



Tourism Ireland SOAR

(Situation & Outlook Analysis Report)
March/April 2019

Updated with latest available data
as at 31 October 2018

The Burj Khalifa, Dubai, the world's tallest building, goes green
as part of Tourism Ireland's Global Greening project 2019

1. Summary Headlines

- Currently, the outlook for the year ahead seems somewhat mixed. Industry partners across the island of Ireland are cautiously optimistic. Overseas market contacts remain largely confident while some, particularly in parts of Mainland Europe, are currently more muted in their projections. A range of geo-political circumstances are impacting mood. The uncertainty surrounding the UK's withdrawal from the EU remains a concern for partners at home and in some markets. Tourism Ireland continues to monitor the implications and to consult closely with stakeholders at home and overseas.
- Latest figures for **overseas arrivals to Ireland** show more than 1,242,000 people arrived during January and February this year, an increase of +7% on the same period in 2018. North America, up almost +11%; Mainland Europe, up almost +8%; Emerging Markets, up almost +15%; and Great Britain up almost +4%. However, it is still very early days. Growth in the month of February slowed to +2.7% overall. And, arrivals in January and February only represent around 11% of the annual total. Data for overseas visitors to Northern Ireland for the same period is unavailable.
- Both STR **hotel data** and industry sources report a good hotel performance across the island of Ireland for January 2019. STR reports that hotels across the island of Ireland experienced growth in terms of average daily rate in January this year, while occupancy levels were slightly below January 2018 levels.
- Tourism Ireland's 2019 **Spring promotional campaigns** are in full swing across the globe, helping to boost early season travel and whet appetites for summer holidays. Our new global marketing campaign – Fill your Heart with Ireland - launched in late December and continues to roll out on TV, cinema and digital platforms in key markets, helping to keep the spotlight on the island of Ireland at this important time. Our Global Greening project – now in its tenth year – turned more than 470 sites and icons green this year, generating positive publicity for the island of Ireland worth in excess of €10 million in equivalent advertising value. Tourism Ireland continues to work closely with industry partners and our colleagues in Fáilte Ireland and Tourism Northern Ireland to capitalise on all opportunities to promote the island and maximise tourism revenue from overseas markets this year.

2. Global Outlook

Final figures for 2018 show that international tourist arrivals grew by +6% to 1.4 billion. This was a consolidation of the positive 2017 trend (+7%) and reflects the economic situation globally. International arrivals increased in all regions for 2018, led by the Middle East (+10%) and followed by Africa (+7%). Arrivals to Asia Pacific and Europe were both at +6%, while the Americas saw growth in arrivals of +3% over the twelve-month period.

The latest World Tourism Organisation (UNWTO) forecast for 2019 predicts growth of +3% to +4% in international tourist arrivals worldwide. This is based on current tourism trends, economic prospects and the UNWTO Confidence Index. This rate is comparable to the 2008-2018 average of +4% per year, though below the +6% increase seen in 2018. Europe is projected to see +3% to +4% more international arrivals, after its +6% growth last year. The forecast reflects sustained demand for international travel from both emerging and advanced economy source markets.

| UNWTO Global Performance 2018 | |
|--------------------------------|------------------------|
| International Arrivals | Jan-Dec 2018 YoY % +/- |
| World | +6% |
| Africa | +7% |
| Asia Pacific | +6% |
| Americas | +3% |
| Middle East | +10% |
| Europe | +6% |
| Northern Europe | 0% |
| Ireland (CSO) (Jan-Dec) | +7% |

Source: UNWTO, CSO. 2018 data for Northern Ireland is unavailable

3. External Travel Trends

Key Markets Economic and Travel Outlook

3.1 Overview

The *Economist Intelligence Unit* is reporting a less favourable outlook for the global economy in 2019-2020. It cites concerns over slowing growth in key economies - including China and the EU - and the wider impact of a trade war between the US and China. The organisation is currently forecasting a deceleration of global growth from +2.9% in 2018 to +2.8% in 2019 and +2.6% in 2020.

