

# Hospitality Europe Business Newsletter

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Source: [www.pestanacollection.com](http://www.pestanacollection.com)

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## INDUSTRY INTERVIEWS

### Interview with Gunay Saglam, Secretary General of the Azerbaijan Hotel Association (AHA)

Ms. Gunay Saglam graduated in Hospitality Management at Cornell University in New York in 2008. After working as Director of Catering for the Four Season Hotel Baku (2011 - 2015), she was Managing Director at Baku Hospitality Group (2017 - 2018). Since 2018, she has been Chief Executive Officer at the Azerbaijan Hotel Association.



*Ms. Gunay Saglam is Chief Executive Officer at the Azerbaijan Hotel Association (AHA).*

#### **1. The Azerbaijan Hospitality Association recently joined HOTREC. Could you tell us more about the Association's benefits to its Members and priorities for the next 5 years?**

The Azerbaijan Hotel Association was established in December 2018 with the support of the Azerbaijan Tourism Board and State Tourism Agency. For almost a year, AHA reached and covered 104 hotels, including international hotel chains and local independent hotels. Our membership benefits include (but are not limited to):

- Lobbying for member hotels at government level to assist and encourage performance improvements of Hotels;
- Advocacy members' challenges by conducting surveys and analyzing common challenges for the hospitality industry;
- Promote open communication and more productive partnership with all members of the Executive Board and key industry players.

After joining HOTREC and HSU, AHA is working on the establishment and the implementation of the National Star Classification, our main priority for upcoming years, as it will be the base for developing the hospitality industry in Azerbaijan. Our long-term priorities include the development of a strategy to cover hotels all over the Azerbaijan, to develop hotel standards and trainings to deepen their service standards and attract more investors, to broaden the international brand portfolio in the country and double tourist number by 2023. This is also a common goal for the Azerbaijan Tourism Board and the State Tourism Agency.

#### **2. How do you think your Membership is bringing value to the Azerbaijan hospitality industry?**

Although AHA was established only a year ago, we are already the voice of the hospitality industry. Our members are being reassured that AHA is always open for cooperation and guidance on concerns and/or difficulties they may face, regardless the expertise area. We are regularly organising workshops and trainings with international and local partners for member hotels that are absolutely beneficial for industry, as they cover almost every unit of the hotel industry, beginning from designing and concept to selling techniques and revenue optimisation. Speaking about partnerships, we are already finalising negotiations with

global industry leaders as STR, OTA insight, Trust You, Ernst & Young etc.: member hotels will therefore have a chance to benefit from special offers, proposal and consultancy in all areas of interest to increase competitiveness not only on the local market, but also internationally, and to compete with closer destinations.

### **3. Could you please let us know the trends and statistics in matter of tourism in Azerbaijan? And let us know how the EU legislation impacts your country?**

As Azerbaijan is expanding its horizons and welcoming tourists to take another look, our recent years' target markets also changed significantly. Our main target markets for now are: UAE and Gulf Countries, China, CIS, South Asia (India, Pakistan, Sri Lanka) and Germany. With regards to tourist segmentation, according to STA Research and Statistics, around 40% of tourists visiting Azerbaijan choose this destination for leisure purposes, meanwhile 30% of them visited on business. Top markets are almost the same as target markets and in first places we have CIS (Russia), the Gulf area and South-Asian countries.

The European Union's relations with Azerbaijan are based on the EU-Azerbaijan Partnership and Cooperation Agreement in force since 1999. On February 2017, the EU and Azerbaijan began negotiations on a new framework agreement with Azerbaijan designed to give new impetus to political dialogue and mutually beneficial cooperation. With this partnership, Azerbaijan is first of all working on 4 main principles: stronger economy, stronger governance, stronger connectivity and stronger society. Over the past 10 years, more than 25 ministries and public institutions in Azerbaijan took part to almost 50 Twinning projects and as a result benefited from EU technical know-how and from the practical experience of EU civil servants. This is contributing to developing and improving legislation in line with EU standards.



## Interview with Kate Nicholls, Chief Executive Officer of UKHospitality

Ms. Kate Nicholls graduated in English at the University of Cambridge in 1991 and obtained a post-graduate diploma in EU Law at King's College in 1997. After working as a researcher in the European Parliament and House of Commons and holding different advising roles, she was Managing Director of NL Communications (2000 - 2013). She then started working for the Association of Licensed Multiple Retainers (ALMR), first as Strategic Affairs Director (2011 - 2013) and then as Chief Executive (2014 - 2018).



*After ALMR and the British Hospitality Association (BHA) merged in April 2018, Ms. Nicholls was named CEO of UKHospitality.*

### **1. As Brexit talks are ongoing, could you please describe how this situation is affecting the hospitality sector in the UK? Which challenges do you think Brexit will pose to the industry in the future and which solutions could be developed?**

Businesses struggle to plan for the future if they don't have certainty and stability. That goes for any business, not just those in hospitality. The prolonged nature of the withdrawal has meant that businesses have had to put up with a great deal of uncertainty, impacting investment. The continued impact on the currency has also affected planning and costs.

Our members have concerns about the post-Brexit landscape are threefold: open and welcoming arrangements for travelers and tourists; the rights of our valued EU workforce and future migration policy; and, the possibility of short term disruption to trade, particularly free food produce crossing the narrow straits and longer term friction. We have been working intensively with the UK Government to minimize the effects in all three areas and have successfully ensured that there will be no restrictions imposed post Brexit, even in the event of no deal, on visitors to the UK – both tourists and those looking for work; in common with many other EU countries, there will be no controls on those staying for less than 90 days at a time and EU visitors will continue to be able to use fast track e-passport gates. Equally, we have secured rights for all existing EU citizens working in the UK – anyone in the country on Brexit date (or longer if we leave with a deal) will have a right to remain and settled status.

