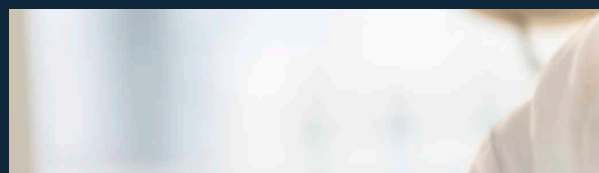




Live



from



Brussels



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INTERVIEWS

Interview with Mr Stéphane Ficaja, Regional General Manager at Uber Eats Europe, Middle East, Africa



Stéphane is the Regional General Manager for Uber Eats in EMEA. Despite operating in one of the most competitive regions for food delivery in the world, in just a few years he has built one of the biggest and fastest-growing markets for Uber Eats globally.

Stéphane started his career in the air and financial sectors before joining Uber in 2014 where he was Head of Operations in France.

Since then he has held numerous positions at

Uber, most recently heading up Uber Eats for France and South-West Europe.

1. COVID-19 has created an unprecedented health crisis, forcing much of Europe into lockdown to prevent the spread of the virus. With safety a top concern for most people right now, what steps has Uber Eats taken to ensure the safety of its operations?

The safety and well-being of everyone who uses Uber Eats is always our priority. Since the pandemic began, we've taken meaningful steps to help keep everyone who uses the Uber Eats platform safe. This includes introducing contactless delivery to enable couriers to leave orders at a customer's door. Sharing the latest public health information on preparing and packaging food for delivery with restaurants. Providing couriers with free access to masks, sanitizing wipes and cleaning sprays, to help them work safely on the app. We also recently launched a new in-app safety checklist, asking couriers to confirm they've taken certain safety measures such as wearing a mask or face covering, sanitizing their delivery bag and adhering to social distancing measures when waiting at restaurants.

We're also supporting couriers who are diagnosed with COVID-19 – or those having to self-isolate – with financial [assistance](#) for up to 14 days. This is in addition to the free Partner Protection insurance with AXA, which covers sickness, injury, maternity, and paternity payments for independent couriers in Europe.

Looking forward, we're committed to working with governments, public health bodies, and the restaurant industry to help keep our communities safe and healthy.

2. The lockdowns have hit the restaurant sector particularly hard. What is Uber Eats doing to support restaurants and help them weather the crisis?

We are committed to supporting restaurants and the tens of thousands of people who rely on them for work during this difficult time. At the beginning of the crisis, we put in place a range of initiatives to help restaurant partners, particularly small business owners, as they keep their kitchens firing to feed people across the country. This includes efforts to help drive demand, such as offering free delivery on all orders from independent restaurants. And launching a new Pick-Up feature – with 0% commission for restaurants – allowing people to order food on the app and collect themselves in many countries. We've also made it quicker and easier for new restaurants to offer delivery, by waiving activation fees and introducing express onboarding. While to ease cash flow pressure, we introduced daily payouts to help restaurants get paid any time they liked.

3. As governments begin to lift lockdowns and allow non-essential businesses to reopen, how will Uber Eats help restaurants recover?

The restaurant industry is the lifeblood of our business, it is vital restaurants not only survive



Interviews

but thrive as lockdowns are eased. Alongside delivery, we've seen a huge rise in the number of people using our Pick Up feature and we believe this trend will continue as people begin to move around again. We're pleased we can use this product to drive demand to restaurants as they reopen their doors. As restaurants get back on their feet, we also want to offer the flexibility to partner with Uber Eats in a way that suits their business. Whether that's fulfilling the delivery using their staff, letting customers pick up orders in-store or using independent couriers on the Uber Eats to fulfil orders.

Finally addressing safety concerns to give people the confidence to visit and order from restaurants will be essential. We will continue to work with restaurants to help them keep up to speed on the latest health advice, as well as use our app to educate customers on the steps restaurants are taking to ensure safety and encouraging them to dine in when it's safe to do so.

Interview with Mr Roberto Calugi, Director General at FIPE (Federazione Italiana Pubblici Esercizi)



Director General at **FIPE** since October 2017, Mr Roberto Calugi is a senior executive with a solid background in Strategic Development and Public Affairs and has extensive experience in international expansion, redesigning company processes, innovation, industrial policy and public grant management. Additional areas of expertise include the restructuring, development and management of companies in the field of public-private cooperation. Mr Calugi sits on several Boards of Directors and teaches at well-

known Italian universities (Universita' Cattolica) and frequently participates to international conferences and publishes articles on relevant economic and financial issues.

1. On 9 March 2020, Italy was the first European country to impose a national lockdown in response to the growing coronavirus pandemic. Since then – and until 4 May – hospitality businesses in the country have been closed, with a strong economic impact on the sector. Could you give us an overview of the current situation of restaurants, cafés, nightclubs and similar establishments in Italy?

The restaurant, entertainment and tourism sector was hit hard by the economic crisis caused by the COVID-19 pandemic.

The initial decision by the Italian Government was to postpone to 1 June the reopening of the food and beverage delivery premises, which further penalised the industry. With already estimated losses up to €34 billion and 50,000 businesses at risk of losing up to 350,000 jobs, reopening on 1 June seemed, therefore, to be particularly detrimental and unjustified.

