

# Members of HOTREC National Associations Only



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## GENERAL POLICY ISSUES

### Interview with MEP Isabella De Monte, Member of the Transport & Tourism Committee



MEP Isabella De Monte (S&D, Italy) is member of the Transport & Tourism (TRAN) Committee and substitute member of the Committee on Industry, Research and Energy. She was also the main rapporteur on the European Parliament report on new challenges and concepts for the promotion of tourism in Europe, as well as shadow opinion rapporteur on a European agenda for the collaborative economy. HOTREC asked MEP De Monte's views on the role of platforms, on the Commission's tourism agenda and on what can Europe do to attract further tourists.

**1) On 10 October, you hosted in the European Parliament a joint event with HOTREC on making the digital single market fair and transparent to boost jobs and growth in the tourism sector. How do you see the role of platforms and which actions should the EU take following the Digital Single Market mid-term review?**

Online platforms are bearing opportunities both for consumers and for businesses. However, especially in the tourism sector, competition among platforms seems to be rather restricted, with very few big players dominating the market. This situation is not ideal and the European Commission is doing right in analysing this current situation both thanks to the REFIT and the mid-term review of the DSM strategy and I hope that the necessary measures will be taken in order to set fair and transparent commercial practices and allow for balanced conditions among the different players and thus contributing to an effective online tourism market. Europe's competitiveness in the global tourism market can be further increased through more efficient and fair Digital Single Market, leaving the analogue industries their necessary freedom for development.

**2) In Autumn 2015, you prepared a report of the European Parliament on new challenges and concepts for the promotion of tourism in Europe. What are your views on the current European Commission policy on tourism? What should be done urgently to boost growth and jobs in the tourism sector in Europe?**

A top priority for the European Commission shall be to tackle the challenge raised by the so-called collaborative economy, which provides for new opportunities in tourism by broadening the offer. However, in order to secure a healthy European tourism market as well as the sustainable growth also in terms of jobs, the collaborative economy should be regulated. It shall be clear that a fair and sustainably competitive European tourism market can only be ensured if we assure a level playing field. Thus I would support efforts by the Commission elaborating further more specific guidance to Member States regarding possible regulations on the collaborative economy.

**3) According to the most recent statistics from the UNWTO, tourists arrivals in Europe grew by 6% in the first semester of 2017 compared to the same period last year, a growth witnessed also in European destinations recently affected by terror attacks. How can Europe better take advantage if this opportunity to attract further tourists?**

Europe has been for decades the unchallenged market leader for international tourists arrival. However, its market share is declining in a context of continued growth of tourism. To preserve Europe's status of 1st tourism destination in the world, public authorities in Europe need to help the tourism sector being competitive on the international tourism market both in terms of price and about the value of the services and experience in Europe. On the first aspect of economic competitiveness, smart tax policies and the use of reduced VAT rates and the avoidance of or application of low additional tourism tax can help businesses offering competitive packages that can attract tourists from all over the world. On the second aspect, and in order to enhance the value of the experience, public authorities should help further the tourism sector in upgrading the skills of its workforce (through a stronger support to apprenticeship and vocational training) and supports investment in digitalisation and emerging tourism products. Moreover, a smart visa policy can help attracting further tourists from emerging source markets.

## Meeting with European Parliament President, Mr. Antonio Tajani



On 11 July 2017, CEO of HOTREC, Mr. Christian de Barrin, met with other European tourism stakeholders the President of the European Parliament, Mr. Antonio Tajani.

For the first time, 24 European private and public tourism stakeholders have come together to defend the European tourism sector, a key driver of the economic and social development in Europe.

With a common voice, they presented the European Tourism Manifesto for Growth & Jobs that highlights the EU policy priorities in the coming years for the sector.

During this meeting, Mr. Christian de Barrin presented five key issues for the tourism industry that needs to be supported by the European institutions: the application of a long-term reduced VAT; a fair competition and a level playing field in Europe; the possibility of having flexible working time arrangements (that are crucial in this sector facing the seasonality as a challenge); the promotion of apprenticeships schemes and tools in order to cope with the skills shortage as well as the necessity to provide EU funding in order to train massively employees.

