



Commission proposal for more certainty in business relations with online platforms: The right step ahead says the hospitality industry

HOTREC, the European umbrella association of hotels, restaurants and cafés, welcomes today's Commission proposal to promote fairness and transparency for business users of online intermediation services and search engines. HOTREC expects that the new rules would bring more balanced business relationships in the Digital Single Market compared to the situation of today.

Online platforms, like Online Travel Agencies, in many cases have gained dominant positions in certain markets over the past years, which often led to the application of practices, which have been considered by many business users unfair. In the hospitality sector, which is to 99% comprised of small and micro enterprises, entrepreneurs are more and more losing control over their products and services they offer to consumers. Terms and conditions of online giants have become very much one-sided, with no room for manoeuvre for entrepreneurs. Intransparent algorithms and rankings, unilateral punishment of businesses for perceived misconduct make trade operations unpredictable and more costly. Today's European Commission proposal shall help overcome these and other market failures allowing for a more predictable and transparent Digital Single Market contributing to more and fairer competition, growth and jobs.

"When a single online platform controls two third of an online intermediated market representing several hundred thousand suppliers, the fragmented businesses cannot step up alone against practices considered unfair. This Commission proposal will help fixing some market failures and bring more fairness in the online markets", commented Mr. Markus Luthé, Chair of the HOTREC Distribution Task Force and HOTREC Executive Committee member.

The Commission proposal requires platforms to ensure objective and more transparent procedures when setting their terms and conditions for business users as well as redress mechanisms. The way rankings are determined shall be more transparent and predictable, while the handling of complaints would be under a closer scrutiny increasing chances for more effective dispute resolution.

"This proposal has been long awaited by the European hospitality industry and it is a good step in the right direction. HOTREC hopes that with some improvements the decision making procedure can be finalised before the renewal of the EU Institutions in 2019, not to lose time for businesses to benefit from a more balanced Digital Single Market. We look forward to the support of the European Parliament and the Council", concluded Mr. Christian de Barrin, CEO of HOTREC.

What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.9 million businesses, being 99,5% small and medium sized enterprises (90% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 11.1 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 43 national associations representing the interest of this industry in 30 different European countries.

For further information: www.hotrec.eu

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