

Main EU developments over the last five months of interest to the hotel, restaurant and café sector

Standardisation

- ISO standards for hospitality services p. 3
- CEN standards for swimming pools and for drink dispensers p. 4
- HOTREC hotel classification seminar p. 4

Taxation

- VAT saga – When will the next episode take place? p. 5

Social affairs

- Working time p. 6
- Smoking in the workplace p. 7
- Corporate social responsibility – EFFAT–HOTREC agreement signed p. 8
- Communication on social dialogue p. 8
- Violence at work – Commission consultation p. 9
- Equal treatment for men and women – End of “Ladies night”! p. 9

Health

- Smoking in public places p. 10
- EU health policy p. 11

Food law

- Hygiene of foodstuffs: special arrangements for SMEs! p. 12
- Guidelines for the implementation of the Regulation on general food law p. 12
- Food Advisory Group p. 13

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Statistics

- ❑ Update of the tourism statistics Directive p. 13

Contract and company Law

- ❑ European contract law? p. 14
- ❑ "Societas Europaea" finally in force! p. 14

Competition

- ❑ Cartel in the beer sector p. 15
- ❑ Municipality aid under scrutiny p. 15

Tourism

- ❑ European Tourism Forum 2004 and 2005 p. 16
- ❑ Tourism Sustainability Group p. 16
- ❑ Intergroup Tourism in the European Parliament p. 17
- ❑ European Parliament Hearing p. 17

EU general

- ❑ New Commission p. 18
- ❑ EU Constitution p. 19

HOTREC and its lobbying activities

- ❑ Commissioner Verheugen: tourism among EU Commission top priorities p. 19
- ❑ HOTREC dinner to celebrate the start of the 6th European Parliament p. 20
- ❑ HOTREC 50th General Assembly in Bergen p. 20

STANDARDISATION

□ *ISO standards for hospitality services*

As explained in detail in *Live from Brussels N° 29, N° 30 and N° 31*, a new priority for the EU Institutions is the setting-up of a true single market for services. With this aim, the Commission issued in January 2004 a proposal for a Directive on services in the internal market (COM 2004 2final/3), which, among other measures, calls for the development of standards for services.

In parallel, the Commission gave last year to CEN (European Committee for Standardisation) a mandate “*to develop a standardisation work program to support the internal market for the service sector*”. AENOR (the Spanish Normalisation Body) tried last summer to put a great number of specific hotel and restaurant services high on the CEN programme but this proposal was rejected. However, the report to be submitted by CEN to the Commission by the end of 2004 is, apparently, not yet available.

Furthermore, upon a proposal by AENOR, the creation of a new field of activity for ISO (International Standards Organisation) in relation to tourism and related services, including hospitality services, was approved on 15 January 2005.

HOTREC is very concerned with all these developments. HOTREC communicated last November to CEN and the European Commission its view that tourism, and in particular the hospitality sector, should not be identified as priority areas for standardisation work. Last December, HOTREC also expressed the view that the development by ISO of international standards for the tourism sector and, in particular, accommodation and restaurants services, is not desirable. Any initiative relating to standards for accommodation and restaurant services should be left to the full responsibility of the industry. High quality services are crucial for the hospitality industry but standards developed at international level are not a necessary prerequisite for quality.

The diversity of tourist destinations, together with the diversity of quality services, plays the key role in their attractiveness for visitors. In relation to our services, diversity reflects different cultures and geographical situations. Visitors 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.

Upon the intervention of HOTREC member associations, several European normalisation bodies opposed the AENOR proposal at ISO level, but their vote was overweighed by normalisation bodies of non-European countries.

□ ***CEN standards for swimming pools and for drink dispensers***

CEN/TC/136/WG 8, one of the working groups within CEN, is currently working on security standards for swimming pools. The standards would include the obligation of a constant watch when the depth of the pool is equal to or greater than 1,50 m or the surface is larger than 170 m². Furthermore, the maximum simultaneous presence in the pool would be limited to one person per 3 m².

CEN/BT/TF 158, one of the task forces within CEN, was, until very recently, working on standards on the cleaning frequency of drink dispensers. Fortunately, the draft was rejected on 1 February 2005 and it was decided not to pursue the project.

Such standards could impose very heavy burdens on the enterprises in the hospitality sector. The main problem, at national level and, even more so, at European level, is to be informed of what is going on within normalisation bodies.

On 29 November 2004, the HOTREC Secretariat met with representatives of CEN to discuss this problem of lack of transparency. HOTREC was advised to get “liaison status” with the working group/task force concerned. Furthermore, the HOTREC national associations were invited to “become more engaged in the mirror activities of the national standards bodies ... to be better informed about CEN and its activities and, indeed, to express their opinions in the development of the national positions on the draft CEN standards”.

