



Micro-enterprises ring alarm bells on Work-Life Balance

Brussels, 6 December 2017 –The European hospitality industry calls on the European Parliament and the Council to take into account the lack of skilled workforce in Europe and the costs of extra leaves within the Work-Life Balance proposal.

Following-up the publication of the progress report on the European Commission proposal on the Directive for Work-Life Balance published by the Council of the EU and the on-going work on the file by the European Parliament, HOTREC calls on the support of both institutions to find a solution with regard to the payment of the leaves so that it does not undermine financially micro-enterprises and SME's and their potential for job creation.

“The hospitality sector provides more than 10 million jobs and represents more than 1.8 million companies. It is a sector that is inclusive and provides to many young people an entry door to the job market. 91% of the companies in the sector are micro-enterprises, employing less than 10 people and holding very low profit margins. If the leaves proposed by the European Commission would be paid by the companies, this would mean companies would need to pay two salaries: one for the person on leave and another one to the replacing person. This would mean that many enterprises would not have the financial capacity to remain open, a loss of jobs would follow and a break on growth would occur in the sector”, mentioned Jean-Marc Banquet d’Orx, chair of the Social Affairs Task Force and chair of the Sectoral Social Dialogue Committee, at HOTREC.

“It is also to take into account that even if some governments pay for the leaves themselves in some of the Member States, there is a risk that micro-enterprises are charged indirectly for the payment of the leaves (e.g. through increased or new taxes). It is fundamental that the EU institutions find a solution for the payment of the leaves, not to burden micro companies and SMEs. Moreover, the reorganisation of work and the training costs of the new employees also need to be considered. The sector’s skills shortage is a reality and the extra leaves would make it difficult for small companies to survive. This is the reason why HOTREC insists that a proper impact assessment targeting the short-term costs and focusing on micro-enterprises and SME’s should still be developed by the European Commission”, added Susanne Kraus-Winkler, HOTREC President.

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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