

Northern Ireland Affairs Committee

Inquiry into promoting the tourism industry in Northern Ireland through the tax system

**Evidence given by Niall Gibbons, Chief Executive, Tourism Ireland
January 2016**



General and visitor performance

Chairman, members, thank you for the opportunity to address you today. My name is Niall Gibbons and I am Chief Executive at Tourism Ireland.

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. The principal objectives of the company are to increase tourism to the island of Ireland and to support Northern Ireland to realise its tourism potential.

We operate in 23 markets overseas and, in delivering our marketing campaigns, we work closely with Tourism NI to ensure that our promotional themes overseas align with their development priorities for the industry – an integrated, collaborative approach, in conjunction with our industry partners.

Tourism is a significant economic driver for Northern Ireland. It is responsible for in excess of 5.2% of GDP and supports over 43,000 jobs – that is, one job in every 18 in Northern Ireland.¹

Since Tourism Ireland came into operation in 2002, over 21 million overseas visitors have come to Northern Ireland, generating approximately £4.5 billion for the economy.

Northern Ireland’s share of overseas visitors to the island is now 21%, while its share of overseas holidaymakers has more than doubled, from 6% in 2002 to 15% in 2014. And revenue from overseas tourism to Northern Ireland has gone from roughly a quarter of a billion to almost half a billion pounds since Tourism Ireland’s establishment.

¹ Deloitte & Oxford Economics, *Tourism: jobs and growth, the economic contribution of tourism to the economy in the UK* (November 2013)

If you look more closely at market performance, between 2010 and 2015, the growth is evident: visitors from Great Britain to Northern Ireland grew by +26%, from Mainland Europe by +31%, from North America by +68% and from Australia and Developing Markets by +59%.

2015 was a record year for overseas tourism to Northern Ireland. While official full-year data is not yet available, we estimate that overseas visitors to Northern Ireland increased by +5% to 1.9 million, contributing over £454 million in revenue to the Northern Ireland economy. This made 2015 the best year ever for overseas tourism to Northern Ireland.

Clearly, that is an excellent basis on which to build further growth. And Tourism Ireland is determined to maintain the positive momentum in 2016 and aims to increase overseas visitor numbers to Northern Ireland by a further +4% this year, to two million, making it another record year and the best year ever.

Marketing Northern Ireland

In marketing Northern Ireland overseas, Tourism Ireland's major promotional effort is focused on those markets that offer the best return on investment – Great Britain, the United States, Germany and France, as well as Australia and Canada.

Promotional programmes are also in place in a further 17 markets, including developing markets such as China and India.

Promoting in the highly competitive global travel and tourism market is challenging at any time, but there are a number of important factors that have worked in our favour. Perceptions of Northern Ireland as a place to visit for holidays have continued to improve. Continued investment by the Northern Ireland Executive in tourism developments like the Causeway Coastal Route and The Gobbins Cliff Path, Titanic Belfast, The Giant's Causeway Centre and Northern Ireland's Year of Food and Drink 2016, are helping to capture the imaginations of potential visitors across the world and keep Northern Ireland in the international spotlight. And, the British

Irish Visa Scheme, rolled out last year, has provided further opportunities for growth from developing markets like China, India and the Middle East.

Tourism Ireland has invested in developing a significant digital footprint in recent years. This has yielded considerable marketing efficiencies and created opportunities to promote Northern Ireland to new audiences worldwide. In fact, we now have a major presence on social media. Tourism Ireland is now the third most popular tourism board in the world on Facebook with over 3.3 million fans, number two on Twitter with over 317,000 followers and number two on YouTube with over 22 million views. Our international website, Ireland.com, is available in 29 markets in ten language versions and attracts over 16.5 million unique visits each year.

This strategy has positioned us to work with a number of high profile partners such as American broadcasting giant HBO and the mass media and entertainment conglomerate Disney; as well as with celebrities like actor Liam Neeson, Belfast-born film-maker Marcus Robinson, Christine Bleakley, Gloria Hunniford and others and with a host of well-known international bloggers and broadcasters.

