

# Live from Brussels

## Newsletter

Issue N°63 / 15 October 2013

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

*HOTREC represents the hotel, restaurant and bar/café industry at European level, bringing together 44 national associations representing the interest of this industry in 27 different European countries. The sector counts 1,8 million businesses, with almost 91% of them being micro enterprises employing less than 10 people. The micro and small enterprises (having less than 50 employees) represent more than 99,5% of businesses and make up 60% of value added. Last but not least, this industry provides more than 10 million jobs in the EU alone.*

<b>GENERAL</b>	<b>2</b>	<b>PAYMENT SERVICES</b>	<b>6</b>
<ul style="list-style-type: none"> <li>Ernst &amp; Young study on “The economic contribution of the hospitality sector to the EU economy”</li> </ul>		<ul style="list-style-type: none"> <li>Interchange Fees for payment cards to be regulated!</li> </ul>	
<b>HEALTH</b>	<b>2</b>	<b>DATA PROTECTION</b>	<b>7</b>
<ul style="list-style-type: none"> <li>Assessment of the results of the EU alcohol strategy</li> </ul>		<ul style="list-style-type: none"> <li>Waiting for LIBE’s vote!</li> </ul>	
<b>CONSUMER AFFAIRS</b>	<b>3</b>	<b>SOCIAL AFFAIRS</b>	<b>8</b>
<ul style="list-style-type: none"> <li>Package Travel Directive: slow progresses in the European Parliament</li> </ul>		<ul style="list-style-type: none"> <li>HOTREC replies to Commission consultation on undeclared work and health and safety at work</li> <li>Free movement of workers: Commission proposal to improve its application</li> </ul>	
<b>TOURISM</b>	<b>4</b>	<b>DIGITAL ISSUES</b>	<b>10</b>
<ul style="list-style-type: none"> <li>Tourism Task Force – round table discussions on-going</li> <li>One step forward in strengthening EU-China relations on tourism</li> <li>Follow-up to the Tourism Implementation plan</li> <li>UNWTO approves Accessible Tourism recommendations</li> </ul>		<ul style="list-style-type: none"> <li>Rate parity cases putting pressure on OTAs</li> </ul>	
<b>FOOD</b>	<b>6</b>	<b>SUSTAINABILITY</b>	<b>10</b>
<ul style="list-style-type: none"> <li>Revision of Regulation on official food controls: slow discussions</li> </ul>		<ul style="list-style-type: none"> <li>Testing the European Tourism Indicators system for sustainable management of destinations</li> </ul>	
		<b>STATISTICS</b>	<b>11</b>
		<ul style="list-style-type: none"> <li>Recent Statistical Publications</li> </ul>	
		<b>HOTREC GENERAL ACTIVITIES</b>	<b>11</b>
		<ul style="list-style-type: none"> <li>Next General Assembly</li> </ul>	

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## General

### • **Ernst & Young study on “The economic contribution of the hospitality sector to the EU economy”**

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On 17 September 2013, EY (formerly Ernst & Young) presented to Members of the European Parliament, European Commission officials, the media and several stakeholders its recent study on “[The economic contribution of the hospitality sector to the EU economy](#)”. The study, which has been commissioned by the Brewers of Europe and has counted with the collaboration of HOTREC, shows that the hospitality sector plays a fundamental role in creating jobs, fighting youth unemployment and boosting growth.

More precisely, the study states that the sector **directly employs 10.2 million people** and that further 6.4m jobs are stimulated by the sector through additional supply chain demand and spending employees’ wages on other goods and services. In fact, and even though the total number of jobs in Europe increased only by 7,1% between 2000 and 2010, the hospitality sector in particular employed around 2,5m additional workers during the same period (which means an increase in 29% in employment in the sector). These figures indicate that whereas general employment in the economy declined, since 2008, due to the economic crisis, average employment in the hospitality sector continued increasing.

The study also highlights that the sector provides many young people with their first employment experience, allowing them to enter the working world and opening the door for future jobs.

Also according to the study, the sector contributed in 2010 with EUR 126bn to government treasures in VAT, excise duties and employment and social security tax. In addition, the study acknowledges that hospitality businesses and investments represent a highly valuable multiplying factor in the whole of the European economy. In fact, for every one Euro spent in the hospitality sector, a further €1.16 is stimulated elsewhere in the European economy.

