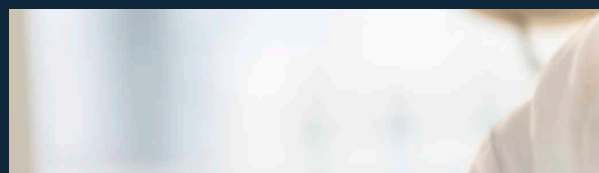




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INTERVIEWS

Interview with Mr. Jens Zimmer Christensen, President of HOTREC



Mr. Jens Zimmer Christensen is President of the Association of the Hotel, Restaurant and Tourism Industry in Denmark (HORESTA) and, as of 1 January 2019, President of HOTREC. We asked him to share with us his thoughts on future challenges for the European hospitality sector and the EU Institutions and on his vision for HOTREC during 2020 and beyond.

1. While experiencing good economic performances over the last year, the European hospitality sector is facing strong challenges to sustain its contribution to growth, job creation and well-being. Can you explain what these challenges are and how EU Institutions can support the hospitality sector tackling them?

I believe that one of the biggest challenges the tourism industry is facing is how to shift to a more sustainable approach as far as the future tourism products are concerned, and at the same time maintain the growth momentum the sector has experienced in the last decade. According to a recent World Economic Forum report, climate change is causing more extreme weather conditions and the consequences are considered as the greatest global risk in 2020. This is, of course, a serious matter, which all industries, the tourism industry included, are forced to take very seriously. At the same time, we see a rise of nationalism around the world, and the countries experiencing the nationalistic waves are often also the countries least likely to acknowledge and take action on fighting climate changes.

The new Commission has just released its very ambitious strategy 'Green Deal' where Europe is set out to be 100 pct. emission-free in 2050. This adds pressure to industries in the EU to reorganise their businesses to a more CO₂ friendly production, which will require investments in new innovative technology and services. This also replies to the tourism industry. The hospitality sector has for many years dealt with sustainability within the sector by reducing food waste; energy optimizations and creating new jobs for many people throughout the EU. Not only because it is good for the environment, but because it is good for business too. But we need to go even further if we are to meet the very ambitious targets of the Commission.

On top of this, the tourism sector is facing great skill shortages within the different business areas in the sector. At this point, we currently do not have the working force to meet the growth potential of the sector, which according to UNWTO is expected to be 3,3 pct. annually towards 2030. We, therefore, need to focus on educating more people and attract young skilled people to the sector.

Likewise, the industry is facing challenges in terms of the increase in 'collaborative economy', where a better description would be 'short term rentals'. For the hospitality sector, this means a great increase in competition from platforms like Airbnb and Home Away. These platforms and the companies behind operate on different regulations than the conventional businesses within hospitality and the lack of control and regulation naturally puts a great strain on the hotel sector making it one of our biggest concerns.

A healthy lifestyle is also a matter for the hospitality sector. We will be working on fostering voluntary initiatives on nutrition for local food services instead of horizontal EU-legislation. We believe that 'nudging' and inspiring the sector to serve healthier food to the guests is far

better than additional regulation. Many people respond negatively to regulation if they feel they are being forced. We hope that our approach will be well received by all concerned. HOTREC launched a new working program for the next EU legislative mandate in the EU at a very successful event on November 12th 2019. We will have our plate full in reaching our goals in all areas. But we are ready to take on the work.

We need to increase awareness of the growth potential of the sector in the Parliament and the Commission but also equally important - the challenges we are facing. All countries in the EU rely greatly on tourism, and our focus is to cooperate closely with politicians to change legislation and framework for the benefit of the sector.

Read [here](#) HOTREC's White Paper for hospitality in Europe: 2019-2024 EU Mandate.

2. As the new European Commission just took office, its core priorities for the next 5 years are related to the digital transformation of the economy and climate change/sustainability. How do you think the sector can respond to these priorities?

The digital transformation and online-platforms are presenting a big challenge to the tourism sector, and we need a better balance and constant monitorisation of the development regarding platforms in order to adapt to the changing circumstances. We, therefore, call on the EU institutions to take action by launching the necessary review of the E-Commerce directive to help rebalance the market between the dominant online platforms and the millions of especially micro-enterprises. It is important, that we have proper protection against unfair practices.

All companies have to relate to the great digital challenges especially the many-micro companies in the sector. Upgrading digital skills within a workforce is expensive no matter how small a staff you have. It takes people away from the main focus – attending the guests. And to invest in new digital technology is also expensive. Finding solutions to this within the next legislative mandate will too be a focus point of HOTREC.

My goal and hope is, that the new Commissioner of digitalization Ms. Margrethe Vestager will take on the task of thoroughly assessing the online platforms and their - from our point of view – unfair conditions for competition.

