

Press Release

Friday, December 28th 2012

Mixed tourism fortunes in 2012, The Gathering to provide 2013 boost

Close to 6.5 million arrivals from overseas in 2012 brought mixed fortunes to tourism businesses. Dublin and several tourism hot spots had a good year, while other parts of the country saw fewer tourists. Continuing economic difficulties and depressed consumer confidence led to another difficult trading year for the industry.

The good news is that a modest recovery seems to be underway from many traditional and some new developing source markets beyond Britain. 2012 saw a 2% increase in arrivals from mainland Europe to almost 2.4 million visitors. A similar level of increase from North America saw close to 1 million arrivals, while visitors from emerging markets were up by 4% to approximately 370,000. However, recovery from Britain, Ireland's largest source market, was again elusive with a 4% drop or close to 100,000 fewer visitors to an estimated total of 2.8 million arrivals. The domestic market performed reasonably well given the fragile state of the economy and poor summer weather. The outcome was less frequent, shorter and lower spending trips by Irish residents.

The outlook is moving in a positive direction for 2013. The improving competitiveness of the Irish visitor experiences, helped by a re-engineered cost base across the industry and a lower VAT rate, will continue to be key to recovery. The Tourism Recovery Taskforce's *GB Path to Growth* sets out a new approach to winning more visitors from the largest source market, Great Britain, and is being implemented by Tourism Ireland. *The Gathering*, a year-long initiative to attract more of the Diaspora to visit, has the potential to deliver a 5% overall growth in arrivals.

Tourism Ireland's new website, *Ireland.com* is being completely redeveloped, and will boost the industry's online presence around the globe. It is designed to harness the phenomenal growth in social media, an ever more important marketing tool.

Getting to Ireland will be easier in 2013 with a 20% increase on transatlantic services, improved connectivity through major hub airports, as well as increased lift on several direct routes into the country.

ITIC will continue to lobby and represent the views of the industry to policy makers and state agencies. The priorities for 2013 include the development of a tourism policy and strategy to provide a framework for investors and marketers to allow the industry to grow.

“After five years of difficulties, our industry urgently needs a road map to plot the way forward by focusing on key growth markets and delivering visitor experiences better fitted to the new economic environment and the changing needs of consumers,” says ITIC’s Chairman, John Healy. “The travel industry is undergoing fundamental change and we need to ensure that Ireland is market ready by adapting to evolving consumer tastes and new communication and distribution channels to ensure that we win share in a world of increasing competition” says Mr. Healy. “The time is now opportune”, he went on, “for Government together with the industry to re-assess national tourism policy within the context of Ireland’s economic recovery. A new strategic plan is urgently needed to provide a framework for investment, marketing and implementation against an agreed set of targets.”

Over the next 12 months ITIC will continue to work with the state agencies to further develop Ireland’s tourism potential and contribute to the country’s economic recovery. A two pronged strategic approach is being championed by ITIC. A new plan to attract more visitors to the capital, as defined in ITIC’s recent report *Capitalising on Dublin’s Potential*, is targeting to achieve over 6 million visitors to the capital region, creating 27,000 new jobs by 2020. To attract more visitors to the western seaboard the development of the Wild Atlantic Way– a new branded touring route – is well underway for launch in 2013. This initiative, being implemented by Fáilte Ireland and local authorities, was one of several recommendations from ITIC’s *New Directions for Tourism in the West* to revitalise in the industry along the west coast. The ambitious plans for growth at Shannon Airport, if delivered, will also prove beneficial for tourism businesses in the west and south west.

The success of the Tourism Recovery Taskforce (TRT), instigated by ITIC, in improving collaboration between the state sector and tourism business community has been amply demonstrated over the past year with many tangible benefits. ITIC is committed to ensuring that a productive forum will continue to exist when the TRT remit expires at the end of 2013.

