



Box 154, 182 12 Danderyd, Sweden. Phone: +46 87567435, Fax: +46 87566151
e-mail office@dorothy-tours.se
www.dorothy-tours.se

To the Norwegian Finance department
Oslo

Stockholm 100308

Hearing about proposal of increase in VAT for guidance and entrances in museums in Norway.

Do you not want any tourists to Norway?

I am writing from an incoming tour operator situated in Stockholm selling mostly Scandinavia to travel agencies abroad.

I have been told that there is a proposal of increased VAT on entrances in museums and for guidance in Norway. This will affect our business in a very bad way.

We have also been told that this is to be realised already for the season 2010. Of course we have already sent our tariff for 2010 to our clients, have confirmed reservations in Norway, and also made lots of quotations for the upcoming season. If you settle the proposal, we will either lose money on our business, or at least work for free, as 10 % is the usual handling fee for the work we do. The most drastic action from our side would be to stop selling Norway and that would not be beneficiary for your country.

I have upon speaking to the Finance department in Norway been told that the reform will cost the government money, and that the operators in Norway can get tax deduction for this VAT. The problem is that this does not help us. We will not be able to deduct anything, nor will our clients in Brazil, Mexico, Spain, Portugal, Argentina, Australia, USA, India, Israel etc. We work with Leisure, and the people travelling to our countries during their spare time will not be able to deduct anything neither. It will be an extra cost for us all. Norway is already expensive and if it was not for the Fjords it would be almost impossible to sell. This will make it even harder.

We have a very short season for tourism in Scandinavia, and our company need to make almost all our profit from May- middle of September. We need to work with conditions that make our products competitive with the rest of the world. We cannot only rely on our beautiful nature and the Scandinavian light to attract tourists to our countries. They need to afford to come, and it needs to be worth the price.

I have understood that not only will the VAT be increased on services provided by the guide bureau (25%!) It will be 8% on the guidance per see as well as for museums. We mostly book entrances for museums for groups and in this case, sightseeings including entrances will be harder to sell. In the end the groups might choose a city sightseeing without entrances to the museums. Of course, in that case we need to shorten the tours, and only include the sightseeing in the city. Instead of 3 hours sightseeing including entrances to a museum or more, we will get down to 2 hrs city sightseeing with no entrances. This will have as a consequence a reduction of business for us as well as for the guide and the transportation company in Norway that we book for the entire tour.

Best regards
Johanna Hertzberg (FIT department, Dorothy Tours)