



# Live from Brussels Newsletter

Issue n°116 – 12 July 2023

## A message by Ms Marie Audren, Director General of HOTREC



Dear readers,

The summer season is finally here, and European hospitality is bracing to welcome guests from all over the world. According to **recent data from the ETC**, European travel kept regaining momentum during the second part of 2023. While rejoicing in the prospect of the economic opportunities Summer will bring, we must remember how this intense period will also enhance existing challenges – for instance, staff shortages, economic hardship and managing tourist flows.

To help the sector face these challenges, HOTREC will continue its constant dialogues and exchanges with the EU Institutions. We look forward to collaborating with the newly established Spanish Presidency of the EU Council to prioritise and support European tourism and hospitality, to strengthen its competitiveness and sustainable transition. You can read **here** our interview with the Spanish State Secretary for Tourism, Rosana Morillo, whom we thank for her precious contribution to this newsletter.

When mentioning our ongoing dialogue with the Institutions, we are also happy to share that, on 22 June, we had the pleasure to participate in the launch meeting of the **Together for EU Tourism (T4T) Expert Group**, set to prepare policy initiatives resulting from the **Tourism Transition Pathway**.

In other news, this is a busy period for HOTREC. Last week, Booking.com **declared** that the company does not yet meet the criteria to qualify as a gatekeeper according to the Digital Markets Act. This is bad news for hotels in Europe, considering the law's essential role in helping hotels address the unfair behaviour of online travel agents. More on this **here**.

Before the summer recess, we expect the European Parliament's TRAN (Tourism and Transport) and ITER (Industry, Research and Energy) Committees to vote respectively on **Short-Term Rentals** and the **EU Proposal for Packaging and Packaging Waste**, two important files for hospitality businesses. We are also pleased to share with you **our position on the Green Claims proposal** ahead of the discussions in Parliament and Council.

Wishing you all a fantastic summer!

**Stay tuned and enjoy your reading.**

## Discussing the priorities of the Spanish Presidency of the EU with State Secretary Rosana Morillo

#EU2023ES @eu2023es @rmorillo\_setur @TurismoEspGob



**Rosana Morillo** is the Spanish State Secretary for Tourism. She began her career in 1996, working as a technology consultant for companies in different sectors. In 2007 she joined the Barceló Group as Head of Organization and Projects, and in 2009 she took over as Corporate Director of

Human Resources at Arabella Starwood. Since her appointment in 2019 as Director General of Tourism of the Government of the Balearic Islands, she has managed initiatives such as the Excesses Law and the Law of Circularity in Tourism. Rosana Morillo leads the implementation process of the projects associated with the Next Generation funds, with programs for the modernisation and reconversion of mature tourist areas, the creation of an international HUB of tourism innovation and circular economy and social sustainability projects among others.

### **On 1 July, Spain took over the Presidency of the EU. What are the main priorities and strategies you have identified to support the recovery and growth of the European tourism and hospitality industry?**

Spain has been one of the countries to contribute most to making tourism a priority in the European agenda and making its relevance match, for the first time, its economic and social weight.

On the topic of tourism, the Spanish Presidency of the European Council will be oriented towards consolidating the appropriate space for tourism within the politics of the Union. Specific action plans will promote the implementation of collaborative strategies for sustainable tourism in all of its forms: environmental, territorial, and social.

Specifically pushing forward the 2030 European Agenda of Tourism, the initiative related to the sharing of data between Short-Term Rental platforms and the push for the digitization projects of the tourist destinations and the companies in the sector.

### **How does the Spanish Presidency plan to advance the Regulation on data collection and sharing for Short-Term Rental (STR) accommodation services, considering the impending start of triologue negotiations at the end of this year?**

During our Presidency, we are going to work on the European regulation proposal for the collection and sharing of data for Short-Term Rental accommodation services.

Spain will continue to work to make the regulation another step for the European Union in the fight against fraud in the tourism sector.

### **How does the Spanish Presidency intend to support the European hospitality sector, particularly SMEs, in implementing sustainable practices?**

Today I would like to express a message of optimism. Every crisis is born from an opportunity and the tourism sector has been capable of highlighting the importance of its greatest strengths in complex contexts like the ones we currently experience.

Innovative tourism works in Spain. We are ready to export this experience to the rest of Europe through generating more employment, more wealth, and reactivating and modernizing business models, freelancers, and large companies.

Spain's ambition has been from the beginning responding to the necessity to modernize the European tourism sector through accelerating digitalization and the push towards the sector's sustainability, but also through diversifying and de-seasonalizing touristic activity for it to reach more destinations and to enlarge its capacity to unite territory.