The impact of rising geo-political uncertainty also has the potential to negatively impact trade, financial markets and the oil sector.

With various sources of risk in play, policymakers and businesses attempting to operate in such an uncertain environment will be forced to devote greater resources to contingency plans, which is likely to constitute a drag on global growth.

| Top risks to the global economy 2019 | |
|---------------------------------------|--|
| Political | Financial |
| Disorderly exit from the EU by the UK | US recession driven by corporate debt |
| Global trade war | China economic crisis |
| | Supply shortages sparking oil-price spike |
| | Broad-based emerging market crisis |
| | An Italian banking crisis |
| | Major cyber-attack crippling online activity |

Source: *The Economist Intelligence Unit February 2019*

3.2 Economic Indicators

Great Britain

In February Oxford Economics lowered its forecast for GDP growth in 2019 to +1.4%, from +1.7% in January. This reflects a run of weak data and the impact of the slowdown in world trade. Uncertainty around the UK's withdrawal from the EU has been a key factor in the lack of business investment and this is likely to persist until the UK's future trading relationship with the EU becomes clearer. However, provided that the withdrawal is 'orderly', Oxford Economics expects household spending to strengthen and looser fiscal policy could underpin a modest acceleration in GDP growth later in 2019.

| | |
|-------------------------------|-----------------------------|
| 2019 GDP Forecast: | +1.4% (down from +1.7%) |
| CPI 2019: | +1.9% (up from +1.7%) |
| Unemployment: | 4.0% (down from 4.1%) |
| Exchange rate (€ / £): | €1: £0.86 (down from £0.87) |

USA

Despite numerous domestic and global challenges, the US economy retained its solid momentum at the start of 2019. Easing financial conditions (stemming from the expectation of no significant changes from the Fed and encouraging trade talks with China) have helped alleviate market fears of an imminent recession just as the Government shutdown ended. Looking ahead, real GDP growth is expected to slow from +3% in 2018 to +2% by the end of the year, but a solid labour market and a reasonably confident private sector should prevent a hard landing.

| | |
|--------------------------------|-------------------------------|
| 2019 GDP Forecast: | +2.5% (no change) |
| CPI 2019: | +1.7% (no change) |
| Unemployment: | 4.0% (up from 3.9%) |
| Exchange rate (€ / \$): | €1: \$1.12 (down from \$1.14) |
| Exchange rate (£ / \$): | £1: \$1.31 (up from \$1.30) |

France

Oxford Economics now expects GDP to grow by only +1.5% in 2019, influenced by the chances of a no-deal UK EU exit, a sharper-than-expected slowdown in China, and the looming threat of US tariffs. However, the Government's response to the recent protests - which includes tax cuts for those on modest pensions, tax exemptions on overtime and an increase in the minimum wage - will give a boost to household disposable income. In addition, inflation is expected to ease, helped by lower oil prices.

| | |
|-------------------------------|-----------------------------|
| 2019 GDP Forecast: | +1.5% (down from +1.6%) |
| CPI 2019: | +1.3% (no change) |
| Unemployment: | 9.1% (up from 8.9%) |
| Exchange rate (€ / £): | €1: £0.86 (down from £0.87) |

Germany

Latest data has been sending conflicting signals about Germany's near-term outlook. Oxford Economics has nudged down its GDP forecast for 2019 to +1.3% from +1.4%, given the less supportive external backdrop (UK's EU exit, slowdown in China and possible US tariffs). However, domestic demand and household spending is expected to remain strong due to improvements in the labour market, growth in wages, lower inflation and some tax cuts which took effect in January.

| | |
|-------------------------------|-----------------------------|
| 2019 GDP Forecast: | +1.3% (down from +1.4%) |
| CPI 2019: | +1.5% (down from +1.7%) |
| Unemployment: | 5.0% (no change) |
| Exchange rate (€ / £): | €1: £0.86 (down from £0.87) |

