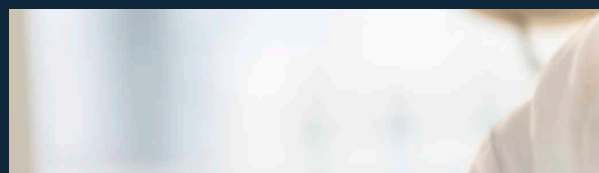




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TABLE OF CONTENTS

INTERVIEWS

- Interview with MEP Cláudia Monteiro de Aguiar (EPP, Portugal)
- Interview with Mr Roland Schegg, Professor at the Institute of Tourism of the HES-SO Valais Wallis University, Switzerland
- Interview with Mr Markus Luthe, CEO of Hotelverband Deutschland (IHA)

TOURISM

- Borders of the EU start opening up
- Recovery plan
- European Parliament issues Motion for Resolution
- European Commission unveils Re-open EU website

INTERNAL MARKET

- Tourism and hospitality sector urge European Commission to defer SCA implementation

COMPETITION

- European Commission publishes call for tenders for a market study on the distribution of hotel accommodation

SHORT TERM RENTALS

- Paris court determines that Airbnb plays an editorial role and is responsible for illegal offers

ONLINE DISTRIBUTION

- Hospitality sector welcomes entry into force of P2B Regulation on 12 July
- HOTREC encourages consumers to Book Direct this summer
- European Commission seeks views on Digital Services Act and new 'competition tool'

FOOD

- Farm to Fork Strategy is out!

SOCIAL AFFAIRS

- The new Skills Agenda for Europe is out!
- Vocational Education and Training for all
- Social partners reach agreement on digitalization

HEALTH

- Member States agree on an interoperability solution for mobile tracing and warning apps

DATA PROTECTION

- Commission publishes evaluation report on GDPR



CONSUMERS AFFAIRS

- EU adopts rules on consumer redress in the Internal Market

STATISTICS

- Eurostat hotel occupancy rates and overnight stays show sharp decline in Spring 2020

GENERAL POLICY ISSUES

- Germany takes over the Presidency of the EU

INTERVIEWS

Interview with MEP Cláudia Monteiro de Aguiar (EPP, Portugal)



MEP Cláudia Monteiro de Aguiar (EPP, Portugal), is Vice-President of [SME Europe](#), Vice-Chair of the European Parliament Committee on Fisheries (PECH) and member of the European Parliament Committee on Transport and Tourism (TRAN). HOTREC asked her to share her views on the new EP Strategy on Sustainable Tourism, on tackling COVID-19 and on improved data sharing for tourism.

1. You have recently been appointed rapporteur for the European Parliament Committee on Transport and Tourism (TRAN) on a new Strategy on Sustainable Tourism. Could you explain to us what the main objectives of the report are?

As a Member of the Steering Group of the Tourism Task Force, I have been appointed rapporteur for the European Parliament on a *New Strategy on Sustainable Tourism*. We are living at times of huge upheaval. Now more than ever, this new strategy is crucial to help the recovery of the industry that is lacking liquidity due to the drop in demand and when 6.4 million jobs are at risk in the EU.

This strategy aims to identify some of the concerns and challenges that the Tourism and Travel industry are facing by providing guidance and the necessary tools to support all the businesses of the value chain on ensuring a successful green and digital transitions. Those measures have to comprise concrete financial support for triggering investments on innovation, greener projects, infrastructures and – most importantly – human capital.

In the end, I believe that this strategy on Sustainable Tourism has to highlight the benefits of a genuine European Tourism Policy to enhance the competitiveness of the EU in this sector while respecting the distinctive brands of each Member State.

The Tourism industry has to have its place at the Union's agenda as a promoter of growth, regional cohesion, respect on cultural diversity, traditions, religions and a bridge of values between people.

2. COVID-19 had a devastating impact on the hospitality sector. Could you tell us what measures is the European Parliament planning to take to tackle the crisis?

The COVID-19 pandemic is an unprecedented crisis in speed and scale. Therefore, the European Parliament is continuously requesting a concise and concrete action from the Commission and the Member States to tackle the crisis. The Commission has already recognized that Tourism and Travel were among the economic activities worst affected by the COVID-19 pandemic and that the sector will need an investment of around €161 billion. I am proud that this recognition finally came out after at least 6 years of work in the European Parliament. However, this recognition cannot be just a cool-sounding word in political speeches. It must mean concrete actions and financial support.

In the Joint Motion on Tourism approved last June – where I was the EPP responsible – the European Parliament specifically requested immediate financial support to the sector, taking into account the share that the Tourism sector contributes to a Member State's GDP. From my perspective, it is a fair criterion to support the Member States that were most severely hit. Despite the recognition, the Recovery Package does not foresee target-specific financial support for Tourism. Moreover, the European Parliament also regrets that repeated calls for a dedicated tourism budget line were completely ignored and were not included in the revised long-term EU

budget for 2021-2027. If the Commission had already taken into account the Parliament's decision, nowadays the financial support would have arrived sooner to businesses and people than the Recovery Plan – that still needs to be approved.

It is clear now that more efforts are needed. The impact of the crisis is not symmetric across the EU Member States and my own country – Portugal – would be ranking as one of the most severely hit. Therefore, to reduce a dramatic increase in the unemployment numbers, solidarity from Europe is needed now, with no conditionalities.

A coordinated relaunch of the sector at EU level with a transparent process with uniform criteria of opening the borders within the Member States and with third countries as the Parliament outlined in its *Resolution on Tourism and Transport in 2020 and beyond* must be a priority. There is a need for a common threshold to define a low rate of virus transmission, followed by enforcement across all EU Member States.

