

PRESS RELEASE

HOTREC 53rd General Assembly Levi, Finland 21-22 April 2006

HOTREC welcomes EU action to reduce the high fees charged to hotels and restaurants for accepting card payments

Anssi Paasivirta, State Secretary at the Ministry of Trade and Industry in Finland, addressed the 53rd General Assembly of HOTREC – the European association of hotels and restaurants – which took place in Levi on 21-22 April 2006. Mr. Paasivirta emphasised the growing importance of the tourism industry in Finland and suggested that the overall competitiveness of tourism in Europe should be reinforced in order to retain its global market share. He described the Commission’s recent Communication on a renewed EU tourism policy as an important step in the right direction.

The General Assembly reviewed the latest EU developments of interest to the hospitality industry. It strongly welcomed the initiative of the European Commission to push for cheaper and easier card payments in the EU. Most Member Associations signed a resolution setting out their strong opposition to continuing pressure within ISO for developing international standards for the hospitality industry. As the Commission has launched a review of EU labelling rules, the General Assembly reaffirmed the HOTREC position that meals served in restaurants should not be subject to any labelling obligation.

Easier and cheaper card payments in the EU

The European Commission has presented preliminary findings of a report into payment cards, which show that hotels and restaurants are among the sectors paying the highest average fees on accepting card payments from customers. Unless the banking industry reduces the fees, the Commission has declared it is prepared to take action under EU competition law. HOTREC welcomes the Commission’s determination to bring down the card fees and has invited its member associations to reply to the consultation document of the Commission.

Standards

Following continuing pressure within ISO for developing international standards for tourism, including the hospitality industry, most Member Associations signed a Resolution expressing firm opposition to proposals for international binding standards in hospitality. The Resolution regrets that the ISO established Technical Committee 228 for the purpose of developing tourism standards although there was little evidence of industry support. Standardisation bodies participating in this committee have been urged to listen more carefully henceforth to the views of the hospitality industry.

Food labelling

The issue of food labelling, i.e. rules for indicating the ingredients, nutrients, etc. present in foodstuff, has returned to the EU agenda with the Commission's global review of the legislative framework in this area. Presently, according to the Commission, the labelling obligations "*do not apply to food supplied by mass caterers, including restaurants, to their customers where such foods have been prepared or processed.*" HOTREC strongly favours the maintenance of the status quo in relation to food labelling in restaurants and will send a message to this effect in the context of the on-going Commission (DG SANCO) consultation on EU labelling rules.

EU Tourism policy

HOTREC welcomes the Communication on the new EU tourism policy which Commission Vice-President and Commissioner for Enterprise and Industry, Günther Verheugen, presented at the Austrian EU-Presidency conference on tourism in Vienna on 21 March 2006. HOTREC is pleased that the Commission recognises the economic importance of the tourism industry and that it is determined to take a number of useful initiatives in the tourism policy field. These initiatives include, in particular, better regulation (including impact assessments) and more policy coordination between the Commission departments on all questions affecting tourism directly or indirectly – two demands which HOTREC has addressed to the Commission during several years.

Copyright

The General Assembly took note that, on Tuesday 20 June, HOTREC and six other European associations are organising a copyright conference in Brussels. The aim is to highlight the concerns of copyright users in relation to the present system of collective rights management. Members of the European Parliament as well as representatives of the European Commission and of the Member States will be invited to discuss the need for reform with the industry stakeholders.

VAT

At its meeting on 14 February 2006, ECOFIN decided to leave the current arrangements, as far as VAT for restaurants is concerned, in place. This means that the Member States which today are not entitled to apply a reduced VAT rate for restaurants, will have to continue with the standard rate. In addition, the four new Member States (Cyprus, Hungary, Poland and Slovenia) which negotiated temporary arrangements in their

Accession Treaties as regards reduced VAT for restaurants will have to move to a standard rate as of 1 January 2008 unless these arrangements are extended.

HOTREC is disappointed that ECOFIN was, in the end, unable to agree on the Commission 2003 proposal to extend the option of applying a reduced VAT rate for restaurants to all Member States. Each country should be allowed to freely decide its own VAT rate for restaurants, especially as the local nature of restaurant services means that the risk of relocation due to diverging VAT-rates is minimal. The fact that the maintenance of high VAT rates will hold back the job creating potential of the sector makes the ECOFIN's decision even more regrettable.

The French member associations of HOTREC informed the General Assembly about the French government's recent announcement to maintain and extend compensation to the sector for the failure to reduce the VAT rate for restaurants as promised.

Services Directive

The General Assembly took note of the European Parliament's first reading of 16 February and the Commission's amended proposal of 4 April 2006. While the Directive's general aim of facilitating cross-border trade in services is to be welcomed, HOTREC regrets that the current text maintains the call for the development of European standards in tourism. As long as the standardisation bodies do not reform their working methods in the direction of increased transparency and consultation with industry, they should not be allowed to develop service standards.

New members

The General Assembly welcomed two new member associations into HOTREC: Federacion Espanola de Hosteleria (FEHR) of Spain, which joins HOTREC as a full member, and the Hotel Association of Macedonia (HOTAM), which joins as an observer member.

Next events

HOTREC will present its work on quality schemes, hotel classification and other issues to Members of the European Parliament, the European Commission and other guests at a reception and dinner in Brussels on 30 May 2006.

The next HOTREC General Assembly will take place in Berlin on 19-21 October 2006.

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Note to editors:

HOTREC represents the hotel, restaurant and café sector at European level. This sector counts 1.4 million businesses and provides 7.5 million jobs in the EU alone. HOTREC brings together 36 National Trade and Employer Associations representing the interest of the sector in 22 different European countries.