At the same time, we will work intensely on providing the politicians with the solutions to meet the different challenges – also regarding the overarching challenge of sustainability. We will work on presenting solutions to policy-makers to help the sector to deliver sustainable and inclusive growth, create markets for sustainable tourism services as well as requesting strategic investment fund to aid SMEs in the sector and provide the necessary transformation and renovation to increase energy efficiency, reduce CO2 emissions and food waste.

There are so many talented people within the tourism sector and many have great ideas on how to transform the sector for a sustainable future. We have worked on this particular matter for many years, and we have great experience in this area, and I believe that the best solutions will come from the people who work within the sector.

3. In this context, what is your vision for HOTREC for 2020 and beyond?

As President, my vision for HOTREC for 2020 is to work hard and dedicated on gaining more political influence. We have five very important priorities for the upcoming five years, and for us to be successful we need as many politicians as possible in the EU, and on a national level, to work with us. Today the sector experience unwanted and unnecessary legislation and regulation from the EU, which only serves to complicate daily operation. My focus will be to minimize unwanted and counterproductive regulation and get the politicians to focus on the legislation and framework we need.

More and more politicians from different countries are paying more attention to our sector due to our growth potential and our volume as the third-largest socio-economy in the EU.

We need to pursue this to our advantage. Having said this, not all are aware of the challenges and needs the sector is facing. As President I – together with Excom and the hard-working and talented HOTREC staff - will do my best to raise awareness and gain influence within the new Parliament and Commission.

It is my hope, that by the end of 2020, we have been successful in creating more awareness within the EU of our great sector, and hopefully – as a start – committed the EU institutions on reviewing the E-Commerce Directive, and that we have avoided unnecessary legislation for the sector.

I look very much forward to start working on all the priorities within the HOTREC White Paper. We have a lot of work ahead of us, but we stand ready and united to make a difference for the hospitality sector in Europe.

Interview to MEP Roberta Metsola (Malta, EPP)



Ms. Roberta Metsola is a Maltese politician and a Member of the European Parliament with the European People's Party (EPP). HOTREC asked her to share her views on the priorities of the newly elected European Parliament to support sustainable tourism development; on Brexit and on the Thomas Cook case.

1. As an experienced MEP from a highly touristic country, what should be, in your opinion, the priorities of the new European Parliament to support sustainable tourism development?

The tourism industry is one of the biggest contributors to the Maltese economy and is the third-largest sector in the European Union — employing roughly 17 million people. While the tourism sector is clearly a strong driver of growth and jobs for many in Malta and regionally, it can impose considerable strains on the environment.

Europe's competitiveness in the tourism industry gives it the responsibility to protect those working in the tourism industry. Yet, while tourism is a strong driver of economic growth and job creation, it needs to be sustainable, and legislation needs to strike the right balance in this regard.

As a member of the Intergroup on Sustainable Tourism and the Environment, Public Health and Food Safety Committee, this is an area I will work to seek consensus on within the European Parliament.

2. In your country, British tourists represent an important source market for tourism businesses and a high share of the overall tourist arrivals. In this context, Brexit is likely to seriously impact the tourism sector and growth. What can be done to mitigate this impact?

British tourists comprise almost one-third of all yearly visitors to Malta. A top priority post-Brexit will be ensuring the continued attractiveness of Malta as a holiday destination for them. Remaining competitive, attracting new sectors and focusing on diversification will help Malta to stay a key tourist destination for British holiday-goers.

We have to prepare properly for Brexit and move past uncertainty, including by preparing for potential worsening currency exchange rates between the Pound Sterling, the Euro and other currencies used in the EU currently. Any deal struck with the UK should keep in mind short term visits by UK nationals to EU countries and vice versa, to ensure that undue bureaucracy does not creep in. This would mean that countries, like Malta and Spain, which receive a high quantity of British tourists annually, would not suffer as a consequence.

3. The collapse of Thomas Cook had a massive negative impact on tourism and the economic well-being of many touristic destinations across many European countries such as Malta. In your opinion, what should the EU do to avoid any repetition of this crisis in the future?

With regards to the collapse of Thomas Cook, we have to acknowledge that better supervisory mechanisms must be in place to prevent collapses of this magnitude from occurring. 600,000 people were stranded away from home, with no alternative return trip provided.

The withdrawal agreement between the EU and the UK will have to include a strong consumer protection component that is fit for purpose in an age of online travel agents and increased online commercial activity. Moving forward, the European Parliament must continue to do its utmost through legislation to promote a competitive environment between airlines to avoid similar occurrences. The EPP Group especially has been at the forefront in giving tens of millions of passengers in Europe access to air travel by opening up the market for more competition, high-quality services and transparent prices for travellers. In this way, travellers are protected, businesses are protected, and the interests of the single market are protected.

