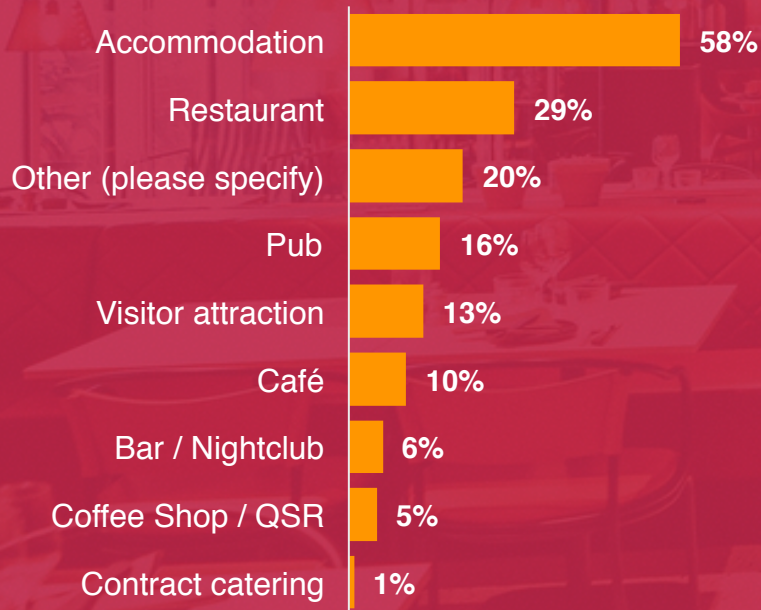


UKH, BBPA, BII, TOURISM ALLIANCE & ALVA VAT MEMBERS SURVEY 6.9.21 – 17.9.21

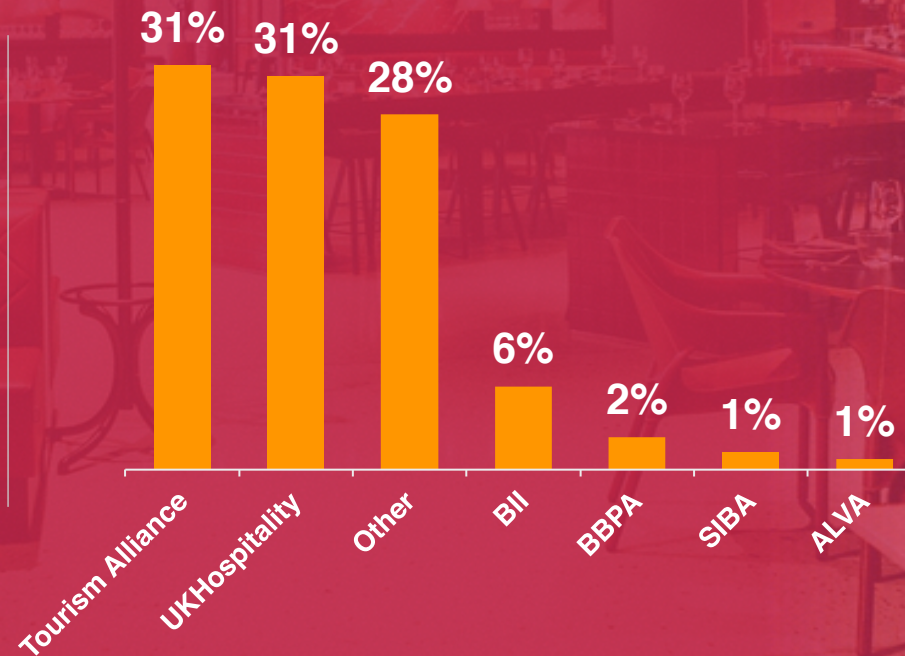
METHODOLOGY AND SAMPLE...

Results collected between 6.9.21 – 17.9.21

Business type



Trade association membership



Overall responses:

815

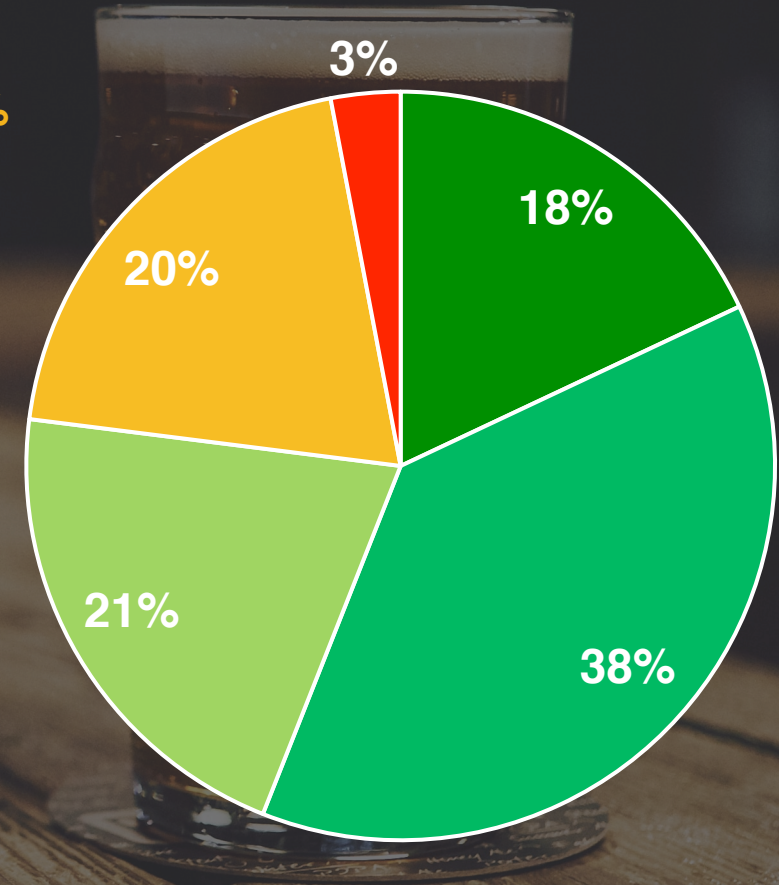
3 in 4

Businesses state the reduced VAT rate
of 12.5% will be **important or crucial**

The reduced rate of VAT will be highly important to businesses, with 3 in 4 (77%) stating it is important or crucial

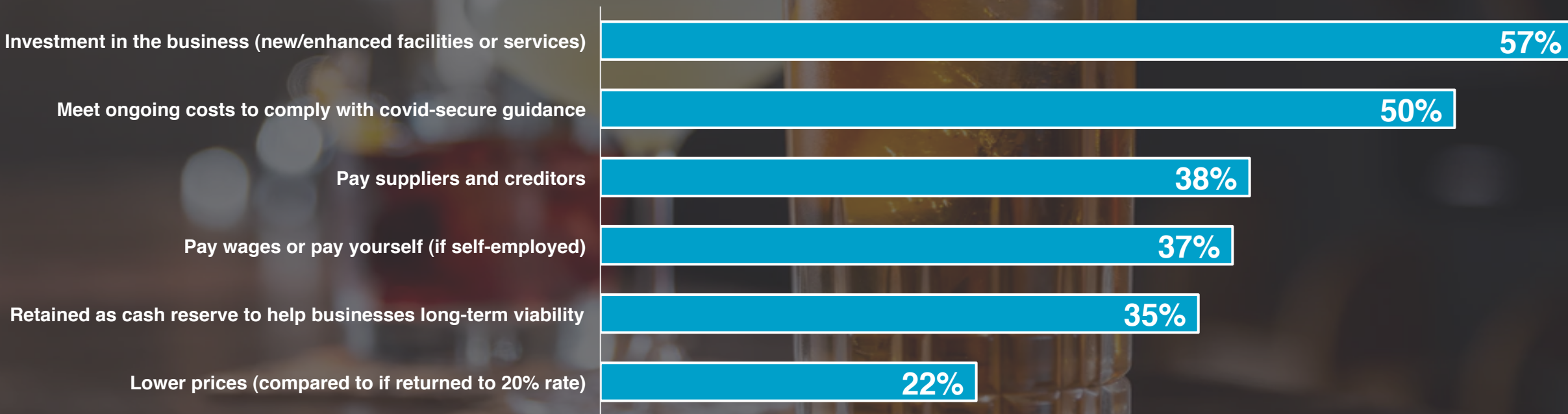
How important for your business is the reduced rate of VAT rate at 12.5% from 1st October to 31st March 2022 (compared to the full rate of 20%)?

- Crucial - (Without reduced rate, business would have faced closure)
- Very important - (it will ensure continued trading)
- Important - (business will survive, but with cutbacks and job losses)
- Helpful - (to sustaining viability and jobs)
- Not very important



Businesses will use the reduced VAT rate for an array of purposes, including investing in their businesses and remaining Covid-secure

In terms of the 12.5% rate that will be in effect from 1st October 2021 to 31st March 2022, for what purposes will your business use this reduced rate? Please select all that apply



If a 12.5% VAT rate were to continue to apply beyond April 2022.....

