



L I V E F R O M B R U S S E L S

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TAXATION

□ A happy end for the EU saga of restaurant VAT rates!

The previous issue of *Live from Brussels* announced the end of the EU saga on reduced VAT rates for restaurant services.

As a final act, on 5 May 2009, the Council of Finance Ministers officially adopted, without debate, an amendment to the VAT Directive 2006/112/EC. This amendment is giving to all Member States the option to apply a reduced VAT rate for restaurant services, including all types of beverages.

The new rules ([Directive 2009/47/EC](#)) were published in the Official Journal of the EU on 9 May, and entered into force on 1 June 2009.

The first country to make use of this option was France, where the VAT rate for restaurant services was reduced from 19,6% to 5,5% as from 1 July 2009. The reduced rate is, however, not applying to alcoholic beverages.

As a result, the VAT rate situation at EU level for the hospitality industry is as follows:

- 1 standard rate at no less than 15%;
- 1 or 2 reduced rates at no less than 5%;
- Option for all Member States to apply the standard or a reduced rate to accommodation services; and
- Option for all Member States to apply the standard or a reduced rate to restaurant services, including all types of beverages.

The adoption of this new Directive was applauded as follows by Mr. Kent Nyström, President of HOTREC: “Finally, it will be possible for all Member States to decide to apply a reduced VAT rate to restaurants. To have this option is a great success and opportunity for the European hospitality industry. Now it is up to the Member States to allow their economy and their tourism industry to benefit from this new option”.

The fact that France has already agreed on, and that others (Belgium, Czech Republic) are considering lowering the VAT rate for restaurant services shows that this option responds to a well-founded demand, advocated by HOTREC for many years.

HEALTH AND FOOD

□ Commission issues a proposal on smoke-free environments

On 30 June 2009, the European Commission issued a proposal for a Council Recommendation on smoke-free environments ([COM\(2009\)328 final](#)). This initiative, initially expected by 2008 and postponed several times, was developed within DG SANCO (Directorate General for Health and Consumer Protection). It is the outcome of the Green Paper consultation launched by the Commission in 2007 on possible EU measures to achieve “a Europe free from tobacco smoke” (see *Live from Brussels* N°45 and N°46).

The main objective of the proposal is to incite EU Member States to comply with their legal obligations stemming from the World Health Organisation (WHO) “anti-tobacco” Treaty, the Framework Convention on Tobacco Control (FCTC). The WHO Treaty has been signed and ratified by the European Community and all EU Member States (with the exception of the Czech Republic). Article 8 of the FCTC requires the signatories to implement comprehensive legislative measures to protect people from tobacco smoke.

The proposed Council Recommendation calls on EU Member States to adopt, within three years, smoking bans (without any exception) in all enclosed public places, workplaces and public transport, in line with the guidelines of the FCTC. The proposal does not make any specific reference to hospitality establishments, but it covers all indoor public spaces and workplaces.

The broad definition of “indoor places”, together with the indication that legislation may cover “outdoor or quasi-outdoor” public places “where appropriate”, could encourage Member States to adopt national laws banning smoking also in partially enclosed spaces such as patios or terraces.

The text has now to be examined and adopted by the Council of the EU. The adoption by the Council could take place by the end of 2009, under the Swedish Presidency. The European Parliament will also express its opinion on the proposal, but the Council is not legally bound to follow the views of the Parliament.

In parallel, the Commission is working on a possible initiative against smoking at the workplace (see *Live from Brussels N°45*), under the aegis of DG EMPL (Directorate General for Employment and Social Affairs). A first-stage consultation of the European social partners concerning possible EU actions to protect workers from passive smoking was launched in December 2008. The second stage of consultation is foreseen for October 2009.

HOTREC shares the concerns of public authorities in relation to smoking and health. However, as stated in its reply to the Green Paper consultation, HOTREC is of the opinion that the issue of smoking in public places is best tackled at national level, where local and practical conditions can be better taken into account. In accordance with the principle of subsidiarity, Member States should be allowed to decide on the most appropriate manner for them to comply with their obligations under the WHO FCTC.

Moreover, HOTREC regrets the duplication of initiatives by the services of the European Commission in relation to smoking: on one hand, the proposal by DG SANCO for a Recommendation on smoking in public places and, on the other hand, the initiative by DG EMPL on smoking at the workplace. Although the objectives of the two initiatives are laudable, this duplication is in contradiction with the principle of “better regulation” and only creates confusion.

