



L I V E F R O M B R U S S E L S

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HEALTH

❑ Food labelling in restaurants?

On 30 January 2008, the European Commission presented a proposal for a “*Regulation on the provision of food information to consumers*” (COM(2008)40 final) to review existing EU rules on food labelling (see *Live from Brussels N°41*). So far, EU rules do not impose any obligation in relation to labelling as far as meals served in restaurants are concerned. However, one of the main changes put forward by the new proposal is “*the introduction of a requirement that information on allergenic ingredients should be available for non-prepacked foods sold through retail and catering outlets*”.

The new text applies to all stages of the food chain and covers also non-prepacked food supplied by mass caterers (restaurants, canteens, hospitals). Chapter IV lays down detailed rules on the mandatory information which has to be provided to the consumers. In particular, Art. 9 and Art. 10 list the information which, subject to some exceptions, shall be mandatory, including:

- (a) name of the food;
- (b) the list of ingredients;
- (c) any ingredient (listed in Annex II) causing allergies or intolerances and substances derived there from;
- (d) quantity of certain ingredients or categories of ingredients;
- (e) net quantity of the food;
- (f) date of minimum durability or “use by” date;
- (i) the country of origin or place of provenance where failure to indicate this might mislead the consumers (...);
- (k) with respect to beverages containing more than 1,2% by volume of alcohol, the actual alcoholic strength by volume;
- (l) a nutrition declaration including energy value, amounts of fat, saturates, carbohydrates, and salt.

According to the new proposal, mandatory information has to be made available and easily accessible for all foods (including beverages). However, as regards non-prepacked food, Art. 41 gives Member States the possibility:

- a) to adopt appropriate rules concerning the way in which the mandatory information required by Art. 9 and Art. 10 has to be presented to the consumers;
- b) to decide that the mandatory information listed in Art. 9 and Art. 10 (with the exception of information on allergens) does not apply to non-prepacked food.

Thus, mass caterers such as restaurants, canteens, etc. will have as a minimum to provide information on allergens (listed in Annex II), but it will be up to the Member States to adopt detailed rules concerning the manner in which this information will have to be provided. Nonetheless, Member States may also require information on all elements mentioned in Art. 9 and Art. 10.

In accordance with the EU legislative process, the Commission proposal has been sent to the European Parliament and to the Council of Ministers, which will jointly examine, amend and adopt the text in the framework of the so-called codecision procedure. As far as the European Parliament is concerned, the ENVI Committee (Environment, Public Health and Food

Safety), which is responsible for the dossier, has recently appointed MEP Renate Sommer (Germany, EPP-ED Group) as rapporteur.

HOTREC continues to oppose the extension of labelling requirements to meals served in restaurants. It is simply unrealistic to foresee the application of very complex and detailed requirements to non-prepacked food sold by catering businesses. Meals served in restaurants can not be subjected to the same information requirements applicable to the food processed by food manufacturers. Most of the consumers, when they go to restaurants, do not expect a “scientific lecture” on the food they are going to have, but a good meal, served in a friendly atmosphere!

As far as the requirement to provide information on allergenic ingredients is concerned and in view of the length and complexity of Annex II, HOTREC fears that such an obligation would not only impose extremely heavy burdens on micro businesses (92% of the sector) but it would also be impossible to put into practice. In the impact assessment accompanying the proposal, the Commission itself admits that: “the nature of products offered at catering outlets with, frequently changing recipes and ingredients, makes it however difficult to keep information up to date”!

Furthermore, as gastronomic traditions and consumer expectations vary greatly from country to country, the decision to adopt rules concerning the labelling of non-prepacked food should be left to Member States, in accordance with the subsidiarity principle.

HOTREC will continue to follow this issue closely and insist that the revised EU labelling rules should not apply in any manner to non-prepacked food sold by catering services.

□ **Hygiene of foodstuffs and micro-enterprises**

As reported in *Live from Brussels N°40* and *N°41*, the European Commission issued (at the beginning of March 2007) a proposal to amend Regulation 852/2004 to exempt micro-enterprises, including restaurants and bars, from the obligation to “*put in place, implement and maintain a permanent procedure or procedures based on the HACCP principles*”. (According to EU rules “*a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet does not exceed €2 million.*”). This proposal (COM(2007)90 final) was put forward by the Commission in the framework of the so-called “*better regulation process*” for simplifying existing legislation.

In accordance with the EU legislative process, the proposal is now being reviewed by the Council and the European Parliament.

Mr. Horst Schnellhardt (Germany, EPP-ED Group), the MEP in charge of the dossier for the responsible EP Committee (Environment, Public Health and Food Safety – ENVI), presented his draft report on 22 January 2008. This draft report invited the Parliament to reject the Commission proposal, without suggesting any alternative, taking the view that the current EU legislative framework provides enough flexibility for small businesses in relation to HACCP.

However, on 2 April 2008, on the occasion of the vote on the draft report by the ENVI Committee, MEPs adopted some compromise amendments which allow the exemption from the application of HACCP procedures under certain conditions (it will be up to the competent

authorities of the Member States to decide). The compromise amendments also enlarge the scope of the original Commission proposal, as not only micro-businesses, but all SMEs would benefit from the possible exemption. (According to EU rules the category of SMEs “*is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.*”).

The European Parliament could vote on the report adopted by the ENVI Committee at its plenary session in May. Then, the Council of Ministers will have to express its views on the Parliament’s proposal.

HOTREC welcomed the Commission proposal as an important step to reduce burdensome bureaucratic requirements on small businesses, without lowering the level of food safety. Similarly, HOTREC welcomed the adoption of compromise amendments offering an alternative in line with the objective of the Commission proposal, in the best interest of consumers and responsible enterprises. HOTREC will continue to follow closely the developments of this important dossier at European Parliament and Council level.

□ **HOTREC joins the Alcohol Forum**

As announced in *Live from Brussels N°41*, the European Alcohol and Health Forum held its first plenary meeting on 17 October 2007. The Forum, which was launched on 7 June 2007 in the framework of the EU strategy to “*support Member States in reducing alcohol related harm*”, brings together stakeholders willing to take “*meaningful and verifiable actions*” with a view to reducing alcohol-abuse related harm. Similarly to the EU Diet Platform, the functioning of the Alcohol Forum is based on a “*commitment and monitoring process*”. Forum members commit themselves to take self binding actions (the so called “*commitments*”) in relation to specific priorities areas and engage themselves to monitor and to report on their implementation.

The members of the Forum (health and consumer NGOs, youth and family organisations, medical professions, alcohol producers, retailers, wholesalers, caterers, insurers, broadcasters, publishers, advertisers, etc.) have so far put forward more than 70 commitments aimed at reducing alcohol-abuse related harm.

The next plenary meeting of the Forum will take place on 16 April 2008 followed by an “*Open Forum*” session (open to non members and the media) on 17 April 2008.

Further information on the Forum, its members and their commitments can be found at:

http://ec.europa.eu/health/ph_determinants/life_style/alcohol/Forum/alcohol_forum_en.htm

HOTREC and its Member Associations, which share the concerns of public authorities in relation to alcohol-abuse related harm, thoroughly discussed the participation of HOTREC to the Alcohol Forum at their 56th General Assembly in Vilnius. On that occasion, Mr. Robert Madelin, Director General of DG SANCO, and Chair of the Forum, stressed that the hospitality sector would be a crucial partner in the Forum’s process and invited HOTREC and the sector to contribute. The General Assembly decided that HOTREC would join the Forum and some of its national associations expressed the intention to be directly involved. As member of the Alcohol Forum, HOTREC committed itself to:

- *Inform regularly its national member associations on the activities of the Forum;*
- *Encourage its national associations to develop their activities in relation to the objectives of the Forum, with a special focus on responsible drinking and the enforcement of age limits for serving and selling alcoholic beverages;*
- *Invite its national associations to make commitments within the Forum;*
- *Facilitate dialogue and cooperation between its national associations and other members of the Forum.*

The British Beer and Pub Association (BBPA), the Finnish Hospitality Association (FHA) as well as the Swedish Hotel and Restaurant Association (SHR) have already responded to the HOTREC “call for actions” and have made the following commitments within the Forum:

- *BBPA will take actions aimed at reducing the sale of alcohol to under-aged through the “Challenge 21” programme, staff training and information campaigns.*
- *FHA committed itself to further promote responsible selling and serving among its member companies, through the exchange of good practices, the development of guidelines, voluntary-actions as well as information and counselling programmes.*
- *SHR will promote initiatives in relation to responsible serving of alcohol, with a special focus on the enforcement of rules concerning under-age and intoxicated people (e.g. information campaigns and counselling programmes).*

□ **A new EU initiative on smoke-free environments?**

As reported in *Live from Brussels N°40* and *N°41*, on 30 January 2007 the European Commission published its Green Paper “*Towards a Europe free from tobacco smoke: policy options at EU level*” (COM(2007)27 final) to open a consultation process on the best way to promote smoke-free environments in the EU.

In the document, the Commission outlined two possible approaches to develop an EU smoke-free initiative:

- A total smoking ban in all enclosed or substantially enclosed workplaces and public places;
- A smoking ban with exemptions granted to selected categories of venues (e.g. the licensed hospitality sector or hospitality establishments which do not serve food).

