

For release October 12th 2022

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

- **September data shows recovery in international visitors continues, down 9% compared to Sep 2019 and down 20% year-to-date**
 - **Key North American market performing well with 230,000 visitors to Ireland last month while Continental European market was strongest performer**
 - **Increasing industry concern for next year with twin obstacles to recovery: soaring cost and energy inflation as well as impact of Government contracts on supply**
 - **One in 4 tourism bedrooms now occupied by refugees and asylum seekers**

Ireland – October 12th, 2022: The Irish Tourism Industry Confederation (ITIC) has today issued its latest monthly tourism dashboard which shows that the sector's recovery continued in September. However, soaring cost and energy inflation and a deteriorating global economic outlook - allied to the impact of Government contracts restricting tourism accommodation supply - there remains concern about the pace of recovery now that the traditional summer season has ended.

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.

Nearly 900,000 international visitors came to Ireland during September, down 9% compared to the same month in 2019, an improving trajectory with a 20% lag year to date. Last month visitors from Continental Europe performed most strongly down 5% on 2019 while the key North American market returned 230,000 visitors.

Looking forward ITIC expressed concern that recovery would be threatened by soaring cost inflation, the energy crisis and the impact of Government contracts with tourism accommodation suppliers.

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 ends Fitzgerald Kane added *"Tourism and hospitality businesses are very concerned that their recovery will be halted by soaring cost inflation and supply constraints."*

Eoghan O'Mara Walsh, CEO of ITIC, pointed out that hotels and restaurants were significant consumers of electricity and gas and members were reporting that energy bills had jumped *"to unsustainable and unprecedented levels"* warning that profit margins *"have come under serious pressure"*. He welcomed the Temporary Business Energy Support Scheme announced in last month's budget but criticised Government

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for failing to extend the tourism Vat rate of 9% beyond February when it is due to expire, saying *“20,000 tourism and hospitality businesses up and down the length and breadth of the country are facing soaring energy and cost inflation. The thought that Government would add to business woes early next year by hiking the Vat rate by 50% beggars belief”*.

Referring to the impact of Government contracts on the availability of tourism accommodation ITIC expressed significant concern that supply would be restricted next year impacting on the broader tourism economy’s recovery.

O’Mara Walsh said *“We now know from the Department of Children that 23%, or nearly 1 in 4, of hotel bedrooms are occupied by Ukrainians or asylum seekers and this number seems to be growing as each week goes by. While hotels and guesthouses are part of the solution to accommodate refugees, they cannot be the only solution. If this level of hotel bedrooms is not available next year for international visitors it will have an enormous knock-on effect for the broader tourism economy and regional employment in particular”*.

ITIC said that Government must outline a plan urgently as to how refugees are to be housed on an ongoing basis and urged a creative solution including holiday homes, state buildings and vacant dwellings. *“The tourism industry cannot be asked, to its own detriment, to be the only provider of accommodation”* said Fitzgerald Kane.

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”*.

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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.

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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