



Tourism Ireland
SOAR
(Situation & Outlook Analysis Report)
September 2019

Royal Portrush, Co Antrim, Northern Ireland

1. Summary Headlines

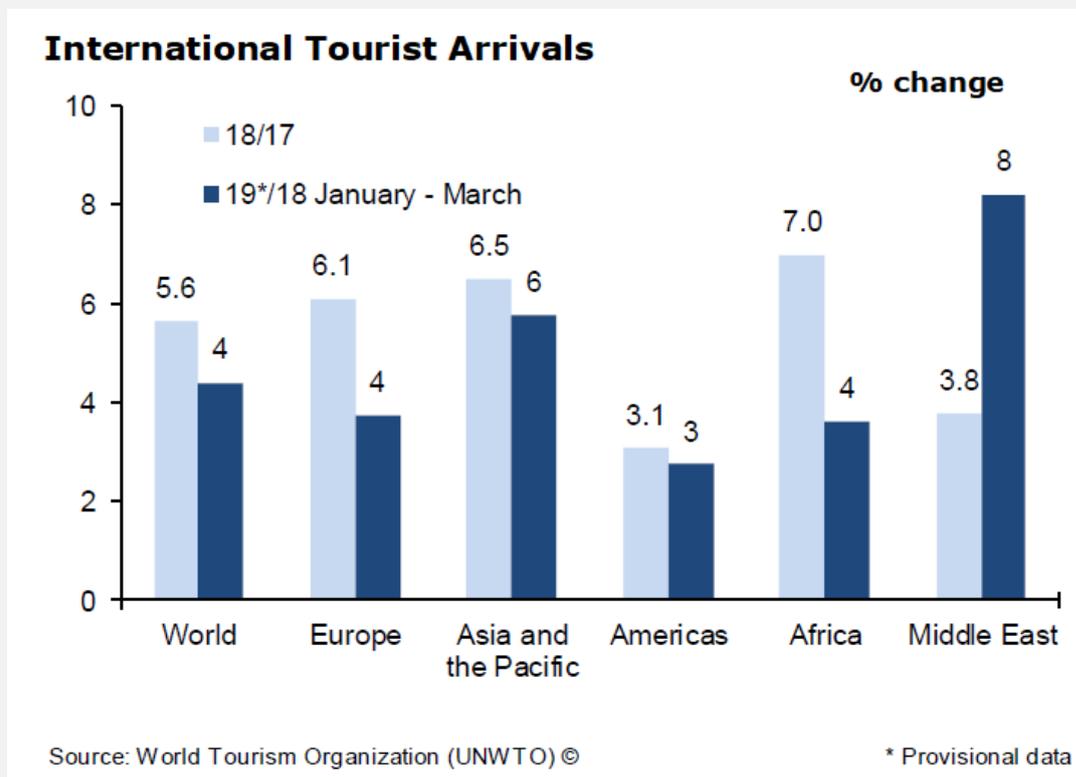
- The **outlook for the year ahead** remains very mixed. Sentiment among overseas market contacts and industry partners at home is much more subdued than earlier in the year. Global economic unease and the continuing uncertainty surrounding the UK's withdrawal from the EU remain key concerns. In addition, a late booking pattern has emerged, together with intensified price competition in some markets. Tourism Ireland continues to monitor the situation closely in consultation with industry partners and other stakeholders.
- Tourism Ireland's **Autumn promotional campaign** is under way in key markets to boost late-season holidays and tee up travel in 2020. The emphasis is on driving more business to the regions and less visited areas, in off-peak and shoulder season months. It highlights the many reasons to come here including festivals and events. The campaign also 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.
- **Latest figures from the CSO** show a very mixed performance, with overall visitor numbers to Ireland up +2% for the first half of 2019. Visitors from Britain were flat, Mainland Europe was +2%, North America was up +6% and emerging markets were up +7%. Revenue was flat overall for the first half of 2019, with spend by British and Mainland European visitors down by -4% respectively, while revenue from North America grew by +9%.
- **Figures from the Northern Ireland Statistics and Research Agency** (NISRA) for the first quarter of 2019 show that, while revenue from overseas visitors to Northern Ireland was down -7%, overseas visitor numbers grew by +8%, and holidaymakers by +28%. 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

The UNWTO’s latest World Tourism Barometer reports worldwide growth of +4% in international tourist arrivals for January-March 2019. This rate is in line with long term norms and comparable to the 2008-2018 average of +4% per year, though softer than the +6% increase seen in the past two years.

