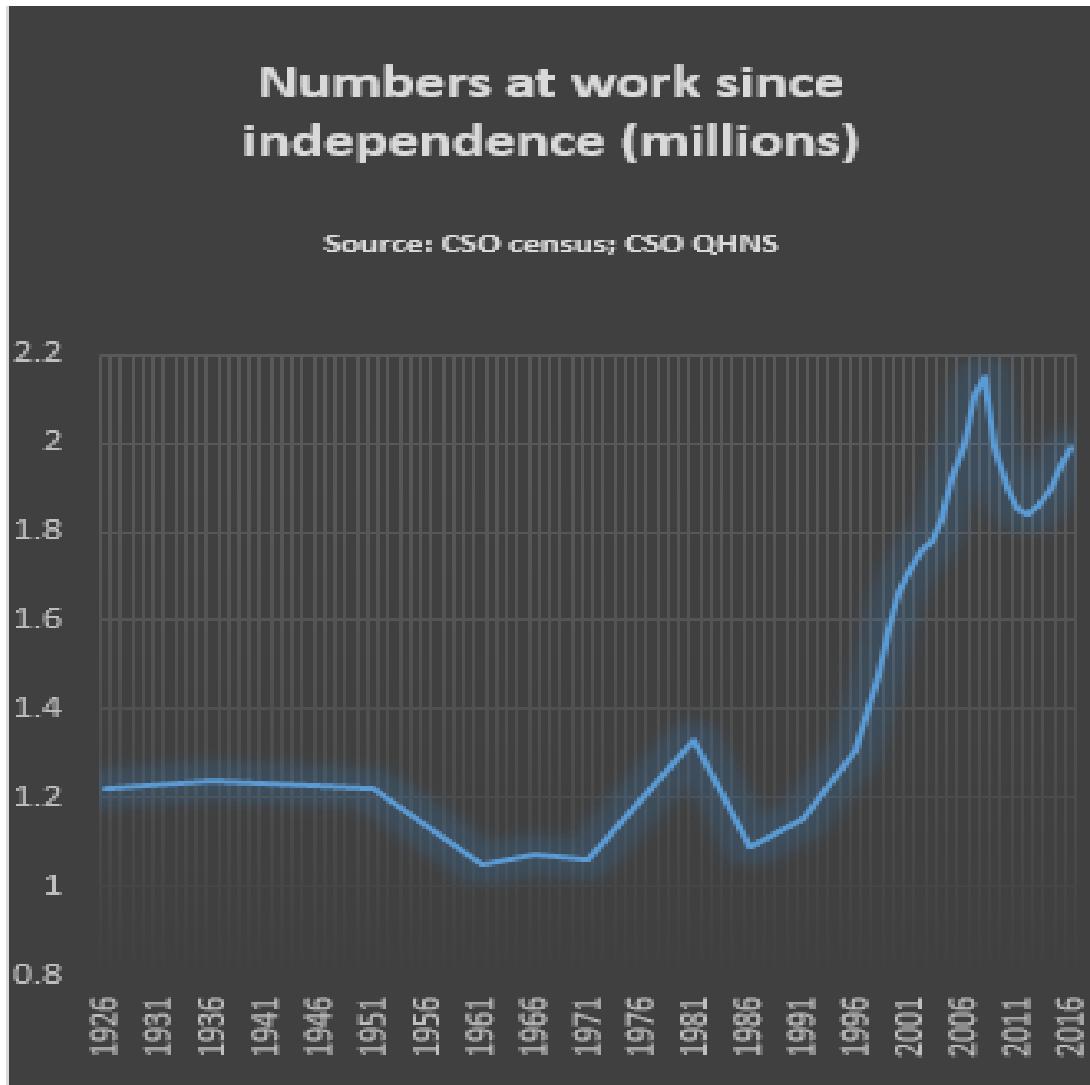


Tourism: performance and prospects

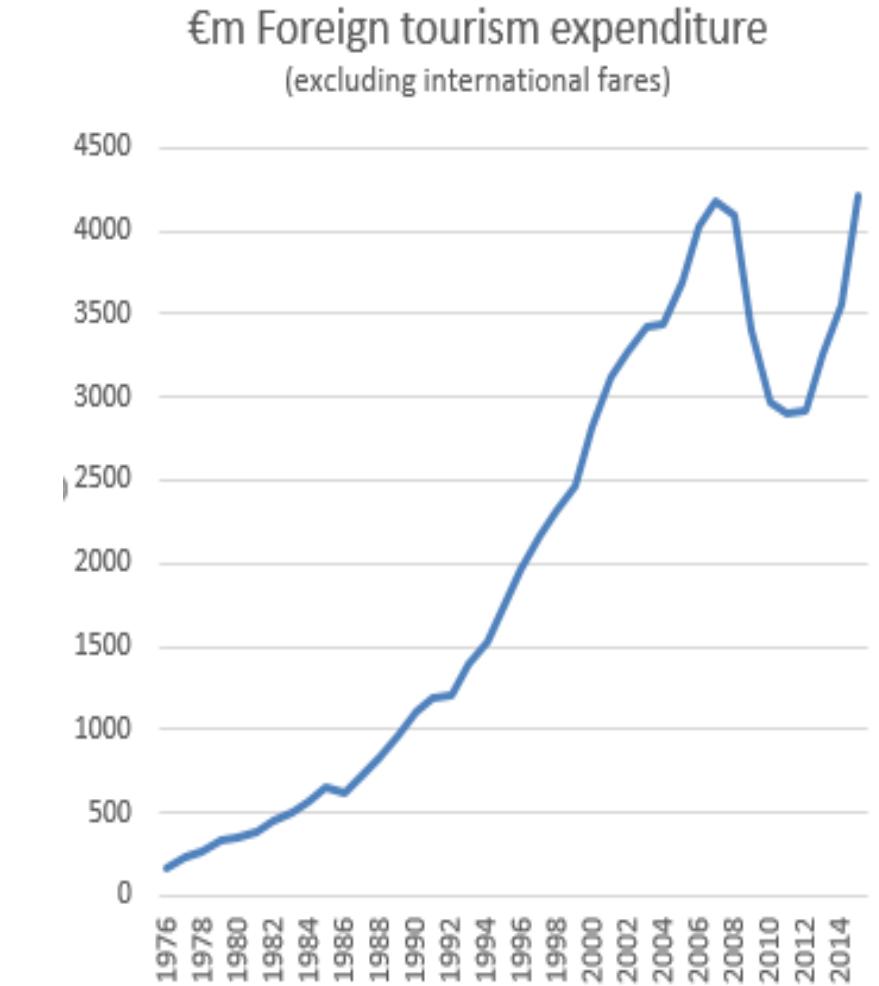
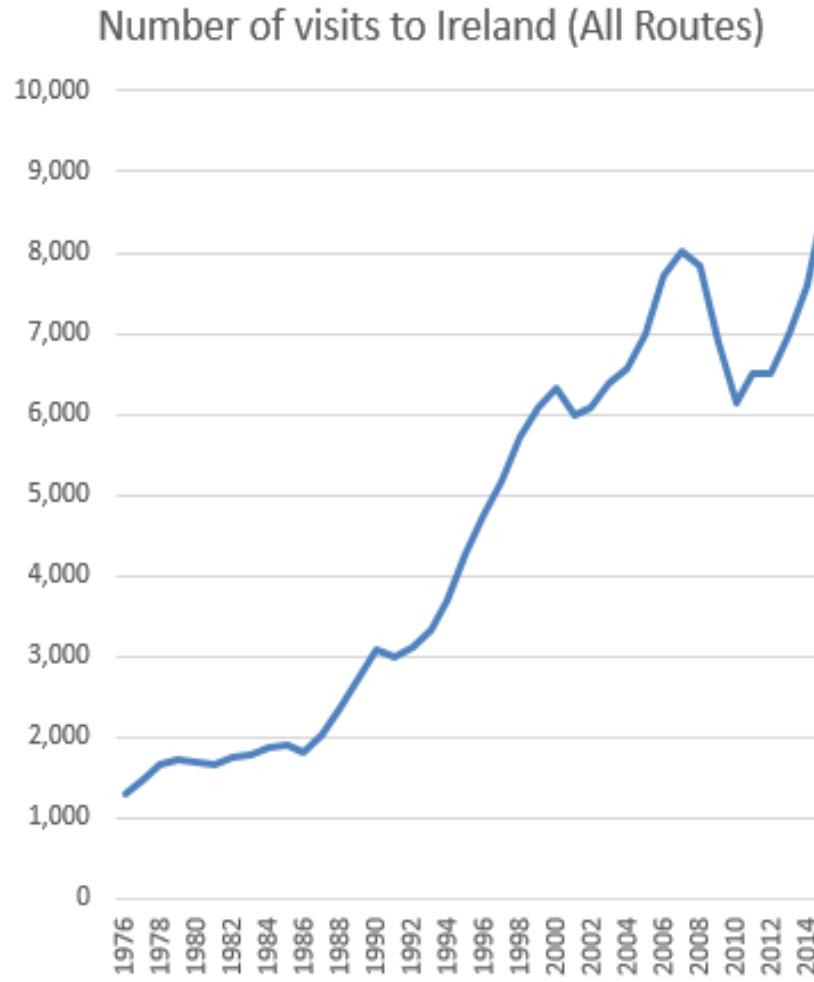
Dan O'Brien
Chief Economist