The Commission suggested 5 policy options (not mutually exclusive) to achieve “*a Europe free from tobacco smoke*”:

- 1) No change from the status quo (current EU action under the different Community programmes);
- 2) Voluntary measures;
- 3) Open measures of coordination (aiming to achieve convergence in national anti-smoking laws);
- 4) A Commission or a Council Recommendation (non-binding measures);
- 5) Binding legislation.

In a report recently published on the outcomes of the Green Paper consultation, the Commission explains that the majority of contributors expressed support for further EU action. On that basis, the Commission “*intends to put forward a follow-up initiative on smoke-free environments by the end of 2008*”. However, at this stage it is not clear yet what the approach and the form of this possible EU initiative will be.

HOTREC and its Member Associations fully share the concerns of the EU policy makers on the issue of smoking in public places and health. However, as pointed out in its reply to the Green Paper consultation, since years, HOTREC has expressed the view that such an issue should be dealt with and regulated at national level in accordance with the subsidiarity principle, taking into account local traditions and cultural differences. HOTREC reiterated its position in a letter recently addressed to DG SANCO, in the context of the impact assessment consultation on a possible new EU initiative on smoking in public and workplaces. HOTREC will continue to watch carefully the developments in the matter.

VAT

□ VAT rates saga ...

As explained in *Live from Brussels N°41*, on 5 July 2007, the European Commission released a package of VAT rates-related documents. This package included a proposal to extend the derogations negotiated by some of the new Member States in their accession treaties regarding the application of reduced VAT rates to restaurant services.

On 4 December 2007, the Council of Ministers of Economic and Financial Affairs (ECOFIN) adopted this proposal. The derogations, originally valid until the end of 2007 for Poland, Cyprus and Slovenia were extended until the end of 2010 (Directive 2007/75/EC).

As explained in detail in *Live from Brussels N°41*, with the July 2007 Communication, the Commission intended to relaunch a broad debate on VAT rates. In view of the difficulties encountered by the ECOFIN Council in setting clear views on the way forward, the Commission decided that the global review would be for later and that it would release a proposal with limited scope around summer 2008. The aim of such proposal would be to add definitively labour intensive services (current Annex IV) to the list of goods and services to which Member States may decide to apply reduced VAT rates (current Annex III). Locally supplied services (to be defined), possibly including restaurant services, could also be added to this list.

In March 2008, the Commission decided to circulate for consultation to all parties concerned a list of questions, which are split into two groups:

1. Questions in relation to a Commission proposal with a limited scope to be issued around summer 2008; and
2. Questions in relation to a more global revision of the scope of application of reduced VAT rates (no date is announced for the publication of this proposal).

Group 1 raises questions in relation to locally supplied services, including restaurant services.

Group 2 of the questionnaire includes suggestions for possible deletions of some goods and services from Annex III. Accommodation services could be deleted from Annex III.

The consultation's deadline is 12 May 2008.

The consultation document can be found at the following link:

http://ec.europa.eu/taxation_customs/common/consultations/tax/article_4850_en.htm

HOTREC welcomed the ECOFIN decision on the extension of the derogations for the three Member States mentioned above.

HOTREC will submit its reply to the consultation launched by the Commission, and will continue its efforts towards obtaining the option for all Member States to apply reduced VAT rates to restaurant services (11 Member States currently apply a reduced VAT rate to restaurants) and to keep such an option (currently made use of by 22 of the 27 countries) for accommodation services.

□ **VAT – Place of taxation of supply of services**

Under the current rules (Directive 2006/112/EC), in the absence of specific provisions, services supplied to taxable persons (business to business transactions) as well as to non-taxable persons (business to consumer transactions) are taxed at the place where the supplier has established his business, or has a fixed establishment from which the service is supplied.

However, on 4 December 2007, the Council of Ministers for Economic and Financial Affairs (ECOFIN) adopted new provisions concerning the place of taxation.

This new text (Directive 2008/8/EC, OJ L 44 of 2008) provides for specific solutions for hotel and restaurant services:

“The place of supply of services connected with immovable property, including...the provision of accommodation in the hotel sector or in sectors with a similar function...shall be the place where the immovable property is located.”

“The place of supply of restaurant and catering services...shall be the place where the services are physically carried out.”

The new rules have to be implemented by the Member States by 1 January 2010.

For hotels and restaurants the new Directive will, in practice, not change the current situation. Nonetheless, the new rules will have an impact on some cross-border catering operations: for example, if a caterer prepares a meal for a party (e.g. wedding) being held in another country, then the VAT rate of the country where the party is taking place will apply and not the VAT rate of the country where the caterer has his establishment.

CONSUMER AFFAIRS

□ **Fire safety back on the agenda!**

Fire safety in hotels is regulated at EU level by the 1986 Council Recommendation 86/666/EC. Since 2002, its revision has been discussed on several occasions. In April and June 2006 special meetings of an Expert Group and of the Consumer Safety Working Party (a permanent expert group composed of representatives of national administrations) were convened to assess the possible options available at the EU level. During these meetings,

three possibilities were envisaged, although no consensus could be reached among the participants:

- To review the Recommendation on fire safety in existing hotels (86/666/EC);
- To amend the annex (technical guidelines) of the 1986 Recommendation only;
- Or to replace the annex (technical guidelines) with a CEN (European Committee for Standardisation) technical document. As a matter of fact, CEN is already working on such a document (outside of any mandate from the Commission).

In February 2007, following a statement by Commissioner Kuneva that “*there were no evidences supporting the case for action at EU level*”, the issue of fire safety seemed to having been removed from the EU agenda (see *Live from Brussels N°40*). In the meantime, an important fire devastated a hotel in Newquay (UK) in August 2007, causing the death of three people. Even though the fire was started intentionally and the only two ladders of the fire-fighters were out of order, this event led to a re-opening of the file.

A parliamentary question was submitted on 10 December 2007 to Commissioner Kuneva on whether sprinklers should be made mandatory in all hotels and whether European standards on fire safety should be agreed.

Following these events, and on the occasion of a meeting with some hotel chains, Commissioner Kuneva made clear that she would favour a holistic approach for safety of hotel services that would go beyond fire safety. This holistic approach would also enshrine a move from the current prescriptive regime to a more performance-based approach to safety, based on risk assessments. This intention had already been announced in the Commission’s answer to the Costa Report on a renewed EU Tourism Policy (P6_TA(2007)0575) as well as in the Commission strategy for consumer protection 2007-2013 (COM(2007)99 final).

HOTREC is convinced that the question of fire prevention is primarily the responsibility of the Member States and that any action at EU level should respect the principle of subsidiarity. Moreover, any European measure should pay attention not to overburden unreasonably SMEs, which constitute 99% of the hospitality industry.

❑ **Cross-border contractual disputes**

On 7 December 2007, the Council endorsed the European Parliament’s opinion on the Rome I Regulation on cross-border contractual disputes, paving the way for its formal adoption. The final text confirms, as advocated for by HOTREC, that a contract between a hotel/restaurant in country A with a consumer from country B will continue to be regulated by the law of country A.

The Regulation stipulates that the law which applies in cross-border consumer contract disputes is in principle the law of the country where the consumer resides. However, for services supplied to the consumer in a country other than the one in which he has his residence, the law of the country where the service is provided applies: this provision confirms the approach in place under the previous legal regime.

The Regulation will be formally adopted by the Council as soon as the linguistic and legal checks are completed. The Regulation will apply eighteen months after its publication in the Official Journal of the European Union.

As reported in Live from Brussels N°41, HOTREC feared in early 2007 that the exemption could be lifted by the European Parliament. The final text adopted, which upholds the exemption to the general rule for contracts “for the supply of services where the services are to be supplied to the consumer exclusively in a country other than that in which he has his habitual residence” is therefore a great success for HOTREC and the hospitality industry.

□ **Timeshare Directive should not cover hotel reservations**

As reported in *Live from Brussels N°41*, the European Commission issued in June 2007 a proposal (COM(2007)303 final) to review the current Timeshare Directive (94/47/EC). The aim of the proposal is to harmonize certain provisions on consumers’ rights and to extend the scope of the current rules to cover:

- Short-term contracts (contracts of more than one year);
- Long-term holiday products (e.g. “discount holiday clubs” where a consumer buys “the right to obtain discounts or other benefits on accommodation in isolation or together with other services”); and
- Resale and exchange of timeshare products.

While, in the current Directive, the definition of ‘timeshare’ only covers long-term contracts (contracts of more than three years), the new proposal would extend the definition of ‘timeshare’ to short-term contracts (contracts of more than one year). This extension of the scope would be harmful to the hospitality industry, as it would mean that multi-annual reservations of hotel rooms would be covered by the burdensome requirements of the Directive (e.g. ban on advance payments, right of withdrawal, information to be given to the consumer, etc). This idea to cover multi-annual reservations of hotel rooms was clearly defended by the Commission during a discussion held in the European Parliament in January 2008. However, some MEPs contested this approach and submitted amendments to exclude hotels from the scope of the Directive.

The Internal Market Committee of the EP will adopt its draft report on 6 May 2008, which will give the EP the opportunity to adopt its opinion on the proposal in the end of May 2008, paving the way for an early adoption by the Council in the end of June 2008.

HOTREC considers that the definition of timeshare contracts should be given greater clarity: multi-annual reservations of hotel rooms should be expressly excluded from the scope of the Directive. HOTREC wishes that the amendments introduced by MEPs to this effect will be adopted.

