

Live from Brussels Newsletter

Issue n°117 – 20 September 2023

A message by Ms Marie Audren, Director General of HOTREC



Dear readers,

September brings with it a flurry of activity for HOTREC, as the Brussels scene returns to its familiar rhythm. It's the ideal moment to pause and reflect on the progress made during the summer. To this end, we reached out to our membership, representing 47 associations in 36 European countries, and sought their insights into the industry's performance.

Our survey, overall, paints a rather mixed picture. When assessing their views on the summer of 2023, approximately 41% of our members reported only moderate satisfaction – with just 17% describing the season as “very good.” This sense of subdued optimism reflects a general atmosphere of concern – even in the face of reasonably high occupancy rates and capacity levels.

Unsurprisingly, 92% of our membership identified labour and skills shortages as the top challenge faced by the industry this summer – a topic that President Von der Leyen stressed in her State of the Union address. “74% of SMEs are saying they are facing skill shortages,” she stated. “In the peak of the tourist season, restaurants & bars in Europe are running reduced hours because they cannot find staff.”

The staffing crisis also took centre stage at the [Bled Strategic Forum](#), which I had the privilege to attend earlier this month. Additionally, our members highlighted other challenges, with 87% expressing concerns about the skyrocketing costs of energy and food, and 42% grappling with issues surrounding cash flow management and loan terms.

It's worth noting that a significant 63% of our members reported that natural disasters and extreme temperatures severely disrupted business operations in their respective countries. As expressed by HOTREC's President, Mr. Alexandros Vassilikos, during our [Executive Committee meeting in Athens](#), “The vulnerability of the European tourism industry to climate change is undeniable. The sector is committed to act – and act fast – to implement sustainable practices.” I am confident that we can contribute effectively. A vital step in achieving this, as indicated in the [recent HOTREC Study](#) ‘A Roadmap to Net Zero for European Hospitality,’ will be assisting hospitality companies – especially SMEs – in implementing sustainable practices.

Another top concern for HOTREC members is the urgent need for basic rules to regulate Short-Term Rental accommodations. In this regard, we warmly welcomed [yesterday's vote](#) by the European Parliament Internal Market and Consumer Protection (IMCO) Committee, seeing it as one step closer to further protecting European hotels.

Lastly, for a comprehensive understanding and recap of the summer's developments, I invite you to read our [interview with Ms. Ourania Georgoutsakou](#), Managing Director of Airlines for Europe, with whom we had the pleasure of exploring the current challenges and opportunities within the European airline industry.

I want to thank our members for their invaluable insights, and I eagerly anticipate meeting them on 25-27 October in Brussels for HOTREC's 87th General Assembly.

Stay tuned and enjoy your reading.

Discussing the European airline market with Ms Ourania Georgoutsakou, Managing Director of Airlines for Europe

#EUTourism @A4Europe @ouraniaflying



Ourania "Rania" Georgoutsakou is the Managing Director of Airlines for Europe (A4E), the voice of Europe's leading airlines in Brussels.

Rania joined A4E in June 2023 and is responsible for the association's strategy and impact. Her role is to

represent Europe's leading airlines in the Brussels political arena, liaise with industry executives and manage the association's operations.

She has 20-years' experience of advocating for membership associations, previously leading LightingEurope and working as Director of Public Policy for Europe for SEMI and as Senior Policy Coordinator with the Assembly of European Regions in Strasbourg and in Brussels

As we reflect on the summer months, how would you assess the European airline market in terms of performance? Are there any specific trends that were noticeable?

This summer has proven to be a strong season for European airlines. The appetite of consumers to get away, to travel and to explore Europe is still there. Thankfully, the operational challenges of last summer have receded, though they have not entirely disappeared. You only must look at the disruption caused by the ATC failure in the UK a couple of weeks ago. But overall European airlines have come through the summer in a much healthier and stronger position.

Having said that, it is important to remember that airlines are still in recovery mode. Eurocontrol data show that traffic is 94% of 2019 levels. So, we're not quite there yet and this recovery is obviously spread unevenly across various airlines and destinations/markets. For some A4E members, passenger numbers are at their highest ever levels. For others, they still have a way to go following challenges such

as the Pandemic and the impact of the War in Ukraine. But the sector is not taking things for granted. For all our members, it is important to put this summer in perspective. The airline sector is a very cyclical sector and we have seen how things can change in an instant.

The aviation industry continues to face a dynamic environment. Could you share your insights on the key challenges that European airlines are likely to encounter in the coming months?

Over the past two summers we have seen how airlines operate in a system which relies on the coordination and cooperation of many different players to deliver a successful service. One of the services we rely on is air traffic management and this continues to be a challenge. Eurocontrol has reported that the total air traffic flow management delays are up 10% from last year and weather-related delays are up significantly at 70%. Ensuring that there is adequate airspace capacity and that when something goes wrong, measures are swiftly put in place to minimise disruption is essential.