Europe saw +4% more international arrivals in Q1 2019, after its +6% growth last year. The Middle East saw growth of +8%, Asia & the Pacific +6%, Africa +4% and the Americas +3%.

According to the latest UNWTO Confidence Index Survey, confidence in global tourism performance has begun to improve again and the outlook for May-August 2019 is more optimistic than the preceding three periods.



3. External Travel Trends

Key Markets Economic and Travel Outlook

3.1 Overview

The European Travel Commission's (ETC) latest quarterly report, published in July, predicts that tourism in Europe will hold up this year, despite faltering global economic prospects. They anticipate that demand will increase over 2019; however, growth rates by destination will be slower than in previous years. They expect the region to struggle to remain resilient as trade tensions disrupt the global economy. While Europe's largest long-haul markets continue to support tourism growth, the contribution from intra-European demand will become even more significant.

A moderate slowdown in US GDP is expected to impact its outbound travel market, with growth in US visitor arrivals to Europe expected to grow at a softer rate, by an average of +3.9% annually over the next five-year period. Nevertheless, Europe continues to be an attractive destination for US holidaymakers, supported by a strong dollar against the euro and the pound.

In the Eurozone, solid domestic demand supports growth, while persistent downside risks continue to weigh on long-term development prospects. Following a solid performance in 2018 (+6%), international tourist arrivals to Europe are projected to grow +3.6% in 2019, a rate more in line with the annual historical average (2008-18).

Lower projections are associated with downside risks that remain in place: trade war impacts on the global economy, geopolitical tensions, growing concerns around unfolding Chinese economic slowdown, a potential US recession, Brexit, and persistent weakness in the Eurozone.

3.2 Economic Indicators

Great Britain

The British economy remains stagnant, with only the consumer showing any signs of momentum. Oxford Economics forecasts GDP growth of just +1.3% this year and +1.4% in 2020 but, despite the soft outlook, the British Monetary Policy Committee still shows no sign of cutting interest rates. Recent political developments have also increased the risk of a no-deal Brexit in October.

2019 GDP Forecast: +1.3% (down from +1.5%)

CP average 2019: +1.9% (no change)

Unemployment: 3.7% (down from 3.8%)

Exchange rate (€ / £): €1: £0.90 (up from £0.86)

USA

July has been a mixed bag for the US economy, with relative domestic resilience but increasing evidence of damage done by trade uncertainty. Business and trade activity remain under significant pressure from rising trade tensions with China, at the same time as solid labour market fundamentals continue to support consumer confidence and outlays.

2019 GDP Forecast: +2.3% (down from 2.6%)

CP average 2019: +1.7% (down from +1.9%)

Unemployment: 3.7% (no change)

Exchange rate (€ / \$): €1: \$1.11 (down from \$1.12)

Exchange rate (£ / \$): £1: \$1.23 (down from \$1.25)

France

GDP growth slowed to +0.2% in Q2 from +0.3% in Q1, significantly below Oxford Economics' expectation of +0.4%. Cautious consumers opted to save the income gains from the government's fiscal stimulus measures, and net trade also proved a drag. Looking ahead, household spending looks set to grow as consumer confidence keeps rising. However, it is unlikely that the export outlook will brighten any time soon, which is also weighing on business sentiment. Overall, Oxford Economics has lowered its GDP growth forecasts a notch, to +1.3% this year and +1.4% for 2020.

