

EU Intelligence Report

March 2017



KEY HIGHLIGHTS

BREXIT

[Brexit negotiations begin as PM May triggers Article 50](#)

TOURISM

[Visa-code recast: progress ahead as humanitarian visas to be dealt with elsewhere](#)

[European Accessibility Act – Tourism not discussed in IMCO despite TRAN and FEMM opinions](#)

CONSUMER ISSUES

[Geo-blocking – Compromise amendments support possibility for traders to have targeted offers](#)

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Brexit

Brexit negotiations begin as PM May triggers Article 50

On 29th March, Prime Minister invoked [Article 50](#). She has started the two-year countdown to Brexit as Sir Tim Barrow, Permanent Representative of the United Kingdom, formally notified the EU of Britain's intention to quit the block by handing in the notification of "withdrawal" letter to European Council president Donald Tusk. The European Council will adopt the EU negotiation guidelines at a special meeting on 29th April.

Following the triggering of Article 50, the European Parliament published a [draft motion for a resolution](#) on negotiations with the UK. The draft motion notably stresses that as long as the UK remains a member of the EU, it must follow EU rules. The draft resolution is expected to be adopted on 5th April. While it is non-binding, it indicates that the EP will resolutely defend the interests of the EU, insuring its voice is heard. Therefore, the EP will come back with further resolutions during the course of the negotiations.

In relation to tourism, the new World Travel & Tourism Council "[Economic Impact Report](#)

[2017](#)" shows that the UK Tourism sector is well placed to face Brexit, as it is expected to hold up in 2017. Despite a downgraded domestic Travel & Tourism spending outlook, the depreciated value of sterling should provide a boost to inbound international spending.

Tourism Policy

Visa reciprocity: Parliament and Commission at odds over EU-US visa waiver

EUROPEAN PARLIAMENT

EUROPEAN COMMISSION

By [adopting](#) the LIBE resolution on 22nd March, the European Parliament (EP) plenary called on the European Commission to publish a delegated act within two months, in order to temporarily suspend the exemption from the visa requirement for nationals of third countries which have not lifted the visa requirement for citizens of certain EU Member States, such as the USA.

On 27th March, Migration Commissioner Avramopoulos met with Ministers and representatives from Bulgaria, Croatia, Cyprus, Poland and Romania, to discuss progress towards full visa reciprocity with the U.S. He [stated](#) that the Commission is committed to continue working in a constructive spirit, and in close coordination with the U.S., to achieve this

goal as soon as possible, including searching for mutually acceptable interim steps. Therefore, meetings will continue to take place at political and technical level. At political level, the next EU-US Justice and Home Affairs Ministerial and Senior Officials meeting is planned for 15-17th June.

As the resolution is not binding, the Commission has no intention to publish the delegated act for now. Nevertheless, they will have to give much more details than previously anticipated in their state of play report, due in June; it is possible but not certain that they will conduct an impact assessment. In addition, the Commission could be faced with a Court case brought by the EP. Last summer, the LIBE Committee had indeed warned the Commission that further action would be taken by the European Parliament, and that bringing the case before the European Court of Justice was a possibility.

For the European Tourism Association ETOA, it seems unlikely that the Commission will suspend visa exemption status for US citizens as the Council would object to this. In their [position paper](#), ETOA urges resistance of any reintroduction of visa requirements. Tom Jenkins, ETOA's CEO, states that such a move "*would inflict burdensome checks on the citizens of their most valuable ally, to certain*

retaliation and consequent economic detriment. Destination countries would have to hire thousands of staff to process millions of unnecessary visas". Therefore, the association is pushing for visa facilitation through reform of the Visa Code. ETOA also believes that with the introduction of ETIAS, the case for more countries to be granted visa-waiver status will strengthen.

During the meeting of the Tourism Task Force in the EP Transport and Tourism Committee on 22nd March, stakeholders including Tim Fairhurst from ETOA and Eduardo Santander, of the European Travel Commission (ETC), also highlighted the major risks of non-reciprocity and called on the Commission to work on solving the issue. The World Travel and Tourism Council presented their study, according to which the economic loss of the end of visa reciprocity would represent 5.5 million fewer visitors from the USA and Canada, or a loss of €7.5 billion in revenue across the EU and potentially 140,000 job losses.

The Network of European Private Entrepreneurs in the Tourism Sector (NET) – of which IAAPA is a member, is considering requesting a meeting with the Council Presidency.

Visa-code recast: progress ahead as humanitarian visas to be dealt with elsewhere

During the exchange of views of the Tourism Task Force on 22nd March, Mr. Diederik Paalman, Head of Unit for Visa Policy in DG Home, presented the Visa Code Regulation, and stressed that the aim of the original legislation had been to make visa policy work better for the tourism sector, but that issues related to migration and security had made this very difficult. The key issue relates to the humanitarian visa, which has been included in the report adopted by the European Parliament, as a means of addressing the refugee crisis. The Council has refused to accept this, leading to the file being blocked in trilogues.

