



RESTAURANTS
ASSOCIATION
OF IRELAND

6th Annual Tourism Policy Workshop, Dromoland Castle
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***SHORT & MEDIUM TERM POLICY PRIORITIES TO ENHANCE THE FUTURE
PERFORMANCE OF IRISH TOURISM***

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Ireland's Tourism Industry

- ▶ 220,000 employed in the Tourism Sector
 - ▶ 11% of total employment in the country
 - ▶ 40% of new jobs created in Ireland in the past 3 years have been in Tourism
 - ▶ 2 out of every 5 jobs created in Tourism
- ▶ €6.5billion in annual earnings
- ▶ €1.25 billion collected in taxes in 2014
 - ▶ 24.5c of every euro spent by tourists goes to Government
- ▶ Visitor numbers to Ireland set to hit a record 9m for 2015



The Restaurant Industry

- Over **3,500 restaurants** in Ireland
- Restaurant sector employs 1 in 4 tourism jobs, contributes **€2 billion** to the Irish economy annually
- 7.2% of the total economy employment is engaged in the Foodservice & Accommodation sector ca. 160,000 (Employment increase of 15% in the last two years)
- **32,558 jobs** created since the reduction of the VAT rate from 13.5% to 9% July 2011
- In terms of employment, the majority of businesses in the sector employ fewer than 10 people



Tourism current success due to....

- ▶ VAT at 9%
- ▶ Suspension of Air Passenger Tax
 - ▶ Increase in access routes and capacity into the country
- ▶ Favourable exchange rates for US and UK visitors
- ▶ Resilience of the industry
 - ▶ Responded quickly to the shifting conditions during downturn and customers needs
 - ▶ Providing value for money offering to both domestic and international visitors
- ▶ Packaging of our Tourism product
 - ▶ Wild Atlantic Way



Strengthening the capacity of the tourism sector

- ▶ Target to increase employment in sector to 250,000 by 2025
 - ▶ As set out People, Place and Policy; Growing Tourism to 2025
- ▶ Provide Quality experience to visitors both home and abroad
- ▶ The tourist eats three times a day when in Ireland – Food Tourism plays key role in marketing Ireland abroad
 - ▶ Foodie Towns
 - ▶ Michelin Stars
 - ▶ Worlds Top 100 Restaurants

Short-Medium Term Policy Priorities 2016 - 2020

- ▶ Addressing the Skills Shortage
- ▶ Tax Incentives
- ▶ Tackling Regulatory Burden
- ▶ Capital Investment
- ▶ Investing in Rural Ireland



Short-Medium Term Policy Priorities 2016 - 2020

1) Addressing the Skills Shortage

“To support the growth of a skilled, professional and inclusive workforce”

Skills Shortage across all levels, most notably amongst Chefs and Cooks

► Why a skills shortage?

- Insufficient numbers with appropriate training & experience
- Lack of training centres and courses
- Perception of careers in the sector
- Reputation of the sector
- Continuous Professional Development
- Societal Focus on 3rd level



Short-Medium Term Policy Priorities 2016 - 2020

- ▶ Employment in the sector projections for 2020 are 180,000
 - ▶ 5,000 chefs needed each year between now and 2020 to meet demand
 - ▶ Without action key skills shortages are anticipated to increase over time

What is needed in the restaurant sector to assist this growth and development?

- ▶ Re-establishment of CERT, the former State training agency for the sector
- ▶ Developing more training centres throughout the country
- ▶ On and off the job training courses (Apprenticeship model underway)
- ▶ Packaging of 'A career in hospitality' - Link to obesity issue – Food education in schools
- ▶ Short-term solution for the Chef shortage, two year work visas for those outside of the EU
- ▶ Short CPD courses for upskilling those in the industry
- ▶ Digital Skills



Short-Medium Term Policy Priorities 2016 - 2020

2) Tax Incentives

- ▶ VAT at 9% - The Tourism Corporation Tax
 - ▶ No longer a short term stimulus
 - ▶ 5 year commitment needed in General Election manifestos of parties & candidates
- ▶ Jobs Tax Cut
 - ▶ Apprenticeship scheme – reduced PRSI for employers who take on apprentices and the same should apply to all tourism/hospitality training to up-skill
- ▶ Excise Duty
 - ▶ Ireland has the highest excise duty on wine in the EU
 - ▶ The tax take on a standard bottle of wine is now over 50%
 - ▶ Composite rate of VAT - Value for money perception – cost of drinks with a meal still seen as expensive. Wine served with a meal in a restaurant should attract the rate of VAT applicable to food in restaurants. This would help to encourage consumer spend.

