

Live from Brussels

Newsletter

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Main EU developments over the last 3 months of interest to the hospitality sector

HOTREC represents the hotel, restaurant and café industry at European level, bringing together 44 national associations representing the interest of this industry in 27 different European countries. The sector counts 1,7 million businesses, with almost 92% of them being micro enterprises employing less than 10 people. In total, 99% of hospitality businesses are SME, which make up 62% of value added. Last but not least, this industry provides some 9,5 million jobs in the EU alone.

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Under the responsibility of Anna Maria Torres, HOTREC Chief Executive

CONSUMER AFFAIRS

• ***Fire safety and safety of tourism services: Green Paper in the pipeline***

In a letter sent to stakeholders at the end of October 2012, the European Commission announced that it no longer plans to proceed with a quick revision of the 1986 Recommendation on fire safety in hotels ([86/666/EEC](#)) on the basis of the HOTREC MBS methodology, but rather intends to adopt a broader approach within a longer timeframe. Therefore, the issue of fire safety in hotels would be included in a future Green Paper on the Safety of Services.

Following the publication of the Commission Work Programme for 2013 and the subsequent publication of its list of initiatives for 2013, it appears that the Green Paper will almost exclusively focus on the safety of services in the tourism sector, and most particularly on “paid-for accommodations” (e.g. hotels, camping, etc.), organised outdoor activities and swimming pools. This Green Paper will seek the views of stakeholders and will ask them to provide inputs, with the aim to evaluate the needs and possibilities to initiate measures at EU level to address safety issues. Fire safety in hotels would therefore be only one of the topics covered by the Green Paper, together with other safety issues concerning hotels and accommodation services. Moreover, it also means that all options are again on the table and that a possible revised Recommendation on hotel fire safety would be just one option among others. The Commission intends to publish its Green Paper during the summer 2013, probably in July.

The European hospitality industry considers that the initial proposal of the European Commission to base a revision of the 1986 Council Recommendation on the HOTREC MBS Methodology was a clear recognition of its high quality and added-value at EU level. This instrument is a practical and flexible performance-based tool which summarises hotel fire safety into a set of hands-on advices, which any hotelier can easily understand and follow, and which is applicable whatever the national or local legislation in place. HOTREC also stresses that the MBS Methodology is a coherent and state-of-the-art scheme which is already being implemented and promoted to hoteliers by national hotel association in 15 European countries. HOTREC clearly intends to pursue its promotion throughout Europe.

Moreover, the safety of guests being of paramount importance to the European hospitality industry, HOTREC intends to participate to the Green Paper consultation once it will be released.

HEALTH

• ***European Alcohol and Health Forum: 11th Plenary meeting***

On 22 November 2012, took place the 11th Plenary meeting of the European Alcohol and Health Forum (EAHF).

When addressing the Forum, Paola Testori-Coggi, Director General of DG SANCO of the European Commission, affirmed that the 2006-2012 EU strategy on alcohol related-harm continues to be a priority in the EU agenda and will be reinforced in the coming years. She also said that harmful alcohol consumption is a major risk factor for chronic diseases and that, therefore, an Action Plan on Chronic Diseases will be released in 2013. Ms. Coggi added that the official results of the evaluation of the alcohol strategy, carried out by COWI Consortium, will be published soon. The Commission will decide then whether certain aspects of the EU alcohol strategy need to be further developed or not.

A round table of discussion was held in which different stakeholders (such as the Brewers of Europe, Committee for Wine Enterprises (CEEV), Spirits Europe, Eurocare, the European Public Health Alliance and HOTREC among others) presented their prospects of future work and commitments.

Responsible marketing was also a main agenda topic. RAND Europe presented some findings on young people exposure to alcohol advertising on TV, which showed that further progress on the topic needs to be developed by stakeholders. A second round table of discussions, counted with the participation of alcohol producers, NGO's and the Federation of World Advertisers, took place to explore ways to ensure self-regulatory codes on alcohol marketing are in line with public expectations.

Taking a look into the future, it was concluded that expanding the membership, re-focusing the work on certain priority areas and revising the commitments mechanism would be some of the future priorities of the EAHF.

The yearly reports that members of the EAHF need to present on their commitments' progress shall be sent until 31 March 2013.

The next EAHF meeting will take place on 25 April 2013.

On the next day, 23 November, it took place the 4th Open Alcohol and Health Forum, which counted with the participation of members of the Forum and other interested stakeholders. Different commitments and initiatives from members of the EAHF were presented, as well as examples of multi-stakeholder approaches.

HOTREC, which shares the concerns of public authorities with regard to alcohol-related harm, joined the Forum in 2008. HOTREC committed itself to raise awareness among its member associations on the activities of the Forum and to encourage them to be actively involved, with a special focus on responsible drinking and the enforcement of age limits when serving and selling alcohol.

