

EU Intelligence Report
February 2014



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[EC publishes European Tourism Quality Principles](#)

[Tourism expected to grow again in 2014](#)

Taxation

[Tax Fraud: Commission looks at how VAT collection and administrative cooperation can be improved](#)

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Tourism Policy

EC publishes European Tourism Quality Principles European Commission

On 20 February the Commission proposed a long awaited set of voluntary [European Tourism Quality Principles](#) to achieve better consistency of the quality of the tourism services across the EU.

The European Tourism Quality principles are set out in a Recommendation and are applicable to tourism services offered in the Union directly to consumers. They are recommended to be followed by public and private organization providing services in the field of tourism.

The Tourism Quality principles address 4 areas:

- 1) *Staff training*: this area includes the training of the employees involved in the provision of services directly to consumers, the appointment of a training coordinator and the establishment of a training registry
- 2) *Consumer Satisfaction*: Applying a consumer satisfaction policy through the establishment of a mechanism for the handling of consumers' complaints and undertake best practices such as carrying out consumer satisfaction surveys

- 3) *Cleaning and maintenance*: Keep and adhere to a documented cleaning and maintenance plan for the facilities or equipment where appropriate;
- 4) *Correctness and liability of the information* to consumers through provision of information on local heritage, accessibility facilities and sustainability aspects with respect to the services provided.

This initiative is strictly voluntary for EU Member States. The proposed recommendations will now be discussed by the Council during the Greek and Italian EU Presidencies.

European Commission publishes Strategy for more Growth and Jobs in coastal and Maritime Tourism European Commission

On 20 February the European Commission presented a new [Communication on a European Strategy for more Growth and Jobs in coastal and Maritime Tourism](#). Recognising the sector's potential for sustainable growth and job creation, the strategy outlines 14 EU actions to help coastal regions and businesses tackle the challenges they face and strengthen the sector's position as a key driver of Europe's blue economy.

Key objectives of the strategy:

- 1) Stimulate performance and competitiveness
- 2) Promoting skills and innovation
- 3) Strengthening sustainability
- 4) Maximise available EU funding

In particular, in order to increase competitiveness the Commission intends to close the gaps in data availability in coastal and maritime tourism and support the development of a transnational and interregional partnership around coastal tourism. With the help of industry stakeholders and regions the Commission invites member states to develop more targeted packages for specific markets such as for senior people and or for people with disability. With the goal of promoting skills and innovation, the commission intends to work to reduce the mismatch between skills supply and labour market demand.

The Commission also intends to give further visibility to the sector by maximising available EU funding. An online guide to the main funding opportunities available for the sector (particularly SMEs) will be made available. The strategy will be discussed at a [Conference](#) organised with the Greek Presidency on 10 March in Athens, which will bring together authorities and

businesses and other stakeholders. Implementation of the concrete actions will follow in the coming months. [Press release](#)

Tourism expected to grow again in 2014 Eurostat

Tourism has been one of the strongholds of the European economy during the economic crisis, and the positive trend will continue in 2014, with only 11% of Europeans expected not to travel. According to the new [Eurobarometer survey](#) published on 14 February called ***Preferences on Europeans towards Tourism***, the sector has fostered domestic demand-driven economic growth in 2013, with more people choosing to spend holidays outside of their own country but within the EU. In 2013, 38% of Europeans spent their main holiday in another EU country, which is 5 percentage points more compared to 2012. At the same time, only 42% of people spent their main holiday in their own country, a 5 percentage points decrease compared to 2012. Furthermore in 2013, only a fifth (19%) took their main holiday outside the twenty eight countries of the EU, which is a 2% decrease compared to 2012.

Taxation/ VAT

Tax evasion and avoidance on the radar of the European institutions European Commission

The European Commission intends to tackle tax loopholes in the EU used by certain multinationals to pay as little tax as possible. The plan was announced by EU Competition Commissioner Joaquin Almunia in his speech at the [Third European Competition Forum](#), on 11 February, where he added that his services were examining national laws or decisions by tax administrations that permit or encourage such practices. Commissioner Almunia also outlined the Commission's plans to carry out a thorough examination of the tax systems to check compliance with state aid. His colleague, Taxation Commissioner Semeta, confirmed the Commission will work towards ensuring fair tax competition and to tackle tax regimes or practices which create distortions between companies.

Tax Fraud: Commission looks at how VAT collection and administrative cooperation can be improved European Commission

On 12 February the European Commission adopted two reports on VAT fraud within the EU. [The first report](#) looks at VAT collection and control procedures across the Member States, within the context of EU own resources. It concludes that Member States need to modernise their VAT administrations in order to reduce the VAT Gap, which was around €193 billion in 2011. Recommendations are addressed to individual Member States on where they could make improvements in their procedures. The [second report](#) looks at how effectively administrative cooperation and other available tools are being used in order to combat VAT Fraud in the EU. It finds that more effort is needed to enhance cross border cooperation, and recommends solutions such as joint audits, administrative cooperation with third countries, more resources for enquiries and controls and automatic exchange of information amongst all Member States on VAT. Both reports are part of the broad Commission Action Plan to fight against tax fraud and evasion.

ECON Committee votes on Interchange fees for payment cards
European Parliament

On 20 February, the Committee on Economic Affairs of the European Parliament voted on MEP Zalba Bidegain (EPP, ES)'s [draft report](#) on creating common rules for interchange fees in the European Union. In the Commission proposal, the Executive suggested to set caps for interchange fees to payment service providers of 0.2% and 0.3% for the value of the transaction for all consumer debit and credit transactions. Voting on the report, the ECON Committee took a key decision to lower excessive interchange fees for card based payments. For credit card transactions, MEPs backed the European Commission's proposal to cap the bank's fee at 0.3% of the transaction value. For debit card transactions, the committee amended the proposed cap to 7 euro cents, or 0.2% of the transaction value, whichever is the lower. These caps would apply to both cross-border and domestic transactions in the EU and would take effect one year after the rules enter into force. Those caps also include commercial cards and third party schemes like the one of America Express to facilitate a level-playing field and fairer competition

between all players on the card market. The rules will be put to vote by a full house at one of the upcoming parliamentary sessions.

Employment Law/ Training/ Skills

European Commission organises conference on bringing people with the rights capabilities to the tourism sector
European Commission

On 20 February the European Commission (DG Enterprise) organised a conference around the theme: *Bridging the people with the right capability to the tourism sector*. The conference saw the participation of tourism experts and representatives of stakeholders from the tourism sector.

During the conference Wolfgang Weinz from the International Labour Organisation addressed the links between education and the labour market in the tourism sector. He highlighted the huge skills mismatch that derives from the discrepancy between supply and demand in the tourism sector. While he stressed that tourism is amongst the top-job creating sectors because of its labour intensive nature and the significant multiplier effect on employment in other

related sectors, he noted that the sector has a reputation for poor working conditions due to a number of factors: it is a fragmented, seasonal industry with a majority of small employers with low union density, and work characterised by low wages and low levels of skill requirements. To address this situation he called for more social dialogue for enhancement of employment growth.

Raymond Keaney, from the Institute of Technology Tallaght (ITT) talked about the *skills deficit* (skill gap), the inadequacy of a worker's skills relative to the requirements of the job, and skills underutilisation (over-skilling) whereby a worker's skills exceed those required by the job. His proposed solution was greater co-operation between those involved in generating jobs and those acquiring skills. In addition more adult learning and open and clear progressive paths of study. Mr. Keaney's presentation was followed by a presentation from Jan Vleugel, Political Adviser at EURES, the European Job Mobility portal. He explained that the role of EURES is to track labour markets trends in tourism and keep good relations with educational institutions.

Council's conclusions on efficient and innovative education and training to invest in skills

Council of the European Union

At the latest 24 February Education, Youth, Culture and Sport Council meeting, Ministers adopted [conclusions](#) on efficient and innovative education and training to invest in skills. Conclusions focus primarily on the need for education and training systems across the EU to improve skills performance in order to ensure that young people and low-skilled adults acquire the kind of skills and competences relevant to today's labour market. The conclusions call in particular for a more innovative approach to education and training, and urge the member states to make full use of the new generation of financial instruments, in particular the Erasmus+ and the European Structural and Investment Funds.

Consumer Issues

IMCO Committee votes on the Travel Package Directive

European Parliament

The European Parliament's Internal Market and Consumer Protection Committee (IMCO) adopted its report on the Package Travel Directive (see [press release](#)). The

[text](#) will be voted in Plenary in March. The revised text under consideration would appear to bring combinations of accommodation and other services like park passes in scope of the Directive – a change from existing rules. According to recital 17 of the revised text, combinations of this type will not be considered packages if the service that is being combined with accommodation does not constitute a significant proportion of the package. It will be considered a significant proportion of the package if it is more than 20% of the overall value or it is an essential feature of the holiday. Voting on the package IMCO committee voted on a compromise amendment which raises the threshold slightly by defining a significant proportion of the package to mean, amongst other things, that it constitutes 25% of the overall value – the Commission's original proposal was for 20%. However, on the face of it this may not exempt many combinations of accommodation with a park pass. MEPs voted 35 to 2 in favour of the draft legislation, which the European Parliament Internal Market Committee said should ensure. The report is scheduled for a plenary vote in March when Parliament will conclude the first reading. Negotiations with member states will begin after the elections in May.

European Consumer Centres – 11% consumer complaints, especially in the transport and travelling area.

The Network of European Consumer Centres established under the [European programme for consumer policy](#) has handled more than 80,000 enquiries from citizens across the EU in 2013. This represents an increase of 11% compared to last year.

Among the 80,272 contacts from consumers, the ECCs dealt with 32,522 complaints. The number of complaints increased by 9% compared to 2012. Around a third of all complaints concerned the *transport and travelling* sector. The largest number of complaints related to air transport (18.3%); however car rental is attracting an ever increasing number of complaints. The other top complaints received by the ECCs related to household equipment, problems related to the purchase of tickets for sporting and cultural events and time-shares.