Short-Medium Term Policy Priorities 2016 - 2020

3) Tackling regulatory Burden

- ▶ **Commercial Rates** are still the No.1 issue. Comprehensive review is needed. A restaurant in Ireland pays on average €15,813 per year on their Annual Rates
- ▶ **Outdoor Furniture Licence** – should be cost neutral
- ▶ **Streamlining regulatory enforcement** activities out of a merger and rationalisation of existing structures and agencies.
- ▶ Creating a **Business Inspection and Licensing Authority** that absorbs the existing business inspection activities of the Health and Safety Authority, and the National Consumer Agency.
- ▶ Developing a unique business identifier for use by all government departments and agencies that will facilitate the sharing of information within Government and reduce repetitive information requests from businesses.



Short-Medium Term Policy Priorities 2016 - 2020

4) Capital Investment in Tourism

Government strategy in Growing Tourism to 2025 is to ***place tourism as a key element of its economic strategy***

- ▶ Capital Investment in Tourism was only €17m in 2014
 - ▶ Sector has increased employment at faster rate than any other industry up 16% from 194,000 (2011) to 224,000 (2014)
 - ▶ Total Value of Tourism earnings in 2014 was €6.5billion. Certainly worth more capital investment being made from these earnings.
- ▶ Investment needed in;
 - ▶ Training – create centres of hospitality excellence
 - ▶ Tourism Infrastructure and Visitor Attractions
 - ▶ Investment in our Digital Infrastructure
 - ▶ Support tourism businesses to become more energy efficient



Short-Medium Term Policy Priorities 2016 - 2020

5) Investing in Rural Ireland

- ▶ Establishment of County Tourism Committees
 - ▶ Linkage with Local Authorities
 - ▶ Establish a Food Tourism officer in each local authority
 - ▶ Tourism Development plan for each county

County	Direct Jobs	Indirect Jobs	Total
Cavan	357	164	521
Longford	179	82	261
Monaghan	290	133	423
Roscommon	312	143	455
Westmeath	423	195	618



Invest in Rural Ireland

- ▶ Establishment of Product Marketing Groups
 - ▶ Angling
 - ▶ Equestrian
 - ▶ Cruise hire
 - ▶ Walking
 - ▶ Cycling



Marketing Ireland Home & Abroad

- ▶ **Set 2017 as the Year of Irish Food and Drink**
- ▶ Set an Irish Food Brand Strategy (similar to Year of Design 2015)
- ▶ Celebrate our food scene, produce, chefs, restaurants and cookery schools
 - ▶ Seasonal and Local Ingredients – Foraging – 12 mile menus
 - ▶ Craft Beer and Cider Breweries
 - ▶ 13 Whiskey distilleries currently operational - 3 more due to open 2017
 - ▶ Smaller breweries and distilleries should be allow to sell their product on site. Currently retailers licence required that costs around €70,000
- ▶ Link with Food tourism officers in each county
- ▶ Foodie Towns



Marketing Ireland Home & Abroad

- ▶ Tourism Bodies – FG manifesto ***“We will streamline the bodies dealing tourism marketing, promotion and product development to create a single voice for tourism”***
- ▶ **Marketing of Ireland at home and abroad should be under the auspices of one single agency**
- ▶ Campaign to have at least one Irish Restaurant in the World Top 100 in the next 3 years
- ▶ Regular visitor satisfaction surveys

Short-Medium Term Policy Priorities 2016 - 2020

How will Ireland remain competitive?

- ▶ **Small country that has a long established reputation for welcoming visitors**
- ▶ Recovery is uneven and urban centric
- ▶ **International Competition is growing – Ireland ranked 19th in World Economic Forum Travel & Tourism Competitiveness report 2015**
 - ▶ Need to remain attractive
 - ▶ Offer value for money – we can't depend on favourable exchange rates
 - ▶ Accessible
 - ▶ Offer High Quality Experience around all parts of Ireland, focus on rural areas, particularly the midlands and the Shannon route.
- ▶ Challenges remain with;
 - ▶ Cost of doing business – operating under tight margins
 - ▶ 2nd highest minimum wage in Europe



Short-Medium Term Policy Priorities 2016 - 2020

Thank You