Finally, the study shows that the sector **has a price-sensitive demand**. Measures likely to tackle fiscal deficits – such as taxes on labour and sales - are expected to decrease demand. In contrast, measures that help to lower the price of goods and services provided in the hospitality sector, such as VAT reduced rates, can be expected to increase the economic contribution. This would lead, through multiplier effects, to an increase of the sector’s contribution to the economic performance.

*HOTREC welcomes the EY report and hopes that its key findings will be taken into account by politicians and policy makers at the EU and national level when adopting measures that have an impact on the hospitality sector. In particular, HOTREC is of the opinion that austerity and tax increases are clearly counterproductive for job creation and may lead in the long run to a loss in consumer demand. On the contrary, a supportive legal and fiscal environment will help the sector to boost job creation and to spread growth. The hospitality sector should, therefore, be handled at its deserved value!*

## HEALTH

### • **Assessment of the results of the EU alcohol strategy**

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On August 2013, DG SANCO of the European Commission has released the final report developed by COWI consultancy on the [assessment of the added value of the EU strategy to support Member States in reducing alcohol-related harm](#). The report includes an analysis of the action accomplished by the two main pillars of the EU alcohol strategy: the Committee on National Alcohol Policy and Action (CNAPA) and the European Alcohol and Health Forum (EAHF).

Regarding CNAPA, the report recognises that the Committee has been an important place to coordinate government-driven policies aiming at reducing alcohol-related harm.

Regarding the Alcohol and Health Forum some of the main conclusions were the following:

- The Forum has played an important role in mobilising stakeholders with a view to reduce alcohol related harm;
- A wide range of thematic issues concerning alcohol-related harm have been discussed and best practices have been shared;
- Participation in the Forum has helped to pursue further cooperation with other members;
- An increase in responsible business practices has been witnessed.

In addition, the report makes reference to a certain number of actions that still need to be further developed, such as:

- Expanding membership: the sectors under-represented in the Forum, such as alcohol retailers; stakeholders from new Member States or the media sector should be encouraged to be more involved in the Forum activities;
- Strengthening action: the action areas of the EAHF should be better aligned with the priorities of the alcohol strategy;
- Evaluation of commitments: appropriate outcome and impact indicators for the planning, monitoring and evaluation of commitments should be identified;

*As an active member of the EAHF, HOTREC believes that the Forum has been fundamental for stakeholders to share best practices and to debate and implement actions aiming at curbing alcohol-related harm. As an umbrella association, HOTREC is constantly encouraging its members to develop voluntary measures at national level in accordance with [HOTREC's guidelines on responsible drinking](#) and to be more involved in the EAHF activities'. For the moment HOTREC counts with four members who are also members of the Forum: the BBPA (British Beer and Pub Association), Horeca Vlaanderen, the Finish Hospitality Association (FHA) and VISITA (the Swedish Hospitality Industry).*

## CONSUMER AFFAIRS

### • **Package Travel Directive: slow progresses in the European Parliament**

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Following the adoption on 9 July by the European Commission of its [proposal for a new Directive on "package travel and assisted travel arrangements"](#), slow progress has been made in the European institutions so far on the matter.

Indeed, while the relevant working party of the Council hold in September a first meeting on the proposed Directive, the Lithuanian Presidency of the EU does not seem to put this topic as a high priority. Moreover, in the European Parliament, the leading Committee, the IMCO (Internal Market & Consumer Protection) Committee has not started working on the file, as the rapporteur has not been chosen yet. So far, only the shadow-rapporteurs for the ALDE (MEP Jorgo Chatzimarkakis, Germany), for the ECR (MEP Emma McClarkin, UK) and for the EFD (MEP Matteo Salvini, Italy) have been decided.

Furthermore, if the TRAN (Transport & Tourism) Committee appointed on 16 September MEP Bogusław Liberadzki (S&D, Poland) as its opinion-rapporteur, the Legal Affairs Committee (which will also provide an opinion) has also not selected its opinion-rapporteur so far. Given that the European Parliament will cease its official activities at the end of March in views of the election campaigns, a first-reading agreement on this Directive during the current legislative term seems unlikely. However, the upcoming Greek Presidency of the EU could be interested in giving a push to the discussions in the Council, with the support of other governments.