2019 GDP Forecast: +1.3% (down from 1.4%)

CP average 2019: +1.2% (no change)

Unemployment: 8.4% (down from 8.8%)

Exchange rate (€ / £): €1: £0.89 (down from £0.90)

Germany

Weak external demand and elevated trade uncertainty continue to take their toll on German industry, with latest surveys suggesting a risk that the industrial recession will persist in Q3. Combined with a cut to the global trade view and emerging signs of spill-overs into domestic demand, this has led to a further revision of Oxford Economics GDP forecasts, which now forecast growth of +0.8% in 2019 and +1.3% in 2020, down from +0.9% and +1.5% in June.

2019 GDP Forecast: +0.8% (down from +0.9%)

CP average 2019: +1.4% (down from 1.5%)

Unemployment: 5.0% (no change)

Exchange rate (€ / £): €1: £0.89 (down from £0.90)

Source: Oxford Economics Briefing & August reports 2019

3.3 Travel Trends in Key Markets

Great Britain

Latest data from the British Office of National Statistics (ONS) shows that outbound travel saw zero growth in the March-May period this year, with UK residents making 17.1 million visits abroad in those three months. Spend increased by +1% when compared with March-May last year (£10.4 billion). Inbound tourism saw a decline however, with a decrease of -5% recorded between March-May (9.4 million visits), with spend by overseas residents declining by -7% (£5.3 billion). While there was an increase of +2% in outbound visits to Europe (13.6 million), visits to North America declined by -21% and visits to other markets dropped by -4%. New research in the market reflects this reported slowdown in outbound travel with a study by *KPMG UK* reporting that 10% of British holidaymakers have not taken an overseas holiday this year because of Brexit related uncertainties. Latest data published by the holiday comparison website *TravelSupermarket* reveals that the unpredictability of the pound's value is pushing British holidaymakers to choose non-eurozone countries and all-inclusive breaks in destinations such as Turkey and Tunisia.

North America and Australia

The US: Outbound travel from the US continues to grow, with a positive pipeline of advance bookings. The Consumer Confidence Index rebounded in July, despite the ongoing trade tensions with China, and this is expected to support outbound travel growth. Traffic from the USA to Europe was +9.7% for Q1 2019, with Istanbul, Budapest and Dubrovnik seeing high demand. Visitors from North America to Britain increased by +10% between March-May according to Britain's ONS. Delta Airlines recently received Department of Transport and EU approval for the unification of their existing strategic transatlantic arrangements between Virgin, Air France and KLM.

Canada: Outbound travel remains strong from Canada, with high consumer confidence in the market. Research by the Conference Board of Canada reports that there were more than 1.8 million Canadian arrivals in European destinations in the first five months of 2019, representing growth of +5% year-on-year. Toronto Pearson airport has seen international passenger traffic grow by +4% to 600,000 passengers from January to June this year. Portugal, the Baltic region and Croatia are doing well from Canada, with Iceland, Sweden and Romania seeing declines.

Australia: Outbound travel continues to grow, though at a slower pace. Latest data from the *Australia Bureau of Statistics (ABS)* for June 2019 shows growth of +3% for outbound passenger travel when compared with June 2018. Sydney Airport saw growth of +2% in international passengers for the January-June 2019 period. Melbourne Airport also saw growth in international passenger numbers, with an increase of +5%, though this growth was at a slower pace than last year, reportedly due to the impact of a weaker Australian dollar.

Mainland Europe

Germany: Outbound travel from Germany is growing slightly this year, with the market expected to spend 408 million days on excursions and trips in 2019 (+1%) according to the current *Tourism Index of the Federal Association of the German Tourism Industry (BTW)*. While the climate debate continues to raise awareness of and demand for more sustainable travel, it has not yet had a notable impact on German appetite for air travel. Lufthansa will launch seven new long-haul routes from Germany, beginning this winter. Passenger traffic at Frankfurt Airport grew by +3% in the first seven months of the year. While Spain is still the number one outbound destination from the market, it has seen a decline in German visitors this year. Italy, Austria, Scandinavia and Greece are proving popular with German holidaymakers, and Turkey has seen a strong recovery from recent declines, following a major promotional push.

France: Outbound travel remains strong in France with demand for North African destinations continuing its upward trend. There has been significant growth in bookings to Morocco, Tunisia, Egypt and Turkey, with a decline in demand for Spain, Portugal, Greece and Italy. The increased competition from cheaper Asian and North African destinations is forcing prices for group travel down in the market. Domestic tourism has also grown significantly in France this year, with the good weather keeping French holidaymakers at home.

Spain: Outbound travel saw a strong start to the year in Spain, with a recent report by *Instituto Nacional de Estadísticas* showing a +10% increase in overseas trips for the first three months of 2019. Recent months have been more subdued, however. National and international political uncertainty is affecting consumer confidence and affecting demand in the travel sector. While traditional tour operator and retail business is seeing a decline, digital booking platforms are seeing their market share expand. Demand for non-traditional markets such as Eastern European countries is growing. The growing trend for late booking means that price competitiveness is an increasing priority for outbound holidaymakers in Spain.

Italy: Outbound travel from Italy remains strong on the back of a fairly positive domestic economy. *Assoaeroporti* reports that total passenger traffic at Italian airports was up +6% in June. Research by the *Assoturismo Confesercenti* reveals that Italians were slower to travel this year due to bad weather, which resulted in a poor performance for May and June, and a shortening of the season. The same report forecasts slightly longer holidays in 2019, but with zero growth in spend. Consumer confidence is high in the Italian market, with *Federturismo* estimating that 20 million Italians would travel in August alone, 6 million of these going abroad. Online operators are increasing their share of the market, with traditional tour operators seeing declines in business.

BeNe: Outbound travel remains strong in Belgium and The Netherlands. Tech savvy Dutch holidaymakers are trending well ahead of their neighbours in terms of online bookings, with more than 80% of all trips abroad currently booked online in the Netherlands, according to a report by *ANVR*. "Flying shame" remains a topical issue in the market, with Dutch national carrier KLM recently launching a new campaign to urge customers to consider flying less.

The Nordics: Demand for outbound travel remains strong in the Nordics, despite a rise in environmental awareness. The Nordics remain high frequency travellers with outbound overseas trips per year in excess of 44.7 million. Annual spend on international tourism by Nordic countries is \$47.2BN – the highest of all European markets, after Germany. In the first half of 2019, Danish visitors to Germany increased by +10%, while visits to Spain decreased by -6% yoy. Staycations and overland rail travel are proving popular in the Swedish market, with its national train operator, SJ, reporting a +34% increase in ticket sales for Summer 2019 when compared to last year’s record passenger numbers of more than 32 million. Swedavia AB, which operates 10 Swedish airports, has reported YoY passenger numbers drop for seven consecutive months. Last year, Sweden had its weakest overall growth in air passenger numbers in a decade. Scotland remains a popular competitor in the market with demand reportedly stimulated by the weakening currency and a sense of urgency associated with the UK leaving the EU.

Emerging Markets

China: As its economy expands, outbound travel from China continues to grow, with an increase of +4% in Q2 this year, according to the *European Travel Commission’s* latest report. This comes on the back of Chinese tourists making 149 million overseas trips and spending \$130 billion in 2018, according to a report released by the *China Tourism Academy*. Recent demonstrations in Hong Kong have had a dampening effect on tourism in the city. China is fast becoming the world’s busiest aviation hub and Daxing, its newest airport - which is due to open in the coming months - will be able to process more than 100 million passengers per year.

The UAE: Qatar's Hamad International Airport has had a record breaking Q2 this year, with 9.38 million passengers passing through the airport, a +18.9% increase on Q2 2018. Access between GB and the Middle East is growing with Etihad Airways expanding its service from Abu Dhabi to London Heathrow - the airline is adding a fourth daily year-round service from 27 October 2019. The island of Ireland has reportedly benefited from the high temperatures in Europe this summer, with increased demand for the island as a cooler alternative destination for the Eid Al Adha holiday.

