

# Live from Brussels Newsletter

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



Dear readers,

Greetings from the latest edition of our Live from Brussels newsletter.

As we write, HOTREC has just concluded its **87<sup>th</sup> General Assembly in Brussels**. We couldn't be happier to have met with our members from all over Europe and to have welcomed esteemed EU officials and industry experts. Together, we engaged in collaborative discussions, exploring crucial issues for our sector – including employability and the implementation of sustainable practices – and reflected on the importance of ongoing collaboration with the EU Institutions.

Amid discussions on pressing issues for the industry, one topic has emerged as **a top concern for HOTREC members: how will the upcoming European elections (June 2024) affect hospitality**, and how can we best communicate our priorities to the new leadership?

HOTREC is gearing up to address this key issue on **European Hospitality Day** (29 November) at the event that we will organize in Brussels. There, we will unveil our **Elections Manifesto, outlining a roadmap to address critical issues in the years ahead** for the 2024-2029 EU mandate.

A sneak peek into the policy areas prioritised in HOTREC's Manifesto reveals, among other points, a substantial emphasis on **investing in sustainability and smart growth**, aligning with the hospitality industry's commitment to reducing greenhouse gas emissions by at least 55% by 2030. In this regard, we are closely monitoring the **crucial plenary vote** on the EU Packaging and Packaging Waste Regulation (PPWR) set to take place next week. We urge legislators to take into consideration the impact of the regulation on the specific situation of our sector.

**Promoting a fair digital landscape** will also continue to be a focal point of HOTREC's action in the new EU mandate. We are actively involved in the implementation phase of the Digital Markets Act and continue to monitor all developments in the EU Short-Term Rentals (STRs) and VAT in the digital age proposals. Things are also developing at the national level, with the Italian prosecutor **heavily fining Airbnb** due to alleged tax evasion.

The adoption of cutting-edge technologies in the European hotel industry was also the focus of this issue's **interview with Professor Roland Schegg**, whom I sincerely thank for his valuable insights into the world of Artificial Intelligence and his continued collaboration.

**Stay tuned and enjoy your reading.**

## Discussing Artificial Intelligence in the European hotel industry with Dr. Roland Schegg

#EUTourism @RolandSchegg @hessovalais



**Dr Roland Schegg** is a professor at the Institute of Tourism, University of Applied Sciences and Arts of Western Switzerland Valais (HES-SO Valais).

Between 2000 and 2004 he was with the Ecole Hoteliere de Lausanne.

He earned his BS from the Swiss Federal Institute for Technology and his PhD from the University of Geneva.

His research interests are in the field of eTourism (online distribution, eService metrics, technology adoption, web 2.0 and mobile technologies in tourism).

**In October, you published a study for the HES SO Valais Wallis University focusing on the adoption of Artificial Intelligence (AI) technologies in the European hotel sector. The study indicates a significant disparity in AI adoption across different types of hotels, with chain hotels and luxury properties leading the way. What strategies or approaches can be recommended to encourage Small and Medium-sized Enterprises (SMEs) to embrace AI technology?**

A multi-faceted and comprehensive approach is essential to promote AI integration in SMEs in the hospitality sector. An important element, in my view, is to offer comprehensive training programs to upskill the existing workforce, including management, to enable hotels to manage and use AI tools efficiently, thereby bridging the existing gap in technology

resources and expertise. On the strategic front, advocating an incremental adoption strategy is key. By starting with widely adopted AI technologies, such as predictive analytics and customer review feedback analysis, SMEs can immediately begin to improve operational efficiency and enrich the user experience.

In addition, establishing partnerships with AI technology providers can give SMEs access to customized solutions that are both affordable and less complex, easing the integration process. This, coupled with a customer-centric selection of AI solutions, ensures that the technology aligns with customer expectations for personalized services, giving SMEs a competitive edge in the marketplace. Highlighting such competitive advantages underscores the transformative potential of AI in driving revenue management and customer service excellence.

**According to your study, what will be the greatest challenges facing hoteliers in the adoption of these new technologies?**

The main challenges hoteliers face in adopting new technologies, as highlighted in the study, revolve around several key issues. Firstly, high set-up costs are a significant barrier, particularly for smaller properties that may not have the financial flexibility of larger chains. This financial burden is compounded by the complexity of integrating AI into existing processes and systems, which can be both technically challenging and resource-intensive. Another major hurdle is the lack of in-house technical skills and expertise required to manage and maintain AI-based solutions, a gap that is more pronounced in smaller, independently operated hotels.

In addition, the research shows that there is some apprehension about the return on investment (ROI) of these technologies, which can hinder decision-making and delay adoption. Concerns about data security and privacy regulations are also a significant challenge, as hotels need to ensure compliance while managing customer data responsibly.

