



**Tourism Ireland**  
**SOAR**  
(Situation & Outlook Analysis Report)  
Autumn 2019

Geokaun Mountain, Valentia Island, Co Kerry

## 1. Summary Headlines

- The **outlook for the year ahead** remains mixed, with subdued sentiment persisting among both overseas market contacts and island of Ireland based industry partners. The global economic unease and continuing uncertainty surrounding the UK's withdrawal from the EU remain key concerns. In addition, late booking patterns and price competition remain strong in some markets. Tourism Ireland continues to monitor the situation closely in consultation with industry partners and other stakeholders.
- Ireland's **Budget 2020 has allocated additional funding of €6 million** to Tourism Ireland to be used for promotional campaigns between now and the end of 2019. This will allow us to deliver a message of reassurance to prospective visitors around the world. Our Brexit research indicates a heightened risk of consumers postponing trips due to uncertainty. The additional funding now available will complement our existing programme of activity for Q4, and allow us to undertake kick-start campaigns in our key markets, to position us well for 2020.
- **Latest figures from the CSO** show a less buoyant picture, with a flat performance for Q3 2019. North America was down -3% for the July to September period, while Britain and Mainland Europe were both up by just +1%. Emerging markets grew by +3% for the three months of Q3. In the nine months to September 2019, arrivals to Ireland grew by +2%. Arrivals from Britain were up +1%, Mainland Europe was up +2%, North America was up +4% and emerging markets were up +6%.
- **Figures from the Northern Ireland Statistics and Research Agency (NISRA)** for Q1 of 2019 show that overseas visitor numbers to NI grew by +8% and holidaymakers by +28%, while revenue from overseas visitors was down -7%. The latest accommodation statistics published by Tourism Northern Ireland show that more than 2 million bed-spaces were sold in hotels, guesthouses, guest accommodation and B&Bs during January-June 2019, an increase of +6% on January-June 2018.
- Tourism Ireland continues to work closely with industry partners and with colleagues in Fáilte Ireland and Tourism Northern Ireland to capitalise on all opportunities to promote the island of Ireland overseas and to maximise overseas tourism revenue.

## 2. Global Outlook

Global economic growth remains sluggish, with the latest IMF World Economic Outlook report (July) revising down growth forecasts to +3.2% for 2019 and +3.5% in 2020 (-0.1% lower than their projections back in April this year).

These revisions come on the back of a softening global economic performance which has been influenced by the US/China trade tariffs, continuing Brexit-related uncertainty, and the effects of rising geopolitical tensions on energy prices. GDP releases and softening inflation reflect weaker-than-anticipated global activity.

Global trade remains sluggish as firms and households continue to hold back on long-range spending, affecting investment and demand for consumer durables across advanced and emerging market economies.

The current projected growth pickup in 2020 remains somewhat uncertain however and depends on stabilisation in emerging markets and developing economies, and the resolution of trade policy differences.



### 3. External Travel Trends

#### Key Markets Economic and Travel Outlook

##### 3.1 Overview

The recently published UNWTO Confidence Index indicates that confidence in global tourism performance remains positive yet cautious, with global tourism continuing to show signs of moderate growth for the remainder of 2019.

International arrivals increased by +4% in the first six months of 2019, with destinations worldwide receiving 671 million international tourist arrivals in the January to June period. This growth was in line with the UNWTO's forecast of +3% to +4% for this year and corresponds with the annual average growth of +4% for the last ten years.

The first half of the year represents approximately 45% of total annual volume of international arrivals. It includes a number of peak travel periods, including winter season in the Northern Hemisphere, summer season in the Southern Hemisphere, Chinese New Year, Easter and the start of the summer season in the Northern Hemisphere. While Europe saw growth of +4%, overall growth was led by the Middle East, up +8%. Asia and the Pacific was up +6%, while Africa grew by +3% and the Americas by +2% for the H1 period.

Growth was driven by the strong global economy, affordable air travel, increased air connectivity and visa facilitation. However, a number of negative influences are starting to have an impact on business and consumer confidence, with weaker economic indicators, the prolonged uncertainty about Brexit, trade and technological tensions and rising geopolitical challenges all having an effect.