❑ Alcohol policy on the agenda of the Swedish Presidency of the EU

On 1 July 2009, Sweden took over the rotating Presidency of the EU, unveiling its working programme for the next six months. One of the priorities of the Swedish Presidency in the field of public health will be the implementation of the EU alcohol strategy, launched by the Commission in 2006 (see *Live from Brussels N°40*).

The Commission is due to present a “first progress report” on the implementation of the strategy by the end of 2009. It is expected that the EU Health Ministers will review it at their meeting in December 2009 and adopt relevant conclusions.

On 7 July, under the aegis of the Swedish Presidency, EU Health Ministers have already dealt briefly with the prevention of alcohol-related harm, during an informal meeting of the EPSCO Council (Employment, Social Affairs, Health and Consumer Affairs Council). The focus of the debate was on how to better protect young people from marketing of alcoholic beverages. On that occasion, Maria Larsson, the Swedish Health Minister, pointed out: “*We must ensure that measures to counteract the harmful effect of alcohol remain high on the EU agenda*”.

Alcohol and health will also be the subject of an “[Expert Meeting](#)” jointly organised by the Swedish Presidency and the Commission (DG SANCO) on 21-22 September in Stockholm.

HOTREC and its Member Associations share the concerns of public authorities with regard to alcohol and young people. In 2008, HOTREC joined the European Alcohol Forum set up by the Commission in the framework of the EU strategy to reduce alcohol abuse-related harm. HOTREC committed itself to raising awareness among its Member Associations on the activities of the Forum and to encourage them to be directly involved, with a focus on responsible drinking and the enforcement of age limits for serving and selling alcoholic beverages.

So far, amongst the HOTREC Members, the British Beer and Pub Association, the Finnish Hospitality Association and the Swedish Hotel and Restaurant Association have joined the European Alcohol Forum. Additional information on the commitments by HOTREC and its members can be found on the [HOTREC website](#).

□ **Quality of European agricultural products**

On 28 May 2009, the Commission adopted a Communication on “agricultural product quality policy” ([COM\(2009\) 234 final](#)). The Communication is based on the outcome of the Green Paper consultation launched by the Commission on how to improve EU rules to promote the quality of European agricultural products (see *Live from Brussels N°46*). The text lays down the “strategic orientations” of the Commission for a future policy on agricultural quality, with the objective to improve the communication between farmers, buyers and consumers on “agricultural products characteristics” and “farming attributes” (i.e. “where and how” products have been produced). Amongst others, the Commission considers the possibility:

- To develop guidelines for “good” quality certification schemes;
- To propose legislation to simplify and improve EU rules on geographical indications and marketing standards for agricultural products;
- To deal with “place-of-farming labelling” within marketing standards;
- To improve the conditions for EU-wide trade in organic products;
- To develop a framework for animal welfare labelling; and
- To extend the *Ecolabel* to food and feed.

As regards marketing standards, the Communication explains that “*as a possible alternative to EU legislation, the Commission will investigate further the option of using CEN, the European Committee for Standardisation, for detailed rules of this type*”.

The Commission is awaiting comments from stakeholders and the institutions (Council and European Parliament). On that basis, it will present legislative proposals and other measures in 2010.

As a major end-user of agricultural products and a significant player in the food chain, the European hospitality industry has to follow closely the developments of the EU policy on agricultural quality, in particular with regard to the issue of the “place-of-farming labelling”.

CONSUMER AFFAIRS

□ A new Commission consultation paper on collective redress

The European Commission is currently considering generalising collective redress (class actions) schemes as an effective mean to address the problems that consumers face in obtaining effective redress, when the cost of taking legal action is likely to outweigh the possible compensation. As reported in *Live from Brussels N°46*, HOTREC replied to a consultation organised by the Commission within the framework of its Green Paper on Consumer Collective Redress (COM(2008) 794 final). However, only a few months later, in May 2009, the Commission released a new [consultation paper](#) on the matter.