Economically speaking, there continue to be cost pressures. We will need to keep an eye on fuel prices. Oil is creeping back towards \$100 a barrel and this obviously has an impact on aviation fuel prices. Wider geopolitical instability can also have repercussions for the sector and result in very real operational challenges, as the ongoing Ukraine airspace closure illustrates.

On a positive note, because the sector is dynamic and can never stand still, many airlines are constantly looking for opportunities to evolve their service and their offering. Whether this is through the opening of new routes and services, the introduction of new, more efficient aircraft or finding ways to make the travel experience more seamless.

As we approach 2024, many stakeholders are curious about the anticipated trends that might shape the aviation industry. Are there any emerging trends that European you would like to highlight?

Ensuring the economic and competitive viability of Europe's airlines will be a longer-term challenge. The EU has passed some of the most comprehensive sustainability legislation in the world and the impact on aviation will be significant. While we are determined to achieve our ambitious Net-Zero target for carbon emissions, a target set out in our joint Roadmap called Destination 2050, there is a significant cost implication for this. The EU needs to ensure that in the drive for sustainability, European airlines can continue to compete on an equal footing in a globally competitive environment.

Next year is an election year in the EU and it will be important for the new Commission and the new European Parliament to ensure that Europe remains strong, competitive, and innovative. The focus will need to shift to delivering on the EU's green agenda, by becoming a global leader for sustainable aviation technologies and sustainable aviation fuels (SAFs). The EU has a global lead on the regulatory framework, we now need to invest in accelerating the development of the technologies and fuels that will decarbonize aviation.

It's also worth highlighting how digitalisation will be an ever-present trend in our sector. Whether it is through airlines innovating with new digital tools for improving the travel experience, the EU implementing digital border technology to make border control more seamless or the use of AI to improve efficiency in flying, the advances are changing flying for the better in an exciting way.

Final stretch: European Parliament edges closer to crucial decision on EU Short-Term Rentals

[#STR](#) [#Digital](#) [#DMA](#) [#DSA](#) [#EUHospitality](#) [@Ansp_EU](#) [@DigitalEU](#) [@EU_competition](#) [@EU_growth](#) [@EP_SingleMarket](#) [@eu2023es](#) [@kinvsparrentak](#) [@brandobenifei](#) [@ijabs](#) [@BassoAlessandra](#) [@FidanzaCarlo](#) [@Konecna_K](#)

Almost a year after the publication of the proposal, the discussions on **how to ensure more transparency and quality data from Short-Term Rentals (STR)** are slowly entering the final, crucial, stage.

On 19 September, the Committee on Internal Market and Consumer Protection (IMCO) adopted its draft report. After the vote during the 2-5 October plenary session, the policymakers can focus their attention on trilogue negotiations and reaching an agreement on one of the key legislative files for the hospitality sector. At HOTREC we welcomed the adoption of the draft IMCO report which supports the principle of subsidiarity and availability of quality STR data.



Before the summer recess, the European Parliament Committee on Transport and Tourism (TRAN) adopted the opinion on the proposal. At HOTREC, we **welcome many of the proposed amendments which will further improve this landmark proposal**. For example, hosts will be required to provide much more detailed data allowing national authorities to better understand the STR market while.

When adopted, the law represents an important step in ensuring a level playing field amongst different accommodation providers. It is therefore important that **all member states transpose the law into their national systems**.

Check out our [position paper](#) for more information.

Going Net-Zero: A Roadmap for European hospitality

[#Sustainability](#) [#EUGreenDeal](#) [#NetZero](#) [#EUHospitality](#) [#EUTourism](#) [@EU_ENV](#) [@TOPOSOPHY](#)

The European Green Deal has set a goal of reaching net-zero greenhouse gas emissions by 2050 across every sector of the economy. This commitment extends to European hospitality, as well, and the industry is committed to meeting these climate targets. However, many companies – especially SMEs – do not have the knowledge, funding, or time to measure and manage their emissions accurately.

Recognising the unique difficulties that SMEs face in this field, HOTREC has commissioned a study to TOPOSOPHY to analyse how hospitality businesses can concretely achieve carbon neutrality. The study, titled '**A Roadmap to Net Zero for European Hospitality**', examines challenges, opportunities, and potential

tools, and outlines concrete recommendations and examples of practices already developed across Europe. By embracing this guidance, we hope that hospitality businesses and SMEs can substantially contribute to the global endeavour for a sustainable, Net Zero future

Balancing the Energy equation: HOTREC's views on the Energy Performance of Buildings Directive

#Sustainability #EPBD #EUGreenDeal #EUHospitality #EUTourism @EU_ENV

On 31 August 2023, the European Parliament and the Council discussed a possible **compromise for the proposal of the Energy Performance of Buildings Directive (EPBD)**.

