



VAT cut: The Guild of Fine Food comments on the effect on small businesses

Whilst we welcome any attempt to fire up spending when consumers are being cautious we believe the chancellor has not done enough. A 2.5% decrease in VAT on relatively low value items reduces the price to the consumer by pennies – that does not stimulate spend. A cup of coffee in one of our members shops suddenly goes from £1.99 goes to approximately £1.94. We see it only having an effect on higher value items such as TVs or cars.

The key point is that the Chancellor has implemented a change - supposedly to improve the economic situation, that will incur significant additional expenditure for all small businesses. The work, IT changes and time for a small retail (or any business) that is collecting a tax on the part of the government will far outweigh the cost of implementing the change. In our industry this means re-printing menus, price lists as well as the back of house changes.

Legislation to circulate money within local economies would be a far more effective way of generating expenditure and would make a difference nationally.

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The Guild of Fine Food promotes excellence in speciality food and drink through its magazines, training programmes, awards, exhibitions and other food events.

www.finefoodworld.co.uk <<http://www.finefoodworld.co.uk/>>

For more information on the Guild of Fine Food, or to arrange an interview with Bob Farrand:

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