During this 11th Plenary meeting, HOTREC saw the number of its members present at the EAHF increase, as Horeca Vlaanderen (Belgium) has become a formal member of the Forum. The British Beer and Pub Association, the Finnish Hospitality Association, the Swedish Hotel and Restaurant Association are the other members of HOTREC who had joined the Forum. HOTREC continues encouraging other members to formally join soon.

It is to be noted that HOTREC is following closely the evaluation process of the EU alcohol strategy and of the Forum. Moreover, the British Beer and Pub Association is also part of the evaluation of the advisory group, which ensures the representation of the hospitality sector in the evaluation process.

• Revision of Tobacco Products Directive is out

On 19 December 2012, the European Commission adopted a proposal for a [Tobacco Products Directive](#), aiming to revise Directive [2001/37/EC](#).

The reasons for this revision are: divergence between Member State's laws on the manufacture, presentation and sale of tobacco products; the fact that some commercial tobacco practices stimulate consumers to smoke more (e.g.: tobacco flavours; different attractive packaging); willingness from Member States to cope with the orientations provided by the WHO Framework Convention on Tobacco Control (international Treaty negotiated under the auspices of the World Health Organisation).

Overall, the Directive's proposal main objective is to discourage people to smoke and to make tobacco products less attractive.

The scope of the Directive includes the following main points:

- **Labelling and Packaging:** All cigarette and Roll your Own (RYO) packages must contain a combined picture and text, which must carry health warnings and shall cover 75% of the front of the package. The packages must not contain any promotional elements.
- **Ingredients:** An electronic report on the ingredients of the cigarettes and RYO will be introduced. A ban on cigarettes and RYO with characterising flavours will be applicable.
- **Smokeless tobacco:** The ban on oral tobacco products (snus) is kept, with the exception of Sweden, which has an exemption.
- **Cross border distance sales:** A notification for internet retailers and age verification mechanisms to ensure that tobacco products are not sold to minors.
- **Illicit trade:** A system will be implemented to ensure that only products complying with the Directive are sold in the EU.

The proposal has been adopted by the Commission after an extensive public consultation and an impact assessment.

The proposal will follow the ordinary legislative procedure and will be, therefore, discussed in the European Parliament and in the Council of Ministers.

HOTREC shares with the public authorities concerns on smoking related issues. HOTREC is pleased to verify that the possibility of extending the scope of the Directive to ban tobacco vending machines in all Member States has not been included in the Directive. HOTREC is of the opinion that this is an issue to be decided at national level in accordance with the principle of subsidiarity.

TOURISM

• ***Irish EU Presidency focuses on Tourism***

On 23 January 2013, a seminar on the “EU strategy for tourism” was held in the European Parliament, at the initiative of MEP Jim Higgins (EPP, Ireland). The meeting was devoted, mainly, to discuss the importance of receiving European financial support to enhance the development of the European tourism industry.

Policy makers, key representatives of the Irish tourism industry and European tourism representatives were present in this meeting to discuss the strategy that could pave the way to greater competitiveness and sustainability of the tourism sector in the future.

Most speakers and intervenients at the meeting agreed on the following points:

- The importance of combating seasonality,
- The need to improve professional skills in the sector;
- The need to simplify visa procedures;
- The need to make tourism accessible for all;
- The importance of investing in innovation policies in the sector;
- The importance of supporting sustainability in the sector;
- The need to reduce administrative and financial burden for SMEs in the sector;
- The need to make the link between tourism and other policies (agriculture, rural development, education, etc.);
- The need to allocate a specific EU budget line for tourism.

Mr. Higgins is member of the newly created EP Task Force on Tourism and invited HOTREC, present at the seminar, to participate actively in the work of this group.

• ***EP Sustainable Tourism Roundtable***

On 22 January 2013, HOTREC participated in a roundtable on sustainable tourism organised by the following Greens / European Free Alliance MEPs: Francois Alphonis (France), Frieda Brepoels (Belgium), Jill Evans (United Kingdom), Ana Miranda (Spain) and Ramon Tremosa (Spain), along with Manchester Metropolitan University.

The aim of the roundtable was to look into ways that regions could work together and learn from each other on this field, in order to promote and encourage the development of sustainable tourism in regions across Europe.

A number of best practices on sustainable tourism in different European regions (Galicia, Corsica, Catalonia, Flanders and Wales) were presented at the roundtable.

The European Commission made reference to the actions related to sustainability being implemented by DG Enterprise, amongst which, the “European Tourism Indicator System for Sustainable Management of Destinations”. A Conference on this topic will be organised on 22 February 2013.

VISA POLICY

• ***The way ahead to a new EU visa policy strategy!***

On 7 November 2012, the Commission issued a new Communication on Visa Policy: "[Implementation and development of the common visa policy to spur growth in the EU work](#)". The Communication aims to start a debate at EU level on ways forward to develop a smarter visa policy. The main suggestions that could be implemented with the current Visa Code include:

- Enforce the 15 days deadline for granting an appointment;
- Make better use of the possibility of introducing visa applications through commercial intermediaries (e.g. travel agents), without prejudice to the Visa Information System (VIS);
- Enforce the 15 days deadline for a decision on the visa application, also before peak holidays period;

- Ensure that in all consulates application forms are available in the language of the host country;
- Access the need of a common reduced list of supporting documents in Local Schengen cooperation;
- Improve the accessibility of the offices by the public, in particular in terms of improved consular presence in the territories of third countries.