□ **Package Travel: revision in the pipeline**

As reported in *Live from Brussels N°41*, the European Commission issued on 26 July 2007 a Working Document on the revision of the 1990 Package Travel Directive (90/314/EC) and launched a consultation on specific issues relating to package travel (closed since 1 October 2007). The Commission is currently examining the replies to determine the need for a reform of the Package Travel Directive.

Acknowledging that the travel sector considerably evolved since the adoption of the current Package Travel Directive, the Commission sought the views of stakeholders on the following issues:

- Scope of the Directive and definitions (definitions of “package”, “inclusive price”; “organiser”; retailer”; “consumer”);
- Pre-contractual information/information requirements and variation in price;
- Withdrawal from the contract by the consumer and right to compensation;
- Liability of organisers (is there a need to clarify the notion of “damages”?);
- Consumer complaints; and
- Security for insolvency.

The current Directive organises the liability of the organiser/retailer of the package if, after the departure, a significant portion of the services contracted for is not provided. Tour operators/travel agents usually complain about the extent of their liability and the obligation to subscribe to a guarantee scheme.

HOTREC considered in its response to the consultation that the combination of accommodation and other tourism services, other than travel and not ancillary to accommodation, should not be covered by the Directive. This call for a restriction of the scope of the Directive is linked to the provision in the Directive relating to a guarantee scheme. Even when hotels offer services not considered as ancillary to accommodation, their situation differ greatly from that of organisers/travel agents:

- *Hotels generally do not receive substantial payment in advance;*
- *Credits cards details usually only secure cancellation fees.*

Moreover, since hotels always have tangible assets, they should not be requested to provide evidence of security to cover risks of insolvency.

□ **Introduction of EU “class actions”?**

The Commission is currently examining the problems consumers face in obtaining effective redress when the cost of taking legal action is likely to outweigh the amount of compensation claimed. In the Commission’s view, collective redress (class actions) could be an effective mean of tackling this issue.

To assess the feasibility of such a mechanism, the Commission launched on 5 February 2008 an online consultation on consumer collective redress benchmarks that should be respected by effective and efficient collective redress systems. The Commission will use the results of this consultation to prepare a Communication on this issue that should be released by the end of 2008 or early 2009.

In its reply to the consultation, HOTREC, on behalf of the hospitality industry, proposed that the following principles be respected in case an EU collective redress be put in place:

- *The introduction of unmeritorious claims should be effectively discouraged;*
- *The defendant should not be unreasonably burdened;*
- *Special attention should be given to the risks for the defendant’s reputation. Particular attention should be paid to the risks of “legal extortion” and blackmailing by non-genuine plaintiffs; and*
- *Out-of-court settlement should be further encouraged.*

□ **Towards an EU framework for consumer contracts**

As reported in *Live from Brussels N°39* and *N°40*, the Commission is currently working on a revision of the Consumer Acquis. The overall aim of the revision is to simplify and improve the coherence of the consumer regulatory framework.

This will be achieved through a mixed approach combining a horizontal instrument and vertical provisions whenever required. The Commission should issue by the end of 2008 a Framework Directive on Consumer Contractual Rights. It will incorporate four existing directives (the unfair contract terms Directive, the distance selling Directive, the consumer sales and guarantees Directive and the doorstep selling Directive) and will regulate horizontal aspects of other consumer directives (e.g. right of withdrawal in the Timeshare Directive).

The first part of the framework Directive should cover common definitions (consumer, professional, etc.) and the right of withdrawal (length and modalities). It should also draw-up black and grey lists of unfair contract terms. In a second part, it should cover the vertical aspects of the distance selling and doorstep selling Directives.

Any revision of the Distance Selling Directive is of particular interest for the hospitality industry, as it contains in its article 3(2) a derogation for “*contracts for the provision of accommodation, transport, catering or leisure services, where the supplier undertakes, when the contract is concluded, to provide these services on a specific date or within a specific period*”. This provision allows the hospitality industry to be exempted from some requirements of the Directive (e.g. prior information, written confirmation of information, right of withdrawal, and execution of the order by the supplier within 30 days – article 4, 5, 6 and 7-1).

HOTREC considers that the current derogation provided by article 3(2) of the Distance Selling Directive should be retained in the Framework Directive on Consumer Contractual Rights.

□ **The consumer scoreboard: a new tool for assessing markets outcomes**

On 31 January 2008, the Commission adopted a communication that establishes a new EU Consumer “MarketWatch” based on a new tool: the EU consumer scoreboard (COM(2008)31 final).

Based on 3 pillars (sectoral consumer market investigations, benchmarking retail market integration and benchmarking the consumer environment), its aim is to monitor the performances of a specific market from the consumer’s perspective. Using key indicators (complaints, prices, switching possibilities, consumers satisfaction and safety), the consumer scoreboard will allow the Commission to identify underperforming markets (in terms of economic or social outcomes) which need to be given special attention, and to be regulated further.

During a meeting of the Internal Market Committee of the EP in March 2008, some MEPs raised the question of an eventual linkage of the consumer scoreboard with the existing Internal Market scoreboard used for monitoring Member States’ respect for Internal Market

regulations. The question of the pertinence of the indicators was also raised and may possibly be examined by a panel of experts.

The hospitality industry faces a high risk of being scrutinized in the framework of future scoreboards. In a Commission Staff working document (SEC(2007)1517) released on 20 November 2007, the Commission identified “hotels and restaurants” as an economically important but malfunctioning market. The reasons behind this identification were evidences of price stickiness and a negative growth in the labour productivity of the sector over the last decade.

HOTREC will closely follow any development related to a possible screening of the hospitality industry under the Consumer scoreboard. In such event, HOTREC will take a close look at the methodology and indicators employed in the screening, so as to ensure that the result fairly take into consideration the specificities of the hospitality industry.

STANDARDS

□ Commission Communication on standards & innovation

On 11 March 2008, the European Commission issued the Communication “*Towards an increased contribution from standardisation to innovation in Europe*” (COM(2008)133 final). The Communication is a response to the Competitiveness Council of December 2006 which, in its conclusions, stressed the need to “*enhance the European standards-setting system*” and invited the Commission “*to present proposals for action to be taken by the relevant stakeholders to reform and streamline the system*”. With this document, the Commission gives its views on the role and the way forward in relation to the European standardisation. The Communication acknowledges that the current standardisation process at international, European and national level presents a number of problems, including:

- Complexity of the system;
- Costs of the so called “deliverables” (standards, guidelines, etc);
- Time required to participate in standards-making;
- Difficult access to standardisation, in particular for SMEs.

The Communication outlines a number of measures to address these problems and stresses the need for “*a formal standardisation process which fully respects the principles of openness, inclusiveness, transparency and coherence and is accountable for establishing consensus between all national positions and interested parties...*”.

The Commission invites European standardisation bodies, industry and relevant stakeholders to consider the measures proposed and will discuss with them and the Member States “*how best to achieve the objectives outlined...*”.

The text of the Communication is available at:

http://ec.europa.eu/enterprise/standards_policy/standardisation_innovation/index.htm

HOTREC welcomes, as a key step in the right direction, this Commission Communication. Since years, HOTREC and its Member Associations have been repeating over and over that the working procedures of the standardisation bodies at international, European and national

level should be reassessed to ensure increased transparency and a fair representation of stakeholders. HOTREC is preparing a reply to the Communication to reiterate the ever-increasing concerns of the vast majority of the European hospitality industry with the working methods of standardisation bodies. This reply will soon be made available on the HOTREC website.

❑ **Study on access to standardisation**

On 29 December 2007, the Directorate General for Enterprise of the European Commission announced the award of a service contract for a study on access to standardisation (EU Official Journal S250, 29 December 2007). According to the short description of the project, the purpose of the study is “*to investigate the situation regarding access to standardisation across the EU, compare national situations, detect barriers and areas for improvements and making recommendations*” concerning:

- 1) Facilitating participation and contribution of stakeholders in the process;
- 2) Accessibility to standards; and
- 3) Understanding and application.

The service contract – worth 200 000 EUR for a period of 15 months – has been awarded to the Dutch consulting company *EIM Business & Policy Research*.

HOTREC welcomed this announcement by the Commission as an important step in the right direction. HOTREC, which is not against standards “per se”, considers a transparent and facilitated access to standardisation as essential. As a matter of fact, HOTREC and most of its Member Associations have been encountering many difficulties over the last years in relation to the working procedures of the standardisation bodies at all levels: national, European and international.

HOTREC wrote to DG Enterprise to express its support and interest in the project and its willingness to contribute to the study.

❑ **ISO TC 228: a new wave of standardisation projects?**

As reported in various issues of *Live from Brussels*, ISO (International Organisation for Standardisation) established in 2005 the Technical Committee 228 (TC 228) to develop standards for tourism and related services, including hospitality activities. However, since the first plenary meeting (Tunis, March 2006) the national standardisation bodies (NSBs), members of the Committee, have been unable to find a consensus on its scope. After two years and several tense meetings, tight votes by correspondence and various controversial resolutions, the Business Plan of TC 228 was approved in September 2007. Notwithstanding the sustained opposition of the vast majority of the European hospitality industry, the Business Plan confirmed a wide-reaching scope for the works of TC 228, including accommodation and catering services. The only limitation introduced by Resolution 14/2007 of the ISO Technical Management Board (TMB), reads as follows: “*the initial Business Plan covering the period until 2010 comprises only those work items where there is a known support amongst the stakeholders*”.