A major issue for the sector remains recruitment and retention, something that has been on the radar for hospitality before Brexit became an issue. Around a quarter of team members in UK hospitality businesses are from overseas and around half of those from the EU – 1 in 8 of our workforce or around 400,000 people. There is a worry that any post-Brexit immigration system that significantly restricts migrants who are not classed as high-skilled will see hospitality businesses hit hard. The Government originally proposed only a one year visa for lower skilled workers and with UK unemployment at a record low and a dip in the number of young people entering the workforce, we have a real labour shortage. We want to see the continuation of a 2 or 3 year visa allowing young people and Europeans who want to work in one of the world's most prestigious hospitality sectors to be allowed to come to the UK.

We need a future immigration system that works for the UK economy and one which recognises the wide range of skills needed to work in one of our businesses. We are currently undertaking a programme of events we refer to as MP Skills Challenges where we invite Members of Parliament down to our members' venues to get hands-on and test their skill on the job. The reaction from MPs so far has been very positive and we hope we can show even more that a job in hospitality is valuable, highly skilled and challenging as well as rewarding, and that will filter through when the Government looks at immigration.

**2. Apart for Brexit, could you please explain us what are, at the moment, the biggest political issues impacting the hospitality sector in the UK and how you are planning to tackle them?**

Costs continue to increase and, for some businesses, this is having a really detrimental effect. The two biggest cost centres for hospitality businesses are labour and property and the UK has some of the highest taxes and regulation in both. It is no secret that many high streets around the UK have suffered over the past decade or more and hospitality businesses are an integral part of high streets. Business rates are local property taxes and remain the chief culprit and hospitality is being hammered by an outdated system that unfairly penalizes them. Despite being promised a full review in the 2015 Conservative Government manifesto, it has still not been delivered. UKH continues to push for one as a matter of urgency.

Wage rate inflation is a key issue of concern for businesses, with an ever larger proportion of the workforce covered by the National Living Wage (currently set at 60% median earnings or approx. 9 euros) and the impact this is having on differentials. The Government is currently consulting on proposals to increase this further to 66% median earnings, making it the highest NLW in the world. The introduction of new legislation on the NLW and business rates in 2016/7 has wiped a third off the margin of UK hospitality businesses.

Food-related issues are very important and becoming increasingly so. Issues related to food are wide-ranging, encompassing hygiene, allergens, safety and nutrition. The UK Government is increasingly interested in health and sustainability in an effort to tackle obesity. Recent events have also seen the Government take action on allergens and food safety and, as food is such a major part of hospitality, this has a significant impact on many of our members. Our aim is to avoid one-size-fits-all restrictive legislation that would be unwieldy and impractical for businesses, particularly SMEs. We have been highlighting the good work that businesses have already been carrying out on a voluntary basis with great success, to try to avoid the introduction of inflexible measures.

**3. As ALMR and the British Hospitality Association recently merged, could you please present your new organisation and also the main services provided to your members?**

For the first time the sector has a single voice speaking for a huge, varied sector. We bring together businesses across the hospitality spectrum - from hotels to pubs, nightclubs to holiday parks, fine dining restaurants to coffee shops and visitor attractions - meaning we provide an authoritative and compelling voice for hospitality businesses and employers. Our 700 member companies represent 70,000 outlets, from a single site independent to the largest national chains.

Our role is to promote the reputation of the sector as a great place to work, grow and invest as well as being at the heart of the everyday experiences of our customers. We campaign against the unnecessary costs of doing business and help influence and shape government policy which affects our members' commercial bottom line. Finally, we work to support our member businesses with insight, intelligence, compliance





advice and guidance as well as business building tools so that they can continue to develop and grow.

As well providing a voice at the heart of Government, there are many benefits of membership. We regularly host expert policy and sector groups, bringing together businesses across membership to share best practice and tackle challenges collectively. So, we have sector-specific groups for casual dining businesses, late-night venues, accommodation businesses and more, bringing together leading businesses to share their collective wisdom. We also host cross-sector forums on issues such as HR, property, gaming, licensing and even more to ensure that the challenges and opportunities that matter across hospitality are met.

Our calendar of networking events is well established and famous amongst UK hospitality businesses; particularly our annual Christmas Lunch brings together 1,400 industry leaders to celebrate our sector and is the only event of its kind in hospitality. Our annual Summer Conference has gone from strength-to-strength and gives our members an opportunity to hear from business leaders while networking with peers. We also run a series of smaller networking events beginning with our annual ski trip and including our late-night wards, recognising the best in night-time hospitality.

Other benefits for members include a 24-hour legal helpline, regulator approved food safety advice as well as expert guidance on other regulation, finance and health and safety as well as savings on services from carefully selected business partners.





## Interview with Roland Schegg, Professor at HES-SO Valais-Wallis School of Management & Tourism

Prof. Roland Schegg has been teaching at the HES-SO Valais-Wallis School of Management & Tourism since 2005 and is the research coordinator of the Institute of Tourism. Between 2000 and 2004, he was a Professor at Ecole Hôtelière de Lausanne (EHL). He obtained his license at ETH Zurich and his doctorate at the University of Geneva.



