

Question for written answer E-004023/2015
to the Commission
Rule 130
Werner Langen (PPE)

Subject: State funding for youth hostels

The German Youth Hostel Association (GYHA), which owns 513 youth hostels in Germany, performs a necessary and worthwhile social function by providing overnight accommodation for schoolchildren, young people and large families.

The fact that the GYHA has modernised a number of its facilities in recent years has prompted private competitors to speculate that the association is secretly being handed state aid. In particular, the fact that youth hostels are exempt from even the reduced rate of VAT and receive public funding for building alterations and new buildings has drawn criticism, on the grounds that these arrangements allegedly distort competition.

1. Is it true that the VAT exemption granted in 1927 still applies because it was guaranteed under the 1957 Treaty establishing the European Economic Community?
2. What progress has been made in the investigation into the allegation by private hotel chains that youth hostels are receiving illegal state aid? When are the proceedings likely to be completed?
3. What view does the Commission take of the structural policy funding programmes which provide for investment in private tourism firms and hotels?