

**Tourism Ireland statement for the
Joint Oireachtas Committee on Tourism, Culture, Arts, Sport and Media
29 March 2023**

Introduction and background

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

Tourism Ireland is the organisation responsible for marketing the island of Ireland overseas as a compelling holiday destination. Our principal objectives are to increase tourism to the island of Ireland and to support Northern Ireland to realise its tourism potential. We operate in over 21 markets around the world and roll out world-class global marketing campaigns for the island of Ireland. Our extensive and targeted programme of activity includes advertising, social media and digital marketing, overseas publicity, as well as co-operative promotions with air and sea carriers and other travel partners.

Importance of overseas tourism

The importance of overseas tourism cannot be overstated. Before the pandemic, 2019 surpassed all previous records, when we welcomed 11.3 million overseas visitors to the island of Ireland, who spent €5.9 billion during their time here. Tourism was our largest indigenous industry, employing around 325,000 people across the island in 2019.

2020-2022

In 2020, Tourism Ireland established a framework for recovery from the pandemic. This was a three-phase plan to RESTART, REBUILD and ultimately REDESIGN demand. Until travel promotion resumed, Tourism Ireland's focus was on creating the conditions to effectively RESTART the industry and survive the crisis. In 2022, Tourism Ireland's priority was to RESTART overseas tourism to the island of Ireland. Despite a slow start to the year, international travel rebounded more quickly than anticipated, with 2022 finishing at around 75% of 2019 business – ahead of competitor destinations.

Prospects for 2023 and beyond

Tourism Ireland's priority for 2023 is to REBUILD overseas tourism to the island of Ireland. We are rolling out an extensive and targeted programme of activity with a marketing budget of €78 million.

According to Tourism Economics, tourist numbers to the island of Ireland are forecast to return to 2019 levels by 2025; and, by 2032, tourist numbers will outperform 2019 levels by +36%. Estimates from ITIC (the Irish Tourism Industry Confederation) are similar.

Both Dublin and Cork airports recorded a record month for traffic in February 2023, with passenger numbers (international and Irish passengers) surpassing pre-Covid levels. Figures from the daa shows the number of passengers through Dublin Airport in February was 2.06 million, +3% higher than in February 2019 and +1% higher than in the previous busiest ever February 2020. The number of passengers at Cork Airport was 157,000, +4% higher than in February 2019.

A strong restoration of direct air access capacity to the island of Ireland is scheduled for the upcoming summer season. Based on the latest filings from OAG (the Official Airline Guide – the company that provides data on airline schedules), scheduled air seat capacity to the island of Ireland for June 2023 will be 102% of June 2019 levels, with almost 2.9 million seats scheduled.

Current challenges facing providers of tourist accommodation in Ireland

We can see that demand overseas for holidays here this summer is strong and there is certainly optimism for the long-term health of overseas tourism. However, there are also challenges right now and today, I'm going to outline some of those current challenges from an overseas tourism perspective.

These include:

- a significant reduction in the available stock of tourist accommodation, with many hotels now contracted to accommodate people fleeing Ukraine and people seeking international protection from other parts of the world.
- reduced supply coupled with strong demand which is, of course, likely to drive rising costs. A deterioration in the perceived competitiveness of Ireland overseas, in the face of higher prices and supply constraints, is a risk for Irish tourism.
- the impact of this reduction in accommodation on rural Ireland, which is greater than on urban areas. Beds being withdrawn in rural areas also impacts on Tourism Ireland's strategy to ensure that sustainability is at the core of our activity – as we aim to spread the benefits of tourism to our regions and on a year-round basis.

- reduced tourism activity in certain areas has knock-on effects for other local tourism businesses – including visitor attractions, gift shops, outdoor activity providers, restaurants and pubs – and therefore a negative impact on local economies.
- the impact on group tours business – particularly group tours from Great Britain, France and Germany (three of our top four markets for overseas tourism). These groups typically stay along the tourist ‘hot spots’ on the Wild Atlantic Way; given that the geographic distribution of refugees mirrors the supply of tourist accommodation, with a concentration along the Wild Atlantic Way, this is an issue. One major Irish incoming tour operator has reported not including Co Clare in its programmes for 2023.
- Car hire supply issue, which also impacts on rural tourism.

Tourism Ireland activity

Tourism Ireland will continue to monitor the situation closely. We aim to rebuild revenue from overseas holidaymakers to pre-pandemic levels – by attracting ‘value-adding tourists’ (visitors who stay longer, spend more in the regions and in Northern Ireland, arrive during the shoulder season and consider their impact on the environment) and by focusing on markets that deliver the greatest revenue. This will be achieved through a wide range of promotional activities, including major marketing campaigns, publicity and programming, social media and digital marketing, as well as working with the tourism industry at home and the travel trade overseas to facilitate sales.

Conclusion

This is, of course, a significant year, as we mark the 25th anniversary of the Good Friday Agreement. I think it’s fair to say that Tourism Ireland has been one of the truly great success stories arising from the agreement. As many of you will be aware, I will be stepping down from Tourism Ireland this week – after 21 years with the company, 14 years as Chief Executive – so this will be my final appearance before the Committee. I would like to take this opportunity to thank you, the Committee members, for your support over the years.

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