Institute of International and European Affairs

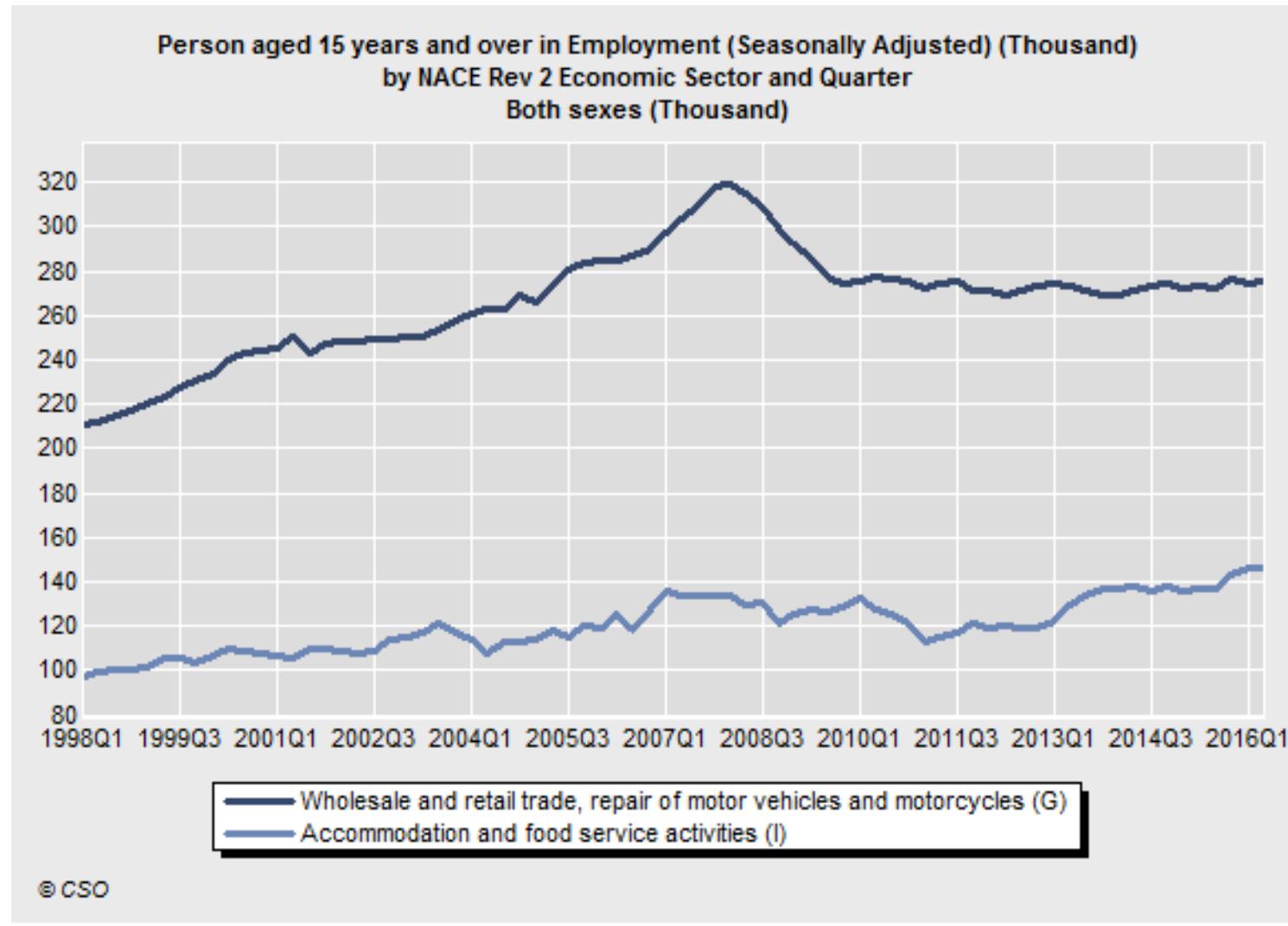
A one-chart economic history of independent Ireland



Foreign visits and spend



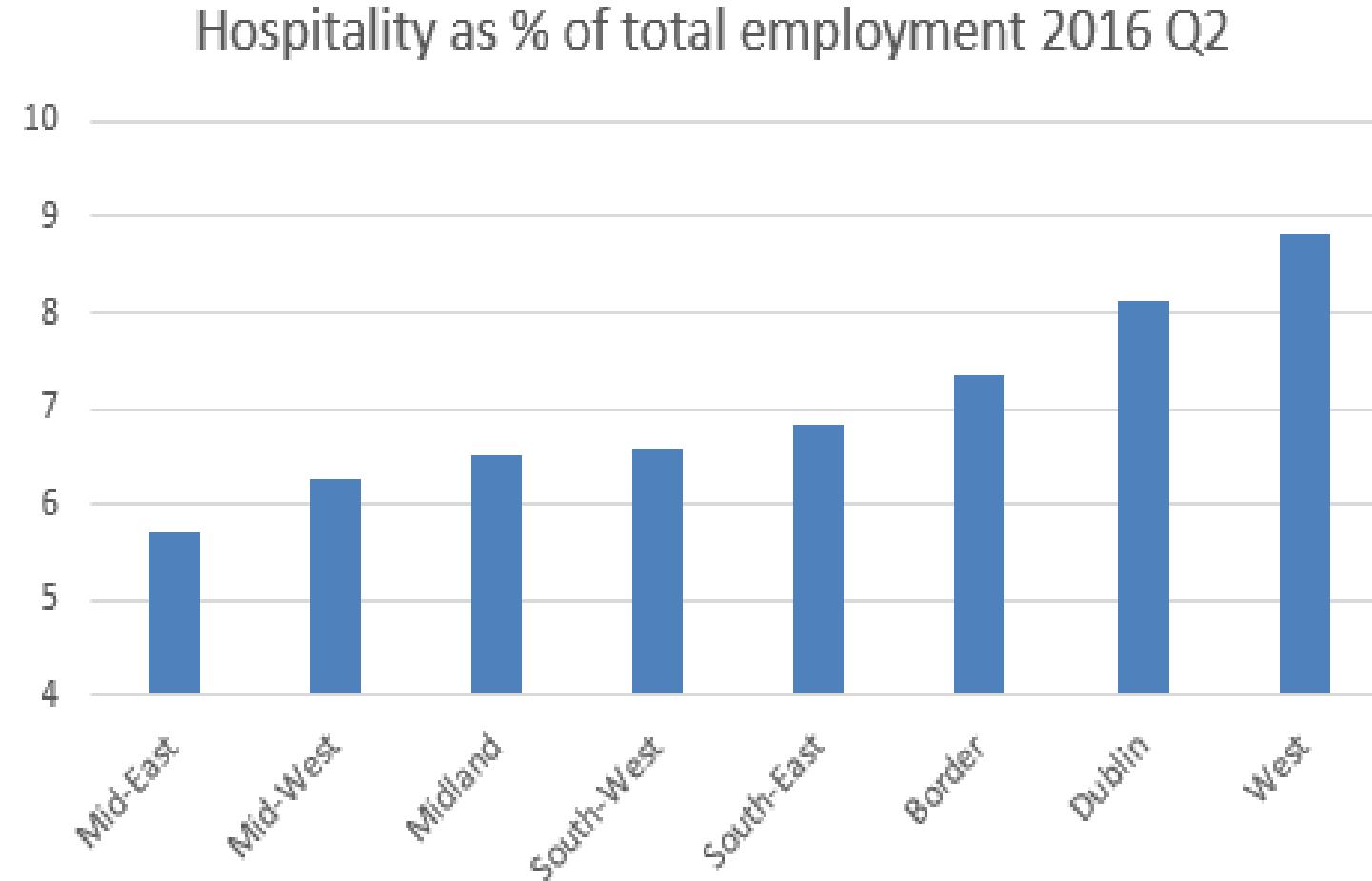
Hospitality and retail employment



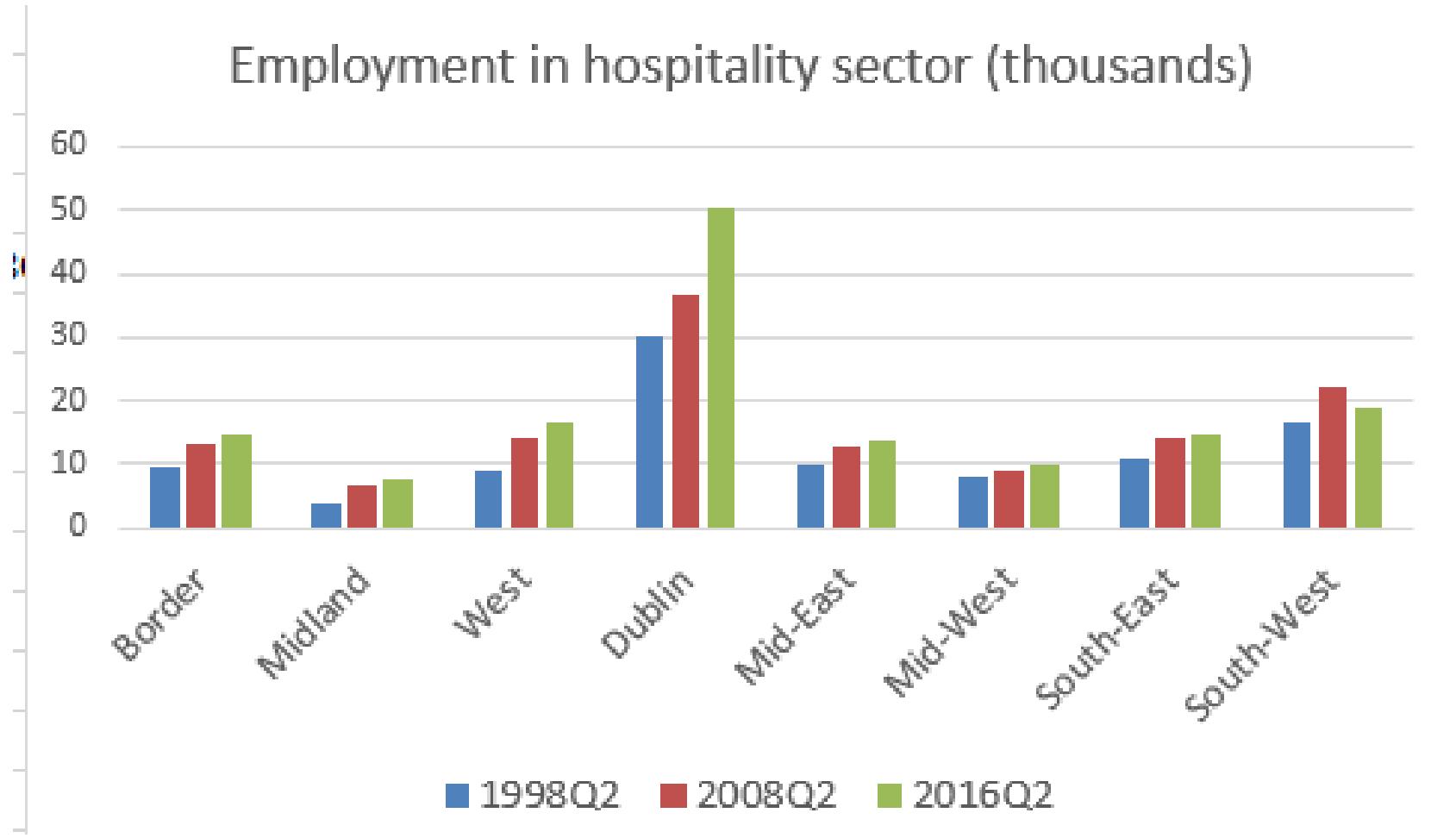
Hospitality jobs (full/part time)



