

**Embargoed 10:00, 1 May 2019**

**Government demonstrates drift and indecision on tourism policy as competitiveness weakens**

**Growth in 2019 likely to be half of official estimate**

**ITIC warns VAT hike and hard Brexit will cost Irish tourism close to €1 billion**

***Tourism sector can add 80,000 more jobs nationwide if right policies are pursued as ITIC reports on its 2025 industry strategy***

**May 1<sup>st</sup>, 2019:** The new Chairperson of the Irish Tourism Industry Confederation (ITIC) today warned that a demonstrable lack of Government focus will negatively impact Ireland's largest indigenous industry and biggest regional employer.

Speaking at an ITIC event on the organisation's 2025 strategy for the sector, Ruth Andrews, Chairperson of ITIC, stated that Government inaction on tourism included soaring costs of business, inadequate overseas marketing budgets, new regulations curbing self-catering tourism accommodation, and increased taxation and labour regulations. ITIC estimates that growth in 2019 at 3% will only be half of what official estimates had stated earlier in the year.

At a time of significant Brexit uncertainty, and a tightening of air services into Ireland, ITIC has called on the Government to prove its commitment to tourism and not lose the opportunity for regional growth. Weakened competitiveness is apparent across a number of areas and has been highlighted by the National Competitiveness Council.

ITIC fears that as current national tourism targets for 2025 have already been exceeded, this proves the lack of Government ambition for tourism and a worrying drift in focus and attention. Speaking at the media event, Andrews said: "We are fearful that a hard Brexit coupled with the VAT hike in the last budget will cost Irish tourism close to €1 billion. We're at a key junction in Irish tourism and the Government must take a lead to help restore Irish tourism's competitiveness at this uncertain time".

ITIC issued a 12-month progress update on its eight-year roadmap for the sector: *Tourism: An Industry Strategy for Growth to 2025*. According to ITIC, Ireland's tourism industry in 2018 delivered a 6% increase in revenue and tax receipts to the exchequer as well as creating 35,000 new jobs in the sector. However ongoing growth is being threatened by weakened competitiveness, inadequate Government investment, and rising costs of business.

ITIC's *Tourism: An Industry Strategy for Growth to 2025* estimates that revenue can grow by 65% and that 80,000 jobs will be created across tourism and hospitality in the coming years. However, this is predicated

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on the policy recommendations within the strategy being implemented by industry, tourism agencies and Government.

Andrews, who has just commenced a two-year term as Chairperson of ITIC, alongside daa's Cormac O'Connell who is Deputy Chair, said that pro-tourism policies were vital. She urged the speedy lifting of two of the planning restrictions for the new runway at Dublin Airport which is the key gateway for tourism to the island.

In its progress update Eoghan O'Mara Walsh, CEO of ITIC, noted that, of the 51 recommendations within the strategy, 13 had been implemented, 28 are a work-in-progress and warrant increased focus, whilst 10 are heading in the wrong direction. O'Mara Walsh highlighted that although tourism was at a record high, 2019 would be tougher than anticipated with hotel occupancy in decline for the year to date: "Brexit is already having a material impact with Britain, our biggest market, down 3% in March. British visitors have the best seasonal and regional spread, so this will inevitably effect the region's most".

O'Mara Walsh urged more investment by the Government in tourism "the modest increase this year only brings tourism funding back to 2008 levels – that is a long decade of underinvestment. If the Government is serious about doubling Ireland's global footprint it needs to prove its commitment to the tourism sector," he stated.

O'Mara Walsh pointed out that the tourism industry has committed approximately €2.5 billion over the next three years: "There are over 5,000 new hotel bedrooms currently on site across the country as tourism invests in its future. The Government must play its part and support Ireland's largest indigenous industry."

He continued: "The industry's competitiveness has been seriously weakened by the Government's decision to hike the tourism VAT rate by 50% and unsustainable business cost increases for SMEs which are the backbone of the sector".

For more information on the Irish Tourism Industry Confederation and to reviews its 2025 strategy go to [www.itic.ie](http://www.itic.ie).

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**Notes to Editors:**

**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. Its members come from key tourism stakeholders across the public and private sector and include Aer Lingus, Irish Ferries, daa, Shannon Group, Irish Hotels Federation, Incoming Tour Operators Association, Restaurants Association of Ireland, Vintners Federation of Ireland and Association of Visitor Experiences & Attractions

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amongst others. Tourism state agencies, Fáilte Ireland and Tourism Ireland, are also members and the full list can be seen on [www.itic.ie](http://www.itic.ie).

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