*His current research focuses on e-tourism (online distribution, quality and benchmarking of websites, mobile internet, web 2.0, dissemination and use of technology).*

### **1. You have recently finalised for HOTREC a study on restaurant bookings. Can you update us on the main results concerning the development of online booking?**

Yes, I mapped for HOTREC the current market situation concerning restaurant bookings and food delivery services in Europe, as these markets are growing rapidly. I based the research on one hand on secondary desk research and on the other hand on an online survey among European restaurants and on an inspection of 1200 restaurants websites in France and Germany to draw a picture on the importance of these services in the European restaurant sector.

Major online restaurant reservation platforms in Europe are in the hand of established global players. Five main players can be identified in Europe connecting diners with 20'000 to 51'000 restaurants: OpenTable (Booking Holding), ResDiary (Accor Hotels), lafourchette/thefork (TripAdvstior), Quandoo (Recruit) and Bookatable (Michelin). Our survey results indicate that nearly half of guests (43%) book a table in advance in European restaurants. Nine out of ten of these advanced bookings are still direct (main channels being phone 64% and e-mail 12%) whereas third-party platforms generate roughly 6% of advanced bookings.

### **2. Can you describe the latest trends in restaurant delivery services across Europe?**

Online food delivery platforms expand choice and convenience, allowing customers to order from a variety of restaurants with a single click on their mobile phone. The business of delivering restaurant meals home is changing rapidly as various new online portals develop in Europe and internationally (by 2022 some 200 million Europeans are expected to use such services). These platforms attract significant investments and high valuations (estimated market capitalisation of players between 2 and 20 billion euros). After the rise and fall of several local start-ups, many takeovers and international expansions, the following players dominate the food delivery market in Europe: Uber Eats, Deliveroo, Delivery Hero, TakeAway and JustEat. Overall, however, the competitive landscape remains complex and no dominant player has emerged so far. This could change rapidly as Deliveroo has just announced on Friday May 17 that the e-commerce giant Amazon was the lead investor in a massive 575 million dollar funding round...

Less than 10% of restaurants in our restaurant survey worked with food delivery services for a median turnover of 2% (compared to overall revenue). Main motivations for restaurants to work with food delivery are to get additional revenues, future seated customers and market visibility (marketing tool).

The impact of food delivery on restaurants is still difficult to judge. Many restaurant operators fear that introducing delivery will lead to significant declines in dine-in sales. This is troubling, as most third-party platforms charge expensive delivery fees (around 30% for Uber Eats and Deliveroo) meaning the restaurant cannot raise prices. Yet studies suggest that a sizable portion of people choosing delivery might do so in place of cooking at home. This would mean an overall expansion in the consumer foodservice industry as opposed to complete substitution between dine-in and delivery.

### **3. And what about the consumer trends in the restaurant sector? Can you also please describe them in general terms?**

The restaurant industry faces a variety of challenges to keep pace with the rapid changes driven by consumer trends and demographic change, such as growing preferences for healthier foods, concerns about environmental sustainability, increased competition from grocery stores and rapidly evolving technologies that reinvent traditional food habits. Today's consumers are constantly connected and have high expectations of quality, sustainability and comfort. In consequence, they give more importance to "experience" and "comfort". These trends are forcing a change in the way restaurant industry will work in the future.

Given changes in consumer behavior (millennials, generation Z, etc.), technology evolutions (penetration of mobile technology), the still slow pace of digital transformation in the restaurant sector and the growth potential for these new players and services seems to be big.

**Read HOTREC's Press Release ["Online delivery and booking portals to play an ever-increasing role in the restaurant sector, shows a new European study"](#)**

**Read the [summary of the study](#)**

## 10 European cities call on the EU to better regulate Airbnb's activity



Source: [www.skift.com](http://www.skift.com)

During the last decade, Airbnb grew from being a start-up to a giant in the rental sector, thus making it difficult for cities all over the world to control and regulate its growth.

After a non-binding ruling issued on 30 April 2019 by the Court of Justice of the European Union stated that Airbnb should be considered a digital service provider (rather than an accommodation provider), many municipalities were concerned by this decision.

For this reason, on June 2019, 10 European cities (Amsterdam, Barcelona, Berlin, Bordeaux, Brussels, Krakow, Munich, Paris, Valencia and Vienna) published a letter on Amsterdam's City Council's website stating that the EU Court of Justice's decision "will have [...] one major implication: Homes needed for residents to live and work in our cities will become more and more considered as a market for renting out to tourists".

The 10 municipalities asked to the European Parliament and to the European Commission to help them establishing "strong legal obligations" that will compel Airbnb to comply with local regulations, thus avoiding lack of transparency.

According to Skift, Airbnb, on the other hand, replied that the April 2019 decision "provides a clear overview of what rules apply to collaborative economy platforms like Airbnb and how these rules help create opportunities for consumers", also adding that they "want to be good partners to cities" and "to continue working with everyone to put locals at the heart of sustainable 21st century travel".

**Sources: Skift, 20 June 2019, "European Cities Turn to EU for Help in Battle Against Airbnb"**

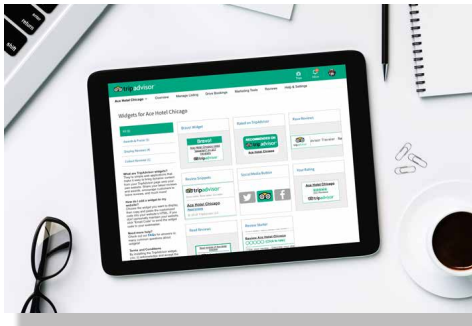
**Court of Justice of the European Union, Press Release No 51/19, 30 April 2019**

**"According to Advocate General Szpunar a service such as that provided by the AIRBNB portal constitutes an information society service"**

**Municipality of Amsterdam, Press release "Cities alarmed about European protection of holiday rental"**

## DIGITAL ISSUES

### TripAdvisor fined in Italy for violating the consumer code



Source: [www.tripadvisor.co.uk](http://www.tripadvisor.co.uk)

The Council of State in Italy accepted the appeal presented to the Antitrust Authority and fined TripAdvisor for disseminating misleading information on review sources.