Those recommendations miss, however, the crucial question of how to get to know what is currently being developed. A further major difficulty is having access to draft documents.

□ ***HOTREC hotel classification seminar***

HOTREC organised for its members a hotel classification seminar in October 2004. This seminar provided an occasion for HOTREC delegates, under the chairmanship of Mr. Markus Luthe from Hotelverband Deutschland, to exchange experiences of running classification schemes in various countries such as Denmark, France, Holland, Spain, Sweden, Switzerland, and the UK. Mr. Bengt Klaesson from IAPCO¹, Mr. Walter Krombach from ECTAA², and Mr. Alain Philippe Feutr  from IH&RA³ presented the points of view of their respective organisations.

The hotel classification seminar concluded with a decision by HOTREC member associations to take a pro-active approach on European hotel classification. The details of this new approach will be discussed within a HOTREC Task Force on 22 February 2005.

¹ IAPCO: International Association of Professional Congress Organisers

² ECTAA: Group of National Travel Agents' and Tour Operators' Association within the European Union

³ IH&RA: International Hotel & Restaurant Association

TAXATION

□ *VAT saga – When will the next episode take place?*

The Commission July 2003 proposal on the scope of application of reduced rates of VAT (COM(2003) 397 final) (see *Live from Brussels N° 29, N° 30 & N° 31*) is still on the table of the Council of Ministers for Economic and Monetary Affairs (ECOFIN).

The Commission July 2003 proposal suggested a revision of 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 provided for accommodation services to remain in Annex H and for restaurant services to be added to it.

Since its July 2003 proposal, the European Commission has presented to the Council a “non paper” (19 February 2004) and a working document (7 December 2004):

- The “non paper” 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*”. According to the non-paper, “*the Commission has explicitly accepted... that there are a number of areas where Member States could apply further reduced rates... The logical answer would therefore be to extend the scope of Annex H in respect particularly of supplies of services... which require the presence of the supplier and the customer (e.g. restaurants...)*”
- The working document presented by the Commission to the ECOFIN meeting on 7 December 2004 reviews the main deadlines for transitional arrangements for VAT rates. This list confirms that the transitional arrangement for applying reduced rates of VAT to labour intensive services expires at the end of 2005.

This last element would imply that the problem of reduced VAT rates should come back on the agenda of the ECOFIN soon. But, as it happened in the past, there is always the possibility that Member States decide to continue the “*special experiment for labour intensive services*” for some more years, without tackling the overall revision of reduced VAT rates, now on the agenda for so many years.

HOTREC has always advocated the application of the lowest possible rate of VAT to accommodation and restaurant services in all Member States.

SOCIAL AFFAIRS

□ *Working Time*

The Commission issued, on 22 September 2004, a proposal to revise Directive 2003/88 concerning certain aspects of the organisation of working time (COM(2004)607). This proposal followed a consultation process in which the European social partners had been invited to negotiate their own agreement, which they declined. There are three main areas where the Commission proposal introduces changes with regard to the present Directive:

- The general reference period for calculating average working time remains four months but the Member States would now have the possibility to extend it up to one year by law or regulation, subject to consultation of the social partners. Under the present Directive, the reference period can be extended to one year by collective agreement only. Extension of the reference period by collective agreement would remain possible under the proposal.
- The provisions of the opt-out clause, which enables a worker to agree to work more than 48 hours per week on average, thus opting out of the protection of the Directive, would be restricted. As a general rule, the opt-out would need to be authorised by collective agreement or by the social partners. The individual consent of the worker would only be sufficient where a collective agreement is not in force. Unless otherwise provided by collective agreement, the Directive sets an absolute limit of 65 work hours per week for any worker under the opt-out clause. The opt-out agreement cannot be signed at the same time as the employment contract or during a probationary period. It can only be valid for up to one year, and is renewable. Employers must keep records of the hours worked.
- The concepts of "*on-call time*" and "*inactive part of on-call time*" would be inserted. The notion of on-call time covers situations where the worker must stay at the workplace. The Commission proposes that the inactive part of on-call time should not be regarded as working time, unless national law/practice, including collective agreement, provides otherwise.

Negotiations have been taking place in the Council on the basis of the Commission proposal, and continue under the Luxembourg Presidency. The major issue to be resolved is the opt-out clause, over which the Council remains divided. The fact that Council and Parliament will need to agree on a solution together ("co-decision") does not make things easier. Parliament has not yet adopted an opinion but the MEP responsible for the dossier, Spanish socialist Mr. Alexandro Cercas, advocates a phasing-out of the opt-out clause until 1 January 2010. He has also suggested that the annualisation of the reference period should in the first place be done through collective agreement, but Member States should be permitted to regulate it under certain conditions.