Even though the Communication does not have immediate legislative impact, it has political relevance. The next step will be the European Parliament plans to adopt a non-legislative Resolution on the topic.

HOTREC welcomes the Commission Communication and encourages the fast implementation of all the envisaged measures. In order for Europe to be the No 1 destination in the world, it is urgent to facilitate the visa application procedures for all bona fide travellers (tourists included) that would like to access the Schengen space.

HOTREC also urges that visa facilitation is given in particular to tourists coming from the BRIC countries (Russia, India and China), as they represent a relevant economic contribution to European industry.

FOOD

• **Food Labelling Regulation implementation: the Commission clarifies the rules for food served in restaurants**

On 31 January 2013, the European Commission published a “Questions & Answers” document on the application of the Regulation N° [1169/2011](#) on the provision of food information to consumers (the so-called Food Labelling Regulation). The document is the result of the work done within a working group led by the Commission and composed of some Member States.

The aim of this document is to bring clarifications in relation to the Commission’s interpretation of the rules contained in the Regulation adopted in 2011, and which will fully apply from 13 December 2014 in all Member States.

With regards to restaurants, the Q&A document deals with two sets of questions:

- The provision of food information from businesses to mass-caterers (e.g. restaurants);
- The provision of food information from restaurants and other mass-caterers to consumers.

Concerning the information on allergens contained in food served in restaurants, and the national measures that can be adopted with regard to the means to provide such information, the Q&A interprets the Regulation as follows:

- In the absence of national measures adopted according to Article 44 of the Regulation, the information cannot be passed only upon request by the consumer, as the provision of the information is mandatory. Moreover, the information shall always be available, be easily accessible, clearly legible and where appropriate indelible.
- However, if Member States adopt national measures concerning the means through which information on allergens shall be provided to the consumer, all means are accepted, including verbal communication (meaning verifiable oral information). In this case, the Q&A document indicates that pragmatic approaches are allowed and that national measures can expressly allow the provision of information on allergens upon request, provided that the restaurant prominently indicates that such information is available upon request.

The Commission Q&A document is available here: [link](#)

HOTREC takes note of the Commission’s interpretation of the new Regulation on the provision of food information to consumers. HOTREC welcomes the pragmatic interpretation given to Article 44 of the Regulation by the Commission, which will allow Member States to expressly allow oral information to the consumer upon request.

HOTREC, however, regrets that in the absence of national measures expressly indicating that possibility, flexible and pragmatic solutions will not be allowed. Indeed, solutions like labels and written information about allergens contained in the food served by restaurants are extremely difficult, if not impossible, to be implemented. This is particularly true for food served in traditional restaurants, as such food is not

standardised and given that many restaurants adapt their menus on a daily or weekly basis, depending on the availability of fresh products on the market and on the inspiration of the chef.

HOTREC and the European hospitality industry therefore call on the Member States' governments and national authorities to take advantage of Article 44 of the Regulation and to reflect on national measures that would expressly allow for flexible and pragmatic solutions with regard to the provision of information on allergens contained in food served by restaurants.

• Food hygiene inspections: towards mandatory fees for restaurants?

On 26 November 2012, the European Commission presented to the Advisory Group on the Food Chain (which is an official platform of exchange between stakeholders and the Commission on food related issues) a draft Regulation aimed at replacing current Regulation 882/2004 on official controls along the food chain. One of the aims of this revision is to ensure that national authorities always have at their disposal sufficient resources to carry-out their duties in relation to the enforcement of EU food law.

In order to achieve that goal, the draft proposal circulated by the Commission intends to make mandatory for Member States to fully recover the costs of food hygiene inspections throughout the entire food chain. This would mean that, according to this non-official draft, public authorities in charge of food hygiene inspections would in the future be obliged to charge restaurants for the costs of hygiene inspections carried-out (while so far, the decision to charge inspections was left at the appreciation of each Member State).

The draft Commission proposal also includes:

- An option for Member States to refund partly/entirely micro-enterprises (i.e. meaning that micro-enterprises would have to pay first, before being reimbursed partly or in full in a second-stage); and
- An option to fully exempt micro-enterprises provided that national authorities in charge of inspections are allocated by governments a funding equivalent to the loss of revenue provoked by the exemption.

The Commission intends to officially release the proposed draft Regulation in March 2013, following the last internal consultation within the Commission.

As an important actor of the food chain, delivering millions of meals to citizens across Europe every year, the hospitality industry is very interested by the review of Regulation 882/2004 on official controls. HOTREC considers that the draft Regulation circulated so far is inappropriate, as it fails to consider several factors when it comes to food hygiene inspections carried-out in restaurants.

