

Europe: Open for Business?

Schengen visa processing in origin markets: China and India, 2018

ETOA
Impact Survey

Report and Recommendations

ETOA

Impact Survey

Acknowledgements

Our thanks go to our members and their partners in China and India for contributing valuable comment during the design of the 2018 survey and for their subsequent response. We are especially appreciative to those who provided anecdotal evidence of a problem that is easily described by numbers, disregarding the very personal impact of visa processes. Improved visa facilitation is a priority across the European tourism industry: we are pleased to recognise our colleagues and partners in the European Travel Commission (ETC), the Network for the European Private Sector in Tourism (NET), and the Manifesto for Jobs and Growth in Tourism for their expertise and advocacy to ensure this vital topic receives the attention it deserves.¹

Note on methodology

ETOA's survey was conducted between July and September 2018. It was intended for businesses, who were invited to consider the effect of visa processes on their previous 12 months' activity. It was circulated among ETOA's outbound networks in China, India and within the European inbound industry, and 271 responses were received. The data presented in charts is derived solely from survey responses. All quotations in bold come from the survey. No claim is made as to whether these results or opinions are representative or accurate. Steps were taken to encourage the participation of companies whose collective volume comprise a significant part of the market. Additional material was obtained on an ad hoc basis from respondents prepared to provide further illustration.

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¹ For further information see: <http://www.etc-corporate.org>; <http://net-tourism.eu> and Appendix 3 <https://www.tourismmanifesto.eu>

Introduction

The EU needs better visa facilitation. Any visa requirement, however well managed, is a deterrent to travel. The Schengen visa's deterrent effect is significant, costing the area billions of euros a year. The purpose of this report is to inform current discussion among EU institutions about the Schengen Visa Code and to draw attention to the issue among a wider audience. ETOA's survey gathered new material from people working in businesses for whom visa processes are a daily preoccupation.

Time is short. Three years have already been wasted. The European Commission's 2014 proposals had to be withdrawn in 2017 due to institutional stalemate. The 2018 proposals evolved commendably quickly. In ETOA's view, they can be improved. We urge policymakers to listen carefully to those in the private sector who deal with the consequences of the Code's current operation. The fundamental issue is one of competition: Europe has no monopoly as an appealing holiday destination. It needs visa policy and processes that stand comparison with those in force elsewhere. At present, comparison is cause for grave concern.²

Those fortunate enough to travel freely to many countries can forget how precious that is. Visa policy is an instrument of international relations as well as a practical necessity. It is also particularly vulnerable to short-term political calculation and institutional groupthink. In 2017, the European Parliament attempted to force the European Commission to suspend visa-waiver arrangements between the Schengen area and the USA, by far Europe's most valuable long-haul market. However important the principles under discussion, this would have been an act of gratuitous self-harm to Europe's economy. Trade wars are not just about tariffs.³

At a time of heightened uncertainty and tension, the risk is that those who prefer barriers to bridges will prevail and an opportunity for necessary and effective reform will be missed. Proper security and first-class facilitation should be the twin goals of any sensible visa policy. They are not mutually exclusive.

As ETOA's survey and the Commission's own research reveals, both current policy and the divergence in day-to-day practice among Schengen states are costing Europe dearly. The Schengen area is one of the EU's finest achievements. It's a welcome civility that has transformed cross-border activity, broken down barriers and delivered economic benefit to 26 Member States. We urge the area's members to show leadership in evolving a regime fit for the 21st century and to implement it properly in origin markets worldwide.

**European Tourism Association (ETOA)
January 2019**

² See Appendix 1: Case Study – China to Australia and New Zealand, also 'Contributions received: Modernising the EU's common visa policy' downloaded from https://ec.europa.eu/info/consultations/modernising-eus-common-visa-policy_en. Results show the deterrent effect of Schengen visas. Further discussion under 'Facilitation and Security' below.

³ The USA and the EU enjoy a mutual visa-waiver programme that is supposed to be contingent on full reciprocity. Difficulties arose because, since 2014, citizens of Bulgaria, Croatia, Cyprus, Poland and Romania have needed a visa to visit the USA. This meant that there was not full reciprocity in treatment of EU and US citizens. To complicate any attempt at resolution, the USA is constitutionally unable to grant visa-waiver status to countries from which USA visa application refusal rates exceed certain limits. The situation remains under review. The European Parliament's March 2017 statement is available here: http://www.europarl.europa.eu/pdfs/news/expert/infopress/20170227IPR64156/20170227IPR64156_en

What is the problem?

Europe's share of global international tourism arrivals is declining. High-quality visa facilitation and border processes are essential to support growth from emerging markets. The Schengen area is falling behind, with consequent economic, social and geopolitical loss. In economic terms, the loss was estimated by an EC report in 2013 at €12.7 billion a year. Now it is considerably more.⁴

Only 17% of the EU's visitors come from all long-haul markets (visa-requiring countries and those within a visa-waiver scheme). In 2017, growth in international arrivals to non-EU European destinations outpaced growth to the EU: 8% average growth to the EU and 12% to non-EU southern and Mediterranean Europe including Turkey.⁵ The relative appeal of non-European destinations (and non-Schengen European countries) is growing, in part due to visa-free travel and smart visa processes, including use of digital documentation and e-visas.

In 2017, including activity it directly and indirectly supports, the tourism industry contributed 9.8% of EU employment and 9.9% of its GDP. Both are expected to rise by 2028 to 11.2% and 10.7%.⁶ Investment in a fit-for-purpose visa regime makes good economic sense given the size of visa-requiring markets.

The Schengen Visa Code has been in force since April 2010.⁷ It was designed primarily to promote harmonisation of visa processes among Schengen Member States. Following withdrawal in 2017 of proposals for reform it had made in 2014, in March 2018 the EC put forward new proposals.⁸ ETOA's survey, conducted between July and September 2018, asked respondents in India, China and Europe for their thoughts, both on these proposals and the status quo.

Key recommendations

ETOA fully supports the position set out in the NET paper in Appendix 3. We also make the following recommendations for maximum positive impact:

- **Enforce the handbook to the Visa Code.** It is extremely clear that there remains a significant gap between what should happen and what is often delivered by Member States and third-party providers.
- **Encourage greater use of Multiple Entry Visas.** They represent the best return on administrative cost and encourage repeat travel, an essential factor in supporting Europe's ambitions to grow tourism away from its most crowded centres. They also allow itineraries to cross into the Schengen border more than once in a single holiday. This would really help with product development and diversification. The current proposal is unnecessarily complicated and will not bring the benefits sought.
- **Rationalise documentary requirements, especially proof of accommodation.** This is causing a significant loss of business and makes no meaningful contribution to risk assessment at time of visa application. Alternative reassurance is available and should be accepted.

⁵ 'Impact Assessment Study supporting the review of the Union's visa policy to facilitate legitimate travelling.' Final Report, July 2013. Source: https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/borders-and-visas/visa-policy/docs/ia_visas_code_final_report_eu_template_14032014_en.pdf

⁶ Source: European Tourism 2018 – Trends and Prospect, European Travel Commission, Q3 2018. [http://www.etc-corporate.org/reports/european-tourism-2018-trends-and-prospects-\(q3-2018\)](http://www.etc-corporate.org/reports/european-tourism-2018-trends-and-prospects-(q3-2018))

⁷ Source: WTTC: Travel & Tourism Economic Impact 2018 Europe. <https://www.wttc.org/-/media/files/reports/economic-impact-research/regions-2018/europelcu2018.pdf>

⁸ Regulation (EC) No 810/2009 of the European Parliament and of the Council of 13 July 2009 establishing a Community Code on Visas (Visa Code). In its 2018 proposal, the Commission described the Visa Code as: "A core element of the common visa policy: it establishes harmonised procedures and conditions for processing visa applications and issuing visas. It entered into force on 5 April 2010, with the overarching objectives of facilitating legitimate travel and tackling irregular immigration, enhancing transparency and legal certainty, strengthening procedural guarantees and reinforcing equal treatment of visa applicants."

⁹ Proposal amending Regulation (EC) No 810/2009, COM(2018) 252 final 2018/0061 (COD). Its progress through the legislative process may be followed here: https://eur-lex.europa.eu/procedure/EN/2018_61

Business perspectives and impact

'Nowadays everything is online', an Indian Travel Agent wrote. **'Passengers don't have the patience to wait. When they feel the visa process takes a lot of time, they prefer to go to alternate destinations other than Europe.'**

And that, ETOA's survey confirms, is exactly what they're doing. India is one of the fastest-growing outbound tourist markets in the world. In 2017, Indians spent \$18.4 billion on foreign travel.⁹ The good news for the Schengen area is that Indians regard Europe as an attractive destination. The survey reports 59% of respondents' clients (who booked a trip in the preceding 12 months) considered visiting countries in the Schengen area. The bad news is 55% of these travellers subsequently changed their mind, deterred by the practical difficulties involved in applying for a visa.¹⁰

'Many find it too hard, so they don't bother', an incoming European tour operator explains in the same survey.

The frustrations inherent in the Schengen visa application process, as it is currently administered, are just as much a daily irritant to travel agents in outbound destinations as they are to the operators they do business with in Europe. They are at either ends of a process that in too many cases is failing to deliver as intended. When ETOA asked European operators to estimate how many Schengen bookings they subsequently lost to visa-related problems, the average response was 25%. Allowing that those who experience most difficulty may be most likely to respond, this still remains a disturbingly high figure.

Chinese outbound market respondents were asked how the Schengen visa system could be improved. Representative comments include:

'Simplify childrens' materials, especially notarisisation and certification', wrote one travel agent, leading a chorus of protest against a particularly problematic requirement.

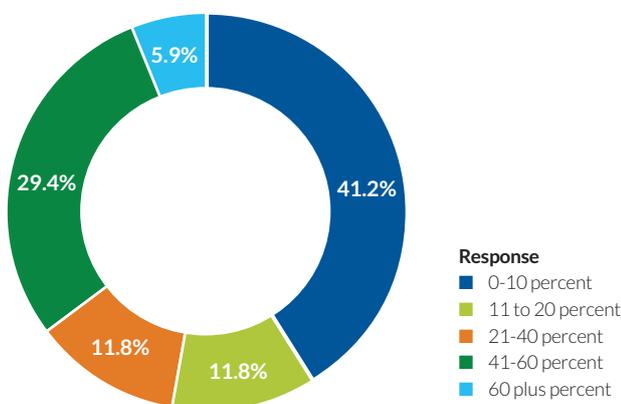
'It's not convenient to go to the first-tier cities to record finger prints', another complained.

'For the single lady, please let them pass!!', another agent wrote. **'Nowadays, a lot of single ladies do not wanna get married. They are well educated and rich, but they are easily rejected!! Especially by the French!!'**

Market feedback describes a process that can seem confusing, capricious and inconsistent. A process that could and should be boosting the European economy and promoting EU soft power can be a patronising, inefficient and anachronistic affront.

The 55% of Indian travellers who were put off coming to Europe by the hassle involved in applying for a visa represent \$1 billion of lost in-destination spend each year, without taking into account international travel and accommodation. If we apply the same dropout rate to all outbound visa-requiring destinations, the lost business opportunity would be in the region of \$18.5 billion a year. While the scale of loss is necessarily speculative, the nature of its cause is not.

What percentage of bookings to the Schengen area do you estimate CANCELLED OR DID NOT MATERIALISE due to visa related problems?



⁹ UNWTO: World Tourism Barometer, March/April 2018 http://cf.cdn.unwto.org/sites/all/files/pdf/unwto_barom18_02_mar_apr_excerpt_0.pdf

¹⁰ See Appendix 2

An Indian travel agent points out just one way in which business has been adversely affected: **'Failure to offer biometric appointment slots means customers have started changing their destinations on ease of visas.'**

Relative appeal of other destinations

Prospective visitors have options; intention to travel can quickly switch from one destination to another. Travel agents and outbound tour operators sell a wide range of products. Most will not lose business if their clients opt for a non-Schengen trip. Other destinations are eager to capture market share; agents and operators are keen to conclude a sale and move on. Make it difficult for applicants to obtain a visa, and they will go elsewhere.¹¹

China outbound market respondents were asked to think about the 56% of their clients who abandoned the idea of a trip to Schengen either before or during the visa application process. What did they do instead? Where did they go? Some decided to stay at home, but almost half still went on a foreign holiday; just over a fifth to a European destination outside Schengen and the UK/Ireland.

Respondents told us:

'Simple process and faster turnaround time are key to increase traveller numbers to any destination.'

'The program needs to be simplified. Processing time needs to be shortened.'

'Make it simple and fast.'

'Work on faster and simplified turnaround.'

Visa facilitation should be viewed as a valuable service export, not costly bureaucracy. It is clear that both source markets and European business need a simple, fast, consistent and coherent visa system. If the EU gets its visa system right, more business will come.

As one Chinese travel agent succinctly puts it: **'Less number of documentation > minimum processing time > positive impact and guaranteed rise in Schengen tourism.'**

The message from China and India to Europe's policy makers is simple – 'Help us to help you!'

Thinking about all your clients who abandoned the idea of a trip to Schengen either BEFORE OR DURING the visa application process and any subsequent holiday plans, please estimate what percentage fall within the following categories:



¹¹ See Appendix 1

Policy background

Freedom of movement has always been at the heart of the European project since the Treaty of Rome in 1957. In 1985, Belgium, France, Luxembourg, the Netherlands and West Germany, meeting in the small town of Schengen, agreed to the gradual abolition of routine internal border checks.

Ten years later, the Schengen area came into effect. Spain and Portugal were the next to add their signatures to the agreement; Austria, Italy and Greece soon followed. By 2004, all EU states apart from Ireland and the UK were in Schengen. By 2008, among the enlarged EU, only Bulgaria, Croatia, Cyprus, Ireland, Romania and the UK were outside the Schengen area. A population of more than 400 million from 26 countries were now bound together by one external border and one common visa policy.

Schengen boosted the European economy, increasing trade by 3%.¹² Its value was further demonstrated by the choice of four non-EU countries to become members: Iceland, Liechtenstein, Norway and Switzerland. In 2010, Europe took a further step towards convergence, with the adoption of the Schengen Visa Code. Its primary aim was to harmonise processes at an operational level. An ETOA report of the same year welcomed this development.¹³ But, drawing on the results of an extensive origin markets survey, it also warned the visa process was still too complex and that these complexities were deterring people from visiting the Schengen area.

A common belief at the time seemed to be that Schengen visa applicants were determined to come to Europe; if their application was unsuccessful, they would try again some other time. ETOA argued applicants had other, non-Schengen options, and that many were taking them. The effect was geometric. People who went elsewhere and had a good time would tell their friends, who would in turn tell their friends. Europe could not afford to be complacent, the

report concluded. Inefficiencies in visa processing were very conservatively estimated by ETOA to cost the Schengen area more than €500 million a year in lost business, losses that would multiply as other destinations developed.

ETOA's central argument about the deterrent effect and its cost was dismissed as too hypothetical. Nevertheless, the authors of an impact study published by the European Commission in 2013 came to the same conclusion. The Schengen visa application process was too unwieldy and complicated, and these deficiencies were costing the Schengen area 113,000 jobs and €5.5 billion euros in lost revenue a year. When taking into consideration the wider benefits to the economy, the loss to Europe was estimated to be €12.7 billion a year.¹⁴

The EU's impact study identified three main problems: a costly and cumbersome application process; an insufficient number of consulates/poor consular cooperation; a lack of long-stay visas. In 2014, the Commission put forward a series of proposals to address these problems. Industry welcomed the rationalisation. Over the following five years, it was estimated that visa facilitation could generate as much as an additional 130 billion euros, creating 1.3 million new jobs.¹⁵ A UNWTO/WTTC report in 2014 gave further backing to tourist industry concerns, describing Europe's visa regimes as 'among the more restrictive'.¹⁶

¹² 'The Trade Effects of Border Controls: Evidence from the Schengen Agreement' Felbermayr, Gröschl and Steinwachs, Journal of Common Market Studies, Oct 2017. From the abstract: "The Schengen agreement has guaranteed unchecked travel across internal EU borders since 1995. Has it also facilitated trade flows? Our econometric analysis suggests that Schengen has boosted trade by 3% on average (equivalent to a drop in tariffs by 0.7 percentage points). Goods trade is more robustly affected than services, and peripheral countries benefit more than central ones."

