

Tourism at a Glance

Key priorities

1. To support a vibrant, attractive tourism sector that makes a significant contribution to employment across the country, is economically, socially and environmentally sustainable, helps promote a positive image of Ireland overseas, and enables local communities to prosper.

2. Provide support to allow the tourism sector adapt and recover in the changed tourism environment as a result of the Covid-19 crisis.

- The Government's Tourism Policy Statement "*People, Place and Policy: Growing Tourism to 2025*", affirms tourism as a key element of economic strategy, with development in the tourism sector reflecting the highest standards of environmental and economic sustainability. This policy statement is implemented by through a series of Action Plans, the most recent of which covers the period 2019-2021.
- The outbreak of COVID-19 has resulted in the Tourism Action Plan 2019-2021 being put on hold, with the immediate focus being the preparation of a Tourism Recovery Plan.
- Both international and domestic tourism has been decimated by the Covid-19 crisis. International tourism has collapsed and the OECD estimates that the impact of the Covid-19 crisis on tourism industry could result in a 60-80% decline in international tourism in 2020, depending on the duration of the crisis and the speed with which travel and tourism rebounds.
- Fáilte Ireland research shows that domestic consumers' levels of intent for both long break and short break in Ireland in 2020 is down 20% versus the same time last year. Assuming a worst case scenario of no international tourists coming into Ireland for the remainder of 2020 in addition to a decline of 20% in domestic tourism – this could lead to an overall loss to the economy of €2.3bn with a potential impact on approximately 200,000 jobs.
- A **Tourism Recovery Taskforce (TRT)** was established on 20 May 2020, which has been tasked with the preparation of a Tourism Recovery Plan, to include recommendations on how best the Irish tourism sector can adapt and recover in the changed tourism environment as a result of the Covid-19 crisis. The plan will identify priority aims, key enablers and market opportunities for the sector for the period 2020-2023. The Taskforce will report back to the Ministers later this year.

Tourism

The role of the Tourism Unit (Tourism Policy & Marketing Division and Tourism Industry & Product Development Division) is to ensure the appropriate structures and resources are in place to support the growth of a sustainable and competitive tourism sector.

The tourism aim is to have a vibrant, attractive tourism sector that makes a significant contribution to employment across the country, is economically, socially and environmentally sustainable, helps promote a positive image of Ireland overseas, and enables local communities to prosper.

Tourism Policy and Marketing

The main functions of the Tourism Policy and Marketing Division are to develop, monitor and review the overall policy framework for tourism and to ensure Ireland is effectively marketed as a tourism destination overseas.

Tourism Industry and Product Development

Tourism Industry and Product Development Division oversees the development and delivery of national tourism policy objectives with specific regard to the development of the Irish tourism industry and the Irish tourism product. The Division also develops Greenways policy, implements the Greenways strategy and funds the development of Greenways.

Financial Allocation 2020-2023

Current funding for Tourism is provided by the Department to Fáilte Ireland and Tourism Ireland. Capital funding is provided by the Department for Greenway development by the local authorities and State Agencies, to Fáilte Ireland for capital investment in tourism and to Tourism Ireland for digital marketing and media assets.

| Sub head | 2020 | | 2021 | 2022 | 2023 |
|----------------------------------|--------------|-------------|-------------|-------------|-------------|
| | Current | Capital | Capital | Capital | Capital |
| | €m | €m | €m | €m | €m |
| E3 – Fáilte Ireland | 67.5 | 1.1 | | | |
| E4 – Tourism Ireland Pay | 16.2 | | | | |
| E5 – Tourism Marketing Fund | 44.2 | 2.5 | | | |
| E6 – Tourism Product Development | | 33.9* | 32.4** | 42.0** | 48.0** |
| E7 – Greenways | | 27.0*** | 20.0 | 20.0 | 20.0 |
| Total | 128.1 | 61.1 | 52.4 | 62.0 | 68.0 |

*Includes €5.961m in E6 capital carryover from 2019

** Subject to D/PER approval.

*** Includes €4.5m Carbon Tax Fund and €3.5m carryover from 2019

Tourism Agencies

Fáilte Ireland

The National Tourism Development Authority – Fáilte Ireland – was established under the National Tourism Development Authority Act 2003, following the amalgamation of Bord Fáilte Éireann and CERT, to encourage, promote and support tourism as a leading indigenous component of the Irish economy.

Tourism Ireland

Tourism Ireland CLG, the all-island tourism marketing company, was formally incorporated in 2000, following the designation of tourism as an area for cooperation under the Good Friday Agreement (1998). Its overall objective is to promote increased tourism to the island of Ireland.

Policy

The Government's Tourism Policy Statement, *People, Place and Policy: Growing Tourism to 2025*, affirms and has agreed that it will place tourism as a key element of its economic strategy, with development in the tourism sector reflecting the highest standards of environmental and economic sustainability. This policy statement is implemented by way of a series of Action Plans, the most recent of which, Tourism Action Plan 2019-2021, sets out the actions identified as priorities to be progressed during this period in order to maintain sustainable growth in overseas tourism revenue and employment. The outbreak of COVID-19 has resulted in the Tourism Action Plan 2019-2021 being put on hold, with the immediate focus being the preparation of a Tourism Recovery Plan.

