

# Live from Brussels Newsletter

Issue n°114 – 15 March 2023

## A message by Ms Marie Audren, Director General of HOTREC



Dear readers,

In its recent [publication of statistics](#), Eurostat confirmed that hospitality businesses are **still paying the costs of the pandemic**. Compared to the last quarter of 2019 the number of bankruptcies in the accommodation and food services sector in Q4 2022 increased by 97.7%.

Despite the **very positive data on tourism recovery in 2022** published by the [European Travel Commission](#), we need to remain wary and support hospitality SMEs. Considering shortages in labour forces, inflation and energy prices being high, many SMEs are still vulnerable.

These issues were at the centre of our discussion with the two co-chairs of the SME intergroup of the European Parliament: [MEPs Martina Dlabajová and Angelika Winzig](#). We thank them for continuing to support SMEs in our sector, which constitute the backbone of the European economy.

We are glad to see that the European Commission is also taking its part in rebuilding SMEs by putting forward the **SME Relief Package** announced last September by President von der Leyen during her State of the Union address.

As highlighted by Commissioner Breton last November during the SME assembly in Prague the package is composed of two main features: **combatting late payments and making it easier to do business**. Multiple elements are considered to enter this package and we, at HOTREC, would like to integrate the following:

- Relieving SMEs from the administrative burden they face by limiting the implementation of new rules. The latter should be predictable and proportional for entrepreneurs.
- Supporting SMEs through their digital and green transition by helping them secure financing: both through bank loans and private/public investors and accessing funding from the European Union.
- Assisting companies in difficulties, especially entrepreneurs facing bankruptcy.

The other major issue faced by SMEs today is the need to attract staff and help them up-skill and re-skill. I was glad to contribute to a cross-sectoral approach on [Overcoming labour & supply chain shortages in Europe](#). The report was conducted by the European Movement International and sponsored by METRO.

We discussed policy recommendations on labour shortages, especially in the context of the double transition, green and digital. Changing mindsets to establish a culture of lifelong learning, ensuring a better matching between workers and jobs, and enhancing job attractiveness to lead to better work retention were the key propositions we came up with. This issue is one of the examples that demonstrate the need to further strengthen and promote the **crucial role of the sectorial social dialogue**.

In other news, we are currently putting the hospitality SMEs' needs and priorities forward in the latest negotiations at the European level on [Short-Term rentals](#), [Energy Performance of Buildings](#) and [Packaging and Packaging Waste](#).

We will discuss all these issues and more during our next **General Assembly** in late April. We look forward to welcoming our members to Costa Adeje on the island of Tenerife.

**Stay tuned and enjoy your reading!**

## Discussing SMEs recovery with MEP Angelika Winzig and MEP Martina Dlabajová

#SMEs #EuropeanParliament #SMEInterGroup @Mdlabajova @AngelikaWinzig



**Martina Dlabajová** was born on July 26, 1976, in Zlín, the Czech Republic. Since 2014 she has been a **Member of the European Parliament**. In 2019 she became the Renew Europe Coordinator in the Committee on Industry, Research and Energy, the Co-Chair of the SME Intergroup and the Chair of **Renew Europe SME Taskforce**. Before entering politics, she founded and managed several companies in the Czech Republic, Slovak Republic and Italy and she was the President of the Regional Chamber of Commerce of the Zlín Region, the Czech Republic (2012 – 2014). In 2019, she received the Gold Badge of the Italian-Czech Chamber of Commerce and Industry (Camic) for contribution to the **development of economic and business** relations between her country and Italy.

In 2020, the President of the Italian Republic awarded her the title of **Knight of the Order of the Star of Italy** (Cavaliere dell'Ordine della Stella d'Italia) for her outstanding contribution to the Czech-Italian relations.

**Angelika Winzig** was born on May 9, 1963 in Attnang-Puchheim, Upper Austria. Since 2019 she has served as a **Member of the European Parliament** and is the Head of the Austrian EPP delegation. She is a full member of the **Budget and Budgetary Control Committees** and a substitute member in the Industry, Energy & Research Committee as well as International Trade and Women's Rights and Gender Equality. She is also co-chairing the parliamentary Intergroup on Small and Medium Sized Enterprises together with her colleague Martina Dlabajová. Before her time in Brussels she served as a **Member of the Austrian National Council focusing on budget**. She is also the deputy leader of the parliamentary group of the Austrian People's Party (ÖVP).



