

Live from Brussels Newsletter

Issue n°106 – 17 November 2021

A message Ms. Marie Audren, Director General of HOTREC



Dear readers,

Welcome back to this new issue of 'Live from Brussels'!

As the end of another challenging year is approaching, we are already planning for our upcoming projects and goals: once again, we expect that helping the sector exit the crisis and increase its resilience will be our number one priority in 2022. This summer season, the overall good industry performance, the progressive **reopening of the Union's borders** and the ongoing approval of national Recovery Plans brought forth a wave of optimism. However, many businesses – from large chains to micro-enterprises – are still struggling to survive due to staff and supply shortages, short term debt, and the lack of international tourists, among other things.

The truth is that two promising months cannot make up for the damage caused by almost two years of closures and uncertainty. The pace with which the sector will bounce back will depend on its capacity to adapt to the ongoing transitions and enter **a new era of resilience, innovation and sustainability**. We had the pleasure to brainstorm on this topic and more in the **first episode** of our brand new podcast, 'Dare to Host'.

Right now, it's clear that, in the short term, extending the existing EU and national funding for as long as necessary will be essential to ensure a full recovery. To this end – and considering the **current worsening of the epidemiological situation in Europe** – we keep urging the European Commission to further extend the State aid Temporary Framework until at least mid-2022. Earlier this morning, I stressed this issue over **this morning's European Tourism Forum**.

Achieving a more sustainable tourism and hospitality ecosystem by 2030 will also be of the utmost importance for businesses across Europe to remain competitive and return to pre-pandemic levels. In this sense, the past few weeks have been fruitful, with the **COP26 on 1-13 November** serving as a springboard for the **Glasgow Declaration on Climate Action in Tourism**, which we fully support.

The path towards digitalisation will also represent a major challenge and an opportunity for the industry: taking the next steps towards a more digital ecosystem will require many resources and a long time commitment. For such an investment to be profitable – especially in the case of SMEs and micro-enterprises – the industry will need to achieve a fairer relationship between hospitality businesses and online intermediaries and a workforce with the right set of skills. In this regard, we are keeping a close eye on the **latest developments** on the Digital Markets and Services Acts. In this issue of our newsletter, we also had a chance to discuss this and more with **MEP Josianne Cutajar** (Malta, S&D)

In other news, the next few weeks will be exciting for HOTREC, with our General Assembly taking place on 2-3 December. Our members and some great speakers will join us in beautiful Lyon for two days of fruitful discussions and best practice sharing. We can't wait to meet you all!

We hope you will enjoy our newsletter.

Discussing the Digital Markets Act, tourism SMEs and more with MEP Josianne Cutajar



MEP Josianne Cutajar is the youngest Member to ever represent the Maltese Islands in the European Parliament. As a member of the Committee for Industry, Research and Energy, as well as the Committee for Transport and Tourism and that for Regional Development, she strongly advocates for tourism to be adequately recognized at the European level. Through her work on DSA first, and DMA after, she has called for efficient regulation on digital platforms to ensure fair markets and end abusive practices that can hurt SMEs within the tourism sector. MEP Cutajar is also an active member of the European Parliament's Tourism Task Force, wherein she has been advocating for greater coordination at the EU level as well as the importance of addressing issues faced by the travel and tourism sector during this pandemic and strengthening connectivity.

1. The European Parliament TRAN Committee's **opinion** on the Digital Markets Act (DMA) shows an excellent understanding of the digital challenges for the transport and tourism sector. What do you consider to be the most important calls made by the committee on these topics and what is on your 'wish list' to the IMCO Committee?

