

Tourism industry ends annus horribilis in Level 5 with revenue down 85%

Industry “on the brink” but cautious hope for 2021 with vaccine roll-out and pent-up demand

ITIC welcome Brexit deal but warn that financial support for industry must continue for 2021 and comprehensive testing regime needed to restore international connectivity

Tourism industry hopeful for half of international tourists next year compared to 2019 with full recovery not until 2024

Ireland – December 29th, 2020: The Irish Tourism Industry Confederation (ITIC) has welcomed the Brexit trade deal between the UK and Europe as it ends an annus horribilis with revenue down 85% as a result of the impact of the Covid-19 pandemic.

Ruth Andrews, Chairperson of ITIC, said *“It’s difficult to over-state the carnage visited upon Ireland’s tourism and hospitality businesses this year and all through no fault of their own. The industry has been disproportionately hit by the pandemic and ends the year back in Level 5 lockdown”*.

2020 had begun with real hope of consolidating tourism’s strong performance of recent years but ITIC estimate that by year-end 150,000 jobs within the industry will have been lost. From the cancellation of St Patrick’s Day Parade and festivities back in March it quickly became apparent that Covid-19 would have a devastating economic impact on the tourism and hospitality industry. International tourist arrivals – which form the significant majority of the Irish tourism economy – all but stopped overnight and have not returned throughout the year. Meanwhile the domestic market, allowed a brief respite in the summer months, has since faced a series of yo-yo lockdowns.

With the vaccine roll-out and news of a Brexit deal there is cautious hope for 2021 but O’Mara Walsh stressed that the industry would be in survival mode for some time: *“Tourism businesses are made up largely of SMEs, the majority of which are in regional Ireland, and Government financial support will be needed throughout 2021”*. He said that the latest hospitality lockdown would necessitate increased compensation for businesses many of which on the brink of collapse after repeated closures.

“Businesses have spent millions in adapting their premises to ensure the highest standards of health and hygiene, and thankfully data shows little infection rates or clusters within the tourism sector, and yet each time Government closes the sector down unilaterally.” said O’Mara Walsh.

In a recent survey members of ITIC - made up of hotels, airlines, attractions, ferry companies and hospitality businesses amongst others - are hopeful of a start to recovery in tourism numbers by Q2 2021 but next year is likely to only deliver 50% of 2019 numbers. ITIC stated that full recovery is will not materialize until 2024 or 2025.

“With 75% of Ireland’s tourism economy made up of international visitation” said O’Mara Walsh *“Government must introduce a comprehensive and scalable pre-travel testing regime urgently to allow international tourism to recommence safely. As an island nation on the Western Coast of Europe*

**Irish Tourism Industry Confederation
PRESS RELEASE**

December 29th 2020

international connectivity is imperative not just for the tourism sector but for the wider economy including FDI and exports”.

ITIC members identified their most important priority as the removal of quarantine measures to international travel, subject to an appropriate testing regime. The next most important influences, identified by the respondents, were ranked as the restoration of airline connectivity, the economic conditions in source markets, and destination marketing.

The response to the latest virus strain in Britain of simply shutting down travel is a blunt instrument and highlights the failure of authorities to put in place a proper testing regime to ensure that the movement of people can happen Covid-free.

The domestic market will be critical in 2021 and ITIC urged the speedy and effective roll out of the vaccine so as to allow the industry to open and trade fully. He also said that the Stay & Spend scheme needed to be redesigned and relaunched: *“The domestic market needs to be stimulated with a consumer-friendly voucher scheme for every household to be redeemed against any tourism and hospitality business operating throughout the country”.*

ENDS

For further information contact:

Eoghan O’Mara Walsh, Chief Executive, ITIC: 086 6057909

Michael Moriarty, Fleishman Hillard: 087 2432550

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 Federation of Ireland and Association of Visitor Experiences & Attractions amongst others. A full list of member organizations 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 €9.2 billion annually
- 9.68 million international staying visitors in 2019
- Tourism employed 265,000 nationally in 2019
- 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