



Press Release

For immediate release

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UK removal of VAT relief on travel retail shopping is a threat to all our businesses

Last Friday, the UK Exchequer Secretary to the Treasury, Kemi Badenoch MP released a Written Ministerial Statement announcing the rules which will apply to goods carried across borders by passengers travelling to and from Great Britain to countries outside of the United Kingdom at the end of the Brexit transition period, i.e. from 1 January 2021.

Expressing concerns with the announcement, Nigel Keal, President of the ETRC stated:

“The proposal from the United Kingdom to remove VAT relief from sales to international passengers leaving the UK poses a threat to us all. VAT free sales are a cornerstone of the duty and tax free industry. If adopted, this proposal would dismantle the framework upon which our industry operates, and eventually threaten the viability of the entire aviation ecosystem.

While we do welcome the return of duty and tax free on excisable products, the majority of products we sell are not excisable, and through the relief provided on VAT for those sales, we have seen the establishment of a global industry. Removing this essential building block could cause irreparable harm to our industry, especially if replicated in other countries.

In addition to our retail members in the UK, categories such as Perfumes and Cosmetics, Electronics, Confectionery, Souvenirs and high-end luxury goods, will immediately suffer should this proposal enter into force.

ETRC will be working closely with the industry in the UK to respond to this threat and impress upon the UK Government the potential consequences of this policy. The primary lobbying campaign in the UK will be led by the UKTRF. We therefore urge the industry to get behind the UKTRF and to make their voice heard with the British government“.

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About the European Travel Retail Confederation

The European Travel Retail Confederation (ETRC) is an industry association for the duty free and travel retail industry in Europe, serving the industry and its members to help create the right environment to allow the industry to achieve its potential and protect it when challenges arise.

ETRC is composed of national and regional affiliated trade associations representing over 200 European companies, Tax Free World Association (TFWA) representing 500 brand companies, and direct corporate membership from individual companies working in the duty free and travel retail trade across Europe and beyond. The European Travel Retail Confederation's operations are directed by its Supervisory and Managing Boards and carried out by a full-time secretariat. For more information about the organisation, please see our website – www.etr.org