

# Live from Brussels

## Newsletter

Issue N°64 / 6 February 2014

### 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 42 national associations representing the interest of this industry in 26 different European countries. The sector counts 1,7 million businesses, with almost 92% 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 62% of value added. Last but not least, this industry provides some 9,5 million jobs in the EU alone.*

<b>HOTREC MANIFESTO</b>	<b>3</b>	<b>SUSTAINABILITY</b>	<b>8</b>
<ul style="list-style-type: none"> <li>HOTREC releases its Manifesto for the 2014 European elections</li> </ul>		<ul style="list-style-type: none"> <li>The Commission puts forward the New EU Framework for climate and energy for 2030</li> </ul>	
<b>CONSUMER AFFAIRS</b>	<b>3</b>	<b>ACCESSIBILITY</b>	<b>9</b>
<ul style="list-style-type: none"> <li>Package Travel Directive: the European Parliament to adopt soon its position</li> </ul>		<ul style="list-style-type: none"> <li>European Tourism Day with a focus on accessibility</li> </ul>	
<b>HEALTH</b>	<b>4</b>	<b>DATA PROTECTION</b>	<b>10</b>
<ul style="list-style-type: none"> <li>Latest developments at the European Alcohol and Health Forum</li> </ul>		<ul style="list-style-type: none"> <li>LIBE Committee has voted!</li> </ul>	
<b>TOURISM</b>	<b>4</b>	<b>SOCIAL AFFAIRS</b>	<b>10</b>
<ul style="list-style-type: none"> <li>Follow-up on the Tourism Implementation Plan</li> <li>TOURISMLink: latest developments</li> </ul>		<ul style="list-style-type: none"> <li>End of restrictions for Bulgarian and Romanian workers</li> <li>Free movement of workers</li> <li>Free movement of EU citizens and their families</li> <li>EURES: The Commission proposes a set of measures to improve EURES</li> <li>The Commission proposes standards to improve quality of traineeships</li> <li>17 Member States have submitted Youth Guarantee Implementation Plans</li> <li>Discrimination beyond the workplace – very slow progress</li> <li>SAFE HOST project on preventing and combating sexual exploitation of children in travel and tourism</li> </ul>	
<b>QUALITY</b>	<b>6</b>		
<ul style="list-style-type: none"> <li>The Swiss Quality scheme accredited under the renewed EHQ scheme</li> </ul>			
<b>FOOD</b>	<b>6</b>		
<ul style="list-style-type: none"> <li>Official food controls Regulation: towards optional fees for Member States?</li> </ul>			
<b>DIGITAL ISSUES</b>	<b>7</b>		
<ul style="list-style-type: none"> <li>MFN clauses banned in Germany</li> <li>ICANN procedure on new Top Level Domains</li> </ul>			
<b>COPYRIGHT</b>	<b>8</b>		
<ul style="list-style-type: none"> <li>Directive on Collective Management of Rights to be adopted in first reading</li> </ul>			

*Under the responsibility of Kent Nyström, President of HOTREC*

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**PAYMENT SERVICES** **15**

---

- Regulation on Interchange Fees: diverging views in the European Parliament

---

**STATISTICS** **15**

---

- Recent Statistical Publication
- 

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**INSTITUTIONS** **16**

---

- Greece takes over the Presidency of the EU!
- Commission Work Programme 2014

---

**HOTREC GENERAL ACTIVITIES** **17**

---

- HOTREC General Assembly in Rome

## HOTREC MANIFESTO

### • **HOTREC released its Manifesto for the 2014 European elections**

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On 4 December 2013, HOTREC released its Manifesto for the 2014 European elections, highlighting sixteen priorities that the industry would like to be supported by the candidates to the European elections for the next EU legislative term.

At the margins of the European Tourism day, and in advance of the 2014 European Parliament elections campaign, HOTREC addresses its Manifesto to the candidates of the European Parliament and unveils the sixteen goals that should be prioritised in the agenda of the next European Parliament legislative term.

The priorities promoted by the European hospitality sector for 2014-2019 include the creation of an Intergroup on Tourism in the European Parliament, the promotion of smarter regulation, the facilitation of tourism SMEs' funding, the strict application of the subsidiarity principle, the facilitation of visa procurement, a more balanced approach to data protection, EU food policy or fairer competition on the online tourism distribution market, among other equally important EU policy issues.

HOTREC urges candidates to the European elections and European political parties to support its Manifesto. Europe is at the heart of World Wide tourism: tourism should, therefore, be at the centre of EU policies.

The Manifesto of the European hospitality industry is available on the [HOTREC website](#).

## CONSUMER AFFAIRS

### • **Package Travel Directive: the European Parliament to adopt soon its position**

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After a slow start, the European Parliament has now speeded-up its work on the Commission [proposal for a new Directive on "package travel and assisted travel arrangements"](#). Indeed, after rather short discussions, the TRAN (Transport & Tourism) Committee adopted on 22 January 2014 its [opinion](#) on the proposed Directive. The TRAN opinion mostly intends to avoid any possible circumvention of the obligations arising from the new Directive. To that end, it proposes to adjust slightly the definition of what constitutes a package and what constitutes a "linked travel arrangement". Moreover, the TRAN opinion proposes to include provisions on stand-alone services and a right of withdrawal for tourism services.

Meanwhile, the IMCO (Internal Market & Consumer Protection) Committee, which is the leading Committee, has organised on 22 January 2014 an exchange of views on the [draft report](#) written by the rapporteur MEP Mayer (EPP, Germany) and on the amendments tabled by the other members of the IMCO. The main points of discussions in IMCO also relates to the scope of the Directive, the definition of what constitutes a package and a "linked travel arrangement", the possible introduction of a right of withdrawal for packages, etc. The rapporteur and main shadow-rapporteurs in the IMCO will now try to work on compromise amendments that would be voted by a majority of MEPs. The IMCO is expected to adopt its final report on [11 February 2014](#).

