

Live from Brussels Newsletter

Issue n°119 – 24 January 2024

A message by Ms Marie Audren, Director General of HOTREC

Dear readers,



Happy New Year!

As we step into 2024, we find ourselves reflecting on the journey that was 2023 for European tourism and hospitality. While the sector's companies have been significantly impacted by **increased inflation, staffing challenges, and rising costs**, the **notable surge in overnight stays** across EU tourist accommodation establishments last year speaks volumes about the resilience and recovery of our industry.

But what awaits the sector in the coming year?

2024 is already set to be eventful, especially thanks to the upcoming European elections. As the elections draw near, they leave the **recently installed Belgian Presidency** with the responsibility of wrapping up many crucial legislative files before the new EU leadership gets chosen. This includes the **EU Packaging and Packaging Waste Regulation (PPWR)**, Food Waste reduction targets, the Platform Work Directive, and the Package Travel Directive (PTD).

We had the opportunity to discuss the priorities of the Belgian Presidency with **Tourism Minister Valérie de Bue**, whom we thank for her insights and for organizing an informal meeting of EU tourism ministers on 19-20 February: a series of meetings that we hope will be soon formalised, to guarantee official EU-level discussions around our sector. In this line, HOTREC also calls upon the EU Institutions to establish a dedicated budget line for tourism.

In view of the elections, HOTREC has published its **Manifesto for the Future of European Hospitality**, serving as our guiding compass for discussions with EU officials, governments, and stakeholders during the 2024-2029 legislative term. Last November, we initiated fruitful discussions on this Manifesto during the **European Hospitality Day**, and we eagerly anticipate continuing these conversations with you.

Stay tuned and enjoy your reading.

Discussing the priorities of the Belgian Presidency of the EU with Minister Valérie de Bue

#EU2024BE #EUHospitality #EUTourism @ValerieDeBue @EU2024BE



Ms Valérie de Bue has been Walloon Minister for Tourism and Heritage since 2019.

As Belgium took over the EU Presidency on January 1st, could you outline the key priorities and strategies identified to enhance the growth of the European tourism and hospitality industry?

The Belgian Presidency wishes to emphasize the contribution of tourism to sustainable growth and the attractiveness of Europe in a globally connected tourism environment. Tourism is recognized as a sector of major importance at the European level, contributing to economic growth and the creation of high-quality jobs in many regions of the Union.

The tourism sector calls for the attention of all European partners and the formulation of an ambitious vision to accelerate its transition. The reopening and recovery of the tourism ecosystem represent an opportunity to leverage the post-COVID-19 recovery phase towards a green and digital transformation for a more resilient tourism ecosystem.

We will work with our European partners to support the tourism industry in its dual transition. The digitalization of the tourism sector as well as its sustainable development will be two of our highest priorities during this semester.

In this regard, the Presidency will pay particular attention to the monitoring of the Commission's Transition Pathway for Tourism, relying on the mid-term evaluation currently being drafted by the Commission. During the Informal meeting of European Tourism Ministers scheduled for February 2024, Member States will be asked to express their views on the content and development of the Commission's evaluation report and present innovative policies and projects that respond to the issues raised by the Transition Pathway.

The Presidency also wishes to address that Tourism, as a topic, has gained prominence on the European Agenda in the recent years. As such, the Presidency is committed to call onto all European partners to maintain the attention granted to tourism in the past years and to support its extension beyond this European mandate.

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

The European Union has proven to be very ambitious on the topic of circularity and waste management. On 30 November 2022, the Commission proposed to revise the Packaging and Packaging Waste Directive to contribute to the reusability and recyclability of packaging and reduction of single-use plastics. The Fit for 55 legislative package also contributes to the energy efficiency and increased use of renewable energy across sectors, including tourism.

In this regard, the Presidency is dedicated to realising the vision set forth in the European Agenda for Tourism 2030, which aims at driving sustainable prosperity in this sector in compliance with the goals of the twin transition. Within this agenda, the Commission and Member States recalled their intention to provide support to tourism services in order to reduce their environmental footprint in line with the EU objectives and support the improvement of waste and water management.

