

**EU Intelligence Report**  
**November 2016**



## **KEY HIGHLIGHTS**

### **TOURISM**

[Commission proposes control on visa-free travellers](#)

### **CONSUMER ISSUES**

[Stakeholders criticise rushed Council position on geo-blocking](#)

### **TAXATION**

[VAT: Parliament calls for short EU list of reduced rates](#)

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### Tourism Policy

#### Commission proposes control on visa-free travellers

##### EUROPEAN COMMISSION

The Commission has [proposed](#) a regulation for a European Travel Information and Authorisation System (ETIAS), as an additional security measure to gather additional information on visa-free travellers (this includes the US, Canada, Australia, etc.). The system could be implemented as of 2020.

The Commission's proposal targets third country nationals who are exempt from the visa requirement for airport transits or intended stays in the territory of the Member States of a duration of no more than 90 days in any 180 day period. It will also apply to refugees from third countries that enjoy visa free travel and have been issued with the required travel documentation as well as third country nationals without a residency card but are a family member of a Union citizen or a national of a third country enjoying the right of free movement under Union law. Once an approval is acquired then it is valid for 5 years and multiple visits.

The regulation will now be considered by the European Parliament and the Council, which will start working on this issue in December.

#### Cultural- creative industries: CULT and ITRE call for cooperation with tourism

##### EUROPEAN PARLIAMENT

On the 10<sup>th</sup> of November, the European Parliament Industry and Cultural Affairs committees adopted their [draft report](#) on a coherent EU policy for cultural and creative industries. The report notably calls on the Commission and Member States to promote cross-sectorial cooperation by establishing networking programmes to foster interaction between sectors, including the tourism sector. The vote in plenary is planned for the 12<sup>th</sup> of December.

#### EP underlines tourism impact on environment and jobs

##### EUROPEAN PARLIAMENT

On the 9<sup>th</sup> of November, the Tourism Task Force meeting discussed a [study](#) on Sustainable tourism and statistics on tourism, which was commissioned by the Parliament. Prof Paul Peeters, Breda University of Applied Sciences (The Netherlands), presented the study and notably underlined that:

- there is a lack of updated data for environmental and social effects of tourism;
- sustainable tourism initiatives depend on public funding;
- the industry failed to internalise sustainable practices;

Vice Chair of the EP Tourism Committee [MEP István Ujhelyi](#) (S&D, Hungaria) concluded that job creation is closely linked to investment. As highlighted by the study, one of the challenges of sustainable tourism is improving the quality of those jobs.

#### Tourism trends: continued growth in EU tourism demand

##### STAKEHOLDERS

The latest [publication](#) of the European Travel Commission, "European Tourism – Trends & Prospects" reports that in the first half of 2016, international tourist arrivals to Europe grew by 3% compared to the same period in 2015. The top three destination countries were Iceland, Slovakia and Cyprus. Key overseas markets are the UK, the USA, Russia and China.

## Taxation and VAT

### VAT: Parliament calls for short EU list of reduced rates

#### EUROPEAN PARLIAMENT

The European Parliament [adopted](#) its non-legislative [report](#) calling for an examination of whether a single European list of goods and services benefiting from a reduced VAT rate could be compiled. Currently, entry tickets to amusement parks could be subject to reduced rates in member states. On these reduced rates, the report:

- supports the option as proposed by the Commission of a **regular review of the list of goods** and services eligible for reduced rates to be agreed by the Council;
- **calls for an examination of whether a single European list of reduced goods and services could be compiled** with the aim of finding an alternative to the current system of reduced VAT rates which could significantly improve the efficiency of the VAT system;
- **calls on the Commission to set up a list with updated information** on VAT rules in every single Member State.

During the debate, Commission Vice-President Jyrki Katainen agreed with the rapporteur's stance in stressing the need to minimise the

number of goods that benefit from reduced rates, for efficiency reasons. Such a development would not necessarily be favourable to the parks industry, if entry tickets are not on such an EU-wide list.

The Commission will submit proposals for a definitive VAT system and on VAT rates (covering proposals on e-commerce, e-publications and e-books) before early December. By the end of 2017, the Commission will publish a simplification package to reduce burden for businesses and tax administrations.

As the report from the Parliament is non-binding and the Parliament does not have any power on tax issues, the Commission is likely to follow the recommendations of the Council, rather than the Parliament's.

