



A message from Ms. Marie Audren, Director General of HOTREC



Dear reader,

It's been over one year since the COVID-19 pandemic dramatically changed our lives, reshaping our habits and putting the European hospitality sector and its value chain under unprecedented pressure. Twelve months and yet most hospitality establishments all over Europe are still closed in a collective effort to fight the virus.

We have worked hard with our membership and EU policymakers to ensure a seamless exchange of information, best practices and a fast response to the crisis. We joined forces with other industry partners calling for measures and initiatives to help the industry, and we are still urging for increased coordination of travel restrictions at the EU level, accessible funding and more predictability for businesses.

Now it's time to bring our commitment a step further in making the voice of European hospitality heard. Today is a special day for HOTREC, as we proudly present you our campaign: **#TogetherForHospitality**.

It is impossible not to feel a sense of loss reflecting on all that we are missing without hospitality. Not only from an economic perspective but also at a personal level: the feeling of community when sharing a meal, the life-changing experience of travel, of visiting new places and meeting old and new friends. The road to recovery will be long and challenging, but if we stand together we can persevere and go back to our favourite hotels, restaurants, bars and cafes.

We want to support the industry at the most critical time to help millions of businesses, SMEs, owners, staff, managers and chefs.

We want to help hospitality thrive because it's a central pillar in the European economy, culture and society.

We want to protect the sector because helping the industry recover and secure a better future isn't just crucial for the economy. It's also the only way to protect our way of life. A better future for hospitality is a better future for all!

Help us bring hope to the industry. Commit to hospitality. Join our campaign.



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Discussing the EU Ecolabel and its advantages for hospitality establishments

@EU_ENV #Sustainability #EUGreenDeal #Hospitality

We asked Mr. Kęstutis Sadauskas, Director for Circular Economy and Green Growth at the European Commission (DG ENV) to share with HOTREC more information on a relevant initiative for the sector: the EU Ecolabel.



Mr. Kęstutis Sadauskas is a Lithuanian national. He worked at the Lithuanian Foreign Service on multilateral issues from 1993 to 2006, and was later appointed Head of the Representation of the European Commission in Vilnius. From April 2010 until October 2014, he was Head of the Cabinet of Commissioner Algirdas Šemeta responsible for Taxation, Customs, Anti-fraud, Audit, and Statistics. Since November 2014, he has been the Director for Circular Economy and Green Growth at the DG Environment of the European Commission.



About the EU Ecolabel: Established in 1992 and recognised across Europe and worldwide, the EU Ecolabel is a label of environmental excellence that is awarded to products and services meeting high environmental standards throughout their life-cycle: from raw material extraction to production, distribution and disposal. The EU Ecolabel promotes the circular economy by encouraging producers to generate less waste and CO₂ during the manufacturing process. The EU Ecolabel criteria also encourage companies to develop products that are durable, easy to repair and recycle. The EU Ecolabel criteria provide exigent guidelines for companies looking to lower their environmental impact and guarantee the efficiency of their environmental actions through third party controls. Furthermore, many companies turn to the EU Ecolabel criteria for guidance on eco-friendly best practices when developing their product lines. We asked Mr. Kęstutis Sadauskas, Director for Circular Economy and Green Growth at the European Commission (DG ENV) to share with HOTREC his views on this relevant initiative.

1. What do you think the main advantages of having an EU ecolabel would be for hospitality businesses?

The EU Ecolabel is a key instrument for hotels and campsites to engage in a sustainable recovery. It is a trustworthy label that allows eco-friendly and high-quality alternatives to conventional accommodation to be offered. Not only because quality and environment matter to tourists and business

travellers, but also because environmental excellence means cost savings, in terms of energy, water, waste. There are therefore economic benefits for companies as well as environmental benefits for consumers.

2. Could you explain to our readers what criteria companies must meet to receive the EU Ecolabel? As you know, over 90% of hospitality businesses in Europe are SMEs and micro-enterprises. Do you think it is feasible for these smaller companies as well to accomplish these criteria?

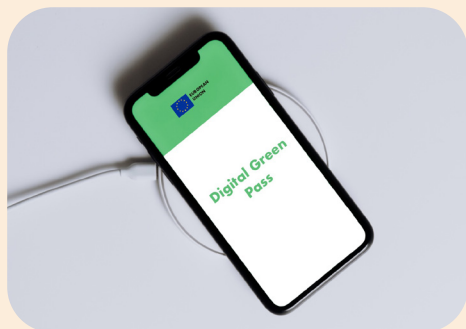
The majority of EU Ecolabel tourist accommodations are indeed small enterprises! This is thanks to the flexibility of the EU Ecolabel criteria that include both mandatory requirements and optional ones with a points system. They require an optimised environmental and waste management, a reduction of CO₂ emissions, energy and water consumption, chemicals and pesticides, as well as waste generation (including food waste).

