

Marketing Insights



Access to the Island of Ireland: Winter 2006

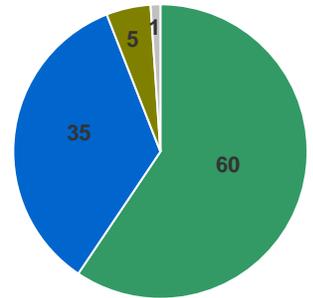


A record level of air access is on offer to the island of Ireland for Winter 2006/07, with an increase of **14%** in weekly seats compared to last Winter. Such significant growth in capacity will facilitate the achievement of our 2006/07 targets.

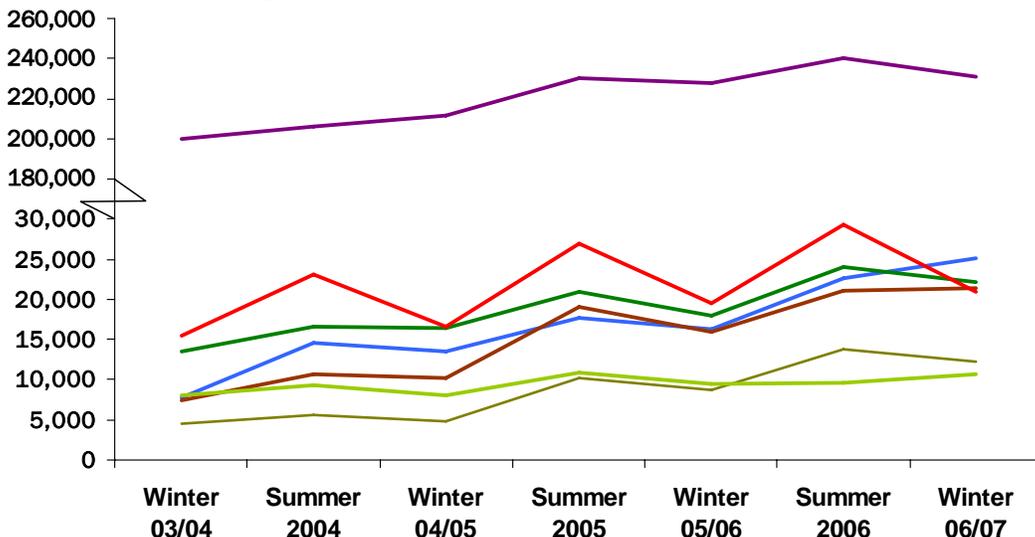
This Winter the largest growth in available seats will come from Continental Europe with an additional 42,000 seats each way per week. A further 4,300 additional seats will be available on routes from Great Britain, while weekly capacity on long-haul routes will increase by close to 3,300 seats. In addition to air

access, a total of 220 ferry services per week will provide just under 49,000 car spaces, down on last winter due to cut backs on high speed ferry services. The pie chart below highlights the dominance of Britain as a source of airline services to the island of Ireland.

- Great Britain
- Continental Europe
- North America
- Middle East



Air Access Capacity To The Island of Ireland



Country	% Change vs. Winter '05
Great Britain	+ 1.8%
Spain	+ 55.0%
France	+ 23.3%
Germany	+ 33.6%
USA	+ 7.7%
Italy	+ 42.1%
Netherlands	+ 13.0%

The graph to the left show the changes in air access capacity to the island of Ireland over the past 4 years with at least 10k weekly seats available.



Great Britain

Winter 2006 will see an increase of 2%, approximately 4,300 weekly seats, over the capacity available last year.

Great Britain represents the most important source market to the island of Ireland and has enjoyed continued growth in access capacity in the past few years, representing 60% of all air access (that is almost 243,000 seats) and 97% of all sea capacity to the island of Ireland for Winter 2006.

Provincial Britain capacity (i.e. from airports outside of London) exceeds that on offer from London, and this gap is widening as provincial Britain is providing the engine of capacity growth to the island of Ireland while the withdrawal of easyJet and reduction of services by Ryanair to Cork, Shannon and Knock. Low fare airlines dominate the cross-channel market.

The island is also very well served by ferry routes with over 192,000 seats per week or 45% of total capacity from Great Britain. However, air travel is increasingly the preferred means of travel for overseas visitors to the island of Ireland, driven mainly by increased air

Changes in Air Access Capacity Winter 2006/07

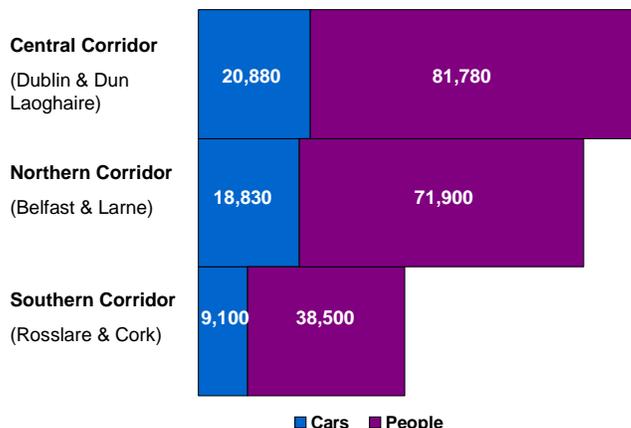
To	From		
	London	Provincial Britain	Total GB
Republic of Ireland	-7.5% -6,509 Seats	+10.2% +7,082 Seats	+0.4% +573 Seats
Northern Ireland	+1.9% +536 Seats	+6.0% +3,225 Seats	+4.6% 3,761 Seats
Total	-5.2%	+8.3%	+1.8%
The Island of Ireland	-5,973 Seats	10,307 Seats	+4,334 Seats

Capacity is measured as the number of direct, scheduled seats available one-way per week. Source: TTC.

access capacity, especially low cost airlines, and a growing number of short trips (1-3 nights).