The third TC 228 plenary meeting took place in Marbella (Spain) on 25-26 February 2008. The agenda included updates on ongoing standardisation activities (diving and spa services) as well as presentations of new projects in relation to:

- Health tourism services (proposal to enlarge the scope of the current working group 2 on “spa services” (WG2) and to develop new standards on “thalassotherapy services” and “wellness spa services”);
- Tourist information services;
- Golf services;
- Adventure tourism (proposal temporarily withdrawn) ;
- Beach services;
- Natural protected areas.

The Secretariat of TC 228 has already requested the NSBs members of the Committee to approve, via a vote by correspondence, the new projects in relation to “tourist information services” and “golf services” (deadline: 24 March) as well as “thalassotherapy” and “wellness spa services” (deadline: 11 April; extended to 18 April).

The next plenary meetings of ISO TC 228 will take place in Turkey (April, 2009) and Brazil (2010).

HOTREC, which attended the meeting in Marbella, expressed firm disagreement with the proposal to widen the scope of WG2. Such a scope had been agreed at the first WG2 meeting in Madrid (October, 2006) where the participants approved Resolution 3/06 stating that: “The WG agrees to focus solely on medical spa services [...]”. What is the point of attending a meeting and adopting a resolution, if then it can simply be ignored?

HOTREC considers that WG2 should only deal with medical spa services. The term “wellness spa services” is too far-reaching and standards on “wellness spa services” will certainly impact part of the hospitality industry, as more and more hotels are providing services ranging from fitness to body, facial and regeneration treatments.

HOTREC wrote to the Secretariat and members of TC 228 expressing its positions on the new projects and insisted that standardization activities should only cover those “work items” where there is known support among stakeholders, in accordance with the Business Plan and the TMB Resolution 14/2007. As a matter of fact, there is presently no support from the vast majority of the European hospitality industry for the development of any standard which would concern services provided by its businesses.

□ CEN feasibility projects for services standardisation

As reported in *Live from Brussels N°40*, at the beginning of 2007, CEN (European Committee for Standardisation) announced the launch of a number of so called “feasibility studies” for the period 2007/2008, on the basis of a mandate (Second Programming Mandate M/371) given to CEN by the European Commission in the field of services in July 2005. The aim of these new projects is to assess the needs and possible benefits of standardisation in relation to business services and consumer oriented services not yet covered by standardisation.

As explained on many occasions, HOTREC does not favour own initiatives by CEN and its members: standards, and therefore feasibility studies should only be developed upon a clear

request from the market and the industry. There is presently no support from the vast majority of the European hospitality industry for the development of any standard in relation to these feasibility projects.

These feasibility projects concern, among others, the following topics:

- “Accessibility services in transport and tourism” (Project Leader AFNOR – France).

The purpose of the project is to investigate whether there are the conditions and needs for the development of harmonised criteria defining the accessibility of tourist transports, sites and facilities (including hotels and restaurants). A final report with conclusions and recommendations on the way forward should be presented by AFNOR in June 2008.

HOTREC wrote to the AFNOR project leader to express its opposition to the development of European standards for accessibility criteria for tourist places. HOTREC and its Member Associations agree that reliable information on accessibility should be easily available in order to allow disabled customers to make an informed choice in relation to tourist places. However, a number of measures and schemes already exist across Europe and there is no reason why they would need to be reviewed on the basis of common, harmonised criteria. HOTREC believes that harmonisation cannot be a goal in itself and that one-size-fits-all solutions are neither feasible nor the appropriate answer in this matter.

A first seminar organised by AFNOR and CEN on this project took place on 13 February 2008. HOTREC attended the seminar and it was flabbergasted by the conclusions of the seminar report, which completely ignored or distorted the views expressed by industry stakeholders.

- “CHESSE: CEN Horizontal European Service Standardization Strategy” (Project Leader: BSI - UK); Project Partners: AENOR - Spain, DIN - Germany, DS - Denmark, NEN - the Netherlands and EVS - Estonia).

This initiative examines the feasibility of taking a generic rather than a sector-specific approach to service standardisation. The project focuses on generic aspects such as:

- Safety in the delivery of services (DIN);
- Assessment of customer satisfaction (BSI);
- Complaints and redress system (BSI);
- Billing (BSI);
- Delivery and quality of business-related services (DS).

Its outcome will be a report on the current situation concerning the delivery of cross-border services and, possibly, proposals for future standardisation with a view “to facilitate the free movement of services across Europe”.

HOTREC wrote to the project leader explaining that a “horizontal standardisation” approach for services is totally inappropriate as service areas vary greatly. HOTREC believes that standardisation of services at general level would be meaningless, as never could such an exercise reflect the specificities and the needs of the various service areas.

HOTREC attended a meeting organised by CEN and BSI on the issue on 2 April 2008. The conclusions were that horizontal standards for services will be complex but feasible. Such standards would be beneficial!

▪ “Welcome/ reception services” (Project Leader: AFNOR - France; Project Partner: NEN - the Netherlands);

This study examines the possibility of developing standardisation activities in relation to “welcome/reception services in companies and administrations” and services “for special events” in a business to business perspective. Its results will be presented in a report to be issued possibly in June 2008.

HOTREC recently wrote to the AFNOR project leader to express its firm disagreement with any widening of the scope of the project which could possibly lead to standardisation activities in relation to “welcome / reception services” provided by hospitality businesses. Standards, other deliverables, and therefore feasibility studies related to standardisation, should only be developed upon a clear request from the market and the industry concerned. There is clearly no demand from the European hospitality industry for standardisation of its reception services.

□ CEN draft standard on swimming pools

As reported in *Live from Brussels N°39* and *N°40*, a working group (WG8) within the Technical Committee 136 (TC 136) “Sports, playground & other recreational equipment” of the European Committee for Standardisation (CEN), has been developing a standard for swimming pools over the last years. The draft standard is divided in two parts:

Part 1: Safety requirements for design (prEN15288-1)

Part 2: Safety requirements for operation (prEN15288-2).

Part 2 is of interest to the hotel sector as it deals with requirements for good management and operation of swimming pools, including hotel pools.

Although standardisation works were declared finalised at the WG8 meeting in Lyon (November 2006), TC 136 was unable to approve the draft standard in the course of 2007 (as expected), due to the strong opposition by AFNOR (French standardisation body) to some key parts of the texts: scope and inclusion of domestic swimming pools. Consequently, WG8 met again on 15-16 October 2007 in Barcelona to review and amend the texts with regard to the “Terms and definitions” and “Classification” sections.

No major changes were made to the sections most relevant to hotel pool operators (“Occupancy”, “Control of access”, “Supervision arrangements”), where a more flexible approach based on risk assessment, introduced in previous meetings, was confirmed (see *Live from Brussels N°39*).

The members of TC 136 approved the draft standard via a vote by correspondence held at the end of December 2007. As a result, the draft standard will be circulated in the coming months by CEN to its members (the national standardisation bodies) for final vote.

HOTREC, which has a liaison status within TC 136, attended, as observer, various meetings of WG8, including its meetings in Düsseldorf (September 2006) and in Lyon (November 2006) where the works on prEN15288-1 prEN15288-2 were declared finalised at working group level.

HOTREC welcomes that the main provisions ensuring a minimum of flexibility in relation to key aspects for hotel pool operators have been maintained. However, HOTREC regrets that it has not been informed by the WG8 Secretariat about the activities and meetings of WG8 in course of 2007. As a matter of fact, the text still includes a great number of requirements (for example in relation to pool maintenance, emergency and cleaning procedures) that could be quite burdensome, especially for small hotel pool operators.

HOTEL REVIEW SITES

□ The hotel industry opens a constructive dialogue with hotel review sites

Hotel review sites provide hotel guests with the possibility, not previously available, of reading about the experiences of a large number of other travellers before making their own hotel reservations. HOTREC welcomes this Internet trend towards more interaction and more direct involvement of customers in relation to its offer of services.

In October 2007, HOTREC contacted the major hotel review sites with the view of launching a constructive dialogue over a proposal for 10 principles relating to their functioning. For the hotel industry, advantages of review sites outweigh the risks involved. They add new dimensions to the transparency of the offer and allow for a more comprehensive hotel search, according to the individual needs of the traveller. On occasion, however, hotels have difficulties with their treatment on such sites. This is why HOTREC wishes that review sites and the hotel industry cooperate as equal partners on a common approach. A close cooperation between review sites and the industry can only benefit their respective activities, as well as, increase the satisfaction of travellers, which is the ultimate objective of both parties!

So far, mostly positive comments have been expressed in relation to this HOTREC initiative. HOTREC is planning to organise a seminar on hotel review sites on the occasion of its General Assembly on 6-7 November 2008 in Prague.

The HOTREC press release, issued on 16 November 2007 in relation to hotel review sites, is available at: www.hotrec.eu under the section “News and Publications/Press releases”.

EUROPEAN HOSPITALITY QUALITY

□ EHQ and the Hungarian quality scheme

On 22 November 2007, HOTREC announced the accreditation of the Hungarian quality label “Magyar Turizmus Minőségi Díj” under the European Hospitality Quality scheme (EHQ) at EHQ level 2. Enterprises entitled to bear the Hungarian “Q” are now entitled to use additionally the EHQ “QQ” label for advertising purposes.