The new consultation paper intended to clarify the policy options available at EU level, and proposes guidelines that will be used by the Commission to make its final political choice. In the new consultation paper, the Commission identified 5 policy options (instead of 4 in the Green Paper) and asked for the opinion of stakeholders:

- Option 1 - No EC action or other options not-envisaged yet. However, such possibility is almost ruled-out;
- Option 2 - Non-legislative measures, such as the development of a model of collective consumer ADR (alternative dispute resolutions) and encouraging businesses to develop a code of conduct to set-up credible and independent complaint handling systems able to manage mass claims;
- Option 3 - Recommendation to Member States to set-up collective ADR and judicial collective redress. It also involves a strengthening of the power of public authorities under the Consumer Protection Cooperation Regulation for cross-border claims;
- Option 4 - Same as option 3 but with binding instruments instead;
- Option 5 - A binding instrument would establish a detailed harmonised EU-wide judicial collective redress mechanism and give the Member States the obligation to create a collective ADR system open to consumers from all Member States. The judicial collective redress established would be a test-case procedure to be introduced by a consumer, a consumer organisation or a competent authority like an ombudsman and in which the court would be awarded large discretion over the admissibility of such procedure. The effect of the judgment could be extended to all other consumers in the EU who have been harmed by the same practice. The competent court for the test case would be the court of the Member State where the defendant is domiciled or the court of the Member State where the market is most affected by the illegal practice. The competent court for the follow-up procedures would be the court of the Member State where the consumer is domiciled.

The consultation was open until 3 July 2009. The results will feed the future impact assessment of the European Commission for an upcoming formal proposal.

In its reply to the consultation, HOTREC and its National Associations called for option 1. Indeed, a study carried out at the request of the Commission entitled “Evaluation of the effectiveness and efficiency of collective redress mechanisms in the European Union” clearly established that there is currently no need for urgent action at EU level on the matter. In case option 1 would not be retained, the hospitality industry fully rejects both option 4 (non-binding instruments should be privileged to fully respect the principle of subsidiarity) and option 5 (it would undermine the subsidiarity principle, put at risk the coherence of national legal systems and be particularly detrimental to small hospitality establishments).

SOCIAL AFFAIRS

□ “Sanctions Directive” adopted

[Directive 2009/52/EC](#) of the European Parliament and of the Council, providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals (TCN) was formally adopted on 18 June 2009.

As reported in previous issues of *Live from Brussels*, under this new legislation, employers hiring illegally staying third-country nationals will face financial and criminal sanctions.

To ensure the effectiveness of the prohibition of hiring illegally staying TCN, the Directive also introduces the following obligations for employers in the EU:

- To require that the TCN presents a valid resident permit or similar authorisation for his/her stay;
- To keep for at least the duration of the employment a copy or record of the valid residence permit or similar authorisation for stay; and
- To notify the competent authorities of the Member State of the start of the TCN employment within a period laid down by each Member State.

Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 20 July 2011. The Directive will not be binding on the following Member States: United Kingdom, Ireland and Denmark.

HOTREC does not see the need for additional legislation at Community level on top of existing national rules. It fears that the new Directive would impose disproportionate sanctions and add costs as well as red tape for employers, especially for SMEs. The verification that a TCN is legally staying in the EU should not be a responsibility of the employer but of the public authorities.

□ “EU blue card” Directive adopted

On 25 May 2009, the Council adopted [Directive 2009/50/EC](#) on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment.

As explained in previous issues of *Live from Brussels*, the Directive aims to attract highly qualified third-country workers through flexible admission procedures. Workers admitted under this scheme will be issued the “EU blue card”, which combines work and residence permit and endows them and their families with a series of rights.

The Directive, as amended and adopted by the Council, includes, amongst others, the following admission conditions for highly qualified third-country workers:

- Work contract or a binding job offer of at least one year;
- The wage specified in the contract or offer must be at least 1,5 times the average gross annual salary in the Member State concerned; and
- Proof of evidence of sickness insurance when entitlement to health insurance benefits is not provided in connection with or resulting from the work contract.

The decision of issuing the “EU blue card”, even if admission conditions are accomplished, remains at the discretion of the Member State concerned.

Member States must transpose the Directive by 19 June 2011 at the latest. The Directive is not binding on the following Member States: United Kingdom, Ireland and Denmark.

On the other hand, and as announced in *Live from Brussels N°45*, the Parliament adopted, on 20 November 2008, a non-binding opinion on the proposal for a Council Directive on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State ([COM\(2007\) 638 final](#)). However, no agreement could be reached so far within the Council. The text needs to be adopted unanimously by the Member States.

When the Commission first issued the proposal on a “blue card” in October 2007, HOTREC welcomed it with regard to the skills shortages prevailing at that time in the hospitality industry of many countries. However, the financial/economic crisis has, unfortunately, changed the circumstances.

❑ **Discrimination beyond the workplace**

As reported in previous issues of *Live from Brussels*, on 2 July 2008, the European Commission issued a proposal for a Council Directive ([COM\(2008\) 426 final](#)), which provides for protection against discrimination on the grounds of age, disability, sexual orientation and religion or belief beyond the workplace.

The proposal for a Directive establishes the prohibition of discrimination, as regards both the public and the private sector, in relation to social protection, social advantages, education and access to and supply of goods and other services, which are available to the public, including housing.

As far as the equal treatment of persons with disabilities is concerned, measures to enable them to access services will have to be taken by anticipation. Such measures may include appropriate modifications or adjustments. However, “*such measures should not impose a disproportionate burden, nor require fundamental alteration ... of services in question ...*”.

On 2 April 2009, the European Parliament adopted a non-binding opinion on the proposal ([T6-0211/2009](#)). In parallel, the discussions of the national experts preparing the work of the Council, concentrated on the provisions aimed at protecting persons with disabilities from discrimination. However, no agreement could be reached amongst the Member States under the Czech Presidency. The Swedish Presidency has indicated in its work programme that work will continue on this proposal. The text needs to be approved by unanimity in the Council.

HOTREC fully shares the concerns of the European institutions in relation to the protection of persons with disabilities, but is of the opinion that this issue is better dealt with at national level, where existing national legislations already offer a comprehensive framework to combat the various forms of discrimination. Moreover, HOTREC is of the opinion that the proposal is formulated in a very general manner leaving many issues (what is a disproportionate burden? what is a fundamental alteration?) open for different interpretations. Over 99% of the hospitality industry is composed of SMEs: legal certainty and minimum bureaucracy are crucial for the survival of these companies.

HOTREC will carefully monitor the negotiations within the Council.

□ **Work-life balance package**

As reported in *Live from Brussels N°44* and *N°46*, in October 2008, the European Commission presented a package of documents on work-life balance. The package contained 2 legislative proposals dealt with by the European Parliament and the Council, under the co-decision procedure.

The Commission proposal ([COM\(2008\) 637 final](#)) for a Directive, amending Council Directive 92/85/EEC, on the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding, suggested amongst others, extending the minimum maternity leave to 18 weeks (14 under the current Directive). The EP Committee on Women's Right and Gender Equality (FEMM) requested extending maternity leave to 20 weeks. On 6 May 2009, the plenary session of the European Parliament decided to postpone the vote on the report: it was referred back to the FEMM Committee.

The Swedish Presidency has indicated that this file is amongst its priorities in the field of employment and social affairs.

On 6 May 2009, the Parliament adopted in first reading the Commission proposal ([COM\(2008\) 636 final](#)) aiming at replacing Directive 86/613/EEC on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity. In its resolution ([T6-0364/2009](#)), the EP calls for female self-employed workers and assisting spouses to be entitled to a period of maternity leave adapted to their specific needs. The leave could be as long as the leave for employees. The Parliament also requests that “*assisting spouses become members in their own right of the social insurance schemes in place for self-employed workers*”.

The Swedish Presidency has indicated in its work programme that work will continue on this proposal.

HOTREC supports measures on work-life balance and protection of working women who are pregnant, have recently given birth or are breastfeeding. Nevertheless, HOTREC is of the opinion that an excessive regulation in this area will only add financial costs and additional burden to SMEs. The compulsory extension of maternity leave to 18 weeks would entail additional burdens in the majority of the Member States where currently the maternity leave is shorter than 18 weeks. The aim of the proposal to protect pregnant workers by extending the terms of maternity leave could cause the opposite intended effect, as small business (99% in the hospitality sector) would encounter many difficulties in hiring young women. This is why HOTREC shares the opinion of BUSINESSSEUROPE, according to which extra rules in the field of maternity protection might discourage employers from recruiting young women and could have a negative impact on women's employment possibilities.

HOTREC will carefully monitor the development of the legislative process in the next months.

□ **Parental leave**

On 18 June 2009, the European Social Partners (BUSINESSSEUROPE, UEAPME, CEEP and ETUC) formally adopted an [agreement on Parental Leave](#) revising their agreement of 1995, which had been incorporated into Directive 96/34/EC. The successful conclusion of the agreement is the result of 6 months of negotiations between the European Social Partners.

The revised agreement lays down minimum requirements designed to facilitate the reconciliation of parental and professional responsibilities for working parents. It includes, amongst others, the following provisions:

- The length of the right to parental leave is extended from 3 to 4 months;
- At least one of the four months of the parental leave should be provided on a non-transferable basis;
- The right to parental leave is maintained until the child is 8 years old;
- Flexible working arrangements can be requested upon return to work;
- Member States and/or social partners are being asked to establish notice periods to be given by the worker to the employer when exercising the right to parental leave, specifying the beginning and the end of the period of leave; and
- All matters regarding income, in relation to this agreement, are of the competence of Member States and/or social partners according to national law, collective agreements and/or practice.

