



Opening speech of 64th HOTREC General Assembly

Limassol, 26-27 April 2012

By HOTREC President, Mr. Kent Nyström

Dear Colleagues,

I am pleased to welcome all member associations to the 64th General Assembly of HOTREC in Limassol, Cyprus, by the Mediterranean Sea, a true crossroads of cultures and the cement of our civilisation. It will be difficult to concentrate with such an outstanding view over the pool/sea, but we will also have time to discover the beauty of the country during our leisure time thanks to the courtesy of our host, Zacharias Ioannides, Director General of the Cyprus Hotel Association. *(Thank you very much, Zacharias, for the perfect organisation of this General Assembly).*

Actually, the country is very familiar for me, because I spent here 2 years of my life, some 40 years ago, between 1972 and 1974, when I was in tour-operating. I therefore know well its people, gastronomy, etc. etc. and I can tell you that it worth the visit (...).

The makeover of HOTREC is almost finalised!

In other words, the renovation of the association will in principle be accomplished at the end of this General Assembly. We have new Statutes - although they are not yet in force; we have worked on a new set of Bye-Laws to be adopted in this General

Assembly; we have a Communications Plan and a Strategy Paper, which we are implementing; we have a new website; a new logo/image; a new Live From Brussels format; a new brochure; etc., etc. We are progressively changing the **perception** the external audiences have of HOTREC and of the hospitality sector and this was one of the objectives and a priority when we started with this makeover 18 months ago, with Anna Torres as the new CEO.

We will learn tomorrow about the status of the registration procedure of the new Statutes and about the postponement of EXCOM elections to the next General Assembly; as well as about the main changes proposed for the Bye-Laws. All I will say now is that the proposal for the revision of the **Bye-Laws** is again a **proposal by the entire EXCOM**, with the assistance of our CEO, Anna Torres, and of our legal counsel on this important issue, from the Belgian law point of view, Philippe Simonart. The new Bye-Laws complement the new Statutes and together form a single regulatory body for a smooth running of the association in the future.

A “**Governance**” proposal will also be presented, as announced and promised in Copenhagen, to deal with the need to ensure that the right expertise is always in the EXCOM - expertise which is also needed for the Working Groups and Task Forces.

As you know, the new Statutes clarify the scope of the **commercial activities** or, if you prefer, **Additional Revenues Activities (ARAs)** that we now can carry out. In the EXCOM we are now elaborating on which activities we would like to develop in the next years. Our objectives are:

- To depend less on members’ fees;

- To facilitate the evolution and growth of the association, and adapt it to present times and state of the play;
- To be able to obtain maximum benefits of HOTREC participation in EU funded projects; and
- To offer better even services to member associations.

We will send you our conclusions and proposals in due time.

For the time being, I can already announce to you that we are negotiating a possible partnership agreement with the European umbrella association of beer producers - **Brewers of Europe** – to obtain a partner for some of our activities. I can also inform you that we have concluded a deal with the company **DotHotel**, which, as it was already explained, is pitching for an ICANN bid to offer the “.hotel” top-level domain application worldwide. HOTREC (and its member associations) would benefit from this business opportunity, provided that DotHotel obtains the bid. Lastly, HOTREC is participating in some EU funded projects, like **TOURISMLink**, since January this year, which is providing the association with some extra budget. *(Congratulations to the Secretariat for having won part of this project)*. Extensive explanations and presentations on all these issues will be provided under the Core Business part.

The EXCOM also wishes to propose a strengthen action on **digital and online distribution issues** and the creation of a **new Working Group** to deal specifically with those issues, as this topic is getting more and more important for our industry and, unfortunately, we can see that sometimes it brings some extra problems to the owners and managers of hospitality businesses. Indeed, bookings are today done via digital means, while hotels - and lately increasingly restaurants - all over Europe are concerned to lose control over their rates, distribution channels and their own products to the so-called online intermediaries.

HOTREC needs to become even more proactive on digital issues, with a clear objective:

- Make awareness of the importance of digital issues amongst the hospitality businesses;
- Ensure that all digital players follow fair practices;
- Reduce dependency from online intermediaries; and
- Inform relevant authorities at all levels about possible abuses.

