

Embargoed until 9am, December 30th 2019

Tourism in Ireland worth €9.3 billion but 2019 saw first decline in tourism economy for 8 years

Number of tourists reaches new high but value of spend dips

Tourism body concerned about Brexit, Vat hike and increased business costs

“Government’s ‘no deal’ Brexit fund for tourism must be released now to stimulate demand and safeguard 2020” according to ITIC

Tourism industry contributed €2.14 billion in tax to exchequer in 2019

December 30th, 2019: The Irish Tourism Industry Confederation (ITIC) today warned that sustaining success in the tourism sector in 2020 requires pro-active Government intervention. The tourism economy saw its first decline in 8 years as revenue fell by 1% although volume grew marginally.

The tourism industry in Ireland was worth €9.3 billion in 2019 with 265,000 people employed in the sector. However the umbrella group, representing key tourism stakeholders, stated that Brexit, the VAT hike, and increased costs of business have all put significant pressure on the industry and ITIC stressed that more needs to be done in 2020 to support Ireland’s largest indigenous industry and biggest regional employer.

Ireland earned an estimated €6.95 billion from overseas tourism this year which was made up of €5.2 billion spent by overseas visitors when in Ireland and €1.75 billion spent with Irish airline and ferry companies. An additional €1.9 billion is likely to have been generated in domestic tourism revenue with a further €380 million earned from Northern Ireland visitors.

Expenditure by international visitors to Ireland was down 1% on the previous year with only the North American market growing. Tourism employment numbers are down 2%.

2019: Tourism boom stalls

ITIC estimates that earnings from tourism for 2019 accrued €2.14 billion to the exchequer in direct tourism-related taxes. Numbers are based on latest CSO data and it is expected that 9.7 million international tourists will have visited Ireland in 2019, a new high, although their spend levels dipped.

ITIC’s Chairperson Ruth Andrews said *“It has been a very mixed year for Irish tourism with strong growth in the early part of the year slowing sharply as 2019 progressed. Tourism remains Ireland’s largest indigenous industry and biggest regional employer but Brexit, the Vat hike, and increased costs of business have all made trading conditions more difficult for the 20,000 tourism and hospitality businesses in the country”*

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She added that sustaining success in 2020 would be a challenge: *“Brexit is a major ongoing concern for Irish tourism and if no trading agreement is reached between the UK and EU we could well be facing another cliff-edge, no-deal outcome this time next year”.*

2020: Tourism must be safe-guarded

The Irish Tourism Industry Confederation stated that the key North American market should continue to grow in 2020 with increased air connectivity but nearer markets such as Britain and Europe remained challenging. Research was showing that Brexit contagion and consumer nervousness was spreading to the key markets of continental Europe.

ITIC CEO Eoghan O’Mara Walsh warned that the Government in recent times had withdrawn key enabling factors for the industry’s success and now needed to safeguard the sector during more turbulent times: *“The ‘no-deal’ Brexit contingency fund of €40 million announced for tourism in the Budget needs to be released now to stimulate demand in the crucial early months of 2020. Government must also do far more to help business manage costs including insurance”.*

Ireland’s tourism businesses are currently investing €2.5 billion of their own funds in new product development and O’Mara Walsh argued that the Government needed to play its part. He expressed frustration that the destination marketing budget for tourism had been reduced next year by Government and disappointment about the failure to return the tourism Vat rate to 9%: *“Ireland now has a higher tourism Vat rate than 27 other EU countries diminishing our competitiveness at this key time”.*

ITIC stressed that the Government needs to do more to support Irish tourism and has advocated that tourism agencies should roll out a Brexit fund for businesses, like those of Enterprise Ireland and Bord Bia.

ENDS

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ITIC’s full Review of 2018 and Outlook for 2019, including graphs and market breakdown, can be seen at www.itic.ie.

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. 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, Guinness Storehouse, Restaurants Association of Ireland, Vintners

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Federation of Ireland and Association of Visitor Experiences & Attractions amongst others. Tourism state agencies, Fáilte Ireland and Tourism Ireland, are also members and the full list can be seen on www.itjc.ie.

Tourism is Ireland's largest indigenous industries and is a critical component of the export economy. Key tourism facts:

- Worth €9.3 billion annually
- 9.68 million staying international staying visitors in 2019
- Tourism employs 265,000 nationally
- 1 in 9 jobs nationally are in tourism & hospitality sector
- According to Fáilte Ireland, for every euro spent by tourists 23c is generated in tax