

Spring 2018

itjc

Tourism

An Industry Strategy for Growth to 2025

Growing tourism's export earnings,
employment, and exchequer benefits

2025





ABOUT ITIC

The Irish Tourism Industry Confederation (ITIC) represents the leading tourism interests and businesses throughout the Republic of Ireland. Through independent research, analysis and interpretation ITIC aims to help the tourism sector realise its full potential.

This strategy, devised and developed by Ireland’s tourism industry, sets ambitious goals and objectives for Irish inbound tourism to 2025 that can lead to higher revenues, more jobs and greater exchequer receipts.

MEMBERS

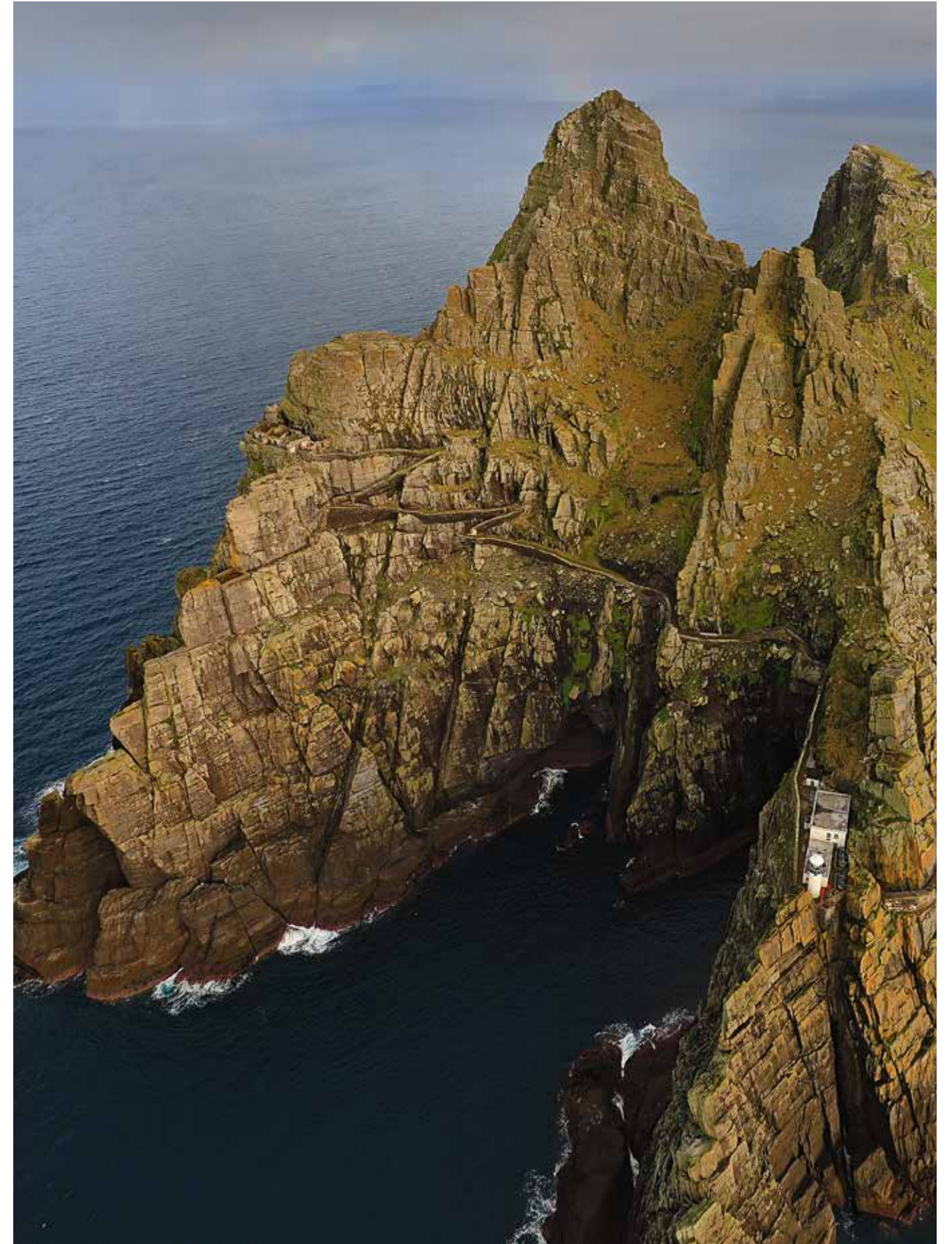
Aer Lingus	Dublin Institute of Technology	Irish Caravan & Camping Council
AIPCO (Association of Irish Professional Conference Organisers)	Dublin Port Company	Irish Ferries
AVEA (Association of Visitor Experiences & Attractions)	Emirates	Irish Heritage Trust
B&B Ireland	Fáilte Ireland (Associate Member)	Irish Hotels Federation
Car Rental Council of Ireland	Guinness Storehouse	Jameson Visitor Centres
CIE Tours International	Heritage Island	Office of Public Works
Coach Tourism & Transport Council	House of Waterford Crystal	Restaurants Association of Ireland
Convention Centre Dublin	Incoming Tour Operators Association-Ireland	Shannon Group plc
Dublin Airport Authority	Inland Fisheries Ireland	Stena Line
	Ireland’s Blue Book	Tourism Ireland (Associate Member)
	Irish Boat Rental Association	Vintners’ Federation of Ireland

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Introduction and Executive Summary

Tourism is Ireland's largest indigenous industry employing 230,000 people nationally, one in every ten of the labour-force. It is twice the size of agriculture and far bigger in employment than the construction industry, the IT industry, or the financial services sector. It crucially cannot be out-sourced or off-shored and its economic benefits are felt both in our cities but also critically throughout rural Ireland.



This strategy makes the case that inbound tourism to Ireland by 2025 can grow to €8.1 billion annually employing a further 80,000 people nationally.

Being Ambitious for Irish Tourism

This strategy devised by the Irish Tourism Industry Confederation (ITIC) – the umbrella group representing Irish tourism business interests – sets out a roadmap for the sector’s growth up to 2025 and beyond, delivered by a competitive and committed industry, and enabled by pro-tourism Government and agency policies with appropriate investment strategies.

Already as of March 2018 tourism is Ireland’s largest indigenous industry employing 230,000 people according to most recent figures from the Central Statistics Office and Fáilte Ireland. The sector is one of the few industries that provides long term sustainable balance and supports livelihoods, businesses and communities in urban as well as rural Ireland.

The tourism sector – when taking the domestic market, carrier receipts, and expenditure by overseas tourists when in Ireland – is valued annually at €8.7 billion, of which €2 billion is returned to the exchequer in direct tourism-related taxes. Its economic value is indisputable.

Such a seriously important sector deserves a serious strategy and *Tourism: An Industry Strategy for Growth to 2025* charts an ambitious future for the sector should the right decisions, policies and investment strategies be pursued.

It is the Irish tourism industry that creates the experiences for every international tourist visiting Ireland and it is incumbent on Government and state agencies to deliver the appropriate environment to allow tourism businesses to succeed and thrive; that way employment is generated, earnings are increased, and sustainable exchequer benefits are secured.

2025 Goals

The significant majority of Irish tourism’s value relates to overseas earnings, generated from international visitors to our shores, thus firmly placing tourism as an export sector and of great importance to Ireland’s national economy. It is within this prism – the value of overseas tourism earnings to Ireland – that this strategy is constructed and it includes 10 pillar areas each of vital importance to Irish tourism. Looking forward to 2025, and as featured on pages 8-9, this strategy makes the case that inbound tourism to Ireland in 2025 can grow from €4.9 billion to €8.1 billion annually employing a further 80,000 people nationally. This can result in 13.7 million international visitors and exchequer tax take from direct tourism-related activities can grow by 65% per annum.

The current national policy for tourism – People, Place and Policy – published in March 2015 is already dated and has been overtaken by tourism’s success and events such as Brexit. It is ITIC’s contention that the national tourism policy targets are largely redundant and instead this industry strategy sets out a clear, updated and constructive roadmap with ambition and well-defined recommendations for success.

Enabling Factors

The Irish tourism industry invests heavily in its own future; €2.5 billion has been committed by the industry up to 2021 alone in new hotels, aircraft, ferries and attractions while the industry’s overseas marketing is estimated by ITIC at €92 million annually. It is evident that the engine behind Irish tourism’s success and development has been the private sector, however the state must set tourism policy and one cannot work without the other.

In 2018 the Irish state will spend €128 million to the sector across capital and current needs – this represents a 23% reduction on what was committed to tourism by the exchequer 10 years ago. Government taxation policies including aligning the tourism Vat rate with EU competing destinations and suspending the airport departure tax have proved judicious and the tourism industry has delivered in return in terms of earnings, employment and taxation receipts. Irish tourism’s potential is significant and the Government now needs to up its commitment to investment of the sector if the industry, country and exchequer are to see the full benefit.

Government commitment to tourism, in terms of current and capital funding, is one of the key enabling factors that will deliver tourism’s success into the future. Within this strategy it is argued that the current budget for overseas marketing and industry supports needs to increase by €50 million per annum and the annual investment in developing new tourism products and experiences of scale and international appeal needs to be in the region of €60 million per annum, a notable increase on capital investment in tourism as outlined in the 10-year National Development Plan published in February 2018. These levels of commitment from the Government are required to complement the sizeable investment of the private tourism sector and ensure that the industry can realise its full potential into the future as an economic engine for growth both nationally and regionally. The return of proposed state investment in tourism is significant and estimated at 34:1.

Other key enabling factors required if the value and volume targets of this strategy are to be achieved by 2025 are

featured on page 11 and include 11,000 new hotel bedrooms, construction of a new runway and additional terminal facilities at Dublin Airport, the maintenance of a competitive tourism Vat rate, 40% additional air and ferry seats into Ireland, and an industry that continues to provide value for money and exceeds the holiday expectations of the international visitor. Should one or other of these enabling factors not come to pass then Irish tourism’s success will be stymied.

Travel and tourism; a global growth sector

Global tourism continues to enjoy uninterrupted growth as one of the world’s fastest growing economic sectors. International tourist arrivals grew by 7% in 2017 to reach a total of 1.3 billion travellers, spending an estimated US\$1.4 trillion, according to the latest UNWTO World Tourism Barometer. International tourist arrivals in Europe reached 671 million in 2017, with visits to Northern Europe up 5%. This strong momentum is expected to continue into 2018 and beyond.

Forecasters point to growing numbers of international travellers, driven by continued economic growth and consumer prosperity, including a fast expanding new middle class in many emerging and developing economies, growth in international air services, and liberalisation of travel regulations.

It is in this context, a growing global growth market, that Ireland and its tourism sector can look confidently to its future. Europe continues to attract the largest

€2.5 billion

Has been committed by the industry up to 2021 in new hotels, aircraft, ferries and attractions amongst others.

80,000

More jobs by 2025

+65%

Exchequer return from direct-tourism related taxes by 2025.

Government commitment to tourism is one of the key enabling factors that will deliver success into the future.

The ongoing development of Ireland’s tourism sector must reflect both the highest standards of environmental as well as economic sustainability.

number of international visitors with Europe expected to grow by an average annual 3.5%-4.5% up to 2030 (UNWTO: Tourism Towards 2030). Ireland can expect to achieve this, all things being equal, although the ambitions of this strategy should result in a growth rate above this in the region of 6.5% per annum – see page 16.

A key characteristic of future tourism growth is predicted to be the diversification of source markets as international travel becomes economically feasible for many more millions, and the continued adoption of new technologies by the consumer as part of their booking process and of their holiday experience itself. The most buoyant growth market is forecast to be the Asia-Pacific region – predicted to be the source of more than half of the world’s growth in airline travel, with China expected to displace the United States as the world’s largest aviation market around 2022. IATA in its latest 20 year forecast identifies the five fastest-growing markets in terms of annual additional passengers in 2036 compared to 2016, namely China, USA, India, Indonesia, and Turkey.

The challenge for established destinations such as Ireland is to capture a share of the fast expanding demand for travel from new source markets while facing increased competition as air services open up new destinations from mature source markets.

The importance of an environmentally sustainable tourism sector

Research consistently shows that visitors to Ireland highly value the scenery, natural environment, and cultural heritage that the country has to offer. All are unique and irreplaceable natural assets and – along

with the friendliness and hospitality of our people – are the primary reasons that visitors come to our shores. It is thus vital to state that the goals and aspirations of this strategy are only achievable in the context of maintaining and supporting the quality of our natural environment. A commitment by the Irish tourism industry to sustainability and the environment is stated on page 20.

The ongoing development of Ireland’s tourism sector must reflect both the highest standards of environmental as well as economic sustainability. The recommendations within the 10 pillars of this strategy in terms of delivering an improved regional spread of tourism, creating new tourism products of scale and international appeal, increasing accommodation and attraction capacity measures, improving competitiveness, and dynamic use of visitor statistics are all formulated with this intention.

10 key pillars for Irish tourism’s success

This industry strategy, and the recommendations within, are based around 10 pillar themes which affect Irish tourism, both demand and supply focused. The pillar themes – running from p26 on – include:

- Competitiveness – the key ingredient for sustainable tourism growth
- Improving Access & Delivering Opportunity.
- Increasing Capacity to Meet Growth Aspirations.
- Exchequer Capital Investment in Irish Tourism.
- Managing the Challenge of Brexit
- State Support Framework to Facilitate Tourism Growth.

- Delivering Better Regional and Seasonal Spread of Tourism.
- Getting Marketing Right – Selling the Destination.
- An Educated, Skilled and Motivated Workforce.
- A Balanced Portfolio of Tourism Markets.

Each pillar theme has specific policy recommendations with clear responsibility against which an accountable body, whether that be industry, agency or Government, shall be measured. The Irish Tourism Industry Confederation (ITIC), working with Fáilte Ireland and Tourism Ireland, will review and monitor progress against each of the 40 recommendations each year.

This strategy also makes the case (as per page 17) for an annual National Tourism Day to raise the profile of the industry and celebrate the value and quality of tourism in Ireland. Other countries – the USA, England, India, and Canada to name a few as well the EU and UNWTO – mark a national tourism day. Ireland should follow this lead and highlight the importance of the sector to the national economy and address challenges and opportunities that the industry faces. The industry is awash with entrepreneurs and leaders, 12 of whom are featured within an Industry Insights insert which can be found on page 64.

A positive future but one that needs to be grasped

Such has been Irish tourism’s growth in recent times – a remarkable increase of international visitor numbers to Ireland of circa 40% over the last 5 years – that one

could assume that the upward trajectory will continue unchecked into the future. Such an assumption would be foolhardy. Anyone who has worked in the tourism sector can quickly point to an event, well outside tourism’s control or sphere of influence, that has knocked the sector back: think 9/11, an Icelandic volcanic ash cloud, SARS, or “foot and mouth” as clear examples of where growth momentum came to a shuddering halt, and none of those events economic shocks which most influence tourism flows. Brexit, the UK’s decision to exit the EU, is the most recent external shock that the Irish tourism industry must manage through. Saying that there is much that a country’s tourism industry, state agencies, local authorities, and national Government can control and adopting pro-tourism and pro-enterprise policies is the best way to mitigate against external shocks and chart a future where potential growth can be looked forward to confidently. This is the roadmap that this strategy sets out and the size of the prize in terms of employment, regional spread, exchequer returns, and sectoral growth are significant.

Tourism’s future in Ireland is too important to take for granted or leave to chance. This tourism strategy aims to be Industry-led, Government-enabled, and Agency-supported and collectively Ireland can benefit significantly from tourism’s rich potential.

An Annual National Tourism Day to raise the profile of the industry and celebrate the importance of tourism to Ireland.



Maurice Pratt
Chair of ITIC



Ruth Andrews
Deputy Chair of ITIC



Eoghan O'Mara Walsh
CEO of ITIC

Given the right policies, and appropriate investment strategies, Irish tourism can build on its current strong foundations.

By 2025 Irish tourism, on an annual basis and in real terms, can aim to achieve strong revenue, employment, visitor number, and tax receipt growth.

2017

2025

Overseas visitor revenue

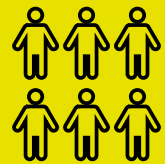


€4.9 billion

€8.1 billion

+65%

Employment



230,000 jobs

310,000 jobs

+35%

Visitors



8.9 million visitors

13.7 million visitors

+54%

Tax receipts



€1.13 billion

€1.86 billion

+65%

By 2025 international tourism into Ireland can deliver on an annual basis in real terms.

2025

Value of sector per annum

€8.1 billion (CAGR 6.5%)

Number of jobs in sector

310,000 jobs

International visitors to Ireland annually

13.7 million (CAGR 5.4%)

Direct tax revenue to exchequer

€1.86 billion

Revenue growth in sector compared to 2017

+65%

* CAGR = Compound Annual Growth Rate Vs 2017 levels

However growth targets for 2025 can only be achieved subject to key enabling factors.

2025

More hotel bedrooms

11,000

More access into Ireland

40%

Retention of a competitive tax rate

9%

Increased annual agency budgets for overseas marketing and industry support

€50 million

Good to very good value for money ratings

>60%

Ireland's rating as matching or exceeding holiday expectations

>90%

Annual Government investment programme in tourism development

€60 million

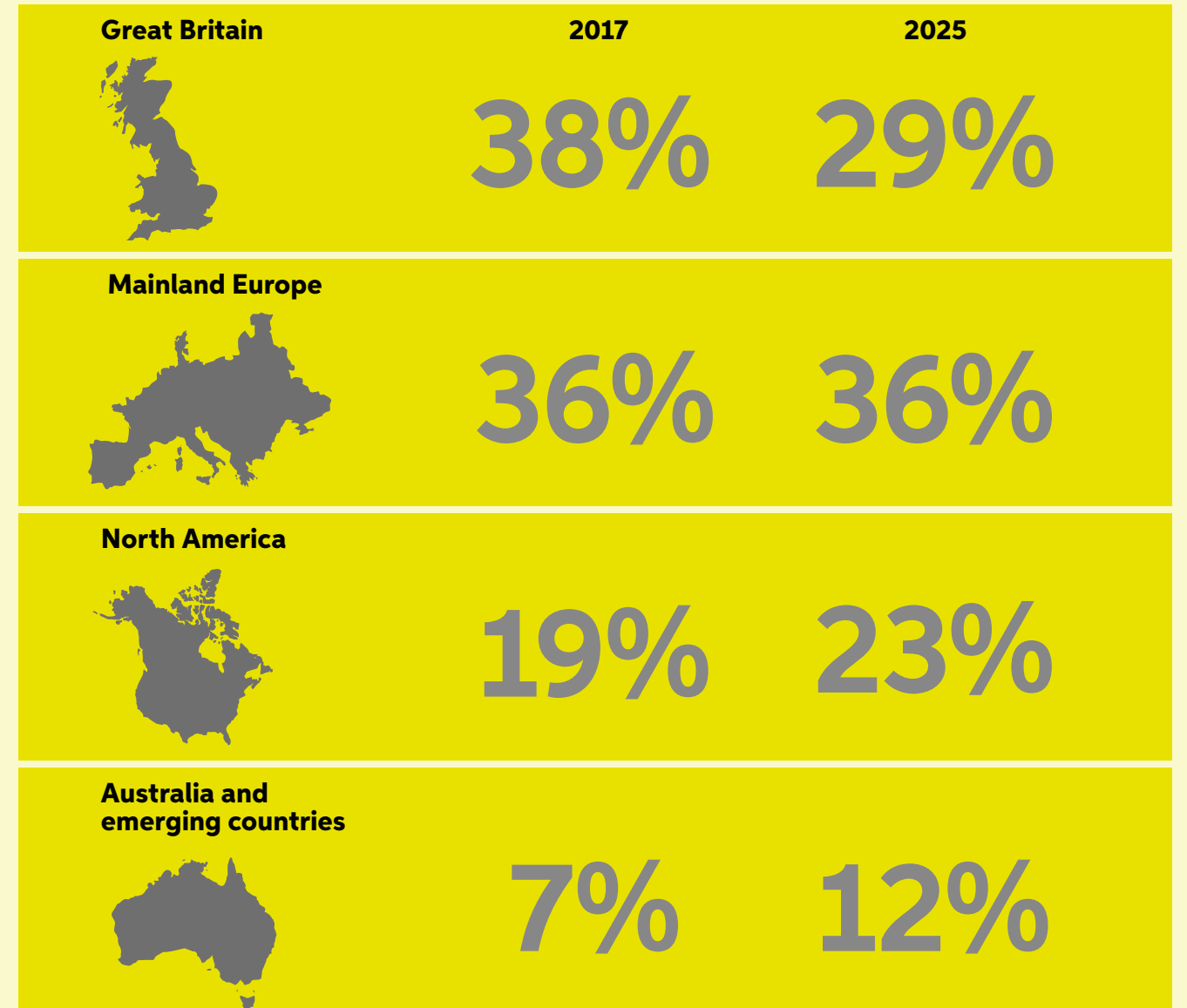
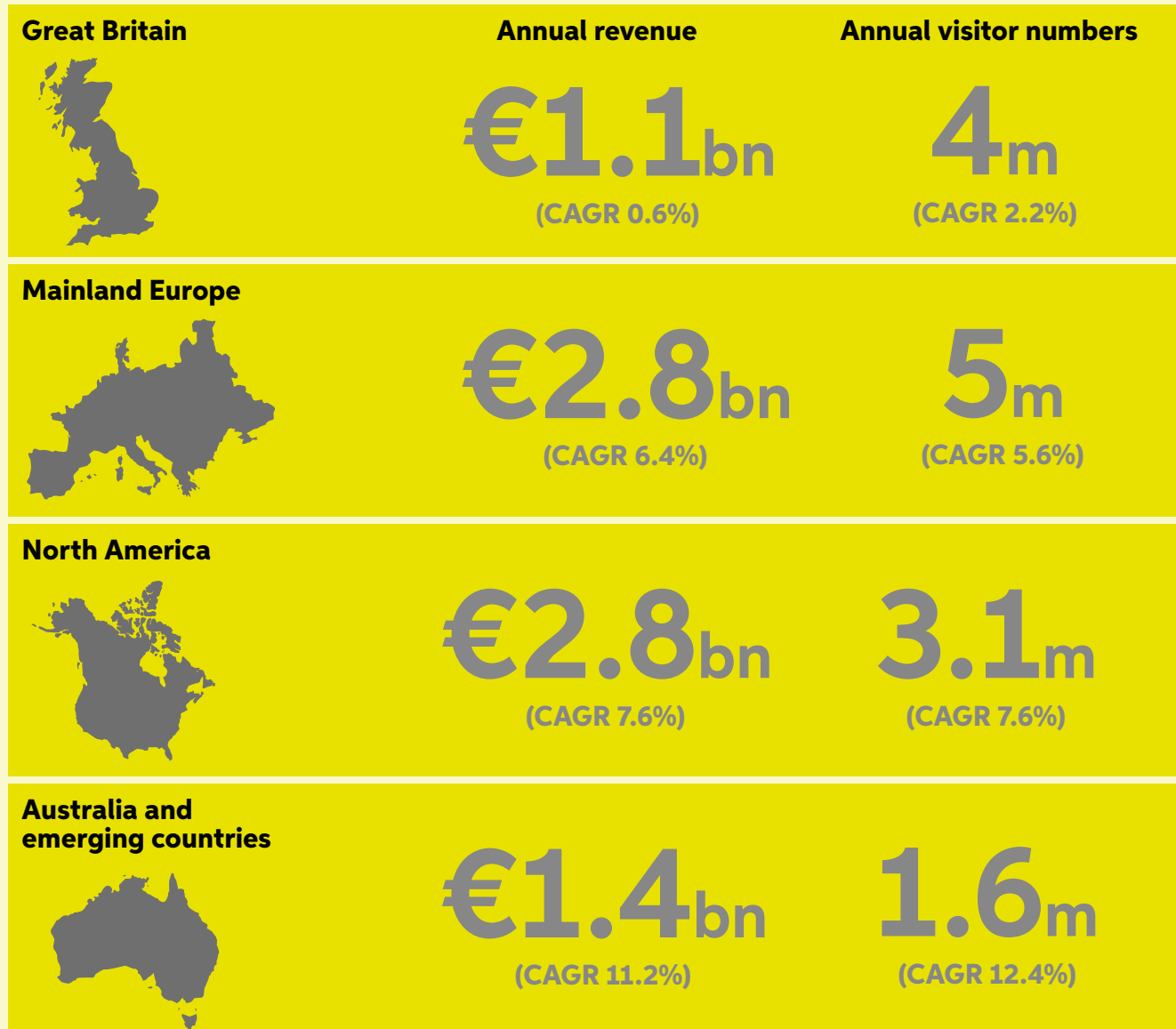
Enhanced terminal facilities and new runway at Dublin Airport



By 2025 overseas tourism to Ireland can be worth €8.1 billion annually with 13.7 million visitors per year. Visitor and revenue projections suggest stronger growth from North America, long haul markets and Europe than from Great Britain.