We were aware from the onset of the importance of the Digital Markets Act for transport and tourism, but in particular for the hospitality sector. Indeed, where an opinion can be limited due to the challenge of keeping within the Committee scope, it can also be an exceptional opportunity to focus and shed light on paramount sectorial issues that might go lost in discussions on a horizontal regulation. This is what I aimed to do in TRAN. I am satisfied with the final progressive outcome of the opinion. For me, the most crucial call we make is to ensure that the DMA is future proof, ready to timely capture new gatekeepers in the market. We indeed request to lower the quantitative thresholds in Article 3 to ensure that in markets

where asymmetries exist corrective measures are taken to ensure fair and contestable markets. What is on my wish list for IMCO? Surely, the obligation ban on self-preferencing and display and the call to allow businesses to offer listings at different prices on third party websites, including their own (The ban on Narrow Price Parity Clauses). What is also important is that the DMA has "teeth", is strongly enforceable and has clear deadlines so as not to allow gatekeepers to profit from grey areas - something which I pushed forth in the TRAN opinion.

2. The European Parliament's **report** on the EU SME Strategy of December 2020 underlined the new challenges posed by the Covid-19 pandemic. As the ITRE Committee's shadow rapporteur, which supports measures do you consider as essential for European tourism SMEs?

European SMEs had been facing structural challenges even before the COVID19 outbreak. Excessive administrative burden, difficult access to finance, upskilling of the workforce: many entrepreneurs have historically faced these issues regardless of the sector. Yet, as the pandemic has hit the tourism industry the hardest, these challenges were exacerbated, leaving small and medium businesses with a grim outlook. While last summer showed some positive signals, the industry should still be supported to adapt to the new normality, which embeds the next challenges of the twin transition. The tourism sector can benefit from this process, especially when it comes to the digital transition, but we still have a long way to go.

It is key to bridge the "knowledge gap", which often hampers SMEs from getting to know about the opportunities stemming from the digital transformation Europe is undertaking. The EU SME Strategy Report which I worked directly upon, stressed this point specifically, along with the importance of wider uptake of the digital tools and EU instruments to enable the digital revolution. Digitalisation will be key also for SMEs operating in the tourism sector. The report also emphasised the role of the so-called European Digital Innovation Hubs (EDIHs), financed under the Digital Europe Programme 2021-2027, that will promote the uptake of digitalisation at the national and local level, both among SMEs and in the public sector. The contribution of the hubs to the digitalisation of the tourism sector can be relevant. It would be advisable that countries highly relying on this sector strongly promote an ad-hoc focus of the EDIHs, making it possible to involve SMEs and operators of the tourism industry to support an advanced uptake of digital tools.

It is indeed belittling to simply link digitalisation in tourism to the development of digital solutions enabling online booking or service/accommodation reviews. The digital transformation can positively affect tourism in additional ways. For instance, digital tools can further help market tourism destinations through digital channels and social media promoting tourism and complementing the travel experience via virtual tours and experiences through augmented reality. In addition to that, we are still missing a well-deserved focus on analytics concerning digital tools: SMEs should be able to access data to perform analytics and enhance their positioning. To achieve these ambitious goals, it is key to reskill and upskill key stakeholders including SMEs and their workforce to reap the full benefits.

3. Policies on the green and digital transition of tourism are likely to be an integral part of the TRAN Committee's agenda in 2022. Which policies will you be closely looking into?

The tourism sector is slowly recovering from the greatest shock it has ever faced. It has proven to be resilient, yet it had to be supported for the great part by government loans and other support schemes. We must address uncertainties surrounding the future of tourism including new spikes in Covid cases, staff shortages, and rising costs. Let us not forget the risks of bankruptcy as government support schemes end. Tourism will not return to pre-pandemic levels until mid-decade. For this reason, the first policy area we must focus on is continued support to SMEs, including the extended application of relaxed state aid measures. This will be essential to help the sector survive.

At the same time, as we recover, we must focus on a digital, green and social transition for the sector. When it comes to the sustainability aspect, circularity and carbon-neutral mobility must become a reality. On digital, I stress the importance of redefining curricula to implement courses on digital skills and a focus on innovation and resilience especially in case of future shocks. This could also assist in the retention of the workforce, something the sector is struggling with. I would like to work towards Tourism becoming a long-term career.

