Member States are motivated to implement this initiative at national level. Of course, it will be left to employers to decide if they want to advertise their vacancies in the platform or not. We also welcome an automated matching system enabled by AI to find the most suitable skills for a certain vacancy.

On 21 February 2024, MEP Marianne Vind (S&D/Denmark) published its draft opinion report on the EU Talent Pool for the EMPL committee. We agree with the approach of simplifying the proposal for a Directive and leaving the shortage occupation list to the competence of the EU Talent Pool Steering Group. But we consider that sectoral social partners should be able to participate actively in this group (instead of holding an observer status only).

HOTREC calls on the European Parliament and on the Council to swiftly adopt the text. The EU Talent Pool will help the hospitality sector fight the labour shortages.

HOTREC in Food Waste webinar by EIT Food

On 29 February 2024, HOTREC spoke at a webinar hosted by EIT Food on solutions to tackle food waste. We highlighted the need to collaborate with all segments of the food value chain including consumers accounting for 53 % of the total EU food waste in 2021.

Influencers rarely disclose commercial content

In a bid to address the increasing power of influencer marketing on online consumer behaviour, the European Commission, in collaboration with national consumer protection authorities, conducted a thorough screening of social media posts by over 500 influencers active on major platforms.

The screening, aimed at assessing compliance with influencer marketing regulations, uncovered a significant lack of transparency among a considerable number of influencers. Interestingly, the investigation revealed that only 1 in 5 influencers consistently disclosed their posts as advertisements to their followers. Similarly, just 1 in 3 provided company details alongside their posts, failing to meet the transparency standards set in place.

The sectors primarily targeted by influencers also include lifestyle, food, and travel.

HOTREC supports efforts to address issues related to influencers that can have important implications on the reputation of hospitality establishments and consumer choice.

Tourism nights spent in the EU: A steady rebound yet uneven

On 8 March, Eurostat published 2023 data on tourist accommodation, showing an increase of 6.1% in nights spent compared to 2022. Overall, the year marked a record-breaking number of nights spent, nearing 3 billion across the EU.

While this is a promising trend for the hospitality sector, the recovery is far from being even.

17 countries, among which Latvia, Slovakia, and Hungary faring the lowest number of nights spent, are still below the 2019 pre-pandemic levels. 9 other countries easily surpass them. When it comes to international guests, Czechia and Slovakia, on the contrary, lead the way with an impressive 29% increase in nights spent in 2023 compared to 2022. In total, hotels accounted for two-thirds (63%) of all nights spent in 2023, followed by STRs and camping grounds with 24% and 13% respectively. Moreover, the trend of domestic tourism continues to strengthen numbers, exceeding pre-pandemic levels by 2.8%.

The data bring a positive outlook suggesting ongoing recovery of the hospitality industry. Nevertheless, as disparities are still visible across the EU, there is a need to further implement tailored strategies and foster inclusive growth to ensure a more resilient tourism landscape overall.

Launch of the EU Organic Awards 2024

Applications to the EU Organic Awards 2024 are opened until 12 May 2024. The award, organised jointly by EU institutions, aims to recognise best practices in the organic field. Among 7 other categories, the best organic restaurant/food service category will help food businesses receive recognition and visibility, whilst showcasing their commitment to the organic value chain.

In 2022, the Swedish restaurant, Lilla Bjers, a member of Visita, won the restaurant category award and a year later, it was the restaurant Luftburg - Kolarik im Prater in Austria, a WKO member.

The awards will be presented on 23 September 2024 in Brussels on the occasion of the EU Organic Day. The winner receives high quality promotional materials and social media visibility.

Hospitality businesses play a vital role in protecting the environment and promoting healthier food choices. By participating in the EU Organic Awards, you will get a chance to shape the future of organic dining in Europe. Don't miss this opportunity to showcase your efforts!

What's next

21 March: HOTREC Restaurants, Bars, Cafés, and Late-Night Entertainment Working Group

3 April: Celebrating Five Years of EU Tourism Policy | European Parliament, Belgium

24-26 April: 88th HOTREC General Assembly | Budapest, Hungary