Dr Sarah Wollaston (Totnes) (Con): Click here to watch Sarah speak

I congratulate the hon. Member for South Down (Ms Ritchie) on her excellent speech. I do not intend to repeat it, but I will start by saying that the south-west is open for business. Times are difficult for us at the moment. I send my condolences to all those in Somerset affected by the terrible flooding. In my own coastal constituency, many families and business have been severely affected.

What we need at the moment is help. We offer a fantastic range of opportunities for people who want to come to visit—if God made constituencies, he would have designed Totnes—and I hope that people will visit, but those businesses are struggling. I have heard from numerous business owners in my constituency about the effect of competition across Europe. As people decide where they will stay this summer, they are considering things such as food prices in restaurants and the cost of accommodation. Right now, our businesses are crying out for support from the Treasury. Can we consider seriously the impact that a 5% VAT rate would have, particularly if applied to hotel rooms and visitor attractions? It is not just competition across national boundaries that makes a difference; it is competition within the tourism sector.

Perhaps the Minister will clarify the effect in his response. Riverboat and tourist rail companies currently are not hit by the higher rate of VAT because they count as transport, but neighbouring attractions are. I am also told that there is concern across the industry about the position of charities. We need a level playing field. I am not suggesting for a minute that we should apply a higher rate to other businesses; only that we should make the playing field level across the sector. That would be widely appreciated.

I would like to mention the impact on employment. Yesterday, I met a large group of young people from my constituency, where youth unemployment is, sadly, an ongoing issue. The tourism sector is particularly important in providing opportunities for young people in my constituency. We have a very low-wage economy. Numerous businesses have written to me to say that they would like to pay a living wage but are unable to do so at the moment. Will the Minister consider what impact higher wages across this important sector would have on allowing young people to stay in places such as south Devon? Will he consider the evidence? I have been contacted this week by one very successful business saying that, normally, it would employ far more people, but it has had to cut its staff from the 35 people that it usually employs on the payroll at this time of year to 27. Will he confirm in his response that he has considered the impact that a VAT cut could have on that?

Most importantly, I reiterate that the south-west is open for business. I encourage anyone listening to this debate to come see what we have to offer, but I would also like the Government to do their bit by allowing businesses to offer lower prices, so that people will make the right decisions as the summer comes on.

Hansard