

Live from Brussels Newsletter

Issue n°112 – 16 November 2022

A message by Ms Marie Audren, Director General of HOTREC



Dear readers,

Welcome to another issue of our 'Live from Brussels' newsletter.

In early October, HOTREC members reunited for our **85th General Assembly in Stockholm**. Mr Alexandros Vassilikos, President of the Hellenic Chamber of Hotels in Greece, was unanimously elected as the new President of HOTREC. He will lead a newly elected Executive Committee for a mandate of two years, commencing on 1st January

2023. **We are grateful to these individuals** for volunteering their time and energy to ensure that HOTREC and our industry are successful in delivering on their ambitions.

The Assembly was also a time to reflect on our **current priorities for hospitality in Europe**. We discussed the issues faced by our restaurants, hotels and bars: high food and **energy prices**, inflation, and labour shortages. We also exchanged best practices to tackle these challenges: sustainability practices, training programmes for young people and innovative solutions to recruit and retain staff.

These pressing issues are at the centre of our discussion with **Petri Salminen, President of SMEunited**, the recognized employers' organisation of crafts and SMEs in Europe, whom I want to thank for a clear overview of their propositions to support SMEs.

As COP27 is still ongoing, it's a time to reflect on how **the hospitality industry can take part in fighting climate change**. Building a more sustainable future for our staff and customers is at the core of our ambition as entrepreneurs. We strongly align with the EU Green Deal's objective **to prevent waste and uphold circularity** within our operations. On this topic, the European Commission's intent to reduce and prevent packaging waste in its upcoming directive review goes in the right direction. However, the Commission needs to **set realistic targets** allowing our small and micro enterprises some time to shift.

In other news, the **long-expected STR initiative** was released by the Commission on 7 November 2022. The initiative is an important step and opportunity to **level the playing field amongst all accommodation providers**, and establish a framework that will protect and benefit consumers, residents, local communities, and the entire EU tourism ecosystem.

We are looking forward to sharing all our key messages with the Members of the European Parliament on **29 November 2022 for European Hospitality Day**. 30 delegates from our membership will be exchanging with MEPs on the 'future of hospitality: Digital, Green and Resilient' during a working lunch co-hosted by S&D MEP from Malta, Josianne Cutajar.

Stay tuned and enjoy your reading!

Discussing SMEs with Mr Petri Salminen, President of SMEUnited

@SMEUnited #SMEs #SupportSMEs #ShapingEuropeforSMEs



Mr Petri Salminen was born in 1981 and trained in marketing, leadership and commercial Law. As an entrepreneur and consultant his passion has always been to help SMEs succeed by finding the right paths to increase their sales, develop business models and to recruit right leaders and sales managers. This passion also applies to his work in the Federation of Finnish Enterprises, where he has been active in different roles for over 15 years, currently as chair of the organisation. He is the President of SMEUnited since January 2022.

Following the pandemic, companies are still struggling to regain momentum. The main obstacles for the hospitality sector now are the energy crisis, shortages in labour forces and inflation. In your opinion, what are the major issues for SMEs today? What are your proposals to help them go through those hurdles?

Recovering from the pandemic, small companies were confronted with disruption of supply chains and surging commodity and energy prices. The invasion of Ukraine by Russia steered our continent in a full energy crisis. SMEUnited surveyed its Members on how national governments are mitigating the energy crisis.

The results show that most measures are aimed at customers and bigger companies. There are many measures that small and medium-sized companies can also benefit from, but there are hardly any measures specifically targeting them. Our national members put forward several recommendations as to what they believe could alleviate the situation of SMEs at the local level. Amongst others they propose: capping the price of gas, decoupling gas from electricity, supporting investment in renewable energy, reducing tariffs for SMEs, reforming electricity market rules, developing fairer pricing mechanisms, providing targeted temporary aid or at least partial compensation for energy costs to SMEs most affected and providing low-interest rate loans.

At European level, we are working with the European Institutions to provide the framework for targeted measures. This includes the extended and prolonged temporary State Aid crisis framework for SMEs as well as the price cap for inframarginal electricity producers and the solidarity contribution of fossil fuel companies with extra profits. Furthermore, the new regulation on emergency interventions allows energy price caps in the retail market for SMEs.