ONLINE DISTRIBUTION

Booking.com commits to change the way it presents offers, discounts and prices to consumers

Following dialogue with the European Commission and national consumer authorities, Booking.com has committed to making changes in the way it presents offers, discounts and prices to consumers. Once these new changes are fully applied by Booking, consumers should be better able to make informed comparisons in line with the requirements of EU consumer law.



The European Commission and national consumer protection (CPC) authorities, under the lead of the Netherlands Authority for Consumers and Markets (ACM), assessed the commitments that Booking.com proposed at EU/EEA level, following contacts spanning the last year. CPC authorities are confident that the commitments will bring the company's practices in line with the requirements of EU consumer law.

Booking.com has committed to making the following changes to their practices by 16 June 2020 at the latest:

- Make clear to consumers that any statement such as "last room available!" refers only to the offer on the Booking.com platform;
- Not present an offer as being time-limited if the same price will still be available afterwards;
- Clarify how results are ranked and, whether payments made by the accommodation provider to Booking.com have influenced its position in the list of results;
- Ensure that it is clear when a price comparison is based on different circumstances (e.g. stay dates) and not present that comparison as a discount;
- Ensure that price comparisons presented as discounts represent genuine savings, e.g. by providing details about the Standard Rate price taken as a reference;
- Display the total price that the consumers will have to pay (including all unavoidable charges, fees and taxes that can reasonably be calculated in advance) in a clear and prominent way;
- Present sold-out accommodation in a position in the search results that is appropriate to the search criteria;
- Clearly indicate whether an accommodation is offered by a private host or a professional.

As next steps, national consumer protection authorities will assess the implementation of these commitments. These were made without prejudice to any other assessment of compliance with consumer law principles that authorities may raise in the context of national administrative or judicial proceedings. Under the coordination of the Commission, the authorities will also assess the practices of other major online travel services platforms.

European Commission plans to consult on Digital Services Act during first quarter of 2020

The European Commission could launch a consultation on the Digital Services Act during the first quarter of 2020, after which it could present its proposals at the end of 2020. As a reminder, the President-elect of the European Commission, Ursula von der Leyen, has committed herself, in her political priorities, to present new legislation on digital services to “strengthen our rules on liability and security for digital platforms, services and products”.



Speaking to European diplomats involved in telecommunications and competition in November 2019, the European Commission has reportedly reaffirmed that the ‘electronic commerce’ directive was no longer suitable to the current environment. It offers three reasons: the multiplication (and great underlying diversity) of digital services since the 2000s, the emerging legal fragmentation and the challenges of implementing legislation in all Member States as well as monitoring digital services.

According to rumours, it is said that the Commission has the ambition to extend the scope of the e-commerce directive to cover collaborative economy actors. The new act would provide a set of minimum obligations, including those relating to the fight against cyberbullying and online hate speech. It would also clarify the rules on “notification and action” and strengthen cooperation with the competent authorities. At France’s request, it could also provide for a special status for the large structuring platforms on the market.

HOTREC to launch 2020 Hotel Distribution Survey



The HOTREC and HES-SO Valais Hotel Distribution Study will return in 2020 to provide hotels across Europe solid evidence of how and where consumers book their hotel rooms and how this is evolving. Since 2014, HOTREC and HES-SO Valais School of Management and Tourism have worked together to draw up a biennial study offering a comprehensive picture of the offline and online distribution landscape in the European hospitality sector.

COMPETITION

Parity clauses: European Commission steps up activities towards review of VBER



The European Commission is currently evaluating the [Vertical Block Exemption Regulation \(VBER\)](#), with a likely revision of this legislation to be proposed later in 2020. The VBER exempts some types of 'vertical' agreements between enterprises from EU competition law if certain conditions are met.

Following a public consultation which closed in May and a stakeholder workshop in November 2019, the European Commission has now

mandated a consultancy company to provide an external evaluation study of the Regulation to assess if the legislation still meets its objectives and whether it remains fit for purpose. The study will be based on an in-depth analysis of the current situation and interviews in six EU Member States. HOTREC will also take part in an ad-hoc stakeholder meeting addressing the assessment of the VBER.

HOTREC position:

- *HOTREC is in favour of having specific rules for online platforms, to ensure that some of their practices – notably imposing so-called parity clauses on hotel room prices - are not exempt from competition law.*

EU opens consultation on EU competition rules on horizontal agreements between companies



Since [Commission Regulation \(EU\) No 1217/2010](#) for research and development agreements and [Commission Regulation \(EU\) No 1218/2010](#) for specialisation agreements – also known as the Horizontal Block Exemption Regulations – will expire in 2022, the European Commission has launched their evaluation process to determine whether to revise, prolong or to let expire these Regulations. To do so, the Commission has opened a public stakeholder consultation until 12 February 2020.