As regards the "inactive part of on-call time", Mr. Cercas believes it should continue to be considered as working time. However, Member States could be allowed to calculate periods of inactivity in a different way from the hours of the active part, which would be taken into account for the fulfilment of the maximum weekly working time.

HOTREC would welcome a solution that establishes an appropriate balance between flexibility for companies and the health and safety of workers. HOTREC supports the proposal of the Commission in so far as it would permit Member States to extend the reference period to one year. HOTREC regrets, however, that the opt-out clause could needlessly be restricted. As regards the notion "inactive part of on-call time", HOTREC is looking into the implications it could have within the hospitality sector.

□ *Smoking in the workplace*

As reported in *Live from Brussels N°30* and *N°31*, the Commission launched in April 2004, on the basis of Article 138 of the EU Treaty, the first stage of the consultation process with the social partners as regards the protection of workers against cancer causing substances in the workplace. The so-called carcinogens Directive 1990/394 (which was codified last year as Directive 2004/37 following several amendments) deals with this issue by aiming to ensure that workers' exposure to such substances is reduced to a minimum.

In the consultation document from April 2004, the Commission refers to environmental tobacco smoke and 'passive smoking' as a major cause of cancer at the workplace. It seems to suggest that the Directive could be revised to take a tougher line on environmental tobacco smoke (and other carcinogens). The document is quite unclear, however, as to what the Commission would propose. Establish occupational exposure limit values (OELVs) for tobacco smoke? Sharpen existing requirements in the Directive on the employer to provide for non-smoking areas? In addition, the Commission indicates that it is in favour of a voluntary approach which could imply that it would only make a recommendation, perhaps by adding a recital to the text?

As set out in Article 138 of the EC Treaty, the mandatory consultation process with the social partners should take place in two steps. So far, however, the second phase of consultation – where management and labour are consulted on the "content of the envisaged [Commission] proposal" – has not begun. It appears that the Commission intends to launch an impact study on the consequences of revising the Directive. The second phase will only start once this study is completed.

HOTREC has expressed its view to the Commission that it would be inappropriate, and contrary to the principle of subsidiarity, to deal with the issue of passive smoking under the carcinogens Directive. In general terms, HOTREC believes that the hospitality sector is capable of taking action to protect the interests of both its staff and customers on a voluntary basis.

□ ***Corporate social responsibility – EFFAT-HOTREC agreement signed***

At the occasion of the sectoral social dialogue plenary, held in Brussels on 10 December 2004, EFFAT and HOTREC signed the document “*An initiative for improving corporate social responsibility in the hospitality sector*”. In the document, EFFAT and HOTREC suggest areas for acting beyond legal requirements:

- equal opportunities and non-discrimination;
- working conditions and work organisation;
- fair pay;
- vocational and continuous training and life-long learning;
- health and safety;
- restructuring, and
- relationship between social partners.

EFFAT and HOTREC invite their member organisations to disseminate and discuss the document with their members. In the context of their sectoral social dialogue, EFFAT and HOTREC intend to collect from their member organisations the best practices developed by enterprises in relation to the document.

The details of implementing the document will be discussed in the steering committee of the sectoral social dialogue during spring 2005.

□ ***Communication on social dialogue***

On 12 August 2004, the Commission issued a Communication on European social dialogue (COM (2004) 557). The Commission would like the social dialogue to have greater visibility and impact and calls for a strengthening of the capacity of the national social partners, in particular in the new Member States, to implement European level agreements. In addition, the results of European social dialogue would need to become more transparent, which implies a stricter use of terminology.

To date, the European cross-industry and sectoral social partners have adopted over 300 joint texts. The Commission proposes to distinguish between three main categories of texts: binding ‘Agreements’ adopted in accordance with Articles 138-139 of the EC Treaty, texts which are process-oriented and implemented in an incremental way (e.g. ‘Codes of conduct’), and texts which contribute to the exchange of information (e.g. ‘Joint opinions’). It also considers that the impact of the social partner texts could be enhanced by the setting of targets and by including more detailed follow-up and reporting provisions.

HOTREC is not opposed to greater transparency in terms of the results of social dialogue. However, it would like to stress the importance of the social dialogue remaining autonomous. The Commission may have a supporting and encouraging role but the social partners must have final responsibility for the commitments they enter into. Care should be taken to maintain this balance.

□ ***Violence at work – Commission consultation***

On 17 January 2005, the Commission launched a consultation with the social partners on the subject of violence at work. The consultation is based on a document claiming that violence – covering both its physical and psychological dimensions – affects a large number of workers in the EU. A survey from 2000 quoted in the document indicates that 9% of workers in the EU, on average, have been victim to intimidation at the workplace. Service and sales personnel was the most exposed sector where 13% claimed to have suffered from violence of some form at the workplace. The Commission believes that a Community instrument on violence at work would strengthen prevention, and wants to know whether the social partners agree.