The European Commission will submit to the Council a proposal for incorporating the revised agreement into a Council Directive. The Directive will then have to be adopted within the Council by qualified majority.

HOTREC took note of this agreement adopted by the European Social Partners.

SOCIAL DIALOGUE

□ **A hospitality qualification and skills passport?**

The European Commission has agreed to support financially a first one-year phase of an EFFAT-HOTREC project for a hospitality qualification and skills passport.

The Hungarian Foundation for Information Society was retained as consultant. Its tasks will include:

- Identification of the areas of services to be covered;
- Development of a list of skills for each of these areas; and
- Preparation of a provisional version of the passport.

The results of this first phase should be reviewed in a conference in about 10 months time.

The preparation of a hospitality passport has been on the agenda of the EFFAT-HOTREC social dialogue for many years. Workers, who seek employment in another country, as well as employers seeking to hire workers from abroad, face difficulties due to a lack of transparency and comparability of qualification and skills. The passport is expected to facilitate the mobility of workers.

COPYRIGHT

□ Copyright term extension: a (temporarily) frozen debate

As explained in *Live from Brussels N°46*, the European Parliament adopted on 23 April 2009 its opinion ([P6_TA\(2009\)0282](#)) on the Commission proposal to extend the term of copyright protection for European music performers and record producers ([COM\(2008\) 464 final](#)). The EP aligned itself with numerous points of the compromise proposed by the Czech Presidency of the EU in the Council and in particular with the proposal to limit the term extension for music performers and record producers to 70 years (instead of 95). The EP also introduced an amendment which requires the Commission to come-up by 2010 with an impact assessment on the need for a similar extension for the audiovisual sector.

Despite this important development, the debate appears to be, at least temporarily, frozen. Thus, even if the blocking minority in the Council collapsed shortly after the EP delivered its opinion, the Czech Presidency did not try to reach a last-minute deal in the Council. It is therefore now up to the Swedish Presidency of the EU to take-up the matter. However, Sweden was amongst the countries that fiercely opposed the Commission proposal, and the debate is halted with no further dates proposed yet to discuss the matter in the Council.

As an important right-user, the hospitality industry is very concerned about this proposal. HOTREC firmly believes that an extension of the copyright term will inevitably increase the huge amount of fees already being paid by the hospitality industry, while doing little to improve concretely the situation of artists. HOTREC is of the clear opinion that right users should not be asked to compensate losses of revenues incurred by record producers for their failure to adapt their business models to a new market environment. HOTREC, therefore, welcomes the standstill in the discussions in the Council.

□ TV in hotel rooms: a new case brought before the ECJ

On 10 April 2009, the Greek Supreme Court (“Arios Pagos”) lodged with the ECJ (European Court of Justice) a reference for a preliminary ruling concerning the need to pay copyright fees for the use of TV in hotel rooms (case C-136/09). The question referred to the ECJ is the

following: “Does the mere installation of television sets by a hotelier in hotel rooms and their connection to the central antenna installed in the hotel, without any other action, intermediation or intervention by the hotelier, constitute communication of the work to the public within the meaning of Article 3(1) of Directive 2001/29/EC, and, in particular, in accordance with the aforementioned judgment of the Court of Justice of 7 December 2006 in Case C-306/05 *Sociedad General de Autores y Editores de España (SGAE) v Rafael Hoteles SA*, does this involve the distribution of a signal, via television sets, to customers who stay in the hotel rooms, by means of the technical intervention of the hotelier?”

The background of this case is almost identical to the Rafael case (C-306/05, see *Live from Brussels* N°36, 38 and 40) and involves a Greek hotelier (Divani Acropolis Hotel and Tourism AE) who refused to pay copyright fees to a Greek collecting body (the “Society of authors of dramatic and audiovisual works - OSDDOTHE) for the use of TV in the hotel rooms.

Following the ECJ’s ruling in the Rafael case, the Greek Supreme Court felt the need to obtain clarifications, especially as it had previously ruled that hotel rooms were private places that could not be subject to copyright royalties for communication to the public of a protected work. Shortly after the official introduction by the Greek court of its reference for a preliminary ruling, the governments of the Member States were sent a notification and were given two months after the receipt of this notification to provide official comments.

