



Manifesto for the **Future** of European Hospitality

HOTREC priorities for the 2024-2029 Legislative Term

Foreword by the President

Hospitality sector priorities for the 2024-2029 Legislative Term

European hospitality stands as a cornerstone of the European tourism industry, serving as a vital pillar of the European culture and society, and boosting our economy.

Hospitality is a vibrant and passionate sector, rooted in the people who drive it forward. Comprising over 99% of Small and Medium-Sized Enterprises (SMEs), hotels, bars, restaurants, and cafés infuse the industry with innovation, creativity, and a personal touch, resulting in exceptional and unforgettable guest experiences. They are part of the European way of life, combining tourism, high-quality food, services, and culture.

In the wake of one of the strongest performing years, the industry confronted the unprecedented challenges posed by the COVID-19 crisis. Together with the EU Institutions and other stakeholders, we dedicated a significant portion of the current legislative mandate to address the consequences and recover from what we hope will be a once-in-a-lifetime event. The European Union's commitment to this cause has been remarkable, with over €280 billion invested in subsidies, in addition to various national support measures. Encouragingly, recent data indicates that the sector is on the path to recovery, with some European regions already surpassing pre-pandemic guest numbers. Nevertheless, new risks emerged – such as the continued struggle against inflation, the energy crisis, labour shortages, environmental disasters, and geopolitical tensions – which are impeding the sector's full comeback.

A more sustainable, digital, and resilient tourism and hospitality ecosystem by 2030 can undoubtedly become a reality. The 2019-2024 legislative mandate brought forth several key legislative initiatives. The next EU cycle will be of vital importance in shaping the hospitality sector in the coming years.

The EU has taken steps to regulate powerful **online platforms** and establish rules that we hope will also bring more transparent behaviour towards hospitality businesses. Going forward under the new mandate, HOTREC will stay alert for further developments or misinterpretation of regulation by the platforms. It is clear to us that much is needed to ensure fair competition and to achieve a level playing field, especially in a landscape where according to available data, in many touristic regions, Short-Term Rentals beds exceed hotel beds.

The EU also set out a very ambitious European **Green Deal agenda**. We are convinced that hospitality businesses play a key role in the transition and their commitment is vitally important. Despite the challenges, companies have been swift to embrace and accelerate sustainable practices. In an overwhelmingly SME-led industry, we call on Europe to focus on the effective implementation of these legislative measures and support businesses in adapting to these changes. It is crucial that SMEs are equipped with the proper tools to deliver the environmental targets set out by the EU and to build businesses whose everyday operations are environmentally friendly.

Looking ahead, we maintain an optimistic outlook for the **sector's continued recovery, growth, and innovation**, all of which will significantly contribute to a stronger European economy. To achieve these goals, we believe that every new initiative should take into consideration the impact it has on SMEs with a stronger application of the SME Test and the Competitiveness Check.

HOTREC, the voice of the hospitality industry, representing 47 national associations, is honoured to present you the Manifesto for the Future of European Hospitality, which sets out key priorities for 2024 -2029 to best support the growth of our sector and ensure EU policies matches the realities of everyday businesses.



Alexandros Vassilikos
President of HOTREC

Boosting and recognising the value of tourism in the EU Single Market

Despite numerous crises faced in recent years, tourism remains a vital driving force of the European economy. The hospitality sector – including hotels, bars, restaurants, and similar businesses – plays a crucial role in the tourism ecosystem, making significant contributions to local economies and employment.

At its core, hospitality is about facilitating connections among people – whether professionally or for leisure – and enhancing the joys of life: a vacation, a night out, a nice meal at a restaurant, and memorable experiences. It also stands at the forefront of addressing crucial contemporary social issues – including sustainability, energy efficiency, social affairs, digitalisation, and food and farming policies. Therefore, tourism must take centre stage in EU policymaking due to its cross-cutting nature.

Looking ahead, HOTREC firmly believes that the tourism and hospitality ecosystem must continue its journey toward greater resilience, sustainability, and digitalisation. In this regard, we welcome the [European Commission Transition Pathway for Tourism](#), as well as its commitment to addressing obstacles faced by EU businesses within the Single Market¹.

