

Press Release

Monday, December 30th 2013

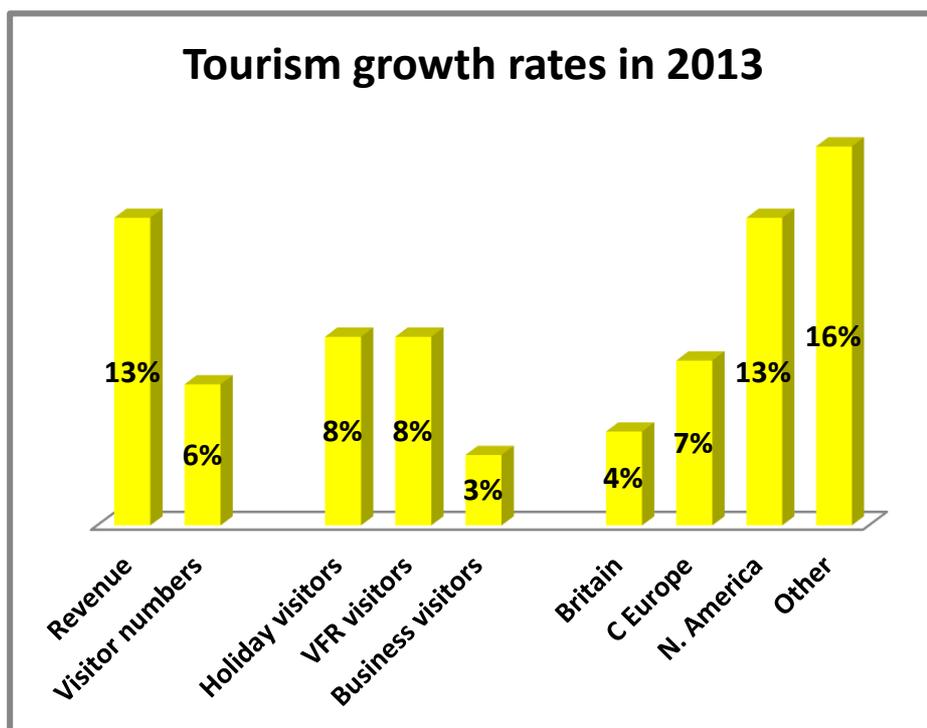
Strong performance from major markets delivers 7 million visitors in 2013, with promise of more to come.

Industry more bullish than at any time in last five years

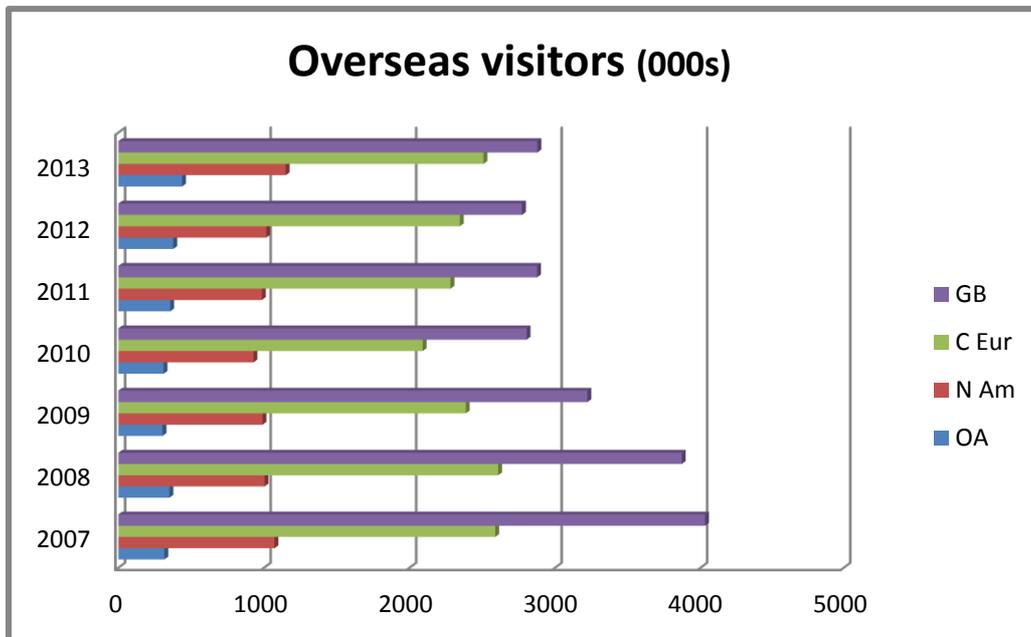
British market grew for first time in five years

In its Year End Review 2013 and Outlook for 2014 the Irish Tourist Industry Confederation (ITIC) says that recovery has taken hold in tourism and that prospects for continued growth are encouraging.

Almost 7 million overseas visitors injected over €4 billion into the economy in 2013, the best year for the tourism industry since 2009 with growth in demand from all source markets. The marked upturn for hospitality businesses created 15,000 new jobs over the past 24 months. The success, thanks to a more competitive offering by businesses, was boosted by The Gathering which attracted large numbers for the year long programme of festivities. The growth in visitors against the background of uncertainty surrounding the global economy and the challenging trading environment augurs well for further growth in 2014, with the industry more bullish now than at any time over the past 5 years.