This transformation is already ongoing. Indeed, through the Commission's Transition pathway for Tourism, ambitious pledges have been made regarding the circularity of the tourism sector.

While Member states are integrating seeking to improve waste and water management and reduce pollution of tourism services in their transversal strategies, concrete actions are also taken by stakeholders. Large companies develop circular strategies to reduce their environmental impact; SMEs are invested in innovative circular scheme funding, research, and guidance while business associations support collaborative building

of roadmaps to their sector and dissemination of concrete good practices recognised for the industry.

Reliable indicators will be important to keep track of progress on tourism circularity, as they provide fuel for further policy initiatives.

Those pledges are a message of optimism regarding how the sector can innovate to meet the evolving demands of tourists. Indeed, the competitiveness of the EU tourism industry will largely depend on its capacity to meet the need and customer demand to become more sustainable.

Considering the revision of the Package Travel Directive (PTD), how does the Belgian Presidency of the EU plan to strike a balance between safeguarding consumer interests and ensuring the viability and well-being of tourism and hospitality SMEs?

The Package Travel Directive (PTD) stands as an important piece of legislation within the European Union, carrying profound implications for the tourism and travel industry. It mandates travel operators to offer precise and transparent information regarding travel packages, inclusive of pricing, incorporated services, cancellation policies, and additional fees. As such, the Directive helps building consumer trust regarding European travel business, thus expanding the EU's attractiveness for travellers, both domestically and internationally. The Belgian Presidency will take forward the revision of the Travel Package Directive. Those efforts will ensure that consumers have the information and protection they need to make informed choices and allow them to benefit from the twin transition.

Given the significant labour and skills shortages faced by the European tourism and hospitality sector, could you share specific measures that the Belgian Presidency intends to introduce to address this pressing issue?

Our most valuable asset is our people. Special concern should be given to the professionalization of the sector and the improvement of skills, particularly digital ones. Lifelong training should be encouraged to promote an attractive career choice for our youths.

Belgium can provide examples of actions taken based on these objectives. Through the use of the National recovery and resilience plan's funds, financial support is provided to SMEs in order to foster their digital maturity and skills thanks to a designated training program. Such initiatives are implemented in many European states and should be more widely developed. The development of education and skills in the tourism sector aiming at enhancing the attractiveness of careers in the sector is essential to guarantee the resilience of the sector.

Let's start the New Year with a riddle...

#EU2024BE #PPWR @EU2024BE @MaxSalini @toiapatrizia @Frederiqueries @FiocchiPietro @delarabur

A silly acronym. 400ish amendments. Sleepless nights. And a Camembert drama. What is it?

Yes, it is the **Packaging and Packaging Waste Regulation (PPWR)** proposed by the European Commission last year to reduce the volume of packaging generated in the EU. In fact, in 2021, each citizen in the EU generated almost 190kg of packaging waste.

The PPWR has entered its final stage of negotiations between the European Parliament, Member States in the Council, and the European Commission under the Belgian Presidency. Since the proposal's publication in November 2022, HOTREC called to **preserve the coexistence of the single-use and multiple-use packaging systems – considering the heterogenous nature of the hospitality industry as well as investments the industry had made in reuse or recycling within the EU.**

Ahead of trilogue negotiations kicking off on 5 February 2024, we continue to raise issues likely to affect hotels and restaurants with co-legislators while seeking a better compromise. We aim for:

- The ban on single use packaging while eating in to be deleted or amended with strict derogations.
- The ban on hotel cosmetics to be limited to miniature single use plastic packaging in hotel rooms.
- The suppression of the obligation to offer beverage and food takeaway in refill or reuse.
- The protection of the free autonomy of businesses when it comes to price fixing for refill and reuse containers.



- The provision of free drinking water to clients to remain regulated under the Drinking Water Directive 2020/2184..

PPWR would have at least brought us one thing: the opportunity to explain to EU law makers how hospitality businesses operate. It has also shown that speaking with one voice at the EU-level is instrumental to protect the interests of millions of hospitality businesses in Europe. HOTREC continues to advocate and monitor compromises likely to unfold in the final stage of the negotiations.

EU tourism thrives: HOTREC's vision for a vibrant future

#EUHospitality #EUTourism

In 2023, EU tourist accommodation establishments witnessed an unprecedented surge in overnight stays, reaching a record of almost 3 billion nights. This reflects a **substantial increase of 6.3%, equivalent to 171 million additional nights**, compared to 2022. The **latest Eurostat data** reveals that the 2023 figures not only surpassed those of 2022 but also **exceeded the pre-pandemic levels of 2019 by 1.6%**.

International tourists played a significant role, contributing to 46% of the total 2.9 billion nights spent in 2023. After three years of a substantially lower share of foreign tourists, this resurgence to pre-pandemic levels signifies a positive trend for the EU's tourism industry.

Hotels and similar establishments emerged as the most popular type of accommodation, constituting 63% of the total with 1.8 billion nights spent, followed by holiday and other short-stay accommodation (24%).

These figures show once more the vital role of the tourism sector in the European economy, accounting for 10% of the EU GDP, creating value for many other industries and value chains. Recognising this significant impact, HOTREC has outlined key objectives in its **Manifesto for the Future of European Hospitality** to position tourism and Hospitality at the forefront of EU policymaking:

- A dedicated budget line for tourism, providing direct funding opportunities to support the sector.
- A Tourism Task Force within the European Parliament to streamline priorities and formulate a comprehensive tourism strategy.
- A formalised Council of Tourism Ministers or State Secretaries during each Presidency to ensure the recognition of the sector's value.

As the tourism sector continues to rebound and thrive, the initiatives proposed by HOTREC aim to solidify the industry's resilience and contribute to its sustained growth in the years to come.

The Belgian Presidency of the EU, a race against time

#EU2024BE @EU2024BE

As the European Parliament elections draw near on 6 & 9 June 2024, Belgium, holding the current Presidency of the Council of the EU, faces a tight schedule to finalise crucial legislative files before the end of its term. With the final European Parliament plenary on 22-25 April, the window to reach compromises is rapidly closing, leaving to the Belgians 150 pending files to wrap up by March. Among pressing matters on the agenda are three pivotal files for hospitality that have gained significant public attention:

1. Packaging and Packaging Waste Regulation (PPWR)

The Packaging and Packaging Waste Regulation stands out as one of the Green Deal's most heavily lobbied pieces. Despite intense negotiations, Belgium aims to conclude this file as soon as possible, as announced by the Belgian Environment Minister, Alain Maron, early December. The first political trilogue on PPWR is foreseen on 5 February, with the objective of reaching an agreement early March at the latest.

HOTREC is calling for the coexistence of the two systems – single and multiple-use packaging and urges legislators for clarity & practicability for businesses.

2. Platform Workers Directive

Mid-December, the Spanish Presidency managed to reach a provisional agreement on the Platform Workers Directive in trilogue, later on blocked by a coalition of Member States. The responsibility to forge a compromise now falls on the Belgians, who circulated a new draft text to serve as the basis for the next

negotiation rounds. The Belgian Presidency aims at striking a deal as soon as possible.

HOTREC has long been asking for robust EU criteria that trigger a transition from self-employed to employee status, all while avoiding automatic reclassification.

3. Package Travel Directive (PTD)

Although Belgium has publicly set the revision of the Package Travel Directive as a priority, intelligence suggests that it's unlikely to be settled on time. Firstly, EU Commissioner for Justice Didier Reynders, the driving force behind the PTD revision – also a Belgian – is leaving the European Commission for a top job at the Council of Europe. Fuelling extra doubts on the Belgians' capacity to reach a deal, as we speak, the European Parliament's lead Committee (Internal Market & Consumer Protection aka IMCO) has failed to provide a tentative timeline. To uphold their PTD commitments, Belgians must speed up the next legislative steps.

HOTREC is urging policymakers to take into account the situation of micro-enterprises and SMEs and reconsider rules on refunding vouchers.

How will the Digital Markets Act impact your holiday search experience?

#DMA @DigitalEU @EU_Growth

Have you already started planning your summer holidays and are looking for the dream hotel somewhere in the Mediterranean? Or even checking which fancy restaurants you will visit?

If you use Google Search to help you find your dream holidays, your user experience will be very different compared to last year.