In the Council, it is currently unknown whether the new Greek Presidency of the EU will consider the matter as a priority or not. This means that a first reading agreement between the European Parliament and Council is virtually impossible to be reached. As a consequence, the European Parliament is expected to adopt its first-reading position during the last plenary session of the legislative term in the beginning of April, without negotiating with the Council.

*HOTREC considers that the Council and the European Parliament should ensure that the Commission proposal does not destabilise the tourism industry. For this reason, HOTREC welcomes the proposal by the rapporteur to introduce the concept of ancillary services which would not be subject to the Directive when combined with hotel accommodation. HOTREC also welcomes the proposal by the ALDE and Green shadow-rapporteurs to raise the ceiling of what is considered a significant tourism service subject to the Directive. The combination of these two approaches would allow consumers to be adequately protected when significant services are combined, while avoiding hotels being overburdened because they offer minor services expected by clients.*

*However, HOTREC warns against the possible introduction of a right of withdrawal for travel packages, as there are no reasons why combined tourism services would be treated differently than individual tourism services which are explicitly exempt from a right of withdrawal in the Consumer Rights Directive. Moreover, such right of withdrawal would threaten the certainty that a package booked will actually be performed, as the organiser would not be able to confirm all services until the withdrawal period elapses.*

Finally, HOTREC strongly warns against the introduction of provisions on stand-alone services proposed by the TRAN Committee, as this would create a major conflict of law with the Consumer Rights Directive (which explicitly covers most individual tourism services).

## HEALTH

### • **Latest developments at the European Alcohol and Health Forum**

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On 21 November 2013, the 13th plenary session of the European Alcohol and Health Forum took place. The Chair of the Forum, Mr. John Ryan, explained Forum members that the [EU Alcohol Strategy 2006-2012](#) would continue to apply until a new one would be issued by the European Commission (no date foreseen yet). It has also been announced that a new Action Plan on Alcohol will be presented soon to Forum members. The policy orientation of the Action Plan will be discussed by the different Member States. In principal, the Action Plan will focus on youth, binge drinking and heavy drinking. The Chair encouraged Forum members to present new commitments to the Forum in line with the new Action Plan or to fine tune existing commitments. The commitments should be aimed at presenting specific results and should follow a certain timeline of achievements. Forum members will be consulted in order to propose actions that could be included in the Action Plan.

*As a member of the European Alcohol and Health Forum, HOTREC fully supports an Action Plan that helps to curb alcohol related harm and that encourages consumers in taking informed choices in order to avoid the harmful and hazardous consumption of alcohol. Nevertheless, HOTREC hopes that the terminology and content used in the Action Plan will fully coincide with the EU Alcohol Strategy 2006-2012. The latter is the document that should continue orientating Forum Members action's, until a new Strategy is announced.*

## TOURISM

### • **Follow-up on the Tourism Implementation Plan**

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On 2 December 2013, the Director of the Tourism Unit, Directorate General Enterprise and Industry, Mr. Pedro Ortún, invited the several tourism stakeholders to an update on the main on-going and future tourism initiatives being developed by the European Commission. The main points presented were the following:

- Visa Package

Regarding the visa package it was announced that a Communication on the application of the Visa Code will be released beginning of 2014. A revision of the current Visa Code will also be presented by the Commission at the same time. The latter will try to respond to the problems encountered by different actors regarding the application of the current visa code so far.

- European Tourism Quality Label

The Commission announced that an inter-service consultation is being finalised with regard to the European Tourism Quality Label. In principle, a Council Recommendation will be presented also in the beginning of 2014. Recommendations on quality will be put forward and should be adopted by the national schemes.

- Senior Tourism

A call for proposals targeting seniors will probably be presented in July 2014. A senior's expert group formed by stakeholders representing the tourism sector will meet in the course of 2014 in order to propose new activities targeting senior travelling. The objective is to fight seasonality and increase tourist flows during the medium and low season.

- European Strategy for Coastal and Maritime Tourism

A document on an European Strategy for Coastal and Maritime Tourism will be presented during the Greek Presidency of the EU (January-June 2014).

- High Level Meeting

Under the Italian Presidency of the EU, probably on July 2014, in Rome, the Vice President of the Commission, Mr. Antonio Tajani will present a document on the achievements and on the vision of the future of the EU tourism sector. This document will make recommendations to ensure the follow-up of the implementation of the 2010 Communication and table possible new measures in order to guarantee that the tourism sector will fulfil the objectives of the Strategy “Europe 2020”.

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

### • **TOURISMLink: Latest developments**

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On 30 January 2014, TOURISMLink partners organised a consortium meeting to discuss the latest developments on the project as well as the future actions that have to be put in place by the partners to successfully finalise the project:

The two main topics discussed at the meeting were the following:

Business and governance model: The EU public funding is finalising in July 2014. From 1 August 2014 onwards TOURISMLink platform should be self-sustainable.

The partners discussed different scenarios in order to develop an adequate business model that should be presented in March to the European Commission. As there are still not many companies on board there, the best option for the platform to continue from 1 August onwards, would be to find one or several “external investors” that could support financially the platform for the next 6 months / 1 year.

Negotiations are currently ongoing with different representatives that are very interested in the platform: Valencia Region; Amadeus; the French Tourism Board, SETE, the Hellenic association of tourism enterprises etc.

Pilots: an update of the pilots was done by ECTAA and HOTREC. ECTAA is in charge of involving travel agencies and tour operators into the project in 9 source markets while HOTREC is in charge of involving hoteliers and complementary offer services in 3 different destination markets: Valencia Region, Croatia and Rimini.

The objective of the pilots is to test that the framework architecture built within the project works and is useful for companies. To test its usability travel agencies and tour operators on the demand side and hoteliers and complementary offer on the other offer side should be connected through the framework architecture.

