



“Parity clauses from hotel distribution contracts to be banned once for all” says HOTREC

Brussels, 16 December 2014 – HOTREC, the organisation representing the hotel sector in Europe, opposes to any commitment by Online Travel Agents trying to maintain parity clauses in hotel room distribution in one form or the other. Complete entrepreneurial freedom of hoteliers shall be restored allowing them to set their prices for any kind of distribution channel according to their business purposes.

The European Commission announced yesterday the launch of market tests in the antitrust investigations by the French, Swedish and Italian competition authorities in the online hotel booking sector, as Booking.com has offered commitments in order to end investigations.

“There are 3 major sites realising 90% of hotel bookings via Online Travel Agents – the biggest one by far being Booking.com - , compared to around 200.000, mainly small hotel enterprises in Europe. From this proportion the bargaining power in the market is not difficult to be judged, therefore the protection for the small ones is crucial. Authorities should be careful in assessing who regulates the market and sets the rules at the end.” – says Christian de Barrin, CEO of HOTREC.

Under the current parity conditions applied on the market, hoteliers’ hands are bound and their entrepreneurial freedom is undermined, as they are not able to decide themselves which room prices and conditions to offer on the different distribution channels. This is restricting competition and customers will be denied from the possibility of enjoying the full benefits of competition.

“HOTREC calls upon competition authorities in Europe to ban all types of parity clauses from hotel distribution contracts, in order to allow hoteliers to decide themselves, and not the retailers, on how and for which price their hotel rooms are sold on the different distribution channels” – says Markus Luthe, Chair of HOTREC’s Distribution Task Force.

It has to be taken care of, that the European Digital Agenda and competition rules are not benefiting in an imbalanced way the oligopolistic structure of hotel distribution portals, but are taking into account SMEs, forming the backbone of the European economy, and their entrepreneurial freedom.

What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. This industry includes around 1,8 million businesses, of which 99% are small and medium sized enterprises (91% of them micro enterprises, i.e. employing fewer than 10 people). These businesses make up some 59% of industry value added. The hospitality industry provides some 10.2 million jobs in the EU alone. Together with the other tourism industries, the sector is one of the largest industries in Europe. HOTREC brings together 42 national associations representing the sector in 27 different European countries.

For further information: www.hotrec.eu

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