



Date: September 26th 2018

Industry Body urges support for Ireland's largest indigenous industry

First progress report of 2025 Strategy outlines progress, opportunities and challenges

Retention of 9% Vat rate and investment vital in Budget 2019

Wednesday, September 26th 2018: The Irish Tourism Industry Confederation (ITIC) today published a six month progress update on its eight year growth roadmap for the sector, *Tourism: An Industry Strategy for Growth to 2025*.

The ITIC 2025 Strategy estimates that earnings from overseas tourism can increase by 65% to €8.1 billion annually by 2025 if the right policies and investment strategies are adopted and pursued. This would mean 80,000 more jobs nation-wide and an increase to the exchequer in direct tourism-related taxes of just under €2 billion annually from overseas tourism.

The first six month progress update shows that growth continues at +8% year to date in 2018 and the tourism industry is adding significant capacity increases in both hotel developments and air and sea access in the coming years. Despite tourism's current success however, there are significant challenges with Brexit a major concern to the industry who urge pro-tourism enabling policies from the Government.

Mr Maurice Pratt, Chairman of ITIC said: "Irish tourism is Ireland's largest indigenous industry, employing 254,000 people nationwide, and is at a key juncture. Correct actions need to be taken now to ensure that the sector's significant potential is to be achieved. The Irish tourism industry is confident of future growth and it estimates that the inbound tourism business from overseas visitors to our shores can grow by 65%, to €8.1 billion, by 2025. This is significantly more than the national tourism policy target which is €5 billion for the same period. The Government must match the industry's ambitions and commit appropriate funds to overseas marketing and new product development so that tourism can realise its potential for the country."

Of the 51 policy recommendations outlined within the ITIC 2025 Strategy, six have already been achieved with another 32 in progress. The policy recommendations that have already been achieved include the development of a brand for Ireland's Midlands and Shannon corridor, *Ireland's Hidden Heartlands*; the launch of a national Greenways strategy to include at least one coast-to-coast Greenway; and a root and branch review of the British market.

However, ITIC CEO, Eoghan O'Mara Walsh, says that the retention of competitiveness remains vital if Irish tourism is to continue to grow: "Irish tourism must retain its competitiveness and ensure that we continue to offer tourists good value for money. There is an onus on both the industry and the Government to manage costs accordingly. In this regard maintaining the 9% tourism Vat rate is critical – with Brexit looming the last thing the sector needs is an increased Vat rate which would depress demand, damage the sector, and hit regional Ireland particularly hard."

ITIC's six month progress update monitors and reviews the progress of 10 themes in the 2025 Strategy. Brexit is a major issue for Irish tourism with 39% of all international visitors coming from Britain. ITIC has quantified that a hard Brexit will cost Irish tourism at least €260 million in its immediate aftermath and criticises the Government for not funding a tourism Brexit-mitigation plan.

Ruth Andrews, Deputy Chair of ITIC, says: "Tourism is the main regional employer throughout the country. It is too important a sector to take for granted. In that regard industry, state agencies and Government must work closely together to ensure pro-tourism policies are pursued." Andrews highlights that the tourism industry committed nearly €100 million in the last year in marketing Ireland overseas and will spend €2.5 billion in new capital developments over the coming 3 years. She says: "The Government too must play its part and restore tourism budgets so the sector can withstand the upcoming Brexit shock and continue to provide regional balance and growth. There is a 34:1 return on Government investment in tourism – it should be clear that the economic argument for supporting Ireland's largest indigenous industry is compelling."

ITIC's 2025 strategy is the result of extensive consultation and research with Ireland's tourism industry throughout the country and the policy recommendations within it are the considered views of the Irish tourism sector.

In terms of Budget 2019, the ITIC strategy highlights the importance of retaining the 9% Vat rate and advocates that €50 million more per annum should be committed to tourism state agencies to increase overseas marketing and industry supports.

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Autumn 2018 Progress update on *Tourism: An Industry Strategy for Growth to 2025* can be seen at www.itic.ie.

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Notes to Editor

About the Irish Tourism Industry Confederation:

The Irish Tourism Industry Confederation was founded in 1984 and is the umbrella group representing the leading tourism interests in Ireland. The full strategy can be seen on www.itic.ie. Tourism is Ireland's largest indigenous industries and is a critical component of the export economy. Key tourism facts:

- Worth €8.7 billion annually
- 8.9 million staying international staying visitors in 2017
- Tourism employs 254,000 nationally
- 1 in 10 jobs nationally are in tourism & hospitality sector
- According to Fáilte Ireland, for every euro spent by tourists 23c is generated in tax