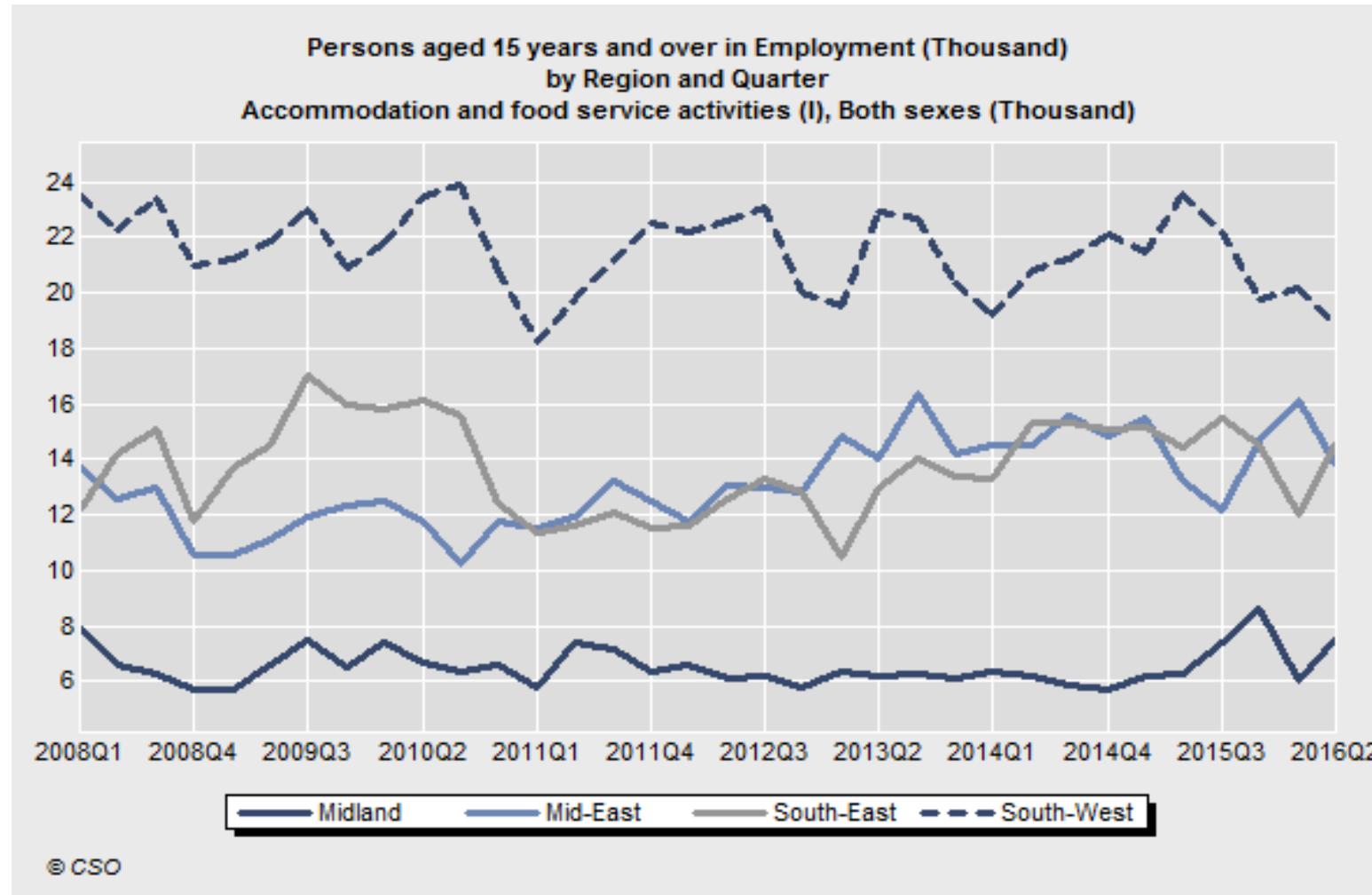
Importance of hospitality by region



Regional hospitality job numbers



Something awry in the south west

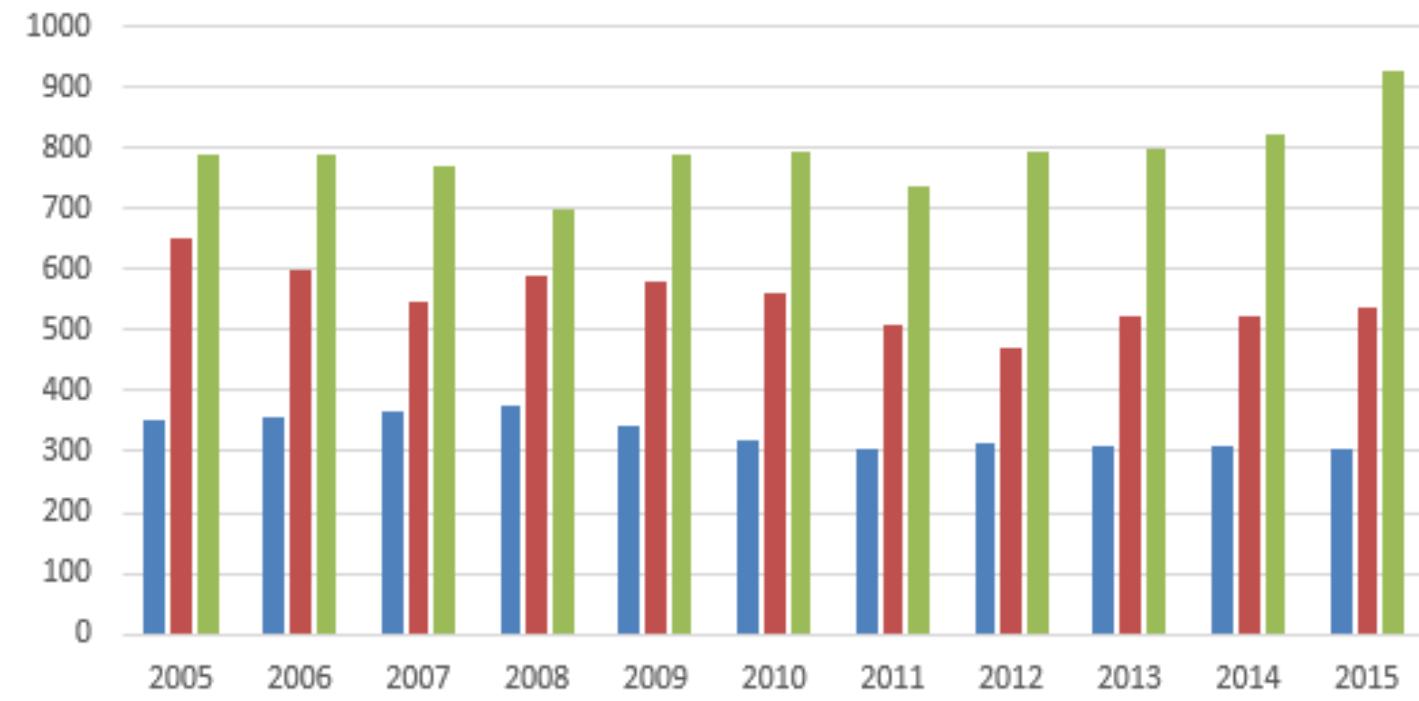


Main markets and demand factors

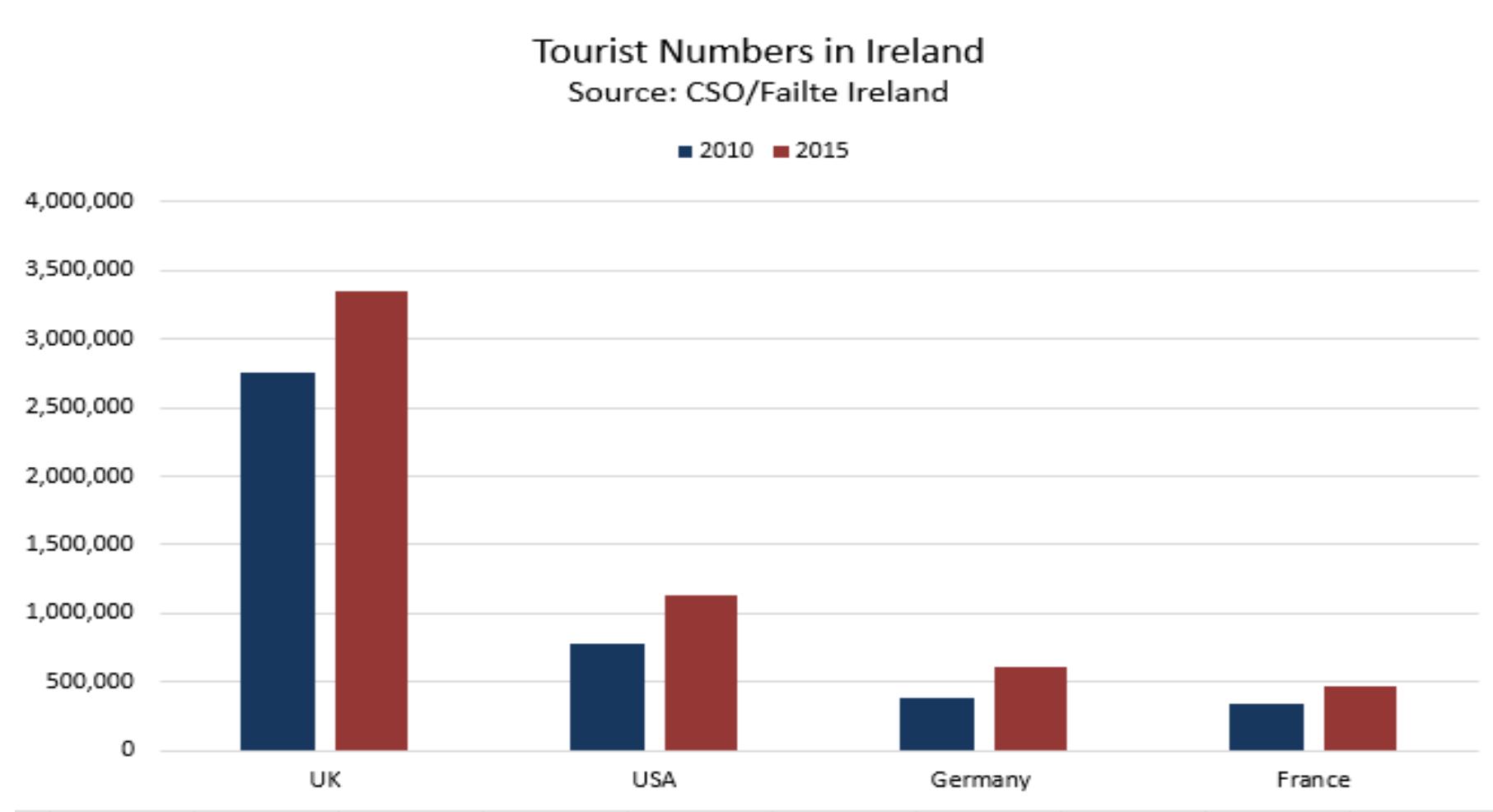
Big spenders

Average amount spent in the Irish economy
by foreign visitors (€)