The Hungarian quality programme, which was elaborated by the Hungarian National Tourism Board with the active participation of the Hotel Association of Hungary, has been working satisfactorily for three years already and its reputation is increasing: these arguments led HOTREC to make the Hungarian Q one of its pilot EHQ projects.

As reported in *Live from Brussels N°41*, HOTREC officially launched the European Hospitality Quality scheme on 31 August 2007 and announced the accreditation of the Swiss quality system “Quality our passion” on the same occasion.

With the launch of the European Hospitality Quality scheme, HOTREC demonstrated its commitment to facilitate the benchmarking and comparison of existing quality management schemes in Europe, using a bottom-up approach and in full respect of the principle of subsidiarity. The EHQ is not intended to replace the numerous existing schemes at national or regional level. It rather provides a system for evaluating them as well as information on their meaning.

FINANCIAL SERVICES

❑ **Commission ruling on MasterCard Multilateral Interchange Fees: a milestone achievement**

Following an in-depth investigation and a confidential “statement of objections” sent by the European Commission to MasterCard in June 2006 (see *Live from Brussels N°40*), the Commission ruled on 19 December 2007 that MasterCard and Maestro interchange fees for cross-border transactions (MIF) were violating European competition rules.

The Commission indeed found that MasterCard's MIF, a charge levied on each payment at a retail outlet when the payment is processed, inflated the cost of card acceptance by retailers without leading to proven efficiencies. If the existence of MIF has not been declared illegal as such, Commissioner Kroes, responsible for competition issues, warned that the Commission would only accept such fees “*where they are clearly fostering innovation to the benefit of all users*”. Therefore, if MasterCard wants to introduce a new MIF, “*it would have to demonstrate that there would be advantages for both retailers and consumers*”.

If the scope of this decision is limited to the current MasterCard's MIF scheme, it however sets an important precedent that might influence the outcome of similar complaints currently examined by national competition authorities in several Member States. This decision, only a month before the official launch of SEPA, is furthermore a clear warning for existing payment schemes that the move towards a single European payment area should not be accompanied by a permanent inflation of card acceptance costs.

This signal was confirmed on 26 March 2008 with the opening by the Commission of formal antitrust proceedings against Visa Europe Limited. These proceedings will seek to establish whether Visa Europe Limited's MIF are complying with EU competition rules.

HOTREC warmly welcomes the Commission's decision, as it is a truly remarkable achievement for all European consumers and for the entire European industry. HOTREC and its Member Associations are now looking forward to tangible effects in lowering the fees for all hospitality businesses that accept credit and debit cards in Europe.

□ SEPA – a reality!

On 28 January 2008, the Single European Payment Area (SEPA) was launched officially. SEPA is an initiative from the European banking industry (represented by the European Payments Council) supported by the European Commission and the European Central Bank (ECB). This new single payment system in Europe will make cross-border payments in Euro as easy, cheap and secure as “national” payments within the Member States. According to a study published by the Commission, the net benefit for payments markets over the next six years could amount to 123 billion euros.

SEPA’s main instruments will progressively be implemented. The first instrument (harmonized processing of cross-border credit transfer) is in place since 28 January 2008. The second instrument (the processing of cross-border direct debit services) will become operational on 1 November 2009, after the full transposition of the Directive 2007/64 “*on payment services in the internal market*” (OJ L 319 of 5 December 2007). This Directive, which was adopted on 15 October 2007 after the Council’s endorsement of the European Parliament’s opinion, was needed to harmonise both the legal basis of these payments and the rules on consumer protection. The third instrument is the SEPA card framework. It must be implemented by the end of 2010 and will enable European customers to use “general purpose” cards (defined as all guaranteed payments - credit/debit - and cash withdrawals cards) to make payments and cash withdrawals in Euros throughout the SEPA with the same ease and convenience as they do in their home country.

Easy, cheap and transparent payment systems are crucial for the hospitality industry, as every hospitality enterprise has to deal with a multitude of transactions on a daily basis, mainly in relation to consumers. HOTREC and its Member Associations welcome the launch of SEPA and the adoption of the Payment Services Directive. It should result in a lower cost for hoteliers/restaurateurs when they deal with payments from EU customers.

COPYRIGHT

□ Copyright territoriality and management of rights for online services: the debate is reopened!

With the release on 3 January 2008 of a Communication on “*Creative Content Online in the Single Market*” (COM(2007)836 final), the Commission re-launched the debate on the licensing and the management of rights for creative online services. The Communication explores the main challenges to the uptake of online content services in Europe and addresses questions related to:

- The availability of creative content;
- Multi-territory licensing for creative content;
- Transparency and interoperability of digital rights management systems; and
- Piracy and the legal offer.

This Communication also launched a public consultation which will serve as a basis for the adoption by mid 2008 of a Recommendation on creative content online. Stakeholders were invited to reply to a list of questions by 29 February 2008.

The Commission's communication can be found at:
http://ec.europa.eu/avpolicy/docs/other_actions/col_en.pdf

In addition to the specific aspects of online content, the Commission also announced its intention to release in 2009 a green paper on “*Copyright in the knowledge economy*” with a view to modernise and adapt the existing legal framework.

As an important right-user, the hospitality industry is deeply interested by developments related to copyright licensing. In its reply to the consultation, HOTREC stressed that the management of rights, both offline or online, should be regulated according to the same principles. Once again, HOTREC called for:

- *An increased transparency on the part of collecting societies in relation to their management and in particular in relation to the setting-up of their tariffs;*
- *The strict application of EU and national competition rules to the collecting societies;*
- *Simplified procedures and reduction of administrative burdens for SMEs; and*
- *Easy, speedy, and affordable dispute settlements systems in relation to Rights Management Systems.*

❑ **Copyright protection for European performers: to be extended?**

On 14 February 2008, Commissioner McCreevy, responsible for Internal Market and Services, announced its will to bring forward a proposal to extend the term of copyright protection for European performers from 50 years (under the current regime) to 95 years. The Commissioner is expected to present this proposal to the Commission in May 2008.

The Commissioner defended his initiative arguing that the proposed extension of the copyright term for performers aims at ensuring that they will still receive royalties in the late years of their life for the music they performed in their youth. These royalties often constitute the sole pension of most performers such as session musicians, according to the Commissioner.

As an important right-user, the hospitality industry is very concerned about this proposal. HOTREC is firmly opposed to any extension of the copyright terms for performers that will necessarily increase the huge amount of fees already being paid by the hospitality industry. HOTREC is working with the CUP platform (a group of 7 trade federations representing the interests of copyright users) on a common reply to this proposal by Commissioner McCreevy.

ENVIRONMENT

❑ **Will patio heaters be banned?**

In January 2008, the European Parliament adopted in its plenary session a Resolution on the Commission “*Action Plan for Energy Efficiency: Realising the Potential*” (T6-0033/2008). Point 16 of this Resolution “*Urges the Commission to establish timetables for the withdrawal from the market of all the least energy-efficient items of equipment, appliances and other energy-using products, such as patio heaters*”.

Following the adoption of the Resolution, the news spread in the media that patio heaters will be banned at EU level, causing a lot of turmoil in the hospitality sector. As already explained in previous issues of *Live from Brussels*, own-initiative reports are adopted outside of the legislative process. There is currently no proposal on the table in relation to patio heaters. Nonetheless, there is the possibility that the Commission will, as a follow-up to this Resolution, come up with a draft legislative proposal.

Patio heaters have been used for several years in order to extend the terrace season. Recently, a law to ban smoking in enclosed public places has entered into force in several European countries and many bars, cafés and restaurants have installed heaters on terraces to allow customers to have a smoke without breaking the law. Such a ban would thus be very harmful to the hospitality industry in many countries and the issue must be monitored very carefully both at European and national levels. Moreover, the overall impact of the heaters on emissions is very minimal and thus the ban would be totally out of proportion. According to some experts, plasma TVs produce more carbon than patio heaters under normal usage patterns.

□ **Very few flowers for hotels**

The Commission Decision establishing the ecological criteria for the award of the EU Ecolabel to Tourist Accommodation was adopted in April 2003 (2003/287/EC). Since these criteria are valid only until 31 October 2009, the Commission has begun to develop a proposal for the revision of the ecological criteria for this group.

The Commission's stakeholder consultation on all Ecolabel schemes in general indicates that the main challenges of the EU Ecolabel are:

- Low awareness and uneven geographic take-up of the label;
- Insufficient product group categories;
- Cumbersome procedures and organisational structures;
- Too high fees and cost of getting the label; and
- Lack of perceived public purchasing benefits. Both consumers and companies are confused with overlapping labels and claims.

So far the use of the EU Ecolabel for Tourist Accommodation has been scarce. Most companies prefer to use national or regional ecolabels which are better known among their clients. According to the EU Ecolabel statistics, by February 2008 tourist accommodation Ecolabel had been awarded to 162 companies in the EU. A majority of these accommodation providers are in Italy (81) and in Austria (15). Moreover, most of them are Bed&Breakfast establishments, not hotels.

The development of a draft criteria proposal for the revision of Tourist Accommodation ecolabel is being led by ANPA, the Italian Environment Protection Agency, in cooperation with ACTA, Association Culture Tourism Environment. The final draft criteria proposal is scheduled to be ready in December 2008.

HOTREC is invited to participate in the meetings of the Ad Hoc Working Group. It will follow very closely the deliberations. HOTREC has always underlined that the EU ecolabel scheme should have been developed as an umbrella under which national and regional ecolabels,

fulfilling a certain number and type of criteria, would be automatically recognised as EU Ecolabels.