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## DIGITAL ISSUES

### Parity clauses banned in almost half of touristic Europe

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On 2 August 2017, the Italian Senate amended the Italian competition law and banned parity clauses from contracts between hotels and their intermediaries. Thus, according to the Italian new law, any agreement by which the hotel is obliged not to offer to the final clients, by any means or any instruments, prices, terms and any other conditions better than those offered by the same hotel through intermediaries, independently from the law applicable to the contract, is void.

Together with the earlier bans of parity clauses in Germany, France and Austria, in almost half of touristic Europe such clauses are already banned from contracts between platforms and hotels, as these 4 countries, together with Italy, account for more than 46% of nights spent in Europe.

The, in most European countries still applied, parity clauses in the hotel booking market, demand hotels not to offer better conditions on their own online distribution channels than the conditions (including prices and other conditions) granted to the contracted Online Travel Agency. These clauses deprive businesses to exercise their entrepreneurial freedom of disposing about the conditions of the distribution of their own products and services.

Feeling encouraged by the moves in the above 4 countries further governments are considering taking similar steps, which shall restore fair competition in the field of online distribution, both from the consumers' point of view and the hotel industry.

#### HOTREC position:

- *HOTREC has been calling for years for the ban of parity clauses in the hotel booking markets.*
  - *HOTREC welcomes the completed or envisaged moves of governments to transcend the insufficient decision of the European competition authorities of 2015, allowing for platforms to keep in place parity clauses and encourages other countries to follow the German, French, Austrian and Italian examples.*
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## HOTREC unveils its proposals in view of future legislation on online platforms

In the framework of an MEP Breakfast, hosted by MEP Isabella De Monte, HOTREC unveiled its proposals in view of the European Commission's intentions to sort out as much as possible practices applied by online platforms, which are considered unfair both by consumers as well as businesses.

Several Members of the European Parliament, representatives of the European Commission, consumers and platforms, expressed their views on the issue. The European Commission is about to find solutions for better enforcement and if need be adopt necessary legislation in order to level out the current imbalanced market relation between platforms and consumers as well as businesses.

HOTREC stressed in the meeting that consumers are often finding misleading or not transparent information in order to make their proper purchase decision. The fact of not highlighting paid for rankings, putting consumers under strong psychological pressure to make an immediate booking have been confirmed by several participants as practices, which need to be properly addressed.

Veronica Manfredi from DG Just confirmed that Unfair Commercial Practices Directive is the pillar of fairness in the market, which includes the obligation to properly indicate paid for results as well. Intransparent paid for ranking are not only giving a false picture of the search results to the consumers but also triggers undue competition of businesses listed in order to be ranked higher. This unfair practice by platforms involves additional, non-communicated payments in commissions to platforms, depriving businesses from using such money rather e.g. for investments into the improvement of their services.

### Next steps:

The European Commission is working on proposals for partially legislative measures in order to improve platforms performance both towards consumers as well as businesses.

### HOTREC position:

- *In its now unveiled paper, HOTREC is calling for several key principles to be respected by platforms and proposes solutions to the problems identified.*

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## COLLABORATIVE ECONOMY

### Bled Strategic Forum: New Realities, 4-5 September 2017



On 4-5 September 2017, took place the Bled Strategic Forum: "New Realities" in Slovenia gathering ministers and heads of governments from Europe. The Forum was organised jointly by the Ministry of Foreign Affairs of the Republic of Slovenia and the Centre for European Perspective.

On that occasion, Mr. Christian de Barrin, CEO of HOTREC, participated as a speaker to the panel: "The collaborative economy: sharing, cooperation or simply business?" alongside with Mr. Klemens Himpele, Head of Municipal Department for Economic Affairs, Labour and Statistics at City of Vienna, Dr. Janja Hojnik, Professor at the Faculty of Law, University of Maribor, Ms. Eva Stravs Podlogar, State secretary at the Ministry of Economic Development and Technology of the Republic of Slovenia, Mr. Carlos Villaro Lassen, Secretary General of the European Holiday Home Association and Ms. Daniela Wagner, Director for Europe, Middle East and Africa at PATA- Pacific Asia Travel Association.