The purpose of the Horizontal Block Exemption Regulations is to make it easier for undertakings to cooperate in ways that are economically desirable and without adverse effect from the point of view of competition policy, in accordance with EU competition law principles. This is the case, if certain conditions are met, for some agreements on the specialisation of products or agreements for research and developments.

Next steps:

The consultation is open until 12 February 2020. The Commission will use the input gathered to determine the need for a revision or prolongation of the Regulations.

COLLABORATIVE ECONOMY

European Court of Justice (ECJ)'s ruling confirms that Airbnb platform acts as 'information society service'



On 19 December 2019 in case C-390/18, the European Court of Justice (ECJ) held that Airbnb should be classified as an 'information society service' under Directive 2000/31 on electronic commerce, stating that the various services provided by the platform are merely ancillary to the intermediation service it provides. As such, the French Hoguet Law, which sets out accounting, insurance and financial obligations to providers of real estate, cannot be applied to Airbnb insofar as those measures were not

notified to the European Commission or the Republic of Ireland – where the Airbnb company is based - in accordance with the second indent of Article 3(4)(b) of the Directive.

The court was addressing a preliminary ruling brought forward by the Regional Court of Paris, asking whether the services provided by Airbnb are constituting an information society service and whether they would have to be exempted from the rules relating to real estate agents in France. The verdict should not be considered, however, as a trump card for the Airbnb platform or hosts to circumvent or avoid the application of existing rules applying to STR rentals.

Contrary to the [case of Uber](#), the court concluded that the services of Airbnb, as a service connecting potential guest with hosts offering short-term accommodation, and in a situation where the provider of that service does not exercise control over the essential procedures of the provision of those accommodation services, constitute an information society service.

HOTREC position:

- *HOTREC considers, that Airbnb is not only a platform to purely connect potential guests and hosts offering short-term accommodation, but also has a considerable influence on the underlying market. Airbnb is setting quality standards for hosts, the non-compliance with which may lead to the exclusion of the host from the platform. Moreover, Airbnb also provides with price suggestions to the hosts, exercising further influence on the market. Thus, HOTREC considers that Airbnb exercises control over the essential procedures of the provision of accommodation services;*
- *HOTREC finds that the decision of the European Court of Justice to consider that the Airbnb platform merely provides an 'information society service' exemplifies the need to update the E-commerce Directive under the Digital Services Act. HOTREC outlined this viewpoint in a press release reacting to the ECJ ruling.*

Airbnb legal challenge against Italian taxation legislation referred to ECJ

The Italian Consiglio di Stato has submitted a request for a preliminary ruling to the European Court of Justice regarding the application of a so-called 'Airbnb tax'. The request follows a legal challenge by Airbnb against the ruling of the Lazio Administrative Court upholding the legality of Article 4 of Decree-Law No 50/2017, that confirmed that the flat tax rate - known as the 'cedolare secco' - on 21% of gross rents



introduced as alternative to normal income and registration taxes on rental contracts is the default regime applicable to landlords who rent out residential property on a short term basis.

Airbnb is challenging the requirement for agents and intermediaries to withhold the 21% flat tax on payments received from tenants, and deducting this amount from payments to landlords prior to paying the withheld 21% to the Italian government. As a result of the challenge, the Consiglio di Stato has suspended the application of the tax and it will be up to the ECJ to determine whether the obligation to apply the 21% withholding tax by the online portal is legitimate.

In its challenge, Airbnb is raising the argument that the Italian Decree Law was adopted in breach of the notification obligations under Directive 1535/2015/EU, noting that the absence of prior notification of the new legislation to the Commission renders it inapplicable. Airbnb also challenges the requirement for foreign businesses without establishment in Italy to appoint a tax representative and considers that there are no public interest reasons justifying the introduction of restrictions to the freedom to provide services, stressing that the measures cannot be justified by a general need to combat tax evasion in the property sector.

European Citizens' initiative on 'affordable housing' demands rules for short-term rental



A European Citizens Initiative called '[Housing for all](#)' is requesting a better legal and financial framework conditions to facilitate access to housing for everyone in Europe. The deadline to collect 1 million signatures, which is necessary if the European Commission is to consider following up on the initiative, is 20 March 2020.

The initiative urges the EU to take action to facilitate access to housing for everyone in Europe. This includes social, competition-based rules for short-term rentals, easier access for all to social and affordable housing, not applying the Maastricht criteria to public investment in social and affordable housing, better access to EU funding for non-profit and sustainable housing developers and the compilation of statistics on housing needs in Europe.

SOCIAL AFFAIRS

Commission priorities on Social Affairs released!



On 14th January 2020, the European Commission issued a Communication on “A Strong Social Europe for just transitions” (COM(2020)14 final) with the aim of presenting a roadmap on Social Affairs topics for the next two years. In the 1st quarter of 2020, the European Commission will present a European Gender Equality Strategy, followed by binding pay transparency measures and an updated Skills Agenda for Europe. On the same day, a first consultation to social partners on

minimum wages was also published. For 2021, an Action Plan to implement the European Pillar of Social Rights will also be put forward.

