I am writing in response to the report published on 20 March 2017 following the Northern Ireland Affairs Committees inquiry into promoting the tourism industry in Northern Ireland through the tax system. I would like to thank you and the Committee for the report, and to apologise for the delay you have experienced in receiving a response.

As highlighted in the report, Northern Ireland’s tourism sector has expanded significantly in recent years. I hope to see this strong performance continue.

The Government has previously considered the economic costs and potential benefits of a reduced rate of VAT for tourism related activities in the UK and found insufficient evidence that this would provide value for money. The UK Government has also devolved to the Northern Ireland Executive the power to set its direct long-haul rate of APD, which it subsequently reduced to £0.

The Government recognises Northern Ireland’s unique position as the only part of the UK to share a land border with another country and the concerns raised by the Committee. The Government will therefore look again at the impact of VAT and APD on tourism in Northern Ireland with reference to the Committee’s recommendations and, in line with the financial annex to the Confidence and Supply agreement between the Conservative Party and the Democratic Unionist Party. Further details will be announced in due course.

I would again like to thank the Northern Ireland Affairs Committee for their work in producing this report and the recommendations contained therein.

RT HON MEL STRIDE MP