

PRESS RELEASE - For immediate release

FAMILY GROUPS CALL UPON EUROPEAN UNION TO LOWER VAT ON ESSENTIAL ITEMS FOR FAMILIES

León, 14 May 2007 – European family federations and organizations together with European Parliamentarians are calling upon the European Union to allow national governments to apply a reduced rate of Value Added Tax (VAT) on a number of essential goods and services for child care, including baby diapers, feeding bottles, soothers, strollers, children's clothing and shoes and child care services. The coalition's call for action comes on International Family Day and coincides with a meeting of European Family Ministers near Hannover.

The coalition calls upon the European Commission to support families by issuing a proposal to amend the European rules (6th VAT Directive, Annex H) on the use of reduced rates of VAT on essential items for families.

"Recent demographic trends clearly show that Europeans urgently need family friendly policies to tackle declining fertility rates. Families play a role as a basic unit of social cohesion and we need policies that support families, both at European and national levels," says Maria Garcia, president of the Fundación de Familias Monoparentales "Isadora Duncan". "Europe should stop forcing national governments to tax essential products for families at the highest rate of VAT."

The European Commission's failure to act on its previous promises has provided the impetus for this renewed appeal by family associations. In July 2006, the European Commission committed itself to publish a proposal to allow national governments to reduce the rate of VAT on baby diapers, an essential daily item for millions of families with proven health benefits for infants. However, to date no proposal has been made by the European Commission.

"Allowing governments the possibility of lower VAT on certain child care items would benefit families across Europe. Experience has shown that when VAT is lowered on certain products the benefits are passed on to families," says Marie Panayotopoulos-Cassiotou, Member of the European Parliament and President of the European Parliament's Intergroup on Family and the Protection of Childhood. "In 2005, Portugal reduced the rate of VAT on baby diapers from 19% to 5% and consumer prices fell by an equivalent amount. Prices in Portugal have remained at this lower level ever since. This is a golden opportunity for government to deliver on their commitment to helping families and show how Europe can make a difference to its citizens."

The coalition of European family associations welcomes the European Commission's recent efforts to develop a policy in support of European families, including its intention to issue a policy document on European support for families, as well as the European Spring Council's move to create a European Alliance of Families. However, concrete action needs to be taken to reflect these policy objectives. The group therefore calls the European Commission to issue a proposal to reduce the rate of VAT on diapers, feeding bottles and soothers, strollers, children's shoes and clothing and child care as essential items for families, so the benefits of lower VAT can be promptly delivered to families.

For more information, please contact: La Fundación de Familias Monoparentales "Isadora Duncan" aims to obtain the socio-economic recognition and to defend the rights of our families

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European Associations

The following European family organisations are launching the campaign for reduced VAT on essential child care items tomorrow, May 15, in Brussels.

- Confederation of Family Organisations in the European Union
- Eurochild
- European Delegation of the World Movement of Mothers (MMMEurope)
- European Federation of Unpaid Parents and Careers at Home (FEFAF)
- European Large Families Confederation (ELFAC)
- European Parents Association (EPA)
- European Region of the World Family Organization (E-WFO)
- Federation of Catholic Family Associations in Europe (FAFCE)
- Institute for Family Policies European Network