



# Live from Brussels Newsletter

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



Dear readers,

The last two months have been a momentous time for HOTREC and its membership. On 26-27 April 2023, we welcomed our members – along with government officials and high-level speakers – to the beautiful island of Tenerife, Spain, at our **86<sup>th</sup> General Assembly**. The event has been a terrific opportunity to understand current trends in European tourism and hospitality and analyse the next steps to help the industry thrive. Delegates in Tenerife had the pleasure to welcome two new national associations to the HOTREC membership: the Portuguese Association of Hotels, Restaurants and Tourism (**APHORT**) and the Armenian Hotel Association (**AHA**). Our General Assembly also served

as a platform to reflect on the priorities of the upcoming Spanish Presidency of the EU and **advance our main asks**.

But that is not all. On 5 May, we were thrilled to meet in Brussels with EU officials and many industry partners to **celebrate the European Tourism Day**. The conference, which focused on analysing the implementation status of the Transition Pathway for Tourism, highlighted the industry's strong show of resilience and adaptability during the pandemic and stressed the need to move forward in the green and digital transition.

The latest numbers confirm it: according to recently published **stats** by the European Travel Commission, the tourism industry in Europe continues to regain ground. Nonetheless, it is critical to acknowledge the current challenges we are facing so that we can tackle them and save many businesses that are still at risk of permanent closure – especially the many SMEs that make up our industry.

Amidst these challenges, sustainability remains a crucial focus for the European hospitality industry: implementing sustainable practices (e.g., by **increasing the energy efficiency** of establishments) is essential for companies in the sector to remain competitive. But how do we clearly define these practices? In this issue, we had the pleasure to **interview Ms Emmanuelle Maire**, Head of Unit at the European Commission (DG ENV), to explore and discuss 'greenwashing' and the proposed Green Claims Directive.

Welcoming digitalisation and innovation will also be crucial for tourism and hospitality businesses. In this regard, HOTREC recently welcomed the full application of the Digital Markets Act (2 May) and **strongly supported** the Commission's proposal on VAT in the digital age. You can find our views on tax collection for Short-Term Rental accommodations in our recently published **position paper**.

To conclude, the 9th of May marked another meaningful starting point for our sector. On the occasion of Europe Day, the European Commission officially launched the European Year of Skills. If we want to ace the digital and green transition and make sure that the industry can continue being an invaluable pillar of the European economy, we need the right people with the right skills. To this end, we count on numerous initiatives by the EU Institutions to help upskill & reskill our workforce and face the industry's labour shortage.

**Stay tuned and enjoy your reading!**

## Discussing the Green Claims Directive with Ms Emmanuelle Maire, Head of Unit at DG ENV, European Commission

#Sustainability #EUGreenDeal #greenclaims #greenwashing @EU\_ENV



**Ms Emmanuelle Maire** is Head of Unit at the European Commission in Brussels, in the Directorate General for Environment (DG ENV). She heads the team responsible for Sustainable Production, Products and Consumption. The core activity of the team is to support the transition to

a circular and green economy in the European Union.

**On 22 March 2023, the European Commission adopted a proposal for a Directive to help fight greenwashing. The Directive establishes detailed rules at the EU level that aim at making green claims by companies reliable, comparable, and verifiable across the EU, protecting consumers, and contributing to a circular and green EU economy. Can you explain the connection between the Green Claims proposal and the proposal on Empowering consumers for the Green Transition?**

More and more, consumers are willing to contribute to a greener and more circular economy in their

everyday lives. However, they face barriers when trying to make environmentally sustainable consumption choices. For instance, consumers do not trust the credibility of the claims companies are making on their sustainability as they are often faced with vague, unclear or not-well-substantiated environmental claims, i.e., greenwashing.

The Unfair Commercial Practices Directive already regulates misleading practices with general provisions on all voluntary business-to-consumer commercial communication. In March 2022, the Commission proposed to update it to ensure that consumers are protected from greenwashing and to empower them to contribute actively to the green transition. The proposal Empowering consumers for the green transition introduces the notion of environmental claims to the scope and tackles greenwashing with a series of proposed measures including banning generic environmental claims (for which the trader is not able to demonstrate recognised excellent environmental performance) and banning unsubstantiated claims.