First of all, an EU wide obligation for national authorities to charge food inspections in restaurants would clearly ignore the principle of subsidiarity. Indeed, restaurants are by nature local services and the fact that some Member States may charge inspections, while some others do not, has absolutely no impact on the single market. Moreover, hygiene inspections in restaurants are to the benefit of consumers, therefore it is a public service that should primarily be financed through general taxation schemes. The proposal wrongly assumes that national authorities lack financial resources to perform their duties correctly, and ignores that when some do not, it is usually the result of a poor organisation. Finally, such obligation would clearly undermine the efficiency of the system, as it would suppress all incentives and obligations for national authorities to be efficient and well organised, since any failure would systematically be funded by businesses.

For these reasons, HOTREC considers that the previous rules contained in the Regulation, which were providing the option for Member States to charge food hygiene inspections in restaurants when appropriate/necessary, should be maintained. HOTREC therefore calls on the Commission to re-assess its position before it officially adopts its proposal to revise the Regulation. Maintaining the option (instead of an EU-wide obligation) for national authorities to charge for hygiene inspection in restaurants would indeed fully respect the principle of subsidiarity, while ensuring that national authorities that really lack resources can still charge some fees when absolutely necessary.

TAXATION

• **Reduced VAT rates - EC consultation closed**

On 4 January 2013, the European Commission closed its consultation on the review of existing legislation on VAT reduced rates.

This consultation was a follow-up to the Commission Communication on the future of VAT of December 2011. One of the guiding principles identified for the revision of the current EU VAT system in that document was the abolition of those reduced rates which constitute an obstacle to the proper functioning of the internal market. This point was one of the core points of the consultation paper.

Several European associations, which are linked somehow to the tourism / hospitality industry, were submitting their replies and were pledging for keeping the reduced VAT rates for the hospitality services, as this is very much beneficial for the whole of the European economy. These associations, as well as the Commission consultation paper itself stated that no anomalies could be revealed with respect to the potential distortion of competition, due to the reduced VAT rates applied to the sector.

The consultation results will serve as a background for (legislative) proposals of the European Commission foreseen to be issued by the end of 2013.

HOTREC responded to this European Commission consultation. In its reply, HOTREC stressed that there is no evidence of any distortion of competition due to reduced VAT rates applied to the hospitality sector. On the contrary, reduced VAT rates are showing to be highly beneficial to the whole European economy. The hospitality sector was among some few ones, where in the last years of economic crisis the number of jobs was rising contrary to the general increase of unemployment in Europe. The sector managed to increase the number of jobs by 3,8% between 2008 and 2011, while employment in the overall economy dropped by around 2.1% in the EU 27 in the same period of time.

HOTREC also stressed the importance of the hospitality sector as an entry gate to the labour market for young people, the ones which are especially hit during the crisis. In fact, 20,5% of the people employed in the hospitality sector are between 15 and 24 years old, while in the overall economy this figure is only 9,1%. In the light of the high unemployment rate of the youth – 22,4% in the second quarter of 2012 compared to 10,7% in the overall population in the EU 27 – this fact should be remembered.

HOTREC therefore hopes, that the Commission will propose to keep the possibility for all Member States to apply a reduced VAT rate to hospitality services in the future. HOTREC is convinced that without this option it will be much more difficult to achieve the aims of the EU 2020 strategy namely that 75% of the population aged 20-64 should be employed and also the aim to keep Europe as the number 1 tourism destination in the world.

• **VAT – Change in place of supply of telecommunications services?**

On 18 December 2012, the European Commission put forward a [proposal for a Council Regulation](#) with regard to the place of supply of telecommunication, broadcasting and electronic services (amending Implementing Regulation 282/2011). This proposed Regulation is setting the detailed rules with regard to the changes in the place of supply of such services as foreseen from 2015.

In 2008, the VAT Directive 2006/112/EC was modified to better ensure taxation at the place of consumption. Therefore it was agreed that as of 1 January 2015, telecommunications, broadcasting and electronic services would be taxed at the place where the customer is established. This general rule would have implications for hospitality establishments, as such services would have to be taxed differently than the hospitality services themselves (applying a different VAT rate, namely the applicable VAT rate of such services as in the country of origin of the guests).

The current Commission proposal suggests that in the case of hospitality services, the place of supply of telecommunication or broadcasting services should still be the place where the main services are carried out. In the case of restaurants, cafes, or even hotel lobbies, where people are coming in from the street and use for instance the internet for a few minutes, it is impossible to determine the place of residence of the guests, as these services are used anonymously. It would be impossible and would create huge administrative burden, if the service provider had to find out from each and every guest his/her place of residence.

In the case of hotels and telecommunication services linked to a hotel room, such services are offered as an ancillary service to the main service of providing accommodation. Moreover, these services can never be

relocated; they have to be used on the spot. As the European Court of Justice has pointed out on several occasions, the ancillary services to a principal service shall be treated in the same way as the principal service.