To restoring trust in travelling a common approach on hygiene and sanitary measures, for various modes of transport, within the Union and internationally accepted by third countries, instead of different protocols in each of the airports or ports, is urgently needed. In the majority of cases, the unilateral corridors imposed by Member States do not follow the Commission recommendations and those are creating unpredictability and confusion. Therefore, the process should be more objective and bullet-proof based on epidemiological evidence.

The Parliament also approved in its resolution – a proposal by the steering group of the Tourism Task Force – the creation of an *EU Safety Certification Seal* for enhancing the destination Europe as a security and safety place to rebuilt trust and get people to travel again.

3. The European Commission's Data Strategy announced the creation of European Data Spaces for certain strategic sectors of the economy – however, surprisingly, it did not plan one for the tourism sector. How do you think improved data sharing among tourism enterprises and public administrations could lead to a tourism landscape that is more sustainable and better equipped to fight emergency situations?

The *Data Strategy* is of uttermost importance for the entire economy of the European Union. I welcome the presentation of this strategy during the coronavirus crisis because data is the new currency for the future and it is what is driving development and innovation.

Smart Destinations – the project I proposed for the 2020 budget – may be developed on the basis of big data analysis. Tourism boards and companies can benefit from data to pinpointing market campaigns, to support their decision-making processes by making informed decisions to increase efficiency and quality of services. For tourists, data means improved and personalized experiences focused on their needs.

The analysis of data can be used as a predictive tool to forecast future trends, but also in real-time to anticipate and respond to immediate needs or address immediate solutions – as this pandemic showed us.

There are many challenges that we should address. First, how micro-enterprises or SMEs will collect and analyze the data. Then, the issue of sharing information across sources and multiple organizations.

The creation of a Data Space for Tourism is crucial. The Union cannot miss this opportunity because intelligent travel makes part of the future for tourism.

I am committed on the TRAN committee to work hard so that we can support the creation of a Data Space for tourism and travel. We can only deliver good policies when our knowledge is structured and supported on good analytics.

10 July 2020

Interview with Mr Roland Schegg, Professor at the Institute of Tourism of the HES-SO Valais Wallis University, Switzerland



Prof. Roland Schegg has been teaching at the HES-SO Valais-Wallis School of Management & Tourism since 2005 and is the research coordinator of the Institute of Tourism. Between 2000 and 2004, he was a Professor at the Ecole Hôtelière de Lausanne (EHL). HOTREC asked him his opinion on hotel distribution, direct bookings and the impact of COVID-19 on the hotel sector.

1. HOTREC will soon release a new study on hotel distribution covering how consumers made their reservations in 2019. What do you see as the main trends?

We observe the continuation of trends already depicted in earlier studies: there is no revolution in the distribution landscape but an evolution among the market players. Based on the responses of nearly 2800 hotels, we see that between 2013 and 2019 the market shares of OTAs have steadily increased in the European hotel sector – from below 20% in 2013 to nearly 30% in 2019. The 3 main players within the OTA market remain Booking Holding, Expedia Group and, to a lesser extent, HRS, with an aggregated market share of 92%. However, Booking.com is by far the most influential player, with a share of 68% in the OTA market, an increase of 8% compared to 2013. At the same time, traditional distribution partners (travel agency, tour operator, tourism organizations etc.) have lost ground.

2. Since 2013, the share of direct bookings appears to gradually fall and inversely the share of the OTAs is on the increase. What in your view could encourage consumers to turn more frequently towards direct bookings?

Yes, we have seen that, on average, the share of direct bookings has decreased across the European hospitality industry by over 10 percentage points – from 58% in 2013 to 47% in 2019, which is a significant drop despite the numerous direct booking campaigns across many European countries.

The efficiency of a direct booking strategy depends on a large number of factors, but overall optimizing the website of hotels for conversions and implementing efficient direct marketing campaigns based on solid customer relationship management systems are critical factors in the long long-term (digital) strategy. This has to be accompanied by a smart pricing policy – e.g. rate parity is a critical issue in this context – and the development of attractive products adapted to the needs of the customers.

To do this, hotels must know the customer. Yet, due to gaps in hotel marketing and the lack of usable distribution data, it has been much easier for OTAs to capture a large share of the online hotel sales market over the past 20 years. Indeed, OTAs know their customers better after a simple booking process than most hotels do in a week's stay. This must change, and access to data, analysis and use of the data for decision-making will be critical in the future.

3. How would you see the COVID-19 crisis impact the trends in hotel distribution?

This is a difficult question because many factors are still unknown. OTAs have lost business during the crisis at the same rate as hotels. On one hand, OTAs are likely to be critical to the recovery as they are popular with driving travellers and those looking for value, both key sources of demand, especially when international travel will resume. On the other hand, hotels may have an opportunity to strengthen their relationships with (domestic) travellers seeking reassurance and thus increase their share of direct bookings.

The COVID-19 crisis might however also increase Google's dominance in the hospitality

industry. In contrast with past downturns that have strengthened the position of OTAs, COVID-19 has forced virtually all travel to stop. This means that when travellers search online, Google's travel products dominate the results and Google is resolute to take as much ground as possible during the crisis (Google has gained more than 10% of Website traffic in the last months while OTAs have lost up 80% of their traffic in the same period).