Tourist companies need to evolve new business models to relate and interact with tourists who are continuously more connected. Destinations are also aware of the potential of big data and this hyper connection to better the quality and experience of travellers.

The public-private collaboration is fundamental for the hospitality and accommodation sectors to be able to modernize and offer new experiences for tourists.

During the Spanish Presidency, we aim to approve more demanding regulations for tourist rental platforms. The Spanish Government aims to become a "pioneer" in the transposition of said regulations to the national



legislation.

### **In light of the longstanding labour and skills shortages in European tourism and hospitality, compounded by the impact of COVID-19, what actions does the Spanish Presidency propose to address these challenges and foster the development of a skilled workforce in the industry?**

Data shows that 2023 is turning out to be an extraordinary year for Spanish tourism, a result of politics that aim for quality without sacrificing quantity. We do not limit ourselves to counting tourists, instead (be that for the level of employment or of visitors) we seek excellence. And we are succeeding. The formation of the sector's workers is fundamental for this. For this, Spain counts on the Professional Formation Plan for the tourism sector, with an objective of bettering the qualifications and competency of the workers, optimizing their employability, and contributing to the increase of productivity and competitiveness of the companies; in doing so favouring the reactivation of the sector.

The Training Plan is also an effective instrument for promoting the creation of quality employment and lasting vocation, an inalienable objective for the Government. The main measures are:

- Consolidating the relative measures of the employment created and started after the COVID-19 crisis.
- Maximizing the digitalisation process, reinforcing the free spaces of formative courses and resources that are already offered by the FUNDAE and SEPE on their websites.
- Anticipating the formative needs that will be necessary to undertake. The Public Labor Service has planned to publish a specific announcement for the tourism sector, this 2023, destined for the subvention of state-level training programs.
- Creation of the Professional Skills Card in Hospitality, which will collect information relative to the work experience and the training of the cardholder.

This initiative could also be implemented in the rest of the European countries. Human capital stands as essential to guarantee the future of tourism. Development, training, and professional qualification must be guaranteed since they are the base needed to offer a quality service.

## **Promoting fairness for hotel businesses: Platforms send notifications on Digital Markets Act gatekeeper status**

[#Digital](#) [#DMA](#) [#DSA](#) [#STR](#) [@Ansip\\_EU](#) [@DigitalEU](#) [@EU\\_competition](#) [@EU\\_growth](#) [@istvan\\_ujhelyi](#) [@IvanStefanec](#) [@ThierryBreton](#) [@vestager](#)

As of July 3, 2023, powerful online platforms were required to notify the European Commission if they meet the thresholds to be designated as gatekeepers under the landmark Digital Markets Act (DMA).

**HOTREC took note of the statement made by Booking.com** on 4 July 2023 – in which the company declared that it does not currently qualify as a gatekeeper – and **urged the European Commission to further scrutinize the information.**

Last year, HOTREC warmly welcomed the adoption of the DMA and its anticipated impact on the relationship between online travel agents and hotel businesses. Hotel businesses, of which most are SMEs, have long been advocating for a **legal framework to address the unfair behaviour and business practices of dominant online travel agents.** In particular, HOTREC appreciated the **prohibition of narrow price parity clauses**, which restrict hoteliers from offering a better price on their own channels compared to the platform, and the obligation to grant business users improved access to the data generated by their listings.



# Streamlining VAT for Short-Term Rentals: Ministers Discuss Platform Roles as HOTREC Calls for Swift Action

#Digital #DMA #DSA #STR #VAT @DigitalEU @EU\_growth @vestager @ThierryBreton

On June 16, 2023, EU ministers of finance engaged in a discussion regarding VAT in the Digital Age package. As part of the package, the European Commission proposed implementing a **deemed supplier model** for Short-Term Rental (STR) platforms, which would require them to collect and remit VAT to tax authorities.

Overall, the discussions revealed that the majority of Member States recognize the **importance of involving online platforms in VAT collection**, although they disagreed on the specific approach.

For nearly a decade, HOTREC has been closely monitoring various issues concerning Short-Term Rental accommodations, including unreported taxable income. The absence of regulations not only **affects competitiveness but also impacts the generation of public revenue**, which should be equitably distributed among different businesses. This includes STR hosts who currently generate significant income without paying VAT. HOTREC strongly **urges Member States to support the Commission's proposal and ensure the swift adoption of new rules** that will compel short-term accommodation platforms to collect and remit VAT to tax authorities. Learn more about our position [here](#).

