

EU Intelligence Report

July 2016



KEY HIGHLIGHTS

TOURISM

[Decision on possible suspension of the EU visa waiver for US and Canada postponed](#)

CONSUMER ISSUES

[Slovak Presidency aims for General Approach on geo-blocking before end of 2016](#)

EMPLOYMENT

[New Skills Agenda among Slovak Presidency priorities](#)

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Institutional

Brexit- update

EUROPEAN COUNCIL

Ms Theresa May replaced David Cameron as UK Prime Minister on 13th July, and said that there won't be a second EU referendum, nor a new round of general elections.

No official date for exercising article 50 has been set but there has been much speculation that Prime Minister May is looking at early 2017. In a discussion with Council President Donald Tusk, the Prime Minister explained that the UK Government will need to carefully prepare for the negotiations to leave the EU before triggering Article 50. For the purpose of the negotiations, Commission President Jean-Claude Juncker has appointed Michel Barnier, a former French Minister and Commission VP, as the Commission's chief Brexit negotiator to take up office on 1st October 2016.

On 20th July, the UK Government suggested to relinquish the rotating Presidency of the Council which was scheduled for the second half of 2017. President Tusk recalled that the UK remains a full member of the EU until the divorce has been signed.

Tourism Policy

Slovak Presidency discusses priorities for tourism with the European Parliament's Transport Committee

COUNCIL

The Slovak Republic took over the [Presidency](#) of the Council of Ministers for 6 months from the 1st of July. During an exchange of views with the European Parliament's Transport and Tourism Committee (TRAN), the Slovak Minister for Transport, Construction and Regional Development, acknowledged that there is a lot of potential in tourism and that many countries are lagging behind when it comes to exploiting the potential of this sector. He stated that the Presidency is focused on building the necessary infrastructure and attracting tourists.

Minister Brecely announced that the Slovak Presidency will hold the 15th EU Tourism Forum in Bratislava on the 10th -11th October in collaboration with the Commission. It will be a platform for dialogue and exchange of views on topics considered crucial for the future development of tourism.

EP draft report underlines impact of cultural and creative industries on tourism

EUROPEAN PARLIAMENT

On 5th July, the European Parliament Committees for Industry, Research and Energy (ITRE) and on Culture and Education (CULT) discussed the [draft non –binding report](#) on “A coherent EU policy for cultural and creative industries”, which has been drafted by MEPs [Christian Ehler \(Centre-right, Germany\)](#) and [Luigi Morgano \(Socialists, Italy\)](#).

The draft report notably concludes that the cultural and creative industries have the potential to trigger innovative spillovers in other industrial sectors such as tourism.

The vote in Committees is scheduled for the 8th and 10th November and the vote in plenary should take place on 12th December.

Decision on suspension of EU visa waiver for US and Canada postponed

COUNCIL

EUROPEAN PARLIAMENT

The decision regarding EU visa waiver for US and Canadian citizens will be postponed since the European Parliament and Council have not expressed their opinion on the matter yet. Both were expected to share their views by 12th July. The Commission called again on the two institutions to take a position as soon as possible.

The Commission also [published](#) a [Communication](#) to report on the current status of the discussions with the two countries:

- Canada promised to update the EU in early autumn about the status of visa requirements for Bulgaria and Romania. The next milestone will be the EU-Canada Summit on 27th-28th October 2016, where the Commission expects to see tangible progress.
- The United States has not moved towards lifting of the visa requirement for Bulgarian, Croatian, Cypriot, Polish and Romanian citizens. The Commission will therefore continue to push for full visa reciprocity with the US and explore options, but tangible progress cannot be foreseen at the moment.

The Commission did not commit to any date for taking a decision, but said it will continue to “*use all opportunities to continue to push for full visa reciprocity*” and promised another report before the end of the year.

EP TRAN Tourism Task Force discusses access to EU funding for investment

EUROPEAN PARLIAMENT

On 12th July, the European Parliament Committee for Transport and Tourism (TRAN) Tourism Task Force held an exchange of views

with representatives from the European Commission DG Grow, DG Regio, DG Mare, and from Vice-President Katainen’s cabinet (Competitiveness and Growth).

