



European Tourism Forum
**A Favourable Business Environment
for the Competitiveness of Travel &
Tourism: Taxation**

Helen Marano

Senior Vice President of
Government & Industry Affairs
World Travel & Tourism Council

WTTC MISSION



To **maximise the sustainable growth** of the sector by **informing governments** and wider society of the enormous **economic and social benefit** that Travel & Tourism brings to the **world community**

MEMBERSHIP IN 2016 COVERS ALL KEY SECTORS AND GEOGRAPHIES...

	AIRLINES	AIRPORTS	HOTELS/LODGING	CRUISE	CAR	TRAVEL AGENCIES TOUR OPERATORS	OTHERS
Europe/ Mid East/ Africa							
Americas							
APAC							

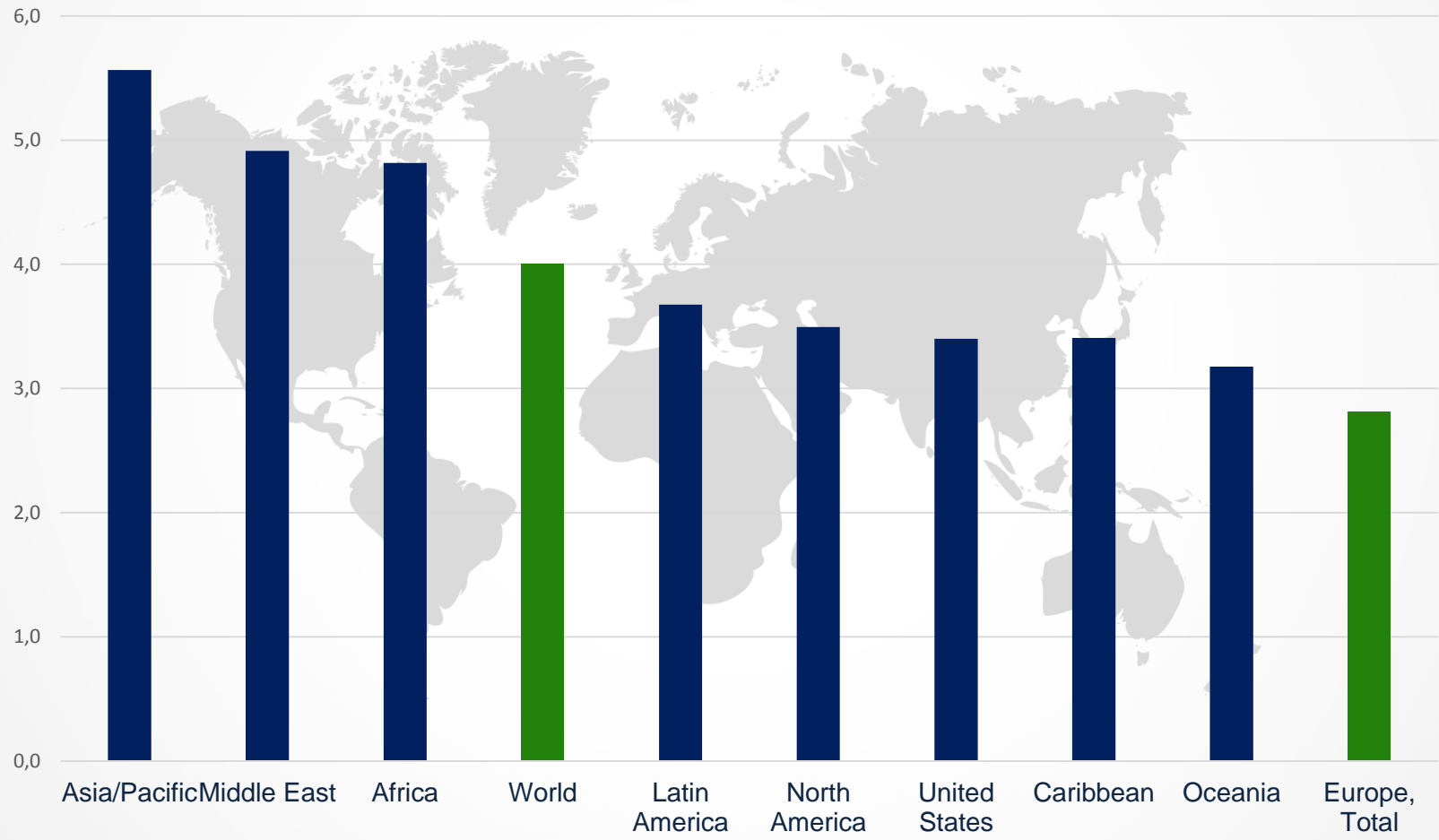
To 2026 The next ten years

4% GDP growth every year

1 in 10 jobs



LONG TERM GROWTH



Source: WTTC 2016 for GDP and jobs and UNWTO 2013 for arrivals estimation

Importance of taxes for EU

- Impact of taxes on prices
- Price sensitivity of travellers
- Lower transportation costs – more accessible and easier for travellers to choose alternative destinations

EU Competitiveness

- Europe already a relatively expensive destination
- WEF Travel & Tourism Competitiveness Index 2015
 - Out of 138 countries, the best ranked EU country (Poland) only comes in 46/138.
 - Most EU countries in lower ranking for price competitiveness

Principles of Intelligent Taxation

1. Equity

2. Efficiency

3. Simplicity

4. Fair revenue generation

5. Effective stimulus to growth



Equity

- All economies and industries should be treated fairly in regards to taxation.
- Reduces imbalances that can result in political, social, and economic difficulties.

Efficiency

- Taxes must generate revenue without a significant impact on the demand for a good or service.
- Revenue gained from a tax increase can be lost because of reduced demand.
- Decrease in demand sends a negative wave throughout the economy as it impacts the supply chain.

Simplicity

- Good tax policy should achieve the highest possible ratio of revenues generated per amount invested.
- Special note should be made to consider taxpayers' costs of compliance in calculating this ration.
- Simplicity in taxing also dictates that governments should make it clear what the tax rates are and how the revenues are to be used.
- Complicated taxing schemes eat up revenues through administrative costs

Fair revenue generation

- Unreasonable to assess special fees or levies on specific goods or services.
- These types of taxes are often cloaked by language and terminology to hide their real intent.
- Special charges and fees can quickly accumulate and become an unreasonable burden to a sector.

Effective stimulus to growth

- Tax incentives and disincentives should be imposed with the underlying goal of stimulating growth.
- Taxes that support infrastructure will ideally result in the attraction of investment and new employment.
- When taxes become excessive, economic growth often grinds to a halt.

A close-up photograph of two people in business suits shaking hands. The hands are clasped together in a firm grip, symbolizing a deal or agreement. The background is blurred, showing hints of an office environment with a window and some greenery.

Make the deal reasonable!

The logo for the World Travel & Tourism Council, featuring a stylized green location pin icon above the text.

WORLD
TRAVEL &
TOURISM
COUNCIL

Thank You

Helen Marano

Senior Vice President of
Government & Industry Affairs
World Travel & Tourism Council