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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

www.hotrec.org

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TAXATION

□ *The reduced VAT rate saga*

A lot has happened, but little has been achieved, on the VAT front, since our last issue of *Live from Brussels* at the end of October 2003. The Commission July 2003 proposal on the scope of application of reduced rates of VAT (COM(2003)397final) is still on the table of the Council of Ministers for Economic and Monetary Affairs (ECOFIN). The proposal revises the current list of goods and services (Annex H to the Directive 1992/77), to which Member States may choose to apply a reduced rate of VAT. The proposal provides for accommodation services to remain in Annex H and for restaurant services to be added to it. Notwithstanding its discussion in several ECOFIN meetings, the proposal could not be agreed by the Member States so far.

The reasons for this stalemate are the following:

- The proposal deals with many issues, besides restaurant services, on which Member States have different views;
- The question of the Stability Pact, whereby the Member States undertook to limit their public deficit, is making the discussions yet more difficult;
- And finally, unanimity is the rule for Council of Ministers' decisions on taxation matters. And as from 1 May 2004, unanimity of 25 Member States will be requested!

Some progress was nonetheless achieved:

- In February 2004, Chancellor Schröder announced that he would no longer object to the inclusion of restaurant services in Annex H. However, Germany was not the only country to oppose this inclusion in Annex H;
- Also in February, the Commission issued a "non-paper" on the matter, which suggested an approach "*to allow greater autonomy to all Member States by extending the scope of Annex H within the limits which can be tolerated without unduly disturbing the Internal Market*" (the non-paper, however, also notes that "*in previous discussions in the Council, such an approach has been strongly resisted by some Member States*").

But notwithstanding this progress, there is still a long way to a unanimous agreement on the July 2003 proposal. One may logically assume that the discussions will only be seriously re-launched when the time comes to re-examine the facility to apply reduced VAT rates to the labour-intensive services listed in Annex K (an extension of this facility until December 2005 was adopted by ECOFIN on 10 February 2004). This would make sense as the July 2003 proposal envisaged incorporating elements of Annex K in Annex H.

HOTREC has always advocated the application of the lowest possible rate of VAT to accommodation & restaurant services in all Member States. HOTREC member associations are being kept fully and immediately informed of all the episodes in the VAT saga.

FOOD

□ *Hygiene of foodstuffs*

At the end of 2003, the European Council of Ministers finally submitted officially to the European Parliament its Common Position on the Commission proposal for a Regulation on hygiene of foodstuffs, the first version of which had been issued in July 2000. MEP Horst Schnellhardt, who prepared the Parliament report for the first reading, was also in charge of the report for the second reading. Mr. Horst Schnellhardt presented a draft Recommendation on 8 January 2004. The European Parliament Committee on the Environment, Public Health and Consumer Policy adopted a final version of this text on 8 March. It was voted in plenary session of the European Parliament at the beginning of April.

At each step of the legislative procedure, HOTREC stressed the need, when developing new hygiene rules, to pay full attention to the predominant “micro-enterprise/very small enterprise” dimension of the restaurant sector in Europe. HOTREC is pleased that the Recommendation provides for facilitating the implementation of the HACCP principles, in particular for SMEs. Its final version also leaves untouched a provision allowing national measures for “enabling the continued use of traditional methods, of any stages of production, processing and distribution of food”.

□ *Labelling of ingredients and allergens*

On 10 November 2003, the European Parliament and the Council adopted a Directive 2003/89 imposing the listing of all ingredients, and in particular allergens, on the labels of foodstuffs (OJ L 308/15 of 25.11.2003). The list of allergens includes gluten, crustaceans, eggs, fish, peanuts, soybeans, milk, nuts, celery, mustard, sesame seeds and sulphites.

This Directive, which amends Directive 2000/13, the main piece of EU legislation regarding the labelling of foodstuffs, leaves unchanged Article 14, according to which Member States adopt the detailed rules on how information should be conveyed to the consumers in the case of non pre-packaged food.

Does this text apply to meals served in restaurants?