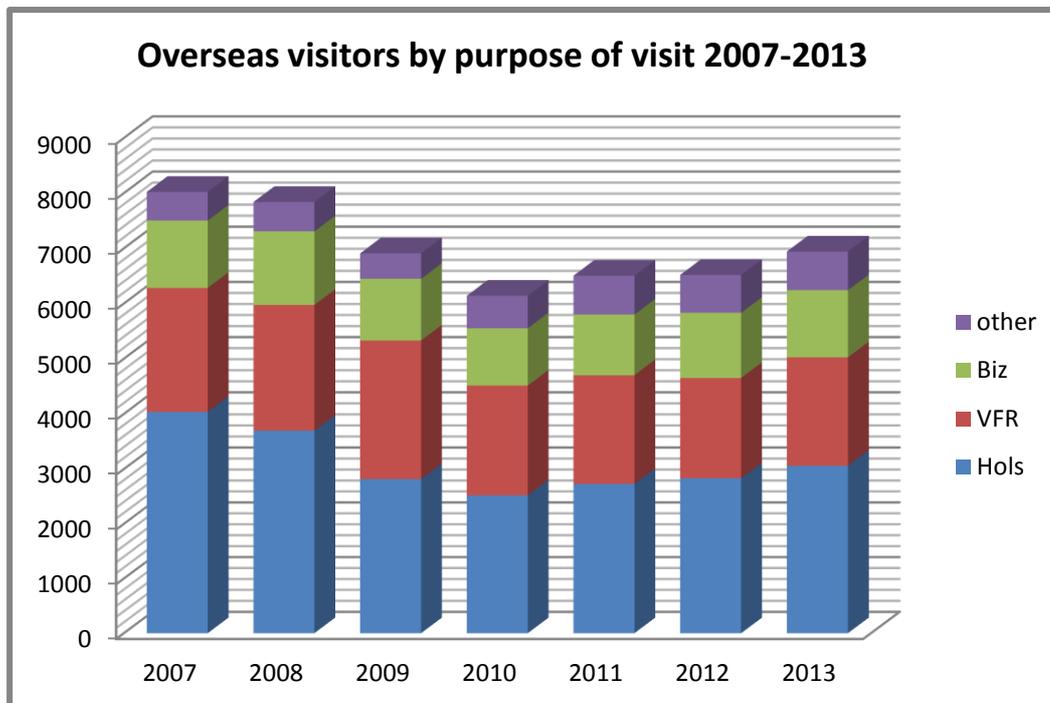


Ireland welcomed a record over 1 million American visitors, while visits from Britain grew for the first time in over 5 years to 2.9 million, with 2.5 million visitors from mainland Europe and over 400,000 from further afield. More significant than the growth in volume has been the level of increase in revenue as tourists spent more and stayed longer. Furthermore, the results indicate that Ireland has begun to reverse its market share decline in several source markets.



On the domestic front some buoyancy began to appear as consumer confidence showed signs of improvement with demand for short breaks picking up although at a relatively slow rate of increase.

“2013 was a year of solid achievement for the tourism industry,” according to ITIC’s Chairman Paul Carty. “Not only did we see a very welcome increase in tourism earnings and numbers, but significant progress was made in setting up conditions for the continued expansion of the sector. Government support for the sector was very positive with the continuation of the reduced rate of VAT on tourism services, the suspension of the Air Travel Tax, together with other supports for job creation, as well as facilitating visa entry for visitors from many emerging markets. The Tourism Recovery Taskforce, an ITIC led initiative, worked with the state agencies to produce a turnaround plan for the British market as well as setting out new marketing strategies for the other principal source markets. The industry is committed to growth and is investing heavily in renewing the product and in marketing Ireland around the world”.



(Biz = Business / VFR = Visiting Friends & Relatives / Hols = Holiday)

ITIC is quietly confident that conditions are right for further growth in 2014, although the year will not be without its challenges. Early indications from trade partners in the marketplace are positive, while there are exciting new opportunities in several markets with increased airlift. The Wild Atlantic Way provides a major boost to the appeal of Ireland. Businesses in the sector are planning for refreshing the product and preparing for the expansion of capacity, particularly in high demand tourism areas, including Dublin, Kerry and Galway.

Remaining competitive is the greatest challenge. Tourism paid a high price for the loss of competitiveness in the latter part of the last decade, with most cost inflation outside of its control. Despite low inflation, some easement of labour rate increases and cost absorption by businesses, Ireland still struggles to remain competitive within the cohort of European destinations. With the upturn in demand Ireland urgently needs to reassess, and provide for, the level of investment necessary to allow tourism to cater to sustainable growth from overseas and domestic tourism. Now that Ireland has exited the 'bail out' and the Government plans for economic growth between 2014 and 2020, the tourism industry needs a fully functioning banking sector to facilitate the investments necessary to deliver innovation, a refreshed tourism experience and expanded capacity to cater to new demand.

The Tourism Policy Review being undertaken by the Minister, while long overdue, is both opportune and timely. A new whole-of-Government approach to tourism, working with business, is essential to provide a framework for sustainable growth of this important indigenous export sector. A new policy underpinning a fresh business development strategy can deliver economic growth with more sustainable businesses, more jobs and increased revenue for the Exchequer. ITIC's position is that the new tourism policy needs to be robustly evidence based, responsive to international market trends, coordinated across the whole of Government, and transparent and consistent in its implementation. ITIC looks forward to the opportunity of working with the Minister in shaping a new policy framework for the industry and, following its publication, to partnering with the Department and the state agencies in producing a new forward looking agenda and strategic business development plan for tourism.

“Tourism, as an indigenous sector composed of thousands of SMEs throughout the country and strong linkages to the agri-food sector, is well placed to deliver growth in export earnings, new jobs and support a rebalancing of regional prosperity. Tourism can't be 'off-shored' and as such warrants appropriate investment and supports to ensure its potential can be realised. In 2003 a ten year target for tourism arrivals was set at 10 million – Ireland was on course with 8 million arrivals in 2007 before the global financial and economic meltdown. With recovery underway ITIC proposes that the lost years can be regained and that the 10 million mark could be reached in the next 5 years provided there is a supportive policy environment, a clear business strategy and appropriate investment,” according to Paul Carty.

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