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**A renewed EU tourism policy:  
Towards a stronger Partnership for European Tourism**

*Speech by Commissioner Verheugen at the Malta Tourism Forum 2005*

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*Comments by HOTREC in reply to the letter sent by Mr. Francesco Ianniello  
on 24 November 2005*

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HOTREC\* and its member associations welcome the acknowledgment by Commissioner Verheugen that “*Tourism can play a major role in our efforts to create growth and jobs and to promote regional development*” and that “*it is one of the biggest and fast expanding European economic sectors*”.

They also welcome the intention of the Commissioner to set up a renewed and cohesive tourism policy.

The message of the Commissioner concluded with 10 action lines, on which HOTREC is pleased to be given the opportunity to present its comments.

## **1. We will not propose unnecessary regulation**

HOTREC and its member associations applaud this pledge and its listing as top priority. In his famous book “*L’Esprit des Lois*”, Charles de Montesquieu, an essential political thinker of the 18<sup>th</sup> century, already wrote: “*If it is not absolutely necessary to make a law, it is absolutely necessary not to make a law*”.

HOTREC appreciates the commitment of the Commission to better regulation and its announcement in a 2005 Communication on the topic that impact assessments will be carried out for all legislative proposals.

Since years, HOTREC has been calling for legislation to be:

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\* HOTREC represents the hotel, restaurant and café sector at European level. This sector counts 1.4 million businesses and provides 7.5 million jobs in the EU alone. HOTREC brings together 36 National Trade and Employer Associations representing the interest of the sector in 22 different European countries.

- Based on properly researched information;
- Proven necessary, after clear demonstration that the rules in place cannot achieve the objective through better enforcement;
- Proportionate to the harm it seeks to redress;
- Developed within the context of proper and continuous consultation of all stakeholders (food services, consumers, enforcement agencies), whose consensus should be sought. Better regulation is achieved through ownership by all the stakeholders;
- Accompanied by a rigorous cost/benefit analysis to be regularly reviewed throughout the different stages of the legislative process;
- Drafted clearly, simply and precisely, taking account of the persons to whom the legislation is intended to apply, with a view to enabling them to identify their rights and obligations unambiguously. The rules should be easily applicable to all establishments, including the very small operators.

However, we have not seen much of impact assessments for our sector so far.

If we take the example of the new Regulation on hygiene of foodstuffs introduced in April 2004 and in force since 1 January 2006, we did not see any precise impact assessment for our sector, i.e. the more than one million restaurant establishments which HOTREC represents!

As a complement to the Hygiene Regulation, the Commission adopted a Regulation on microbiological criteria. But, again, we did not see any document assessing the impact of the very complicated tests and samplings requested by this measure on the 95 % of all restaurants in Europe, which employ less than 10 people.

## **2. We will not create new specific financial instruments but will take advantage of all the possibilities offered by the existing ones**

HOTREC and its member associations, of course, welcome the fact that support is made available to the tourism sector under the various European financial instruments. We also acknowledge that the Tourism Unit has, over the last years, taken a number of initiatives to raise awareness of the financial funds available, such as:

- Publication of a comprehensive internet guide on “EU Support for Tourism Enterprises and Tourism Destinations”;
- Publication of national guides on “Making Best Use of European Money”;
- Organisation of various conferences on EU support available for the tourism sector.

However, we would appreciate if future documents and conferences would adopt a more practical approach and focus on the ways the enterprises in the private sector could access the various funds.

Even more importantly, a thorough simplification of the application and reporting procedures for the various financial instruments would need to be carried out, if it is really intended that micro- and small enterprises take advantage of them.

### **3. We will not seek to impose standards when those can be elaborated through voluntary self-regulation**

HOTREC obviously prefers voluntary self-regulation to imposed legislation. But it fears the development of standards by the standardisation bodies, when not asked for by the industry. The position paper adopted by HOTREC in October 2005 in relation to the development of standards at European and international level is annexed (*Annex 1*).

### **4. We will work to cut red tape and modernise existing regulation**

This action line is to be seen in the context of action line 1 above. HOTREC can only applaud the intention of Commissioner Verheugen to reduce administrative burdens and to simplify existing legislation.

Just to take an example: a non-lawyer would have great difficulties in identifying the taxation regime of restaurants in the 1992 Directive on VAT rates!

The huge potential of the tourism sector can only be exploited if entrepreneurs are not overburdened with unnecessary legislation or/and misled by illegible legislation.

### **5. We will coordinate the Community actions affecting tourism**

HOTREC has identified some 250 measures of EU origin affecting directly or indirectly the hospitality sector. These measures originate from various Directorate Generals in the Commission, as shown in the table below. We include as an annex the table of contents of the last issue of our “250 European Union measures affecting the hotel, restaurant and café sector” (*Annex 2*).

