



Budget 2019 delivers a little to a lot – Retail Excellence

Retail Excellence, the largest industry body in Ireland has said the measures announced in today's budget by Minister for Finance, Paschal Donohue do a little for a lot. Whilst some announcements in terms of infrastructure, housing, tax reductions and the new Online Retail Scheme are to be welcomed, Budget 2019 represents a missed opportunity for Government to adequately support the largest private industry employer in Ireland – Retail.

The modest reductions in USC, the increase in welfare payments and the restoration of the Christmas bonus represents an ambitious plan by Government to increase consumer sentiment and spend.

CEO of Retail Excellence, Lorraine Higgins said "Whilst such initiatives may lead to an increase in consumer spend, where this spend goes is critical to the industry we represent. With the huge growth in online purchases by Irish consumers from outside the EU we sought extra protections to ensure parity of tax treatment for retailers in Ireland from Distance Sellers".

"Currently the Revenue Commissioners are tasked with collecting VAT and duties on parcels being delivered to Irish consumers but it is physically impossible for them to intercept €14 million worth every day. This is a missed opportunity given the extra funds it could have generated and been subsequently redistributed".

"That said, we are delighted to see the Minister for Business Enterprise and Innovation double the investment in the Online Retail Scheme to €1.25m to support the digital online capability of retailers in Ireland. We have been advocating for such supports and for Government to recognise the export potential of the industry so, this is most welcome".

"The failure to retain the 9% VAT rate and to commit to incrementally reducing the upper rate of 23% (a financial emergency measure) is a disappointment to those fearful of what Brexit will actually look and feel like. A situation exacerbated by the fact there were no town renewal investment measures announced. On the other hand, the allocation of funding of €950m for the Department of Business Enterprise and Innovation gives our industry confidence".

"On balance, Budget 2019 is ambitious and aims to give hope to most. However more imaginative and targeted supports are needed to insulate the retail industry and the thousands of jobs it supports. Retail Excellence will continue to work with our members, the government and Oireachtas members to ensure such supports are supported and secured into the future."