



*“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**

## CREATING JOBS... GROWING THE ECONOMY

- A report by Professor Adam Blake using the Government’s own methodology concluded that cutting tourism VAT to 5% is **“one of the most efficient, if not the most efficient, means of generating GDP gains at low cost to the Exchequer”**.
- Reducing VAT on key tourism services such as visitor accommodation and entry to attractions would:
  - **Boost GDP BY £4bn a year**
  - **Create 80,000 jobs over 2 to 3 years**
  - **Deliver £2.6bn to the Treasury over 10 years**
- UK tourism is labour intensive. It provides jobs at all levels, full-time and part-time for people of all ages but particularly young people. **44% of people employed in tourism are under 30, compared to the national average of 24%.**
- According to a public survey **65% thought it unfair that UK families pay more than twice as much VAT** as those in Germany and France for a domestic holiday.
- Tourism is the UK’s sixth largest export-earner, **generating over £20bn from overseas visitors every year, yet it is the only export industry subject to VAT.** Reducing tourism VAT to 5% would encourage more domestic holidays as well as overseas visitors.
- The current rate of 20% VAT undermines UK tourism’s ability to compete effectively against other EU member states – **out of 28 EU member states only 4 do not take advantage of the reduced rate of VAT on visitor accommodation.**

The Campaign for Reduced Tourism VAT is led by:

