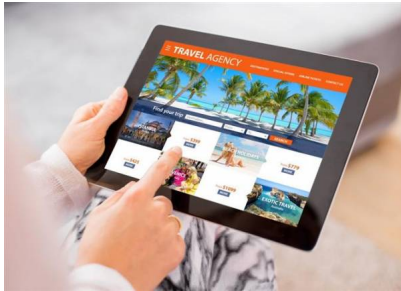


NEW PACKAGE TRAVEL DIRECTIVE WORRIES EUROPEAN TOUR OPERATORS



On the 25th of November in 2015 the new Package Travel Directive was adopted. It entered into force on 31 December 2015 and the EU Member States have to transpose it by 1 January 2018. The directive will be applicable from 1 July 2018

The new rules will extend protection of the 1990 EU Package Travel Directive beyond traditional package holidays organized by tour operators. **It will also give clear protection to 120 million consumers who book other forms of combined travel, e. g a combination of a flight plus hotel or car rental offered together on a website.**

The new directive will apply to three different sorts of travel combinations. Pre-arranged packages, customized packages, and linked travel arrangements. It is expected to reduce detriment to consumers by about €430 million annually, as a result of measures such as increased price predictability, consumer rights clarity or money-back guarantees.

Businesses are also expected to benefit from new rules. The EU wants to reduce the administrative burden on businesses and bring down compliance costs for traders from €11 to €8 per package sold. The new directive is set to introduce a level playing field. Mutual recognition of insolvency protection is also on the agenda. But the main point is fewer administrative burdens as well as increased legal certainty.

Uncertainty among European Tour Operators

However, tour operators are uncertain over the effectivity. For example, AIAV, the Italian association of travel agencies, has identified three main issues.

Firstly, the differences in regional legislation on tourism have made the industry inefficient. This is leading tour operators to consider implementing jobs such as tourism technical director. It will be essential to understand how the national legislature will transpose certain passages of the legislation. It is possible that the European package travel directive will be interpreted in a very varied manner by individual regions.

Moreover, there is currently very little regulation on what travel agents are required to provide. AIAV is currently seeking to create a specific benchmark for agencies to follow.

The third highlighted issue is the fact that the EU legislation does not consider certain “tourist services” to be interconnected. For example, museum tickets and airplane tickets. However, a tourist would need an airplane ticket to visit a museum (in most cases). On the other hand, offers such as “Paris with Pink Floyd”, or a flight with a concert ticket, is considered a package. Because the concert is considered an essential part of the trip.

In addition, the directive does not apply for day trips. Neither does it apply to organized trips to a maximum of two times a year by recreational and non-profit associations and business travels.

Minor Positives Found

That said, European tour operators do see some positives coming with the directive. For example, **the regulation of online packages, which will finally be equivalent to those offline.** Traders, who choose the Network option to do business, will have specific obligations imposed by the EU.

But for now, it is just a mere minimum and the effect of the New Package Travel Directive remains to be seen until it is formally applicable.

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