



Parity clauses of Booking.com now banned in Sweden for the benefit of consumers and hoteliers – The ball is rolling across Europe

Brussels, 24 July 2018 – After the ban of price parity clauses in Belgium this 19 July, last Friday, the Swedish Patent and Market Court issued its judgement forbidding Booking.com to impose parity clauses in its contracts with hotels from 20 October 2018 onwards. Such clauses must not be imposed in any form and under any conditions on hoteliers, also ranking algorithms must not take into account refusal of hoteliers who are denying such clauses. Incentives by Booking.com e.g. in the form of lower commissions to apply such clauses is forbidden as well. Sweden is already the 6th country in the EU where parity clauses of at least of the European market leader Booking.com are banned.

Parity clauses applied by online booking platforms forbid businesses to offer better conditions on their own websites than provided to the online intermediary. As 2 online booking platforms dominate over 82% of the increasing online intermediated hotel booking market in Europe, the current Swedish court decision partly releases platforms' pressure from the market, allowing for fairer competition to the benefit of consumers' and all businesses.

“The uncompetitive nature of parity clauses is more and more recognised by antitrust authorities, courts and policy makers all across Europe. The control over the own product and the conditions must remain with the businesses” said Markus Luthe, Chair of HOTREC's Distribution Task Force.

“As the majority of the European tourism market, in terms of room nights, is already free from parity clauses, the rest of the European hospitality industry hopes to soon benefit from these same favourable market conditions as well, following the examples of Austria, Belgium, France, Germany, Italy and now Sweden”, concluded Christian de Barrin, CEO of HOTREC.

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What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.9 million businesses, being 99,5% small and medium sized enterprises (90% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 11.1 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 43 national associations representing the interest of this industry in 30 different European countries.