*The European hospitality industry is a key component of the tourism industry and is therefore directly affected by the Package Travel Directive and its revision. HOTREC considers that even though the Commission proposal contains some improvements to the existing Directive (e.g. the fact that the guarantee in case of bankruptcy shall be tailored to the actual risk and that in the absence of carriage of passengers it shall not cover repatriation); a number of new provisions will negatively impact the tourism and hospitality industry and create some confusion on the holiday market.*

*This is particularly true for the provisions on the possibility for the consumer to terminate the contract at any time. This provision will create a dual legal system in which there is no such right for stand-alone hotel bookings (covered by the Consumer Rights Directive), while there would be such right for the same hotel booking when combined online to other tourism services (therefore falling under the scope of the Package Travel Directive).*

*HOTREC, moreover, considers that the Council and the European Parliament should ensure that the Commission proposal does not destabilise the tourism industry. For this reason, it should aim at ensuring that the Package Travel Directive only applies to a combination of carriage of passengers with one or more other tourism services. Such new definition of a package would provide more clarity and help the hospitality industry create more jobs without decreasing consumer protection in any manner.*

## TOURISM

### • **One step forward in strengthening EU-China relations on tourism!**

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On July 2013, a joint statement has been signed between Mr. Tajani, the European Commissioner for Industry and Entrepreneurship, and the Vice Chairman of the National Tourism Administration of the People's Republic of China in order to envisage ways to strengthened relations in the field of sustainable tourism.

Both sides recognise that it would be important to develop certain actions, such as:

- Establish a periodic dialogue and exchange of information between services' regarding the several initiatives related with tourism;
- Involve all relevant stakeholders of both parties to the dialogue;
- Encouraging exchanging good practices in the development of sustainable tourism;
- Improve European-Commission-China cooperation in the field of Approved Destination Status (ADS) visa aiming at boosting tourist travel. The ADS scheme is a bilateral tourism arrangement between the Chinese National Tourism Administration (CNTA) and a foreign destination. Chinese people travelling to the EU can apply for visa through approved Travel Agents who lodge the visa applications for a group of clients. The agreement between CNTA and the EU was signed in 2004. During 2009 there were 96 093 ADS visas issues. By 2011, 170 141 ADS visas were issued. The numbers show that an increasing number of Chinese tourists is coming to visit Europe).

*HOTREC believes that even though the text is not legally binding, the dialogue between the EU and CNTA has a strong political impact and is well positioned to continue promoting Europe as number one destination in the world. HOTREC also considers that the further improvement of the ADS cooperation is fundamental in order to allow more tourists to enter the European space. Nevertheless, HOTREC would also defend that a visa waiver / stronger visa facilitation agreements should not only be established between the EU and China, but also between the EU and the all the other BRICS, countries.*

### • **Tourism Task Force – round table discussions on-going**

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The European Parliament Tourism Task Force, holding its meetings at the Committee of Transport and Tourism (TRAN) Committee has organised two round table discussions during the month of September 2013 on the following topics:

- Seasonality and Accessibility: Regarding seasonality both MEP's and the invited speakers agreed that effective solutions need to be found in order to extend the season all year long. Regarding accessibility, opinions diverged: whereas some stakeholders believed that no standards are required, because businesses will adapt to the necessities of customers with disabilities, there were others that defended that there is a lack of a common legislation on this topic.
- Attracting new flows: All MEP's and invited guests agreed that the visa procedures need to be facilitated in order to attract tourists to Europe. Nevertheless, a right equilibrium between security and economic aspects needs to be found.

