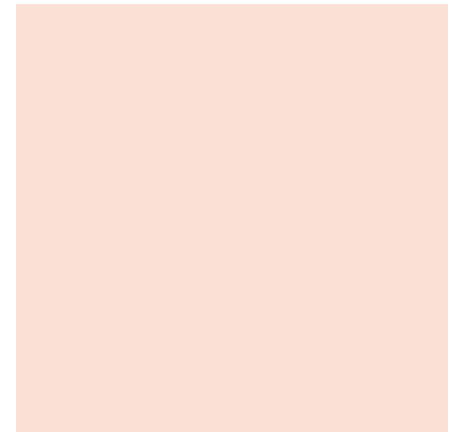
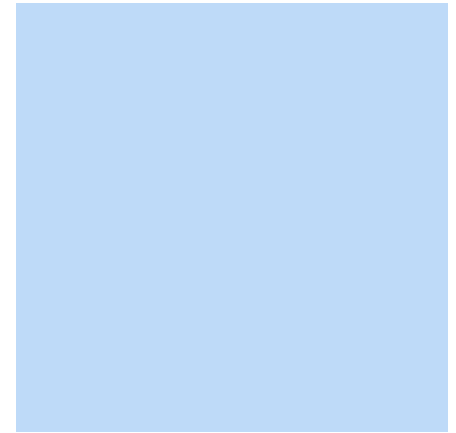


Salaries in the hospitality sector

by Susanne
Kraus-Winckler,
HOTREC
President



Zagreb, Croatia, 28 November 2018

Vision

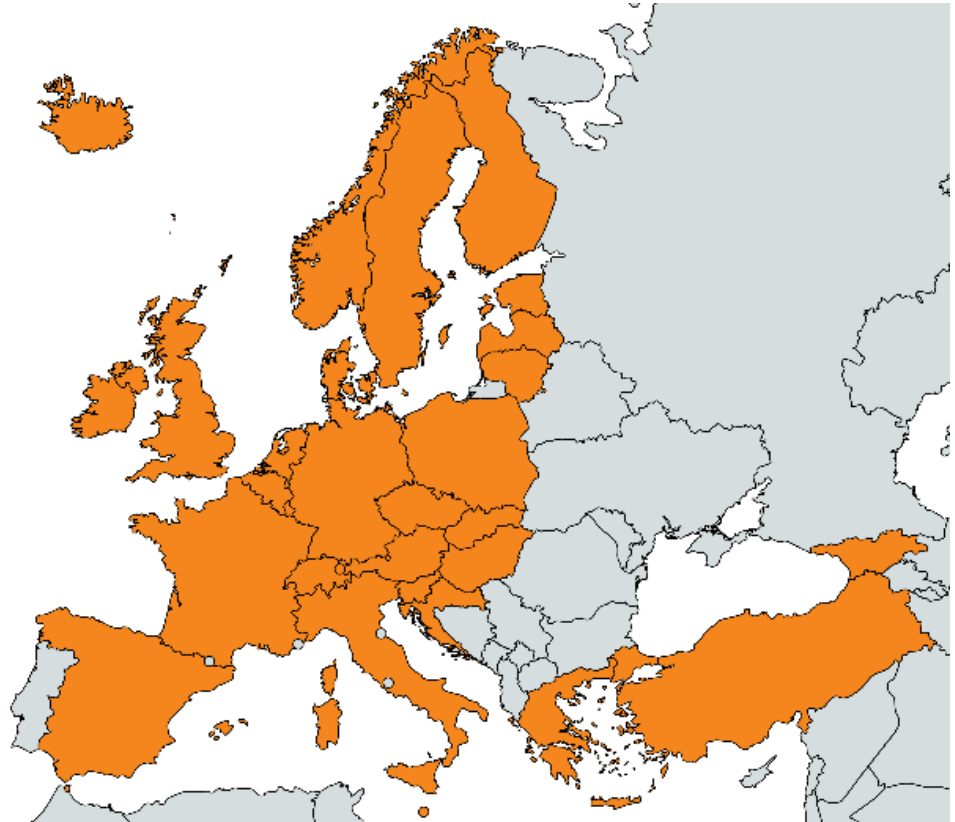


Mission

- **Represent** and champion the hospitality industry's interests towards the EU and international institutions, as well as to all kind of relevant stakeholders;
- **Foster** knowledge sharing and best practice among its Members, in order to further promote innovation;
- **Act** as a platform of expertise for the European hospitality industry.