The judgement concerned, in particular, specific TripAdvisor's claims that were retained "likely to generate, in an average internet user, the false conviction of the reliability and genuineness of the published reviews". The portal will have to pay a 100.000€ fine.

The unfair commercial practice was already sanctioned by the Antitrust in 2014, following the reports by the Unione Nazionale Consumatori, Federalberghi and a few consumers.

Federalberghi expressed its appreciation for the ruling of the Council of State, which confirms the need to clean up a system polluted by fake reviews.

The hoteliers association also recalls the sentence of a few months ago of the Criminal Court of Lecce, which called it a crime to write fake reviews under a false name and inflicted nine months in jail on a fake review "dealer who wrote and sold fake reviews using a false identity".

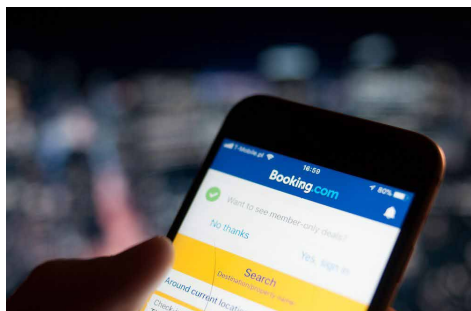
"However, despite being praiseworthy, the work of the judiciary is not sufficient to bring order to a market that is traveling at the speed of light. It is sufficient to consider that it was necessary to wait four years to obtain a final judgment from the Council of State on a single disputed episode."

According to Federalberghi, "the solution cannot but lie in a robust affirmation of the principle of responsibility. The first step that portals must take to establish a system in which true reviews, written by real customers, that tell a true experience, prevail, it is a decided STOP to anonymous reviews and convenient nicknames. Everyone must be free to express their opinion. But the people who read the review and the company being reviewed have the right to know the real identity of the author and to know if he is lying or describing an authentic experience."





## Online distribution: higher regional court Düsseldorf allows Booking.com to apply (narrow) rate parity clauses in Germany



Source: [www.bloomberg.com](http://www.bloomberg.com)

On 4 June 2019 the 1st. Cartel Senate of the Higher Regional Court Düsseldorf approved the complaint of Booking.com against the German Federal Cartel Office's decision to shut down its narrow and wide rate parity clauses, which had been pending since 2015.

After the surprising course of the oral negotiations, the decision of the Cartel Senate was not completely unexpected for the German Hotel Association (IHA), but hits on our complete lack of understanding.

With this decision, the Higher Regional Court considers the narrow rate parity clauses of Booking.com to be necessary and proportionate in order to prevent a free-rider problem by disloyal hotel partners asserted by the booking portal. The 1st. Cartel Senate of the Higher Regional Court Düsseldorf was not willing to dissuade itself from this legal-theoretical argument already presented in the first oral hearing in February 2017. And this despite the fact that additional comprehensive studies and customer surveys have shown that free riding is not a significant phenomenon, but a pure protection claim of the booking portal.

The legal assessment of the Higher Regional Court Düsseldorf is a national and international novelty, with which the 1st. Cartel Senate is also in blatant contradiction to its own decisions in the matters of HRS and Expedia. Thus the German Hotel Association is confident that the German Federal Cartel Office's formal appeal against the exclusion of the appeal with the Federal Supreme Court will be successful in the end and that Booking.com will continue to be prohibited from using (narrow) rate parity clauses in Germany until the highest court has clarified the matter.



## EDUCATION & TRAINING

### Educational outreach initiative in Denmark



Source: TheRestaurantExpert.com

**The project has come into existence to ensure more employees with the right competencies within the hotel and restaurant industry.**

In Denmark, numerous companies within the hotel and restaurant industry are having difficulties with recruiting qualified manpower, which affects the companies' performances and possibilities of growth.

Skills upgrading of the company's employees can be part of the solution to this problem.

In association with the union [HORESTA](#) has started an educational outreach initiative called 'Yes Please; to skills upgrading' for the purpose of making the possibilities of reimbursement for skills upgrading visible to more businesses and their employees covered by the collective agreement. Through this project, HORESTA is able to reach 75% of the collective agreement covered businesses.

The employees have great opportunities for reimbursement of their expenses when it comes to skills upgrading, no matter if you are skilled or unskilled.

With the 'Yes Please; to skills upgrading' project, we aim to contribute to an overall educational boost and competency boost within the hotel and restaurant industry, so that the businesses are able to remain, creating growth and do well on the international scene. Denmark needs companies with an international and strategic vision and, not least, employees and managers with the right competencies who can perform and support that development.

**HORESTA**

## HORESTA employment initiative programmes



Source: [www.gtp.gr](http://www.gtp.gr)

### Courses for unemployed

HORESTA's member companies experience the labour shortage as an increasing challenge, which has initiated a series of collaborations with local authorities, job centres, unions e.g. for the purpose of increasing the job offerings all over the country.