*HOTREC welcomes the round table discussions, as the various guest speakers had the opportunity to express their views on the topics. Nevertheless, HOTREC believes that the round table discussions should be open to the participation of all stakeholders.*

*HOTREC agrees with the common position regarding seasonality, as extending the season is an important objective for the hospitality industry. On accessibility, HOTREC believes that the market is progressively adjusting to the needs of people with disabilities. Excessive regulations, especially taking into account the possibilities of micro enterprises, might jeopardise the well-functioning of the market.*

*Finally, HOTREC is also of the opinion that in case the Visa Code is revised in an effective way and if visa free travel arrangements / visa facilitation agreements are established with more third countries, especially the BRICS, increased flows of tourists will enter the European space.*



## • ***Follow-up to the Tourism Implementation plan***

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The latest report by the Tourism Unit of the European Commission on the follow-up actions to the 2010 Communication on tourism is the following:

*Tourism-It portal:* This portal is part of the ICT & Tourism Business Initiative of the European Commission. It is a Tourism business support portal which aims at providing SMEs with relevant, practical information, including up to date ICT business tools, tutorials and training to help any tourism company set up, manage and promote their business. The portal is ready to present any message which is important for the SMEs in the tourism sector, including announcements on events, etc. It will be launched in January 2014 on the occasion of FITUR. HOTREC has participated in a meeting to provide input to the consultancy developing this portal.

*Professional skills:* Ernst & Young is currently elaborating a skills list in the sub-sectors of blue tourism, culture tourism and adventure tourism. The skills in these sub-sectors together with the EFFAT-HOTREC skills list in the hospitality sector will help the European Commission to complete the Framework of the Skills in the Tourism Sector.

*Virtual Tourism Observatory:* This observatory is being developed in order to reinforce the socio-economic knowledge of tourism at European level. It will provide information on issues such as the demographic and climate changes, trends in the evolution of tourism demand and supply, impacts of unforeseen events and difficult situations, including data and research on the tourism businesses in the sector, etc. It would most probably be launched in the beginning of 2014.

*Tourism Best Practices Project:* The Commission released in October 2013 the final report carried out by the Centre for Strategy and Evaluation Services on "[Enhancing the competitiveness of Tourism in the EU](#)". The objective of the study was to select the twenty best projects in the field of tourism in the EU which are likely to increase the competitiveness of the European tourism industry. All the selected projects present a focus on the following key topics: extending the low season and diversifying the supply of tourists services; developing the use of ICT's; training, skills development and building capacity; marketing and promotion. HOTREC has attended the preparatory meetings of the report and provided guidelines to the consultancy.

As a wrap-up to its political term, Vice President of the European Commission, Mr. Antonio TAJANI is preparing a so called "fitness check" or evaluation of the tourism sector to find out what are the challenges and present and future trends of this industry. A consultation of the stakeholders will most probably be circulated for this exercise.

*Since the Commission issued its 2010 Communication on Tourism, HOTREC has been very actively participating in the implementation of many of the actions laid down in the implementation plan, together with other stakeholders.*

## • ***UNWTO approves accessible Tourism recommendations***

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In September 2013, the [UNWTO recommendations on "Accessible Tourism for all"](#) (2013) were approved and endorsed by its General Assembly.

"Accessible Tourism for All" defines the appropriate measures to ensure that persons with disabilities have access, on an equal basis with others, to the physical environment, transportation, information and communications and facilities open to the public or for public use.

According to the World Health Organization there are approximately 1 billion persons with disabilities in the world or 15% of the world population having a physical, mental or sensory disability. UNWTO's "Declaration on the Facilitation of Tourist Travel" (2009) underlines travel and tourism facilitation for persons with disabilities as an essential element of any policy for the development of responsible tourism.

With regard to accommodation facilities the recommendations include references to:

- Reasonable number of rooms that are fully accessible;
- Alarm systems suitable also for deaf guests;
- The possibility to manoeuvre safely and comfortably.

With regard to food service establishments the recommendations cover:

- To have an adequate number of restaurants, cafes, bars in the area with accessible facilities, and toilets;
- Menus, with easy to read texts;
- Menus, including options for people with different types of food intolerances.

Finally, the recommendations include provisions in relation to staff training, aiming to ensure that employees in touristic establishments know, understand and address the needs of guests with disabilities, including the capability of evacuating those people in case of emergency.

A guide on “Accessible Tourism for All” is scheduled to be issued in late 2013, as a follow-up to the endorsement of the recommendations. This guide aims at orientating tourism stakeholders in order to improve the accessibility for tourism destinations, facilities and services worldwide.