■ UK ■ Mainland Europe ■ North America



The big four

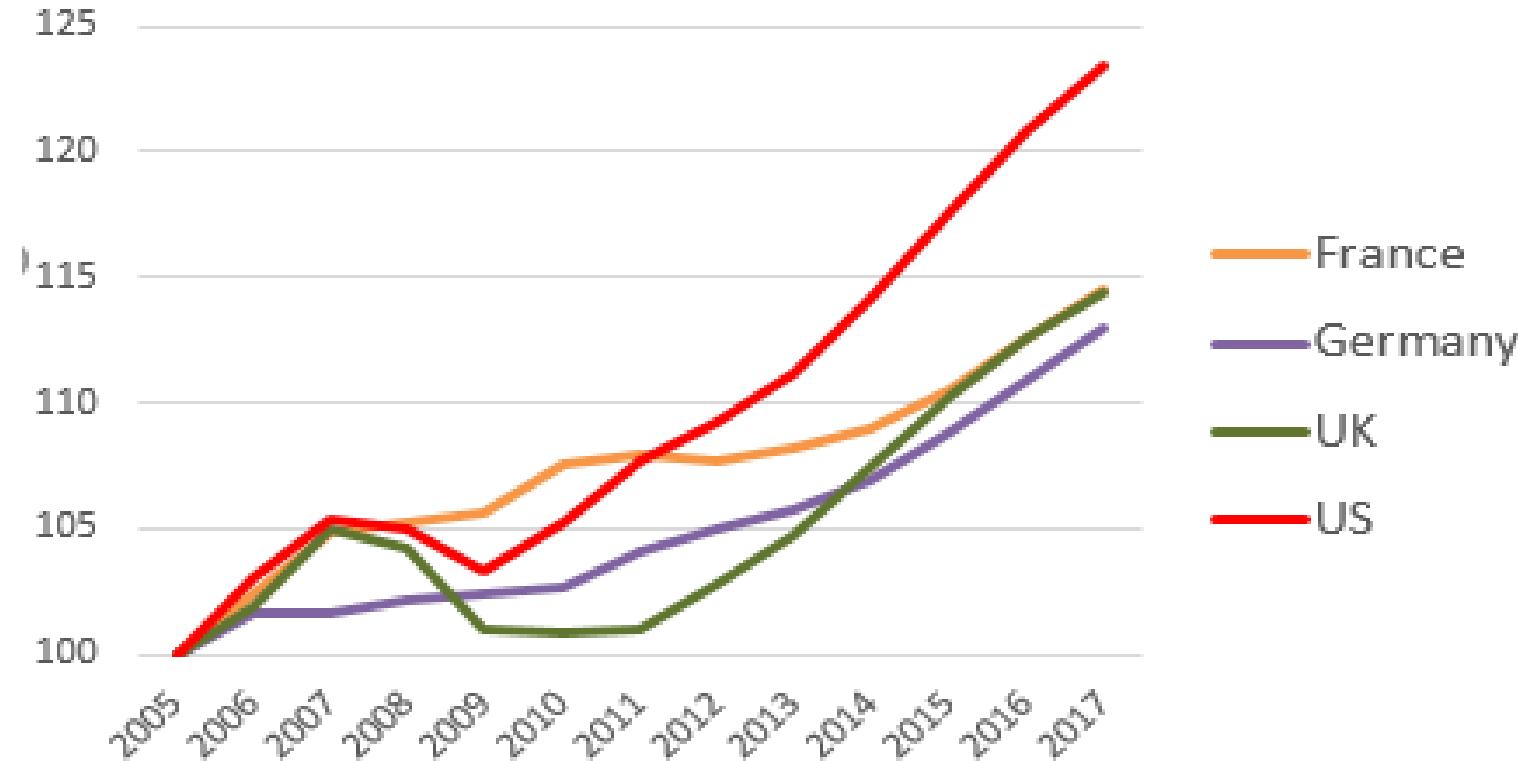


Consumers in the big four markets

Private consumption

Index: 2005=100

Source: OECD

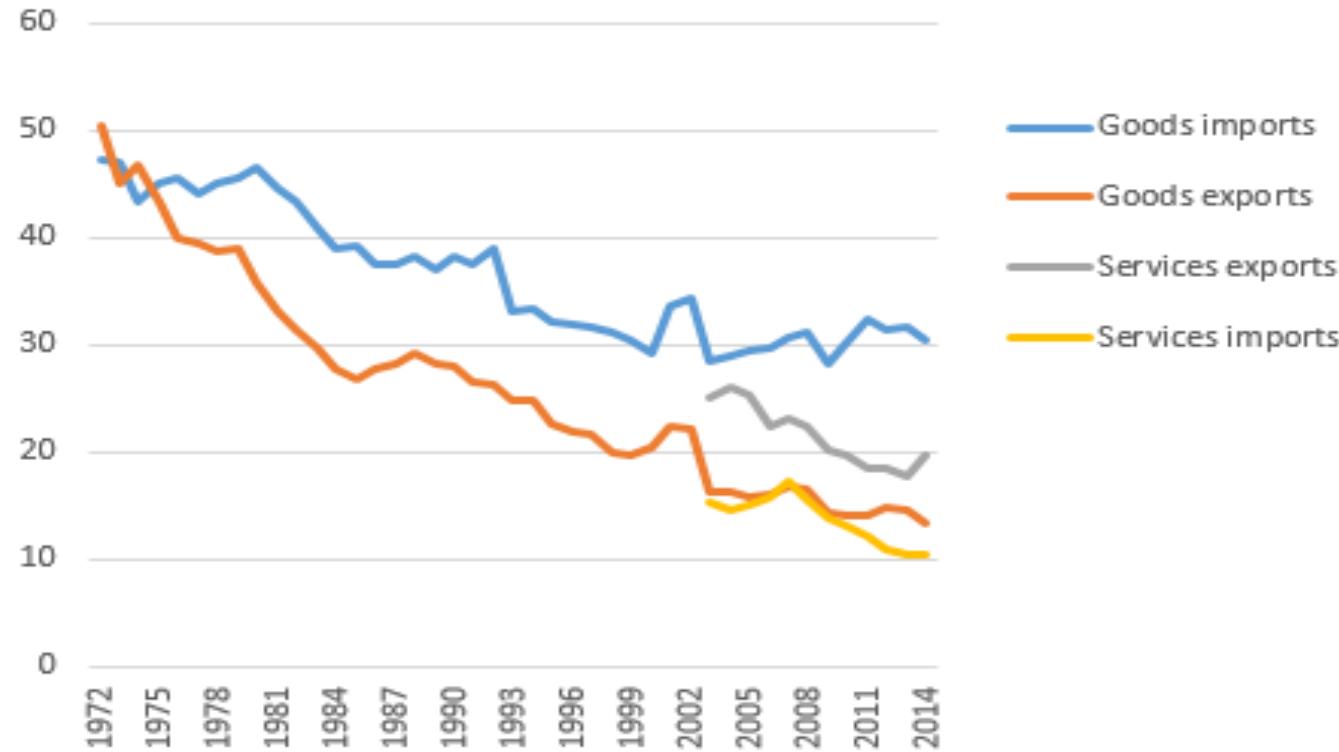


Britain

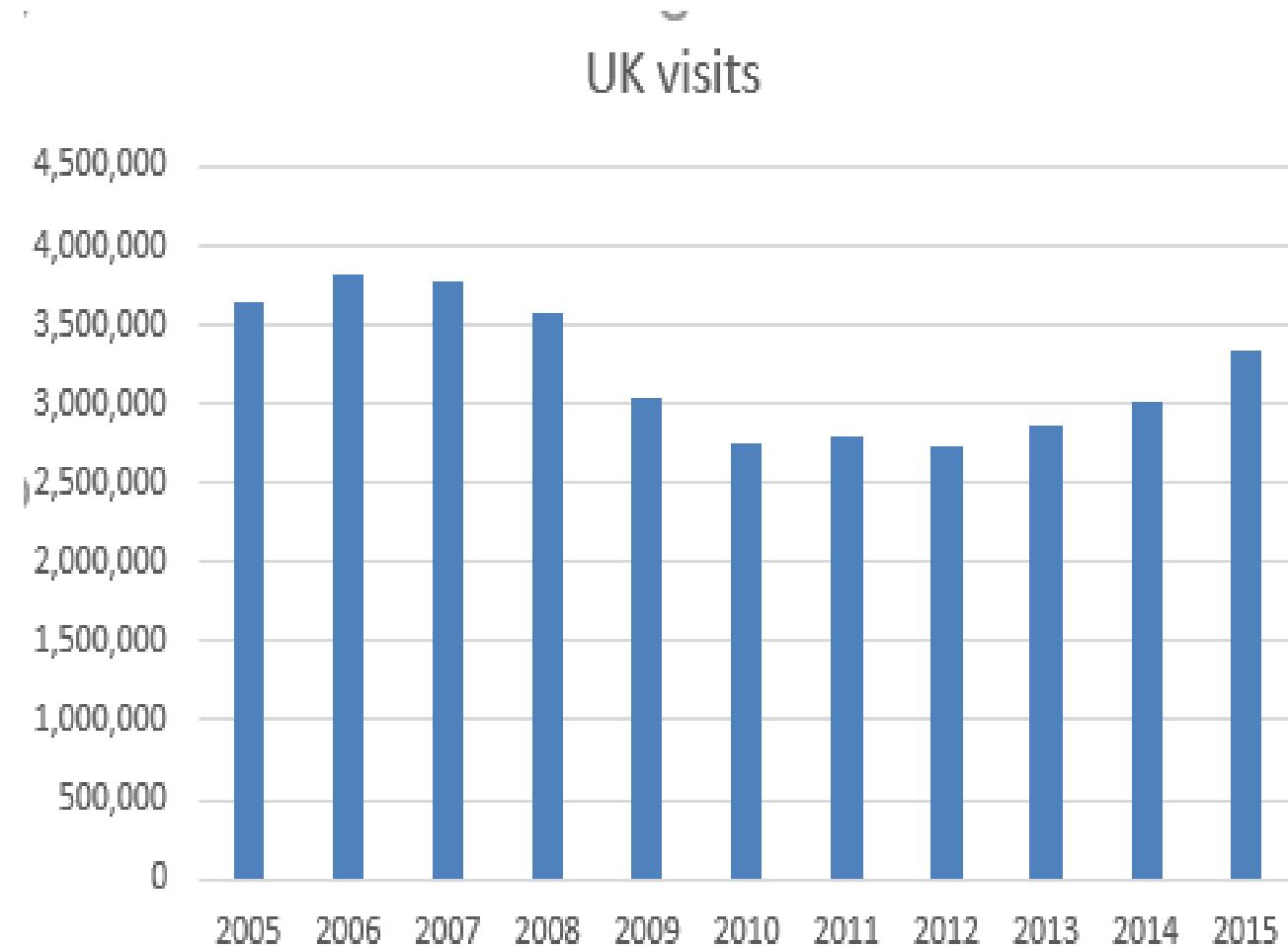
Trade with UK: long term **relative** decline

