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PRESS RELEASE

HOTREC 55th General Assembly and Seminar on “Recent trends in the hospitality industry and impact on activities of national associations” Lisbon 26-27 April 2007

HOTREC looks to the future of the hospitality industry

“If you feel the future as headwind, then you are walking in the wrong direction”: in order to run in the right direction, HOTREC* and its member associations spent one full day discussing “Recent trends in the hospitality industry and impact on activities of national associations”. On the following day, the 55th General Assembly reviewed the latest developments at EU level impacting the hospitality industry, among which are the recent Green Paper on modernising labour law, the announcement of the setting-up of an Alcohol Platform and the International Organisation for Standards activities.

The first speaker at the seminar, Mr. Rolf Jensen of Dream Company, Denmark, explained that story-telling is the entrance door to the experience economy, which describes the new general trend in business, following the information society. This trend implies appealing to the emotions of the customers through a new equation: cost + service + story = price. Under the Chairmanship of Mr. Knut Almquist, CEO of the Norwegian Hospitality Association, the next speakers examined the following recent trends:

- Low-cost carriers and lower travelling costs;
- Spas and the growing importance of “wellness”;
- Internet and direct access by consumers to full packages or selective buying;
- Shorter breaks and more trips to cities;
- Increased interest in “authentic food” and “better nutrition”; and
- Providing tourism services instead of hotel and restaurant services only.

Mr. Luis Aranjó, on behalf of the Portuguese Secretary of State for Tourism, opened the 55th General Assembly and outlined the plans of the Portuguese Presidency in the second half of 2007 in relation to tourism, which acknowledges its importance for the European economy. As usual, the General Assembly discussed in detail EU developments impacting the industry over the last 6 months.

* HOTREC represents the hotel, restaurant and café sector at European level. This sector counts 1.5 million businesses and provides 8 million jobs in the EU alone. HOTREC brings together 38 National Trade and Employer Associations representing the interest of the sector in 24 different European countries.

In responding to the Green Paper on modernising labour law, HOTREC said that the initiative to modernise the law should lie first and foremost with the Member States. However, HOTREC recognises the urgent need to simplify labour law: only simplification can lead to an increase in competitiveness, which will in turn allow the preservation of efficient social security systems. HOTREC drew attention to the specificities of the hospitality sector:

- predominance of micro-enterprises;
- labour-intensive industry;
- large number of self-employed persons; and
- the great variety of contractual arrangements, called for by the flexible work patterns imposed on the industry.

HOTREC and its member associations discussed the draft Charter of the Alcohol Platform to be launched next June. HOTREC fully shares the concerns of the public authorities at all levels (European, national and local) in relation to the harms caused by abuses of alcohol and fully accepts its role in the responsible sale of alcohol. However, HOTREC is bound to point out that its competences are limited to co-ordinating the positions of its national members in relation to EU measures. The hospitality industry is wide and diverse with 98% of its enterprises employing fewer than 10 people. HOTREC has, therefore, limited competence to co-ordinate and evaluate commitments in relation to alcohol consumption at the European level and no resources to do so. However, within such limitations and constraints, HOTREC will communicate its willingness to participate in the alcohol Forum.

HOTREC, which had asked - without any success - for the exemption of micro-enterprises from HACCP obligations at the time of the discussion of Regulation 852/2004, welcomes the recent European Commission's proposal to finally introduce it: it will greatly contribute to reducing unnecessary administrative burdens on small businesses without lowering hygiene standards.

HOTREC, which has a liaison status within the International Organisation for Standards (ISO) Technical Committee 228 on tourism services, attended its February plenary meeting in Bangkok. For HOTREC, the way the meeting was run confirms once more that the decision-making process within ISO is not democratic and that its procedures do not allow a balanced and fair representation of industry stakeholders.

In relation to the conversion of the Rome Convention on cross-border contractual disputes into an EU Regulation, HOTREC is of the opinion that contracts concerning hotel and restaurant services enjoyed abroad by the consumer should continue to be governed by the law of the country where the hotel or the restaurant is located, as it is the law of the country of consumption: the services are fully consumed in the hotel or in the restaurant. A change in the law applicable, as suggested by some of the recent amendments proposed, would imply that the 95% of micro-enterprises with fewer than 10 people employed would have to deal with the legal systems of all the countries from which they would receive visitors. In addition, the consumption at the place of the service provider facilitates immediate complaints and immediate resolutions of any possible conflicts.

Many other issues were discussed, which are reported upon in *Live from Brussels* N°40.

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The next HOTREC General Assembly will take place in Vilnius on 26-28 September 2007.