

24th April 2007

Events Industry Alliance Welcomes Government's Tax Halt

Bed Tax Put To Sleep

Last summer EIA raised concerns over the possible introduction of a Bed Tax, which would increase in the overall cost of exhibiting or attending an event. The tax would be a negative influence and could hinder the development of this expanding sector. The EIA is delighted to welcome the government's decision to rule out the possibility of implementing such a tax, following the Sir Michael Lyons inquiry last month.

Phil Woolas, local government minister, said: *"Sir Michael examines the case for a tourist tax. He concludes that there is not a strong evidence base for the introduction of such a tax. While he puts the case for a consultation on this issue, we are not, therefore, inclined to focus on this area. The government does not intend to introduce a tourism tax."*

The EIA lobbied vociferously with Visit Britain and others against the introduction of a local room tax that would have pushed the tax on accommodation in the UK to almost three times the European average (Visit Britain). The UK already has the second highest level of taxation of any tourism destination in the world according to figures from the World Travel and Tourism Council, so the government's decision has been greatly welcomed.

Trevor Foley, EIA group chief executive comments ***"it's great to see government thinking and now acting in a more joined-up manner and especially gratifying for this announcement to follow the recent EIA reception at Parliament lobbying for just this type of integrated planning. Let's have more of the same. Our members want to see greater involvement by government at national and local levels to actively promote what is a world-leading sector."***

===ENDS===

The EIA is supported by marketing partners Dubai World Trade Centre, IELA and getmemedia.com

---NOTES TO EDITORS---

EIA's Bed Tax Stance

The exhibition/event industry is one of substantial size and significance. It generates considerable economic activity, and is an important, visible player in the global marketplace. There are approximately 500 UK trade fairs and exhibitions each year attracting 17 million people annually. The UK exhibitions/events industry contributes £9.3 billion to the UK economy, and provides 137,000 jobs – 0.5% of total UK employment – generating £1 billion in tax revenue per annum.

For the leisure sector, exhibitions are a vital engine of activity, generating revenue relating to accommodation of £720m, the equivalent of 19m beds a year (AEO/AEV).

The Alliance opposes the imposition of this new tax and would like to make the following points:

- The UK already has the second highest level of taxation of any tourism destination in the world (World Travel and Tourism Council).
- The introduction of a local accommodation tax would push the tax on accommodation in the UK to almost three times the European average (Visit Britain).
- UK exhibitions compete in a global marketplace. Some 12% of visitors and 17% of exhibitors at UK exhibitions come from overseas (figures we are determined to grow). Any reduction in that number would impact on the industry. The UK is already seen as an expensive destination and this proposed new tax would only confirm that view, presenting another barrier to either attending an exhibition or exhibiting in UK.
- The cost of exhibiting is an issue for the industry and any increase in the overall cost of exhibiting or attending an event will have a negative influence and could hinder the development of this expanding industry. For example:

Some companies will choose not to exhibit. Other companies meanwhile will reduce the number of staff used to exhibit, which will inevitably impact on the quality of service to visitors.

Visitors may well choose not to attend an event. Visitors who do attend may cut short their visit, thus depriving local businesses of the associated benefits from the exhibition/event, negatively impacting on local restaurants, cafes, taxi firms, convenience stores etc..., and ultimately denying the local community of vital income.

- If, for example, the cost of this new tax totaled just £5.00 per bed then this would result in an extra £95 million in cost for our customers to bear.

About the EIA: www.eventsindustryalliance.com

The Events Industry Alliance (EIA) is the new marketing arm for the exhibitions and events industry, tasked with telling business leaders and media planners about the huge prospects for business growth through the medium of "Face to Face Marketing", and increasing recognition in Government of the considerable value of the industry to the UK economy.

This new body has been formed by and is equally owned by members of three associations that have increasingly worked together to speak with one powerful voice for the industry:

- The Association of Exhibition Contractors (AEC)
- The Association of Exhibition Organisers (AEO)
- The Association of Event Venues (AEV)

The EIA aims to:

1. Provide a single stronger voice for the industry
2. Better resource industry promotion activities
3. Enable greater sharing of information and intellect between existing association parties and new communities
4. Increase professionalism within and knowledge of the industry at all levels within member companies, In order that all members can run existing events more successfully and win more exhibition/event business.

For more information, visit the website at www.eventsindustryalliance.com

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