Source: Oxford Economics Briefing and February reports 2019

3.3 Travel Trends in Key Markets

Great Britain: Outbound travel from the UK for the period August–October 2018 remained stable with 23.5 million visits abroad by UK residents according to the *Office of National Statistics*. The report revealed that spend was up +4% to £15.8 billion, when compared to the same period in 2017. Season-to-date summer bookings are up +3% on last year and the research organisation *GfK* has reported that bookings for April departures - immediately following the planned EU exit date of March 29th - are up +14% YoY. This mainly reflects the movement of Easter from March to late April this year but is a positive sign nonetheless. Bookings for the current winter are up +4%. Luton Airport has reported a jump of almost +13% in passenger numbers for the month of January 2019, while Heathrow Airport saw a +2.1% rise in passenger numbers to 5.9 million. Partner reports suggest that Scotland is trading well, with good demand this year.

North America and Australia: In **the US**, outbound travel demand for Europe remains buoyant for 2019 with all major destinations reporting increased demand, building on record levels of growth last year. VisitBritain is reporting a strong rebound in visitor growth to Great Britain from North America in the second half of 2018, following a decline of -7% in the first six months of the year. In **Canada** outbound travel to Europe grew by +6.1% to reach 6 million in 2018, according to latest figures released by the Conference Board of Canada (CBOC). Toronto Pearson airport has reported strong growth of +8% in international passengers, representing traffic of 18 million in 2018. In **Australia**, the demand for overseas holidays continues to rise, albeit at a slower rate. According to the *Australian Bureau of Statistics*, New Zealand, Indonesia, the US and the UK are the top four overseas destinations for outbound travel. A recent *Credit Suisse* report has warned that traditional high-street travel agents will face a more challenging year, reflecting the general shift to online booking. Flight Centre agrees with this analysis, suggesting that traditional bricks and mortar travel agents are now shifting their focus to premium, bespoke travel. Airlines serving the Australian market are continuing to experience rate and capacity challenges in the highly competitive market.

Mainland Europe: In **Germany**, outbound summer holiday bookings are down slightly, with consumer sources quoting Brexit and other global uncertainties, including the China-USA trade dispute, as having a negative impact on intention to travel. Egypt, Bulgaria, Tunisia and Turkey are the fastest growing destinations in 2019, while both Spain and Italy are declining. In **France**, outbound travel from Paris airports indicates an overall increase in traffic of +1.9 % for January 2019. Travel to North America was up +10.4%, Asia Pacific +7.4%, South America +4.0% and Africa +1.8%. EU traffic is +0.8 %. Despite the strong start to the year the market has seen a slow-down in the early booking trend for all Northern European destinations. Local political demonstrations at the end of 2018 and into 2019 have had a negative impact on sentiment and the economy as a whole. However, private consumption is forecast to continue its gradual recovery in 2019-2020. The outbound holiday market is also seeing the resurgence in demand for North African destinations that were negatively affected by security issues in recent years.

In **Spain**, latest data from the *Spanish Institute of Statistics* shows that outbound travel increased by +11.6% at end of September 2018 compared with the same period in 2017. The *Spanish Airport Authority* (AENA) reports an increase in passenger numbers for January 2019, with the main outbound airports of Madrid and Barcelona growing by +6.2% and +7.1% respectively. The *Association of Travel Agents* (ACAVE) has reported good forward sales from the market. However, while the economy remains stable, the political arena is less so, with concern that the recently announced Spanish elections on 28th April will impact on travel over the busy *Semana Santa* (Easter) period. In **Italy**, economic forecasts expect a slowing of the economy this year, with GDP forecasts revised down to below 1% for 2019. Last year the market saw increases in outbound travel to Spain, the Czech Republic, the Netherlands and Malta, with Egypt enjoying huge growth of +65% compared to 2017. The Middle East is also trending in the market, with Jordan seeing a surge in interest and bookings. *Assoaeroporti* reports an increase of +5.9% in passenger traffic at Italian airports last year, welcoming 185.7m passengers. Research by *NBTC-NIPO* reports that Mediterranean destinations remain on trend for outbound holidays from **The Netherlands**, and there's also increased demand for long-haul holidays from the market. There was an increase in domestic summer holidays last year, mainly due to favourable local weather. Schiphol airport has reported passenger traffic of 5 million in January 2019, an increase of +1.7% when compared to January 2018. In **Belgium**, research by the *Union of Flemish travel agencies* (VVR) reports that nearly 50% of Belgians prefer to take multiple short holidays as opposed to one longer summer holiday. The study also showed that while 73% of Belgians look for inspiration online, almost half of them book via a travel agency. Brussels Airport reported 1.7 million passengers in January this year, an increase of +2.6%. In **The Nordics**, international air travel remains strong; Copenhagen Airport saw an increase of +2.3% in international travel in January, Norway was +3.8%, with Finnish airports +5%. There was a slight dip of -2% from Sweden's main airports. Competitors remain active in the market with VisitBritain launching a cooperative digital campaign with SAS to boost regional British business from Denmark, Norway and Sweden. The Faro Islands, another competitor destination, have launched a sustainable tourism campaign welcoming 'volunteer tourists' to help locals clean up and preserve the islands' natural beauty.