In Croatia, two trainings took place (April and September 2013) in order to explain companies about the advantages of the platform (access to 9 different source markets and use of channel manager functionality) and to train companies on how to upload product in the platform. After the last training, accommodation and complementary offer companies were given the green light to start using the platform.

In destination Rimini, HOTREC organised a meeting involving hoteliers in the Rimini region on 28 January. The aim of the meeting was again to train hoteliers in the use of the TOURISMLink platform (upload the product etc). Participation of hoteliers in the pilots is for free. As soon as they upload their product on TOURISMLink, they should be connected to travel agencies and tour operators and be prepared to exchange business model/transactions.

The next consortium meeting will be held in Berlin on 3 March 2014. On 4 March a TOURISMLink Advisory Board meeting will be organised in Berlin too. On this occasion, the consortium partners will have to report to the European Commission on the actions implemented to successfully develop TOURISMLink.

*TOURISMLink is a EU funded project, aimed at improving the competitiveness of the tourism sector by facilitating the flow of information, interaction and business exchanges amongst companies in the tourism sector, mainly SMEs. To allow this interaction a pilot B2B platform is being set up by the consortium partners. This system will ease the relations between the supply and demand side of tourism services, i.e. between hotels, similar accommodation establishments and complementary offer on the one hand, and travel agencies and tour operators, on the other hand.*

## QUALITY

### • ***The Swiss Quality scheme accredited under the renewed EHQ scheme***

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On 16 December 2013, HOTREC accredited the Quality Program of Swiss Tourism under its renewed [European Hospitality Quality \(EHQ\) scheme](#). The EHQ is HOTREC's umbrella quality scheme for hospitality related quality schemes, and provides for a reference model at European level. The Swiss Quality Program, one of the best established in Europe, continues the cooperation with HOTREC with its accreditation under the renewed EHQ scheme.

The Quality Program of Swiss Tourism was the first one to be accredited by HOTREC's EHQ scheme in 2007. Following the recent simplification of the EHQ scheme, the reduction of its levels from three to one and some adjustments to its criteria, it was first the Quality Program of Swiss Tourism which was seeking for an accreditation under the renewed conditions, supported by Swiss associations GastroSuisse and HotellerieSuisse. Following the evaluation of HOTREC, the second level of the Swiss Quality Program was considered to fulfil all the current requirements of the EHQ scheme. Enterprises entitled to bear the Swiss double "Q" are also entitled to display the EHQ label for marketing purposes. For guests the Q labels are the guarantee for an excellent tool allowing for a reliable and high quality service provision in the given establishments.

*HOTREC is satisfied with the first accreditation under the renewed EHQ scheme and is looking forward to applications from other countries as well as to make this benchmark more widely accessible to the tourism market across Europe.*

## FOOD

### • ***Official food controls Regulation: towards optional fees for Member States?***

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The revision of the Official Controls Regulation 882/2004 is progressing quickly in the European Parliament. Indeed, on 21 January 2014, the AGRI (Agriculture) Committee adopted its [opinion](#) on the Commission text and proposed to leave to Member States the option (instead of the obligation) to collect fees to cover some or all of the costs of food inspections. The AGRI Committee also proposed to offer additional flexibility to Member States in the method of calculation of fees, as well as the option to exempt some businesses (micro-enterprises, or operators active locally only).

Meanwhile, over 1000 amendments were tabled in the ENVI (Environment, Public Health and Food Safety) Committee, which is the leading committee. Many of the amendments tabled also propose to grant to Member States authorities flexibility through the option to collect fees or not, as well as flexibility in the determination of possible fees. The ENVI Committee will adopt its official report on the Commission text on [20 February 2014](#).

The European Parliament is expected to adopt its first-reading position during the last plenary session of the legislative term in the beginning of April, without waiting for negotiation with the Council.

*As an important actor of the food chain, delivering millions of meals to citizens across Europe every year, the hospitality industry is affected by the review of Regulation 882/2004 on official controls. HOTREC considers that the Commission proposal of an EU wide obligation for national authorities to charge a fee for 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.*

*For these reasons, HOTREC welcomes the AGRI opinion and the amendments tabled in the ENVI Committee which propose to give a wide flexibility to Member States concerning the possible collection of fees to cover some or all of the costs of food controls. HOTREC therefore calls on the ENVI Committee to adopt these amendments, and on the Council to follow the same approach.*

## DIGITAL ISSUES

### • **MFN clauses banned in Germany**

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On 20 December 2013, the German Bundeskartellamt (Federal Cartel Office) prohibited one of Germany's biggest hotel booking portal, HRS, from continuing to apply its 'best price' clause and ordered the company to delete it from its contracts and general terms and conditions by 1 March 2014 as far as the clause affects hotels in Germany.

HRS was already admonished twice by the authority in February 2012 and July 2013, before this final decision was taken. The Bundeskartellamt's decision is not only affecting best-price clauses but other types of most favoured nation clauses as well. The most favoured customer clauses in the contracts concluded between the HRS online platform and its hotel partners oblige the hotels to always offer their lowest room price, maximum room capacity and most favourable booking and cancellation conditions available on the Internet also via the HRS portal. Since March 2012 the hotels are even prohibited from offering guests better conditions if they book in directly at the hotel's reception desk.

The president of the Bundeskartellamt explained that "*Only at first view do most favoured customer clauses used by online booking portals seem to benefit consumers. Ultimately the clauses prevent the offer of lower hotel prices elsewhere. Most favoured customer clauses thus restrict competition between existing online portals. Moreover, they make the market entry of new platforms considerably more difficult because they prevent new platforms from offering hotel rooms at lower prices.*" In the light of the above the Bundeskartellamt initiated proceedings against the other major online booking portals, Booking.com and Expedia, as they are using similar clauses in their hotel contracts.