## 3.2 Economic Indicators

### Great Britain

The British economy looks increasingly fragile, with signs of domestic weakness and softer prospects for the global economy. While the year delivered a sizeable increase in government spending for 2020-21, Oxford Economics has downgraded its near-term forecast, predicting GDP growth of +1.2% in 2019 and +1.1% in 2020, down from +1.3% and +1.4% in August this year.

**2019 GDP Forecast:** +1.2% (down from +1.3%)

**CP average 2019:** +1.8% (down from +1.9%)

**Unemployment:** 3.8% (up from 3.7%)

**Exchange rate (€/£):** €1: £0.89 (no change)

### USA

Policy changes, trade tariffs and political uncertainty have caused a tumultuous year for the US economy. As new China tariffs further weigh on economic momentum, Oxford Economics forecasts year-on-year GDP growth cooling to +2% by the end of 2019, and averaging +1.6% in 2020, 0.2ppt lower than in August. The US reserve will likely proceed with three additional 25bp rate cuts before the end of the year.

**2019 GDP Forecast:** +2.2% (down from 2.3%)

**CP average 2019:** +1.8% (up from +1.7%)

**Unemployment:** 3.7% (no change)

**Exchange rate (€/£):** €1: \$1.09 (down from \$1.11)

**Exchange rate (£/\$):** £1: \$1.23

### France

France continues to deliver relatively positive news with the economy holding steady in Q2 and both business and consumer confidence remaining positive. However, the outlook for exports has deteriorated following the escalation in the US-China trade tensions, while recession risks in Germany are mounting. Households' preference for savings remains high and firms have begun to curb their employment and investment intentions as external uncertainties take their toll.

**2019 GDP Forecast:** +1.3% (no change)

**CP average 2019:** +1.2% (no change)

**Unemployment:** 8.7% (up from 8.4%)

**Exchange rate (€/£):** €1: £0.89 (no change)

### Germany

Oxford Economics has cut its outlook for Germany given the disappointing -0.1% Q/Q fall in Q2 GDP, the expected stagnation in Q3, and the deterioration in global trade forecasts. Concern is mounting that domestic demand will eventually decline in line with weak foreign demand. But for now, the labour market and services sector look relatively resilient with forecast GDP growth of +0.6% in 2019 and +0.8% in 2020, down from +0.8% and +1.3% in August.

**2019 GDP Forecast:** +0.6% (down from +0.8%)

**CP average 2019:** +1.4% (no change)

**Unemployment:** 3.1% (down from)

**Exchange rate (€/£):** €1: £0.89 (no change)

*Source: Oxford Economics Briefing & September reports 2019*

### 3.3 Travel Trends in Key Markets

#### Great Britain

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Latest published data from the *British Office of National Statistics* (ONS) shows that outbound travel from Great Britain slowed in the first half of 2019, with a -2% decline in overseas trips between January and June. Visits to Europe dropped by -1%, visits to North America declined by -9% and visits to other countries fell by -1%. British travellers spent +1% more on outbound trips during the first half of 2019, representing a spend of £20.4bn. Inbound visitors to Great Britain were down by -1% between January and June 2019 and spend by these overseas visitors declined by -2% for the same period. The recent collapse of holiday company *Thomas Cook* has reportedly caused unease in the market and negatively impacted on holidaymaker confidence in the travel industry. The Association of British Travel Agents and Tour Operators (*ABTA*) recently launched a reassurance campaign in the event of a no-deal Brexit, aimed at encouraging public confidence in booking holidays and travel arrangements.

#### North America and Australia

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**The US:** American tour operators are reporting a growth year for business to Continental Europe, with Italy the best performing destination. North American visitors to Britain increased by +12% in the first six months of 2019, according to the *British Office of National Statistics*. United Airlines, American Airlines and Southwest have reportedly collectively lost over \$600m due to the delayed introduction of the 737 Max, and there is now broad consensus in the industry that the aircraft will not now be in service till 2020. However, performance in the American airline industry remains strong, with American Airlines, United Airlines and Delta continuing to record profits, despite the 737 MAX issues, and domestic airfares being at their lowest levels in 3 years. American Airlines recently announced that Europe will be the focus of its future growth and has trimmed capacity to Asia and South America.

