

# NORTHERN IRELAND: TOURISM STAKEHOLDERS CALL FOR ALL-ISLAND COLLABORATION



The offer of Northern Ireland for tourists is wide. There are tons of beautiful scenery and amazing sights up for discovery in the region, if only people would take the time to venture outside the city and explore the rural communities nearby. To develop tourism, cooperation of all the regions is essential.

With a combined yearly contribution of GBP 720 million and a working populace of 45,000 people, the **tourism and hospitality industries are integral to the economy of Northern Ireland.** These shouldn't be underestimated, especially when the indirect impact that they have on other industries (e.g. food and beverage manufacturing, agriculture, marketing, advertising) is also considered.

In its defense, the Department of Enterprise Trade and Investment is hard at work into completing its goal of turning the tourism sector into a GBP 1 billion industry by 2020. There have been heavy investments in infrastructure, application of bidding for international events, the successful implementation of the British-Irish visa scheme (that makes it easier for the Chinese and Indian tourists to enter the region), and the abolishment of air passenger duty on long-haul flights. All of these are expected to help increase tourist turnout in the coming years.

However, there are still a few things that are holding the tourism sector back. The most prominent of these is the VAT, which deals a severe blow to the sales of tourism-related goods. This and the pound's strong performance this year have caused prices to go up by as much as ten percent. Compared to the Republic's lower VAT rate, this is severely impacting the tourism sector in a negative way.

**To counter these setbacks, tourism experts call for strong all-island collaboration to further push the market for cross-border tourism.** This initiative is expected to help rural communities in the border areas build multiple tourism connections and partnerships. With this idea in mind, the district councils could tap into EU programmes such as the COSME for financial help. The 2.3bn COSME is noted to have specific funding opportunities for small business in the tourism industry. The funding from these programmes can be of great help to fledgling tourism-related enterprises.

Local politicians should also step up and increase political pressure on Westminster according to the tourism businesses. The tourism sector might be doing well at first glance, but the VAT is limiting its potential. It is to be remembered that there have already been appeals to lower tourism-related VAT back in 2012, but this proposal had unfortunately encountered a bottleneck in Westminster. This happened, despite the fact that VAT reductions for the tourism industry have also been introduced in other EU countries with great success. Even the HM Treasury's own economic model itself shows that a reduction in VAT can reap huge rewards for the entire UK economy at large.

In light of the coming May elections, now is the time for politicians to flex their political muscles and work for the improvement of Northern Ireland's tourism sector.

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