Moreover, in some areas of the country, closures have been in place since 23 February and such a decision would have resulted in a total of 14 weeks of closure. Because of the very nature of our businesses, such a situation would have made the survival of these activities economically unsustainable. It was, therefore, not clear why public exercises that were rated by Inail (Italian National Institute for Insurance against Accidents at Work) as low-risk, should reopen last.

It is worth pointing out that there are businesses (e.g. night entertainment and clubs) that have been closed since well before 9 March and for which a reopening date still isn't set.

This is why **FIPE** launched a national petition addressed to the Italian President of the Council, Mr Giuseppe Conte, to allow restaurants to reopen on 18 May. After collecting 21,360 signatures in a few days in support of our petition, restaurants, bars and beach resorts were finally allowed to reopen again on 18 May.

2. What measures by the Italian government are currently in place to support the hospitality industry? Are the measures helping micro-enterprises and SMEs? Did the measures go in line with your advocacy policy?

On 28 April, I attended a hearing at the *Camera dei Deputati* related to the passage into law of the so-called "Liquidity Decree". I wanted to prove to the competent authority that establishing appropriate measures to ensure the survival of our businesses was essential.

No appropriate measures have been taken yet specifically for the restaurant, bar and entertainment industries. Companies in the sector were left in total confusion and this contributed to an embarrassing regulatory complexity among the central state and regional

administrations. Having to judge the measures taken by the Government in the last two months of emergency, it is regrettable to note that they are inadequate, and that, so far, had little effect on companies' real life.

Moreover, it is shocking that, so far, the legislature did not feel the need to differentiate between different types of aid, but instead focused the intensity of its intervention on a few sectors such as tourism – of which public exercises (e.g. restaurants, bars, entertainment venues and sea resorts) are an intrinsic and priority component.

In summary:

- a. Wage subsidies were not delivered yet, leading to the need for many companies to anticipate resources to workers;
- b. Taxation was postponed and so far no action was taken to reduce the amount owed;
- c. Issues with rents payments were dealt with only for March – through a tax credit – but no measure was taken (yet) for the following months;
- d. Access to the credit provided thanks to the "Liquidity Decree", at least so far, has deemed complicated and not up to what was announced in terms of massive and immediate injection of resources;
- e. It is, however, an onerous subsidy to be repaid in a limited time;
- f. Inexplicably, the Government considered – without involving trade associations – to delay reopenings until 1 June;
- g. Clear information on resources and tools that will be available to companies is still missing;
- h. There is no clear way of meeting all requirements for "phase 2" and for some sectors (e.g. entertainment industry) there is even a lack of a credible prospect of reopening.

On 17 May, a new Prime Ministerial Decree was released and I hope that it will include all the necessary measures to support our enterprises – we are now waiting for the official text to be published.

3. As of May 4, containment measures in Italy gradually started to be phased-out. Could you share with us bits of advice you will provide your members for the opening up? Can you share with us your views about the future of tourism in Italy?

As of 4 May, restaurants and bars can carry out, in addition to home delivery services, takeaway services. To ensure that our associates operate in the best and safest way – not only for employees but also for consumers – I wrote a letter including all indications to facilitate the reopening of companies. The document contains a set of guidelines for cleaning and sanitizing premises and tools and safeguarding measures for employees and consumers.

Moreover, with a keen sense of responsibility, in recent weeks [FIPE](#) started drawing up on its initiative a detailed Protocol to ensure a safe reopening, written by experts in the field in coordination with by a renowned virologist, to later share the paper with competent institutions. Our protocol was an inspiration for the national guidelines.

On 17 May, a [Prime Ministerial Decree](#) on the *Gazzetta Ufficiale della Repubblica Italiana*, providing guidelines for reopening of restaurants, bars and sea resorts. FIPE's indication (in Italian) explaining all implications for the industry can be read at the following [link](#).

Interview with Ms Kristin Krohn Devold, CEO at NHO Reiseliv (Norwegian hospitality Association)



Ms Kristin Krohn Devold is a former Minister of Defence of Norway. Elected to the Norwegian Parliament in 1993, she was re-elected twice as a representative for the Conservative Party. From 2006 to 2013, she was the Secretary General of the Norwegian Trekking Association and on 1 September 2013 she was nominated CEO of [NHO Reiseliv](#) – the Norwegian Hospitality Association.

1. At the end of April, the Norwegian government gradually started to mitigate some of the lockdown measures taken so far to contain the spread of COVID-19 – with kindergartens and some health specialists re-opening as of 20 April and high schools, universities, hair, massage and beauty salons re-opening as of 27 April. Could you give us some data on the economic impact of the coronavirus outbreak in Norway and how it affected the tourism and hospitality sector in particular?

In Norway, 90% of our members from the hotel and restaurant sectors participated in a survey on the effects of COVID-19 on their activities. Their replies show that, after 13 March, most of them faced closures and had to send home almost 90% of their employees.

