

Press Release

Thursday, January 27th 2011

Tourism Industry calls for a new Direction

Tourism in Ireland is in crisis following the collapse of overseas demand over the past 2 years. Urgent action is needed if the industry is to recover.

So says a major turnaround plan for tourism which was launched today by a national coalition of business interests led by the Irish Tourist Industry Confederation (ITIC) and the Irish Hotels Federation and including, IBEC, Chambers Ireland and the IFA.

Called, *Tourism Opportunity – driving economic renewal*, the report was prepared by Tourism and Transport Consult International and Jim Power Economics, working with a group of industry practitioners. “Despite the setback, further meltdown can be avoided”, according to Eamonn McKeon, Chief Executive of ITIC, “and tourism can recover to become a major engine of Irish economic growth if the 10 objectives laid out in the report are pursued. But growth”, he went on, “will have to come from our principal overseas markets since the level of demand from the domestic market is likely to be muted for some time.”

Also speaking at the launch Paul Gallagher, President of the Irish Hotels Federation, said that “this industry led plan proposes a bold series of actions, which if followed, can by 2015 sustain 180,000 jobs and create over 20,000 new jobs whilst generating some €6.2 billion revenue for the economy. But we must be bold,” he went on, “and set targets that are well beyond the consensus growth rates forecast for tourism within Europe over the coming years.”

The industry 10 point plan for urgent action includes:

1. Recover Ireland’s damaged reputation around the world

An intensive, co-ordinated campaign to promote brand Ireland, involving the Government, state agencies, high profile personalities from business, the arts and sports

2. Re-launch Ireland as a tourism destination

Working in conjunction with other sectors of the economy develop a new brand Ireland identity to boost the country’s image and awareness abroad

3. Capitalise on quality and value as Ireland regains competitiveness

The industry is offering good value for money to today’s more value-conscious customer. Restoring competitiveness already underway will require that the cost burden of public sector charges be reduced and the review of employment agreements are urgently finalised

4. Focus on winning a larger share of top overseas markets at a time of little growth in domestic demand

Urgent need to recover British market and increase penetration of top producing markets – USA, Germany and France – by setting more ambitious targets

5. Get the marketing right:

- Urgent review of the ‘messaging’ and channels needed
- Aim to be world class in e-marketing
- Harness the Irish Diaspora
- Better leveraging of traditional trade distributors for ‘quick wins’
- More joined-up planning with carriers
- Strengthen research and development appropriate to evolving consumer needs

6. Sell to our strengths:

- Ireland for its heritage, culture, activity holidays and the unique appeal of the West of Ireland
- Boost the promotion of Dublin as an international gateway and increasingly popular city destination
- Create a more ambitious programme of events
- Increase Ireland’s share of the international conference, meetings and incentive travel markets

A Commitment to Make it Happen

7. Industry-led Tourism Recovery Task Force

Establish immediately to work with state tourism agencies to design and monitor a Turnaround Implementation Plan

8. Re-engineer tourism agency structures

Recognising the value of an all-island approach to marketing, the industry calls for a root and branch reform to improve synergies, reduce complexity, improve flexibility, deliver greater efficiencies and increase spending on frontline marketing

9. Introduce a business loan guarantee scheme

Credit is vitally important to the sector. Lack of credit availability is seriously threatening business viability and investment in physical and service quality

10. Establish a high level inter-departmental working group

Work with the Irish Hotels Federation (IHF) to address hotel oversupply and related issues to ensure sustainability of this vitally important accommodation sector

Full details of the Plan are available at www.tourismopportunity.ie



- ENDS -

For further information contact:

Michael Keane, Insight Consultants: 086-8244500
Eamonn McKeon, Chief Executive, ITIC: 087-2564630
Paul Gallagher, President, Irish Hotels Federation: 087-6175698
Siobhan Molloy, Weber Shandwick: 086-8175066

Notes to Editors:

- 5.6 million overseas visitors are estimated to have arrived in 2010, down from 6.5 million in 2009, and 2.2 million down from the 7.7 million arrivals in 2007.
- Revenue from overseas visitors in 2010 is estimated to have dropped by about €600 million to €3.3 billion. This represents a drop of about one third, or €1.7 billion, from the peak revenue year of 2007 when €4.9 billion total foreign exchange earnings were generated.
- Domestic visits in 2010 showed just a marginal drop on the previous year, while domestic revenue is thought to have contracted by about 10% to €1.3 billion.
- Total tourism revenue for 2010 (overseas plus domestic) generated revenues of €4.6 billion while supporting 180,000 jobs.
- There was a welcome shift in 2010 to more positive ratings of the value for money being offered to British and North American visitors, as tracked by Fáilte Ireland's Visitor Attitude Survey.
- The most serious market reversal of the last 3 years has been from Britain, where 1.3 million fewer visitors came in 2010 than travelled in 2007. Even more starkly, the number of British people coming here solely for a holiday or a short leisure trip has collapsed from 1.8 million in 2007 to less than 1 million in 2010, a decline of almost 50%.
- It is estimated that the Irish tourism industry is made up of about 15,000 businesses, mostly micro, small and medium sized.