



Live from Brussels Newsletter

Issue n°100 – 25 November 2020



A message from Ms. Marie Audren, Director General of HOTREC



Dear reader,

Today we publish the 100th issue of our 'Live from Brussels'. Over time, this newsletter has given HOTREC the unique opportunity to share its views on matters of great importance for the sector, bound to impact the daily lives of entrepreneurs, workers and guests. We feel excited and humbled to have come so far.

Hospitality is now facing an unprecedented crisis worldwide, and the latest figures show it might take until 2023 for the industry to recover. Businesses all over Europe are struggling to survive and need further funding and support by the EU institutions and Member States. In this edition, we will examine initiatives and strategies that we believe will help companies in the sector to remain afloat – such as extending the validity of the SURE instrument and promoting harmonized travel restrictions.

As usual, we will also discuss 'hot topics' for hospitality – such as the 'Digital Services Act', sustainability and the European minimum wages.

To conclude, a special thanks goes to Ambassador Lourtie for contributing to our newsletter by sharing his views on the priority of the upcoming Portuguese presidency for hospitality and tourism.

We wish you a good reading!

EU News Policy news & HOTREC's take on
hospitality in Europe

Priorities of the upcoming Portuguese Presidency of the Council of the EU to fight COVID-19 and help European hospitality

Interview with Mr. Pedro Lourtie, Ambassador at the Permanent Representation of Portugal to the EU

1. On 1st January, Portugal will take over the Presidency of the Council of the EU at a most difficult time for our industry. At the time of writing, many hospitality businesses are closing again across Europe or facing significant decreased of the demand for businesses still open. Could you detail to



Ambassador Pedro Lourtie

joined the Portuguese Diplomatic Service in 1995, first at the Directorate for Multilateral Political Directorate and then as Adviser to the Secretary of State for European Affairs (1995-1999). In 2004, he moved to Washington as Political Counsellor in the Delegation of the European Commission to the US. After returning to Portugal in 2005, he held several positions, namely as Diplomatic Adviser to the PM and later as his Chief of Staff. He was Secretary of State for European Affairs in the Portuguese Government (2009-2011) and President of the Portuguese National Commission for Human Rights (2010-2011). In 2012, he was posted as Consul General of Portugal in Paris and in 2015 as Ambassador to Tunisia. Since 2016, Ambassador Pedro Lourtie is the Deputy Permanent Representative of Portugal to the European Union.

what the main priorities of the Portuguese Presidency will be in view of helping to rebuild the sector? Do you foresee further support package for the industry?

We can all acknowledge that due to the sudden and unprecedented fall in demand of travel and tourism, triggered by the COVID-19 pandemic, the sector is facing serious difficulties all over the European Union and, therefore, requiring all the support and instruments that Member States are able to provide, ideally in a coordinated manner.

With that objective in mind, the European Commission has put forward several tools for Member States to support the economic recovery, including in the Tourism sector. We must continue to give special attention to this sector. The Portuguese Presidency will make the utmost to ensure that Tourism will receive the required attention, not only to recover from the crisis, but also to make the sector fit for future, while taking into account its important contribution and role to the green and digital transitions, and to the sustainability of the European Union economy as a whole.

2. HOTREC believes that industry survival today depends on a common EU testing protocol for travelers and a coordinated approach to quarantines and travel restrictions. How will the Portuguese Presidency approach this issue? What other aspects do you deem as key to restoring travel confidence and bringing guests back to hospitality establishments when they will reopen?

The European Union is facing its most challenging public health crisis. The Union and its Member States have taken unprecedented and essential measures to control the outbreak of the virus and save lives and have been working tirelessly to mitigate the impact of the measures on the internal market and the free movement of citizens. Controls, when and where needed, must be proportionate, non-discriminatory and as targeted as possible.

During the Portuguese Presidency, we will continue to promote a common and coordinated approach to ensure the cohesion of the single market and the free movement of citizens, while striving to improve the coordination in the tourism sector. We will work closely with the Member States to avoid sudden decisions on border control, different quarantine requirements and to harmonize the recognition of tests.

To restore travel confidence, we need to offer clarity and predictability to all stakeholders and promote the trust of consumers, notably by measures, as well as hygiene and safety protocols, are in place and that ensuring that the necessary health they are respected.