Britain's % share of Irish trade

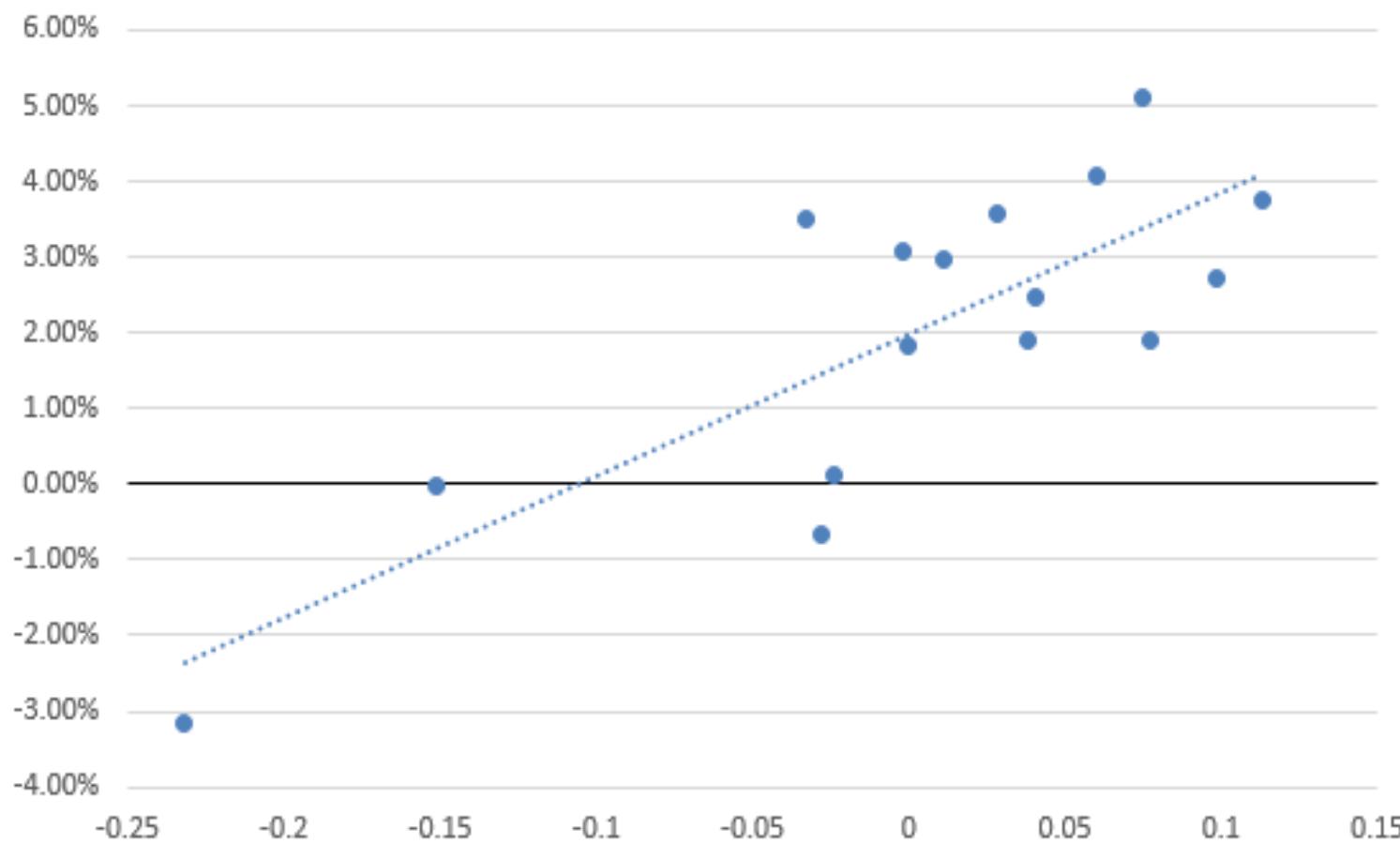
Source: CSO



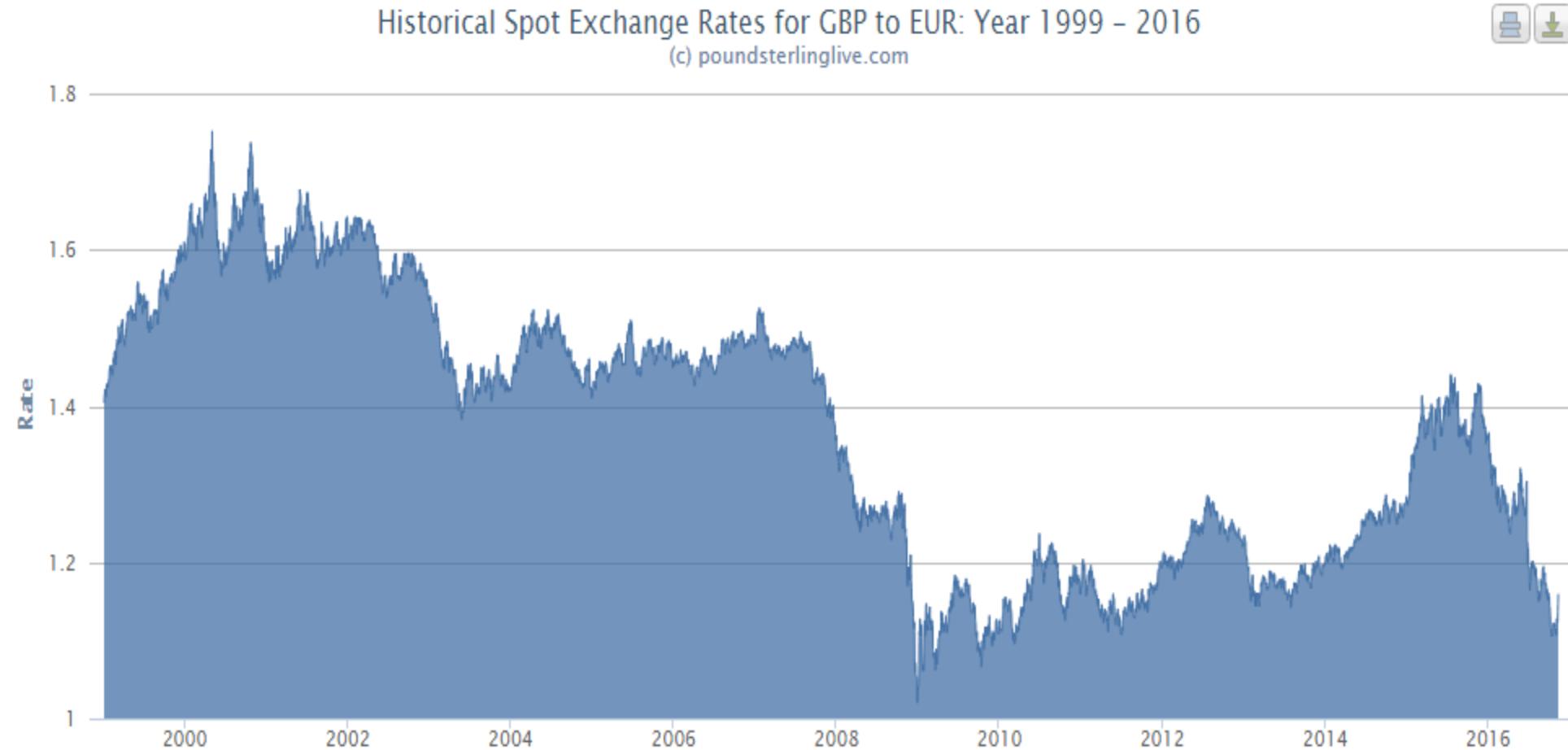
British arrivals



UK Tourism Revenue Growth vs Consumption Growth

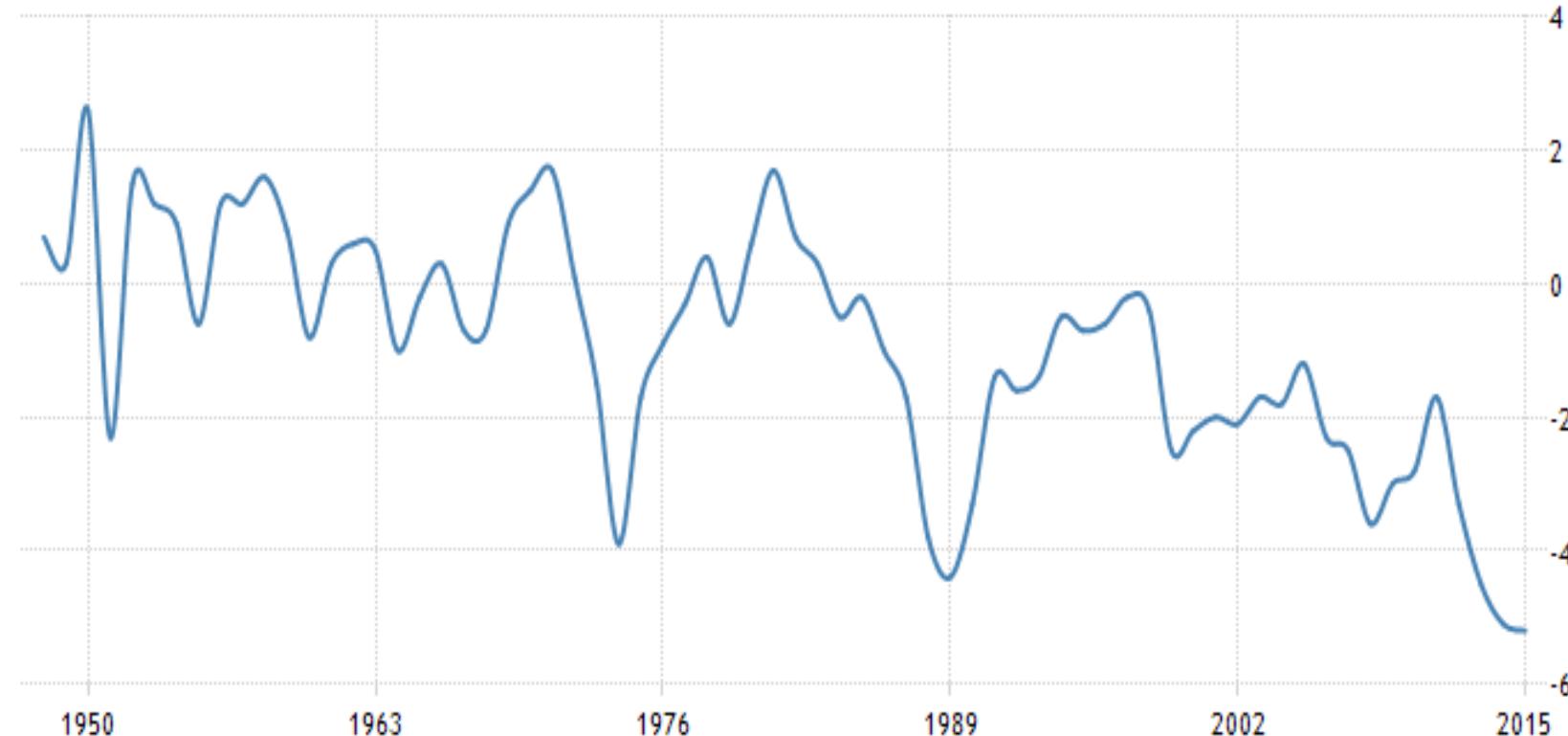


Sterling: euro down since Brexit...



...and there is further to fall

UK CURRENT ACCOUNT TO GDP



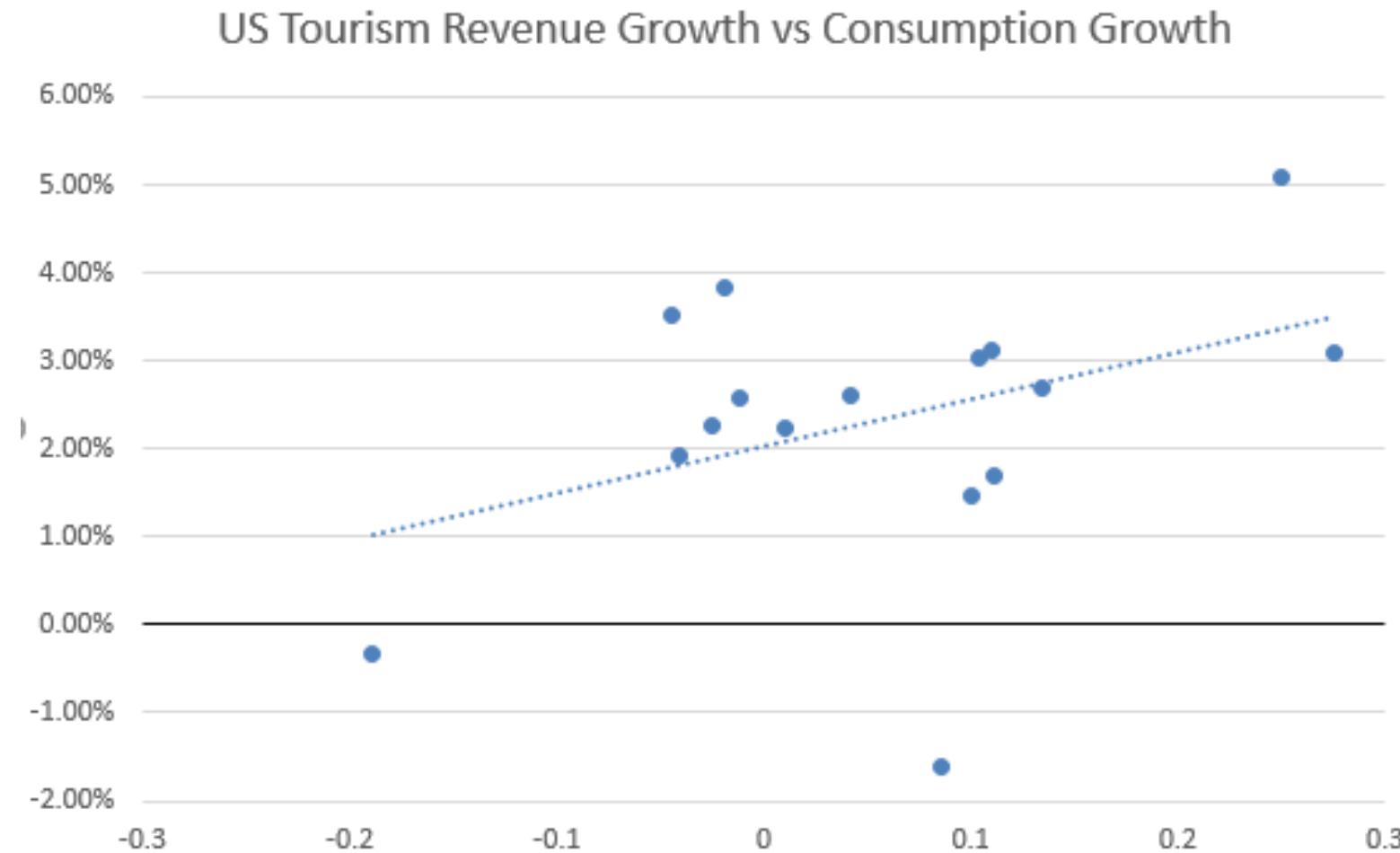
SOURCE: WWW.TRADINGECONOMICS.COM | UK OFFICE FOR NATIONAL STATISTICS

Prospects for UK consumption

- Brexit did not cause consumer shock
- But...
- Weak sterling will have a price effect...
- ...and it will erode incomes
- Weaker business investment will feed into the labour market

US

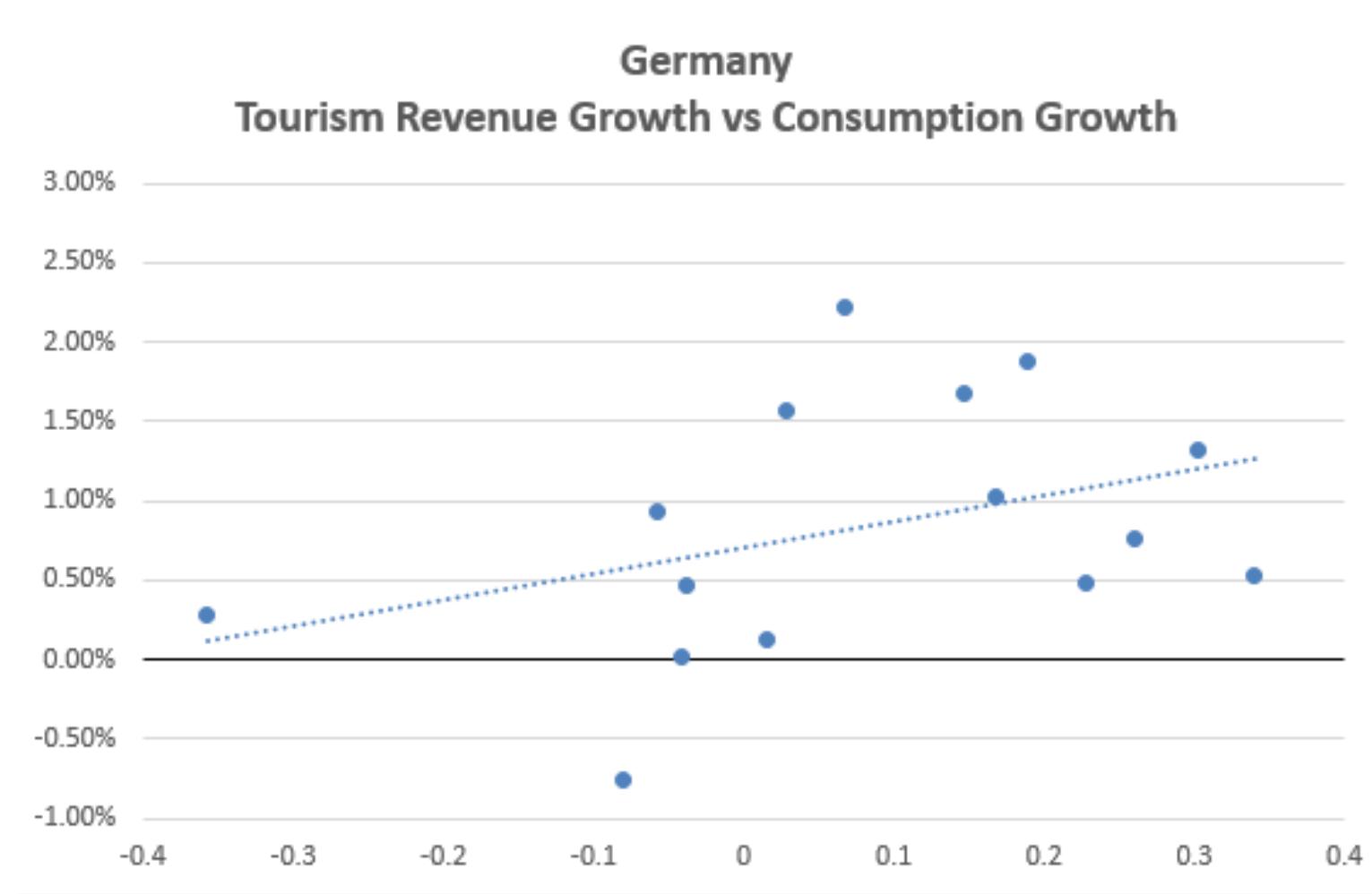




Prospects for US consumers

- Interest rates are rising
- Political uncertainty could impact consumption
- Tax cuts likely to have limited effects
- Higher capital spending unlikely before 2018, if it happens
- Strong recent rise in wages/incomes should continue given the tight labour market

