

For release September 8<sup>th</sup> 2022

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

- August data shows over 1 million visitors came to Ireland; down 11% compared to August 2019 and down 21% year-to-date
  - 256,000 North American visitors came to Ireland last month while Continental European market was strongest performer
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  - Industry's growing fears for future include soaring energy inflation as ITIC warn *"Budget 2023 is vital to support vulnerable sector"*

**Ireland – September 8<sup>th</sup>, 2022:** The Irish Tourism Industry Confederation (ITIC) has today issued its latest monthly tourism dashboard which shows that the sector's recovery continued to gather pace in August. However, with soaring energy inflation and a deteriorating global economic outlook, there remains concern about the pace of recovery beyond the traditional summer season.

ITIC's 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.

Over 1 million international visitors came to Ireland during August, down 11% compared to the same month in 2019, an improving trajectory with a 21% lag year to date. Last month visitors from Continental Europe performed most strongly down 8% on 2019 while the key North American market returned 256,000 visitors.

CSO data published in August show tourism employment down 7% on the same period in 2019, the only sector of the economy yet to fully recover lost ground.

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"*.

As the high summer season reaches its conclusion Eoghan O'Mara Walsh, CEO of ITIC, said *"Tourism and hospitality businesses are very concerned that their recovery will be halted by soaring cost inflation and supply constraints."*

He pointed out that hotels and restaurants were significant consumers of electricity and gas and members were reporting that energy bills had already jumped *"to unsustainable and unprecedented levels"* warning that profit margins *"are coming under serious pressure"*.

Fitzgerald Kane said that Budget 2023 would have to support the 20,000 tourism and hospitality businesses up and down the country: *"As well as a cost-of-living crisis there is a very real cost-of-*

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*business crisis. Government must shield enterprises with a significant energy support package and must maintain Irish tourism's competitiveness and investment at this critical time".*

O'Mara Walsh criticised Government plans to increase the tourism and hospitality Vat rate from 9% to 13.5% next February: *"Increasing Vat on business will only fuel a raging inflationary fire and makes no sense. It will add cost to the system, damage demand, and threaten recovery".*

ITIC point out that Eurostat data shows Ireland as an expensive country to run a business with labour 32% and electricity 60% above the EU average and Ireland having 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.

Jonathan Clarke, 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 during these turbulent times".*

**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