



HOTREC
MEMBERS ONLY

**Key EU developments
and positions of the
hospitality sector**

TABLE OF CONTENTS

INTERVIEWS

- Interview with MEP Cláudia Monteiro de Aguiar (EPP, Portugal), Vice-President of SME Europe
- Interview with MEP Rosa Estàras Ferragut (EPP, Spain)
- Interview with Mr. Alfred Gajdosik, Vice-President Group III, European Economic and Social Committee (EESC)

INTERNAL MARKET

- Strong Customer Authentication (SCA): European Banking Authority gives 31 December 2020 deadline for compliance

COLLABORATIVE ECONOMY

- MEPs discuss link between overtourism and lack of short-term rental governance
- UNWTO publishes study on Rules and Regulations in the short-term rental market
- International summit in Buenos Aires creates Global ReformBnB Forum

ONLINE DISTRIBUTION

- Platform-to-Business Regulation: European Commission opens survey on ranking transparency guidelines

TOURISM

- European Parliament called for EU actions following the Thomas Cook Group collapse
- Croatia set to join Schengen
- The Mediterranean calls for Regional integration and sustainable development

CONSUMER AFFAIRS

- New EU consumer law rules adopted to tackle unfair practices online towards consumers



SOCIAL AFFAIRS

- Recommendation on Access to Social Protection approved
- Outcome of the Tripartite Social Summit
- Council adopts conclusions on promoting the International Labour Organisation's Centenary Declaration on the future of work
- European Labour Authority (ELA) kick-off

TAXATION

- Council reaches agreement on simplified VAT rules for small businesses
- Digital taxation: EU finance Ministers assess OECD progress

HEALTH

- WHO's report on alcohol consumption in Europe

STATISTICS

- Eurostat publications

HOTREC GENERAL ACTIVITIES

- HOTREC's cocktail reception at the European Parliament "The European Hospitality Industry's key priorities for the new EU Mandate"
- Next meetings and General Assemblies

INTERVIEWS

Interview with MEP Cláudia Monteiro de Aguiar (EPP, Portugal), Vice-President of SME Europe



MEP Cláudia Monteiro de Aguiar (EPP, Portugal), is Vice-President of SME Europe and Vice-Chair of the European Parliament Committee on Fisheries (PECH). HOTREC asked her to share her views on the importance of sustainable tourism and of the hospitality industry in Europe.

1) With the start of a new European Parliament term, sustainable tourism is becoming one common goal for EU Institutions and stakeholders. According to your experience and opinion, what role the European Parliament should be playing in this regard?

I believe that the implementation of Smart Destinations methodologies is crucial as it will allow efficient management of tourist flows from the most congested areas to the lesser-known, reducing the harmful effects related to overtourism phenomena – ensuring the

sustainability and quality of the services offered.

2) HOTREC, together with the Network for the European Private Sector in Tourism (NET), is campaigning for a parliamentary intergroup for sustainable tourism for this new European Parliament term. As you are actively supporting this initiative with MEPs from other political groups, could you let us know what would be its aim and main objectives?

The goal of sustainability can only be achieved if we increase the quality of the services and if we can obtain consistent information. We need to invest more on big data research, artificial intelligence and digital economy, increasing the smart destinations. The tourist will be able to enjoy new experiences and locals inhabitants would not be harmed by the phenomena of mass tourism - it would be possible to relieve the pressure on the resources, ensuring their sustainability.

3) As a former hospitality executive before your first election as MEP, which role do you see for the years to come for the industry, in particular in terms of job creation, training and career development?

Today, more than ever, professional qualification is essential! The tourism sector employs a large proportion of young people under 25, so it's important to create consistent and high-value training programs. Qualified technicians provide better services and are an asset to the tourist. On the other hand, the industry must be able to retain the best, and this can only be achieved by providing attractive and stimulating careers. Much of the current job creation is seasonal, which creates a lot of instability and demotivation. This is a big challenge for the future!

Interview with MEP Rosa Estàras Ferragut (EEP, Spain)



MEP Estàras Ferragut (EPP, Spain) is member of the European Parliament Committee on Employment and Social Affairs (EMPL) and substitute member of the European Parliament Committee on Development (DEVE). HOTREC asked her to discuss the Thomas Cook collapse and its challenges to the European hospitality.

1) As you know, on 23 September, the Thomas Cook group filed for bankruptcy. This collapse is having a major economic impact on the tourism sector and the economy of many European countries, with hundred million of euros of losses already registered and potential massive cancellations of travels in the near future. In your capacity of Member of the European Parliament, you tabled, together with other MEPs, a debate on this issue at the last plenary session of 21 October. Can you present us the question that you asked to the European Commission on this occasion?