Our proposal is therefore to reinforce HOTREC lobbying activities on online distribution issues. This proposal will be presented to you later on today and more information will be provided to you as a follow-up to the discussion held at this General Assembly. But for the moment, I take the opportunity to invite all member associations to participate actively in this new Working Group. The first meeting should be quite soon.

I personally have a special interest in this issue, because if I go back to 20 years ago, when Internet did not exist – fax was the tool, I find some interesting coincidences. I remember when I was Chairman at Supranational Hotels - an international distribution association of hotel companies with over 600 hotels worldwide -, I had in mind the idea that it was necessary to ensure that hoteliers are always the masters of their businesses, in other words, that they always keep the control of their businesses and of their brands; that they always own their inventory and do not let intermediaries to get rich on their back. Today, in the online world, it is getting very difficult to keep the control, even more for small and medium hotels. Online Travel Agencies (OTAs) are getting rich on our back, as clear as that!

The hotel (or hospitality) sector is often recognized as a non-innovative sector, always copying each other. But for once, we should hold our horses and think first on the future **Business Model** before making any investments in buying new technology for our businesses (or hotels), because most certainly technology won't be the same in less than 2 years from now.

HOTREC can provide a real added-value to its member associations on finding the right way on digital issues, because this knowledge is not always in the hands of all national associations. This is why we have to use HOTREC for that and Cyprus can be the beginning of a new approach, which hopefully will bring good results soon and for the future.

Now I talk about digital issues, let me make a point about the new HOTREC **website**. The Secretariat invited you all to participate in an online survey on 6 April. To reply to the 16 questions takes approximately 2 minutes – it was only about ticking a box. The result was: **24 replies out of 182** members who have access to the website (around 13%). It is very disappointing! How to interpret these results? Those who did not reply, are they not using the website? So then how are they able to receive the information, follow the work of the Secretariat or judge the quality of their work? And as importantly, how are they getting full revenue for the HOTREC membership and all resources/money invested? Or is it that members just do not have the time to fill in HOTREC surveys, even if it just takes 2 minutes? We will discuss in detail later on today, but for now I would just invite you to reflect about that. For now, unfortunately we can't do a proper assessment.

Let me open briefly the enlargement page to refer to **Croatia**, most probably our new country member soon. To reply to the

request by the Croatian Hotel Association and Chamber of Commerce, EXCOM has offered them to be members of HOTREC from May onwards. We are now finalising our talks, therefore more information will be given to you in due course.

As we know, these are not easy times to get new members due to the economic situation and of course this also affects some of our existing members. Some of them are not with us in this General Assembly because they could not afford the trip.

We received apologies from Portugal, Slovakia and Luxembourg. No news from Greece – I hope they are doing well.

I leave for the last the **format of the General Assembly**. As you have seen, we have a new agenda format, in one page; we are saying goodbye to the famous “What is cooking” and welcome a new “HOTREC Core Business” part. But I am afraid that we cannot do much more changes to the general format of the General Assembly. Why? Well, all options were discussed in detail by the Secretariat and the conclusions were that it was not convenient to split the programme in 2 parallel sessions.

So it is up to you to select the items you are interested in - or in accordance with the distribution of tasks in your respective associations - in case you consider that the programme is too long or you would like to leave the room for a while. You will see that we have planned to finish earlier on the 2nd day, Friday. Even though, the length will always very much depend on the programme and number of speakers. This time we were supposed to have one guest speaker for the Core Business part, MEP Carlo Fidanza, but he cancelled Monday, (because of an accident in his family). Of course if there are few or no speakers, this helps to make the programme shorter. But this will depend on each General Assembly. As a general rule, we only invite

external speakers when it gives an added value to the programme and to the member associations.

As usual, all constructive suggestions are appreciated in order always to make the General Assemblies interesting and as relevant as possible.

On the other hand, it is very important that all members participate actively in the debates, so that we can use General Assemblies to have a true and open discussion on all issues and as a forum to present your ideas and proposals. So, please, I invite you to be active and constructive!

I conclude my opening remarks here, wishing you all a productive General Assembly and a fantastic stay in this beautiful country!

And with this I declare the 64th General Assembly open!

Thank you for your kind attention.

Kent Nyström