MEPs and participants stressed that synergies in funding opportunities, alongside simplified administrative processes, are urgently needed. It was highlighted that a bottom-up approach is necessary in order to improve the tourism area. Other main takeaways include the following:

- **Mr Miguel Gil-Tertre, Cabinet of Vice-President Jyrki Katainen**, responsible for Jobs, Growth, Investment and Competitiveness highlighted the existing funding opportunities through the European Investment Fund;
- **Colin Wolfe, Head of Unit, Competence Centre Smart and Sustainable Growth**, DG Regio (Regional policy) stressed the need to better involve regional partners and other stakeholders;
- **Carlo Corazza, Head of Unit, Tourism, Textiles, Cultural and Creative Industries**, DG GROW (Internal Market) called for better training as there is a gap between the needs of industry and the training provided. He indicated that besides the COSME fund, there is also a fund for joint promotion that they are trying to get other Commission DGs to invest in. He

announced that on 29th November, there will be an event to present the results of a project on the links between the tourism and audio-visual industry;

- **Cristina Nunez, Coordinator, Network of European Regions for a Sustainable and Competitive Tourism (NECSTouR)** called for more accountable approaches with direct figures on the impact of funding on tourism. She called for projects to support more directly market needs. She also highlighted that transnational projects should be based on market research and that more communication and exchange of best practice are needed.

Taxation and VAT

Commission VAT Expert Group to be renewed

COMMISSION

On 5th July 2016, the Commission adopted a [Decision](#) amending Decision 2012/C 188/02, which set up a group of experts on VAT to advise the Commission on the preparation of legislative acts and other policy initiatives in this field.

With the latest Decision, the mandate of the members will be of three years. Their term of office may be renewed if they respond again to

a call for application. On this note, the Commission [published](#) a call for application for the selection of members and observers in the VAT Expert group. Applications must be sent by 14 September 2016 at the latest.

EP ECON discusses report on a definitive VAT system

EUROPEAN PARLIAMENT

On 13th July, the European Parliament, Committee on Economic and Monetary Affairs (ECON) discussed MEP Werner Langen's (Centre-right, Germany) [non-binding draft report](#) on "Towards a definitive VAT system and fighting VAT fraud". As a reminder, MEP Langen notably calls for a single list of reduced goods and services to be compiled, which would allow far fewer exemptions than is currently the case.

It seems that the most controversial points for the moment include the question of reduced rates, where a lot of amendments were submitted. MEP Langen argued that the important thing is to have guidelines for individual sectors.

While the single list proposal gathers support in several political groups including the Greens and the Liberals (ALDE), the Conservatives (ECR) believe that the request for a single list

is not proportionate and does not respect the subsidiarity principle. Several [amendments](#) are calling for a single list of reduced goods and services. Other amendments are rather calling for the examination of the possibility of such a list.

Besides, a few amendments are calling for flexibility for Member States in defining their reduced VAT rate policy or to apply reduced rates if it is not already the case. Increased flexibility for Member States could increase competition between industries to obtain the reduced rates.

The vote in ECON is scheduled for 10th October and the vote in plenary is expected for 21st November. The report and the debates may inform the Commission's proposal on reduced rates which is due in 2017.

Consumer Issues

Slovak Presidency aims for General Approach on geo-blocking before end of 2016

COUNCIL PRESIDENCY

The Slovak Presidency has set geo-blocking high on their agenda. During the presentation of the Presidency's [priorities](#) to the European Parliament IMCO committee (internal market and consumer affairs) on 14th July, the Slovak

Minister for Economic Affairs highlighted that tackling unjustified geo-blocking will receive priority in the Competitiveness Council among all the internal market files, with the goal of achieving a general approach in November on the Commission's proposal for a regulation. The Deputy Prime Minister highlighted that this piece of legislation should be adopted as soon as possible.

As a reminder, in May the Commission the European Commission published a [legislative proposal](#) for a regulation to address unjustified geo-blocking based on nationality or place of residence, which includes in its scope services like hotel accommodation and entry tickets to leisure parks.

Employment and labour skills

New Skills Agenda among Slovak Presidency priorities

COUNCIL

During the presentation of the Slovak priorities to the European Parliament Committee on Cultural Affairs and Education (CULT) on 13th July, Peter Plavčan, Minister for Education, stated that the new Skills Agenda would be one of the main priorities. He added that by negotiating a Council recommendation on Skills Guarantees, the Presidency will seek to

increase the education in skills of adults, including in the digital world.

On 5th July, the Commission [presented](#) their Communication on a New Skills Agenda for Europe, which was published on 10th June, to the Council Education Committee and the Social Questions Working Party. Overall, Member States' delegations welcomed the agenda. Several delegations considered that the perspective of the Communication was too labour-market oriented, not sufficiently taking into account broader aspects. They argued that the involvement of various stakeholders, in particular of businesses, was key for successful implementation of the agenda. Eventually, delegations generally welcomed the objectives of the proposal on a Skills Guarantee and stressed that the matter is a political priority.

Outside the Council, the Commission proposal has been largely welcomed by MEPs, industry representatives and NGOs as a way to tackle unemployment in Europe.

For the amusement parks and attractions sector, the Skills Agenda could provide opportunities for better cooperation between industry and educational establishments in order to address skills gaps (including in the digital area) and promote the value of the industry as an employer.

Regarding next steps, the Slovak Presidency intends to draw up a draft resolution in response to the Commission communication with a view to its adoption at the Employment and Social Policy Council on 13th October, and the Education, Youth and Culture Council on 21-22nd November 2016.

EP Committees adopt non-legislative draft report on work-life balance

EUROPEAN PARLIAMENT

On 12th July, the European Parliament Committees for Employment and Social Affairs (EMPL) and on Women's Rights and Gender Equality (FEMM) adopted the [non-binding report](#) "Creating Labour Market Conditions Favourable for Work-Life Balance", which was jointly drafted by MEPs [Vilija Blinkevičiūtė \(Socialists, Lithuania\)](#) and [Tatjana Ždanoka \(Greens, Latvia\)](#).

The amendments notably highlight that a significant proportion of workers in the EU has atypical working hours, including working on weekends and public holidays.

Suggested [amendments](#) (item 7) call for:

- Good practices on [incentives for families](#), such as family discounts for cultural and tourist attractions;

- Tackle the situation of [precarious employment](#), faced in particular by young people and women;
- Extend the [minimum duration of paid leave](#) from four to at least six months and to increase the age of the child for which parental leave can be taken;
- A [paternity leave](#) directive with a minimum of a compulsory two-week fully paid leave and
- A [carers' leave](#) directive which supplements the provision of professional care, enables workers to care for dependants and offers the carer adequate remuneration and social protection;
- Policies that provide for [educational and training leave](#), as well as in-work vocational training and life-long learning;
- Measures aimed to put in place adequate [minimum income schemes](#), in line with national practices and traditions;
- Strengthen the role and independence of the [equality bodies](#) to address equality issues at the work place;

Amendments also ask the Commission to guarantee that part-time workers, workers facing job discontinuity and workers with career gaps or with periods where fewer hours were worked, have an effective equalisation to full time workers in their right to access a decent

pension scheme without any form of discrimination.

The vote in plenary is scheduled for 13th September.

MEP Questions and Answers

[MEP question on a possible crisis in tourism after Brexit](#)

[MEP István Ujhelyi \(Socialists, Hungary\)](#), Vice-chair of the Transport and Tourism parliamentary group, tabled a parliamentary question asking the Commission how they could measure the impact of Brexit on European tourism and whether an action plan has been drafted. He notably referred to figures showing that the weakening sterling would increase the number of tourists coming to the UK and

[MEP question on unlocking the potential of European tourism](#)

[MEP Andrey Novakov \(Centre-right, Bulgaria\)](#) tabled a parliamentary [question](#), asking the Commission if they were planning to issue any concrete guidelines to the Member States with a view to improving employee skills and qualifications in the tourism sector. MEP Novakov also asked the Commission how they would maximise the potential of EU financial

instruments for developing tourism, and if consolidating Europe's image as quality destination was among their priorities in 2017.