From 9 March, various online platforms will have to comply with various obligations under the Digital Markets Act (DMA) which reigns in on disproportionate market power of gatekeeper platforms (so called Gatekeepers). HOTREC warmly welcomed the DMA, and we remain convinced that the law, which addresses the disproportionate power of large online platforms, will represent an important legislative framework for many hotels and restaurants around Europe.

Nevertheless, we are very concerned with one of the changes that will soon be visible on Google Search. The DMA obliges Google to rearrange its search result page so that it no longer favours its own products, such as Google Hotels compared to other "non-Google" comparison sites.

HOTREC fears that proposed changes will reduce the visibility of direct hotel websites at the expense of powerful online platforms that will be more prominently visible on the new search page. In our view, the proposed changes will impact business performance, reduce competitiveness and consumer choice.

While these changes cannot be welcomed by hoteliers around Europe, HOTREC is eagerly waiting for the official designation of the largest Online Travel Agent as a gatekeeper platform as soon as possible.



Mobility package: a step further in reducing labour and skills shortages in the sector

#SocialAffairs #EUHospitality @EU_Social

HOTREC fully welcomes the mobility package presented by the European Commission on 15 November 2023 which included the following initiatives:

- A **Communication on Skills and Talent mobility**.
- A proposal for a **Regulation establishing an EU Talent Pool**.

- A Commission **Recommendation on the Recognition of Qualifications of Third Country Nationals**.
- A proposal for a **Council Recommendation on Learning mobility opportunities for everyone**.

HOTREC is facing, since COVID-19, a workforce shortage ranging from 10-20% in the sector. Skills are also missing, including digital and green skills, interpersonal skills, language, and cooking abilities.

The causes for these challenges are linked, amongst other reasons, with the ageing and shrinking of the working population in Europe. This is a horizontal challenge that is affecting all sectors and society in general.

We, therefore, support all measures that facilitate third country nationals willing and available to work in the EU to do so via legal solutions.

The hospitality sector stands ready to work with the EU institutions on the implementation of this initiative.

Commission study reveals impact of high inflation on SMEs

#SMEs @EU_Growth

On 15 December 2023, the European Commission published a study on the **impact of high inflation on Small & Medium Size Enterprises (SMEs)**. The study covers the effects of current inflation levels on various aspects of SMEs such as late payments, bankruptcies, potential for growth and investments in digital and sustainable practices.

Following a decade of relatively stable inflation of around 2%, a noticeable shift occurred in 2021 and peaked in 2022. The tourism, transportation, retail, and construction sectors experienced a significant increase, ranging between 10% and 13%.

Bankruptcy rates have been on the rise since 2022, reaching a peak in the second quarter of 2023. Notably, the accommodation and food services sectors recorded one of the highest increases (64.5%). Despite challenges such as higher loan interest rates and increased costs, the study foresees a return to pre-pandemic bankruptcy levels for all sectors, with variations from 0% to 5%. However, under more pessimistic scenarios, the accommodation and food services sector might experience a doubling of bankruptcy declarations. In many countries, this is getting worsened by the decisions to significantly increase VAT rates.

Furthermore, high inflation contributed to less investments in digital and sustainable measures, as revealed by the study. In the tourism sector, 67% of the respondents declared they had made no investments in sustainable solutions, (such as hotel renovation and energy efficiency) or digital solutions over the previous two years, making it the sector with the highest share of businesses lacking long-term investments.

As SMEs navigate these challenging times, the findings of the study underscore the need for targeted interventions and support to sustain and revive the tourism, accommodation, and food service sectors in Europe.

The final report and a summary of the study are accessible [here](#).

Energy Performance of Buildings: hospitality sector needs support to apply the new legislation

#EPBD #EUGreenDeal #Sustainability @EU_ENV @EU_Growth

On 7 December 2023, both the European Parliament and the Council of the EU reached an agreement on the revision of the Energy Performance of Buildings Directive (EPBD).

The proposal, adopted by the Commission as part of the 'Fit for 55' package, proposes to define the tools needed to achieve a zero-emission building stock by 2050.