HOTREC position:

- *HOTREC calls for an EU Strategy on Skills that takes into account the necessity for the workforce to have access to massive training through EU and national funding;*
- *HOTREC defends that men and women developing the same work with the same performance shall be paid equally. Nevertheless, HOTREC defends that no further EU legislation is needed. The existing EU and national legislation should simply be enforced at national level;*
- *Minimum wages are part of either national legislation or national bargaining. The topic should not be imposed from an EU perspective.*

Gender equality is a priority in the EU agenda

On 10th December 2019, the Council approved conclusions on Gender-Equal Economies in the EU. By and large, the Council called on the Commission to set gender equality as a political priority in the current term (2019-2024) and adopt a Communication setting out an EU gender equality strategy. It also called both the Commission and Member States to set up gender equality policies; implement measures to close the gender gaps in employment, monitor their impact on the gender gap in pensions and encourage women’s participation in the labour market (including encouraging female entrepreneurship).



On the other hand, the European Commission issued a roadmap on the possibility of proposing a Directive on Pay Transparency. The Commission claims that pay transparency would improve worker’s access to information on pay, by raising awareness of discrimination and making it easier to enforce equal pay.

HOTREC position:

- *HOTREC fully supports the idea that men and women developing the same work with the same performance should be paid equally;*

- But HOTREC objects the introduction of a mandatory piece of legislation on the matter – there is enough national and EU legislation on the topic. Enforcement of the current legislation should prevail;
- HOTREC strongly supports the setting up of the necessary childcare infrastructures, after school hour programmes for children, as well as facilities for the elderly, affordable to all users and with flexible opening schedules;
- Non-legislative measures are fully welcome: best practices sharing; education programmes; awareness-raising campaigns.

Council adopts conclusions on the future of work



On 24th October 2019, the Council adopted conclusions on promoting the International Labour Organisation's Declaration on the Future of Work. The main areas of action include: human-centred approach; investment in people; safe and healthy working conditions to ensure decent work; equal opportunities and combating discrimination and cooperation to ensure fair transition for sustainable work. The conclusions also recognise the importance of international working standards;

of improved social justice and of safe and healthy working conditions. In addition, the Council also invited the Commission to revise the Decent Work Communication.

Trilogues on Coordination of social security systems postponed

On 10th December 2019, the European Parliament decided to postpone the interinstitutional meeting on the Regulation on the coordination of social security systems. Members of the Parliament considered that the Council Presidency had too little margin of manoeuvre to resume negotiations. In fact, at the Council, the Finnish Presidency did not receive a renewed mandate negotiate. Three points are blocking the negotiations: the question of prior notification in the case of posting of a worker and the conditions of exemption that would apply; the abolition of the notion of working time in the case of pluriactivity and the export of social benefits for frontier workers.



Next steps:

There are different possible scenarios: the Council might receive a new mandate, or the European Parliament might adopt its first position (making it mandatory to the Council to react). The Commission can withdraw its proposal at any time.

HOTREC position:

- HOTREC advocates that there should be an exemption for business travellers to obtain a portable document (PD A1) each time they cross the border for businesses;
- This would avoid administrative and financial burdens to the travellers;
- As it might take time before the Regulation is adopted by the co-legislators, HOTREC calls on the Commission to issue guidelines in this sense.



FOOD

European Commission to present a new EU strategy on sustainable and healthy food



As part of the EU Green Deal presented on 11 December 2019, the EU announced that it will present a new “Farm to fork strategy on fair, healthy and environmentally friendly food systems”. Amongst others, the strategy will aim to “green” the EU agriculture policy, but also to reduce the environmental impact of the food processing and retail sectors, stimulate sustainable food consumption and promote affordable healthy food for all. This should include actions to help consumers choose a

healthy and sustainable diet and reduce food waste. It will also explore new ways to give consumers better information on food, including by digital means, on details such as where the food comes from, its nutritional value and its environmental footprint.

Next steps:

The new Farm to fork strategy on fair, healthy and environmentally friendly food systems should be presented by the European Commission at the beginning of spring 2020.

HOTREC position:

- *HOTREC welcomes the Commission’s intention to launch a broad reflection on healthy and sustainable food systems;*
- *HOTREC calls on the EU institutions to consider pragmatic and flexible approaches for hospitality businesses, due to their specific nature, relatively small size, and reliance on local and/or fresh supplies that change regularly. As the majority of such businesses do not produce standardised food, HOTREC calls on the future EU strategy to consider pragmatic and flexible approaches to promote healthy nutrition in the restaurant sector.*

New EU recommendations for action to reduce food waste across the food chain

On 12 December 2019, the EU Platform on food losses and food waste officially released its Recommendations for Action in Food Waste Prevention during a large conference under the auspices of the Finnish Presidency of the EU. The recommendations cover the entire food chain, with a specific set of recommendations for each sector (primary producers, manufacturers, retailers, hospitality/food services, consumers, food redistribution) combined with cross-cutting horizontal recommendations. HOTREC actively participated to the elaboration of the recommendations as rapporteur for the recommendations on the hospitality/food service sector. The recommendations are addressed to both public and private entities, suggesting relevant actions for specific players.