The government never officially closed hotels and restaurants: air traffic dramatically decreased and guests just consequently stopped checking into hotels. Moreover, indoor social distancing measures imposed a minimum distance of 2 metres between people – thus forcing most restaurants to also close for some time.

On 7 May, the minimum necessary distance between people was reduced to 1 meter only, and this new measure finally allowed most restaurants to reopen. Now it is also permitted to organise conferences – as long as the 1-meter minimum distance rule is observed and people can remain seated both in restaurants and business meetings – to track down new coronavirus cases.

While nightclubs, bars, festivals and concerts were at first shut down by the government, cultural events up to 50 guests were able to reopen as of 7 May. The maximum number of participants allowed is, however, set to increase, with 200 guests as of 15 June and 500 guests from 1 September – of course, provided that everything goes according to plan.

The period from 13 March to 7 May, with hardly any customers, of course, cost a lot to the whole sector. Economic initiatives by the government were focused on keeping the companies alive by introducing a three-months (March, April, May) long “cash package” to support 80% of businesses’ fixed costs. It is still being discussed whether the cash-package will be prolonged for three more months (over June, July and August).

2. What initiatives did the Norwegian government launch to support the industry as of end of February 2020? Could you also tell us more about campaigns or projects carried out by your association during this difficult time to support hospitality businesses?

As of February 2020 until today, the Norwegian government:

- a. Took care of most of the costs related to sick leaves of parents staying at home with COVID-19, being quarantined or looking after their children;
- b. Increased loans to all businesses;
- c. Made it less expensive to lay off employees without having to fire anybody, and

d. Came up with the three-month “cash-package” for all the affected businesses with more than 30% drop in revenue, compared to the same months last year.

NHO as an organisation focused on political lobbying in close contact with both our government and the Parliament, and was deeply involved with defining support initiatives.

We also arranged weekly online seminars with our members to give them advice on how to use these new packages created by the government, and how to maintain a close dialogue with them focused on their needs, what is working and what isn't.

In only a few weeks, we arranged 26 online seminars with different types of members (e.g. camping sites, hotels, restaurants, chains, etc) – some of them with more than 230 companies attending.

3. Could you share with us your views on the future of tourism in your country?

In Norway, we believe that the COVID-19 situation will change the industry in many ways. People will avoid over-crowded places, and give more chances to small destinations with more outdoor space and higher health care quality. We think that greener and more sustainable tourism will have an even bigger role in the future, as well as any touristic activity involving outdoor space and nature.

This summer, everybody in Norway is being told to book their holidays within the country, and it's already clear that people will tend to look for smaller and more “personal” hotels, cottages and camp-sites. At the same time, bigger hotels can also get their guests back – as long as they will make it possible to avoid crowds, stay in smaller groups, and limit the risk of being too close to others than those you travel with.

It's difficult to know how the air traffic will resume this summer – even inside our own country – so we believe that this year a lot more people will travel by car and explore destinations which are closer to where they live – and this might, of course, change future holiday habits.

It will probably take years for the industry to get back to the level reached in 2019, but – since we will all need to learn to live with both COVID-19 and other pandemics – the need to be able to trace people and to be able to maintain social distancing both on a holiday and in business life, will change the tourist sector (e.g. big cruise ships carrying thousands of passengers to small destinations is probably not going to be a trend in the future while a more probable model will be one granting higher health quality, larger spaces, the type of tourism where you now where your customer is).

The [Book Direct](#) initiative is a step in the right direction and pre-booking of tables and rooms with the known identity of the guest. Cash payments are out, digital payments with known customers are in.

TOURISM

Package on tourism and transport is welcome!



On 13 May 2020, the European Commission presented a package of guidelines and recommendations to help Member States gradually lift travel restrictions and allow tourism businesses to reopen, after months of lockdown, while respecting necessary health precautions. The package aims to help the EU tourism sector recover from the pandemic, by supporting businesses and ensuring that Europe continues to be the number one destination for visitors.

The Commission's Tourism and Transport package includes:

- An **overall strategy** towards recovery in 2020 and beyond;
- A **common approach** to restoring free movement and lifting restrictions at EU internal borders in a gradual and coordinated way;
- A **framework** to support the gradual re-establishment of transport whilst ensuring the safety of passengers and personnel;
- A **recommendation** which aims to make travel vouchers an attractive alternative to cash reimbursement for consumers;
- **Criteria** for restoring tourism activities safely and gradually and for developing health protocols for hospitality establishments such as hotels.