India: The outbound MICE tourism market in India continues to grow in value and volume and is expected to reach US\$9 billion by 2025. The country is expected to generate more than 2 million outbound MICE tourists in 2020, according to organisers of the *MICE India and Luxury Travel Congress*. Demand for the island of Ireland is growing in the sector, with strong results so far this year. Outbound travel for events is also growing and the recent ICC Cricket World Cup in Britain helped to stimulate demand for trips to the British Isles.

4. Market Intelligence

4.1 Arrivals and Visitors

Preliminary Estimates

Overseas Arrivals & Holidaymakers - Ireland 2019				
Origins	Ireland Direct Arrivals January-July 2019		Ireland Holidaymakers Jan-June 2019	
		%YoY		%YoY
Total	6,203,600	+2.8%	2,314,000	+2%
Great Britain	2,149,800	+0.5%	611,000	-3%
Mainland Europe	2,254,500	+2.2%	930,000	-1%
North America	1,404,700	+6.4%	637,000	+9%
Rest of World	394,400	+7.1%	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 July 2019 indicate that overseas arrivals (which includes transfers and day visitors as well as overnights) increased by +2.8%. The figures indicate a very mixed picture, with a decline of -0.5% overall for the month of July alone. North America's strong growth pattern stalled in July with a decline of -2.7%, while Mainland Europe dropped by -0.7%. Great Britain saw modest growth of +0.6% for the month, while Emerging Markets were up +4.1%. Feedback from industry partners on the ground suggests weaker demand and a late booking pattern, with concern being expressed for the remainder of 2019.

In terms of overseas holidaymaker performance, 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%. Holidaymaker revenue from overseas visitors 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 +3% from Emerging Markets.

4.2 Air and Sea Connectivity

Air Access Seat Capacity Estimates	Summer 2019 vs. Summer 2018			
	YOY % Change	Ireland	NI	Island of Ireland
Great Britain		NC	+1%	NC
Mainland Europe		+5%	NC	+5%
North America**		NC	-100%	-1%
Rest of World		+15%	NA	+15%
Overall		+3%	NC	+2.5%

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

While air access in summer 2019 season was positive overall (+2.5%), it was not as strong as the +5% originally forecast early in the year. The fallout from the grounding of the Boeing 737 MAX aircraft continues, though Boeing aims for a return to service in Q4. The winter access picture remains on par with last year with no growth forecast.

Norwegian Airlines has discontinued all transatlantic routes from September 2019, partly due to the grounding of the 737 MAX aircraft, while also citing profitability of the routes. This affects three of our North American routes from Hamilton, Providence and Stewart Airports and accounted for 4,277 seats per week in summer or 7% of all North American air access.

Hainan Airlines has suspended direct routes from Beijing and Shenzhen, which accounted for 1,156 seats per week in summer and 426 seats in winter.

Access from the Nordics will expand for Winter 19/20 with Finnair set to increase frequency on the Helsinki-Dublin route, providing an additional 400 seats per week, effective from October 31st.

4.3 Total Passenger Numbers

	Total Pax 2018*	% change 2018	July 2019	Aug 2019
ROI sea passengers	3m	-2%	-1%	-5%
NI sea passengers	2.1m	-1%	+1%	0%
Dublin Airport	31.5m	+6%	+4%	+6%
Shannon Airport	1.9m	+6%	-10%	-9%
Cork Airport	2.4m	+4%	+8%	+10%
Ireland West Airport Knock	0.8m	+3%	+1%	+4%
All ROI Airports	36.2m	+6%	+4%	n/a
Belfast International Airport	6.3m	+7%	-6%	-5%
Belfast City Airport	2.5m	-2%	+3%	0%
City of Derry Airport	0.2m	-4%	+5%	n/a
All NI Airports	9m	+4%	-3%	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 +4% was recorded at airports in Ireland for the month of July 2019. Complete data for August is yet to be published. Sea passenger numbers to and from Ireland declined by -5% YOY for the month of August. Latest published sea passengers to and from Northern Ireland for the month of August 2019 were on par with the same month last year (0% growth). Note: passenger numbers do not necessarily reflect inbound tourism patterns.

