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Member: Public Accounts Committee

Adrian Cummins
Restaurants Association of Ireland
11 Bridge Court
Citygate, St. Augustine Street,
Dublin 8

24 July 2013

Dear Adrian,

Thank you for contacting me about this issue. I am aware of how important the 9% VAT rate is to the service and hospitality sector.

Please find attached a letter that I sent to the Minister for Finance, Michael Noonan, on the issue of maintaining the reduced rate of VAT at 9% for the tourism and hospitality sectors.

There was also an article on the issue in last week's edition of the Galway City Tribune as well as an interview on this morning's news show on Galway Bay FM.

I appreciate all your invaluable information in relation to this matter and I look forward to hearing from you again in the near future.

Sincerely,

A handwritten signature in black ink that reads "Derek Nolan". The signature is fluid and cursive.

DEREK NOLAN TD

Labour Party Deputy for Galway West





Michael Noonan TD, Minister for Finance
Department of Finance
Government Buildings
Upper Merrion Street
Co Dublin 2

15th July 2013

Dear Minister,

I am writing to you regarding the 9% VAT rate applicable the tourism sector. As you are aware, this rate is only scheduled to be implemented until the end of this year. I feel there is a very strong case for maintaining the 9% rate into 2014 and the years that follow.

Having dealt with numerous representatives from the tourism and service industry in Galway, there is a general consensus which indicates that the 9% VAT rate is integral to ensuring continued growth within the tourism sector. The recent publication of the most up to date CSO figures indicate this point clearly as there was a visible 8.1% increase in visitors to Ireland in 2013 compared to the same period last year

In one particular case, a respected local hotel manager has indicated that there has been a significant increase in visitors from typically non-traditional locations such as Scandinavia, Russia and Israel as well as continued growth from the US and Canada. The 9% VAT rate is integral in this regard as it allows hotels, bars and restaurants to maintain competitive prices while also retaining and increasing staff.

I am keenly aware that any decision is made under considerable pressure but, again, I would urge you to pay particular attention to this key issue and maintain the VAT rate at 9% into 2014 and beyond. This rate is integral in the expansion of the tourism industry in Ireland which, in turn, is key to ensuring continued job growth within the SME sector.

Sincerely,

DEREK NOLAN TD
Labour Party Deputy for Galway West