We estimate that the Thomas Cook Group collapse left about 600.000 people stranded at their holiday sites and caused multiple knock-on effects on several sectors – such as tourism, air and/or road transport. Given the big impact this bankruptcy will have on the tourism industry and its effects on many European economies (e.g. on jobs, GDP, flight connectivity and consumer protection), we asked the European Commission what they are planning to do to avoid major impacts on European economies and what kind of aid to sectors and companies affected by the Thomas Cook collapse will they put in place to mitigate its consequences in terms of employment – especially regarding SMEs. We also asked the European Commission if the EU will consider the application of harmonised measures to guarantee consumers' rights in the event of company bankruptcy and if passenger protection in such circumstances should be included in the [EU Regulation 261/2004](#) on air passenger rights.

2) Following this first plenary debate, what, in your personal opinion, would you expect from the European Commission, as a follow-up to this debate? Would you favor the adoption of a broad new EU tourism strategy addressing the challenges revealed by the insolvency (e.g. digitalisation of the sector, consolidation of market intermediaries, need to support investment in SMEs, etc.)?

We've been calling for a long time – at least since 2010 – for a EU tourism strategy. We are well aware that tourism is under national competence, but this is the short way to look at it. The big picture tells us that tourism is one of the major assets for European economy, and under this perspective, to have an EU tourism strategy becomes a must. Acknowledging that this strategy should respect Member States' competences, but allowing the planning of a European strategy to serve us all.

3) In some countries, beside the economic losses directly resulting from the insolvency, tourism businesses were also requested by some governments to already pay VAT on bills which were not honored by Thomas Cook. Our Member associations already requested a grace period from their governments. What other kind of support would you suggest to mitigate the consequences on the tourism sector?

As mentioned, we need a European strategy and, while waiting for it, a European approach for tourism to help the sector to keep up with the 21st century economy issues – such as digitalisation and collaborative economy. Moreover, we asked, e.g. to the Balearic Island government, a moratorium on the so-called "eco-tax", exempting airport charges for those airlines assuming cancelled routes, a bonus of Social Security contributions to guarantee employment in the touristic sector... What I mean is we are fully against those requests to already pay VAT on bills that have not been honored.

Interview with Mr. Alfred Gajdosik, Vice-President Group III, European Economic and Social Committee (EESC)



Mr. Alfred Gajdosik is Vice-President Group III at the European Economic and Social Committee (EESC). HOTREC asked him to discuss the 2019 EESC opinion on International Trade and Tourism on which he was rapporteur.

1) On 26 September 2019, the European Economic and Social Committee (EESC) adopted in plenary session your report on “International Trade and tourism – a global sustainable development agenda”. Can you present briefly

the main conclusions of your report, especially concerning sustainability, overtourism or digitalisation?

I had the honour to be rapporteur on the EESC (European Economic and Social Committee) opinion ([REX/521-EESC-2019](#)) dealing with Tourism and Sustainability. In this opinion, EESC focused on the main relations between tourism, the European economy, sustainability, digitalisation, overtourism and other relevant issue for the sector (e.g. use of online platforms, such as Airbnb).

As we all know, tourism is the 3rd largest sector in the international balance of trade, accounting in Europe for 10.3% of GDP and holding a great potential to create new jobs – mostly within SMEs. The sector is growing at a faster rate compared to the overall European economy, acting as a key driver of economic growth – also embracing international trade, distribution, all areas of public and private sectors, agriculture and transport. Together with International Trade – with whom tourism holds very complex ties – this sector must therefore be considered a determining factor in the achievement of the [UN goals of the 2030 Agenda for Sustainable Development](#).

For these reasons, the EESC finds regrettable that a separate objective for tourism has yet not been included in the [European Structural and Investment Funds Regulations](#) – being considered as a mean or sector only. Financial planning, in fact, must be considered a key factor to the implementation of political priorities, whereas budget must be recognised as the most efficient mean of policy implementation. The EESC calls therefore on a revision of the most recent proposal for the Multiannual Financial Framework for 2021-2027, claiming a separate budget line for tourism.

Furthermore, EESC identified a close link between tourism’s competitiveness and sustainability, which is largely dependent in this sector on various factors, such as the use of clean energy and the protection of cultural heritage. In the opinion we would like to point out how tourism is one of the key sectors in the [10 years framework of programmes on sustainable production](#) (10-year YFP) and has the potential to become not only the standard for the industry as a whole, but also to involve national economies at worldwide level.

The EESC opinion finally focuses on two of the main challenges currently facing the industry: digitalisation and overtourism. The first will play an important role in innovative forms of cooperation in the sector and will significantly impact on the development of tourist destinations. Many modern technologies (e.g. Artificial Intelligence, Virtual Reality and blockchains), in fact, have the potential to make even the remotest of locations interesting. But to make the most of such capability, the tourism sector needs to focus on research and development. As for overtourism, this phenomenon is already a threat to some European regions – jeopardising both the quality of life of locals and the environment. Although not being a “recent” issue, overtourism still lacks a uniform definition and the term is therefore not easy to be applied.



2) On the basis of your report and the hearing organised by the European Economic and Social Committee on this topic last 14 June by EESC study group on International Trade and Tourism - A Global Agenda for Sustainable Development, what are the main recommendations you would address to the hospitality and tourism sector to overcome the challenges linked to skills shortage or sustainability?

The tourism sector is very diverse in terms of training requirements as, in view of market developments and rising consumer expectations, these can range from relevant language and computer skills to economic and advanced IT skills and also gastronomic knowledge.

Moreover, different EU countries will also have different forms of education and training paths of varying duration, making mutual recognition even more difficult.

For these reasons, I believe that the identification of certain training standards could improve the career opportunities of various professionals both in the EU and abroad. In fact, it will only be possible to permanently reduce the shortage of skills in the tourism sector by introducing binding training requirements while of course improving basic conditions in the industry.

Promoting the value of jobs in tourism as a long-term career option would also be greatly beneficial, as working conditions in tourism are often more difficult than in other sectors.

INTERNAL MARKET

Strong Customer Authentication (SCA): European Banking Authority gives 31 December 2020 deadline for compliance



Following the entry into force last 14 September 2019 of the [new EU requirement to implement Strong Customer Authentication \(SCA\)](#) and the European Banking Authority's (EBA) opinion of 21 June 2019 [advising national competent authorities not to enforce SCA for a short period of time](#), on 16 October 2019 the EBA adopted a new [opinion detailing the deadline for the migration to SCA for e-commerce card-based payment transactions](#).

In particular, the new opinion:

- Takes note that all EU national competent authorities (NCAs) made use of the flexibility granted by the previous EBA opinion;
- States that migration plans of Payment Service Providers (PSPs), including the implementation and testing by merchants, should be completed by 31 December 2020 latest. The period of flexible supervision will therefore end on that date;
- Recommends NCAs to communicate to their PSPs that the supervisory flexibility granted by the EBA is not equivalent to a delay in the application date, but that NCAs would not take enforcement/sanction actions against PSPs to the condition that they respect the milestones and the expected actions specified in the opinion. Therefore, the law is applicable since 14 September 2019;
- Provides a list of milestones and expected actions from NCAs to allow a harmonised migration across the EU towards full SCA-compliance by 31 December 2020.

Next steps:

All PSPs and merchants (i.e. including hospitality businesses) have to be compliant with the new SCA requirement by 31 December 2020 latest. The absence of enforcement measures by NCAs is conditional to the respect of the milestones indicated in the EBA opinion and to the enrollment within a migration plan agreed by the National Competent Authorities.

HOTREC position:

- *The hospitality sector is extremely dependent on the smooth processing of card non-present transactions. A smooth transition to SCA-compliant solutions for card transactions falling into the scope of the SCA requirement is therefore of the utmost importance for the sector;*
- *HOTREC stresses that SCA-compliant solutions are not yet available for hospitality/tourism businesses which need to process card non-present transactions for bookings made through various layers of intermediation. Time is therefore needed to ensure that payment service providers can identify workable technical solutions for the hospitality/tourism sector;*
- *HOTREC supports the EBA recommendation for a harmonised migration towards SCA-compliant solution at EU level;*
- *HOTREC warns that, in cases where online bookings of hotel services are made through online Travel Agents (OTAs), hospitality businesses are dependent on the good will of the OTAs to transfer the necessary payment data to the hotel to implement correctly SCA-compliant solutions for certain types of transactions. HOTREC therefore calls on the European Commission, EBA and NCAs to ensure that OTAs play by the rules and cooperate with hospitality businesses to implement fully-compliant SCA solutions, in particular for no-show transactions.*

COLLABORATIVE ECONOMY

MEPs discuss link between overtourism and lack of short-term rental governance



On 6 November 2019, the European Parliament Committee on Transport and Tourism (TRAN) heard and discussed a presentation of a study on overtourism and its impact and possible policy responses.

From the discussions, it emerged that overtourism is fueled by several elements, directly or indirectly linked to tourism itself, notably low-cost transportation and the prevalence of short-term rental bookings.

Committee Chair Karima Delli (Group of the Greens/European Freedom Alliance, France) said the EU is the right scale to look at short-term rentals, noting that some cities are crumbling under the weight of such platforms which are pushing local populations outside city borders. MEP Philippe Olivier (Identity and Democracy Group, France) advocated for those platforms like Airbnb and TripAdvisor to pay taxes corresponding to their incomes and called for the regulation of these platforms.

The discussion was concluded by the author of the study, Prof. Paul Peeters, who highlighted the importance of governance, stating that with developments like Airbnb, the power to govern is lost and there is no way to protect the local population.

UNWTO publishes study on Rules and Regulations in the short-term rental market



On 10 October 2019, [UNWTO published a study](#) benchmarking rules and regulations of 21 different world-wide destinations concerning short-term rentals. UNWTO Secretary General Zurab Pololikashvili commented that the practical implementation of these rules and regulations remains a challenge in many cases.

The study came to the result, that in almost all investigated destinations there are rules applied to short-term rentals regarding taxation and registration obligations, when it comes to the aspect of fair competition. Concerning consumer protection aspects, regulations on health and safety as well as related to complaint mechanisms are in most destinations in place. According to the study, regulations related to planning and sustainability (e.g. zoning and limitations on the number of units per building/neighborhood) are still among the less tackled features.

The study also mentions that there is a considerable grey area between private and commercial providers. This grey zone causes most disputes in existing regulatory regimes and leads to concerns of unfair competition.

HOTREC position:

- *HOTREC has been very proactive in terms of putting forward proposals to policy makers to keep a balance on the tourist accommodation market in view of the rapidly emerging alternative accommodation providers;*

- *HOTREC welcomes the study of the UNWTO, and hopes that the good examples of some of the cities featured in the study may encourage other destinations to tackle the issue of short-term rentals in their own territory.*

International summit in Buenos Aires creates Global ReformBnB Forum



High-level representatives of hotel associations from around the world agreed to create the official Global ReformBnB Forum during a [summit on 4 and 5 November 2019 in Buenos Aires](#), following previous meetings of the ReformBnB movement in Barcelona (April 2019) and New York (November 2018). Mr. Jens Zimmer Christensen, President of HOTREC, featured among the summit participants.

The Global ReformBnB Forum is established as a non-profit business collaboration group which will gather hotel associations of countries, cities, regions and supranational level. The organising committee consists of 5 founding associations: AhTop, the Federación Empresaria Hotelera Gastronómica de la República Argentina (FEHGRA), Gremi d'Hotels de Barcelona, the Groupement National des Indépendants de l'Hôtellerie & de la Restauration (GNI) and the Hotel Association of New York City (HANYC).

The Forum will focus on defining and prioritizing effective measures to regulate the short-term rental industry as well as developing joint projects and exchanging strategies ideas to promote fairer rules. The underlying idea behind the launch of the Global ReformBnB Forum brand is to foster voluntary collaboration between hotel associations in a joint and coordinated way to create synergies and find solutions.

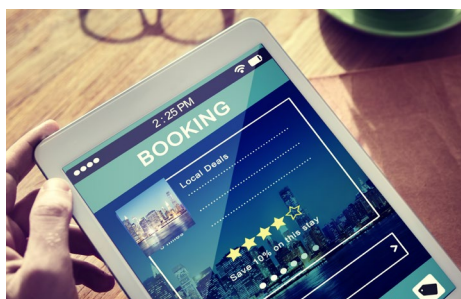
Keynote speaker Manolis Psarros, CEO of Toposophy, gave delegates a [comprehensive update on trends and regulatory updates for the short-term rental market](#). Delegates also had a chance to exchange views and experiences regarding registration and taxation aspects and to present regulatory updates from across the globe.

Next steps:

The next meeting of the Global ReformBnB Forum is planned to take place in Paris on 31 March - 1 April 2020.

ONLINE DISTRIBUTION

Platform-to-Business Regulation: European Commission opens survey on ranking transparency guidelines



The European Commission has opened a stakeholder survey to gather feedback and suggestions on ranking transparency guidelines, as set out in the so-called Platform-to-Business Regulation ([Regulation \(EU\) 2019/1150](#)).

The Regulation requires online intermediation services – such as e-commerce marketplaces, app stores and Online Travel Agents (OTAs) – to set out the main parameters determining ranking and the reasons for their relative importance in their terms and conditions. A similar obligation applies to online search engines.

Survey results will support the production of guidelines by the European Commission, as required by Article 5(7) of the Regulation. The elaboration of clear ranking guidelines is essential to implement the Regulation and should provide to the European hospitality sector a clearer and more transparent understanding of how offers are ranked on OTAs, in particular by identifying the main parameters of ranking and by describing the effects of additional remuneration when there is a possibility to influence ranking against payments. The guidelines may also address sector-specific issues for the tourism sector and help reduce potential disputes with OTAs.

HOTREC position:

- *HOTREC welcomes the final adoption of the Regulation and expects a more balanced relationship between platforms and businesses;*
- *HOTREC considers the current Regulation as a good step into the right direction, however considers that still further steps are needed to balance even more the still unbalanced positions on the market.*

TOURISM

European Parliament called for EU actions following the Thomas Cook Group collapse



Following the Thomas Cook Group collapse, the European Parliament debated with two European Commissioners and adopted a specific Resolution on the issue, with recommendations addressed to the European Commission.

On 21 October 2019, the European Parliament discussed in plenary with Ms. Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, the effects of the bankruptcy, the EU instruments already available

to deal with this crisis and possible next steps (read the [interview to MEP Rosa Estàras Ferragut](#) on the topic at page 4 of this issue).

Following this first debate, the European Parliament adopted on 24 October a non-binding Resolution on the negative impact of the bankruptcy on EU tourism, calling:

- On the EU and on Member States to do everything in their power to limit the fallout from this failure;
- For a real strategy on tourism to be coordinated at EU level, which will also have adequate financial support to compensate for the harm caused to the sector, to help improve its competitiveness and guarantee a high level of consumer protection;
- On the European Commission to evaluate the feasibility of the adoption of specific actions and/or measures to prevent such situations from happening again and to further boost consumer protection and passenger rights;
- On the European Commission to rename the transport portfolio “Transport and Tourism”;
- On the establishment of guarantee funds or insurance contracts by airlines guaranteeing assistance, reimbursement, compensation and re-routing, in order to have the same level of protection for passengers who booked a single travel service and those already protected by the Package Travel Directive.

Further to this resolution, on 6 November 2019 the European Parliament Committee on Transport and Tourism (TRAN) also debated the Thomas Cook case with Ms. Elżbieta Bieńkowska, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs. Commissioner Bieńkowska stressed particularly how the tourism sector is facing important challenges, such as digitalisation and the rise of new destinations outside Europe. She also mentioned that the Thomas Cook collapse showed the need to proactively adapt to changes in the industry – such as the digital transition – and that the Thomas Cook case must serve as a lesson learnt to prevent similar failures from occurring in the future.

Commissioner Bieńkowska also pointed out that, thanks to the [Package Travel Directive](#), tourists purchasing a package holiday will be protected, which was not the case for buyers of flight-only services.



Croatia set to join Schengen



On 22nd October 2019 Mr. Dimitris Avramopoulos, Commissioner for Migration, Home Affairs and Citizenship, recommended to the Council of the EU that Croatia would be part of the Schengen area – nowadays formed by 26 members, 22 Member States and 4 non-Member States.

The system means that citizens are allowed to move freely between the participating countries without having to go through border checks, making it easier to travel, work and live across borders.

The European Commission ([COM\(2019\)497](#)) assessed and confirmed the full implementation in Croatia of Schengen rules in the fields of data protection, police cooperation, common visa policy, returns, Schengen Information System (SIS) – which allows to inform other Member States about the nature of the risks and threats it detects – firearms and judicial cooperation in criminal matters. The Commission also communicated that the Schengen rules can be applied at external borders.

Next steps:

The Council of the EU, following consultation of the European Parliament will take a decision by unanimity.

HOTREC position:

- *HOTREC encourages the enlargement of Schengen;*
- *HOTREC believes that the free movement of people within Schengen is one of the main achievements of the EU integration and hopes that the temporary closure of some borders will come to an end soon;*
- *Free movement of people is key to boost the EU economy, encourage growth and jobs and help tourism flourish.*

The Mediterranean calls for Regional integration and sustainable development



On 4 November 2019 Ministers of Foreign Affairs of the Union for the Mediterranean (UFM) gathered in Barcelona for the [4th UFM Regional Forum](#).

The Foreign Ministers agreed on the need to prioritize actions and focus on environment and climate change, trade, investment promotion, job creation, economic cooperation, digital economy and infrastructure connectivity.

The conclusions of a report developed by a network of scientists across the region shows that the Mediterranean basin warms 20% faster than the global average and that the region is one of the main climate change hotspots in the world, with 250 million people are projected to be considered “water poor” within 20 years. With current policies, temperatures are expected to increase by 2.2°C (compared to pre-industrial level) by 2040.