The proposal for a Green Claims Directive is designed as a complement to this consumer protection framework. Its scope is more narrow: voluntary environmental claims and labels in business-to-consumer commercial communication. The green claims proposal provides more technical and detailed rules on how companies have to substantiate and communicate the green claims they wish to make. There are also detailed rules for environmental labelling schemes to avoid a further proliferation of ecolabels which only confuses the consumer further and reinforce the trust in already established and reliable schemes such as the EU Ecolabel.

In short, the two instruments are self-standing and complementary, reinforcing each other and the fight against greenwashing.

Last, but not least, you can use the EU Ecolabel for Tourism accommodations to be among the best-in-class Europeans in this field. You can also use EMAS to progressively improve your performance in the field of tourism. No additional checks are necessary on claims made by using our EU Logos.

**The Directive foresees that Member States shall provide support to SMEs on the implementation of the Directive. What do you think will be the real impact for SMEs in the hospitality sector?**

In the current situation, companies making claims based on substantive efforts to improve their environmental performance compete with companies that publish misleading claims or apply less effort behind a similar claim. With the new rules, SMEs that are actually making an effort to improve their sustainability will be rewarded.

What are these new rules? Well, all companies will have to ensure the reliability of their voluntary environmental claims in business-to-consumer communications. They will also have to ensure these claims are communicated in a transparent way. They will ensure that their claims are verified by the independent verifier against the requirements of the Directive before they can make the environmental claim to consumers. If all the rules are complied with, the verifier will issue a certificate of conformity which is recognised across the EU. With this system, we also aim at reinforcing the credibility of all sectors outside of the EU.

It is our intention to include SMEs and support their green transition. They should be able to benefit from the opportunities provided by the market for more sustainable products without being impaired by disproportionate costs and technical difficulties in substantiating their claims. To that effect, several support measures are foreseen in the proposed Directive. The EU is to finance different flanking measures including the development of footprint calculation tools and the acquisition of high-quality data sets. The latter is especially relevant for SMEs when assessing their value chains. At the national level, Member States are also to provide appropriate support measures to SMEs wishing to make green claims on their products or services. These measures include guidelines to raise awareness of ways to comply with the new rules, financial support, specialised training and tailored technical assistance.

Micro-enterprises, i.e., having less than 10 employees or a turnover of fewer than 2 million euros per year, would not be obliged to substantiate and communicate their claims in accordance with the future green claims. They can opt for it if they so wish, but there would be no obligations on them.

**“Every day, tons of detergent and millions of gallons of water are used to wash towels that have only been used once. This hotel is committed to conserving our earth’s natural resources. Here’s how you can help: a towel on the rack means, ‘I will use it again’. A towel on the floor means ‘please exchange’”:** this is a common disclaimer one could find in many hotel rooms in Europe. Would this claim need to be verified by a third party?

The proposed Green Claims Directive targets voluntary environmental claims meaning any message in the context of a commercial communication which states or implies that a product or company has a positive or no impact on the environment or is less damaging to the environment than other products or companies or has improved their impact over time.

The provided example is not product or service specific, e.g., it does not differentiate one hotel from another. In our view, these communications would not fit the definition of an environmental claim. As such, it would not need to be substantiated or verified by a third party.

## Short-term rentals should include value-added tax in their final price to consumers

#STR #VAT @DigitalEU @sweden2023eu #EU2023SE

At the end of 2022, the European Commission presented a **proposal on VAT in the digital age** which will, amongst other things, oblige Short-Term Rental (STR) accommodation platforms to collect and remit VAT to tax authorities. The model envisaged in the proposal represents a **major step forward in ensuring a level playing field amongst different accommodation providers**.

For this reason, **HOTREC strongly supports the proposal and has issued a position paper to showcase many benefits**.