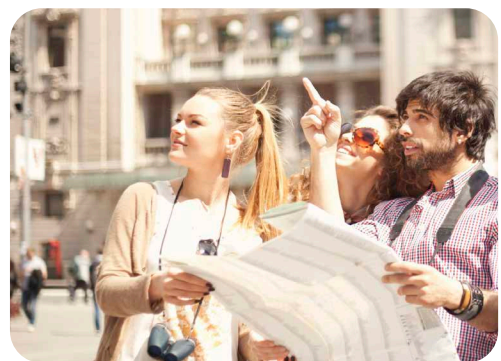
HOTREC position:

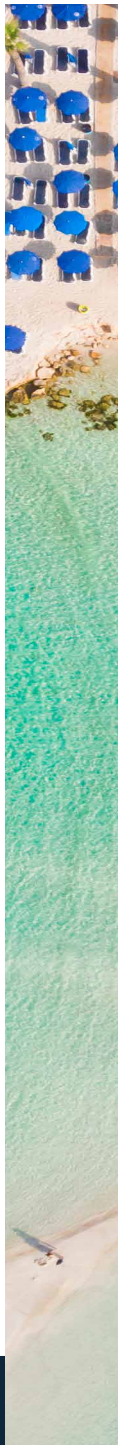
- *HOTREC welcomes the Commission package and calls on Member States to follow the coordinated approach;*
- *This is the way forward to avoid quarantines and unilateral measures taken by Member States.*

European Commission launches communication on tourism

On 13 May 2020, the European Commission launched a Communication on "Tourism and Transport" in 2020 and beyond [COM\(2020\)550 final](#). The main objectives of the Commission Communication include:

- Ensuring liquidity of SME's and micro-companies via the deployment of the State Aid; the **SURE Mechanism**; Coronavirus Response Instrument Initiative;
- Safely restoring freedom of movement and lifting internal border controls;
- Restoring transport services across the EU while protecting the health of workers and passengers;
- Safely resuming tourism services (by setting up criteria to safely and gradually restore tourism activities and developing health protocols for hotels and other forms of accommodation to protect the health of both guests and employees);
- Ensuring cross-border interoperability of tracing apps;
- Connecting citizens to local tourism offer, promoting local attractions and tourism





- and Europe as a safe tourist destination;
- Proposing Digitalisation and the EU Green Deal as ways to overcome the crisis.

Next steps:

The European Commission will organize a European Tourism convention with EU institutions the industry, regions, cities and other stakeholders to jointly build the future of a sustainable, innovative and resilient European tourism ecosystem – the 'European Agenda for Tourism 2050'.

HOTREC position:

- HOTREC welcomes the European Commission Communication and calls on Member States to follow the coordinated approach;*
- Member States should not take isolated measures and should communicate their decisions and intentions in a systematic matter.*

Gradually opening-up the internal borders in Europe



On 16 March 2020: the European Commission issued a Communication recommending Member States to decide on a temporary restriction on non-essential travel to the EU (COM (2020)215 final) due to the COVID-19 outbreak. The Communication exempted some target groups such as workers; transport of goods, passengers in transit, amongst others. As a result, most Schengen countries closed their internal borders for travelling. At the present stage, it should last until 15 June 2020 – but all will depend on the epidemiological development of the virus.

On 13 May 2020, the European Commission issued a Communication on “[A coordinated approach for restoring freedom of movement and lifting internal border controls](#)”. Member States are invited to follow these criteria in order to start opening the borders: Epidemiological (focusing on areas where the spreading of the virus is improving); ability to apply containment measures and economic and social considerations are advisable criteria in place at national level. On top, Member States should follow the principle of non-discrimination. Therefore, if they decide to welcome visitors into their territory, they allow travel from all areas, regions or countries in the EU with a similar epidemiological condition

HOTREC position:

- HOTREC welcomes a coordinated approach on the opening of the borders within the EU;*
- Queues and disturbance at the borders should be avoided;*
- The mapping of information on the situation of the borders (land/air/sea borders) and the tourist services available is welcome (as long as micro-enterprises and SME's do not receive extra burdening);*
- Testing should be done previous to arrival to destination – this will avoid quarantines;*
- It is essential to avoid single market distortions, including bans and export restrictions and especially for export of medical equipment and medicines and goods;*
- HOTREC hopes that the external EU border will open as soon as health and safety are ensured.*

European Commission supports patronage vouchers for small hotels and restaurants



As part of its [announcements for the recovery of tourism and travel](#) on Wednesday 13 May, the European Commission has issued support for 'patronage vouchers' which can be bought by consumers from small suppliers in the tourism sector closed for business due to the coronavirus crisis (such as restaurants, Bed & Breakfast, small hotels) and can be later exchanged for services once businesses reopen.

The European Commission considers that such vouchers, where a small supplier immediately receives the money paid for the voucher, will

support businesses' liquidity needs and give consumers an opportunity to support their favourite suppliers, playing a 'meaningful role in sustaining Europe's hotel and restaurant ecosystems'.

The European Commission also adopted a [Recommendation](#) on vouchers offered to passengers and travellers as an alternative to reimbursement for cancelled package travel and transport services. The text aims to ensure that vouchers become a viable and more attractive alternative to reimbursement for cancelled trips in the context of the current pandemic, which has also put heavy financial strains on travel operators. The vouchers should be voluntary, protected against insolvency of the issuer, with a minimum validity period of 12 months, and be refundable after at most one year if not redeemed. They should also provide passengers sufficient flexibility, should allow the passengers to travel on the same route under the same service conditions or the travellers to book a package travel contract with the same type of services or of equivalent quality. They should also be transferable to another traveller.

Flexibility under State aid rules will allow Member States to introduce schemes, such as guarantee schemes for vouchers and further liquidity schemes, to support companies in the transport and travel sectors and to ensure that reimbursement claims caused by the coronavirus pandemic are satisfied. The schemes for vouchers can be approved by the Commission very rapidly upon notification by the Member State concerned.