Emerging Markets: In **China**, there were 140 million outbound trips in 2018, 11 million more than in 2017, representing growth of +13.5% according to the *China Tourism Academy*. Spending abroad was estimated at \$120 billion. The post-1980s generation is now the main driving force behind outbound travel in the market, accounting for 43% of travellers and generating strong growth in the family holiday sector. In addition to group travel and FIT, high quality and personalised travel is also growing strongly in China. In **India**, research by *WARC* reports that the travel category in India has grown +50% faster than its GDP over the last three to four years, and the online travel sub-category has grown by +22%. Out-bound travel is thriving, with Indians in their twenties and early thirties taking, on average, six to seven trips in a year. The outbound market from India is set to grow to 40 million trips by 2020.

4. Market Intelligence

4.1 Arrivals and Visitors

Preliminary Estimates

| Visitor Origins | 2019 | | 2018 | |
|-----------------|---|--------|---|--------|
| | Ireland Direct Arrivals January & February 2019 | %YOY | Ireland Overnight Visitors Jan-December 2018 | %YOY |
| | | | 000's | |
| Total | 1,242,000 | +7.0% | 9,273 | +6.3% |
| Great Britain | 524,800 | +3.9% | 3,253 | +0.4% |
| Mainland Europe | 440,500 | +7.8% | 3,478 | +7.8% |
| North America | 192,100 | +10.8% | 1,924 | +14.4% |
| Rest of World | 84,600 | +14.8% | 618 | +7.5% |

Source: CSO

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

Latest results from the CSO indicate that there were 1,242,000 overseas arrivals to Ireland in the months of January and February this year, an increase of +7% on the same period in 2018. Arrivals from North America were up almost +11%; from Mainland Europe, up almost +8%; from Emerging Markets, up almost +15%; and from Great Britain up almost +4%. However, it is still very early days. Growth in the month of February slowed to +2.7% overall. And, arrivals in January and February only represent around 11% of the annual total. Data for overseas visitors to Northern Ireland for the same period is unavailable. Northern Ireland visitor data for 2018 is expected later this spring.

4.2 Air and Sea Connectivity

| Air Access Seat Capacity Estimates | | | |
|---------------------------------------|------------|-------------|-------------------|
| Winter 18/19 vs. Winter 17/18 | | | |
| YOY % Change | Ireland | NI | Island of Ireland |
| Great Britain | +1% | +12% | +4% |
| Mainland Europe | +10% | +8% | +10% |
| -France | +6% | -22% | +4% |
| -Germany | +8% | N/A | +7% |
| North America | +19% | -100% | +18% |
| Rest of World | +15% | N/A | +15% |
| Overall | +7% | +11% | +8% |

Source: TTC Winter 2018/19 Access Inventory Report

Capacity is estimated at a single point in time (December) for the season.

NA= Not applicable.