- HORESTA has made a cooperation agreement with the union about connecting the companies who suffer from shortage of employees with the members of the unions' unemployment fund who have the competencies the industry are missing. As part of the agreement, the union's unemployment fund obligates to be at disposal of HORESTA's member companies.
- Through the project 'Have a taste of the hotel- and restaurant industry', HORESTA is involved in upskilling people out of work. The project has already been conducted in many of Denmark's 98 municipalities. Unfortunately the union has obstructed further iteration with the argument that there are skilled unemployed who are ready to hold the vacant jobs.
- By request of HORESTA, the Danish Food College has established a course 'All-round customer service assistant' for the purpose of generating qualified labour to the industry. The course addresses to unemployed on job-seeker's allowance and social securities, and consists of six weeks training and four weeks internship.
- In the region Zealand, HORESTA participates in the project 'Jobs on the edge' which is a great enterprise on Lolland with the aim to bring around 3.000 people, who currently are receiving welfare payments, closer to the ordinary job market, by company internship programmes among others.
- The past 9 months, HORESTA's cooperation with Copenhagen Business House has contributed to procurement of 500 jobs within the hotel, restaurant, canteen and catering business, hereof around 55% company internship programmes, 40% ordinary jobs and 5% wage subsidy jobs. This statement was made by the CPH Business House in November 2018.

### Integration Initiatives

HORESTA has funded by the Ministry of Integration (95,000 €) for a project engaging volunteer mentors at work. The mentor project includes following business partners from Business Schools and several municipalities.

HORESTA has together with unions, other employer associations and several municipalities entered a tripartite agreement on a so called 'Basic Integration Education' to ensure the possibility of enhancing the qualifications of refugees, family reunited and immigrants with a view to regular employment or education.

### Recruitment of skilled manpower in EU

Together, Copenhagen Capacity and HORESTA, have recently finished a project for two Danish regions



with advertisements for skilled manpower in the EU. The campaign has had 5,159,033 views on Google and Facebook, and the campaign landing page has had 45,035 views and a total of 6,654 clicks. Top-3 countries, who showed interest, were Italy, Germany and Spain. The outcome of the campaign is still unknown.

### **More in vocational education and training**

On the island of Bornholm, HORESTA is co-instigator to a cooperation with other Employers' Associations about the so-called Bornholmer-model. On Bornholm, more than 100 companies from different industries are working on attracting and retaining employees, and also encouraging young islanders to complete a professional training.

### **Job consultants in internship at HORESTA's member companies**

In order to facilitate the comprehension of the industry, and ensuring the optimal match between employer and employee, the job consultants from Copenhagen Municipality are going through a one-day internship with two of HORESTA's member companies. The internship is a part of an intensified and positive cooperation between HORESTA and the Administration of Employment in the Copenhagen Municipality.





## LOBBYING

### Circular letter for French mayors on STPAR



Source: [www.cogapartments.com](http://www.cogapartments.com)

GNI and its association AHTOP worked together on Short Term Private Accommodation Rentals (STPAR).

At the beginning of 2019, they updated their circular letter bound for French mayors. Indeed, many new regulations on STPAR recently came into force in France. Penalties for lack or wrong registrations came into effect on January 1st 2019 ([Read Hospitality Europe Business Newsletter N° 16](#)).

Municipalities obtained much more power to monitor and control STPAR. This updated guide aims at solving the lack of information explaining regulations to local collectivities and at helping to adopt new local decisions.

**Click [here](#) to see and download the Guide (in French)!**



### Short-term: a new identification code against illegal trade

The fight against illegal trade in the tourism sector reaches a turning point. Thanks to a new law, an identification code will be established within three months, which will improve the tourist offer and create a more transparent market to protect consumers, workers, businesses, local communities and treasury.

The new law establishes that all accommodation facilities, including properties intended for short rent, will be registered in a database set up by the Revenue Agency. Each structure will be assigned an identification code, which must be published in all public forms of communication, including booking portals.



Source: [www](http://www).

Similar tools were introduced with good results all over the world and we trust that in Italy the code will contribute to the reclamation and the improvement of the market, in favor of the entire hospitality sector and of all structures operating in compliance with the rules, for healthy, transparent and fair competition.

This proposal constitutes the first step of a strategic path, which must continue introducing a minimum set of rules to protect tourists (e.g. in terms of hygiene, safety, fire prevention, etc.) that Federalberghi already asked to adopt.



## BUSINESS TRENDS & STUDIES

### International Tourism's Exports Growth in 2018



Source: FitSmallBusiness.com

According to a report published by the [World Tourism Organisation \(UNWTO\)](#) in June, 2018 saw exports generated by international tourism reaching 1.7 trillion USD.

Exports grew by 4% over the previous year and accounted for 29% of global service exports and 7% of overall exports of goods and services.

International tourism exports included 1448 billion USD in international tourism receipts – 100 billion USD more than 2017, with a 4% increase in real terms – and 256 billion USD in international

passenger transport services.

This strong growth, fueled by high demand for international travel and an overall robust economy, consolidates international tourism's place among the 5 top economic sectors worldwide – after the chemical manufacturing and the fuel industry and before the food and automotive sectors.

UNWTO Secretary General, Mr. Zurab Pololikashvili, commented this data, stating that “rather than growing in volume we need to grow in value. We are pleased to see that both emerging and advanced economies around the world are benefiting from rising tourism income” and that “revenues from international tourism translate into jobs, entrepreneurship and a better situation for people and local economies, while reducing trade deficits in many countries.”

Top performing regions in terms of international tourism receipts where Asia and the Pacific (+7%) and Europe (+5%), with France and the Russian Federation placing first among the 10 top spenders worldwide. Middle East, Africa and the Americas registered more modest results: +3%, +1% and +0% respectively.