## EU Green Claims Directive: finding a balanced approach for European Hospitality

#EUGreenClaims #EUGreenDeal #Sustainability #EUHospitality #EUTourism @EU\_ENV

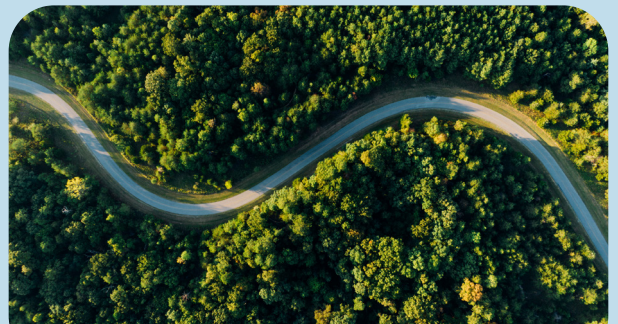
On March 2023, the Commission proposed **common criteria against greenwashing and misleading environmental claims**. The objective is to tackle false declarations by providing consumers with reliable and comparable information on companies' activities and sustainable practices.

In our recent [position paper](#), HOTREC expressed support for a comprehensive EU framework that protects consumers and businesses from greenwashing, ensures legal certainty, and fosters fair competition within the Single Market. It is crucial that such a framework maintains a sense of proportionality and balance: as such, it should be easy for companies to comply with and effectively communicate their choices to consumers.

We believe that the current Commission proposal would bring extra costs and administrative burdens to companies – particularly to small and medium-sized enterprises (SMEs). Consequently, it is essential to **thoroughly assess the impact of the current proposal on businesses**.

To alleviate these burdens, HOTREC proposes as its preferred approach to **eliminating the requirement for third-party verification for all companies**. Instead, companies would adhere to the legislative requirements independently and **provide a declaration of compliance**. Member States would conduct **random checks**, and any violations would result in penalties and liability for the companies.

As an alternative solution, if the first option proves unfeasible, HOTREC suggests applying an **alternative scheme** to at least all SMEs. Regardless of the preferred approach, we believe SMEs would benefit from **mandatory financial, organisational and technical support**.



## Preserving freedom in Platform Work: HOTREC raises concerns over new Directive's impact

#SocialAffairs #PlatformWork @EU\_Social @NicolasSchmitEU



HOTREC expressed concerns over the potential impact of the new Directive on Improving Working Conditions in Platform Work on the **freedom of individuals** working on these platforms.

Traditionally, European Hospitality has relied on various platform services to assist in delivering services to its clients – such as food delivery and cleaning services. The COVID-19 pandemic caused a significant **decline in the sector's workforce** (between -10 to -20%) and exacerbated its longstanding issue of **staff shortages**, thus making these services critical for the sector to carry on its daily operations.

If the proposed approach outlined by the European Parliament automatically reclassifies self-employed individuals as employees, we foresee a **risk of a decrease in platform workers** and, consequentially, in the quality and efficiency of services provided by our industry.

We firmly believe that the Directive should **exclusively impose obligations on digital labour platforms** and exclude other businesses from its scope. Additionally, it should establish **clear and robust EU criteria** to trigger the legal presumption, ensuring that these criteria are easily applicable to companies at the national level. It is crucial to **avoid automatic reclassification and protect genuine self-employed individuals** who wish to maintain their current status.

We appeal to the co-legislators to **adopt a balanced approach to this matter**, taking into account the interests of both platform workers and the businesses they serve.

## Waste no more! EU sets new Food Waste targets

#SocialAffairs #PlatformWork @EU\_Social @NicolasSchmitEU

The **first EU-wide monitoring of EU food waste** published in October 2022, showed that food services, including hospitality, were responsible for 9% of the total EU food waste in 2020, while consumers in households accounted for 53%.

On 5 July, the European Commission published a **proposal to introduce EU food waste reduction targets** to reach by 2030. The Commission's proposal sets a **new target to reduce food waste from retail and food services** – including restaurants and households – **by 30% by 2030**, based on 2020 levels.

HOTREC and its industry have long been acting on this issue at the European, national and local levels. While agreeing that **tackling food waste at each step of the agri-food chain is essential** and supporting the Commission's intention, we also believe that **basing the targets on the year 2020** – COVID-19 year – **could be misleading**. Such an approach could potentially undermine efforts from businesses that have already taken steps towards food waste reduction using a different baseline.

Furthermore, merging both retail and food services with households in the same target category could **expose us to a potential dilution of the targets**.

HOTREC **calls for effective and proportionate food waste prevention strategies at the national level considering the impact on SMEs and micro enterprises in hospitality**. Establishing different actions depending on the actor involved will be crucial.