HOTREC position:

- *One of HOTREC’s main priorities is to reach a sustainable tourism in Europe. In this sense, HOTREC welcomes the regularity of Regional Forum meetings and constructive discussions taking place with the objective of implementing the [Barcelona’s principles and goals](#).*

CONSUMER



CONSUMER AFFAIRS

New EU consumer law rules adopted to tackle unfair practices towards consumers



On 8 November 2019, the Council definitively adopted the [Directive for a modernisation of consumer law](#). The Directive contains several new consumer law obligations which intend to make online platforms (both marketplaces and review sites) more transparent towards consumers, such as:

- Hidden paid placements in product rankings on online platforms will be banned;
- Online platforms and comparison websites will have to inform consumers about the main parameters determining product rankings;
- Comparison websites will have to be more transparent on the authenticity of reviews published;
- Online platforms will need to inform consumers if products are sold by professional traders or a consumer/peer, and, in the latter case, that the transaction is not protected by consumer law;
- New rules are adopted to guarantee that alleged price promotions on online platforms are not fake.

Next steps:

Member States have 24 months to adopt the necessary measures for the implementation of consumer law. These measures will start to apply 6 months later.

HOTREC position:

- *HOTREC strongly welcomes this new legislation which introduces strongly awaited transparency requirements for online market places and review sites. Very often, consumers do not have any idea about the criteria behind rankings online, who is behind an offer and whether they are protected by consumer law when choosing an offer online. This situation creates an un-healthy situation which benefits to rogue traders only. This new legislation will tackle this issue and help to restore trust in online markets.*

SOCIAL AFFAIRS

Recommendations on Access to Social Protection approved



On 8 November 2019 the Council of the EU adopted the Recommendation on Access to Social Protection for workers and the self-employed ([2019/C 387/01](#)). The Recommendation was published on the Official Journal of the EU on 15 November 2019.

The Recommendation is part of the initiatives taken as a follow-up of the adoption of the European Pillar of Social Rights. Member States will have 18 months to submit their national plans in response to these recommendations.

The proposed Recommendation aims at encouraging the Member States to:

- Close formal coverage gaps by allowing all workers and the self-employed to adhere to social protection schemes;
- Foster adequate effective coverage by taking measures allowing all workers and the self-employed to build up and take up social benefits as members of a scheme and facilitating the transfer of social protection benefits between these schemes;
- The proposal applies to the social protection branches for unemployment, sickness and healthcare, maternity and paternity, invalidity, old age and survivors' benefits, accidents at work and occupational diseases.

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.*

Outcome of the Tripartite Social Summit



On 16 October 2019 the Tripartite Social Summit – an annual high-level meeting which counts with the presence of the President of the European Commission, Council Presidency, representatives of the Employers and the Employees associations – took place in Brussels.

The meeting focused on the topic: “Progressing on the social and economic dimensions for a competitive, fair and sustainable Europe: the role of social partners and social dialogue”.

The discussions covered topics such as:

- Transition to a climate-neutral economy;
- Investing in skills and improving access to adult training;
- Designing an industrial policy fit for the future.

Mr. Jean-Claude Juncker, President of the European Commission, highlighted that the European Pillar of Social Rights is a reality and that is important to keep asserting the social dimension of the European Union. Finland's Prime Minister added that the EU needs to become more competitive, socially fair and with a low carbon economy. Investments in skills, education and gender equality should be put forward. Business Europe President, Pierre Gattaz, mentioned that Europe should develop an industrial strategy to generate

growth and public services. At the same time, the sustainability of the social model needs to be secured, as well as investment in social development and environmental protection. Mr. Luca Visentini, General Secretary of the European Trade Confederation (ETUC), referred to the need of making growth more sustainable, both socially and environmentally. He added that employment rates, wage developments and social dialogue should be improved.

HOTREC position:

- *HOTREC welcomes the outcome of the Tripartite Social Summit. The hospitality sector employs 11,9 million people and is a sector that provides job opportunities for all types of workers. Nevertheless, it faces the challenge of lack of skills and of attracting and retaining employees in the sector. Possible solutions include the deployment of training, the development of apprenticeship schemes, better coordination between education systems and companies needs;*
- *The legislation adopted by EU Institutions with regard to the European Pillar of Social Rights should be swiftly implemented at national level.*

Council adopts conclusions on promoting the International Labour Organisation's Centenary Declaration on the future of work



On 24 October 2019, the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) adopted conclusions on promoting the International Labour Organisation's (ILO) [Centenary Declaration on the future of work](#).

Decent work and social dialogue are key priorities for the EU. The conclusions recognise the importance of international working standards and of complying with ILO standards. Improved social justice and a fair, safe and healthy working environment are other highlights.

Through the conclusions, the Council also invited the Commission to update its [Decent Work Communication](#) aimed at promoting decent working conditions within the EU and globally.

The Council Presidency pointed out the need to develop a human oriented approach, focusing on investment in people and on safe and healthy working conditions to ensure a fair transition to sustainable work.