Tourism Ireland also mobilises a hugely influential publicity machine in its 23 markets overseas, generating positive coverage for Northern Ireland worth an estimated £90 million a year in equivalent advertising value. This involves an extensive programme of media liaison with our database of 22,000 travel, lifestyle and special interest media across the world. We also run familiarisation visits in conjunction with Tourism NI, so that overseas media can experience the destination at first-hand and inspire their readers to come to Northern Ireland. In addition to generating the kind of coverage for the destination that our budgets simply could not buy, this activity also significantly enhances overseas perceptions of Northern Ireland.

To give you some examples of the type of publicity activity Tourism Ireland undertakes for Northern Ireland – last autumn we facilitated the filming on location

in Northern Ireland of one of the world's biggest reality TV shows, *I, Supermodel*, China's version of America's Next Top Model. The show, which was filmed at locations such as Titanic Belfast, Belfast City Hall, Mount Stewart, Donaghadee and Dunluce Castle, aired to more than 400 million Chinese viewers per episode in December and January. Similarly, images of Northern Ireland were seen by 1.8 million people in the Netherlands last September, on the country's most popular TV soap opera, *Good Times Bad Times*. Invited to Northern Ireland by Tourism Ireland, the cast and crew filmed material for five different episodes at some of Northern Ireland's most iconic tourism attractions – including the Giant's Causeway, Carrick-a-rede rope bridge, Dunluce Castle and the Dark Hedges.

Each year, Tourism Ireland focuses on a number of major promotional themes as well as undertaking specific marketing campaigns.

For example:

2016 has been designated Northern Ireland's Year of Food and Drink, and we will be taking every opportunity, throughout the year, to highlight Northern Ireland around the world as a superb food tourism destination. In fact, this work is already well advanced. Last May, the Minister of Enterprise, Trade and Investment, Jonathan Bell MLA launched this special year to key travel trade and media in the Netherlands. It has subsequently been launched at high profile events in markets like the US, Italy and at World Travel Market in London, one of the world's largest travel fairs. In November, Tourism Ireland and a number of top Northern Ireland chefs and food producers held a launch for British food and travel writers at the Good Housekeeping Institute in London and it will be unveiled to top US travel trade and media in New York later this month.

The Causeway Coastal Route has proven very popular with visitors from all of our markets and Tourism Ireland will continue to promote the route this year, seeking to attract new and repeat visitors. The Gobbins Cliff Path is a wonderful addition and added attraction to the Causeway Coastal Route and is already featuring heavily in our promotions across the world. In fact, it will be seen by up to 26 million potential visitors in advertising this year in France and Germany alone.

It will sit alongside the Giant's Causeway itself, the great icon that is Titanic Belfast, the refurbished Mount Stewart and the other jewels of the National Trust, our growing Christian Heritage and St Patrick experience, and, of course, our new UNESCO Global Geopark, the Marble Arch Caves.

Building on our unique partnership with HBO in 2014 and 2015, we will join forces with the broadcasting giant again this year to roll out a third *Game of Thrones* campaign, aimed at capitalising on the global success of the hit TV series and highlighting its connections with Northern Ireland. Just last month, we won the top prize at the International Content Marketing Awards for our *Game of Thrones* social media campaign, which last year reached up to 100 million fans of the series, generating one million clicks, comments and shares.

TV and film are recognised as strong influencers on travellers everywhere, with up to 35% of people being impacted in their choice of destination by what they see on screen. In fact, the Co Antrim coastline was listed as third most popular destination, after New Zealand (for Lord of the Rings) and New York (for Sex and the City) in research commissioned recently by HBO in our top four markets, on destinations that people most wanted to visit having been inspired by TV and film. Tourism Ireland's campaign around the release of *Star Wars The Force Awakens* is another example of how screen tourism helps us promote the island of Ireland to new global audiences.