**You are both co-chairs of the Intergroup on Small and Medium-Sized Enterprises at the European Parliament. Can you explain the role of this intergroup and what it brings to SMEs across Europe?**

**AW:** Since the European Parliament does not have a Committee solely focusing on SMEs issues, the SME Intergroup serves as a **joint platform for MEPs and stakeholders** with an interest in fostering and ensuring a business-friendly environment, in which SMEs can thrive. Thereby, the Intergroup acts as an inter-institutional dialogue forum for SMEs issues with members from different political groups and parties in the European Parliament. The goal is to put SMEs issues **at the forefront of the minds of the Parliamentarians and stakeholders** and shed a light on what the SMEs need and what challenges they face. Because unfortunately more often than not, this is neglected in the policy making process, especially when you look at new proposals by the Commission. Instead of reducing red tape, the new laws create additional administrative hurdles. Through discussion and awareness raising, we want to give SMEs a strong voice in the policy-making process.

**MD:** I am extremely proud of what SME Intergroup has achieved so far. We have made it clear where the EU's priority should be in this difficult period of time. And the one is SMEs. The SME Intergroup is very active, we meet regularly and listen to what SMEs need. **We work directly with entrepreneurs and their associations** in finding and eliminating problems in existing and proposed European legislation. We spend a lot of time **assessing every proposal we work on in the European Parliament from the perspective of SMEs**. We always wonder what it will bring them and whether it is really necessary. By default, it should work like this everywhere, but unfortunately, as Angelika says, legislative proposals that are completely detached from reality are still being created.

Eurostat recently published updated statistics on business bankruptcies and new registrations. We saw that compared to pre-pandemic Q4 2019 the number of bankruptcies in the accommodation and food services sector in Q4 2022 increased by 97.7%. SMEs are a driver of economic growth and job creation. How to ensure that Europe meets their needs?

AW: SMEs had to face a number of enormous challenges in the past few years and the COVID pandemic has hit the hospitality sector especially hard. SMEs suffered given their size, scarce resources and limited cash flows and we will continue to see the effects for months to come. Besides facilitating the access to financing, including alternative forms of financing, for SME, **I see the fight against bureaucracy as paramount**. There are proposals and strategies on the table, focusing on SMEs, Better Regulation etc. but words are not enough, we need more concrete action. If we do not focus on strengthening our companies and thereby our competitiveness we will lose the global race.

**99% of companies in the hospitality and tourism sector are SMEs (90% of them being micro-enterprises). Companies are struggling today with the energy crisis, shortages in labour forces and increasing costs. Yet, the hospitality business is also looking at investing in its future. Do you have a concrete message you would like to share with our members?**

MD: We are fully aware of the challenges the hospitality and tourism sector is currently facing. **We appreciate the importance of the sector as a major contributor to the European economy**, providing job opportunities and driving growth and innovation. The EU has introduced several measures to support the sector. These include financial assistance, tax incentives and regulatory relief for SMEs. We also invest in initiatives that support sustainable tourism, improve digitalisation and encourage innovation in the sector. **We encourage you to take advantage of the support provided by the EU**. Invest in your future by adopting sustainable practices, improving your digital capabilities and exploring new markets and business models. The SME Intergroup is there for you and together we can create a vibrant and resilient hospitality and tourism sector.

## Eurostat data - The hospitality sector hit hard by recent covid-19 crisis and high energy prices

[#Tourism](#) [@EU\\_Eurostat](#) [@sweden2023eu](#) [#EU2023SE](#) [#Bankruptcies](#)

The hospitality sector recorded the **highest increase in bankruptcies** amongst businesses since the beginning of the COVID-19 pandemic.

This is one of the main outtakes from the latest statistics on business bankruptcies and new registrations published by Eurostat.

