

Severely limited duty free delivers big blow to UK retailers

The UK government today announced that in January duty free will return to those traveling to the EU from that nation for the first time since 1999. While on the surface this appears to be good news for the duty free industry, items offered tax free will be limited to those in the Liquor and Tobacco categories.

The UK Travel Retail Forum immediately expressed grave disappointment that tax-free sales will be withdrawn for all goods other than alcohol and tobacco.

This is adding further strife to an already struggling sector that is just beginning to make the first steps of recovery since the COVID-19 outbreak, putting thousands of jobs at risk and cutting billions pounds from the UK aviation sector.

“This decision puts the UK out of step with travel retail systems around the world, completely disincentivises tourists to visit the UK and British passengers making purchases as they go on vacation abroad, and puts UK airports and travel retail at a substantial disadvantage against their European counterparts after Brexit. This will lead to significant additional job losses in the travel industry,” said Chair Francois Bourienne on behalf of UKTRF members. “It may well be the best gift the UK could have given the EU as well as a massive blow for UK plc.

“While we are grateful for the Government’s move to extend duty free sales to passengers travelling from the UK to the EU, we are extremely concerned that ministers have not fully appreciated the impact this decision will have on the wider travel retail and aviation sectors.

“We urge the Government to immediately review its decision and act swiftly to ensure jobs, businesses and Britain’s place as a premier travel hub are not lost.”