According to some Commission officials, the expression “foodstuffs delivered as such” would not cover meals served in restaurants. Therefore, the restaurant sector would not be concerned by the two texts referred to above. Unfortunately, this opinion was not officially confirmed by the European Commission nor tested with the European Court of Justice.

In case the text would apply to the restaurant sector, HOTREC lobbied in favour of continuing to allow Member States flexibility in relation to non pre-packaged food, including meals sold in restaurants.

□ **Labelling of foodstuffs containing GMOs**

On 22 September 2003, the European Parliament and the Council adopted Regulation 1829/2003 on genetically modified food and feed (OJ L 268 of 18.10.2003). This text, which is to be applied as from 18 April 2004, imposes the display of specific information in relation to GMOs contained in foodstuffs, whether the latter are pre-packaged or not pre-packaged. Regulation 1830/2003, adopted the same day, imposes rules concerning the traceability of foodstuffs containing GMOs (OJ L 268 of 18.10.2003).

Does Regulation 1829/2003 apply to meals served in restaurants and if so, how does it apply?

Some officials in the European Commission are of the opinion that the expression “foods which are to be delivered as such” does not cover prepared food, i.e. meals, and, therefore, the Regulation would not apply to the restaurant sector. However, this opinion was neither officially confirmed by the European Commission nor tested with the European Court of Justice.

The same Regulation also includes an Article 14, which provides that specific rules concerning the information to be given by mass caterers, including restaurants, may be adopted by a specific Committee, consisting of representatives of all Member States and chaired by a representative of the Commission.

HOTREC is presently looking carefully into all aspects of the question of application of this text to the restaurant sector.

□ **Other labelling rules in the pipeline**

The Directorate General (DG) SANCO of the European Commission is very busy with all sorts of plans to revise food labelling legislation:

- In 2003, the European Commission launched a process of evaluation of the whole labelling legislation with a view to its simplification and modernisation. The conclusions of the study were recently released on the DG SANCO website. They identify key points on which the Commission will focus its efforts to modernise EU legislation on labelling in the coming months;
- On 27 January 2004, DG SANCO organised a consultation in relation to the revision of Directive 1990/496 on nutrition labelling. At that meeting, the possibility of prescribing the mandatory indication of nutrients (calories, fat, sugar, salt, proteins...) on all food (pre-packaged or not) was considered;
- Together with DG Agriculture, DG SANCO is also working on a report on the possible extension of Regulation 1760/2000 to cover beef products served by restaurants.

HOTREC made its views on all these legislative activities known to the Commission in writing and by participating in several consultation meetings. Over the last years, HOTREC has been repeating that the inclusion of catering within the definition of “retail” in the Regulation 178/2002 laying down the general principles and requirements of food law was not appropriate. The requirements for labelling pre-packaged food cannot apply to non-pre-packaged food, in particular to meals prepared by restaurants.

HOTREC's arguments are summarised in two leaflets available on its website: "Let's go and eat out! Quality law for quality food" and "Restaurants serve meals; retailers sell food".

The latter document, produced in partnership with EMRA, European Modern Restaurant Association, and FERCO, European Federation of Contract Catering Organisation, was officially presented to the European Parliament and the European Commission on 26 November 2003, at a Roundtable hosted by MEPs (Members of the European Parliament) Mr. John Bowis (UK), Mr. Christos Folias (Greece) and Mr. Carles Gasòliba i Böhm (Spain). Mrs. Paola Testora Coggi (Director Directorate D Food safety: production and distribution chain) and Mr. Patrick Deboyser (Head of Unit D4 Food law and biotechnology) also attended the meeting and shared their views with the participants.