**Canada:** Outbound travel to Europe from Canada grew by +6.5% in the first half of 2019, reaching 2.6 million visitors, according to the independent research agency the *Conference Board of Canada* (CBOC). Demand for Iceland, Sweden, Hungary and Romania declined this year, while demand for the island of Ireland grew. Croatia, Serbia, Slovenia and Turkey recorded the largest growth from the market.

**Australia:** Latest data from the *Australian Bureau of Statistics* (ABS) shows a continuation of the upward trend in both inbound and outbound travel. Overseas visitor arrivals to Australia grew by +3.3%, while outbound travel grew by +2.4%, in the month of July 2019, year on year. The recent collapse of long-established wholesale travel companies - *Tempo Holidays*, *Bentours*, and *Thomas Cook* - has reportedly caused concern to travel trade and consumers.

## Mainland Europe

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**Germany:** Outbound travel from Germany slowed down for the first eight months of 2019, with the market behaving cautiously in reaction to local and global economic sentiment. While the consumer confidence index has increased slightly, the market isn't yet seeing an uplift in holiday bookings.

**France:** A series of airline and travel company bankruptcies has had a dampening effect on sentiment in the market. Environmental sustainability is emerging as a key theme in the market and the government has proposed introducing a new tax on airlines flying from its airports. A number of airlines, including Air France and EasyJet, have strongly objected to the proposal and this is expected to become part of a bigger conversation in the coming months. More than 50% of French holidaymakers holidayed at home this year, on the back of a big government push to promote home holidays. A late booking pattern continues in the market, with the '*gilets jaunes*' protests and earlier SNCF strikes contributing to the trend. Outbound, North African countries are seeing a continued resurgence in demand, with Morocco, Egypt and Turkey performing well from France this year. Russia and Scotland also saw strong demand this summer. For Autumn 2019, weekends in Eastern Europe grew in popularity, with Budapest, Warsaw and Russia cited as popular destinations.

**Spain:** Outbound travel is performing well from Spain, with the Spanish Airport Authority (AENA) reporting an increase of +5% in traffic for January-August. The main outbound airports of Madrid and Barcelona saw YTD performances of +7% and +5.2% respectively. The US Embassy in Spain recently reported an increase of +3.4% in Spanish visitors for the first seven months of 2019, and Spain is now the 5th largest European market to the US, after GB, Germany, France and Italy. A second General Election (the fourth in four years) has been called for November 10th 2019 and this is causing considerable uncertainty in the market, negatively impacting consumer confidence, and expected to affect outbound travel bookings. The collapse of *Thomas Cook* is negatively impacting sentiment in the Spanish tourism sector and is expected to influence changes to the structure of the sector, including outbound businesses. The last-minute booking pattern also continues to prevail in the market.

**Italy:** Outbound travel from Italy continues to grow and the traveller confidence index for August was at its highest ever. Total passenger traffic at Italian airports was up +3.8% in August, according to *Assoaeroporti*. Portugal saw strong demand from the market, with Hungary, Romania, Bulgaria and Serbia also seeing good growth. However, inbound tourism to Italy saw a decline this year with the competing destinations of Tunisia, Egypt and Turkey seeing good growth.

**BeNe:** Environmental awareness and the emergence of 'flying shame' is trending in The Netherlands, with KLM attributing a decrease in bookings on some routes to this movement. More than half of Dutch holidaymakers book their foreign holiday direct with the hotel/airline according to a recent report by research agency *Gfk/ANVR jaarmeting*. The report also shows that 80% of bookings are done online and the average spend for 2 people is €1,839 for a single - usually summer - holiday. The study also reveals that Norway, Croatia and Sweden are currently the most in-demand European destinations for Dutch holidaymakers.

**The Nordics:** Sustainable travel and environmental awareness continues to grow in the Nordic countries with the impact of air travel and 'Flygskam' (plane shame) remaining a trending topic. SAS Airlines is pushing for large-scale production of advanced biofuel in Scandinavia and is preparing to give travellers the option to reduce their climate impact by purchasing biofuel when booking a ticket. And Nordic tourist boards are running industry events to proactively address the issues of destination management and eco-friendly tourism. The MICE sector is also seeing an impact, with some Nordic corporations adopting policies for land-based travel for incentive trips to avoid negative response air travel and to meet CSR environmental targets. USAerospace Associates have taken over WOW Air and are planning to build a route network with 10-12 aircraft in operation by summer 2020. The first route will commence in October 2019 between Reykjavik and Washington DC.