**Source: UNWTO Press Release, 6 June 2019**

**“Exports from International Tourism Hit USD 1.7 Trillion”**

## Eurozone's demand for tourism expected to grow over 2019, but growth is slower than 2018



Source: whatabaouttheeurozone

Based on the Quarterly Report published by the [European Travel Commission](#) (ETC) on July, demand for European Tourism is expected to increase over 2019, despite a slower growth compared to 2018.

Eurozone's growth in 2019, in fact, is expected to grow by 3.6%, against demand's growth of 6.1% in 2018: nonetheless, a rate closer to the annual historical average from 2008-2018.

Eurozone's growth is supported by:

- **Key long-hauled markets** – Despite Chinese tourism decreased, it is still greatly contributing to the European tourism's growth. Preferred destinations for Chinese tourists are: Croatia, Cyprus, Lithuania and Montenegro.

U.S. tourism in Europe, on the other hand, was recently encouraged by the stronger dollar against the euro and the pound, with preferred destinations being Cyprus, Greece and Turkey.

- **Domestic demand.**

Nonetheless, many factors are currently weighting on long-term development prospects, such as difficulties with key long-haul markets (e.g. trade wars, potential U.S. recession, etc.), Brexit and weakness in the Eurozone.

Top performers countries in 2019 so far were Balkan destinations such as Montenegro (+50%) and Turkey (+12%). Slovenia and Greece (both +8%) also performed well, while Iceland (-11%), Romania (-7%) and Estonia (-2%) registered declines.

**Sources:** European Travel Commission (ETC) Quarterly Report (Q2/2019) "[European Tourism: Trends & Prospects](#)"

eHotelier, 12 July 2019, "[European tourism maintains stable growth despite faltering global economy](#)"

## The positive attitude of local residents towards urban tourism



Source: [www.timetoast.com](http://www.timetoast.com)

Results from a global survey conducted between December 2018 and January 2019 by the [World Tourism Organisation \(UNWTO\)](#) and IPSOS show an overall positive attitude of local residents towards tourism.

The study – which is based on the feedback of 12.000 respondents in 15 countries worldwide, 9 of them European countries – takes into account various factors, such as location, age and travel frequency, and is aimed at better understanding how local residents perceive tourism. An especially important objective, given the rise in tourism demand and the consequential need to manage all challenges

deriving from this growth.

Countries where tourism was perceived more positively were Australia, Argentina, Sweden, the Republic of Slovenia and Spain.

While younger responders (under 34) were more aware of both positive and negative impacts of tourism – 12% to 16% of them stating they would be in favor of limiting tourism flows to their cities – older responders were more likely to perceive tourism positively, only 8% of them being in favor of such restrictions.

The percentage of respondents with a more positive attitude towards tourism was also higher among individuals used to travel internationally or that traveled abroad in the last year.

Potential measures suggested by respondents during the survey aimed at a better tourism management were “creating experiences and attractions that benefit residents as well as visitors”, a largely popular solution worldwide, and “improving infrastructures and facilities”: a particularly popular solution in Hungary, Italy and Argentina.

**Source: UNWTO Press Release, 3 June 2019, “UNWTO/IPSOS Global Survey - Local Residents Remain Largely Positive to Urban Tourism”**



## Studies on French tourists



Source: [www.st-christophers.co.uk](http://www.st-christophers.co.uk)

Each year, the Raffour Interactive agency proposes a study on French tourists.

The 2018 study reveals that 66% of French adults (35,5 million people) made at least one short or long-term leisure trip and 54% (29,4 million French people) booked at least one night in sales accommodation. 60% of them (17,5 million) booked directly through professionals (online and offline) and 31% (9 million) from online platforms.

In any case, French people visited websites of hotels or restaurants to make sure to find the same information.

Concerning destinations, if in 2018 only 49% of French travelers left mainland France, during the next 24 months:

- 48% want to travel to Southern Europe;
- 23% to Northern Europe;
- 18% to Western Europe;
- 12% to Eastern Europe.



## MARKETING & COMMUNICATIONS

### Building customer loyalty: the use of immersive media in the hotelier industry



Source: technicolor.com

What is the secret to building a powerful hotel brand?

According to an article published by eHotelier on 16 July, this is not only a matter of good logo recognition but, above all, of offering guests a “unique” experience.

But how can a hotel distinguish itself and win guests’ loyalty? The use of immersive media could represent the ideal tool for a hotel to stand out from competition.

Virtual-reality 3D tours of a hotel’s main spaces, rooms and amenities, for instance, provide an inside look of the structure in a “what you see is what you get” approach, thus also reassuring future guests on the fact they will not have unpleasant surprises when arriving and the hotel – currently one of the main problems dealing with largely popular options such as short-rental stays.

VR 3D tours might also not only be limited to internal spaces, but could offer future guest 3D, interactive digital maps showcasing nearby attractions, restaurants and cafes.

**Source: eHotelier, 16 July 2019, “Using immersive media to strengthen a hotel brand”**

## SUSTAINABILITY

### Sustainable tourism: the UNWTO/UN Environment Baseline Report



Source: crowdicity.com

On May 2019, the [World Tourism Organisation \(UNWTO\)](#), in collaboration with [United Nations Environment \(UN Environment\)](#) and with the support of the Government of France, published the “Baseline Report on the Integration of Sustainable Consumption and Production Patterns into Tourism Policies”.

