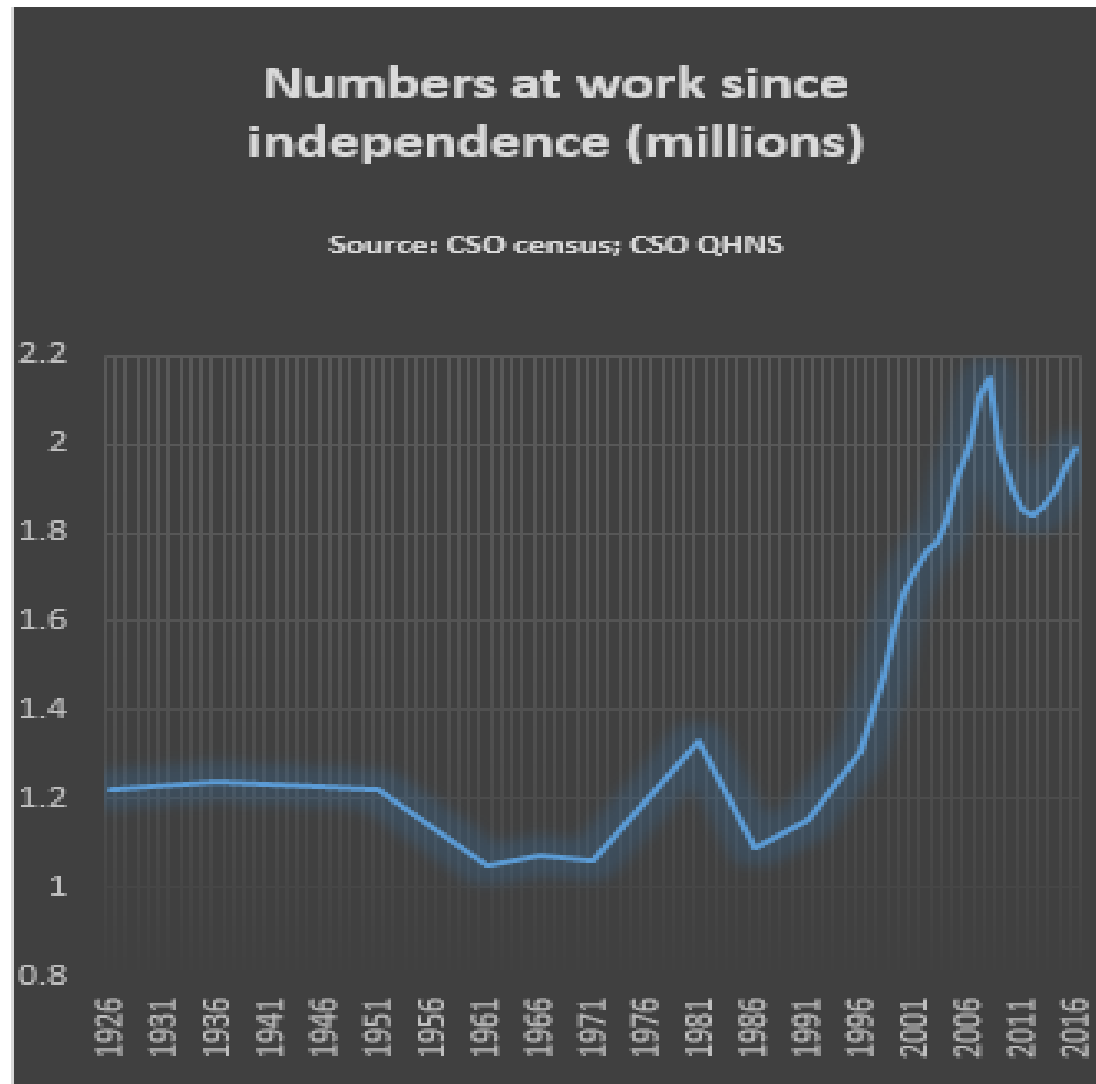


Tourism: performance and prospects

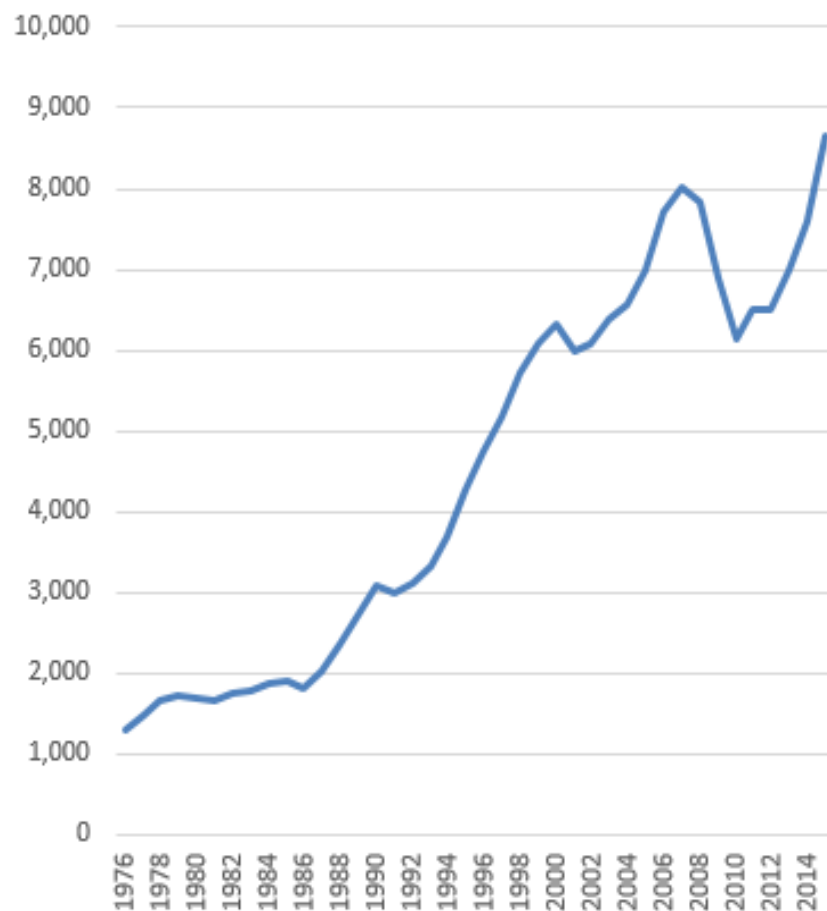