### **Emerging Markets**

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**China** is now the world's second-largest civil aviation market and is predicted to become the world's largest by mid-2020. A total of 381 million passenger trips were handled by China's civil aviation sector during the first seven months of 2019, an increase of +8.7% over the same period last year. Longhaul destinations are seen by the Chinese tourism sector as having the most potential for growth. Latest data from the state-run *China Tourism Academy* reports that Chinese tourists made 149 million overseas trips in 2018, an increase of +14.7%, with spend growth of +13% to \$130 billion.

**The UAE:** Demand for holidays to Europe from the Gulf region continues, with Air Arabia expanding its service to Europe with a direct service to Vienna. Holiday booking patterns are shortening in the market, with 33% of travellers from the UAE and 63% of travellers in Saudi Arabia booking within a week or closer to their travel date, according to the travel trade publication *Travel and Tourism News Middle East*. Demand for short trips is increasing, with Istanbul, Amman and Beirut proving popular. London and Paris have seen the biggest declines in demand from the GCC this year, falling -13% and -10% respectively.

**India:** India is continuing to see strong demand for outbound travel. Turkey in particular is seeing huge growth, with a +56% increase in Indian tourist arrivals this year. India's overseas MICE business is seeing very strong expansion in the market with the sector forecast to be worth USD\$9 billion by 2025. Australia is targeting half a million Indian arrivals in 2020, with expectations that the T20 Cricket World Cup will deliver strong visitor numbers from the market. Visit Britain has launched a new B2B sales platform in the market to help in sell British tourism products to the travel trade in India.

## 4. Market Intelligence

### 4.1 Arrivals and Visitors

#### Preliminary Estimates

Overseas Arrivals & Holidaymakers - Ireland 2019				
Origins	Ireland Direct Arrivals January-September 2019		Ireland Holidaymakers Jan-June 2019	
		%YoY		%YoY
Total	8,382,900	+2.2%	2,314,000	+2%
Great Britain	2,859,400	+0.6%	611,000	-3%
Mainland Europe	3,038,200	+2.1%	930,000	-1%
North America	1,938,000	+3.7%	637,000	+9%
Rest of World	547,300	+5.9%	134,000	+6%

Overseas Visitors & Holidaymakers - Northern Ireland 2019							
Visitors	% YoY	Visitor Revenue	% YoY	Holiday-makers	% YOY	Holiday Revenue	% YOY
408,999	+8%	£93.7M	-7%	113,796	+28%	£25.3M	+16%

Source: CSO, NISRA

Note : **Arrivals** are all overseas trips into an Ireland port, including transfers, overnights and day-trips.

**Ireland (Direct) Overnight Visitors** – only includes those that leave through ports in the ROI

**Visitors** only include those who overnight in the destination

**Holidaymakers** are visitors whose main purpose of visit is to holiday

CSO statistics for overseas visitors to Ireland for January to September 2019 indicate that overseas arrivals (which includes transfers and day visitors as well as overnights) grew by a modest +2.2%. The figures continue to show a very mixed picture - with a very small increase in arrivals from Britain (+0.6%), a modest performance from Mainland Europe (+2%), arrivals from North America up +3.7% and from long-haul markets up +6%. However, North America is showing a weaker pattern as the year unfolds, down -4% for the month of August.

In terms of overseas holidaymaker performance, the most recent data from the CSO show that total numbers grew by +2% in the January to June 2019 period. Britain was down -3% and Mainland Europe was down -1%, however, North America was up +9% and Emerging Markets were up +6%. Overseas holidaymaker revenue also grew in the first half of 2019, with a +5% increase in spend when compared to the same period in 2018. While holidaymaker revenue dropped from Britain (-5%) and from Mainland Europe (-3%), there was good growth of +16% in holidaymaker revenue from North American visitors and growth of +3% from Emerging Markets.