HOTREC at a glance

- Umbrella Association of Hotels, Restaurants and Cafes in Europe
- 44 National Associations, among which UPUHH
- 30 European countries
- The voice of the hospitality industry at EU level



A key pillar of the EU economy:

- 1.9 milion businesses
- 90% micro enterprises
- 460 billion EUR contribution to economy (3.7% of EU GDP)
- 126 billion EUR to government treasuries (70 bn of VAT)



3rd largest socio-economic activity with tourism

Tourism continues growing - UNWTO

- 2017: + 7% worldwide
- 1.3 billion international tourist arrivals in the world
- 537 million arrivals in the EU
- 8% growth in Europe
- Europe currently most dynamic growing market



Strong challenges: context

- Difficulties in attracting the workers and retain them
- Average job vacancy rate in the EU (1.7%)
- Average job vacancy rate in accommodation + food service sector:
 - 3% Belgium
 - 4.2% Germany
 - 7.4% Greece
- There are thousands of unfilled jobs in the hospitality sector!



Strong challenges: context

- Seasonality
- High fragmentation of the sector (SMEs)
- Perception that the sector is not a good career choice



Strong challenges: solutions

- EU + national funding → massive trainings
- Promotion of career development
- Quality + cost-effective apprenticeship schemes + VET
- Promoting existing tools: European Hospitality Skills Passport
- Facilitation of the transition from education to work
- Early detection of emerging skills
- Promoting the image of the sector

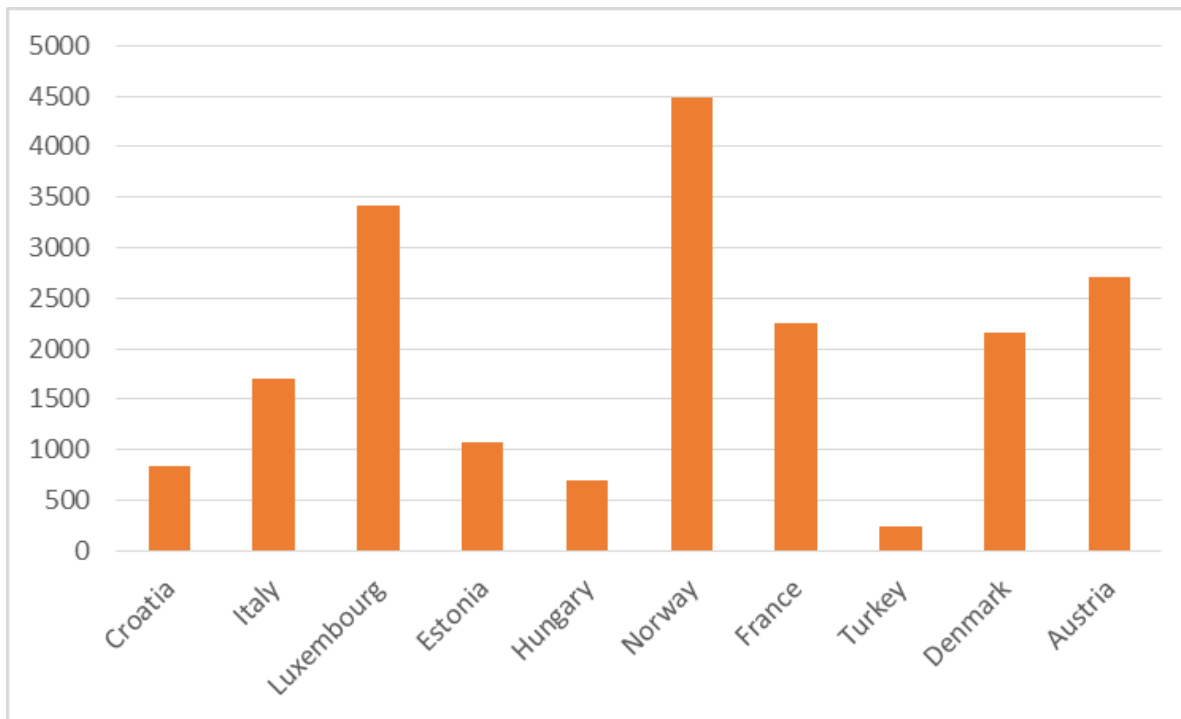
What about salaries?

Salaries in the hospitality sector

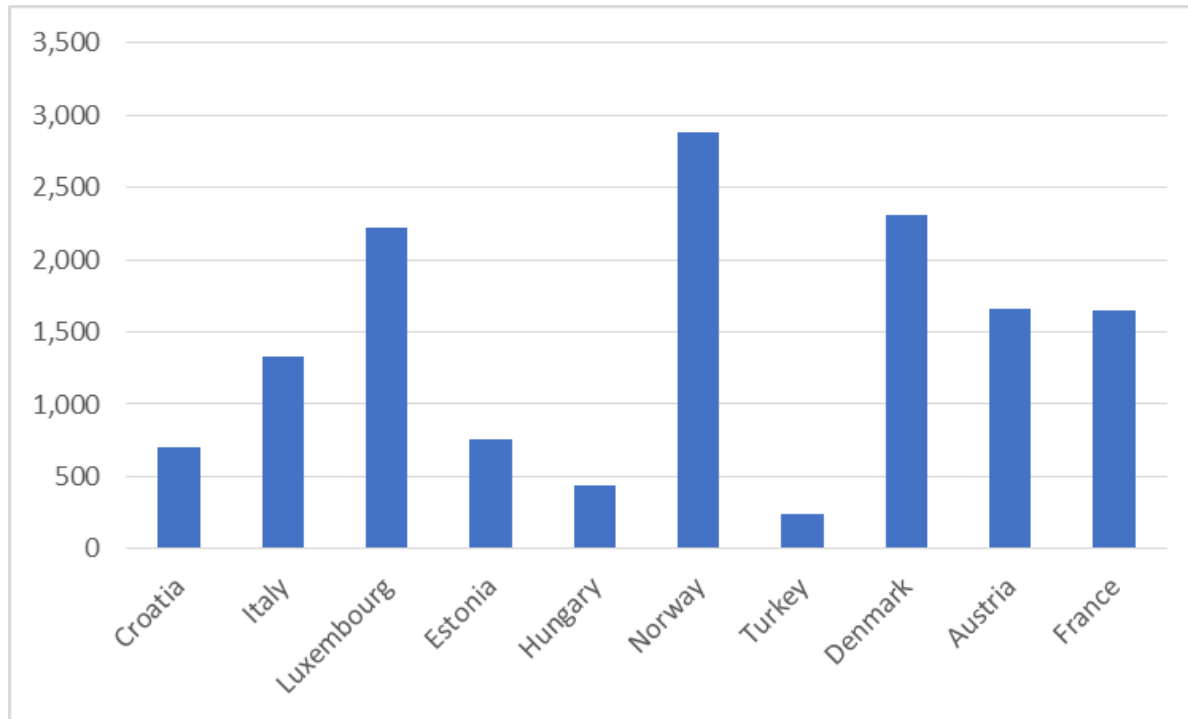


- On behalf of UPUHH, HOTREC deployed a survey on salaries in the hospitality sector (October 2018)
- 10 different countries replied

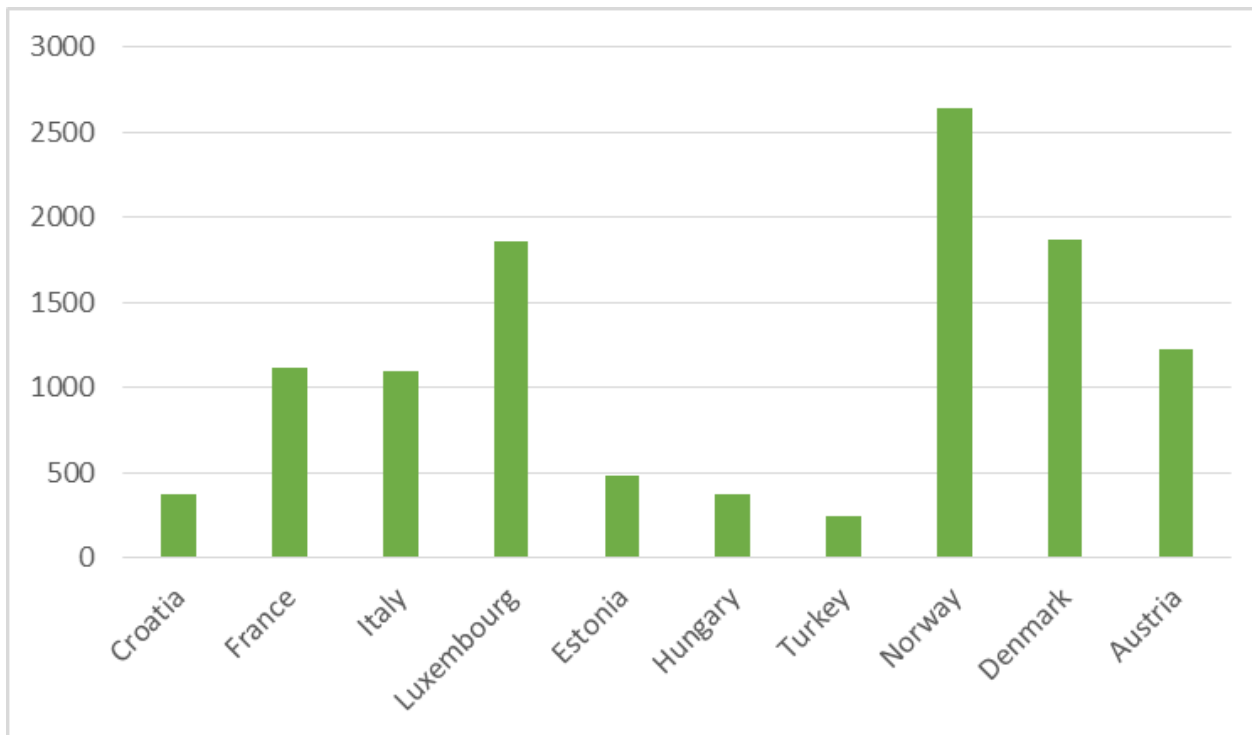
Net salaries in the whole economy (average)



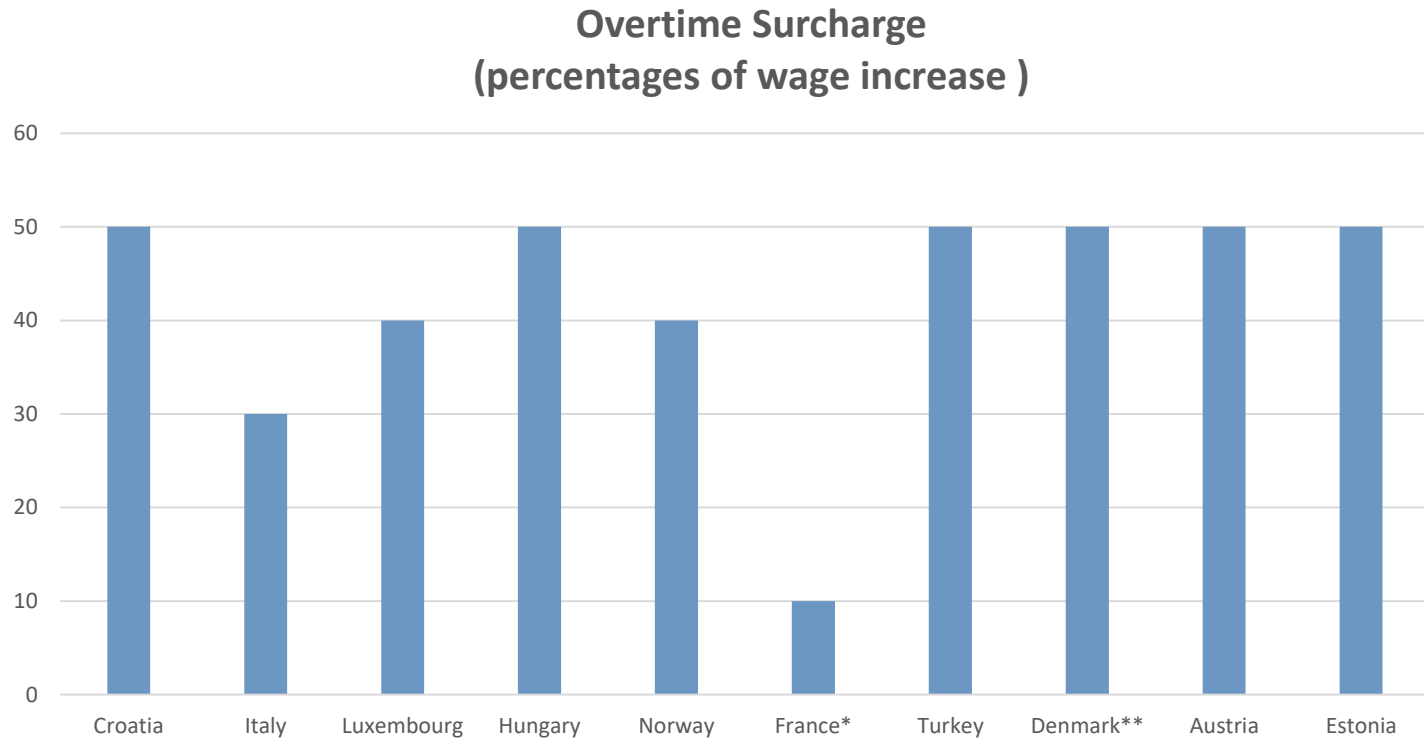
Net salaries in the hospitality sector (average)