Some of the HOTREC Member Associations have been contacted by their government in relation to this case and have provided comments. The hospitality industry has always considered that hotel rooms are private places and, as such, cannot give rise to the payment of copyright fees for “communication to the public”. The hospitality industry therefore hopes that the ECJ will overturn its 2006 Rafael judgment. HOTREC will follow with the greatest caution the outcome of this case.

STANDARDS

□ CEN feasibility projects for services standardisation – what next?

The European Committee for Standardisation (CEN) has recently made publicly available the results of 11 feasibility studies on services standardisation (see *Live from Brussels* N°43 and N°46). The feasibility projects were carried out by CEN members (national standardisation bodies) over the period 2007/2008, in response to a mandate (M/371) given by the Commission to CEN for the development of a standardisation work programme to support the internal market for services. The objective of the studies was to assess the feasibility and potential benefits of European standardisation in relation to certain services.

The Final Report by CEN, including the findings and the recommendations in relation to each project, was accepted by the Commission in May 2009. A summary of the CEN Final Report, together with the 11 individual project reports, is now available on the [CEN website](#).

Not surprisingly, the main conclusion of the CEN Final Report, as well as of the individual studies, is that standardisation activities are not only needed, but also feasible, in most of the areas covered. More specifically, with regard to the projects likely to impact the hospitality industry, the main recommendations are:

- Project on “*Accessibility in transport and tourism services*” (project leader AFNOR, France):
 To set up a CEN Workshop bringing together relevant stakeholders (consumers, representatives of people with disabilities, tourism industry, etc.) with the objective to develop a reference document (so called Workshop Agreement) dealing with signs, symbols, labels, terminology and harmonised criteria to define the accessibility (for people with disabilities) of transport and tourism facilities and services (including hotels and restaurants).
- Project on “*Welcome and reception services*” (project leader AFNOR):
 To develop a formal European standard on “*reception services in companies*”, dealing with aspects such as: terms and definitions; qualifications of staff; description of services provided, etc.
 Reception services in hospitality businesses should be out of the scope of the standardisation work (to be confirmed). Only outsourced welcome/reception services provided in companies, in a business to business perspective, should be covered.
- Project CHESSESS on a “*CEN Horizontal European Services Standardisation Strategy*” (project leader BSI, UK):
 To develop a “Single generic European Service Standard”. The standard, focused on essential aspects of service provision and applicable to any service provider in Europe, would set out “verifiable requirements” and cover topics such as: design of services; information provision to consumers; billing; complaint and redress; service innovation and review.

In conjunction with this generic European service standard, CEN recommends the development of the following initiatives:

- A Glossary of services-related terms and translations; and
- A “European Customer Satisfaction Index (CSI)” for services, with a supporting standard setting out common criteria for the index.

CEN and the national standardisation bodies have now to prepare and submit to the Commission a detailed work programme (“Action Plan”), in relation to the priority areas identified by the Final Report. The financial support of the Commission was requested for most of the suggested projects.

HOTREC, which is not against standards per se, continues to believe that standardisation activities should remain fully market-driven. Initiatives should only come from the industry/users and be based on commercial considerations as well as on sound business impact assessments. HOTREC reiterates that it does not support in any manner a top-down approach for the development of standards covering services provided by hospitality businesses.

The way in which the views of the industry were presented in some of the feasibility studies, as well as in the CEN Final Report, confirms HOTREC’s impression that the work undertaken was aimed at promoting further standardisation activities rather than impartially assessing the feasibility of the project and the views of the players involved.

PAYMENT SERVICES

□ A new VISA case lodged by EuroCommerce

On 15 June 2009, EuroCommerce (which represents the retail, wholesale and international trade sectors in Europe) announced that it had lodged a formal complaint against VISA Europe.

EuroCommerce argues that the Multilateral Interchange Fees (MIF) set by VISA constitute an infringement of European competition law. EuroCommerce bases itself on the previous Commission decision of December 2007 which ruled against MasterCard (see *Live from Brussels N°42*). This complaint from EuroCommerce follows a first move from the European Commission, which sent to VISA a Statement of Objection concerning its new MIF scheme in April 2009, thus opening a formal competition procedure (see *Live from Brussels N°46*).

HOTREC welcomes EuroCommerce's announcement and fully supports its fight against VISA's MIF scheme, which seems to contradict EU competition law. HOTREC is of the clear opinion that MIF harm competition between acquiring banks and constitute a hidden tax on transactions made by payment cards. HOTREC will continue to work in close cooperation with EuroCommerce on the matter.