Dan O'Brien
Chief Economist
Institute of International and European Affairs

A one-chart economic history of independent Ireland

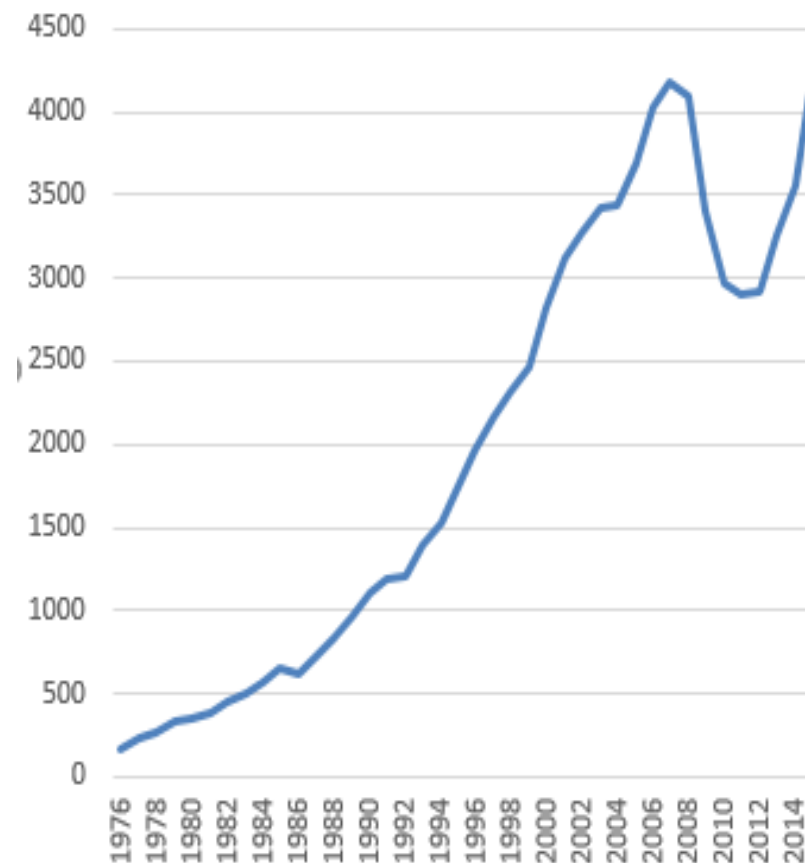


Foreign visits and spend

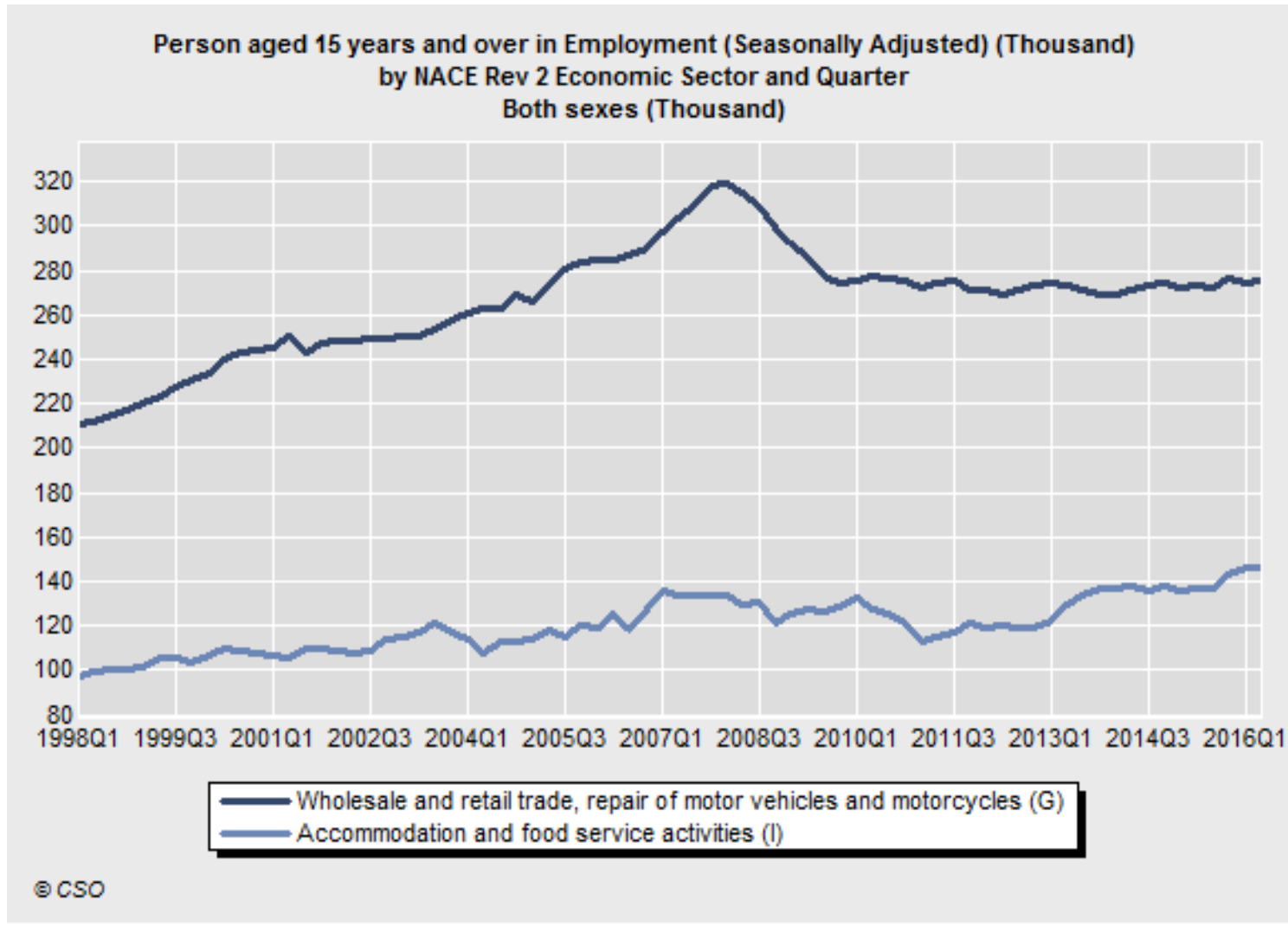
