

HOTREC meeting with Head of Cabinet of Commissioner Ansip

Brussels, 4 May 2017, 11.30

Participants:

European Commission:

- Juhan Lepassaar, Head of Cabinet
- Menno Cox, DG Connect

HOTREC:

- Christian de Barrin, CEO
- Daniel Makay, Public Affairs Manager

Summary of the meeting

The meeting took place in the light of the Mid-Term Review of the European Commission's Digital Single Market Strategy, and especially with regard to the role of online platforms. The meeting was also a follow-up to HOTREC Secretariat's meeting of 12 July 2016 with Mr. Gerard de Graaf, Director of DG Connect, of 23 September 2016 with Mr. Henrik Morch, Director of DG Competition, and to the 6 December 2016 participation of Ms. Maria Rehbinder, Head of Unit in DG Grow to HOTREC Distribution Task Force, as well as HOTREC's participation to the Commission Workshops on unfair B2B practices of online platforms. In the framework

Mr. Lepassar announced that, following the Commission's investigations in platforms' trading practices, the Mid-Term Review will outline the option for possible actions by the Commission towards a fair and reliable online market. These actions intend to cover inter alia transparency of platforms, terms and conditions and B2B practices. Furthermore, the Communication will cover many other areas, including the digital infrastructure, data accessibility and cyber security, mainly related to the Internet of Things.

Mr. de Barrin highlighted the key concerns and unfair practices of online platforms vis-à-vis hospitality businesses and stressed the imbalance in market power between the two sides. He provided concrete examples and highlighted in particular the new aspect linked to statements like 'the price will go up in X hours'. HOTREC acknowledged also the positive role platforms are playing, stressed however that the conditions on the market have to be fair and transparent, as today both the hoteliers and the consumers are misled. He further explained that unfair terms and conditions are distorting the market and small enterprises have to pay high commissions which impede their capacity to invest. The issue of collaborative economy platforms was raised as well, stressing the importance of the cooperation between platforms and public authorities in order to have a transparent and clean market with the duties fulfilled and respected by all stakeholders. Mr. de Barrin stated that this situation also results in unfair competition.

Mr. Lepassaar acknowledged the positive role HOTREC has been playing, especially over the past 12 months, and invited HOTREC to further contribute to the work of the Commission in the next months when the form and the extent of the concrete actions to be taken by the end of 2017, in particular to tackle unfair commercial practices, will be considered. He mentioned that the intention is also to develop some horizontal principles to be applied by every platform, including inter alia transparency and cooperation with public authorities. A kind of arbitration mechanism is also foreseen to be developed in order to allow for a more effective dispute resolution on the platforms' markets.

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