



Joint HOTREC and EFFAT Statement on Rebuilding the Hospitality Sector

Brussels, 27 November 2020

Main message

The hospitality sector is key for Europe from both an economic and a social point of view and it has a high capacity to contribute to growth in other sectors of the economy. The relaunch of the sector must, therefore, be considered as a strategic priority of the EU.

Hospitality counts among the sectors hit hardest by the COVID-19 crisis, which has had an unprecedented and devastating impact: thousands of companies may disappear, and millions of jobs are at risk, and the sector is facing great uncertainty for the future with no clear prospect of economic recovery.

Hospitality is a crucial service for Europeans' quality of life and well-being. The closure of hospitality establishments and sectoral restrictions adopted as part of lockdown measures in most European countries have shown how much these establishments matter to public morale. We strongly believe that Europeans will need to see thriving hospitality establishments to feel that the worst of the COVID-19 crisis is past and regain confidence in the 'new normal', post-pandemic world.

Urgent action is required to stabilise the sector and to put it back on a path towards a sustainable recovery and future - economically, socially and environmentally.

[EFFAT](#) and [HOTREC](#), the European social partners for the hospitality sector, call upon EU Institutions and especially EU Member States to:

- **Ensure a swift adoption of the EU Recovery plan and its deployment;** businesses and workers cannot wait any longer;
- **Place hospitality-tourism at the heart of national Recovery & Resilience Programmes (nRRP),** involving **social partners**, with the aim to save as many jobs as possible, to support the sector economically, and to strive for a swift but coordinated and safe ease of travel;
- **Extend all emergency measures** such as short-time work schemes at least until September 2021 ensuring fair allowances for all workers including seasonal and temporary workers.

Economic impact of COVID-19 on the hospitality sector

Before the pandemic, the hospitality sector provided 12 million jobs, represented 2 million companies (90% of them are micro-enterprises) and contributed with 5% of the GDP to the EU economy.

During March and May 2020, most hotels, bars, restaurants, cafés were closed either because of lockdown measures or the lack of customers due to travel restrictions or the absence of consumer trust. During Q2 2020, the sector's turnover in the EU dropped by 63.25% compared to Q2 2019¹.

Although since June 2020, most companies could re-open, the summer was a challenge for the sector across Europe. The total overnight stays in accommodation establishments in the EU dropped by almost 74% when comparing June 2019 with June 2020 (this figure reaches almost 90% when only considering overnight stays by foreign guests). Economies which heavily rely on tourism such as Spain, Greece and Malta witnessed drops of more than 90%. While travel slightly resumed over the course of July and August, occupancy rates were still respectively 50% and 32% lower in July and August 2020 compared to the same periods in 2019².

¹ Eurostat [source](#).

² Eurostat [source](#).

Food and beverage services recorded massive drops during Q2 2020 across the EU, with turnover divided by at least 2 in most EU countries compared to Q2 2019 and dropped by more than 75% in Spain, Malta and the UK (82,3%)³.

In employment terms, hospitality services employed 1.84 million fewer in Q2 2020 than in Q2 2019⁴, and the European Commission predicts a loss of 6 million jobs for the tourism sector in the months ahead⁵.

Since October 2020, more restrictive measures are applied by an increasing number of Member States, again, due to a second wave of COVID-19. National measures target the hospitality sector directly and imply either the closure of restaurants, cafés and bars or curfew measures mandatory to all citizens. These measures mean that thousands of companies have to close, and many businesses will not survive. Adequate support will make the difference between survival and bankruptcy.

A. Short-term measures to help the hospitality sector to save jobs, to keep companies alive, and to restore consumer confidence

HOTREC and EFFAT propose short-term measures in the following fields:

- Job retention and income support schemes
- Economic support for the hospitality sector and boost of demand
- Health and safety protocols for hospitality establishments
- Harmonisation and ease of travel restrictions

1. Make full use of job retention and income support schemes, seeking funding by the SURE mechanism

Job retention and income support measures for workers should continue as long as needed, to avoid massive layoffs and unemployment. Member States should ensure that such measures cover all workers employed in the tourism sector, including those with non-standard forms of employment, such as part-time workers, workers employed in the subcontracting chain, workers on zero-hours contracts, and seasonal workers.

HOTREC and EFFAT support the [SURE mechanism](#) (temporary Support to mitigate Unemployment Risks in an Emergency), activated since September 2020, which can provide EU financial assistance of up to EUR 100 billion in the form of loans to affected Member States to address sudden increases in public expenditure for the preservation of employment. SURE has proven to be an effective mechanism, as a big portion of the budget has already been allocated to various Member States, a new refinancing of the mechanism is hence very much needed.