On 24 April, as a member of [NET](#) — a network of representative trade associations from the private sector in European tourism — [HOTREC co-signed a position paper](#) destined to EU decision-makers requesting the adoption an EU-wide legal framework to provide customers with flexible and refundable vouchers for travel and tourism services that are state-guaranteed to address the issue of refunds for service cancellations in the light of the COVID-19 crisis.

European Commission authorises aid up to €800,000 under temporary state aid framework

As part of measures to help businesses mitigate the effects of the COVID-19 crisis, the European Commission has temporarily authorized Member States to set up schemes to grant up to €800,000 gross to companies facing urgent liquidity needs. The measures were announced in a [Communication on a Temporary Framework for State Aid](#) measures on 19 March.

The amount of €800,000 is per undertaking and can take the form of direct grants, repayable



advances, tax or payments advantages. The usual authorized limit for such aid is 200.000€. HOTREC actively supported lifting this ceiling from 200.000€ to 800.000€ when responding to the European Commission's [first announcement](#) on measures to counter the economic impact of the COVID-19 crisis.

Member States will, however, need to ensure that the following criteria are met for such national state aid measures when providing notification to the European Commission for approval in this framework:

- The measures are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of the Member State concerned;
- The aid is granted on the basis of a scheme with an estimated budget;
- The aid may be granted to undertakings that are not or were not in difficulty on 31 December 2019, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak;
- The aid is granted no later than 31 December 2020.

The temporary state aid framework also sets authorizes companies to cumulate such aid with either aid in the form of guarantees on loans or aid in the form of subsidised interest rates for loans.

OECD looks into Tourism policy responses to COVID-19



On 23 April 2020 took place a videoconference meeting organised by OECD aiming at analysing policy responses to the EU pandemic. HOTREC President, Mr Jens Zimmer Christensen were among the speakers at the event, as well as Tim Fairhurst (ETOA), Jeff Poole (WTTC) and more than 90 other participants from all over the world with a focus on tourism.

During the meeting, OECD had the opportunity to present a [summary of the responses countries are developing at national level](#). According to

OECD, estimates of the crisis point out a 45% decline in international tourism in 2020. This could rise to 70% if recovery is delayed until September. Domestic tourism is also heavily affected by containment measures, however, a quicker recovery is expected with an important role to play during the recovery phase.

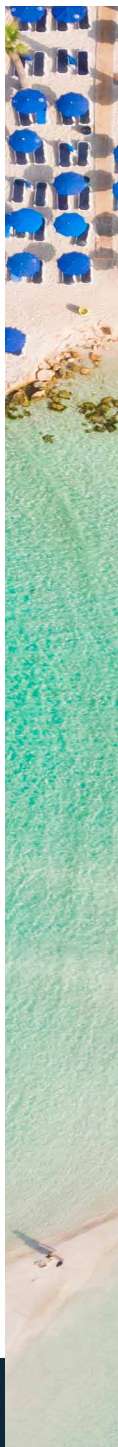
Many governments are introducing tourism specific measures to address the immediate impacts on the sector, and facilitate recovery, but OECD report points out that more needs to be done at sectoral level, and in a more coordinated way, to support tourism businesses and workers, restore traveller confidence and be ready to restart business operations and stimulate demand once containment measures are lifted.

OECD highlights the following responses provided by countries:

- Protecting people: protecting visitors (e.g. information, repatriation assistance, consumer protection) and tourism workers (e.g. the provision of income support);
- Ensuring business survival: along the tourism supply chain, and in particular supporting SMEs, including through cash flow supports;
- Putting in place co-ordination mechanisms: including taskforces and co-ordination measures to better target responses and support sector recovery (e.g. private sector dialogue, timely provision of data, co-ordinated policy responses for the short, medium and long-term).



Tourism



HOTREC position:

- During March and April 2020 most hospitality establishment (hotels, restaurants, cafés) closed down, either due to government orientations or because of lack of clients;
- The hospitality sector faces an estimated 80-90% loss of turnover during Q1 2020;
- EU and national funding is essential to tackle the liquidity problem of the companies;
- State Aid and mechanisms such as SURE are mostly welcome;
- The hospitality sector calls on the EU for a long period of finance, as it will take time for consumers' confidence to come back.

Commissioner Breton addresses MEPs at the European Parliament

During March and April 2020, companies of the tourism sector faced unprecedented challenging times. Most restaurants, cafés, bars closed (with some exceptions of takeaway or delivery services). Most hotels also closed (either due to government restrictions or because they did not have enough clients). Thousands of micro-enterprises and SME's faced insolvency or count their days to survive. Millions of jobs are at stake.



Given the circumstances, Commissioner Breton announced at a hearing at the European Parliament, on 21 April 2020, that Tourism will be on the top list of its priorities. He proposed that a European Tourism Summit be organised in September/October 2020, if the health sanitation permits in order to reflect on the roadmap for a sustainable, innovative and resilient tourism. He added that the EU intends to reply to the immediate needs of businesses. He commented that a Marshall plan was considered essential and added that a budget line for Tourism could be considered. Finally, he announced the Commission would work on a coordinated approach to open the borders and that the exit plan would pass via digitalisation and the European Green Deal.

