



Are Hotels Breaking Competition Law?

When the leaders of the European inbound travel industry meet this coming 9th November at The Global European Marketplace at Earls Court, London, they will be considering some questions that could have a dramatic impact on the way the tourism market operates. One of these is the vexed issue of price collusion.

Hotels often seek to ensure that their published rates are not undercut. They have been known to insist on a guarantee that the price the operator sells to the public does not differ from their own advertised price.

- Do such agreements constitute price fixing?
- What are the penalties for agreeing to this?
- How can agreements be made without falling foul of competition law?

These questions go to the heart of the way the market for hotel accommodation operates, as many hotels seek to ensure the prices to consumers on their own web sites are the lowest in the market.

Neil Baylis, an expert in European competition law from the law firm K&L Gates, will explore these issues in depth and explain what is and what is not lawful.

Tom Jenkins, Executive Director of the European Tour Operators Association, said: *“The implications of these questions are profound and the answers could affect the way the hotel industry organises itself and the freedom intermediaries have to sell hotel accommodation at a discount.”*

It will be a germane coda to the discussion we are having on agent and principal in the afternoon. There we will be looking at the regulatory and tax implications of how Tour Operators (particularly those who function online) talk about themselves.”

Other topics to be discussed at the conference include:

- An in-depth look at the largest and most important inbound market – the USA, with new research on the on-line buying behaviour of the US consumer and expert analyses on the latest trends in the market.
- A new way of identifying promising origin markets, presented by David Edwards, Head of Statistics, Visit Britain,
- An explanation by Arthur Oberascher, Chairman of European Travel Commission which is developing www.Europe.com, of how tourist boards are changing and how those in the industry can get the most from them,

- A discussion of on-line communities and how to use them to best advantage. Participants include top executives from Trip Adviser, World Reviewer and Where Are You Now.
- An overview of the greatest challenges confronting the industry and what needs to be done, presented by Tom Jenkins.

Conference delegates comprise senior managers from Europe's major tour operators, hotel groups, tourist attractions, coach, rail and cruise companies and local tourist boards. Collectively, as buyers, they have a strong influence on which destinations and attractions are more or less successful, as they spend over €7bn a year on Europe's sights, hotels and transport on behalf of their customers.

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About the Global European Marketplace

ETOA's Global European Marketplace is the most important gathering of the European inbound tourism industry. It takes place on Friday November 9th, at the Brompton Hall, Earls Court, London, immediately before World Travel Market in London and all the major players participate, including Accor, Amadeus, American Express, British Airways Holidays, Cosmos, Ebookers, Eurostar, Expedia, Globus, Gullivers, Hilton, Historic Royal Palaces, InterContinental, Kempinski, Kuoni, London Eye, Marriott, Sixt, Sol Melia, Starwood, Tauck World Discovery and Tussauds Group.

The event comprises a conference, workshop, exhibition and black tie dinner at the Café Royale with entertainment provided by the Moulin Rouge. The conference is attended by over a hundred top executives, high-level consultants and the media. The workshop facilitates approximately 7,500 one-on-one meetings between senior-level buyers and sellers, with the buyers seated at tables and sellers circulating to meet them.

About ETOA

Since its foundation in 1989, ETOA has grown exponentially to include over 400 member organisations, of which more than a hundred are Tour Operators. Collectively, ETOA represents over €7 billion spending on accommodation and travel services annually.

ETOA provides representation at the European government level for companies involved in bringing tourists to Europe. The Association promotes greater awareness of the benefits provided by the group travel industry in Europe - particularly increased income and employment. ETOA also influences European tourism policy and legislation.

Areas of specific activity include:

- Promoting Europe as a tourism destination
- Establishing codes of conduct and guidelines for its members
- Establishing commercial opportunities between buyers and sellers
- Working with other travel & tourism associations to raise the industry's profile