During the panel discussion, Mr. de Barrin communicated HOTREC's 5 pillars to foster a responsible and fair 'collaborative' economy:

- Registration for transparency and possible control
- Identification of professionals: peers versus traders
- Ensure health, safety and security (e.g. registration of guests)
- Adequate contribution to treasuries
- Increased transparency and cooperation by platforms

HOTREC position:

- *HOTREC will continue contributing to the ongoing European discussions on the matter and believes that the collaborative economy can only be successful on the long term, if the interests of all relevant stakeholders are taken into account and if platforms cooperate with local authorities to help differentiate regular from occasional activity. Indeed, this will allow for the appropriate consumer law to apply and for fair competition and a level playing field for all businesses alike.*

## European Consumer and Competition day



On 20 September, the Estonian Consumer Protection Board and the Estonian Competition Authority both co-organised the European Consumer and Competition Day in Tallinn, Estonia.

Mr. Christian de Barrin, CEO of HOTREC, participated in the panel discussion "The controversial role of the sharing economy – finding balance between economic freedom, regulation and consumer benefits" together with Mr. Patrick Robinson, Director of Public Policy of Airbnb, Mr. Tej Friis Egefjord, Chief Special Advisor of the Danish Competition and Consumer Authority, Ms. Jutta Gurkmann, Director Consumer Policy of the Federation of German Consumer Organisation and Mr. Marek Helm, Head of Public Finance Management of Nortal. All speakers agreed on the fact that the rising of this new business needs a consistent and coherent approach across all Member States and that cooperation by platforms is key.

HOTREC position:

- *HOTREC will continue contributing to the ongoing European discussions on the matter and believes that the collaborative economy can only be successful on the long term, if the interests of all relevant stakeholders are taken into account and if platforms cooperate with local authorities to help differentiate regular from occasional activity. Indeed, this will allow for the appropriate consumer law to apply and for fair competition and a level playing field for all businesses alike.*

# FOOD

## Acrylamide in food: Member States adopt the Commission Regulation



On 19 July 2017, the EU Standing Committee on plants, animals, food and feed, composed of the representatives of the Member States, adopted the Commission Regulation establishing mitigation measures and benchmark levels for the reduction of the presence of acrylamide in food.

The Commission Regulation proposes mandatory targeted mitigation measures for food businesses, together with benchmarks levels of acceptable acrylamide levels in food which are meant to assess the effectiveness of the mitigation measures implemented by food business operators. The text of the Regulation proposes a certain delineation between the various types of food businesses which defines the scope of application of the mitigation measures. These mitigation measures are largely inspired by the sectoral Codes of Practices proposed by the various stakeholders.

As far as hospitality businesses are concerned, they would have to apply specifically Part A of Annex II (largely inspired by HOTREC Code of practice), while large restaurant chains serving standardised products would have to apply the additional measures of Part B of Annex II (inspired by ServingEurope's Code of Practice).

Following the notification to the European Parliament of the Regulation, a proposal of objection to the Regulation was raised by MEP Köstinger (Austria, EPP). The ENVI Committee of the European Parliament debated the proposed objection on 27 September 2017. The EPP requested a postponement of the vote on the objection in order for the Commission to have the time to commit to issue guidelines clarifying some aspects of the Regulation. All other political groups opposed any postponement of the vote and called on rejection the objection. Some political groups also explained that they may have preferred a stricter approach based on maximum levels but consider the Commission Regulation to be a reasonable proposal. The ENVI committee therefore rejected the request of postponement (37 votes against 19) and rejected the objection raised by MEP Köstinger (44 votes against 10).

During the debate, the European Commission clarified orally some aspects of the regulation concerning the scope of application of its annexes and stressed that it will work on guidelines to be issued before the end of 2017.

### Next Steps:

The Commission will now start working with the Member States expert on guidelines to be issued by the end of 2017. Stakeholders will be consulted on the guidelines before adoption. The Commission Regulation will enter into force by end 2017 and become applicable by the spring 2018.

### Actions:

HOTREC will monitor the development of the guidelines on the Regulation and will liaise with the Commission.

### HOTREC position:

- *Given the potentially carcinogenic effect of acrylamide, HOTREC took its responsibility by promoting practical mitigation measures for the restaurant sector, so as to diminish acrylamide levels in food served by restaurants, without burdening them un-necessarily.*
  - *HOTREC supports the benchmark level approach of the Regulation which is largely based on its own proposal and considers that any future introduction of binding maximum levels would be inappropriate*
  - *HOTREC welcomes the Commission public announcement to provide guidelines on some of the issues requested by HOTREC.*
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## HOTREC joins the EU platform for action on diet, physical activity and health



On 2 October 2017, HOTREC officially joined the EU platform for action on diet, physical activity and health. The platform is a forum for European-level organisations, ranging from the food industry to consumer protection NGOs, willing to commit to tackling current trends in diet and physical activity.