7 in 10

**Would use the saved money to continue to
invest in their businesses**

Similarly, reduced rates beyond April 2020 would allow continued investment, covid-secure venues and paying of wages to staff

If a 12.5% VAT rate were to continue to apply beyond April 2022, for what purposes will your business use this reduced rate? Please select all that apply

Investment in the business (new/enhanced facilities or services)

71%

Meet ongoing costs to comply with covid-secure guidance

46%

Pay wages or pay yourself (if self-employed)

38%

Pay suppliers and creditors

36%

Retained as cash reserve to help business long-term viability

35%

Lower prices (compared to if returned to 20% rate)

27%

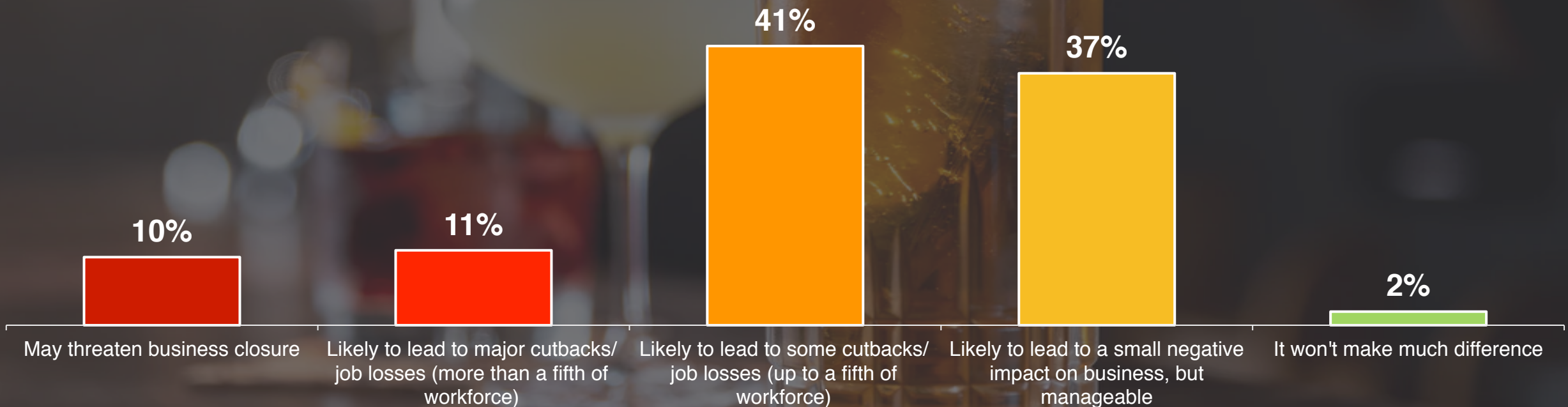
If VAT is put back to 20% in April 2022...

4 in 10

Say it will likely lead to **cutbacks and job losses**

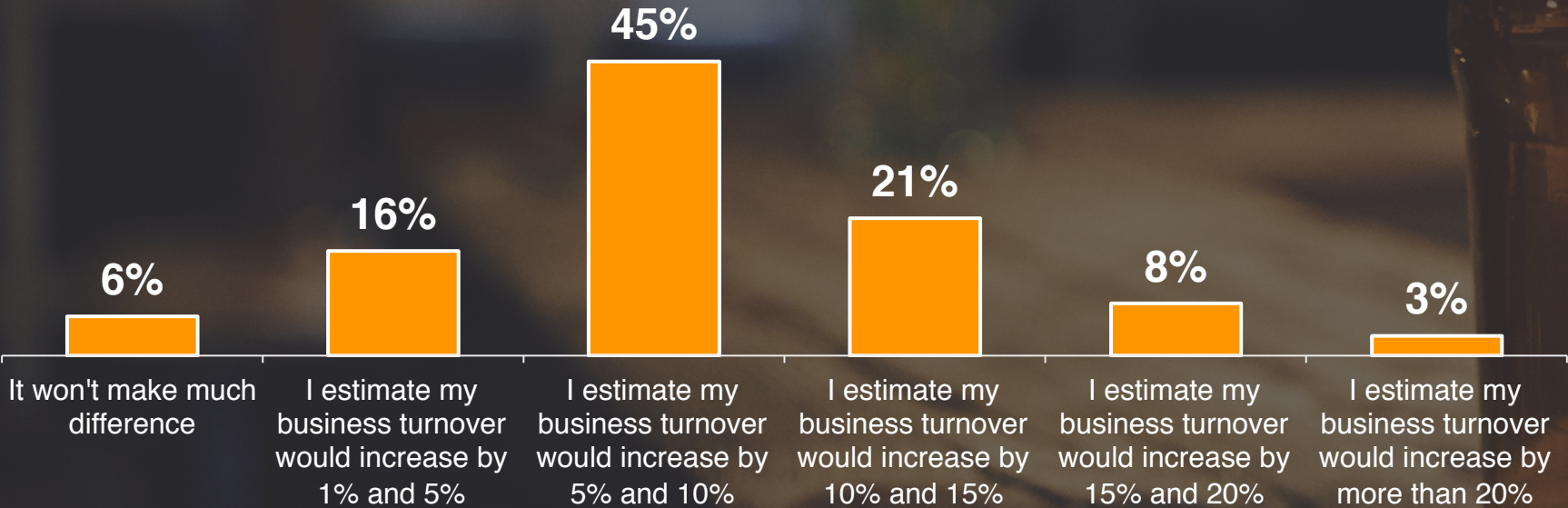
Reverting the VAT level back to 20% in April 2020 could have serious consequences for businesses, with 4 in 10 saying it would likely lead to cutbacks and job losses

What will be the likely effect on your business if VAT is put back to 20% in April 2022?