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Objectives:

- We welcome the European Commission's renewed focus on competitiveness aimed at reducing the regulatory burden on SMEs. To eliminate existing barriers among Member States within the tourism sector, HOTREC asks for a regulatory simplification program for the tourism industry – such as the full digitalisation of the visa procedures for third-country nationals.
- To achieve these objectives, EU and national funding opportunities must be easily accessible to SMEs and micro-enterprises. HOTREC advocates for the creation of a specific budget line dedicated to tourism, offering direct funding possibilities for the tourism sector.
- In terms of resilience, we count on the EU to improve its capacity to manage external shocks affecting travel, implement training programmes across the value chain, and support the diversification of tourist offerings.
- To streamline priorities and formulate a comprehensive tourism strategy, HOTREC believes that a robust Tourism Task Force should be permanently established within the European Parliament. This Task Force should remain open to receiving frequent input from stakeholders possessing expert knowledge, thereby informing EU institutions and policymakers effectively.

- Additionally, we propose that Council meetings of Tourism Ministers or State Secretaries be formalized and held during each EU Presidency to ensure that tourism receives the recognition it rightly deserves.

10 million employees

2 million businesses

10% GDP

The tourism industry is a vital part of the European economy and accounts for 10% of its GDP.

QUICK LINK



> Read [European Commission Transition Pathway for Tourism](#)

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - The Single Market at 30 (COM(2023)162final).

Addressing labour shortages and skills gaps

HOTREC, representing 2 million companies which employ 10 million people, recognises the importance of a skilled workforce in ensuring our businesses remain competitive, innovative, and responsive to our guests' needs.

Over the years, Member States have crafted specific labour legislation and social partner agreements, striving to create fair and well-functioning labour markets and robust social protection systems. HOTREC calls upon the EU Institutions to uphold the principle of subsidiarity in social affairs. Moreover, before revising any existing EU legislation, the Commission should conduct thorough evaluations to ensure full implementation and prevent the introduction of new burdens through new legislative procedures.

Addressing skills and labour shortages stands as a major challenge and objective for the hospitality industry. After the COVID-19 pandemic, businesses in our sector have faced workforce shortages ranging from 10% to 20%. Effective EU and national actions are imperative to attract, train, and retain talent.

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Objectives:

- We believe that education and training – along with the facilitation of legal migration, and the improvement of the image of the sector – are integral to the solution. The legal migration package represents a step in the right direction. HOTREC is prepared, in collaboration with the European Commission, to establish the EU Talent Pool, a platform connecting the EU with potential third-country national employees. Additionally, labour cooperation agreements with third countries should continue to be developed. We endorse the Commission's efforts to enhance the recognition of qualifications from third-country nationals within the EU. Coordination between the EU and Member States for the design and maintenance of shortage occupation lists, aligned with sector employer needs, is essential.
- The EU should actively encourage various employment arrangements – including part-time, fixed-term, temporary agency, and casual work, as these are essential for job creation and economic growth in Europe. These flexible forms of work accommodate the needs of employees – especially those with domestic and educational commitments – and are vital for our labour-intensive service sector, operating 365 days a year, 24 hours a day. Irregular work schedules cater to a growing portion of the workforce, facilitating career choices, social inclusion, and personal preferences. Furthermore, the EU should advocate for flexible hours for childcare and elderly care facilities to improve working conditions for individuals across all stages of life within the hospitality industry.
- Finally, fostering workforce upskilling and reskilling is imperative to ensure that the needs of the employers in the hospitality sector are matched with suitable talents. Hence, additional efforts should be directed towards facilitating training programs and promoting apprenticeship schemes.

YOUNG PEOPLE

41%
under the age
of 35

European hospitality fosters youth employment by giving young people the opportunity.

GENDER BALANCE

53.4%
Women in the
workforce

In the overall economy 46.2% of people employed are women, while in the hospitality sector the figure rises to 53.4%.



74% of SMEs are saying they are facing skill shortages. In the peak of the tourist season, restaurants and bars in Europe are running reduced hours because they cannot find staff."