In recent weeks, Google has made its "pay-per-stay" platform available to all Google Hotel Ads partners worldwide. This "cost per action" approach offers hotels an easy, convenient, and risk-free way to increase their visibility. It remains to be seen how quickly that will happen and what it will mean for OTA, but I think meta-search engines like Tripadvisor and Trivago are going to have a tough time. HOTREC's distribution study is underlining this trend. Back in 2013, Tripadvisor was the dominant meta-search platform in the market with a usage share of 71%. In 2019, Hotel Ads by Google seems to be the market leader (59%) followed by Trivago (55%) and Tripadvisor (50%).

30 June 2020

Interview with Mr Markus Luthe, CEO of Hotelverband Deutschland (IHA)



Mr Markus Luthe is the CEO of [Hotelverband Deutschland \(IHA\)](#) and a Member of the HOTREC Executive Committee. HOTREC asked him to share his views on the hotel sector in Germany, State aid and other initiatives by IHA and DEHOGA.

1. Over the last couple of weeks, European hospitality businesses have been gradually restarting their activity. What is the current situation of the hotel sector in Germany (e.g. percentage of hotels open, occupancy rate, etc.) and how much did the COVID-19 crisis cost so far to the industry in your country?

The Corona pandemic has also had a devastating effect on the hospitality industry in Germany. At the height of the crisis in April, only about one in three hotels was still open, but was only allowed to accommodate business travellers and explicitly not tourists. Even in the hotels that were open, room occupancy fell to 4%. Today it averages 22%, although there are big differences: Resort hotels in Germany's top tourist destinations are already well booked again, while we are still seeing massive vacancies in city hotels, conference hotels and airport hotels. The situation is therefore still critical overall.

2. The German economy received about 51% of the total State Aid approved by the European Commission: how is this supporting the industry in your country and how long will businesses continue to benefit from it? What other measures did the German government deploy at national level to mitigate the impact of COVID-19? Do you deem the combined support received from the EU institutions and your government sufficient to help the sector?

The German state has indeed put up rescue parachutes of gigantic volumes on paper. But the problem of the majority of the German hotels is that they cannot call on this theoretical support in practice. They either have too many employees or are "linked" to other hotels, such as a hotel chain, so that they formally cross the SME threshold. In addition, this assistance is also subject to multiple caps.

A basic problem of all state loans to secure liquidity is also that they have to go through the house banks, which under the Basel II and III regimes proved to be a real bottleneck. In fact, there are far too many hotels without effective government assistance until today.

In Germany, on the other hand, the so-called short-time working arrangements have worked very well overall, enabling companies not to have to lay off their employees. At its peak, 1,070,000 employees in the German hospitality industry were on short-time work, which corresponds to a share of 95%.

3. Could you describe to us any initiative, project, and/or campaign that [Hotelverband Deutschland \(IHA\)](#) and [Deutscher Hotel- und Gaststättenverband \(DEHOGA\)](#) have been working on to support the industry in Germany and/or lobby at national and EU level in these difficult times?

With the declaration of the pandemic, politics in Germany is also in an exceptional mode – and this of course also applies to [DEHOGA](#) and [IHA](#). In record time, packages of laws are passed by the government and brought through parliament, and of course every single one of them has been intensively accompanied by the associations.

We are pleased to have achieved temporary reductions in VAT rates – both general and sector-specific – and aid for small and medium-sized enterprises. Nevertheless, there is still a lot to be done for the somewhat larger units, which are threatened to fall through the grid of aid measures. Particularly in the area of tenancy and leasing law, the legislator must make further improvements to avert damage to the sector.

10 July 2020

TOURISM

Borders of the EU start opening up



On 11 June 2020, the European Commission has [officially recommended](#) to Schengen Member States and Schengen Associated States to lift internal border controls by 15 June 2020 and to prolong the temporary restriction on non-essential travel into the EU until 30 June 2020 (meaning that some third countries would be able to start entering the EU from 1 July 2020 onwards). The Commission also set up an approach to progressively lift the restriction.

On 30 June 2020, Member States approved, by written procedure, the [first European list](#) of non-Member State whose citizens will be allowed to return to the EU for non-essential travel from 1 July 2020. The list includes the following countries: Canada, Australia, Uruguay, Morocco, Tunisia, Algeria, Japan, South Korea, New Zealand, Rwanda, Thailand, Georgia, Serbia and Montenegro. China can only be included in the list based on reciprocity: its residents will only be able to travel to the EU again when Beijing accepts EU travellers in China.

Member States have retained the following criteria to build the list of safe countries:

- Close to or below the EU average, of new COVID-19 cases over the last 14 days and per 100 000 inhabitants;
- The trend of new cases on the day of the reopening of the external borders compared to the previous two weeks;
- The overall response to the COVID-19 by a third country, taking into account available information on aspects such as testing, surveillance, contact tracing, lockdown, processing and notification mechanisms.

Member States will also need to have the capacity to rapidly reopen or, on the contrary, close their external borders to third country nationals depending on the assessment of the health situation. And they will have to coordinate so that they do not decide unilaterally to open their borders to third-country nationals if the other Member States have not decided to do so.