There are an estimated 464,000 (+8%) direct, one-way air seats available per week to the island of Ireland this winter, when compared to last winter. Britain has the largest share (51%); Mainland Europe (37%); North America (9%) and 3% from the rest of the world. While EasyJet has dropped its weekly Lyon-Belfast service and Norwegian has withdrawn its Belfast service, Northern Ireland is still forecast to experience a +11% increase (driven by a +12% uplift from Great Britain). Ireland is seeing an estimated +7% increase in available air seats.

Recent access announcements include Hainan Airlines launching a new twice Shenzhen-Dublin service which began on February 25th, and Irish Ferries has launched the W.B. Yeats on the Cherbourg-Dublin route from mid-March.

The current operating environment for airlines is challenging. The full impact of the recent grounding of B737 MAX aircraft is currently uncertain, with replacement arrangements set to be confirmed by affected airlines in the coming weeks. Aer Lingus has adjusted its North American summer 2019 schedule due to an aircraft delivery delay. Ryanair recently reported a Q3 2018 net loss of €20m (excl. Lauda), due to weaker than expected air fare yields, and announced plans to reduce its 2019/20 winter schedule at Belfast International Airport. Flybmi entered administration in late February, with Loganair taking over the City of Derry-London service. Norwegian Airlines plans to reduce the number of aircraft at Dublin Airport to one or two next September, from the six scheduled this summer.

The outlook for the forthcoming summer 2019 season is positive, however. Total available capacity on direct scheduled air services to the island of Ireland over the peak summer months is estimated to be up +4%, with both Ireland and Northern Ireland having more seats on offer than in the same period last year.

4.3 Total Passenger Numbers

| | Total Pax 2018* | % change 2018 | Jan 2019 | Feb 2019 |
|-------------------------------|-----------------|---------------|----------|----------|
| ROI sea passengers | 3m | -2% | -5% | -7% |
| NI sea passengers | 2.1m | -1% | +2% | +4% |
| Dublin Airport | 31.5m | +6% | +5% | +9% |
| Shannon Airport | 1.9m | +6% | -2% | -2% |
| Cork Airport | 2.4m | +4% | +9% | +10% |
| Ireland West Airport Knock | 0.77m | +3% | +7% | +6% |
| All ROI Airports | 36.2m | +6% | +5% | +8% |
| Belfast International Airport | 6.3m | +7% | +11% | +17% |
| Belfast City Airport | 2.5m | -2% | -1% | 0% |
| City of Derry Airport | 0.2m | -4% | -1% | n/a |
| All NI Airports | 9m | +4% | +7% | 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

For the month of February 2019 air passenger traffic growth of +8% was recorded at airports in Ireland. Sea passenger numbers to and from Ireland were down -7% YOY for the same month. Latest published sea passengers to and from Northern Ireland for the month of February were up +4%.

4.4 Accommodation

Hotel accommodation data estimates

| Hotel Accommodation January 2019 | | | | |
|-------------------------------------|-----------|--------------------|-----------------------|--------------------|
| | Occupancy | | ADR | |
| | % | % change v 2018 | Average Daily Rate | % change v 2018 |
| Island of Ireland | 58% | -2% | €102 | +3% |
| Northern Ireland | 52% | -13% | £65 | -4% |
| Ireland | 59% | 0% | €106 | +3% |
| Scotland | 57% | -1% | £60 | -3% |
| England | 64% | 0% | £81 | +1% |

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

The hotel data specialist, STR, reports that hotels across the island of Ireland experienced growth in terms of average daily rate in January this year, while occupancy levels were slightly below January 2018 levels. It is not possible to break out overseas bookings from domestic business. The average daily rate in Northern Ireland declined by -4% while rooms available increased by +12.6%, according to STR. Occupancy is reported at -13% for January YOY.