## 4.2 Air and Sea Connectivity

Air Access Seat Capacity Estimates		Winter 2019 vs. Winter 2018		
YOY % Change	Ireland	NI	Island of Ireland	
Great Britain	-1%	-8%	-2%	
Mainland Europe	-2%	-24%	-4%	
North America* *	-9%	NA	-9%	
Rest of World	-19%	NA	-19%	
<b>Overall</b>	<b>-3%</b>	<b>-10%</b>	<b>-4%</b>	

*Source: Based on the TTC Access Inventory Report 2019 - Sourced from OAG/airlines scheduled direct one-way weekly seat capacity. NA= Not applicable. NC= No change*

Total air capacity to the island of Ireland this winter is forecast to decline by -4% overall. The main reasons for scheduled losses and changes include; Ryanair reducing Belfast access for winter 2019, Cathay Pacific postponing their Hong Kong service, Hainan suspending routes from China (with its Beijing service scheduled to start again in summer 2020) and Norwegian suspending all North American transatlantic routes and its Helsinki and Copenhagen routes to Dublin.

Sea Access Winter 2019 vs. Winter 2018	
	YOY % change
Northern Corridor	N/C
Central Corridor	+14%
Southern Corridor	N/C
European Routes	N/C
<b>Overall</b>	<b>+6%</b>

Sea access capacity for winter 2019 is currently +6% ahead of last year. This is largely due to the introduction of Irish Ferries' WB Yeats on the Dublin-Holyhead route. Capacity on the central corridor is scheduled to increase by +14%.

### 4.3 Total Passenger Numbers

	Total Pax 2018*	% change 2018	Aug 2019	Sept 2019
<b>ROI sea passengers</b>	3m	-2%	-4%	-3%
<b>NI sea passengers</b>	2.1m	-1%	-0%	-2%
Dublin Airport	31.5m	+6%	+6%	+4%
Shannon Airport	1.9m	+6%	-9%	-4%
Cork Airport	2.4m	+4%	+10%	+3%
Ireland West Airport Knock	0.8m	+3%	+4%	+6%
<b>All ROI Airports</b>	36.2m	+6%	+6%	+4%
Belfast International Airport	6.3m	+7%	-5%	-4%
Belfast City Airport	2.5m	-2%	-0%	-6%
City of Derry Airport	0.2m	-4%	+16%	n/a
<b>All NI Airports</b>	9m	+4%	-4%	n/a

Sources: CAA, DAA, Shannon Group, IWAK, Fáilte Ireland, Annaero, Ferrystat, TTC, Anker Report  
 \*Total Pax 2018 is the total traffic (two-way) at the airport(s)/seaports  
 n/a = not available

Latest published data shows overall air passenger traffic growth of +6% was recorded at airports in Ireland for the month of August 2019. Sea passenger numbers to and from Ireland declined by -3% YOY for the month of September.

Latest published sea passengers to and from Northern Ireland for the month of September 2019 were -2% on the same month last year. Air passenger traffic to Northern Ireland was -4% for the month of August 2019 when compared to August 2018. Note: passenger numbers do not necessarily reflect inbound tourism patterns.

## 4.4 Accommodation

### Hotel accommodation data estimates

Hotel Accommodation					
January - August 2019					
	Occupancy		Room Sales	ADR	
	%	% change v 2018	%	Average Daily Rate	% change v 2018
Island of Ireland	79.1%	-0.7%	+1.8%	€127.45	-0.2%
Northern Ireland	73.0%	-3.7%	+3.4%	£79.43	-0.7%
Ireland	80.1%	-0.2%	+1.6%	€132.92	-0.1%
Scotland	77.2%	-0.8%	+2.6%	£85.14	-2.0%
England	77.8%	+1.4%	+2.2%	£93.03	+1.4%

Source: STR Hotel reports – Properties across the island of Ireland are included, with a strong representation from Dublin and Belfast.

The latest report from hotel data specialist STR has revealed a continuing pattern of increased room sales for the island of Ireland this year.

In Ireland, hotels across the country saw room sales increase by +1.8% between January and September this year. The average daily rate was slightly down on the same period last year (-0.2%), and there was a slight decline in occupancy, which was -0.7% when compared to the same nine months in 2018.