HOTREC position:

- *HOTREC fully welcomes the coordinated reopening approach suggested by the European Commission, supports the fact that most of the internal EU borders are now open and welcomes that a list of third countries able to enter the EU has been approved. This will certainly allow more travellers into the EU and will help business carry on their activities;*
- *HOTREC calls on all businesses to strictly follow all health and safety protocols and calls on consumers to act responsibly.*

2 July 2020

Recovery plan

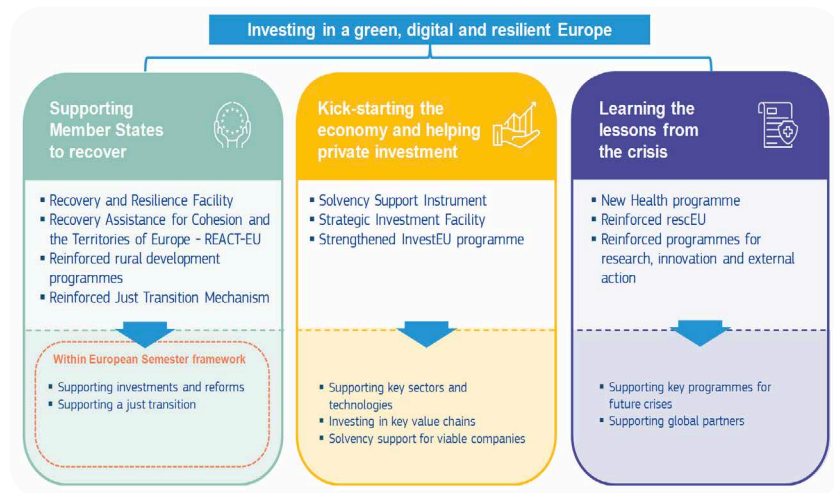
On 27 May 2020, the European Commission proposed a [Recovery Plan](#) to overcome the COVID-19 crisis. The Plan is based on:

- An emergency **Next Generation EU** instrument of €750 billion to temporarily boost the financial power of the EU budget with funds raised on the financial markets. The funds raised will be channelled through EU programmes to underpin the immediate measures needed to protect people, boost the economy and foster sustainable and resilient growth;

- A reinforced Multi-annual Financial Framework for 2021-2027 to gather investment quickly to where it is needed most, reinforce the single market, step up cooperation in areas such as health and crisis management, and equip the Union with a long-term budget to drive the green and digital transitions and build a fairer and more resilient economy.

Together with the three important safety nets for workers, businesses and sovereigns, amounting to a package worth €540 billion, endorsed by the European Council on 23 April 2020, these exceptional measures taken at the EU level would reach €1,290 billion of targeted and front-loaded support to Europe's recovery.

The Next Generation EU is based on the following pillars:



Next steps:

- Member States to discuss and approve the revised Multi-annual Financial Framework and European Parliament either to give its consent or reject;
- Member States to discuss and approve the Next Generation EU.

HOTREC's position:

- HOTREC welcomes the fact that Tourism was recognized as the sector that needs more financial help to recover from the crisis but we are deceived that a concrete percentage of the budget was not attributed to tourism;
- At least 20% of the Recovery funds should be dedicated to Tourism;
- HOTREC welcomes the REACT mechanism, and hopes that a generous portion of its €55 billion budget will be used on Tourism;
- HOTREC defends that a dedicated budget line for tourism should be implemented in the MFF: products need to be improved in terms of quality and sustainability; a skilled workforce needs to be trained to provide an excellent service to the client and to learn how to access and use aggregate tourism data to provide a more attractive offer; carbon footprint should be lowered, etc.;
- The recovery plan should help companies adapt to digital and sustainability challenges. Our sector needs EU funding for renewal of buildings and to build a skilled workforce;
- A big portion of funds should be allocated in structural funds: easier for companies to access;
- Effective and long-standing financing is needed (the hospitality sector was the first one to open and the last one to close).

2 July 2020

European Parliament issues Motion for Resolution



On 26 June 2020, the TRAN Committee of the European Parliament voted on a [Motion for Resolution on Transport and tourism in 2020 and beyond](#). MEPs call on the Commission and Member States to consider lifting restrictions on tourists outside the EU taking into account the epidemiological situation in each respective third country. The possibility of introducing an online visa application system is also recommended while providing the necessary border protection. They also advocated for tourist corridors between neighbouring countries to be avoided.

MEPs also showed desire in creating a certification procedure to guarantee the health and safety of tourist facilities. Regarding vouchers issued for cancelled flights or trips, MEPs call on the Commission to propose common EU rules on the conditions for issuing vouchers. The possibility of the Commission to propose a European Travel Guarantee scheme was also suggested. Finally, it calls on the Commission to mobilise more funds, including in the short term, and to adopt “a new strategy and action plan for EU tourism in 2021”, using the outcomes of the upcoming European summit on tourism.

HOTREC position:

- *HOTREC fully supports a coordinated approach when opening the internal and external border of the EU and supports the epidemiological criteria. Unilateral measures taken by Member States can only disrupt travelling plans even more;*
- *Online visa procedures would facilitate travellers coming to the EU;*
- *All companies should strictly comply with national legislation with regard to health and safety protocols. Consumers should also act responsibly;*
- *The EU Recovery plan should support companies in the hospitality sector in the short and long run. At the moment, companies continuing driving to survive.*

6 July 2020

European Commission unveils Re-open EU website

Following up on the [Transport and Tourism Package](#) announced on 13 May, the European Commission has published the [Re-open EU](#) website, which provides comprehensive information for people who wish to travel within the European Union this summer.



The website, available in 24 languages, gives tourists information on travel options, the state of borders and freedom of movement, the availability of services such as accommodation and catering, and an overview of key health, safety and hygiene measures in the 27 EU Member States. The website also lists existing patronage voucher schemes for hospitality businesses set up in the EU Member States, with [HOTREC regularly providing updates to the European Commission](#) on this topic.

8 July 2020

INTERNAL MARKET

Tourism and hospitality sector urge European Commission to defer SCA implementation



New rules on online payments for Strong Customer Authentication (SCA), which aim to counter online payment fraud, risk causing significant difficulties for many European businesses in 2021. Established by the second Payment Services Directive, SCA requires that electronic payments be performed with multi-factor authentication. However, many businesses in Europe, including travel and hospitality sector companies, will need to make a substantial number of changes to websites

and payment systems in order to comply with the new requirement in due time.