Formal and informal investigations on the matter have been initiated in some other countries as well, however, Germany was the country setting a precedent decision on the issue.

*HOTREC has for a long time expressed its concerns in relation to MFN clauses, and adopted its [Benchmark of Fair Practices in Online Distribution](#). HOTREC welcomes the decision by the Bundeskartellamt, which has now formally decided that MFN clauses in the contracts between hotels and Online Travel Agents are not legal. Hospitality businesses have to be in a position to exercise their full entrepreneurial freedom, including the issue of setting their own prices freely.*

### • **ICANN procedure on new Top Level Domains**

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ICANN, the Internet Corporation for Assigned Names and Numbers, is still in the process of selecting the entities to manage the new Top Level Domain names (TLDs), like .hotel.

The process of allocating the management rights of the new TLDs has still not finished, as lots of different issues have turned out to be not consistent with the expectations of governments and the market players' needs.

One could have distinguished different types of applications. Community applications enjoy the explicit support of a community related domain name. Open applications are making the given domain name available to all interested parties on an equal treatment basis. Closed applications are trying to reserve TLDs for their own business purposes, granting such domain names to their clientele only.

In June 2013, ICANN, following an advice of the Government Advisory Committee, stopped the contracting process with closed applicants for a generic TLD, like '.hotel'. Furthermore, in October 2013 ICANN asked the closed applicants (among them also Online Travel Agents) to update their application so that these reflect the previous decisions not to operate the TLDs, which they applied for, in an exclusive manner.

Not taking into account the above changes in the "rules of the game" for the allocation of new TLDs, ICANN has not stopped the objection processes against closed TLD applications, although those were asked to change their initial application, to which the objections were filed back in March 2013.

ICANN already signed first contracts with new TLD providers, which will soon appear on the world-wide web, like '.training'. However, the delegation of the hotel related strings is still in the evaluation process and it is difficult to foresee, when the first '.hotel' domain names will be visible on the internet.

*HOTREC is especially concerned about the closed applications of Booking.com and Despegar, both being Online Travel Agents, for the Top Level Domain names .hotel and similar. For this reason, HOTREC decided to file official objections against these applicants. In regard of the above described circumstances one of*

*the objections of HOTREC was rejected, the other was after that withdrawn by HOTREC itself, experiencing the non-willingness of ICANN to stop objections, until the unstable situation in relation to closed TLD applications is settled.*

*For HOTREC it is crucial that all hotels around the world are guaranteed non-discriminatory access to the new '.hotel' domain names. Moreover, '.hotel' and similar domain names should be allocated to the hotel community only, as the word 'hotel' refers to a well-defined industry. This would build up consumers' trust that there is really a hotel service behind a '.hotel' or similar domain name. Therefore, HOTREC and its members are supporting the community application of HOTEL Top-Level-Domain S.a.r.l for the string '.hotel', as this was the only applicant which was communicating with the hospitality industry and taking into account its views in relation to the future management of the hotel related future TLD.*

## **COPYRIGHT**

### **• Directive on Collective Management of Rights to be adopted in first reading**

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On 26 November 2013, the Legal Affairs (JURI) Committee of the European Parliament endorsed a compromise agreement negotiated in trilogue with the Council Presidency on the text of the new Directive on Collective Management of Copyright. As this agreement has also been endorsed by the COREPER for the Council, the compromise was formally voted by the plenary session of the European Parliament on 4 February 2014.

Following this endorsement, the text will now also have to be formally endorsed by the Council in one of its next sessions, but this will only be a procedural step, as there is already a full agreement between the two institutions on the whole text of the Directive.

The main text agreed by the Council and the European Parliament proposes the following:

- The scope of the Directive is extended, so as to cover subsidiaries of collecting societies and independent management entities;
- Collective management organisation shall provide all necessary information to right users;
- Licensing terms should be objective and non-discriminatory and tariffs should be reasonable;
- Collective management organisations should inform right users of the criteria used to determine the tariffs;
- Collective management organisations should reply within a set deadline to requests from right users, while user should be able to report on the use of the licenses;
- Collective management organisations will have to make public a number of information such as their membership/repertoire, standards contracts and tariffs, its general policy on management fees and other deductions for social/cultural funds, the list of reciprocal representation agreements;
- Collective management organisations should publish an annual transparency report on their financial situation;
- Member States may provide for an independent and impartial dispute resolution procedure to solve conflicts between collective management organisations and their members and/or right users.

*As an important user of copyrighted works, the European hospitality industry strongly welcomes the agreement reached between the European Parliament and the Council. HOTREC therefore calls on the Council to formally adopt the new Directive as soon as possible.*

*HOTREC also calls on the Member States to quickly transpose into their legislation the provisions of this new Directive in all its aspects, including the optional independent dispute resolution procedures.*

## **SUSTAINABILITY**

### **• The Commission puts forward the New EU framework on climate and energy for 2030**

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On 22 January 2014, the European Commission issued its Communication on "A policy framework for climate and energy in the period from 2020 to 2030 (COM (2014) 15 final)".

The Commission lays down in its Communication the New Policy Framework on climate and energy for 2030. The pillars of the new EU framework are the following:



- **A greenhouse gas emissions** reduction target of 40% below 1990 levels, to be achieved through domestic measures alone. The target also sets a strong example to the international community in the negotiations on the new global climate agreement to be adopted in 2015.
- A **Renewable energy target** of at least 27% of energy consumption above 1990 levels, with flexibility for Member States to set national objectives.
- **Energy efficiency** is a key component of the 2030 framework. The role of energy efficiency in the 2030 framework will be further considered in a review of the Energy Efficiency Directive to be finalised during 2014.
- Reform of the **EU Emissions trading system** (ETS): For the sectors covered by the EU ETS (such as oil refineries, cement kilns etc) the EU wide emissions cap has been set at a level that means that emissions in 2020 will be 21% below 2005 levels.