Ursula von der Leyen,
President of the European
Commission

European State of the Union Address,
on 13 September 2023

Promoting a fair digital landscape

Hospitality businesses all around Europe have fully embraced the challenges and opportunities that digitalisation brings to their operations. While they endorse competition within an open single market, they also expect a fair level playing field. However, despite numerous legislative interventions over the past decade, hospitality SMEs are still faced with unfair business practices imposed daily by powerful online platforms. While we recognise and welcome legislative efforts, we still notice that the laws struggle to keep pace with the rapid proliferation of new, legally questionable online practices. Therefore, newly adopted laws must undergo regular evaluation.

Objectives:

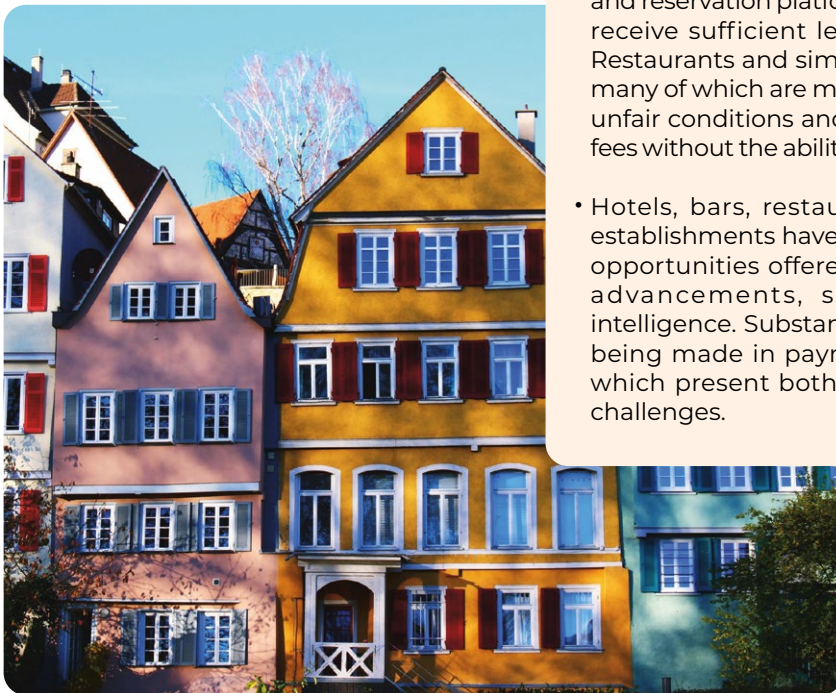
- The effective implementation of Digital Services Act (DSA) and Digital Markets Act (DMA) will be crucial in the years ahead to bring about meaningful changes in how online platforms interact with consumers and business users. We are dedicated to closely monitoring the implementation phases and the business practices of online platforms to ensure that the new legislative framework does not harm hospitality SMEs.
- Despite significant progress, concerns persist regarding the business practices and transparency of online platforms operating in the accommodation and restaurant sectors. We support the revision and strengthening of the Platform to Business Regulation, including in contexts such as the food delivery market and reservation platforms, which may not receive sufficient legislative attention. Restaurants and similar establishments, many of which are microenterprises, face unfair conditions and consistently rising fees without the ability to negotiate them.
- Hotels, bars, restaurants, and similar establishments have fully embraced the opportunities offered by technological advancements, such as artificial intelligence. Substantial progress is also being made in payment technologies, which present both opportunities and challenges.

The effective implementation of Digital Services Act and Digital Markets Act will be crucial in the years ahead.

55%
hoteliers

HOTREC distribution study shows that more than half of hoteliers (55%) “feel pressured by OTAs to accept platforms terms and conditions (e.g., regarding cancellation policy, special discounts) that hotels would otherwise voluntarily not offer.

Source: [HOTREC Distribution Study 2022](#)



Ensuring a level playing field between traditional accommodation providers and private Short-Term Rentals

We welcomed new rules on host registration and data-sharing as well as proposed improvements on VAT collection. We nevertheless notice that a lot of pressure is put on local authorities and the European Commission when it comes to market access rules and one of the core pieces of EU legislation, the Services Directive. The decision to reopen the Directive should only come after careful evaluation and consultation with different stakeholders and not be based on pressure from online platforms.