Following confirmation by Commission Vice-President Valdis Dombrovskis that the European Commission and European Banking Authority should maintain the current deadline of 31 December 2020 to implement SCA, the [Manifesto Tourism alliance issued a press release](#) to urge the European executive to reconsider extending this deadline by an additional year. The press release underlines that the COVID-19 crisis has exacerbated difficulties for businesses to prepare for the switchover and points at an expected surge in rejected online transactions in 2021 should the deadline not be extended.

Similar concerns have been voiced by a number of other business representative organisations. The independent retail sector, represented by Eurocommerce, [issued a press release](#), highlighting that “Most retailers will need to have SCA thoroughly tested and successfully deployed by mid-October in advance of any system freezes and the start of peak trading over the Christmas period.”

It should also be noted that the UK has already opted to extend the deadline to implement SCA to September 2021.

HOTREC position:

- *The deadline to implement SCA should be extended by one year to the end of 2021 in order to ensure a smooth transition for hospitality businesses and avoid a high abandonment rate for online transactions.*

3 July 2020

COMPETITION

European Commission publishes call for tenders for a market study on the distribution of hotel accommodation



The European Commission has published an open call for tender for a market study on the distribution of hotel accommodation in the EU.

The study will be conducted in 2021 and will focus on Austria, Belgium, Cyprus, Poland, Spain and Sweden. These Member States have been chosen to provide a sample that is representative in terms of geographic location, population size, degree of concentration of the hotel sector, and antitrust or legislative interventions.

The market study is intended to provide up-to-date information on how hotels market and sell their rooms, including: (i) whether distribution arrangements differ between Member States; (ii) whether there have been changes relative to the findings of a monitoring exercise conducted by a group of EU competition authorities in 2016; and (iii) whether national laws banning booking platform parity clauses have led to changes in distribution arrangements.

The study will cover the period from 2017 to early 2021 and the results will be published in early 2022. Today's call for tender follows the decision by the network of EU competition authorities (European Competition Network – ECN) in 2017 to keep the hotel booking sector under review and to re-assess the state of competition in due course. The Commission has consulted the national competition authorities on the plan for the study and they will have a further opportunity to provide input during the study.

9 July 2020

SHORT TERM RENTALS

Paris court determines that Airbnb plays an editorial role and is responsible for illegal offers



The Tribunal of Paris issued a landmark verdict on 5 June, whereby Airbnb is deemed to play an editorial role regarding the content on its website and as such, is liable for the circulation of illegal offers on its website.

The Paris Tribunal judge said Airbnb can be considered as a publisher given its active role in linking hosts and travellers and therefore has similar responsibilities. If a host uses Airbnb to act illegally, the platform is at fault because it

has a responsibility to inspect the advertisements provided by hosts.

The case arose as a tenant sublet a Paris flat for 534 days in 2016 and 2017 without the permission of the owner. Airbnb Inc. was ordered by the Paris Tribunal to compensate the owner of the apartment after the tenant sublet the flat behind her back. Airbnb and the tenant were jointly ordered to pay nearly €52,000 to make up for the rent received for the subletting and an extra €5,000 in legal fees. Airbnb was also told to pay back the €1,558 in commissions it received. Airbnb said it would appeal, arguing the case concerns a private dispute between a landlord and tenant.

HOTREC position:

- *The revision of the E-Commerce Directive under the Digital Services Act is a must so that platforms take responsibility and liability for the role they exert beyond being an intermediation service. HOTREC considers that the EU framework must be continuously adapted to market developments and properly implemented in order to take account online platforms' liability under the changing market circumstances.*

1 July 2020

ONLINE DISTRIBUTION

Hospitality sector welcomes entry into force of P2B Regulation on 12 July



Following the formal adoption by the Council on 14 June 2019 of the [Regulation on Platform to Business relations](#), the new rules on relations between online platforms and European businesses entered into force on 12 July 2020. Hospitality businesses can expect the so-called 'P2B Regulation' to bring several improvements when dealing with online platforms.

The new Regulation will bring more transparency and fairness into the relations of business users (e.g. hotels, restaurants) and online intermediaries inter alia on the following aspects:

- Increased transparency on ranking and search results shall allow for better-founded business decisions, while the explicit requirement for fair internal complaint mechanisms shall ensure that businesses' concerns and complaints are treated finally accurately in a reasonable time;
- Terms and conditions applied by online platforms towards businesses shall be clearer and adjustments better anticipated;
- Any sanctions of online platforms against businesses will need to be well-founded and easy to understand by the business concerned.

According to HOTREC research, slightly under 30% of all hotel bookings made in 2019 were made via online platforms acting as intermediaries. Almost 85% of these bookings are made via platforms owned by two separate entities, with one enjoying a market share close to 70%. As such, hospitality businesses believe the new rules will foster a more balanced relationship and have [welcomed the new rules in a press release](#).

13 July 2020

HOTREC encourages consumers to Book Direct this summer

On 8 July 2020, HOTREC issued a press release highlighting the benefits for consumers of directly booking accommodation – [Summer travel accommodation: get accurate first-hand information by booking direct!](#)

The press release highlights that:

- Hoteliers will be doing their utmost to ensure the required levels of cleanliness and hygiene. Travellers should get directly in touch with hotels where they wish to book a stay to get first-hand and detailed information about the measures taken by the hotel and make sure any special requests can be met;
- Throughout spring 2020, hotels in Europe have been hit extremely hard, with occupancy rates hitting rock bottom – below 10% – in most European countries at the height of the crisis;
- For many establishments, this summer will be a 'make-or-break' season: many hoteliers believe a direct relationship with guests could be a decisive factor in making ends meet;
- Hoteliers also feel aggrieved by the lack of support and the non-adequate behaviour



of online booking platforms throughout the COVID-19 confinement period, which have maintained high commission fees and poorly handled customer cancellations and complaints;

- The [HOTREC BOOK DIRECT campaign](#) highlights that direct contact between guests and hotelier is the best way to make sure specific and personal requests can be discussed and be responded to confidentially and efficiently.

