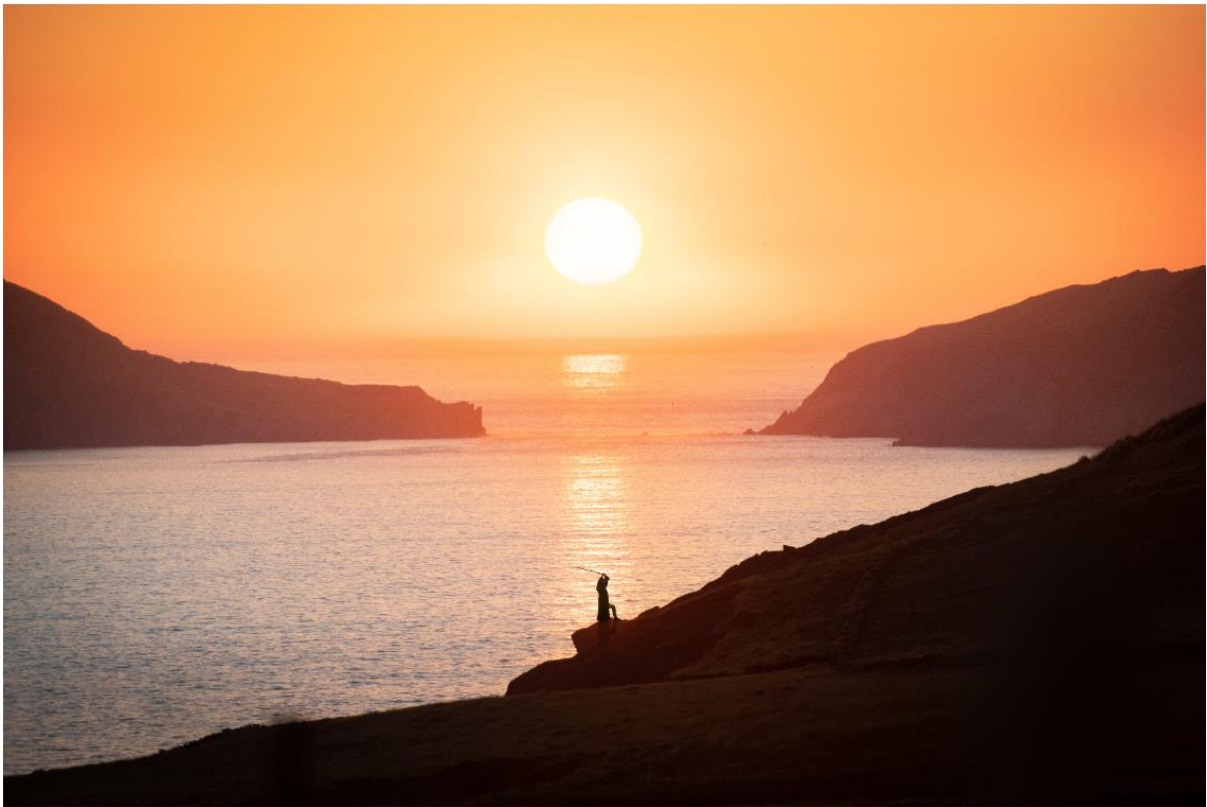


Joint Oireachtas Committee on Transport, Tourism and Sport
Tourism Ireland Statement, Wednesday, 7 November 2018



© Tourism Ireland photographed by Tom Archer

Introduction

Chairman, Senators, my name is Niall Gibbons. I am Chief Executive of Tourism Ireland. Thank you for the opportunity to address you today.

As members will know, Tourism Ireland is the organisation responsible for marketing the island of Ireland overseas. It was established as one of the “six areas of co-operation” under the framework of the Belfast Agreement of Good Friday 1998. We undertake marketing campaigns in over 20 locations across the world.

Importance of tourism

Tourism is a vital industry for the island of Ireland. It is a significant driver of economic growth and helps to support more than 300,000 jobs in communities right across the island.

Overseas tourism has recorded seven consecutive years of growth. 2017 surpassed all previous records, when we welcomed some 10.6 million overseas visitors, who spent more than €5.6 billion while here.

Northern Ireland has shared in that record growth. In fact, it welcomed almost 2.2 million overseas visitors last year whose visits generated more than £566 million in revenue for the Northern Ireland economy – an increase of +4%.

Growth continues in 2018. The latest CSO figures for Ireland show strong visitor and revenue performances in the first half of the year. For Northern Ireland, there were almost 400,000 overseas visitors in the first three months, generating revenue of almost £100 million (an increase of +3%) (latest available figures for NI).

While tourism performance overall is strong, beneath the surface a number of vulnerabilities are evident. For example, while we welcome the small increase in visitor numbers from Britain in recent months it is too soon to know if this represents a real turnaround in the longer term. CSO data shows a worrying fall of -9% for the

month of September alone. Exchange rate movements have made Ireland more expensive for British visitors. And, we have observed our competitors, VisitBritain, VisitScotland and VisitWales, intensifying their operations across all of Ireland's major tourism markets.

Brexit

Chairman, Brexit dominates all other uncertainties. Since the UK voted to leave the EU, Tourism Ireland has taken a number of steps to monitor the situation, maintain confidence among our partners in Britain and at home and ensure we are ready to deal with the implications. Our activities have included:

- On-going research among British consumers to evaluate sentiment on holidaying in Ireland
- On-going market assessment of economic trends by Oxford Economics
- Liaison with key tourism industry partners here on the island to assess implications and gauge reaction
- Liaison with key international partners and bodies such as the European Tour Operators Association (or ETOA), UKinbound and The Tourism Alliance in the UK for the same reasons.