Lastly, on the social side. We travel not only because of the beauty of the landscape or the historical sites; we travel to meet new cultures. We need a policy that places local communities at the centre of projects, creating synergies that uphold local craft and skill, for example by connecting local fishermen and hotel restaurants or by promoting the sale of local craftsmanship or food in shops. Whilst I welcome the ongoing work by the Commission on the Transition Pathway for the tourism ecosystem, we need to ensure a strong EU tourism agenda at the beginning of 2022, which will include the relevant policy areas including the ones mentioned above.

4. Tourism is key for the Maltese economy. What are the most pressing issues for your constituency?

There are some common issues that Malta shares with other countries when it comes to tourism such as a successful environmental and digital transition as well as the staff shortage. Then other challenges are specific to us or affect us more given that we are a small island Member State – including when it comes to connectivity. Having said that, the Maltese Government has taken a proactive stance to transform its tourism market, understanding the many challenges ahead. The government has set forward a 2030 Tourism strategy that outlines the main issues – but also opportunities – for the archipelago. The first goal is to return to pre-pandemic revenues streams for tourism and focus more on quality tourism as we go ahead. Our strategy also underlines a very important realization. If we want to maintain the appeal of the country, we must work on fighting climate change. The beauty and attractiveness of our island would be at risk if we do not focus on sustainability.

Investment in digital infrastructure, skills and projects is also key. Strong digital connectivity across the islands and innovative digital initiatives are essential to meet the needs and demands of the evolving touristic market. Proper connectivity, incentives and facilities could lead to more people working from remote in Malta and Gozo and thus extending their stay – it could lead to the attraction of digital nomads. This is one of the steps that can be taken to end seasonality, the importance of which has also been recognised by the Maltese Government.

Another key aspect of Malta is connectivity. Whilst Covid-19 had its effects we need to focus on a strategy ensuring seamless, safe and affordable transport - especially when it comes to air and sea travel - which includes carbon reduction standards. This is also a priority which the Government has been focusing upon in the past months to regain strong routes following the pandemic's effects.

When it comes to addressing the staff shortage and turnover in the tourism field, given that this is a European challenge, European initiatives such as a European Academy and a digital platform that brings together employers and employees in the tourism field which I proposed a while ago could help in addressing the issue.

Partial recovery for hospitality over summer 2021 to be short-lived due to 'fourth wave' of Covid-19 cases

Tags: #Statistics #Covid19 #hospitality

Turnover figures for the European hospitality sector **over the course of summer 2021** hinted at a return to 'business-as-usual' for the sector, with turnover figures largely exceeding those recorded in summer 2020 and at almost comparable levels, albeit lower, with those recorded during summer 2019. Only France, Bulgaria and Romania recorded higher turnover rates over summer 2021 compared to summer 2019.

Despite the success of the EU Covid pass and the lifting of restrictions on hospitality businesses, the sector's optimism has been short-lived, as Covid-19 cases and hospitalisations have grown rapidly across Europe this autumn. Several European countries have reintroduced partial lockdown measures or more stringent requirements to attend hospitality venues. The return of business travel, which is a crucial source of business for hospitality in autumn, is likely to be heavily impacted.

As such, **it appears essential that support measures for the sector remain active at the European and national levels**. The sector needs to deal with a return to expected lower turnover levels over the next months; at the same time, long-lasting consequences of the pandemic on the sector such as staff shortages, accumulation of debt and the expiration of tax moratoriums will continue affecting establishments' capacity to function and remain in business.

The Glasgow Declaration on Climate Action in Tourism: shared pathways towards a carbon-neutral tourism

Tags: #sustainability @UNWTO @IPlanetTourism #ClimateAction #EUGreenDeal #GlasgowDeclaration #tourism #TourismAndClimate #NetZero



During the UN COP26, over 300 tourism stakeholders launched the **Glasgow Declaration on Climate Action in Tourism**.

The Declaration will bring the sector commitment towards carbon neutrality by 2050 a step forward by leading and aligning climate action plans across tourism.

The objectives outlined in the Declaration will be possible by following five shared pathways:

- **Measuring** and disclosing all travel and tourism-related emissions;
- Setting and delivering targets to **accelerate tourism's decarbonisation**;
- **Restoring and protecting ecosystems**;
- **Collaborating** with other stakeholders to coordinate our efforts;
- And ensuring the **financial capacity** to meet the objectives set out in climate plans.