HOTREC position:

- HOTREC calls on the EU to help companies, especially micro-enterprises and SME's to overcome the liquidity problem;
- The hospitality sector needs support for a longer period, as consumer trust will take time to be built;
- A Marshall Plan for the tourism sector is most welcome, as well as the introduction of a budget line on tourism in the MFF;
- HOTREC supports digital and the EU Green Deal as solutions for the crisis. Nevertheless EU funding will be needed.

European Parliament gives green light to visa facilitation and readmission to Belarus



On 14 May 2020, the European Parliament approved a Recommendation on visa facilitation and readmission agreement between the EU and Belarus. The general visa fee for both Belarusians and EU citizens travelling to the other territory for up to 90 days in any 180-day period will be reduced to €35 (some categories of travellers will be exempt from paying fees). The deadlines for consulates to deal with requests will be reduced to 10 calendar days (extendable to a maximum of 30 days).

EU citizens can already enter Belarus without a visa for periods of up to 30 days, provided they cross the border at Minsk International Airport. For longer periods, of up to 90 days in any 180-day period, the new agreement will apply reciprocally.

At the same time, Belarus commits to readmitting its nationals who do not, or who no longer, fulfil the conditions in force for entry to, presence in, or residence on, the territory of EU member states. This will also apply to persons who hold a residence permit or a valid visa issued by Belarus, and those who illegally entered EU territory directly after having stayed on, or transited through, the territory of Belarus.

Next steps:

- Council of the EU and Belarus to formally conclude ratification;
- The two agreements will enter into force at the same time, on the first day of the second month following conclusion.

HOTREC position:

- *HOTREC welcomes visa facilitation from third-country nationals to the EU – this will boost tourism and the competitiveness of the EU economy.*

SOCIAL AFFAIRS

The SURE mechanism will support jobs to survive across Europe!



On 2 April 2020, the European Commission launched the [SURE mechanism](#) (Support to Mitigate Unemployment Risks in an Emergency). SURE is designed to help protect jobs and workers affected by the coronavirus pandemic. It will provide financial assistance, in the form of loans granted on favourable terms from the EU to Member States, of up to €100 billion in total. These loans will assist Member States to address sudden increases in public expenditure to preserve employment. Specifically, these

loans will help Member States to cover the costs directly related to the creation or extension of national short-time work schemes, and other similar measures they have put in place for the self-employed as a response to the current coronavirus pandemic.

On 15 May 2020, COREPER adopted the mechanism. SURE will become available after all Member States provide their guarantees. The instrument will then be operational until 31 December 2022.

HOTREC position:

- *HOTREC warmly welcomes the financial mechanism and hopes it will be implemented as soon as possible to save employment across Europe;*
- *SURE should cover all workers employed in the hospitality-tourism sector, including those with non-standard forms of employment, such as seasonal workers, part-time workers, and workers employed in the subcontracting chain;*
- *All companies should be covered to ensure the protection of the workers.*

DIGITAL ISSUES

European Parliament prepares Digital Services Act report to contribute to upcoming proposal



An update of rules for the digital platform economy is a key priority for the current European Commission. Via the proposal for a Digital Services Act, now expected in early 2021, the European Commission plans to revise the E-Commerce Directive of 2000 to strengthen the responsibility of online platforms, clarify rules for online services and ensure that all companies compete in Europe on fair terms.

The European Parliament's report entitled 'Recommendations to the Commission on Digital Services Act: Improving the functioning of the Single Market' is being developed by the European Parliament's Internal Market and Consumer Protection Committee (IMCO). Several other committees are providing input via Draft Opinions, including the Committee on Transport and Tourism (TRAN). Amendments to the report will be considered over the course of spring 2020 and the final report is scheduled for adoption by the IMCO Committee in September 2020.

In his Draft Report, lead IMCO Rapporteur MEP Alex Agius Saliba (Malta, S&D) calls for revision of the 2000 E-Commerce Directive and a level playing field between the platform economy and the 'traditional' offline economy, stressing that 'what is illegal offline must be illegal online'. He nonetheless supports maintaining some key EU e-commerce principles such as the internal market clause, freedom of establishment and the prohibition on imposing a general monitoring obligation.

The TRAN Draft Opinion by MEP Josianne Cutajar (Spain, S&D) requests clarification of the definition of information society service provider, "especially regarding online platforms in the transport and short-rentals sectors", calls to limit the dominance of market giants in the transport and tourism sector and highlights the importance of data and dialogue with STR providers for local governments.

HOTREC position:

- *Ensure a level playing field of the ever increasingly professionalised 'collaborative' economy with the 'traditional' accommodation sector;*
- *Review E-Commerce legislation in the light of the new market conditions and therefore enforce online platforms' liability on the markets according to their actual influence and role.*

NET tourism coalition adopts position paper on EU digital policy

NET is a network of representative trade associations from the private sector in European tourism, bringing together ETOA (European Inbound Tourism), IRU (Bus, coach and taxis), ECTAA (Travel and tour operators), Eurogites (holiday home and B&B accommodation), CLIA Europe (cruise companies), EFCO & HPA (campsites and holiday villages), IAPAA (amusement parks) and HOTREC.