This work continues and I would like to thank Brendan Griffin TD, Minister of State for Tourism and Sport, and his officials, for their participation in our Brexit taskforce meetings in London over the past two years. We were also delighted to work with Taoiseach, Tánaiste and Ministers and with officials from the Department of Foreign Affairs and Trade and the Department of Transport, Tourism and Sport on a series of *Get Brexit Ready* events around the country.

Tourism Ireland has also commissioned a wide-ranging review of the British market. The review is independently chaired, and is led by a steering group of top Irish and UK-based industry partners. It will conclude shortly and will inform planning for 2019 and beyond.

In parallel with this, Tourism Ireland continues to pursue its strategy of market diversification. This strategy, which commenced in 2014, focuses more effort on markets with a longer stay and higher spend and will increasingly focus on the regional and seasonal extension of tourism. Our market diversification has seen Mainland Europe become the largest contributor of overseas tourism revenue delivering almost €1.9 billion in 2017, up from €1.4 billion in 2014 (+36%), and North America has overtaken Britain as number two, delivering €1.6 billion, up from €1 billion in 2014 (+60%).

This spring, our national TV and digital campaigns in the US were seen by around 85 million people (impressions), and TV and digital campaigns in Germany and France reached a combined 39 million potential visitors.

Opportunities in the fast-growing emerging markets of the east continue to grow, especially in China following the launch this year of the first ever direct air services from Beijing and Hong Kong, with Hainan Airlines and Cathay Pacific respectively.

Chairman, we have also identified a number of key priorities from an overseas tourism perspective, arising out of Brexit:

Retention of the Common Travel Area, and free movement of overseas visitors across the border, is vitally important, especially for overseas tourism to Northern Ireland and to border counties. On average, 75% of visitors from North America to Northern Ireland and 63% of visitors from Europe arrive via the Republic. In addition, about 950 international tour operators now programme the island of Ireland. Any impediment, or perceived impediment, to free movement between the two jurisdictions, and any delays at border checkpoints, could discourage tour operators from continuing to programme Northern Ireland and border counties and holiday visitors from travelling between the two jurisdictions.

With regard to developing markets such as China, India and the Middle East, the British Irish Visa Scheme (announced by the UK and Irish Governments in October 2014) and the Short Stay Visa Waiver Programme (introduced by the Irish Government in 2011 and extended until October 2021) have provided a significant

boost to our promotional efforts in these markets. The lifting of the visa requirement for citizens of the UAE travelling to Ireland in January 2018 was welcomed by the industry which has seen an increase in business from that market since the relaxation.

We are very pleased that the World Economic Forum's global Travel & Tourism Competitiveness Index 2017 ranks Ireland at number three in the world, out of 136 countries, for 'effectiveness of marketing and branding to attract tourists'.

Ireland.com now attracts close to 20 million visits a year and is available in 11 language versions. Tourism Ireland is the fourth most popular tourism board in the world on Facebook (4.3M fans), on Twitter (500,000) and on YouTube (49.3M views). The creation of award-winning digital campaigns has capitalised on our connections with Game of Thrones and Star Wars and allowed us to reach new audiences across the world. Campaigns with the major air and sea carriers serving the island of Ireland, and with traditional and on-line tour operators, leverage significant funding each year from the commercial sector – encouraged also by investment by Irish Ferries and Stena Line in last few years. Our annual overseas publicity programme, and our relationships with 22,000 media around the world, generate positive exposure for the island of Ireland worth an estimated €330 million each year and greatly influence perceptions of Ireland overseas.

Favourable winds – like a +39% increase in air access since 2010, particularly on transAtlantic routes (+128% over the same period) – supportive economic conditions in key markets, the fashionability of the island of Ireland as a location for Star Wars and Game of Thrones, and our capacity to shift to new, lower cost, digital and social marketing have helped to deliver record performances the island of Ireland.

Few, if any, of those factors will continue in our favour indefinitely. We have seen the how economic uncertainty and fluctuating exchange rates have impacted on visitor numbers from Britain. Research is also showing a significant and worrying diminution in what we call Ireland's 'share of voice', or visibility, in our top markets. Over the past two years, we have seen major competitors intensify their marketing. Also, a critical component is the future of the EU-UK Open Skies Agreement, which has the potential to have significant downside risks for Ireland if a successful resolution is not

found. In addition to this, the price of oil poses a risk to the sustainability of air routes.

Tourism Ireland is working with industry partners to grow overseas tourism revenue by +5% in 2018. Moving into 2019, we expect to place a more significant emphasis on season extension, regional performance and sustainability. I am delighted to say that the Government's decision to increase the Tourism Marketing Fund in Budget 2019 will allow Tourism Ireland to begin implementing new growth strategies in a number of key markets including the US, Germany, Britain and in Emerging Markets like China and India, in line with the Government's Global Ireland 2025 Strategy.

Chairman, tourism has endured many crises over 20 years – like 9/11, the global financial crisis and terrorist attacks in North America and Europe. However, it also serves as an example of how compromise and goodwill between people can build a stronger future for us all. “We face a deficit of tolerance. Tourism brings people together; it opens our minds and hearts”, said former United Nations World Tourism Organisation Secretary General, Taleb Rifai, at a recent conference. We must continue to build on the achievements of the Good Friday Agreement, continue to build hope for the future across the island of Ireland and a growing and sustainable tourism industry is key to this.

Thank you for the opportunity to present to you today, I'll be happy to discuss these matters in further detail in the question and answer session.

ENDS