4.4 Accommodation

Hotel accommodation data estimates

Hotel Accommodation January - July 2019					
	Occupancy		Room Sales	ADR	
	%	% change v 2018	%	Average Daily Rate	% change v 2018
Island of Ireland	76.5%	-0.9%	+1.8%	€124.22	-0.0%
Northern Ireland	70.8%	-4.4%	+3.9%	£78.77	-0.3%
Ireland	77.5%	-0.3%	+1.6%	€129.28	+0.1%
Scotland	74.8%	-0.8%	+2.8%	£79.58	-2.1%
England	76.5%	+0.0%	+2.3%	£92.12	+1.2%

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. Between January and July this year, hotels across Ireland saw room sales increase by +1.8% for the period. The Average Daily Rate was on par with the same period last year (0% growth), with occupancy showing a slight decline on the same period last year (-0.9%).

In the January to July period, Northern Ireland saw increases of +3.9% in room sales. However, the increase in hotel capacity in Northern Ireland resulted in reduced occupancy (-4.4%) and Average Daily Rate (-0.3%).

Latest data published by Tourism Northern Ireland for January-June 2019 shows that more than 2 million bed-spaces were sold in hotels, guest houses, guest accommodation and B&Bs during this period, an increase of +6% on January-June 2018. Hotels sold more than 1.8 million bed-spaces, and there were 198,800 rooms and 354,800 bed-spaces sold in guesthouse, guest accommodation and B&Bs.

4.5 Island of Ireland Industry Feedback

Barometer	What they said ...
<p>Mixed</p> 	<p>Accommodation providers and Restaurants</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 generally positive.</p> <p>In Ireland, hoteliers are cautious following a softening in occupancy, room rates and room sales. Concerns about the impact of the VAT hike persist and properties in the border region, in particular, remain uneasy about the potential impact of Brexit. Feedback from the self-catering and B&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>Air and sea carriers</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 modest mood overall.</p> <p>Sea carrier feedback is also cautious, with significant competitive pressures in the market. Main concerns relate to declining yields in the sector and the potential impact of the UK's proposed withdrawal from the EU. While promotions earlier in the year delivered good results for a major carrier, latest indications currently suggest a softening in business for the rest of the year.</p>
<p>Mixed</p> 	<p>Attractions</p> <p>Feedback from attractions across Ireland remains mixed. While some saw a strong first half performance, there was some softening experienced in recent weeks. Partners are expressing caution in their outlook for the coming months.</p> <p>Sources in Northern Ireland saw a good performance in the first half of the year, particularly from overseas visitors. Recent weeks have been softer, however. While stronger markets are still compensating for slower ones, partners are cautious as the rest of the year unfolds.</p>
<p>Mixed</p> 	<p>Tour Operators</p> <p>Mixed sentiment persists among tour operator partners in all markets. Both margins and booked passengers are down, and a late booking trend persists. 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, August 2019

4.6 Tourism Ireland Market Outlook

Great Britain

Outlook from the British market is more subdued than it has been in recent months, with the travel industry feeling the effects of a turbulent political landscape and continuing Brexit-related uncertainty. Tourism Ireland's Britain-based Brexit Taskforce is closely monitoring developments, and the next meeting to review our collaborative action plans will take place in early October. Partners are reporting a soft and unpredictable market and a late booking trend.

North America and Australia

The US: Feedback from Tour Operator partners remains positive overall though sales performance is less buoyant in some sectors of the market than others. Sentiment in the escorted tours market is mixed to flat for the season; the FIT sector is also seeing a slowdown. While the legacy air carriers remain positive, Norwegian Airline's decision to discontinue its services to Ireland from mid-September has been greeted by disappointment in the industry.