7 July 2020

European Commission seeks views on Digital Services Act and new 'competition tool'



On 2 June, the European Commission launched a [public consultation on the Digital Services Act](#), a key priority for the Von der Leyen Commission announced in the Communication “[Shaping Europe’s Digital Future](#)” of 19 February. The new rules would relate to the fundamentals of the e-commerce directive, in particular the freedom to provide digital services across the EU single market under the rules of the place of establishment and a broad limitation of liability for content created by users.

The consultation seeks to gather views, evidence and data from people, businesses, online platforms, academics, civil society and all interested parties to help shape future rules for digital services. The consultation covers issues such as safety online, freedom of expression, fairness and a level-playing field in the digital economy.

On the same day, the European Commission also presented [an inception impact assessment](#) and [opened a public consultation on a ‘new competition tool’](#), which could address the issue of the level playing field in European digital markets, where currently a few large online platforms act as gatekeepers.

The European Commission aims to tackle this issue by adopting a holistic and comprehensive approach based on three pillars: (1) the continued vigorous enforcement of existing competition rules; (2) possible ex-ante regulation of digital platforms, including additional requirements for those that play a gatekeeper role; and (3) a possible new competition tool to deal with structural competition problems across markets which cannot be tackled or addressed most effectively based on the current competition rules (e.g. preventing markets from tipping).

Discussions on the Digital Services Act are also ongoing in the European Parliament as MEPs prepare on ‘[Own Initiative Report](#)’ on the subject. The European Parliament’s Internal Market Committee is expected to hold a vote on this report in September 2020.

MEPs generally agree on maintaining principles of the e-Commerce Directive such as the ‘country-of-origin’ principle and the prohibition of a general monitoring obligation. There is also general convergence between the Commission and the Parliament regarding the scope and how to separate illegal content from harmful content. The European Parliament is also considering due diligence obligations on online intermediaries such as notice-and-action mechanisms, the ‘know your customer’ principle, transparency obligations including algorithmic transparency, or reporting obligations to enforcement authorities.

HOTREC position:

- *The revision of the e-Commerce Directive under the Digital Services Act is a must so that platforms take responsibility and liability for the role they exert beyond being an intermediation service. HOTREC considers that the EU framework must be continuously adapted to market developments and properly implemented to take account of online platforms' liability under the changing market circumstances.*

6 July 2020

FOOD

Farm to Fork Strategy is out!



The European Commission released on 20 May 2020 the [Farm to Fork Strategy for a fair, healthy and environmentally friendly food system](#). The strategy aims at bringing together nature, farmers, business and consumers for jointly work towards a competitively sustainable future.

Overall, **the Farm to Fork Strategy** includes the following objectives:

- Develop a **contingency plan for ensuring food supply and food security to be put into place in times of crisis**;
- Strive to steer the food industry towards practices that make a healthy, sustainable choice the easy one for consumers (via legislative and non-legislative measures);
- Encourage voluntary commitments through an **EU Code of Conduct** for responsible business and marketing practices;
- Proposing **mandatory front-of-pack nutrition labelling** and launch initiatives to stimulate product reformulation, including by setting up **nutrient profiles** to restrict the promotion (via nutrition or health claims) of foods high in fat, sugars and salt;
- Consider proposing the extension of the mandatory origin or provenance indications to certain products, while fully taking into account impacts on the single market;
- **Examine the possibility to harmonise voluntary green claims and develop a sustainable food labelling framework** integrating nutritional, climate, environmental and social aspects;
- Determine the best modalities for setting minimum mandatory criteria for sustainable food procurement;
- Fight against food fraud;
- Introducing **legally binding targets to reduce food waste across the EU**;
- Establishing a **legislative framework for sustainable food systems**.

Next steps:

European Commission to propose each one of its actions over a 10 year period.

HOTREC position:

- *As restaurant services are primarily local services that do not sell their products across borders, but only locally. **The Strategy should rather consider assigning to Member States general objectives about the information on non-prepacked food served in restaurants through flexible national measures of their choice.** Such flexibility would allow Member States and local operators serving non-prepacked food to identify the best means to ensure that customers make more often more sustainable and healthier choices;*
- ***New information obligations for non-prepacked food in restaurants are not feasible in many cases, because of the sector's specificities*** (regular change of ingredients, strong supply of local fresh products, use of high-quality artisanal products, absence of standardised dishes to offer high-quality gastronomic experiences);
- ***Written food information does not fit with a restaurant environment*** and would lead to standardisation of dishes/menus, reduction of the use of fresh and high-quality artisanal ingredients and therefore reduction of the gastronomic excellence of the European restaurant sector;
- ***HOTREC would prefer that the EU does not set food waste reduction targets***, as this is likely to penalise enterprises which already undertook strong efforts to reduce their

food waste levels and reward enterprises that wait before taking actions. **A smarter approach should be favoured through strong support for a swift implementation of the recommendation for actions adopted by the EU Food losses and food waste platform on 12 December 2019.** This should be seen as a priority issue for the European Commission.