The [NET position paper on digital policy](#) addresses the [EU's broader digital strategy](#) – as announced in February 2020 – which includes the upcoming Digital Services Act, Data strategy, platform market dominance issues and digital skills. Highlighting the importance of digital policy for tourism enterprises, the paper calls for a regulatory framework that empowers destinations with access to relevant data, provides a fair and transparent competitive environment for all travel and tourism enterprises and benefits consumers. The paper also reflects HOTREC positions on the responsibility of platforms and market dominance, STR regulation, data sharing and skills.

Hungarian competition authorities impose €7 million fine on Booking.com



On Tuesday 28 April, the Hungarian Competition Authority (GVH) announced that it had issued a fine of HUF 2.5 billion to Dutch company Booking.com BV. GVH also banned the company's aggressive sales activities regarding incomplete information on the free cancellation of bookings and putting clients under psychological stress by misleadingly imposing time pressure on their choices.

In December last year, [Booking.com made commitments to the European Commission](#) to change its commercial behaviour to comply with EU rules by 16 June 2020.

A common approach for safe and efficient mobile tracing apps across the EU



Contact tracing is an intervention, alongside testing and isolation, to control the COVID-19 pandemic. Mobile tracing will complement traditional tracing that is done manually by public health authorities when they interview patients with symptoms, typically over the phone, to understand with whom they have been in contact over the past 48 hours.

A contact tracing and warning app is voluntarily installed and used to warn users if they have been in proximity for a certain duration to a person who reported to have been tested positive of COVID-19. Contact tracing apps may allow warning as many potential contacts as possible, thereby enabling them to take further steps that can help to break infection chains and thus quickly stop the virus from spreading further.

Member States adopted guidelines on cross-border interoperability on 13 May 2020. The latter are common and general principles aiming at ensuring that tracing apps can communicate with each other when required, so citizens can report a positive test or receive an alert, wherever they are in the EU and whatever app they are using.

The Commission is supporting Member States in finding the right solution, in line with the principles set out in the [EU toolbox](#) and the [Commission guidance on data protection](#).

HOTREC position:

- *HOTREC welcomes a framework for contact tracing and warning with the use of mobile apps, which respects data privacy, is voluntary 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.*

HEALTH

COVID-19: WHO and European Commission propose guidance for hospitality health and safety



On 31 March, the [World Health Organization \(WHO\)](#) published [guidance for collective tourism accommodation establishments](#) such as hotels and similar establishments to protect the health of its staff and clients amidst the COVID-19 pandemic. The guidance also aims to help any authority involved in public health to respond to a public health event in hotels and tourism accommodation establishments.

The [WHO](#) followed up on 7 April with [similar interim guidance for food business](#), namely recommendations on how to prevent the spread of COVID-19 at work; how to recognize the symptoms of the virus; and how to transport and delivery food ingredients and food products.

As part of its Communication on “[Tourism and transport in 2020 and beyond](#)” on 13 May, the European Commission published a document outlining [guidance for the progressive resuming of tourism services and for health protocols in hospitality establishments](#).

In this document, the Commission sets out a common framework providing criteria to protect the health of both guests and employees. These criteria include epidemiological evidence; sufficient health system capacity being in place for local people and tourists; robust surveillance and monitoring and testing capacity and contact tracing. According to the European Commission, these guidelines will allow people to safely stay at hotels, camping sites, Bed&Breakfasts or other holiday accommodation establishments, eat and drink at restaurants, bars and cafés and go to beaches and other leisure outdoor areas.

SHORT TERM RENTALS

ECJ opinion on Cali Apartments and HX cases: municipal authorisation for STR is permitted by the EU Services Directive



On Friday 3, April European Court of Justice Advocate General Michal Bobek delivered [an Opinion regarding joint cases C-724/18 and C-727/18](#) (so-called Cali Apartments and HX cases).

In both cases, the European Court of Justice is asked to give clarification as to whether national legislation that makes the letting of furnished accommodation for short stays subject to an administrative authorisation falls within

the scope of the Services Directive. It should, however, be noted that the Opinion does not represent the Court's definitive verdict.

Advocate General Bobek concluded that:

- The Services Directive is applicable to national and municipal provisions governing access to the service consisting in the repeated letting for short periods, for consideration, including on a non-professional basis, of accommodation for residential use to a transient clientele, which does not take up residence there;
- The objective of tackling a shortage of long-term housing can, however, constitute an overriding reason relating to the public interest capable of justifying a national measure which requires authorisation to be obtained. Such national and municipal provisions are allowed by the Services Directive provided that they comply with the conditions of proportionality and non-discrimination, which is for the referring court to verify;
- If it is accepted that the local level is allowed to adopt rules and flesh out the conditions for authorisation schemes, the proportionality of such rules is likely to depend on the taking into account of the local circumstances and specificities.