3. HOTREC fully supports both the EU Ecolabel and the Green Key Ecolabel – two robust and well-known labels that are very relevant for companies in our industry. Is the European Commission planning to cooperate with the Green Key Ecolabel in the future? If so, how do you envisage such cooperation?

Indeed, reliable ecolabels can complement each other's efforts towards relevant market players for their better engagement in promoting green accommodation and in raising consumers and customers' awareness. Strength in unity!

The European Commission proposes Digital Green Certificate

Tags: #Tourism #Digital #Sustainability #COVID19



On 17 March 2021, the European Commission presented its proposal to create a Digital Green Certificate to facilitate the safe free movement of citizens within the EU during the COVID-19 pandemic ([2021/0068 \(COD\)](#)). The text needs to be approved both by the European Parliament and the Council.

The Digital Green Certificate will be proof that a person has been vaccinated against COVID-19, received a negative test result or recovered from COVID-19. It will be available, free of charge, in digital or paper format. It will include a QR code to ensure the security and authenticity of the certificate.

HOTREC and its partners of the Manifesto Alliance, a network of more than 60 representatives of travel and tourism [welcomed the initiative and called on a fast-track procedure for its approval](#). Nevertheless, more action is needed in order to coordinate travel restrictions; harmonise the EU framework for travel-related testing capacity and coordinate the reopening of the tourism activities.

At present, Member States should follow the last [Council Recommendation on travel](#) (1 February 2021), which recommends a negative PCR test for persons travelling for **any essential or non-essential reason**. Quarantines and contact tracing might be needed depending on the country the traveller is coming from.

EU strategy for sustainable tourism: European Parliament calls for reduced VAT and stimulus package for tourism SMEs

Tags: #Taxation #Sustainability #COVID19

MEPs have called on the European Commission “to encourage Member States to temporarily set reduced VAT rates on travel and tourism services, accompanied by a special stimulus package for all micro-enterprises and SMEs for the 2020-2024 period, in order to minimise the number of bankruptcies and preserve jobs and workers’ rights in the European tourism industry, while utilising investments to foster the transition towards a more digital and sustainable tourism ecosystem” in [a Parliamentary Resolution adopted on 25 March](#).

The resolution on an EU strategy for sustainable tourism, adopted by 577 votes to 31, and 80 abstentions, notes that the COVID-19 outbreak has paralysed the EU’s tourism sector, with 6 out of 27 million jobs at risk. MEPs highlight that the tourism and travel sectors account for around 10% of the EU’s GDP.

The Parliament further calls on the EU Member States to fully implement common criteria for safe travel without delay. These should include an EU Health and Safety protocol for testing before departure. Quarantine requirements should be applied only as a last resort. A common vaccination certificate should facilitate travel and act as an alternative to PCR tests and quarantine requirements. A new certificate should follow privacy and data protection rules and could start being used once there is sufficient evidence that those who have been vaccinated do not transmit the virus. The resolution also urges the Commission to introduce an EU hygiene certification seal, which could certify minimum COVID-19 virus prevention and control standards and could help restore consumer trust in the tourism and travel sectors.

MEPs also stress that the Commission must look beyond the pandemic and replace the 2010 strategy on EU tourism to maintain Europe’s standing as a leading destination. The text finally calls on the Commission to set up a European Agency for Tourism, which will support the tourism ecosystem, promote the European brand, provide the EU with the latest data on tourism, assist small businesses to access EU funding and help the tourism sector to prepare for future crises.

Hospitality statistics in Q4 2020 show huge impact of Covid-19 “second wave”

Tags: [#Statistics](#) [#COVID19](#) [#Hospitality](#)

Recent statistics published by Eurostat for [turnover for accommodation and food service activities in Q4 2020](#) show the drastic impact of COVID-19 induced measures restricting tourism and the opening of hospitality establishments.

While figures in Q3 2020 pointed at a very slight recovery for the sector, its turnover in Q4 2020 was less than half of what it was during the same period in 2019 in the EU27, with a 50,2% drop.

Aggregated sectoral employment figures for Q4 2020 in the EU27 are not available yet, but national figures also show the impact of the crisis on jobs. Almost 400,000 fewer jobs and a drop of almost 25% were recorded in Spain for example when comparing Q4 2019 to Q4 2020.

Figures provided by hotel market experts MKG to HOTREC show that after a month of November that continued to be marked by a relapse, and the tightening of sanitary measures, December also proved to be a difficult month for the hotel industry in Europe. Still dealing with the “second wave” of the COVID 19 pandemic, the continent remained under strict sanitary measures, although the effects and severity of these policies have somewhat stabilized across the region.