As we begin preparations for The Open at Royal Portrush in 2019, Tourism Ireland will continue to showcase Northern Ireland as a 'must see' destination for golf, capitalising on the global success and recognition of champions, Rory McIlroy, Graeme McDowell and Darren Clarke. The Open will be back in Northern Ireland, after an absence of 68 years, and will present an invaluable opportunity to showcase it to prospective visitors and golfers around the world. We will be also be pulling out all the stops – in Great Britain, the US and in other important golf markets – to capitalise on the news that Royal County Down has been voted best

golf course in the world in the prestigious *Golf Digest* magazine's "The World's 100 Greatest Golf Courses". Not only does Northern Ireland have some of the best golfers in the world, it also has some of the best courses in the world too.

This year will mark the seventh year of Tourism Ireland's Global Greening initiative – when hundreds of iconic landmarks and sites around the world will be illuminated in green to celebrate St Patrick's Day. Last year, more than 180 landmark buildings and sites took part, including the Colosseum in Rome and the Sacré-Cœur basilica in Paris. For an outlay of around £55,000, the Global Greening generates positive publicity worth, at a conservative estimate, at least £8.5 million. More importantly, it leverages the prominence of St Patrick's Day for tourism and keeps us in the spotlight at time when people are making their travel decisions. St Patrick and the theme of Christian Heritage also play an important part in Tourism Ireland's promotions around the globe, particularly in markets like Great Britain and the United States.

Working with partners

As an island destination, the importance of convenient, direct, non-stop flights to Northern Ireland cannot be overstated; there is a proven direct correlation between access and growth in visitor numbers.

2015 and, indeed, the new year 2016, saw a number of positive announcements on the access front, including the announcement by Ryanair of plans to open a new base at Belfast International Airport and commence a new service from London Gatwick; and new routes with KLM from Amsterdam to Belfast, Vueling from Barcelona and Jet2 from Rome, as well as United's decision to reinstate its year-round flight from Newark.

In 2016, Tourism Ireland will continue to work closely with the Department of Enterprise, Trade and Investment, airlines, airports and other key partners – with a particular focus on markets such as Canada and Germany – to identify and help

close gaps in air services to Northern Ireland, stimulate new flights and jointly promote existing routes.

In tandem with our work in supporting new and existing access services, Tourism Ireland has been actively incentivising overseas tour operators to encourage them to include more Northern Ireland tourism inventory in the programmes they sell overseas, and so, stimulate incremental bednights to Northern Ireland. To date, up to 775 traditional and online tour operators are featuring Northern Ireland.

Tourism Ireland's programme of cooperative marketing with air and sea carriers and travel industry partners invested £7.8 million in joint marketing campaigns last year, leveraging significant commitment from the commercial sector.

The support of the tourism industry in Northern Ireland is also vital for future tourism growth. This year, Tourism Ireland will provide hundreds of promotional engagements for tourism enterprises and trade partners from Northern Ireland – to help them do business overseas and facilitate them to 'close the sale', particularly in the digital space.

Challenges and Opportunities

So, as you can see, the current trading environment is positive. But we cannot afford to be complacent. There are risks to our business which is so dependent on consumer confidence, investment by Government and the private sector, competitive pricing, sustainable air and sea access, and concerns over geo-political stability, among other factors.

Chairman, your Committee is enquiring into promoting the tourism industry through the tax system. As you will hear from my industry colleagues in Ireland and Northern Ireland, policy interventions by the Irish Government have included the reduction in VAT on tourism services from 13.5% to 9% and the zero rating of the Air Travel Tax.

Tourism Ireland is optimistic about the potential for growth to Northern Ireland in 2016, when we aim to increase overseas visitor numbers to Northern Ireland by a further +4%, to two million visitors – making it another record year, and the best year ever!

As for the future, Northern Ireland has targeted £1bn in spend from tourism by 2020. Tourism Ireland looks forward to playing its part in delivering the kind of economic benefit that will accrue across Northern Ireland from that level of growth and from a strong and vibrant tourism sector.

I want to compliment the Tourism Ireland team at home and around the globe for their magnificent work in promoting Northern Ireland overseas and I am pleased that the World Economic Forum in Switzerland has ranked Ireland 5th out of 141 countries in the world for tourism marketing effectiveness.

Chairman, I hope this introductory statement has given you a flavour of the work of Tourism Ireland and its role in growing tourism from overseas to the economic benefit of everyone in Northern Ireland.

Thank you.

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