[MEP question on consumption of local produce in the tourism sector](#)

In his [question](#), [MEP Gabriel Mato \(Centre-right, Spain\)](#) wondered whether the Commission believes that measures could be introduced at European level to promote the consumption of local produce by tourist establishments and what initiatives have been taken or suggested to encourage this development.

[MEP question on streamlining procedures and simplifying access to information in tourism sector](#)

[MEP Damiano Zoffoli \(Socialists, Italy\)](#) asked the Commission how they would make it easier for people wishing to visit the EU to obtain tourist visas and whether they would ensure that their guide to EU funding for the tourism sector is translated into all the EU languages so that it is fully accessible to all the EU businesses concerned.

[MEP question on growth and jobs in coastal and maritime tourism](#)

In a parliamentary [question](#), [MEP Claudia Tapardel \(Socialists, Romania\)](#) asked the Commission when they would publish recommendations to Member States to support them in enabling coastal regions and businesses to tackle the challenges they face. MEP Tapardel also wanted to know what other tools have been developed to facilitate better coordination among Member States, regional and local authorities, industry and stakeholders.

[Commission answers EP question on dynamic pricing and EU consumers](#)

In her [reply](#) to a parliamentary question on dynamic pricing, Commissioner Jourova (Justice and Consumers) highlighted that with the proposed Regulation on geo-blocking, traders will remain free to set prices on websites targeting different national audiences. However, websites should be available for all EU citizens and, subject to specific conditions, customers should be able to purchase under the same conditions as nationals.

In her question, [MEP Dita Charanzová \(Liberals, Czech Republic\)](#) notably asked the Commission what they view as unfair or unethical commercial practices as regards dynamic pricing.

[Commission answers EP question on the digitalisation of the economy and skills](#)

On 15th July, Commissioner Thyssen (Employment) underlined in her [response](#) to a parliamentary question on digital skills, that the New Skills Agenda for Europe notably proposes a skills guarantee for the up-skilling of low-skilled adults, including on digital skills. It announces the launch of the Digital Skills and Jobs Coalition, aimed at developing a large digital talent pool. It also announces the launch of a Blueprint for Sectoral Cooperation on Skills, which will address skills shortages in given sectors, to be piloted in 6 sectors.

[MEP Dominique Martin](#) (Far-right, France) [asked](#) the Commission why the Commission was not doing more to anticipate the challenges posed by the digitisation of the economy in proposing new forms of support for jobs in favour of unqualified young and unemployed people. He also wanted to know why they would not place more emphasis on job opportunities in the sectors with the most potential including tourism.

[Commission answers question on virtual reality regulation](#)

On 20th July, the European Commission answered a question on the regulation of virtual reality, which was tabled by [MEP Sorin Moisă](#)

([Socialists, Romania](#)). Commissioner Oettinger (Digital Economy) indicated that they did not plan to develop a new legislative proposal to address separately Virtual Reality technology. He highlighted that several pieces of legislation already address the health risks of technologies.

MEP Moisă wanted to know whether the Commission was planning to regulate virtual reality technology, or if this issue was better left to self-regulation or to the jurisdiction of Member States.

Events

September

- 8-9 September: [12th TourMIS Users' Workshop & International Seminar on Consumer Trends & Tourism](#), Vienna, Austria
- 12-13 September: [Slovak Presidency Flagship Conference on Fostering and Development of Talent](#), Bratislava
- 13 September 2016: [DG GROW workshop - Towards an age-friendly](#)

[tourism: Opportunities for low and medium season](#)

- 27 September: World Tourism Day: Tourism for All - Promoting universal accessibility

October

- 11 October: Slovak Presidency [European Tourism Forum Conference](#)
- 18 October: [eSkills for jobs 2016 conference](#), Bratislava
- 19-20 October, [VET Conference: "Apprenticeship: Better training - Higher skills - Great opportunities"](#), Bratislava

November

- 4-5 November: [Global European Marketplace Workshop 2016](#), London
- TBC European Tourism Day

December

- 1-2 December: [Digital Tourism Think Tank Global- disrupting the future destination](#), Brussels