In Europe, hotel occupancy rates in December 2020 continued to be very low yet slightly higher than in the previous month, reaching 16,2% (-45,6 points compared to December 2019). The average daily rate slightly increased from November as it reached €77 excluding taxes (-25,3% compared to the previous year). European RevPAR thus amounted to only €12,6 excluding VAT, a drop of 80,4 % compared to the level recorded in December 2019.

European Platform Observatory clearly identifies how OTAs exercise their market dominance

Tags: [#Digital](#) [#Distribution](#) [#COVID19](#)

The EU Observatory on the Online Platform Economy supports the Commission in policy-making by monitoring and analysing the online platform economy.

Earlier in 2021, the observatory issued several publications of interest. HOTREC notably welcomes the conclusions of the [Analytical paper: “Multi-homing: obstacles, opportunities, facilitating factors”](#). It extensively covers how and why, despite the fact that hotels can ‘multi-home’ on several OTA platforms, the benefits of such multihoming are limited for hotels, exposing the many ways in which OTAs exert their market power over hoteliers, including imposing price parity clauses and only sharing limited data with hotels about guests. It also highlights that from a hotelier’s perspective, Booking.com - which accounted for 67.7% of the OTAs market in Europe in 2019 - still feels as an unavoidable business partner and behaves like an actor with significant market power.

The Observatory also published a report [“Monitoring of the implementation of the Platform to Business Regulation”](#) and an [Analytical paper on the “Structure of the online platform economy post COVID-19 outbreak”](#). The second paper directly shows that direct contact with hotels to potentially ask questions in the context of the pandemic and preference for domestic travel were key factors supporting a relatively higher proportion of direct bookings than usual.

HOTREC underlines negative effects of narrow price parity clauses in reply to consultation on Vertical Block Exemption Regulation (VBER)

Tags: [#Digital](#) [#Competition](#)

The European Commission opened a public consultation on the Vertical Block Exemption Regulation (VBER) at the end of 2020, as the current set of rules will expire in May 2022 and will need to be revised. Hoteliers see the revision of the VBER as a major opportunity to request an end to narrow price parity clauses imposed by OTAs such as Booking.com and Expedia on hoteliers. Narrow price parity clauses typically prevent hotels from offering a more competitive price on their own websites than via OTA platforms, which in turn entrenches hotels’ dependency on OTAs and the dominant market position of the leading OTAs in Europe, where two platforms control 85% of the online market.

HOTREC underlines that price parity clauses should be included in the list of hard-core restrictions (art. 4 VBER), in line with the prohibitions established in Austria, Belgium, France and Italy. HOTREC considers that such an amendment would bring benefits for consumers – in terms of rates and services provided – and to hoteliers – who would gain better control of their digital marketing and distribution strategies. Furthermore, OTAs have maintained a strong market position and continue generating online traffic and hotel bookings in countries where narrow price parity clauses have been prohibited.



Action Plan for the European Pillar of Social Rights is out

Tags: [#SocialAffairs](#)

On 4 March 2021, the Commission launched the European Pillar of Social Rights Action Plan outlining concrete actions to further implement the principles of the European Pillar of Social Rights.

The Action Plan sets three headline targets for the EU to be achieved by 2030: employment, training and reducing the risk of poverty.

HOTREC welcomes the targets, but regrets that at a time that the hospitality sector is facing its biggest challenge of all times, due to COVID-19, legislative proposals such as the Pay Transparency Directive or the Minimum Wages were introduced, which will impact directly the industry and will possibly mean fewer jobs.

Pay Transparency: a Directive is on the way

Tags: [#SocialAffairs](#)

On 4 March 2021, the European Commission launched its proposal for a Directive on Pay transparency ([COM\(2021\)93](#)) with the aim of ensuring that women and men in the EU get equal pay for equal work.

HOTREC strongly encourages the same level of pay for the same type of work. Nevertheless, we consider that binding legislation will not address the root causes of the gender pay gap. Solutions could pass via combating gender stereotypes, or affordable solutions covering childcare and the elderly.

We welcome the fact that Member States need to create methodologies based on objective criteria to assess work of equal value. Nevertheless, performance and competencies should have been included in the criteria. But, one question remains: how can we evaluate work of equal value based on performance? The challenges of not creating uncertainty are high.

We welcome the fact that micro-enterprises and SME's are exempted from the need to provide pay gap reports and develop joint pay assessments (and the fact that Member States might compile the data themselves).

But we consider that the negotiation power of employers will be jeopardized, as salaries need to be advertised when a vacancy opens. We also think that the right of employees to ask for information on individual pay level, broken down by sex might bring more administrative burdens to the small companies. It might also be a deterrent for privacy rules, as it will be easy for colleagues in a very small company to know the salary of their colleagues.

HOTREC is looking forward to exchanging ideas with the European Parliament and the Council of the EU on the topics.

