

Live

FROM

Issue N° 26 30 January 2003

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HOTREC

Hotels, restaurants & cafés in Europe

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ENVIRONMENT

□ *European ecolabel for tourist accommodation*

In February 2003, the European Commission should adopt a Decision establishing the ecological criteria for the award of the Community ecolabel for tourist accommodation. The criteria are divided into mandatory criteria, all of which must be complied with, and optional criteria, only a number of which need to be complied with. The scheme is purely voluntary.

Under the EU ecolabel scheme, the fact of having already been awarded a national or regional ecolabel only warrants 3 points out of the total of 16.5 points to be met in relation to the optional criteria.

Ecolabels already exist at national and regional level in most EU Member States. HOTREC always advocated that, if the idea of a EU-wide ecolabel was to be pursued, consideration should be given to a scheme whereby national and regional labels, which fulfil a certain number and type of criteria would be automatically recognised as a EU ecolabel. (See previous issues of Live from Brussels n° 17 to 25).

HOTREC will inform its member associations of the new EU ecolabel scheme but it will not undertake any pro-active promotion of the European scheme. It will be up to each national association to decide whether it wants to recommend the scheme to its own members. Enterprises will make their decision on the basis of a comparison between, on the one hand, the marketing advantages and cost-savings made possible by the scheme and, on the other hand, the investment costs required to meet the EU criteria and the administrative burdens imposed by the scheme. Similarly, a comparison will need to be carried out between the advantages/disadvantages of the EU ecolabel versus those of a national/regional ecolabel.

HOTREC will discuss a more final position on the EU ecolabel for accommodation at its General Assembly in April 2003.

□ *Environment seminar in Malta*

On 19 October 2002, HOTREC organised a seminar on environment issues in Malta, hosted by the Malta Hotels and Restaurants Association (MHRA).

The proposed EU ecolabel for tourist accommodation was discussed at length (see the specific report in this issue of *Live from Brussels*). Participants were also presented two other ecolabel initiatives: the VISIT project, a platform of existing national and regional ecolabels, and the Danish label Destination 21, a label for destinations.

Other topics on the agenda included:

- European Agenda 21 for Sustainable Tourism, by the Tourism Unit of the European Commission.
- The Malta waste strategy, by a representative of the Malta government.
- The Swedish environmental barometer and software for environmental accounting, by a representative of the Swedish Hotels and Restaurants Association.

The system of collective electricity purchase put in place by the HOTREC Dutch member, Koninklijk HORECA Nederland, attracted the full attention of all participants.

A sound environment is vital for the tourism industry and the hospitality sector. There are few other sectors of economic activity, which so obviously and to such great extent depend on a sound environment. However, imposed constraints must be avoided as much as possible. The vast majority of enterprises in the hospitality sector are very small: therefore, the programmes geared to our sector must be easy to apply and imply as few additional costs as possible. Furthermore, to be fully efficient, environment programmes should encompass whole destinations, rather than being limited to the sole service of providing accommodation.

TAXATION

□ Lower VAT rates for restaurants?

In the coming months, the Commission should present proposals to overhaul the present structure of the reduced rates of VAT, as it results from Directive 92/77 as well as from the Directive on the possibility to apply on an experimental basis reduced VAT to labour-intensive services (the duration of which was recently extended by one year till the end of 2003 – O.J. L 331 of 07/12/2002).

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 not have objected to the Member States including, in 1999, restaurants on the list of labour-intensive services to which the reduced VAT could be applied on an experimental basis, but the Member States chose 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, would they all accept that other Member States opt for the reduced rate?
3. Unanimity within the Council of Ministers is still the rule for tax matters, although there are some proposals within the Convention to review the EU treaties to amend this unanimity rule.

For years, HOTREC has demanded from the European Institutions the application of a mandatory reduced rate, as close as possible to the minimum reduced rate, to hotels, restaurants and cafés. HOTREC will follow the developments very closely with the hope that, in the future, Member States will have the option to apply a reduced VAT rate to restaurants. For more details on HOTREC position, see our VAT brochure. It is available on <http://www.hotrec.org/areas/taxation/index.html>.

