



Irish Tourism Industry Confederation Press Release

Vat deferral scheme vital to alleviate serious cashflow pressures in Tourism & Hospitality sectors - ITIC

- Immediate action is critical as thousands of jobs at stake due to volume of cancellations and lack of future bookings -

- "Cashflow is the oxygen of business" according to ITIC who state that Tourism is in front line of Coronavirus business impact -

11th March 2020: The Irish Tourism Industry Confederation (ITIC) today warned that the next weeks were critical for the survival of many tourism and hospitality businesses who find themselves in the business front line of the Coronavirus impact.

With the movement of people impacted, airlines halting routes, and events and travel plans being cancelled, tourism and hospitality businesses up and down the country are facing massive survival pressure. Earlier this week the St Patrick's Day parade was cancelled and tourist attractions such as the Book of Kells closed due to the Coronavirus outbreak.

"Coronavirus is first and foremost a public health issue but the business and economic implications are stark" said Eoghan O'Mara Walsh, CEO of ITIC, the umbrella group for the sector. "We fear that thousands of tourism jobs will be lost in the next few weeks and are urging Government to do all within its power to support the country's largest indigenous industry and biggest regional employer".

ITIC has called on Vat payments due to Revenue - that are next due on March 19th - be deferred for tourism and hospitality businesses, as happened during the Foot and Mouth Crisis in 2001, to help alleviate cashflow pressures. *"Many businesses are under intense and immediate liquidity pressure and cashflow is the oxygen that business needs at this crucial time"* said O'Mara Walsh.

This call was supported by the Irish Hotels Federation, the Restaurants Association of Ireland, the Association of Visitor Experiences and Attractions and other ITIC members. *"Hotels and guesthouses are facing an unprecedented challenge"* said Elaina Fitzgerald, President of the IHF, *"and managing cashflow over the next few weeks will be the difference between staying in business and not".*

Adrian Cummins of the RAI said businesses had to be supported to minimise job losses *“Deferral of Vat payments happened during the Foot & Mouth crisis and this policy needs to be triggered again without delay for tourism businesses who are in survival mode”*.

Niall O’Callaghan, Chairman of AVEA and MD of Shannon Heritage, said *“Visitor Attractions are at a critical juncture with staff at the heart of delivering its experience. With bookings down significantly due to immediate cancellations and the first half of the year looking bleak our ability to keep businesses open is dependent on cashflow which is currently seriously compromised”*.

It is ITIC’s understanding that a deferral of Vat would not require government formation or a Dáil vote but could be implemented via an executive decision of the Minister for Finance.

ITIC have said that Coronavirus has to be treated like a “no-deal” Brexit and a fighting fund needs to be put in place for the tourism sector for the duration of the crisis including interest free loans, waiving of local authority rates, a business assurance scheme, as well as reduced Vat rate and increased marketing funds once the crisis had passed.

“This crisis will pass”, said O’Mara Walsh, “but it is critical that there is a tourism industry in place once a degree of business normality resumes”.

ENDS

For further information contact:

- Eoghan O’Mara Walsh, Chief Executive, ITIC: 086 6057909
- Michael Moriarty, Fleishman Hillard: 087 2432550

About the Irish Tourism Industry Confederation:

The Irish Tourism Industry Confederation was founded in 1984 and is the umbrella group representing the leading tourism interests in Ireland. Its members come from key tourism stakeholders across the public and private sector and include Aer Lingus, Irish Ferries, daa, Shannon Group, Irish Hotels Federation, Incoming Tour Operators Association, Guinness Storehouse, Restaurants Association of Ireland, Vintners Federation of Ireland and Association of Visitor Experiences & Attractions amongst others.

Tourism is Ireland’s largest indigenous industries and is a critical component of the export economy. Key tourism facts:

- Worth €9.3 billion annually
- 9.7 million staying international staying visitors in 2019
- Tourism employs 265,000 nationally
- 1 in 10 jobs nationally are in tourism & hospitality sector
- According to Fáilte Ireland, for every euro spent by tourists 23c is generated in tax.”