Source: <http://www.cesifo-group.de/DocDL/wp-2016-213-felbermayr-groeschl-steinwachs-trade-effects-of-border-controls.pdf>
Add footnote and URL for ETOA Origin Markets Report 2010: Europe: Open for Business? Reopening the debate on visa policy.

¹³ See ETOA Origin Markets Report 2010 'Europe: Open for Business? Reopening the debate in visa policy' <http://bit.do/ETOAVisaReport2010>

¹⁴ See 'Impact Assessment Study supporting the review of the Union's visa policy to facilitate legitimate travelling.' Final Report, July 2013. Source: https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/borders-and-visas/visa-policy/docs/ia_visa_code_final_report_eu_template_14032014_en.pdf

¹⁵ 'EU visa code reform; necessary but not easy', Stefan Batory Foundation, 2016

¹⁶ 'Tourism Visa Openness Report – Visa facilitation as means to stimulate tourism growth', UNWTO, 2013 <http://cf.cdn.unwto.org/sites/all/files/docpdf/tourismvisaopennessreport23august20132.pdf>

Facilitation and security

A visa policy is as much about safeguarding security as it is about facilitating travel. In 2011, the EU began to roll out the Schengen Visa Information System (VIS). A measure designed to fight fraud and abuses such as 'visa shopping' (the practice of exploring options for applying to various Schengen states, often when an initial application has been rejected) by requiring applicants to have their fingerprints taken. The process was completed by 2015.

In 2016, the Smart Borders Package was introduced with the aim of further integrating three main information systems: EURODAC (an asylum fingerprint database), the Schengen Information System (a database of individuals and other entities accessed by 31 states for border control, law enforcement and security) and VIS (the main visa application database). In 2017 the EU adopted plans for an Entry Exit System (EES) that will, for the first time, enable Schengen countries to monitor whether those who entered the area had also exited. From 2021, the European Travel Information and Authorisation System (ETIAS) will provide a form of pre-clearance to visitors from more than 60 visa-waiver countries, adding confidence in Schengen's external border. It will last three years and cost €7, a figure intended to cover costs not generate revenue. This approach is welcome.

But while Europe's external border controls were being strengthened by these initiatives, the EC's 2014 Visa Code reform proposals were running into trouble. The migrant crisis and terrorist attacks of 2015/16 had changed the climate of the debate. Advocates of free movement and its benefits were suddenly on the defensive. Amid calls for tighter border controls, the visa-reform process became enmeshed in concerns about security and migration. The suggestion was that you could either increase security or facilitation. The idea that these objectives were not mutually exclusive was lost in the clamour for control.

While the European Council sought to link visa facilitation with co-operation on the return of illegal immigrants, there were efforts in the European Parliament to link progress on facilitation with the development of a more widely-drawn humanitarian visa. By 2017 an impasse had been reached. The 2014 proposals were withdrawn and a fresh consultation set up. A wide range of individuals, interest groups, think tanks and professional organisations were invited to submit their views. The results, published in February 2018, served to underline the urgent need for reform.

Of the 1,164 consumer respondents who gave 'tourism' as the answer to the question 'what is your most frequent purpose of travel to the EU?', 24% indicated that their experience with the Schengen visa process would deter them from travelling to Schengen again. Of those who responded to a question inviting comparison between the Schengen visa and other countries' visas, 68% indicated they thought Schengen was worse.¹⁷ The Commission's own summary of the survey results said:

When respondents were asked to rate different aspects of the visa procedure according to their difficulty, the length of the procedure was rated as 'most difficult' by the greatest proportion of respondents (26%), followed by the total cost of the procedure including the visa fee (24%) and the requirement to apply in person (24%).¹⁸

As a result of the consultation, the EC announced a new set of proposals on 14 March 2018, promising a simpler, faster and more secure procedure. Applicants would in future be able to submit their applications earlier and on-line. The decision-making process would be quicker. Multi-entry visas would be streamlined and valid for longer. Member states would be allowed to issue single entry, short-term visas (valid for a maximum seven days) at specific land or sea border crossing points. Visa cost would rise from €60 to €80.

A number of provisions were introduced to ensure full interoperability of VIS with other EU-wide databases such as the EES, the Schengen Information System (SIS) and the European Criminal Records Information System (ECRIS). In 2018, the EC announced their intention to launch a feasibility study on how to digitalise the visa application process more fully. Initial scoping discussions have taken place.

Will the current proposal address the most pressing problems facing Europe's visa application process?

¹⁷ Source: 'Contributions received: Modernising the EU's common visa policy' downloaded from https://ec.europa.eu/info/consultations/modernising-eus-common-visa-policy_en

¹⁸ Source: Appendix 2, European Commission Impact Assessment, Staff Working Document SWD(2018) 77 final, which includes survey results of EU public consultation – Modernising the EU's common visa policy, Nov 2017-Feb 2018. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0077>

Priorities for change

‘One of my clients from Shaxi, who applied for a visa from France, flew to Beijing for the interview, that cost a lot of time and money. His application was not approved. They say he didn’t have enough money for travelling in Europe, however, my client already has 10 years US visa as well as bank savings.’

Chinese travel agent

‘We have faced rejection for visa for very sound documents and travel history. And some who do not have proper financials get visa. There have also been cases where the applications were rejected as their bookings are found cancelled. But on the website of VFS, it mentions to not book.’

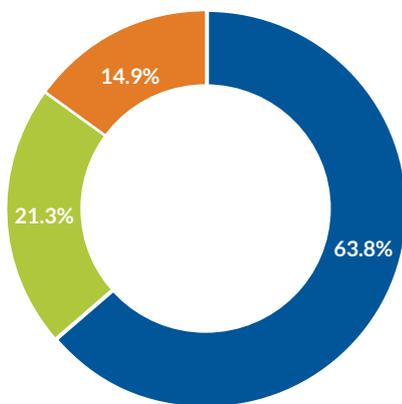
Indian travel agent

What would have the most positive impact?

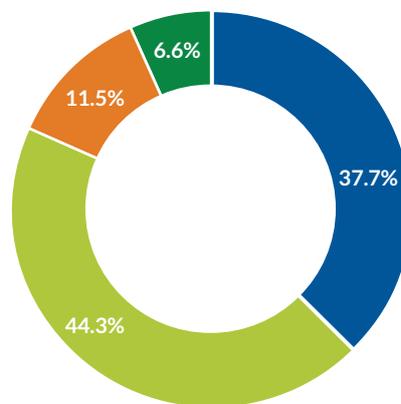
The ETOA impact survey asked travel agents and tour operators what single change would have the most positive impact on Schengen visa facilitation. The respondents were in no doubt, with more than 80% calling for a simplification and streamlining of documentation requirements, and increased processing capacity, especially at peak times.

Given your knowledge of the market, what do you think would have the most significant POSITIVE EFFECT on Schengen visa facilitation?

China outbound respondents



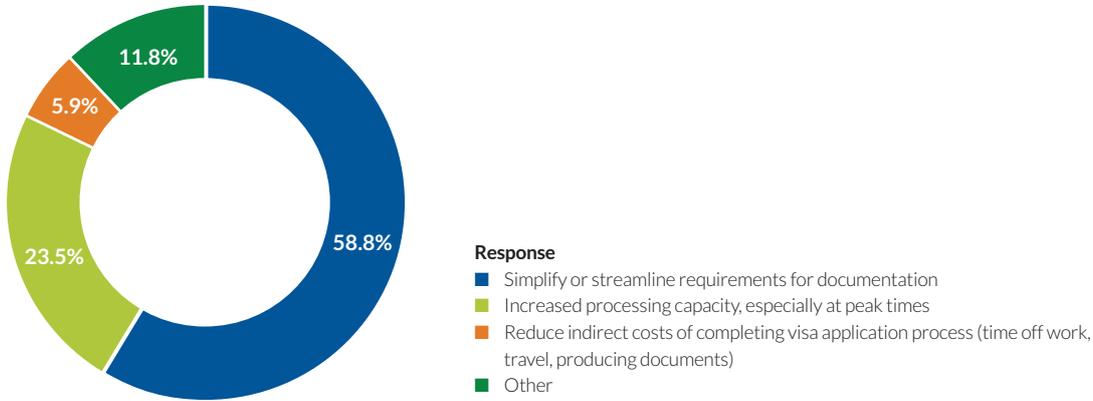
India outbound respondents



Response

- Simplify or streamline requirements for documentation
- Increased processing capacity, especially at peak times
- Reduce indirect costs of completing visa application process (time off work, travel, producing documents)
- Other

European inbound respondents



Application period and turnaround

'Rejection and late confirmations are getting unbearable and make the DMC lose their clients' trust' – European incoming tour operator.

The Commission's 2018 proposals are:

- Applications shall be decided in 10 calendar days (instead of the current 15 days).

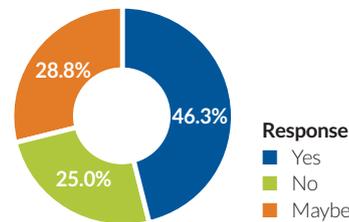
- Applications can be lodged six months before travel (instead of three months), allowing better planning.

The ETOA survey asked if these measures would increase the percentage of clients that might consider a trip to the Schengen area. Indian travel agents responded enthusiastically: **'The number of submissions will increase if the process time decreases.'** Chinese respondents were more circumspect, echoing results elsewhere in the survey that showed the Indians to be more

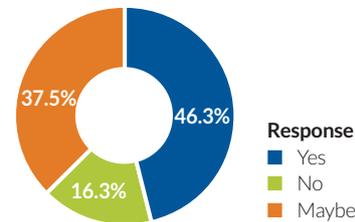
The EU may allow applications to be made up to six months before (rather than current three months) and up until 15 days before departure. Would this increase the percentage of your clients considering a trip to the Schengen area in the following categories?

China outbound respondents

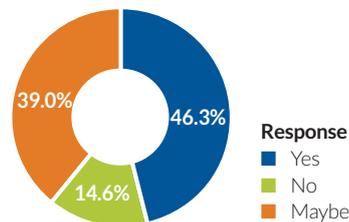
Clients booking six months+ before their trip



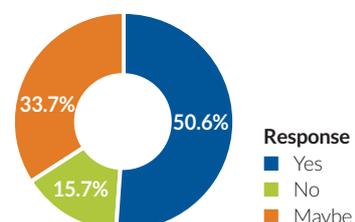
Clients booking 45-90 days before their trip



Clients booking 30-45 days before their trip

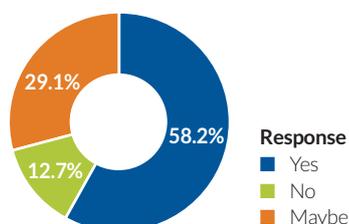


Clients booking 15-30 days before their trip

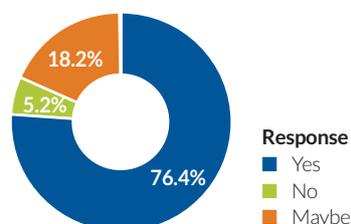


India outbound respondents

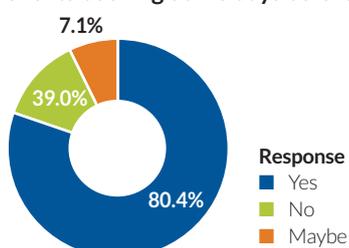
Clients booking six months+ before their trip



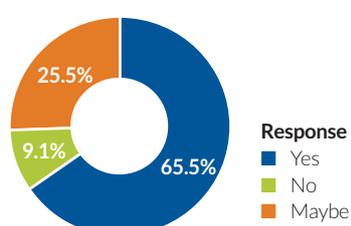
Clients booking 45-90 days before their trip



Clients booking 30-45 days before their trip



Clients booking 15-30 days before their trip



concerned with the speed of visa processing than the Chinese. The good news for Schengen is that a vast majority of both sets of respondents (87% of China outbound and 92% of India outbound) thought faster processing times achievable.

'A few Schengen missions have really worked on visa-processing times, and it has shown significant growth on visa numbers and people travelling to these destinations, for example, the Swiss and France processing within five days' – Indian travel agent.

Multiple entry visas (MEVs) – too complicated?

'At present a lot of frequent travellers do not get long duration visas and have to apply again and again, sometimes two or three times a year.'

'Customers find it cumbersome to resubmit documents year on year, which is a definite impediment for growth towards Schengen countries,' wrote an India outbound respondent.

The Commission is aware of the reluctance of Member States to issue MEVs. A report on the recent public consultation noted that Member States had developed diverging and restrictive practices when it comes to issuing MEVs, that this encouraged visa shopping and that the problem was likely to deteriorate.¹⁹ This reluctance to issue MEVs is, on the face of it, odd: a previous traveller has a history of returning home; multiple trips per visa is a much better return on

the investment in visa administration; repeat travel is widely seen as a necessary factor in tourism's diversification away from some of the busiest destinations.

'Currently it's very difficult to obtain a Schengen MEV', a Chinese travel agent complains. **'A lot of my clients have expressed a great interest, especially if, after a business visit to Europe, they want to go back for a leisure trip with their families. If they could initially apply for a MEV, the decision to travel to Europe would be much easier to make.'**

In this context, an Indian travel agent puts it more bluntly: **'In the current scenario, most people do not choose to go to Europe because of visa issues.'**

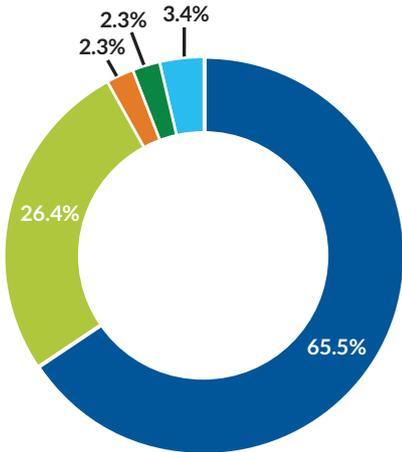
Previously, Member States were allowed to issue MEVs to frequent travellers able to prove their integrity and reliability, valid from between six months to five years. The EU proposes to replace this provision with a new cascade system whereby a traveller would be issued with a one-year MEV if they have been given three visas in the preceding two years. This would then qualify them first for a two-year, then a five-year, MEV.

The survey asked what effect this, together with new rules designed to improve harmonisation, would have. 91% of Chinese and 85% of Indian respondents replied positively.

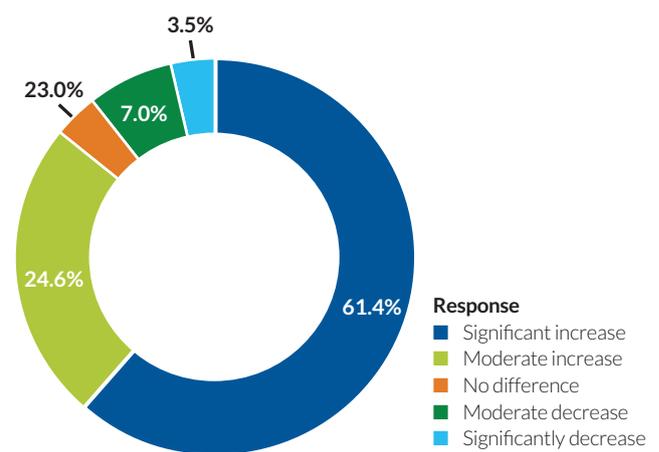
¹⁹ See especially section 2.1.2, European Commission Impact Assessment, Staff Working Document SWD(2018) 77 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018SC0077>

The EU is proposing to introduce a harmonised approach to multi entry visas for regular travellers with a positive visa history, gradually increasing their duration from one to five years. In your opinion, what effect will this have on the volume of applications for MEVs to Schengen area?