FOOD

□ “Restaurants serve meals; retailers sell food”

Just before the end of 2002, the Council of Ministers reached political agreements on the proposals for a Directive imposing the listing of all ingredients and allergens on the labels of foodstuffs, for a Regulation on genetically modified food and feed and for a Regulation on the traceability and labelling of GMOs (see *Live from Brussels* n°21, 22 & 24). Common positions should be adopted by the Council of Ministers on all three texts in February and March 2003. The European Parliament will then, in a second reading, re-examine the different texts.

In reaction to these three pieces of legislation on labelling, EMRA (European Modern Restaurant Association), FERCO (European Federation of Contract Catering) and HOTREC issued a joint leaflet “Restaurants serve meals; retailers sell food”, which stresses, as the title indicates, the need to address differently restaurants and shops as far as labelling is concerned. The leaflet is now available from EMRA, FERCO & HOTREC and should officially be launched at a roundtable, to be organized hopefully in the course of March 2003, with the European Parliament and the Commission.

□ Hygiene of foodstuffs

On 19 November 2002, the Council of Ministers agreed a common position on the proposed Regulation on hygiene of foodstuffs (see *Live from Brussels* n°20 to 24). The text will now go back to the European Parliament for a second reading.

For over 2 years HOTREC has been asking that more consideration be paid to the very small dimension of 95% of enterprises in the sector. Unfortunately the common position makes little concessions to small businesses. During the second reading in the European Parliament, HOTREC will continue to plead for special adjustments for very small enterprises, with less than 10 employees.

□ *Acrylamide*

Recent research carried out by the University of Stockholm and the Swedish National Food Administration found that a chemical called acrylamide can be formed in starchy foods during cooking at high temperatures, for example during frying or baking. Its detection in food opens a new possible link between diet and cancer although there is no definitive evidence from studies so far that it causes cancer in humans.

As announced in *Live from Brussels n° 25*, the Commission (DG SANCO) organised last October a first meeting to discuss the matter where it also announced the creation of a database on acrylamide. Mr Geoffrey Podger, recently appointed Chief Executive of the European Food Safety Authority, indicated that EFSA would also address the issue. However, the discussions are still at a very early stage.

HOTREC will follow the subject matter closely and inform member associations of future developments.

COPYRIGHT

□ *Collective management of copyright*

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 side, its Legal Affairs Committee nominated Mrs Raina M. Echerer (Austria/Greens) responsible for the own-initiative report “Community framework for collecting societies in the field of copyright”, which will be drafted during 2003. On the European Commission’s side, the Copyright Unit should release in March or April 2003 a long-awaited Communication on the management of copyright and neighbouring rights (see *Live from Brussels n° 22*).

HOTREC sees the intervention of the European Institutions as necessary to put pressure on the collecting bodies so that they accept to review their working methods and the way in which they deal with the sector.

HOTREC published in 2000 a brochure entitled “Did you know that when you have a beer with your friends you also pay for the music?”, available from the HOTREC website www.hotrec.org. HOTREC will hold an internal Copyright Seminar in conjunction with its General Assembly, on 16 and 17 October 2003 in Dublin.

SOCIAL AFFAIRS

□ *Noise*

The European Parliament and the Council of Ministers formally adopted, respectively on 5 and 9 December 2002, the final version of the proposal for a revision of the 1986 Directive on the exposure of workers to the risks arising from noise. This text will be published in the Official Journal in the coming weeks.

Parliament had submitted a very wise amendment calling for an analysis of the implications of the Directive for the music and entertainment sectors, before applying the text to such sectors. The conciliation procedure between the Council of Ministers, the European Parliament and the Commission, however, led to the rejection of the foreseen Business Impact Assessment (BIA). The only concession granted to the music and entertainment sectors is the obligation for the Member States to draw up, in consultation with the social partners, a Code of conduct providing for practical guidelines for these two sectors. Whereas the new Directive has in principle to be applied within three years of its publication in the Official Journal, Member States may take advantage of an additional two-year period in relation to the music and entertainment sectors, in order to agree on the foreseen Code of conduct.

HOTREC took note with great disappointment of the results of the conciliation procedure. HOTREC recommended to its member associations to wait to be contacted by their governments before taking any action in relation to a Code of conduct, as no Code will allow alleviating the burdens imposed by the Directive. HOTREC also recommended to its member associations to suggest to their Governments to take full advantage of the five transitional years available for the music and entertainment sectors, before the Directive has to be fully implemented for these sectors.

