

Live from Brussels Newsletter

Issue 90 - 15 January 2019



HOTREC

MEMBERS ONLY

Key EU developments
and positions of the
hospitality sector

TABLE OF CONTENTS

INTERVIEWS

- Interview of Mr. Jens Zimmer Christensen, President of HOTREC
- Interview of Henning Ehrenstein and Anna Athanasopoulou (DG Grow, European Commission) on the Commission's actions on the collaborative economy

; 9B9F5 @DC @7 M-6GI 9G

- Main priorities of the Romanian Presidency of the Council (1st semester 2019)
- 2019 European Commission Work Programme

CONSUMER AFFAIRS

- New consumer law obligations for platforms: European Parliament committee vote postponed

COMPETITION

- Visa and Mastercard offer commitments to the European Commission on inter-regional interchange fees

DIGITAL ISSUES

- Cooperation initiated to boost artificial intelligence across Europe
- HOTREC encourages innovation and start-ups by its new online start-up platform

: CC8

- Adoption of an EU legal limit on industrial trans fat contents in food
- EU agrees a list of unfair trading practices to be banned in the food supply chain

HEALTH

- Best practices to curb alcohol related harm – the Icelandic example

ONLINE DISTRIBUTION

- Platform to Business Regulation – Council and EP in final negotiations



SOCIAL AFFAIRS

- European Labour Authority: trilogue negotiations to start
- Council publishes Recommendation on Access to Social Protection

STATISTICS

- 2017 figures on tourism trends are published

SUSTAINABILITY

- European Parliament and Council agrees to ban some single-use plastics

TOURISM

- European Parliament calls for the integration of Romania and Bulgaria in Schengen
- Visa Code – trilogue negotiations to start!

HOTREC GENERAL ACTIVITIES

- Next Meetings and General Assemblies



Interview

3

Interview of Mr. Jens Zimmer Christensen, President of HOTREC



Jens Zimmer Christensen has been elected President of HOTREC on Thursday 18 October 2018, effective 1 January 2019 for a period of two years. He is also Chairman of HORESTA Denmark since 2009 and is the owner and manager of Hotel Maritime in Copenhagen since 1994. An influential Danish citizen, Mr. Christensen is as well Member of the Board of the Confederation of Danish Employers, Member of the Danish Tourism Growth Council, Member of the Danish Intelligence Council and Knight of the Danish order of Dannebrog. For the start of his Presidency, HOTREC asked him a few questions about the future of the hospitality industry, the role of HOTREC for the years to come and in particular how HOTREC intends to participate to the upcoming European Parliament elections.

In a time of dramatic changes, how do you envision the future of the hospitality industry?

The growth of tourism and the hospitality industry show a bright future, although it faces a strong need for quality investments, digitalization and training to adapt to the new demands, and engage in sustainable tourism. Tourism has been growing over the past 7 years at a pace of 5% per year in the EU. In 2017, it grew at a pace of 7% at world level and 8% in Europe, which keeps it a leading destination. Also, according to the most recent EUROSTAT figures, the hospitality industry alone created 1,6 million jobs between 2013 and 2016 in Europe, which is a strong contribution to the European economy, despite many competition issues and market challenges notably in relation to the platform services economy and the recent terrorist attacks in Europe.

Do you think the industry is coping well with its ever-innovating environment?

In a world of change driven by technology, in which tourist arrivals exceed 1 billion per year, hospitality has been operating as a beltway to innovation, not only in terms of service and product development, but also in technological terms, making the industry a change maker. Throughout the past century, the sector evolved, created new forms of accommodation and tailor-made its services to guest driven demands. The most significant driver has been the growth of tourist arrivals going from 25 million in the fifties to over one billion nowadays, which exponentially increased the request for hospitality services and accelerated the demand for new services.

This includes the likes of Airbnb?

Yes. One of the most significant and recent change-maker has indeed been the so-called collaborative economy which at the origin was the call for a “new accommodation format”, organized under the name of the sharing economy, but which quickly developed as a new business.



Are traditional hotels doing enough to compete against home sharing platforms and adapt to customers new expectations?

For many reasons, hotels are facing a profound change in customers' expectations in terms of services and infrastructures. The growth of the "Millennial" segment, together with the importance of digitalization and the abundance of the offer on "collaborative" economy platforms has led many hotel companies across Europe and worldwide to respond to the shift by investing in new innovative types of hotels and services. Younger customers are increasingly looking for modularity, co-working or collaborative spaces and most large hotel companies are now launching new specific brands, which come at a cheaper price, with a strong focus on lifestyle, locality and shared spaces.

Accor Hotels for instance is a shareholder of the Mama Shelter brand and has developed the Joe&Joe brand where accommodation is conceived as an open house for travellers and neighbours with individual and shared rooms. Similarly, the brand Generator is operating a set of "posh hostels". Other large brands are also adapting their offer to this new trend (e.g.) Moxy by Marriott, Citizen M or 25Hours group. All these examples show that the hotel sector is already making massive investments to adapt to new types of clientele and demand, based on modularity and the sharing of experiences, therefore embracing innovation.

What kind of innovations?

Well, the industry is bringing more and more digital solutions in its daily operations. We are also coming with new initiatives. Together with other European partners HOTREC developed an online training tool for hospitality business, especially for small and micro-enterprises (AppTourYou), a staff recruitment platform (the hospitality skills passport) and most recently a platform showcasing start-ups developing innovative tools to help hoteliers solve their daily issues using technology (the hospitality-startup.eu).

