

In response to the Department's submission, [ ] respectfully rejects all four options presented in the Consultation document of 18 April. Instead, we call for the retention of 0% rate on food supplements, and for this to be confirmed in legislation.

[ ] opposes the proposed VAT treatment of food supplements at the standard rate (23%) for the following reasons:

- . Health impact– cost increase will deter those reliant on health foods from purchasing food supplements and health foods;
- . Economic impact – 2,000 businesses importing, distributing and supplying health foods across Ireland. Estimated 200 store closures and loss of 1,800 jobs if the standard rate is applied;
- . Policy grounds – the argument advanced in support of the standard rate of VAT is unconvincing; food supplements are clearly items of food and should attract 0% VAT. We call for legislation to implement this 0% VAT rate.

From a consumer protection point of view, we believe that the increase in VAT to the standard rate will have a demonstrably negative impact on health in society. The increased cost will deter people from purchasing health and food supplements, items that they regularly consume to maintain good health or to manage a range of conditions. Earlier this year, the media reported many personal stories from people on how food supplements have become a staple in their diet.

An iReach survey commissioned by industry body IHTA found that 71% of Irish people buy vitamins, minerals and other food supplements all year round, with 73% of those regular customers saying that they do so “to maintain and improve ongoing adult health”. There is significant public support for the status quo to remain – some 60,000 concerned citizens signed the petition earlier in 2019 to retain the 0% VAT rate.

Another outcome, which we are already fearful of, is that the considerable increase in price will drive many consumers to reject our high-street health food shops in favour of purchasing items online.

We see this daily, where customers ask if we stock certain herbs or Vitamins that they have found online, most of the time they are not allowed to be sold here.

Many health food online vendors are based outside the EU and may not conform to EU food and health safety standards. Clearly, this development would be unwelcomed on several fronts.

In reviewing the VAT application on food supplements, it would be remiss not to observe the irony of a VAT rate of 13.5% applied to on fatty and sugary foods yet a 23% rate on health foods. The Government's avowed position for a healthier Ireland should be consistent with its fiscal and taxation approach. We need to encourage our citizens to choose healthy options, not levy them into oblivion.

From a healthcare perspective, there are clear trends that more and more GPs are persuaded as to the benefits of various health foods, so much so that they are prescribing health supplements alongside traditional medicines. We hope that the Department of Health will similarly supportive of a range of health foods.

Please help us to

have this overturned and legislated for at 0%. Why can't Ireland stand on its own & be a beacon of light to the rest of the world regarding health?

It hardly seems fair that health supplements will be taxed more than Sugar, which as we know is detrimental to health & obesity levels.