*People with disabilities are forming a more and more growing market segment for the hospitality sector. The market has already started to adjust to the changing needs of people. It should be however noted, that restrictive and excessively burdensome mandatory requirements vis-à-vis hospitality establishments (especially the micro enterprises) might jeopardise their long term economic viability. The hospitality industry understands the change of time, but sufficient time, resources and ‘air’ shall be left to be able to adapt to the changing circumstances.*

## FOOD

### • **Revision of Regulation on official food controls: slow discussions**

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Since the release on 6 May 2013 by the European Commission of its [official proposal](#) to revise Regulation 882/2004 on official controls, the Council and European Parliament have made slow progresses on the proposal so far.

In the Council, a few meetings on the topic have taken place and a first official round of comments was made by the Member States. However, no formal text has been drafted yet. However, the European Parliament does not seem to have granted a high priority to this topic so far. Indeed, if the ENVI (Environment, Public Health and Food Safety) Committee, the leading committee, has already appointed MEP Mario Pirillo (S&D, Italy) as rapporteur, it has however not tabled any date yet neither for a first exchange of views nor for a possible draft report, while a possible vote in committee is not scheduled before the end of January or February 2014.

The AGRI (Agriculture) Committee of the European Parliament, which will provide an opinion to the ENVI Committee, has also just starting its work with the organisation of a first exchange of views on the matter on 17 September and a deadline for tabling amendments on 11 November 2013.

*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 takes note of the official proposal presented by the Commission and welcomes the general exemption offered to micro-enterprises with the regard to the payment of inspection fees. Micro-enterprises indeed represent 91% of hospitality businesses in the EU and such fees would have negatively impacted them, something that would not have been welcome in these times of harsh economic crisis.*

*Nevertheless, HOTREC considers that an EU wide obligation for national authorities to charge food inspections in restaurants clearly ignores 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, the proposal wrongly assumes that national authorities always lack financial resources to perform their duties correctly, and ignores that when some do, it is sometimes the result of a poor internal 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.*

## PAYMENT SERVICES

### • **Interchange Fees for payment cards to be regulated!**

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On 24 July 2013, the European Commission released [its proposal for a Regulation on interchange fees for card-based payment transactions](#).

The draft Regulation proposes to:

- Cap Interchange Fees on consumer cards for cross-border debit transactions at no-more than 0.2% of the value of the transactions per transaction;
- Cap Interchange Fees on consumer cards for cross-border credit transactions at no-more than 0.3% of the value of the transactions per transaction;
- Extend these caps to all transactions (cross-border and domestic) two years after the entry into force of the Regulation;
- Prohibit any circumvention of the caps;
- Regulate the “honour-all-cards rule” by prohibiting rules that force payee accepting cards issued by one service provider to also accept other payment instruments from the same brand (except if the interchange fee is the same);
- Force acquirer of transactions to unbundle the fees charged to the merchants, so as to provide full transparency of costs.

The Commission proposal will now be examined by the Council and the European Parliament under the ordinary legislative procedure. In the European Parliament, the ECON (Economic and Monetary Affairs) Committee will be in charge, while the IMCO (Internal Market and Consumer Protection) Committee should provide an opinion. The ECON Committee has appointed MEP Pablo Zalba Bidegain (EPP, Spain) as rapporteur, however, not all shadow-rapporteurs have been appointed yet. Given that EP elections will take place in May 2014, the European Parliament will have to speed-up its work if it wants to reach an agreement before the end of the current legislative term.

*As a major user of payment cards, the European hospitality has been complaining for years about the level of Multilateral Interchange Fees for payment card schemes, and about the lack of transparency and the anti-competitive nature of some of the rules imposed by some payment card schemes to hospitality businesses. HOTREC therefore welcomes the Commission proposal to regulate interchange fees and payment cards business rules having anti-competitive effects.*

*However, HOTREC considers that the Commission proposal does not go far enough and calls for the complete elimination of interchange fees on all debit card transactions (which was retained as the most efficient scenario by the Commission's own impact assessment) and for the inclusion of all commercial cards within the scope of the proposal. HOTREC also calls on the European Parliament and Council to put this legislative proposal as a high priority, so that it can still be adopted in this legislative term.*

## DATA PROTECTION

### • **Waiting for LIBE's vote!**

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On 17 September 2013, took place the 4<sup>th</sup> Annual European Data Protection and Privacy conference. During the event representatives from the European Commission, the European Parliament and the Lithuanian Presidency updated the audience on the most recent developments of the package on Data Protection, which includes a proposal for a [Regulation](#), which would replace the current Directive [95/46/EC](#).