There was widespread agreement amongst the participants that the issue of the humanitarian visa should be dealt with elsewhere. Mr. Paalman announced that the Commission, the Council and the Parliament will issue a commitment to dealing with the humanitarian visa outside of the scope of the reform to the visa Regulation.

On 16th March, the LIBE Committee adopted the [draft report](#) on Union Code on Visas by MEP Juan Fernando López Aguilar (Socialists). Regarding humanitarian visas, the Rapporteur has acknowledged that the Visa Code cannot

provide the sole solution to the current challenges of persons seeking international protection. He has thus chosen to strengthen and develop existing provisions in the Commission text.

The plenary vote is planned for 25th April.

European Accessibility Act – Tourism not discussed in IMCO despite TRAN and FEMM opinions

EUROPEAN PARLIAMENT

On March 26th the Internal Market and Consumer Affairs Committee discussed the draft report by [MEP Løkkegaard](#) (Liberals, Denmark) to the Commission [proposal](#) regarding accessibility requirements for products and services, without addressing tourism. The [amendments](#) to the draft report do not mention tourism- related services either.

This appears to be a positive development as you may recall that [amendments](#) to the Transport and Tourism Committee draft Opinion included tourism-related services, such as catering and accommodation, in the scope. In addition, the [Opinion](#) of the Committee on Women's Rights and Gender Equality argues that *the scope is one area where there is real room for improvement to cover a more extensive range of goods and services*

including transport, healthcare, education, training, housing, tourism”.

IMCO will vote on 24-25th April. The vote in plenary has not been scheduled yet.

NET has been reaching out to MEPs, sending a letter to call for the exclusion of tourism from the scope, and meetings will further be organised.

Tourism Taskforce- Exchange of views with European Commission

EUROPEAN PARLIAMENT

At a Tourism Taskforce meeting in the Tourism and Transport Committee of the European Parliament on 22nd March, members discussed the latest Eurostat statistics for EU Tourism. Mr Goetzfried, Head of Unit G.3. Business cycle, tourism and registers, Eurostat, European Commission, indicated that there were issues with the reliance of Eurostat on voluntary data, and stressed that Eurostat is keen to use Big Data sources, such as mobile phone data, to complete their picture.

A number of MEPs, including [Elżbieta Katarzyna Łukacijewska](#) (Centre-right, Poland) and [Claudia Monteiro de Aguiar](#) (Centre-right, Portugal) deplored the lack of conclusions on the tourism data in the Commission’s presentation. In addition, several MEPs

including [Jill Evans](#) (Greens, UK), raised the issue of accessibility in relation to tourism; Eurostat is currently conducting some work in this area.

Employment/ Labour skills

New Skills Agenda- Parliament and Council call for promotion of investment in digital skills

EUROPEAN PARLIAMENT COUNCIL

On 23rd March, the Employment and Cultural Affairs Committees jointly discussed a draft non-legislative [report](#) by MEPs [Momchil Nekov](#) (Socialists) and [Martina Dlabajova](#) (Liberals) on “A new skills agenda for Europe”. They welcomed the Commission Communication and emphasized the need for skills to be more aligned to the needs of the labour market. MEPs also criticised the lack of additional funding in the Commission’s New Skills Agenda.

Rapporteur Dlabajova called for strengthening the connection between education and employment. She also encouraged the development of a pan European skill needs forecasting tool. On behalf of both committees, MEP [Michaela Šojdrová](#) (Centre-right, Czech Republic) confirmed their support for the dual system and cooperation with employers. She

argued it was important not only in the preparatory phase but also for skills development later on.

The non-legislative report notably:

- **Calls on the Commission and the Member States to continue to focus on digital skills**, in particular the digital transformation of the economy and re-shaping the way people work and do business;
- **Urges active dialogue and cooperation between the university community and the world of work** aimed at developing educational programmes which equip young people with the requisite skills and competences;

The vote in committee is scheduled for 21st-22nd June.

Meanwhile, the Social Affairs Council of Ministers adopted [conclusions](#) on enhancing the skills of women and men in the EU labour market. These conclusions notably underline the importance of enhancing skills as a means of supporting the labour market participation of women and men. The Council also calls on the Commission to ensure that a gender perspective is integrated in policies and measures related to the upscaling of skills,

particularly in work related to digitalisation for example.

Consumer Issues

Geo-blocking – Compromise amendments support possibility for traders to have targeted offers

EUROPEAN PARLIAMENT

On 21st March, the European Parliament Committee on Internal Market and Consumer Protection (IMCO) held a debate on the [compromise amendments](#) of the [draft report](#) on addressing geo-blocking and other forms of discrimination by MEP [Roza Thun](#) (EPP, Poland).

As a positive development for industry, the compromise amendments notably aim to ensure that sellers can offer different prices and terms and conditions over the same territory. This provision is also supported by the European eCommerce and Omni-Channel Trade Association (EMOTA). Regarding applicable law, the Rapporteur will try to secure support for wording which will protect sellers from having to know and apply the consumer protection rules and other rules applicable in the consumer's country. The rules applicable to the sales under this Regulation will be those of the seller.

