



HOTREC: European hoteliers commend the decision in the Booking Holdings-Etraveli group merger

Today the European Commission officially blocked Booking Holdings acquisition of the Etraveli group. The European hotel industry applauds the landmark decision which recognises the negative impact of the merger on various parts of the tourism ecosystem, including the accommodation sector.

HOTREC understands the decision as an important step in taming the power of one of the largest and most influential online platforms, which affects the daily operations of tens of thousands of Small and Medium-Sized Enterprises (SMEs) in the hotel sector. In the event of the merger's approval, Booking could cross-sell its different services and further strengthen its dominance in the hotel market. According to **HOTREC distribution study**, Booking's market share on the hotel accommodation market has increased considerably from 60% in 2013 to 71% in 2021.

HOTREC Director General Marie Audren said: *"HOTREC has long been raising alarms about Booking's market power and its impact on European hoteliers. Today's decision of the European Commission takes into account those concerns and can only be welcomed. HOTREC will remain vigilant and strongly react to any business decisions that negatively impact SME hotels."*

European hoteliers are faced daily with the unfair behaviour of powerful Online Travel Agents (OTAs). For example, the **HOTREC distribution study** shows that more than half of hoteliers (55%) *"feel pressured by OTAs to accept platforms terms and conditions (e.g., regarding cancellation policy, special discounts) that hotels would otherwise voluntarily not offer."*

While today's decision is important from a competition enforcement point of view, HOTREC also recalls important strides forward on a legislative front with the implementation of the Digital Markets Act (DMA). The law represents an important milestone for the hotel industry since it will also introduce a ban on all price parity clauses, which prevent hoteliers from offering a better price on their own channels than the platform. Additionally, it will provide business users with better access to the data generated by their listings.

In July 2023, Booking stated it does not yet qualify as a gatekeeper under the DMA. **HOTREC took note of the decision** and is closely following the DMA implementation phase and practices of OTAs towards their business users.

For further information: www.hotrec.eu

Press Contacts: Mr Matej Žežlin | matej.zezlin@hotrec.eu

What is HOTREC?

HOTREC is the umbrella association of Hotels, Restaurants, Bars and Cafés and similar establishments in Europe. It brings together 47 national associations in 36 European countries and serves as the voice of the European hospitality industry. HOTREC's mission is to represent and champion the industry's interests towards the EU and international institutions, foster knowledge sharing and best practices among its members to promote innovation and serve as an expert platform for the hospitality sector.

The European hospitality industry is a vital economic contributor, comprising over 1.8 million businesses and employing more than 9 million people. It plays a vital role in driving economic growth and job creation, contributing approximately 2-3% to the total EU GDP. The industry is characterized by a high level of entrepreneurship, with 99% of businesses classified as small and medium-sized enterprises (SMEs). These companies bring innovation, creativity, and a personal touch to the industry.