In Northern Ireland, in the January to September period this year, hotels saw increases of +3.4% in room sales. However, the increase in hotel capacity in Northern Ireland resulted in reduced occupancy (-3.7%) and a slight decline in average daily rate (-0.7%).

## 4.5 Island of Ireland Industry Feedback

Barometer	What they said ...
<p>Mixed</p> 	<p><b>Accommodation providers and Restaurants</b></p> <p>Northern Ireland hoteliers remain cautious. While demand is up, so too is room supply, though the sector is adjusting well overall. Indications for the remainder of the year are cautious but generally positive.</p> <p>In Ireland, hoteliers remain concerned following a softening in occupancy, room rates and room sales. Properties remain uneasy about the potential impact of Brexit and the impact of the increased VAT rate. Feedback from the self-catering and B&amp;B sectors is also muted, with reports of a softer season.</p> <p>The restaurant industry in Ireland is also reporting a softening in demand from overseas markets, with a slowdown in GB performance in particular causing concern.</p>
<p>Mixed</p> 	<p><b>Air and sea carriers</b></p> <p>Air carrier sentiment is cautious with a mixed outlook overall. Competitive pressures, rising fuel costs, continuing Boeing aircraft issues, route profitability, uncertainty in markets and slowing economies are all contributing to a more subdued mood overall.</p> <p>Sea carrier feedback remains muted, with flat results in the sector overall for Q3. There are significant competitive pressures in the market with main concerns relating to the potential impact of the UK's proposed withdrawal from the EU, and declining yields. Ongoing promotions and discounting are delivering results and stimulating business for the sector, though latest indications suggest a softening in business overall for the rest of the year.</p>
<p>Mixed</p> 	<p><b>Attractions</b></p> <p>Feedback from attractions across Ireland indicate a mixed performance for the sector overall, for the summer season. While some partners saw a good performance between January and September, with modest overseas visitor growth, others saw declines. Partner sentiment is subdued overall, and caution is being expressed for the coming months.</p> <p>Sources in Northern Ireland attractions report on a slowdown in growth for the first nine months, with a more modest performance from many overseas markets. While stronger markets are still compensating for slower ones, partners are cautious as the rest of the year unfolds.</p>
<p>Mixed</p> 	<p><b>Tour Operators</b></p> <p>Mixed sentiment persists among tour operator partners in all markets. Both margins and booked passengers are down, and a late booking trend continues. Partners are expecting a flat performance for 2019 overall. The uncertainty of the UK's withdrawal from the EU, increased VAT in Ireland, overall demand for the island of Ireland and ongoing capacity and rate challenges continue to cause concern.</p>

Source: Based on feedback from Island of Ireland industry sources, September/October 2019

## 4.6 Tourism Ireland Market Outlook

### Great Britain

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Outlook remains mostly subdued in the British market, with Brexit-related concerns and exchange rate deficits continuing to have a dampening effect on sentiment and booking behaviour. Airlines are seeing a continuation of the late booking trend and the need for cooperative programmes and promotional fares to stimulate business. Sea Carriers are seeing a good response to marketing promotions and are somewhat optimistic about the months ahead. OTAs are also moderately optimistic with the late booking trend delivering business in the absence of a strong forward booking cycle. Cooperative city break campaigns with Tourism Ireland are yielding results, though the decline in air access to the island is a concern for the rest of the season. While bookings to Mainland Europe are down across the board, several operators are experiencing growth into the island of Ireland.

### North America and Australia

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**The US:** Market based partners remain optimistic about the outlook for travel to the island of Ireland from the US. Aer Lingus filled their additional 2019 capacity and outbound business from the US remains positive. US Tour Operators have welcomed the increased supply of Dublin accommodation, with 4,300 new rooms coming on-stream in 2019/2020. Performance in the escorted tours sector remains mixed for the rest of 2019, with a focus on stimulating business in 2020 and reports of good early demand for next year.

**Canada:** Outlook remains positive from the market with steady growth predicted. Market based carrier and operator partners are confident, and feedback is largely positive.

**Australia:** Overall indications are positive from partners in the market, with retail agencies reporting strong demand for the island of Ireland, and airline partners seeing good forward bookings. The later booking trend looks to be continuing into 2020 however, with some tour operators reporting a slower booking pattern.