By 2025 mainland Europe is likely to be the top source market by volume for inbound tourism into Ireland. Britain will remain a key market by volume although its overall share will decline as North America and longer-haul markets gain in importance.

2025

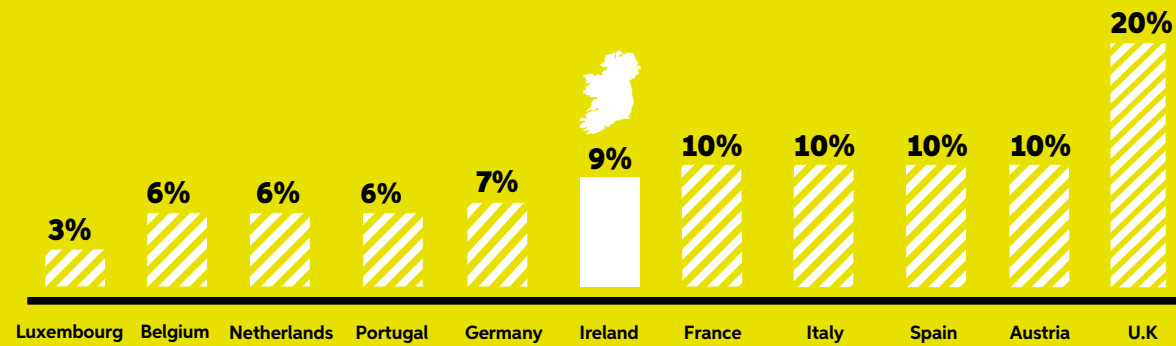


* CAGR = Compound Annual Growth Rate Vs 2017 levels

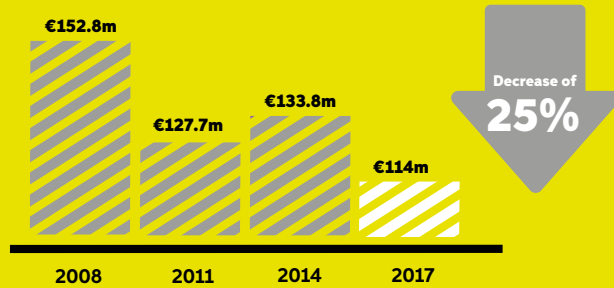
Government policies in terms of taxation and expenditure have been mixed for Irish tourism

Decisions to reduce the tourism Vat rate to the European norm and to suspend the airport departure tax are welcome and have given a strong impetus to tourism growth. State investment though in overseas marketing and industry support for tourism over the last decade has been in sharp decline and this represents a missed opportunity as tourism gives a significant return on investment to the exchequer.

A tourism Vat rate in line with the rest of the EU



Annual Government expenditure on tourism marketing and industry support has been in sharp decline



This strategy makes the case for €50m extra per annum to be spent by Government on tourism marketing and industry supports – based on accumulative incremental overseas revenue against current receipts and this would mean a significant rate of return for the economy.

34:1
Return on Investment

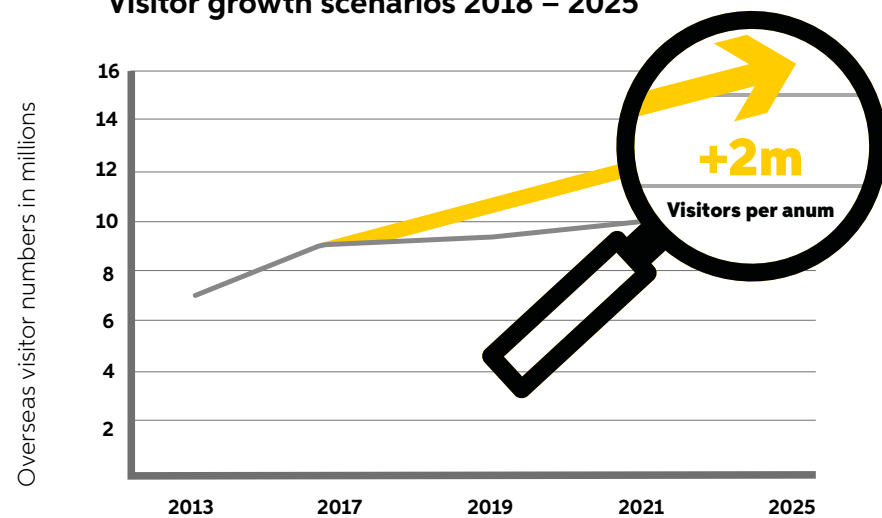
The National Development Plan 2018-2027

This outlines the Government’s commitment to meeting Ireland’s infrastructure and investment needs over the next decade. The Plan sets out a significant level of investment of €91 billion in exchequer funding of which tourism has only been allocated €300 million. The sum allocated falls far short of the call by the Irish Tourism Industry Confederation (ITIC) for €600 million over the next decade to be invested by the state strategically and regionally in new attractors of international appeal and scale.

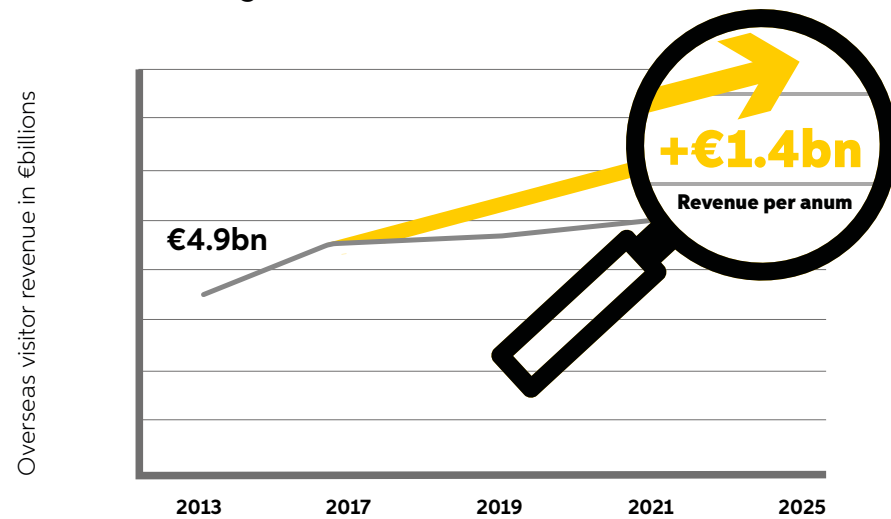


Overseas tourism into Ireland can be expected to grow by 2025, all things being equal according to UNWTO forecasts, but the difference between baseline growth and ambitious growth represents a sizeable prize for Ireland to strive for.

Visitor growth scenarios 2018 – 2025



Revenue growth scenarios 2018 – 2025



A National Tourism Day

It is proposed that Ireland mark an annual National Tourism Day to raise the profile of the industry and celebrate the value and quality of tourism in Ireland, a sector that employs 1 in 10 people, contributes billions to the economy in taxation, and impacts positively on communities and cities throughout the country.

This annual event should mark the importance of the sector to the national economy and highlight challenges and opportunities that the industry faces. The Irish sector touches everyone – visitors, residents, businesses and employees – and it is one of the few sectors active in every part of the country. It's an incubator for entrepreneurs, a strong regional employer, and promotes the best of Irish culture and heritage to a global audience.

Over 20,000 businesses are involved in tourism and hospitality – airlines, ferry companies, hotels and other accommodation providers, tour operators, restaurants, cultural experiences, visitor attractions and pubs amongst others – and it is only appropriate that a day of the year is nominated as National Tourism Day to highlight the importance of the sector and its potential as an indigenous sector that can never be out-sourced or off-shored.

Other countries including USA, England, Canada and India celebrate a National Tourism Day as does the European Union and the United Nations. It is high time that Ireland matched such a policy and elevated tourism within the national consciousness and Government and media circles and an annual National Tourism Day would help achieve this.

“This annual event should mark the importance of the sector to the national economy and highlight the challenges and opportunities that the industry faces.”

National and international advocates for Tourism

“Ireland is an economy of substance underpinned by strong growth sectors like Irish tourism. The sector reflects the best of both tangible and intangible assets and this strategy is a welcome initiative. The tangible benefits in terms of expenditure from the growing base of domestic and international tourists, supporting jobs throughout the regions and generating substantial exchequer returns. The intangible benefits in the experiences of the tourists will generate goodwill towards Ireland that spillover to the benefit of other Irish businesses both home and abroad”.

Danny McCoy, CEO IBEC, March 2018

“Tourism earnings from overseas visitors is a classic export business that adds significantly to Ireland’s economy both nationally and regionally. Industries such as tourism are driven by a strong private sector but the sector’s success needs to be enabled by Government and supported by state agencies. Ireland’s future economic welfare is largely based around the success of its exporting sectors and tourism is vital in that regard and this strategy should be supported in full”

Simon McKeever, CEO Irish Exporters Association, March 2018

“Governments must lead tourism policies, but the engine behind tourism development is the private sector, and one cannot work without the other”

Taleb Rifai, UNWTO Secretary General, March 2018

“The tourism and farming and food sectors are Ireland’s two most important indigenous industries and need to be supported through proactive Government policies. Together, they offer employment opportunities nationwide. Both sectors are interlinked, with food tourism offering a real opportunity for Ireland’s economy to grow future years. Tourism and farming and food have significant potential in the coming years, adding jobs, contributing to exchequer tax returns, and growing our national and regional economy.”

Joe Healy, IFA President, March 2018

“In order to develop a forward looking agenda for the tourism sector, Governments at all levels would benefit from developing, as appropriate, long term plans. This provides the consistency and certainty the tourism industry requires, and creates a framework for sustainable and inclusive growth.”

OCED, Paris, September 2017

Irish Tourism’s Commitment to Environmental Sustainability

Research consistently shows that visitors to Ireland highly value the scenery, natural environment, and cultural heritage that the country has to offer. All are unique and irreplaceable natural assets and – along with the friendliness and hospitality of our people – are the primary reasons that visitors come to our shores.

It is thus vital to restate the Irish tourism industry’s commitment to the environment and sustainable tourism. The goals and aspirations of this strategy are only achievable in the context of maintaining and supporting the quality of our natural environment. This strategy rightly aims for strong growth for Irish tourism which means additional jobs, exchequer returns, and regional balance however these are only possible if the recommendations and enabling factors within the strategy are implemented in full. Delivering an improved regional spread of tourism, creating new tourism products of scale and international appeal, and increasing accommodation and attraction capacity measures are all vital to ensure tourism’s sustainable growth so that by 2025 the sector can both be a vital economic engine and environmentally-sustainable.

The quality of Ireland’s natural landscape and countryside, combined with our physical heritage, are areas in which the

Irish tourism industry and State have a key role to play, through preservation of that which is irreplaceable and the development of that which enhances the visitor’s overall experience. The ongoing development of Ireland’s tourism sector must reflect both the highest standards of environmental as well as economic sustainability.

Internationally the World Tourism Organisation defines sustainable tourism as: “Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities.”

This definition highlights the interdependency of key elements of sustainability: social, environmental and economic. Indeed the United Nations Sustainable Tourism Programme emphasises that well designed and managed tourism can make a significant contribution to sustainable development, has close linkages to other sectors, and

can create employment opportunities and generate trade opportunities.

Key to sustainability is the ability to identify potential implications of growing tourism numbers and to measure and evaluate their possible impact. Our ambition for Ireland’s tourism industry is high, however that cannot, and should not, be achieved at the cost of physical, heritage and cultural environment. Popularity can be both a gift and a curse when it comes to tourism. Once a destination has reached tipping point, the result can alienate locals, push infrastructure to its limits and consequently impact negatively on the visitor experience as evidenced in protests in 2017 in Barcelona and Venice. In a comprehensive report on the challenges of over-tourism, published in December 2017 by McKinsey on behalf of the World Travel & Tourism Council (WTTC), it was highlighted that it is far easier for destinations to prevent overcrowding in the first place than to

recover from it. Therefore long-term success lies in good planning and management and that is what the recommendations within this strategy aim to achieve. This strategy endorses and supports the WTTC report which identified key priorities; build a comprehensive fact base and update it regularly; establish a sustainable growth strategy through rigorous, long-term planning; and involve all sections of society – commercial, public, and social. In that context a key recommendation is that Fáilte Ireland, the National Tourism Development Authority, carry out an annual sustainability and environmental impact report on tourism in Ireland.

The most recently available World Bank report identifying number of residents to visiting tourists to a country places Ireland 32nd of 51 countries – thankfully due to Ireland’s open spaces there is no current danger of over-tourism but it must be kept in mind as the sector aims to

The ambition for Ireland’s tourism industry is high, however that cannot and should not be achieved at the cost of the environment.



A key recommendation is that Fáilte Ireland, the National Tourism Development Authority, carry out an annual sustainability and environmental impact report on tourism in Ireland.

grow ambitiously in the years ahead. In a diagnostic analysis of 68 cities, conducted as part of the WTTC report by McKinsey, Dublin – Ireland’s most visited place with over 5 million annual overseas visitors – was identified as having little risk of overall overcrowding, air pollution, or damage to historic sites but did highlight increasing density of tourism during the high season. This underpins much of the recommendations within this strategy; tourism in Ireland must be spread more equitably and policy interventions are required to help deliver this.

Of course the environmental aspect of tourism is both managing numbers but also ensuring that Irish tourism is as carbon efficient as possible. National climate policy in Ireland anticipates and supports mobilisation of a comprehensive international response to climate change, and global transition to a low-carbon future. The Irish tourism industry supports this objective fully. We further commit to working with the Government to enable implementation of advice from the Climate Change Advisory Council regarding how to best respond to the impact of climate change and the most effective policies to assist with Ireland’s transition to a low carbon and climate resilient economy.

The Irish tourism sector is highly aware and conscious of the importance of ensuring an excellent visitor experience which is in accord with the local environment, community and cultures thus sharing the benefits of tourism development. When sustainably managed tourism has the ability to improve regional development, provide employment and strengthen communities. The protection

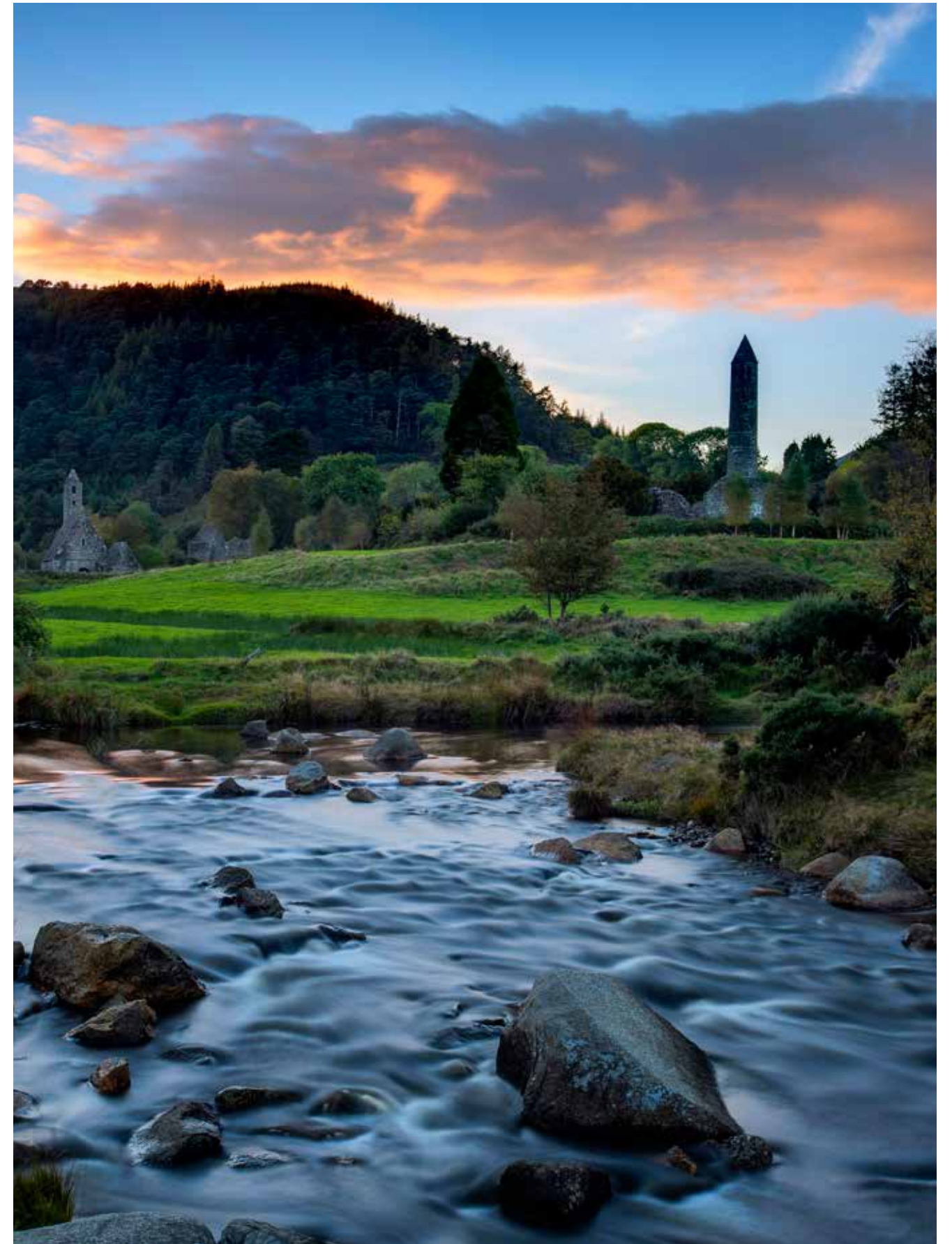
of natural eco-systems and heritage sites has in many cases been enabled by the financial benefits of tourism. Similarly, the heightened awareness of our natural assets increases public and political support to conserve these assets.

This strategy fully recognises and supports the emphasis placed by Government on sustainable tourism in the context of due consideration being afforded to the protection of our heritage assets when detailing strategy and plans.

It is incumbent on all tourism stakeholders to ensure that the projected increase in tourism numbers is managed sensibly and this strategy to 2025 and its proposals regarding competitiveness, capacity, dynamic use of visitor statistics, new product development, and regional spread are formulated with this intention.

The preservation of our natural environment, enablement of the positive economic impacts of tourism, and support of the social and cultural well-being of communities are central tenets within this strategy. If any of these elements fail to be maintained this strategy will not be successful, thus the need for sustainability and climate action measures at all stages of tourism sector’s future.

The environmental aspect of tourism is both managing numbers but also ensuring that Irish tourism is as carbon efficient as possible.



Methodology of Report

Tourism: An Industry Strategy for Growth to 2025 has been developed by the Irish Tourism Industry Confederation (ITIC) over a 9 month period with extensive consultation and input from the ITIC Board, Council members, a dedicated steering group and wider industry players. Genesis and TTC – Tourism & Transport Consult assisted with the strategy in terms of facilitations, consultation and forecast modelling.

ITIC Board of Directors

Maurice Pratt	Chair	Declan Kearney	Aer Lingus
Eoghan O'Mara Walsh	CEO	David McCoy	House of Waterford Crystal
Ruth Andrews	Deputy Chair (ITOA)	Cormac O'Connell	daa
Paul Gallagher	Irish Hotels Federation	Adrian Cummins	Restaurants Association of Ireland
Con Quill	Irish Caravan & Camping Council	Nick Mottram	Irish Ferries

ITIC Council Members

Aer Lingus	Car Rental Council of Ireland	Dublin Port Company	Inland Fisheries Ireland	Office of Public Works
AIPCO (Association of Irish Professional Conference Organisers)	CIE Tours International	Emirates	Ireland's Blue Book	Restaurants Association of Ireland
AVEA (Association of Visitor Experiences & Attractions)	Coach Tourism & Transport Council	Fáilte Ireland (Associate Member)	Irish Boat Rental Association	Shannon Group plc
B&B Ireland	Convention Centre Dublin	Guinness Storehouse	Irish Caravan & Camping Council	Stena Line
	Dublin Airport Authority	Heritage Island	Irish Ferries	Tourism Ireland (Associate Member)
	Dublin Institute of Technology	House of Waterford Crystal	Irish Heritage Trust	Vintners' Federation of Ireland
		Incoming Tour Operators Association-Ireland	Irish Hotels Federation	
			Jameson Visitor Centres	

Strategy Steering Group

Tony Kelly	Chair (formerly Irish Ferries)	Gerard Brady	Ibec
Eoghan O'Mara Walsh	ITIC	Aidan Sweeney	Ibec
Darren Byrne	Abbey Group	Ruth Andrews	ITOA
Niamh O'Shea	Killarney Park Hotel	Adrian Cummins	Restaurants Association of Ireland
Cait Noone	Galway Mayo Institute of Technology	Louise Bannon	daa
Tim Fenn	Irish Hotels Federation	Conor Kavanagh	Genesis
Caroline Kelleher	Shannon Group	Susie O'Connor	Genesis
Declan Kearney	Aer Lingus	Eoin Quinn	Irish Hotels Federation
Mark McGovern	Smithwicks Experience Kilkenny	Arlene Woods	ITIC

A series of in-depth one-to-one interviews were conducted with tourism leaders around the country

John Brennan	Managing Director, Park Hotel Kenmare	Niall MacCarthy	Managing Director, Cork Airport
Peter Carey	CEO, Kildare County Council	Tina Maree	National Executive Officer, Irish Hospitality Institute
Orla Carroll	Director of Product Development, Fáilte Ireland	Pat McCann	CEO, Dalata Hotel Group
James Chilton	Director, Rethink Tourism	Brian McColgan	Co-founder & Director, Abbey Group
Enda Corneille	Country Manager, Emirates	Nicola McGrane	CEO, Conference Partners International
Padraig Cribben	CEO, Vintners Federation of Ireland	Danny McCoy	CEO, Ibec
Derry Cronin	President, ITOA	Diarmuid O Conghaile	Director of Corporate Affairs, Ryanair
Professor Jim Deegan	Director National Centre for Tourism Policy Studies, University of Limerick	Des O'Mahony	CEO, Bookassist
Dr Dominic Dillane	Head of School, School of Hospitality Management & Tourism, DIT	Daragh O'Reilly	Head of Marketing, Irish Ferries
Niall Gibbons	Chief Executive, Tourism Ireland	Dino Steinkamp	DER Touristik
Joe Gilmore	Managing Director, Ireland West Airport	Diane Poole	Travel Commercial Manager, Stena Line
Howard Hastings	Managing Director, Hastings Hotels	Ken Spratt	Assistant Secretary, Department of Transport, Tourism & Sport
Vincent Harrison	Managing Director, Dublin Airport	Kevin Traynor	National Director, Coach Tourism & Transport Council
Stephen Kavanagh	CEO, Aer Lingus	Matthew Thomas	CEO, Shannon Group plc
Paul Keeley	Director of Commercial Development, Fáilte Ireland	Michael Vaughan	Owner, Vaughan Lodge Hotel, Co Clare

Regional workshops were held with local industry and trade in Galway (June 2017), Killarney (November 2017), and Kilkenny (December 2017) where valuable feedback was generated and new insights delivered.