According to the provided data:

- Compared to pre-pandemic **Q4 2019 the number of bankruptcies in the accommodation and food services sector in Q4 2022 increased by 97.7%**. This is the highest number among all covered sectors.
- Comparing Q3 and Q4 2022, the accommodation and food services sector accounted for the second-highest increase in the number of bankruptcies (+39.4%) behind the transportation and storage sector.
- Comparing 2021 to 2022 a trend of an increase in the registration of new businesses is also noticed however this increase does not match up with the number of notified bankruptcies.

The data showcases that the hospitality sector has been hit hard by the recent crisis, such as Covid-19 and high energy prices. HOTREC call on continued support for the hospitality sector.

## Cutting the mustard of packaging

[#Packaging](#) [@Europarl\\_EN](#) [@Frederiqueries](#) [@delarabur](#) [@GraceOSIlvn](#) [@FicchiPietro](#)

Since the EU published its proposal on packaging and packaging waste last November, we attended countless events in Brussels and met with 18 Members of the European Parliament and advisers as well as representatives from EU member states. HOTREC engaged in industry stakeholder's coalitions, wrote two joint letters to EU decision-makers, published **HOTREC position paper** as well as media articles and op-eds.

Running from one corridor to another, we raised our concerns and called for **the coexistence of single-use and reuse packaging**. While we believe the ambition of the EU proposal is legitimate, flexibility and clarity are essential.

The hospitality industry and the context in which our businesses operate are **diverse** and consequently require derogations to envisaged measures targeting HORECA including reuse targets. Exempting iconic cultural dishes from the unilateral ban on single-use packaging in HORECA is a prerequisite. Allowing miniature hotel cosmetics on demand is another.

While the EU is often accused of being slow, this file is expected to pass through the European chamber in the blink of an eye – **final vote in the European Parliament's plenary in September 2023**. But expect twists. The packaging saga goes on.

## A financial and administrative solution is necessary to help the EU social dialogue survive!

@NicolasSchmitEU @EU\_Social @EU\_Growth #SocialAffairs #SSD



On 25 January 2023, the European Commission presented an initiative to **further strengthen and promote social dialogue at national and EU level**. The initiative aims to empower social dialogue to adapt to the digital and climate transitions as well as the emergence of new forms of employment.

The initiative includes a proposal for a [Council Recommendation](#), which sets out how EU countries can further strengthen social dialogue and collective bargaining at national level. We consider that **increasing capacity building at national level is positive**, as long as the autonomy of the social partners is fully respected.

The Commission also presented a [Communication](#) on reinforcing and promoting social dialogue at EU level. HOTREC very much welcomes the encouragement for social partners to look at new forms of work and atypical employment, and to communicate widely about the benefits of social dialogue and collective agreements. We also fully support that social partners have access to relevant information and support from national governments.

Nevertheless, social partners hope that the European Commission puts forward, as soon as possible, a **solution covering the logistical and financial support** needed for social partners to be able to continue to organise their sectoral social dialogue committees. In this sense, a [joint letter](#), co-signed by the social partners was sent to Vice-President Dombrovskis and Commissioner Schmit in February 2023.

## Member states reach an agreement on EU Short-Term Rental (STR) proposal

@EU\_Growth @ThierryBreton #STR #Digital # DataSharing @sweden2023eu #EU2023SE

On 2 March and after quick negotiations, the EU Ministers approved member states' negotiation position on the EU STR proposal. The final agreement shows the support of member states regarding the objective of the proposal while at the same time **aiming to address specificities of registration schemes already set up in EU member states**.

While HOTREC welcomes the general approach, we still believe that **further improvements can be introduced** by the European Parliament which should aim to further **level the playing field** amongst different accommodation providers, by for example introducing mandatory registration schemes and numbers across all EU member states.

Other recommendations are available in the [HOTREC position paper](#).

## European Parliament votes on Energy Performance of Buildings: exceptions and derogations are welcomed, incentives are needed

@EUoparl\_EN #EPB

On 9 February 2023, the Industry, Research and Energy (ITRE) Committee of the European Parliament **adopted its position** on the proposed revision of the **Energy Performance of Buildings Directive (EPBD)** by 49 votes to 18, with 6 abstentions.