If VAT on tourism and hospitality were to remain at 12.5% indefinitely, it would increase turnover by an average of 8.8%

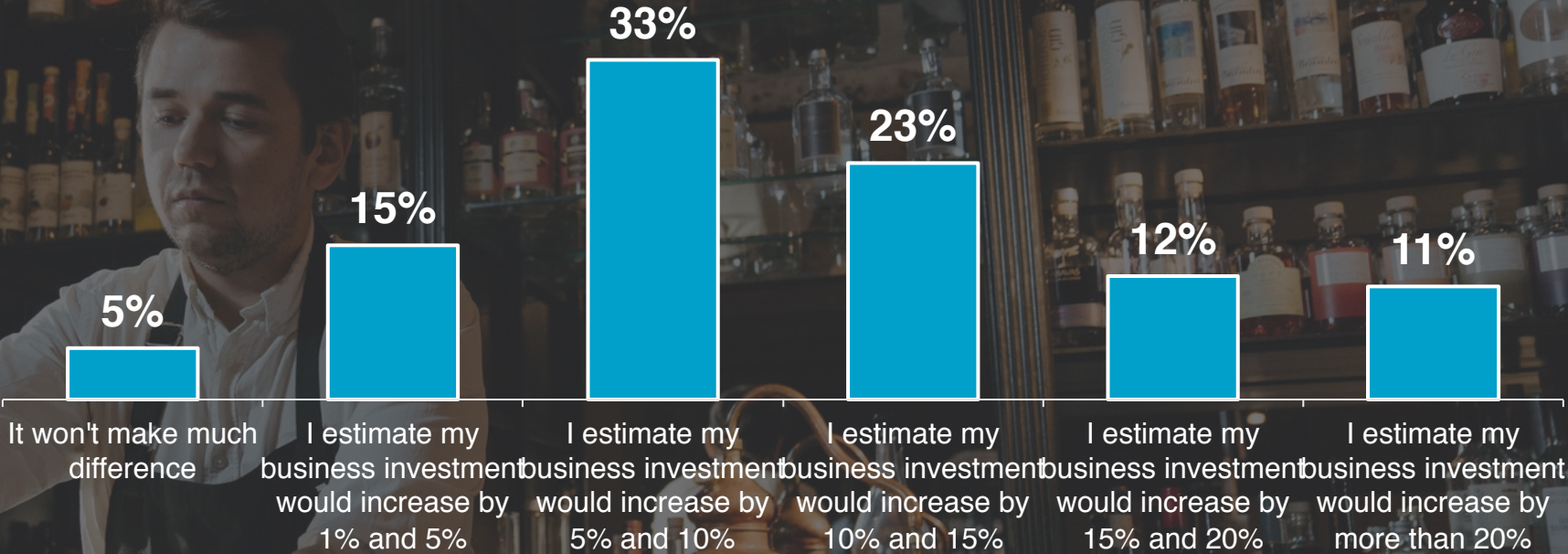
If it were to be announced that VAT on tourism and hospitality were to remain at 12.5% indefinitely, what impact do you think this would have on your turnover compared to a VAT rate of 20%?



+8.8%
Average estimate of increased business turnover

Whereas if VAT on tourism and hospitality were to remain at 12.5% indefinitely, it would increase business investment by an average of 12.0%

If it were to be announced that VAT on tourism and hospitality were to remain at 12.5% indefinitely, how would this influence your attitude to investment in your business compared to a VAT rate of 20%?



Summary

- ❑ The reduced rate of VAT at 12.5% will be highly important to businesses, with 3 in 4 (77%) stating it is important or crucial
- ❑ Businesses will use the reduced VAT rate for an array of purposes, including investing in their businesses and remaining Covid-secure
- ❑ Similarly, reduced rates beyond April 2020 would allow continued investment, covid-secure venues and paying of wages to staff
- ❑ Reverting the VAT level back to 20% in April 2020 could have serious consequences for businesses, with 4 in 10 saying it would likely lead to cutbacks and job losses
- ❑ If VAT on tourism and hospitality were to remain at 12.5% indefinitely, it would increase turnover by an average of 8.8%
- ❑ Whereas if VAT on tourism and hospitality were to remain at 12.5% indefinitely, it would increase business investment by an average of 12.0%