3. A message to the European hospitality sector

Despite the dire effects of this pandemic, the Member States, with businesses, associations and citizens, must continue to work together, so that we can make the most of the lessons learned from the crisis, developing the sector in a resilient and sustainable way, i.e. making it future proof. The instruments and tools that are being put together for the recovery, at the EU and national level, will give an important contribution to the hospitality sector and will provide an opportunity to think and make things differently. The Portuguese Presidency will put all its efforts to make sure these instruments will meet the needs of the sector and are deployed as soon as possible.

[@PedroLourtie](#) [@RPPortugalUE](#)

Tags: [#tourism](#)

HOTREC calls on harmonised approach towards travel restrictions

Tags: #tourism

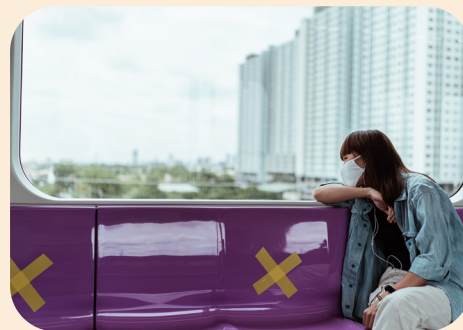
On 13 October 2020, the Council adopted a [Recommendation](#) establishing **common criteria and the development of a common coloured-coded map broken down by regions** to help Member States decisions based on the epidemiological situation per region.

HOTREC welcomes these measures. However, **they are not sufficient to restore travel confidence**. The freedom of movement can still be restricted, quarantines are still possible, and travellers might only be informed about any restrictions 24 hours before the measures come into effect.

Therefore, HOTREC and [other representatives of the tourism private sector \(NET\)](#) call upon the EU Institutions to revisit the Recommendation as soon as possible with a view to addressing the problematic areas by:

- Defining **clear rules** on which travel restrictions and obligations apply going from one colour coded area to another;
- Replacing quarantine requirements by **testing travellers coming from risk areas**;
- Publishing information on new travel restrictions 5 days before they come into effect, as proposed by the Commission.

Only in this way, **free movement within the EU can be safeguarded, and travel expectations reassured**.



Digital Services Act: HOTREC unveils position paper ahead of key European Commission legislative proposal

Tags: #digital #DSA, Online distribution, Short-Term Rentals

Online marketplaces, social networks, collaborative economy websites and search engines have in many regards changed the way customers book their accommodation, select their means of travelling, go out and discover local restaurants, bars and attractions. It has expanded choice and possibilities for consumers, invigorated competition, fuelled innovation and put new destinations on the map.

As such, **HOTREC welcomes the European Commission's aim to submit a proposal for a Digital Services Act package by the end of 2020**, which would include a revision of the E-Commerce Directive and the introduction of new rules to address the power of gatekeeper platforms and structural competition issues – key subjects for the online hotel booking market – and has [outlined its views in a position paper that can be consulted on HOTREC's website](#):

- Strengthen the bargaining power of European tourism and hospitality SMEs towards major online intermediaries – an essential issue to support the recovery of our sector amidst the Covid-19 crisis
- Provide long-term legal certainty in the digital economy for platforms and business users
- Create an appropriate governance framework for platform-driven services
- Establish a level-playing field with collaborative economy services such as short-term rentals of accommodation and meal-sharing services.

While the European Commission is expected to present its proposal on 9 December at the time of writing, the European Parliament adopted a 'legislative initiative' report on 20 October. The report, prepared by Maltese S&D MEP Alex Agius Saliba, essentially confirms the general approach proposed by the European Commission on tackling illegal content while maintaining limited liability provisions and a ban on any general monitoring obligation. MEPs have added however key requests on regulating collaborative economy activities such as short-term rentals of accommodation.

The way forward to Adequate Minimum Wages

Tags: [Social Affairs](#) [#EUMinimumWages](#)

On 28 October 2020, the European Commission presented its proposal for a Directive on “Adequate minimum wages in the European Union” (COM(2020)682 final).

HOTREC fully supports the main objectives of the Directive: improving the adequacy of minimum wage across Europe and the access of workers to minimum wage protection in the EU.

Nevertheless, we deeply regret the instrument chosen by the European Commission as expressed in the two-stage social partner consultation. A Council Recommendation would have been the correct instrument to put forward – it is to note that several Member States requested a written opinion from the Council Legal Service to analyse the appropriateness of the legal basis chosen by the European Commission (artt. 153/1 and 153/2 TFEU).