HOTREC welcomes this Declaration and fully supports its activity, its agenda and foreseeable implementation.

Picture source: UNWTO

Climate change action: COP26 outcomes and conclusions

#sustainability @IPlanetTourism @COP26 @EU_ENV @UNWTO #COP26 #EUGreenDeal

The **2021 United Nations Climate Change Conference (COP26)** took place on 1-13 November 2021 in Glasgow, Scotland. The conference ended on Saturday with a first-time deal targeting fossil fuels as the key driver of global warming. On the negative side, the **lack of financing** from rich to developing countries risked casting a shadow over the unprecedented deal – which included a promise to double adaptation finance by 2025 but no guarantees.

Some of the **outcomes** and conclusions of these negotiations include a US-China bilateral compromise to redouble climate change mitigation efforts; and the creation of the **Beyond Oil and Gas Alliance** (BOGA) by Denmark and Costa Rica, aimed at phasing out coal and gas.

The EU received some criticism for backing EUR 13 bln worth of gas projects. In this regard, Vice President Frans Timmermans pointed out that *“exiting out of coal, for a number of member states, will have to happen through an intermediary phase using natural gas.”* The EU Commission conclusions are available [here](#).

HOTREC confirms its support of the UN Sustainable Development Goals (SDGs) and the EU targets on climate change. However, we once again stress the importance of providing ad hoc incentives and funding to the sector SMEs for them to be able to comply with the necessary infrastructural changes.



The EU achieves 20-20-20 climate targets, making 55% emissions cut by 2030 attainable

Tags: #sustainability @EUEnvironment @EU_ENV #EUGreenDeal

According to a new **European Environment Agency (EEA) assessment**, the European Union achieved its three central climate and energy targets by 2020. These 2020 climate and energy targets encompassed reducing greenhouse gas emissions by 20% compared to 1990 levels, increasing the share of renewable energy use to 20% and improving energy efficiency by 20%.

Thus, the EU is still on track for the 2030 target of a 55% reduction in net greenhouse gas emissions, **as long as additional efforts are made and new policies are adopted and implemented.**

In this sense, **HOTREC and the hospitality sector are committed to helping to reach the SDGs climate targets.** However, for this purpose, **the right incentives and funding need to be provided – especially to SMEs and micro-enterprises.**

New Commission toolbox of measures will tackle soaring energy prices in Europe

Tags: #sustainability @EU_ENV #EUGreenDeal

On 13 October 2021, the **European Commission adopted a Communication on Energy Prices to tackle the extraordinary rise in global energy prices** – projected to last through the winter – and help the Union's people and businesses.

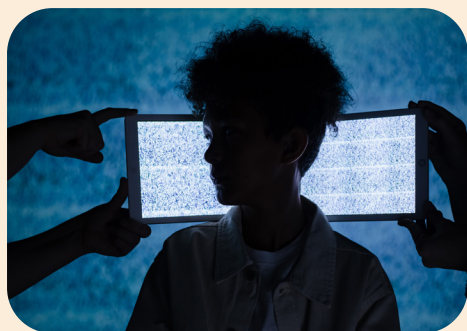
The Communication includes a “toolbox” that the EU and its Member States can use to **address the**

immediate impact of current prices increases and further **strengthen resilience against future shocks**. Short-term national measures include emergency income support to households, state aid for companies, and targeted tax reductions. The Commission will also support investments in renewable energy and energy efficiency; examine possible measures on energy storage and purchasing of gas reserves, and assess the current electricity market design.

HOTREC very much welcomes the Commission initiative: State aid for companies and targeted tax reductions are the way forward to help SMEs cope with the rising energy prices.

EU legislators move ahead on Digital Markets and Services Acts

Tags: #digital @EU_Growth #DigitalMarketsAct #DMA #DigitalServicesAct #DSA #gatekeepers



The Council of the EU is closing in on the adoption of its general approaches for the Digital Services and Digital Markets Act. Member States are expected to adopt the Council's positions on these two pieces of legislation to engage in negotiations with the European Parliament during the Competitiveness Council of 25 November.