6 July 2020

SOCIAL AFFAIRS

The new Skills Agenda for Europe is out!



On 1 July 2020, the European Commission issued a Communication on “[European Skills Agenda for sustainable competitiveness, social fairness and resilience](#)”.

The Agenda includes objectives for upskilling (improving existing skills) and reskilling (training in new skills) to be achieved within the next 5 years. Its 12 actions focus on skills for jobs by partnering up with Member States, companies and social partners to embark on lifelong

learning. EU budget can be used as public and private investment in people’s skills.

Actions include:

1. A Pact for Skills
2. Strengthening skills intelligence
3. EU support for strategic national upskilling action
4. Proposal for a Council Recommendation on Vocational Education and Training for sustainable competitiveness, social fairness and resilience
5. Rolling out the European universities initiative and upskilling scientists
6. Skills to support the green and digital transitions
7. Increasing STEM graduates and fostering entrepreneurial and transversal skills
8. Skills for Life
9. Initiative on Individual Learning Accounts
10. A European approach to micro-credentials
11. New Europass Platform
12. Improving the enabling framework to unlock Member States’ and private investments in skills

EU funds can act as a catalyst for investing in people’s skills also in the context of the Recovery Plan. During 2021-2027, EU instruments such as the European Social Fund Plus with a proposed budget of €86 billion, Erasmus with a proposed budget of €26 billion and InvestEU’s Social Investment and Skills with a proposed budget of €3.6 billion can all be mobilised to help people gain better or new skills. The new Digital Europe Programme with a proposed budget of €9.2 billion will invest in advanced digital skills development to master technologies. Moreover, the Recovery and Resilience Facility, formed by €560 billion in grants and loans, provides Member States with opportunities to fund up-skilling and re-skilling initiatives, with the appropriate reforms in place.

HOTREC position:

- COVID-19 hit especially hard the hospitality sector. Between March and June 2020, companies report an average loss of 80-90% of turnover and the sector might face a 6 million loss in employees;
- Nevertheless, up-skilling and re-skilling continue to be a priority for HOTREC:

the sector needs more than ever a workforce that is prepared to reply to the challenges of technological transformation and green societal dimension;

- EU and national funding are key to train the task force and provide employees with the skills the sector needs (e.g. digital, interpersonal skills, green skills).

2 July 2020

Vocational education and training for all



On 1 July 2020, the European Commission proposed a Council Recommendation on Vocational Education and Training. The package aims to support young people who are entering the labour market to obtain training and education and is part of the EU recovery plan.

The Youth Employment Support package is built around four pillars:

- A reinforced Youth Guarantee;
- A future-proof vocational education and training;
- A renewed impetus for apprenticeships;
- Several additional measures to support youth employment.

The Commission urges Member States to step up youth employment support by making use of the **significant funding available** under NextGenerationEU and the future EU budget. For example, the EU can help fund:

- Start-up grants and loans for young entrepreneurs, mentoring schemes and business incubators;
- Bonuses for SMEs hiring apprentices;
- Training sessions to acquire new skills needed in the labour market;
- Capacity-building of public employment services;
- Career management training in formal education;
- Investments in digital learning infrastructure and technology.

HOTREC position:

- *HOTREC fully welcomes the Commission initiative;*
- *The hospitality sector was severely hit by the COVID-19 pandemic. If already before the crisis the skills gap was notorious, now there are many thousands of employees who are not working. It is now time to up-skill and re-skill;*
- *EU funding part of the Recovery Plan should be dedicated to the hospitality sector so that a trained workforce can deliver an effective service;*
- *Apprenticeship schemes are part of the solution to overcome the skills gap. Straight cooperation between companies and the training providers should be established to formulate appropriate training.*

2 July 2020

Social partners reach agreement on digitalization

On 22 July 2020, the European Social Partners Framework Agreement on Digitalisation was signed by BusinessEurope, ETUC, CEEP and SMEUnited to support the successful digital transformation of Europe's economy and to manage its large implications for labour markets, the world of work and society at large.



The agreement supports the integration of digital technologies at the workplace, investment in digital skills, skills update and the continued employability of the workforce. It enables employers and unions to introduce digital transformation strategies in partnership in a human-oriented approach at national, sectoral, company and workplace levels, including on the modalities of connecting and disconnecting and respect of working time rules and appropriate measures to ensure compliance.

HOTREC position:

- *HOTREC fully welcomes the agreement. Employees in the hospitality sector need to have the required digital skills in order to perform their work in the most efficient way possible (e.g. knowledge in content management system or in understanding statistics provided by different providers in order to create a more adequate offer to the client are needed).*

2 July 2020

HEALTH

Member States agree on an interoperability solution for mobile tracing and warning apps



On 16 June, EU Member States, with the support of the Commission, agreed on a set of technical specifications to ensure a safe exchange of information between national contact tracing apps based on a decentralised architecture. This concerns the vast majority of tracing apps that were already – or are about to be – launched in the EU.

Once the technical solution is deployed, such national apps will work seamlessly when users travel to another EU country which also follows

the decentralised approach. This means an important additional step towards interoperability of mobile apps for tracing coronavirus infections, as Member States begin to lift travel restrictions across borders in time for summer vacation.