A qualitative survey was conducted in January 2018 with a wider tourism industry audience via an online questionnaire which delivered extensive submissions.

ITIC is extremely grateful to all participants who have supported and given of their time in helping to formulate Tourism: An Industry Strategy for Growth 2025.



Competitiveness – the key ingredient for sustainable tourism growth

Competitiveness – the key ingredient for sustainable tourism growth

Ireland offers a unique and compelling visitor experience in an expanding, but increasingly, competitive global market place. Building on the strong results of recent years, and aligned with Government's economic objectives, Ireland's competitiveness must improve through investment, innovation, regulatory reform, greater efficiencies and excellent service standards, all with the objective of delivering compelling value for money for the consumer and long-term economic benefits for the country.

Ireland's relative position amongst its European competitors is telling as Spain, France, Germany and the UK are ranked in the world's top 5 most competitive destinations. This is where Irish tourism needs to be.

Competitiveness is at the heart of tourism policy agenda for most destinations, according to the Organisation for Economic Co-operation and Development (OECD). A number of variables – broadly, the regulatory framework, the cost of doing business, and the natural and cultural offering – drive the competitiveness of Ireland's tourism offering and result in its perceived attractiveness and value for money in the eyes of the consumer.

Every two years, the World Economic Forum sets out to answer the question of which countries represent the most competitive tourism destinations. In 2017 Ireland was ranked 23rd out of 136 countries, down from 19th out of 141 countries in 2015. Indices of competitiveness, while useful, are imperfect measures of competitiveness due to the subjective nature of many of the indicators and the varying stages of development of tourism economies. However, Ireland's relative position amongst its European competitors is telling as Spain, France, Germany and the UK are ranked in the world's top 5 most competitive destinations. This is where Irish tourism needs to be.

Ireland's tourism has made a remarkable recovery over the past number of years. A period of rapid economic growth in Ireland from the mid 1990s into the noughties, followed by years of rising prices, had seen Irish tourism suffer a marked loss of competitiveness as cost inputs and resultant consumer prices rose faster than in competing destinations. The result was a significant deterioration in visitors' value for money satisfaction as surveyed annually by Fáilte Ireland. Thankfully the Irish tourism industry has once again demonstrated its resilience and since 2009, when 41% of

tourists rated Ireland as poor value for money, there has been a marked improvement in competitiveness with in 2016 only 5% rating Ireland as poor value. This improved competitiveness has been as a result of Government actions such as the successful 9% Vat rate for tourism and hospitality services, as well as an agile and responsive industry reducing its prices and maintaining quality of service and product. The challenge is to sustain that recovery and improved competitiveness position.

Going forward a key enabling factor for tourism's success is that the industry maintains a minimum of 60% as "good" to "very good" value for money ratings amongst overseas holiday makers as surveyed annually by Fáilte Ireland.

Consumers have become increasingly well informed about travel options and are demanding of value for money in their purchasing decisions. Price competitiveness and value for money rating by consumers is based on factors such as the extent to which goods and services are more or less expensive than elsewhere (purchasing power parity), the cost of travel, VAT and other taxes passed on to the consumer, fuel prices, and the relative cost of hotel or other guest accommodations.

The Government's current policy on tourism 'People Place and Policy', published in 2015, underlines the need for the maintenance of value for money and the inherent danger that price increases may damage tourism competitiveness. It further highlights that overall value is equally as

important as price. For Ireland to move up the international tourism value chain and thereby improve its competitiveness requires quality tourism products, services and experiences from hospitality businesses against a background of a pro-enterprise environment which promotes investment and innovation.

Continued growth in tourism will depend on providing compelling and sustainable experiences to visitors. The relative value of natural, cultural and heritage assets is likely to become increasingly important appeals as consumers actively seek out sustainable and authentic visitor experiences.

The threats or risks to Irish tourism remaining competitive in the eyes of the consumer hinge largely on the cost inputs involved in delivering the experience. While Ireland's economy is in its strongest place since the onset of the recession, several serious competitiveness challenges are evident and initial 2017 "value for money" ratings by international tourists are beginning to dip. National policy needs to ensure the economy is resilient at sectoral and firm level within the tourism and hospitality sector to deal with imminent competitiveness

challenges, including Brexit. In common with businesses in other sectors, tourism and hospitality enterprises look to Government to rigorously pursue cost competitiveness, address barriers to investment and growth, drive productivity performance, so that they can be responsive to competitiveness challenges and opportunities that emerge. Growth is putting upward pressure on costs and infrastructural investment is lagging growth trends, which could seriously jeopardise the industry ability to cater for increased demand.

Continued growth in tourism will depend on providing compelling and sustainable experiences to visitors



Improvement in value for tourist money ratings by tourists since 2009

Key Issues and Recommended Strategic Responses

The following section details key strategic recommendations with respect to competitiveness. As a key ingredient of the tourism offering a systemic approach to competitiveness is necessary against a background of macro-economic policy, supported by a whole-of-government approach to tourism policies and supports. Such an approach is necessary to enable tourism businesses to trade competitively in export markets and achieve sustainable growth in demand thereby delivering sustained employment and economic benefits.

4 Key Challenges

1 Capacity Management, Capital Investment and Infrastructure

Ireland's ability to earn increasing export tourism revenue, by attracting and accommodating more visitors, requires investment in enabling infrastructure. ITIC supports the Government policy of investment in infrastructure as outlined in the 10-year National Development Plan 2018-27 including roads, broadband, and utilities as critical elements of a competitive strategy for tourism. It is regrettable that more investment is not ear-marked for specific tourism capital development projects but tourism-enabling infrastructural investments are to be welcomed. Investment and innovation in tourism facilities, as outlined elsewhere in this strategy within the *Exchequer Capital Investment in Tourism* pillar, will

Ireland remains a relatively high-cost location in which to do business according to the National Competitiveness Council.

be key to successful expansion of tourism demand across the regions and throughout the year. Current capacity issues, including hotel accommodation in the capital, require ongoing monitoring and a programme of actions to ensure that growth is not stunted by insufficient capacity in enabling infrastructure or a short fall in facilities catering specifically to tourism – access, accommodation, and visitor attractions and services.

It is recommended that tourism development programmes encouraging investment need to be aligned with the Government’s infrastructure plans as outlined in the National Planning Framework to 2040. Tourism interests need to engage with the relevant Government departments – principally the Department of Housing, Planning, Community and Local Government – to ensure that tourism objectives are included in capital development programmes over the coming years and that any statutory barriers to tourism development growth are addressed.

Increasing insurance rates threaten the viability of many small enterprises while adding disproportionately to costs for larger hospitality businesses.

2 Costs of doing business

Ireland remains a relatively high-cost location in which to do business, according to the National Competitiveness Council’s latest report¹. A number of elements which impact on the costs of doing business in Ireland, particularly for SMEs which characterise the tourism sector, include ‘tax, legal, regulatory and administrative environment, are vital to helping improving competitiveness.’ Utility costs in Ireland are amongst the highest in the EU. Access to, and the cost of, credit, including working capital, continues to be a significant issue for many businesses in the tourism sector, while increasing insurance rates threaten the viability of many small enterprises while adding disproportionately to costs for larger hospitality businesses, each threatening competitiveness of the tourism offering. Investment in expansion in many instances is being stymied by rising property prices and construction costs.

The impact of Brexit continues to be an immediate threat to competitiveness, as evidenced by exchange rate shifts on demand from the British market.

Specific threats to tourism competitiveness in the future include Government’s taxation policies and international priced inputs which exert a significant influence on energy and transport costs.

It is recommended that a number of policy areas be implemented relating to cost of business inputs, which impact price competitiveness, including:

- Maintenance of a tourism VAT rate that is competitive with other European destinations;
- Access to a diversity of financing options available to tourism business;
- Reform and simplification of the current regime of taxes and charges on employment;
- Realignment of Local Authority rates system to ensure greater consistency;
- Streamline regulatory compliance obligations, whilst ensuring full health and safety compliance, to reduce the cost of doing business;
- Implementation of the priorities identified in the Energy White Paper to reduce utility costs;
- Implement the recommendations and actions arising from the second phase of the Cost of Insurance Working Group in relation to the Employer Liability and Public Liability insurance.

It is recommended that tourism competitiveness be monitored and addressed in line the recommendations of the National Competitiveness Council paying particular attention to labour, insurance and taxation costs.

It is further recommended that Fáilte Ireland, in cooperation with ITIC, update its 2011 report to reassess the impact of the range of state imposed costs on tourism businesses and the sector’s competitiveness.

3 Labour availability and cost

Tourism is a sector with a high level of employment with 230,000 jobs nationwide as at the end of 2017. Such a labour intensive industry by definition need a broad range of skilled employees. Businesses in the sector attract talent from numerous backgrounds including finance and accounting, data analysts, customer service, and linguists amongst others. Given the high numbers of staff required in the industry it is important that there be an available talent pool on a regional basis at competitive cost to employers.

For industries within the services sector, of which tourism is one, costs associated with labour are significant. In 2017 Ireland had the 2nd highest monthly minimum wage (€1,546) and 5th highest monthly minimum wage in PPP terms (€1,264)². Furthermore, as Ireland’s economy continues to expand and the labour market tightens, pressure will increase on labour costs and availability. For Irish tourism to remain competitive it is essential that productivity and labour costs within the sector do not get out of line with those in competitor destinations across Europe. Responsibility rests with Government, business and trade unions to ensure that wage levels do not outpace productivity gains, as happened in the past, resulting in higher prices for the tourist and a marked erosion of competitiveness. The same mistake must be avoided in the future.

The ability of the industry to attract and retain talent is addressed separately in Pillar 9. Notwithstanding recommendations in this regard Ireland is almost at full

Maintenance of a tourism Vat rate that is competitive with other European destinations.

As Ireland’s economy continues to expand and the labour market tightens, pressure will increase on labour costs and availability.

¹) Ireland’s Competitiveness Challenge , 2017 December 2017

² Eurostat / National Competitive Council Costs of Doing Business 2017 (May 2017)

Value for money surveys conducted by Fáilte Ireland, are seriously diminished in value due to a significant time lag in the availability of results.

employment and it has become necessary in some areas that employees from overseas are needed to address gaps in the system. It may be necessary to relax the restrictive laws on work permits to attract skilled and qualified non-EU nationals into the industry, especially as visitor demand increases from new source markets in Asia and the Middle East.

It is recommended that the employment permits system be reviewed in consultation with industry to ensure it is aligned with emerging labour market needs and visitor profiles.

4 Measuring and monitoring competitiveness

In addition to regular international benchmark reports on national competitiveness, the tourism sector would benefit from more in-depth and timely monitoring of price and value perceptions of consumers in key markets. The capture of more consumer insights, ideally in real time, would provide the industry with a valuable marketing tool to drive sustainable growth.

Ireland currently does not have an on-going monitoring of competitiveness in its top source markets, tracking price based on purchasing power parity comparisons within its competitor destination set, including cost of access, accommodation, consumer taxes, and exchange rates amongst others. This lack of insight and ongoing monitoring of the competitive environment is a serious information gap for the sector.

Holidaymaker surveys, conducted by Fáilte Ireland, while providing an annual monitoring of value satisfaction levels amongst peak season holiday visitors, are seriously diminished in value due to a significant time lag in the availability of the results.

It is recommended that a competitiveness monitor, including the systematic collection of data on price and consumer sentiment (including overseas tour operators and OTAs) be upgraded and shared with the industry in real-time to influence policy and commercial decisions to best deliver quality and value experiences for the visitor.

Summary of Recommendations

Recommendation

Tourism development programmes encouraging investment be aligned with the Government’s infrastructure plans as outlined in the National Planning Framework to 2040.

Lead Accountability Fáilte Ireland & industry

Recommendation

Tourism competitiveness be monitored and addressed in line with recommendations of the National Competitiveness Council paying particular attention to labour, insurance and taxation costs.

Lead Accountability Government

Recommendation

Assessment of the impact of the range of state imposed costs on tourism businesses and the sector’s competitiveness.

Lead Accountability Fáilte Ireland & Industry

Recommendation

Employment permits system to be reviewed in consultation with industry to ensure it is aligned with emerging labour market needs and visitor profiles.

Lead Accountability Department of Business, Enterprise and Innovation

Recommendation

A competitiveness monitor be upgraded and shared with the industry in real-time to influence policy and commercial decisions for the benefit of the visitor.

Lead Accountability Fáilte Ireland

Improving Access and Delivering Opportunities

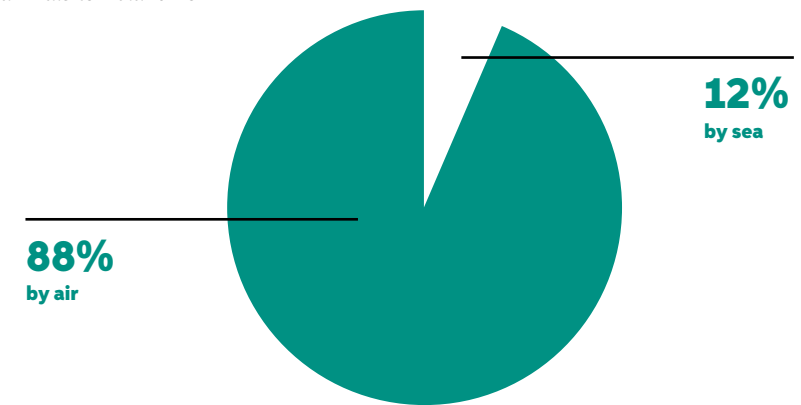


Improving Access and Delivering Opportunities

The importance of access, whether that be by sea or air, to the development and growth of tourism cannot be understated. This is particularly so for an island nation such as Ireland. The ability to easily and affordably come to Ireland on a year-round basis has been, and will continue to be, the key driver for growth in overseas tourism.

By 2025, if tourism growth as per this strategy is to be delivered, then access will need to have increased significantly with up to 40% additional seats delivering over 13 million visitors to Ireland. Air and sea carriers will have enhanced existing routes and opened new routes, airports – particularly Dublin – will need to have delivered significant infrastructural improvements, and land transportation within Ireland will have aided the regional spread of tourism benefits.

Visitor arrivals to Ireland 2017



The development and growth of sustained access – both by air and sea – generates new options and opportunities for overseas tourists to visit Ireland. As has been the case in recent years, developments in access drive healthy competition amongst airlines and sea carriers that result in better value for consumers. In this context it can be argued that growth in access is the primary causative factor and stimulator of tourism above all other reasons.

Development of more access and increasing demand through the year is also a fundamental component and enabler of the extended seasonality of tourism traffic and revenue. This helps drive incremental volume and value at times when accommodation and visitor attraction capacity is under less strain, creating less of a reliance on peak months and a more sustainable flow of business.

Set against this background it is imperative that access to Ireland is managed and supported so that it grows in a long-term and sustainable manner and in doing so benefits tourism as well as the wider economy.

A look at air access

A total of 34.9 million passengers went through Irish airports in 2017 with 88% of all overseas visitors coming to Ireland by plane. Dublin Airport is the dominant Irish airport and accounted for 85% of all air passengers followed in volume by Cork and Shannon with regional airports such as Knock and Kerry having smaller yet still significant numbers.

Access to Dublin has seen a sharp rise in passenger numbers and dominates in terms of air access to Ireland in recent years. The continued development of facilities at Dublin Airport – including a second runway, additional terminal facilities, new gates and taxi areas – is vital for Irish tourism nationally to prosper into the future. Growth at Dublin Airport is also critical for the regions with the significant majority of international visitors to the regions accessing via Dublin. Saying that, sustainable air routes into other Irish airports must be encouraged and incentivised where possible with Fáilte Ireland data showing that when international visitors arrive directly to a region they spend more time in that region.

The challenge for Irish airports will be to fill current capacity opportunities in Cork, Shannon, Ireland-West and Kerry airports,

Growth in access is the primary causative factor and stimulator of tourism above all other reasons.

The continued development of facilities at Dublin Airport – including a second runway, additional terminal facilities, new gates and taxi areas – is vital for Irish tourism nationally to prosper into the future.

The Government decision to suspend the airport departure tax was welcomed by the Irish tourism industry and airlines have responded positively opening new routes and increasing capacity

while increasing capacity at Dublin Airport through land-side and air-side enhancements.

The Government decision to suspend the airport departure tax was welcomed by the Irish tourism industry and airlines have responded positively opening new routes and increasing capacity. The zeroing of this tax, as well as competitive landing charges at key airports, has helped Ireland secure new routes and access from new markets. In regard to Dublin Airport, given recent and projected growth, one of the key challenges will be to ensure that key facilities, both airside and landside, keep apace with airlines' ambitions and needs. Dublin has the real opportunity to become a hub airport between Europe and North America and daa has plans to increase its passenger capacity significantly in the years ahead. This is to be welcomed and supported and crucially the Brexit negotiations must ensure that a liberalised aviation regime remains in place as the UK exits the EU.

Access by sea is a key element of the tourism landscape. This is particularly so in relation to the British market where 16% arrived by sea in 2016.

A look at sea access

Arrivals by sea, on routes from Britain and France, have fluctuated in recent years and saw a 1.6% increase in 2017.

Access by sea is a key element of the tourism landscape. This is particularly so in relation to the British market where 16% arrived by sea in 2016. Notably, visitors who arrive by sea tend to stay longer and spend more whilst on holiday in Ireland. Irish Continental Group's (ICG) decision to build 2 new ferries for the UK and French routes with a spend of €315 million in the coming years is a strong vote of confidence in Irish tourism and sea access. Stena Line also have ambitious growth plans and Brittany Ferries are launching a new Spain to Ireland route in 2018.

Infrastructural investment at ports, and the ease of getting to and from ports, are challenges facing sea carriers, and investment by Dublin Port in particular is to be welcomed and must be tourism-centric in its delivery. Furthermore, Brexit and any impact on the customs union will be particularly important for sea carriers as they plan access many years in advance and must tailor particular ships to routes. By definition sea carriers are not as mobile or flexible to market diversification as air carriers.

In summary, access development has been very positive in recent years. There is significant potential for this growth to continue into the future with a positive and enduring impact on the tourism sector. However, growth brings challenges and these must be addressed.

Key Issues and Recommended Strategic Responses

The following section details key strategic recommendations focused on the sustainable development of access to Ireland so that it supports and facilitates growth of the tourism sector.

5 Key Challenges

1 Maintain competitiveness and delivering the right enabling conditions

Undoubtedly consumer demand and the strategic positioning of Ireland as a gateway to and from Europe have been the drivers of growth in access in recent times. However, underpinning these factors have been a number of key enabling elements and conditions that must be continued, specifically:

- The continued zero-rating of the airport departure tax
- Continued competitiveness of Dublin Airport landing charges
- The expansion of US pre-clearance at Irish airports.

2 Prioritise and expedite investment at Dublin Airport

As previously outlined the trajectory of access, particularly air access, is very positive and a further 4% growth in air access is anticipated in summer 2018. However, with this new access comes a demand on supporting infrastructure. The need for Dublin Airport to expand

Aer Lingus's plans to double transatlantic passengers by 2022 give Irish tourism, for the first time, a view of capacity on key North American routes for the next number of years and infrastructure on the ground must enable this project growth.

its air-side and land-side infrastructure is fundamental to the health of Irish tourism nationally. In that context it is recommended that essential infrastructure is expedited and prioritized at Dublin Airport, and a parallel runway and terminal facilities are developed without delay so that it can become an airport hub of scale. Other airports will be competing strongly to become a hub between North America and Europe and Dublin Airport must strive to secure a primary status in this regard. Aer Lingus's published plan to double transatlantic passengers by 2022 gives Irish tourism, for the first time, a view of capacity on key North American routes for the next number of years and infrastructure on the ground must enable this projected growth.

It is recommended that a task-force be put together by Fáilte Ireland to look at ways to secure new routes and additional capacity for regional airports within regulatory and EU state-aid guidelines.

A concerted focus must be applied to ensure that sufficient capacity is in place to handle a growth in passenger numbers as well as delivering an outstanding passenger experience. The daa has ambitious plans that Dublin Airport's passenger number can grow significantly and all efforts should be made to help daa achieve this.

3 Ensuring a liberalised access regime and improved air and sea ports

As per the chapter on Brexit within this strategy the continuation of a liberalised aviation regime when the UK leaves the EU is critical for both tourism and trade in Ireland. Any restrictions on air access, even for a short period of time as negotiations continue, would be enormously damaging to Irish tourism and a liberalised aviation regime must be part of any new EU / UK deal. Furthermore should the UK leave the customs union, it would cause significant cost and uncertainty to sea access and this must be guarded against for Irish tourism's best interests.

Air and sea ports must invest wisely and strategically to continuously improve the experiences of carrier customers and tourism visitors.

4 An airport growth strategy to support regions

Fáilte Ireland data shows that tourists that arrive directly into a region tend to stay longer and spend more in that region. In that context every effort should be made to generate sustainable new routes into regionally based airports without cannibalizing existing traffic flows. It is recommended that a task force be put together by Fáilte Ireland to look at ways to secure new routes and additional capacity for key tourism airports such as Shannon, Cork, Ireland-West and Kerry within regulatory and EU state-aid guidelines. Such a working group could be made up of the 2 state agencies, relevant airports, airlines, local authorities, and key overseas trade partners and terms of reference could include best practice internationally, co-operative marketing initiatives, identification of key routes, and regional product developments with the aim of generating demand. Whilst Dublin Airport's growth and expansion is vital to national tourism it is also imperative that other Irish airports prosper as they are of strategic importance to tourism development as well as have unused capacity.

Key to unlocking sustainable regional access will be the demonstration of provable demand. Airlines can only commit to routes based on commercial justification and consumer interest.

5 Agency collaboration with air and sea carriers

Effective marketing between Tourism Ireland and air and sea carriers, in co-operative marketing campaigns and the sharing of market intelligence, has proven successful in driving demand and assisting new route development into Ireland. It is recommended that this collaboration be continued and dedicated co-operative marketing increased with cost-benefit studies completed at year-end. These studies have the purpose of ensuring efforts to support access development are prioritised, are visitor/passenger centric, develop regional and seasonal tourism, whilst also acting as a key platform for information sharing. This additional investment should come from the increased funding of Tourism Ireland from Government that this strategy calls for rather than a redirection of existing budgets.

It is recommended that this collaboration be continued and dedicated co-operative marketing increased with cost-benefit studies completed at year-end.





Summary of Recommendations

Recommendation

Prioritize and expedite terminal enhancements and new runway development at Dublin Airport.

Lead Responsibility Government/daa

Recommendation

Continued zero-rating of Airport Departure Tax, competitiveness of landing charges, and expansion of US pre-clearance facilities.

Lead Responsibility Government/
Commission of
Aviation Regulation

Recommendation

Increased co-operative marketing funds with industry partners in line with agency budget increases.

Lead Responsibility Tourism Ireland

Recommendation

Formation of an airport task-force to drive demand on sustainable tourism routes to support regional access.

Lead Responsibility Fáilte Ireland with
Tourism Ireland

Recommendation

A liberalised access regime is secured as part of any new EU/UK deal.

Lead Responsibility Government



Increasing Capacity to Meet Growth Aspirations

Increasing Capacity to Meet Growth Aspirations

The ambitions as outlined within this strategy are predicated on Irish tourism having the capacity to meet the projected growth in demand. 40% additional air and ferry seats will need to be created and the tourism sector will have to develop 11,000 additional bedrooms and up to 100 new restaurants nationally. Adding capacity particularly “on the ground” in terms of accommodation and visitor attractions is vital to ensure demand can be met, value can be assured, and the quality of the Irish visitor experience can be maintained.

The tourism sector has experienced a number of growing pains in recent years with supply slow to match the increase in demand from many markets and this has been most evident in pressure on accommodation and popular visitor attractions at peak times. Irish tourism must deliver new capacity quickly in order to achieve its growth levels and consistently deliver an outstanding visitor experience that differentiates Ireland and delivers a competitive advantage.