□ *Temporary workers*

On 21 November 2002, the European Parliament adopted a Resolution on the proposal for a Directive of the European Parliament and the Council on working conditions for temporary workers (PE 325.104). On 28 November 2002, The European Commission issued a revised proposal (COM(2002)701 final).

According to the initial Commission text (see *Live from Brussels N°23*), the principle of non-discrimination, including pay, between temporary agency workers and comparable workers in the user company, should have applied when the worker had completed 6 weeks with the same user company.

The 6-week period as such has been deleted by the European Parliament. However, the text of the European Parliament provides that “where the principle of equal treatment is not part of the law or practice of a Member State, such a Member State, after consultation with the social partners, may decide not to apply for 5 years the above-mentioned

principle with respect to pay or specific pay elements for workers assigned to the same user undertaking for a total of not more than six weeks in a reference period of one year, so long as adequate level of pay is provided from day one.”

In its amended proposal, and despite the opinion adopted by the European Parliament, the Commission deleted the above-mentioned amendment and re-introduced the possibility to apply the principle of non-discrimination to temporary agency workers and comparable workers only when the worker has completed 6 weeks with the same user undertaking. However, this 6-week exception is now limited to the issue of pay. The Council of Ministers has now to discuss the amended Commission proposal and the amendments by the European Parliament.

The HOTREC secretariat will continue to watch carefully the developments on this issue (See Live from Brussels n°23, 24 & 25), of special interest to some of its member associations.

□ ***Sexual harassment***

On 5 October 2002, the Official Journal of the European Communities (O.J. L 269) published the Directive 2002/73/EC of the European Parliament and of the Council extending the scope of the 1976 Directive on equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions.

As explained in *Live from Brussels n°24*, the most important element of the text is the inclusion of sexual harassment as a form of discrimination, giving victims access to remedies such as compensation or job moves. So far, sexual harassment had only been dealt with through a Commission Recommendation of 1991. The new text also removes any upper limit on compensation and reparation. If the employer is taken to court, he/she will have to prove that sexual harassment did not take place (in their assessments the courts will take into account measures taken by the employer to prevent sexual harassment).

The Member States should transpose the provisions of the Directive by 5 October 2005 at the latest.

HOTREC invites its member associations to monitor closely the implementation of this Directive in order to identify the changes, which will be brought to the national law.

□ ***Insolvency***

On 8 October 2002, the Official Journal of the European Communities (O.J. L 270) published the Directive 2002/74/EC of the European Parliament and of the Council amending the Council Directive 80/987/EEC on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer (see *Live from Brussels n°20 & 22*).

The Directive updates the provisions of the 1980 Directive and takes into account recent decisions of the European Court of Justice as well as changes in insolvency law of the Member States. The amendments deal in particular with the scope of application of the text, the payment of outstanding claims and include some provisions concerning transnational situations.

Member States are to bring into force the laws, regulations and administrative provisions necessary to comply with this Directive before 8 October 2005.

HOTREC invites its member associations to closely monitor how the Directive will amend national insolvency laws, in case such laws would be applied to some of their enterprise members.

□ ***Enlargement of the European Union***

On 22 November 2002, within the framework of their sectoral social dialogue, HOTREC and EFFAT agreed on a joint declaration on EU enlargement. HOTREC and EFFAT welcome the enlargement of the European Union, but both organisations are concerned with the possible impact of this process on the labour market.

The declaration insists on the role of the sectoral social dialogue and calls upon the European Commission to promote its development in the candidate countries. It also urges the Commission to facilitate the participation of representatives from candidate countries in the European Social Dialogue, even before accession is effected.

HOTREC will organise in Catania on 10 and 11 April a seminar bringing together for the first time the representatives of the employer associations of the hospitality sector from the EU Member States and from the candidate countries. This meeting should lead later on to a common HOTREC/EFFAT event.

TOURISM

□ ***European Tourism Forum***

On 10 December 2002, the Tourism Unit of the European Commission organised a European Tourism Forum in Brussels. This forum brought together some 400 participants from all the sectors of the tourism industry. It comprised three thematic sessions: the cooperative effort (follow-up to the Commission Communication on “Working together for the future of the European tourism”), Agenda 21 for sustainable tourism and the Business Impact Assessment (BIA) procedure. (See *Live from Brussels n°24*).

The President of HOTREC, Niels Nygaard, spoke during the third thematic session on the BIA procedure. The President welcomed the initiative but expressed the doubts and questions of the hospitality sector, which did not see proper business impact assessments in relation to the recent work on:

- *the revision of the noise Directive;*
- *the revision of the texts relating to the labelling of foodstuffs;*
- *the creation of a EU ecolabel for accommodation.*

The President presented once again the case of a mandatory reduced VAT rate for the hospitality sector. A copy of the President's full speech can be obtained from the HOTREC Secretariat.

□ ***“Tourism: at the heart of Europe's economy”***

ETIN, the European Tourism Industry Network, released on Tuesday 10 December 2002, a brochure “Tourism, at the heart of Europe's economy”. This leaflet, easy to carry in a pocket, includes the following sections: “United yet diverse”, “Economic driver”, “Economic, social and cultural cohesion”, “Sustainable growth”, “No Tourism without transport”, “Threats to future prosperity of tourism in Europe”, “European Tourism Industry Network”.

Formed last year to respond to the European Commission's and Parliament's request for a common representation of the Tourism Industry, some 50 organisations composing ETIN meet regularly to discuss issues of common interest to the tourism industry and try to secure a stronger commitment from the Commission and the EU governments to support the sector.

HOTREC supported the creation of ETIN, of which it is an active member. Copies of the brochure can be obtained from the coordinator for ETIN, Mr Bill Richards (e-mail: hn23@dial.pipex.com).

GENERALITIES

□ ***New rules for the consultation of interested parties by the Commission***

On 11 December 2002, the European Commission issued a Communication entitled “Towards a reinforced culture of consultation and dialogue – General principles and minimum standards for consultation of interested parties by the Commission” (COM (2002) 704 final). This Communication follows the consultation on the same topic launched in June 2001 (see *Live from Brussels n°24*).

This Communication lays down a number of general principles that should govern its relations with interested parties, and a set of minimum standards for the Commission's consultation process.

HOTREC is rather satisfied with the Communication, which takes partly into consideration the comments made during the consultation phase.

In its comments in reply to the June 2002 consultation, HOTREC had advocated that consultation periods should last 3 months rather than the 6 weeks initially proposed by the Commission. The Communication suggests now 8 weeks. HOTREC had also insisted that the Commission continues to accept European trade associations as its favoured interlocutors for civil dialogue and does not restrict its consultation to individual CEOs of large companies. The Communication calls specifically, in determining the relevant parties for consultation, for a proper balance between the representatives of large and small organisations or companies.

HOTREC will, of course, continue to insist on these two aspects.

□ ***European Commission's work programme for 2003***

On 30 October 2002 the Commission published its work programme for 2003 (COM(2002) 590 final) including a list of new proposals that the Commission will put forward during the current year.

Of particular interest to our sector will be:

- a Communication on the new VAT strategy
- a proposal for a Directive on a new structure of reduced VAT rates
- a proposal for a Regulation on nutritional and health claims
- various proposals in view of the modernisation of anti-trust rules
- the revision of the Directive on a European Work Council in transnational enterprises
- a Communication on disabled people
- a Communication on sustainability of European tourism
- etc.

It is important to stress that these are the new proposals to be initiated in 2003. Legislative work will, of course, be pursued in relation to proposals issued earlier on and for which the legislative process is not over yet (for example, the proposed Regulation on hygiene of foodstuffs). Furthermore, initial work will also start on issues, which could lead to proposals in 2004 (for example, the revision of the package tour Directive).

HOTREC will continue to watch carefully all legislative activities at European level of interest to the sector.

HOTREC

□ *New Executive Committee*

At the occasion of its 46th General Assembly held in Rhodes on 27 and 28 September 2002, HOTREC member associations elected a new Executive Committee.

Mr Joaquim Cabrita Neto (Portugal), who took office as President on 1 January 2003 succeeded Mr Niels Nygaard (Denmark), who led the work of HOTREC very efficiently during the last four years.

The following persons were also elected or re-elected to the Executive Committee of HOTREC:

- Mr Bernd Geyer (Germany) as Vice-President;
- Mr Luc De Bauw (Belgium) as Treasurer;
- Mr Marinus Cordesius (The Netherlands) and
- Mr André Daguin (France) as Members.

Mr Allan Nyren (Sweden), elected in 2001, remains on the Executive Committee for another year.

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