

Some background information HOTREC EP event – Wednesday 20 February 2019

About HOTREC

42 National hotel and restaurant associations in 30 European countries

Figures European Hospitality Industry

- 2 million enterprises (90% micro enterprises)
- 11,9 million jobs
- 1,6 million jobs created between 2013 and 2016

- 3,7% direct contribution to GDP
- 126 billion EUR contribution to treasuries

- 54,1% of people employed are women (46% in overall economy)
- 20,2% of people employed are below 25 years (8,2% in overall economy)
- 30,2% of people employed have lower secondary education (17,7% in overall economy)

- 200.000 hotels and similar establishments
- 1,9 billion nights spent in hotels in 2016

Tourism (UNWTO provisional data for 2018)

- International tourist arrivals up by 4,4% in EU28 (5,7% in wider Europe), reaching 562 million (712 million) arrivals in 2018 (1,4 billion worldwide)
- International tourist arrivals up by 5,6% in the world, reaching 1,4 billion arrivals in 2018

Collaborative economy

Accommodation Market - HOTREC 5 pillars:

1. Registration of activity
2. Thresholds for professional activity
3. Taxation of activity
4. Health, Safety and Security of guests
5. Liability of platforms and other players

Food Services Market ('meal sharing') - HOTREC 5 pillars:

1. Registration of activity / Licensing
2. Taxation of activity
3. Consumer protection, health, safety and security (comply with basic EU and national obligations / apply basic minimum rules to all)
4. Enforcement (cooperate with enforcement authorities, platforms to remove from listing contravening ads, etc.)
5. Liability (liability of platforms, insurance mechanism to be put in place, etc.)

Digitalisation:

- 2 OTAs control 82% of online intermediated hotel booking market (66% Booking.com only)
- OTA bookings increasing – direct bookings decreasing
- Fair and transparent markets
- Entrepreneurial freedom of businesses to set conditions of own products
- Liability of platforms according to their increasing influence on the markets – Collaborative economy or Peer2Peer platforms to take responsibility when influencing the market.

Skills

- Despite the level of unemployment in Europe the hospitality sector faces skills shortages (e.g. ICT; languages; interpersonal skills)
- Tourism SMEs are willing to create more jobs but unable to find skilled employees

Possible solutions:

- Massive trainings financed both at EU + national level. Online trainings are part of the answer,
- Promotion of quality, cost-effective apprenticeship schemes
- Public authorities + social partners to facilitate the transition from education to work
- Improve the image of the sector.

Better Regulation Agenda

- Sectoral impact of horizontal legislation to be better taken into account. Example: Package Travel Directive: high impact on hotel sector neglected.
- Subsidiarity: focus on large cross-border issues first! Past example: Commission proposal to regulate how olive oil served in restaurants.
- When no cross-border aspects, no need for EU legislation
- Food and nutrition a good example: regulation on nutrition/diet best addressed at national/local level. EU should rather foster voluntary initiatives and give it better visibility.

Sustainability

- Sustainable tourism is a challenge for the sector, especially in light of climate change and the scarcity of resources and high costs of investments
- Also opportunity to review operational procedures to better manage resources and cut costs.
- HOTREC brochures to help reduce food waste (2017) and raise energy efficiency (2018)
- Financial support is needed for small businesses with ageing infrastructures to invest in new technologies, modern insulations, renewable energy sources, etc.

Overtourism

- Growing concern for many destinations affecting environment and citizens quality of life
- HOTREC position on 5 steps:
 - Assess scale based on reliable data
 - Spread tourism flows both in geographical and seasonal terms
 - Raise awareness of tourists for responsible behaviour
 - Dialogue and consultation with all affected stakeholders, including tourism sector
 - Consider applying sensible thresholds when proven necessary agreed in dialogue