HOTREC intends to reply to the consultation and has circulated the consultation document to its members for comments.

□ ***Equal treatment for men and women – end of “Ladies’ night”!***

The Council adopted, on 13 December 2004, Directive 2004/113 on gender equality in the access to and supply of goods and services. Previously, a number of EU Directives dealt with equal treatment of men and women in the labour market. The new Directive, however, takes EU anti-discrimination legislation beyond the area of employment for the first time.

Under the Directive both direct and indirect discrimination on grounds of sex are prohibited. The Directive applies to all persons who provide goods and services which are available to the public. The only exceptions cover the media and advertising industries as well as public and private education. Member States can, under certain conditions, opt-out of the Directive as far as the provision of insurance and related financial services are concerned.

Member States have until 21 December 2007 to bring their laws and regulations in line with the Directive.

Although it is not explicitly declared in the Directive, the Commission claims that the new legislation spells the end to certain practices in the hospitality sector (Commission newsletter “Social Agenda”, N°10, December 2004). For instance, hotels and restaurants would not be able to close their doors to single male or female guests. “Ladies’ nights” in bars and clubs – where women are offered lower prices – would be banned for discriminating against men.

HEALTH

□ *Smoking in public places*

One of the most important developments in relation to smoking is the entry into force of the World Health Organisation Framework Convention on Tobacco Control on 27 February 2005 (on this, see *Live from Brussels* N° 29, 31). Under this first global health treaty, all countries having ratified it (55 countries so far, among which Denmark, Finland, France, Germany, Hungary, Lithuania, Malta, the Netherlands, Norway, Slovakia, Spain, Turkey and the United Kingdom), will have to adopt measures “*providing for protection from exposure to tobacco smoke in indoor workplaces, indoor public places, ..., and, ..., other public places*”.

At European level, the Commission published on 22 October 2004 a Strategic Tobacco Control Report coupled with the launching of a 72 million Euro media campaign against tobacco.

In its last chapter, the report sets out a number of recommendations among which the ratification and full implementation of the WHO’s Framework Convention on Tobacco Control at the earliest possible opportunity (see above). The report also considers the development of legislation prohibiting smoking in all workplaces as the most effective measure. According to the report, legislation developed in Ireland and Norway should be used as model for that purpose.

The new Commissioner for Health and Consumer Protection, Markos Kyprianou, continues his work in the same direction as his predecessor, Commissioner David Byrne, by fully supporting the bans on smoking in all enclosed public places as implemented in Ireland and Italy. Quoted in a recent press article he said that he would like to see tougher restrictions on smoking across Europe.

However, the European Union does not have any competences to develop legislation on public health. It is up to the Member States to introduce the appropriate measures within their national health systems, the European Union merely having the right to complement national policies. But the EU has competence in the field of protection of workers. As reported in previous issues of *Live from Brussels*, the Commission has recently launched a consultation on the review of the Directive on Carcinogens, including the exposure to tobacco smoke. On this, see above the section on social affairs.

In its position paper, adopted in April 2004, HOTREC member associations expressed their concerns in relation to the health damages caused by active and passive smoking, with regard to both, its employees and its consumers.

HOTREC also stressed however, that smoking rules should closely reflect the attitude and demands of society vis-à-vis smoking and evolve in parallel with these. In full respect of the subsidiarity principle, national associations should be fully consulted throughout the different stages of the legislative process, should binding rules at national level be considered necessary.

□ ***EU health policy***

As mentioned in *Live from Brussels N° 31*, the outgoing Commissioner for Health and Consumer Protection, David Byrne, launched a “*reflection process*” on EU health policy on 15 July 2004 in order to help defining a future EU health strategy. It covered, among others, the issues of smoking, alcohol abuse and nutrition. The reflection paper, the list of responses as well as a summary of the results are available at:

http://europa.eu.int/comm/health/ph_overview/strategy/results_reflection_process_en.htm

In line with the health reflection process just mentioned, the Commission (DG SANCO) will launch a “*European Platform for Action on Diet, Physical Activity and Health*” in March 2005. The Platform, which will work under the leadership of the European Commission, aims at tackling the problem of obesity and at developing concrete actions.

It should bring together all relevant players at EU level dealing with food issues, such as retailers, food processors, the catering industry, the advertising business, consumer and health NGO’s, the medical professions as well as the present and incoming EU presidencies. The fields of action identified for the Platform so far include, among others, “*Consumer information, including labelling*” as well as the “*Composition of foods, availability of healthy food options, portion sizes*”, subjects of direct relevance to the restaurant sector.

In October 2004, HOTREC adopted a position paper in reply to the “health reflection” document. In its reply, HOTREC outlined that the hospitality sector was capable of tackling the issues of alcohol abuse and smoking in a self-regulative, voluntary manner. If binding rules were considered necessary, the matter should be regulated at national level, in full respect of the principle of subsidiarity taking into consideration the different cultural backgrounds and closely reflecting the attitude and demands of society.