101 UNWTO Member States contributed to the preparation of what is now the first global assessment of sustainable consumption and production (SCP) factors within national tourism policies.

The Baseline Report shows how, despite countries are committed in the integration of sustainability in tourism policies at national level, implementation of such measures remains limited and still more needs to be done.

At this moment, 55% of the tourism policies analysed during the research count sustainability among their objectives (67% of them refer to resource efficiency and 64% of them associate sustainability with being competitive). While this data shows a general commitment and awareness on the importance of such factors, specific references to policy instruments needed to implement SCP factors are still limited in the tourism policies analyzed during the research.

For this reason, as SCP practices in the tourism sector are essential to effectively contribute to sustainable development and to the 2030 Agenda, UNWTO launched the Sustainable Tourism Policy Talks: a series of talks featuring interviews with Ministers of Tourism and focusing on how to implement national tourism policies.

**Sources: “Baseline Report on the Integration of Sustainable Consumption and Production Patterns into Tourism Policies”**

**UNWTO Press Release, 5 June 2019, “Sustainability a Key Part of Tourism Policies, But More Still to Be Done, UNWTO/UN Environment Report Notes”**

## New GNI tutorial video on easy sustainable actions in HCR



Source: SYNHORCA.Tv

GNI is used to propose tutorial videos to its members to better promote some topics.

The new GNI video focuses on sustainable development in hospitality businesses. This video is based on the GNI Guide on sustainability (Click [here](#) to see and download).

The aim of the tutorial video is to show how easy it could be to adopt green solutions contributing to reduce environmental impacts of establishment, especially energy (including water) and wastes.

The video proposes 9 advices: 3 general ones, 3 for hotels and 3 specifically for restaurants.

**Watch and enjoy!**





## Green Tourism Organisation



Source: [www.trzcacak.rs](http://www.trzcacak.rs)

### New environmental label focusing on sustainable tourism

Recently, [HORESTA](#) has introduced a new eco-label, Green Tourism Organization, which enables the tourist organisations to make their sustainable effort visible; both to their business partners as well as their customers within business and leisure.

The first organisation, who has received the Green Tourism Organization-label, is Wonderful Copenhagen who recently has implemented their tourism strategy, focusing on both the economic, social and environmental aspect of sustainable tourism. With their Green Tourism Organization-label they can prove that they carry

their words into action.

The new Green Tourism Organization-label is primarily for tourism organizations, and is created by HORESTA and the Danish Outdoor Council (DOC), who is the umbrella organisation for 85 outdoor organisations. More than 20 years ago, HORESTA and DOC created the Green Key label, which today is considered an international eco-label used by tourism venues and accommodations across more than 50 countries. The purpose of the new Green Tourism Organization-label is to involve the tourism organizations in the environmental work and to obligate them to work for more sustainability, and also to be able to guide and inform their guests who are staying at their destination.

### An increasing focus on sustainability within tourism

The mission with the new label is not to prevent people from travelling, but to make them consider the way they do it, and to make their future travels more sustainable. "In future, we will still travel and dive deeper into new adventures, but in a more conscious and responsible way." Mikal Holt says. He is Environmental Executive at HORESTA, and also the Manager of Green Key. "The consumers have to be sure that they travel in a suitable way. In the past, one considered tourism equal to abundance and consumption. Today, focus is on creating an industry which can survive the future."

**Read more [here](#)**

HORESTA

## Danish think tank on Food Lost and Food Waste



Source: swagoz.com

**HORESTA is represented in the new think tank, established by the Danish Ministry of the Environment and Food.**

The purpose of the think tank is to unify the work on preventing food waste and food loss. The think tank is based on collaborations throughout the entire food chain with members representing the authorities, companies, organisations, research, etc.

The think tank must ensure that there is a broad support to the work with preventing food waste and food loss, and ensure well-substantiated efforts. Further, they must initiate a number of new projects, including a voluntary agreement on a joint reduction goal for the entire food value chain from farm to fork. This goal is inspired by UN's 17 Sustainable Development Goals. The foundation of the voluntary agreement is already established, and the partnership 'Denmark against Food waste' is integrated in the think tank. The members are obliged to measure and publish their progress compared to the declared goal to reduce their individual food waste with 50% within 2030.

The think tank shall provide input into methods on both measuring and reducing food waste and food loss. Further, they shall contribute to the overall development across the value chain, i.e., increased transparency, and improved predictions of supply and demand. E.g., development, penetration or improvement of electronic market places or similar platforms for food manufacturers, food suppliers and buyers of crooked vegetables and surplus food.

**Read more here:**

**"Food loss and waste has a lot to do with climate change"**

**Better Buying Lab**

**"The cool food pledge"**

**HORESTA**

## INNOVATION & TECHNOLOGY

### The shaping force of e-commerce in the hospitality industry



Source: arcturusgroup.com.br

Today technology is deeply impacting our lifestyle, communications and businesses. In this highly digitalised era where everything seems to be at a click's reach, e-commerce is undoubtedly to be identified as one of the main shaping factors of many sectors – hospitality included.

