

The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
1 Horse Guards Road
Westminster
London
SW1A 2HQ

2 July 2026

By email only

Dear Chancellor,

Open Letter Supporting the #VATsTheProblem Campaign, backed by UKHospitality, and UKH's Campaign against the Proposed Visitor Levy

On behalf of Sysco GB, I am writing to express our support for the #VATsTheProblem campaign launched this week and backed by UKHospitality (UKH), to reduce VAT for hospitality businesses from 20% to 10%, and to give our support to the UKH campaign against the proposed visitor levy.

Sysco is the global leader in selling, marketing and distributing food products to restaurants, hotels, education facilities, hospitals, care homes, and other customers who prepare meals away from home. In Great Britain, we are the owner of Britain's largest foodservice wholesaler, Brakes, as well as specialist fresh produce foodservice business Fresh Direct, specialist butchery Campbell's Prime Meat and catering butcher Fairfax Meadow. Collectively we employ over 8,800 colleagues across more than 30 locations and operate a fleet of over 2,000 vehicles.

As a business that serves tens of thousands of hospitality customers across the country every week, we see first-hand the challenges facing the sector. Restaurants, pubs, hotels, cafés and caterers continue to contend with significant cost pressures, including increases in labour costs, energy prices, business rates and wider operating expenses. These pressures are impacting businesses of all sizes, from independent operators to larger hospitality groups.

Hospitality is one of the UK's most important economic sectors, supporting millions of jobs, driving tourism, sustaining high streets and creating opportunities for people entering the workforce. It also underpins extensive supply chains, supporting wholesalers, manufacturers, producers, logistics providers and farmers across the country.

A thriving hospitality sector drives investment, employment and growth throughout the wider food supply chain.

We are therefore supporting the call for a reduction in hospitality VAT to 10%, bringing the UK more closely into line with most of Europe. The campaign has united hospitality businesses, suppliers and industry organisations behind a shared objective to secure the long-term sustainability of the sector.

We also share UKH's concerns regarding the introduction of a visitor levy in England. At a time when the government is seeking to boost economic growth and encourage domestic tourism, additional taxes on overnight stays risk making UK holidays less affordable for families, reducing visitor numbers and weakening the local economies that rely on tourism. The impact would extend well beyond accommodation providers, affecting restaurants, pubs, cafés and attractions as well as the wider supply chain that supports them. We therefore believe that introducing a visitor levy would go against the government's ambition to drive growth, create jobs and support thriving town centres and visitor destinations.

Taken together, reducing VAT and rejecting the introduction of a visitor levy would send a strong signal of support for one of the UK's most important sectors. These measures would improve business confidence, stimulate investment, protect employment and help hospitality businesses continue to play their vital role in supporting communities and economic growth across the country.

We would welcome the opportunity to engage further with the government on the role that hospitality, foodservice and wholesale play in delivering growth across the UK economy.

Yours sincerely,

Paul Nieduszynski
Chief Executive Officer
Sysco GB