

# IRISH GOVERNMENT TO TEMPT TOURISTS THROUGH TAX RELIEF



After tough economic times, the Irish government has decided to woo tourists by introducing lower rates of VAT and by taking advantage of the London Olympics next year by waiving visas.

The Irish are now attempting to attract tourists to their country through an offer of financial benefits, i.e. making visits to the Republic a lot cheaper than they were.

**The government has slashed VAT rates on tourism-related services from 13.5% to 9%**, meaning that hotels, means of transport and restaurants should become a lot cheaper. It is hoped that the increasing number of foreign visitors will make up for the initial losses in tax revenue, thus making it worthwhile for everybody as long as extra numbers do actually arrive.

The lower rate of VAT, it is thought, will have its biggest impact on the restaurant and catering industry. The fact that brochures and other advertising materials will also be subject to a mere 9% VAT, is also a great help to businesses involved in tourism. The reduction of air travel taxes has a similar aim: to encourage more visitors by enticing them with lower prices and not burdening them with controversial charges.

**The Irish also wish to take full advantage of the London 2012 Olympic Games by tempting visitors coming to England's capital to visit Ireland as well.** A problem for them would have been the need for a visa, yet this obligation shall be waived between July and October 2012 since the visa to the UK shall also be valid for the Republic of Ireland. This visa waiver program will be of particular interest to the large number of Indian tourists expected to turn up in the UK for the games.

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