Investing in sustainability and smart growth



99%
Percentage
of SMEs

Our industry is characterized by a high level of entrepreneurship, with 99% of businesses classified as small and medium-sized enterprises (SMEs). These companies bring innovation, creativity, and a personal touch to the industry.



The hospitality sector stands united to reach the global climate goals. Investments done today will mean lower energy costs, healthier environment, and improved resilience in the future.

Alexandros Vassilikos,
President of HOTREC

HOTREC Study "A Roadmap to Net Zero for European Hospitality"



> Read HOTREC Study "A Roadmap to Net Zero for European Hospitality"

The escalating threats of climate change and environmental degradation pose an existential threat to the world. Natural disasters like wildfires, floods, heat waves, and unusual weather patterns, have in recent decades severely impacted hospitality businesses. Thus, we support the European Green Deal's objectives, aiming at transforming the EU into a modern, resource-efficient, and competitive economy, capable of reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.

To attain those objectives, the European Union has embarked on an ambitious environmental policy journey during the 2019-2024 legislative term. Significant legislative pieces – including the Directive on Energy Performance of Buildings, Packaging and Packaging Waste Emission Trading System 2.0, and Energy Taxation Directive, just to name a few – represent substantial changes and challenges for hospitality businesses, particularly SMEs. HOTREC is dedicated to promoting sustainable, responsible, and high-quality hospitality, and we believe that any proposed EU legislation must be carefully designed to be fit for purpose.

Objectives:

- Our primary focus should be on creating a business environment that enables companies to effectively implement the adopted laws. When considering new legislation that impacts SMEs, it should be demand-driven and substantiated through proper impact assessments. The «think small principle» must be applied to ensure that small companies' competitiveness remains unhampered.
- It is crucial to recognize that all companies, including SMEs, will face substantial reporting obligations under directives related to corporate sustainability reporting or due diligence. The information required from SMEs along the value chain on these topics should be standard to minimize administrative burdens and safeguard the competitiveness of companies.

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Adapting to changing consumer preferences and behaviour in the digital and green transition

The evolving landscape of digitalisation and heightened environmental awareness have reshaped consumer expectations and preferences in the hospitality industry. Businesses within this industry have been quick to adapt, introducing new models and practices to meet consumer demands. This innovation and responsiveness demonstrate that change can occur organically without the need for regulatory intervention.

Objectives:

- We advocate for the next Commission to prioritize the implementation and enforcement of existing consumer legislation. Any potential review of consumer regulations should be evidence-based and avoid placing additional burdens on companies. It is essential to address regulatory gaps, particularly concerning concepts like dark kitchens or “home kitchens,” which currently operate under loose rules and can pose risks to consumers and traditional food business operators. Additionally, we remain concerned about rules governing reviews. Many hospitality establishments possess official classifications based on clear and objective criteria, such as the Hotelstars classification system for hotels. Some online marketplaces do not adequately inform consumers about these official classification systems, opting for “non-official” but similar systems. This can lead to consumer misunderstandings, which should be addressed to ensure clarity and transparency. We also welcome efforts to address issues related to influencers that can have important implications on the reputation of hospitality establishments and consumer choice.
- The next European Commission should aim to safeguard restaurant businesses and Europe’s traditional gastronomy, especially considering developments in food reformulation and composition criteria within the forthcoming Framework for Sustainable Food

Systems. Many of our food operators are small businesses that offer non-standardized dishes based on local gastronomic traditions and seasonal ingredients. These unique offerings should be preserved and celebrated.

- Future legislation should strike a balance between meeting legitimate consumer demands for clarity and information and imposing proportionate requirements on hospitality operators. Labelling requirements for non-pre-packaged food should align closely with the EU Labelling Directive Regulation on allergens. Any future labelling and traceability requirements should consider efficient ways to convey information, including digital schemes, to ensure that consumers receive necessary information without overburdening businesses.

We advocate for the next Commission to prioritize the implementation and enforcement of existing consumer legislation.

9%
food waste

In 2020, restaurants and food services generated 9% of the total EU food waste, whereas households accounted for 53%. Raising awareness will be key to better tackle the issue.

HOTREC is an active member of the EU Platform on Food Losses and Food Waste.



Our members



www.hotrec.eu