Germany



Prospects for German consumption

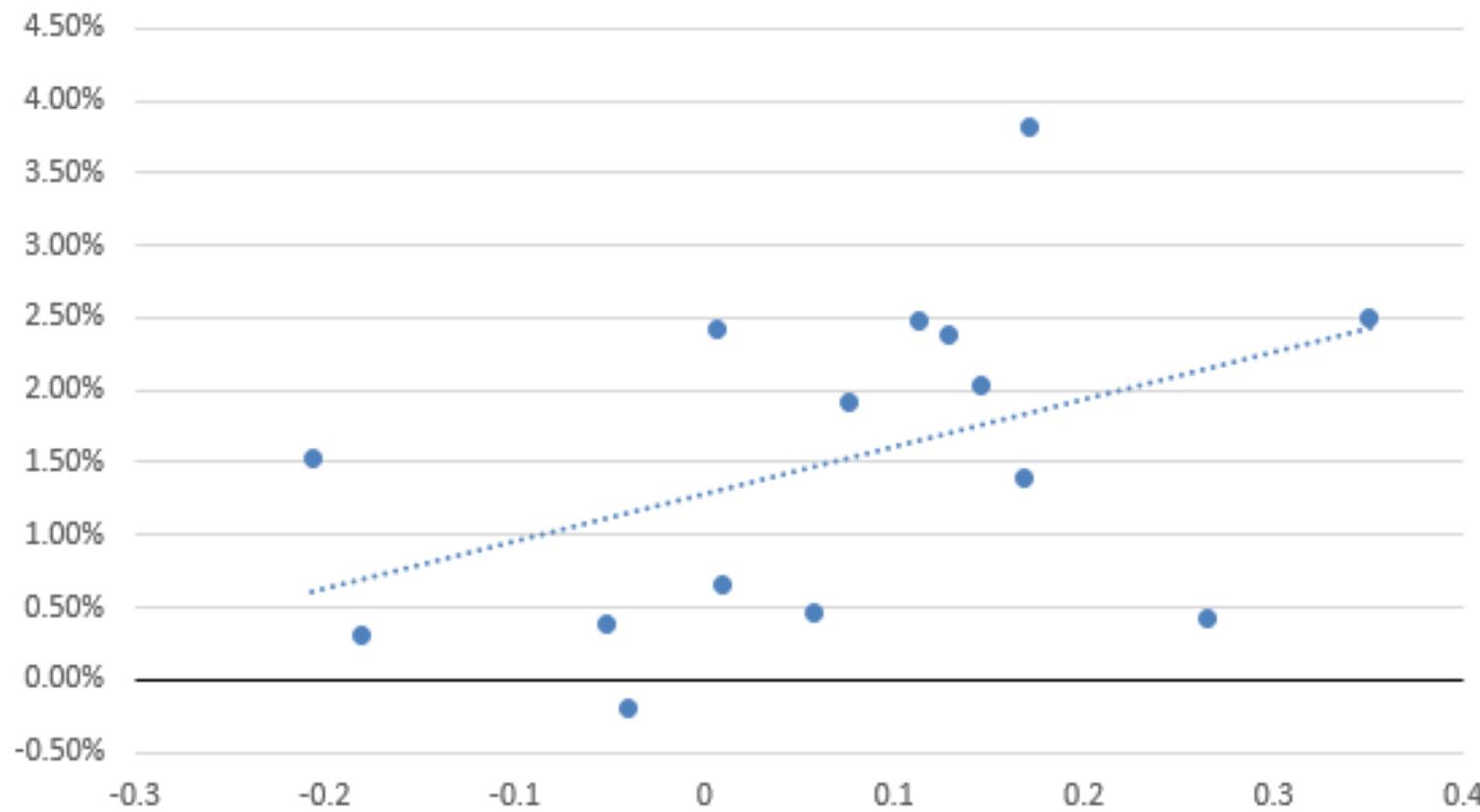
- Tight labour market is pushing up wages
- Competitive economy and fewer painful reforms
- Some loosening of fiscal policy as election approaches