HOTREC supports the revision of the Directive as a way for companies to be more energy efficient in the near future. Nevertheless, **massive support is needed for the companies to comply** with the needed infrastructural changes (e.g. tax relief; guarantee funds; pay-as-you-save financial schemes).

With regard to infrastructures for sustainable mobility (charging stations and bicycle parking spaces), we fully welcome the possibility approved by Parliament, for Member States to **adjust the requirements for residential and non-residential buildings** if owned or occupied by SMEs. Charging stations evolve rapidly and become obsolete, while the costs are extremely high. Moreover, bicycle parking spaces should adapt to local demographic, geographic and climate conditions.

We consider that **Minimum Energy Performance Standards (MEPS)** are essential to reach carbon neutrality by 2050. But we think that their mandatory nature, as established by Parliament, is not flexible and does not take into account technical, functional and economic factors.

With regard to solar energy, existing buildings will need to follow the rules, according to Parliament's view. We consider that a **one-size-fits-all approach is not practical** (e.g. some countries do not have much light during winter time). It is, nevertheless, positive that the installation is required if technically, economically and functionally feasible.

The European Parliament **voted in plenary** on 14 March 2023.

HOTREC is counting both on the European Parliament and on the Council to reach a balanced approach during the trilogue negotiations on the file.

## Live from the network

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

### Tourism for all: DIVETOURL European project

#DIVETOURL @CEHATes @EUaccesstourism @ESHOBescola



HOTREC Director General Marie Audren and Public Affairs Manager Marine Thizon took part in the third meeting of the Erasmus plus **Divetour** project on accessibility in tourism on 8 and 9 March in Barcelona.

Hosted by the **hospitality school of ESHOB**, they took the opportunity to meet ESHOB director Ignacio Gorostiaga and engage with teachers and students. The highlight was definitely the **school restaurant l'Escola**, an exclusive gastronomic experience.

While in Barcelona, DIVETOURL Partners took stock of the progress made so far on the development of a **game app on accessibility in hotels and restaurants** for hospitality and VET students.

Almost 400 students from across Europe have enrolled so far in the **online training** developed by DIVETOURL. Spread the word about this project within your network!

Training materials are available in English, Italian, Lithuanian, Slovenian and Spanish: more info [here](#).

## HOTREC webinar on bio-waste collection

#FoodWaste #InternationalFoodWasteCoalition #HORECA

Jointly with the **International Food Waste Coalition**, HOTREC hosted on 16 February 2023 a webinar on bio-waste collection. With over 200 registered participants, the topic proved to be a source of concern for HORECA operators. By January 2024, all restaurants and hotels in the EU will have to separate their bio-waste for collection. Bio-waste means kitchen and garden waste. While municipalities in some countries are ahead of the schedule, the picture is blurrier in other areas. Solution providers exist, including **Upcycle** and the **Waste Transformers** presented during the webinar. Rewatch the discussion [here](#).

## A roadmap for HORECA glass collection: 30 March

#HORECA #Recycling @theglassloop



Don't miss the next episode of **Close the Glass Loop** featuring Emilio Gallego, Secretary General of the Spanish hospitality confederation (Hosteleria de Espana). The discussion will focus on glass collection for recycling in HORECA. Register [here](#).

## RESTwithEU Open Call

#HORECA #restaurants #Opencall #RESTwithEU

RESTwithEU is a Pilot Project promoted by the European Parliament and the European Commission - DG CONNECT which aims to **make the restaurant sector more digital, resilient and sustainable by 2030**.

They are currently launching an Open Call to solve the restaurant industry challenges in relation to the digitalization of the sector and they are looking for restaurants, start-ups and solution providers to participate.

You are a restaurant? Apply to the open call [here](#).

## What's next

In the HOTREC Team's and membership's agenda

- 20 March 2023 – Sectoral Social Dialogue Meeting
- 23 March 2023 – Restaurants, bars, cafés and late-nights Working Group
- 30 March 2023 – International Day of Zero Waste
- 20 April 2023 – Distribution Working Group
- 26 - 28 April 2023 – HOTREC General Assembly in Tenerife, Spain



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