4.5 Island of Ireland Industry Feedback

| Barometer | What they said ... |
|--|---|
| <p>Mixed</p>  | <p>Accommodation providers</p> <p>Northern Ireland hotels are expressing cautious optimism as the market adjusts to the increased supply of hotel rooms. January performance was disappointing, but February showed signs of uplift. Easter onwards appears to be trading somewhat stronger, with indications at this stage that summer 2019 is likely to trade well. Promotional initiatives are expected to have a positive effect and stimulate business as the season unfolds.</p> <p>Hotel and guesthouse sources in Ireland remain positive on the back of continued rates growth and the maintenance of occupancy levels. Feedback from the self-catering and guesthouse sectors in Ireland was also positive, with sources reporting good bookings for the year ahead. Sources in the B&B sector remain positive for 2019, with key sources expecting to maintain occupancy levels or see modest growth.</p> |
| <p>Mixed</p>  | <p>Air and sea carriers</p> <p>Feedback from air carriers is moderately positive with mixed outlook from some partners. Competitive pressures, rising fuel prices, uncertainty in markets and slowing economies are all contributing to a more cautious mood.</p> <p>There's also significant competitive pressure in the ferry market with sea carriers generally cautious on the impact on yields, while also alert to the potential impact of the UK's proposed withdrawal from the EU.</p> |
| <p>Bright</p>  | <p>Attractions</p> <p>Feedback from attractions across Ireland is positive overall for the first two months of 2019. Sentiment for the year ahead is cautiously optimistic, with the majority of partners expecting good growth. However, the potential impact of Brexit and the increase in the VAT rate remain key concerns.</p> <p>Sources in Northern Ireland also report a strong performance from overseas visitors in the first two months of 2019, with some larger attractions experiencing double digit growth in international visitors. Partners are optimistic for further growth as the tourism season unfolds.</p> |
| <p>Mixed</p>  | <p>Tour Operators</p> <p>There is mixed sentiment for 2019 among tour operator partners. While the performance from North America remains strong, business from Mainland Europe is more mixed. The uncertainty of Brexit, increased VAT in Ireland and capacity and rate challenges continue to cause some concern.</p> |

Source: Based on feedback from island of Ireland industry sources, February/March 2019

4.6 Tourism Ireland Market Outlook

Great Britain: Sentiment for the year ahead is mixed, with the ongoing Brexit negotiations dominating the news and contributing to a cautious outlook. A sea carrier is reporting a recent strong upturn in overall performance and forward bookings after an initial slow start to the year. Air carriers report a softer forward booking performance, with discounted fares helping to fill seats. A number of operators are reporting growth in demand for Northern Ireland on the back of competitive room rates and an increase in room stock in Belfast. However, they report a softening in sales for Ireland, citing exchange rate and capacity constraint challenges as key causes.

North America and Australia: In the **US** outlook for 2019 is positive with advance bookings looking strong across both the escorted tour and FIT segments. Airfares to Ireland remain competitive too, despite slowly rising fuel costs. While the recent US Government shutdown impacted January sales, there was strong pick-up in bookings once it ended and sales are currently trending ahead of 2018. The golf market remains buoyant and reflects the positivity surrounding The 148th Open returning to Royal Portrush. Capacity challenges continue at most of the signature links this year and this is likely to constrain growth. However, the legacy effect is expected to deliver incremental growth in 2020 and beyond. In **Canada** the outlook remains strong with steady growth predicted from all sectors of the market. In **Australia**, the outlook for travel to the island of Ireland remains positive but more cautious. Airlines are seeing good sales with strong competition in the market driving down airfares and key market tour operators report that both stand-alone island of Ireland and UK/Ireland trips are currently selling well.

Mainland Europe: In **Germany**, partner sentiment is currently quite muted. Feedback from prospective travellers at recent trade fairs revealed that the UK's withdrawal from the EU is a key concern and could be causing some holidaymakers to delay booking. German tour operators report similar caution and also advise that rates and capacity challenges in the accommodation sector continue to impact group business. There are mixed reports from carriers who have also observed some reticence in relation to direct and operator-assisted travel bookings.