SMEs also face difficulties in recruiting qualified staff and experience growing labour and skills mismatches and gaps. This structural problem stems from a combination of factors: an ageing population, insufficient anticipation of skills needs, inadequate adaptation of curricula to new labour market needs and reduced mobility in the EU. Closer cooperation between education and training providers with social partners and SME organisations, as well as other relevant stakeholders, is urgently needed to timely adapt curricula.

Work-based learning and apprenticeship as well as upskilling and reskilling of adults are essential to manage the digital and green transition. Equally required are active labour market policies with targeted support for inactive people and unemployed workers to reintegrate into the labour market. All these initiatives should go hand in hand with economic legal migration. The EU Commission proposed the launch of the EU Talent Pool from mid-2023, an EU-wide platform and matching tool. In October, the Commission already put in place a Pilot Talent Pool to integrate Ukrainian refugees into national labour markets. We warmly welcome the Pilot Talent Pool and the future initiative to match third-country nationals' job applications with the needs of European employers.

In October 2022, the European Commission presented its Work Programme for 2023. What do you think about the special support policies and initiatives the Commission is proposing? Could it be improved and how?

SMEUnited appreciated the tribute to SMEs by Commission President von der Leyen at her State of the Union speech. She acknowledged that small companies always put their employees first, even and especially in times of crisis and announced an SME relief package to reply to the needs of SMEs. We welcome this package, in particular the promise to review the Late Payment Directive. It is a big success of SMEUnited's lobby work. Finally, it is recognized that it is not fair that 1 in 4 bankruptcies are due to invoices not being paid on time.

However, these ambitious promises are not completely matched by the EC Commission Work Program. Even though we still have to discuss the initiatives in detail with our members, it is clear that the Work Program contains less concrete measures to relieve burdens for SMEs than we had hoped for...

On the other hand, the Commission already launched many initiatives in this mandate which will impact SMEs. To soften the regulatory burden, SMEs call to mitigate adjustment costs and reduce administrative burdens by removing or postponing reporting requirements and other administrative requests, e.g. in the Equal Pay and Pay Transparency Directive, sustainability reporting and due diligence.

Since SMEs are the main drivers of the green transition, we support the European Commission's attention in their Work Program concerning food waste issues and sustainable food systems.

SMEUnited was involved from the start in helping to elaborate an SME-friendly, accurate food waste measuring system, which resulted in the new baseline numbers published by the Commission in October. Considering that, per capita, food waste caused by consumers is on average 70 kg per year, compared to only 12 kg in restaurants and food services, we can see that the main driver to reduce food waste is by informing consumers; if we want to reach a reduction of food waste by 50% by 2030. However, SMEs are ready and able to do their part, and we are glad – together with HOTREC – to implement measures and inform about best practices to further reduce food waste, without increasing the bureaucratic burden for our entrepreneurs. After all, every entrepreneur knows: Food waste is not only an ecological problem, it is also money lost for your business!

Apart from food waste, our members are also committed to reduce packaging waste. SMEs traditionally use very little packaging. Most of our enterprises use just the right amount of packaging to make sure that the product gets to the consumer, guaranteeing food safety and quality. With the upcoming Revision of the Packaging and Packaging Waste legislation, the Commission would like to go a step further, and introduce harmonised rules on the use of reusable containers for food and drink items. We as SMEUnited see this with concern: while our entrepreneurs can fully control how their containers and wrapping materials are stored and cleaned, this is impossible to do with reusable containers brought in by consumers. The Commission should therefore be careful not to create a great risk for retailers, restaurants and other food service providers for which our members cannot find a feasible solution.

I am positive that, through dialogue with the EU institutions, we will be able to find such solutions, and drive the green transition forward to a successful future – proving that sustainability and profitability do not exclude each other, but are two sides of the same coin: You cannot have one without the other.

99% of companies in the hospitality sector are SMEs (90% of them being micro-enterprises). They are facing the same challenges in their path towards a more green, digital, and resilient future than any other SMEs. Do you have a concrete message you would like to share with our members?

SMEs adapt continuously to the changing environment. However, they are more and more concerned by increasing regulatory burdens, such as reporting on sustainability and due diligence, as well as regulatory costs, for instance due to new, greener manufacturing practices such as the life cycle analysis. Therefore, as entrepreneurs, we ask to make predictable what can be made predictable, the rules of the game. It is therefore more important than ever that we make our voices heard and shape Europe for SMEs!

