

**EU Intelligence Report
December-January 2017**



KEY HIGHLIGHTS

TOURISM

[Success for the second IAAPA EMEA Digital Summit](#)

[European Accessibility Act – Possible inclusion of tourism services & accommodation](#)

VAT

[Commission consults stakeholders over VAT rates reform and VAT simplification for SMEs](#)

CONSUMER ISSUES

[Geo-blocking - Parliament's Consumer Committee discusses draft report](#)

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Institutions

Elections: MEPs elect new President and new Committee Chairs

EUROPEAN PARLIAMENT

Italian [MEP Antonio Tajani](#) (Centre-right) was elected President of the European Parliament on 17th January after four rounds of voting, thus replacing German MEP Martin Schulz. Mr Tajani's ascendance ended a "grand coalition" deal to share power in the chamber between the Centre-right and the Socialists. The election of a Conservative for the position also challenges the political balance in the EU, given that now all three main EU institutions (the Council, the Commission and the Parliament) are going to have a Conservative at their head.

As a follow up, Committee Chairs and Vice-Chairs have been elected during committee meetings. In the Transport and Tourism Committee, [MEP Karima Delli](#) (Greens, France) has been elected Chair, thus replacing German Green MEP Michael Cramer. She is the youngest of the Committee Chairs.

Tourism Policy

Success for the second IAAPA EMEA Digital Summit

IAAPA EMEA

On the 1st of December 2016, the 2nd IAAPA EMEA Digital Summit took place in Brussels, delivering a successful follow up to last year's edition. The event focused on how digital is changing the guest experience and drew European Union officials and 60 marketing, IT, and operations professionals from 11 countries to discuss the industry's relationship with evolving technology. High level speakers from industry, EU institutions and beyond discussed how immersive technologies are integrating every aspect of a visit - from booking and queuing to in-park purchases - and how digital content can allow amusement parks to engage guests beyond an individual visit through video, social media, games, and applications. Data protection across borders in Europe was also a hot topic - with discussion of who owns personal data when each country regulates privacy differently.

Schengen - Commission extends border controls further

EUROPEAN COMMISSION

European countries that introduced temporary border controls during the migration crisis can keep them in place for another three months, the European Commission decided on 25th January. This outgoes the original date, which was December 2016. The Commission originally intended to restore freedom of movement within Schengen by February, but this is now unlikely. The new extension follows declarations by Germany and Austria that they would maintain border controls as long as the EU is not capable of securing external borders.

Back in October, justifying the previous three-month extension of the internal border controls, the Commissioner for migration, Dimitris Avramopoulos, argued that despite the migration crisis calming down, and the implementation of a series of measures to better manage the EU's external borders, the number of irregular migrants and asylum seekers in Greece was still significant and that the situation remained fragile on the Western Balkans route that connects Turkey to Europe.

Visa reciprocity - Commission reports on progress with Canada and lack thereof with USA

EUROPEAN COMMISSION

The Commission reported in December on the progress made with USA and Canada regarding visa waiver reciprocity, as announced in their [Communication](#) in July 2016.

There has been more progress with Canada than with the USA, as the Canadian Government has [committed](#) to ensure full visa reciprocity for all EU citizens by 1st December 2017. As a reminder, Canada currently applies visa requirements to citizens from Bulgaria and Romania. Regarding the USA, there have not been any commitments to lift visa requirements for citizens from Bulgaria, Croatia, Cyprus, Poland and Romania. The Commission will continue to seek for progress at the next EU-USA Justice and Home Affairs Ministerial and Senior Officials meeting, which should take place in March 2017.

While the Council of the EU has not expressed an opinion yet, the European Parliament underlined in December that EU rules require the Commission to suspend the EU visa waiver for countries which do not offer full visa reciprocity to citizens of all EU member states.

Migration Commissioner Dimitris Avramopoulos highlighted that such an initiative could have unwanted consequences such as a drop in visitors and to substantial losses of income and employment in the tourism sector. The Commission is not taking any decision for the moment and will report on further progress by end of June 2017.

European Accessibility Act – Possible inclusion of tourism services & accommodation

EUROPEAN PARLIAMENT

In his [draft Opinion](#) on the new EU Accessibility Act, the Transport and Tourism Committee' s rapporteur Davor Škrlec MEP is calling for the inclusion in the scope of “tourism services, including the provision of accommodation”. This inclusion was not foreseen in the original [draft report](#) from the Committee for Internal Market (IMCO), which is leading on this dossier in the European Parliament.

On the Council's side, it seems that Member States are struggling to define a position. The EU Maltese Presidency indicated that the substance of the proposal is very challenging and it requires expertise in several fields, as well as extensive consultation and coordination with Member States. The Presidency has

started to re-draft the text in order to clarify several aspects.

In the meantime, the Network of European Private Entrepreneurs in the Tourism Sector (NET) – of which IAAPA is a member - will develop a position paper to oppose the extension to tourism services.

Maltese Presidency to encourage tourism competitiveness

COUNCIL PRESIDENCY

EUROPEAN PARLIAMENT

In an exchange of views with the European Parliament Committee for Transport and Tourism (TRAN), the Maltese Minister for Tourism highlighted that Malta will encourage discussions aimed at increasing the visibility of the tourism sector and to encourage more policies aimed to improve the competitiveness of the European tourism sector. He announced that the Maltese Presidency will be organising a tourism high-level conference at the end of May, which will provide an appropriate platform to discuss thematic issues to increase competitiveness of the European tourism product. He added that another necessary priority is reaffirming of the Chinese tourism market within the EU block. The 2018 year of EU-China tourism will be the opportunity for this.

On a related note, the Maltese Presidency is the first Council Presidency of the [International Year of Sustainable Tourism for Development 2017](#), which will consist in 12 months of global actions aimed at advancing sustainable tourism contribution to the 2030 Agenda for Sustainable Development.

Taxation and VAT

Commission consults stakeholders over VAT rates reform and VAT simplification for SMEs

EUROPEAN COMMISSION

In the framework of its [Action Plan on VAT](#), the European Commission is [consulting](#) stakeholders over the reform of VAT rates, focused on reduced rates. The main issue is the balance between harmonisation and Member States autonomy in setting VAT rates.

The Commission is asking questions related to the following two options as a way forward to reform the system:

- (i) Regularly review the list of goods and services that can be taxed at a reduced rate. Allow Member States to submit their proposals for adjustment, and charge the European Commission with reporting whether such changes would pose any risk of distortion of competition. Keep the minimum standard VAT rate at 15%.

- (ii) Abolish the list and allow greater freedom on the number of reduced rates and their level. Develop and put in place safeguards to avoid unfair tax competition, guarantee legal certainty and reduce compliance costs.

Since entry tickets for amusement parks are already included in the annex of the Directive, the first option may be better for the industry as it helps limiting competition for reduced rates.

In parallel, the Commission launched a corresponding [consultation](#) on the simplification of VAT provisions for SMEs. The aim is to tackle the problems caused by diverse and complex VAT rules across the EU, which can result in high administrative burdens on SMEs, particularly when trading with other EU Member States.

The two consultations will run until 20th March 2017, and the results will feed into the review which is currently under preparation.

Consumer Issues

Geo-blocking - Parliament's Consumer Committee discusses draft report

EUROPEAN PARLIAMENT

At the end of 2016 the European Parliament Committee for Internal Affairs and Consumers published its [draft report](#) on the Commission's proposal for a regulation on geo-blocking by MEP Roza Thun (EPP, Poland). Overall, her position is very similar to the Council's one. Changes include:

- Targeted offers: Sellers would not be able to ringfence national offers. However, as in the Commission's proposal, targeted offers and different prices in different points of sales should be possible, as long as the same access conditions apply;
- Correct application of consumer law: The law of the country where the trader directs his activities should apply. The Rapporteur has also clarified which contract law should apply when a consumer decides to buy on a trader's website, despite the clear indication by the trader that he does not direct his activities to the country of this consumer. The trader would be able to apply the requirements of his own Member State.

During the debate in IMCO, reactions to the report were mixed with many different point of views on the different aspects, including the scope, consumers' consent when being automatically re-routed and the exclusion of B2B contracts. On topics of interest for IAAPA, several MEPs highlighted that it is still not clear enough whether the consumer or the seller's law should be applicable and German MEP Julia Reda (Greens) expressed her support for a definition of targeted activities.

The vote in IMCO is planned for 25th April and the vote in Plenary could take place in May 2017 but the date has not been confirmed yet. Trilogue negotiations between the Commission, Parliament and Council will then take place later in 2017 to agree the final legal text.

Employment and labour skills

OSH - Commission launches new initiative to improve health and safety of workers

EUROPEAN COMMISSION STAKEHOLDERS

On 10th January, the European Commission launched a new initiative which aims at better protect workers against work-related cancer and support businesses in their efforts to comply with health and safety rules.