Robotics are also getting more and more widespread in the industry, making the provision of services more effective and allowing staff to even better focus on individual customer needs.

How much is the hospitality sector involved in sustainability and food waste?

Sustainability is a challenge that our sector has taken up. By supporting the UNWTO lead Nearly Zero Energy Hotels (NeZEH) or promoting sustainability via its recently issued guidelines to reduce food waste and guidance to improve energy efficiency, the industry is making efforts towards a more sustainable Europe.

Does it mean the industry is set for the future?

I think so. Adaptation to the future challenges is the more important as tourism is expected to continue to grow in the next years. The UNWTO is forecasting yearly 2,8% growth between 2020 and 2030 to most destinations in the EU, meaning around 10 million additional tourists year by year will travel to Europe on top of the around 500 million already registered in 2016. Adapting the industry's offers to the strongly growing demand especially coming from markets like China and India is among the key tasks as well. All the above examples I shared with you show the industry's ability and determination to take up the challenges of the dramatic changes. It is ready for the future.



As the new President of HOTREC for 2019-2020, what is the role the association should play in the future European policy landscape?

During the past five years the industry has shown to be a great contributor to the EU policy landscape. Good progresses were made on the collaborative economy, namely with the adoption of the Commission Communication on short-term rentals and the series of workshops organized with the aim of developing guidelines on the topic, and the September 20th commitments by Airbnb towards the European Commission. Moreover, on digital, the upcoming Regulation on platform to business relations will allow businesses to be fairer and more transparent. In the field of taxation, the EU institutions agreed to allow to keep low rates for hospitality services, while reforming the VAT scheme. On REFIT (created to keep European law simple) and consumer affairs, an increase in transparency and fairness of online platforms for consumers will be reached upon the upcoming publication of the EU legislative text. Finally, with regards to Data Protection, the case of SME's in the sector was taken into account and red tape has been cut as much as possible.

Concretely what will HOTREC propose?

For 2019-2020, HOTREC will propose solutions that will help achieve the three pillars of sustainable development:

- **Social :** The hospitality industry alone created 1.6 million jobs in Europe between 2013 and 2016. Our sector helps young people first integrate the job market (20% of the employees are under 25 years), whereas we are also an inclusive sector (33% of the workers are relatively unskilled versus 20% in the overall economy, not to mention that 60% of the workforce are women). Therefore, the hospitality industry will play an even stronger role with regards to job creation and entrepreneurship.

But it will also need to promote the up-skilling of its workforce and the development of massive trainings, capable of providing the sector with the very much needed skills (digital, languages, interpersonal skills). This will require support from the EU and at national level through funding and fiscal incentives.

On the other hand, the hospitality sector will continue supporting the integration of migrants and refugees in different countries which helps fighting the shortage of labour and skilled labour in particular. Italy has a very good example of best practice– during 2017, almost 8000 people with refugee status attended a training course to acquire/ improve working skills and competences (96,2% of the vocational training set up refers to hospitality skills and competences). As a result, more than 4000 refugees got a job (77,4% of which in the hospitality sector).

Finally, we would also like to continue promoting, together with our trade union counterpart EFFAT, the “European Hospitality Skills Passport” – a tool that puts in contact employers with potential workers of the hospitality sector, based on their skills. We are aware that the tool needs to become more visible and accessible, in order to be functional.

Above all, entrepreneurship will be a key driver for change, considering the attraction of young people for “fooding” and all activities around hospitality. Hundreds of start-ups developing tools for the hospitality sector will need to be supported. And we will do it through the recent launch of our start-up platform.

- **Environmental:** Environmental sustainability is for all economic sectors alike a duty of care and a responsibility to sustain future generations. HOTREC fully embraced the transition towards a low carbon economic model and a more circular economy. Over the last years, we contributed to provide solutions to help the EU fulfil the U.N Sustainable Development Goal 12.3 to halve food waste by issuing guidelines to reduce food waste in the hospitality sector and joint recommendations with the European Food Banks Federation (FEBA) to develop food donations.



HOTREC is also an active member of the EU platform on food losses and food waste. We also just released a new brochure which proposes guidance and best-practices to increase energy efficiency in hospitality businesses.

We will continue to provide expertise, recommendations and solutions to EU policy-makers to help them set an appropriate regulatory framework, which allows the tourism sector to strive and deliver on its commitment to sustainability. We will therefore step-up our work on energy efficiency and sustainable energy, thanks to the cooperation we just launched with 8 major European stakeholders and the UNWTO through a sustainability charter.

We will also keep offering solutions on food waste, as HOTREC was appointed rapporteur in the EU platform on food losses and food waste for developing recommendations for actions in the food service sector, and we will look at possible ways to help businesses better manage water use.

All in all, I wish to point out the excellence of initiatives taken by HOTREC members to promote both the reduction of food waste, the use of energy efficient products and sustainable electrical energy, and last but not least the reduction of water usage.

- **Economy:** The hospitality industry has continued to create new jobs and as a highly labour intensive sector it is expected to continue to do so with the expected growth of tourism demand. Keeping VAT levels low for the industry will further ensure global competitiveness. With increasing possibilities of digital solutions, not only for customers but also the daily operation, effectiveness of operation shall be increased as well. Linked to environmental investments, energy saving measures shall help both achieving more environmentally friendly operation as well as more effective operation contributing to better economic performance. Keeping on embracing innovation and digital development will help keeping the industry on the right track for the future.

The European hospitality sector is a key contributor to growth in Europe. Between 2009 and 2016, the sector's turnover increased by more than 35 %, reaching a total of 605 billion EUR in 2016. All in all, tourism contributes to 5 % of GDP (source: Eurostat), in which hospitality represents the major share.