HOTREC has reached out to EU Member State representatives to request a ban on the imposition of narrow price parity clauses by digital gatekeepers, which undermine the hotel sector's capacity to digitalise, under Article 5b of the Digital Markets Act. By contrast, there appears to be a consensus in the European Parliament to ban these clauses, with corresponding amendments adopted in the European

Parliament Opinions of the ITRE, ECON, JURI, TRAN and CULT Committees.

All eyes are now turned towards the adoption of compromise amendments between European Parliament IMCO rapporteurs on both files. Discussions regarding a ban on targeting advertising are holding up a vote on the Digital Services Act, while the criteria for the identification of digital gatekeepers is a key sticking point for progress towards a vote on the Digital Markets Act. On this latter point, **HOTREC has underlined the importance of designating gatekeepers offering only one core platform service in order to capture dominant online marketplaces for accommodation bookings**. The European Parliament is expected to adopt its position on both legislative files by the end of 2021.

European Commission survey on 'good practice in online consumer reviews and ratings'

Tags: #digital #HotelQuality

Throughout October 2021, the European Commission opened a survey to gather stakeholders' feedback on the 'Principles and Recommendations for Good Practice in online consumer reviews and ratings'. **Draft principles** have been produced based on the work of the multi-stakeholder platform on the quality of tourism accommodation in the framework of a study commissioned by the European Commission.

HOTREC responded to the survey, underlining the **need for online reviews to be accountable, accurate and relevant, as well as distinguishable from and respectful of hotel star classifications**. The multistakeholder platform's work may in time lead to the adoption of a code of conduct for online reviews for major websites providing hotel reviews.

European Commission survey on 'good practice in online consumer reviews and ratings'

Tags: [#digital](#) [#HotelQuality](#)

Throughout October 2021, the European Commission opened a survey to gather stakeholders' feedback on the 'Principles and Recommendations for Good Practice in online consumer reviews and ratings'. **Draft principles** have been produced based on the work of the multi-stakeholder platform on the quality of tourism accommodation in the framework of a study commissioned by the European Commission.

HOTREC responded to the survey, underlining the **need for online reviews to be accountable, accurate and relevant, as well as distinguishable from and respectful of hotel star classifications**. The multistakeholder platform's work may in time lead to the adoption of a code of conduct for online reviews for major websites providing hotel reviews.

European Parliament votes on Minimum Wages

Tags: [#SocialAffairs](#) [@EPSocialAffairs](#) [#EUMinimumWage](#)

On 11 November 2021, the European Parliament Committee on Employment and Social Affairs (EMPL) voted on a compromise text of the proposed Directive on Adequate Minimum Wages in the European Union. This text got approved by thirty-seven votes in favour, ten against and seven abstentions.

HOTREC welcomes that a reference to deductions and variations was suppressed from the text – as the competencies of Member States shall be respected. We also **support the safeguard of national competencies rights**, as the text clarifies the various types of minimum wages.



Nevertheless, **we regret that international criteria were included in the body of the legislation**, even if this states that these indicators are an indicative reference. Subsidiarity prevails on this matter.

We are also concerned with extending the collective bargaining coverage to 80%: introducing a percentage might interfere directly with national systems and social partners autonomy.

The text will now be subjected to a vote at the European Parliament plenary – most probably on the week of 22 November.

We call on the European Parliament and the Council to respect well-established social partners agreements, encourage collective bargaining with the support of social partners and in line with national competencies, and respect statutory systems.

Latest updates of the EU Covid safe travel list

Tags: [#tourism](#) [@EUCouncil](#) [#Covid19](#) [#EUCovidCertificate](#) [#EUTourism](#) [#RestartTourism](#)

The Council of the EU **updated** the list of countries for which travel restrictions should be lifted – thus including **Argentina, Colombia, Namibia, and Peru** to the EU Covid safe travel list in October and, later in November, the **removal** of **Singapore and Ukraine**. Moreover, on 15 November, the Commission adopted four decisions certifying that Covid-19 certificates by Georgia, Moldova, New Zealand and Serbia are equivalent to the EU Digital COVID Certificate. So far, **49 countries** are connected to the European system.