The Commission paper also lays down a set of new indicators to ensure a competitive and secure energy system as well as a new governance system that will be based on national plans for competitive, secure and sustainable energy.

The framework builds on the existing 2020 Framework on climate and energy as well as on the Commission 2050 roadmaps for energy and for a competitive low-carbon economy. This Communication also follows the Green paper on a “ A 2030 framework for climate and energy policies” issued in March 2013 which launched a broad public consultation on climate and energy targets for 2030.

The European Council is expected to consider the framework at its Spring meeting on 20-21 March 2014.

*HOTREC welcomes the new climate and energy framework for 2030. The accomplishment of the 2030 targets would result in benefits in terms of energy independent, health impacts, employment and competitiveness, as well as, hopefully, in the reduction of energy prices that will be beneficial for households and businesses.*

*HOTREC calls on the EU institutions and the Member States not to overburden SMEs when developing actions to comply with 2030 targets.*

## **ACCESSIBILITY**

### **• European Tourism Day with a focus on accessibility**

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On 3 and 4 December 2013, the European Commission organised the annual European Tourism Day in Brussels, with the focus on accessibility.

The speakers of the forum were stressing that as around 80 million people in Europe suffer from some kind of disability, accessibility of tourism services is of course necessary. On the other hand it can be regarded as a business opportunity, which could be taken on by the market. Satisfying the needs of the disabled starts by the access to relevant information so that people with special needs are in a good position to plan their trip properly. The importance of well trained staff taking care of the special needs of people was mentioned as an important factor as well.

It was also highlighted that all tourism related services and infrastructure should be made accessible, including transport, leisure activities, public infrastructure in the region, etc. Some good practice examples were presented during the event from different stakeholders.

The issue of accessibility was not only tackled from the physical but also from the administrative point of view. The importance of facilitating access of third country visitors to Europe was mentioned as well, highlighting the need to take into account the economic aspects when discussing about the revision of the current EU Visa Code.

With regard to legislative activities in the field of accessibility, the European Commission is planning to issue a proposal for European legislation concerning the accessibility of goods and services, around spring 2014. The adoption of such proposal would be a matter for the next legislative period of the European institutions.

*For the European Hospitality industry it is important that people with special needs are able to find appropriate services covering their needs, when travelling. 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 in a sustainable manner.*

## DATA PROTECTION

### • **LIBE committee has voted!**

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On 21 October 2013, the LIBE Committee of the European Parliament voted on compromise amendments reached on the report of MEP Jan-Philippe Albrecht focusing on a General Data Protection Regulation.

During the committee's vote, the European Parliament has also received a mandate to start negotiating directly with the Council on this topic. This means that trialogues could start as soon as a common position is found on the Council side. Nevertheless, during the last formal Justice and Home Affairs Council meeting that took place on 6 December 2013, ministers still showed disagreement on the discussed topics, namely the implementation of the principle of the one-stop-shop. However, the prospects for the Council and the Parliament to reach an agreement before the end of the year might still be feasible. The plan is now for the European Parliament to finish its first reading with a vote in the plenary either in March or April 2014. Trialogues between the Parliament and the Council are now foreseen to start from July onwards, in case Council reaches an agreement from its side by then.

*HOTREC fully understands the need to create a set of harmonised and modern data protection rules. In this sense, HOTREC welcomes the following compromise amendments voted in the LIBE committee:*

- *The processing of personal data for the purpose of direct marketing for own or similar services should be presumed as carried out for the legitimate interests of the controller;*
- *In the case of a personal data breach, the controller shall without due delay notify the supervisory authority;*

*Nevertheless, HOTREC is seriously concerned about other compromise amendments that will bring extra administrative burdens to companies. Above all, HOTREC strongly disagrees that the threshold of 5,000 data subjects should be the reference that obliges a company to follow or not certain obligations foreseen in the proposed Regulation, namely the obligation to have a Data Protection Officer, the obligation or not to develop an impact assessment or the fact that the company is presumed to represent risk or not.*

## SOCIAL AFFAIRS

### • **End of restrictions for Bulgarian and Romanian workers**

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On 1 January 2014, the last restrictions on the free movement of workers from Rumania and Bulgaria were lifted. Since this date, Romanian and Bulgarian citizens are allowed to work in all EU Member States without a work permit.

In fact, Bulgarian and Romanian citizens have already been free to work, since they joined the EU in 2007, without restrictions, in 19 Member States that did not apply transitional measures. As a result there are more than 3 million citizens from Bulgaria and Romania already living in other Member States.

Until 1 January 2014, Belgium, Germany, France, Luxembourg, Malta, the Netherlands, Austria and the United Kingdom were the EU Member States applying restrictions to Bulgarian and Romanian workers.

The free movement of people has been one of the cornerstones of EU integration and of the EU's Single Market. Currently, over 14 million Europeans are studying, working or retiring in another Member State. In fact, the free movement of citizens is the right that Europeans associate most closely with EU citizenship.

For more information on the issue and statement by Commissioner László Andor please see the following [link](#).

## • **Free movement of workers**

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As reported in the latest edition of Live from Brussels, in April 2014 the European Commission issued a proposal for a Directive of the European Parliament and of the Council on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers ([COM \(2013\) 238](#)).

On its proposal the Commission puts forward a set of measures that aim at enforcing the rights of EU citizens that move to another Member State for the purposes of work.

The proposal has already been discussed and voted in the EP Employment and Social Affairs Committee (EMPL) under the ordinary legislative procedure. Negotiations between the Council and the EP had been ongoing during the months of November and December on the text proposed by the European Parliament.

As a result of these negotiations, on 20 December 2013, the [Council](#) representatives have finally approved the proposal for a Directive that has to be adopted by the EP plenary on 12 March 2014.

