

The hospitality industry in the dynamics of change

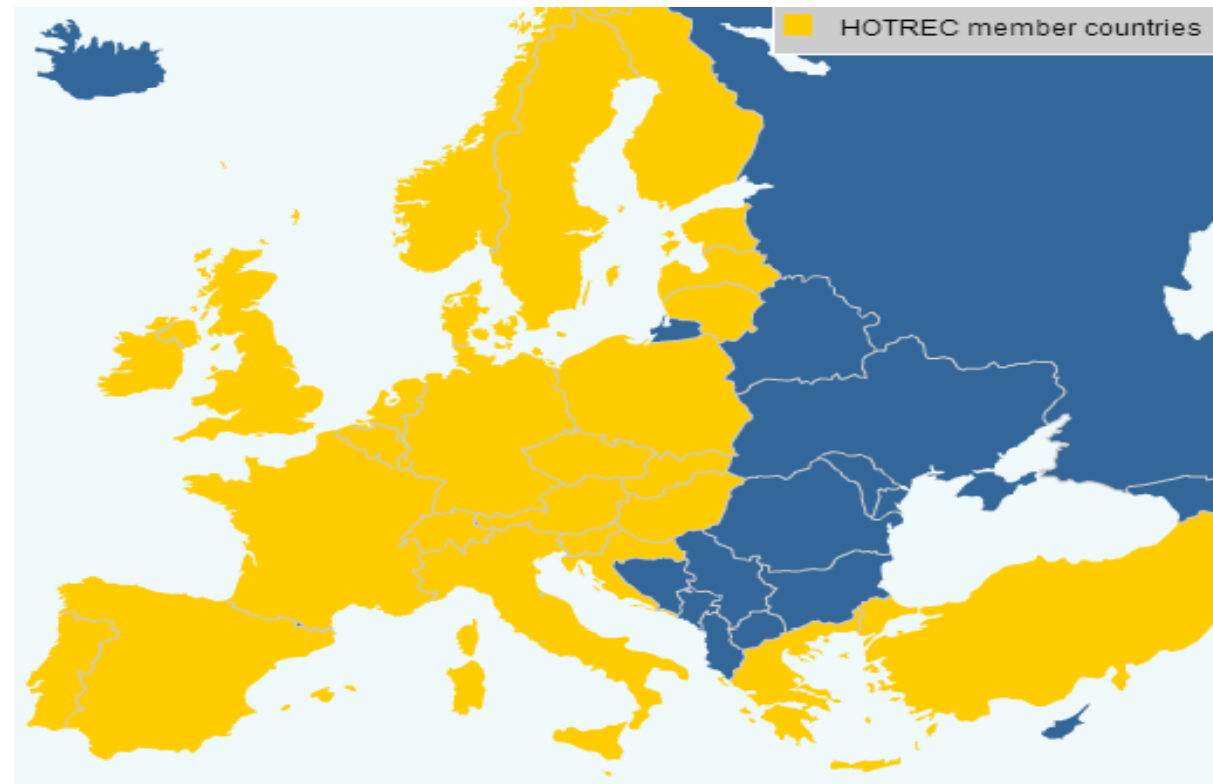
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Special focus on the “sharing” economy

Christian de Barrin
CEO of HOTREC

HOTREC at a glance

- **Umbrella Association of Hotels, Restaurants and Cafes in Europe**
- **43 National Associations APHORT from Portugal**
- **29 European countries**
- **The voice of the hospitality industry at EU level**



HOTREC 's main objective:

**Representation / Advocacy of the hospitality sector interests
before the EU Institutions in order to promote a favourable policy
environment!**

Hospitality sector in economic terms:

- 1,8 milion businesses
- 91% micro enterprises
- (employing less than 10 people)
- 200.000 hotels and similar establishments
- 460 billion EUR contribution to economy 3,7% of EU GDP



Hospitality sector in economic terms:

- Hospitality industry employs more million people in the EU!
- Represents 80% of the workforce in tourism
- 20% of employees are below the age of 25
- 33% are relatively unskilled workers



Fight youth unemployment

Facilitate social inclusion

“Sharing” economy

Outlook of the hospitality sector

Short stay accommodation always existed

However, with the **spreading of the internet:**

- Short stay private type of accommodation and private food & beverage services exploding
- Multiplication of search engines & intermediaries offering the **platform for visibility** to hundreds of thousands of ‘private tourist accommodation providers’ & ‘private food and beverages providers’



Emergence & extension of shadow hospitality economy



Intermediaries...



Impact on the hotel industry

- Each 10% increase in Airbnb supply results in 0.35% decrease in monthly hotel room revenue
- Lower priced hotels and hotels less oriented to business travel are most affected

Boston University: February 11 2015

“Sharing” economy - Impacts

Spain:

- Sharing economy offer represents almost 50% areas
- 3 star hotel to comply with 244 regulations, similar sharing economy property with 12 regulations
- Cost advantage of 17,2 EUR per bed for ‘sharing economy’
- 44% of properties listed with owners having more than 1 property

Paris:

- Tourist arrivals up 2%, but hotel nights down 2,8%
- Hotels’ result 5-10% before tax, private rentals’ 60-70% before tax
- Over 1/3 of the offer available for more than 120 days a year



“Sharing” economy

Outlook of the hotel industry: No comparison possible!

- 200.000 establishments
- Employs around 2 million people
- Around 60 billion EUR of direct contribution to GDP (gross value added)
- Around 8 billion EUR of social security contribution
- Mainly composed of micro and small enterprises



Sharing economy / Airbnb?

“Sharing” economy

Examples of public initiatives

France: Nights spent in apartments to be taxed (similarly to hotel nights) –
Tourist tax collected by intermediaries.
Mandatory registration of short term renting



Berlin (Germany): Ban on tourist apartments (as of mid-2016)

Amsterdam (Netherlands): Collection of city tax by AirBnB

HOTREC Chart

- Levelling The Playing Field
Policy Paper On The “Sharing” Economy

HOTREC 10 steps towards a sustainable and responsible “sharing” economy

- Integrate activity into legislation
- Establish processes for registration / permit
- Measure the activity
- Enforce requirements for safety and security
- Comply with fiscal requirements



Hotrec
Hospitality Europe

Algarve, 4 December 2015

HOTREC Chart

- Levelling The Playing Field
Policy Paper On The “Sharing” Economy

HOTREC 10 steps towards a sustainable and responsible “sharing” economy

- Verify visitor identity according requirements
- Protect employees’ rights
- Protect quality of life in neighborhoods
- Proper distinction between residential and commercial property
- Control the dispersal of short term renting



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Algarve, 4 December 2015

Food “sharing”

Uprising issue of ‘private restaurants’

- Many of the above points applicable to
- Most importantly: Compliance with food hygiene (HACCP) regulations
- An obligation for everyone trading with food



HOTREC will analyse this issue closely as well!

EP on “sharing” economy

EP report on tourism

(29 October 2015)

The European Parliament ...

“emphasises that the current legislation is not suited to the sharing economy, ...” (Paragraph 111)

“... considers, furthermore, that for the sake of consumer protection the security, safety and health regulations applicable to the traditional tourism sector should also apply to tourism services provided on a commercial basis within the sharing economy;” (Paragraph 112)



Thank you for your kind attention!

www.hotrec.eu

