

UK: A CAMPAIGN TO CUT THE TOURISM VAT LAUNCHED



In the UK several MPs from the Conservative Party and candidates from the West have asked the government to reduce the current VAT for the tourism industry. To boost the industry, they are calling for the reduction of VAT from 20 percent to 5 percent on attractions and accommodation. The reduction would generate GBP 4 billion and create 120,000 jobs.

The calls for the reduction came from among the travel trade stakeholders and have secured a backup from several Tory MPs. The MPs are from the western constituencies where tourism is the backbone of the local economy. They are optimistic that the Chancellor will consider their request and include a VAT reduction plan during his autumn budget statement. If not, the Conservatives plan to impose the reduction in their campaign manifesto ahead of the 2015 General Election.

The MPs insist Britain's VAT on attractions and accommodation is almost the highest among EU members. When Lithuania reduces their tax later this year, UK will reach the top position with the highest VAT. According to the MP for West Somerset and Bridgewater, Mr. Ian Liddell-Grainger, part of the government's economic plan for the future should be reducing VAT for the industry as much as possible. The claims are supported by research.

Mr. Liddell-Grainger also added that their aim is to create jobs, accelerate growth, and generate a monetary surplus. All these would be achieved with ease by cutting the tourism VAT. He insisted that the Chancellor should consider the VAT cut and have it included in the autumn statement.

An aspiring Conservative MP for Somerton and Frome, David Warburton, is also of a similar opinion. He agrees that tourism not only plays a crucial role in the economy of South West, but also showcases the regions magnificent rural landscape. It brings thousands of visitors to the region each year to enjoy the lively towns and villages.

Mr. Warburton lamented on the need to support the industry to ensure that it grows and flourishes. He also said that reducing VAT to five percent would add about GBP 4.5 million which would go a long way in promoting development projects in Somerton and Frome constituency. **At the national level, the campaign claims reducing the VAT would generate about 120,000 jobs and add more than GBP4 billion to the economy.**

The campaign chief supporters are corporate industry leaders such as Merlin Entertainments and Bourne Leisure Group, and the hospitality association. Other small independent supporters are such as Piers and Attractions, and the British Association for Leisure Parks.

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