China outbound respondents



India outbound respondents



‘Specially for MICE groups, corporate/business travel, this step would be ideal for clients to avoid frequent hassles of applying for a visa’, enthused one Indian travel agent. **‘There is a huge amount of clients who will be willing to go for this if implemented.’**

The results of the survey also make it clear that the reforms could go further. Time and again, respondents emphasised the significant influence of MEVs on repeat travel.

‘When airlines have promotions, clients can go when they are free.’

‘If they have a visa, when they have a travel plan they will give priority to Europe.’

One Indian travel agent pointed out that most Indians applying for a United States visa are given a 10-year MEV and asked why this is not the norm with Europe, too. Long-term visas would increase the volume of traffic to the Schengen area, eliminate the time-consuming documentation process, and reduce the amount of work at consulates and the cost of external contractors.

NET and other trade bodies have expressed reservations about the cascade system, arguing that it is too strict and too complex to be easily understood. It is also not clear what group of prospective travellers the Commission had in mind when it devised the cascade criteria; the required visa history (three visas in two years) is uncommon, particularly in leisure travel. Where is the evidence that this represents a risk-based assessment or identifies a significant class of potential traveller?

The idea of bringing the Schengen visa process more into line with countries such as the USA resonates with the message ETOA is hearing from India and China. The merits of this approach are echoed in the European Parliament’s TRAN committee opinion published in December 2018.²⁰ ETOA cannot see any practical objection to an MEV of longer duration, qualification for which should be much less complex than currently proposed. The proposed requirement that the applicant should have been granted three (or even two) visas in the preceding two years seems irrational.

‘If travel history is good enough with previous travel to USA/UK/Australia, the process of MEV must be faster. This will increase appeal of Europe among clients and help generate more traffic towards Schengen.’

²⁰ Opinion of the Committee on Transport and Tourism for the Committee on Civil Liberties, Justice and Home Affairs on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 810/2009 establishing a Community Code on Visas (Visa Code), (COM(2018)0252 – C8-0114/2018 – 2018/0061(COD)), <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-625.431+02+DOC+PDF+V0//EN&language=EN>

The US, Canada and other countries who routinely issue 10-year visas are evidently satisfied they do not constitute an unacceptable security compromise so long as checks are carried out regularly and that personal data remains secure and accessible. MEV facilitation will drive market activity. A Chinese travel agent pointed to an increase in business as a result of the **‘Slovenia consulate in Shanghai which offers MEV for applicants who will tour our new product ‘Slovenia + Balkan countries.’**

In the words of an Indian travel agent: **‘With MEV, passengers will be more keen on travelling to Schengen and making multiple visits to Schengen!’**

Documentary requirements

The 2010 Visa Code describes various documentation an applicant may need to provide relating to accommodation, medical insurance, proof of financial means, and intent to leave the Schengen area at the end of the visit. A review of the non-exhaustive list of such documents quickly accounts for the continuing confusion and inconsistency that causes so much unnecessary difficulty.²¹

‘Process and documentation requirement is followed differently by different Schengen countries’ – Indian travel agent.

An accompanying handbook to the 2010 Visa Code was intended to *“Lay down operational instructions (guidelines, best practices and recommendations) for the performance of tasks of Member States’ consular staff and staff of other authorities responsible for examining and taking decisions on visa applications, as well as tasks of staff of the authorities responsible for modifying issued visas.”* It is highly detailed, citing the legal basis within the visa code for guidance on a range of issues from permissible photographs to process for collecting biometrics. It is a thorough piece of work which ought to have paved the way to close harmonisation.²² It is obvious, from the experience of those on the ground, that this still has not happened.

Much of the travel industry’s frustration with the present system is the result of poor bureaucracy, not poor policy. Member state officials and appointed third-parties are still not following the guidelines laid out in the handbook to ensure a harmonised application of the Visa Code. If the only change was renewed effort on the part of members states to follow guidelines, the benefits would be significant.

It is a salutary illustration that it is not the quality of the law that matters, but the degree of compliance and its enforcement. ETOA urges more transparency and mutual accountability to bring practices into line.

Medical insurance

ETOA has long argued that it makes no sense to ask applicants to provide proof of medical insurance at time of application. It is unfair to ask someone to pay for insurance they may never benefit from if their visa application is rejected; applicants may cancel a policy after making an application; medical circumstances may change in the months between application and departure. More research is needed to determine the actual cost to EU states of uninsured visitors from visa-requiring countries requiring publicly funded healthcare.

Proof of accommodation

The requirement to provide proof of accommodation at time of visa application is a perennial problem that results in substantial lost business. Tour operators organising group travel cannot finalise a hotel reservation without knowing the size of the group. They cannot know the size of the group until they know how many group members have been granted visas – wherein lies the catch – as applicants cannot obtain a visa without a hotel booking. NET have proposed a way round this by suggesting a change to Article 14, whereby visa applicants should either provide proof of accommodation or sufficient means to cover accommodation or confirmation from inbound agent/operator that accommodation arrangements are in hand.

At things stand, we are in the absurd situation where applicants whose land arrangements are in hand sometimes find themselves having to make additional bookings at the same hotel(s) via an online travel agent whose reservation confirmation acts as ‘proof’ of accommodation, cancelling those bookings once the application is successful. Some consulates are reported to require ‘proof’ from an accommodation provider in their own country, irrespective of where the operator that has made the booking is based. This reflects badly on the Member States’ consulates and third-parties involved. It is bad law capriciously applied – and should change.

²¹ Regulation (EC) No 810/2009 of the European Parliament and Council of 13 July 2009 establishing a Community Code on Visas. Annex II: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Aj0028>

²² Handbook for the Processing of Visa Applications and the Modification of Issued Visas: https://ec.europa.eu/home-affairs/sites/homeaffairs/files/policies/borders/docs/c_2010_1620_en.pdf

Notarisation and duplication of proof

When ETOA asked Chinese travel agents what change they would most like to see to the Schengen MEV visa application process, a startling number cited the requirement to notarise documents for children under the age of 18.

'Cancel the requirements for notarised documents.'

'Exempt procedure of notarised certification, especially during summer vacation, parents feel it's very troublesome and it very much affects the enthusiasm of travelling in Europe.'

'Make formalities as simple as possible, such as child certification.'

'If child has a birth certificate, no need to repeat the proof with notarisation. Takes time.'

'For children under 18 yrs old, pls, pls, pls cancel notarisation!!!!'

Elsewhere in the survey, several Indian travel agents complained of being constantly asked for duplicate information. **'If banks have issued credit cards with significant limits over a reasonable period of five years', one travel agent reasons, 'one should not be asking for other financial documents like income tax returns and bank statements, which form the bulk of the documents to be submitted. Banks have already completed the verification.'**

Digitalisation of documentation is widespread, as is the means to assure security and check validity. As the experience of one Indian travel agent demonstrates, make life difficult for prospective visitors and they will be steered elsewhere. What might seem a modest, if old-fashioned, requirement may still have a drastic deterrent effect. **'Obtaining all new and old passport copies in colour Xerox for Denmark visa is giving very bad impressions. We normally don't push too much on Scandinavian countries.'**

Agents, as well as applicants, must be convinced that progress has been made, in order to change behaviour.