## Consumer Issues

### Stakeholders criticise rushed Council position on geo-blocking

#### COUNCIL OF THE EU

The Council formally adopted their [general approach](#) on the Commission proposal for a Regulation on geo-blocking at the [Competitiveness Council](#) on the 28<sup>th</sup> of November, which will form the basis for upcoming negotiations between the institutions.

The approach aims at defining situations where different treatment cannot be justified under Article 20(2) of the Services Directive. Overall, a trader will not be allowed to block or limit customers' access to their online interface for reasons of nationality or place of residence. A clear explanation will have to be provided if a trader blocks or limits access or redirects customers to a different version of the online interface. The general approach includes a number of improvements compared to the original text:

- In most transactions, the seller's national law would apply, removing sellers' obligation to understand 28 different consumer law provisions.
- **Price differentiation and Targeted offers are permitted** under certain conditions (recital 21a) ;
- **By making websites accessible to customers from other EU Member States**, not applying different conditions of access or accepting a payment instrument from another Member State, **companies should not be considered to be directing activity unless other factors apply** (recital 10).

Prior to the final adoption, [Trade associations](#) including BusinessEurope and DigitalEurope

criticized the position, notably arguing that more legal clarity on the scope was necessary. The Parliament's rapporteur [MEP Rosa Thun](#) (conservatives, Poland) has also expressed her disappointment with the Council's 'narrow' position, and hopes to come up with a more 'ambitious' version. Her draft report should be presented to the Consumer committee on 15<sup>th</sup> December. The Plenary vote is expected to take place in Spring. Negotiations will then start between the Council, the European Parliament and the Commission.

### Employment and labour skills

#### **Council adopts call for stronger links between work and education**

##### COUNCIL OF THE EU

At the latest [meeting](#) on 21<sup>st</sup>-22<sup>nd</sup> November, Education Ministers adopted their draft resolution from October on a New Skills Agenda for Europe, which highlights the main aspects that will guide Council work in this field. The resolution notably highlights the need for closer links between education and training, and the world of work.

It also covers ways of exploring the full potential of the digital economy, with the aim of promoting 'lifelong investment in people'. The Resolution seems favourable to the parks and

attractions industry, as it presents opportunities to promote itself as a valuable employer.

#### **Commission launches coalition for digital skills and jobs**

In order to translate call for actions to boost digital skills, the Commission has launched the [Digital Skills and Jobs Coalition](#). Any public or private organisation can join and suggest initiatives to support the objectives of the Coalition which have been identified in a [Charter](#). Listed objectives which are interesting for the parks industry refer to the need to up-skill and re-skill the European labour force, to modernise our education and training systems for the digital age, including through dialogue and cooperation between industry and education stakeholders.

The Commission will support the coalition by coordinating activities, promote best practices for short term training schemes and monitor progress.

### MEP Questions and Answers

#### [MEP question on Tourism industry in cross-border regions](#)

[MEP Claudia Tapardel](#) (Socialists, Romania) tabled a question asking the Commission to what extent interregional cross-border cooperation programmes are supporting

tourism development at macro-regional level. She also wanted to know what progress has been made to diversify the tourism supply in cross-border regions.

#### [Commission answers MEP question on stagnation of European tourism](#)

In her response to a [question](#) by [MEP Claudia Tapardel](#) (Socialists, Romania) on the stagnation of European tourism, the European Commission highlighted that they are monitoring the impacts of terrorism on the tourism industry in cooperation with businesses and member states. In addition to promotion campaigns of Europe as an attractive tourism destination, they are also working to enhance synergies between tourism and the cultural and creative industries within the framework of the upcoming 2018 European Year of Cultural Heritage.

#### [Commission answers MEP question on non-recoverable subsidies for large tourist firms](#)

Competition Commissioner Vestager stated in her response to a parliamentary question on subsidies that the Treaty of the EU provides for a number of exceptions under which state aid can be considered compatible. She added they were not aware of any illegal state aid being granted to the tourism sector in Tirol.

In his [question](#), [MEP Harald Vilimsky](#) (Far-right, Austria) wanted to know whether non-recoverable subsidies granted to large tourist firms such as it has been the case in Tirol by national, regional and local governments and tourist boards should be repaid, particularly in cases where the granting of such subsidies was not permissible under European law. Eventually, he asked if there is a definition of 'large tourist firm' in European law, and if so, from what size does a firm count as large.

## Events

### *December*

- 1 December: [Launching the Digital Skills and Jobs Coalition - Boosting Europe's Digital skills](#), Brussels
- 1-2 December: [Digital Tourism Think Tank Global- disrupting the future destination](#), Brussels