HOTREC has put forward its arguments to the Commission during the preparation of this piece of legislation, and the hospitality industry's arguments were listened to. It is therefore important that the proposed Regulation is adopted by the Council as proposed by the Commission, as it would mean no change to current practices with regard to the supply of telecommunications, broadcasting or electronic services in hotels, restaurants and cafés. The hospitality industry needs these exemptions, otherwise all hospitality service providers would have to count with huge burdens when billing such services, as they would have to determine the place of residence of the guests and apply the VAT rate of such services according to the VAT rate in the country of origin of the guest.

COPYRIGHT

• Collective Rights Management Directive: slow progresses in the Council and European Parliament

Following the release of the Commission proposal for a Directive on Collective Management of Copyright ([COM \(2012\) 372](#)) in July 2012, the European Parliament and the Council of the EU have now started to examine the proposal in 1st Reading.

In the European Parliament, the Rapporteur, MEP Marielle Gallo (EPP, France), has already organised several roundtables with the other shadow-rapporteurs of the Legal Affairs (JURI) Committee. Given the slow pace of the discussions in the Council, the Rapporteur and the shadow-rapporteurs agreed to slow-down the process in the European Parliament and MEP Gallo is now expected to present a working document about the Commission proposal in the end of February or beginning of March 2013 (instead of December last year).

In the meantime, the Culture and Education Committee (which will provide an opinion to the JURI Committee) organised in January 2013 its first exchange of views on the matter. The other opinion Committees shall also organise their first exchange of views very soon. From a political point of view, it seems that a broad consensus between the Rapporteur and the shadow-rapporteurs on how the Commission proposal should be amended is clearly reachable.

Meanwhile, the Working Party on Intellectual Property in the Council has started to examine the Commission proposal article by article. The discussions went rather slowly during the previous Cypriot Presidency of the EU, but the new Irish Presidency has given a boost to the discussions and put the item higher on the agenda. Nevertheless, it seems that the spring Competitiveness Council will only be able to discuss a progress report and hold an orientation debate. So far, the first discussions held seem to indicate that some Member States consider that the Commission proposal is already going too far with regard to the issues of governance of collecting societies and dispute resolution systems.

As most commercial users of copyrighted work, the European hospitality industry welcomes the proposal of the European Commission as a step in the right direction, but considers it needs to be further strengthened on a number of key aspects to solve some of the recurrent problems faced by users in their dealings with collecting societies.

In particular, HOTREC considers that the chapter of the proposal on the relations with users, and particularly the provisions on the setting of tariffs, should be strengthened, so as to ensure that tariffs are reasonable (as already stated by the European Court of Justice) and are truly negotiated with rights users representatives and not unilaterally imposed without any control. Moreover, the provisions on dispute resolutions should make sure that the access to an independent dispute resolution body is always possible in case of disputes between right-users and collecting societies.

DATA PROTECTION

• ***EP draft report on Data Protection Regulation is out***

On 10 January 2013, Mr. Albrecht (Greens, Germany) presented in the LIBE committee - committee of Civil Liberties, Justice and Home Affairs, a [draft report](#) regarding the Commission proposal on a General Protection Regulation [COM\(2012\) 9 final](#).

In general terms, Mr. Albrecht report supports the objectives of the Data Protection reform, which include the establishment of a comprehensive approach on data protection, the strengthening of online privacy rights and the overcome of the current fragmentation of 27 different national data protection laws.

More specifically, the report focuses on the following points:

- The convenience to replace the 1995 Data Protection Directive with a Regulation that is directly applicable in all Member States;
- The support of the principle of “one-stop-shop”, which means that data controllers will only have to deal with a single Data Protection Authority (DPA), namely the DPA of the Member State where the company’s headquarters is established;
- The importance of strengthening of users’ rights: the notion of explicit consent for the data to be legally processed to be reinforced; the “right to be forgotten” (the right to erase one’s data if there are no legitimate grounds to retain it), to be bolstered;
- The need to reduce the number of delegated and implementing acts (acts that allow the Commission to adopt non-binding acts without going through the complete legislative procedure);

The deadline for MEPs to propose amendments to Mr. Albrecht report is on 27th February 2013. The European Parliament vote is expected around the end of April.

The Irish Presidency of the EU has included Data Protection in the list of the priorities of its agenda. The objective is that the Data Protection file reaches a political agreement between the European Parliament and the Council at the end of the Irish Presidency (June 2013).

Globally, HOTREC welcomes the proposal issued by the Commission regarding the Regulation on Data Protection and Mr. Albrecht’s report. Above all, divergences in law enforcement in the different Member States will be avoided and consumers will reinforce their confidence in the market, because they will feel their privacy is protected.

Besides, HOTREC is confident that in case consent is lawful (i.e.: processing is necessary for the performance of a contract), explicit consent from the data subject for the data to be processed is not needed. Additionally, video surveillance performed in the hospitality sector, if done for the security of the data subjects, would not need an impact assessment in order to be implemented.