If an efficient, easy to understand, good service is provided, business will follow: **'French processing time became two days. This made us use more days in France in our itinerary.'**

Member state competence to examine and decide on a visa application

In 2009, Schengen Member States handled 10.2 million visa applications. By 2016, that number had risen to 15.2 million. Yet at the same time, Member States have been closing down consulates and visa sections, unable or unwilling to represent each other when the situation demands.

A European tour operator perfectly sums up the frustrations of the tourism industry in trying to deal with some consulates: **'A major concern is that some embassies tell clients they are at the wrong embassy and should go to another – the next embassy then refers them back to the first embassy. It seems embassies want to minimise their own workload by pointing customers away when the itinerary is a clear grey area (eg spending two nights in both countries). The rule 'if similar nights, then look at point of first entry' should be removed. Embassies must be more willing to assist.'**

The cost of travel and time off work to obtain a visa can be prohibitive. While relative time spent in destination state(s) remains the dominant factor in determining competence, more collaboration between Member States and more use of back-office coordination is anticipated. This is most welcome. It makes no sense that each Member State should have to fund a network of consulates throughout the world. Schengen is supposed to promote co-operation, not hinder it.

Parliamentary committees proposed amendments designed to ensure no applicant should ever have to travel more than 500km from their place of residence to lodge an application, and that no applicant should be obliged to make a return journey that requires an over-night stay. The cost of travelling within an origin market to provide biometrics or interview in person can exceed the cost of travelling to Europe.

The ETOA survey also highlighted a frustration, particularly evident in India, at the lack of available appointment slots.

'A change in appointment slot availability is needed, because in a lot of Schengen countries it's extremely difficult to get appointments in the first place.'

'There should be a significant increase in appointment slots in countries like Norway, Austria, Denmark, Italy, etc.'

Leisure travel and business travel often overlap. Experience of one can lead to interest in the other. There is a large opportunity for meetings, incentives, conference and events (MICE) business that is currently squandered.

‘The large incentive groups being sponsored is a big business and streamlining the visa process for these groups could result in a lot of traffic to Europe. At present, a lot of large group movements move to South Asia or UAE because of the difficulty of visa process as sometimes even the visa submission appointments are not available for the next 10-15 days’, wrote an India outbound operator.

Visa cost

The Commission has proposed an increase in visa fee from €60 to €80. The message from ETOA’s survey on visa cost closely mirrors the results of the recent public consultation: it is important but it is not the overriding concern. Of much greater significance, as above, is the cost of travelling to consulates, obtaining notarised documentation and taking time off work.

It is notable that premium services have gained ground among other visa-issuing countries such as the UK. Provision of visa services at places of work, or expedited service, attract higher prices and are likely to be sought-after by high-value visitors. While provision of such services must never compromise standard service levels, they represent scope for innovation which the EU should not accidentally exclude.

Visas applied for at external borders

The Commission proposes that ‘a Member State will be allowed to issue a short-term visa – valid for a stay of up to seven days in the issuing Member State only – at specific land and sea border points.’

This is welcome. It is designed to facilitate short-term and short-notice tourism. It will also be of great practical value to seafarers whose ships’ itineraries are subject to sea conditions and last-minute scheduling changes.

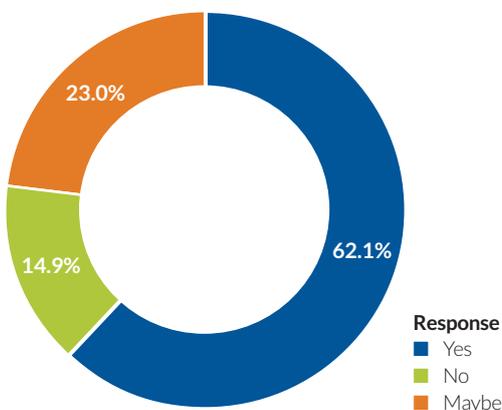
Short Notice Visas (application made under 15 days prior to departure)

While there are currently no plans to introduce such a visa, it could deliver Member States a significant economic dividend, so should be considered. It is important that any visa regime should recognise market and consumer behaviour and adapt accordingly. ETOA’s survey asked travel agents in India and China whether an increased availability of short notice visas would bring significant business opportunities. The response from each market was almost identical, with 77% reacting positively.

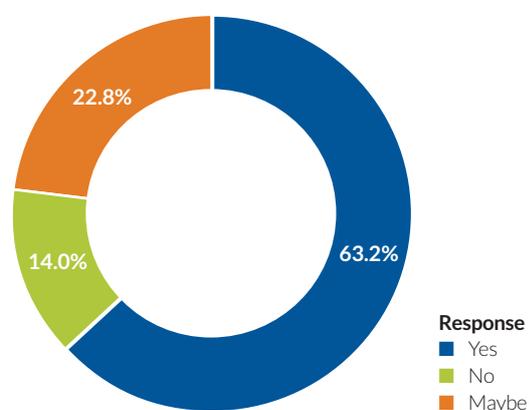
Such visas could command a higher price. The survey indicated that 14% of Chinese clients and 7% of Indian clients booked their trips a fortnight or less before their date of travel. Unless they held MEVs, they did not travel to Schengen.

While there are no current plans to require visa turnaround in less than 15 days, do you think there could be a significant business opportunity in your market if ‘late’ visa applications were possible, perhaps for an additional fee?

China outbound respondents



India outbound respondents



Appendix 1: China to Australia and New Zealand – the relative appeal of Schengen versus other destinations

A review of other countries' visa processes suggests that Australia and New Zealand often receive favourable comment. Given the significance of the Chinese market to the EU, and the relative convenience of travelling to Australia and New Zealand from China, ETOA invited detailed responses to a supplementary survey. Below is the response from one large operator with global reach.

Is the Australia and/or New Zealand visa process more user-friendly than Schengen?

- The Australia and New Zealand visa applications are significantly more user-friendly – both to the individual and to us as a tour operator.
- Australia's allowance of proof of accommodation documentation from us, as the tour operator, saves significant time and resources. This is especially the case for the China market, where customers tend to book shortly before travel; the Schengen process requires us to prepare a significant amount of documentation at a peak time on a traveler-by-traveler rather than group basis.
- Australia's visa process is significantly more user-friendly to the individual submitting; use of an online platform for the entire process, the ability to travel during processing and the longer validity make the process and thus the country much more accessible.

What aspects make it more favourable compared to Schengen?

- Customer
 - Submission: the Australia and New Zealand visa can be submitted online vs in person.
 - Payment: Online vs by cash at the visa application center.
 - Documentation: no original documents necessary, no notarized certificates needed.
 - Visa period of validity: Longer – Australia provides one year multi-entry; New Zealand: two years multi-entries. Schengen is according to the length of the itinerary.
 - Travel during processing: Customers can go abroad while the visa is being processed, whereas Schengen holds the customers' passports.
 - Visa status: Customers can use an app to check their visa status.
- Tour Operator
 - Does not require letters from every hotel.
 - Does not require a namelist to be attached to each hotel letter.
 - Does not require proof of travel insurance.

What other countries have a better application process than Schengen?

- America: Only an interview is required, the customer can bring original documents.
- Turkey: Online application with immediate issue.
- Sri Lanka: One-year visa period of validity with an online process. No other documents are needed.

Any other issues regarding Schengen process?

- Visa refusal without clear reason.
- Requires tour operators to provide hotel-issued visa letters visa letter with guest name, hotel stamp and signatures. As late group-additions are a regular case, this creates significant extra work for the hotels and tour operator, as multiple letters per group are required.
- Children and students must provide legalized and notarized certificates of kinship to prove family relationships. This is more expensive and extends the visa applications process by several weeks; thus sales closing dates must be advanced often shrinking the number of travellers per group.
- Freelancers (non-steady income source) or single people have high refusal risk.

Appendix 2: ETOA impact survey – Schengen visa processing in India, October 2018

This impact survey presents high level preliminary findings from research conducted by the European Tourism Association (ETOA) between July and September 2018. It is intended to inform current debate on the reform of the Schengen Visa Code. It focuses on the strong ‘deterrent effect’ of visas and suggests how that effect may be quantified.