❑ **Energy-performance of buildings to be watched carefully**

The Commission has announced that it is planning to submit a recast of the Energy Performance of Buildings Directive (2002/91/EC) later in 2008. Member States were expected to implement the Directive by January 2006. Behind the speedy recast are the Commission's plans to achieve EU's energy consumption saving potential of 20% by the year 2020 (COM(2008)30 final).

The Directive concerns the residential sector and the tertiary sector (hotels, offices, public buildings, etc.). The key points of the current Energy Performance of Buildings Directive are the following:

- Member States are required to set minimum EU level standards on the energy performance of all new buildings and for existing buildings (more than 1000 m²) that are undergoing major renovation;
- Energy performance certificates, in relation to the above information, are made mandatory. These certificates should be made available when buildings are constructed, sold or rented out. Certificates must be less than ten years old; and
- Boilers and central air-conditioning systems in buildings must be inspected regularly and, in addition, heating installations must be assessed to guarantee an energy efficient operation of these appliances.

Member States are responsible for setting the standards for the energy performance of buildings at national level. So far, they enjoy a relatively large autonomy in respect to the implementation of the requirements. However, the Commission is planning to submit a revision proposal, which will “*strengthen and specify some of its requirements and could add financing aspects to the Directive*”.

The Energy Performance of Buildings Directive concerns all types of buildings and thus also hotels, restaurants and cafés in Europe. It is crucial to ensure that the revision of the Directive will not bring additional burdens for the hospitality industry. HOTREC will monitor carefully the recast process of the Directive.

SOCIAL AFFAIRS

❑ **New proposal on discrimination outside employment?**

Too narrow doors, a too dark dining room, and no double bed for the gay couple? The Commission announced in the Legislative Work Programme for 2008 (COM(2007)640 final) its intention to propose a new legislative initiative to combat discrimination outside the labour market. The proposal would cover for example access to services provided by the hospitality industry.

Currently the EU legal framework does not offer protection against discrimination on grounds of religion, belief, disability, age or sexual orientation which takes place outside the labour market. Directive 2000/43/EC bans discrimination only based on race or ethnic origin and

Directive 2000/78/EC bans discrimination based on disability, age, religion or belief and sexual orientation only in employment relationship.

The proposal, which is planned to be released in June 2008, would tackle attitudes (negative behaviour towards religious choices, sexual minorities, etc.) as well as the issue of physically accessing services (disabled) beyond the labour market.

HOTREC is of the opinion that Member States' existing national legislation offers a comprehensive framework to combat the various forms of discrimination. Thus HOTREC does not see the need for bringing forward new legislative initiatives in this matter at EU level. In addition, a multitude of examples of voluntary campaigns, guidelines, training, instructions and practices initialised by the industry, public authorities, NGOs or e.g. social partners - either alone or in cooperation with other parties - already complement national legislation.

□ **More on the “work/life balance” soon?**

As reported in *Live from Brussels N°41*, in May 2007 the Commission launched the second stage of the social partners' consultation on the reconciliation of professional, family and private life. In its consultation document, the Commission suggested that a number of Directives in relation to “work/life balance”, such as Pregnant Workers Directive (92/85/EC), Parental Leave Directive (96/34/EC) and Protection of Women returning from Maternity Leave Directive (2002/73/EC), should be revised.

In July 2007, the European horizontal social partners (BUSINESSEUROPE, ETUC, UEAPME and CEEP) committed themselves to:

- Assess, more than ten years after its adoption, the progress made with the implementation of the framework agreement on parental leave in the EU Member States;
- Evaluate parental leave arrangements in connection with other arrangements supporting parents and work life balance, such as flexible work arrangements and childcare, as well as other forms of leave; and
- Determine whether joint actions need to be taken.

At the Tripartite Social Summit in March 2008, the social partners confirmed their commitment to take joint action to promote further the reconciliation of professional, private and family life. Despite these discussions, the Commission is reported to be working on the file and could issue proposals during 2008. It remains to be seen, whether the social partners will decide to engage in formal negotiations on the matter, in accordance to the European social dialogue procedure.

HOTREC is of the opinion that no further legislation is necessary at European level. The Commission has on several occasions admitted that most Member States already go well beyond of what is provided for in the current European legislation as far as the reconciliation of professional, family and private life is concerned. In addition, HOTREC reminds the Commission that the principle of subsidiary and the motto of the European Union “United in diversity” should be fully respected and that unnecessary additional EU legislation should be avoided.

□ **Revision of Working Time Directive**

As mentioned several times in the previous issues of *Live from Brussels*, the Member States have since 2004 tried to negotiate an agreement on a revision of the Working Time Directive (2003/88/EC). The original version of the Working Time Directive (WTD) was adopted in 1993.

The most controversial points of the various versions of the Commission proposal and of further compromise solutions remain as follows:

- The opt-out: i.e. the possibility for the employee and employer to agree to derogate from the general limit of 48 hours per week on average. Is the opt-out possible and if so, under which conditions?
- The reference period for calculating average working time is four months according to the 2003 Directive. May this reference period be extended? And if so, under which conditions?
- On-call time and inactive part of on-call time: to be considered as working time or not? Under which conditions?

EU ministers tried again to reach an agreement on the issue in the December 2007 Employment Council meeting, but without success. The Slovenian Presidency announced that it “*will promote stronger improvement in adopting legislative proposals, such as the proposal of the Working Time Directive...*” The French Presidency (latter half of 2008) has already stated that it will treat the proposal as a priority matter. All in all, the adoption of the revision of the Working Time Directive is likely to take place during 2008.

HOTREC is following carefully the developments in this area. Micro enterprises are predominant in the hospitality industry: 92% of the companies have less than 10 employees. Flexible employment regulations involving as little red tape as possible are crucial for the sector’s competitiveness. HOTREC supports a flexible Working Time Directive which would maintain the opt-out and provide for a 12-month reference period.

□ **Update on the Agency Work marathon**

The Commission’s amended proposal (COM(2002)701 final) currently still under discussion was presented in November 2002.

The main provision of the proposal reads as follows: “*working and employment conditions of temporary workers shall be, for the duration of their posting at a user undertaking, at least those that would apply if they had been recruited directly by that enterprise to occupy the same job*”.

The key issue of the proposal are the possible exemptions from the principle of equal treatment for temporary workers. The proposal foresees that Member States may provide the same pay conditions to the agency workers than for the permanent staff only after six weeks of employment in the same company. The trade unions would want the equal treatment to start from day one, whereas other parties want the period to be longer.

In December 2007, the Portugal Presidency suggested a compromise package covering both Agency Work and Working Time Directives, but no agreement could be found. The current

Presidency - Slovenia - is unlikely to put the proposal onto the Council meeting agenda this spring but the French Presidency (second half of 2008) has expressed its interest to find an agreement on the issue.

HOTREC is paying great attention to the developments in this issue as it is of special interest to some of its Member Associations (see Live from Brussels from N°23 onwards). HOTREC underlines the need to take due account of the principle of subsidiarity, flexible company-level approach and to maintain company competitiveness while safeguarding the interests of workers.

□ **Informing employees – the implementation must go on**

The European Commission published in March 2008 a Communication (COM(2008)146 final) concerning the transposition of Directive 2002/14/EC establishing a general framework for informing and consulting employees in Member States.

The current Directive was adopted in March 2002. Its purpose is to establish a general framework, setting out minimum requirements for the right to information and consultation of employees at national level in companies that employ - according to the choice made by the Member States - either at least 20 or 50 employees in one Member State.

Only a few Member States adopted measures in order to transpose the Directive within the required deadline, i.e. by March 2005. The EU horizontal social partners were consulted in July 2007 on whether the current Directive needs to be amended. A draft implementation report of the Directive (Commission staff working document of 12.10.2007), based on a series of information sources (Member States reports, social partners reports, expert studies etc.), was submitted in October 2007. As a result, in the Communication published in March this year, the Commission takes stock of the situation in the Member States and clarifies that it does not intend to bring forward, for the moment, any amendments to the existing Directive.

Also the European Parliament has on several occasions (e.g. Joint motion for a resolution on strengthening European legislation in the field of information and consultation of workers; T6 0197/2007) invited the Commission to review and modernise European legislation concerning employee consultation and information both at European Works Council and at national level.

HOTREC will monitor carefully the future developments in relation to this issue and is in the opinion that neither a review of the Directive nor any clarification from the EU level is necessary.

□ **European Works Councils – EU-level social partner negotiations expected**

In February 2008, the Commission launched the second-phase of the European social partners consultation on the possible content of a revision of the Directive 94/45/EC on the establishment of European works councils (EWCs).

The EWC Directive applies to all companies that have 1,000 or more workers and at least 150 employees in two or more EU Member States. It obliges companies to establish - on

employees' request - European Works Councils to bring together workers' representatives from all the EU countries the company operates in. EWCs meet with management, receive information and give their views on current strategies and decisions affecting the company and its workforce. Currently, EWCs operate in 820 undertakings with some 14.5 million employees.

According to the Commission, the functioning of the EWCs should be improved. Also the European Parliament, in its Resolution of May 2007 on "*Strengthening European legislation in the field of information and consultation of workers*" (T60185/2007), has called on the Commission to "*review and modernise Community legislation on information and consultation..., in particular, Directive 94/45/EC*".