Number of visits to Ireland (All Routes)



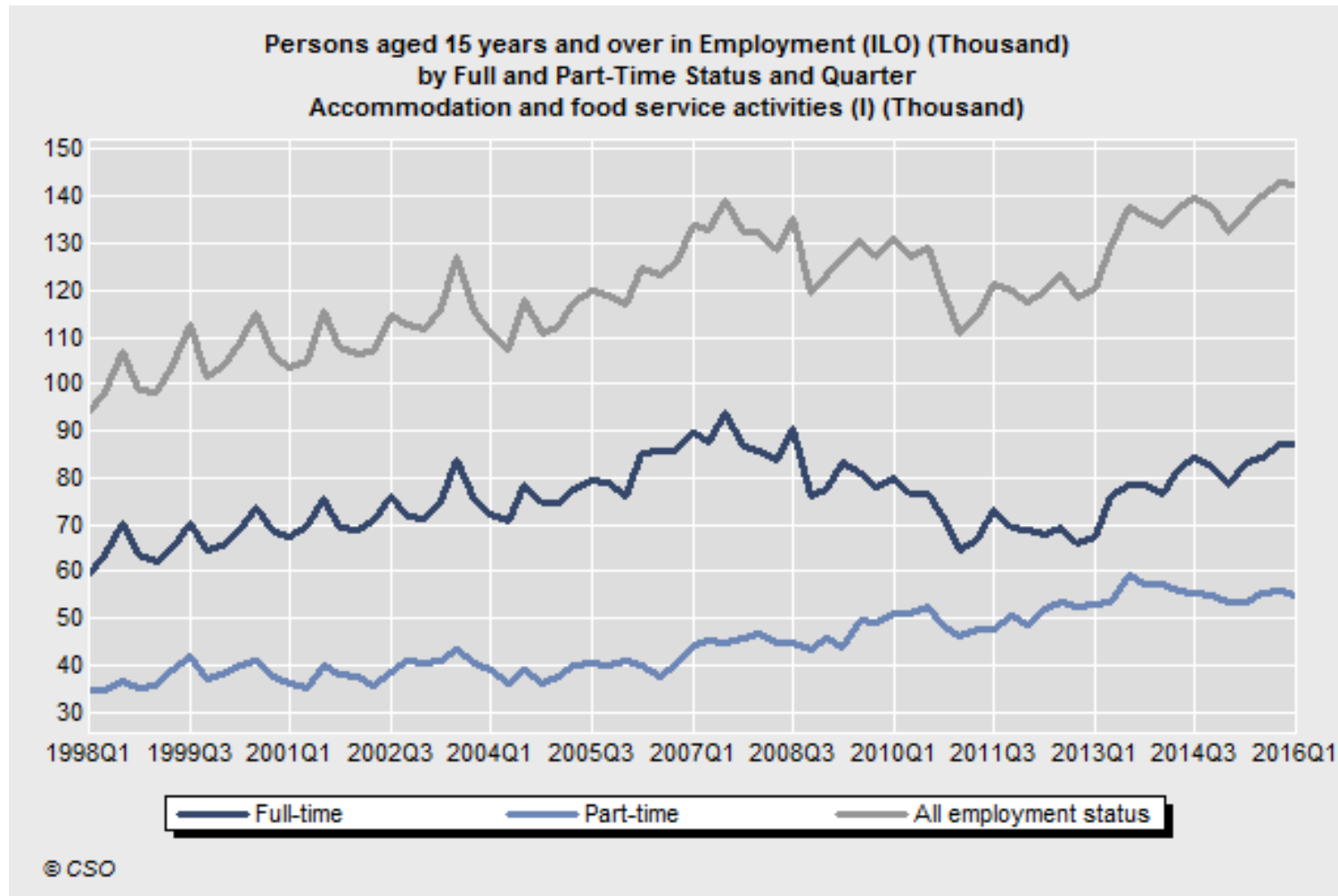
€m Foreign tourism expenditure