HOTREC position:

- *HOTREC supports a stronger social dialogue at national level and encourages those countries who do not have one, to develop one;*
- *HOTREC encourages all companies across Europe to be fully compliant with health and safety legislation at EU or national level. This is the reason why it has developed, together with its trade union counterpart EFFAT (the European Federation of Food, Agriculture and Tourism), an online risk assessment tool (OIRA) at EU level. This tool can be adapted at national level and be used for free by all companies, so that they can assess if they are compliant with all their health and safety obligations.*

European Labour Authority (ELA) kick-off



On 16 October 2019 the European Labour Authority (ELA) started its activities with an inaugural ceremony and the first meeting of its Management Board.

The Management Board consists of representatives of Member States, the European Commission, EU-level social partners, the European Parliament, as well as observers from Iceland, Liechtenstein, Norway, Switzerland and other EU Agencies.

On this occasion, a first round of views on the work programme was shared with the goal of putting the Authority into action. The main aim of the Authority is to provide workers and employers with better access to information on their rights and obligations, support national labour authorities in their cross-border disputes and facilitate cooperation between Member States in the enforcement of Union law within its scope – including by facilitating concerted and joint inspections, as well as by tackling undeclared work.

No new competences will be created at EU level, and Member States will remain fully in charge of enforcement of labour and social security rules. The official seat of the Authority will be at Bratislava.

HOTREC position:

- *HOTREC supports an Agency focusing on improving information for individual's rights and obligations;*
- *HOTREC welcomes the fact that the Authority respects Member States' competences and decisions in key labour market and industrial relations areas.*

Source picture: [ELA's Flickr account](#)

TAXATION

Council reaches agreement on simplified VAT rules for small businesses



On 8 November 2019, the Council of the EU reached [a general approach on further simplification of the VAT rules applicable to small businesses](#).

The purpose of the new rules is to reduce administrative burden and compliance costs for small enterprises and to help create a fiscal environment which will help small enterprises to grow and trade cross-border more efficiently.

The text foresees that small enterprises will be able to qualify for simplified VAT compliance rules, should their annual turnover remain below a threshold set by a Member State concerned – which cannot be higher than 85.000 EUR. Under certain conditions, small enterprises from other Member States not exceeding this threshold will also be able to benefit from the simplified scheme, if their total annual turnover in the whole of the EU will not exceed 100.000 EUR.

Concretely, the agreed rules are composed of two main building blocks:

- Amendments to the VAT directive aiming at revising and simplifying the rules on VAT exemption for small enterprises so that they can benefit from VAT exemption across the EU;
- Amendments to the regulation on administrative cooperation in the field of VAT to improve such cooperation between tax authorities concerning the application of the updated VAT rules for small enterprises.

Digital taxation: EU Finance Ministers assess OECD progress



On 8 November 2019, EU Finance Ministers took stock of the state of play of work during the Finnish Presidency on the ongoing OECD (Organisation for Economic Co-operation and Development) discussions regarding tax challenges arising from the digitalisation of the economy and exchanged views on the way forward in this area in the coming months.

The discussions showed support for the Presidency's proposed way forward and work will continue on that basis in Council's preparatory bodies. Ministers also stressed the need to ensure that the various solutions at international level are compatible with EU law and that their impact is thoroughly analysed.

The ongoing OECD development consists of two work streams:

- Pillar 1 examines rules concerning the reallocation of profits of digitalised businesses by determining new rules on where tax should be paid and what portion of profits should be taxed in a particular jurisdiction;
- Pillar 2 explores the design of a system to ensure that internationally operating companies pay a minimum level of tax aiming to protect the countries' tax base from base erosion and profit shifting.

OECD's work intensified in the past months, with the aim to have a political agreement on the overall architecture of reforms by January 2020 and a final report by the end of 2020.



The deadline is being closely watched by the European Socialists and Democrats, with MEP Jonás Fernández, the group's spokesperson for economic matters, calling on the EU to "act alone" if no deal can be reached at OECD level.

On its side, the European Commission is closely following OECD discussions and believes that "there is now real momentum to reach a solution", whilst reminding that the subject will be priority on the agenda of the upcoming Van Leyden Commission.

HEALTH

WHO's report on alcohol consumption in Europe



A recent WHO report on “[Status on alcohol consumption, harm and policy responses in 30 European countries 2019](#)” shows that rates of harmful alcohol consumption in Europe have not dropped as expected, even though all countries have signed the European Action Plan to Reduce Harmful use of Alcohol 2012-2020.

Per capita alcohol consumption in the WHO European Region – including the European Union (EU) – is the highest in the world, which results

in proportionally higher levels of burden of disease attributable to alcohol use compared to other regions. According to the report, while there have been improvements in terms of overall mortality and alcohol-attributable mortality in EU countries (EU Member States, Norway and Switzerland), there was no statistically significant decline in total alcohol per capita consumption between 2010 and 2016 and the observed decreases in heavy episodic drinking seem to have come to a halt.