As far as nutrition is concerned, HOTREC stressed that the personal choice “to eat healthy food or practice sports” quoted in the relevant document could not be regulated at any level. The authorities should therefore focus on raising awareness and facilitating the dissemination of good practice. Nutrition labelling should remain fully voluntary as far as the catering sector is concerned.

HOTREC has been invited to join the process of the creation of the Platform “Diet, Physical Activity and Health” mentioned above and attended a first preparatory meeting on 15 February 2005. HOTREC will defend the position on nutrition already expressed in reply to the “health reflection” paper.

FOOD

□ *Hygiene of foodstuffs: special arrangements for SMEs!*

As announced in *Live from Brussels N° 31*, on 29 April 2004, the European Parliament and the Council adopted a new Regulation on hygiene of foodstuffs, which will replace Directive 1993/43 on the same topic. Regulation 852/2004 shall apply no earlier than 1 January 2006. Several provisions of the Regulation offer some flexibility and could allow the restaurant sector to seek specific arrangements.

In October 2004, the European Commission issued a reflection working document on the “*HACCP facilitation in small businesses*”. It was circulated among the different stakeholders for comments. The intention of the Commission is to issue a Regulation containing specific arrangements in relation the provision of the Regulation 852/2004 allowing for flexibility.

HOTREC and its member associations are globally pleased with the European Commission reflection document and welcome the fact that the document reflects many of the concerns the sector expressed on several previous occasions. However, HOTREC expressed worries about the suggestion that yet another Regulation be adopted in addition to Regulation 852/2004. What is needed now is practical guidance rather than additional prescriptive texts.

□ *Guidelines for the implementation of the Regulation on general food law*

On 20 December 2004, the Standing Committee on the Food Chain and Animal Health, bringing together experts from the Member States on food legislation, approved a guidance document on the implementation of Regulation 178/2002 on general food law. This document aims at assisting all the parties involved in the food chain to better understand and to apply correctly and consistently the requirements of the Regulation mentioned above, which came into force on 1 January 2005. However, this document has no formal legal status and in the event of a dispute, ultimate responsibility for the interpretation of the Regulation lies with the European Court of Justice.

This document is very important as it clarifies various aspects of the very far-reaching Regulation 178/2002. For example, according to the Guidelines, the traceability requirement of the Regulation does not compel operators to establish a link (so-called internal traceability) between incoming and outgoing products. These Guidelines should help all businesses in their dealings with their national controlling authorities.

However, it should be kept in mind that more detailed rules can always be adopted at national level.

□ *Food Advisory Group*

On 6 August 2004, the European Commission adopted a decision to create an Advisory Group on the Food Chain and Animal and Plant Health. This Advisory Group will bring together key stakeholders including farmers, the food industry, retailers and consumer organisations. Its main task will be to advise the European Commission on food safety policy.

The Advisory Group should not be confused with the Standing Committee on the Food Chain and Animal Health that is a Committee composed of Member States representatives assisting the Commission in the legislative process.

HOTREC has applied for membership of the Advisory Group on the Food Chain and Animal and Plant Health. According to the responsible officials in DG SANCO, the final decision on the appointment of the members of the Advisory Group will be taken in the coming weeks.

HOTREC welcomes the efforts of the Commission to consider the viewpoints of the players involved in the food chain by creating a forum ensuring greater participation of the key stakeholders in the preparation of food legislation.

STATISTICS

□ *Update of the tourism statistics Directive*

On 21 January 2005, the Commission's Tourism Unit invited HOTREC, along with other stakeholders in the tourism sector, to discuss an update of Directive 1995/57 on the collection of statistical information in the field of tourism. Mr. Hans-Werner Schmidt, who is responsible for tourism statistics at Eurostat, the EU statistical office, outlined possible changes to the Directive on which he requested the views of the participants. The changes related both to reducing the collection of certain types of data, e.g. tourist arrivals, and to adding others, e.g. information on 'same-day visitors'. Mr. Schmidt also described the work being done on taking forward Tourism Satellite Accounts (TSAs) in the Member States.

The comments made in the meeting would be taken up in a Eurostat task force meeting on the tourism statistics Directive, which includes representatives from the Member States. It was emphasised that the discussions were at a preliminary stage and that it would take some time before a revised Directive could be adopted.

HOTREC expressed some requests at the meeting and intends to submit a formal paper to Eurostat on tourism statistics after consultation with its member associations. The availability of good EU-wide statistics for hotels and restaurants is very important to HOTREC, not least by providing a measurement of our industry's increasing weight in the economy.