The social partners call upon EU Member States to use the SURE mechanism to save jobs and skills in the hospitality sector!

- ◇ Social partners in the hospitality sector will cooperate to **retain a maximum of jobs** possible in the sector and to assist Member States in the best use of EU support to job retention schemes.
- ◇ As SURE is a temporary scheme, social partners call upon Member States to support the **refinancing of SURE**, and e.g., use the **REACT EU** mechanism to further deploy short term employment at national level.

2. Make full use of measures to support the viability of companies in the hospitality sector and to boost demand, seeking funding by state aid

HOTREC and EFFAT call upon Member States to deploy state aid to support the hospitality sector, as it is one of the hardest hit by the COVID-19 pandemic, and in most countries, it is one of the last sectors to reopen, and that will take more time to recover.

Measures such as rental relief compensation of turn-over losses, wage subsidies, tax and social contribution relaxation (e.g. temporarily reduced VAT rates for hospitality services), should be applied if they guarantee to help companies and employees, and contribute to boosting consumer demand in the hospitality sector.

At the same time, grants should be favoured over loans. The companies cannot afford to increase their debts.

Given the current uncertainty over when the recovery will come, HOTREC and EFFAT welcome the recent prolongation of the EU [Temporary Framework to support the economy in the context of the coronavirus outbreak](#) until 30 June 2021 for Member States to ask for financial support to be deployed but a **further**

³ Eurostat [source](#).

⁴ Eurostat [source](#).

⁵ [COM\(2020\)550 final](#).

prolongation might be needed, taking into account the long-lasting impact of the pandemic on the sector. The social partners also welcome the increase of the threshold (each undertaking can receive a maximum of €3 million), and they call upon Member States to interpret the Commission Communication in a broad manner, to give a large number of companies access to much-needed support!

- ◇ Social partners in the hospitality sector will cooperate to identify the best ways to **deploy state aid and to boost consumer demand**.

3. Establish health and safety protocols in all hospitality establishments, following guidance of international and European institutions

In order to make hotels, restaurants, cafés and bars as safe as possible, all companies, employees and customers need to strictly abide by health and safety protocols in place at national level. The social partners welcome the [WHO guidance for food businesses](#), the [WHO guidelines for management in the accommodation sector](#), as well as the [EU Guidance for the progressive resumption of tourism services and for health protocols in hospitality establishments](#), and the OSHA Guidance [COVID-19: back to the workplace in safe and healthy conditions](#). A safe environment will restore clients' willingness to enjoy a quality service hotel and a tasty meal, or to spend time socialising with friends or family at a café/bar, and it will make hospitality establishments safe places to work both for employers and employees.

EFFAT and HOTREC recommend the following golden rules to all hospitality establishments:

- Clear health and safety protocols for workers, guests and suppliers must be adopted and implemented, including physical distancing, the use of protective equipment (e.g. face masks), cleaning and disinfection plans, and regular sanitisation of workplaces;
- Typical high touch points (e.g. doorknobs, chairs and armrests, table-tops, light switches, elevator buttons) should be constantly cleaned and disinfected
- Facilities for regular hand sanitation have to be provided
- Rules on limitation of capacity must be set up (e.g. rotation of personnel, number of guests within the establishment) to comply with safety distances
- Workers must be provided with full information, and be trained and consulted on health and safety matters
- New health, hygiene and safety rules should be discussed by representatives of employers and employees before being implemented
- Public health inspection should be strengthened and given the necessary means to effectively control the application of and compliance with health and safety protocols in companies
- Awareness raising campaigns via social media on compulsory measures to be taken, plus information about any extra voluntary measures (e.g. contactless menus, plastic protections used inside companies) to build customers' trust
- Social dialogue should be strengthened, so that employers and employees speak with one voice. If employees feel safe in an establishment, companies are ready to receive clients!

The social partners call upon Member States to take proportionate and balanced measures with regard to the hospitality sector, addressing concrete issues with appropriate solutions, based on scientific evidence, e.g. when restricting opening hours of bars and restaurants or temporarily closing them⁶.

- ◇ Social partners in the hospitality sector will cooperate to ensure that hospitality establishments are **safe places for guests and workers** and to **rebuild customers' trust**.

4. Pursue the further harmonisation and ease of travel restrictions

In the wake of the current economic downturn, it is crucial that travel within the EU and the wider European area (including EEA, UK and Switzerland) be carefully and quickly restored in a coordinated and safe manner. In addition, international coordination to re-establish transatlantic travel is needed, to give a vital boost to the travel and tourism sector.

The social partners welcome the agreement reached by Member States to coordinate the restrictions

⁶According to data provided by RIVM (the Dutch government organisation that plays a huge part in advising government on COVID-19-measures), in July 2020, Horeca counted for 3,8% of contaminations, while in October it counted for 1,8% ([link](#)). Moreover, the Berlin regional government's requirement to close bars and restaurants by 11 pm has been suspended by the Berlin local court, which considers this measure disproportionate in view of other measures taken to fight the pandemic ([link](#)).

of free movement within Europe in response to the COVID-19 pandemic⁷. It is positive that common criteria for identifying risk areas and a common colour coding system (green, orange, red, grey) are set up. However, further coordinated measures are needed to restore travellers' confidence, e.g. with regard to restrictions to the freedom of movement, the imposition of quarantines, and the timely information of travellers about any new rules before the measures come into effect.

- ◇ The social partners call for a **swift revision of the Council Recommendation** on a coordinated approach to the restriction of free movement in response to the COVID-19 pandemic and **urge upon the Member States to further coordinate their measures**.

B. Long-term measures to help rebuilding the hospitality sector

HOTREC and EFFAT propose long-term measures in the following fields:

- National recovery plans
- Vocational education and training
- Digitalisation and sustainability

1. Make sure that Member States include hospitality as top priority in national recovery plans

The EU has adopted a stimulus package⁸ of €1,824.3 billion to repair the economic and social damage caused by the Coronavirus pandemic, and to rebuild a greener, more digital and more resilient Europe post-COVID-19. This includes the [Recovery and Resilience Facility](#) with €672.5 billion to support investment in the green and digital transitions, as well as in up-skilling and reskilling of the workforce. In order to benefit from the Recovery and Resilience Facility, Member States should submit their draft recovery plans to the Commission between 15 October 2020 and April 2021, outlining national investment and reform agendas in line with the aforementioned objectives.

Given the economic importance of hospitality-tourism, EFFAT and HOTREC call upon Member States to include the sector as a top priority in their recovery plans and to support the sector in its transition towards a more resilient future, encompassing digital and sustainable developments. Investments in the hospitality sector have a positive impact on the recovery of other sectors, e.g. the food chain, including agriculture and the food and beverages industry.

Member States should **prolong the deadline for the presentation of recovery plans at national level**, as the sector is actually facing recurrent lockdowns due to a new wave of COVID-19, and the most prominent need for survival is liquidity. More time should be given to Member States to assess the impact of the crisis and to identify the long-term actions to be taken.

- ◇ EFFAT and HOTREC demand that trade unions and employers / social partners in hospitality should be fully **involved in the design, implementation and monitoring of national Recovery & Resilience Programmes (nRRP)** affecting the sector.
- ◇ EFFAT and HOTREC call upon Member States to speed up the **decision on own resources to unblock the resources of the Recovery Plan**.

2. Make vocational education and training a key part of the recovery

When open, hospitality establishments have to face many new requirements deriving from the COVID-19 pandemic, e.g., new hygiene and distancing standards, changed travel patterns and customer expectations, etc., in addition to already existing digitalisation and sustainability challenges. Therefore, the social partners propose that:

- Training and qualification of workers must be key elements of all recovery plans, to ensure that the sector disposes of skilled staff when businesses reopen, and in future.
- Ambitious training strategies for tourism workers should be developed, including the improvement of digital and sustainability skills (e.g., CMS systems, water management, food waste, energy efficiency) as well as interpersonal skills and languages, etc., and this in close cooperation between governments, education establishments, companies/employers, trade unions, and social partners.
- Support should be given to companies/employers to substantially re-/upskill their workforce during periods with less economic activities due to COVID-19

⁷[Council Recommendation](#) on a coordinated approach to the restriction of free movement in response to the COVID-19 pandemic.

⁸https://ec.europa.eu/info/strategy/recovery-plan-europe_en#nextgenerationeu

- Support should be given to companies/employers to substantially re-/upskill their workforce during periods with less economic activities due to COVID-19

Apprenticeships should be particularly promoted as they give young people profound vocational training and provide them with an excellent entry into the labour market. With many apprenticeships suspended due to the pandemic, Member States must give support to apprenticeship schemes, to avoid that vocational training is terminated and young people drop out. Moreover, Member States should ensure that apprenticeships fully comply with the [Council Recommendation on a European Framework for Quality and Effective Apprenticeships](#).