Minimum Salaries in the hospitality sector net (in euros)



Salaries in the hospitality sector

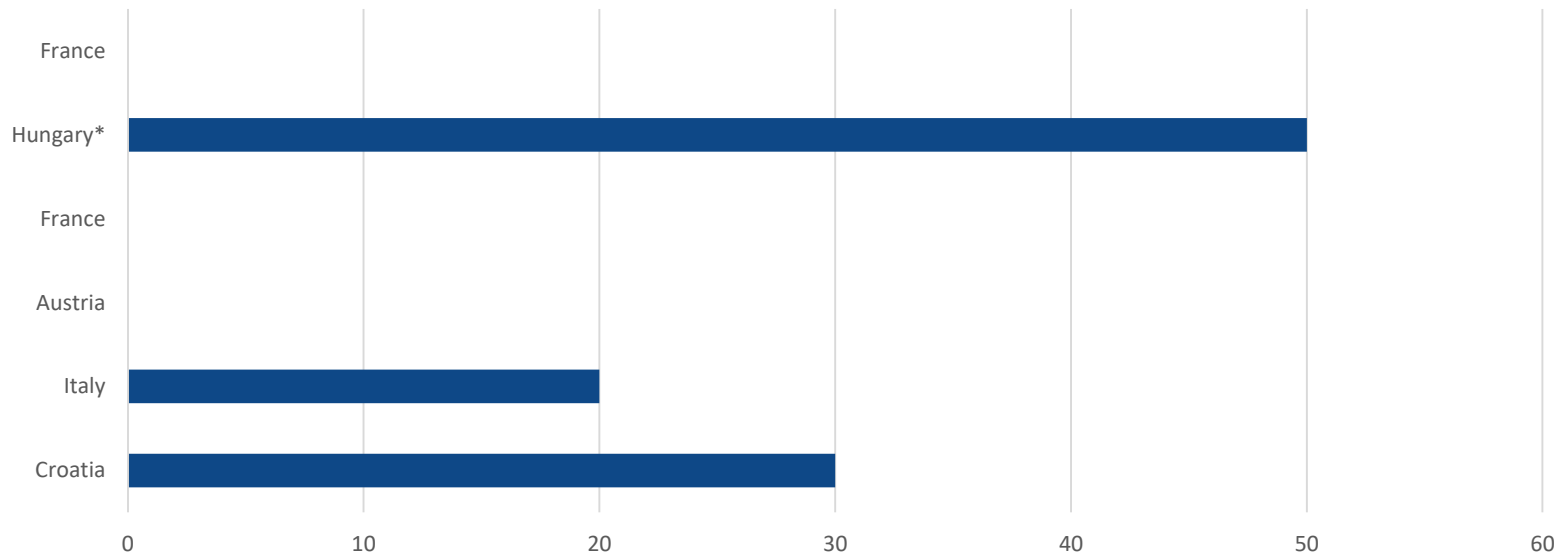


*10% from 36th to 39th hour, 20% from 40th to 43th hour, 50% beyond

**First 2 hours: 50%; over 2 hours - 100%; after 24:00 - 50%

Salaries in the hospitality sector

Surcharge for work on weekend
(percentages of wage increase compared to standard wage)