Nevertheless, HOTREC has some particular concerns on the following points:

- *The obligation of designating a Data Protection Officer for SME’s in particular implies an economic cost and burden for the companies;*
- *The right to be forgotten implies that the hospitality sector needs to obtain an explicit consent from clients, so they can be contacted in the future to obtain information regarding customer loyalty information programmes, price reductions, etc., which constitutes an obstacle for their business options;*
- *The number of implementing and delegating acts has been reduced, but they should be further decreased, as they are not fully transparent.*

SOCIAL AFFAIRS

• ***Youth Employment: Commission proposes a package of measures***

On 5 December 2012, the European Commission issued a package of measures to combat youth unemployment (under 25 years old), which is practically twice as high as the rate of unemployed adults in most of the Member States.

This employment package addresses a number of problems affecting youth employment and proposes a series of actions EU-level:

Youth Guarantee

The Commission suggests in a proposal for a Council Recommendation that Member States introduce a Youth Guarantee Scheme to ensure that all young people up to the age of 25 receive a quality offer of a job, continued education, an apprenticeship or traineeship within four months of leaving formal education or becoming unemployed. The main objective of setting-up this guarantee is to ensure smoother transactions from the school to work.

This youth guarantee will need to take into account the diversity and different starting points of the Member States as regards their levels of youth unemployment, institutional set-up and capacity of the various labour market players.

Member States would receive financial support when establishing this scheme through the European Social Fund, amongst others.

This Commission proposal is currently being discussed within the Council. Most Member States support this initiative, though some have some reserves on the four months clause. Other Member States would like the Youth Guarantee Scheme to cover unemployed persons up to 30 years.

Negotiations by the representatives of the Member States would most probably be concluded in the end of February. The Recommendations should be formally adopted in the month of April.

Traineeships

To facilitate school-to-work-transitions, the Commission also launches a second-phase consultation of the European social partners on a Quality Framework for Traineeships so as to enable young people to acquire high-quality work experience under safe conditions.

Traineeships can be very useful to ensure a smooth transition from education and training to the world of work, but do not always live up to their role as for example, they sometimes fail to help young people to gain the skills and knowledge necessary to access the labour market.

A Quality Framework for Traineeships could, therefore, contribute to ensuring that traineeships really help smooth school to work transitions and do not replace regular jobs.

The second-phase consultation of the social partners on this issue will be closed on 12 February 2013.

Apprenticeships

In order to improve the supply and quality of apprenticeships, the Commission will set up a European Alliance for Apprenticeships, which will bring together stakeholders from authorities, business and social partners, vocational education and training researchers amongst others.

Promote labour mobility of young people

To facilitate labour mobility between the Member States the Commission has launched initiatives like ‘your first EURES job’ or has recently issued a decision to modernise and improve [EURES](#).

For more information on the issue please see the following [link](#).

HOTREC welcomes this Commission initiative, as youth employment is key for the future of the European economy. The hospitality sector offers jobs to many young people and, therefore, applauds all measures aiming at facilitating their formation, training and integration into the labour market.

• 2012 SSD Plenary

On 11 December 2012, EFFAT and HOTREC held their annual Sectoral Social Dialogue Plenary meeting.

The European Commission made a presentation of the latest developments on tourism matters as well as on the ESCO Taxonomy (European Skills/qualifications, competences and occupations).

Mr Oscar Vargas, from EUROFOUND, presented the latest study on "[Employment and Industrial relations in the hotels and restaurants sector](#)". Mr Martin Couchman, chair of the HOTREC Social Dialogue working group, welcomed the report as it is a much more balanced one than the last one, which gave a very negative image of the industry. EFFAT and HOTREC agreed to pick up some of the points laid down on the document to be further discussed at the 2013 SSD meetings.

On the topic of Undeclared Work, some HOTREC members presented some examples of good practices to combat undeclared work in the hospitality sector at national level.

The EFFAT-HOTREC work programme for the year 2013 was also agreed, as well as the dates for the 2013 meetings.

• **QSP Conference**

On 12 December 2012, EFFAT and HOTREC organised a Conference on their project "Qualifications and Skills Passport (QSP)" for the European hospitality sector. Quite a number of HOTREC and EFFAT representatives, as well as the Commission officials were present at this meeting.

At this Conference, Ms. Pascale Woodruff (EURES representative) delivered a presentation on how the future "Sectoral/hospitality skills passport" would look like on the EURES system. The hospitality skills passport would facilitate an employee to select the adequate skills he/she can offer and an employer to select an employee with the appropriate skills that he/she needs. Ms. Woodruff received lots of positive feedback from the members present at the meeting.

The EURES system (currently being reformed) will use the skills list for the hospitality sector elaborated and agreed by EFFAT and HOTREC in the previous years. On this list, the skills are ordered into seven areas of service: restaurant, kitchen, maintenance area, spa, reception, housekeeping, bar; plus a general skills list for all the areas.