US\$1bn

Potential loss to Schengen zone
of in-destination spend per year

The Indian market represents an important opportunity for European tourism. On average, Indian travellers visit 2.4 countries and five cities on each trip to Europe. Notably, 39% of Indian travellers have had their trip organised by a travel agency, and then travel independently without joining a tour group.¹ If Europe wants to attract this growing population of confident travellers who are used to shopping around and often book relatively late, improved visa processing is essential.

Costing the deterrent effect

59% of all respondents’ clients who travelled in the preceding 12 months considered the Schengen zone as a destination. Of these, over half did not complete a Schengen visa application, as follows:

- 30% considered travelling to Schengen zone, but changed their mind before applying for a visa, primarily due to cost, perceived practical difficulty or other negative factor associated with application. The relative ease and appeal of other destinations is highly influential on these travellers and to those trying to sell them a holiday.
- 25% abandoned the idea during the Schengen visa application process, primarily due to cost, perceived practical difficulty or other negative factor associated with application.

In 2017, 920,699 Schengen visa applications were received from Indian citizens and 837,109 were granted, giving an average refusal rate of 9%.²

If the same refusal rate would have applied to the 55% who, instead of changing their mind before applying or during the process went on to complete a visa application, more than half a million more visas would have been granted to Indian travellers. At an average in-destination spend of \$2,000 per person, that represents US\$1bn of potential opportunity cost to Europe, not counting the spend on international travel and accommodation.³

While this figure is necessarily speculative, its scale illustrates the urgent need to ensure visa facilitation processes for legitimate travel are fit for purpose. Investment in processing ability and intelligent reform to the Visa Code are both strategic necessities.

Note on data

¹ Source: Section 2, ‘Study on tracking multi-destination travel in Europe from long-haul source markets – US, China, Japan and India’, a report produced for the European Travel Commission by Kairos Future, July 2018.

² Source: Visa statistics for consulates, 2017, downloaded from https://ec.europa.eu/home-affairs/what-we-do/policies/borders-and-visas/visa-policy_en#stats 27.9.18

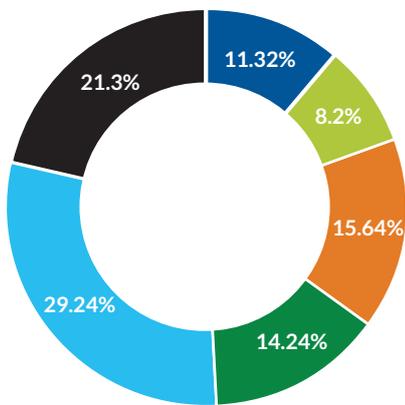
³ \$2000 average spend is an estimate based on a range of sources, and is used for ease of calculation to illustrate approximate scale of loss. Precise figures are problematic as factors affecting the figure include: length of stay and destination countries visited; ratio of group business to FIT; for groups business, the degree to which food, accommodation and road or rail transport are pre-paid as part of a package, in addition to international travel.

For more information please email: policy@etoa.org

Competitive appeal of other destinations

Prospective visitors from India to Europe have options. Two-thirds of those who either never made or abandoned a Schengen visa application still went on a foreign holiday; more than a fifth to a European destination outside Schengen and the UK/Ireland. Both travel agents and outbound operators sell a wide range of products: most will not lose business if their clients want a non-Schengen option. Other destinations are eager to capture market share.

Respondents were asked to think about their clients “who abandoned the idea of a trip to Schengen either before or during the visa application process” and estimate what their subsequent holiday plans may have been.



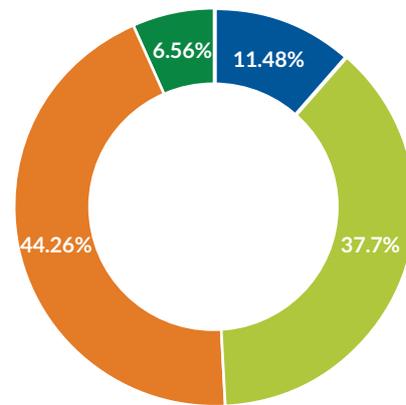
- Response**
- N/A or don't know
 - They did not go on holiday
 - They went to an international destination OUTSIDE both Asia and Europe
 - They went on a domestic holiday in India
 - They went to another international destination in Asia
 - They went to European destination(s) OUTSIDE Schengen & UK/Ireland

Priorities for change

Improved processing capacity and streamlined documentary requirements are essential.

When respondents were asked for a single change which they thought would make the most difference, 44% chose processing times and 38% a simplification or streamlining of documentary requirements.

These are directly affected by the Visa Code and Member States' practice, as well as the practice of external agencies to whom Member States have sub-contracted visa-related work.

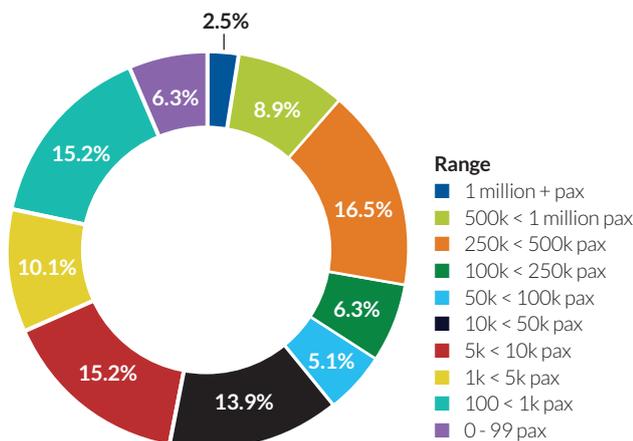


- Response**
- Reduce indirect costs of completing visa application process (time off work, travel, producing documents)
 - Simplify or streamline requirements for documentation
 - Increased processing capacity, especially at peak times
 - Other

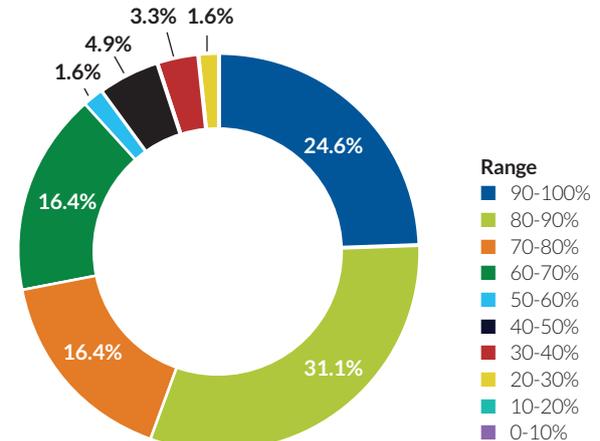
Respondent profile

Total responses from India outbound businesses: 79, of which:
Groups business only: 11.4%; FIT business only: 22.8%; both groups and FIT: 65.8%

Respondents' business size



% of respondents' clients who travelled outside India in past 12 months



Appendix 3: NET position paper for Trilogue Negotiations, January 2019



Network for the European Private Sector in Tourism

Email secretariat@net-tourism.eu

Website <http://net-tourism.eu>

Members

CLIA Europe

CRUISE COMPANIES OPERATING
IN EUROPE

ECTAA

TRAVEL AGENTS &
TOUR OPERATORS IN EUROPE

EFCO&HPA

CAMPSITES, HOLIDAY PARKS
& HOLIDAY VILLAGES IN EUROPE

ETOA

EUROPEAN INBOUND TOURISM

EUROGITES

RURAL & COUNTRYSIDE TOURISM

HOTREC

HOTELS, RESTAURANTS
& CAFÉS IN EUROPE

IAAPA

INTERNATIONAL ASSOCIATION OF
AMUSEMENT PARKS AND ATTRACTIONS

IRU

BUS, COACH & TAXI OPERATORS
WORLDWIDE

NET took note of both the results of the plenary vote at the European Parliament and of the Council general approach with regard to the European Commission proposal to revise Regulation (EC) No 810/2009 establishing a Community Code on Visas (Visa Code).