CONTRACT AND COMPANY LAW

□ *European contract law?*

A Commission Communication of October 2004 outlines the plan for developing a so-called Common Frame of Reference (CFR), which should help the Commission to improve the quality and coherence of existing EU texts in the area of contract law. It should provide clear definitions of legal terms, fundamental principles and coherent model rules of contract law, drawing on existing European law and on best solutions found in the Member States' legal orders. The adoption of the Common Frame of Reference is foreseen for 2009.

In parallel, the Commission is working on the conversion of the Rome Convention of 1980 on the law applicable to contractual obligations into a EU instrument. This Convention helps identifying the law applicable in a conflict over a contract between two parties established in different Member States. Special rules apply when one of the parties is a consumer. In 2003, the Commission issued a Green Paper (i.e. a preparatory document before a proposal is made) on the possible transformation of this Convention into a Directive or Regulation.

All these apparently abstract "legal" developments will ultimately have a direct effect on the sector, as they will impact the conditions of various contracts.

□ *"Societas Europaea" finally in force!*

On 8 October 2004, the European Company Statute finally came into force thirty years after it had been proposed by the Commission.

The Regulation on a European Company Statute is intended to create a uniform legal framework for companies from different Member States to plan and carry out the reorganisation of their activities at Community level.

Several options will be available to companies opting for the "Societas Europaea" model. Companies will be able to merge ("SE by merger"), create a holding company ("holding SE"), create joint subsidiaries ("subsidiary SE"), or convert themselves into a SE ("conversion into a SE"). The SE will be able to function on the basis of a single legislative and management system, instead of being subject to different national systems, which will lead to significant reductions in administrative and legal costs.

The Regulation is accompanied by a Directive on employee involvement, in order to ensure that the creation of a SE does not entail the disappearance or reduction of practices of employee involvement existing within the companies participating in the establishment of a SE.

For the time being, however, the European Company Statute, in practice is only fully applicable in Belgium, Austria, Denmark, Sweden, Finland and Iceland. These are the only countries that have implemented the regulations at national level allowing European Companies to be founded on their territory. Until all Member States do so, companies will not yet have the option to operate under on the same rules all over Europe.

HOTREC welcomes the achievement of the “Societas Europaea” Regulation, which was presented by the European Commission for the first time in 1970. This new text could have a major impact on the legal structure of hotel and restaurant chains. The option of setting up a European company could constitute a possible legal structure for a chain of hotels or restaurants active in several Member States.

COMPETITION

□ *Cartel in the beer sector*

On 29 September 2004, the European Commission fined Groupe Danone/Brasseries Kronenbourg SA €1.5 million and Heineken NV/Heineken France SA €1 million for colluding to balance the away-from-home (or hotels, restaurants and cafés) market between their groups.

This is not the first time that the Commission has fined brewers for alleged participation in cartels. On 5 December 2001, the EC fined several companies a total of over € 91 million for participating in two secret cartels including market sharing, price fixing and information exchange on the Belgian beer market between 1993 and 1998. In 2001, the Commission also fined three Luxembourg brewers for a total of € 448.000 for their participation in a market sharing cartel affecting the Luxembourg “on trade” or “horeca” sector.

Collusion between brewers results in higher prices for the sector.

□ *Municipality aid under scrutiny*

According to a recent article in Restaurantören Nyheter N°27, the Sävsjö municipality sold the town’s sanatorium to a private purchaser at a very advantageous price, accompanied by other various financial advantages, in view of converting the sanatorium into a hotel and conference centre. The case is currently being investigated under EU rules prohibiting state aids.

This interesting case should remind all actors in the sector that all public authorities’ aids remain under the scrutiny of the European Commission, if they are likely to bring upon a distortion in competition between Member States.

TOURISM

□ *European Tourism Forum 2004 and 2005*

As announced in *Live from Brussels N° 31*, this year's European Tourism Forum took place in Budapest from 14-16 October 2004. Representatives from the tourism industry, civil society, international organisations, European, national and regional institutions and authorities discussed the issues of "Internal market for services in EU25", "Employment and training in the tourism industry" and "New trends in tourism" within three workshops.

The final conclusions as well as the results of the individual workshops are now available on the website of the European Commission under http://www.europa.eu.int/comm/enterprise/services/tourism/tourism_forum/tourism_forum_2004.htm

The next European Tourism Forum will take place on 20-21 October 2005 in Malta.

HOTREC representatives participated in the various debates during the Budapest Forum. HOTREC stressed, in particular, that "the development of classification systems and various labels at European level is not desirable" - a statement which has been included in the final summary of the workshop on "Internal market for services".

However, contrary to what is stated in the conclusions, HOTREC is of the opinion that it is not up to the Commission to initiate action in relation to the issue of "an improved transparency of classification systems in the different tourism service categories". This matter should be left to the full responsibility of the industry.

HOTREC will attend the Steering Group meetings to prepare the Malta Forum.