We very much welcome that more countries use the same system, as this will smooth citizens' freedom of travel. In this regard, HOTREC issued a **joint position paper** on lifting travel restrictions. EU countries should thus move towards a traveller risk-based approach, and international travel should be made possible with the same conditions as for intra-EU travel.

Beyond the recovery: HOTREC discusses the future of hospitality at the 20th European Tourism Forum

Tags: [#LiveFromTheNetwork](#) [@tourism_slo](#) [@SloveniaInfo](#) [#EuropeanTourismForum](#) [#TogetherForHospitality](#)

This morning, HOTREC Director General, Ms Marie Audren, had the pleasure to join the **20th edition of the European Tourism Forum**.

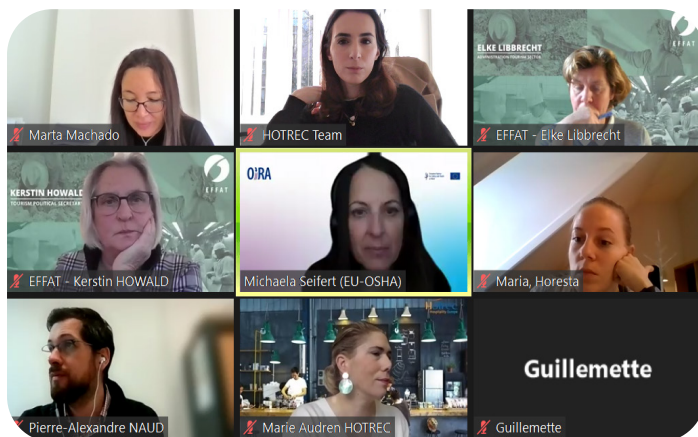
Ms Audren participated as a speaker in the first session on **'EU tourism industry and destinations in driving the transition'** alongside EU officials and industry partners and outlined the milestones that European hospitality will have to go through to grow more resilient to future shocks.

"The European recovery will remain a priority in the years to come", she warned. "Nonetheless, it is important to acknowledge that, in the next few years, hospitality will face many other challenges that will not wait for the recovery and will require immediate planning, investments and resource deployment".

Ms Audren also stressed the importance of providing continued support to the sector through specific EU and national funding. The existing measures will stop at the end of 2021, but hospitality still needs all the help it can get after two disastrous years. We thus urge the European Commission to further prolong the State aid Temporary Framework until at least mid-2022.

Towards healthier and safer workplaces in hospitality establishments: a webinar on the OiRA tool

Tags: [#LiveFromTheNetwork](#) [@EU_OSHA](#) [#EUhealthyworkplaces](#) [#OSH](#) [#OiRAtools](#)



On 9 November, HOTREC, together with its trade union counterpart, EFFAT, and under the umbrella of the European Agency for Safety and Health at work (EU-OSHA), organised a joint online seminar on the – free of charge – Online interactive Risk Assessment (OiRA) tool.

The OiRA tool aims at helping hospitality businesses comply with OSH regulations by making their risk assessments and encouraging national social partners to think about the possibility of developing a sectoral OiRA tool at the national level. It improves safety and health at the workplace, reduces the risk of potential hazards and injuries, and can be used conjunctly with all interested parties (e.g.,

governments, social partners, labour inspectorates, etc.).

What's next

In the HOTREC Team's and membership's agenda

17 November – European Tourism Forum

17 November – Spirits SUMMIT 2021 #spiritsSUMMIT

22 November – HOTREC Sectoral Social Dialogue Committee plenary meeting

30 November-3 December – UNWTO General Assembly

2-3 December – HOTREC 83rd General Assembly in Lyon, France

2-3 December – Start of the French presidency of the EU Council



www.hotrec.eu 