INTERNAL MARKET, SERVICES & STANDARDS

□ *Services in the internal market*

In January 2004, the European Commission issued a proposal for a Directive on services in the internal market (COM(2004)2final/3). The objective of the proposal is to provide a legal framework that will eliminate the obstacles to the freedom of establishment for service providers and the free movement of services between Member States. This framework should give both the providers and recipients of services the legal certainty they need to exercise these two fundamental freedoms enshrined in the European Treaties. Administrative burdens and red tape will be reduced. Under this text, hospitality service providers already established in a Member State should therefore enjoy, in the future, greater facilities to provide services in other Member States (e.g. the preparation of a meal to be consumed at an event in another Member State) and to open establishments (a new bar, restaurant or hotel) in other Member States.

HOTREC welcomes all efforts to reduce administrative burdens and red tape. However, the attention of the member associations was drawn to Article 31 of the proposed Directive, entitled "Policy on quality of services", which calls upon Member States, among other measures, to "ensure that information on the significance of certain labels and the criteria for applying labels and other quality marks relating to services can be easily accessed by recipients and providers" and to "encourage the development of voluntary European standards". In relation to this part of Article 31, the Preamble to the proposed Directive, states in its section (65): "That obligation of transparency is particularly important in areas such as tourism, especially the hotel business, in which the use of a system of classification is widespread. Moreover, it is appropriate to examine the extent to which European standardisation could facilitate compatibility and quality of services".

These developments could re-launch a public debate on the opportunity and feasibility of a European classification of hotels. HOTREC will organise an internal seminar, coupled with its 50th General Assembly, on the issue in October 2004.

□ *More on standards for services*

As explained above, the proposed Directive on services in the internal market calls for the development of standards for services. But this text is not the only one announcing an intensification of standardisation activities in the field of services. In the previous issue of *Live from Brussels*, we reported that the Commission had given to CEN (European Committee for Standardisation) a mandate to develop a standardisation work programme. In that context, CEN launched last September an enquiry to “*identify priority areas for potential European standardisation in the field of services.*” In addition, last November, the Commission invited stakeholders to comment on its working document entitled “*The role of European standardisation in the framework of European legislation and policies*”. All these developments were discussed at a workshop organised by the Directorate General Enterprise of the Commission on 9 March 2004.

In response to the two consultations mentioned above, HOTREC expressed the view that tourism, and in particular the hospitality sector, should not be identified as priority areas for standardisation work. In relation to our services, diversity reflects different cultures and geographical situations and constitutes one of the major attractions for customers. The latter do not expect to find the very same standardised conditions everywhere they travel. On the contrary, their expectations vary according to their destinations as well as to the purpose of their trips, be it a business trip or a trip for pleasure. Therefore, HOTREC firmly believes that standardisation at European level is generally not desirable for the hospitality sector.

In case the need for more standards in a field related to our activities would appear desirable, HOTREC would favour a bottom-up approach to a top-down approach, i.e. the harmonisation of existing national standards rather than Brussels-centralised standardisation initiatives.

□ *Standardised dictionary of tourism*

As explained in previous issues of *Live from Brussels* (N°19 and 20), HOTREC participated, from 1996 until 2001, in a working group set up by the Technical Committee 329 of CEN (European Committee for Standardisation). Its task was to elaborate standard definitions for the accommodation sector. Another working group was discussing “tour operators” terminology. The work was finalised in 2003 with the publication of a European and international standard (EN 13809:2003; EN ISO 18513:2003).

After publication of a European standard by CEN, each of the national standards bodies is obliged to adopt an identical national standard and to withdraw any pre-existing national standards, which are in conflict with the new European standard.

HOTREC welcomed the publication of a “Standardised dictionary of tourism”, which presents in a very attractive manner the definitions agreed in the standard mentioned above. This dictionary was put together by Mr. Holger Mühlbauer of DIN (the German Institute for Standardisation), who was very much involved in the work of TC 329.

COPYRIGHT

□ *A call for more transparency and fairness in the management of copyright*

On 30 October and 1 November 2003, HOTREC organised, in conjunction with its 48th General Assembly, a seminar in Dublin on the management of copyright and similar rights in relation to the hospitality sector.

A number of distinguished speakers participated in the seminar. Ms. Sophie Kasbi (UMIH-France) and Mr. John Power (IHF-Ireland) described some of the problems that current copyright legislation poses to the hospitality sector. They were followed by Mr. Klaus-Heiner Lehne, MEP, who presented the European Parliament report drafted by his colleague, Ms. Raina M. Echerer, on a “*Community framework for collective management societies in the field of copyright and neighbouring rights*”. Mr. Alan Andries from the European Commission’s Copyright Unit announced the forthcoming publication of a Communication on the management of copyright and related rights.

On the second day, Ms. Lizanne Scott of EICTA (European Information & Communications Technology Industry Association) discussed the new possibilities that the digital environment opens up for copyright management. Ms. Marianne Levin, Professor of Law at Stockholm University, took the stand to provide an academic point of view.

Following the seminar, the HOTREC General Assembly agreed on a position paper to be submitted to the European Parliament and the European Commission, calling for transparency, competition and more efficiency within the collecting bodies.

HOTREC will carefully follow developments on this issue of great importance to its member associations. The position paper adopted at the General Assembly is available on the HOTREC website www.hotrec.org under the title [HOTREC submission to the European Parliament and the European Commission \(October 2003\)](#)

□ *Collective management of copyright*

On 15 January 2004, the European Parliament (EP) adopted a Resolution on a “*Community framework for collective management societies in the field of copyright and neighbouring rights*”. It is based on the report of Ms. Mercedes Echerer (Greens, Austria) (see *Live from Brussels N°28 and 29*).

The EP would like to see greater harmonisation and transparency in the way collective management societies operate across the EU. It therefore holds that a Community approach in this area must be pursued. While defending the monopoly position enjoyed by collective management societies, the Resolution stresses the “*importance of competition law in examining possible abuses of monopoly...in individual cases*”.

On the European Commission's side, the Copyright Unit had announced that a Communication on the management of copyright and neighbouring rights would be released by the end of 2003. Latest news is that the Communication will instead be published towards the end of April 2004 – unless, of course, there are further delays.

On 21&22 June 2004, the Irish Presidency is organising in Dublin, with the support of the Commission and GESAC (European Grouping of Societies of Authors and Composers), a conference entitled “*Copyright for creativity in the enlarged European Union. Profile – Perception – Awareness*”.

HOTREC looks forward to the Commission's Communication and would much welcome an EU initiative which would lead to greater competition and transparency in the area of collective management of copyright. HOTREC will attend the conference on copyright organised by the Irish Presidency. It is to be hoped that GESAC's support does not imply that the conference will favour the collective management societies' point of view.

□ ***EU right-holders renew calls for amendment of US copyright legislation***

On 28 January 2004, GESAC, the European Grouping of Societies of Authors and Composers, called again on the United States to put an end to the exemption of payment of copyright that bars and restaurants benefit from when playing music on their premises.

Under the 1976 US Copyright Act, these establishments need not pay copyright fees as long as the TV and radio sets used may be considered as “*home style*”, that is of a type commonly found in private homes. In 1998, this exemption was extended to cover all types of audiovisual equipment for commercial establishments not larger than 3.750 sq. feet (see *Live from Brussels N°15*).

The World Trade Organisation (WTO) found in July 2000 that the US Copyright Act did not respect the provisions of the agreement on Trade-Related Intellectual Property Rights (the TRIPs agreement, according to which authors have a right to remuneration when their works are played in public places). The US administration has not as yet amended the Act, however.

Pending that the US does implement the WTO ruling, the EU has accepted the payment of \$3.3 million from the US as compensation for the losses suffered by European authors between December 2001 and December 2004. In the view of GESAC, this form of compensation does not constitute a satisfactory solution to the issue. It asks for nothing less than a change in US law, which would ensure that music royalties are paid in bars and restaurants.

From the very start of the conflict between GESAC and the US authorities (see Live from Brussels N°15), HOTREC followed the issue extremely carefully. The solution proposed by the US legislation was very favourable to our sector and HOTREC would have liked that similar measures be applied in the EU.