HOTREC welcomes European Commission proposal for Regulation on Short-Term Accommodation Rentals

[@EU_Commission](#) [@DigitalEU](#) [@EU_Growth](#) [@ThierryBreton](#) [@vestager](#) [#STR](#) [#Digital](#) [#DataSharing](#)

On 7 November, the European Commission presented the **proposal for Regulation on Short-Term Accommodation Rentals** which sets **common rules for the registration of hosts** offering this global accommodation phenomenon and a **framework that will facilitate data-sharing** with public authorities.

HOTREC issued a **press release welcoming the proposal** and underlining the importance of establishing a framework that will protect and benefit consumers, residents, local communities and the entire EU tourism ecosystem.



We have been actively involved in discussions surrounding short-term rentals for almost a decade. In July 2022, HOTREC published a [position paper](#) which looks over years of regulatory debate and policy responses to the growing challenge of STR services and **presents our vision of how to regulate STR accommodations.**

We identified the following **key objectives**:

- establish a mandatory host registration system and mandatory data-sharing obligations,
- empower local authorities to manage the development of STR services, particularly regarding market access conditions for STR hosts,
- support national fiscal authorities with relevant data,
- introduce measures that will aim to reach a comparable level of health, safety and security as those already well-established for regulated tourism accommodation services (hotels, guesthouses, etc.), and,
- ensure that basic rules apply to all STR hosts (professionals and peers).

A swift decrease in energy prices is urgently needed!

[@Energy4Europe](#) [@Eu_Growth](#) [#EU2022CZ](#) [#Energycrisis](#) [#Energy](#)



The hospitality sector depends heavily on energy. Light and gas in the accommodation establishments, restaurants and cafés is a must, while air conditioning for heating and cooling is often necessary depending on the season.

The sector is still recovering from the COVID crisis, as loans and tax referrals need to be paid. At the same time, companies study their business models to consider if they can remain open, given the usual low-profit margins (90% of the companies are micro-enterprises).

For these reasons, we welcome the efforts done by the EU institutions in introducing measures that will help curb energy prices. Concretely, we welcome the European

Council's decision asking the European Commission to propose more measures:

- a temporary EU framework **to cap the price of gas in electricity generation**,
- a new complementary price **benchmark** by early 2023 that more accurately reflects conditions on the gas market,
- a **temporary dynamic price corridor** on natural gas transactions to immediately limit episodes of excessive gas prices,
- improvements to the **functioning of energy markets** to increase market transparency,
- **a mobilisation of relevant tools** at national and EU levels to enhance the resilience of our economies and preserve Europe's global competitiveness.

We welcome the acknowledgement by the EU institutions that investments in energy efficiency need to be stepped up, as well as in infrastructures and innovative renewable technologies. The sector needs incentives, subsidies, and tax relief to become more sustainably friendly and be able to avoid market dysfunctional prices.

EU packaging rules need to be realistic: A thriving hospitality sector depends on it

[@EU_ENV](#) [#Circularity](#) [#Packaging](#)

Let's unwrap the basics first: **we strongly align with the EU Green Deal's objective to prevent waste and uphold circularity within our operations.** Many are already engaged in transitioning to more sustainable practices. The European Commission's intent to reduce and prevent packaging waste in its upcoming directive review goes in the right direction.

The EU's ambition to switch so abruptly to **reuse systems for food and beverage packaging** in HoReCa is however concerning. As a service industry, our sector always thinks of the consumer first. To succeed, **circular innovations including reuse should be pragmatic and preserve consumer choice & convenience.** It should consider the 'think small first' principle and adequately target the right set of businesses – not micro and small.

Shifting to reuse would require a systemic change in our industry's operations. Establishments would have to source reusable packaging suppliers and invest to set up reuse cleaning and storage facilities within their premises. **Reuse targets for our sector should be science-based and feasible**, considering the heterogeneous nature of our industry and local specificities.

If a ban on single-use products in HoReCa is envisaged, transition periods should be set to allow businesses to adapt.

Council reaches general approach on Energy Performance of Buildings

@EUCouncil @EUparl_EN #EU2022CZ #EPB

On 25 October 2022, the Council reached a **general approach** on the **Energy Performance of Buildings** recast.

We concur with the **obligation for Member States to establish national building renovation plans** – However, as Member States face different levels of renewal and development, a certain degree of subsidiarity is key.

HOTREC considers that the objective of **all existing buildings becoming zero-emission buildings by 2050 is unrealistic**. We would have preferred that the proposal targeted the building stock instead of individual buildings.



Concerning recharging points, we consider that charging stations should not be mandatory. This implies an enormous cost for companies, while technology might quickly become obsolete. We consider it positive that Member States may adjust requirements for the number of parking spaces that are not typically accessed by bicycles.

Minimum energy performance standards (MEPs) are essential to help companies be more energy efficient. We welcome the extended deadlines for the application of the new requirements. But we consider that both non-residential buildings and residential buildings should be able to follow MEPs based on the national trajectory in line with the progressive renovation of the building stock (the Council supported this approach for residential buildings only).

We count on the European Parliament and Council's support to reach a reasonable compromise.

Platform workers: automatic reclassification of self-employed into employees needs to be avoided!

@NicholasSchmitEU @EU_Social @EU_EESC #EU2022CZ #EUTourism #Platform

While the European Parliament is preparing its internal compromise amendments within the EMPL committee, and the Council prepares itself to issue its general approach, **HOTREC continues actively passing on its main messages to the co-legislators**.

HOTREC's main priorities include:

- Restricting the scope of the Directive to digital labour platforms and clearly leave other businesses out of the scope, and
- Establishing enough well-tailored criteria for classifying a collaborator as an employee – the automatic assumption that all collaborators are employees is excessive and disconnected from business reality.

The proposal might affect the hospitality sector in an unproportionate way: the number of self-employed willing to work on platforms might decrease. This situation might lead to fewer people dedicating their time to work in food delivery services or cleaning platforms, and **therefore, to less people working in activities related to the hospitality sector**.

How accessibility is good for business

@ESHOBescola @EUaccess tourism @CEHATes @federalberghi #DIVETOURLiveFromTheNetwork #EUTourism



As a service industry always thinking about the consumer first, we reflect on accessibility in tourism and how considering specific access requirements can bring economic benefits.

The World Health Organisation (WHO) estimates that 15% of the population has some kind of need for accessibility assistance. **70% of Europeans with disabilities have physical and economic possibilities to travel.**

According to the European Network for Accessible Tourism (ENAT) accessible tourism includes:

- Barrier-free destinations: infrastructure and facilities
- Transport (air, land and sea) suitable for all users
- High-quality services: delivered by trained staff
- Activities, exhibitions, attractions: allowing everyone to participate in tourism
- Marketing, reservation systems, websites and services: information accessible to all.

In that context, HOTREC is a partner of the **DIVETOURL** project funded by the Erasmus + programme. Targeting students and professionals as well as staff and organisations in tourism and hospitality, DIVETOURL is delivering innovative e-learning tools relating to accessible tourism.

The first deliverable, to be launched in January 2023, is an online training platform and open learning community (cMOOC). It will give access to the latest research in accessible tourism as a response to challenges caused by the COVID-19 pandemic. The cMOOC will enhance the dialogue among Vocational Education Training professionals and companies to share ideas and best practices. **The second deliverable is a game-based app** to foster awareness among students of the ethical and economic relevance of accessible tourism. **Last but not least, a hotel chatbot will be developed to interact with clients** and improve the quality of information about issues such as inclusiveness and accessibility.

So don't miss your chance to embark on this accessible tourism journey and discover why the tourism sector and the hospitality industry can highly benefit from considering specific access requirements. **Register to the cMOOC (available from 21 November 2022): MOOC – Divetour.**

HOTREC at EquipHotel International Trade Show

@Equiphotelparis @Vero_Martens @RolandSchegg #EquipHotel #Hotels

On 8 November, HOTREC organised a **panel discussion on the digitalisation of the hospitality sector** that took place during the EquipHotel international trade show for professionals in the hotel and restaurant sector.

The panel was moderated by HOTREC's **Director General Marie Audren** and composed of **Roland Schegg**, Professor from the University of Applied Sciences of Western Switzerland Valais,



Matej Zezlin, Public Affairs Manager at HOTREC and **Véronique Martens**, Head of Digital and European Affairs Department at GNI-HCR.

Panellists discussed the importance of digitalisation for the hospitality sector and the latest statistical and policy developments from the European Union and France.

What's next

In the HOTREC Team's and membership's agenda

17 November – Webinar on Practical solutions to food waste monitoring in hospitality

24 November – HOTREC Distribution working group meeting

25 November – Sectoral Social Dialogue Committee meeting

29 November – European Hospitality Day - HOTREC Event at European Parliament

3 December – International day of persons with disabilities



www.hotrec.eu

