

# EU Federation of Youth Hostel Associations

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## EUFED Members: Youth Hostel Associations of:

- Austria
- Belgium
- Denmark
- France
- Germany
- Holland
- Ireland
- Italy
- Luxembourg
- Portugal
- Spain
- Switzerland(associate)
- Slovenia (associate)
- United Kingdom

## Youth Hostel Associations of Europe

- 1,700 Youth Hostels across Europe
- Nearly 2 million members (many of whom are young people)
- About 20 million overnight stays within Europe
- The provision of accommodation and meals at Youth Hostels is labour-intensive

## Youth Hostel Associations:

- Not for profit
- Their charitable aim is to provide safe, secure, welcoming and affordable accommodation for young people in their travels
- Prices are kept as low as possible

## Youth Hostel Prices: Examples:

- France: €8.85 for a bed in a rural location
- Germany: a stay in Berlin: €21.50 for an adult; €18.50 for a young person
- UK: €1 for an under 18; €6 for an adult
- Belgium: adult €3; under 12 €10.40
- Ireland: €14 for a young person staying at Dublin YHA

## VAT situation: FUAJ (France)

- FUAJ is VAT exempt
- FUAJ loses much money because it cannot reclaim VAT on inputs
- In 1995, FUAJ calculated that it lost 11,614,000 FF (€1,771,000)
- The above sum concerns only goods and services (not investments, hostel refurbishments, etc)

VAT situation:  
YHA (England and Wales)

- YHA E&W is registered for VAT purposes, for both inputs and outputs
- BUT, the Government assesses each hostel on an individual basis, and many are exempt from VAT
- YHA E&W is a net payer to the Gvt for VAT (about GBP 2million per year)

VAT situation:  
An Oige (Republic of Ireland)

- An Oige is not registered for VAT
- If they were registered, they would need to add 13.5 per cent to their accommodation prices/or absorb the impact themselves
- Their view is that the VAT charges would be more than the VAT saved from reclaiming VAT on inputs.

VAT situation:  
DJH (Germany)

- DJH does not charge VAT on accommodation (this is exempt)
- DJH does pay VAT on sales of other items (meals, telephone cards, etc)

VAT situation:  
VJH (Belgium)

- VJH is exempted from VAT
- So, no VAT charged on overnight accommodation
- But, cannot reclaim VAT on inputs
- This is a particular problem when undertaking hostel refurbishments

## VAT situation: DANHOSTEL (Denmark)

- DANHOSTEL is registered for VAT
- Prices for overnights are therefore relatively higher
- DANHOSTEL can therefore reclaim VAT on inputs
- The VAT rate in Denmark (25 per cent) is considered far too high

## VAT reform: what measures would help YHAs

- VAT zero rated
- This would mean that no VAT was charged on YHA prices, and that VAT on inputs could be claimed back
- This would make a significant difference to charities such as YHA E&W (€3Mn p.a.); and FUAJ (at least €1.8 Mn p.a.)

VAT reform:  
what measures would help YHAs

- Ideally, VAT zero rating not just for accommodation, but for all items relating to youth hostelling (meals, etc).
- This would make a significant difference to charities such as YHAs, and the people who use them, especially young people of limited means

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