**The study highlights the reluctance in the hospitality industry to adopt new technologies, emphasizing the importance of change management strategies, comprehensive training, and robust support. Could you provide specific examples or recommendations for how the industry can effectively address this reluctance and prepare hoteliers to integrate AI seamlessly into their operations?**

Resistance to change within some organizations may be due to a lack of understanding of the benefits of AI, fear of the unknown or concerns about the impact on employment. Implementing change management workshops, led by experienced experts, is critical to equipping hoteliers with the skills needed to navigate AI adoption. These workshops provide practical roadmaps for managing the human side of technology transitions, aligning staff across all hotel roles with the overarching goals of AI integration. Reinforcing this, sharing success stories from similarly sized hotels that have successfully leveraged AI technologies can provide relatable insights and build confidence in these new tools. Starting with pilots focused on areas

such as customer service can provide an insight into the potential of AI, and encourage wider adoption based on proven success. Technology expos and the creation of peer networking groups also play a crucial role, providing hands-on experience with AI tools and a platform for knowledge sharing, which together foster an environment of innovation and collaboration within the industry.

The study is available [online](#).

## €779.5 million seized from Airbnb over tax evasion

[#STR](#) [#Digital](#) [#VAT](#) [@EU\\_competition](#) [@EU\\_growth](#) [@EUCourtPress](#)

Due to alleged tax evasion, the Italian prosecutor has ordered to **seizure of over €779 million from Airbnb**. The company is accused of **failing to collect 21% flat tax** from landlords during 2017 and 2021. The law on which the decision was made was contested by Airbnb in front of the European Court of Justice which ruled in favour of the Italian government.

Authorities on local, regional, and national level around Europe are increasing the regulatory and fiscal pressure on Short-Term Rental (STR) accommodations and platforms. HOTREC has long been calling for a level playing field amongst STRs and other accommodation providers. The EU policymakers are currently engaged in discussions on two important legislative proposals

which will further increase competitiveness in the accommodation market. The **EU STR proposal** will set common rules for host registration and a data-sharing framework with public authorities, while the **VAT in Digital Age** proposal will require STR platforms to collect and remit VAT to tax authorities. **HOTREC's position papers** on these EU proposals are available [here](#) and [here](#).



## Crucial vote ahead: the state of play of the EU Packaging and Packaging Waste Regulation

[#Sustainability](#) [#EUGreenDeal](#) [#PPWR](#) [#EUHospitality](#) [#EUTourism](#) [@EU\\_ENV](#)

In a significant development, the European Parliament's ENVI Committee recently approved a series of **compromise amendments to the EU Packaging and Packaging Waste Regulation (PPWR)**. The amendments, aimed at reducing packaging waste and promoting sustainability, have garnered both **support and concern from various industry sectors and stakeholders**.

Ahead of the plenary vote next week and the upcoming Council discussions, **we urge legislators to consider the specific nature and needs of hospitality SMEs**.

HOTREC opposes the proposal to **provide tap water for free or at a low cost** upon consumer request, because it doesn't take into account that access to water for human consumption is already regulated under the Directive (EU) 2020/2184. Additionally, we **question the feasibility of offering refillable beverages and takeaway food in reusable containers** at a "lower price" without increased costs, given insufficient supporting data. Finally, we **advocate for an explicit exemption to the single-use packaging ban for dairy products**, emphasizing consumer safety regarding allergies and intolerance, as well as preventing extended exposure of foodstuffs to air at room temperature.

HOTREC also **joined forces with other sectors** to call on MEPs to support complementarity of single-use recyclable packaging and reusable packaging.

As the Regulation moves closer to adoption, HOTREC fears that it **may not fully consider the potential consequences it will have on SMEs** operating in the food and beverages sector. While committed to the implementation of sustainable practices, these companies **must continue to prioritize food safety at the heart of their operations**.

# Green Claims: European Parliament brings clarity, but more action is needed

#SocialAffairs #PlatformWork @EU\_Social @NicolasSchmitEU

In October 2023, MEP Engerer (S&D/Malta) and MEP Ansip (Renew/Estonia) **jointly published their draft report on the Green Claims proposal**. HOTREC believes that the report adds clarity to the proposal, particularly by specifying that verification requirements do not apply to traders displaying an environmentally verified label.

The draft report addresses small and medium-sized enterprises (SMEs), advocating for provisions that provide support and proposing the creation of a forum for the development of secondary legislation. This approach aligns with the industry's commitment to inclusivity and reducing bureaucratic hurdles.