Concerning the recommendations for the hospitality/food service sector, they recognise the fragmentation and heterogeneity of the sectors and consequently recommend:

- National authorities, research centres and trade associations to provide support to



Food



- small businesses to increase their knowledge and capacity-building;
- Trade associations to motivate businesses to adopt measures against food waste;
- Food service businesses, national public authorities, consumer and environmental NGOs, consumer organisations to help to influence consumer expectations/behaviour to reduce and prevent plate waste;
- European and national public authorities, trade associations, food service businesses and redistribution organisations to identify solutions to tackle logistical challenges for donations from the sector;
- Entities designing food waste reduction actions to monitor their efficiency and effectiveness.

The cross-cutting recommendations, amongst others, recommend:

- That every sector in the food supply chain strengthen food waste monitoring and reporting, though administrative burdens should be avoided and relevant support provided to businesses;
- To integrate food waste in education and professional training (in particular in hospitality curricula);
- To ensure financial support to help players take action with a particular focus on SMEs.

HOTREC position:

- HOTREC, who actively contributed to the elaboration of the recommendations as rapporteur for the hospitality/food service sector, welcomes and supports the recommendations published by the EU platform on food losses and food waste;
- HOTREC strongly support the recommendations to support small businesses to increase knowledge and capacity-building, to provide financial support to small businesses (e.g. to help finance audits), and to influence consumer expectations/behaviour to reduce plate waste;
- HOTREC calls on all relevant parties to use the recommendations and work together at national level to actively contribute to the goal of halving food waste by 2030.

SUSTAINABILITY

New EU green deal presented by the European Commission



On 11 December 2019, the European Commission published its Communication “The European Green Deal”, which sets the Commission’s strategic agenda for the new EU mandate on sustainability. The EU Green Deal contains an exhaustive roadmap of key policy and legislative measures that will be taken by the European Commission to combat climate change and tackle various sustainability and environmental issues.

With the EU Green Deal, the Commission ambitions to deeply transform the EU’s economy to make it fully sustainable. To this end, it announces a wide range of policy and legislative proposals, including, amongst others:

- A new set of law on climate, CO2 emissions and sustainable mobility. It includes a new climate law for the EU to achieve carbon neutrality through efforts to be made by all sectors, a new plan to increase the CO2 emissions reduction target for 2030 to at least 50%, an extension of the European Emissions Trading System to new sectors, a revision of the Energy Taxation Directive and a revision of the tax exemption for aviation and maritime fuels.
- A dedicated strategy on the circular economy and consumer information. It includes EU industrial strategy to address both digitalisation and green transformation, an EU circular economy action plan (including measures to help to empower consumers to make informed choices on sustainable products), actions against fake green claims by enterprises or for products.
- A new “Farm to fork strategy on fair, healthy and environmentally friendly food systems”.
- The launch of a ‘renovation wave’ of public and private buildings, through a new initiative on renovation that will include innovative financing schemes and lifting national regulatory barriers that inhibit energy efficiency investments
- A new set of financial instruments to facilitate the green transition.

Next steps:

The European Commission will start tabling as soon as possible the various legislative and policy measures mentioned in the EU Green Deal, with the first measures expected already during the first quarter of 2020.

HOTREC position:

- *HOTREC welcomes the EU Green Deal for its intention to transform the EU economy and make it sustainable. Many of the planned initiatives will actually be extremely relevant for the hospitality and tourism sector to speed-up sustainable tourism development;*
- *HOTREC welcomes the intention to launch a ‘renovation’ wave. As the vast majority of hospitality businesses are micro-enterprises, they actually face important difficulties to access the necessary financing to renovate buildings in which they operate, while encountering difficulties due to multiple ownership of buildings many of them occupy. HOTREC, therefore, supports the intention to create new financial instruments to support this renovation wave and calls on the EU institutions to ensure that hospitality and tourism SMEs and micro-enterprises will be able to benefit from these instruments. A strategic investment plan for tourism SMEs would be needed to help finance this renovation wave in the sector;*
- *HOTREC also welcomes the intention to launch a broad reflection on healthy and*

sustainable food systems and calls on the EU institutions to consider pragmatic and flexible approaches for hospitality businesses, due to their specific nature and relatively small size, especially as the majority of them do not produce standardised food and tend to rely on local fresh supplies.

