

UK passenger tax being scrapped

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News that the APD would be scrapped came as the 11th Caribbean Conference on Sustainable Tourism Development was winding down in Barbados.

BRIDGETOWN, Barbados, Thursday May 13, 2010 – Britain's new coalition government has announced it's getting rid of the controversial Air Passenger Duty (APD). And Caribbean tourism officials are keeping their fingers crossed that the change will be for the better.

The APD is to be replaced with a tax on planes, not passengers, according to agreements made between Conservative Prime Minister David Cameron and his deputy Nick Clegg of the Liberal Democrats.

But there's still uncertainty about how the new tax will work.

The British government's plan to replace the APD with a per flight duty, in keeping with the manifesto promises of both the Conservative and Liberal Democratic parties which now form the new administration, was among the list of agreements made to reach a coalition deal on Tuesday. The agreements were made public yesterday.

The agreements gave no further details on the rates of the tax replacing the APD, but it will generally mean that full flights will be cheaper, while flights with fewer passengers will be more expensive.

The APD, which was imposed by the Labor government of former Prime Minister Gordon Brown, saw passengers paying tax depending on the distance between London and the capital of

their destination. The duty on long-haul economy fares to the Caribbean rose from £40 (EC \$159) to £50 (EC \$198) in November 2009 and was to increase further this November.

Regional tourism stakeholders had complained that the APD was discriminatory and had lobbied the UK government on several occasions to review it.

News that the APD would be scrapped came as the 11th Caribbean Conference on Sustainable Tourism Development was winding down in Barbados.

Caribbean Tourism Organization (CTO) Secretary General Hugh Riley told a closing press conference that the Caribbean is “extremely happy about the fact that the matter has been given such importance as to be mentioned so early in the tenure of the new government”.

“That speaks volumes to us about the importance that the UK government has attached to this matter of the APD,” he said.

“It speaks volumes to us too about the strength of unity of the Caribbean. We got together and we made our voices heard and we did what we did what we felt was necessary to bring attention to anything that threatened our livelihood.”

Meantime, under another agreement reached between the Conservatives and the Liberal Democrats which could have an impact on people from the Caribbean, there will be an annual limit on the number of non-European Union economic migrants admitted into the UK to live and work.

“We will consider jointly the mechanism for implementing the limit,” the agreement said.