- ◊ Social partners in the hospitality sector will closely cooperate in the planning, implementation, evaluation and **further development of qualification and training initiatives**.

3. Make sure that the hospitality sector meets the challenges of digitalisation and sustainability

In the long run, the hospitality sector will need to be rebuilt, in line with a more sustainable and responsible tourism model, and to be prepared for future challenges and opportunities, such as digitalisation.

Hopefully, the upcoming Digital Single Act will bring more opportunities for businesses and consumers and address the challenges of a tourism sector that is transforming and evolving at high speed. Particularly, small and medium sized enterprises need to gain better control of their online presence and of digital strategies.

With more and more hospitality services being traded via online platforms, fair competition is key, to ensure that customers are protected; employees are treated fairly and entitled to their rights, and responsible businesses enjoy a fair competitive environment and a level playing field. Therefore, EFFAT and HOTREC call upon public authorities to:

- Increase efforts to regulate the economic activities of the platform economy through legislation to limit the negative impact on businesses and employment in the hospitality sector
- Collect coherent data and streamline metadata requirements
- Create measured deterrents for operators not respecting requirements by legislation through appropriate sanctions

With regard to sustainability, the impact on the environment needs to be minimised, and the quality of the offer should be privileged over quantity, with a stronger focus on high-quality services to clients and guests, necessary investments in qualification and training of staff, and of workers' information, consultation and participation.

- ◊ Social partners in hospitality will closely cooperate to prepare the sector for future challenges, and to contribute to **rebuilding a more digital, sustainable and responsible tourism**.

EFFAT and HOTREC, the European social partners for the hospitality sector, call upon the EU and its Member States to provide the necessary support and regulatory frameworks to enable the sector to jointly implement the proposed actions detailed in this joint statement.

⁸ https://ec.europa.eu/info/strategy/recovery-plan-europe_en#nextgenerationeu

In a nutshell

Social partners in the hospitality sector:

♦ Call upon the EU to:

- Ensure the swift deployment of the resources of the EU recovery plan and prolong EU instruments aimed at mitigating the impact of the COVID-19 pandemic and to support economic recovery
- Harmonise and ease travel restrictions in a coordinated approach
- Involve the hospitality social partners in EU initiatives for the recovery of the tourism sector, e.g., European Agenda for Tourism 2050
- Refinance SURE

♦ Call upon Member States to:

- Take proportionate and balanced measures towards the hospitality sector
- Put hospitality-tourism as key sector in national recovery plans
- Make best use of EU instruments available to save jobs, to keep companies alive and to boost demand in the hospitality sector, e.g., SURE, State Aid, Recovery and Resilience Facility, Cohesion Funds; React EU
- Make vocational education and training a key part of the recovery, e.g., re-/upskilling, apprenticeships
- Involve the hospitality social partners in all measures aiming at the sector's recovery
- Strengthen sectoral social dialogue at national level
- Extend all national emergency measures to protect jobs and workers' income such as short-time work schemes

♦ Commit themselves to cooperate to:

- Get jointly involved in design, implementation and monitoring of national Recovery & Resilience Programmes (nRRP) for the sector
- Retain a maximum of jobs in the sector, and to assist Member States in the best use of EU support to job retention schemes
- Identify the best ways to deploy state aid to keep companies alive and to boost consumer demand
- Ensure that hospitality establishments are safe places for guests and workers and to rebuild customers' trust
- Plan, implement, evaluate and further develop qualification and training initiatives to ensure that the sector disposes of skilled staff in future
- Prepare the sector for future challenges, and to contribute to rebuilding a more digital, sustainable and responsible tourism

What is EFFAT?

EFFAT is the European Federation of Food, Agriculture and Tourism Trade Unions, also representing domestic workers. As a European Trade Union Federation representing 120 national trade unions from 35 European countries, EFFAT defends the interests of more than 25 million workers towards the European Institutions, European employers' associations and transnational companies. EFFAT is a member of the ETUC and the European regional organisation of the IUF.

What is HOTREC?

HOTREC represents the hotel, restaurant and café industry at European level. The sector counts in total around 1.8 million businesses, being 99,5% small and medium sized enterprises (91% are micro enterprises, i.e. employing less than 10 people). These businesses make up some 60% of value added. The industry provides some 10 million jobs in the EU alone. Together with the other tourism industries, the sector is the 3rd largest industry in Europe. HOTREC brings together 45 national associations representing the interest of this industry in 33 different European countries.