During the debate, a key point of contention was whether the buyer's or seller's law applies in a cross-border sale. Contrary to the Rapporteur, the Socialists argued that the current provision nullifies parts of an existing law on contractual obligations ([Rome I Regulation](#)).

The draft report will be voted in Committee on 25th April and the vote in the European Parliament Plenary should take place before the summer break. Following interinstitutional negotiations, the file could be concluded by the end of the year under the Estonian Presidency.

IAAPA has sent a position paper to the main Rapporteurs, presenting the rationale for supporting amendments which enable traders to have targeted offers and provide clarity for the trader who will abide to consumer protection laws of his market.

MEP Questions and Answers

[Commission answers MEP question EU harmonisation of VAT rates](#)

In his [response](#) to an MEP question on the harmonisation of VAT rates, taxation Commissioner Mr Moscovici indicated that the Commission was not aware of specific issues regarding VAT-free zones. He added that the

Commission would finalise its proposal on the reform of VAT rates in the course of 2017.

Socialist [MEP Claudia ȚEP Clau](#) (Romania) had [asked](#) the Commission whether they would draw up recommendations regarding minimum and maximum VAT levels in the Member States. She also wanted to know how they planned to resolve the problem of VAT-free zones in the Union and what priority areas were being envisaged by the Commission for application of reduced VAT.

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

With two months of delay, the Commission replied to the [question](#) by Renaud Muselier (Centre-right) on whether the Commission could, in 2017, suggest funding via COSME or a pilot project for the exchange of good practices between European destinations on measures for the prevention/management of crises in the tourist industry. Internal Market Commissioner Ms. Bieńkowska highlighted that the Commission started to work with the Member States to better measure this impact and the effectiveness of the measures taken to help the tourism sector recovering. She added that the Commission was considering the launch of a complementary study on measures to manage and recover from terrorist incidents

affecting the tourism sector. This includes exchanges of good practices, within the framework of the EU Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) 2017 work programme.

[MEP question on Accessible tourism for persons with disabilities](#)

Centre-right [MEP Lefteris Christoforou](#) (Cyprus) [tabled](#) a parliamentary question, asking the Commission what measures they have taken or intended to take to make EU tourism accessible for people living with disabilities. He also enquired whether oversight mechanisms were carried out by the EU in Member States to verify the level of tourist accessibility. Regarding funding, he asked how the EU was contributing to the needs, and what programmes already existed.

[Commission answers question on EU package with legislative and non-legislative measures on work-life balance](#)

Employment Commissioner Thyssen indicated in her response to an MEP question on the work-life balance, that the forthcoming 'New Start' initiative for work-life balance would consider a combination of different legislative and non-legislative tools, across a broad range of areas. She added that the Commission

aimed at bringing forward a proposal in early 2017.

[Commission answers MEP question on difficulties for tourists](#)

In his response to an MEP [question](#) on free movement of tourists across Slovenia by Liberal Croatian MEPs [Ivan Jakovčić](#) and [Jozo Radoš](#), Migration Commissioner Mr Avramopoulos recalled that Austria, Germany and Slovenia are part of the area without controls at internal borders whereas Croatia is not. All people are entitled to move between Austria, Germany and Slovenia without being submitted to border control whereas they shall be subject to border controls upon crossing the border with Croatia. Thus, he added that in case infringements to those rules are witnessed in a Member State, it is possible to file a complaint to the Commission, which shall lead to further investigation and possible actions if such infringements are confirmed.

[Commission answers MEP question on Visa policy applied in respect of the USA](#)

Internal Market Commissioner Bienkowska highlighted in her response to a question by Green MEP [Davor Škrlec](#) (Croatia) that according to the estimations of the World Travel & Tourism Council, the visa reciprocity waiver would lead to a possible drop of 5.5 million

visitors and USD 7.5 billion less spent in Europe (compared to the 2017 baseline level), should visas be reintroduced for US and Canadian visitors. She added that the same study forecasts that, should the US visa waiver programme for Europeans be cancelled, the number of visitors from Europe to the US would drop by 23%, resulting in \$6 billion less spent in the USA.

[Commission answers MEP question on ETIAS and what is given to the tourist industry](#)

Responding to a question by Socialist MEP [István Ujhelyi](#) (Hungary), Security Union Commissioner Julian King indicated that in their view, the application fee of €5 will not diminish the attractiveness of the EU as a tourist destination and that overall, ETIAS is expected to have a positive impact on the EU tourism sector.

Events

May

-23-25 May: [Digital Enterprise Show 2017](#), Madrid



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

June

-15-16: [Digital Assembly](#), Maltese Presidency,
Valetta (Malta)

October

-19: European Tourism Forum, Estonian
Presidency and the European Commission,
Tallinn (Estonia)

November

-28- 29 November: European Tourism Day,
European Commission, Brussels