The Commission consultation leaves open a possibility to discuss and decide on the issue at EU social partner level. Both BUSINESSSEUROPE and the European Trade Union Confederation (ETUC) have announced that they are ready to negotiate on the issue.

HOTREC will follow carefully the developments at European social partner level. HOTREC is of the opinion that there is no need for a revision of the Directive. The present Directive offers companies a good framework. Furthermore, the implementation process of the existing Directive is still on-going in some Member States.

□ **Migration Policy package – the answer to job shortages?**

The Commission has calculated that the European Union needs an extra 20 million immigrants – both low- and high-skilled - over the next twenty years. To open up the borders for legal immigrants, the Commission submitted in October 2007 two legislative proposals: a Directive on the conditions for entry and residence of third country nationals for the purposes of highly-skilled employment ("EU Blue Card" COM(2007)637 final) and a Directive on a single application procedure for a single permit and a common set of rights for third country nationals (COM(2007)638 final).

Three other proposals – a Directive on the conditions of entry and residence of seasonal workers, a Directive on the entry, temporary stay and residence of intra-corporate transferees and a Directive on the conditions for the entry and residence of remunerated trainees – will follow in autumn 2008.

The first discussion in the Council took place in December 2007. The so-called Blue Card proposal met with criticism from some Member States which argued that there is enough unused labour in Europe and also the definition of "highly skilled" is unclear. The Slovenian Presidency is interested in pushing the Blue Card negotiations forward but the proposal on single application procedure is not yet on the agenda. The rapporteurs in the European Parliament Civil Liberties, Justice and Home Affairs Committee were appointed in December 2007. Committee discussions are on-going for both Mrs Eva Klant's (Germany, EPP-ED) Blue Card report and Mr Patrick Gaubert's (France, EPP-ED) single application procedure report.

Given the skill shortages which prevail in many countries' hospitality industry, more cross-border mobility of workers - also from third countries - would be a welcomed boost. However, specific country situations need to be watched carefully.

❑ **Sanctions against employers – the Commission steps on Member States toes**

As reported in *Live from Brussels N°41*, the Commission published in May 2007 a proposal for a Directive providing for sanctions against European employers employing illegally staying third-country nationals (COM(2007)249 final). The aim of the proposed Directive is to ensure that all Member States introduce similar penalties for employers which employ third country nationals who do not have the right to be resident in the EU.

The proposal requires employers to undertake certain checks before recruiting a third-country national and to notify a competent national authority. The sanctions proposed in the draft Directive range from financial penalties to the permanent closure of establishments. Furthermore, the infringement of the prohibition of employment of third-country nationals staying illegally in the EU should constitute a criminal offence in some specified cases, i.e. if the infringement continues or is repeated.

The draft Directive is currently being discussed in the European Parliament. The responsible Committee is Civil Liberties, Justice and Home Affairs. The first exchange of views with the rapporteur MEP Claudio Fava (Italy, PSE) took place in September 2007 and the next one is scheduled for June 2008. In addition, a public hearing will take place in May. The official negotiations in the Council are likely to begin in April 2008. The biggest controversies are employers' responsibilities and the level of sanctions.

HOTREC reminds that almost all Member States have already put in place effective measures relating to the employment of illegally staying third country nationals and thus better enforcement of the current national legislation could achieve the results envisaged by the Commission. HOTREC does not see the need for additional legislation at Community level and fears that the current proposal would impose disproportionate sanctions, costs and heavy additional red tape for the employers – especially SMEs.

❑ **The Commission sets spotlight on undeclared work**

The Commission published a new Communication on undeclared work in October 2007 called "*Stepping up the fight against undeclared work*" (COM(2007)628 final). Undeclared work is defined as "*paid activities that are lawful as regards their nature but not declared to public authorities, taking into account differences in the regulatory system of Member States*".

The Commission indicates that there is wide scope for sector-specific approaches to transform undeclared work into regular work. However, the Commission admits that in view of the complexity and heterogeneity of undeclared work, there is no simple solution to combating it. The extent and characteristics differ widely in the Member States, with highs of 20% of GDP or more in some countries.

In the Communication, the Commission suggests, among others, the following approaches:

- To further reduce labour taxation;
- To review the transitional arrangements limiting the mobility of workers from the new Member States as soon as possible;
- To give due attention to undeclared work implementing the common principles of flexicurity;
- Social partners to agree on concrete initiatives in the field of undeclared work;

- A legislative proposal on sanctions against employers of illegally staying third-country nationals;
- To investigate the feasibility of establishing a European platform for cooperation between labour inspectorates, and other relevant monitoring and enforcement bodies;
- To treat undeclared work as a priority in the Commission's Mutual Learning programme.

The European Parliament is currently preparing an own-initiative report on undeclared work. The rapporteur in the Employment and Social Affairs Committee is Antonio Pier Panzeri (Italy, PSE).

HOTREC is of the opinion that the best way to deal with this issue is at national level.

TRAVEL RELATED ISSUES

□ Extension of the Schengen area to new Member States

On 9 November 2007, the EU Ministers of Justice and Interior agreed that the extension of the Schengen area to 9 of the 10 Member States, which joined the EU in 2004, would happen before the end of the year 2007. The lifting of internal border controls at the land and sea borders took place on 21 December 2007 and at air borders on 30 March 2008, when the summer flight timetables were implemented.

Among the 10 Member States in question, only Cyprus decided to keep its borders in place. Cyprus will join the Schengen area, when the new generation of the Schengen Information System (SIS II) will be operational, which is expected to happen in the second half of 2009. Romania and Bulgaria, the Member States which joined the EU in 2007, will probably be part of the borderless EU by 2011, but there is no precise timetable, yet. By referendum Switzerland decided in 2005 to join the Schengen area. After the final evaluation visits regarding preparedness, the country will probably become part of borderless Europe by 1 November 2008.

HOTREC welcomes the extension of the Schengen area to the new Member States, as it facilitates the movement of tourists within the enlarged EU. Hence, third country nationals do not require visas for each of the countries to be visited, but only one Schengen visa to travel around in the participating 24 European countries (EU-25 minus UK, Ireland and Cyprus plus Norway and Iceland). In addition, HOTREC reiterates its view, expressed together with other tourism stakeholders, that visa application procedures shall not be too burdensome, thus hampering incoming tourism.

□ Air transport in the EU-ETS

As reported in *Live from Brussels N°40*, the aviation industry will soon be included in the EU Emission Trading Scheme (EU ETS), according to a draft Directive which is currently under discussion (COM(2006)818 final). Because of the measures taken by the airlines to comply with the Directive, the European Commission expects a ticket price increase between 1,8 and 9 euros, and an even higher rise for long-haul flights.

Whereas the Commission proposal suggested covering emission only from intra-EU flights from 2011 and from all flights to or from EU airports from 2012, both the Council and the European Parliament are in favour of fixing a single date. MEPs propose 2011 and the Council 2012. The matter will now be examined at second reading.

Both European institutions also recognise that flights to ultra-peripheral regions should not be hit by additional burdens. Therefore the Council suggests “*the exclusion of flights performed in the framework of Public Service Obligations on routes within outermost regions*”. The Parliament also stresses that “*the special situation of the flights between ultra-peripheral regions and the European Continental zone*” should be taken into account.

HOTREC is satisfied with the outcome of the first reading of the proposal, abolishing the potential discrimination of intra-EU flights, which would have put the European tourism industry in a competitive disadvantage vis-à-vis third country destinations. Furthermore, HOTREC stresses, that the special situation of islands and countries, which are mainly accessed by air, should be reflected upon carefully.

□ **EU-US open skies: new era in transatlantic aviation**

On 30 March 2008, the new EU-US air transport agreement took effect. For the first time, European airlines can fly without restrictions from any airport in the EU to any point in the US and not just from their home country. In a similar manner, US airlines may fly to any point of the EU.

Until now, some European countries already had bilateral “Open Skies” agreements with the US. In some agreements the number of weekly flights was restricted. In Bulgaria, Estonia, Latvia, Lithuania, Slovenia and Cyprus, there was no legal basis for the operation of direct flights to the US. With the current agreement this obstacle has been removed.

The current agreement is the first step towards the full liberalisation of the transatlantic air transport market. An increase in the number of flights between the EU and the US and a reduction of ticket prices in transatlantic flights is expected. This may increase the number of American visitors to Europe. The Commission is expecting an increase of 25 million additional travellers to fly across the Atlantic in the next five years.

The ultimate objective of the European Commission is to create an Open Aviation Area between the EU and the US, free of restrictions on air services, including the access to the domestic markets of both parties (e.g. an American Airlines flight between Berlin and Munich, or a British Airways flight between New York and Los Angeles).

HOTREC welcomes any development, which contributes to the increase of the number of tourists in Europe. The current air transport agreement and its second part, which is to be concluded in the coming years, will hopefully result in such a development.

TOURISM

□ Commission's Agenda for a sustainable and competitive European tourism

In October 2007, the Commission finally released its long-awaited (see *Live from Brussels N°40* and *N°41*) Communication entitled “*Agenda for a sustainable and competitive European tourism*” (COM(2007)621 final).

The Communication highlights some objectives for the sustainability of European tourism and the challenges to be tackled. It proposes a framework for action and proposes a number of principles for guiding such action. The agenda goes on discussing the role of the various stakeholders, including the role of the Commission.