The agreed text between the Council and the Parliament should be issued soon.

*The European hospitality sector provides jobs to more than 10 million workers. The employment growth rate of the sector was of 29% between 200 and 2010 compared to 7.1% in the overall economy.*

*HOTREC is, therefore, pleased that the EU institutions are working on enforcing the rights of EU citizens to move to another Member State for the purposes of work.*

## • **Free movement of EU citizens and their families**

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On 25 November 2013, the European Commission issued a Communication ([COM \(2013\) 837](#)) addressed to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions on “Free movement of EU citizens and their families: five actions to make a difference”.

The Commission document lays down the rights and obligations, which EU citizens have under EU law when moving to another Member State. It also clarifies the conditions that citizens need to meet to be entitled to free movement, to benefit from social assistance and social security benefits. The Commission also analyses the actions that Member States should implement when fighting abuse, fraud and error.

To address the concerns raised by some Member States on the implementation of EU rules on free movement of citizens; the Commission sets out five actions to help national and local authorities to:

- *Fight marriages of convenience:* The Commission will help national authorities implement EU rules which allow them to fight potential abuses of the right to free movement by preparing a Handbook on addressing marriages of convenience;
- *Apply EU social security coordination rules:* The Commission is working closely with the Member States to clarify the 'habitual residence test' into a practical guide. The strict criteria of this test ensure that citizens who are not working may only have access to social security in another Member State once they have genuinely moved their centre of interest to that State ;
- *Address social inclusion challenges:* The Commission intends to help Member States further use the European Social Fund to tackle social inclusion;
- *Promote the exchange of best practices amongst local authorities:* The Commission will help local authorities to share knowledge developed across Europe to better address social inclusion challenges;
- *Ensure the application of EU free movement rules on the ground:* the Commission will also set up by the end of 2014, in cooperation with Member States, an online training module to help staff in local authorities fully understand and apply free movement rights of EU citizens.

For 56% of European citizens, free movement is the most positive achievement of the European Union. In fact, at the end of 2012, up to 14.1 million citizens were living in another Member State other than their own.

Article 21 of the Treaty of the Functioning of the European Union (TFEU) guarantees the right for all EU citizens to move and reside freely within the territory of the Member States, irrespective of whether they are economically active or not.

The [Justice and Home Affairs Council](#) took note of the adoption of the Communication on its press release of 5 and 6 December 2013.

The European Parliament Civil Liberties, Justice and Home Affairs Committee (LIBE) will issue an opinion on this Communication. The Rapporteur has not been appointed still.

In parallel to this Commission Communication, the European Parliament is currently discussing a proposal for a Directive to facilitate the free movement of workers. Please see article above.

Every citizen of the Union shall have the right to move and reside freely within the territory of the Member States.

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

*HOTREC welcomes the Commission Communication.*

### **• EURES: The Commission proposes a set of measures to improve EURES**

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On 17 January 2014, the European Commission issued a proposal ([COM \(2014\) 6 final](#)) for Regulation of the European Parliament and of the Council on a “*European Network of Employment Services, workers’ access to mobility services and the further integration of labour markets*”. The proposal will be discussed by the Council and the EP under the ordinary legislative procedure.

The intention of the Commission is to turn the EURES network into a more proactive instrument that responds to the labour market real needs, by focusing more, amongst others, on young people. It also aims at extending the number of partners offering mobility services within EURES amongst others.

The proposed new rules would make [EURES](#) more efficient, recruitments more transparent and cooperation among Member States stronger, notably by allowing EURES to:

- Offer on the EURES web portal more job vacancies in the EU, including those from private employment services;
- Carry out automatic matching through job vacancies and CVs, to this end the Commission is also developing a common classification system of skills, competences and occupation (ESCO) in close collaboration with stakeholders. HOTREC is actively participating in the ESCO reference group “tourism” that aims at defining the skills, competences and occupation of the tourism sector;
- Give basic information on the EU labour market and EURES to any jobseeker or employer throughout the Union;
- Offer candidates and employers mobility support services to facilitate recruitment and integrate workers in the new post abroad;
- Improve coordination and information exchange on national labour shortages and surpluses among Member States, making mobility an integral part of their employment policies.

These improvements would benefit jobseekers and businesses of all sizes, but particularly SMEs.

The proposed EURES Regulation is amongst other measures put forward to facilitate free movement of workers, together with the Commission Communication on [Free movement of EU citizens and their families](#) and the Commission proposal for a Directive to [reinforce the rights on the free movement of workers](#).

In parallel to this reform, the EURES web portal will be upgraded. A new version of the portal will be released in 2014. Sectoral “skills passports” will be introduced giving jobseekers and employers active in specific sectors the opportunity to present or search for skills in a more detailed way adapted to that sector. A first sectoral skills passport for the hospitality sector will be launched in the spring of 2014. This hospitality skills passport has been built up with the skills list elaborated by EFFAT-HOTREC Sectoral Dialogue. It will be the first skills passport to be launched through EURES.

*HOTREC welcomes all measures aimed at facilitating the free movement of workers and at combating unemployment. HOTREC is very actively participating together with the European Commission in the elaboration and implementation of these measures. HOTREC is very well represented and very active in ESCO reference group on tourism and, in addition, has had the honour to built the first skills passport to be launched through EURES (probably in April 2014).*

## • **The Commission proposes standards to improve the quality of traineeships**

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On 4 December 2013, the European Commission issued a proposal ([COM\(2013\) 857 final](#)) for a Council Recommendation on a Quality Framework for Traineeships. In its proposal, the Commission lays down a series of guidelines that should enable trainees to acquire high-quality work experience under safe and fair conditions and to increase their chances of finding a good quality job.

The guidelines would **increase transparency** with regard to traineeship conditions, for example by requiring that traineeships be based on a **written traineeship agreement**.