In our recent **position paper**, HOTREC highlights the **need for businesses, particularly SMEs, to receive support from the EU and governments** for implementing vital infrastructural changes. Given the current geopolitical landscape, high energy and food costs, labour shortages, and ongoing COVID recovery, there's little room for alternative options.

We also advocate for a **gradual approach to achieving Minimum Energy Performance Standards**, allowing businesses time to adapt. For instance, we propose that non-residential buildings attain at least energy performance class F by 2027 and class E by 2030, as opposed to class E by 2027 and class D by 2030.

Additionally, we believe that charging stations, bicycle parking spaces, and solar energy should not become mandatory at the EU level. To find out more about this subject, read **this article** by Ms. Marta Machado, HOTREC's Deputy Director General.



Platform work: protecting the self-employed status

#SocialAffairs #PlatformWork @EU_Social @NicolasSchmitEU

On 18 September 2023, the European Parliament and the Council discussed the proposal for a Directive on "Improving Working Conditions in Platform Work."

HOTREC believes that bogus self-employed individuals should be treated as employees. However, safeguarding the authentic self-employed status is of utmost importance. Failing to do so could lead to a decline in platform workers, as rigidity prevails. This, in turn, could exacerbate the skills and labour shortages already faced by the hospitality sector.

In our **position paper**, as well as in **collaboration** with other employer associations, we stress the necessity of establishing robust EU criteria that trigger a transition from self-employed to employee status, all while avoiding automatic reclassification.

We trust the EU institutions to achieve a balanced outcome in this matter

DIVETOIR project nears conclusion: promising results and upcoming event

#EUTourism #Accessibility @EUaccesstourism @ESHOBescola

At the end of 2021, HOTREC became a partner in the **DIVETOIR project** – an initiative funded by the Erasmus+ program aimed at introducing innovative methodologies and tools in the field of accessible tourism. After three successful years, the project is finally approaching its conclusion. To celebrate its findings and

promote its outcomes, a DIVETOIR event will take place in Brussels on 23-24 November.

The Brussels event – organized by HOTREC and **ENAT** – will be an invaluable opportunity for all partners to meet and reveal the project's achievements. Attendees can expect presentations on the **CMOOC** – an online training platform and open learning community for VET professionals and companies to share ideas and best practices – as well as a presentation of the DIVETOIR **game-based Web App** and the innovative **DIVETOIR Chatbot**.

The event will provide an invaluable opportunity to exchange European best practices, success stories, and insights into current policies and challenges related to accessibility and inclusion within the tourism sector.

Live from the network

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

HOTREC's insights at the Bled Strategic Forum: shaping the future of work tourism

[#LiveFromTheNetwork](#) [#EUHospitality](#) [#EUTourism](#) [#ifeelsLOVEria](#) [#BSF2023](#) [@AUDREMAR](#) [@BledStratForum](#) [@tourism_slo](#) [@StojmenovaDuh](#) <https://twitter.com/tfajon>

On 29 August 2023, HOTREC had the pleasure of participating in the 9th edition of the Bled Strategic Forum, held in Bled, Slovenia, in collaboration with our member, the **Tourism and Hospitality Chamber of Slovenia** (TGZS).

Ms. Marie Audren, HOTREC's Director General, joined other distinguished speakers on the panel titled "Knowledge-based society and professions of the future in tourism." The discussion focused on the evolving labour market and the most pressing challenges facing the industry, such as workforce shortages and the digital and green transition.

Ms. Audren emphasized the crucial role that aspects like work-life balance and gender equality play in attracting & retaining the industry's top talents: *"In an ever-transforming world, the magic words will be skills, training, and fairness,"* she mentioned during the conference.

A video recording of the panel is available [here](#).



What's next

In the HOTREC Team's and membership's agenda

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

25 September 2023 – EU Organic Awards 2023 | Brussels, Belgium

26 September 2023 – New episode of the HOTREC 'Dare to Host' Podcast. In case you missed it: listen to our July episode with Chris Armstrong

28 September 2023 – HOTREC Restaurants, Bars, Cafés & Late-Night entertainment Working Group meeting | Online

29 September 2023 – International Day of Awareness of Food Loss and Waste 2023 #FLW2023

4 October 2023 – HOTREC Sustainability Working Group meeting | Online

4-6 October 2023 – EU Industry Days 2023 | Malaga, Spain

12-13 October 2023 – New Baltic Hospitality Forum 2023 | Riga, Latvia

25-27 October 2023 – HOTREC 87th General Assembly | Brussels, Belgium

30 October 2023 – HTNG European Conference | Lisbon, Portugal



www.hotrec.eu 