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**HOTREC**

Hotels, restaurants & cafés in Europe

Under the responsibility of

Marguerite Sequaris,

Secretary General of HOTREC

111, boulevard Anspach – boîte 4

B-1000 Bruxelles – Belgique

Tel.: 32 2 513 63 23

Fax: 32 2 502 41 73

E-mail: [main@hotrec.org](mailto:main@hotrec.org)

[www.hotrec.org](http://www.hotrec.org)

## TAXATION

### □ *Revision of VAT rates for the hospitality sector?*

The announced report by the Commission on the limited-in-time experience of the application of a reduced VAT rates to labour intensive services (Directive 1999/85) is presently being discussed within the different services of the Commission and should be made public by Easter. The reports by the 9 Member States that took advantage of the experiment are available on the DG TAXUD (Directorate General for Taxation and the Customs Union) website:

[http://europa.eu.int/comm/taxation\\_customs/taxation/labour\\_intensive/labour\\_intensive\\_en.htm](http://europa.eu.int/comm/taxation_customs/taxation/labour_intensive/labour_intensive_en.htm)

As previously announced (see *Live from Brussels n°26*), TAXUD is also working on a Communication and a proposal to review Directive 1992/77 on the scope of application of the standard and reduced VAT rates. The Communication as well as the proposal should be made public around June. Interservice consultation on these texts has not started yet.

It is unlikely that Directive 1999/85 will be prolonged as such. However, the lessons learned from the 4-year experiment of application a reduced VAT rate to some labour intensive services will certainly influence the revision of Directive 1992/77.

As already indicated in *Live from Brussels n°26*, the questions are:

1. What will the Commission propose? (In a meeting with the French Prime Minister, Mr Raffarin, the President of the European Commission, Mr Prodi, said, last October, that the Commission would have not objected to the Member States including, in 1999, restaurants in the list of labour-intensive services to which the reduced VAT could have been applied on an experimental basis, but the Member States choose not to do so).
2. What will the Member States be ready to vote for? Without voting for a generalised reduced VAT for restaurants in all countries, could they accept that other Member States opt for the reduced rate?
3. Unanimity within the Council of Ministers is still the rule for tax, although there are some proposals within the Convention to review the EU treaties to amend this unanimity rule.

*HOTREC and its member associations will watch very carefully any changes proposed in relation to the 1992 Directive articles dealing with restaurant services and to its Annex H dealing with accommodation.*

*HOTREC recently wrote to Mr. F. Bolkestein, Member of the Commission of the European Communities, reiterating its demand for the application of a mandatory reduced rate, as close as possible to the minimum reduced rate, to hotels, restaurants, cafés and similar establishments in all Member States. If this solution cannot be agreed, HOTREC demands that the option presently available to the Member States to apply a reduced rate to accommodation be maintained. A similar option should be made available as far as restaurant services are concerned.*

*For more details on HOTREC position, see our VAT brochure. It is available on <http://www.hotrec.org/areas/taxation/index.html>.*

## STANDARDISATION

### □ *European classification of hotels?*

The issue of a European classification of hotels is once again drawing the attention of the European Parliament (EP). The EP's Regional Policy, Transport and Tourism Committee requested recently the EP's Research Directorate to conduct a study on the issue.

The study, to be finalised by September 2003, should cover the current legal situation of hotel classification in the different Member States of the EU, the types of existing schemes and criteria, the reactions of consumers and the possible impact of a single classification system on the European tourism market.

Nothing has been revealed yet about the intentions of the Committee once it receives the conclusions of the study.

*HOTREC is contributing to the study by providing information to the Research Directorate. HOTREC will carefully re-examine its long-standing position on European classification at its General Assembly in April 2003.*

## ENVIRONMENT

### □ *EU ecolabel for tourist accommodation – available soon!*

On 4 February 2003, the EU Ecolabelling Board adopted the final draft criteria for the award of the EU ecolabel for tourist accommodation. They should be published in the EU Official Journal soon.

As already explained in *Live from Brussels n° 26*, the criteria are divided into mandatory and optional criteria. Whereas all mandatory criteria must be complied with, optional criteria have been awarded different points. A minimum of 16.5 out of a total of 82.5 possible points must be reached. The fact of having already been awarded a national or regional ecolabel only warrants 3 points. The scheme is purely voluntary.

*HOTREC will once again re-assess its position in relation to the EU ecolabel for tourist accommodation at its General Assembly in April 2003.*

## COPYRIGHT

### □ *Collective management of copyright: the EU Institutions finally moving?*

As already explained in *Live from Brussels n° 26*, the complex issue of the collective management of copyright and neighbouring rights seems to gain momentum again after being dormant for a while on the agenda of the European Institutions.

On the European Parliament (EP) side, the Legal Affairs Committee nominated Ms Mercedes Echerer (Greens, Austria) “rapporteur” for a report on the “Community framework for collecting societies in the field of copyright”. We understood that Ms Echerer asked the EP’s Research Directorate to carry out a study on the issue. As the study will take some time, it is unlikely that the report will be finalised before the end of the year.

On the European Commission’s side, the Copyright Unit continues to work on its draft Communication on the management of copyright and neighbouring rights: the announced date for its release to the public is now June 2003.