Proposed European Green Deal Investment plan to mobilise 1 trillion euros over ten years



On 14 January 2020, the European Commission released its [proposal for a European Green Deal Investment plan](#) (also called Sustainable Europe Investment Plan) to help finance the investments required to achieve the objectives set in the EU Green Deal to make the EU economy climate-neutral, to create an enabling framework for private investors and public sector to facilitate sustainable investments and to provide support to public administrations and project promoters in identifying, structuring and

executing sustainable projects. The Plan will mobilise through various instruments of the EU budget at least 1 trillion Euros of public and private investments over the next decade.

Concretely, the European Green Deal Investment Plan will mobilise several instruments:

- 25% of the EU long-term budget 2021-2027 will be invested in climate and environment-related objectives through various EU funds (e.g. European Agricultural Fund for Rural Development, European Agricultural Guarantee Fund, European Regional Development Fund, Cohesion Fund, Horizon Europe and Life funds). This will amount to 503 billion euros, which will trigger 114 billion euros co-financing from Member States;
- Invest EU (the successor of the Juncker Plan's European Fund for Strategic Investments) will leverage 279 billion Euros and provide an EU budget guarantee to allow the European Investment Banks to invest in higher risks sustainable projects;
- The [EU Just Transition mechanism](#) will mobilise at least 100 billion euros over 2021-2027 to provide targeted support to the most affected regions to alleviate the socio-economic impact of the transition towards a climate-neutral economy.

Next steps:

Concerning the additional envelope for climate investments as part of the EU long-term budget, the Council and European Parliament will need to approve the final architecture

HOTREC position:

- *HOTREC welcomes the Commission proposal for a European Green Deal Investment Plan to finance the transition to a sustainable and climate-neutral economy;*
- *The hospitality and tourism sector represents a significant part of the European economy and is facing important challenges to finance the necessary sustainable investments. This is particularly true for over 1.8 million micro-enterprises in the hospitality sector, which have difficult access to bank financing for such investments. HOTREC, therefore, supports the intention to create new financial instruments to support this transition and calls on the EU to ensure that hospitality businesses will be able to access a fair share of this new budget to launch major sustainable projects, such as renovation of buildings, increased energy efficiency or better management of water and waste.*

DATA PROTECTION

New Commission proposal on e-Privacy coming up!



Finally, the Telecommunications Council of the EU included a [general report](#) in the agenda of its meeting (3 December 2019) with regard to the E-privacy Regulation, as a general approach on the text could not be reached by Member States. The text was first presented by the European Commission [COM\(2017\)10 final](#) at the beginning of 2017 to revamp Directive 2002 on Privacy and electronic communications and to include online messaging or call services (e.g. WhatsApp). The Parliament adopted its

report and received its mandate to start inter-institutional negotiations in October 2017. The Finish Presidency proposed to include in the text a new database for data linked to the fight against child pornography or further processing compatible with the initial objective for metadata. It also deleted the provisions on privacy settings through the browser.

Next steps:

Commissioner Breton announced that the European Commission will issue another proposal on the table.

HOTREC position:

- *HOTREC believes that the Commission proposal was balanced and proportional. HOTREC hopes that a new proposal will adopt the same direction;*
- *It is of crucial importance for the hospitality sector that direct market done by e-mail targeting former clients is possible– this is one of the outcomes of the negotiations of the General Data Protection Regulation and should be kept in this way.*

DIGITAL ISSUES

European Commission plans to publish White Paper on Artificial Intelligence in February



According to reports, the European Commission's White Paper on artificial intelligence, expected to be published in late February 2020, will outline 5 regulatory options for the EU to ensure 'ethical and trustworthy artificial intelligence'.

Legally binding instruments would apply only "to high-risk applications of artificial intelligence. Certain sectors which could be considered high risk include healthcare, transport, policing and the judiciary. In order for an application to be considered "high-risk," it would have to fulfil one of two criteria: come under the scope of a high-risk sector or present potential legal ramifications and pose the risk of injury, death or significant material damage for the individual.

INTERNAL MARKET

New EU rules to decrease costs of payments in euros in non-Eurozone countries



On 16 December 2019, a [new EU Regulation on cross-border payments](#) entered into force.

It makes it obligatory for all cross-border payments in euro in non-Eurozone Member States (Bulgaria, Croatia, Czech Republic, Denmark, Hungary, Iceland, Liechtenstein, Norway, Poland, Romania, Sweden) to be priced the same as domestic payments.

It also provides mandatory transparency requirements concerning information about exchange rates and currency conversion before making a payment.

TAXATION

European Parliament maintains pressure to tax digital economy more fairly

MEPs have stepped up pressure on the EU to engage fully in international efforts to tax the digital economy, while still being prepared to act at EU level if global plans fail. As international talks at OECD level on taxation systems for the digital economy entered a new phase in October 2019, MEPs quizzed the Commission on its strategy on 16 December 2019 and subsequently adopted [a resolution on 18 December](#) with 479 votes in favour, 141 against and 69 abstentions.