In an article published on July 2019, eHoteliers tried to identify 4 ways through which e-commerce is affecting our industry:

- **Custom-tailored solutions** – it is no news that today consumers seek personalised solutions when purchasing. Through online shopping, companies collect customer data (e.g. date of birth, interests, etc.) that will serve to anticipate customers' needs. The hospitality industry is not new to this online strategy, having at its disposal many visitor tracking tools to propose recommendations on destinations, special offers and solutions.
- **Virtual Reality (VR) experiences** – from 360° virtual tours of hotel's lobbies, exteriors and rooms to 3D interactive maps showcasing nearby attractions, VR is now more than ever becoming an effective tool in the hospitality industry to build consumer's loyalty (see page 16, "[Building customer's loyalty: the use of immersive media in the hospitality industry](#)").
- **Increasing rate of internationalisation** – Latest technologies enabled a greater level of interconnection and adaptability at international level, allowing to collect from a single, centralised, location, all sorts of information concerning not only customers themselves, but also relevant topics such as currencies, exchange rates and country-specific trends. The hospitality industry can easily take advantage of this by analysing big data in order to better understand how to present their customers tailored (and smart) offers.
- **Tracking and targeting** – Online purchases are by no means very similar to online journey bookings. Before buying, in fact, customers (and travelers) go through many search engines, website, platforms and social media, all to acquire enough information to choose one brand over another. Hospitality brands can therefore use simple methods of tracking and retargeting to narrow the margins of lost sales and convince travelers to once again buy from them.

**Source: eHotelier, 12 July 2019, "4 ways ecommerce is impacting the hospitality industry"**

## The rise of “hybrid” skills in the hospitality sector



Source: [www.simplilearn.com](http://www.simplilearn.com)

The introduction of new technologies on the working environment is reshaping occupations and job categories in all sectors, including the hospitality sector.

The use of new technologies and, particularly, the introduction of Artificial Intelligence (AI) already transformed many aspects of the industry (including marketing, guest relations and reservations) and employees are often required not only to perform “traditional” tasks, but also to know “the technological world surrounding them”, as understanding and using latest technologies often requires specific training.

These “hybrid” skills are not easy to find in a single person, on one hand because of the lack of skills affecting the industry and on the other because employees with the required skills (e.g. pure data scientists and engineers) often don’t have the soft skills (e.g. communication) also critical in the sector.

This is why, in view of preparing for the future, retaining and training current employees might be the best approach for employers in the hospitality industry to keep up with times.

**Source: eHotelier, 30 July 2019, “Developing hybrid skills: How tech and AI are reshaping the hospitality job market”**



## EVENTS & TRADE SHOWS

### Irish Hotels Federation's (IHF) Annual Conference (4-5 March 2019)



Source: Irish Hotels Federation (IHF)

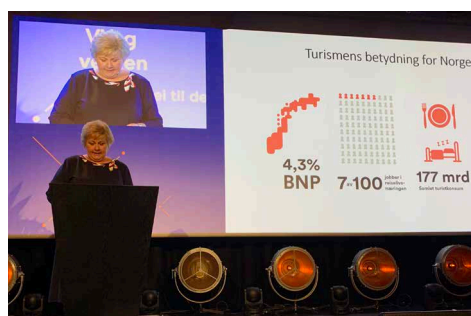
The [Irish Hotels Federation \(IHF\)](#) hosted its Annual Conference, entitled "Looking Beyond", in March 2019 in Kerry.

Following the annual general meeting were workshops on Marketing, Innovation, Wedding Market Trends and Employment. The Minister of State for Tourism and Sport, Brendan Griffin TD, presented the Irish Hotels Federation Quality Employer and Employee of the Year Awards at a special ceremony.

The Main conference day had guest speakers on a variety of matters including Sustainability, Tourism Capital Investment (Public and Private), Food, Tourism Planning and motivational talks from Dr. Caroline Casey and Sir Anthony McCoy, OBE, The World's Greatest Jump Jockey. The Annual Trade Show – Showtel – took place alongside the conference and showcased over 70 suppliers to the industry.



### Norwegian Hospitality Association's (NHO Reiseliv) Annual Conference (21 May 2019)



Source: [www.nhoreiseliv.no](http://www.nhoreiseliv.no)

On 21 May, the [Norwegian Hospitality Association \(NHO Reiseliv\)](#) held its annual conference at the Clarion Hotel The Hub in Oslo.

After an opening speech by Ms. Erna Solberg, Prime Minister of Norway, Ms. Kristin Krohn Devold, CEO of NHO Reiseliv, discussed global challenges and local solutions for the Norwegian Hospitality sector.

Among other speakers, Prof. Erik W. Jakobsen, Managing Partner of Menon Economics, talked about tourism's added value and effects.

Mr. Jens Zimmer Christensen, President of HOTREC, and Mr. Christian de Barrin, CEO of HOTREC, gladly attended the conference.

#### Agenda of the event

## Seminar: Tourism in Transition. 'European Tourism, a quest between sustainability and competitiveness (27 June 2019)



Source: [maltaineu.gov.mt](http://maltaineu.gov.mt)

Mr. Jens Zimmer Christensen, President of HOTREC, participated as a speaker to the "Seminar: Tourism in Transition" held on 27 June by the Permanent Representation of Malta to the EU in Brussels.

The Seminar aimed at depicting a clearer and accurate portrait of both the tourism industry's current status and of its future challenges and opportunities in order to further favor communication and an exchange of good practices between operators, policy makers and stakeholders.

During the panel "European tourism, a quest between sustainability and competitiveness", the President, among other topics, took the opportunity to:

- Identify possible pathways for EU's tourism industry to remain sustainable and competitive within the global context;
- Describe the role policy will play at a pan-European level;
- Explain how to strike a balance on the principles of subsidiarity and proportionality;
- Discuss right and effective funding opportunities within the next multifinancial framework;
- Address how to tackle the information gap and related capacity building for tourism SMEs.

### Agenda of the event

**Speaking points for the "Seminar: Tourism in Transition" organised by the Permanent Representation of Malta to the EU**



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