The Agenda was at the core of the European Tourism Forum of October 2007. In the conclusions of its November 2007 meeting (2832/2007), the Competitiveness Council of Ministers invited “*Member States to support adequate structures for the start-up, implementation and monitoring of the Agenda for a Sustainable and Competitive European Tourism*” and invited the European Commission to “*devote particular attention to the impact that legislation may have on the tourism sector, within the undergoing Programme of Better Regulation*”.

HOTREC particularly welcomes the reminder addressed by the Council of Ministers to the Commission that it should devote particular attention to the impact that legislation may have on the tourism sector. HOTREC has been asking for years for proper impact assessments of all measures likely to affect for tourism as well as it has been asking for years for a better coordination of all EU measures affecting tourism.

□ MEP Costa report on tourism adopted

The European Parliament adopted in November 2007 an own-initiative report originally drafted by MEP Paolo Costa (Italy, EPP-ED, Chair of the Transport and Tourism Committee) on “*A renewed EU Tourism Policy: Towards a stronger partnership for European Tourism*” (T60575/2007). This report comments on the 2006 Commission's Communication bearing the same title (COM(2006 final)134) (see on this various *Live from Brussels*).

The report encompasses 11 sections:

- Tourism and EU visa policy;
- Statistics;
- Harmonisation of quality standards for hotel accommodation in Europe;
- Quality management schemes;
- Consumer protection;
- Health tourism;
- Accessible tourism;
- Socially, economically and environmentally sustainable tourism;
- Passengers' rights;
- Promotion of European tourist destinations; and
- Promotion of destinations.

The vote turned the report into a non-legislative Resolution of the Parliament (i.e. a text not directly linked to the legislative procedure): it could nonetheless lead, in the long term, to legislative proposals by the Commission. This is why it is so important to review carefully the response to the Resolution provided by the Commission in January 2008.

Some passages of the Commission response are worth noting:

- *“Regarding the introduction of a specific mark for accommodation, the Commission believes that this is a matter that needs primarily to be addressed in the context of a dialogue between the accommodation sector and the consumer organisations.”*
- *“The Commission is aware of the efforts undertaken by the European hospitality industry association HOTREC to ensure comparability and facilitate all tourists with the necessary information and follows closely the developments in this area.”*
- *“Speaking of competitiveness it has to be considered that more than 90% of the tourism businesses are micro-enterprises. For them, certifications and labels are often too heavy...”*

In relation to services safety, the Commission agrees with the European Parliament on the need to promote the safety of services, including in the tourism sector.

HOTREC met with the rapporteur MEP Paolo Costa in July 2007. He accepted to take on board many of the amendments proposed by HOTREC. Whereas the initial text did not mention the European hospitality industry at all, the final version refers to HOTREC and to the European hospitality industry several times. HOTREC also welcomes the attention paid by the Commission to the views and efforts of the European hospitality industry.

□ **European Tourism Forum**

The 6th European Tourism Forum took place in Algarve, Portugal on 26 October 2007. The main theme of the Forum was *“Sustainable Management of Tourism Destinations”*.

As already explained above, the Commission Communication *“An Agenda for a Sustainable and Competitive European Tourism”* (COM(2007)621 final) was at the centre of the discussions.

The next European Tourism Forum will take place in Bordeaux, France on 18-19 September 2008. The overall theme will be *“The European tourism offer: quality and sustainability vis-à-vis demand trends”*.

□ **Tourism statistics**

Eurostat, the EU statistical office, has recently released the following publications relating to tourism:

- Euro-Mediterranean statistics; *Statistical book, 2007 edition (Tourism on pages 153-168)*;
- Tourism in Europe: First results for 2007; *Data in Focus, N5/2008*;
- Panorama on tourism, *2007 edition*;
- Eurostat regional yearbook, 2007, *(Chapter 10 on tourism)*;

- Are recent evolutions in tourism compatible with sustainable development?; *Statistics in Focus 1/2008*;
- Winter season tourism trends 2006-2007; *Data in Focus, N20/2007*;
- Employment of women in the tourist accommodation sector; *Data in Focus, N18/2007*;
- European business, facts and figures, 2007 Edition (*Data on hotels and restaurants on pages 319-329*).

The publications can be downloaded in English, German, and French from the Eurostat website:

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-DI-07-001 (Euro-Mediterranean statistics, in English and French only)

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-QA-08-005 (Tourism in Europe: First results for 2007 [Changes in nights spent in hotels])

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-77-07-074 (Panorama on tourism – in English only)

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-AF-07-001-10 (Eurostat regional yearbook, 2007, Chapter 10: Tourism)

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-SF-08-001 (Are recent evolutions in tourism compatible with sustainable development?)

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-QA-07-020 (Winter season tourism trends 2006-2007)

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-QA-07-018 (Employment of women in the tourist accommodation sector)

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1073,46587259&_dad=portal&_schema=PORTAL&p_product_code=KS-BW-07-001 (European business, facts and figures)

COMPANY STRUCTURE

❑ Towards a European Private Company Statute?

On 1 February 2007, the European Parliament adopted a Resolution requesting the European Commission to draw up a proposal for a uniform European Private Company (EPC) statute (P6_TA(2007)0023). The Commission consequently launched a public consultation on the subject, which showed a broad support for this initiative. The Commission is therefore presently working on the drafting of a Regulation for a European Private Company Statute.

The objective of this Regulation will be to enhance the mobility and competitiveness of European companies, especially SMEs, and make it easier and cheaper for them to operate cross-border. The Commission is expected to issue a draft proposal by September 2008.

SMEs represent 99% of the hospitality industry. HOTREC and its Member Associations are therefore concerned by any legislative developments that may affect SMEs' legal environment. HOTREC will closely follow the legislative process so as to ensure that no extra-burden will be added to small hospitality businesses.

□ **Coming up: "Small Business Act for Europe"**

Following the adoption on 4 October 2007 of a Communication on “a Mid-term review of Modern SME policy” (COM (2007)592 final), the Commission launched on 31 January 2008 a consultation on the content of a European “Small Business Act” (SBA). The aim of the SBA will be to set principles and concrete measures to improve the framework conditions for European SMEs, while taking full account of their diversity, so as to unlock their growth and jobs potential. The consultation identifies 6 areas to be included in the SBA:

- Better regulation for the benefit of SMEs;
- Putting SMEs at the forefront of society;
- SMEs access to markets;
- SMEs access to finance, skills and innovation;
- Turning the environmental challenge into opportunities for SMEs; and
- Enhancing the implementation of EU SME policy principles.

This consultation is a first step towards the adoption by the Commission in June 2008 of a communication on a new SME policy that will include a SBA.

More information is available here:

http://ec.europa.eu/enterprise/entrepreneurship/sba_en.htm

As 99% of the hospitality industry is composed by SMEs, HOTREC is naturally concerned by this initiative. HOTREC replied to the consultation and will closely examine this Communication as soon as it will be released in order to assess its relevance for the hospitality industry.

INSTITUTIONAL REFORMS

□ **Institutional reform: a new Treaty finally signed!**

On 13 December 2007, EU leaders officially signed the new Treaty at a special summit held in Lisbon. The Treaty of Lisbon introduces key institutional and legislative changes, among which:

- A permanent Council President for a two-and-a-half years renewable term;
- The creation of the post of ‘High Representative of the EU for Foreign Affairs and Security Policy’ replacing the current EU High Representative for Foreign Affairs and the External Relations Commissioner;
- A reduced Commission (18 members by 2014) and EP (751 MEPs);

- A double majority rule for Council decisions (55% of Member States and 65% of the EU's population) from 2014, with an extra transition period;
- A further extension of qualified majority voting;
- A cross reference to the Charter of Fundamental rights making it binding;
- A clearer division of competences and new EU competences; e.g. the new supporting competence on Tourism (article 176B) grants the EU the power to “support, coordinate, or complement” the activities of Member States. This new competence is subjected to the subsidiarity principle and to the ordinary legislative procedure (qualified majority and co-decision).

The new Treaty also leaves unchanged many provisions on existing policies such as those on the internal market, on consumer protection and on taxation.

The Treaty of Lisbon now has to be ratified by the Member States. The ratification process is expected to be achieved by the end of 2008, so as to allow the Treaty to enter into force before next parliamentary elections. Only Ireland will organise a referendum on the ratification. The ratification already occurred in Bulgaria, France, Hungary, Malta, Poland, Romania and Slovenia.

The full text of the Treaty of Lisbon is available at:

<http://eur-lex.europa.eu/JOHtml.do?uri=OJ:C:2007:306:SOM:EN:HTML>

HOTREC GENERAL ACTIVITIES

□ 56th HOTREC General Assembly

The last HOTREC General Assembly took place on 28 September 2007 in Vilnius. On this occasion, HOTREC celebrated the 25th anniversary of the official registration in France of HOTREC as an association.

The General Assembly discussed standards, reduced VAT rates, the European Alcohol Forum, copyright, hotel classification, quality and hotel review sites. A “3E seminar on Environment, Energy, water, waste, Enterprise” was held in connection with the General Assembly.

The General Assembly approved unanimously the membership of the Bulgarian Hotel and Restaurant Association (BHRA). This new membership brings the number of countries represented in HOTREC to 25.

The next HOTREC General Assemblies will take place in Paris, on 10-11 April 2008 and in Prague, on 6-8 November 2008.

The full press release issued after the Vilnius meetings can be accessed on www.hotrec.eu, section “News & Publications”.