

MBB Policy Briefing

The Malta Business Bureau is the EU-Business advisory office of the Malta Chamber of Commerce, Enterprise and Industry, and the Malta Hotels and Restaurants Association.

2013/0140(COD) – Proposal for a Regulation on official controls and other official activities performed to ensure the application of food and feed law

This proposal is a revision of the current Regulation 882/2004, where there was no obligation for national control authorities to charge fees for food inspections in restaurants. In fact, the Maltese Food Health Inspectorate does not levy charges for carrying out what is essentially a public service.

However, the Commission proposal (COM(2013)0265) for a new regulation abolishes the freedom allowed to member states' food health inspectorate authorities in relation as to whether inspection fees should be charged or otherwise to restaurateurs.

The proposed new regulation not only abolishes this freedom, in clear contravention of the **subsidiarity principle**, but it also provides that national authorities should have an obligation to collect fees from all food business operators, in order to recover the costs of official controls. Thus, the cost of official food inspection controls could be borne by restaurateurs and catering food operators.

Maltese business strongly opposes the Commission's proposal since:

1. The introduction of a mandatory system of inspection fees will inevitably generate a **new direct financial burden** to the local hospitality industry at a time when all stakeholders should be focused on facilitating the buoyant performance of the sector even further. Many small businesses in the hospitality industry would not be able to afford the imposition of an additional fee and would not understand an EU obligation pay a control fee.
2. The potential introduction of mandatory food inspection fees would also generate an **inflationary impact along the entire food supply chain** since the additional costs will ultimately be also transmitted down to chain to suppliers of food products thereby contributing to a higher retail bill to the consumers.
3. The obligation to collect fees also runs counter to the very notion that **food inspectorate authorities are there to deliver a public service**, which should be therefore primarily financed

via general taxation schemes and not through an additional government revenue stream at the expense of food business operators.

4. The initiative is in clear **breach of the principle of subsidiarity and the Better Regulation Agenda**. The fact that national authorities in some Member States charge inspection fees in restaurants, while authorities in other Member States do not, has absolutely no bearing on the European Single Market.

It is paramount that national governments are left free to decide themselves how best to finance their official control activities in the food sector. This position has already been supported and indeed endorsed by the European Parliament in its 1st reading position in plenary, adopted on the 15th April 2014 in Report T7-0380/2014 by MEP Pirillo. Article 77 has been amended to the following:

	Commission Proposal	Report T7-0380/2014 (April 2014)
Art. 77	Mandatory fees 1. For the purpose of ensuring that competent authorities are provided with adequate resources for the performance of official controls, the competent authorities shall collect fees to recover the costs they incur in relation to: [...]	Mandatory fees <u>or contributions to the costs</u> 1. For the purpose of ensuring that competent authorities are provided with adequate resources for the performance of official controls, the competent authorities may collect fees <u>or contributions to the costs</u> to recover, <u>some or all of</u> the costs they incur in relation to: [...]

The MBB calls on the European Institutions to follow a similar approach to the one adopted by the European Parliament. Such a position has already been communicated by European Social Partners HOTREC and UEAPME

The Malta Business Bureau has been proactive by organising specialised workshops with food establishments in February 2014, which provided hands-on training on the new obligations emanating from EU Regulation 1169/2011 on the provision of Food Information to Consumers.

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Contact persons:

- Mr. Mark Seychell, Policy Executive, Malta Business Bureau
 - Email: mseychell@mbb.org.mt
 - Tel: +356 2125 1719
 - Mobile: +356 9924 9602

For more information on the Malta Business Bureau please visit www.mbb.org.mt