*For the views of HOTREC, please see the brochure “Did you know that when you have a beer with your friends you also pay for the music?”, available on [www.hotrec.org](http://www.hotrec.org).*

*HOTREC will hold an internal Copyright Seminar entitled “A call for more transparency and fairness in the management of copyright and similar rights in relation to the hospitality sector” on 23 and 24 October 2003 in Dublin. HOTREC hopes to bring together on this occasion representatives of the EU Institutions and other actors involved in this issue.*

## **SOCIAL AFFAIRS**

### **□ Temporary workers**

As announced in *Live from Brussels n°26*, the EU Council of Ministers is presently debating the proposed Directive on temporary agency work. During the meeting of the Council on 6 March 2003, the Greek Presidency stressed the objective of overcoming the current difficulties and of reaching a political agreement at the next Council meeting on 2-3 June 2003.

The following outstanding issues still have to be examined by the delegations:

- review by the Member States of the restrictions and prohibitions on temporary work in national legislation or collective agreements;
- application of the principle of equal treatment to all assignments with the possible introduction of an exemption for temporary workers on assignments of a maximum period of 6 weeks with regard to pay;
- possible exemption of the application of the provisions to employment contracts concluded under special public or publicly funded programmes aimed at, *inter alia*, facilitating the integration of the long-term unemployed in the labour market.

*The HOTREC secretariat will continue to watch carefully the developments on this issue of special interest to some of its member associations (See all “Live from Brussels” from n°23 onwards).*

## CONSUMER PROTECTION

### □ *The European Parliament's consumer policy priorities*

The European Commission issued in May 2002 a Communication in which it presented its priorities in consumer policy for the years 2002-2006 (See *Live from Brussels n° 24*).

In response to this Communication, the European Parliament approved, at its plenary session on 13 March 2003, a Resolution calling on the Commission to give priority to:

- developing legislation on the safety of services;
- proposing a Directive on fire safety in hotels (unlike the Commission, which proposes only an update of the current Council Recommendation);
- amending and extending the package travel Directive.

The Resolution also calls on the Commission to raise the profile of Community ecolabels so as to enable consumers to make informed choices. In addition, despite the fact that food safety issues are dealt with on a separate legislative basis, the Resolution stresses the importance of full and reliable information to consumers about GMOs and derived food products.

Furthermore, the Resolution “suggests that regulatory impact assessments on proposed legislation should include an assessment of the impact on consumers” and “considers that better cooperation between consumer organisations and business interests should be created by establishing an organised dialogue at EU and Member State level”.

*All these issues are of major concern to HOTREC member associations. Therefore, a close monitoring of all developments in relation to these matters will be ensured. HOTREC agrees that the impact of new legislation on consumers should be assessed but stresses that the impact on businesses also needs to be taken into consideration. Furthermore, an improved dialogue between consumers and businesses has always been called for by HOTREC.*

## TOURISM

### □ *Tourism Forum 2003*

As reported in *Live from Brussels n°26*, the European Commission organised a European Tourism Forum in Brussels in December 2002. The Commission (and more specifically the Tourism Unit of the Directorate General Enterprise) is now working, in close collaboration with the Italian government (which will hold the presidency of the Union during the second half of 2003), on the organisation of the next Forum to take place in Padua (near Venice) on 27-28 November 2003.

*HOTREC, as a member of ETIN, the European Tourism Industry Network, is participating actively in the steering group for the preparation of the Forum.*

### □ *Tourism in the European Treaties*

The issue of whether or not tourism should be referred to in the Treaties is not a new one. It has been raised regularly over the last decade (every time that the Treaties were revised). The European Convention on the future of the European Union is once again re-opening the debate.

Tourism was mentioned for the first time in the Treaties in 1992 (Maastricht revision). But no specific (neither exclusive nor shared) competences were given to the European Institutions and, under the present Treaties, any measure in relation to tourism, which cannot be related to another specific competence of the EU, is subject to the unanimous approval of the Council.

As amply demonstrated by HOTREC publication “250 European Union Measures affecting the hotel, restaurant and café sector”, the presence or not of the word tourism in the Treaties has had no influence whatsoever on the applicability to the sector of measures in the field of VAT, protection of the consumer, protection of the environment, social affairs, etc., which are based on specific articles of the Treaties relating to these issues respectively.

*HOTREC will re-examine the issue at its General Assembly in April 2003.*

## **STATISTICS**

### □ *Hot out of the printing room!*

Recent publications in relation to tourism from Eurostat (Statistical Office of the European Communities) include:

- “Rising employment in hotels and restaurants”, Statistics in focus, Theme 4, 6/2006 (6 pages);
- “Tourism - Europe, central European countries, Mediterranean countries”, key figures 2000-2001, Theme 4, 2002 edition (48 pages);
- “Tourism statistics – Yearbook, data for 1990, 1995, 1997-2000”, Theme 4, 2002 edition (only available on CD-rom);
- “European Implementation Manual on Tourism Satellite Accounts” (TSA), Final draft, version 1.0 (140 pages).

*For the first three publications (the first for free and the two others for sale), see the Eurostat website:*

<http://europa.eu.int/comm/eurostat/Public/datashop/print-catalogue/EN?catalogue=Eurostat>

*The last document mentioned is available from the Tourism Unit website of DG Enterprise:*

[http://www.europa.eu.int/comm/enterprise/services/tourism/tourism-publications/documents/tsa\\_200202.pdf](http://www.europa.eu.int/comm/enterprise/services/tourism/tourism-publications/documents/tsa_200202.pdf)