The agreement should cover learning content (educational objectives, supervision) and working conditions (limited duration, working time, clear indication whether trainees would be paid or, otherwise, compensated and whether they would qualify for social security).

Traineeship providers would, in addition, be asked to disclose in the vacancy notice whether the traineeship would be paid.

The proposed Framework does not cover traineeships that form part of university degree or that are mandatory to access a specific profession.

Over the past two decades, traineeships have become an important entry point into the labour market for young people. However, the extension of traineeships has been accompanied by growing concerns as to learning content and working conditions. Traineeships should not be a cheap substitute for regular jobs.

A recent [Eurobarometer survey on the quality of traineeships](#) reveals that traineeships are widespread: around half of respondents (46%) have done a traineeship, and high share of them has done multiple traineeships. It also indicates that 35% of traineeship providers do not offer a written traineeship agreement and 23% of trainees are offered to renew the traineeship in the end, instead of being properly recruited.

The Quality Framework for Traineeships is one of the initiatives announced in the Youth Employment Package released in December 2012.

The European Parliament Employment and Social Affairs Committee (EMPL) will give an opinion on the Commission proposal.

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

*The European hospitality sector provides jobs to more than 10 million workers and offers jobs opportunities to all types of workers.*

*HOTREC, therefore, welcomes all measures put forward by the European Institutions aimed at combating unemployment and youth unemployment in particular.*

## • **17 Member States have submitted Youth Guarantee implementation plans**

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As explained in previous issue of “*Live from Brussels*” in December 2012, the Commission suggested Member States, to introduce a so-called “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.

The Youth Guarantee Schemes are one of the measures proposed under the “Youth Employment Package” to combat youth unemployment. Other measures are the [proposed standards to improve the quality of traineeships](#).

In order to facilitate the setting up of these Young Guarantee Schemes the June European Council, agreed on supporting financially these schemes by allowing that the funds of EUR 6 billion be used since 1 January 2014.

As a result of the political and financial impulse given by the European Council, by mid January 2014, 17 member States have submitted Youth Guarantee implementation plans (please see list [here](#))

The plans submitted are expected to identify in each Member States the measures to be taken to implement the Youth Guarantee Schemes. The Youth Guarantee Implementation Plans clarify how the partnerships between responsible public authorities, employment services, education and training institutions, social partners, youth organisations and other stakeholders will be organised. They should also outline which youth employment reforms and measures Member States expect to see co-financed from the European Social Fund and the Youth Employment Initiative.

The Commission is currently assessing the Youth Guarantee Implementation Plans that have been submitted and will give feedback to Member States in the coming weeks.

*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.*

### **• Discrimination beyond the workplace: very slow progress**

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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 beyond the workplace** continues to be discussed within the Council.

The proposal establishes the prohibition of discrimination, as regards both the public and the private sector, in relation to social protection, social advantages, education and access to and supply of goods and other services, including housing.

Discussions on the draft proposal continued under the Lithuanian Presidency (1 July-31 December 2013) of the EU. However, no agreement was reached by the representatives of the Member States.

During the last 6 months, some progress has been made on the clarification of the concepts/definition of discrimination and the concept of access.

Certain delegations still have general reservations, questioning the need for the proposal, which they believe touches upon national competences and conflicts with the principles of subsidiarity and proportionality.

Other delegations have concerns relating, in particular, to the lack of legal certainty, the division of competences, and the practical, financial and legal impact of the proposal.

Since the European Parliament adopted its opinion on the dossier on 2 April 2009; the proposal continues to be discussed within the Council. The proposal falls under article 19 TFEU, and needs, therefore, to be adopted by unanimity by the Council.

For more information on the topic, please see press release on the latest Employment, Social Policy, Health and Consumer Affairs ([EPSCO](#)) held on 9 and 10 December 2013.

*HOTREC will continue to monitor the discussions within the Council.*

### **• SAFE HOST project on preventing and combating sexual exploitation of children in travel and tourism**

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On 20 November 2013, FILCAMS-CGIL/EFFAT organized a final Conference in Brussels on the Safe HOST project, designed to help social partners preventing and combating sexual exploitation of children in travel and tourism launched its toolbox for tourism operators.

HOTREC that attended the Conference as guest speaker made reference to the many years of social dialogue together with EFFAT and many joint initiatives taken together on the benefit of the hospitality/tourism sector.

HOTREC further pointed out that the SAFE HOST project had been on the agenda of the SSD meetings for more than one year, and that members had received all explanations and updates by EFFAT colleagues FILCAMS-CGIL on the development of the toolbox. The toolbox is an innovative instrument, which will help employers / employees fight Sexual Exploitation of Children in the tourism sector

One of the objectives of SAFE HOST, which is a EU funded project, is to develop a new tool to be used in the workplace by tourism employees and employers so they can easily detect if there are suspicious situations occurring in the hotels and/or other tourism accommodations facilities. The final aim of the project is to prevent and combat sexual exploitation of children in travel and tourism.

*HOTREC is fully supportive of the project, and of any initiative which aims at fighting human trafficking, and will, therefore, help to disseminate the results of this project through its website and national associations' network. It is very important to raise public awareness on this topic.*

For more information on the project and toolbox, please see the project link on:

<http://www.safehostfilcams.org/>

## **PAYMENT SERVICES**

### **• Regulation on Interchange Fees: diverging views in the European Parliament**

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Following the release on 24 July 2013 by the European Commission of [its proposal for a Regulation on interchange fees for card-based payment transactions](#), the European Parliament and Council have started reviewing the Commission text.

In the European Parliament, the IMCO Committee, which will give an opinion, held an exchange of views on 27 November 2013, while proposed amendments were discussed on 22 January 2014. The IMCO Committee will now adopt its opinion on 11 February 2014. The list of amendments tabled in IMCO shows a will from IMCO members to keep the caps on interchange fees proposed by the European Commission.

