

# Tourism Manifesto

Supporting Ireland's largest  
indigenous industry and  
biggest regional employer

ELECTION 2020





With a General Election called the Irish Tourism Industry Confederation (ITIC) – representing the leading tourism businesses and stakeholders across the country – call for the industry to be supported by all political parties, competitiveness measures to be improved, and appropriate state investment to be committed to the sector.

Tourism was worth €9.3 billion to the Irish economy in 2019 and over €2 billion was returned to the exchequer in direct tourism related taxes. 265,000 people are employed by the industry and nearly 10 million international visitors came to our shores last year.

Tourism in Ireland suffered significantly from the global financial crisis and economic crash a decade ago but recovered quicker than other sectors. The then Government saw the potential of the Irish tourism industry and introduced pro-tourism policies such as a reduced VAT rate and the suspension of the Airport Departure Tax. The tourism industry delivered jobs and growth nationwide at a pace far quicker than other sectors. Tourism is now at a key juncture though and 2019 has proven a more challenging year with estimates indicating revenue down 1% with regional Ireland hit hardest. Brexit, weakened demand and increased costs of business have all impacted the Irish tourism industry.

ITIC's 2025 Strategy sets out a clear roadmap whereby, given right enabling policies, the Irish tourism industry can deliver 65% growth in an environmentally sound manner with 80,000 more jobs nationwide: that is the size of the prize for regions, community, industry and the exchequer.

The incoming Government must support and safeguard the Irish tourism industry through appropriate taxation and expenditure measures as well as correct pro-tourism business policies as outlined below.

## Taxation Measures

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### 1 Tourism VAT rate

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### 2 Addressing insurance hikes

The cost of insurance for tourism and hospitality business has soared and businesses have been hit hard. The judicial council must be set up without delay, a new book of quantum determined, more transparency provided on how premiums are collated and cases settled, and a Garda Fraud Unit established.

### 3 Managing business costs

Ireland's competitiveness has been eroded in recent years. Tourism comprises 20,000 SMEs and increasing costs to business by central and local Government impose regulatory administration as well as heightened input costs thereby damaging competitiveness. While climate change must be addressed an increased carbon tax is not the sole solution. Policy can drive change through positive incentives for business and encouraging off-setting of carbon emissions. The Airport Departure Tax must remain suspended to support aviation access to Ireland, an island destination.



## Investment Measures

The marketing of Ireland has been under-resourced for a number of years and destination marketing budgets need to be increased so that Ireland's profile as a holiday destination is elevated and enhanced worldwide.

### 1 Increase current investment in tourism

Currently the state invests €186 million per annum in tourism and receives €2.1 billion back in direct tourism related taxes, a return of 11.4 to 1 for the Exchequer. There is no better sector to invest in to generate a return for Government and to provide balanced regional development. International tourism marketing funds must be increased now to support market diversification in the context of Brexit and drive untapped demand from core overseas markets. Under-investment has decreased Ireland's share of voice in a crowded International market place. ITIC calls on an immediate €20 million increase in current investment.

### 2 A doubling of capital funds

The Irish tourism industry – hotels, airlines, attractions and many others – are investing €2.5 billion over the next 3 years alone in new product development. Yet in the current National Development Plan (2018-2027) the State is only committing €300 million over a 10 year period in capital investment to tourism. This is well shy of what it should be and ITIC is calling for this to be doubled. This would allow investment in attractors of scale and international appeal around the country such as a coast to coast greenway, a flagship attraction in regional Ireland, a gala dinner venue for conferences, and an Eden style environmental tourism project in the Midlands. New tourism product drives demand and keeps Ireland fresh and dynamic as a holiday destination.

### 3 A Brexit fund for industry

Tourism is the only export sector not to receive a Brexit fund for industry. The impact of Brexit has been felt widely within the industry in 2019. Although a "no deal Brexit" has been averted in the short term this may well still come to pass by year end. Grants should be made available to tourism businesses to mitigate against Brexit and diversify to new markets. Furthermore the "no deal" Brexit fund in the last budget should be released now to mitigate against the impact, already keenly felt in Irish tourism, of our largest source market leaving the EU.

**11.4:1** 

## Tourism Policies Needed

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Tourism must get improved cabinet recognition as a key economic sector of the country, tourism agencies and industry must work closely together, visas should be provided for non-EU workers to fill labour gaps, and the quality of the Irish tourism product must be supported at all times including an exemption for bona fide self-catering holiday homes from restrictive short-term housing legislation.

## Tourism: Ireland's great regional jobs provider

Irish tourism is Ireland's largest indigenous industry and biggest regional employer with 265,000 jobs nationwide. The sector is vitally important to Ireland nationally and regionally and the incoming Government must acknowledge this and act accordingly. Certain enabling policies for tourism success have been withdrawn recently and new policies must be adopted to allow industry to manage a more turbulent period ahead.

The Irish Tourism Industry Confederation (ITIC) calls on all political parties to adopt this tourism manifesto and support a key part of the Irish economy and community.

## ABOUT ITIC

**The Irish Tourism Industry Confederation (ITIC) represents the leading tourism interests and businesses throughout the Republic of Ireland. Through independent research, analysis and interpretation ITIC aims to help the tourism sector realise its full potential.**

## MEMBERS

Aer Lingus  
AIPCO  
(Association of Irish Professional  
Conference Organisers)  
AVEA  
(Association of Visitor  
Experiences & Attractions)  
B&B Ireland  
Car Rental Council of Ireland  
CIE Tours International  
Coach Tourism & Transport Council  
Convention Centre Dublin  
Dublin Airport Authority

Dublin Institute of Technology  
Dublin Port Company  
Emirates  
Fáilte Ireland (Associate Member)  
Guinness Storehouse  
Heritage Island  
House of Waterford Crystal  
Incoming Tour Operators  
Association-Ireland  
Inland Fisheries Ireland  
Ireland's Blue Book  
Irish Boat Rental Association  
Irish Caravan & Camping Council

Irish Ferries  
Irish Heritage Trust  
Irish Hotels Federation  
Irish Self Catering Federation  
Jameson Visitor Centres  
Kildare Village  
Killarney Tourism  
Office of Public Works  
Restaurants Association of Ireland  
Shannon Group plc  
Stena Line  
Tourism Ireland (Associate Member)  
Vintners' Federation of Ireland

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