



The hospitality industry unveils its assessment of platforms' practices within the mid-term review of the Digital Single Market Strategy

Brussels – 10 October 2017 – In today's MEP Breakfast meeting on online platforms' transparency, several MEPs and representatives of the European Commission, as well as of the hospitality industry, consumers and of online platforms recognised the enhanced role platforms should take to the mutual benefit of consumers, businesses and the whole European Digital Single Market. Platforms are indeed playing a more and more crucial role in everyone's business and private life, however their often dominant position leads to discrepancies in the market, which need to be rectified.

The European hospitality industry presented to the participants (among which several MEPs, Head of Units from DG Just and DG Connect and representatives of Member States) its position including the state of play of the situation both from a business and consumer perspective as well as the necessary action to be taken to rectify unfair commercial practices.

"Online platforms abuse their dominant position vis-à-vis their individual partners of the highly fragmented hospitality industry. When one platform accounts for around 2/3 of hotel bookings via Online Travel Agencies, the whole hospitality industry is impacted by its practices, specifically when these are unfair" stressed Markus Luthe, Chair of HOTREC's Distribution Task Force in the meeting.

"Moreover, despite the ban of parity clauses in Germany, France, Austria and Italy, representing almost 50% of the EU tourism market in terms of nights spent, such clauses in most countries in Europe are still depriving hoteliers from their entrepreneurial freedom to set the prices and conditions for their own products", added Mr. Luthe.

Indeed, hospitality businesses are losing control over their products and distribution, as many conditions are dictated by the dominant platforms. Consumers are also often misled and unduly pressured by online intermediaries towards immediate bookings while considering making a purchase decision.

"There should be a level-playing field for all actors in today's digital economy and more transparency both towards businesses and of course consumers" said MEP Isabella De Monte, the host of the event.

"Fair competition should be as well the guarantor of the governance and of the development of the Single Market in the EU to be reflected in the Digital Single Market Strategy" – added MEP De Monte.

“The hospitality industry demands that consumers are accurately and transparently informed about rankings and prices on the site and that platforms stop unfair commercial practices both towards businesses as well as consumers. Indeed, more transparency e.g. on algorithms, as well as clear and efficient process in case of disputes are essential for service providers to be able to work in a more predictable and performant market” added Christian de Barrin, CEO of HOTREC. *“The current market situation can and shall be improved by policy makers, as there is lots of unexploited potential in platforms for the benefit of the whole Single Digital Market”*, concluded Mr. de Barrin.

What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.8 million businesses, being 99,5% small and medium sized enterprises (91% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 10 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 40 national associations representing the interest of this industry in 29 different European countries.

For further information: www.hotrec.eu

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