Through its membership of the platform, HOTREC is committing to:

- Inform its members about the activities of the platform, and about the relevant best-practices shared within the platform which can potentially help hospitality businesses promote healthier nutritional habits;
- Present to the platform some of the activities carried-out by national hospitality associations and/or their members which contribute to the pursuit of healthy nutrition and the fight against obesity.
- Produce a yearly panorama of the actions developed by its members (national hospitality associations) which contribute to the pursuit of healthy nutrition and the fight against obesity, in particular in the area of food reformulation.
- Organise the sharing of best practices between its members on activities related to the platform's scope of action.

More detailed information on the platform activities, its past meetings and on the initiatives and best-practices shared within the Platform are available here: [link](#).

### Next Steps:

HOTREC will participate to the next platform's meeting and start implementing its commitment.

### Actions:

HOTREC circulated to its members a survey on their activities which contribute to the pursuit of healthy nutrition. HOTREC members shall inform the secretariat of the best-practices they developed in the field of diet and nutrition.

### HOTREC position:

- *HOTREC is committed to the sharing of best-practices between stakeholders in the view to raise stakeholders' knowledge about voluntary actions developed by the sector which contribute to the pursuit of a healthier nutrition and diet;*
  - *The European hospitality industry considers that voluntary initiatives and the sharing of best-practices is the most appropriate way forward to improve nutrition and diet balances, while at the same time allowing hospitality businesses to fulfil the legitimate aspirations and expectations of their clients in terms of gastronomic diversity.*
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## Food waste measurement: good results for the hospitality sector in Flanders



On 25 September 2017, the Regional authorities of the Flanders region of Belgium presented to the EU platform on food loss and food waste its new report on food loss. The report contains the result of a detailed monitoring of food waste and losses per sector for the Flanders region for the year 2015.

The report considers that there was in 2015 some 3,485,000 tonnes of food waste (both edible and non-edible) released in 2015 from harvest to consumption. Out of this total, the share of the hospitality sector represented some 2% of the total (67,450 tonnes), a portion similar to the catering sector (60,098 tonnes). The most important producers of food waste were the food processing industry (67% of the total food waste), households (13%) and agriculture (13%).

The report also stresses that close to 72% of the food waste generated by the Flemish hospitality sector is made of unavoidable inedible food waste.

The report from the Flanders Region is available here: [link](#).

### HOTREC position:

- HOTREC welcomes the report from the Flanders Region in Belgium, which unambiguously shows that the hospitality sector is a small food waster compared to other types of food business operators and households;
- HOTREC also supports voluntary initiatives which help reducing food waste in the hospitality sector. HOTREC praises in particular HORECA Vlaanderen's participation to the Flanders region food waste reduction initiative through its "no food to waste" campaign and its charter for chefs;
- HOTREC stresses that it adopted in the beginning of 2017 a set of guidelines to help hospitality businesses reducing food waste and manage donations.

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## SOCIAL AFFAIRS

### European Framework for Quality and Effective Apprenticeships unveiled

On 5 October 2017, the European Commission adopted a proposal for a Council Recommendation on a European Framework for Quality and Effective Apprenticeships. The non-legislative proposal presents a set of 14 criteria to define quality and effective apprenticeships, namely:

- Criteria for learning and working conditions – including written contract; learning outcomes; pedagogical support; workplace component; pay and/or compensation; social protection; work, health and safety conditions;
- Criteria for framework conditions – including regulatory framework; involvement of social partners; flexible pathways and mobility; career guidance and awareness raising; transparency; quality and graduate tracking.

The Commission will support the implementation of the criteria through relevant EU funding, namely through the European Social Fund, ERASMUS+, including a new ErasmusPro initiative aimed at supporting 50,000 placements of vocational learners in companies abroad for the period 2018-2020.

### Next steps:

Member States will start negotiations at Council level in order to agree on the final text.

### HOTREC position:

- HOTREC was present at the two hearings organised by the European Commission in March and June 2017;
- As a main principle, the Council Recommendation shall respect the apprenticeship schemes developed at national level;
- Companies should be able to profit from the investments done on the apprenticeships. Moreover, the apprenticeships should respond to the skills' needs of the employers;
- As different social protection schemes are in place at national level, to take into account different legislation and collective agreements, HOTREC would like to receive some clarification on the Commission's views on the criteria related to social protection;
- HOTREC also believes that mobility shall not be made compulsory in all apprenticeship schemes.