Commissioner Reding (responsible for the portfolio of Justice, Fundamental Rights and Citizenship) took the opportunity to stress that after the scandal regarding the US surveillance system, PRISM, consumers are expecting nothing less than the approval of the package in the short term.

Mr. Albrecht (Greens/Germany), rapporteur of the file on the proposal for a General Data Protection Regulation at the EP ([Draft Report – 2012/0011 \(COD\)](#)), stressed that the aim of the EP is to adopt the legislative package before the end of the EP legislature. He also announced that the date of the vote of the draft report in the LIBE Committee is foreseen for 21 October 2013.

Compromise amendments are at the time being discussed between the rapporteur and the shadow rapporteurs. Nevertheless, their task is not a simple one, as they need to go through more than 3000 amendments introduced to the report.

Mr. Griciunas, Vice-Minister of Justice in Lithuania, highlighted that the data protection file is also a priority for the Lithuanian Presidency. During the Justice and Home Affairs Council meeting taking place in Luxembourg on 7 October 2013, ministers focused on the principle of one-stop-shop. According to this principle, when the processing of the data takes place in more than one Member State, one single

supervisory authority should be competent for monitoring the actions of the controller or processor throughout the Union. Even though the Council expressed its support for the principle, views differed on how to put the principle into practice. As opinions inside the Council seem still to diverge on several other topics (e.g.: the costs that the reform will bring to SMEs; penalties foreseen; definition of consent), a Council common position before May 2014 seems to be difficult to achieve.

*Even though HOTREC fully understands the need for a revision of the current Directive 95/46/EC, taking into account that consumer's trust should be protected, HOTREC is also seriously concerned with the administrative and economic costs that SME's would need to face, should the new system be adopted, namely:*

- *Need for companies to designate a Data Protection Officer, even if their core activity is not data processing;*
- *Right to be forgotten – former clients should be able to be contacted for marketing purposes without being obliged to give their explicit consent;*
- *Administrative sanctions – too high;*
- *Delegated and implementing acts – should be further decreased, as they do not follow a fully transparent procedure when being adopted.*

## **SOCIAL AFFAIRS**

### • ***HOTREC replies to Commission consultation on undeclared work and health and safety at work***

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On 20 September 2013, HOTREC as recognised social partner before the EU institutions, put forward its response to the Commission consultation of the social partners on “*enhancing EU cooperation in the prevention and deterrence of undeclared work*”

In its response, HOTREC made reference to all the work that has been developed together with its trade union-counterpart – EFFAT- on the issue of undeclared work. To this end, HOTREC mentioned the EFFAT-HOTREC [joint statement](#) on undeclared work in the European Hotel and Restaurant Sector. It also referred to a number of best practices on successful measures to combat undeclared work at national level that were presented by HOTREC members at the last Sectoral Social Dialogue plenary meeting held in December 2012.

HOTREC further points out that it favours the implementation of preventive measures such as tax incentives, awareness raising campaigns, incentives for regular work, the simplification of administrative procedures, the alleviation of fiscal and administrative burdens, etc. as the way to combat undeclared work.

When it comes to the questions raised on the consultation paper, HOTREC points out that it agrees with the possibility of setting-up a [European platform](#) as a way of enhancing the cooperation between Member States in order to combat undeclared work. This platform should not deal with national issues but only with cross-border issues. It could comprise the voluntary participation of Member States and other stakeholders. The social partners could, for example, become voluntarily members of this platform as they have shared lots of information in their social dialogue meetings on this issue.

For more information please see [link](#).

#### *Consultation on future EU policy framework on health and safety:*

In mid July 2013, HOTREC also responded to the public consultation launched by the Commission on the future EU policy in the Occupational Safety and Health (EU-OSH). In its response, HOTREC stressed that its national associations have different opinions on the issue but are of the common opinion that a European common strategy is a good basis for the development of national health and safety requirements.