The outlook in **France** is also currently rather mixed. Outbound travel in general from the market continues to grow, and conditions for travel to the island of Ireland are largely positive. Despite this and a positive response to island of Ireland marketing campaigns in Q4, booking is currently generally sluggish. Trade partners continue to report price and capacity challenges for both peak and off-season travel this year. In **Spain**, the outlook for travel to the island of Ireland is cautiously optimistic. Online operators are currently very positive, with double-digit growth in visitors and bednights in January compared to last year. Sources report that this strong performance was driven by cooperative campaigns with Tourism Ireland in Q4 last year. There is some concern that the timing of upcoming elections, during a traditionally busy time for holidays to the island of Ireland around Easter, could impact sales. In **Italy** the outlook for travel to the island of Ireland is positive and sentiment is steady. Brexit coverage in mainstream media is not extensive, with the focus on domestic politics and upcoming EU elections. Cooperative campaigns are

promoting low fares to the island of Ireland and are expected to stimulate business. Group bookings are currently similar to last year, while FIT bookings are up. The late Easter combined with bank holidays is giving **Italian** holidaymakers an opportunity for longer Easter breaks; however this is pushing out bookings for the summer season. Cooperative campaigns with tour operators are helping to drive bookings to Northern Ireland and regional destinations around the island. In **Belgium and The Netherlands**, sentiment on travel to the island of Ireland is quite muted this year. According to *Statistics Netherlands* (CBS), confidence among Dutch consumers has declined for the first time since March 2015. Dutch tour operators report that continued uncertainty surrounding the UK's exit from the EU is impacting Ireland and UK tour programmes, possibly causing a delay in booking and giving rise to increasing queries about implications for post-Brexit travel. In Belgium, consumer confidence weakened in January, for the third month in a row, largely due to more pessimistic expectations about unemployment. In **The Nordics**, the outlook is cautious but generally positive and cooperative campaigns are rolling out. There has been some decline in capacity on main air routes which may lead to fare increases. A new Aalborg-Dublin twice weekly service has been announced from June with strong interest from FIT business and around 40% of seats allocated to tour operators. Ryanair has also announced that it will retain the new Gothenborg-Dublin route through next winter.

Emerging Markets: Outlook for travel to the island of Ireland from **China** is positive, with increased access expected to generate more interest and growth from the market. The Hainan Airlines direct Shenzhen-Dublin flight launched on February 25th and is the second direct flight to Ireland by Hainan Airlines, after its successful opening of the Beijing-Dublin route last year. A number of new island of Ireland tour programmes have been developed with key Chinese travel agencies. In **the UAE**, outlook is positive with stable bookings in Dubai and Sharjah and early signs of growth in Abu Dhabi. The expanded Qatar Doha-Dublin service, starting in July, will stimulate further demand. Etihad and Turkish Airways offer increased direct and connecting options for flights to the island this year. The outlook from **India** is positive with local operators reporting increased trade and consumer enquiries. The turnaround time for the issuing of Irish visas has reduced in recent months.

5. Conclusion

Although it is still very early days, indications are positive for modest growth in overseas tourism to the island of Ireland in 2019. Many industry partners at home and market-based trade contacts are generally optimistic about the year ahead. We are conscious that the continuing uncertainty around the UK's exit from the EU, may be impacting booking patterns in some Mainland European markets and giving rise to some concern. Tourism Ireland is monitoring this very closely in consultation with industry partners at home and overseas.

Our spring campaigns are in full swing across the globe, helping to boost early season travel and whet appetites for summer holiday. Our new global marketing campaign 'Fill your Heart with Ireland' launched in late December on TV, cinema and digital platforms in key markets and continues to roll out, helping to keep the spotlight on the island of Ireland at this important time.

Our Global Greening project – now in its tenth year – turned more than 470 sites and icons green this year in 55 countries, generating positive publicity for the island of Ireland worth in excess of €10 million in equivalent advertising value.

We continue to work closely with industry partners and our colleagues in Fáilte Ireland and Tourism Northern Ireland to maximise all opportunities to promote the island and maximise tourism revenue from overseas markets this year. Tourism Ireland also continues to closely monitor our competitors, as well as engage with market partners to jointly promote the island in 2019.