SOCIAL AFFAIRS

□ *Working time Directive*

On 31 March 2004, the first stage of the consultation process on the possible revision of Directive 1993/104 concerning certain aspects of the organisation of working time came to a close.

In the Commission Communication (COM(2003)843) on this Directive, adopted at the end of last year, the Commission had asked for the views of the EU institutions and the social partners at Community level on a number of issues, in particular:

- The length of the reference periods used for calculating the maximum working week of 48 hours (at present the reference period is 4 months, which may be extended to one year by collective agreement);
- The conditions of application of the “opt-out” clause, whereby a worker may agree not to be subject to the 48 hour ceiling on weekly working time;
- The definition of working time following recent European Court of Justice case law on time spent on call.

In its response to the consultation, UNICE (Union of Industrial and Employers’ Confederations of Europe) made clear that it would support a revision of the Directive provided that the following conditions were met:

- The reference period should be 12 months as a general rule, with a possibility to extend it further by collective agreement or other agreements;
- The opt-out clause should be retained and the Directive should explicitly lay down that opt-out can be agreed by individual as well as by collective agreement;
- Only time actually worked should be considered as working time, and rest periods should be considered as rest even if this rest occurs at the workplace.

As the consultation process has ended, the Commission must now decide whether to propose Community action or not. Should it choose to do so, it will have to launch a second round of consultation with the social partners on the specific content of the envisaged proposal. The social partners will have the option of negotiating their own agreement.

Both the Commission Communication and the UNICE position were sent to HOTREC member associations for comment. As there was broad support for the UNICE position, HOTREC decided to endorse it in a letter to the Commission on 31 March 2004. HOTREC has also requested, in the event the social partners were to start negotiations for an agreement, to join the UNICE delegation with observer status.

□ ***Passive smoking in the workplace***

In a press release on 26 March 2004, the European Commission announced that it is launching a consultation process with regard to the possible revision of Directive 1990/394 on the protection of workers from the risks related to exposure to carcinogens at work. So far this text covers only three substances: benzene, vinyl chloride monomer, and hardwood dust.

The Commission estimates that 32 million people in the EU are exposed to carcinogens at levels that exceed what is considered as safe, and that between 35.000 and 45.000 cancer deaths per year are due to exposures occurring in the workplace. It suggests that it might be necessary to set limit exposure values on a number of substances not listed in the present Directive but which are thought to cause occupational cancer. One source of cancer mentioned in this regard is passive smoking. The Commission claims that passive smoking in the workplace can increase the risk of lung cancer by 17-39%.

The consultation document will be released in the beginning of April. It marks the first stage of consultation of the social partners on this subject under Article 138(2) of the Treaty. After the consultation, the Commission will have to decide whether Community action is advisable or not. If yes, the social partners will be consulted a second time on the content of the envisaged proposal. They will have the option to negotiate an agreement among themselves.

HOTREC will send the consultation document to its member associations as soon as it becomes available. While no premature conclusions should be drawn on the basis of a press release, the Commission seems intent on sharpening European legislation on smoking at the workplace. HOTREC is organising a seminar on smoking in hospitality establishments in connection with its General Assembly in Amsterdam on 22-24 April 2004 (see article below).

□ ***Job creation and working conditions in the hospitality sector***

On 13 May 2004, the European Foundation for the Improvement of Living and Working Conditions is organising a seminar in Brussels on the theme “*Creating more and better employment*”. The Foundation is a European agency set up in 1975 to carry out research into living and working conditions throughout Europe. Its headquarters are in Dublin.

The seminar is based on research commissioned by the Foundation in the fifteen Member States of the EU, and which has been compiled in the report: “*EU hotel and restaurant sector: Work and employment conditions*” (published in 2004 and available on the Foundation website www.eurofound.ie). This report will be presented at the seminar, followed by discussions of national case studies and examples of best practice.

EFFAT (European Federation of trade unions in Food, Agriculture and Tourism) and HOTREC will take part in the seminar. They regret, however, that their participation will be limited to ten representatives from each organisation.