The skills list, which is currently available in five languages, will be translated into all European languages. When the translation is finalised, the skills list will be formally handed over to the EURES representatives by EFFAT and HOTREC for its introduction into the EURES system.

The Hospitality Skills Passport is foreseen to be online in May 2013.

• **Update on various social affairs issues**

Working time Directive: negotiations formally over

The negotiation period allocated to the European cross-sectoral social partners to possibly agree on the revision of the working time rules was formally concluded in December 2012. After a year of negotiations, no agreement could be reached between the representatives of the employers (BUSINESSEUROPE, UEAPME and CEEP) and the representatives of the employees.

The European Commission will, therefore, most probably issue a legislative proposal on the topic. However, there is no indication of the timing when a proposal could be released or the line/orientation to be adopted by the Commission.

Please see BUSINESSEUROPE, UEAPME and CEEP [joint statement](#) on the issue.

Discrimination outside the workplace: discussions continue within the Council

The Commission proposal for a Council Directive ([COM \(2008\) 426 final](#)) which provides for protection against discrimination on the grounds of age, disability, sexual orientation and religion or belief outside the workplace was discussed, once more, at the last [Employment, Social Policy, Health and Consumer Affairs Council](#) held on 6 and 7 December 2012.

Therefore, under the past Cypriot Presidency, some progress has been made on the dossier in an attempt to clarify the scope, particularly as regards access to social protection and to education. However, there is clearly a need for extensive further work on this proposal.

In fact, for the first time, two national delegations suggested that work on the dossier should be abandoned as no solution seemed to be in sight after some years of negotiations.

The proposal, which is being discussed since mid-2009 within the Council, needs to be agreed unanimously by all Member States.

ENTERPRISE POLICY

• *COSME programme being discussed in the Council*

The programme for the Competitiveness of Enterprises and SME's, [COSME](#) (2014-2020), is currently being discussed at the European parliament Committee on Industry, Research and Energy (ITRE) under the ordinary legislative procedure. The Rapporteur for this dossier is MEP Jurgen Creutzmann (EPP, Germany)

The Commission proposal for a Regulation ([COM \(2011\) 394 final](#)) on the COSME programme, issued in November 2011, aims at creating the adequate conditions for European SMEs to take full advantage of the Single Market's enormous potential. The programme mentions the need to invest in the competitiveness of the SMEs that constitute a major source of economic growth and job creation in the European Union. In fact, and according to the Commission proposal, SMEs which account for 99% of the enterprises in the Union provide with up to 67% of the private sector jobs, and with 80% of the newly created jobs. Furthermore, SMEs provide with more than 58% of the total turnover in the EU.

It should be noted that the Commission proposal makes special reference to the tourism sector. The proposal emphasizes that special attention should be given to the promotion of the competitiveness and sustainability of the SMEs in the tourism sector. The text stresses the fact that the tourism sector is an important contributor to the Union's GDP and that there is a high proportion of SMEs active in this sector. The EP Rapporteur is, however, of the opinion that there is no need to mention specifically any industrial sector in the general objectives of the programme.

The specific objectives of the COSME programme are, amongst others, the following:

1) To improve framework conditions for the competitiveness and sustainability of enterprises including in the tourism sector by supporting coherence and consistency in implementation as well as informed policy-making at the EU level. The EU actions would include:

- reinforcing the use of the "Think Small First" principle in the EU and Member State policy-making;
- identifying and exchanging best practices to contribute to implementing the Small Business Act;
- supporting SMEs in making the most of the Single Market's potential -Business sectors, including manufacturing and services, and selected sectors in which there are a high proportion of SMEs will be strengthened.

2) To promote entrepreneurship, including activities like:

- simplifying administrative procedures;
- developing entrepreneurial skills and attitudes, especially among new entrepreneurs, young people and women;
- promoting second chances for entrepreneurs.

3) To improve access to finance for SMEs in the form of equity and debt like: financial instruments for growth, including new equity and debt platforms to provide equity facility and loan guarantees.

4) To improve access to markets inside the EU and globally: e.g. growth-oriented business support services will be provided via the [Enterprise Europe Network](#) to facilitate expansion in the Single Market and beyond.

The budget allocated to implement the Programme objectives (from 1 January 2014 to 31 December 2020) is of [EUR 2.5 billion](#), of which approximately 1.4 billion shall be allocated to financial instruments.

The EP Committee report is tabled for vote under first reading of the ordinary legislative procedure in the European Parliament. The Rapporteur strongly welcomes the proposal on COSME, which is the only EU spending programme specifically aimed at boosting SMEs. Mr. Creutzmann is of the opinion that given its limited budget, COSME should focus specially on reducing administrative burden for SMEs and in enhancing access to finance and access to markets.

Mr. Creutzmann also insists on the fact that the political importance of SMEs is, unfortunately, not reflected in the budget allocated to COSME which only represents 0.2% of the Multiannual Financial Framework (MFF) budget. He proposes to increase the budget up to 0.5% of the MFF budget.