Actions to be undertaken include:

- Set exposure limits or other measures for another seven cancer-causing chemicals.
- Help businesses, notably SMEs, in their efforts to comply with health and safety rules.
- Work with Member States and social partners to remove or update outdated rules within the next two years.

Reacting to the European Parliament [draft report](#) on this proposal, EU businesses [expressed](#) concerns regarding several of their proposals:

- Lower limit values for a number of substances and for different substances to be covered by the directive;
- Extending the scope of the carcinogens and mutagens directive to substances toxic for reproduction, i.e. reprotoxic substances;
- Introduction of an obligation for employers to conduct health surveillance for all workers, even after they have left the enterprises.

As per the Commission [Communication](#) on a the Modernisation of the EU Occupational Safety and Health Legislation and Policy, the Commission intends to define and finalize the regulatory health and safety at work framework by end of 2018. In the European Parliament,

the draft report should be voted in the Employment Committee on 28th February, and in Plenary on 28th March.

Digital Skills and Jobs Coalition launched EUROPEAN COMMISSION

On 2nd December, the Commission launched the [Digital Skills and Jobs Coalition](#), which brings industry and education partners together to help develop a comprehensive digital talent pool and improve digital skills more widely. Announced in June 2016, this initiative which is part of the [New Skills Agenda](#), aims at addressing the current situation of high unemployment combined with unfilled vacancies due to the lack of people with adequate digital skills.

The new Coalition builds on the work of the [Grand Coalition for Digital Jobs](#), the [eSkills for Jobs](#) campaign and [Education and Training 2020](#). It is expected that by 2020 these combined initiatives will:

- Train 1 million young unemployed people for vacant digital jobs through internships/traineeships, apprenticeships and short-term training programmes;
- Support the upskilling and retraining of the workforce, particularly for SMEs.
- Modernise education and training.

- Reorient and make use of available funding to support digital skills

The great majority of these actions will need to be taken at the national, regional and local level, as education is a Member States competence.

MEP Questions and Answers

[MEP question on the Smart Borders Package](#)

MEP Țapardel wanted to know if the Commission was planning to conduct an impact assessment on how the Smart Borders regulations may impact tourists' decisions on whether to select the EU nevertheless as a destination for their next holiday. She also wondered whether the Commission intended to organise any positive public awareness campaigns around the Smart Borders proposals in order to publicise the EU as a welcoming and attractive destination for non-EU citizens.

[MEP question on the impact of visa policy applied in respect of the USA on the EU's tourism sector](#)

Croatian [MEP Davor Škrlec](#) (Greens) notably asked the Commission how many fewer US citizens visited the EU as tourists as a result of the suspension of the exception to the visa

requirement. He wanted to know what impact this would have on the number of European citizens travelling to the USA if they introduced also visa for all EU Member States.

[MEP question on the European tourism and security project](#)

[MEP Renaud Muselier](#) (Centre-right, France) tabled a parliamentary question, asking the whether the Commission could propose funding in 2017 via COSME or a pilot project for the exchange of good practice between European destinations to tackle issues caused by terrorism. He also wanted to know whether Euro-Mediterranean cooperation on this matter could be envisaged.

[MEPs question on promoting trans-European tourist routes via cooperation between regions](#)

A coalition of MEPs asked the European Commission whether they were considering specific measures to promote trans-regional tourism as part of the 'Destination Europe 2020' strategy, and whether the Commission could indicate the progress made in this regard. They also wondered how the Commission could support Europe make the most of platforms such as [NECStouR](#) and foster the creation of new products.

[MEP question on ETIAS: What is given to the tourist industry](#)

Hungarian [MEP István Ujhelyi](#) (Socialists) tabled a parliamentary question, asking the Commission whether they would take the interests of the tourism industry (and thus the European economy) into account with regard to the ETIAS and will it spend at least some of the revenue on developing the tourism sector.

[Commission answers EP questions on tourism industry in cross-border regions](#)

In their reply to a question by MEP Țapardel, the Commission highlighted that interregional programmes tackle common challenges identified jointly in border regions. Macro-regional strategies do not call for new EU funds, but rely on interregional programmes. The Commission underlined that they have been supporting, with grants, the development of transnational tourism products under the Competitiveness and Innovation Programme and the EU programme for Competitiveness of Enterprises and SMEs.



Events

March

- 29 March: [Digital Day](#), Accountancy Europe

May

- 25-26: [Ministerial Conference on Tourism](#), Maltese Presidency