## TOURISM

### HOTREC participates to the European Parliament High Level Conference on Tourism



On 27 September 2017, the President of the European Parliament, Mr. Antonio Tajani, organised a High level Conference on Tourism: "A European strategy to enhance the competitiveness of the tourism industry, a key driver for job creation" in the European Parliament.

HOTREC President, Mrs. Susanne Kraus-Winkler, and HOTREC CEO, Mr. Christian de Barrin, attended the event. The President, who participated as a speaker in the roundtable "How to attract more investment; improve the business environment and upgrade skills", recalled that to increase the competitiveness of the tourism industry and to keep Europe the number one tourism destination in the world it is key to address three goals: the long-term application of low VAT for the tourism industry, the need for flexible working arrangements, and the necessity to tackle the skills shortage that the industry is facing by creating trainings through EU funding.

Following the conference, a High Level Reception was hosted both by Mr. Antonio Tajani and MEP Ms. Claudia Tapardel, in collaboration with NECSTouR, the European Travel Commission and HOTREC.

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### Commission proposes to strengthen the Schengen area



On 27 September 2017, the European Commission proposed rules to update the Schengen Borders Code to respond to threats to public policy or internal security ([COM\(2017\)571 final](#)). The amendments include a proposal to prolong the maximum time limit from six months to one year for the temporary reintroduction of border control.

The Commission is also adding procedural guarantees ensuring that such controls remain an exception, used as last resort. In addition, the Commission also proposed a new special procedure for cases where the same serious threat persists beyond one year. If this is the case, Member States can prolong border controls at internal borders for another two years, in case they count with a Council Recommendation, based on an opinion by the Commission in this sense. In order to deploy these measures, Member States need to prepare a detailed risk assessment.

#### Next steps:

The Commission proposal will now be decided by the European Parliament and the Council through the ordinary legislative procedure.

#### HOTREC position:

- *HOTREC believes that the freedom of movement of people across Schengen is one of the fundamental pillars of the EU;*
- *HOTREC hopes that the reintroduction of border controls is only a temporary measure and that the free circulation will be installed as soon as possible, within a secure environment.*

## OECD High-level meeting on Tourism policies for sustainable and inclusive growth



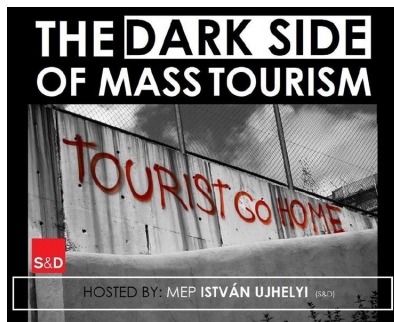
On 2-3 October 2017, the President and CEO of HOTREC, Ms. Susanne Kraus-Winkler and Mr. Christian de Barrin, participated to the OECD event "High-Level meeting on tourism policies for sustainable and inclusive growth" in Paris that marked the 100th meeting of the Tourism Committee.

This high-level meeting brought together Ministers, senior policy makers and industry leaders during two days to debate on how to deliver more sustainable and inclusive tourism growth and to discuss about long-term goals for tourism development.

On that occasion, the HOTREC President, recalled the importance of developing a coherent and consistent policy within local authorities and in particular building dialogue and cooperation between ministers in order to ensure a coherent, forward-thinking policy for tourism. Ms. Kraus-Winkler also drew the attention of the audience on the need to reduce the gap skills that the hospitality sector is facing and called for EU funding to address massive trainings.

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## What should the industry do with the impact of mass tourism?



On Wednesday 11 October, MEP István Ujhelyi organised a workshop called "The dark side of mass tourism", counting as speakers MEP Mr. Ivan Jakovcic; MEP Ms. Isabella De Monte; MEP Ms. Claudia Monteiro de Aguiar; Mr. Enrique Alcantara, President of Apartur; Ms. Lyublena Dimova, European Travel Commission as well as Ms. Cristina Nunez, NECSTouR.