The assessment of alcohol policies in the 10 areas defined in the European action plan to reduce the harmful use of alcohol 2012–2020 revealed huge variability across the countries, including the implementation of the three WHO “best buys” policy measures to reduce non-communicable diseases related to alcohol. According to the report, countries scored relatively low on reducing the negative consequences of drinking and alcohol intoxication and very low in pricing policies, and scored generally high in the areas of leadership, awareness and commitment, drink – driving policies and countermeasures, and monitoring and surveillance.

The report concludes that further steps are needed to maintain reductions in alcohol-attributable harm, specifically in the implementation of evidence-based alcohol policies to decrease levels of per capita alcohol consumption and heavy episodic drinking.

HOTREC position:

- *HOTREC is an active member of the Alcohol and Health Forum and continues encouraging its members to develop measures at national level to enforce age limits when serving and selling alcohol and to develop information programmes on responsible drinking;*
- *HOTREC believes that best practices sharing is a positive way to help curb alcohol related harm.*

Source picture: [WHO website](#).

STATISTICS

Eurostat publications



Eurostat released figures on [employment in the tourism sector](#), confirming the higher than average job ratios for women and young workers in the sector.

Furthermore, it also published [figures on package travel trips](#), mentioning that 9% of all travels made by Europeans were package trips in 2017, consisting of at least travel and accommodation or one of these together with another major element of the trip. Compared with 2014 figures, in

2017 the total number of trips increased by 7%, while the number of package trips remained stable.

HOTREC GENERAL ACTIVITIES

HOTREC's cocktail reception at the European Parliament "The European Hospitality's industry's key priorities for the new EU Mandate"



On 12 November 2019, HOTREC organised a cocktail reception at the European Parliament to unveil its [White Paper for Hospitality in Europe](#), recommending to the EU Institutions 5 key priorities for the European hospitality industry the EU Mandate 2019-2024.

The event was kindly hosted by MEP Cláudia Monteiro de Aguiar (EEP, Portugal), Vice-President of SME Europe, and counted with the participation of: Ms. Elżbieta Bieńkowska, European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, MEP Dita Charanzová (Renew Europe Group, Czech Republic), Vice-President of the European Parliament, MEP István Ujhelyi (S&D, Hungary), Vice-Chair of the European Parliament TRAN Committee, MEP Carlo Fidanza and Mr. Alfred Gajdosik, Vice-President Group III at the European Economic and Social Committee (EESC).

Mr. Jens Zimmer Christensen, President of HOTREC, was glad to welcome over 100 guests, among which EU officials, key stakeholders, journalists and HOTREC Members who participated to the event and commented that "to face the upcoming challenges and political guidelines, the hospitality sector needs more than ever EU Institutions to pursue a tourism-friendly agenda towards sustainable tourism with the active support from all political groups in the European Parliament".

Next meetings and General Assemblies

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

- 19-21 November 2019 (Barcelona, Spain): [Smart City Expo World Congress](#);
- 21 November 2019 (Brussels, Belgium): Ranking Transparency Workshops with Platforms and Business Users;
- 25-27 November 2019 (Helsinki, Finland): [SME Assembly](#) organised by the Finnish Presidency of the EU and the European Commission;
- 27 November 2019 (Helsinki, Finland): [New Role for Cities and Regions in Promoting Entrepreneurship and SMEs seminar](#);
- 29-30 November 2019 (Prague, Czech Republic): [14th AHRRC Conference](#);
- 3-4 December 2019 (Brussels, Belgium): Post 2020 – Local action in a changing world. Event showcasing how thousands of citizens are successfully using the "bottom-up" approach for sustainable development in their areas, known as "community-lead local development" (CLLD);
- 5 December 2019 (Barcelona, Spain): High-level Working Group on Employment and Labour: roadmap for actions;
- 10-11 December 2019 (Antwerp, Belgium): 15th OECD (Organisation for Economic Co-operation and Development) [Local Development Forum](#);
- 12 December 2019 (Brussels, Belgium): EU conference "[Time's up for food waste! Setting the EU action agenda towards 2030](#)", organised under the auspices of the Finnish Presidency of the Council of the EU;
- 12 December 2019 (Brussels, Belgium) FoodDetectives breakfast at the European Parliament – Launch of a new report on the quality of life of people with food allergy and what Europe can do about it;
- 20 March 2020 (Lugano, Switzerland): European Hotels Managers Association's (EHMA) annual general meeting;
- 31 March 2020 - 1 April 2020 (Paris, France): Meeting of the Global ReformBnB Forum
- 23-24 April 2020 (Berlin, Germany): HOTREC's 80th General Assembly in Germany.



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