We encourage the continuation of well-established collective bargaining on minimum wage settings, as long as different economic and social factors are taken into account (e.g. taxation, career and training opportunities, social benefits). We also support a stronger involvement of social partners in setting statutory minimum wages – under the condition that social partners agree and in full respect of national competences. Finally, established statutory minimum wages also need to be respected.

HOTREC is of the opinion that national and EU skills policies should be developed to allow better productivity of low-skilled workers. This will then originate better incomes for those workers. At the same time, different forms of work should as well be promoted by the EU – this will motivate workers to hire more. And it will improve work-life balance; support career choices; foster social inclusion; enable personal choices.

Moreover, international indicators (such as 60% of gross median wage and 50% of the gross average wage) should be deleted from the text, as they don't take into account political, economic, social or national traditions of the different countries and might increase the pay gap between countries.

HOTREC also believes that the European Semester process should be used to develop effective structural reforms, boost investment strategies and encourage responsible fiscal policies

If all these strategies will be in place, we are of the opinion that poverty will be tackled and good living conditions across Europe will be safeguarded.

Towards a greener European hospitality: the new EU 2030 climate target and the “renovation wave” strategy

Tags: [#Sustainability](#) [#EUGreenDeal](#)

In her [first State of the Union address](#), President Von der Leyen announced the plan to raise the EU 2030 climate target from 40% to 55% – sustainable development is among the hospitality industry's top priorities and, of course, on September [we welcomed the Commission's proposal](#).

Nonetheless, for businesses in the industry to remain competitive and climate-friendly at the same time, HOTREC believes that the sector needs proportionate measures and new EU tools to finance this transition – especially when it comes to micro-enterprises and SMEs.

Moreover, a **“renovation wave” for Europe** was announced by the Commission on 14 October, presenting [a new strategy](#) that will boost renovations in the public and private building sector – one of the largest energy consumers in Europe. The main aim is to double annual energy renovation rates in the next ten years. The [Commission Communication](#) will be discussed by the Council, the European Parliament, other EU institutions and stakeholders. The discussions will cover legislative and non-legislative measures and will involve action at EU, national, local and regional level.

HOTREC fully supports the strategy, as the renewal of buildings is a top priority of our sustainability agenda. We call now on Member States to include the renewal of buildings as part of their respective national recovery plans.

We hope this new strategy will help the European hospitality to reduce greenhouse gas emissions and improve the well-being of owners, workers and guests.

Pact for Skills: upskilling and reskilling are needed, but adequate EU funding needs to be deployed

Tags: [Social Affairs](#) [#EUVocationalSkills](#) [#EUSkillsAgenda](#)



On the occasion of the [European Vocational Skills Week](#), The European Commission launched on 10 November 2020 a [Pact for Skills](#) to encourage relevant stakeholders to make concrete commitments to upskill and reskill workers.

Mr. Alexandros Vassilikos, HOTREC board member, had previously represented HOTREC at a round table on this initiative organised by the European Commission with the participation of both Commissioner Breton and Commissioner Schmit (29 October).

Stakeholders joining the Pact were invited to sign up to a Charter, engage with measurable commitments and report annually on their progress to the European Commission via KPIs. By signing the Charter, stakeholders can benefit from EU support through networking, knowledge and guidance.

Nevertheless, we would have welcomed a bottom-up approach and the necessary EU funding to develop much-needed training.

HOTREC also hopes that Member States will include the necessary financial support to reskill and upskill workers in their national Recovery Plans. Other forms of easy-to-use national and EU funding for hospitality SMEs and micro-enterprises would be welcome, as well.

Developing massive training has always been amongst hospitality's priorities. To this end, HOTREC and [EFFAT](#) – its trade union counterpart – signed a pledge under the umbrella of the [European Alliance for Apprenticeship](#) to encourage their members to develop apprenticeship schemes at national level.

The SURE instrument should be extended!

Tags: [Social Affairs](#)

While fully supporting the implementation and use of the [SURE instrument](#) – a temporary support scheme to mitigate unemployment risks in an emergency (SURE) with the potential to provide financial assistance up to €100 billion in the form of loans from the EU – we believe that more can still be done.

HOTREC has been informed that there are only €9 billion left in the SURE instrument and that some Member States already reached the maximum of financial support they could request.

Taking into account the unprecedented crisis the hospitality sector is facing, HOTREC calls on the European Commission to **increase the financing amount under the umbrella of SURE**. We understand that the scheme can be deployed until 2022 and that its application can be extended by then. Given the precarious situation of thousands of companies across Europe, **liquidity is key for businesses to survive and for workers to keep their jobs**.