In the resolution, MEPs express their concern that there is no common approach at EU level on the ongoing international negotiations and call on the Commission and member states to agree on a joint and ambitious EU position, while making their own positions publicly known. The Parliament supports Commission President Ursula von der Leyen's commitment to propose an EU solution, should an international deal not be reached by the end of 2020.

MEPs say that at international level, the EU's position should aim to ensure that the Single Market functions smoothly, notably by safeguarding a level playing field for all types of firms. They demand that firms pay a fair share of tax where the actual economic activity and value creation take place and that the income from taxes is fairly distributed across all the member states.



CONSUMERS AFFAIRS

Commission proposal on collective redress goes to trilogue stage



Trilogue negotiations between the Council, European Parliament and Commission on the proposal for a Directive on representative actions for the protection of collective interests of consumers (i.e. collective redress) started on 14 January 2020, with the view to find an agreement on a joint text. The negotiations follow the adoption by the European Parliament of its own position on 26 March 2019 and of a Council's general approach on 28 November 2019.

The proposal aims to extend the scope of the injunction procedures for breach of consumer law, modify the rules on qualified entities to bring collective redress for breach of consumer law and lay down procedures for compensatory redresses.

Next steps:

Trilogues meetings will be held in the following weeks with the view to close an agreement under the Croatian Presidency of the EU.

STATISTICS

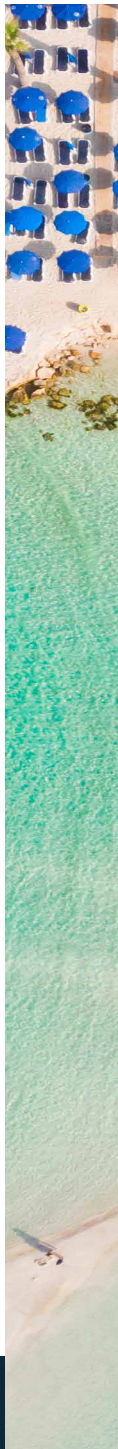
New statistics from Eurostat: seasonality, winter and satellite tourism



Eurostat has published new statistics on [seasonality in tourism accommodation](#), indicating that arrivals in tourist accommodation peaked in August 2018 with 2.6 times higher number of arrivals than those in January, the slowest month. August was clearly also the peak month for nights spent with 3.5 times higher number than in January.

Eurostat also notes a [growth in winter tourism over the course of 2018-2019](#) compared to the previous year, with 8.9 million more nights (+2.6%) spent in hotels and similar establishments in the European Union (EU) during the 2018-2019 winter season.

Finally, according to the latest [Tourism Satellite Accounts](#), spending on tourism by residents of a country within their own country ('domestic tourism' consumption) is nearly twice as high as spending of foreign visitors in that country ('inbound tourism' consumption). However, behind this average for the EU as a whole, the share of domestic tourism in the tourism economy varies across the EU Member States from 10% in Malta to 85% in Germany.



TOURISM

Votes on final draft ISO standard on 'Hotel Service Requirements' expected by end of February



The ISO Technical Committee on Tourism and Related Services is developing a new standard setting out service requirements for hotels. The latest and final draft has reached the voting stage, which will close on 28 February 2020. The draft standard outlines requirements for staff and services, events and entertainment, safety and security, maintenance, cleanliness and supply.

The vast majority of European hotel associations do not see the need for a standard specifying hotel service requirements. Most of such requirements are already taken care of by legislation or are established industry practices. Others appear as more or less arbitrary proposals for implementation which do not give the impression of being coherent and consistent in themselves. Overall, such a standard on service requirements could be impeded and endanger competition for innovation and quality.

HOTREC GENERAL ACTIVITIES

Nexts meetings and General Assemblies

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

- 22-26 January 2020 (Madrid, Spain): [FITUR – International Tourism Fair](#)
- 23 January 2020 (Riga, Latvia): [EC-funded MoveS network seminar](#)
- 30 January 2020 (Brussels, Belgium): [European Consumer Summit 2020](#)
- 12 February 2020 (Sofia, Bulgaria): BH&RA Annual Awards Ceremony
- 4-8 March 2020 (Berlin, Germany): [ITB Berlin](#)
- 10 March 2020 (Brussels, Belgium): EU Digital Tourism Network
- 20 March 2020 (Lugano, Switzerland): European Hotel Managers Association Annual General Meeting
- 23-24 April 2020 (Berlin, Germany): HOTREC's 80th General Assembly in Germany
- 15-16 October 2020 (Lofoten, Norway): HOTREC's 81st General Assembly in Norway



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