TRAVEL RELATED ISSUES

□ Agreement reached on a new Community visa code

As reported in *Live from Brussels N°46*, on 2 April 2009, the European Parliament, agreed in first reading on a compromise ([T6-0208/2009](#)) negotiated with the Council of Ministers on the new visa rules.

The main elements of this compromise were as follows:

- The visa fee is 60 EUR (to be revised regularly);
- The fee for children between 6 and 12 years of age will be 35 EUR (which may be waived by Member States);
- Visa fees shall be waived for certain categories of people (e.g. school pupils, students on educational trips, children under the age of 6 years);
- Visa fees may be waived for young people under the age of 25 years participating in seminars, conferences, sports or cultural events, etc.;
- Biometric data (electronic photograph and fingerprints) will be taken from all applicants above the age of 12 years;
- Additional service fees may be charged (e.g. for the collection of biometric data);
- The travel insurance coverage will have to be at least 30.000 EUR; and
- The period of validity should not exceed 5 years.

On 25 June 2009, the Council also formally adopted the text, without debate. The new Regulation on a Community code on visas shall apply 6 months and 20 days after its publication in the Official Journal.

Although the initial Commission proposal of 2006 was softened during the negotiations between the Council and the European Parliament, HOTREC nonetheless regrets that travelling to Europe will become more burdensome for some travellers, who could consequently renounce their trip.

TOURISM

□ IAAPA joins NET!

The International Association of Amusement Parks and Attractions – Europe (IAAPA-Europe) recently joined ECTAA, EFCO&HPA, ETOA, HOTREC and IRU as a member of NET (Network of European private entrepreneurs in the Tourism sector). These 6 associations will work more closely together in the future to further the interests of private tourism entrepreneurs in Europe.

With a total turnover in Europe of about €3 billion, and more than 100.000 people employed across the EU, the attractions sector is one strong engine of the European economy. IAAPA-Europe is composed of 650 of IAAPA's worldwide membership of 4.000 businesses; 95% of which being private enterprises, while the remaining 5% are non-profit-making organisations.

Through its membership in the network, IAAPA will add its voice and expertise to those of the other NET members, allowing NET to present a co-ordinated private industry view on EU tourism-related issues. The voice of NET is thus reinforced. NET has become the most representative umbrella for the tourism industry at EU level, standing as a key interlocutor for the European authorities in consultations on the likely consequences of their proposals impacting tourism.

However, each member organisation maintains its identity and continues to work on sector-specific issues when appropriate. The NET has a flexible structure and remains open to other important industry associations representing tourism entrepreneurs in Europe. Besides IAAPA and HOTREC, the other members of NET are:

- ECTAA - Travel agents and tour operators in Europe
- EFCO&HPA - Camps sites, holiday parks & holiday villages in Europe
- ETOA - Tour operators bringing visitors to Europe
- IRU - Bus, coach & taxi operators in Europe

□ European Tourism Forum 2009

The Tourism Unit of the European Commission confirmed that the next European Tourism Forum will be held in Brussels on 9 October 2009. The proposed title is “*EU tourism and the economic downturn: new opportunities for a sustainable future?*” The initial session will be dedicated to the study on EU tourism and the economic crisis, contracted by the Commission to the consultancy ECORYS. A number of short consecutive panels will be organised thereafter.

The Forum will be preceded on 8 October by the European Tourism Day, on the occasion of which a conference relating to the activities of the NECSTouR (Network of European Competitiveness and Sustainable Tourism Regions) will be organised. The 2009 EDEN

(European Destinations of Excellence) awards ceremony will also take place on the same day. The winning destinations will hold an exhibition.

More details on the events on these 2 days should be available soon on the Tourism Unit [website](#).

INSTITUTIONS

□ **New European Parliament, election of the President and constitution of the Committees**

The European Parliament, renewed at the beginning of June 2009, counts 736 MEPs divided into the following political groups:

- EPP (265 MEPs): European People's Party;
- S&D (184 MEPs): Progressive Alliance of Socialists & Democrats;
- ALDE (84 MEPs): Alliance of Liberals and Democrats for Europe;
- Greens / EFA (55 MEPs): Greens / European Free Alliance;
- ECR (55 MEPs): European Conservatives and Reformists;
- GUE / NGL (35 MEPs): European United Left – Green Nordic Left;
- EFD (32 MEPs): Europe of Freedom and Democracy.