We also call on Member States to include under the umbrella of the REACT EU mechanism, the possibility of deploying short term employment schemes.

At the same time, the implementation of short-term employment schemes at national level is also very welcome (e.g. Finland, the Netherlands or Spain). These types of schemes **protect jobs, help companies survive and keep competitiveness. All in all, they are a plus to help the sector recover from the COVID-19 crisis**.

HOTREC urges EU and Member States to support hospitality sector recovery with reduced VAT rates

Tags: Taxation, #VAT

HOTREC, [FoodDrinkEurope](#) and [FoodServiceEurope](#) have asked for support from the EU for temporarily reduced VAT rates in the hospitality sector in order to mitigate the impact of the COVID-19 crisis. [A position paper co-signed by all three organisations](#) highlights why reduced VAT rates are beneficial for hospitality and contract catering and an essential and highly effective measure of support to support the recovery of the sector in the aftermath of lockdown measures.

The position paper specifically urges the EU to:

- Support for reduced VAT rates and give a strong signal to the EU Member States' national governments,
- Give temporary flexibility with regard to the existing EU VAT framework so that, if possible, EU Member States could set a reduced VAT rate of 5% for hospitality services.

Many sectors, including hospitality and contract catering, face exceptional economic difficulties and lack of liquidity amidst the COVID-19 crisis. Amongst these measures, several EU Member States (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Greece) and other European countries (UK, Norway) have introduced temporarily reduced VAT rates for hospitality services. In certain cases, existing reduced rates have been further lowered for the hospitality sector.

The establishment of reduced VAT rates is first and foremost an issue for national governments, but the [EU VAT Directive of 2006](#) sets a lower threshold of 5% for reduced VAT rates and allows EU Member State to have one or two reduced VAT rates.

Slight summer recovery for hospitality sector stopped short by 2nd wave of COVID infections

Tags: Statistics

Despite historically low occupancy rates – averaging 38.9% during August across Europe – the **summer period marked by a degree of recovery of Europe's hotel sector** following the easing of travel restrictions and the opening of certain borders.

With the absence of non-European business and foreign customers, the mid and high-end segments remain more affected than the budget and economy segments. These two had occupancy rates (OR) of 53.1% and 42.3%, respectively, in August 2020, compared with an OR of 38.0% for the mid-range segment and only 29.6% for the high-end segment. Similarly, results have been uneven across specific markets. France and Germany, with their strong domestic customer base, recorded the lowest falls in Europe, with an OR down 22.7 points (to 49.0%) and 33.4 points (to 38.4%), and a Revenue per Available Room (RevPAR) down 35.3% and 48.8% respectively. Conversely, other countries suffered from the absence of foreign customers, particularly the Czech Republic (-65.2 pts. of OR/ -84.7% of RevPAR), Hungary (-66.3 pts. of OR/ -79.5% of RevPAR) and Spain (-51.8 pts. of OR/ -72.1%), which recorded the largest declines.

European tourist activity fell back again in September due to limited demand from corporate and individual business customers and to muted MICE & events activity. The OR was 44.1 points lower than in September 2019 and RevPAR went down by 68.0%. Business and event demand, which usually picks up in September, is in fact **much more affected by COVID-19 than the leisure tourism that dominates in summer months**. In September, all European countries posted the first month-on-month decline in hotel performances since the end of the first wave of lockdowns.

In addition to the absence of events, the restrictive measures recently put in place by European governments to prevent a second wave of the pandemic will not encourage the resumption of travel: **figures are likely to show a worsening situation in October and November 2020**.

The figures in this article were provided to HOTREC courtesy of [MKG](#) and cover the results of corporate branded hotels in several European Markets.



HOTREC welcomes the EP strategy for sustainable tourism

Tags: [#Sustainability](#) [#EUGreenDeal](#)

On 28 October 2020, MEP Cláudia Monteiro de Aguiar (Portugal, EPP) presented her initiative report on "[Establishing an EU Strategy for Sustainable Tourism](#)".

We fully agree with the report and with the call on Member States to apply, without delay, common criteria for travel – including tracking forms and tests on departure – to avoid quarantine periods. Without these measures, travel will be disrupted and travellers will not have enough confidence to travel.