HOTREC position:

- *Ensure a level playing field of the ever increasingly professionalised 'collaborative' economy with the 'traditional' accommodation sector;*
- *HOTREC, therefore, welcomes the clarification brought by the Court's Opinion as it confirms that proportionate reasons of public interest can justify the establishment of national and municipal provisions addressing inter alia authorization schemes for STR.*

INTERNAL MARKET

Electronic payments: HOTREC supports delaying implementation of Strong Customer Authentication (SCA)



On 14 September 2019, new requirements for authenticating online payments were introduced in the EU as part of the [second Payment Services Directive](#) (PSD2). The new Directive requires that electronic payments are performed with multi-factor authentication – so-called Strong Customer Authentication (SCA) – to increase the security of electronic payments.

Alongside tourism and banking stakeholders, HOTREC is requesting the European Commission and the European Banking Authority to consider delaying the implementation of this requirement. As part of the [European Tourism Manifesto](#), an alliance of 60 European public and private organizations covering the whole tourism value chain and beyond, HOTREC has co-signed a letter requesting a 12-month delay for SCA enforcement (until end 2021 rather than 31 December 2020), highlighting that this will contribute to the survival of the travel and tourism sector during the COVID-19 crisis.

HOTREC has also joined calls from a broad range of stakeholders (including Eurocommerce, the European Payment Institutions Federation, DigitalEurope) to consider appropriate additional measures and coordination to assist in the smooth transition to SCA in all EU Member States equally, with the possibility of an at least additional six months' delay in implementation for the market to be fully SCA ready.

HOTREC position:

The hospitality sector is extremely dependent on the smooth processing of card non-present transactions. A smooth transition to SCA-compliant solutions for card transactions falling into the scope of the SCA requirement is therefore of the utmost importance for the sector. HOTREC stresses that SCA-compliant solutions are not yet available for hospitality/tourism businesses which need to process card non-present transactions for bookings made through various layers of intermediation. Time is therefore needed to ensure that payment service providers can identify workable technical solutions for the hospitality and tourism sector.

TAXATION

Temporary reduced VAT rates for hospitality introduced in Bulgaria, Germany and Norway



As part of measures to support businesses mitigate the effects of the COVID-19 crisis, the German Government announced on Wednesday 22 April that VAT for food served in restaurants will be reduced during 1 July 2020 until 30 June 2021 from 19% down to 7%.

In Norway on 27 March, the government decided to cut its reduced VAT rate from 12% to 6% between 1 April and 31 October 2020.

The temporarily reduced rate applies to hotel accommodation services as well as to cinema admission, public transport, entrance to cinemas, museums and amusement parks.

The Bulgarian government also adopted a VAT relief measure on 12 May for restaurants and tourism establishments, reducing the VAT rate down from 20% to 9% from this summer to the end of 2021.

HOTREC position:

Differentiated VAT rates for hospitality businesses are one the most effective measures to support employment, investment and competitiveness in Europe at national level.

STANDARDS

ISO activity impacted by COVID-19 crisis



The International Organization for Standardization (ISO) has decided to postpone any face to face meeting until 31 August 2020 and adapted its work calendar accordingly. The upcoming week of TC228 (tourism) working group meetings planned in June in Costa Rica will now take place virtually during the first and second week of June 2020.

ISO TC228 is currently working on a number of standards of relevance for hospitality establishments:

- 'Heritage hotels' and 'Traditional restaurants'
- 'Principles and terminology of sustainable tourism'
- 'Accessible Tourism'
- 'Hotels and other types of tourism accommodation – Terminology'

In April 2020, ISO formally adopted a [new standard for hotel service requirements](#), despite calls from the European hospitality sector highlighting that such a standard is not necessary. In the meantime, a new working group on 'Tourist Visits' has been established under ISO TC 228 to replace the now-disbanded working group on industrial tourism.

At European level, CEO of the German Hotel Association (IHA) Markus Luthe has been appointed Chairman of technical standardization committee CEN / TC 329 on "Tourism Services".

STATISTICS

Eurostat publishes figures on summer tourism for 2018 and 2019



In order to put the impact of COVID-19 travel restrictions on tourism in perspective and accompany the Commission Communication on [“Tourism and transport in 2020 and beyond”](#), Eurostat has released figures on summer tourism for July/August 2018 and 2019. The EU’s statistical office states that such figures can help gauge the potential loss that the tourism sector will have experienced because of these restrictions over summer 2020.

HOTREC has meanwhile received a first glimpse of how the restrictions are impacting the hotel sector with figures on reservations and revenues of corporate branded hotels around Europe during March 2020 thanks to its partner [MKG](#). Figures clearly show the impact of the current pandemic, with some countries losing over 90% of their revenue per available room (RevPAR). Although the entry into containment was gradual, ranging from 8 March in Italy to 23 March in the United Kingdom and Greece, the effect of the border closures was felt immediately. On a monthly basis, Europe lost -66,3% on RevPAR to reach €22,2 excluding VAT.

Year to date (YTD) from January 1 to March 31 results are also in the red with a decline in RevPAR of -24,2% overall. Revenue performance per available room plunges from €59,9 excluding VAT at YTD 2019 to €45,4 excluding VAT at YTD 2020.



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