Looking at the upcoming European Parliament elections, what kind of contribution will HOTREC bring to the debate?

HOTREC's willingness to be at the forefront of the EU policy debate and to be a key interlocutor for policy-makers remains intact. We will soon present in the European Parliament our new White Paper for the EU elections. It will contain some key priorities for the European hospitality sector which, in our view, should be part of the agenda of the institutions for the next EU mandate. It will also foster the engagement at national level through our member associations on the European elections and what the hospitality sector needs to be an even stronger pillar of the European economy. This will kick-start our future campaign to renew the European Parliament tourism intergroup.



Interview of Henning Ehrenstein and Anna Athanasopoulou (DG Grow, European Commission) on the Commission's actions on the collaborative economy

7



Henning Ehrenstein and Anna Athanasopoulou are respectively Deputy Head of the Services Policy for Consumers Unit and Head of Tourism, Emerging and Creative Industries in the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs in the European Commission. HOTREC asked them three questions about the collaborative economy and the latest actions from the European Commission in this field.

1) The European Commission organised seven workshops with representatives of Members States of the European Economic Area and stakeholders (including HOTREC) to discuss policy questions in relation to the short term accommodation rental sector. What will happen to the main conclusions that were drawn from these workshops?

The Commission organised workshops with Member States and stakeholders to discuss ways of addressing issues that have arisen as a result of the rapid growth of collaborative short-term accommodation rentals in different parts of the European Union. The discussions identified possible policy actions and good practices that public authorities and stakeholders may wish to consider going forward. These policy actions were discussed with a broader public at a high-level conference on the collaborative economy that the Commission organised in October 2018 in Brussels. We welcome the active and constructive role that HOTREC representatives played during all our discussions!

2) Could you please briefly list the main conclusions of the workshops and the conference?

Workshop and conference participants discussed measures that can be taken in line with EU law where justified policy concerns arise. More specifically, participants discussed what could constitute justified and proportionate measures. Participants agreed that introducing restrictions must be in response to a legitimate general interest objective and that such objectives differ between geographic locations. Clearly, the situation in rural areas is very different from that in touristic centres of some large cities and further differs between different cities and areas within these cities.

It was agreed that **simple online registration schemes for accommodation providers** ("hosts") can be a proportionate measure. Under a registration scheme, any response by public authorities is automatic and does not entail, for example, a verification of documents. By contrast, authorisation schemes are more restrictive as they require steps to be taken by the public administration (also: implied or tacit) in order for services providers to obtain the authorisation to carry out an economic activity.

Participants discussed the **role of platforms to facilitate registration schemes** and both the possibilities and the limits of what public authorities can ask of platforms under EU law. Participants considered that platforms should assist and cooperate with public authorities, but should not replace them. Platforms, as intermediaries, may be required to make it technically possible for hosts to display their registration number on the platforms' online interface. However, platforms as intermediaries cannot be held liable for the correctness of the registration number supplied by hosts.



The **differentiation between citizens** renting out properties on an occasional and private basis (so called 'peers') **and professional service providers** (renting out of properties in a more regular or professional way, e.g. hotels) was a further issue of discussion. Participants considered how such a differentiation could be undertaken concretely (e.g. between primary and secondary residences or by virtue of a 90 nights threshold). Panellists agreed that a differentiation between peers and those renting properties regularly or professionally can help making market access restrictions proportionate.

Moreover, panellists discussed the **application of existing consumer law** and the related differentiation between peers and traders. The need for platforms to aid transparency for consumers was underlined. Panellists highlighted that it is for those renting out properties to declare if they are traders and for platforms to ensure that such information is visible to consumers.

Finally, the panel discussed how to ensure **tax compliance and what role there is for platforms** in this regard. Clearly, tax compliance must be ensured across the economy. Platforms can facilitate such compliance by working together with public authorities in line with applicable legislation (also as regards data exchange).

3) Several cities have joined forces to establish common directions on collaborative short-term accommodation services. What is the role of the Commission in this process and how does the Commission see such coordinated actions in view of the functioning of the collaborative economy in Europe?

A group of 12 EU cities approached the Commission to discuss their concerns about developments in the short-term accommodation rental sector and the impact on their cities. These cities are seeking to strike a balance between promoting tourism and its economic benefits while maintaining the integrity of local communities. They wanted to discuss what measures they can take in line with EU law to regulate this sector. Concretely, these cities expressed an interest in introducing registration schemes for providers of short-term accommodation rental services.

First meetings have taken place with Commission services and we intend to continue the dialogue in the coming months. The Commission stands ready to facilitate dialogue and the exchange on good practices on measures that can be taken in line with EU law. This is clearly beneficial to us all!



Main priorities of the Romanian Presidency of the Council (1st semester 2019)

9



On 1 January 2019, Romania took over the Presidency of the Council of the EU for the 1st semester of 2019. The Romanian Presidency already announced that its work programme will be centred on 4 main pillars: A Europe of Convergence, a safer Europe, Europe as a strong global actor and a Europe of common values.

Within the “Europe of Convergence” pillar, the Romanian Presidency will focus on:

- The 2021-2027 Multiannual Financial Framework for the budget of the EU;
- Developing the EU social dimension, through the enforcement of the European Pillar of Social Rights;
- Promoting the single market, digitalisation, innovation and connectivity, in order to increase the competitiveness of the European economy and industry.

Within the safer Europe pillar, the Presidency will among others focus on:

- Strengthening the internal security by boosting cooperation among Member States and improving the overall resilience of the Union (and of its administrations, citizens and companies) to cyber-attacks;
- Giving further attention to migration issues, on promoting cooperation with countries of origin and transit, as well as facilitating the dialogue among Member States with a view to finding solutions for an effective and sustainable EU migration and asylum policy.

Concerning the “Europe as a strong global actor” pillar, the Presidency will focus on:

- Europe's defence;
- Trade multilateralism, the modernisation of the multilateral trade system and the enlargement of the Economic and Free Trade Partnership Agreements.
- EU enlargement to the Balkans and the Eastern partnership;

Finally, on the “Europe of common values” pillar, the Presidency will work in priority on the following issues:

- Promoting and supporting the legislative initiatives focusing on social progress and reducing development gaps, equal opportunities between men and women, as well as ensuring access to education and training for disadvantaged categories;
- Countering gender discrimination in the labour market and business environment as well as the pay gaps between men and women;
- Combatting racism and xenophobia, and discouraging hate speech;
- Promoting the countering of online misinformation and fake news through better media literacy and the development of European mechanisms to share good practices in countering misinformation.

2019 European Commission Work Programme



On 23 October 2018, the European Commission published its work programme for 2019. The main objective is to complete the Juncker's plan and prepare for the future. This means closing as many on-going legislative files as possible and building-up on other priorities such as: sustainability; climate change; strengthening the international role of the Euro; enhance qualified majority voting both on taxation and social policy; take the necessary measures to adapt the EU acquis to the withdrawal of the UK from the EU.

The Work Programme is divided in 5 Annexes:

- Annex I lists the new initiatives to be proposed in 2019;
- Annex II mentions the REFIT initiatives (REFIT stands for the European Commission's Regulatory Fitness and Performance Programme);
- Annex III lists proposals already made by the Commission in the previous years, which have not been adopted yet by the Council and Parliament and which will be given priority for completion;
- Annex IV refers to the proposals that the Commission suggests to withdraw completely;
- Annex V contains the list of proposed legislation that the Commission proposes to repeal completely.

Most relevant new initiatives for end 2018/2019 (annex I)

- Non-legislative proposal on a sustainable Europe future: reflection paper "Towards a Sustainable Europe by 2030, on the follow-up to the UN Sustainable Development Goals, including on Paris Agreement on Climate Change (Q4 2018);
- Non-legislative proposal on the Completion of the Digital Single Market: this will include a coordinated plan on the development of artificial Intelligence in Europe (Q4 2018) and on an Action Plan on Disinformation (Q4 2018);
- Non-legislative proposal on the Implementation of the Paris Agreement: Strategy for long-term EU greenhouse gas emissions reduction in accordance with the Paris agreement (Q4 2018);
- Non-legislative proposal on a more efficient Single Market law-making: more efficient law-making in the field of taxation (Q1 2019) and more efficient law-making in social policy: identification of areas for an enhanced move to qualified majority voting (Q1 2019);
- Non-legislative proposal to implement the common visa policy: Communication on visa reciprocity (Q4 2018)
- Legislative proposal - proposal to place the UK on either "visa required" list of third countries or the "visa free" list.

Most relevant initiatives as part of the fitness check of existing legislation for end 2018/2019 (annex II)

- Evaluation of the Directive on Equal pay for equal work and work of equal value – the evaluation of Directive 2006/54/EC will focus on how existing legal provisions on equal pay have worked in practice, the approaches taken by Member States, how effectively they are enforced.

CONSUMER AFFAIRS

New consumer law obligations for platforms: European Parliament committee vote postponed



The IMCO Committee of the European Parliament postponed the vote on its report on the better enforcement and modernisation of EU consumer laws, initially scheduled on 22 November 2018, to the 22 January 2019.

The move was prompted by a willingness to find a very large consensus on key issues of the Commission proposal, and in particular the extension of the transparency obligations for online marketplaces to online review systems and the controversial issue of dual quality of food and products.

Other aspects of the Commission proposal (e.g. make it an unfair commercial practice not to inform consumers when online ranking are influenced by payment, inform consumers about ranking criteria, including their relative importance, etc.) seems to make consensus.

In the Council, the Austrian Presidency did not make of the file a priority, with only few meetings taking place until December 2019, while the issue of dual quality of products have put the discussion at a standstill. The Romanian Presidency of the EU (1 January – 30 June 2019) has now taken over the file and will try to speed-up discussions.

Next steps:

The IMCO report will be adopted on 22 January 2019. Unless the Romanian Presidency finds an agreement in the Council by the end of January, a rather unlikely scenario at the time, chances are high that an agreement between the Council and European Parliament cannot be reached under the current European Parliament's mandate, due to the May 2019 EU elections.

HOTREC position:

- *HOTREC strongly welcomes the Commission's proposal to introduce transparency requirements for online market places. Very often, consumers do not have any idea about which criteria are behind rankings, who is behind an offer and whether they are protected by consumer laws when choosing an offer. This situation creates an un-healthy situation which benefits to rogue traders only. These proposals from the Commission will help tackling this issue and building trust in online markets. They should be supported.*
- *HOTREC particularly applauds the provisions which makes mandatory for collaborative economy platforms to identify if an offer is made by a trader or not. This will bring fairness and transparency to collaborative economy platforms;*
- *HOTREC opposes the rapporteur's proposal not to inform consumers about remuneration which influences the rankings in search results. Given the importance the ranking of products have on consumer behaviour, any remuneration affecting this ranking shall be communicated to consumers, in order for them to make informed choices;*
- *HOTREC calls on the Romanian Presidency of the Council to make the adoption of this Commission proposal a top priority, as its adoption is urgently needed by both individual businesses and consumers.*

