

West End shops “unviable” warns Mulberry boss as tourists head to VAT free rivals

THE boss of [Mulberry](#) today issued a stark warning that high-end [London retail](#) is becoming “unviable” as he urged the [government](#) to reinstate VAT-free [shopping](#) for [tourists](#).

Thierry Andretta says trade in the capital, which includes stores on Bond St and Regent St, has plummeted as rich tourists from the US and the Arab states shop in Paris or other EU capitals instead.

Soaring rents and the most expensive business rates in the world are making life near impossible for retailers, he told the Standard.

Andretta said: “The UK, and London particularly, has not seen the level of recovery that other European countries and cities are enjoying due in part to the lack of tax-free shopping. We urge the Government to reconsider its position on tax-free shopping to help the UK compete with its European neighbours.”

Wealthy Brits are themselves choosing to shop abroad rather than in London, so they can reclaim VAT, he says.

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The knock-on effect on the capital is devastating, he warns.

“This is not just about encouraging tourists to shop, but also to experience everything that London and the UK has to offer – from its world class hotels, restaurants and theatres, to its museums and historical sites,” he added.

Mulberry

Mulberry estimates that nearly half of its trade used to come from international tourists in London. Today, it is almost nothing due to the “price differential” – a luxury Mulberry handbag is far cheaper to buy overseas.

He was talking as the iconic British brand reported sales for the year to October down 1% to £65 million. UK sales tumbled 10% to £34 million, leading to a loss of £3.8 million, compared to a £10.2 million profit last time.

Mulberry is asking the government to review what impact the loss of tax-free shopping is having on London and the wider retail world.

It said: “The lack of international shopping tourism has meant that having stores in London is increasingly becoming unviable.”

Mulberry shares crashed 20% this morning, off 55p at 230p. That leaves the business valued at just £130 million.

The stock was over 1000p five years ago.

Tax free shopping was removed post Brexit in the UK. It still

exists in mainland Europe so it benefits tourists to shop there rather than in the UK.