

€12.2 billion lost to Irish tourism and hospitality industry due to Covid-19 - ITIC

- **Industry body calls for long-term sector-specific plan to support country's largest indigenous industry and biggest regional employer -**
- **60% recovery in inbound tourism possible in 2022 but travel restrictions must be lifted to avoid a "third doomed summer" -**

Ireland – December 29th, 2021: The Irish Tourism Industry Confederation (ITIC) has estimated that Covid-19 has cost tourism and hospitality businesses as much as €12.2 billion (*see notes*). The bulk of these losses are as a result of the dramatic fall in overseas visitors since the pandemic began.

"Irish tourism and hospitality businesses have been disproportionately hit by the pandemic", said ITIC Chairperson Ruth Andrews, "Restrictions have hit our sector hardest and a long-term plan is needed from Government to support the country's largest indigenous industry and biggest regional employer".

ITIC estimate that restrictions, and Government's call to reduce socialising, has cost businesses €400 million alone this December as hotels, restaurants and bars faced widespread cancellations and no-shows. Latest CSO data on household spending confirm that the bulk of the decline impacts specifically on tourism and hospitality businesses.

Although the Omicron variant represents a new challenge, ITIC is confident that the industry will rebound and its modelling (*see notes*) suggests that there can be a baseline recovery in inbound tourism of approximately 60% of 2019 levels next year. ITIC stress that this is dependent on pro-tourism and pro-aviation policies from Government.

"January is a key booking period for international markets" said Eoghan O'Mara Walsh, CEO of ITIC. "It is vital that additional restrictions and testing requirements on international travel are lifted as soon as possible to give confidence to consumers to choose Ireland as a holiday destination".

O'Mara Walsh pointed out millions of potential international visitors will have received the booster vaccine by early 2022 and thus any additional testing requirements for arrivals should be dropped. *"We must learn to live alongside the virus", said O'Mara Walsh. "We spent a lot of time devising the Digital Covid Certificate across Europe and it has worked extremely well and should be trusted as a bulwark against the virus".*

The last great crisis in Irish tourism was the financial crash of 2008 and it took 7 years for the sector to recover. ITIC point out that this time air access has been restored quickly and this should drive demand and boost tourism. *"Aer Lingus in particular have been very bold and ambitious with their transatlantic capacity for next summer and, as an island-nation, all aviation needs to be supported and enabled with sensible, prudent and proportionate travel policies from Government", said Andrews.*

O'Mara Walsh welcomed Government supports to date but said that a long-term plan was needed for Irish tourism and hospitality whilst the pandemic existed. *"The wage subsidy scheme must be made*

Irish Tourism Industry Confederation

PRESS RELEASE

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sector-specific for tourism and hospitality businesses and continued through to the end of April and recommence again next winter should the pandemic still be amongst us.

It is critical that this certainty is provided now to enable businesses to plan for 2022 to retain the talent and expertise of people within the sector”.

ITIC also said that the Vat rate should be kept at 9% until 2025 *“This is the average tourism Vat rate across Europe and for Ireland to go back to 13.5% as planned in September makes us uncompetitive, adds cost in an inflationary period, and would further damage demand”* said Andrews.

The business group representing all key tourism and hospitality stakeholders, including Aer Lingus, DAA, the Irish Hotels Federation, the Restaurants Association of Ireland, inbound tour operators and the visitor attraction sector, said that 70% of tourism jobs were outside Dublin and regional Ireland particularly depended on tourism for jobs, livelihoods and economic regeneration.

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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. 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 in 2019:

- 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

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Tourism receipts 2019-2021

	2019	Est 2020 outcome	Projected 2021	Cumulative loss since 2019
Overseas visitors	€5.1bn	€1.0bn	€1.2bn	€8.0bn
Fares to Irish carriers	€1.8bn	€0.3bn	€0.4bn	€2.9bn
Domestic visits	€2.0bn	€1.6bn	€1.4bn*	€1.1bn
N Ireland visits	€0.4bn	€0.2bn	€0.2bn	€0.4bn
Total	€9.3bn	€3.1bn	€3.2bn	€12.2bn

- Source: CSO, Fáilte Ireland and ITIC estimates for 2020 and 2021
- Note*: Based on CSO Household Survey data and estimate is interim and may be subject to future revision.