As an island destination Irish tourism’s success is heavily depending on growth in air and sea access. In that context the next few years look positive for Ireland with the expected expansion of Dublin Airport, new transatlantic, European and long haul routes in the offing, and the first direct China-Ireland route commencing with Cathay Pacific’s Hong Kong to Dublin service in June 2018. Sea carriers, most notably Irish Ferries and Stena Line, have also made serious investments in new vessels and routes as sea access continues to improve. The more burning issue for Irish tourism is its ability to add capacity within Ireland and in that context this pillar puts a clear focus on accommodation and attraction capacity. In terms of the former, a continued lack of hotel bedrooms – particularly in Dublin where there has been a significant bottleneck in recent times – would represent a threat to growth whilst also negatively impacting on Ireland’s competitive profile. A report by Fitzpatrick & Associates for Fáilte Ireland in June 2016 found that in the previous 5 years as overseas visitors to Dublin grew by 33%, the number of hotel bedrooms in the city actually fell by 6%.

This proved to be a legacy of the economic crash with little activity from developers and banks and financial institutions not lending. Such has been tourism’s growth to Ireland in recent times that the supply shortage of accommodation has become evident in a number of popular tourism hotspots including Galway, Kilkenny and Cork.

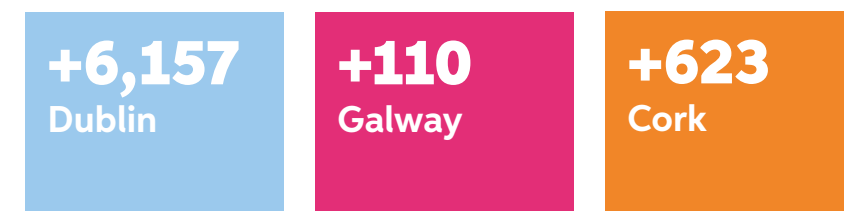
That situation has begun to right itself in 2018 with the extension of current hotels and the construction of new ones. Recent analysis for ITIC by CBRE, commercial property and hotel experts, outline that approximately €850 million is being committed by hoteliers and developers up to 2020 which could see circa 6,890 new bedrooms open across Dublin, Cork and Galway. It should be noted that Belfast is having its own hotel development boom with 1,500 new bedrooms set to open for business in 2018 and 2019.

The growth targets as set out in this strategy necessitate the construction of 11,000 new bedrooms nationwide to complement other accommodation developments and there seems to be strong momentum towards this after years of inactivity. Saying that the number of

The more burning issue for Irish tourism is its ability to add capacity within Ireland and in that context this pillar puts a clear focus on accommodation and attraction capacity.

Recent analysis for ITIC by CBRE, commercial property and hotel experts, outline that approximately €850 million is being committed by hoteliers and developers up to 2020 which could see circa 6,890 new bedrooms open across Dublin, Cork and Galway.

New bedrooms projected by 2021



The number of new bedrooms in the market needs to be monitored carefully.

There is a growing realization that there needs to be new things of scale and international appeal for visitors to do, to both ensure a better regional spread of tourism and take pressure off existing attractions.

new bedrooms in the market needs to be monitored carefully and it is recommended that Fáilte Ireland carry out an annual monitor of hotel stock compared to current and projected demand to ensure that the market is in sync where possible, and where not appropriate policies are put in place to stimulate construction including strategic development zones to fast-track planning and reduce the scope for unnecessary objections.

In the context of managing capacity at visitor attractions there is a growing realization that there needs to be new things of scale and international appeal for visitors to do, to both ensure a better regional spread of tourism as well as take pressure off existing Irish visitor attractions. Visitor experiences are actively investing in their own product where possible – recent examples include Guinness Storehouse’s €16 million extension of its rooftop Gravity bar, Center Parcs new €233 million holiday village in Longford due to open in 2019, Westport House’s €50 million plan for development, and Jameson Distillery Bow Street’s recent €11 million makeover – but often the state needs to take a proactive approach to this with capital investment budgets through Fáilte Ireland directly creating, or helping to create, new visitor experiences of note. In this context it is disappointing that the 10 year National Capital Plan published in February 2018 only allocated €300 million to new tourism product whereas this strategy argues that a doubling of this would be more appropriate.

The sum of state investment for new tourism developments – to be channeled through Fáilte Ireland – pales in comparison with the money being committed by tourism’s private sector which amounts to approximately €2.5 billion in the next 3 years

alone with new hotel constructions, new attraction developments, and sea and air carrier investments.

And we’re not short of compelling new tourism ideas for state investment: a coast to coast Greenway from Dublin to Galway and the Wild Atlantic Way; a flagship Midlands attraction based around the Shannon corridor or our natural peat boglands; an enhanced and interpreted Siabh Liag cliffs experience in Donegal; an observatory along the Wild Atlantic Way to see the wonders of the Dark Skies along the Western seaboard of Europe; Valentia Island as a UNESCO World Heritage Site to reflect its importance as the first communications hub between Europe and North America in the mid-19th century; a world-class attraction showcasing Ireland’s literary achievements and heritage. These are just some of the many options to add to Ireland’s tourism experiences but the State must be proactive and take the first steps – hotels, restaurants and tour operators will all follow but, like the shining example of the Wild Atlantic Way, the Government must make the initial move with capital investment budgets to help create iconic attractors.

As clearly demonstrated on page 20 the Irish tourism industry is keenly aware of the need for sustainable tourism measures now and into the future. This requires new attractions of scale to ensure a better regional spread of tourism particularly in the Midlands, North West and along parts of the Wild Atlantic Way.

In addressing the challenge of capacity, all parties – Government, Agencies, industry, and trade – must collaborate to define and activate solutions that will allow for sustainable growth and simultaneously deliver in line with visitor expectations.

Key Issues and Recommended Strategic Response

The following section details key strategic recommendations focused on the sustainable development of access to Ireland so that it supports and facilitates growth of the tourism sector.

4 Key Challenges

1 Appropriate policies to drive private sector investment

As a key driver of employment and growth in the economy it is important that the tourism industry is considered in key policies that have the capacity to affect investment in new accommodation. Specifically, this relates to creating optimum conditions for investment and construction, focusing on policies and regulations such as planning permissions, height restrictions, hotel and amenity sizes, compulsory purchase orders if necessary, stamp duty, and taxation measures. It is recommended that a review of key enablers and barriers to new accommodation is completed and that annual monitoring of supply of new bed stock is conducted by Fáilte Ireland to ensure accommodation measures are working. Likewise Fáilte Ireland’s grant support should be tailored to incentivise and support private sector projects.

The sum of state investment for new tourism developments over the next decade - to be channelled through Fáilte Ireland - pales in comparison with the development money being committed by tourism's private sector which amounts to approximately €2.5 billion in the next 3 years alone.

Although the National Development Plan 2018-27 outlining the state's capital spending commitment to tourism of only €300 million this still represents a real opportunity for Fáilte Ireland to invest strategically.

2 A regional and seasonal development strategy

As outlined within the *Delivering Better Regional and Seasonal Spread of Tourism* pillar of this document it is recommended that a clear, prioritised and actionable strategy designed to ensure visitors are dispersed and stay throughout the country is put in place. This strategy will be required to set out how to motivate tourists to consider and visit more regional destinations beyond the traditional tourism hotspots. Not only would success in the development and volume of seasonal and regional tourism benefits the sector and industry generally but also alleviate capacity pressure at peak times and in traditional tourism destinations. In order for this to become a reality appropriate capacity both in terms of accommodation and visitor attractions must be in place.

3 Capital investment in tourism assets and attractions

As detailed in the *Exchequer Capital Investment in Irish Tourism* pillar it is recommended that a €600 million capital investment programme, channeled through Fáilte Ireland, is allocated to tourism over the coming decade. The application of these funds must be considered in the context of the visitor attraction challenges and opportunities. With this in mind the focus on capital investment will be required to address a number of key agendas, i.e. transitioning current experiences into world class experiences, the development of natural and built visitor attractions that have the capacity to drive regional and seasonal basis and the development of key facilities such as toilets and car and coach parking at visitor attractions.

Although the National Development Plan 2018-27 outlining the state's capital spending commitment to tourism of only €300 million, this still represents a real opportunity for Fáilte Ireland, the agency with responsibility for the budget, to identify how and where they will commit the resources.

Public exchequer funding of state owned attractions must be directly linked to improved visitor and tourism experiences including online booking facilities to ensure a better flow of visitors and more flexible opening times.

4 Audit of state owned tourism assets to maximise efficiency and operation

Inadequate attractors or over-crowded visitor attractions risk creating poor experiences which can undermine Ireland's overall tourism reputation and appeal. There are however numerous buildings and assets which are state owned and yet which are not used for tourism purposes. A classic example is one of Dublin's finest buildings, the Custom House, on the River Liffey which acts as the Department of Environment and which is inaccessible to visitors even though it is one of the city's finest architectural structures. Such examples are dotted around the country and it is recommended that a review be undertaken of historic state owned buildings that could be used for tourism purposes to add richness to the visitor experience and introduce much needed additional capacity. Likewise it no longer seems appropriate that Fáilte Ireland own and operate visitor attractions such as Dublin Writers Museum and these should be tendered out to a commercial operator who can invest appropriately and operate it accordingly.

Summary of Recommendations

Recommendation

A clear, prioritised and actionable strategy designed to ensure visitors are dispersed and stay throughout the country is put in place.

Lead Responsibility Fáilte Ireland

Recommendation

An ongoing review of key enablers and barriers to new accommodation including strategic development zones, streamlined & fast-tracked planning to enable new builds.

Lead Responsibility Fáilte Ireland & Local Authorities

Recommendation

A review be undertaken of historic state owned buildings that could be used for tourism purposes.

Lead Responsibility Fáilte Ireland

Recommendation

It is recommended that a €600 million capital investment programme, channeled through Fáilte Ireland, is allocated to tourism over the coming decade to help create new attractors of scale and international appeal.

Lead Responsibility Government



Exchequer Capital Investment in Irish Tourism

Exchequer Capital Investment in Irish Tourism; Investing in New Tourism Products and Experiences

The Irish State's return from tourism is significant. In 2017, when accounting for domestic tourism and overseas earnings, the exchequer generated €2 billion in direct tourism-related taxes. The economic case for tourism is indisputable. If tourism is to achieve its potential for Ireland current and future Governments must recognise the economic value and cultural importance of tourism to the country nationally and regionally.

The National Development Plan 2018-2027 outlines Exchequer investment of €91 billion yet only €300 million has been allocated to the infrastructural investment needs of tourism. This is wholly inadequate and must be improved to support Ireland's largest indigenous industry. Furthermore tourism-enabling infrastructure – such as rail, road and broadband – should be prioritised as Dublin becomes a strategic access hub between Europe and North America.

€2.5 billion is being committed by Irish tourism businesses between 2018 and 2021 as new planes, ferries, hotels and attractions are set to be delivered as tourism's private sector increases its capacity in order to plan for future growth.

It is accepted that infrastructural development improves a country's ability to deliver higher output, enhanced efficiency, lower costs and increased competitiveness. Crucially for tourism, Ireland's largest indigenous industry, is the capacity for infrastructure to further Ireland's regional economic development, increase social cohesion and environmental sustainability.

Ireland's tourism industry is extremely active in investing in its future – approximately €2.5 billion is being committed by Irish tourism businesses between 2018 and 2021 as new planes, ferries, hotels, restaurants and attractions are set to be delivered as tourism's private sector increases its capacity in order to plan for future growth. Saying that there are certain investment areas that require active state investment and this strategy advocates that the Irish Government invests accordingly to help the sector achieve its potential.

The 10-year National Development Plan, published by Government in February 2018, allocates €91 billion in Exchequer investment in infrastructure across a range of sectors. Regrettably, tourism is allocated only €300 million up to 2027, and the majority of the investment is weighted

towards the second half of the Plan. The sum of €300 million, averaging €30 million per annum over the lifetime of the Plan, falls far short of the call by the Irish Tourism Industry Confederation (ITIC) for €600 million over the next decade to be invested by the state strategically and regionally in new attractors of international appeal and scale. The sum of state investment for new tourism developments – to be channeled through Fáilte Ireland – pales in comparison with the money being committed by tourism's private sector. A review of the plan is scheduled for 2022 and tourism should get an increased allocation.

Local authorities too are investors in tourism and committed €73.3 million between 2011 and 2016 in local tourist attractions according to the "Collaborate Locally to Compete Globally" report published in March 2017. Such an investment is vital to be maintained.

The Irish tourism industry consists of approximately 20,000 businesses, the large majority of which are small to medium sized and thus insufficiently resourced to

€2.5 billion

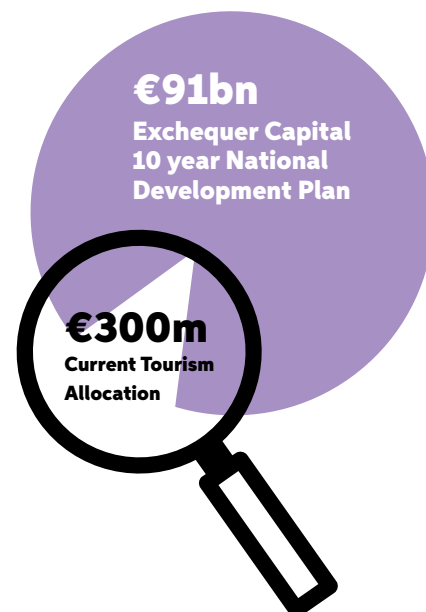
is being committed by Irish tourism businesses in new product development between 2018 and 2021.

undertake major development. Therefore the State and central Exchequer must step in to fund large scale infrastructural projects as well as specific investment in tourism products and experiences. Furthermore, the State is well positioned to create the environment in which private sector confidence is increased on the back of public investment, consequently increasing the overall envelope of investment in tourism product and infrastructure. New tourism development ideas to be explored include: a coast to coast Greenway from Dublin to Galway; a flagship Midlands attraction based around the Shannon corridor or our natural peat boglands; an enhanced and interpreted Sliabh Liag cliffs experience in Donegal; an observatory along the Wild Atlantic Way to see the wonders of the Dark Skies along the Western seaboard of Europe; Valentia Island as a UNESCO World Heritage Site to reflect its importance as the first transatlantic communications hub; a world-class attraction showcasing Ireland's literary achievements; and gala banqueting facilities in Dublin. These are just some of the many options to add to Ireland's tourism experiences but the State must be proactive and take the first steps – hotels, restaurants and tour operators will all follow but, like the shining example of the Wild Atlantic Way, the Government must make the initial move with capital investment budgets to help create iconic attractors.

A lack of such sustained public investment will lead to a stifling of balanced regional development and the quality erosion of Ireland's tourism product.

Research consistently indicates that visitors value Ireland's scenery, natural

environment and cultural heritage. Capital developments, whether they be public or private, must therefore be completed in a sustainable manner being mindful of Ireland's natural heritage. Indeed, the positive impact of tourism in sustaining rural economies has the added benefit of supporting the appreciation and the protection of that heritage.



Key Issues and Recommended Strategic Responses

The following section details key strategic recommendations with respect to exchequer capital investment in Irish tourism. The recommendations must form part of a balanced regional development strategy and are vital if Ireland is to achieve its tourism potential to 2025 and beyond.

4 Key Challenges

1 A €600 million commitment over next decade in exchequer capital investment to develop and renew Ireland's tourism infrastructure

Tourism is an ever-changing business and to retain competitiveness requires constant investment in Ireland's tourism product in order to maintain quality, expand capacity and continuously innovate. The private and commercial sector within Irish tourism is now investing heavily – circa €2.5 billion between 2018-2021 alone – to develop air and sea routes, additional airport capacity, new hotel and restaurants builds and visitor attraction expansions.

It is now time for sustained State investment – to complement private sector commitments – in natural and built heritage, interpretive centres, greenways, visitor facilities, and business tourism infrastructure amongst others. Put simply investment in "attractors" generates tourism earnings, provides regional balance, supports job creation and delivers exchequer tax returns.

It is recommended that a €600 million capital investment programme, channeled through Fáilte Ireland, is allocated to tourism over the coming decade. This equates to approximately 1% of the annual overseas earnings of tourism to the State and is an appropriate amount commensurate with tourism's potential.

The National Development Plan allocated only €300 million up to 2027 for tourism and ITIC is of the view that this is half the appropriate commitment. A full mid-term review of the Plan is scheduled for 2022 and it is vital that tourism's share of the exchequer envelope is increased accordingly.

A mid-term review of the National Development Plan is scheduled for 2022 and it is vital that tourism share is increased.

“A bigger, fewer, better” approach should be followed with large scale investment in well-researched tourism products.”

2 A published spatial plan by Fáilte Ireland outlining public investment in new tourism products of scale and international appeal

It is recommended that Fáilte Ireland, the National Tourism Development Authority, develop and deliver a multi-annual tourism product plan outlining how and where they intend to commit capital investment budgets. Well-researched products of scale are vital for Irish tourism's success and public investment through Fáilte Ireland's capital plan should be focussed on products with sustainable appeal. As per the Government's 10-year National Development Plan published in February 2018 Fáilte Ireland have a capital investment budget of €300 million or the equivalent of €30 million per annum. This strategy advocates that although a higher figure is necessary, the €300 million allocated to tourism and to be dispensed by National Tourism Development Authority still represents a sizeable investment opportunity for Fáilte Ireland. A “bigger, fewer, better” approach should be followed with large scale investment in well-researched tourism products. Fáilte Ireland investment should be conscious of regional balance including the need for a flagship attraction in the North West, support of greenways, and developing appropriate products within Ireland's Midlands. A published spatial plan of this nature would allow the private sector of tourism to develop new initiatives and business clusters to support public investment goals.

Fáilte Ireland's grant and investment process needs to be improved and enhanced, and made comparable to other State agency investment methods

3 Development of a new events/convention centre outside Dublin – maximising the value of business tourism infrastructure

Business tourists – those that come to Ireland for meetings, incentives, conferences, and events rather than for leisure purposes – are a very valuable component of the Irish tourism economy with the average spend per business tourism visitor a significant multiple of the average spend of a leisure tourism visitor. In 2017 12% of visitors to Ireland were business tourists and it is recommended that product improvements are put in place for this market including incentive facilities and appropriate gala banqueting venues. It is specifically recommended that a large scale convention/events centre is developed outside Dublin. The Convention Centre Dublin (CCD), voted ‘World's Leading Meetings & Conference Centre 2017’ at the World Travel Awards, has proved very successful for business tourism needs attracting conventions, events and conferences to Dublin since its launch in 2010. The CCD recorded over 157 events with 300,000 delegate days in 2016 and is estimated to have made an economic contribution to Ireland of €51 million. It is Ireland's only purpose-built international conference centre. The building is owned by the Office of Public Works, managed by Spencer Dock Convention Centre Dublin DAC and was developed as a public-private partnership – it could be replicated as a model in another major city outside Dublin to enhance Ireland's business tourism prospects and assist with the regional spread of tourism.

4 Prioritise and fast-track tourism-enabling infrastructure such as airport development, rail link to Dublin airport, national broadband plan, improved motorway access, and coach parking facilities

Thanks to a blessing of geography, Ireland is strategically well-positioned between the European continent and North America. In that context Dublin Airport, already in 2017 serving 29.6 million passengers, is now one of Europe's leading airports for both direct and hub connectivity, according to ACI Europe's Airport Industry Connectivity Report 2017.

Investment at Dublin Airport is a key piece of tourism-enabling infrastructure that needs to be prioritised and expedited. It is recommended, as per the “*Improving Access and Delivering Opportunity*” chapter within this report that infrastructural investment in Dublin Airport be prioritised, fast-tracked and expedited. This includes the new Runway North as well as increased terminal capacity, additional gates, and airside and landside facilities. This will allow Ireland the freedom to compete globally in a more uncertain post Brexit environment.

The afore-mentioned 10-year National Development Plan outlines specific tourism-enabling infrastructural projects including the M20 Limerick to Cork motorway, Dublin Metro which will be a rail link to Dublin Airport and it is recommended that these projects be prioritised. The direct rail link from Dublin Airport to a transport hub in the city centre is vital to both allow quick access to the capital but crucially allow for easy connectivity to the regions via Ireland's

In 2017 12% of visitors to Ireland were business tourists.

rail network. Within Western European capitals Dublin is one of only 2 capital cities without a rail link to airport.

Western European Capitals with rail link to airport		
Austria	Vienna	✓
Belgium	Brussels	✓
Denmark	Copenhagen	✓
Estonia	Tallinn	✓
Finland	Helsinki	✓
France	Paris	✓
Germany	Berlin	✓
Greece	Athens	✓
Ireland	Dublin	✗
Italy	Rome	✓
Luxembourg	Luxembourg	✗
Netherlands	Amsterdam	✓
Poland	Warsaw	✓
Portugal	Lisbon	✓
Slovakia	Bratislava	✓
Spain	Madrid	✓
Sweden	Stockholm	✓
UK	London	✓

5 Maximising public investment and operational efficacy in state-owned tourism assets

Much of Irish tourism assets are owned by the State whether that be the Office of Public Works, National Parks and Wildlife Service, Coillte or local authorities. In that context it is vital that investment in these assets is done strategically and with due consideration so that the assets can be maximised for the benefit of the tourist. Partnership agreements, or service level agreements, should be put in place between funders Fáilte Ireland and state owned assets to ensure that the return on investment and visitor experience is maximised.

Dublin and Luxembourg are the only two western European capital cities that do not have a rail link to the airport.

Summary of Recommendations

Recommendation

A published spatial plan outlining Exchequer investment in new tourism products of scale and international appeal.

Lead Responsibility **Fáilte Ireland**

Recommendation

A €600 million public capital investment programme in new tourism product over a 10 year period.

Lead Responsibility **Government**

Recommendation

Prioritise and fast-track tourism-enabling infrastructure such as airport development, rail link to Dublin Airport, national broadband plan, improved motorway access, and coach parking facilities.

Lead Responsibility **Government**

Recommendation

Development of a new events/convention centre outside Dublin.

Lead Responsibility **Fáilte Ireland**

Recommendation

Maximising public investment and operational efficacy in state-owned tourism assets.

Lead Responsibility **Fáilte Ireland**



Managing the Challenge of Brexit

Managing the Challenge of Brexit

Brexit, the UK’s decision following a referendum in June 2016 to leave the European Union, is the single biggest external challenge that is likely to impact on Irish tourism in the coming years.

Any new EU-UK deal will include lengthy negotiations and political compromises and will be a fluid and fast-changing situation right up to its completion, set for March 2019 although likely to feature a transition period. Any new EU-UK deal must protect the Common Travel Area between Ireland and the UK, include no hard border on the island of Ireland, maintain liberalised aviation access regimes, protect all-island marketing, and ensure a harmonisation of regulatory standards North and South.

Although the British market is at risk of softening, or at best growing less strongly than other markets, it will still remain a key source of business for Irish tourism and everything must be done to protect Ireland’s market share.

The UK’s decision to exit the EU has significant consequences for a variety of trading sectors in Ireland and tourism is no different. Indeed arguably tourism is more exposed than most to a hard Brexit – in 2017 the UK was Ireland’s largest single source market for visitors accounting for 38% of all footfall. Although Britain’s share of Irish tourism has been declining in recent times, it remains Ireland’s largest source market by some distance.

The immediate impact on Irish tourism of the Brexit vote was the weakening of sterling which affected Ireland’s competitiveness making trips to Ireland by Britons more expensive – as a result visitors from Britain to Ireland fell by 5% in 2017 when all other markets enjoyed an upward trajectory. Fáilte Ireland data suggests that the Brexit “cost” to Irish tourism was €86 million in 2017 with 2,400 jobs lost or foregone in the sector.

The impact of Brexit has significant potential to damage jobs and economic growth if appropriate policies are not established to mitigate the adverse

consequences of Ireland’s largest tourism market leaving the EU.