HOTREC position:

- *HOTREC welcomes a framework for contact tracing and warning with the use of mobile apps, which respects data privacy and is interoperable across Europe;*
- *It is to note that these applications helped other countries interrupt infection chains and reduce the risk of further virus transmission.*

6 July 2020

DATA PROTECTION

Commission publishes evaluation report on GDPR



On 24 June 2020, two years after the entry into force of the General Data Protection Regulation (GDPR), the European Commission published an evaluation report. The report shows the GDPR has met most of its objectives, in particular by offering citizens a strong set of enforceable rights and by creating a new European system of governance and enforcement. The GDPR proved to be flexible to support digital solutions in unforeseen circumstances such as the COVID-19 crisis. The report also concludes that

harmonisation across the Member States is increasing, although there is a certain level of fragmentation that must be continually monitored. It stresses that businesses are developing a compliance culture and increasingly use strong data protection as a competitive advantage. The report contains a list of actions to facilitate further the application of the GDPR for all stakeholders, especially for Small and Medium-Sized Enterprises, to promote and further develop a truly European data protection culture and vigorous enforcement.

HOTREC position:

- *HOTREC welcomes the positive evaluation report issued by the Commission but warns that full implementation of the GDPR is difficult especially for micro-enterprises and SMEs, due to the need of implementing costly and administrative procedures.*

6 July 2020

CONSUMER AFFAIRS

Council adopts rules on consumer redress in the Internal Market



On 30 June, EU Member states' ambassadors approved a deal concluded between the Croatian presidency of the Council and the European Parliament on a draft directive on representative actions for the protection of the collective interests of consumers. According to the Croatian presidency of the EU, the deal represents 'will grant EU consumers broader opportunities for the collective defence of their rights.

The directive requires Member States to put in place a system of representative actions for the protection of consumers' collective interests against infringements of Union law. It covers actions for both injunctions and redress measures.

It empowers qualified entities designated as such by member states to seek injunctions and/or redress, including compensation or replacement, on behalf of a group of consumers that has been harmed by a trader who has allegedly infringed one of the EU legal acts set out in the annex to the directive. The annex includes several pieces of legislation affecting travel and tourism, including package travel, passenger rights, and home-sharing. Consumers will also be equipped to seek redress for food safety issues and online commerce.

As a safeguard against abusive litigation, the directive provides clear rules on the allocation of judicial costs in a representative action for redress based on the 'loser pays' principle. Furthermore, with a view to avoiding conflicts of interest, it imposes on qualified entities a number of transparency requirements, in particular as regards their funding by third parties.

Member states will have 24 months from the entry into force of the directive to transpose it into national law, as well as an additional 6 months to start applying these provisions.

HOTREC position:

- *HOTREC considers that any EU initiative addressing consumer redress should respect the principle of subsidiarity enshrined in the treaties. The EU's role should, therefore, be limited to supporting more coherent practises between Member States, rather than imposing new judicial redresses.*

6 July 2020

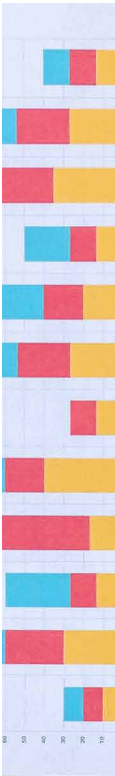
STATISTICS

Eurostat hotel occupancy rates and overnight stays show sharp decline in Spring 2020



Updated Eurostat figures on hotel monthly hotel occupancy rates and the number of overnight stays reveal the extent of the COVID-19 crisis on the hotel sector across the EU. In April 2020, hotels in the vast majority of EU countries deployed occupancy rates inferior to 10% and the number of overnight stays dropped by 90% to 99% compared to April 2019.

8 July 2020



GENERAL POLICY ISSUES

Germany takes over the Presidency of the EU!



On 1 July 2020, Germany took over the rotating Presidency of the Council of the European Union for the next six months. The Programme of the German Presidency of the Council of the European Union includes as guiding principles overcoming the COVID-19 pandemic permanently, as well as the economic recovery; the development of a sustainable, fair, innovative Europe. The rapid conclusion of the negotiations on the EU's multiannual financial framework (MFF) for the period from 2021 to 2027 is also high on the agenda.

The following points will have an impact on the hospitality sector:

- **Sustainable and social economy:**
 - ◇ Ensure that the transition to a sustainable economy on the basis of the European Green Deal is accomplished and that the digital transformation plays a key role in this regard; strengthening the role of the single market; rapid establishment of a temporary recovery instrument with a specific focus, embedded within the Multiannual Financial Framework (MFF);
 - ◇ Development of an EU framework for national minimum income protection systems; of an EU framework for minimum wages and strengthening the role played by social partners; implement gender equality; tackle unemployment and youth unemployment in the EU (via European Social Fund Plus);
 - ◇ Improving the coordination between the Member States in times of crisis and by strengthening common external borders;
 - ◇ Deal with false and misleading information on the Internet in order to counteract the polarization of public debates.
- **Digital:**
 - ◇ Access to data, responsible data use, data skills and security; promote the advanced use of shared data; advance the discussion launched by the European Data Strategy on rules and guidelines for the governance of common European data spaces; continuation of the debate on the appropriate use of high-quality datasets for digital service;
 - ◇ Responsible, and human-centric development and use of Artificial Intelligence (AI).
- **Taxation:** tackle the tax challenges arising from the digital transformation which comprise the introduction of a minimum global effective tax rate (action to follow-up based on OECD report).
- **Other topics:**
 - ◇ Deepen cross-border vocational cooperation develop vocational training at university;
 - ◇ Conclusions on the Farm to Fork Strategy.

HOTREC position:

- *HOTREC welcomes the programme and hopes that the interests of the hospitality sector shall be taken into account;*
- *HOTREC defends the inclusion of a budget line for Tourism in the MFF;*
- *HOTREC is hoping that tourism receives 20% of the EU funding dedicated to the Recovery Plan.*

6 July 2020



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