Canada: Outlook remains positive from Canada, with continued steady growth predicted. Carrier and operator partners report good demand for the island of Ireland. Golf trips remain popular this year and into 2020, with The Open in Northern Ireland reportedly having a very positive impact.

Australia: The outlook from the Australian market remains somewhat mixed, reflecting the uncertain local environment. Airline partners report a good performance to the island this year, though with a shorter lead time on bookings. While some local trade partners saw a flat Q2 for forward bookings, a more positive trend is evident for the remainder of 2019 and into 2020.

Mainland Europe

Germany: This year started out very slowly, and while there were some positive signs in the early summer, it is clear now that Brexit-related uncertainty continues to have an adverse effect on both trade confidence and consumer sentiment. Growing fears of a recession in Germany, combined with Brexit, are having a dampening effect on booking patterns for the rest of the year. It is likely that bookings will remain on par with last year, at best.

France: Outlook for travel to the island of Ireland from France is mixed. Some operators are seeing significant declines, particularly in the groups sector, while others are seeing good growth. Air carriers are more positive, while the outlook from sea carriers is less buoyant.

Spain: A mixed outlook for travel to the island for the remainder of the year. While Online Tour Operators are seeing good results and remain positive, more traditional operators are seeing a slowdown in sales. There is also some concern in the market about the impact of the withdrawal of Ethiopian Airlines' daily Madrid Dublin flight which will cease operation on October 31st. Northern Ireland is seeing good

growth from Spain this year and partners are confident that this will continue into the winter season.

Italy: Outlook from Italy is mixed on the back of a varied first half performance, with expectations for a softer season overall.

BeNe: The outlook for travel to the island of Ireland is subdued. Sentiment among market partners is less confident in recent months, with rising costs, Brexit-related unease and the impact of the VAT hike in Ireland causing concern.

The Nordics: Outlook remains positive from Nordic markets. Air carriers and travel trade partners are reporting good bookings to the island this year, though challenges associated with securing accommodation in main tourism centres remain an issue for some group operators. Consumer sentiment towards the island of Ireland continues to be positive despite some general concern about the impact of the UK leaving the EU. Access developments are expected to have a positive effect on demand for the island as the rest of the year plays out. New airline Great Dane began operating a route from Aalborg (Denmark) to Dublin in June and Ryanair will launch Billund (Denmark) to Dublin in October. Finnair will increase its winter capacity by 400 seats per week on its Helsinki-Dublin route. Overall, air access from the Nordics remains steady for the second half of the year.

Emerging Markets

China: Island of Ireland packages performed well especially with family group travellers in the peak. A Chinese celebrity wedding here helped to stimulate interest and demand, and operators are developing themed itineraries based on the high-profile event. There is disappointment in the market over suspension of services from China.

The UAE: Local travel partner sentiment is positive with expectations for further growth, though delays with Irish visa processing are causing concern for local operators. Tourism Ireland and Visit Britain are hosting a joint Luxury Sales Mission in the UAE in October, to stimulate business in this sector in 2020 and beyond.

India: The British Irish Visa Scheme continues to have a positive effect and is reportedly helping to boost bookings to the island of Ireland. Demand for both group travel and individual trips have been strong from India this year, with the trend set to continue. Capacity and pricing developments in the market are expected to have a positive effect, with airfares to Europe and the Americas forecast to drop by 10%-15% as a result of Pakistan's recently reopened airspace. Air France-KLM is increasing its capacity between India and Europe by more than +25% from winter 2019.

5. Conclusion

The outlook for the rest of the year is somewhat muted. Sentiment among overseas market contacts and industry partners at home is generally much more subdued than earlier in the year. 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.

Tourism Ireland's Autumn promotional campaign has kicked off in major markets helping to boost off-season travel and stimulate demand for holidays to the island to the end of the year. The campaign 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.

Brexit remains an ongoing challenge for tourism on the island, giving rise to consumer concern, particularly in Britain and some Mainland European countries. 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 and Tourism Ireland's autumn campaign in Britain and other markets has a major focus on attractive offers, good value fares and packages.

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.