Unfortunately, the Transport and Tourism (TRAN) Committee did not give an opinion on the dossier.

HOTREC welcomes the proposal for a Regulation on the COSME programme. However, HOTREC is of the opinion that the budget allocated to boost the competitiveness of SMEs is still too low taking into account their big contribution to job creation and EU turnover. HOTREC also regrets that the Transport and Tourism (TRAN) Committee has not given an opinion on this dossier, missing an opportunity to defend the tourism sector interests.

STATISTICS

• Recent statistical publications

The UNWTO World Tourism Barometer has recently published the following article related to tourism:

- [International tourism strong despite uncertain economy](#) (news release – November 2012) – The study shows that the resilience of international tourism in a continuing uncertain economy is further confirmed by the positive data on tourism earnings and expenditure.

In addition, Eurostat released the following publication: “[Europeans aged 65+ spent a third more on tourism in 2011 compared with 2006](#)” (Statistics in Focus, 43/2012). The study takes a closer look at tourism trends and preferences in the European Union, with particular emphasis on the 65+ group.

INSTITUTIONS

• Commission Work Programme 2013

On 23 October 2012, the European Commission published its official Work Programme for the year 2013 ([COM\(2012\) 629 final](#)). As usual, the Work Programme outlines the political and legislative priorities of the Commission and includes in its [Annexes](#):

- A list of forthcoming initiatives that the Commission commits to deliver this initiative in the course of 2013 (Annex I); and
- A list of simplification and regulatory burden reduction initiatives to be adopted by the Commission in 2013.

As part of these two Annexes, the following measures are of interest to the European hospitality sector:

- A review of the standardisation *acquis*;
- A legislative proposal on a standard VAT declaration (available in all EU languages and optional for businesses across the EU) – 3rd quarter of 2013;
- A legislative proposal on a review of the VAT rates structure – 4th quarter of 2013;
- A legislative proposal as a follow-up to the Green Paper “*Towards and integrated European market for card, internet and mobile payments*” – 2nd quarter 2013;
- A legislative proposal on the Modernisation of Public Employment Services;
- A legislative proposal on a European platform to fight undeclared work – 3rd quarter 2013;
- A review of existing EU Waste policy and legislation;
- A review of the EU Visa policy to facilitate life for legitimate travellers – 4th quarter 2013 / beginning 2014;
- A new regulation on official controls performed to ensure the application of EU food law – March 2013;
- A review of the Hygiene Package legislation – March 2013;

Besides this work programme for 2013, another document untitled “[Commission actions to be expected from 01/01/2013 to 31/12/2013](#)” provides a full listing of all initiatives foreseen for 2013, including a list of legislative and non-legislative initiatives pending from 2012 that are to be adopted in 2013. The following measures included in this document are of interest to the European hospitality sector:

- Regulation on a European Tourism Label for Quality Systems – March 2013;

- Directive implementing the Social Partners Agreement or proposal to amend Directive 2003/88 (Working Time Directive) – 2nd quarter 2013;
- Review of the Directive 2006/24/EC on Data Retention – 4th quarter 2013;
- Review of the Directive 90/314/EEC on Package Travel – 1st quarter 2013;
- Green Paper on the Safety of Certain Consumer Services – July 2013
- Commission Communication on a new EU strategy on Safety and Health at Work (2013-20) – July 2013;
- Staff Working Document on the evaluation on the current EU Strategy on Health and Safety at Work 2007-2012 – 1st quarter 2013;
- Proposal for a Council Recommendation on a Quality Framework for Traineeships – June 2013;
- Communication on Highly Mobile Workers – 2nd quarter 2013;
- Commission Implementing Decision establishing the EURES Charter – October 2013;
- Communication on Energy Policy Framework 2030 – 3rd quarter 2013;
- Recommendations in order to authorize the Commission to open negotiations for the conclusion of visa waiver agreements between the EU and certain third countries – 1st quarter 2013;
- Evaluation report on the implementation of the Visa Code – 4th quarter 2013;
- Commission report on the application of the Recast Directive, including the principle of equal pay – 3rd quarter 2013;
- Communication from the Commission on "Challenges and Opportunities concerning Maritime and Coastal Tourism in the EU" – November 2013;
- Commission Staff Working Document on the Implementation of the Council Recommendation on Smoke-free Environments (2009/C 296/01) – February 2013;
- Communication on Qualification of Harm in Antitrust Damages Actions – 1st quarter 2013;

The Work Programme 2013 and related Annexes are available in all EU official languages on the Commission's [website](#).

HOTREC is monitoring closely all proposals which may have an impact on the activities of hospitality businesses and keeps the dialogue with EU policy makers to transmit the views of its member associations on relevant issues.

HOTREC GENERAL ACTIVITIES

• Next General Assemblies

HOTREC will hold its Spring General Assembly on 16-17 May 2013 in Vilnius, Lithuania.

The Fall General Assembly will follow on 17-18 October 2013 in Athens, Greece.

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