



MEDIA RELEASE

Press Release

The European hospitality industry calls for a shift in EU policies to hasten the economic recovery!

HOTREC¹ 59th General Assembly

Stockholm, 7-8 May 2009

MHRA representative Mr George Micallef who was accompanied by MBB CEO Mr Joseph Tanti were among the 40 hotel, restaurant and café associations from 25 European countries at HOTREC 59th General Assembly in Stockholm. On top of the agenda was the current economic crisis and participants discussed the challenges and threats faced by the European hospitality industry during the worst economic crisis since the World War II. Worrying business trends were reported by all HOTREC Member Associations across Europe. On the eve of a major renewal of leadership within the EU institutions, the President, Mr. Kent Nyström, called, on behalf of HOTREC, for a shift in EU policies, based on a triptych of sound economic principles to hasten the recovery: pro-business policies, no burdensome legislation but, instead, better regulation. Today's deep economic crisis has put the hospitality industry under great pressure. As a result, many investment projects are being cancelled or postponed, access to credit almost evaporated and the sector is witnessing a sharp slowdown of demand.

While the hospitality industry needs to mobilise all its strengths to survive the economic slowdown, future EU leaders must adopt more favourable policies rather than burdening further a key industry for the EU economy. HOTREC therefore welcomes the outcome of the VAT saga on reduced rates, which should serve as an example of a healthy pro-business policy. Member States were encouraged to make use of such possibility and convince governments to adopt such a policy. On the other hand HOTREC considered unfortunately, the Commission proposal imposing food labelling requirements to restaurants is a clear example of a burdensome and inappropriate legislation and which should be withdrawn.

Addressing the assembly, the Swedish Secretary of State for European Affairs, Mr. Belfrage, made an interesting presentation of the priorities of the upcoming Swedish presidency of the EU, putting "Competitiveness" at the top of the agenda.

HOTREC National Associations also discussed the latest developments in relation to social affairs, and in particular the revision of the Working Time Directive. The participants welcomed that Member States will retain the possibility to opt-out of the 48 hours weekly working time ceiling. Such possibility is key to the sustainability of hospitality businesses in some Member States.

The General Assembly also examined the progress carried out by the Working Party in charge of producing the Charter for fire safety in hotels in Europe and the fire safety methodology promised by HOTREC to the EU institutions. This HOTREC initiative is a clear demonstration of the hospitality industry's commitment to the provision of safe services to its clients.

The next HOTREC General Assembly will take place in Barcelona on 5-7 November 2009.

Wednesday 13th May 2009

About MHRA

The MHRA has been established since 1958 and today represents 70% of all hotels in Malta and 35% of all restaurants, collectively representing an investment of over Euros 1.1 billion and employing in excess of 20,000 people. For the past 50 years the MHRA has represented the interest of hoteliers and restaurateurs on the Island acting as a lobby group to ensure that the policy decisions taken on the Island are in line with what the tourism industry needs to flourish. For more information about the MHRA visit www.mhra.org.mt or call (356) 21 318133.

About HOTREC

¹ HOTREC represents the hotel, restaurant and café industry at European level. It counts 1.6 million businesses, with 92% of them being micro enterprises employing less than 10 people. The micro and small enterprises (having less than 50 employees) in the hospitality industry representing 99% of businesses make up some 62% of value added. The industry provides some 9 million jobs in the EU alone. HOTREC brings together 40 National Associations representing the interest of the industry in 25 different European countries.