In the ECON Committee, which is the leading committee, the rapporteur MEP Zalba Bidegain (EPP, Spain) published its draft report on 25 November 2013 and an exchange of views was held on 17 December 2013. MEPs, members of the ECON Committee, have tabled 318 amendments to the Commission proposal. These amendments reveal some internal splits within the political groups, particularly, within the EPP and ALDE groups, as some MEPs propose to keep the caps proposed by the Commission, some want to raise them and some want to decrease them. Moreover, views are diverging on the length of the transition periods for the introduction of the different caps and on the introduction of commercial cards and three-party schemes within the scope of the Regulation. The ECON should adopt its report on the Commission proposal on 20 February 2014, while the European Parliament should adopt its 1<sup>st</sup> reading position in the last plenary session of the current legislative term (beginning of April 2014).

In the Council, the new Greek Presidency of the EU does not seem to put the item as a top priority, as the discussions at working party level should only really start in April 2014.

*As a major user of payment cards, the European hospitality has been complaining for years about the level of 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 on the European Parliament and Council to remove interchange fees on all debit card transactions (a solution considered as the most efficient by the Commission's own impact assessment), to ensure that a stronger cap on credit card is introduced and to include all commercial cards within the scope of the proposal.*

## **STATISTICS**

### **• Recent Statistical Publications**

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

- [“International tourism on the rise boosted by strong performance in Europe”](#)– (Barometer publication October 2013)

The study shows that demand for international tourism remained strong throughout the first eight months of 2013, according to the latest UNWTO World Tourism Barometer. Between January and August, the number of international tourists worldwide grew by 5%, driven by strong results in Europe, Asia and the Pacific and the Middle East. UNWTO’s Panel of Experts confirms this positive trend. Its evaluation of the May-August period shows a significant improvement in confidence, while prospects for the last four months of 2013 remain upbeat. In the first eight months of the year, international tourist arrivals grew by 5% to reach a record 747 million worldwide, some 38 million more than in the same period of 2012. After a solid start of the year, demand for international tourism maintained strength throughout the Northern Hemisphere peak season. The months of June to August have shown sound results – in absolute numbers, international arrivals topped 125 million in both July and August, while in June the 100 million arrivals mark was exceeded for the first time.

- [“International tourism an engine for the economic recovery”](#) – (Barometer publication December 2013)

International tourist arrivals grew by 5% in the first nine months of the year, to reach a record 845 million worldwide, an estimated 41 million more than in the same period of 2012. Growth was driven by Europe and Asia and the Pacific, both seeing tourist numbers increase by 6%.

In addition, EUROSTAT released an [economic analysis](#) that states that in 2010 more than one in seven enterprises in the European non-financial business economy belonged to the tourism industries. These 3.4 million enterprises employed an estimated 15.2 million persons. Enterprises in industries with tourism related activities accounted for 11 % of the persons employed in the non-financial business economy and 29 % of persons employed in the services sector.

The tourism industries' shares in total turnover and value added at factor cost were relatively lower, with the tourism industries accounting for 6 % of the turnover and 9 % of the value added of the non-financial business economy. According to the study these figures very likely reflect - among other explanations - the higher share of micro, small and medium-sized enterprises and of the level of part-time employment in some typical tourism industries.

Another [release of Eurostat](#) indicates that in 2013 a record level of 2,6 billion nights were spent in tourist accommodation facilities, which corresponds to a growth of 1,6% compared with 2012. This is mainly due to the nights spent by non-residents which was up by 4,8%, while the number of nights spent by residents declined by 0,8%. The largest increases for non-residents were registered in the UK, Greece and Latvia, while for residents it was Greece, Estonia, Bulgaria and Slovakia.

## INSTITUTIONS

### • *Greece takes over the Presidency of the EU!*

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On 1 January 2014, Greece took over the rotating Presidency of the Council of the European Union for the next six months. The [Programme of the Hellenic Presidency of the Council of the European Union](#) highlights the following priorities that might affect the hospitality sector:

- **Visa Policy** – work to advance negotiations on the expected proposal by the Commission on the revision of the Visa Code and conclusion of pending and new Visa Facilitation Agreements;
- **Data Protection** - systematic continuation of discussions on the legislative package of data protection;
- **Tourism:** focus the European Commission’s initiative to set up an EU Strategy on the “Challenges and Opportunities for Maritime and Coastal Tourism in the EU” with the aim to promote sustainable economic growth and enhance the overall competitiveness of the maritime and coastal tourism sector.

The Presidency will also pay due attention to developments on the initiative of the Commission on the European Tourism Quality Label.



*HOTREC welcomes the programme and hopes that the interests of the hospitality sector shall be taken into account.*

## **• Commission Work Programme 2014**

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On 22 October 2013, the European Commission published its official Work Programme for the year 2014 ([COM\(2013\) 739 final](#)). As usual, the Work Programme outlines the political and legislative priorities of the Commission, with further details included in an [Annex](#).

In the annex 1, the Commission provides a list of priority for adoption by the legislator such as:

- The payment packages (including the Regulation on interchange fees for payment cards); or
- The data protection package;

In the annex 2, the Commission provides a list of new initiatives for 2014, which includes:

- A European Accessibility Act;
- A guidance document on the implementation of the principle of destination for the VAT in supplies of goods and services;
- A review of the copyright acquis which is relevant for the online availability of copyrighted materials;
- A labour mobility package, which includes the revision of two Regulations (Regulation 883/2004 and Regulation 987/2009 on social security coordination);
- A non-legislative initiative aimed at tackling the gender pay gap;
- A Commission Communication on job creation in the 'green economy';
- A legislative package on resource efficiency and waste; and
- A framework for climate and energy policies beyond 2020 and until 2030.

The Work Programme 2014 and its 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 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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