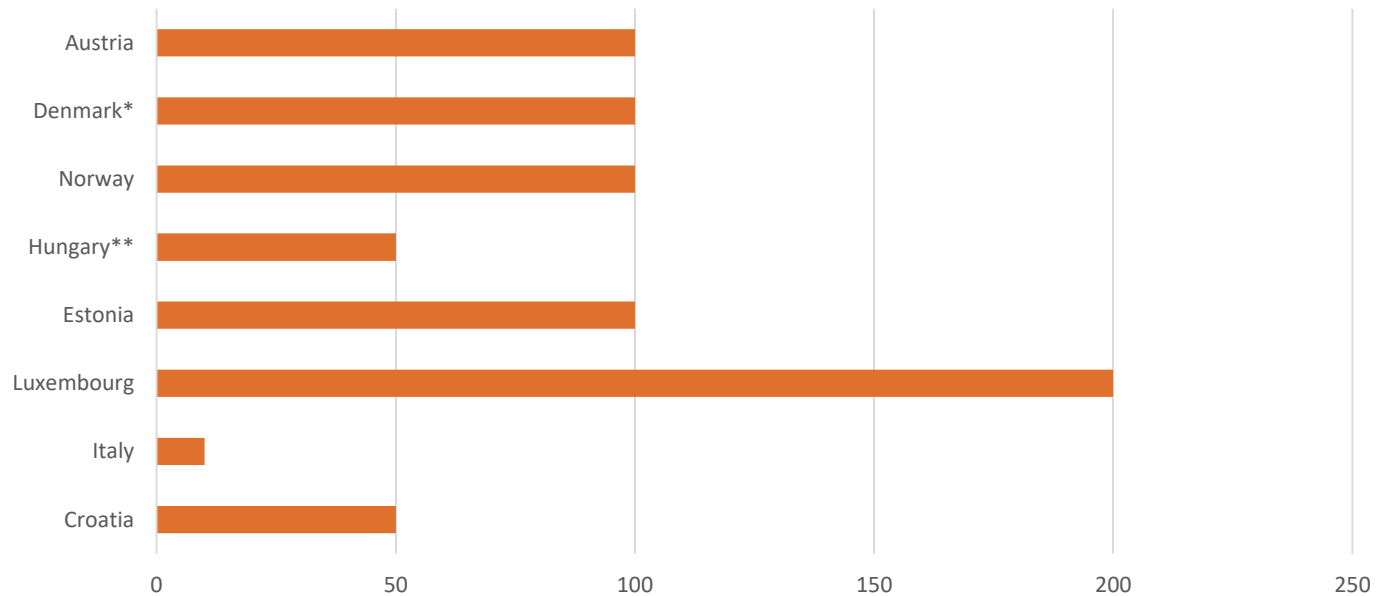
*100% if there is no extra free day

**Denmark uses lump sums (not percentages): Saturdays (2.50€/h); Sundays (3.42€/h) - so not included chart

***Norway uses lump sums (2.4€ net per hour) – so not included chart

Salaries in the hospitality sector

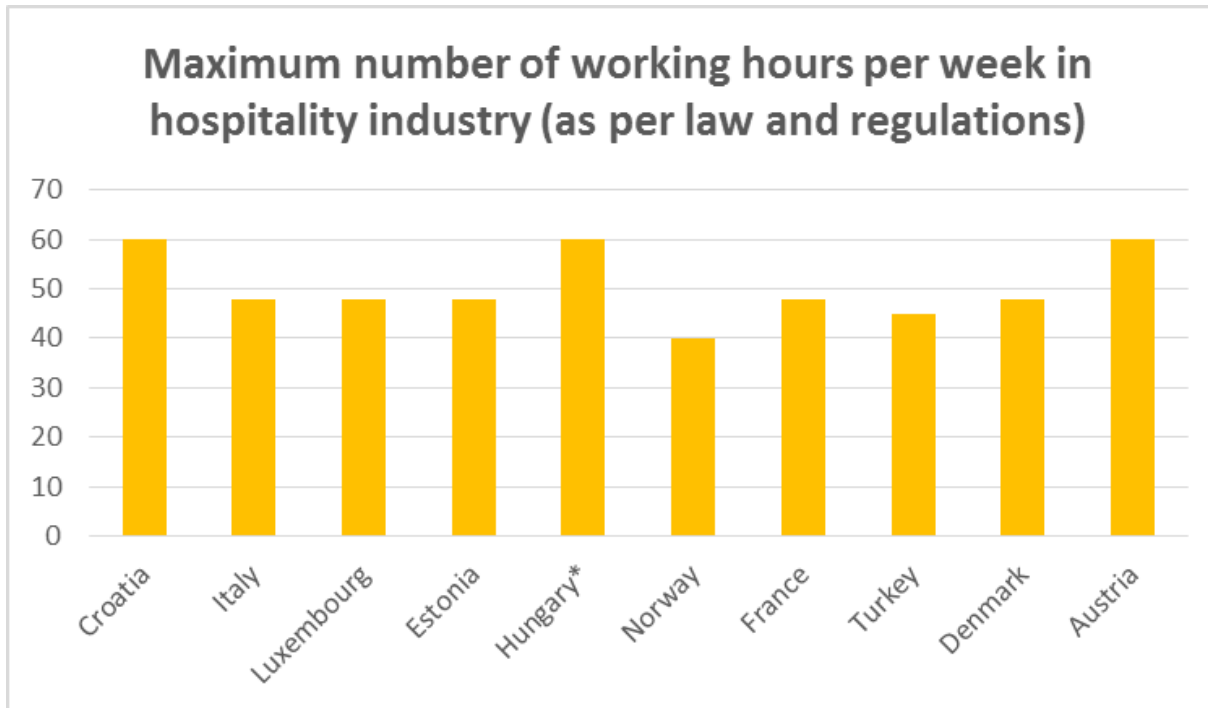
Wages for work on holiday (percentages of wage increased compared to standard wage)



