

..in five minutes..

18th March 2011

The ITB travel trade fair in Berlin last week was a good barometer of the industry; many of the exhibitors were clearly optimistic for 2011. The gradual recovery in the EU economy combined with the economic growth observed in a number of emerging markets is going to influence tourism in a positive way.

But that was without counting on the devastating events that unfolded in Japan just as the ITB was closing its doors. The earthquakes and accompanying tsunami have created an unprecedented crisis, magnified by the explosions in the nuclear plant spewing radiation into the atmosphere. The human tragedy is proving to be immense, with the death toll continuing to rise. Our thoughts go to the Japanese people.

None can forecast what these disasters will have as an impact on the global economy and the global travel market.

Michel de Blust

Consumer protection: 96 airline insolvencies in 10 years affecting up to 2.2 million passengers

These are the findings of the impact assessment study on passenger protection against airline failures published by the Commission earlier this month. The study finds that the proportion of impacted passengers is small (0,07%), but that the impact on these passengers can be significant. It analyses various protection methods and concludes that the best option would be based on a reserve fund. Provide us your views on the study for feedback to the Commission.

For more details see e-mail from the 11th of March

Kenya: Visa fees retained until July 2011

The voice of the travel industry has been heard! The Kenyan authorities have agreed to retain the visa fees of 25 USD to stimulate tourism in the low season. It will delay the increase of visa fees of 50 USD to July 2011, as requested by ECTAA.

For more details, see e-mail sent on the 3rd of March

PNR: Commission presented Directive proposal on EU PNR

The Commission adopted on beginning of February a proposal for a Directive on EU PNR concerning the collection of PNR for flights between the EU and third states to fight against terrorism and serious crimes. Members are invited to comment on the ECTAA/GEBTA draft position and to approach their government and their MEPs to raise the industry's concerns. Get yourselves heard!

For more details, see e-mail sent on the 1st of March

EU VAT System: The whole EU VAT system is under review

The Commission has launched a major public consultation on the current VAT system and how it should be reframed in the future. Some questions raised are relevant in particular for the tourism industry, such as those relating to VAT exemption for passenger transport, reduced VAT rates and VAT deduction rules. Don't miss the opportunity to contribute to this consultation by 1 April.

For more details, see e-mail sent on the on 1 March or consult the consultation document

IATA Affairs – IATA staff training courses not mandatory

IATA has been approaching agents to propose its training courses and ask questions on the qualifications of agents' staff. Agents should be well aware that this is a commercial service offer from IATA and that agents have no obligation to respond to it.

For more details, see email sent on the 21st of February

Competition: Beware of guidelines on the exchange of information between competitors!

The European Commission has issued guidelines to assess in regard of EU competition law exchange of information between competitors, including via trade associations. The guidelines describe the types of information exchange that restrict competition and whether information exchanges leading to market efficiencies can be exempted from prohibition.

For more details, see e-mail sent on the 18th of February or consult the guidelines

Tourism: Parliament gets involved in the Communication on Tourism

The European Parliament will soon adopt an own-initiative report on the Commission's recent Communication on Tourism. It analyses the 21 actions proposed by the Commission and identifies priority actions. Moreover it urges the Commission and Member States to bring effective solutions on other important issues for European tourism, such as the coordination and simplification of visa procedures, the revision of TOMS and the package travel Directive.

For more details, see email sent on the 18th of February

AA surcharges: Positive outcome - American Airlines removed surcharge for the use of Travelport systems!

American Airlines announced at the 16th of February that it will no longer apply the Booking Source Premium on bookings made via Galileo and Worldspan. Thus, no ADM will be issued to collect this surcharge. Travelport also announced on the 17th of February that it has disabled the functionality that automatically included the AA surcharge under YY. Positive news all round!

For more details, see e-mail sent on the 17th of February

Collective redress: Commission seeks a European approach to collective redress

There is a variety of existing national system of collective redress with different levels of effectiveness. The Commission has thus launched a consultation "Towards a more coherent European approach to collective redress", in order to identify common legal principles on collective redress. Send us your views by 1 April 2011.

For more details, see e-mail from the 16th of February or consult the <u>consultation document</u>

Alternative Dispute Resolution: Commission is looking at how to improve ADR schemes

Should ADR schemes become mandatory? Should the decisions become binding? These and other questions are raised in the consultation document published by the Commission in order to identify how the use of ADR within the EU can be improved.

For more details see e-mail from the 15th of February or consult the consultation document

Other News in Brief

- **EUROSTAT** Progressive recovery of nights spent in hotels through 2010 For more details, see EUROSTAT publication 30/2011
- Investigation into code share agreements The European Commission has opened 2 anti-trust
 investigations against Lufthansa-Turkish Airlines and TAP-Brussels Airlines concerning free flow
 parallel hub-to-hub code sharing.