

## Tourism industry welcomes 9% VAT extension

- **Industry representative group says VAT extension and TBESS expansion will help 20,000 businesses as they face a challenging year**

**Ireland – February 21<sup>st</sup>, 2023:** The Irish Tourism Industry Confederation (ITIC) has today welcomed Government's decision to extend the 9% VAT rate for the sector and the expansion and simplification of the Temporary Business Energy Support Scheme.

Elaina Fitzgerald Kane, Chair of ITIC, said *"Ireland's tourism and hospitality industry is relieved that the 9% VAT rate is to be maintained for a further 6 months as it is a vital tool to enable the continued recovery of tourism"*.

Tourism is the country's largest indigenous industry and biggest regional employer. A report by economist Jim Power commissioned by ITIC last month had found, in the event of an increase in the VAT rate, that there would be an inflationary impact of 4.1% on accommodation and food services and that 24,000 jobs would be at risk.

Fitzgerald Kane acknowledged the support of Tourism Minister Catherine Martin saying that *"she quickly recognised the challenges facing the sector and brought the argument effectively to the Cabinet table."* She said Ministers McGrath and Donohoe had responded constructively to industry concerns.

Eoghan O'Mara Walsh, CEO of ITIC, welcomed today's announcement by Government but said that tourism still facing a very challenging time *"business costs continue to escalate, there is an acute supply shortage, and key source markets are looking vulnerable"*. He urged Government to maintain pro-tourism policies on an ongoing basis saying *"There are 20,000 businesses in this sector, the majority of which are SMEs, labour-intensive and in regional Ireland. The full recovery of tourism to Ireland is not expected until 2026 so there is quite a climb ahead"*.

**ENDS**

**For further information contact:**

Eoghan O'Mara Walsh, CEO ITIC: 087 8374968

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. A full list of member organizations can be seen on [www.itic.ie](http://www.itic.ie).

Key tourism facts in 2019 (last full year pre=pandemic):

1. Worth €9.2 billion annually

**Irish Tourism Industry Confederation**

**PRESS RELEASE**

**February 21<sup>st</sup> 2023**

2. 9.68 million international staying visitors in 2019
3. Tourism employed 265,000 nationally in 2019
4. 1 in 9 jobs nationally are in tourism & hospitality sector
5. According to Fáilte Ireland, for every euro spent by tourists 23c is generated in tax