J JgU'UbX'A UghYfVWfX'cZYf'Vca a Jha Ybng'hc'h'Y'9i fcdYUb'
7 ca a JggJcb'cb'JbhYf!fY[JcbU'JbhYfWUb[Y'ZYg



U) A) I A Ö & \ a) I A G E F I A @ A Ö \ [] ^ & A Ö \ { { a • q } A
 æ } [~] & a A @ A X a A æ a A T æ c) Ö a A [~ \ ^ a A a a a A
 & { { { æ ^ } c A & } & \ } a • A @ A a c) & a • A
 & a • A A f) I A a c) E • a } a A & a A d a • a a } • A (a E
 d a • a a } • A { a A, a a A @ A Ö M Ö Ö A, a a } [] E M Ö Ö A
 & } • ~ { ^ I A a a a A æ a A & a a A & a • A These commitments
 are part of the EU competition case concerning interchange
 fee levels applied by MasterCard and Visa and which were
 found to be anti-competitive. The commitment would
 approximate the costs of transactions on cards issued outside
 the EU/EEA with those of EU/EEA-issued cards.

QÁ æcæ̃ | æÊX̃ ã ææ̃ aÁ æ c^ | ÔæaÁ | [] | • ^ Á K

[illegible][illegible]

"Á Ü^+æ Á{ { Á&{ { ç^} æ * Á@·^Á&æ·Á^Áæ^Á æ~|Á^~ ææ^} ç Á àb&Á|Á
 ^~&ç Á ç|Ë^* á } æÁ Ø È

"Á Ú áä @ÄÄ Ä c|É* ä | äÄ c|&@ *^Ä^Ä •ÄÜ Ç^!äÄÄ Ä@ÄÜ { { ä ^) •Ä ÄÄ
 &^æ| Ä ä ä|^Ä æ |^Ä | Ä@ÄÄ^ |^&Ä^Ä Ä^ä ä• É

[illegible]

$P^{\wedge}C^{\wedge}C^{\wedge} \cdot K$

Væð * Åq ð Áæ&~ } º@Å { { ^ } • Å^& æ^âÊc@À`|[] ^æ Â[{ { ã•ã } Å q/Å^8æ^/ÅÅ
æ&} • ÅXWUæ) åÂT æç! Ôæâq Å { { æ ^ } • Åæ âÅ æ^Åc@ Å^* æ / Åå åã * Å ! ÅåÅ
•^^! • Å |c@/Å { { æ ^ } • Å [Åc•^Å [Å { { } æ ã•È

$$O\mathcal{E}g\mathcal{A} \} \bullet K$$

PUVÚÔË, @, @ ^, @, @ & { { ^ } o Á, Á o Á [{ { ã · ã } Á } Á o Á [] [· ^ a & { { ã ^ } o Ë
· a Á · o @ Á [] a Á, Á o Á · ^ Ë & [] ^ a a Á a o Á | Ô { { ^ & È

$PUV\ddot{U}O\acute{O}A[\cdot\tilde{a}\tilde{a}]K$

∇ PUVÜÖÖÁ ^|& { ^•Á| { ^Á Á@&| { { æ ^ } •Á ~| ^áá ^Á æ c| Öæáá& áÁÁæ ~ & @
 æ Ác @ÁÉÉÁ Áæ áÁÉÉÁ ÁÁæ Á| } Á-^•Á| Á&æáÁ| ^•^ } Áá^ááÁæ áÁ& ^ááæ dæ •-
 æáá } •

[illegible]

MasterCard proposals, in order to fully align the caps on inter-regional card transactions on the caps applicable to intra-EU transactions.



Digital Issues

Cooperation initiated to boost artificial intelligence across Europe



On 7 December 2018, the European Commission published a Communication, which aims at a strong cooperation across Europe and the public and private sectors to boost artificial intelligence (AI) in Europe.

The plan announced via the Communication proposes joint actions, especially on some prioritised areas of public interest such as healthcare, transport and mobility, security and energy. The European Commission also announced to invest 1,5 billion EUR by 2020 and proposed for the next long-term budget of 2021-2027 to invest another at least 7 billion EUR in AI. Commissioner Mariya Gabriel, in charge of Digital Economy and Society announced that the Commission would, together with the Member States, roll out AI into all sectors of the economy, support advanced skills and maximise availability of data.

Some countries have already adopted national AI strategies with a dedicated budget, other EU Member States integrate AI related actions in the broader digitalisation policies, while several Member States are about to develop their national policies.

Next steps:

AI ethic guidelines will be finalised by an EU Expert Group in 2019 and Member States should adopt their AI strategies soon to launch coordinated European actions.

HOTREC encourages innovation and start-ups by its new online start-up platform

On 17 December 2018, HOTREC launched its free online European hospitality start-up platform, fostering the relationship between, on the one hand, mainly European start-up companies offering their services to hospitality businesses and, on the other hand, hospitality enterprises looking for business solutions for their day-to-day challenges.

The online platform is accessible, via www.hospitality-startup.eu, to all companies which are working or intend to work with hospitality businesses and which are not older than 5 years. Companies offering goods or services in relation to robotics, human resource management, sustainability, reservations, etc. are visible to hospitality businesses, which may contact them for possible new business relations.

With this initiative, HOTREC would like to help especially small start-up companies to prove their abilities on the market and for hospitality businesses to easier find solutions and partners for their challenges arising. Thus it should be a win-win situation for both start-ups and hospitality businesses and at the same time an encouragement for innovation and especially European start-up companies.

Food

Adoption of an EU legal limit on industrial trans fat contents in food



On 7 December 2018, the EU Standing Committee on Plants, Animals, Food and Feed (an EU body composed of the Member States expert in food policy) adopted a new Commission Regulation setting a maximum limit of industrial trans fats (2% of the total fat) content in food destined to the final consumer and in food to be supplied to retail and hospitality establishments. Naturally occurring trans fats are excluded from the scope of application.

Next steps:

The European Parliament has 3 months to oppose the Regulation, otherwise it is considered as legally adopted.

Actions:

HOTREC will monitor the developments in the European Parliament and inform its members once the Regulation is officially adopted

HOTREC position:

- *HOTREC strongly welcomes and supports the Commission Regulation, which will ensure that all ingredients delivered to hospitality establishments will comply with the legal limit. Industrial trans-fats are usually not produced by hospitality businesses, but may be contained in some supplies. The Commission Regulation will therefore allow hospitality businesses to guarantee that the meals they serve are in full compliance with the 2% legal limit.*

EU agrees a list of unfair trading practices to be banned in the food supply chain

On 19 December 2018, the European Parliament, Council and European Commission found an agreement in trilogue on the Commission proposal of a Directive on unfair trading practices in the food supply chain, with the aim to protect farmers against large buyers of food products. The Directive would apply to contracts between small food producers/suppliers (with a turnover of up to €350 million) and food buyers and would introduce a black list of trading practices which are unfair under all circumstances and a grey list of terms which are prohibited unless the buyer and supplier explicitly agree to them beforehand.

In particular, the black list would include among others the following prohibited practices:

- Late payments for perishable food products (more than 30 days) and non-perishable products (60 days);
- Last minute order cancellations;
- Unilateral or retroactive changes to contracts;
- Forcing the supplier to pay for wasted products and refusing written contracts.



The grey list of practices would include the following:

- Buyers should not return unsold food to the supplier
- Buyers should not charge suppliers for displaying products or for the buyer's marketing campaigns
- Buyers should not request suppliers to contribute to advertising costs

Member States can introduce in their national legislation further measures. Moreover, the agreement includes a review clause set at 4 years, which means that the provisions of the Directive will be re-assessed during the next European Parliament mandate.

Next steps:

The Directive will be officially approved as soon as the agreement is formally adopted by the European Parliament and Council in the weeks to come. Member States will then have to transpose the Directive into their national law.

Health

Best practices to curb alcohol related harm – the Icelandic example



On 21th March 2018, Mr Jonsson, representing the Health Directorate of Iceland, presented at CNAPA (the Committee of National Alcohol, Policy and Action) the measures implemented by the Icelandic government as well as by the local community to eradicate the consumption of harmful drugs and to make a massive reduction in the consumption of alcohol since 1998. Some of the measures are the following:

- Government: restricted access to alcohol and tobacco (age limits between 18-20; advertising ban of alcohol tobacco; rules on outside hours for adolescents)
- Municipality: information to parents on outdoor hours; organise cooperation with the police; access to organised sports and leisure activities;
- Schools: alcohol-free gathering; education to parents and students;
- Parents: follow-up on outdoor hours law; joint family time;
- Youth: informed about laws and regulations; spending more time with family; increased participation in sports and other organised activities.

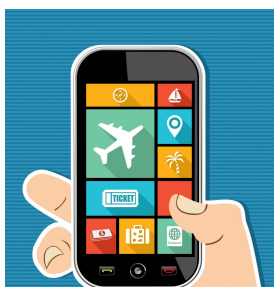
The outdoor hour limits for children stipulates schedules for children to be at home after certain hours (e.g. children between 13 and 16 may not be outside their home after 22:00 pm). Young people are encouraged to practice sport through the use of the leisure card – grant for all children between 6-18 with legal residence at Reykjavik. Overall, results show strengthened of preventive factors and weakening of risk factors, while substance use is decreasing. Nowadays, Iceland is devoted to health promotion and to implement guiding principles, such as: sustainability; active participation of all stakeholders across sectors; exchange of best practices.

HOTREC position:

- HOTREC strongly supports and encourages members to implement measures that enforce age limits when serving and selling alcohol and develop information programmes on responsible drinking as part of its commitment to the European Alcohol and Health Forum;
- HOTREC believes on the advantages of the Alcohol Forum, as a platform of exchange of good practices. HOTREC hopes that the plenary meetings will restart being called upon by the European Commission in the upcoming months.

Online Distribution

Platform to Business Regulation – Council and EP in final negotiations



The European Commission's proposal for a Regulation for more transparency and fairness for business users in online intermediated services has entered into its finish line. On 29 November 2018, the Council adopted its position, one week after, on 6 December, the European Parliament voted its position as well.

Some key issues for discussion between Council and Parliament remained. While the Parliament proposes that the Regulation applies to all terms and conditions of online platforms, the Council would limit the scope only to contracts which are unilaterally determined by the platforms. Another issue still open in the negotiations is related to data, where the Parliament suggested that business users shall have access to data related to their reputation, marking a first small step towards fairer distribution of data.

Other suggestions of the EP also target more transparency for businesses, namely with the call for more transparency on platforms' affiliates, where the businesses' products are further distributed, as well as related to the use of businesses' intellectual property rights and brand names.

On parity clauses, the European Parliament's position is to ban wide parity clauses across the EU in contracts between businesses and intermediaries, meaning to allow business users to offer better conditions to other online platforms, but not on their own channels. This is already the state of play in the hotel booking sector in Europe.

Regarding complaint handling, the Council suggests to make complaint handling procedures more objective compared to the Commission proposal, reducing possibilities for misinterpretations and better reassurance for businesses that their complaints will be treated properly.

On 12 December 2018, the trilogue negotiations between the Council, European Parliament and Commission started, with the view to agree on a common text. Thus it can be expected that the Regulation will be adopted under the current EU legislative term.



On October 2018, MEP Fernando López Aguillar published his draft report on the proposal amending Regulation (EC) No 810/2009 establishing a Community Code on Visas (Visa Code) – 2018/0061(COD)).

Next steps:

The Council and the Parliament have to agree, based on their respective positions, on a compromise text for the adoption of the Regulation.

HOTREC position:

- *HOTREC welcomes the improvements proposed to the Commission proposal both by the European Parliament and the Council and hopes for a soon adoption and entry into force of the Regulation.*
- *HOTREC supports the improvements by the European Parliament, among others the proposals related to the affiliate programmes of platforms and brand names, as well as the application of the Regulation not only to unilaterally determined contracts;*
- *The Council's proposal for more objectivity in the complaint handling mechanism is supported by HOTREC as well, similarly to less restrictions regarding ranking transparency, allowing for a good access to indicative information on businesses' possible placement in search results;*
- *HOTREC opposes that the scope of the regulation only applies to contracts which are unilaterally determined by the platforms as proposed by some Members of the Council and contradictorily calls upon the European Parliament to ensure that the regulation applies to all contracts alike.*
- *Regarding the restrictions for business users to offer different conditions or so called parity clauses, HOTREC regrets that the existing ban in several European countries could not be enlarged to all EU countries. However, the step proposed by the European Parliament is a step further in that direction compared to the Commission's proposal. Nonetheless, HOTREC does not expect big changes from banning just 'wide parity clauses' in the markets, as businesses will not likely offer better conditions on third party channels than on their own website.*

Social Affairs

European Labour Authority: trilogue negotiations to start



On 13th March 2018, the European Commission presented a proposal to establish an European Labour Authority (legislative document). The aim of the Commission is that individuals and businesses have access to reliable information to facilitate labour mobility, including information on opportunities, rules, rights and obligations on cross-border situations.

On the other hand, the Commission is willing to improve cooperation between national authorities. In this sense, the Commission believes that national authorities, also need the right tools to share information, develop day-to-day cooperation routines, carry out joint inspections and solve possible cross-border disputes.

On 20th November 2018, the EMPL Committee (Committee of Employment and Social Affairs) of the European Parliament voted on the file. The main outcome included an extension of the scope of the Agency – the Authority must assist Member States in issues related not to “cross-border-mobility” but to the implementation of EU law in the field of Labour mobility (in addition to joint inspection activities in the coordination of social security systems). The Agency could as well make policy recommendations to the European Commission for the implementation of European law, in particular to combat undeclared work, exploitative situations and tax avoidance. It could also ask the Commission to start infringement procedures. Finally, social partners would also be part of the Authority’s Management Board.

On 6th December 2018, the Employment and Social Policy Council (ESPSO) adopted a general approach, which weakens the proposal, as it makes its role clearly optional, as Member States may request its services on a voluntary basis for joint inspections and to settle a dispute. In addition, the mediation for social security matters was excluded. The Council also agreed to change the name of the Authority into “Agency”.

Next steps:

Trilogue negotiations between the European Parliament and the Council to start

HOTREC position:

- *HOTREC agrees that information is provided to facilitate labour mobility;*
- *The Authority should not act outside of its scope in case of suspected violations related with working conditions, health or safety – subsidiarity prevails;*
- *The Authority should also not intervene to address labour market disruptions allegedly affecting more than one Member State – each company should adapt their own strategies to cope with market developments;*
- *Dispute resolution should be deleted – duplication of administrative structures should be avoided;*
- *HOTREC has doubts about the need to create a new Authority/Agency – existent bodies could simply have been revitalized;*
- *The European Platform of Undeclared Work should not be merged into the Agency – it is positive to continue sharing best practices on how to tackle undeclared work;*
- *EURES and the Agency should not have overlapping positions.*



Council publishes Recommendation on Access to Social Protection



On 6th December 2018 the EPSCO (Employment, Social Policy) adopted a Recommendation on Access to Social Protection and self-employed workers (14582/18). The document is non-binding and highlights the voluntary nature of the integration of social security recommendations. Overall, it includes the following points:

- **Formal Coverage:** Member States are recommended to ensure access to social protection to all workers and the self-employed on unemployment benefits; sickness; invalidity benefits; maternity and equivalent paternity benefits; maternity and paternity benefits; old age and survivors benefits; benefits in respect of accidents at work and occupational diseases;
- **Effective coverage:** rules governing contributions and rules governing entitlements should not hinder the possibility of accumulating and accessing benefits due to the type of employment relationship or of the labour market status;
- **Adequacy:** Member States are recommended to ensure that schemes provide an adequate level of protection; provide appropriate income replacement; while preventing the fall into poverty;
- **Transparency:** individuals to have access to clear information about their individual entitlements and obligations;

HOTREC position:

- *HOTREC welcomes the fact that Member States give the possibility to individuals (workers and the self-employed) to have access to social protection;*
- *Nevertheless, HOTREC considers that subsidiarity prevails on the topic, and therefore, much supports the fact that the Recommendation is non-binding and that measures are voluntary.*

Statistics

2017 figures on tourism trends are published



Eurostat recently published some figures on tourism for the year 2017. Among others, the figures show, that in terms of nights spent by non-residents, Spain was by far the most relevant country. Together with the UK, Italy and France these four countries made more than half of the non-resident nights spent in tourist accommodation establishments.