Mr. Christian de Barrin, CEO of HOTREC, intervened and stated that we need to assess the phenomenon by collecting data on the profile of tourists to better understand their needs and see how we can together with cities engage them in sustainable tourism, along with diversifying visitors activities by type and by location. He also stated that we should make better use of big data to better understand flows and habits of tourists.

"We see many problems arising in some popular cities in Europe, such as Barcelona, Venice or Lisbon, where housing costs are rising, apartments to rent are lacking and standards of living of residents are going down. As a whole, it is residents who are affected by over tourism in their daily life and businesses like hotels which may not obtain licence anymore as in Barcelona, while short term rentals flourish all over Europe, still often without any rules".

HOTREC believes that residents should be better involved in local decisions and that cooperation between all local stakeholders alike is essential to promote tourism as an essential driver for jobs and growth instead of being perceived negatively.

Mr. de Barrin concluded by quoting UNWTO Secretary General, Dr. Taleb Rifai, "Tourism is not the enemy; it's how we manage it that counts".

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## ACCESSIBILITY

### European Parliament proposes inclusion of tourism services in future European Accessibility Act

On 14 September 2017, the plenary meeting of the European Parliament, going against the compromise agreement voted in the lead IMCO Committee in April, voted with a tight majority in favour of the inclusion of tourism services in the scope of the future European Accessibility Act.

According to the outcome of the vote, the built environment in the case of accommodation services would have to be adapted to make them accessible. Moreover, for all hospitality and tourism services, information on the accessibility features will have to be provided, websites and applications need to be made accessible, as well as possible support services. Micro-enterprises are completely exempted from the scope of the future legislation.

Based on the EP vote, and contrary to all other services included in the scope, there would be no exceptions for the built environment in the case of accommodation services, while for the other sectors adaptation would only be required in the case of new buildings or complete renovation. The same discrepancy is to be observed regarding historic buildings.

Small and medium-sized enterprises would have to make an assessment to show that costs for adaptation would exceed potential benefits in case they would consider not to make the required adaptations.

#### Next steps:

The national governments in the Council of the European Union have to reach their own common position before entering into negotiations with the European Parliament to find a compromise text for this future legislation.

#### HOTREC position:

- HOTREC considers that adaptations to the accessibility requirements are best dealt with at national level. In countries across Europe national legislation is already in place requiring adaptation of the various industries towards accessibility, so is the case for the hospitality sector. The different resources required to allow for such adaptation can be best evaluated at national level for the various national suppliers, thus allowing for a smooth transition without unduly disrupting the supply side and thus putting thousands of jobs at risk.
  - A one size fits all European approach in terms of timing and of requirements may appear counterproductive, especially in such a highly fragmented sector with a high ratio of small enterprises, like tourism and hospitality. In fact, compared to the other services in the scope of the proposed text, small enterprises in the hospitality sector are the biggest contributors to jobs and the economy, thus would have to bear the biggest burdens of not properly timed implementation of accessibility requirements.
  - The requirement for SMEs to assess themselves the costs and benefits of a timely implementation of accessibility requirements would put heavy burdens on them, as such assessment would require specific expertise and might also be vague and subjective regarding the calculations.
  - In any case, regarding the built environment, adaptation shall only be required in case of new buildings or in case of complete renovation, and for non-historical buildings for all sectors in the scope of the Directive.
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## HEALTH

### WHO publishes report on alcohol labelling



On October 2017, the World Health Organization (WHO) regional office for Europe published a new report on "Alcohol labelling". According to their opinion, it is the right of consumers to do informed choices about the products they purchase, and it is the obligation of public institutions to ensure consumers are able to do so.

WHO also defends that labels could be part of a strategy to provide information and educate consumers to prevent and reduce alcohol-related harm. In addition, WHO recalls that bringing alcohol packaging requirements into line with those that apply to non-alcoholic beverage packaging (as per Regulation 1169/2011) would involve listing ingredients. Similarly, nutritional values might be provided per portion. Listing ingredients alerts the consumer to the presence of any potential problematic substances. In addition, according to WHO, providing nutritional information such as energy content allows consumers to monitor their diets better and makes it easy to maintain a healthy lifestyle. WHO suggests the following options for product labelling:

- Inclusion of a list of ingredients and nutritional information (such as energy content) on containers;
- Provision of information on labels explaining impact on health.

#### Next steps:

The industry representatives are working on a joint proposal to deliver a self-regulatory scheme on the topic.

