



“There are always good cases for cutting VAT on individual items. The leisure industry and the hotel industry make a very good argument”

Prime Minister David Cameron

AT ODDS WITH EUROPE...

- Most EU Member States apply a reduced VAT rate to tourism services because:
- Tourism is a highly price-sensitive sector
- Reduced VAT results in lower prices and increased demand
- Inconsistencies in the application of reduced tourism VAT rates lead to distortions of competition within the Internal Market.
- The tourist industry is a key sector of the European economy, generating over 10% of EU GDP and employing 9.7m people in 1.8m businesses.
- The EU allows Member States to apply reduced VAT rates to “labour intensive services” such as Tourism as a means to reduce unemployment:
- Youth unemployment in Europe is at the core of the economic crisis. More than 26 million men and women in the EU are unemployed
- Reduced Tourism VAT represents a highly cost-efficient mean of promoting employment in the EU

APPLICATION OF TOURISM VAT RATES BY EU MEMBER STATES			
Hotel accommodation		Admission to amusement parks	
Austria	10	Austria	10
Belgium	6	Belgium	6
Bulgaria	9	Bulgaria	20
Croatia	13	Croatia	25
Cyprus	9	Cyprus	5
Czech Republic	15	Czech Republic	15
Denmark	25	Denmark	25
Estonia	9	Estonia	20
Finland	10	Finland	10
France	10	France	10
Germany	7	Germany	19
Greece	6.5	Greece	13
Hungary	18	Hungary	27
Ireland	9	Ireland	9
Italy	10	Italy	22
Latvia	12	Latvia	21
Lithuania	21	Lithuania	21
Luxembourg	3	Luxembourg	3
Malta	7	Malta	18
Netherlands	6	Netherlands	6
Poland	8	Poland	8
Portugal	6	Portugal	6
Romania	9	Romania	9
Slovakia	20	Slovakia	20
Slovenia	9.5	Slovenia	9.5
Spain	10	Spain	21
Sweden	12	Sweden	25
UK	20	UK	20

The Campaign for Reduced Tourism VAT is led by:

