



Belgium the 5th country in Europe allowing for price setting freedom for hoteliers

Brussels, 20 July 2018 – Yesterday the Belgian federal parliament adopted by unanimous vote a new law banning rate parity clauses from contracts between online booking platforms and tourist accommodation providers. This legislative move was initiated by Horeca Bruxelles/Brussel, Horeca Vlaanderen and Horeca Wallonie, with the support of the Belgian consumer organisation ‘Test Achat’. Belgium now follows the way of Austria, France and Italy, while in Germany such clauses are prohibited by competition authority’s decisions. With this vote in the Belgian parliament, in more than half of the European tourism market (in terms of overnight stays) hoteliers may finally freely set the conditions for the distribution of their own products.

Parity clauses applied by online booking platforms forbid businesses to offer different conditions 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 Belgian decision partly releases platforms’ pressure from the market, leaving space for a fair competition to the benefit of consumers’ and all businesses.

“The control over the own product and the conditions must remain with the hotels. Although this principle should rule the market, more and more hoteliers are losing overall control over their own product due to the increasing market power of their distribution partners” said Markus Luthe, Chair of HOTREC’s Distribution Task Force.

“As the majority of the European tourism market has become free from parity clauses, we hope that the rest of Europe will also soon follow the examples of Austria, Belgium, France, Germany and Italy, allowing for a level playing field for all businesses across Europe”, 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.