#### HOTREC position:

- *Any information to be transmitted to consumers on ingredients information or nutrition information regarding pre-packed food shall be clearly be provided by the alcohol producers (e.g. information on label, or label with reference to websites/QR codes, etc.);*
- *Hospitality businesses are obliged to provide information on allergens with regard to non-prepacked food, with flexible means of communication. The situation should remain as it is.*

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## STATISTICS

### Recent statistics from Eurostat

Eurostat publication on how the economic crisis hit tourism: This publication shows that mainly business trips declined between 2007 and 2015. Another aspect of the publication is showing the share of trips per month and purpose, highlighting that  $\frac{1}{4}$  of private trips are done in July and August.

Eurostat overview on tourism trips of Europeans: This publication provides for different insights into the various aspects of the tourism trips, their characteristics, expenditure, seasonality among others.

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# GENERAL ACTIVITIES

## Next Meetings and General Assemblies

In the coming months, HOTREC will organise and/or participate to the following meetings.

- 18-19 October 2017 (Tallinn, Estonia) – 16th European Tourism Forum
- 19-20 October 2017 (Antwerp, Belgium) – HOTREC holds its 75th General Assembly
- 25 October 2017 (Brussels, Belgium) – EU Platform on Food losses and food waste.
- 20-24 November 2017 (Brussels, Belgium) – European Vocational skills week
- 27 November 2017 (Brussels, Belgium) – EU General Food Law Anniversary Event with Commissioner Andriukaitis.
- 29 November 2017 (Brussels, Belgium) – European Tourism Day
- 1 December 2017 (Brussels, Belgium) – Sectoral Social Dialogue plenary session.

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## TAXATION

### Commission proposes reform of VAT system

On 4 October 2017, the European Commission issued a Communication, proposing a far-reaching reform of the current EU VAT system. One of the main issues the Commission intends to tackle is related to cross-border VAT fraud, but also the reform of the VAT rates is envisaged, as announced in 2016 in the VAT Action Plan.

One of the aims of the Commission is to reduce compliance costs for cross-border trade of businesses, which currently amount to 11% higher cross compared with trading domestically.

A move to the principle of 'destination' whereby goods traded across borders are taxed in the country where they are consumed (the destination country) and at the destination country's tax rate, rather than where they are produced (the origin country) is envisaged, especially for B2B transactions. This, however, should not effect the current arrangements for B2C supplies of hospitality services, thus the transactions will be continued to be taxed at the place of the consumption (i.e. where the hotel or restaurant is located).

Regarding VAT rates policy, the Commission intends to unveil its proposal in November 2017 aiming at providing more flexibility for Member States for the application of the different rates.

#### Next steps:

The Commission to issue its proposals in the coming months, inter alia the proposal regarding VAT rates in November 2017.

#### HOTREC position:

- HOTREC has been calling for the long-term application of reduced / low VAT rates for hospitality services, which is key for Europe to remain competitive on the global tourism market.
  - HOTREC expects that the upcoming initiatives should not impede Member States current possibilities for applying reduced VAT rates for hospitality services.
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## COMPETITION

### Visa inter-regional interchange fees: Commission sends supplementary Statement of Objections

On 3 August 2017, the European Commission sent a supplementary Statement of Objections to Visa Inc. and Visa International, as part of the competition case concerning VISA's inter-regional interchange fees scheme for payment cards.

These inter-regional interchange fees are charged on payments made with cards issued outside the European Economic Area (EEA) for purchases in the EEA. This typically concerns payments made by cards from non-EU tourists and travellers.

The supplementary statement of objection focuses on issues not previously covered by VISA's commitments made binding by the EU. In particular, it extends the scope of the case to inter-regional fees applied on consumer debit card transactions (while only credit card were previously concerned).

#### Next Steps:

VISA will be able to reply in writing and request an oral hearing to present their comments on the case before representatives of the Commission. A Statement of Objection does not prejudice of the final result of the case.

#### HOTREC position:

- HOTREC welcomes the Commission's Statement of Objections and recalls the EU's general stance about the anti-competitive nature of interchange fees. As Europe is currently the number one tourism destination in the world, millions of non-EEA tourists use their payment cards in hotels, restaurants, night-clubs, etc. It is therefore necessary to ensure that such cards fall under the scope of the competition investigations related to interchange fees.
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