□ **Tourism Sustainability Group**

As announced in the Commission Communication "*Basic orientations for the sustainability of European tourism*" published on 21 November 2003, a "*Tourism Sustainability Group*" (TSG) has recently been created.

The Group is composed of a total of 29 experts from the various stakeholder categories including the Commission, the Member States, other European institutions and bodies, industry, trade unions, civil society and destinations. The final list of the Group members is due to be published in the coming weeks on the website of the Tourism Unit (http://europa.eu.int/comm/enterprise/services/tourism/index_en.htm). The "kick-off"-meeting of the Group is planned for 23 February 2005.

The agenda of this first meeting includes the setting of targets and timetables for the preparation of the “Agenda 21”⁴ for Sustainable Tourism in Europe, the description of the role of the various stakeholders and the general organisation and working methods of the Group.

HOTREC welcomes the fact that representatives from its Maltese member association (MHRA) as well as from its Irish member association (IHF) have been appointed as members of the TSG. HOTREC is ready to contribute constructively to the work being undertaken. HOTREC will keep its members informed of any future developments.

□ **Intergroup Tourism in the European Parliament**

On 13 January 2005, the Intergroup Tourism of the European Parliament was officially established at its kick-off meeting in Strasbourg. The Group consists of a total of 74 members of different nationalities from all the parties regrouped in the European Parliament.

The bureau is composed as follows:

- | | |
|-----------------------------------|-------------------|
| • Ms. Margie Sudre (PPE-DE) | President |
| • Mr. Manuel Medina Ortega (PSE) | Vice-President |
| • Mr. Toine Manders (ALDE) | Vice-President |
| • Mr. Klaus-Heiner Lehne (PPE-DE) | Vice-President |
| • Mr. Sepp Kusstatscher (Greens) | Secretary General |

The first plenary meeting of the Intergroup, including representatives of the tourism sector, will take place in March or April 2005.

HOTREC is very pleased with the re-establishment of the Intergroup Tourism. HOTREC welcomes the opportunity to discuss issues of relevance to the European private tourism sector and, in particular, legislative initiatives in preparation, with MEPs from the various Committees of the European Parliament introducing different perspectives into the debates.

□ **European Parliament Hearing**

On 1 February 2005, a public hearing entitled “What policies are needed for sustainable European tourism” was organised by the Committee of Transport and Tourism of the European Parliament. The purpose of the hearing was to gather comments and positions

⁴ “Agenda 21” refers to an action plan for the 21st century adopted by the participants of the United Nations Conference on Environment and Development (UNCED) (Earth Summit) in Rio de Janeiro in June 1992. The Agenda is to promote “Sustainable Development”, that is to improve the quality of life by focussing on social, economic and environmental issues.

from the different stakeholders and institutions involved to be included in an own initiative report by the Committee. Among the speakers were officials of the EU Institutions (Council and Commission) as well as some representatives of the tourism sector

HOTREC very much regretted that the European private tourism sector was strongly underrepresented at the Hearing. It furthermore deplored the imbalance of participants as far as the social partners are concerned: whereas HOTREC, the European association of employers of the hospitality sector, was not represented on the agenda, its partner in the social dialogue, EFFAT, was among the speakers.

Several members of HOTREC attended the hearing. Due to the tight schedule of the hearing, interventions remained rather general, dealing mainly with the three pillars of sustainability: economic, environmental and social. Question and answer sessions unfortunately had to be reduced to a minimum.

EU GENERAL

□ *New Commission*

Following the historic decision by Commission President Designate Jose Manuel Durao Barroso to withdraw his College of designated Commissioners from a vote by the European Parliament on 27 October 2004, Mr. Barroso presented his new team of Commissioners on 4 November 2004. The designated new Commissioners of interest to our sector are the following:

- Günter Verheugen (Germany) – Commissioner for Enterprise and Industry
- Markos Kyprianou (Cyprus) – Commissioner for Health and Consumer Protection
- Charlie McCreevy (Ireland) – Commissioner for Internal Market and Services
- Vladimir Spidla (Czech Republic) – Commissioner for Employment, Social Affairs and Equal Opportunities
- Lazlo Kovacs – Commissioner for Taxation and Customs Union (new portfolio, was designated candidate for Energy before)

On 18 November 2004, the new team of Commissioners was finally appointed with a vast majority by the vote of the European Parliament. This vote was endorsed by the vote of the Council of Ministers on 19 November 2004 enabling the new Commission to take up office on 22 November 2004 (just over three weeks than it originally was intended to do). The mandate of the Barroso Commission will end on 31 October 2009.

□ *EU Constitution*

As already reported in *Live from Brussels N° 31*, the Heads of State or Government of the 25 Member States and the 3 candidate countries signed, on 29 October 2004, the Treaty establishing a Constitution for Europe, which was unanimously adopted by them on 18 June of the same year.