The ECC-Net is a European network giving European citizens consumer advice in cross-border problems, for example while travelling in another country or e-shopping. The ECC-Net covers 30 countries'

consumers who can benefit from the service cross border and free of charge.

European Parliament votes on Air Passenger Rights European Parliament

On 5 February the European Parliament voted in plenary session on the [proposals](#) from the European Commission to strengthen passenger rights which foresee measures to ensure that air passengers have better rights to information, better complaint procedures and enforcement measures.

The Parliament's vote backed all of the key Commission proposals to strengthen air passenger rights. Relevant aspects to highlight include: strengthening oversight of air carriers as well as more effective sanctions. The right to care for passenger after a delay of 12 hours complaint handling will also be addressed, with the guarantee that the air passenger has a right to a response to their complaint within two months. Regarding the right to information, the Parliament backs the Commission's proposal to ensure passengers have a right to information about their situation, 30 minutes after a scheduled departure.

The proposal of the European parliament differs from the text of the European Commission in some areas; The Parliament proposes to fix the threshold for compensation for delays at 3 hours instead of 5.

In addition, the Parliament is proposing to raise the limit on liability to 5 nights. The Parliament is also proposing to impose an obligation to take insurance in case of bankruptcy insolvency. Member States will meet in the Transport Council in June with a view to agreeing a position (General Approach).

Formal negotiations between the Council and the Parliament will start after the next EP elections.

MEP Questions

Tax issues for cross-border workers

MEP Laura Comi (IT, EPP)

In a recent [EP Question](#) MEP Comi addressed the problem of tax issues for cross border workers including social security implications for the persons involved. In her question she asks whether the Council believes it necessary to promote better coordination of fiscal, insurance and social security policies, at least as regards the category of cross-

border workers. The Commission will have to respond within 8 weeks.

Funding

Erasmus+ Council/ European Commission

The Council adopted on 3rd December a regulation establishing "[ERASMUS +](#)", the Union Programme for Education, Training, Youth and Sport for the period 2014-2020. It brings together in a single programme activities previously covered by a number of separate programmes (including the Lifelong Learning Programme, Erasmus Mundus and Youth in Action) and it also covers activities in the new area of European competence, sport.

The new programme has a total budget of about €14.7 billion which represents an increase of 40% compared to the precedent budget - and can also benefit for

Any additional funding from external action instruments (such as the Instrument for Pre-Accession Assistance, the Development Cooperation Instrument, the European Neighbourhood Instrument, as well as the European Development Fund).

Its main operational priorities are simplification of procedures and a performance-based allocation of funds, as well as closer links between the formal, informal and non-formal education and learning sectors.

COSME - Programme for the Competitiveness of Enterprises and SMEs
European Commission

For the period 2014-2020, the European Commission has published a proposal for a [Programme for the Competitiveness of Enterprises and SMEs](#) (COSME) with a planned budget of € 2.5 billion.

The Programme has the following general objectives: 1) improve access to finance for SMEs in the form of equity and debt; 2) improve access to markets inside the Union and globally through Enterprise Europe Network that will facilitate expansion of businesses beyond the borders; 3) promote entrepreneurship by developing entrepreneurial skills and attitudes, especially among new entrepreneurs, young people and women.

The Commission proposal includes a reference to specific objectives to improve

the competitiveness of enterprises in the tourism sector. The Commission intends to ensure coherence and consistency implementation, as well as informed policy-making at Union level. Benchmarking, the exchange of best practices and sectorial initiatives in particular will be encouraged. The main beneficiaries will include existing entrepreneurs (small businesses in particular), future entrepreneurs (including young people) as well as national, regional and local authorities. On this basis, eligible tourism partners could include: Accommodation providers, Transport providers, Restaurants/ Cafés, **Attractions**, Public Authorities

Consumer Programme 2014-2020
European Commission

The new consumer programme was adopted last 23 October and [proposed](#) by the Commission in November 2011. Although ensuring continuity with the previous one, the new initiative aims to better serve consumers' interests by enhancing product safety through effective market surveillance, improving consumers' information, education and awareness of their rights, consolidating consumer rights and strengthening effective redress,

especially through alternative dispute resolution.

This programme sets financial framework for many actions that aim to improve consumer protection throughout the EU. These actions include financing of joint cooperation actions between Member States market surveillance authorities and supporting Union level consumer organizations.

European Regional Development Fund 2014 - 2020
European Commission

[The European Regional Development Fund](#) (ERDF) aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. For the next period (2014 – 2020), the ERDF focuses its investments on several key priority areas namely Innovation and research, the digital agenda, support for small and medium-sized enterprises (SMEs) and the low-carbon economy.

The ERDF resources allocated to these priorities will depend on the category of region.

Events

March

- 10.03: High Level Conference on maritime and Coastal Tourism
- 11.03: Plenary Vote on the Travel Package Directive
- 15.03: Deadline for Submitting Responses to the Public Consultations on Tourism
- 21.03: Workshop on IT Tools for Tourism

April

- 3-6 April: [GITANDO.ALL](#) Italy – fair on Accessible Tourism, Venice