HOTREC also pointed out that the simplification of the future EU OSH legislation and reduction of red tape on SMEs is critical for the tourism sector.

The Commission has received more than 500 replies and is currently analysing the responses to this consultation before putting forward any kind of policy framework.



For more information, please see [link](#).

## • ***Free movement of workers: Commission proposal to improve its application***

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On 26 April 2013, the European Commission issued a proposal for a Directive on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers ([COM \(2013\) 236](#)). The proposal is currently being discussed at the EP Employment and Social Affairs Committee (EMPL) under the ordinary legislative procedure. MEP Edit Bauer (EPP, Germany) has been appointed rapporteur of this dossier.

According to the Commission, EU rules on free movement of workers are long-established and clear. However, the way in which these rules are applied in practice can give rise to barriers and discriminatory practices for EU migrant workers when working or looking for work in another Member State.

In fact, the difficulties faced by EU citizens when moving to another EU Member State for work purposes, explain why geographical mobility between Member States is so low: In 2011, only 3.1% of the working-age European citizens (15-64) lived in an EU Member State other than their own, (*according to the EU-Labour Force Survey*)

Amongst the obstacles faced by EU citizens when moving to another Member State for the purposes of work, the Commission refers to:

- Public authorities not complying with EU law;
- Employers and legal advisors not complying with EU law;
- EU migrant workers not having access to information or the means to ensure their rights etc.

To overcome these obstacles, the European Commission has put forward a set of measures which directly confers European citizens “*the right to move to another Member State for work purposes and to accept offers of employment, to work there without needing a work permit, to reside there for that purpose and to stay there even after employment has finished*”.

The proposal, therefore, would only apply to the cases of discrimination on the grounds of nationality in relation to the following matters:

- Access to employment;
- Conditions of employment and work in particular as regards remuneration and dismissal;
- Access to social and tax advantages;
- Membership of trade unions;
- Access to training;
- Access to housing;
- Access to education for workers' children.

To reinforce the rights of EU citizens that move to another Member State for the purposes of work, the Commission suggested:

- To impose on Member States an obligation to provide EU migrant workers with appropriate means of redress at national level. The proposal covers both judicial and extra-judicial means of redress, including conciliation and mediation mechanisms;
- To impose an obligation for the Member States to ensure that associations, organisations or legal entities (such as trade unions, NGOs or other organisations) may engage in any administrative or judicial procedure on behalf or in support of EU migrant workers in the event of violations of their rights (..).

Furthermore, the Commission is also requesting Member States to designate structures/bodies to support EU migrant workers and promote, analyse and monitor the rights conferred on them and on their families by EU law.

When it comes to the EP, Ms. Bauer issued her draft report in mid-August 2013. The rapporteur is in general supportive of the Commission proposal. Some 200 amendments have been put forward by the MEPS. Both the amendments and the report are currently being discussed at the EMPL Committee.

*HOTREC will continue to monitor the legislative developments.*

## DIGITAL ISSUES

### • **Rate parity cases putting pressure on OTAs**

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During the last summer progress has been made on the hospitality industry's concerns in relation to the implementation of Most Favoured Nations (MFN) clauses by some authorities.

In Germany, the German Cartel Office (Bundeskartellamt) issued a warning against HRS, one of the biggest Online Travel Agents (OTAs) in Germany. It has confirmed its previous competition concerns about the best price clause used by HRS. According to the Office, these clauses, obliging the hotels to offer their lowest room price, maximum capacity and most favourable conditions, are not in favour of the consumers, as they hinder competition for lower room prices between hotel booking portals. Moreover, new market entries are hindered, which might offer more competitive and innovative services, such as last minute offers. The competition between hotels is also obstructed, as they are not free to set their prices independently and respond flexibly to competition developments. At the end it is the consumers who are losing, states the German authority.

In France, the Commission of Commercial Practices (CEPC) published its opinion on MFN clauses. The Commission is saying that such clauses were void and unlawful as they imply an automatic alignment with the most favorable conditions granted to competitors.