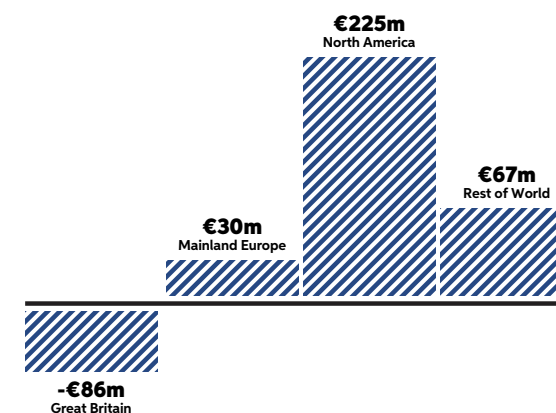
In the short-term, with the fall in the value of sterling, Ireland has become less competitive in the British and Northern Ireland markets – key source markets for many hundreds of the country’s small and medium sized tourism businesses. While the impact of the downturn is felt across all parts of Ireland, it is most pronounced in the Border counties and in Dublin – each a particularly attractive and convenient destination for Northern Irish and British visitors.

Equally a weakened sterling makes the UK a more attractive destination for source markets – 2017 saw record tourism numbers into Britain – and as a result Ireland has a stronger rival as a neighbour.

Irish tourism is particularly vulnerable to a weak sterling and a loss of competitiveness in the British market. Past experiences highlight the damaging impact it can have on businesses across all sectors of the tourism and hospitality industry. Following unfavourable exchange rates,

The cost to Irish tourism of Brexit in 2017 has been estimated at €86 million with 2,400 jobs foregone.

The Brexit impact: revenue changes by source market in 2017



Revenue changes by market 2017 Vs 2016
Source: ITIC/Fáilte Ireland

Annualised estimated fall in:

Trips	-297,000
Export Earnings	-€86m
Tax Earnings	-€19m
Employment	-2,400

allied to high tourism inflation in Ireland, the annual volume of British visitors fell by almost one third from a peak in 2006 to a nadir in 2012, with the volume of holiday visits collapsing by half over the same period. Despite the growth in demand over recent years the volume of visitors from Britain has never returned to its 2006 peak. Furthermore Ireland is now losing market share as British outbound travelers choose alternative destinations. The current downward trend represents a major threat to the industry and requires an immediate strategic response to minimise the damage to businesses and employment.

In the longer run, the terms of any new EU-UK deal must be cognisant of Irish tourism needs. Brexit may lead to adverse consequences on the movement of people, the liberalised common aviation market and regulations governing the respective conduct of business in Northern Ireland and the Republic of Ireland. Such outcomes would be detrimental to Irish tourism and must be guarded against.

Of particular damage to Irish tourism's interests in Britain has been the decline in Tourism Ireland's marketing budget for Britain €13 million annually in 2008 to just €5 million in 2018. This has led to a clear "share of voice" loss and weakened "advertising recall". As well as Government cutbacks to tourism marketing, the supports offered to other industries by Government in response to Brexit have not been extended to tourism. State agencies responsible for the development of the agri-food, manufacturing, and other export sectors have received additional funding and resources to support businesses in their sectors to mitigate the anticipated

Equally a weakened sterling makes the UK a more attractive destination for source markets - 2017 saw record tourism numbers into Britain - and as a result Ireland has a stronger rival as a neighbour.

impacts. Although Fáilte Ireland produced in September 2017 a "Get Brexit Ready" initiative there has been no additional resources or budget from Government.

Tourism appears to have been left behind by the Government in terms of a strategic and practical support framework in relation to Brexit. This needs to be addressed urgently – the Irish tourism industry has significant vested interests in the British market as evidenced by the decision by Irish Continental Group (ICG), owner of Irish Ferries, to commit €165 million in January 2018 to build a new ferry for the Irish sea, set to be the largest cruise ferry in the world in terms of vehicle capacity. An additional ferry has subsequently been commissioned bringing ICG's investment to €315 million.

The tourism euro is as valuable as the euro generated by any other export sector and more valuable in the context that tourism is one of the few industries that can provide regional balance and sustainable local employment. Tourism, where Ireland is promoted overseas as an 'all island' destination, is uniquely vulnerable to Brexit and warrants a strategic support framework, comparable to that being put in place for other exporters.

The impact of Brexit has significant potential to damage jobs and economic growth if appropriate policies are not established to mitigate the adverse consequences of Ireland's largest tourism market leaving the EU.

Key Issues and Recommended Strategic Responses

The following section details key strategic recommendations that detail the required strategic response for the tourism sector with respect to Brexit and its implications.

2 Key Challenges

1 Development and implementation of well-resourced and Government endorsed Brexit action plan for the tourism sector

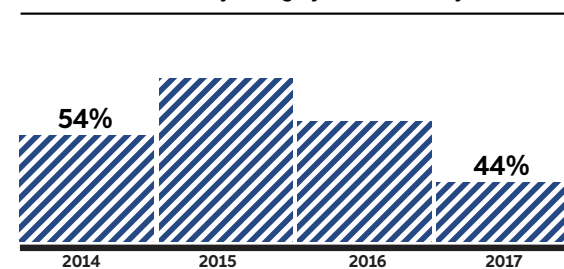
The impacts of Brexit on tourism are not being treated with the same degree of urgency and importance as other export sectors of the economy. No additional supports of note have been made available to Ireland's tourism industry. This is in stark contrast to measures in Budget 2018 where the Government announced a further series of policies to assist other export sectors deal with the threats posed by Brexit. New measures, in addition to a range of supports already in place through agencies under the aegis of the Minister for Business, Enterprise and Innovation and the Minister of Agriculture, Food and Marine, include: a new €300 million low-cost Brexit Loan Scheme, extra staff and resources for Enterprise Ireland, IDA, Bord Bia and Science Foundation Ireland and a €50 million support scheme for food businesses.

As the cloud of uncertainty hangs over Brexit and its impact on Ireland's tourism and transport sectors, businesses highly vested in the UK market are already suffering from a downturn which is endangering their continued viability. Set against this background it is recommended that a

23 cent of every euro spent by tourists goes back to the exchequer in direct tourism-related taxes.

detailed and appropriately resourced tourism action plan to address tourism's Brexit challenge be established. It is envisaged that this strategy would be devised via a collaboration between the Irish tourism industry, Fáilte Ireland and Tourism Ireland. It is however imperative that the strategy and action plan that arises is fully endorsed and resourced by funds that are in addition to the current budgets of the aforementioned Tourism Agencies. Such a strategic action plan should include the establishment of a Brexit tourism task force to input into the negotiations, design a series of practical supports and mentoring for businesses impacted by Brexit, and establish a fund for business supports to assist tourism through education, training, re-skilling and product enhancements. Furthermore the supports available to other export sectors should be extended to exposed tourism businesses, including access to low cost finance through the Strategic Banking Corporation Ireland (SBCI) together with access to the range of labour support schemes.

Good value for money rating by British holidaymakers



With 23 cent of every euro spent by tourists going back to the exchequer in direct tourism-related taxes. According to Fáilte Ireland there is a clear-cut case to stem the fall in British visitors and fight to retain Ireland's market share. The need for Irish tourism to maintain its value for money rating to the British consumer is vital in this regard and it is recommended that the Irish tourism industry strive to deliver this consistently. There are signs that British holidaymakers' ratings of Ireland as being value for money is weakening although this can be largely linked to currency movements. Likewise, as stated in the *Competitiveness Pillar* it is incumbent on the Irish Government not to impose any additional tax or regulatory burdens on Irish tourism businesses as the sector battles the challenge of Brexit.

2 Irish tourism interests to be respected in new EU-UK trading deal negotiations

Brexit negotiations between the EU and UK are likely to be fraught and lengthy with the situation heavily influenced by political interests in London and Brussels. However any new EU-UK deal, whenever it might come into effect, must reflect the strategic importance of tourism to the Irish economy. Phase 1 of the EU-UK talks were deemed a positive outcome for Irish tourism with the retention of the Common Travel Area and a commitment to not impose a hard border on the island and both need to be re-enforced in any final deal. Heading into Phase 2, and the trading terms between the EU and UK, the following key areas must be prioritized:

- *The preservation of the Common Travel Area and no imposition of a hard border on the island of Ireland.*

Any restriction on the movement of people between both islands or on the island of Ireland would be anathema to Irish tourism prospects.

The "Irish" question was specifically dealt with in Phase 1 of the EU-UK talks which were completed in December 2017. A commitment was undertaken that the Common Travel Area, dating from the 1920s, between the UK and Ireland would be maintained and that no hard border would be imposed on the island of Ireland. At time of the strategy's publication it remains unclear how this will be implemented particularly if the UK exits the Single Market and Customs Union. It is vital that these matters are copper-fastened within the terms of the final EU-UK deal. Any restriction on the movement of people between both islands or on the island of Ireland would be anathema to Irish tourism prospects. Should the Common Travel Area be undermined or weakened it may well be in Ireland's interests to join the Schengen area of EU countries.

- *The retention of liberalised aviation & sea access between the UK and the EU.*

As the UK exits the Single Market it exits the Single Aviation Market and is no longer part of the Open Skies Agreement across Europe. With no WTO aviation conditions to fall back on, an alternative must be put in place to ensure that UK airlines can operate freely into the EU and vice versa. Irish tourism is heavily dependent on liberalized air access and a restriction or limitation on air agreements would be enormously detrimental not only to Irish tourism but also to the wider Irish economy. Similarly customs checks at sea ports

would greatly reduce the ease and flow of Irish sea crossings thus damaging ferry access into Ireland.

- *The harmonisation of regulatory standards across the island of Ireland.*

Brexit has the potential to deliver a competitive advantage to the UK, depending on the outcome of negotiations. For example, any reduction in the cost of doing business in the UK compared to Ireland, resulting from a withdrawal from EU inspired regulations and compliance issues, would see Ireland disadvantaged. Likewise – after Brexit – should the UK Government be allowed to grant state aid to certain sectors, this would skew the playing field unfairly for Irish tourism businesses in the Republic of Ireland.

- *The support of an all-island approach to tourism marketing.*

In large part it is accepted that the marketing of Ireland as an all-island destination is the most appropriate and consumer-centric approach with the greatest potential to deliver impact. Both UK and Irish Governments have stated that all island agencies such as Tourism Ireland will be unaffected no matter what the Brexit outcome is and it is vital that this is delivered. Retention of the Common Travel Area and a soft border on the island of Ireland are critical measures to secure and further underpin the importance of an all Ireland marketing strategy.

The marketing of Ireland as an all-island destination is the most appropriate and consumer-centric approach.



Summary of Recommendations

Recommendation

The preservation of the Common Travel Area between the UK and Ireland and a soft border on the island of Ireland.

Lead Responsibility Government

Recommendation

Ensuring that value for money is delivered consistently to the British consumer and no additional tax or regulatory burdens are placed on the Irish tourism industry.

Lead Responsibility Industry & Government

Recommendation

The harmonisation of regulatory standards across the island of Ireland.

Lead Responsibility Government

Recommendation

The retention of liberalised aviation and sea access regime between the UK and the EU.

Lead Responsibility Government

Recommendation

The support of an all-island approach to tourism marketing.

Lead Responsibility Government

Recommendation

A resourced Brexit action plan for tourism sector.

Lead Responsibility Fáilte Ireland / Industry



State Support Framework to Facilitate Tourism Growth

State Support Framework to Facilitate Tourism Growth

Government, state agencies and local authorities must be fully focused on the economic potential and importance of Irish tourism. Pro-enterprise policies need to be delivered by effective, responsive, and appropriately resourced tourism agencies that support an agile, labour-intensive industry that offers a world class tourism product to the consumer.

It has been proven in recent years that the tourism sector has delivered, and exceeded, its growth strategy and has been a crucial element in both re-establishing Ireland's economic reputation and setting the country on a path to economic recovery.

However the contribution and potential of tourism, and its profile as a significant growth enabler, has not been fully realised nor has it been adequately resourced or given due attention by successive Irish Governments. This is reflected in the fact that the total tourism budget (current and capital expenditure) by central Government is down 25% since its previous peak in 2008, a near €40 million deficit.

This strategy argues that the export value of overseas tourism can rise to €8.1 billion annually in 2025 with 310,000 people employed in the sector. However to realise this ambitious growth potential a step change in Government support is needed, based on pro-tourism policies implemented by nimble state agencies. In that context, given the importance of the sector to the economy nationally and its significant potential, it is an opportune time to review how the State and its various organs support the Irish tourism industry.

The structure and capabilities of the industry, agencies, local authorities and Government department need to be analysed in preparation for a period of significant change. The tourism sector cannot be assessed, and its structures amended, in isolation. Elements of it are interlinked with almost every Government department and it touches off a host of related industries. Therefore, a holistic approach must be taken to preparing a vital industry for accelerated growth from national Government focus through to Ministerial seniority,

Departmental competencies, local authority commitment, and the effectiveness and efficiency of state tourism agencies.

In this context the Export Trade Council needs to be reconvened and the new tourism targets of this strategy should be incorporated within the national Trade, Tourism and Investment strategy. Likewise research and investment agencies should adopt a tourism remit to reflect the importance and potential of Ireland's largest indigenous industry.

It is also critical that any review needs to encompass a fundamental review of the role and functions of Fáilte Ireland, the National Tourism Development Authority, to strengthen it and to ensure that it is appropriate to best serve the needs of the industry in a changed investment and trading environment. The review needs to re-assess the effectiveness and efficiency of the state agency architecture, functions and resources to optimise the support to industry in delivering on sustainable growth. Similarly as per the national tourism policy, "People, Place & Policy", the efficacy of Tourism Ireland's marketing spend needs to be continuously analysed.

Ireland is unusual in that there are two state tourism agencies with responsibility and influence over the sector; namely Fáilte Ireland and Tourism Ireland. Furthermore Tourism Northern Ireland has responsibility for developing tourism North of the border.

However Fáilte Ireland is the only state tourism agency with an exclusively

The contribution and potential of tourism to the State has not been fully realised.

The designation of tourism as an area of cooperation under the Good Friday Agreement.

Republic of Ireland remit and it operates under the aegis of the Department of Transport, Tourism and Sport while Tourism Ireland has an all-island marketing remit and reports to the North-South Ministerial Council.

Fáilte Ireland was established under the National Tourism Development Authority Act 2003 and its general functions include as per the Act; to encourage, promote and support tourism; to develop tourist facilities and services; to encourage, promote and support the recruitment, training, and education and development of potential employees of the tourism industry; to establish and maintain registers of accommodation stock; to promote and engage in research and planning.

As of its last published annual accounts (2016) Fáilte Ireland had an Oireachtas grant of €80 million to fund current and capital needs and had 323 full time equivalent staff. Meanwhile Tourism Ireland was officially incorporated on 11 December 2000, following the designation of tourism as an area for cooperation under the Good Friday Agreement (1998), to carry out the overseas promotion of tourism to the island of Ireland. Tourism Ireland is funded by both the Irish and UK Governments and reports to the North-South Ministerial Council.

Any review needs to encompass a fundamental review of the role and functions of Fáilte Ireland to strengthen it and to ensure that it is appropriate to best serve the needs of the industry in a changed investment and trading environment.

Key Issues and Recommended Strategic Responses

The following section details key strategic recommendations with respect to organisational structures best suited to enable Irish tourism grow ambitiously in the years ahead.

6 Key Challenges

1 A “Whole of Government” approach

There is sufficient, reliable evidence to show that economies that adopt a whole of government approach to tourism development and management are among the most successful in terms of tourism performance.¹

As an industry that is present in every county and corner of the island, has a strong SME representation, is dependent on domestic as well as international prosperity, trades on the beauty of the environment, promotes and enables the best of agri and food offerings at home and abroad and is reliant on a well-functioning infrastructure, tourism – above most industries – necessitates a cross departmental whole-of-Government approach to sustainable planning and implementation of a growth enabled strategy.

Tourism represents one of the largest services export industries in the country. A range of policy areas influence a visitor’s wish to travel and have an impact on the competitiveness, desirability and sustainability of a destination, and therefore greater policy coherence across all areas of

¹Governing National Tourism Policy: World Travel and Tourism Council 2015

Government is necessary to achieve tourism growth.

As is the case with particular Government initiatives, a structured and strategic assessment is taken (usually by a section of the Taoiseach's Department) of the impact of decisions in multiple departments on an important sector or initiative. Given the wide-ranging nature of the tourism industry it is important that a helicopter view be held of policies, initiatives and fiscal changes that will have an impact on the industry. It is therefore recommended that a whole of government approach be taken to tourism and that policies be 'tourism-proofed' to ensure best fit with industry and visitor needs.

2 Tourism as a senior cabinet post within an Economics Ministry

Tourism's position within Irish Governmental Departments has varied over the years. Since 2011 it has been within the Department of Transport, Tourism and Sport and prior to that it was in the Department of Arts, Sport and Tourism and before that again it was in the Department of Tourism and Trade. Crucially, and unlike many other EU countries, tourism has always been within a senior Cabinet post and it is imperative that Ireland's largest indigenous sectoral employer is at the Cabinet table. Positioned currently with Transport is a useful fit due to synergies relating to access and in particular airports and aviation. However too often the myriad of issues within transport relating to publicly-owned transport companies or labour/union issues tend to occupy a Minister's time and tourism fails to get due attention or resources.

A better fit for tourism, a multi-billion euro export sector that is very labour intensive, could be within a senior Economics Department where tourism agencies could sit alongside other job creating agencies with a national and regional focus.

It is recommended that tourism be strengthened as a senior cabinet post with a clear economic focus.

The industry view is that the role and responsibilities of Fáilte Ireland need to be more clearly defined and responsive to industry needs.

3 Well-resourced, efficient and responsive state agencies serving a growing tourism industry

The current structure of tourism state agencies on the island of Ireland are designed with intended clear delineation between product development and marketing.

The in-depth consultations and feedback attained during the formulation of this strategy highlighted a consistent issue in relation to the role of the Fáilte Ireland, the National Tourism Development Authority. It was felt that there was weaknesses in the key areas of product development, industry engagement and training, and research analytics. It is noted that Fáilte Ireland have undergone a period of restructuring and budgeting cutbacks but the industry view is that the role and responsibility of Fáilte Ireland, the only tourism agency dedicated solely to tourism development in the Republic of Ireland, need to be more clearly defined and responsive to industry needs. In this context it is recommended that an external review is conducted of Fáilte Ireland to ensure it is appropriately focussed, adequately resourced, and geared-up to be responsive to a growing industry's needs. The last external appraisal of Ireland's state tourism agency was back in the 1980s when Arthur D Little carried out a review of Bord Fáilte. Fáilte Ireland itself has never been reviewed since its incorporation 15 years ago and the Irish tourism industry and marketplace has changed dramatically since then.

Widespread industry consultations as a result of this strategy highlight that any strategy or vision for tourism that has

an export focus should be a collective triumvirate agency (Fáilte Ireland, Tourism Ireland, Tourism Northern Ireland) approach to reflect the fact that Ireland is positioned overseas as a single island tourism destination.

4 Local Authorities and importance for tourism

A number of different legislative and policy initiatives have contributed to the evolution of State interaction in tourism. Namely the National Tourism Development Authority Act 2003, the incorporation of Tourism Ireland under the auspices of the North South Ministerial Council (NSMC), and the Government policy – People, Place and Policy – which commits to “an enhanced role for local authorities and recognition of the contribution of communities to tourism.”³

In terms of the latter, local authorities' enhanced role in tourism is to be welcomed as they are often the funders and patrons of local areas of tourism interest. According to the 2017 County and City Management Association (CCMA) report, “Collaborate Locally to Compete Globally” local authorities made an operational contribution of €28 million to tourism attractions in 2016 as well as supporting 1,403 local festivals and events, ranging in size and topic, but typically celebrating local assets and heritage.

In March, 2017 each local authority launched their “Tourism Strategy Statements and Workplans”. It is critical that the activities and funding plans of local authorities complement the strategic work of Fáilte Ireland and in that context all

³) Department of Transport, Tourism and Sport (2015) People, Place and Policy, Growing Tourism to 2025, pg 10

activities should remain aligned with the regional experiences whether that be the Wild Atlantic Way, Ireland's Ancient East, Dublin, or the new Midlands Brand. Local authorities expenditure should be focused on capital and product developments rather than local branding initiatives and in that context it is recommended that a close alignment between local authorities and Fáilte Ireland is undertaken to maximise tourism strategies.

Furthermore it is recommended that a directly elected Lord Mayor by popular poll is in place for the Dublin region, covering each of the 4 Dublin Councils, and with increased powers and responsibilities. One of the key powers of an elected Lord Mayor should be a specific remit on tourism, as is common in many EU capital cities, promoting and developing Dublin as a leisure and business tourism destination.

One of the key powers of an elected Lord Mayor should be a specific remit on tourism, as is common in many EU capital cities, promoting and developing Dublin as a leisure and business tourism destination.

5 Tourism to be identified within national research priority areas

Accessing and harnessing the best thinking in universities, technology, food science and the creative and culture sectors has the potential for the tourism sector to be at the forefront of innovative and disruptive product and experience development allowing the co-creation and cross pollination of ideas between experts in multiple fields.

Currently the data available to Ireland's tourism industry is far slower than it should be. Examples include data on Ireland's value for money perceptions and the regional spread of tourism which, although captured contemporaneously, tend not to be published and made available to the tourism industry until the following year. To a hotel, tourist attraction or activity-provider this means that as they price or plan for a busy summer they have often no choice but to use data from two summers previously. It is recommended that enhanced and improved data is shared with the tourism industry in real-time or close to real time. Fáilte Ireland who collect data have a responsibility in this area and the Irish banking sector, data-rich due to ATM and point of sale purchases by tourists, should be encouraged to share their aggregated data on overseas visitor spending habits and patterns. Likewise the CSO, the state agency responsible for gathering and processing key travel and tourism statistics, are encouraged to adopt new techniques and technology to improve their data collection.

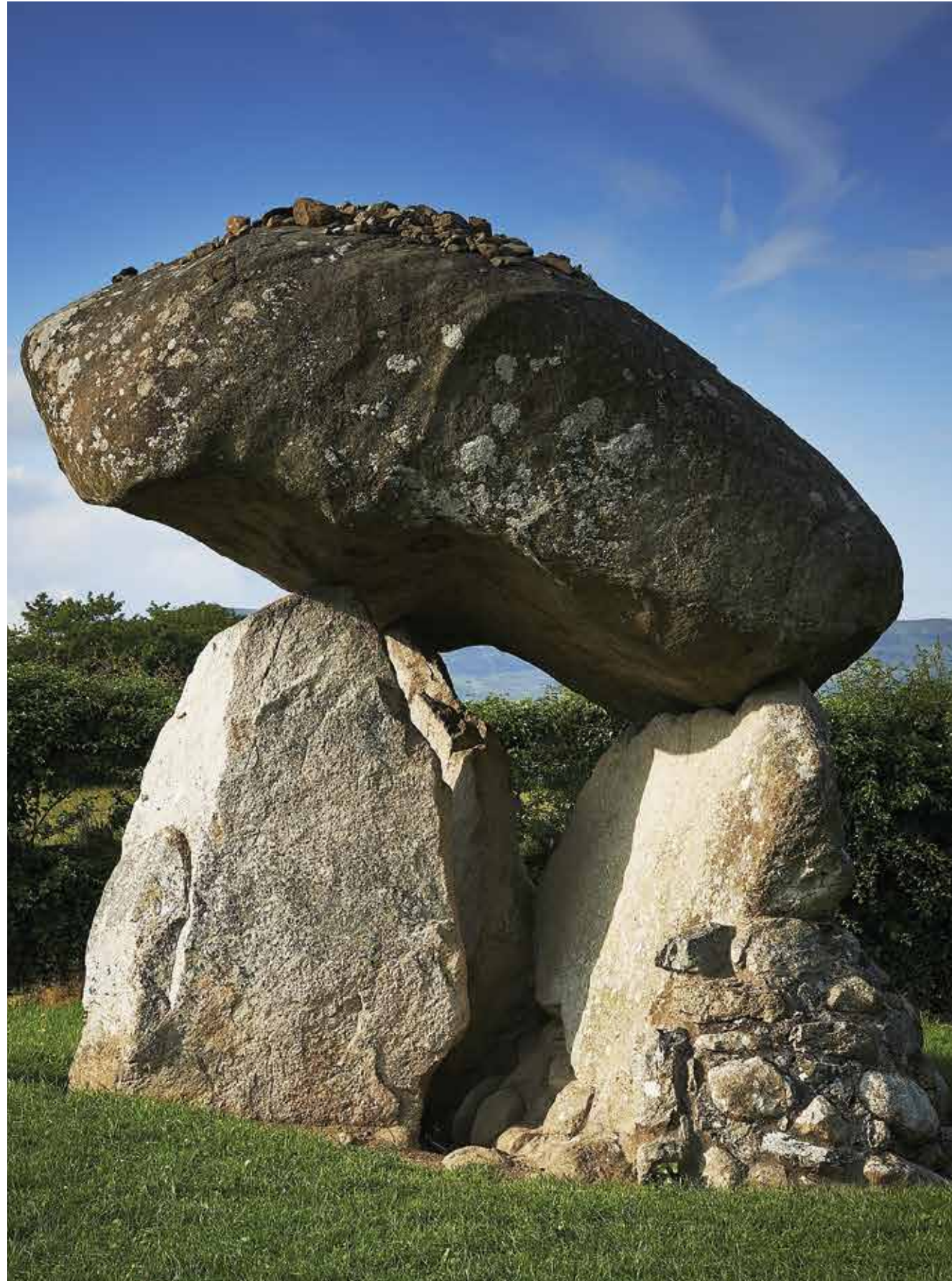
A whole-of-Government approach and tourism proofing of initiatives would ensure that tourism is considered as an important element of any research and innovation initiatives. It is therefore recommended that the Department of Transport, Tourism and Sport joins the membership of the Interdepartmental Committee on Science, Technology and Innovation which oversees the implementation of the Government plan *Innovation 2020*. This would help generate forward-looking data on insights, behaviour and technology and furthermore could lead to the creation of a Tourism Satellite Account within the national accounts. Other countries worldwide that have operated a Tourism Satellite Account – according to UNWTO the standard statistical framework and the main tool for the economic measurement of tourism – include the USA, Australia and Canada.

A whole-of-Government approach and tourism proofing of initiatives would ensure that tourism is considered as an important element of any research and innovation initiatives.

6 Tourism to be included within IDA responsibility

Ireland's inward investment promotion agency, the IDA, is a non-commercial, semi-state body promoting Foreign Direct Investment into Ireland through a wide range of services. Partnering with potential and existing investors the IDA have helped many international companies establish or expand their operations in Ireland. It seems strange that Ireland's largest indigenous employer, that accounts for 10% of the country's employment, is not included within the IDA's portfolio of sectors. As and when new products have been researched, and market opportunities identified, it is recommended that the IDA, in consultation with Fáilte Ireland, assist in attracting would-be international investors to support Irish tourism.

Other countries have successfully adopted such a policy – one such example is Australia where tourism has been included as one of four National Investment Priorities by the Australian Trade Commission (Austrade), which now actively markets Travel & Tourism investment opportunities to global and domestic investors, resulting in increased tourism investment.



Summary of Recommendations

Recommendation

Tourism to be strengthened as a senior cabinet post with economic focus.

Lead Responsibility Government

Recommendation

A “whole of government” approach and national policies tourism-proofed to ensure best fit with industry and visitor needs.

Lead Responsibility Government

Recommendation

Alignment between local authorities and Fáilte Ireland to ensure maximisation of tourism strategies and enhanced tourism role for publicly-elected Dublin Lord Mayor.

Lead Responsibility Local Authorities/
Fáilte Ireland

Recommendation

External review be conducted of Fáilte Ireland to ensure sharper definition of role and responsibilities with appropriate levels of funding and resourcing.

Lead Responsibility Department of
Transport, Tourism
and Sport

Recommendation

The IDA, working with Fáilte Ireland, to be tasked with attracting would-be international investors to Irish tourism sector.

Lead Responsibility Government

Recommendation

Enhanced and improved data be made available in real time to the tourism industry including creation of Tourism Satellite Account.

Lead Responsibility Fáilte Ireland/
CSO



Delivering a Better Regional and Seasonal Spread of Tourism

Delivering a Better Regional and Seasonal Spread of Tourism

Tourism is one of the very few industries that can provide employment and economic activity in every part of Ireland: North, South, West and East. Although certain parts of the country benefit more than others from tourism, every county is a beneficiary and every county has the potential to grow its share of an increasing market.

This unique aspect of tourism must be welcomed and embraced and pro-tourism policies should mean that the regional benefits of tourism will be felt more strongly throughout Ireland in the coming years. Likewise Irish tourism has improved its seasonal spread in recent times with more international visitors coming in the quieter quarters – this needs to be maintained and strengthened as tourism consolidates itself as a year-round business where possible.

This strategy's vision is to secure a growth in visitor numbers and revenue that benefits the tourism sector on a more diverse regional basis, that is sustained for longer throughout the year, supporting employment and prosperity throughout the country.

Intervention is required, at policy level, to both ensure that popular regions remain successful but not over-touristed and less popular regions receive the product and marketing support required.

The desire and ambition to drive growth in on both a regional and seasonal basis has been a pillar of tourism growth strategies for many years. The benefits and motivations to do so are numerous but at its core the development of regional and seasonal tourism supports the prosperity and progress of businesses, towns and communities throughout Ireland.

The recent strong performance of tourism has created a new motivation to develop the scale and flow of regional and seasonal visitors. Advancing the regional and seasonal offering and performance has as much become a 'need to do' imperative as anything else. The increased volume of overseas tourists has put significant pressure on capacity both in terms of accommodation and attractions in key locations generally, and in particular at peak times of the year. This poses certain potential negative impacts including a weakened visitor experience and inflated prices. With the ambitions laid out within this strategy for a step change in overseas tourism numbers to Ireland in the coming years it is vital that Ireland's regional and seasonal offering is strengthened and improved. Such an outcome will ensure that the benefits of increased tourism are sustainable and distributed on a more diverse basis.

A look at regionality

In terms of regionality statistics from Fáilte Ireland, and with ITIC interpretation, show all regions have generated growth from overseas tourism revenue over the period 2014-2016. While in real terms the trend is positive, the growth that has been delivered has disproportionately benefitted the region of Dublin. Dublin's share grew to 43% in 2016 from 38% in 2014. Meanwhile, the overall share of all other regions, with exception of the Border region, has declined. Certain parts of the country – most evidently the Midlands and the North West – are infrequently visited by overseas tourists. This is likely as a result of 2 reasons; firstly a lack of tourism product in those regions, and interlinked a lack of awareness of these regions amongst overseas tourists. Intervention is required, at policy level, to both ensure that popular regions remain successful but not over-touristed and less popular regions receive the product and marketing support required. Although there is an increasing trend in global tourism for short stays and city breaks rural Ireland

Dublin's share grew to 43% in 2016 from 38% in 2014. Meanwhile, the overall share of all other regions, with exception of the Border region, has declined.

In terms of seasonality the overall distribution of visitors throughout the year has not varied significantly in recent years.

offers an experience that is compelling, distinctive and unique. Ireland’s regional brand experiences – Wild Atlantic Way, Ireland’s Ancient East, Dublin, and the impending new Midlands brand – offer the overseas consumer a compelling proposition to whet their appetite. In that regard the Midlands brand, long in gestation and at date of publication in March 2018 still in development, must be rolled out without delay to give industry in that Shannon-corridor swathe of the country an opportunity to differentiate itself.

A look at seasonality

In terms of seasonality the overall distribution of visitors throughout the year has not varied significantly in recent years. The peak season (defined as June, July & August) delivers 32.2 % of visitors (2016) with this number remaining static over the last number of years (32.6% in 2014). However, looking at the percentage of visitors per month in 2016 it is apparent that there is a robust base of visitor arrival already coming throughout the year to build upon and the balance of seasonality has become somewhat more better distributed, especially in the first quarter of the year. With this in mind it is recommended that the overall intent and focus on developing seasonality should, unlike regionality, be focused on growth in real terms rather than a primary focus on the percentage of visitors in given months of period of the year. Furthermore, it is recommended that the priority focus be on delivering greater visitor numbers in the so called ‘shoulder season’, specifically April/May and September/October, thus extending the season. This however does not preclude efforts to drive growth in other months of the year and the desire, as previously stated, is to deliver growth in real terms throughout the year.

The Midlands brand, long in gestation, must be rolled out without delay to give industry in that part of the country an opportunity to differentiate itself.

Key Issues and Recommended Strategic Responses

The following section details key strategic recommendations focused in the development of regional and seasonal tourism in Ireland. With appropriate resources and implementation, it is estimated that overseas earnings from Irish tourism can be worth €8.1 billion nationally by 2025 with 310,000 employed in the sector.

4 Key Challenges

1 A published spatial plan outlining public investment in new tourism products of scale and international appeal and regional targets of growth

It is recommended that a detailed and prioritised strategy for regional and seasonal development be defined, led by Fáilte Ireland, supported by Tourism Ireland and the industry. Such a plan should have regional growth and market share metrics and should outline the key areas for investment. Fáilte Ireland’s capital envelope (See Chapter Exchequer Capital Investment in Irish Tourism) up to 2027 includes a product development figure of €300 million. Although this is significantly less than the Irish tourism industry would like it is still a significant sum of money and a clear, focused, spatial plan needs to be put in place outlining where and how this money is to be spent. Such a tourism spatial plan should be aligned where possible with the national spatial plan to 2040 recently launched to ensure that Government

resources are allocated meaningfully and in a joined-up manner.

Both regional and seasonal strategies need to be underpinned by measurable and meaningful targets. It is recommended that Fáilte Ireland and Tourism Ireland, in consultation with the tourism industry and key representative bodies set clear long-term targets for regional and seasonal tourism growth. These targets should be published metrics detailing both targets in terms of value, volume and share.

The local authorities have a key role to play in season extension and regional development initiatives and they should work with Fáilte Ireland to deliver real stand out in international markets. Likewise Fáilte Ireland should continue their Visitor Experience Development Plans most recently rolled out for Dingle Peninsula with similar plans in place for the Skellig Coast, the Burren and Cliffs of Moher, as well as for Connemara and the Aran islands.

2 Iconic products of scale in North, West, and Midlands

Tourism has the real potential to offer economic activity and jobs to parts of the country that have little other industry. Fáilte Ireland, using capital resources allocated to then as part of the National Capital Plan, have a capex budget of €300 million out to 2027. This needs to be invested wisely and, on the back of detailed research and development, Fáilte Ireland should be prescriptive particularly in parts of the country where product is unlikely to be delivered initially by the private sector due to commercial risk. In that context the North West and the Midlands need and deserve new tourism product of scale and international appeal and it is incumbent on Fáilte Ireland to ensure that exchequer money within their remit is used to help achieve this. The North West and Midlands, traditionally two of the weaker regions for overseas tourism traffic, have much to offer the visitor in terms of landscape, natural beauty, boglands, and culture and these should be interpreted in a compelling manner so as to increase footfall and spend to the area.

“First conceptualised by the Irish tourism industry in an ITIC report in 2011 on tourism challenges in the West of Ireland, the report called for a “branded Atlantic coastal route” and this was brilliantly brought to life by Fáilte Ireland and local authorities with the launch of Wild Atlantic Way in 2014.

3 Roll out of Midlands brand experience and cap number thereafter of regional brand experiences: Wild Atlantic Way, Ireland’s Ancient East, Dublin, and Midlands

The development of Ireland’s regional brand experiences – namely the Wild Atlantic Way, Ireland’s Ancient East, and Dublin – have proved successful in offering compelling and enriching reasons to visit the regions. These represent branded ‘big experiential ideas’ that have been designed to quickly capture the consumers attention and act as a key motivator to drive visitation. The Wild Atlantic Way has been the most successful concept to date, and although the Western seaboard of Ireland has been there since time immemorial, a clever branding initiative launched only in 2014 has elevated the region to a new level. The identity was first conceptualised by the Irish tourism industry in an ITIC report in 2011 on tourism challenges in the West of Ireland. The report called for a “branded Atlantic coastal route” and this was brilliantly brought to life by Fáilte Ireland and local authorities with the launch of Wild Atlantic Way in 2014. The establishment of the regional brand experiences has created well-defined assets that have been used to position and sell the Republic of Ireland in overseas markets. It is recommended that this process be completed and a regional brand experience for the Midlands – neither along the Wild Atlantic Way nor comfortably within Ireland’s Ancient East – be rolled out without delay. At time of the strategy’s publication this Midlands Brand – stretching along the Shannon corridor

from Limerick to Leitrim – was in the final stage of development by Fáilte Ireland and the industry in the area await its launch keenly and look forward to supporting its implementation.

It is also recommended that with the roll out of the Midlands brand a cap should be put on any future regional brand experiences to avoid fragmentation and the potential of consumer uncertainty. 4 regional proposition of scale – Wild Atlantic Way, Ireland’s Ancient East, Dublin and the Midlands – is the appropriate number for a country the size of Ireland and each regional brand experience should receive appropriate exchequer investment in new tourism product developments. Consideration should also be given to extending the regional brand experiences to Northern Ireland. As trademark owners of each regional brand experience Fáilte Ireland should be encouraged to maximize revenue-generating opportunities and should seek to merchandise and monetize the brands with all income generated being re-allocated to product development within the region in question.

It is important that regional and seasonal product and development efforts are designed and implemented within Ireland’s regional brand experiences. While new product and experiences may be compelling enough to get cut through in their own right it will be much more effective if they are positioned in the context of the regional brand experiences – for example it is envisaged that the Dark Skies experience in development in Kerry and Mayo will be positioned as a signature experiences on the Wild Atlantic Way.

Each regional brand experience should receive appropriate exchequer investment in new tourism product developments

Each of the regional brand experiences are in their infancy and there is significant need for the development of their potential, both in terms of their international profile and the quality, depth and breadth of experiences they offer. It is recommended that Ireland's regional brand experiences and their development are a primary focus for the entire sector and are supported by industry partners in terms of interpretation and promotion.

4 Improving access to, and within, regions

Ireland's capital plan 2018-27 and the National Spatial Strategy to 2040, both recently launched, are critical in terms of ensuring appropriate regional balance within Ireland. Tourism has a major role to play in this and it is vital that enabling infrastructure is prioritized to facilitate ease of access to the regions. This includes motorway access and the Cork-Limerick motorway is important for early completion linking Ireland's second and third largest cities and two key tourism hubs. Likewise rail link to Dublin Airport and onward connection to a transport hub is critical to be expedited – Dublin is one of only 2 of Western European capital cities without such connectivity and this prevents easy access to the regions.

It is necessary that Shannon, Cork, Ireland-West and Kerry airports in particular – all with significant tourism potential – are assisted where possible to fill spare capacity and, as per the *Improving Access & Delivering Opportunity* pillar it is recommended that Fáilte Ireland set up a task-force to explore this. Likewise Tourism Ireland should increase its support for regional air and sea access through greater co-operative marketing funding.

Summary of Recommendations

Recommendation

Development of a Greenways strategy and new stand-out tourism experiences in the North West and Midlands regions of Ireland.

Lead Responsibility Fáilte Ireland

Recommendation

A published spatial plan outlining exchequer investment in new tourism products of scale and international appeal with regional targets of growth.

Lead Responsibility Fáilte Ireland

Recommendation

Industry support of regional brand experiences in interpretation and promotion.

Lead Responsibility Industry

Recommendation

Roll out of Midlands brand experience and cap number thereafter of regional brand experiences: Wild Atlantic Way, Ireland's Ancient East, Dublin, and Midlands.

Lead Responsibility Fáilte Ireland

Recommendation

Prioritise enabling infrastructure to ensure ease of access to Ireland's regions, establishment of an airport access task-force, and enhanced co-operative marketing funds.

Lead Responsibility Fáilte Ireland, Tourism Ireland



Getting Marketing Right – Selling Ireland to the World

Getting Marketing Right – Selling Ireland to the World

Destination marketing is a key component of driving tourism growth. Promoting and effectively marketing a country as a tourism destination is vital within a fiercely competitive market place where global travel and tourism growth continues. As well as a high-quality unique tourism product – delivered by a world-class tourism industry – Ireland must also have a tourism brand presence that is authentic, compelling and enduring. Brand Ireland must be optimally positioned and supported through increased investment, so that it creates awareness, consideration, cut-through and attracts new audiences.

Marketing a destination is a critical aspect of ensuring positive tourism growth. As stated in the 2015 Government policy for tourism “People, Place & Policy”, the promotion of Ireland as a tourism destination in overseas markets “has additional significance beyond its direct purpose of generating visitor numbers and revenue. The positive images of Ireland that are highlighted in tourism marketing, such as our high quality natural environment, and friendly and welcoming people, support the Government’s activities in other areas of economic development, such as the promotion of foreign direct investment into Ireland. The continued promotion of Ireland as a tourism destination in overseas markets is also significant in terms of raising public awareness and perception of Ireland.”

Despite a broadening of sources from which consumers gain images, perceptions and appreciation of the appeals and attractions of a place to visit, destination marketing continues to be a critical driver of demand. Ireland has a successful history of promoting the country to potential visitors however the task has become more challenging due to the complexity of channels and increasing competition.

The marketing of Ireland to an overseas audience is the task of Tourism Ireland, an all-island agency dating from December 2000, following the designation of tourism as an area for cooperation under the Good Friday Agreement. Of course the Irish tourism industry itself is also very active in marketing Ireland – to sell a hotel room or airline seat or attraction ticket business must first promote Ireland – and in 2017 the Irish tourism industry spent €92 million on overseas promotions, over twice what was committed by Tourism Ireland.

However only one entity can be the guardian and custodian of “Brand Ireland”. Tourism Ireland’s role in this regard is of critical importance to the tourism sector’s success. Traditionally consumer marketing of Brand Ireland focused around above the line channels including TV and print material advertising but increasingly digital marketing platforms are gaining relative importance – this trend is likely to continue as new digital communication channels come to the fore. Brand Ireland therefore has no choice but to compete strongly and effectively across both traditional and emerging marketing channels.

In recent years Ireland has invested heavily in researching, developing and promoting a tourism brand identity. ‘Jump into Ireland’, launched in 2012, has been the mainstay of Tourism Ireland marketing campaigns. Backed by annual research Tourism Ireland has delivered performance metrics and valuable insights into the effectiveness of unique appeals as well as monitoring the impact of the brand positioning within the overseas marketplace.

Ireland’s brand as a tourism destination is a critically important asset. It captures the sum of the thoughts, associations and feelings that consumers, industry, trade

Ireland’s brand as a tourism destination is a critically important asset. It captures the sum of the thoughts, associations and feelings that consumers, industry, trade partners, carriers and all other relevant audiences hold about Ireland, positive and negative, strengths and weaknesses.

Ireland has a successful history of promoting the country to potential visitors however the task has become more challenging due to the complexity of channels and increasing competition.

Investment in marketing Ireland overseas has seen a sharp decline over the last decade. This declining investment has resulted in a reduction in Ireland's share of voice and spontaneous advertising recall in our top markets. This is a worrying trend that will impact on Irish tourism's success in future years if not arrested promptly.

partners, carriers and all other relevant audiences hold about Ireland, positive and negative, strengths and weaknesses.

The degree to which Ireland's tourism brand is known for its unique features – whether they be artistic, cultural, natural or man-made – the greater the context to encourage visitors to discover first-hand what Ireland has to offer. In this regard it behoves Irish tourism to protect, strengthen and support its destination brand.

There is a commitment and requirement by Tourism Ireland to put its global creative, media and digital account out to pitch every 6 years and this process commenced in Q4 2017.

Annual research conducted by Tourism Ireland shows Ireland enjoys a relatively strong position in its main source markets – Great Britain, USA, Germany & France – where 9 out of 10 consumers are open to visiting Ireland, with up to 3 out of every 4 interested in visiting. However, the level of those actively considering or planning a visit is less strong. This differential between "interest" and "action" is the challenge for destination marketing.

In the international tourism marketplace Ireland is pitted against destinations with strong brand identities each of which have succeeded in conveying positive appeals and images, compelling attributes, leading to a strong desire to visit.

All brands, including Tourism Brand Ireland are fluid, evolve over time and require refreshment.

Ireland's low conversion from interest to active planning by consumers is driven by 2 factors. Firstly there is a lack of promotional funds to drive home the marketing message as evidenced clearly in the reduction of marketing budgets across all main markets.

However the second factor has to do with the quality of the creative and collateral of Ireland's tourism brand. Does Ireland's tourism brand resonate strongly and effectively enough with consumers? Recent research (September 2017) by Red C on behalf of Tourism Ireland conducted in the key markets of the US and Germany concluded that while the current positioning and consumer perception of the brand was positive, Ireland generally lacked distinctiveness and was not conveying enough compelling reasons to travel ahead of other competitor destinations. This resulted in a lack of urgency by the consumer to visit Ireland. This must be addressed as part of any new Brand Ireland's proposition.

State investment in marketing Ireland overseas has seen a sharp decline over the last decade and is down 35% since 2008. This declining investment has resulted in a reduction in Ireland's share of voice and spontaneous advertising recall in our top markets. This is a worrying trend that will impact on Irish tourism's success in future years if not arrested promptly. A clear example is in North America where Tourism Ireland have a marketing budget in 2018 of less than €9 million, wholly inadequate to support the 21 gateways that now exist across USA and Canada. Likewise the marketing budget in Britain has been reduced to less than €5 million in 2018, a sum of money that is not commensurate with the importance of retaining market share and mitigating against the impact of Brexit.

Brand Ireland must compete strongly and effectively across both traditional and emerging marketing channels.

Key Issues and Recommended Strategic Responses

The following section details key strategic recommendations focused on the strengthening of Ireland as a destination brand.

4 Key Challenges

1 An increase of €25 million in overseas marketing funds

In spite of the recent positive Irish tourism performance, there is significant amount of data that indicates the overall profile of Ireland's tourism brand in key markets is weakening and our competitive ranking is slipping. It can be fairly claimed that, in no small part the reduction in marketing budgets (35% reduction in the budget of Tourism Ireland from 2008 to 2018), has led to this weakening in overall brand strength. Furthermore, it can be argued that there has been an opportunity cost as a consequence of underinvestment in recent years, and the recent tourism growth levels may well have been even greater if investment levels had of been sustained or increased. The adverse impact on the brand equity will be cumulative over time. There is now an urgent need to redress the situation – it is recommended that an appropriate investment of €25 million be made so that destination marketing activities can be increased in line with the ambitions of this strategy.

An increase by Government in current funding of €50 million per annum, at least half of which needs to be allocated to overseas marketing budgets, is a key enabler to allow the goals of this strategy to be achieved. By 2025 overseas revenue from tourism can be worth €8.1 billion annually with 80,000 more jobs, and a 65% increase in to the exchequer in direct tourism-related taxes: the prize is big.

2 Rejuvenation of tourism brand Ireland to increase levels of interest, share of voice and drive brand reassessment

Given the competitive context, crowded communications landscape and wide range of choices available to consumers it is imperative that Ireland succeeds in positioning itself as a 'must visit' destination rather than a holiday destination for 'sometime in the future'. This must be addressed in positioning Brand Ireland to break through the inertia, ensuring the urgency of purchase is highlighted. This will call for outstanding creative communications, delivered in the right place and at the right time, and a stream of new news and content – all critically under a rejuvenated Brand Ireland that re-enforces the strengths of the country's regional brand experiences.

It is recommended that this be addressed as part of a rejuvenation of the Brand Ireland, a process that Tourism Ireland has commenced with results expected in 2018. A rejuvenated Brand Ireland should lead to increased levels of interest, share of voice measures, as well as drive destination reassessment.