### Mainland Europe

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**Germany:** Brexit related uncertainty and growing fears of a recession in Germany are having an adverse effect on both trade confidence and consumer sentiment. These factors, in addition to the impact of the collapse of *Thomas Cook*, and the weakening group travel business to the island of Ireland, all combine to suggest a weak remainder of the year. Booking patterns have slowed down and cooperative promotions are underway to convert any potential booking interest. Trade feedback suggests that the 2020 season will be a challenging one.

**France:** Overall sentiment is positive for travel to the island of Ireland from France. Demand for Northern Ireland itineraries is growing, with positive reports from market-based tour operator partners. Escorted tours and groups business traded well this year, overall, and carriers have also seen a good performance, with positive indications for the rest of the year and in to 2020.

**Spain:** The gloomy local market environment and current political uncertainty is having an impact on forward bookings, with partners forecasting declines for Q4. While most partners in the market saw a strong H1, there has been a definite slowdown in August and September and sentiment is subdued to the end of the year. Northern Ireland continues to perform well from the market however. Current promotions in the market are expected to stimulate business for long weekend breaks in the coming months.

**Italy:** Outlook for travel to the island of Ireland for the rest of the year is subdued, on the back of a weak summer performance. Tourism Ireland's autumn promotional cooperative programme with partners is underway, helping to stimulate demand and win last minute business and encourage early bookings for 2020.

**BeNe:** While 2019 started slowly, there was some recovery over the summer season and market-based Tour Operators are more positive with regard to the year's overall outcome.

**The Nordics:** Outlook from the market is relatively positive with Nordic Tour Operators maintaining their island of Ireland programmes for 2020. However, Norwegian Air have announced the suspension of their Copenhagen-Dublin route this winter which is expected to have an adverse effect on performance from the market for the remainder of 2019.

### Emerging Markets

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**China:** Outlook for travel to the island of Ireland is positive with market partners showing confidence in our brand and holidaymaker offering. Tour operators are keen to expand their island of Ireland programmes and are increasingly including winter and spring itineraries. Golf product is also seeing increasing interest from the market.

**The UAE:** Outlook from the GCC region remains positive with good indications from local market suppliers and reports of increasing demand for the island of Ireland. Trade on the island of Ireland are also optimistic on the back of a good performance this summer. Continuing delays with Irish Visa processing remain a slight concern for key travel trade in the market, however.

**India:** The outlook from India remains positive, with the high-end leisure market performing well in to the island of Ireland. The Indian travel trade continues to show confidence in promoting the island of Ireland with an expansion in the number of itineraries for 2019 and into 2020. Visa applications from India to Ireland are growing with a +27% increase YTD reported in August 2019.

## 5. Conclusion

The outlook for the rest of the year is cautious, with more subdued sentiment evident among overseas market contacts and industry partners at home. Global economic unease and the continuing uncertainty surrounding the UK's withdrawal from the EU remain key concerns, particularly in Britain and some Mainland European markets. A late booking pattern has also emerged, together with intensified price competition in some markets.

The fall in the value of sterling has made holidays in Ireland more expensive for British visitors and has made Britain more affordable for visitors from many of our top markets. Tourism Ireland's autumn campaign in Britain and other markets continues to highlight Northern Ireland's value offering and has a major focus on attractive offers, good value fares and packages to all regions on the island of Ireland.

Tourism Ireland has welcomed the additional funding of €6 million approved in Ireland's Budget 2020. This investment will allow Tourism Ireland to roll out strong end-of-year campaigns, which will deliver a message of reassurance to prospective visitors around the world. Our Brexit research indicates a heightened risk of consumers postponing trips due to uncertainty, and this funding enables us to undertake kick-start campaigns in our key markets, to position us well for 2020. These campaigns will complement our existing programme of activity for Q4 which includes an extensive programme of co-operative promotions with air and sea carriers, online travel agents, as well as traditional tour operators and travel agents.

Tourism Ireland continues to work closely with industry partners and with colleagues in Fáilte Ireland and Tourism Northern Ireland to capitalise on all opportunities to promote the island of Ireland overseas and to maximise overseas tourism revenue.