Compared to other markets, access capacity from Great Britain is very well developed and therefore has proportionally less potential for future growth. On the other hand the huge amount of capacity available means that even small percentage increases are equivalent to large numbers of additional seats.

Changes in Air Access Capacity Winter 2006/07



Changes in Air Access Capacity Winter 2006/07



Continental Europe

Air capacity from Continental Europe for Winter 2006 continues to expand rapidly, with almost **140,000 seats** each way per week available this Winter, up 43% on last Winter and up 77% on two years ago.

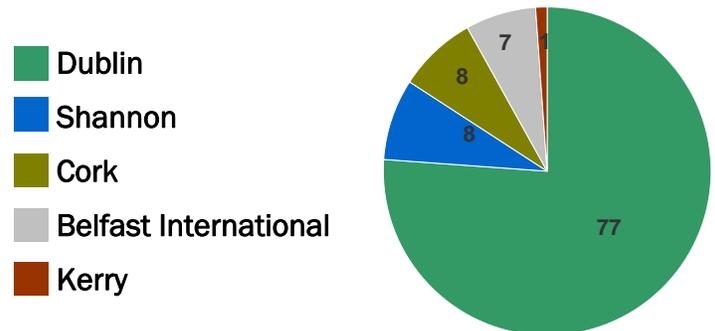
This Winter will see direct services between 125 'city pairs' (the city in which their air journey starts/originates and the city in which it ends/destination), more than double the number offered in Winter 2004.

An additional 42,000 seats will be available each way each week over 2005. The growth has been most marked on routes from Spain and Poland, offering almost 9,000 extra seats per week, while 5,400 additional seats will operate from Germany and a further 4,200 additional seats from France.



While routes into Dublin still dominate, Cork and Shannon airports will see the greatest proportional capacity increases for this Winter, although the majority of the additional seats will still fly direct to Dublin.

Airport Share of European Access



Air Capacity Growth From European Countries to the Island of Ireland

Country	Winter 2005 Capacity	Winter 2006 Capacity	% Change
Spain	16,238	25,161	+ 55%
France	19,927	22,112	+ 23%
Germany	15,984	21,349	+ 34%
Poland	4,424	13,126	+ 197%
Italy	8,626	12,257	+ 42%
Netherlands	9,412	10,636	+ 13%
All Europe Total	97,977	139,836	+ 43%

Capacity is measured as the number of direct, scheduled seats available one-way per week. Source: TTC

North America

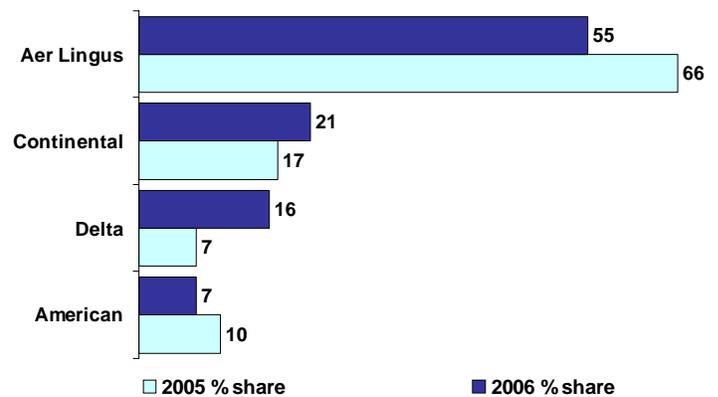
Winter 2006 will see an all-time season high in direct air capacity from the USA with an 8% increase compared to last year, which is an additional 1,500 seats per week.

Though seasonal in nature, the United States represents the second largest market to the island of Ireland, with a total air capacity of 21,000 seats to the island each week.

Additional capacity is driven by Continental Airlines and Delta Air Lines which will see their share of all USA capacity increase to 21% and 16% respectively, as shown in the graph on the right. This increase is limited to the South, with Continental Airlines remaining the sole provider to Northern Ireland.

For the first time, a winter service will operate weekly from Toronto to Belfast operated by Zoom Airlines providing 268 seats per week. As in previous years no scheduled services or charter series operate during the Winter period between Canada and the Republic.

Airline Market Share on USA Routes



Increases in capacity have tended to show a good relationship with increases in visitor numbers because:

- Capacity increases physically allow more people to get here.
- Increases may result in a decrease in the cost of access as more choice becomes available to the consumer thereby encouraging greater use.
- Tourism Ireland works with airlines and airports to identify areas where there is a consumer demand for increased capacity in advance of new services being launched thereby ensuring that many new services are tapping into existing sources of demand.



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