The current "Jump into Ireland" brand positioning has served the sector well but dates from 2012 and Ireland has changed considerably in recent years; a growing economy, a youthful population, an invigorated popular culture and cultural context; a revived food offering should all be reflected in the brand. More importantly the consumer landscape, segmentation and path to purchase has changed dramatically over the intervening years.

3 Ireland's communication message be developed to incorporate the quality and depth of Ireland's food offering

It is accepted that the Irish food scene – from restaurants through to fresh produce and artisan producers – has improved dramatically in recent years offering world class, varied and authentic cuisine served to very high standards. However Ireland as a food destination or as an island with a quality food offering is not conveyed or communicated to the consumer adequately when they are considering Ireland as a holiday choice. That needs to change. A differentiating aspect for Ireland as a tourism destination can be the quality of its food and furthermore markets that are attracted to high reputation food destinations tend to be high-spenders and particularly valuable.

A recent Fáilte Ireland Food & Drink Strategy 2018-23 aims to reposition Irish food and drink from being "a pleasant surprise to becoming one of the compelling reasons to visit Ireland". By targeted investment and effective promotion the Fáilte Ireland report estimated that Ireland's food offering could grow tourism revenue by as much as €400 million over the next 5 years.

Within surveys of overseas holidaymakers, conducted annually by Kantar Millward Brown for Fáilte Ireland, food and cuisine fails to feature as an important factor for tourists when considering Ireland as a destination.

Yet on exiting the country a significant number of the same tourists state that Ireland's food offering exceeded their expectation. There is an obvious mismatch and it is recommended that Brand Ireland's communication message incorporate the quality and depth of Ireland's food offering so as that it features within the top 10 reasons for considering Ireland as a destination. Tourism Ireland and Fáilte Ireland should work with Bord Bia to support this initiative. This should help differentiate Ireland from competitors and grow new market segments.

4 Growing Ireland's digital leadership in tourism marketing and e-commerce capabilities

While traditional channels remain highly relevant the importance of digital platforms in tourism cannot be overstated. For all types of consumers – in all markets – digital platforms inform and drive destination perceptions, consideration, holiday planning and booking. Tourism Ireland have a deserved reputation for being leaders within the space of digital marketing and have won numerous awards and exploited Ireland's recent association with Star Wars and Game of Thrones particularly effectively. It is recommended that Ireland's position as digital leaders within tourism marketing be consolidated and increased and additional resources are allocated to this area including investment in social media platforms and Ireland.com. Likewise Ireland's tourism industry must develop their e-commerce capabilities and digital platforms ensuring they are prominent within the 21st century shop window.

There is also merit in exploring a single national brand identity for overseas markets to cover the full spectrum of Ireland's exports including food, drink, tourism, FDI, exports. Other countries do this very effectively including Sweden, New Zealand, Canada, Australia and Germany and it would seem an opportune time for Ireland to explore a similar initiative.

It is recommended that brand Ireland's communication message incorporate the quality and depth of Ireland's food offering.

The Irish tourism industry spent €92 million on overseas promotions in 2017, over twice what was budgeted to Tourism Ireland.



Summary of Recommendations

Recommendation

Invest in rejuvenation of tourism brand Ireland to increase levels of interest, share of voice and drive brand reassessment.

Lead Responsibility Tourism Ireland

Recommendation

An increase of €25 million in overseas tourism marketing funds.

Lead Responsibility Government

Recommendation

Growing Ireland's digital leadership in tourism marketing and e-commerce capabilities.

Lead Responsibility Tourism Ireland & Industry

Recommendation

Brand Ireland's communication message be developed to incorporate the quality and depth of Ireland's food offering.

Lead Responsibility Tourism Ireland, Bord Bia



An Educated, Skilled and Motivated Tourism Workforce

An Educated, Skilled & Motivated Tourism Workforce

Tourism is Ireland’s largest indigenous industry with 230,000 people employed in the sector as of March 2018 with a strong regional balance of employment. By 2025, a further 80,000 jobs can be created within the tourism and hospitality sector and it is vital that the industry improves its attractiveness to talent and appropriate education, skills and training opportunities are in place and coordinated by an accountable stage agency for tourism development.

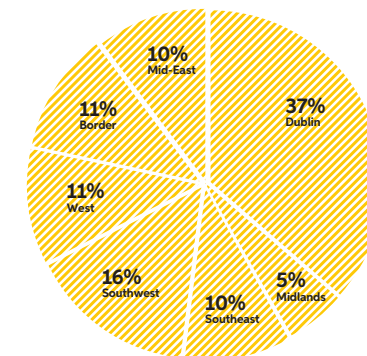
As one of the most important services sectors in the Irish economy, tourism has made a major contribution to the Republic of Ireland’s strong employment growth in recent years. The sector is an essential component of Ireland’s employment base and as outlined in this strategy has the capacity to make an even more significant contribution. As of March 2018 CSO and Fáilte Ireland data indicate that tourism employs 230,000 persons representing 10% economy-wide employment. It can be estimated that there are 20,000 businesses within the sector, most of which are small to medium-sized enterprises. The number of people employed within tourism and hospitality has grown significantly in recent years, creating an estimated 57,000 new jobs between 2012 and 2017, and this strategy estimates that the sector has the capacity to generate an additional 80,000 jobs by 2025, should the right policies be adopted and implemented.

While the majority of employment is driven by accommodation providers, restaurants, pubs and visitor attractions, the employment profile of the sector is broad and diverse with air and sea carriers, events, tour operators, galleries and museums, coach companies, heritage, adventure and marine tourism creating and sustaining employment for people with differing skills and abilities. Furthermore, due to the diverse nature of the sector, tourism makes a valuable contribution to regional and local economies, and provides flexible employment opportunities that have the capacity to facilitate greater labour market participation.

One of the key challenges faced now and into the future will be to ensure that the volume and quality of talent within the sector supports rather than restricts growth. Whilst our built and natural tourism assets play a huge role in defining the appeal of the Republic of Ireland it is the interaction between overseas visitors and those employed in our tourism sector that ensures an outstanding holiday experience and has the capacity to differentiate Ireland relative to competitors.

A lack of talent, or of a skilled workforce, will compromise growth and undermine the delivery of Ireland’s tourism experience, damaging the overall destination brand and its reputation.

Regional distribution of employment in the tourism sector 2017



Data source: Hospitality Sector Oversight Group Interim Report, May 2017.

One of the key challenges faced now and into the future will be to ensure that the volume and quality of talent within the sector supports rather than restricts growth.

A lack of talent, or of a skilled workforce, will compromise growth and undermine the delivery of Ireland's tourism experience. With this in mind the optimisation and management of education, training and skills in the tourism sector must be a key factor in delivering sustainable growth. This pillar theme has identified a range of key issues that need to be addressed so that the sector creates and sustains a dynamic and skilled workforce that is recognised as a key strength of our overall tourism proposition.

Developing and sustaining appropriate skilled and motivated labour pool is a complex process that involves the collaboration of a broad range of stakeholders and focused policy. A dynamic and productive interaction between Government, State Agencies, educational bodies and the Irish tourism industry will be vital to its success.

Developing and sustaining appropriate skilled and motivated labour pool is a complex process that involves the collaboration of a broad range of stakeholders and focused policy.



80,000
additional jobs
by 2025

Key Issues and Recommended Strategic Responses

The following key challenges have been identified with respect to education, skills, training, recruitment and retention in the tourism sector and clear recommendations have been outlined. The key issues and actions areas are defined as follows:

5 Key Challenges

1 Coordination of the education, skills and training strategy for the Irish tourism sector

Currently there are a broad range of stakeholders contributing to the 'education, skills and training' agenda but no clear owner of a defined and prioritised development strategy. Key players include Fáilte Ireland, Solas, Education Training Boards, Institutes of Technology, and other 3rd level education providers.

However there is no singular entity, working with clearly defined objectives and metrics, that is accountable for the overall coordination of education, skills and training for the sector.

Given the importance of the development of skills and talent as a facilitator for future growth it is imperative that a clear owner – responsible for management rather than delivery of the development agenda – is determined and resourced to carry out this task.

The current positive state of the Republic of Ireland's economy, with an unemployment rate of under 6%, the challenge of attracting talent to the tourism sector is significant.

A key recommendation of this strategy is that Fáilte Ireland, in accordance with the National Tourism Development Authority Act 2003, is the body that is accountable and responsible for this coordination, governance and management role. In practical terms this would necessitate Fáilte Ireland, in collaboration with other key stakeholders, to define key objectives, priorities and metrics associated with education, skills and training and devise a clearly defined plan to focus on their achievement. Fáilte Ireland would be the key link between the industry and education. A Director of this function should be appointed within Fáilte Ireland's leadership team to reflect the importance of the responsibility. Nearly €3.5 million is committed by Fáilte Ireland annually to tourism education, training and skills according to its 2016 Annual Report and it needs to ensure that appropriate outputs are secured for this and future investment and that there is management and co-ordination of all tourism education platforms so that the industry is well-served by professional and committed labour force.

2 Promotion and positive positioning of careers within Irish tourism

As of early 2018 and the current positive state of the Republic of Ireland's economy, with an unemployment rate of under 6%, the challenge of attracting talent to the tourism sector is significant. The range of choice that people seeking employment are presented with is broad and in a competitive context the overall profile of the industry from an employment perspective requires considerable development.

Although a record number of people are now working within tourism and hospitality, with 57,000 having joined the sector between 2012 and 2017, it is imperative that tourism jobs and careers are positioned in a positive and compelling manner. While current efforts are welcomed, such as the Irish Hotel Federation's 'Get a Life in Tourism' and Irish Hospitality Institute's 'Tourism Insight', the overall positioning of the sector as an attractive industry for lifetime employment needs to be strategically managed and invested in over a sustained time period. It is important that not only is the sector promoted in its own right but relative to other sources of employment and in this regard the positive dimensions of employment in tourism need to be defined, substantiated and actively communicated. Specifically, it is recommended that a strategically managed and funded communications programme to develop interest in careers in the tourism sector is put in place targeting second level students, jobseekers, and the general public. This should be coordinated and funded by Fáilte Ireland.

Furthermore it is recommended that a National Tourism Day be launched, a day of the year which becomes an annual feature on the national media calendar and reflects the importance of the sector both nationally and regionally. This would elevate the profile of the tourism sector, entice would-be employees into the industry, and generate awareness of tourism as a key economic engine of activity.

3 Alignment of education, qualifications, training and skills with needs of Irish tourism industry

As previously referenced, a broad range of different stakeholders contribute to the development of a skilled workforce for the tourism sector. Set against this background it will be important that the provision of education and training is wholly aligned with the needs and demands of the Irish tourism industry as it charts an ambitious future.

Building on the recommendations of the Expert Group of Future Skills Needs (EGFSN) and work of the Hospitality Sector Oversight Group it is recommended that a periodic review every three years is carried out to examine the relationship between education, training and skills supply and demand (public and private sector skills needs). On the basis of this review adjustment of the overall provision of education skills and training needs to be put in place. This adjustment should seek to optimize the provision of courses and qualifications linked to the sector. This must focus not only on the number but type of courses, e.g. full time, 'learn and earn' programmes and apprenticeships.

It is also recommended that tourism businesses, that close due to seasonal reasons, are incentivised to open their kitchens and premises as training venues. This can be done through direct funding or a specific tax-relief for the business in question. The facilities of perfectly good hotels, guesthouses, restaurants and attractions could be used more productively year round earning income for the owner-operator whilst training tourism's future workforce. In this regard it is recommended that Fáilte Ireland devise and develop a pilot programme where properties are identified and measures enacted.

4 Retention of talent within the tourism sector

While much effort is required in the development of talent, management of existing talent within the sector is of equal, if not greater importance. Generally, there are significant costs associated with recruitment and a loss of good employees results in a loss of experience.

The tourism and hospitality sector must work harder at retaining and rewarding its employees. It is recommended that apprenticeship and traineeship programmes – 'earn and learn' – must be embraced by the industry and rolled out nationwide as an effective and proven way for employer and employee to prosper.

In addition to the retention of existing talent the sector faces a major challenge in ensuring a high volume of individuals who graduate with tourism/hospitality qualifications decide to enter and remain in employment in the sector. The tourism industry in Ireland is no different in this regard than the tourism industry in most mature markets.

Set against this background it is recommended that a focused talent retention strategy is devised by the industry to address this trend. While it will be first be necessary to conduct a fact-based assessment of the key drivers of employee turnover a qualitative assessment of the current situation concludes key reasons for churn in the

It is recommended that apprenticeship and traineeship programmes must be embraced by the industry and rolled out nationwide.

sector and the required responses are multi-faceted and relate to recruitment through to training, remuneration and career path development. It is also recommended that each sectoral body within ITIC develop an annual "Emerging Tourism Leaders" programme where talented and committed young tourism professionals are mentored and supported as their career progresses.

5 Attracting talent from overseas to fill employment gaps

While many of the recommendations that have been detailed focus on the indigenous labour pool, given the likely limited future supply of talent it will be necessary to deploy a strategy that seeks to attract talent from overseas and critically makes it easy for those with appropriate skills to come, work and a live in Ireland. While progress in the areas of work permits, internship employment, and temporary visas need to be addressed it will also be necessary for the sector to actively position itself positively as a source of employment in overseas markets, with a focus on countries within the EU. There is a strong possibility that, as a consequence of the Brexit process, a wide range of EU nationals currently working in Britain may seek employment in other EU states. The Irish tourism sector should proactively seek to promote itself as a destination for 'tourism talent' to come and work. In this regard it is recommended that, following appropriate analysis of labour shortages, Fáilte Ireland arrange an Irish presence at relevant recruitment fairs abroad with industry attendance.

Where consistent skills shortfalls exist, and subject to relevant reviews, notwithstanding measures aimed

at increasing domestic supply it is recommended that changes to the existing employment permit eligibility criteria should be proactively implemented. These changes should relate to a relaxation of Ireland's laws on short term work permits for skilled and qualified non-EU nationals, expanding the list of occupations for which foreign workers might be eligible. In this regard occupations within the sector where there is a particular shortfall of labour supply, such as chefs, should be prioritised.

Summary of Recommendations

Recommendation

A strategically managed and funded communications programme to promote careers within tourism sector.

Lead Responsibility Fáilte Ireland and Industry

Recommendation

Single accountable state agency, and appointment of Director of Function within, to assume management and co-ordination of tourism education, training, and skills needs.

Lead Responsibility Fáilte Ireland

Recommendation

Attracting talent from overseas to fill employment gaps

Lead Responsibility Fáilte Ireland and Department of Business, Enterprise & Innovation

Recommendation

Development of pilot programme to incentivise seasonal businesses to operate as training centres in off-season and roll-out of national apprenticeship schemes.

Lead Responsibility Fáilte Ireland and Industry

Recommendation

An Industry Talent Retention Strategy and Emerging Leaders Programme.

Lead Responsibility ITIC and sectoral bodies



A Balanced Portfolio of Tourism Markets

Like every economic sector, a balanced source of markets is fundamental to minimising risk and ensuring sustainable growth into the future. Irish tourism is no different in this regard. Global travel and tourism continues to expand and there is a significant opportunity for Ireland to gain market share in the coming years but to do so, and to minimise cyclical changes, Irish tourism needs to have a balanced portfolio of source markets from which business can be secured.

Britain will remain a vital market to Irish tourism with strong volume figures and important seasonal spread but Mainland Europe offers untapped potential and North America can deliver impactful growth with the potential of new and emerging markets in Asia offering exciting possibilities.

The challenge for Irish tourism is to identify best growth prospects into the future and balance investment between established and emerging growth markets.

World travel and tourism levels continue to expand with the UNWTO anticipating that the sector will be worth \$2 trillion with the expectation that Europe will continue to be the world's No.1 travel destination over the next 20 years. Tourism flows to Europe are expected to grow by an average annual 3.5%-4.5% up to 2030 (UNWTO: Tourism Towards 2030). There is a real opportunity for Ireland to benefit in an expanding global travel market.

In terms of market diversification Ireland has been experiencing a shift in source market mix over time. In terms of volume (number of overseas tourists) 10 years ago, back in 2007, Britain accounted for 50% of international arrivals to Ireland, this has come down to 38% of all arrivals in 2017 as growth from other markets have far outpaced that of Britain.

Likewise from a value perspective Britain now accounts for 23% of Irish tourism revenue compared to 40% 10 years ago. Saying that as Ireland's nearest source market and, one with significant cultural and business ties, Britain will continue to be important and likely the top volume market over the period to 2025, albeit declining in relative importance. This trend is likely to be the case irrespective of Brexit although this event, ever-changing at time of writing in March 2018, will probably hasten the softness of the British market.

When looking at most recent CSO measurements and the value of each source market to Irish tourism Britain, due to the tendency for short visits and city breaks, on a per visit basis compares unfavourably to Continental Europe, North American or long haul visitors on both a spend basis and length of stay. The immediate past 3

years is illustrative of where the growth has come from for Irish tourism with North America growing strongly year on year, Mainland Europe performing well, and new and developing markets contributing consistently. Up to 2017 the British market had been reclaiming lost ground but sterling's weakness and Brexit's impact contributed to it falling backwards.

The challenge for Irish tourism is to identify best growth prospects into the future and balance investment between established and emerging growth markets. A key performance metric will always be market share. Has Ireland gained share of a source market's outbound travel market? There is compelling evidence that due to improved access Ireland has gained market share in the valuable US market which highlight the growth in tourism from the US and Ireland's increasing market share which continued into 2017. Therefore in terms of market diversification Irish tourism's goal must be to at least maintain market share in established markets while aiming to gain an increasing share of developing or new markets for Ireland. The US market evidence shows Ireland winning share but the same focus must be applied particularly to European markets where Ireland's share needs to improve and investment in destination marketing and a more intensive industry wide focus must be applied with improving air access offering real opportunities.

With the impact of Brexit, consumer uncertainty in the UK, and currency challenges growth from Britain is likely to remain constrained between now and 2025.

In terms of market diversification Ireland has been experiencing a shift in source market mix over time.

The reduction in brand Ireland investment has contributed, according to annual market research, to Ireland losing share of voice and spontaneous recall – brand Ireland’s equity in key overseas tourism markets is being eroded and this has worrying implications for tourism’s prospects.

The Irish tourism industry itself has been investing heavily in overseas marketing to sustain and grow the sector.

To prosper and achieve the goals as set out in this strategy, Irish tourism needs to aggressively continue growing other source markets. Despite strong calls for assistance with a market diversification strategy, through increased funds for overseas promotions of Ireland, to date there has been no increase of note in resources for Tourism Ireland, whose in-market promotional budget in 2018 is down 35% compared to 10 years ago. The marketing budget must be increased if Ireland’s largest indigenous sector is to realise its potential; as an example an annual marketing investment by Tourism Ireland of under €9 million in North America as committed in 2018 is wholly inadequate to support 21 gateways that are served across the USA and Canada; the €2.2 million to be spent in 2018 across Australia and Emerging Markets is not going to allow Ireland to achieve its tourism potential in exciting markets such as China and the Gulf States.

The reduction in brand Ireland investment has contributed, according to annual market research, to Ireland losing share of voice and spontaneous recall – brand Ireland’s equity in key overseas tourism markets is being eroded and this has worrying implications for tourism’s prospects.

The Irish tourism industry itself has been investing heavily in overseas marketing to sustain and grow the sector.

In 2017, according to ITIC research, Irish tourism industry invested €92 million in overseas marketing of which 41% was committed to North America, 27% to Mainland Europe, 25% to Britain and the balance of 7% to new and emerging markets. However only Tourism Ireland can promote brand Ireland and similar to the marketing spend patterns of industry, the overall strategic focus needs to place an increasing marketing focus on North America, Mainland Europe and new and developing markets and to support the tourism sector whilst shoring up the Great Britain market as a source of overseas visitors.

The British market is of particular concern to Ireland’s tourism industry and a full strategic review of this key source market is overdue. Key elements of Ireland’s tourism industry are interlinked with the British market, are well programmed within it, and in the case of sea carriers fulfil a need that will continue from that market.

The ultimate aim should be to continue maximising growth in North America, France and Germany, to consolidate market share and grow discrete segments from Great Britain, while moving strategically, and in line with the State trade policy, into long haul and emerging markets. The Government has a stated aim of doubling Ireland’s global footprint by

The immediate past 3 years is illustrative of where the growth has come from for Irish tourism with North America growing strongly year on year, Mainland Europe performing well, and new and developing markets contributing consistently.

2025 which the Taoiseach, Leo Varadkar TD, announced in April 2017. Tourism was specifically referenced with “a commitment to double the Team Ireland footprint overseas by 2025. This means new and augmented diplomatic missions and as well as significantly increased resources for our investment, tourism, cultural and food agencies overseas”.

Such a strategy needs to be implemented in full and will help Irish tourism develop a market diversification strategy and a balanced portfolio of source markets.

The British Market is of particular concern to Ireland’s tourism industry and a full strategic review of this key source market is overdue.

Key Issues and Recommended Strategic Responses

The following section details key strategic recommendations with respect to Irish tourism's market diversification needs. With appropriate resources, focused implementation and increased access, Irish tourism can deliver a balanced 'risk assessed' diversification portfolio and thus withstand economic shocks to specific markets.

4 Key Challenges

1 Emphasis and focus on North America and Mainland Europe for accelerated growth

It is recommended that overall strategic focus needs to be placed on North America and Mainland Europe for accelerated growth. Britain should be targeted as a key foundation market for recovery and consolidation while opportunities should be identified in new and emerging source markets.

Industry and state agencies need to be aligned to this and focus should be applied to improving the conditions for air and sea access and ensuring that market share metrics are used as a measure of progress. Air carriers, principally Aer Lingus and Ryanair, have invested heavily in increasing capacity in North America and Europe respectively.

The core markets of Great Britain, North America and mainland Europe account for almost 88% of overseas

revenue. Irish industry has traded with these markets for many years and has a level of insight, knowledge and understanding of visitor motivations and expectations. Research, consumer segmentation, product, food and accommodation offerings are tailored to these markets and Ireland's Regional Brand Experience – namely Dublin, Wild Atlantic Way and Ireland's Ancient East – are attuned to these travellers' motivations.

2 An increase of €25 million in Tourism Ireland's overseas marketing funds

As highlighted within this chapter Tourism Ireland – the all-island agency responsible for promoting Ireland overseas – has seen its marketing budget from the Irish Government decline severely since 2008. The Irish Government – through its Tourism Action Plan 2016-2018 – has already stated that this budget will be restored to 'pre-recession levels'. This would amount to circa €15 million investment but there has been no progress to match this commitment. However for Irish tourism to prosper and achieve its potential it is recommended that €25 million is invested in overseas marketing to allow Irish tourism to defend its share of the British market and target ambitious growth in North America and Europe as well as exploiting opportunities that arise in new and emerging markets.

As has been shown earlier Ireland's "Net Promoter Score" in terms of advertising awareness and recall is in sharp retreat across key source markets and this can only be reversed through enhanced media presence.

3 Great Britain – consolidation and renewed focus

Within the context of a focus on our core markets a renewed emphasis on Ireland's 'foundation' market of Britain is necessary. The British market is not only important in terms of numbers of visitors but has a positive effect in relation to seasonality with British visitors travelling year-round throughout the country.

Even as Brexit and related uncertainties affect the outbound British market, there is no reason Ireland should lose market share as has begun to happen. Furthermore there are discrete segments of leisure and business travel that Ireland could exploit. To ensure this investment is correctly targeted it is recommended that a full strategic review of the British market is undertaken to determine the most appropriate approach to maximising tourism opportunities.

The last review of the British market was conducted in 2012 by the then Tourism Recovery Task-force and the GB Patch to Growth report was instrumental in a subsequent recovery in that market and also launched the consumer segmentation model that has since been applied to other markets.