The 1st plenary session of the newly elected Parliament took place from 14 to 16 July. The plenary was entirely dedicated to organisational matters, with the election of its President, Vice-Presidents and the constitution of the EP Committees.

Without surprise, Jerzy Buzek (Poland, EPP) was elected President of the European Parliament for two years and a half. In principle, and according to the technical agreement that was concluded between the 3 most important political groups of the EP (EPP, S&D and ALDE), he should be replaced in two and a half years by MEP Martin Schultz (Germany, S&D).

The [Committees](#) were also constituted and their chairs appointed.

The ECON Committee (Economic and Monetary Affairs) will be chaired by MEP Sharon Bowles (United Kingdom, ALDE) and will be composed of 48 members. The ECON is for instance the Committee responsible for the discussions in the European Parliament on tax issues (e.g. VAT).

The EMPL Committee (Employment and Social Affairs) will be chaired by Pervenche Berès (France, S&D) and will be composed of 50 members. The EMPL was for instance the leading Committee on the revision of the working time Directive.

The ENVI Committee (Environment, Public Health and Food Safety) will be chaired by Jo Leinen (Germany, S&D) and will be composed of 64 members. The ENVI is for instance the leading Committee on the proposal for a Regulation on the provision of food information to consumers (COM(2008) 40 final).

The IMCO Committee (Internal Market and Consumer Protection) will be chaired by Malcolm Harbour (United Kingdom, ECR) and will be composed of 39 members. The IMCO is for instance the leading Committee on the proposal for a consumer rights Directive (COM(2008) 614 final).

The JURI Committee (Legal Affairs) will be chaired by Klaus-Heiner Lehne (Germany, EPP) and will be composed of 25 members. The JURI is for instance the leading Committee on copyright issues and is almost always associated to matters affecting the internal market.

The TRAN Committee (Transport and Tourism) will be chaired by Brian Simpson (United Kingdom, S&D) and will be composed of 45 members. The TRAN is for instance the leading Committee for the legislation concerning compensations in case of denied boarding or overbooking (Regulation (EC) No 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights).

HOTREC and its National Associations congratulate the MEPs newly elected and in particular those elected as Chairpersons of EP Committees. HOTREC and its National Associations hope that fruitful working relationships will be established and/or maintained on topics of interest for the hospitality industry with the Committees listed above.

STATISTICS

❑ UNWTO latest World Tourism Barometer

The current financial crisis and economic turmoil is putting the hospitality industry under great pressure. The figures of the June 2009 issue of the UNWTO (World Tourism Organisation) [World Tourism Barometer](#) show that the recession in the tourism industry is continuing. According to the UNWTO, international tourist arrivals to Europe showed a decline of 10,4% in the first 4 months of 2009. Worldwide an 8,4% setback in tourist arrivals was noted. Of all worldwide regions, Europe performed the second worst, after the Middle East.

UNWTO reviewed its forecast of January for the year 2009, by adjusting its figures downwards. According to such figures, Europe may expect a setback in international tourism by 5 to 8%, whereas, worldwide, a decline of 4-6% is predicted.

An analysis by Deloitte&Touche, released within the same publication of UNWTO, shows that, as a consequence of the above trend, the occupancy rate of hotels in Europe dropped from 61,6% to 55,2% in the first 4 months of 2009, compared to the same period in 2008. The heaviest setbacks were recorded in Budapest, Amsterdam and Athens (all by more than 12 percentage points), while no capital in Europe was showing a plus in terms of hotel occupancy rates. As a consequence of the crisis, average room rates in Europe went down by more than 11% in this time period, making the RevPAR figure showing a 20,5% fall on the old continent.

□ **Recent Eurostat publications**

Eurostat, the EU statistical office, has recently released the following publications relating to tourism:

- [Summer tourism trends 2008](#), Statistics in Focus 13/2009
- [Consumers in Europe 2009](#) (Chapter 11 – page 337 on hotels and restaurants)
- [Europeans keep going on holidays, but tend to spend less](#), Data in Focus 24/2009

HOTREC GENERAL ACTIVITIES

□ **Last and next General Assemblies**

The 59th HOTREC General Assembly took place on 7-8 May 2009 in Stockholm.

The General Assembly discussed the latest developments in relation to reduced VAT rates, fire safety, standards, food labelling, copyright, hotel classification, etc. The participants exchanged their experiences in relation to the economic and financial crisis.

The 60th HOTREC General Assembly will take place in Barcelona on 5-6 November 2009.

The full press release issued after the Stockholm General Assembly can be accessed on the [HOTREC website](#).

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