EU Member States adopt new taxation rules to tackle lost fiscal revenues of sales generated through digital platforms

Tags: [#Taxation](#) [#Digital](#) [#STR](#)

On 22 March, the Council adopted [amendments to the directive on administrative cooperation in the field of taxation](#) in order to address Member States' loss tax revenue through digital platforms selling goods or providing service and the unfair advantage this creates traditional businesses.

The amendments aim to ensure that the income earned through digital platforms gets reported and that due taxes are paid, in particular when digital platforms operate across several countries, creating an obligation for digital platform operators to report the income earned by sellers on their platforms

and for member states to automatically exchange this information. The new rules cover digital platforms located both inside and outside the EU and will apply from 1 January 2023 onwards. They will allow national tax authorities to detect income earned through digital platforms and determine the relevant tax obligations. Compliance will also become easier for operators of digital platforms as reporting will only take place in one member state in accordance with a common EU framework.

State Aid temporary Framework extended!

Tags: #Competition #StateAid #COVID19



On 28 January 2021, the European Commission announced the following changes with regard to the State aid Temporary Framework:

- Prolongation of the State aid Temporary Framework until 31 December 2021;
- Increase of the aid ceilings up to €1.8 million per company active in the tourism sector (previously €800,000);
- Increase of the ceiling up to 10 million per company (previously 3 million), in case companies were especially hit by the coronavirus crisis, and have turnover losses of at least 30% during the eligible period compared to the same period of 2019.

We believe these changes are fundamental in helping the sector survive, keep jobs and saving companies.

HOTREC calls on the EU and national funding to be prolonged as long as it is needed. It will take time to reach the employment and turn-over levels of 2019 and the “new normal” presents constraints to the sector (e.g. travel restrictions; consumer trust).

E-privacy Regulation: Council reaches mandate to start negotiations with the European Parliament

Tags: #DataProtection #GDPR #Hospitality

On 10 February 2021, Member States agreed on a negotiating mandate for the revised ‘**e-Privacy Directive**’. The rules define cases in which service providers are allowed to process electronic communications data or have access to data stored on end-user devices. HOTREC supports the [Council's mandate](#).

One of the main outcomes of the negotiation, and fully in line with HOTREC's demands, is that direct communication is possible with former clients (Article 16/2).

As the user's terminal equipment, including both hardware and software, may store personal information, such as photos and contact lists, the use of processing and storage capabilities and the collection of information from the device will only be allowed with the user's consent or for other specific transparent purposes laid down in the regulation.

In addition, the end-user should have a choice on whether to accept cookies or similar identifiers. Making access to a website dependent on consent to the use of cookies for additional purposes as an alternative to a paywall will be allowed if the user is able to choose between that offer and an equivalent offer by the same provider that does not involve consenting to cookies.

To avoid cookie consent fatigue, an end-user will be able to give consent to the use of certain types of cookies by whitelisting one or several providers in their browser settings.

The European Parliament and the Council will now start trialogue negotiations.

Joining forces with industry partners to fight devastating effects of COVID-19

Tags: @EFFAT_org #EuropeanTourismManifesto #COVID19 #LiveFromTheNetwork #Tourism



Twelve months after the first hospitality establishments were forced to close or drastically reduce their activities due to COVID-19, businesses in the sector are still facing severe hardships. With so much uncertainty ahead, the beginning of 2021 was a crucial time for HOTREC to join forces with its industry partners.

Earlier this month, we published a [joint press release](#) with our trade union counterpart, [EFFAT](#), and together we called for the EU and its Member States to deploy a series of measures that could potentially improve the industry's prospects.

Our asks in brief:

- Extending the EU and national funding programmes (e.g., State Aid and Cohesion Funds) for as long as it will be necessary – and, in any case, after December 2021.
- Avoiding over-indebtedness and the loss of creditworthiness of valuable companies.
- Supporting upskilling and reskilling: responding to the economic and social impact of the coronavirus will also pass through preparing the hospitality's workforce for the digital and green transition ahead.

As of today, we are still working with over 20 associations in the hospitality value chain with the goal to establish a European hospitality task force to discuss the impact of the pandemic and come up with a roadmap for the recovery. Read the [letter](#) that we sent to the EU Institutions Presidents at the end of January to know more.

Last but not least, this month we joined over 60 tourism and hospitality organisations of the [European Tourism Manifesto](#) in launching #Tourism4Recovery: a campaign aimed at making tourism part of EU national Recovery and Resilience plans and showcasing the importance of investing in sustainable tourism.

We look forward to teaming up even more with industry partners all over Europe and together make European hospitality heal and thrive!

What's next

In the HOTREC Team's and membership's agenda

16 April 2021 – HOTREC Distribution and STR Working Group meeting (Members only)

21 April 2021 – Expert workshop on glass collection and recycling in HORECA sector

27 April 2021 – HOTREC Sustainability Working Group meeting (Members only)

1 June 2021 – HOTREC 82nd General Assembly