HOTREC fully supports the **step-by-step approach regarding the Minimum Energy Performance Standards**; the need for non-residential buildings to **install solar energy only if technically suitable and economically and functionally feasible**; the fact that Member States may adjust requirements for the number of bicycle parking spaces for specific categories of non-residential buildings that are not typically accessed by bicycles.



According to the proposal, **charging stations will be mandatory in non-residential buildings**. The amount of required recharging points is excessive and will lead to disproportionate costs especially in large parking spaces. We welcome the fact that charging stations **can be replaced by ducting for at least 50% of the parking spaces**.

The hospitality sector will need **financial support** to carry on the renovation measures foreseen in the Directive. The current state of play of Europe (high energy and food prices, inflation) does not allow for a different solution.

Green Claims: we count on the European Parliament to bring more clarity to the proposal

#GreenClaims #Sustainability @EU_Growth @EU_ENV

HOTREC takes note of MEP Engerer and MEP Ansip report 2023/0085(COD), on “Substantiation and communication of explicit environmental claims” and on the further amendments that have been presented by Members of the European Parliament.

HOTREC supports a general EU framework that protects consumers and companies from greenwashing, improves legal certainty and levels the playing field within the Single Market. But such a framework **must be proportionate, and balanced. It should be easy for companies to apply and inform consumers about their choices**.

Overall, our main objectives for the up-coming vote at the ENVI and IMCO committees scheduled for February 2024 are the following:

- **Micro-enterprises and SMEs** should implement the verification and certification requirements if they so request.
- **Innovation and quality** for private operators, as well as to public authorities, to publish new labels should not be hindered.
- Member States should be able to set up **their own penalty systems** for the implementation of the proposed legislation.

We count on the support of the MEPs to take our views into account and support the industry to comply with the upcoming legislation.

Live from the network

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

European Hospitality Day 2023: unveiling HOTREC's Manifesto

#LiveFromTheNetwork #EUHospitality #EUTourism @AUDREMAR @AVassilikos @MarkusLuthe @kraus_winkler @josianneCutajar @EU_growth @cmonteiroaguilar

On November 29, 2023, HOTREC members, along with MEPs, EU officials, and stakeholders in the European tourism and hospitality sector, gathered in Brussels for the second edition of the **European Hospitality Day**.

This event provided the ideal platform to unveil HOTREC's **Manifesto for the Future of European Hospitality**, outlining key policy areas to prioritize during the upcoming legislative term (2024-2029) – focusing on sustainability, social affairs, environmental, digital, and consumer issues. These priorities aim to facilitate the sector's effective recovery from four challenging years of consecutive crises, ensuring its continued status as a pillar in the European economy, society, and culture.



In his welcoming address, HOTREC President Alexandros Vassilikos emphasized that “the Manifesto that we publish today seeks to inform EU leaders about how they can best support European hospitality businesses and guide them into the future — a future that is demanding and unpredictable, as the past months have shown.”

HOTREC Director General Marie Audren remarked, “HOTREC will continue to engage with all stakeholders in Brussels and is eager to implement all the proposals listed in our Manifesto at the national level.”

Thanks to all participants for joining us to discuss the future of hospitality and to distinguished guest speakers Josianne Cutajar, Markus Luthe, Cláudia Monteiro de Aguiar, Susanne Kraus-Winkler, and Andreea Staicu for sharing valuable insights on European tourism, digitalization, sustainability, education, and training, aligning with the goals outlined in our Manifesto.

Save the date for the **next edition** of our European Hospitality Day on **20 November 2024!**

What's next

In the HOTREC Team's and membership's agenda

31 January – RESTwithEU Wrap-Up: The Digital Pathway Tool, a showcase of the project's success
| Brussels, Belgium

14 February – HOTREC Sustainability working group meeting | Online

19-20 February – Informal meeting of EU Tourism Ministers | Louvain-la-Neuve, Belgium

7 March – HOTREC Short-Term Rentals working group meeting | Online

12 March – Social affairs working group meeting | Online

18 March – Sectoral Social Dialogue (SSD) Committee | Hybrid

21 March – HOTREC Restaurants, Bars, Cafés, and Late-Night Entertainment working group meeting
| Online