

For release August 11<sup>th</sup> 2022

## Industry body's monthly dashboard of tourism industry performance in association with AIB

- July data shows over 1 million visitors came to Ireland; down 11% and year-to-date down 24% compared to 2019
- 268,000 North American visitors came to Ireland in July while Continental European market was strongest performer
- Supply shortages and cost inflation risk tourism's full recovery as ITIC warn ***"Budget 2023 is vital to support sector's competitiveness"***

**Ireland – August 11<sup>th</sup>, 2022:** The Irish Tourism Industry Confederation (ITIC) has today issued its monthly tourism dashboard for July which shows that the sector's recovery continues to gather pace. However, given a deteriorating global economic outlook and domestic capacity constraints, there remains concern about the pace of recovery beyond the traditional summer season.

The Tourism Dashboard is published in association with AIB and compares each month to the same month in 2019, the last normal year for the Irish tourism industry. Using carrier and port data ITIC extrapolates inbound visitor numbers by market based on past performance.

For the first time since pre-pandemic over 1 million monthly visitors came to Ireland during July, down 11% compared to the same month in 2019, an improving trajectory with a 24% lag year to date. Last month visitors from Continental Europe performed most strongly down 7% on 2019 while the key North American market showed improvement with 268,000 visitors.

In July inflation stood at 9.6% while the price of oil – a key determinant of air fares – was 75% more costly than what it was pre-pandemic.

Elaina Fitzgerald Kane, Chairperson of ITIC, said *"Comparing tourism monthly data to 2019 we feel is the best comparison and will help track recovery. Pre-pandemic tourism was the country's largest indigenous industry, its biggest regional employer, and contributed €2 billion annually to the exchequer and it is vital that the sector returns to sustainable growth"*.

Eoghan O'Mara Walsh, CEO of ITIC, said *"July data shows that for the first time since pre-pandemic Ireland had over 1 million monthly visitors which is very encouraging however supply constraints across accommodation, labour and car hire risk putting a handbrake on Irish tourism's continued recovery"*.

ITIC highlight that emerging evidence points to a weaker winter and softer 2023 *"with cost inflation at an unprecedented level"*.

Fitzgerald Kane highlighted growing uncertainty within the industry: *"A myriad of factors have boosted this summer. However our members are worried about later this year and into next year with extraordinary inflationary pressures and capacity constraints including around the availability of people."*

**Irish Tourism Industry Confederation**

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O'Mara Walsh said that *"Ireland is an expensive country to operate a tourism and hospitality business"* and pointed out that labour was 32% and electricity 60% above the EU average while Ireland has the 2<sup>nd</sup> highest excise tax across the EU.

ITIC's budget submission focusses on 5 key asks namely; support competitiveness and retain the 9% tourism VAT rate; maintain tourism investment at current levels; increase car rental supply by reintroducing VAT back on VRT; addressing labour shortages; and supporting regional air connectivity and incentivising the use of Sustainable Aviation Fuel.

Fitzgerald added *"Irish tourism is the country's largest indigenous industry and biggest regional employer and it is vital that the sector continues to rebuild. Government must maintain tourism investment and keep the Vat rate at 9% until full recovery is secured"*.

Latest ITIC estimates point to a full recovery not being achieved until 2026.

Mary Mackin, Hospitality Sector Strategist for AIB, said *"notwithstanding the post-Covid labour and inflationary challenges facing the industry, tourist numbers are recovering which is good for industry and the national economy. AIB will continue to support the sector as it seeks to rebound"*.

**ENDS**

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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](http://www.itic.ie).

Tourism is Ireland's largest indigenous industry 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