



HOTREC raises strong concerns about the shadow tourist accommodation market and calls for a level playing field

Brussels, 28 October 2014 – On the occasion of its 69th General Assembly, the members of HOTREC, the trade association of the European hospitality industry, debated about the drawbacks of the shadow hospitality economy and adopted a position paper calling for a level playing field on the tourist accommodation market.

HOTREC has been monitoring with concern the rapid market development of online platforms providing private accommodation to tourists as well as the growing number of listed properties; both of which often developing in an uncontrolled way. Such developments pose questions in relation to matters relevant to the whole society in Europe. Cities are reporting problems of housing, as many properties are withdrawn from the market to the benefit of renting them out short term. Residential areas are often disturbed, which already lead to demonstrations against tourists in neighbourhoods.

“The rapid development of the shadow hospitality economy might also feed the black economy and be harmful not only for the legally operating hospitality establishments but also for the whole society if developed in an uncontrolled way” said Ramón Estalella, Chair of HOTREC’s Shadow Hospitality Task Force. *“A holistic approach should therefore be adopted when addressing this new market”* Mr. Estalella stressed.

Indeed rightful public revenue (through compliance with fiscal obligations), and security measures according to Schengen rules, as well as hygiene and safety conditions, have to be addressed. Today, shadow accommodation providers do not comply with most regulations that responsible hospitality businesses, most of which being micro and small enterprises have to legally implement, which also concern consumer protection.

Therefore, HOTREC and its national associations call for a fair level playing field in the tourist sector to create a fair competitive environment amongst the different actors of the industry and address possible drawbacks.

“Internet has changed dramatically the way the tourism sector operates. The explosion of new online platforms and, in particular, of new forms of tourism services has modified substantially the classical tourism business model. Shadow hospitality in particular, is a new phenomenon that needs to be addressed as it also affects the quality of the overall travel experience of the consumer which may directly impact the other tourism sub-sectors” concluded Christian de Barrin, CEO of HOTREC.

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.

PRESS CONTACT: Daniel Makay, Public Affairs Manager, +32(0)2 513 63 23, daniel.makay@hotrec.eu