France

France

Tourism Revenue Growth vs Consumption Growth

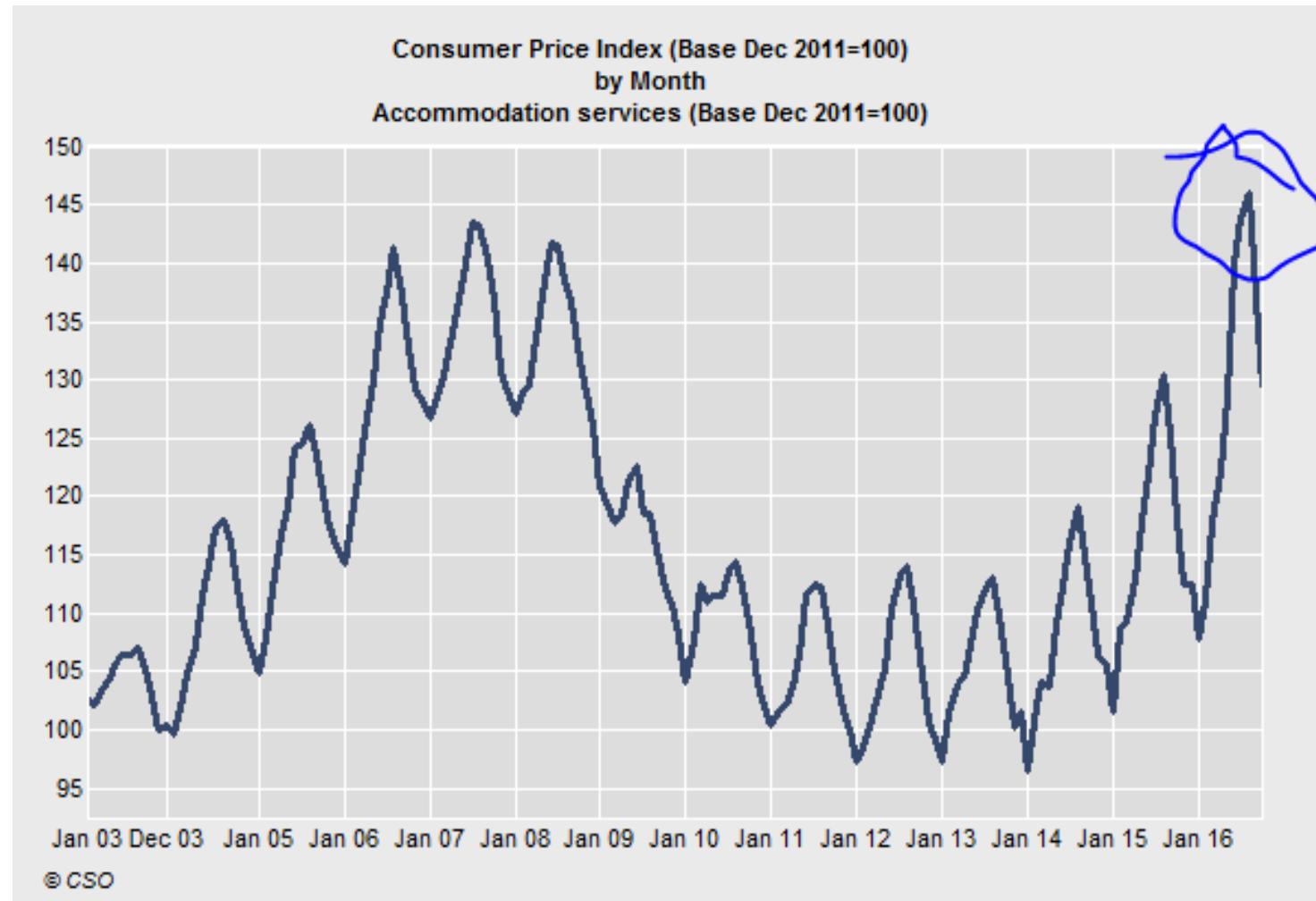


Prospects for French consumption

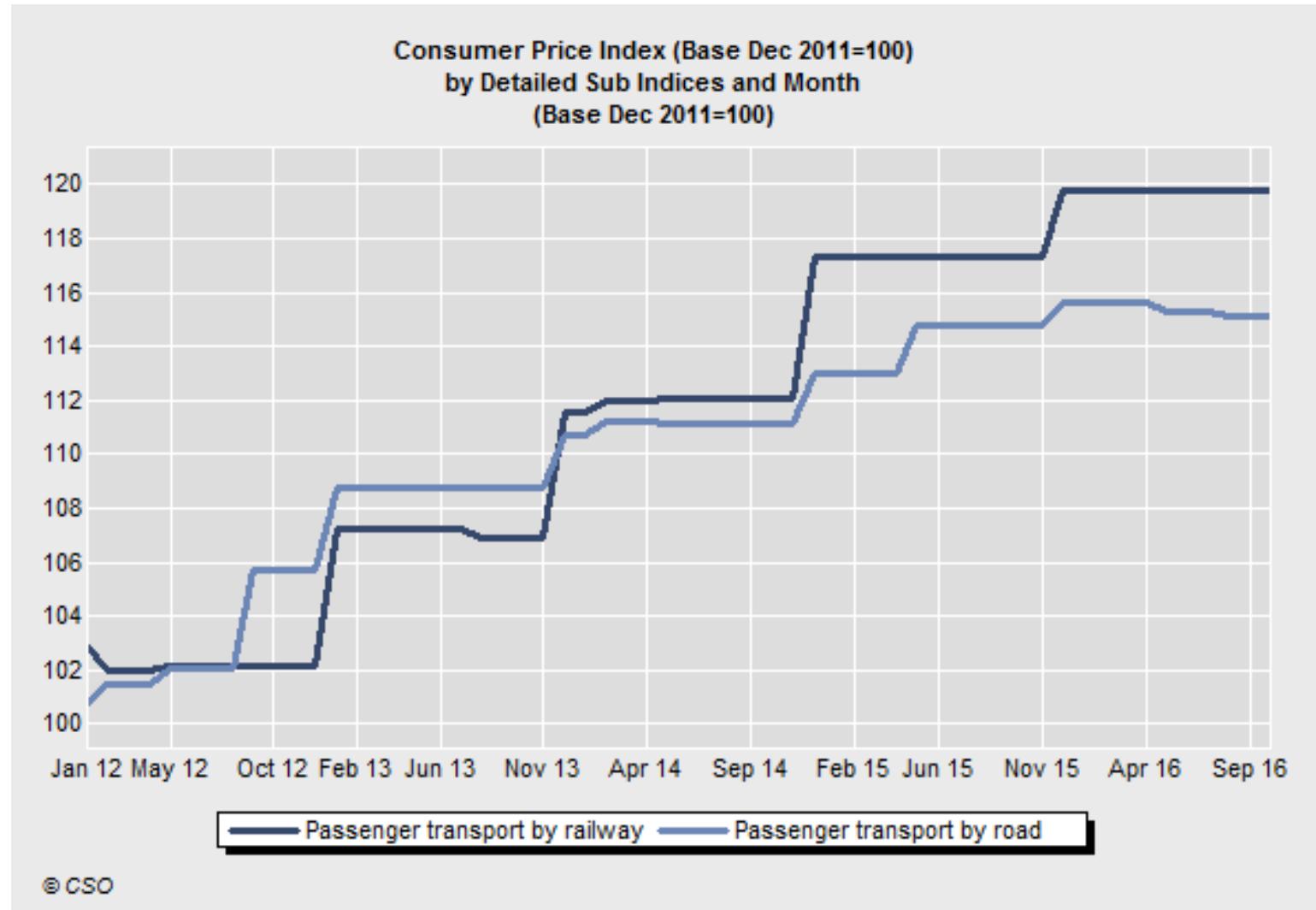
- Consumer confidence at highest level since 2008
- Employment growth picking up
- Possible political uncertainty as election approaches

Some competitiveness issues

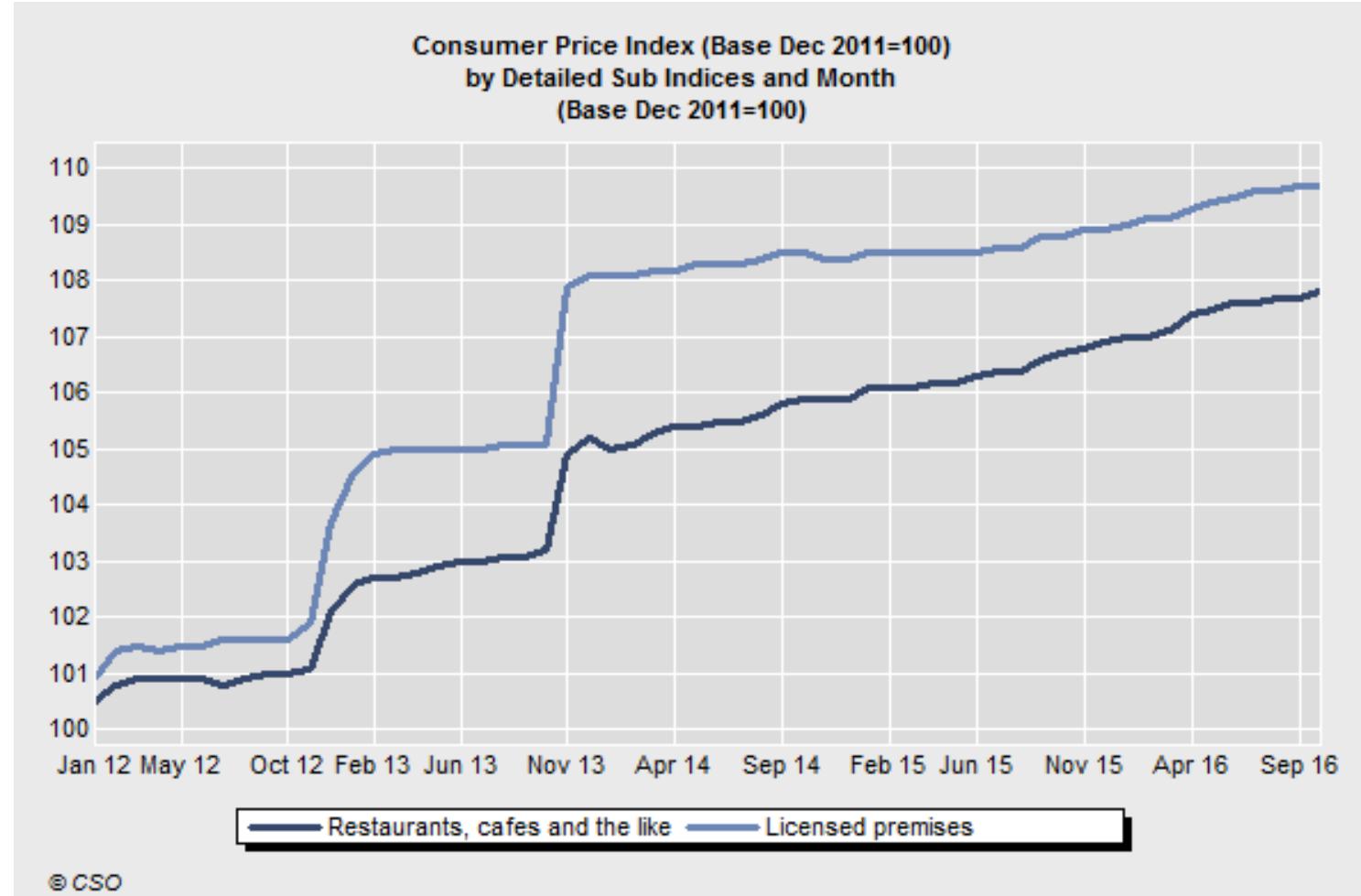
Accommodation prices



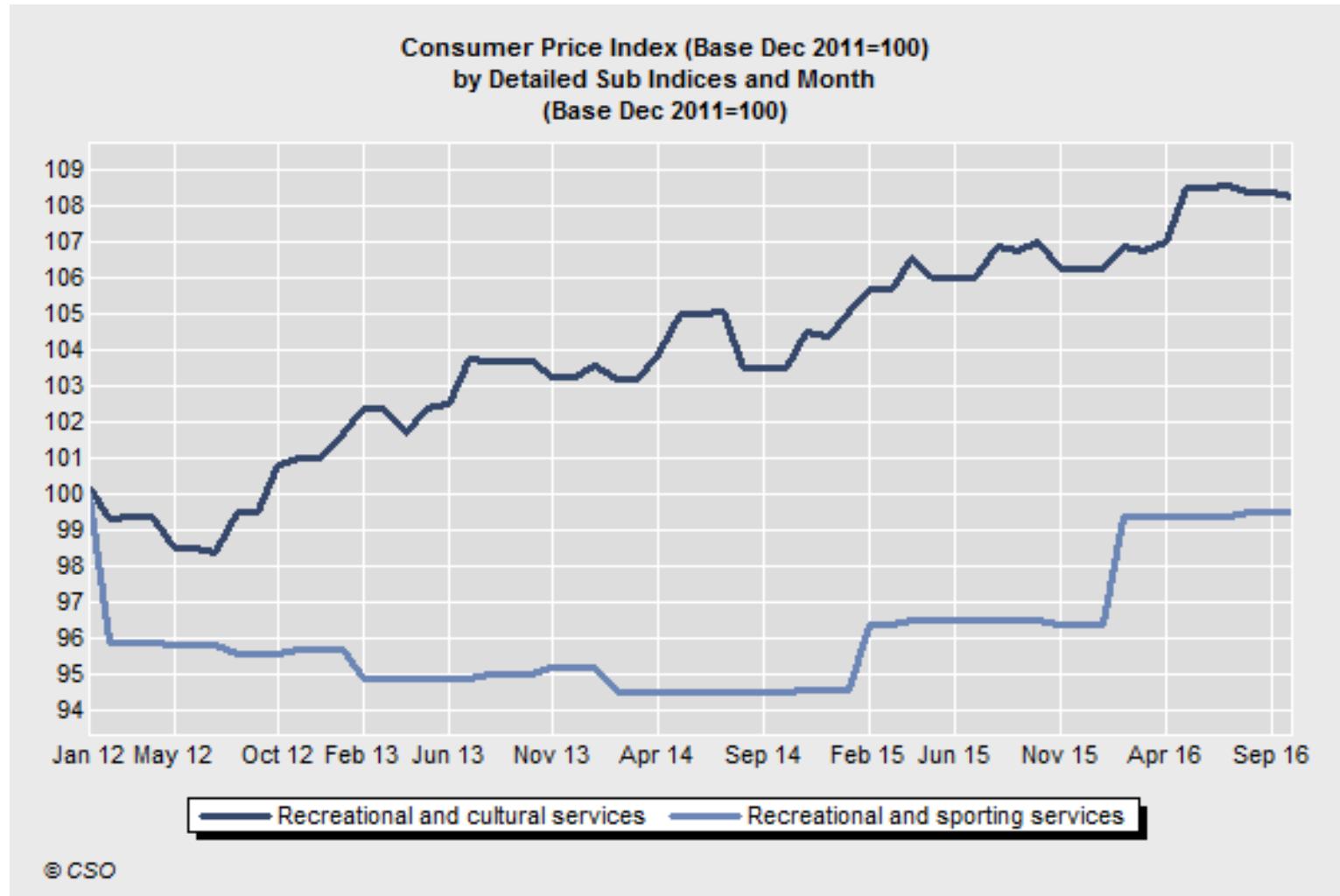
Rail and road transport prices



Restaurant and pub prices



Cultural and sporting prices



Thank you.

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