In addition to MFN clauses, CEPC expressed concerns in relation to other clauses in the contracts between OTAs and hotels, which are creating a "significant imbalance" between the rights and duties of the contracting parties. Such clauses relate to the conditions for payment of commissions, liability issues and the possibility for OTAs to terminate a contract unilaterally.

*HOTREC has for a long time expressed its concerns in relation to MFN clauses, when having adopted its [Benchmark of Fair Practices in Online Distribution](#). HOTREC welcomes the fact that more and more authorities express their concerns in relation to MFN clauses, and hopes that the OTAs will soon adapt to the new directions as shown among others in the above mentioned cases. Hospitality businesses have to be in a position to exercise their full entrepreneurial freedom, including the issue of setting their own prices freely.*

## SUSTAINABILITY

### • **Testing the European Tourism Indicators System for sustainable management of destinations**

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On 7 June 2013, the European Commission issued a call for expression of interest for destinations that want to test the European Tourism System of Indicators (ETSI) to measure their sustainability. The intention of the European Commission is to measure the operability and usefulness of this system, through 3 pilot destinations.

Each pilot will last for 9 months (from 15 July 2013 to 31 October 2013). The first and second pilot phases will overlap.

The implementation of the ETSI will be done on the basis of a guide book called "Toolkit", which explains step by step how to implement the ETSI. This [toolkit](#) is available in English and will be further translated into all European languages.

The first pilot phase that started in July 2013 and involves up to 100 tourism destinations which are willing to test the system in order to measure their sustainable performance. This pilot will run up to April 2014.

A second pilot phase will start in the beginning of 2014.

To assess the system through the feedback collected from the pilot destinations the Commission will be assisted by an informal pool of experts.

*The European Indicator System aims to contribute to improving the sustainable management of destinations by providing tourism stakeholders, within the destinations, with an easy and user-friendly toolkit. This toolkit allows destinations to share and benchmark their progress and performance, make better management decisions and create adequate policies.*

The system consists of 27 core indicators and 40 optional indicators, which can be used on a voluntary basis, together or integrated into existing destination monitoring systems. The indicators are based on economic, social & cultural, environmental criteria.

The local coordinator will be the key figure to initiate the implementation of this system in his/her destination. This person could be a senior representative from the destination management organisation, destination marketing board or private sector or tourism association.

## STATISTICS

### • **Recent Statistical Publications**

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

- "[International tourism demand exceeds expectations in the first half of 2013](#)" – (Barometer publication August 2013) – the study shows that International tourist arrivals grew by 5% during the first half of 2013 compared to the same period of 2012, reaching almost 500 million. Growth was above the projection made at the beginning of the year (+3% to +4%). Moreover, the study highlights that in a still uneven global economic environment, results were positive in all regions and sub regions, though the overall picture was mixed. Europe (+5%) performed surprisingly stronger than expected, driven by Central and Eastern Europe (+10%) and Southern and Mediterranean Europe (+6%). Asia and the Pacific (+6%) also exceeded expectations, boosted by South-East Asia (+12%) and South Asia (+7%). On the other hand, results were weaker than anticipated in the Americas (+2%), as South America and the Caribbean lagged behind.
- "[An extra 12 million international tourists in the first four months of 2013](#)", (Barometer publication June 2013). According to this study, a total of 298 million international tourists travelled worldwide between January and April 2013, 12 million more than in the same period last year.

In addition, the [EUROSTAT analysis regarding the winter season tourism trends in 2012-2013](#) show that 15 out of 22 Member States where data is available, nights spent at hotels and similar accommodation establishments recorded positive growth rates compared with the same period of the previous year. The highest increases were observed in Slovakia (+9.6 %) and Malta (+9.0 %).

Nevertheless, this positive growth is not reflected in the EU-28 figures where a drop of -0.4 % was observed. The decline reported by five Mediterranean countries (Cyprus, Italy, Spain, Slovenia and Greece) but also Finland and France can explain this drop: 45 % of all the nights spent at hotels and similar accommodation establishments of the EU are spent in these seven Member States.

## HOTREC GENERAL ACTIVITIES

### • **Next General Assembly**

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The 68<sup>th</sup> General Assembly of HOTREC will take place in Rome, Italy, on [10-11 April 2014](#).

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