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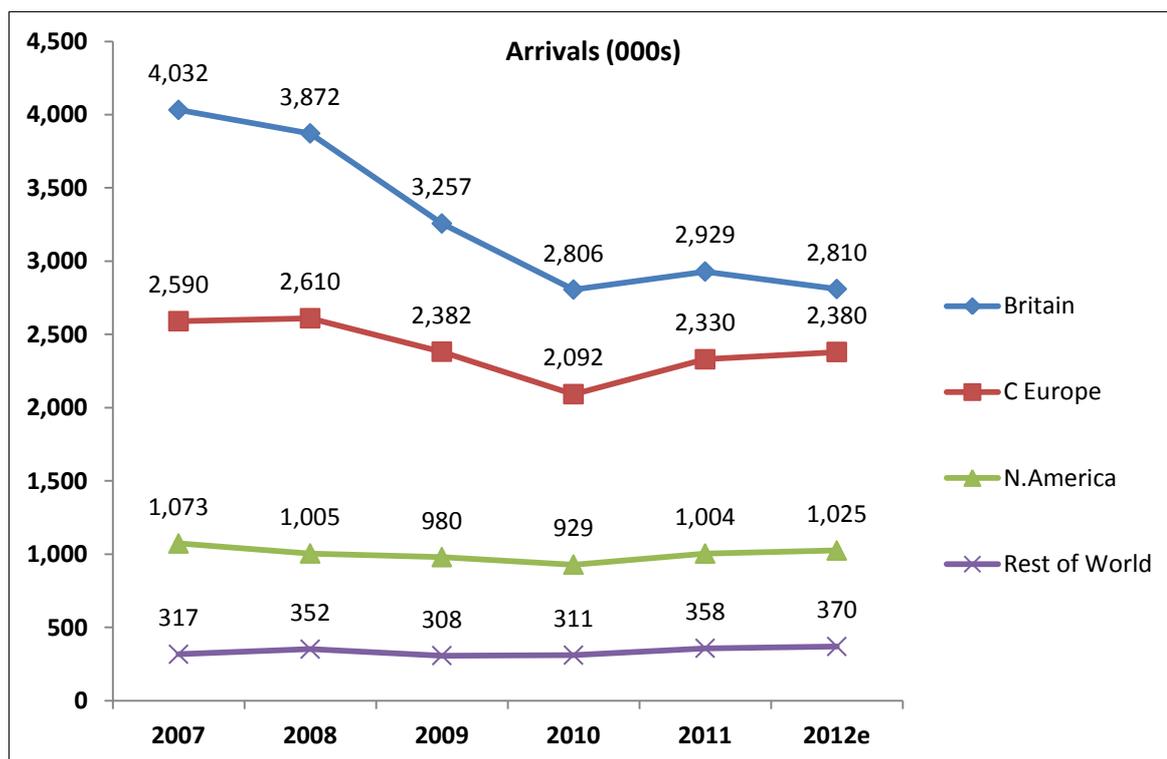
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Notes to Editors

2012 in numbers:

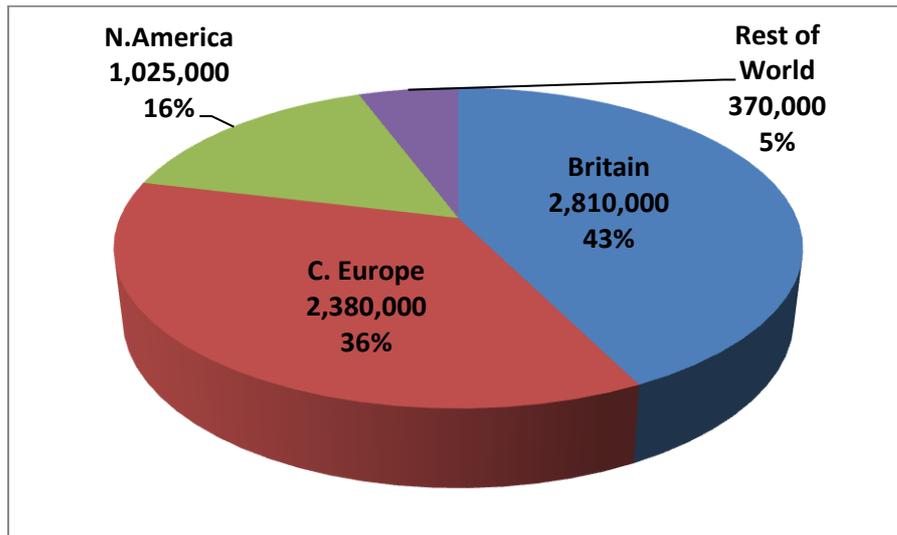
- Overseas visitor arrivals almost the same as 2011.
- Growth of 2% from Continental Europe and North America was off-set by a 4% drop in visitors from Ireland's largest source market, Britain.
- **Overseas visitor numbers 2007-2012**



Source: CSO 2007-2011, with 2012 estimates projected from Jan-Oct CSO data.

Note: The above figures include both staying and same day visits and do not include any estimate of arrivals via Northern Ireland

2012 Estimates of arrivals by source market



Source: TTC – estimates based on CSO Jan-Oct data

- Demand in the peak summer months was disappointing with arrivals down 7% in July and 1% in August, compared to a year earlier.
- The domestic market performed reasonably well given the fragile state of the economy and depressed consumer spending power.
- It is estimated that the tourism and hospitality industry supports over 180,000 jobs in the over 20,000 enterprises that make up the tourism industry.