Regarding participation in tourism on an average 62% of Europeans made at least one tourism trip in 2017. Participation was highest in Finland where more than 90% of the population had at least one personal tourism trip.

The figures also show that German residents were spending most during their trips, amounting to an expenditure of 78,8 billion EUR in 2017. The ratio of travel receipts compared to the GDP was highest in Croatia (19.3 %), Cyprus (14.1 %) and Malta (13.7 %).

Sustainability

European Parliament and Council agrees to ban some single-use plastics



On 19 December 2018 early morning, the negotiators of the European Parliament, Council and Commission found an agreement in trilogue on the proposed Directive to reduce the impact on the environment of some plastics. By 2021, the following single-use plastics should be banned: cotton buds, straws, plates, cutlery, beverage stirrers, balloon sticks, oxo-degradable plastics, and food containers and drinking cups made of expanded polystyrene.

Moreover, EU Member States will have to achieve a significant reduction in consumption of plastic food containers and cups, although there will not be strict quantitative reduction targets.

Next steps:

The trilogue agreement shall be endorsed soon by the Council and European Parliament plenary, in order to make the Directive enter into force as soon as possible.

HOTREC position:

- *The hospitality sector welcomes the flexibility shown for single-use plastics for which there is no safe alternatives for the time being, such as plastic food containers and beverage cups. For the time being, the availability of these items is necessary to guarantee a high level of food and consumer safety.*
- *The hospitality sector will also start planning for the announced phasing-out of plastic cutlery, plates and straws, as many hospitality businesses already started reducing the use of such items for environmental reasons.*



Tourism

European Parliament calls for the integration of Romania and Bulgaria in Schengen



The European Parliament issued on 12th December 2018 a non-binding resolution requesting Romania and Bulgaria to integrate the Schengen area, as soon as possible. The Parliament also rejected the two-speed integration approach, starting with the opening of maritime and air borders and then land borders. The Parliament considered that this approach would have a negative impact in future enlargements.

HOTREC position:

- *HOTREC defends that if the conditions to enter the Schengen area are fulfilled, then it is positive that Schengen enlarges;*
- *HOTREC also hopes that the countries that have reintroduced (temporary) land borders, will reintroduce freedom of movement as soon as possible. Freedom of movement is one of the most basic and important values of the EU and it should be preserved.*

Visa Code – trilogue negotiations to start!



On 11th December 2018, the mandate of the LIBE Committee (Committee of Civil Liberties, Justice and Home Affairs) of the European Parliament has been confirmed to negotiate the Visa Code file with the Council. The first formal trilogue took place at the margins of the plenary vote.

The outcome of the European Parliament's position includes the following points:

- Some applicants may not need to present their applications in person and processing periods will be reduced;
- Travellers will be able to hand in applications at the consulate of another EU Member State if the one responsible is neither present or represented in a given third country or if the competent one is more than 500 km away from their place of residence;
- Travel insurance will not be a prerequisite for requesting a visa;
- The general visa fee will increase from 60 to 80 euros, with exceptions for some travellers, while children under 12, family members of EU nationals, students and researchers will have the fee waived;
- It will be possible to apply for a visa up to nine months before the intended journey.



Next steps:

Trilogue negotiations to continue (next meeting: 17th January 2019 – tbc)

HOTREC position:

- *HOTREC welcomes simpler procedures for legitimate travellers to enter Schengen, while respecting all security rules;*
- *HOTREC supports all points of the Parliament position stated before;*
- *HOTREC, together with the other NET (The Network for the European Private Sector in Tourism) also advocate for:*
- *Supporting documents: either proof of accommodation or proof of sufficient means to cover expenses or confirmation from inbound agent that accommodation arrangements are being handled should be presented;*
- *Reduction of deadlines for travellers to obtain a reply;*
- *A common solution ensuring visa digitalization in place by 2025.*

HOTREC General Activities

Next Meetings and General Assemblies

In the coming months, HOTREC will organise and/or participate to the following meetings.

- 17 January 2019 (Brussels, Belgium): Shaping competition policy in the era of digitisation
- 25 January 2019 (Brussels, Belgium): 2nd meeting of the EU stakeholder expert group on the Package Travel Directive
- 1 February 2019 (Brussels, Belgium): EU platform on food losses and food waste – sub-group meeting on food waste measurement
- 6 February 2019 (Brussels, Belgium): EU Industry Days high-level conference 2019 – the conference will be organised by the European Commission and industrial stakeholders and will tackle topics such as: sustainability; globalisation and digitalisation
- 20 February 2019 (Brussels, Belgium): HOTREC event to present at the European Parliament its White Paper for hospitality in Europe – 2019 EU elections
- 19 March 2019 (Brussels, Belgium): Showcase Conference on Tourism, Brussels. The aim of the event is to showcase the added-value of EU support for tourism projects under the COSME programme, to inspire more cooperation and participation from the tourism industry in the EU projects and to stimulate reflection on future EU support for tourism projects
- 15 May 2019 (Finland): HOTREC 78th General Assembly
- 23-26 May 2019: European elections



Rue Dautzenberg 36 / 38
B-1050 Brussels, Belgium
Tel.: +32 (0)2 513 63 23
Fax: +32 (0)2 502 41 73
hotrec@hotrec.eu | www.hotrec.eu