With regard to financing, we agree that the EU lost an opportunity to include direct financing to the tourism industry via the [NextGenerationEU](#) and can now only encourage Member States to include the industry in their recovery plans and in the [REACT-EU](#) initiative. We also very much support the possibility for the Commission to create a European mechanism to monitor the provision of support to micro, small and medium-sized enterprises – focusing on liquidity, lending and transparency. A 'crisis-management mechanism for tourism' preparatory action with a view to being ready to cope with future crises would also be much welcome.

Of course, we hope that the [European Data Strategy](#) will incorporate tourism in the governance framework for common data spaces, enabling businesses to fully commit to innovation and digitalisation. We believe this is essential for SMEs and micro-enterprises to access to intelligent data analysis.

Our only doubt concerns the proposal for the Commission to issue an EU hygiene certification seal as a European health security mark. HOTREC defends that all companies need to strictly follow their respective national health and safety protocols: more labels might be confusing to costumers and difficult to implement by the companies.

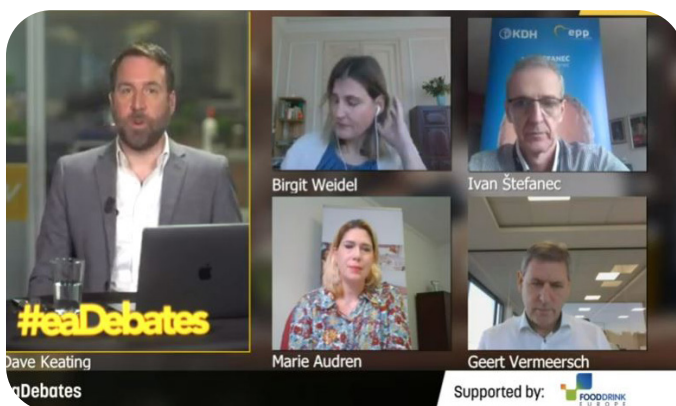
All in all, HOTREC very much welcomes the report and wishes to continue to be part of the EU dialogue aiming at creating an EU Strategy on Sustainable Tourism.

Live from the network

Joining forces with our Members & industry partners towards a stronger sector

The 'Perfect storm' for European SMEs: HOTREC discussed SMEs at Euractiv event

Tags: [@eaEconomy](#) [@FoodDrinkEU](#) [#tourism](#) [#eaDebates](#) [#LiveFromTheNetwork](#)



On 18 November, we had the pleasure to take part in the virtual event 'The [perfect storm](#) for European SMEs' organised by [Euractiv](#) and supported by [FoodDrinkEurope](#).

Ms. Marie Audren, Director General of HOTREC, participated as a speaker together with Ms. Birgit Weidel, Head of Unit at DG GROW (European Commission), MEP Ivan Štefanec (Slovakia, EPP), President of [SME Europe](#), and Mr. Geert Vermeersch, CEO of [COLAC](#). Mr. Dave Keating, journalist at Euractiv, moderated the discussion.

Thanks to this event, we had the change to once again stress how difficult a situation hospitality

establishments – 90% of them SMEs and micro-enterprises employing less than 10 people – are experiencing due to COVID-19.

"The hospitality sector is facing the hardest crisis it has ever faced. It's really unprecedented" said Ms. Audren. She later emphasised the economic and cultural value that hospitality holds in Europe: a major pillar of the tourism ecosystem counting (before the crisis) over 2.5 million workers, most of them under 25 years of age.

"The recovery will be really long, will be slow and we don't expect any return to "normal" before 2023.

We will need the continued support from the European Commission and the Member States to help these companies regain their capacity to trade and to help restore guests confidence” continued Ms. Audren. “What I really find difficult for us right now is the lack of clarity and the uncertainty. This yo-yo, this in-and-out of restrictions is very difficult for our SMEs”.

All speakers also agreed on the critical role that upskilling and reskilling and the digital and green transition will have on SMEs in the tourism and hospitality sector. Ms. Audren had previously discussed her views on the topic in an [article](#) written in collaboration with FoodDrinkEurope.

Sincere thanks to Euractiv and FoodDrinkEurope for involving us in such an important and constructive discussion and for the valuable opportunity to brainstorm with experts in the sector on the future of our SMEs.

What's next In the HOTREC Team's and membership's agenda

27 November 2020 – HOTREC's Sectoral Social Dialogue (SSD) plenary meeting

4 December 2020 – HOTREC Sustainability Working Group meeting

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www.hotrec.eu

hotrec@hotrec.eu