



## **The European hospitality industry disagrees with OTAs' recent attempts to uphold legal uncertainty around MFN clauses**

**Brussels, 30 September 2015 – HOTREC, the European association of hotels, restaurants and cafes, considers that recent actions of OTAs and authorities just feed the legal uncertainty around the application of MFN clauses across Europe. Clear decisions by the German Federal Cartel Office (Bundeskartellamt) and the Higher Regional Court Düsseldorf, declaring MFN clauses illegal in Germany, also on the basis of European legislation, as well as the adoption of the Law Macron in France have been marking a clear path towards the restoration of entrepreneurial freedom in Europe. Such freedom shall include allowing the around 200.000 hoteliers in Europe to set their prices and conditions on the different types of distribution channels freely according to their independent business policy considerations.**

The recent announcements of Booking.com and Expedia to introduce 'narrow' MFN clauses across Europe - allowing hoteliers only on offline channels (e.g. by phone, fax, mail pigeons) to offer better prices and conditions for guests -, as well as announcements of OTAs to file complaints against the French Law Macron - which banned rate parity clauses in France - seem to block further efforts across Europe to abolish MFN clauses per se.

Based on these efforts by the OTAs, some of the authorities have already announced to suspend or stop investigations into the hotel distribution market. The European hospitality industry recognizes with surprise that in the digital age of the advanced 21<sup>st</sup> century, competition authorities seem to be willing to accept the status quo of restricting entrepreneurial freedom and to limit competition to 20<sup>th</sup> century distribution channels.

*"This impedes the tourism market in Europe (being the 3<sup>rd</sup> largest socio-economic activity on the continent) to exploit its full growth and integration potential, especially when the European Commission is investing huge efforts into the efficient use of digital tools across the Internal Market"* said Christian de Barrin, CEO of HOTREC.

*"The in-depth investigations of the authorities in Germany clearly concluded that the application of MFN clauses, limiting the entrepreneurial freedom of the supplier to offer different prices and conditions on different distribution channels are anti-competitive according to European law"* stated Markus Luthe, Chair of HOTREC's Distribution Task Force. *"Therefore, HOTREC encourages all authorities across Europe to take up their duty and make the relevant steps to allow the barrier-free entry of the European hotel industry to the digital age of distribution."*

***What is HOTREC?***

HOTREC represents the hotel, restaurant and café industry at European level. This industry includes around 1,8 million businesses, of which 99% are small and medium sized enterprises (91% of them micro enterprises, i.e. employing fewer than 10 people). These businesses make up some 59% of industry value added. The hospitality industry provides some 10.2 million jobs in the EU alone. Together with the other tourism industries, the sector is one of the largest industries in Europe. HOTREC brings together 42 national associations representing the sector in 28 different European countries.

For further information: [www.hotrec.eu](http://www.hotrec.eu)

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