Covid-19

Key Issues

Both international and domestic tourism has been decimated by the Covid-19 crisis. International tourism has collapsed and the OECD estimates that the impact of the Covid-19 crisis on tourism industry could result in a 60-80% decline in international tourism in 2020, depending on the duration of the crisis and the speed with which travel and tourism rebounds. Fáilte Ireland research shows that domestic consumers' levels of intent for both long break and short break in Ireland in 2020 is down 20% versus the same time last year. Assuming a worst case scenario of no international tourists coming into Ireland for the remainder of 2020 in addition to a decline of 20% in domestic tourism – this could lead to an overall loss to the economy of €2.3bn with a potential impact on approximately 200,000 jobs.

Covid-19 Tourism Response

Tourism Recovery Taskforce

The Tourism Ministers established a **Tourism Recovery Taskforce (TRT)** on 20th May. The purpose of the TRT is to prepare a Tourism Recovery Plan for submission to the Ministers which will include a set of recommendations on how best the Irish tourism sector can adapt and recover in the changed tourism environment as a result of the Covid-19 crisis. The plan will identify priority aims, key enablers and market opportunities for the sector for the period 2020-

2023. The Taskforce may consult with stakeholders to inform its deliberations and will report back to the Ministers later this year.

The Taskforce is made up of an independent chairperson and 13 other members from a broad spectrum of backgrounds including tourism policy, tourism enterprise, international, private and public service. The Taskforce will establish working groups to carry out specific tasks and will undertake a widespread stakeholder consultation process whereby all sectors and interested parties will have an opportunity to provide constructive inputs and innovative ideas on how this vital sector to our economy can adapt and recover in a meaningful and sustainable way.

The Membership of the TRT is as follows:

- **Ruth Andrews (Chair)**, CEO, ITOA and special advisor to AVEA
- **Eoghan Corry**, Travel Industry commentator
- **Martin Dalby**, CEO, Center Parcs
- **Tom Enright**, CEO, Wexford County Council
- **Elaina Fitzgerald Kane**, Director, Fitzgerald's Woodlands House Hotel (*Since Feb 2020 President of the IHF*)
- **Niall Gibbons**, CEO, Tourism Ireland
- **John Herlihy**, VP, EMEA and LATAM, LinkedIn
- **Stephen Kavanagh**, Non-executive director of Aer Lingus and CDB Aviation
- **Paul Kelly**, CEO, Fáilte Ireland
- **Eimear Killian**, GM, Brasserie on the Corner & Blake's Bar, Galway
- **John McLaughlin**, CEO, North & West Coast Links Golf Ireland
- **Pat O'Leary**, Chair of Kerry Tourism Industry Federation
- **Ken Spratt**, A/Secretary for Tourism and Sport, DTTAS
- **Jane Stacey**, Head of Tourism Unit, OECD

It is anticipated that after the Tourism Recovery Taskforce has completed its work, and subsequent to the implementation of a Tourism Recovery Plan, the focus will once again shift to the development of a Sustainable Tourism Policy document and in advance of this an interim action plan as set out in the Programme for Government.

Fáilte Ireland's COVID-19 Business Support Hub

Fáilte Ireland has set up a COVID-19 Industry Advisory Group which meets weekly. The purpose of this group is to provide support to the tourism industry and to facilitate the timely sharing of information and insights to help improve the sector's understanding and response to the crisis. Fáilte Ireland has also developed a COVID-19 Business Support Hub which offers a suite of targeted supports for tourism businesses including a series of webinars from experts in each field, as well as advice guides with detailed FAQs and templates where necessary.

Roadmap for Reopening Society and Business

In line with the recent [5th June] acceleration and reconfiguration of the *Roadmap for Reopening Society and Business*, there are now just two remaining phases instead of three – with Phase 3

due to start on the 29th of June and Phase 4 on the 20th of July, subject to the continued successful suppression of the COVID-19 virus.

Under the revised *Roadmap*, the reopening of many tourism and hospitality businesses (e.g. hotels, hostels, caravan and camping parks, galleries, museums and bars that also operate as restaurants) has been brought forward to Phase 3 at the same time as cafés and restaurants. Phase 3 is also when any remaining domestic travel restrictions are due to be lifted

Fáilte Ireland's Operational Guidelines for the Tourism Sector

On June 9th 2020 Fáilte Ireland published operational guidelines to assist tourism businesses reopen safely, in line with the Government's Roadmap for Reopening Society and Business, These which were prepared in consultation with the tourism industry and the relevant authorities are intended to assist tourism business meet requirements in line with the *Return to Work Safely* protocol and bases on the latest health advice.