HOTREC expresses the hope that companies will retain the option to obtain a label, even if they handle substances potentially associated with health risks, such as acrylamide in items like fries or toasted bread. This position mirrors the industry's established practices, where companies adhere to rigorous guidelines to minimize potential risks.

Furthermore, improvements are deemed necessary regarding the third-party verification scheme or the penalties regime. The current Commission proposal imposes additional costs and administrative burdens, particularly on SMEs. To alleviate these burdens, HOTREC proposes its preferred option: making the third-party verification requirement voluntary for all companies. Under this model, companies would follow legislative requirements independently, signing a declaration of compliance. Member States would conduct random checks, and infringements would result in liability and penalties. As a secondary solution, if the first option proves unfeasible, HOTREC suggests that the alternative scheme applies, at the very least, to all SMEs.

As the debate on the Green Claims proposal unfolds, HOTREC looks to both co-legislators for a balanced and fair text that considers the interests of the industry at large.

## HOTREC launches digital campaign on Food Waste Reduction

#Sustainability #ZeroFoodWaste #EUFoodWaste #EUHospitality

HOTREC is stepping up its action against food waste with a new **digital campaign** aimed at **raising awareness among European and national policymakers**.

The hospitality industry has always been at the forefront of innovation and adaptation. HOTREC recognizes the urgency of addressing the issue of food waste and acknowledges the crucial role its members play in curbing it within their respective countries. Our campaign seeks to shed light on the **concrete actions** taken by hospitality businesses and the **support they require** to make further progress. Our initiative urges policymakers across Europe to not just take notice but to actively champion the cause of reducing food waste.

Let's seize the opportunity to lead by example. Together we can forge a meaningful impact and make a tangible difference. Join us in championing the cause against food waste! #EUHospitality #EUFoodWaste #NoMoreFoodWaste #ZeroFoodWaste.



## Palma declaration: Tourism Ministers aim at a new sustainable business model for European tourism

#EUTourism #EU2023ES @EU\_Growth @eu2023es

On October 31, EU tourism ministers convened for an informal meeting in Mallorca, where they committed to endorsing the social sustainability of tourism in the EU by formally signing the '**Palma Declaration.**' The primary objective of this declaration is to propel the tourism industry towards a new, sustainable model – one that prioritizes environmental friendliness, digital integration, inclusivity, and resilience and equips the sector to confront future challenges.

HOTREC stands firmly behind the Declaration, aligning itself with the Member States' shared commitment to fostering the competitiveness of European businesses and cultivating a conducive environment for the development of the tourism sector – particularly for SMEs.

## EU payments proposals for the next decades

#EUTourism #EU2023ES @EU\_Growth @eu2023es

Payments represent an essential part of every hospitality business. Every day, hotels, bars and restaurants process millions of types of different payments for their services from customers. For this reason, HOTREC is with great interest following the ambitious payment package that was presented by the European Commission at the end of June 2023.

Amongst other things, the proposals aim to set up a framework for the Digital Euro and introduce a mandatory acceptance of cash. HOTREC aims to develop a detailed position on the issues in the coming weeks. As a general guiding principle, we believe that businesses should be in a position to decide which payment option and method they want to offer to their customers.

## Live from the network

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

## European Tourism Forum: how can we reach a more sustainable tourism ecosystem?

#LiveFromTheNetwork #EUHospitality #EUTourism @VSuperti

On 30 October 2023, took place the **European Tourism Forum** – an event organised by the Spanish Presidency in cooperation with the European Commission.

The topic of discussion was 'The competitive and sustainable dimension of tourism in Europe'. The round table discussions focused on the social sustainability of tourism, dealing with aspects such as the establishment of indicators that allow tourism sustainability to be measured; the training and education of workers at the community level; and seeking a balance between tourists and residents in areas of high tourist intensity are other key issues.

HOTREC participated in the event. We are committed to develop a product environmental footprint for accommodation; we encourage the European Parliament and the Council to conclude the negotiation procedures of the Short-Term rental proposal for Regulation and strive to attract and retain the workforce in the sector.



# What's next

In the HOTREC Team's and membership's agenda

**17 November 2023** – HOTREC Distribution Working Group meeting

**20 November 2023** – HOTREC and EFFAT European Year of Skills event “Education and training: the driving force of skilled hospitality workers in Europe” | Brussels, Belgium

**23-24 November 2023** – DIVETOUR Partners' meeting | Brussels, Belgium

**29 November 2023** – European Hospitality Day: HOTREC's Elections Manifesto | Brussels, Belgium

**6 December 2023** – HOTREC and Edenred “How a restaurant works”. Second session: Building the workforce of the future: retaining and training restaurants' talents. | Brussels, Belgium



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