

UK travel tax stays

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THE Caribbean has failed in its lobby to get the United Kingdom (UK) to place it in a band which would see tourists to the region paying similar Air Passenger Duty (APD) rates as those to several rival destinations.

Not only has the UK refused to grant the Caribbean the requested design change to the banded system, but London has also announced a 10 per cent hike in the controversial tax as of next April.

Yesterday, Tourism Minister Edmund Bartlett expressed disappointment that the arrangement was not adjusted to establish only two bands for long and short haul respectively, and that a rate adjustment was not embraced.

He told the Observer that the Caribbean had been hopeful the UK would implement a Band A for short hauls in Europe and a Band B to incorporate the rest of the world.

“This would mean that the United States markets, which are farther away from London, would not have the advantage of a lower rate,” he said.

“Despite our intensive lobby efforts, not only has the UK Government refused to adjust the banding system, but they have increased the rate. Hence they have rejected every recommendation the Caribbean and other partners have put forward, thus making a mockery of their call for consultation,” Bartlett added.

With the UK moving fast to put this new decision into legislation, Bartlett said there appears to be no further scope for dialogue on the issue.

As such, he said, the Caribbean will have to take a new look at its marketing strategies and the market diversification programme which will see a stronger emphasis on emerging markets as the energy from which growth in visitor arrivals will be derived.

In the case of Jamaica, Bartlett said the country has already embarked on such a strategy.

“We are going to have a significant inflow from some new destinations, particularly South America, and we will be driving a stronger marketing approach out of the Caribbean, Latin America and South America and the rest of Europe such as Italy, France, Germany and Russia,” he said, adding that long-term marketing development will be pursued in China and other Asian countries.

Since the announcement, Bartlett said he has been in touch with regional colleagues who have all expressed disappointment with the outcome, given the months of consultations with British parliamentarians and other interest and affiliate groups.

“The CTO’s (Caribbean Tourism Organisation’s) position is that this response is a slap in our faces because we have been very involved in the consultations and we did get the sense that the Caribbean had an issue that would have been addressed,” Bartlett said.

The tourism minister said the stakeholders believed that approach would have ensured greater equity.

“So we are very surprised that after engendering support at the parliamentary level in the UK, and despite the fact that many agree that the current regime is discriminatory, there was no

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change,” he said.

“Notwithstanding our efforts, the current tax burden placed on British travellers to the Caribbean will continue to have an adverse effect on the region’s tourism earnings,” he added.

Jamaica receives approximately 200,000 visitors from Britain yearly, which represents only one per cent of the tourist traffic from that country to the Caribbean since the introduction of the APD.

But Bartlett said other Caribbean destinations like Barbados, which gets 40 per cent of its tourists from Britain, will be significantly affected. Some of these countries, he said, are already experiencing up to 13 per cent decline in UK visitors.

Meanwhile, the Caribbean Hotel and Tourism Association (CHTA) said it strongly condemns the decision by the UK Government.

“This decision demonstrates the UK’s complete disregard for the future economic prosperity of the Caribbean and the role of tourism in development,” the CHTA said in a statement released yesterday.

The CHTA said the discrimination of the APD band structure is demonstrated by the fact that this tax on an economy class ticket from London to Barbados, a distance of 4,190 miles, is US\$130 compared to an APD tax of US\$104 for London to Honolulu, a distance of 7,220 miles.

“For flying 72 per cent further to Honolulu the APD charged is 20 per cent less than it is on a flight from London to Bridgetown, even though Barbados is much closer,” the CHTA said.

The APD charged to Barbados on a per mile basis is 114.7 per cent more expensive when compared to the per mile charge to Honolulu. In addition, visitor arrivals from the UK for 2007 to 2010 have decreased by 19.7 per cent while arrivals from all other destinations have increased by 2.2 per cent for the same period.

In order to minimise further economic downturn in regard to visitor arrivals from the UK, the CHTA said it is calling on Caribbean governments to urgently address this unacceptable discrimination against the Caribbean by the UK Government.



BARTLETT... they have rejected every recommendation the Caribbean and other partners have put forward