□ *Transparency of qualifications and competences*

On 17 December 2003, the European Commission issued a proposal for a Decision (COM(2003)796) on a single framework for the transparency of qualifications and competences (Europass).

The proposal aims at improving the transparency of qualifications and competences in order to increase transnational mobility and enhance lifelong education and training. It incorporates into the Europass framework five existing documents, which cover qualifications and competences in a lifelong-learning perspective:

- personal and vocational skills (*The European CV*) as well as language skills (*The European Language Portfolio*);
- experience of transnational mobility (*MobiliPass, replacing the Europass-Training*);
- vocational qualifications (*the Certificate Supplement*) and higher education diplomas (*the Diploma Supplement*).

However, the Commission envisages Europass as an open framework to which more documents may be added in the future, in particular in order to address specific sectors or skills more specifically. The advantage of a common framework, in the Commission's view, is that the documents mentioned above will become easier to access, more coherent, and better known. In each country a single body will coordinate the implementation of the framework.

The Commission's proposal needs to be adopted jointly by the European Parliament and the Council. The Commission is hoping for the official launch of the new Europass to be able to take place at a conference on vocational education and training in December 2004.

HOTREC has agreed to further discuss the subject matter, as far as it can relate to the hospitality sector, with EFFAT (European Federation of trade unions in Food, Agriculture and Tourism) in the framework of their sectoral social dialogue.

□ *New training and development models in the hospitality sector*

On 11 December 2003, HOTREC and EFFAT organised, as part of their sectoral social dialogue, a seminar on "*New training and development models in the European hospitality industry*".

The discussion focused on four innovative training schemes:

- '*The Mentor Programme*' (Mövenpick-Germany);
- '*Monopolise your career*' (Botanic Inns-Ireland);
- '*Vasco da Gama*' – aiming at the integration of immigrants into the restaurant and catering sector (Denmark);
- Identification of training needs in the tourism sector (CST- Italy).

Information on these projects is available in the report by the Hotelschool The Hague entitled "*Training and development under construction. Hospitality and the changing environment*". This report can be consulted at the HOTREC website (www.hotrec.org).

At the request of EFFAT and HOTREC, the Hotelschool The Hague will produce guidelines for successful training, including in SMEs, summarising the findings of the main report mentioned above. These guidelines will be published on the EFFAT and HOTREC websites.

TRAVEL TRADE

□ *More Chinese visitors to Europe!*

On 12 February 2004, the EU and China signed an agreement aimed at facilitating visits to Europe by Chinese tourists (Memorandum of Understanding on Approved Destination Status - ADS).

The agreement facilitates group travel from China to Europe by simplifying visa procedures for tourist visa issued by the 12 Member States that have been attributed the status of an “*approved destination*” by Beijing (Ireland, Denmark and the United Kingdom are currently negotiating similar bilateral agreements with the Chinese authorities). The agreement is expected to come into effect by the summer.

Hopefully, this measure will increase significantly the number of Chinese visitors to Europe. If, for instance, every Chinese would spend one night in an Italian hotel, all Italian hotels would be fully booked for almost two years!!!

□ *European health insurance card*

On 1 June 2004, the European health insurance card will come into circulation in a number of European countries (Belgium, France, Luxembourg, Spain, Germany, Greece, Ireland, Sweden, Denmark, Finland, Norway, Estonia, and Slovenia). The EU Member States have until the end of 2005 to introduce the card.

The card (a common model with a distinctive European symbol) will replace the paper forms used to access healthcare during temporary stays in another Member State. It is expected to greatly reduce bureaucratic procedures and speed up reimbursement between Member States. In the future, the card will carry an electronic chip in order to facilitate information exchange between Member States and diminish the risk of error or fraud.

The card will only relate to necessary and urgent care such as breaking a leg, a tooth falling out or catching a virus. It will not cover regular treatment in another Member State.

Although the European health insurance card will not have any direct effect on the hospitality sector, one may hope that it will encourage increased travelling as people will be reassured that their access to health care in other EU countries is guaranteed.

HEALTH

□ *Smoking and drinking*

The last issue of *Live from Brussels* reported on recent developments at international and European level in relation to:

- smoking in hotels, restaurants, bars and similar;
- responsible sale of alcohol.

HOTREC will organise an internal seminar on the two issues on 22&23 April 2004 in Amsterdam, coupled with its 49th General Assembly. Its main objective will be to develop a HOTREC position, which should be compatible with the strategies at national level, taking into account the developments of the international, European and national rules on smoking and responsible drinking.

The consultation recently launched by the Commission on the protection of workers from the risks related to exposure to carcinogens at work, among which passive smoking, should also be discussed (see the specific article referring to this issue above).

□ *New EU centre for disease prevention and control*

On 30 March 2004, the Council of Ministers adopted a Regulation establishing an independent agency for disease prevention and control (ECDC).

The mission of the centre will be to identify, assess and communicate current and emerging threats to human health from communicable disease so as to enhance Community's and Member States' capacity to protect human health. In the case of outbreaks of other illness of unknown origin, the centre will act on its own initiative until the source of the outbreak is known. It will further support the networking activities of competent bodies recognised by the Member States. The centre should become operational in 2005 and will be based in Stockholm.

In the future, the centre could help in cases of disease outbreaks like SARS in spring 2003 and, more recently, avian influenza.

Hopefully, the center will have a positive impact on tourism and hospitality sector, as it will allow reassuring travellers and consumers quickly and efficiently.

TOURISM

□ *Tourism in the Treaties?*

The Treaty of Maastricht of 1992 acknowledged that Community activities could include “*measures in the sphere of tourism*”. However, no specific competences on tourism were given to the European Institutions. This means that, currently, any measure in the field of tourism, which cannot be based on another specific competence (e.g. consumer protection, internal market, etc.) can only be adopted by the Council acting unanimously on a proposal from the Commission.

The draft text of the European Constitution, elaborated by the European Convention from February 2002 until July 2003, did no longer include any reference to tourism. However, at the beginning of December 2003, the Italian Presidency suggested in a new draft text for the European Constitution that the European Institutions shall be given the competence in a number of fields – among which tourism – “*to carry out actions to support, co-operate and supplement the actions of the Member States, without thereby superseding their competence in these areas*” (Articles 11 and 16).

HOTREC continues to believe that the European Institutions should be given competence for support actions in relation to tourism under the proviso that these actions would focus only on the entrepreneurial aspect of tourism. Other actions in the field of consumer protection, workers and the environment are already fully dealt with by specific chapters of the Treaties.

□ *EU funds for tourism*

The European Commission organised a one-day conference on “EU support available for the tourism sector” on 29 March 2004 in Brussels. The objective of the event was to inform tourism stakeholders about the various financial instruments and programmes of the European Union and how to make the best use of them. Around 200 practitioners working in the field of tourism as well as various stakeholders attended this conference.

The programme consisted of four sessions under the following titles:

- Info Centres, Energy and Environment;
- Education, Culture and MEDA;
- Research & Development and e-Europe;
- Structural Funds and Rural Development.

Important background documents related to the issue are not only

- the periodically updated “Internet Guide on EU Support for Tourism Enterprises and Tourist Destinations” (see http://www.europa.eu.int/comm/enterprise/services/tourism/policy-areas/eu_schemes.htm)
- but also a study entitled “Making the best use of Structural Funds in the sector” conducted and finalised in 2003 (see <http://www.europa.eu.int/comm/enterprise/services/tourism/studies/structuralfunds/index.htm>)

HOTREC welcomed the organisation of this conference and wishes that it be followed by an event focusing on support available for enterprises in the private sector.

□ ***Sustainable tourism?***

In November 2003, the Commission adopted a Communication on Basic Orientations for the Sustainability of European Tourism (COM(2003)716 final). This lengthy document touches upon a great number of issues. It has the main merit of once again underlining the importance of the tourism sector for the European economy.

According to this document, *“sustainable tourism is tourism that is economically and socially viable without detracting from the environment and local culture. It means business and economic success, environmental containment, preservation and development, and responsibility towards society and cultural values - three facets that are interdependent”*. This multi-pillar approach to tourism is not new. It was already present in the 1995 Commission Green Paper on Tourism (although the pillars were not identified exactly in the same manner) and is regularly referred to by the Tourism Unit.

The document suggests an ambitious action plan for the Tourism Unit in relation to the various pillars identified.

It also provides for the creation of a *“Tourism Sustainability Group composed of representatives of the various stakeholder groups, with the task of steering and monitoring the coherent implementation of specific activities to be undertaken by these stakeholder groups.”*

For the last 10 years, HOTREC has been asking that the Tourism Unit focus on the entrepreneurial aspect of the tourism sector, the other aspects – environment, protection of the consumers, employee rights – being sufficiently taken care of by other Directorates General, within the framework of specific chapters of the Treaties.

Furthermore, HOTREC has been asking that one Commission service (be it a Directorate General, a Directorate, a Unit or a simple task force) be responsible for all issues related to tourism, including:

- *Coordinating all tourism policy issues within the Commission;*
- *Reviewing all proposed EU measures in order to identify those which may impact on tourism;*
- *Consulting systematically with industry representatives. This consultation process should include cost benefit analysis of all proposed measures. The procedure should be transparent, publicly accountable and enshrined in legislation;*
- *Communicating the progress of policy proposals going through the European Parliament and the Council of Ministers to the industry.*

These demands are also embodied in the NET¹ Manifesto of April 2000 and in the Joint Declaration by the European Tourism Sector “Tourism in Europe: united yet diverse”, signed in September 2000 and endorsed later on by all ETIN² members.

Unfortunately, the Communication does not respond to the demands of HOTREC.

□ **Community measures affecting tourism**

In January 2004, the Commission issued a Report on Community measures affecting tourism (2001-2002) (SEC(2004)24).

The Report consists of five parts summarising the European Community’s measures under the following headlines:

- Tourism and Community economic policies;
- Enhancing Europe’s potential for tourism;
- Economic and social cohesion linked to tourism development;
- Tourists’ interests;
- And the international dimension of tourism.

The objective of the Commission paper is to provide an “*ex-post reporting mechanism with regard to improving the integration of the concerns of all tourism stakeholders in Community policies and initiatives affecting the sector*”.

HOTREC welcomes this review of measures affecting tourism, although it will be of limited use as, published in 2004, it covers only measures adopted in 2001 and 2002.

□ **European Tourism Forum**

The Italian Presidency and the European Commission organised on 28&29 November 2003 a European Tourism Forum in Abano Terme and Mestre (Venice). Around 600 participants discussed the issues of business impact assessment, VAT and the joint promotion of Europe.

The European Tourism Forum 2004 will take place in Budapest on 15&16 October. The programme is still under discussion.

Although the Forum 2003 achieved its objective in promoting dialogue amongst tourism stakeholders, ECTAA (Travel Agents and Tour Operators in Europe), EFCO&HPA (European Federation of Campingsite Organisations and Holiday Park Associations) and HOTREC criticised the Forum’s conclusions entitled “Venice Declaration”.

¹ NET, the Network of European private entrepreneurs in the Tourism sector, brings together ECTAA (Travel Agents and Tour Operators in Europe), EFCO & HPA (European Federation of Campingsite Organisations & Holiday Park Associations), ETOA (Tour Operators bringing Visitors to Europe), HOTREC (Hotels, Restaurants and Cafés in Europe) and IRU (International Road Transport Union – Coach, Bus & Taxi Operators in Europe).

² ETIN, European Tourism Industry Network, brings together 50 participants, drawn from international, pan-European and European national umbrella organisations representing a majority of the sectors engaged in travel and tourism in the EU.

In particular, these organisations expressed their dissatisfaction with the fact that the call for “common policies aimed at improving working conditions” – which implies that the conditions are presently bad – had not been debated and not been agreed by the Forum as a whole.

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