<b>DG</b>	<b>2 examples per DG</b>
DG Taxation	- VAT rates - Deduction of VAT
DG Internal Market	- Internal market for services - Copyright
DG Employment	- Sectoral social dialogue - Noise in the work place
DG Consumer	- Food hygiene - Package travel
Etc.	- Etc.

For years, HOTREC has been asking that a Commission service (be it a Directorate General, a Directorate, a Unit or a simple Task Force) be made responsible for all issues relating to tourism including:

- Co-ordination of all tourism policy issues within the Commission.
- Reviewing all proposed EU measures in order to identify those which may impact on tourism.
- Consulting systematically with industry representatives as well as consumers and social partners. This consultation process should include cost-benefit analysis of all proposed measures. The procedure should be transparent, publicly accountable and enshrined in legislation.
- Communicating the progress of policy proposals through the European Parliament to the industry.

## **6. We will promote actively the competitiveness and sustainable development of European tourism**

One of the best manners, in which the Commission could encourage competitiveness in the sector, is by effectively getting rid of all unnecessary legislation and reducing red tape (see above point 4) and not imposing unnecessary legislation (see above point 1).

Although the EU has limited competence in the field of taxation, it should make all efforts possible to reduce the taxation burdens on the sector: the high growth potential of European tourism must not be endangered by an accumulation of taxes putting it at a competitive disadvantage vis-à-vis other parts of the world.

According to the Tourism Unit consultation document of 25 April 2003 “Basic orientations for the sustainability of European tourism”, “*sustainability means business and economic success; environmental containment, preservation and development; and responsibilities towards society and cultural values – three facets that are interdependent*”. This multi-pillar approach to tourism is not new. For the last 12 years, HOTREC has been asking that the Tourism Unit focus on the entrepreneurial aspect of the tourism sector, the other aspects – environment, protection of the consumers, employee rights – being sufficiently taken care of by other Directorates General, within the framework of specific chapters of the Treaties.

As far as sustainable development in the sense of protection of the environment is concerned, many “green” schemes relating to tourism have already been put in place in the different Member States and are indeed better left at that level.

Furthermore, the “green” objectives have to be adjusted to the need for Europe to become more competitive vis-à-vis other parts of the world: for example, an air ticket tax would have a very negative impact on the competitiveness of the European tourism sector.

## **7. We will continue to support actions promoting Europe as a tourist destination**

HOTREC welcomes indeed the new “*VisitEurope*” website, which connects a multitude of national/regional sites.

We suggest, however, that this type of actions refers to “Europe, the 1000 tourist destinations!” rather than to “Europe as a tourist destination”.

## **8. We will explore ways to promote emerging forms of tourism**

New demands call for new ways of travelling and visiting. However, it is essential that all hospitality establishments in the same region (hotels, B&Bs, farm houses, bungalows, etc.) be submitted to exactly the same taxation, security, hygiene etc. rules, so as to avoid unfair competition.

## **9. We will continue collaborating and consulting with all the relevant stakeholders**

In line with what we said above under point 1, all Commission services should be readily accessible, transparent and open to continuous and constructive dialogue with the hospitality industry.

Furthermore, in line with our reply to the 2002 Commission consultation document on “*Proposal for general principles and minimum standards for consultation of interested parties by the Commission*”, we call upon the Commission to be coherent and not to contradict its official approach of “*consulting with all stakeholders*” by restricting consultations to individual CEOs of large companies.

This is particularly important in the case of the hospitality sector, where 95% of businesses are in the small and very small business categories. SMEs can only be represented vis-à-vis the European Institutions by European sectoral associations. It is important, therefore, that seminars and so-called high-level groups are not seen as restricted to major company representatives, but that the democratic rights of all, including sectoral associations, are respected.

## **10. We will strengthen the visibility of the importance of the European tourism industry**

HOTREC is very pleased that Commissioner Verheugen has recognised the potential of the tourism industry in terms of growth and employment.

By improving the necessary coordination work described under point 5, the Tourism Unit would improve greatly the visibility of the tourism industry within the other Directorate Generals. A meeting of the Ministers in charge of tourism should be organised systematically alongside the European Tourism Fora: this would allow for a better coordination of national tourism policies and European tourism policy. Furthermore, all efforts should be made so that the various Commission Directorate Generals and the European Parliament be better represented at such meetings.

We doubt, however, that a “European destination award” will really help in relation to “visibility” and would prefer that the funds available be used to strengthen the coordination effort described under point 5.

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ANNEXES:

1. HOTREC position paper on the development of standards at European and international level, approved by the HOTREC General Assembly in Vienna, 14 October 2005
2. “250 European Union measures affecting the hotel, restaurant and café sector”, March 2005

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