*150% for chefs, waiters and service employees

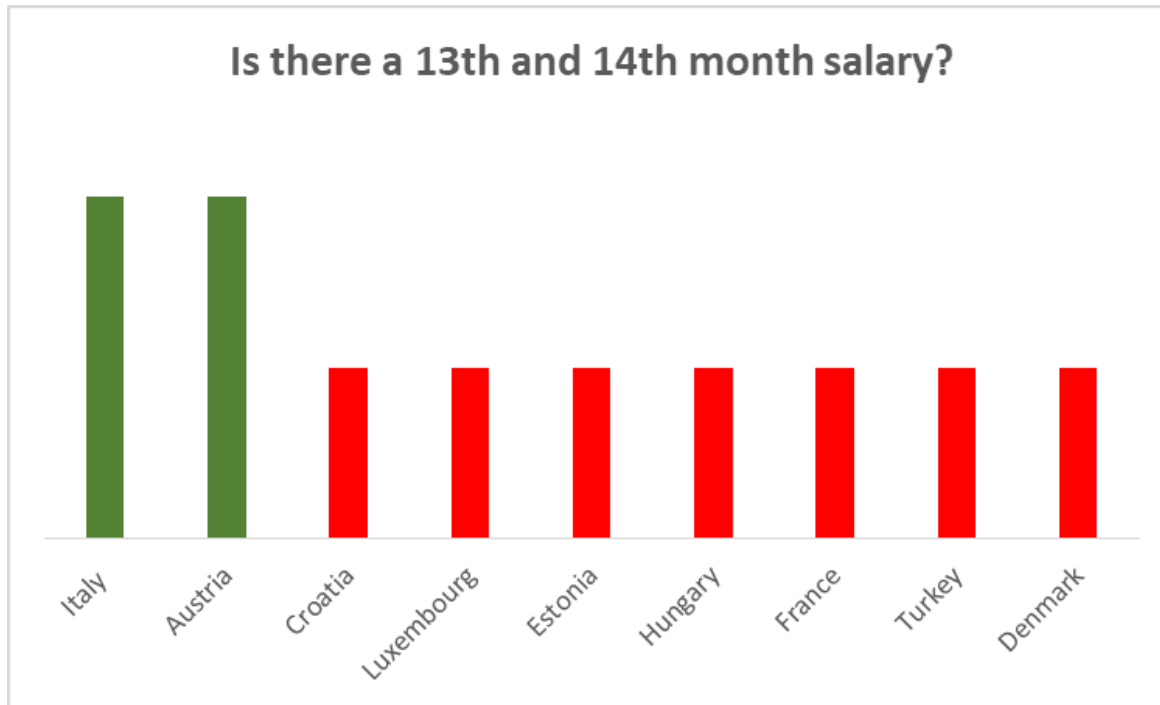
**100% if there is no extra free day

Salaries in the hospitality sector



*daily limit 12 hours

Salaries in the hospitality sector



Yes
No

Salaries in the hospitality sector

Is there financial support to seasonal workers and for hotel companies who employ such seasonal workers?

Only Croatia replied yes:

- A permanent seasonal worker is a measure aimed at giving financial support for workers who are employed only during the season and the second part of the year are not employed
- The measure is available to employers from all activities that during the year have periods of reduced volume of work due to the seasonal characteristics of the business
- To Employer: 100% of the cost of extended insurance for the first 3 months, and in the next period of up to 3 months, 50% of the extended insurance
- To the Beneficiary: the financial assistance shall be paid for a maximum of 6 months of extended pension insurance in the amount determined on the basis of the calculation of unemployment benefit, and up to 70% of the average salary paid in the economy of the Republic of Croatia for the first 90 days and 35% for the remaining period

Salaries in the hospitality sector

What is the standard number of working hours per week in hospitality industry (as per law and regulations)

- All countries replied 40 hours
- Exception: Turkey – 45 hours

Do the state or region make subventions to hotel companies (employers) in hospitality industry for construction of accommodation for seasonal workers?

- All countries replied negatively

Salaries in the hospitality sector

Measures for employment promotion in hospitality industry (incentives for employment – for hotel companies)

- Denmark: applied for funding from a government sponsored programme to initiate a campaign with the aim of promoting vocational education and branding of the industry
- Austria: The work programme of the government includes combating the shortage of skilled workers
- France - Taxation on providing accommodation
- Croatia – Permanent seasonal worker

Salaries in the hospitality sector

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Salaries in the hospitality sector

**Do HOTREC member associations implement any measures for improving working conditions in hospitality industry?
Or any measures related to decreasing tax burden in hospitality industry?**

- Croatia: negotiations with the Government about reduction of the VAT rate + reduction of taxes on salaries paid by the employer with the intention of reallocating those funds to workers
- Luxembourg: the lowest social security tax contribution of the EU: 25,2% in total
- Estonia: discussions with government representatives on reduction VAT on accommodation + study “Impact of the reduced VAT rate on accommodation facilities for the competitiveness and sustainability of the tourism sector”

Salaries in the hospitality sector

**Do HOTREC member associations implement any measures for improving working conditions in hospitality industry?
Or any measures related to decreasing tax burden in hospitality industry?**

- Norway: Campaigns with focus on preventing sexual harassment in the hospitality industry + working with the questions regarding tips and registration/taxes
- Denmark: Working towards lowering energy costs for hotels
- Austria:
 - Reduction of VAT on overnight stays from 13 to 10 percent
 - Creation of practical working time regulations (12 hours/day and 60 hours/week)
 - Combating the shortage of skilled workers
 - Easier permits for accommodation establishments with up to 30 beds



Conclusion

- The sector provides millions of jobs + contributes to the growth of the EU economy
- The image of the sector is under negative pressure – should be promoted
- The average net salary in the hospitality sector varies substantially from country to country (not comparable) – competition for labor throughout Europe but also worldwide – Labor Crisis!!
- With the exception of the limit of working hours per week, each country applies their own national legislation on the topic
- Employers should motivate employees to build up their careers in the sector by proposing trainings and career steps
- Best practices to be shared and implemented