There is an ongoing perception that STRs are being offered by individuals whose flats happen to be empty a couple of days per month. The data does not support this. According to **Inside Airbnb**, in cities, such as Barcelona, Lisbon, Madrid, Prague, Rome and Vienna more than half of all available listings appear to be under the management of professional operators.



## Digital Markets Act becomes fully applicable

#Digital #DMA #DSA @DigitalEU

One of the flagship initiatives of the current European Commission – the Digital Markets Act (DMA) – became fully applicable on 2 May 2023. The Law regulating the behaviour and disproportionate power of gatekeeper platforms represents a **landmark point for the European hotel industry**. Amongst many different business obligations, it also **bans narrow price parity clauses**, which prevent hoteliers from



offering a better price on their own channels than the platform and allows easier access to data generated by hotel listings.

**HOTREC looks forward to the designation of market leader for intermediated online hotel sales as gatekeeper and consequent change of its business practices towards hotels.**

As highlighted in the **2022 HOTREC hotel distribution study**, in fact, “most hoteliers (55%) [in Europe] feel pressured by OTAs to accept platforms terms and conditions (e.g. regarding cancellation policy, special discounts) that hotels

would otherwise voluntarily not offer. As expected, the higher the volumes of room nights generated by OTAs in a hotel, the higher the perceived pressure.”

## Limiting pre-payments in the Package Travel Directive: an ersatz of consumer protection

#EUTourism #Travel #PTD @dreynders

One measure envisaged by the European Commission in the revision of the Package Travel Directive (PTD) is the limitation of pre-payments within the framework of the PTD. The latter regulates pre-arranged package holidays and self-customised packages where travellers choose different elements from a single point of sale.

While sold as the golden ticket that will protect consumers from companies going bust, we believe that **limitations on prepayments can have negative consequences on the tourism ecosystem, including travellers.** Limiting prepayments risks to:

- **Reduce the bargaining power** of hoteliers involved in package travels with intermediaries.
- **Increase the cost of travel** impacting package organisers as well as consumers enjoying less affordable travel and a reduced offer.
- **Create legal uncertainty for hoteliers.** Due to the complexity of the market, the diversity of sales channels and business models, hotels are likely to sell standalone accommodation only.
- **Affect hotels' investment capacity** to maintain and improve the quality of their infrastructures.

A European Commission's proposal will be published in September 2023 subject to an internal quality check in July. **HOTREC calls on the European Commission to carefully consider the impact a limitation of prepayments could have on tourism businesses.**

## Energy Performance of Buildings recast: only a balanced approach will allow SMEs to comply

#Sustainability #EPB #SME @EU\_ENV

The European Parliament approved its report on a proposal for a Directive on the energy performance of buildings (recast), in March 2023. At the same time, the Council also reached its general approach on the same topic, which was formally approved by the Energy Council on 25 October 2022.

Taking into account both positions, **HOTREC has published its position paper, calling on both institutions to find a balanced compromise on the topic.**

Our priorities are the following:

- **Support must be provided to companies, especially SMEs** (e.g., fiscal incentives, such as tax relief; funds



- targeting deep renovation), to allow them to implement the necessary infrastructural changes;
- Minimum Energy Performance Standards are essential to help achieve the EU targets. But **a step-by-step approach is preferable**, to allow companies to adapt, while the notion of building stock should be preserved (when compared to individual buildings);
- Charging stations and bicycle parking spaces shall not be mandatory;
- Solar energy can be **encouraged, but not made compulsory**.

## The Quality Framework for Traineeships is still a suitable policy instrument

#SocialAffairs #EUPactforSkills @EU\_Social @NicolasSchmitEU



In the upcoming months, the European Commission is planning to revise the **Quality Framework for Traineeships** (QFT), approved in 2014, in the upcoming months under the umbrella of the European Year of Skills.

We take note of the European Parliament **report** on the matter, voted by the EMPL committee of the EP on 8 May 2023. We believe compulsory payment for traineeships could be detrimental for our sector, composed of 99% of SMEs, and with a very low profit margin.