Since 2012 – a time that pre-dated the Wild Atlantic Way, IAG's purchase of Aer Lingus, and the British vote to leave the EU – there have evidently been significant changes and consumer behaviour, competitor offerings, currency fluctuations, and global travel growth have all changed the British market and a review is well overdue. Such a review necessitates significant research in order to gain a granular and dynamic understanding of

Ireland's 'Net Promoter Score' is in sharp retreat and this can only be reversed through enhanced media presence.

The marketing budget must be increased if Ireland's largest indigenous sector is to realise its potential.

segmentation, consumer sentiment and motivations allowing Irish tourism to adapt to Brexit implications, buying behaviour and income levels in the British market.

4 Investment in emerging markets, expansion of visa programmes

The Government has set out plans to double Ireland’s global footprint by 2025 identifying strategic markets to increase Irish exports such as China and India and this initiative has committed to including tourism.

Two key aspects of any breakthrough in new and emerging markets are access and ease of visas. In terms of the former, 2018 sees the first direct scheduled Asia-Ireland flight with Cathay Pacific commencing a Hong Kong to Dublin route – this, and other anticipated routes, need to be supported and encouraged. Likewise visas, and in particular joint visas between the UK and Ireland, are particularly important for new and emerging markets. The British-Irish Visa Scheme, currently in place for China and India, has been a very welcome initiative and it is vital that it be retained on an ongoing basis. It is recommended that the British-Irish Visa Schemes is expanded to other emerging markets to ensure competitive and efficient visa regimes for long-haul markets.

With access to Ireland increasing from the Asia Pacific region and given the general increase in travel from the countries such as China there is significant opportunity for Ireland. 2018 marks the China-EU Tourism Year, a European Union-funded project aimed at promoting travel and cultural exchange between EU member states and China. The designated tourism year is the European Commission’s response

to the growing number of Chinese travelers who visit Europe which is estimated to have increased significantly in recent years.

In this context it is recommended that marketing and promotional investment is increased in emerging new source markets to unlock growth opportunities and that the industry increases its engagement in relevant overseas sales missions. Fáilte Ireland’s initiative for Irish tourism businesses such as their “Get China Ready” programme is welcome as it aims to educate the tourism industry about the opportunities available from the Chinese tourist market. It is recommended that such programmes be extended and continued.

Summary of Recommendations

Recommendation

Increasing Ireland’s global footprint and destination marketing funds.

Lead Responsibility Government

Recommendation

Emphasis and focus on North America and Mainland Europe for accelerated growth.

Lead Responsibility Industry and Tourism Ireland

Recommendation

Investment in emerging new source markets to unlock growth opportunities and industry engagement in overseas sales missions.

Lead Responsibility Tourism Ireland and Industry

Recommendation

A strategic review of British market to consolidate share and target new segments.

Lead Responsibility Tourism Ireland

Recommendation

Industry development programme to enhance capability to meet new market opportunities.

Lead Responsibility Fáilte Ireland

Recommendation

Expansion of British-Irish Visa Schemes to other emerging markets to ensure competitive and efficient visa regimes for long-haul markets.

Lead Responsibility Department of Justice and Equality



Summary of Recommendations

The following section details the overall key strategic recommendations and strategy for growth to 2025.

<p>Competitiveness - the key ingredient for sustainable tourism growth</p>		<p>Improving access and delivering opportunities</p>		<p>Increasing capacity to meet growth aspirations</p>		<p>Exchequer capital investment in Irish tourism; Investing in new tourism products and experiences</p>		<p>Managing the challenge of Brexit</p>	
<p>Recommendation Tourism development programmes encouraging investment be aligned with the Government's infrastructure plans as outlined in the National Planning Framework to 2040.</p>	<p>Recommendation Tourism competitiveness be monitored and addressed in line with recommendations of the National Competitiveness Council paying particular attention to labour, insurance and taxation costs.</p>	<p>Recommendation Prioritize and expedite terminal enhancements and new runway development at Dublin Airport.</p>	<p>Recommendation Continued zero-rating of Airport Departure Tax, competitiveness of landing charges, and expansion of US pre-clearance facilities.</p>	<p>Recommendation A clear, prioritised and actionable strategy designed to ensure visitors are dispersed and stay throughout the country is put in place.</p>	<p>Recommendation An ongoing review of key enablers and barriers to new accommodation including strategic development zones, streamlined & fast-tracked planning to enable new builds.</p>	<p>Recommendation A published spatial plan outlining public investment in new tourism products of scale and international appeal.</p>	<p>Recommendation A €600 million public capital investment programme in new tourism product over a 10 year period.</p>	<p>Recommendation The preservation of the Common Travel Area between the UK and Ireland and a soft border on the island of Ireland.</p>	<p>Recommendation Ensuring that value for money is delivered consistently to the British consumer and no additional tax or regulatory burdens are placed on the Irish tourism industry.</p>
<p>Lead Responsibility Fáilte Ireland and Industry</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Government / daa</p>	<p>Lead Responsibility Government / Commission of Aviation Regulation</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Fáilte Ireland and Local Authorities</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Industry and Government</p>
<p>Recommendation Assessment of the impact of the range of state imposed costs on tourism businesses and the sector's competitiveness.</p>	<p>Recommendation Employment permits system to be reviewed in consultation with industry to ensure it is aligned with emerging labour market needs and visitor profiles.</p>	<p>Recommendation Increased co-operative marketing funds with industry partners in line with agency budget increases.</p>	<p>Recommendation Formation of an airport task-force to drive demand on sustainable tourism routes to support regional access.</p>	<p>Recommendation A review be undertaken of historic state owned buildings that could be used for tourism purposes.</p>	<p>Recommendation That a €600 million capital investment programme, channeled through Fáilte Ireland, is allocated to tourism over the coming decade to help create new attractors of scale and international appeal.</p>	<p>Recommendation Prioritise and fast-track tourism-enabling infrastructure such as airport development, rail link to Dublin Airport, national broadband plan, improved motorway access, and coach parking facilities.</p>	<p>Recommendation Development of a new events/convention centre outside Dublin.</p>	<p>Recommendation The harmonisation of regulatory standards across the island of Ireland.</p>	<p>Recommendation The retention of liberalised aviation and sea access regime between the UK and the EU.</p>
<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Department of Business and Enterprise Innovation</p>	<p>Lead Responsibility Tourism Ireland</p>	<p>Lead Responsibility Fáilte Ireland with Tourism Ireland</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Government</p>
<p>Recommendation A competitiveness monitor be upgraded and shared with the industry in real-time to influence policy and commercial decisions for the benefit of the visitor.</p>		<p>Recommendation A liberalised access regime is secured as part of any new EU / UK deal.</p>				<p>Recommendation Maximising public investment and operational efficacy in state-owned tourism assets.</p>		<p>Recommendation The support of an all-island approach to tourism marketing.</p>	<p>Recommendation A resourced Brexit action plan for tourism sector.</p>
<p>Lead Responsibility Fáilte Ireland</p>		<p>Lead Responsibility Government</p>				<p>Lead Responsibility Fáilte Ireland</p>		<p>Lead Responsibility Government</p>	<p>Lead Responsibility Fáilte Ireland / Industry</p>

<p>State Support Framework to Facilitate Tourism Growth</p>		<p>Delivering a better regional and seasonal spread of tourism</p>		<p>Getting marketing right – selling Ireland to the world</p>		<p>An Educated Skilled and Motivated Workforce</p>		<p>A Balanced Portfolio of Tourism Markets</p>	
<p>Recommendation Tourism to be strengthened as a senior cabinet post with economic focus.</p>	<p>Recommendation A “whole of government” approach and national policies tourism-proofed to ensure best fit with industry and visitor needs.</p>	<p>Recommendation Development of a Greenways strategy and new stand-out tourism experiences in the North West and Midlands regions of Ireland.</p>	<p>Recommendation A published spatial plan outlining exchequer investment in new tourism products of scale and international appeal with regional targets of growth.</p>	<p>Recommendation Invest in rejuvenation of tourism brand Ireland to increase levels of interest, share of voice and drive brand reassessment.</p>	<p>Recommendation An increase of €25 million in overseas tourism marketing funds.</p>	<p>Recommendation A strategically managed and funded communications programme to promote careers within tourism sector.</p>	<p>Recommendation Single accountable state agency, and appointment of Director of Function within, to assume management and co-ordination of tourism education, training, and skills needs.</p>	<p>Recommendation Increasing Ireland's global footprint and destination marketing funds.</p>	<p>Recommendation Emphasis of British North America and Mainland Europe for accelerated growth.</p>
<p>Lead Responsibility Government</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Tourism Ireland</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Fáilte Ireland and Industry</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Government</p>	<p>Lead Responsibility Industry and Tourism Ireland</p>
<p>Recommendation Alignment between local authorities and Fáilte Ireland to ensure maximisation of tourism strategies and enhanced tourism role for publicly-elected Dublin Lord Mayor.</p>	<p>Recommendation External review be conducted of Fáilte Ireland to ensure sharper definition of role and responsibilities with appropriate levels of funding and resourcing.</p>	<p>Recommendation Industry support of regional brand experiences in interpretation and promotion.</p>	<p>Recommendation Roll out of Midlands brand experience and cap number thereafter of regional brand experiences: Wild Atlantic Way, Ireland's Ancient East and Midlands.</p>	<p>Recommendation Growing Ireland's digital leadership in tourism marketing and e-commerce capabilities.</p>	<p>Recommendation Brand Ireland's communication message be developed to incorporate the quality and depth of Ireland's food offering.</p>	<p>Recommendation Attracting talent from overseas to fill employment gaps.</p>	<p>Recommendation Development of pilot programme to incentivise seasonal businesses to operate as training centres in off-season and roll-out of national apprenticeship schemes.</p>	<p>Recommendation Investment in emerging new source markets to unlock growth opportunities and industry engagement in overseas sales missions.</p>	<p>Recommendation A strategic review of British market to consolidate share and target new segments.</p>
<p>Lead Responsibility Local Authorities/ Fáilte Ireland</p>	<p>Lead Responsibility Department of Transport, Tourism and Sport</p>	<p>Lead Responsibility Industry</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Tourism Ireland and Industry</p>	<p>Lead Responsibility Tourism Ireland, Bord Bia</p>	<p>Lead Responsibility Fáilte Ireland and Department of Business, Enterprise & Innovation.</p>	<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Tourism Ireland and Industry</p>	<p>Lead Responsibility Tourism Ireland</p>
<p>Recommendation The IDA, working with Fáilte Ireland, to be tasked with attracting would-be international investors to Irish tourism sector.</p>	<p>Recommendation Enhanced and improved data be made available in real time to the tourism industry including creation of Tourism Satellite Account.</p>	<p>Recommendation Prioritise enabling infrastructure to ensure ease of access to Ireland's regions, establishment of an airport access task-force and enhanced co-operative marketing funds.</p>				<p>Recommendation An Industry Talent Retention Strategy and Emerging Leaders Programme.</p>		<p>Recommendation Industry development programme to enhance capability to meet new market opportunities.</p>	<p>Recommendation Expansion of British-Irish Visa Schemes to other emerging markets to ensure competitive and efficient visa regimes for long-haul markets.</p>
<p>Lead Responsibility Government</p>	<p>Lead Responsibility Fáilte Ireland and CSO</p>	<p>Lead Responsibility Fáilte Ireland, Tourism Ireland</p>				<p>Lead Responsibility ITIC and Sectorial Bodies</p>		<p>Lead Responsibility Fáilte Ireland</p>	<p>Lead Responsibility Department of Justice and Equality</p>



Industry Insights

Geraldine Enright

Director
Cliffs of Moher
Visitor Experience

It was a record year for visitor numbers at the Cliffs of Moher Visitor Experience with 1,526,440 visitors, a 7% increase year on year. The growth has not just been in the peak season but across the 12 months of the year. All markets have performed strongly in particular the US and Germany.

New developing markets China, Australia and New Zealand have seen significant growth in 2017. There has been an increase in visitors booking their visit online to guarantee entry to the popular attraction.

2018 is expected to be another busy year with significant investment in a new coach reception building, additional toilet facilities and refurbishment of the historic O'Brien's tower.

Geraldine highlights the importance of tourism in terms of regional spread: *"Iconic things to see and do in Ireland are vital to develop so that there are compelling reasons for visitors to explore the country"*.



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Guinness Storehouse opened to the public in December 2000 and we have welcomed over 18 million visitors with a record breaking 1.7 million in 2017.

As Ireland's number one visitor attraction, we recognise the important role we play in encouraging visitors to experience other Irish attractions and experiences. AVEA (Association of Visitor Experiences and Attractions) was recently established to provide a voice for the visitor attraction sector, of which Guinness Storehouse is a proud founding member. In a recent independent study conducted by CHL consulting, results showed that 34% of visitors stated that a visit to Guinness Storehouse played a crucial role in their decision to travel to Ireland.

The CHL report concluded that Guinness Storehouse made an economic contribution of €361.2 million to tourism over the past 12 months. Guinness Storehouse is continually developing its visitor experience to meet and exceed expectations and we recently announced a €16 million expansion plan that will see its iconic 'Gravity Bar' double in size in Summer 2019. Located in the heart of Kilkenny city, our sister attraction the Smithwicks Experience has become a must-see attraction in Ireland's South-East.

Paul advocates also that ease of access is critical for Irish tourism: *"Getting to Ireland easily and efficiently is critical for tourism throughout the country – when they are here we have a rich variety of unique experiences to offer the consumer."*

Paul Carty

Managing Director
Guinness Storehouse

Con Quill

CEO, Irish Caravan & Camping Council
Blarney Caravan & Camping Park

Blarney Caravan & Camping Park is a Fáilte Ireland registered 4 star touring holiday park situated 3 km from Blarney village in Cork. With tourism experiencing strong growth in the 1990's, the Quill family saw an opportunity to develop a Caravan Park in 1992 on their family farm and has since grown into a successful tourist facility benefitting many local businesses in the area. The Caravan Park has 40 parking bays and a large camping area and can cater for up to 250 persons per night. Facilities on site include toilet/shower blocks, kitchen, TV room, laundry room, campervan service area, 18 hole pitch & putt course, children's playground and free Wifi throughout the park.

The Caravan Park operates from April to October and employs five full time staff during the season. It also creates employment for many local contractors with ongoing maintenance and upgrading work on the Park throughout the year. The visitor profile is: UK, Irish, German, French, Dutch and other European countries. The typical visitor stays in the area for 2 days visiting Blarney Castle and Cork City before continuing to tour other parts of Ireland.

Con says: *"Accommodation providers of all types – big and small – are vital to Irish tourism and we are major employers with a sizeable regional footprint"*.



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Andrew is a chartered engineer and has been involved in shipping for over 26 years. He has been a Director of Irish Ferries since 2013 and Managing Director since March 2015.

Commenting on the tourism market Andrew said *"Irish Ferries carries around 1.7 million passengers a year and nearly 425,000 cars across our Irish Sea and Ireland – France services. The British Market accounts for nearly half of our total tourism business and is therefore critical to our success. British visitors arriving by car tend to visit more regions and to travel in the shoulder and low seasons thus assisting the regional and seasonal spread of tourism outside of the peak summer months and away from the peak tourism locations"*.

Andrew said *"The launch of our new cruise ferry W. B. Yeats – and the expectation of our second new cruise ferry to come – represent an investment of €315 million into our Irish Sea operations and herald a new era in ferry travel between Ireland, the UK and continental Europe bringing with it new standards in terms of passenger and freight capacity, comfort and reliability beyond anything previously envisaged"*.

Andrew Sheen

Managing Director
Irish Ferries

Breffni Jones

Marketing Director
Trinity College Dublin

Over two million visitors come to Trinity College Dublin each year. Trinity's iconic campus has plenty to offer the culturally curious visitor: the Book of Kells and Long Room, housing 200,000 of the Library's oldest books, one of the few remaining copies of the 1916 Proclamation and the Brian Boru Harp; the Zoological Museum; the Science Gallery and student-led walking tours, plus the opportunity to stay overnight in a heritage room on the beautiful 40 acre campus during the summer months.

The Book of Kells and Old Library Exhibition, one of Ireland's greatest cultural treasures, saw a growth in visitor numbers with over 964,000 visitors up 10% on last year. Trinity are continuously improving the visitor experience, last summer visitors enjoyed an enhanced visitor experience with new developments such as the refurbished entrance at Nassau Street, a refreshed Book of Kells exhibition and a brand new visitor centre in Regent House. Further projects in the pipeline include implementing a campus tours policy to allow only authorised tour providers and a visitor app to complete the visitor experience.

Breffni points out *"Developing world-class tourism products to complement Ireland's rich cultural and heritage offering is vital into the future"*.



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Darina Allen runs the multi-award-winning Ballymaloe Cookery School situated on a 100-acre organically run farm and gardens in Shanagarry in East Cork, which has been delivering a first class culinary education to students all over the world since 1983.

Our prestigious 12 Week Certificate is internationally recognised and has been the first step on the culinary journey of many well-known chefs, food producers and food writers around the world.

The Ballymaloe story as a whole is a long and fascinating one, really beginning when Myrtle Allen opened a restaurant in her own country house. Harboured a desire to cook with fresh, seasonal ingredients and not relishing the male-dominated restaurant landscape of the time. Darina sought out Myrtle Allen who was making a name for herself by designing her daily menu based on the fresh produce available in the locality each day. Myrtle's ethos was simple yet ahead of its time: local produce, in season, full of flavour and simply cooked.

This was what Darina had been searching for and she says: *"Food and Ireland go hand-in-hand – fantastic fresh produce served with creativity and flair give Ireland real tourism stand out internationally."*

Darina Allen

Head Chef
Ballymaloe Cookery School

Pat McCann

Chief Executive Officer
Dalata Hotel Group

Dalata is Ireland's largest hotel operator, with a current portfolio of 38 hotels (owned, leased and managed). We successfully operate the Maldron Hotel brand and Clayton Hotel brand throughout Ireland & the UK, as well as managing a portfolio of Partner Hotels.

Over the last number of years we have put together a group of hotels that are well located, modern and well invested.

We currently operate 7677 bedrooms with a further 1280 bedrooms under construction and that are coming on stream in 2018.

We plan to open new hotels in Belfast (237 rooms), two in Dublin (326 rooms), Cork (167 rooms) and Newcastle (269 rooms) with additional bedroom stock being constructed in 4 of our existing hotels in Ireland.

People are the cornerstone of our business with over 4,500 employed throughout the company. Dalata is a place where you can do great things – individually or as a team. We develop our talent and with our growth and expansion plans we can offer a fulfilling career.

“Tourism is vital to the economic health of our country and Dalata Hotel Group will play a vital part in the growth of this important industry” says Pat.



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Brendan Vacations was established in California in 1969 by Dubliner Jimmy Murphy. Over 90% of Brendan's customers in those early days were first time travellers and had to apply for a passport to travel. Brendan Vacations opened their Ireland office in 1984 when Catherine Reilly joined the company.

In 2006 Brendan was purchased by The Travel Corporation (TTC), a worldwide travel expert, with 40 sales office and 10,000 team members. Serving over 2 million customers annually we take our travellers to over 70 countries. In addition to Brendan Vacations the TTC brands that the Irish industry would be familiar with are Trafalgar, Insight Vacations, Grand European Travel, Contiki and Shamrock Adventures. TTC continued their commitment to Ireland with the purchase to 27 Merrion Square in Dublin as their Ireland head-quarters in 2011 and in 2013 acquiring Ashford Castle and the Lodge at Ashford Castle, now fully restored to its historic splendour.

Catherine says *“The US Market has seen phenomenal growth over the past few years and Brendan Vacations has grown from strength to strength. Increases in air access and aligning our Marketing and Sales strategy in partnership with Tourism Ireland have significantly added to our efforts”.*

Catherine Reilly

Managing Director
Brendan Vacations

Clare Tolan

Managing Director,
Brand Homes & Education
**Jameson Distillery Bow St,
and Jameson Distillery Midleton**

Jameson fans travel from all over the world to see where it all began. We have welcomed 7 million visitors over the last 20 years to our Brand Homes in Dublin & Cork. Our job is to create a unique Jameson experience that more than justifies those journeys.

Last year was an exciting year as we invested €11 million in to renovating the Jameson Distillery Bow St. We set about building a place where the spirit of Jameson could be brought to life. The redeveloped Jameson Distillery Bow St. draws on brand immersion and theatre to complement our iconic 230-year-old Dublin distillery. It's a fun, lively space that engages guests in multi-sensorial experiences that ignite a deep, and hopefully lasting connection to the Jameson brand.

Clare says *"The Irish Whiskey Tourism Strategy aims to attract 1.9 million visitors by 2025 and the Jameson Distillery Bow St. along with the Jameson Distillery Midleton will undoubtedly play a central role in delivering on this vision. Jameson Brand Homes have a rich history which will also continue to attract and enthral visitors from near and far"*.



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The Park Hotel Kenmare dates from 1897 when it was opened as a Great Southern Railway Hotel. Since 1980 the hotel has seen significant investment from Francis and John Brennan, providing sitting rooms to all bedrooms, SÁMAS Destination Spa, 25m Swimming Pool, Luxury Residential Apartments and Cinema. Unlike many hotels, The Park concentrates on resident guests hence the conscious decision not to cater for conferences, seminars and banquets. With 46 bedrooms the hotel caters for up to 90 guests and is 100% leisure based with 50% American, 30% Irish and the remainder from rest of world.

Together with John Brennan's other property, Dromquinna Manor, the businesses employ over 140 people in the season. Given the small population of Kenmare this is a significant employer in the area and possibly the biggest. Totally based on visitors to the area the importance of the environment is crucial. The acceleration of transatlantic routes in recent years is a main reason the businesses have extended their season by over 3 months annually. The repercussions of this can be felt in shops, cafes, restaurants, pubs and shops locally.

"The Wild Atlantic Way and such promotional natural products are magnets that draw visitors from near and far. Tourism is the bedrock for this region and its exposure in the greater market is the lifeline" says John.

John & Francis Brennan

Managing Director
The Park Hotel Kenmare

Martin Dalby

Managing Director
Center Parcs

Center Parcs is due to open its doors in Longford Forest in Summer 2019, which will be its first Irish forest resort. Phenomenally popular in the UK and boasting an impressive 97% occupancy rate, Center Parcs are developing a site near Ballymahon, Co.Longford for this project. The site was chosen for its proximity to infrastructure links to the main cities and towns across the island of Ireland.

Center Parcs Longford Forest resort will accommodate over 2,500 guests in 466 luxury lodges and 30 apartments and guests will be able to choose from over 100 indoor and outdoor family activities and a range of restaurants and shops. Perhaps the jewel in the crown of the resort will be the Subtropical Swimming Paradise, heated to 29 degrees all year round and set to be Ireland's biggest and most impressive water park.

Martin Comments *"Once operational Center Parcs Longford Forest will employ nearly 1000 staff in both full-time and part-time roles and it is expected to add €20 million annually to Ireland's GDP"*.



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Aer Lingus is the national airline of Ireland, founded in 1936. We operate 63 aircraft on over 100 routes to destinations in the UK, Europe and North America. We currently serve 13 cities in North America and carry more than 12 million guests per annum, including more than two million guests on transatlantic services.

We provide award-winning guest service and are Ireland's only 4-Star airline, awarded by Skytrax, the international airline rating organisation. Our mission is to connect Ireland to the world and to be the leading value carrier operating across the North Atlantic. Our home base is Dublin Airport.

Aer Lingus is a member of International Airlines Group (IAG), one of the world's largest airline groups.

Declan says: *"We are proud of our role in Ireland's vibrant inbound tourism sector, bringing millions of visitors to Ireland's shores every year. Investment and infrastructure is vital to allow carriers to continue growing into the future"*

Declan Kearney

Director of Communications
Aer Lingus

Overseas earnings from Irish tourism can be worth €8.1 billion annually by 2025 with 310,000 employed in the sector.



CONTACT

Irish Tourism Industry
Confederation
Ground Floor, Unit 5,
Sandyford Office Park,
Dublin 18, D18 N7V7, Ireland

T: +353 (0) 1 2934950
F: +353 (0) 1 2934991
E: info@itjc.ie
www.itjc.ie