## Dark kitchens: a euphemism?

#EUHospitality @Food\_EU

A euphemism is employed to convey an unpleasant truth. Dark kitchens, also known as ghost kitchens or virtual kitchens, are an **emerging trend in the food industry**. These "delivery-only establishments" operate from a central commercial kitchen space, typically without a physical storefront or dining area, where all food preparation is solely for delivery purposes. China, India, and Japan are among the countries with the highest number of ghost kitchens worldwide. The model swiftly spread to the United States and Europe.



**Dark kitchens raise concerns and present challenges.** We believe that this emerging practice can have an impact on consumers, neighbouring communities, as well as traditional food business operators and restaurants. One of the foremost challenges is **ensuring health and food safety**, maintaining **quality control**, and ensuring **consistency across multiple delivery platforms**. Evidence suggests that hidden kitchens contribute to noise and pollution due to vehicle delivery, potentially affecting local residents.

We are concerned that hidden kitchen environments may **foster undeclared work, weaken social protection**, and create an **unhealthy working environment**. Lastly, opportunities for staff can be significantly affected when the food is often only assembled rather than cooked with passion.

## Live from the network

Joining forces with our **Members & industry partners** towards a stronger sector

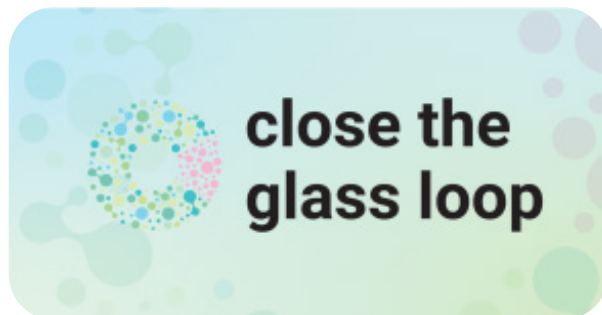
### Advancing Glass Recycling in hospitality: HOTREC joins Close the Glass Loop's Annual Event

#EUHospitality #CloseTheGlassLoop #PavingTheWayTo90 @theglassloop

HOTREC proudly participated in the annual event of Close the Glass Loop, the European platform dedicated to the **collection and recycling of glass packaging**, held on June 29, 2023, in Brussels. This event provided a **valuable opportunity for us to address the challenges of recycling** and collaborate towards enhancing glass collection for recycling in the hospitality industry.

It is of great interest to all stakeholders involved in the European glass value chain to achieve higher rates of glass collection for recycling. The glass value chain in the EU has made significant progress, with the glass collection rate reaching 80.1% in 2021, bringing us closer to the platform's objective of reaching 90% by 2030.

Participating in this event allowed us to **strengthen our ongoing partnership** with Close the Glass Loop and **collaborate with other industry stakeholders** who share a commitment to promoting glass recycling in Europe. Additionally, we had the opportunity to **engage with Aurel Ciobanu-Dordea**, the European Commission's Director for Circular Economy, to discuss the EU Proposal on Packaging and Packaging Waste and its relevance to our efforts.



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#EUHospitality #CloseTheGlassLoop #PavingTheWayTo90 @theglassloop

Whether it is streamlining restaurant operations and improving profitability, enhancing customer experience, managing online presence, countering fake online reviews, handling marketing data effectively, attracting and retaining customers, or reducing food waste, digitalization and digital tools have the potential to assist restaurant operators in their day-to-day operations.

Mid-June, HOTREC had the privilege of participating in the #RestwithEUHackathon as a member of the jury, evaluating solutions developed by 13 teams that addressed these challenges.



The **RESTwithEU project**, supported by DG CONNECT (European Commission), aims to generate solutions that promote digitalization within the restaurant industry. As a pilot project, we believe there is ample opportunity and a need to continue this initiative at the EU level in the coming years

Source picture: RESTwithEU [LinkedIn account](#).

# What's next

In the HOTREC Team's and membership's agenda

**25 July 2023** – New episode of the HOTREC 'Dare to Host' Podcast! Listen to our latest episode with Adeline Barras [here](#).

**29-30 August 2023** – Hotelstars Union meeting | Paris, France

**11 September 2023** – Together For EU Tourism (T4T) community event | Brussels, Belgium

**12 September 2023** – HOTREC Social Affairs Working Group meeting

**18 September 2023** – HOTREC Sectoral Social Dialogue Committee meeting | Brussels, Belgium

**21 September 2023** – HOTREC Short-Term Rentals Working Group meeting

**28 September 2023** – HOTREC Restaurants, bars, cafés and late-nights Working Group meetings

**4 October 2023** – HOTREC Sustainability Working Group meeting

**25-27 October 2023** – HOTREC 87<sup>th</sup> General Assembly | Brussels, Belgium



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