HOTREC fully supports the **cross-horizontal social partners' position** on the same topic. We consider that the Council

Recommendation on a European Quality Framework for Traineeships can still play an important role in simultaneously improving the quality of traineeships and enhancing the employment prospects of trainees. We consider that mandatory traineeships should be excluded from the scope of the Commission initiative, to protect national legislation. And, **if applicable, it is more adequate to talk about compensation and not remuneration**: trainees are often not defined as employees and are in the process of gaining new work experience.

Above all, we call on the European Commission to avoid **more administrative and financial burdens on enterprises, especially SMEs**. Other options might cause adverse effects, such as **disincentives for offering traineeships** and the inability to **respond to the flexibility needs of trainees**.

## Live from the network

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

## Highlights from the 86th HOTREC General Assembly: European hospitality must be a priority

#GaHotrec #Hospitality #EUTourism #LiveFromTheNetwork @Ashotel @AUDREMAR @AVassilikos @CEHATes @CEHEhosteleria @rmorillo\_setur @TurismoEspGob @gfoteles @PresidentRAI @METRO\_Politics @RestCatering @marthizon @ITERTenerife @EuroCommerce @AtzeFaas

On 26-28 April 2023, HOTREC members from over 30 European countries joined government officials and high-level speakers in Tenerife, Spain, on the occasion of its 86th General Assembly. The event has been a fruitful opportunity to **share insights, news and best practices**, and reflect on current and upcoming challenges, such as **increased inflation, energy and food prices, skills and staff shortages**.

**Ms Rosana Morillo**, Spanish State Secretary for Tourism, addressed delegates and **anticipated the priorities**



of the upcoming Spanish Presidency of the EU concerning the industry. She invited participants to keep up the successful collaboration with the EU Institutions and local governments built over the devastating COVID crisis.

**HOTREC urged the upcoming EU Presidency to prioritise the industry during its term of office and advance on critical files** – such as the EU proposal for a Regulation on Short-Term Rentals and the VAT in the digital age package.

## Celebrating the European Tourism Day: implementing the Transition Pathway for Tourism

#EUTourism #Hospitality @AVassilikos @AUDREMAR @EU\_Growth



For the first time after five years, industry leaders, policymakers, EU officials and stakeholders from all over Europe reunited in Brussels on the occasion of the European Tourism Day 2023.

The highly-anticipated event reflected on the many challenges our industry had faced after the pandemic and **focused on the implementation of the Transition Pathway for tourism**, launched in February 2022, up until today.

**Mr Alexandros Vassilikos, President of HOTREC, was delighted to join the day's discussions** speaking at the

roundtable "Green transition: sustainable tourism services and destinations." He mentioned how, after the pandemic, tourism and hospitality passed the test of adaptability, showing unprecedented resilience. That is how we can be confident that the green and digital transitions are within reach. Nevertheless, **we need to make sure that SMEs, which make up over 90% of companies in our industry, are in a position to adopt sustainable practices and invest in sustainability and innovation.**

## A trattoria in the digital age

#Food #EUFarm2Fork @Food\_EU

The Italian restaurant **Antica Trattoria Suban** in Trieste was selected to be part of the **RestwithEU project**, which aims at boosting digitalisation in the restaurant industry. HOTREC joined a couple of workshops led by RestwithEU at the beginning of the year and is delighted to see this establishment owned by the President of FIPE Trieste features among the winners. Antica Trattoria Suban, a restaurant where four generations are committed to maintaining the culinary tradition of Trieste, will develop a pilot to facilitate the management of online bookings.

# What's next

In the HOTREC Team's and membership's agenda

**15-17 May 2023** – MYRIAD General Assembly | Venice, Italy

**30 May-5 June 2023** – EU Green Week 2023

**6 June 2023** – HOTREC and Edenred EU Green Week event: “How does a restaurant work?” | Brussels, Belgium

**7 June 2023** – METRO and Euractiv event “Upskilling hospitality: for more sustainability and resilience in food supply chains”. | Brussels, Belgium

**12 June 2023** – Hospitality Operator Forum | Paris, France

**29 June 2023** – Close the Glass Loop Annual event | Brussels, Belgium

**1 July 2023** – Beginning of the Spanish Presidency of the EU



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