The guidelines comprise of eight documents in total - a general overview document plus more detailed guidelines for each of seven sectoral strands – hotels & guesthouses; self-catering properties; B&Bs; caravan & camping parks; restaurants and cafés; visitor attractions; and activity providers. All the guidelines are available on the Fáilte Ireland website (<https://covid19.failteireland.ie/industry-updates/guidelines-for-re-opening-published/>)

EU Recovery Plan

On 27 May, the European Commission published a revised proposal for the next Multiannual Financial Framework to run from 2021-2027, along with a proposed temporary and frontloaded new European recovery package called "Next Generation EU", to run over the period 2021-2024. The eligibility criteria for these funds has been further expanded to include objectives that will provide supports for small businesses, tourism, culture and natural heritage, among a range of other areas. 'Next Generation EU' will deliver €750 billion of targeted reinforcements to the long-term EU budget for 2021-2027, bringing the total financial firepower of the next EU budget to €1.85 trillion.

Next Generation EU will raise money by temporarily lifting the own resources ceiling to 2.00% of EU Gross National Income, allowing the Commission to use its strong credit rating to borrow €750 billion on the financial markets. This additional funding will be channeled through EU programmes and repaid over a long period of time throughout future EU budgets – not before 2028 and not after 2058.

This legislation is still being debated in the European Council and Operational Programmes for the period 2021-2027 will be agreed based on the new regulatory framework. The Operational Programmes are expected to be completed by the end of 2020, or early in 2021. The amount of European funding that will be allocated to Ireland and all other Member States is still being negotiated.

Restarting International Tourism

Several EU countries have announced that they will be re-opening their borders for international travellers over the next few weeks in an effort to restart tourism. Travel for Irish people abroad is still not recommended but this may change over the next number of weeks if it is safe to do so. This may be possible through "airbridges", which will allow travel to countries where the curve has been "flattened" to the same degree as it has here. The 14 day quarantine and the requirement to complete a Public Health Passenger Locator Form still apply to visitors to Ireland from abroad.

Domestic Marketing Campaign

Regionally and seasonally, Republic and Northern Ireland residents are far more likely to travel to rural Ireland and travel throughout the year. Domestic consumers spend €2.4 billion representing 56% of all trips and 32% of total tourism revenue.

The importance of our domestic visitors is particularly evident regionally with 84% of all Republic of Ireland domestic trips to destinations outside of Dublin and 75% of Northern Ireland trips. Domestic tourism is likely to be a much bigger share of the overall tourism market for a number of years as Irish people may be more likely to holiday at home. Hence, maximising the domestic opportunity over the next few years is crucial if we are to rebuild the sector and grow jobs throughout the country.

All of the above does not take away from the importance of overseas tourists. Even if the domestic market could grow by 50%, it would still not be enough to sustain the industry's current operational capacity into the medium to long term.

On 21 February, Fáilte Ireland unveiled its brand new €6m domestic and Northern Ireland marketing campaign entitled 'Keep Discovering' to help grow domestic holidays in Ireland. It was to run until 31st December 2020 with a new 60 second television ad and was also to feature on radio, large scale outdoor billboards, in cinemas and across a range of digital channels. This campaign was put on hold due to Covid-19.

Funding Challenges

Tourism has been very significantly impacted in the current COVID-19 crisis. With international travel at a virtual standstill, domestic travel significantly restricted and tourism and hospitality businesses closed, the impact of COVID-19 on Ireland's tourism sector has been immediate, unprecedented and catastrophic.

When restrictions are relaxed, the restart of the tourism sector will be very slow and phased leaving tourism enterprises with significantly reduced income this year. Businesses have fixed costs and no income. Many tourism businesses will be unable to build their usual working capital reserves in summer 2020, and, without assistance, will find it difficult to survive.

Fáilte Ireland has submitted a proposal to the Department for additional funding for two new schemes, one for current funding and one for capital funding. The purpose of the proposal for current funding is to provide assistance to approximately 2,000 tourism enterprises to cover

sunken and unavoidable costs (e.g. insurance, leasing of equipment and utility bills and security).

The second scheme is seeking additional capital funding to provide support to tourism businesses to cover some of the capital costs associated with adapting their businesses to meet the requirements of the COVID-19 reopening guidelines announced on 9 June 2020. The aim of the scheme would be to assist tourism businesses to meet the costs of implementing the necessary social distancing measures and put in place the necessary interventions to ensure customers feel safe. The grant would apply to

- Approved accommodation providers (Hotel, B&B, Self-Catering, Hostel, caravan & camping)
- Attractions
- Activity centres & providers
- Bars & Restaurants Active in tourism – Must be licenced

As an island, the restoration of air connectivity will be essential to restoring our levels of overseas tourism. Impactful approaches to stimulating the replacement of lost air capacity are needed as a priority. Significant additional funding is required at scale to influence airline route decisions. Tourism Ireland are finalising a list of priority routes to assist inbound tourism. Key markets will be North America, Mainland Europe and the Middle East. Great Britain will be important as an access point for regional airports. Tourism Ireland has submitted a proposal for significant funding to:

- De-risk the start-up of routes to key strategic inbound destinations.
- Partner with airlines to maximise the inbound demand during autumn and winter 2020.
- Provide a lifeline of demand for regional airports.

This supply line of air services would also require an additional marketing fund and industry support fund for sales platforms overseas.