The signature officially starts the formal two-year ratification period in the Member States. Each of the signatories will from now on tackle the ratification process in accordance with its own constitutional procedures – either by parliamentary approval and/or referendum.

Only after the Treaty has been ratified and the ratification has been officially notified by all of the signatory States will the Treaty enter into force and become effective, in principle, on 1 November 2006.

So far, Lithuania, Hungary and Slovenia have ratified the text via their respective parliaments end of 2004 and on 1 February. Spain will hold a referendum on the Constitution on 20 February 2005. A French referendum on the Constitution is expected in the first half of 2005, as is one in the Netherlands for May/June 2005. Luxemburg is expected to hold a referendum on 10 July 2005. A full list of the ratification schedules in each Member State can be found at

http://europa.eu.int/constitution/futurum/ratification_en.htm

One of the most important innovations of the Constitution concerning the hospitality sector is the new article on tourism. HOTREC welcomes this new provision in as much as it puts the emphasis on the competitiveness of the industry and the creation of a favourable environment for the undertakings. For more information please review Live from Brussels N° 31.

HOTREC AND ITS LOBBYING ACTIVITIES

□ *Commissioner Verheugen: tourism among EU Commission top priorities*

On 18 February 2005, the respective Presidents and Chief Executives of ECTAA (Travel Agents & Tour Operators in Europe), EFCO & HPA (Camp Sites, Holiday Parks and Holiday Villages in Europe), ETOA (Tour Operators bringing Visitors to Europe) and HOTREC met with the Commission Vice President and Commissioner for Enterprise and Industry, Mr. Günter Verheugen. The four associations introduced to the Commissioner issues of major concern to them.

The Commissioner acknowledged the potential of the tourism industry for generating jobs and growth, and confirmed the Commission's willingness to work towards "better regulation".

ECTAA, EFCA & HPA, ETOA and HOTREC were very pleased with this first meeting with the Commissioner. A press release with full details is available from the HOTREC Secretariat.

□ ***HOTREC dinner to celebrate the start of the 6th European Parliament***

On 27 September 2004, HOTREC hosted a dinner for over 30 Members of the European Parliament and Commission officials. The guests represented 17 different countries and the main political groups in the European Parliament. MEPs Margie Sudre and Toine Manders announced their intention of establishing, together with MEPs Klaus-Heiner Lehne and Manuel Medina Ortega, a new parliamentary intergroup for tourism. HOTREC President Joaquim Cabrita Neto welcomed the initiative on behalf of HOTREC and expressed his hope that it would receive broad support in the European Parliament.

The informal contacts that were established with policy-makers during the evening will be a valuable resource for HOTREC to draw upon in its work of expressing the hospitality industry's concerns at European level.

□ ***HOTREC 50th General Assembly in Bergen***

On 8-9 October 2004, HOTREC held its 50th General Assembly in Bergen. The anniversary provided, of course, an opportunity to look back at the history of HOTREC, which was created in 1979. The GA was happy to welcome the Polish Hotel Association (PHA) as a new member of HOTREC. The GA approved the conclusions of the hotel classification seminar which took place on 7-8 October. It also welcomed the efforts to establish a Tourism Intergroup in the European Parliament, as announced at the HOTREC dinner on 27 September 2004. Representatives from IH&RA, ECTAA, and EUROCOMMERCE were there to present the latest news from their organisations. Mr. Peter O'Donnell, editor of Europe Information Service, told the delegates of the renewal of the European institutions from the point of view of tourism.

After elections, the new Executive Committee and the sectoral social dialogue Steering Committee of HOTREC include the following persons:

Executive Committee (as of 1 January 2005)

President: Bernd Geyer (Germany, Hotelverband Deutschland)

Vice-President: Kent Nyström (Sweden, Swedish Hotel and Restaurant Association)

Treasurer: Marinus Cordesius (The Netherlands, Koninklijk HORECA Nederland)

Member: André Daguin (France, Union des Métiers et des Industries de l'Hôtellerie)

Member: Joan Gaspart (Spain, Confederación Española de Hoteles y Alojamientos Turísticos)

Member: Susanne Kraus-Winkler (Austria, Fachverband Hotellerie)

Sectoral social dialogue Steering Committee (as of 1st January 2005)

Chairman: Martin Couchman (The United Kingdom, British Hospitality Association)

Member: George Dommering (The Netherlands, Koninklijk HORECA Nederland)

Member: Ferenc Köszegváry (Hungary, Hotel Association of Hungary)

Member: Katia Østergaard (Denmark, Association of the Hotel, Restaurant and Tourism Industry in Denmark)

Member : Dominique Teissèdre (France, Syndicat National des Hôteliers, Restaurateurs, Cafetiers et Traiteurs)

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