In view of the upcoming trilogue negotiations, NET would like to position itself on the topic, with the aim of helping to find compromises, always having in mind that visa facilitation takes place within an increasingly competitive market. Unless the application process becomes less burdensome for tourists coming to Europe for legitimate purposes (including tourism), other destinations will benefit.

Overall, NET fully supports the following ideas:

- If consulates are not present in a third country, representation agreements with other Member States can be agreed upon.
- External service providers can also play their role, as long as fees are fair, and Member States continue to be well represented in third countries.
- Reduction of the time to process a visa application.
- Increase of the time for travellers to plan their trip.
- The application form can be signed electronically.
- The use of multiple-entry visas is welcomed (nevertheless, a more user-friendly system should be found, so that travellers can easily use and understand their rights).

In addition, NET urges EU negotiators to consider the following points and to look favourably on their adoption.

Biometric data – art. 13/2/1

NET fully supports the position of the Parliament:

- The applicant may not be requested by an external service provider to appear in person for each application to collect biometric identifiers each time. To enable external service providers to verify that biometric identifiers have been collected, the applicant shall be issued with a receipt after collections of the biometric identifiers.

Justification: to get the biometric data collected each time someone enters Schengen, is an administrative and financial burden to the traveller that should be avoided. What is important is that the biometric data is collected in such a way that it only needs to happen once, barring exceptional circumstances. Appropriate processes can be devised such that data quality and security may be assured long term, and that the applicant will be accurately matched with his or her previously collected biometric data.

Visa fee – art. 16

NET fully supports the Parliament position on the following points:

- Waive of visa fee for children under 12; family members of EU nationals; students and researchers.
- Children between 12 and 18 years old to pay a fee of 40€.
- Applicants whose data is already entered registered in the Visa Information System and whose biometric identifiers have been collected shall pay a visa fee of 60€.

Nevertheless, NET supports the Council position when it states that the amount of the visa fee should be reviewed every three years (instead of two, as proposed by the Commission and defended by the Parliament).

Justification:

- NET defends that the increase in the normal visa fee from 60€ to 80€ should be compensated by other advantages (eg under-age);
- The visa fee should not be too high in order not to discourage travellers to come to Europe.
- A review does not imply an upwards revision: this should not be the norm. NET's position remains that visa facilitation processes constitute an investment and should not be treated as a profit centre. This approach has been echoed in the level of fee fixed for ETIAS.

Interview – art. 21

NET fully welcomes the possibility of conducting interviews using modern digital tools and remote means of communication, such as online voice or video calls (Parliament position).

Justification: In its proposal the European Commission states in its memorandum that Member States should use modern means of communication to interview applicants, rather than requiring them to come to the consulate in person. But this reference is not explicit in article 21/8. NET would welcome this addition.

Modalities for lodging the application – art. 9

NET's first preferred option

Applications can be lodged nine months before the travel (European Parliament position).

NET's second preferred option

If there is no possible agreement on the first option, NET would propose the following:

- Travellers can lodge the application 8 months before the travel
- Seafarers can lodge the application 9 months before the travel

Justification:

- It allows the traveller to better plan the trip.
- Seafarers should have a special regime, due to their specific circumstances (as it had been proposed by the European Commission). Typical contracts have a duration of eight months, which means that the seafarer will be already at sea on the opening date for visa applications.

Decision on the application – art. 23

NET's first preferred option

NET supports the Parliament position:

- Applications should be decided in 10 calendar days.
- Or five calendar days for visa applicants, whose data are already recorded in the Visa Information System and whose biometric identifiers have been collected.

NET's second preferred option

If there is no possible agreement on the first option, NET would agree with the Council general approach (15 days for applications to be decided). But NET would insist that visa applicants, whose data is recorded in the VIS and whose biometric identifiers have been collected, should have a quicker reply (between five and eight calendar days).

Justification:

- There are fewer processes to complete before a response can be given and the applicant has a legitimate expectation that prior data collection will allow a quicker response. Perception of service standard is an essential aspect of Schengen's competitiveness.

Member State competent for examining the application – art. 5

NET agrees with the Parliament position when stating that if the Member State that is competent is located at a distance of more than 500 km from the applicant's place of residence, or if a return journey by public transport from the applicant's place of residence would require an overnight stay, and if the consulate of another Member State is located closer to the applicant's place of residence, the applicant shall be entitled to lodge the application at the consulate of the latter Member State.

Justification:

- The average cost for travelling to the consulate (for the fingerprints to be collected) – is estimated at €60¹;
- But in some cases travel expenses amount to several hundred euros and have a far greater impact on the applicant's budget than the visa².

¹ Page 56 – Commission Impact Assessment: https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/201780314_ec-staff-working-document-impact-assessment-regulation-establishing-community-code-visas_en.pdf

² Page 34 – Commission Impact Assessment: https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/201780314_ec-staff-working-document-impact-assessment-regulation-establishing-community-code-visas_en.pdf

Visas applied at the external border – art. 36

NET supports the possibility of Member States to promote short-term tourism and to decide temporarily to allow the lodging of visa applications at a specific land or sea border crossing point, as proposed by the Commission and defended by the European Parliament.

Justification: This is not a mandatory requirement, but an optional system that would facilitate *bona fide* travellers to enter Schengen.

Travel Health Insurance

NET's first preferred option

Travel health insurance is not mandatory – Parliament's position.

Justification:

- The travel medical insurance is a disproportionate burden for visa applicants.
- There is no evidence that holders of short-term visas present a bigger risk in terms of public medical expenditure in member states than the visa exempted third country nationals.
- The requirement to show medical insurance at time of application is unreasonable since:
 - time of application may be several months before departure and health circumstances change;
 - insurance could be cancelled prior to departure;
 - in the event application was unsuccessful, the applicant may have been put to unrecoverable cost.

NET's second preferred option

NET acknowledges that the travel medical insurance was one of the blocking points in the last trilogue negotiations. To find a compromise, NET would understand if this requirement continues to be mandatory (if other of the NET priorities would be taken on board).

Supporting documents – art. 14/1/b + Annex II/A/3/a

In general terms, NET advocates that requirements for supporting documents be uniform in order to minimise unexpected documentary requirements that cause delay. Nevertheless, NET defends that when it comes to supporting documents, there should be some flexibility.

NET would very much welcome to include **Amendment 13 of the TRAN Opinion Report in the final compromise**: "Member states may require applicants to present a proof of accommodation or proof of sufficient means to cover expenses, including confirmation from inbound agent that accommodation arrangements are being handled".

Justification:

- Tour operators organising group travel typically cannot make a hotel reservation until the group size is known, that size being dependent on the successful number of visa applications. Therefore, proof of specific accommodation during application process is often unavailable.
- Hotels also have issues where visa applicants make a reservation, but either cancel the reservation once a visa is granted (reservations can often be cancelled up to 48 hrs before arrival) or do not show up (using fake or soon-to-expire credit card details to secure the booking).
- For these reasons, NET recommends that the traveller either presents proof of accommodation or proof of sufficient means to cover expenses or confirmation from inbound agent / operator that accommodation arrangements are being handled.

Other points

NET supports the following points included in the European Parliament's report:

- External service providers (art. 17): the fee should reflect the services offered.
- Visa applications and decisions on applications are examined and taken by consulates. Member states should ensure that they are present or represented by another Member State in third countries whose nationals are subject to the visa requirement and ensure that consulates have sufficient knowledge of the local situation to ensure the integrity of the visa application procedure.
- Consulates to have a complaints procedure.
- A common solution ensuring full visa digitalisation should be developed by 2025 in the form of an online platform and an EU E-visa. An accelerated programme could allow remote submission of digital documentation and maximise efficiencies available through electronic forms of checks and reassurance such as are commonplace in other sectors with a high due diligence burden.





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Impact Survey

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