(excluding international fares)



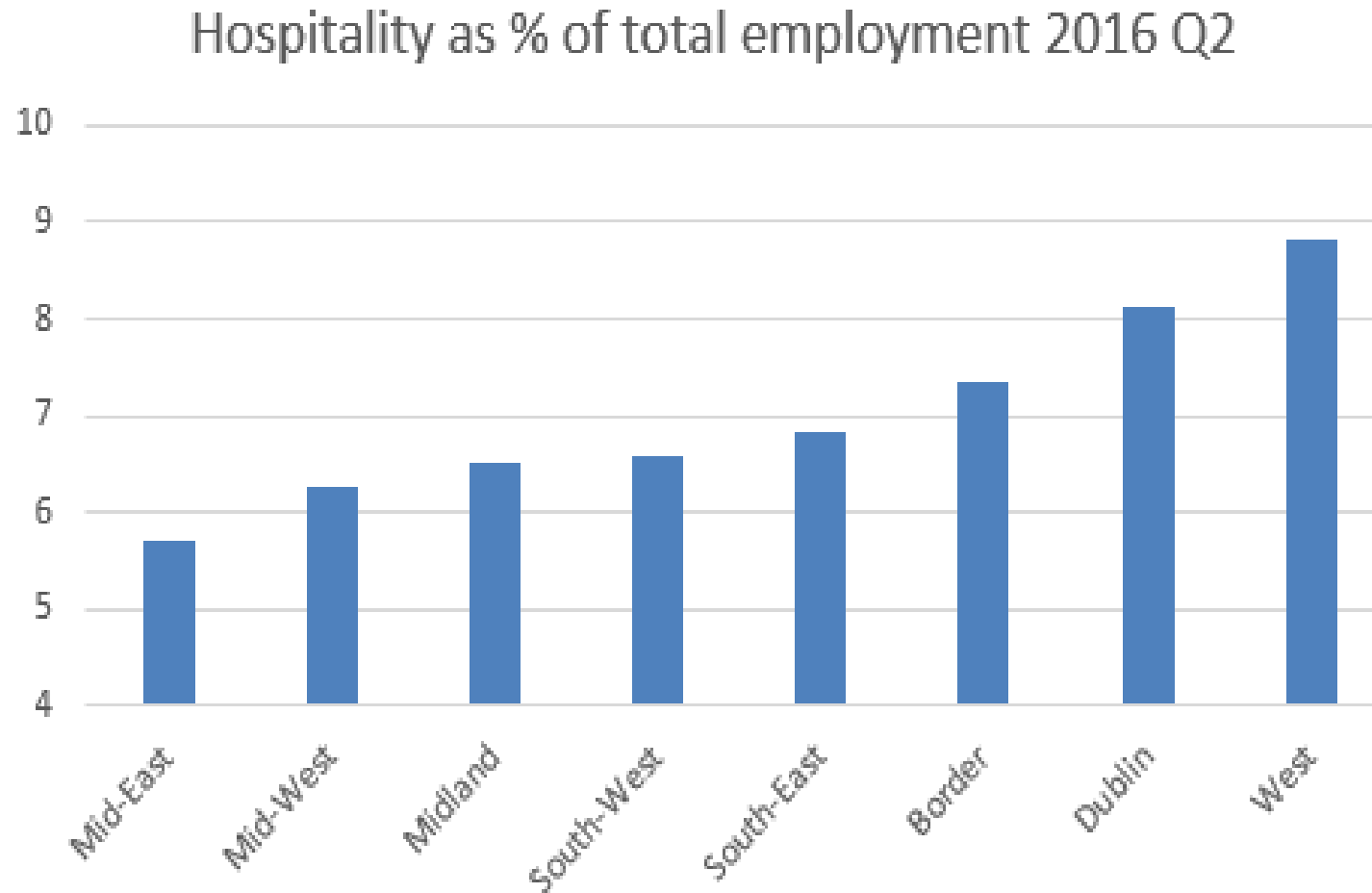
Hospitality and retail employment



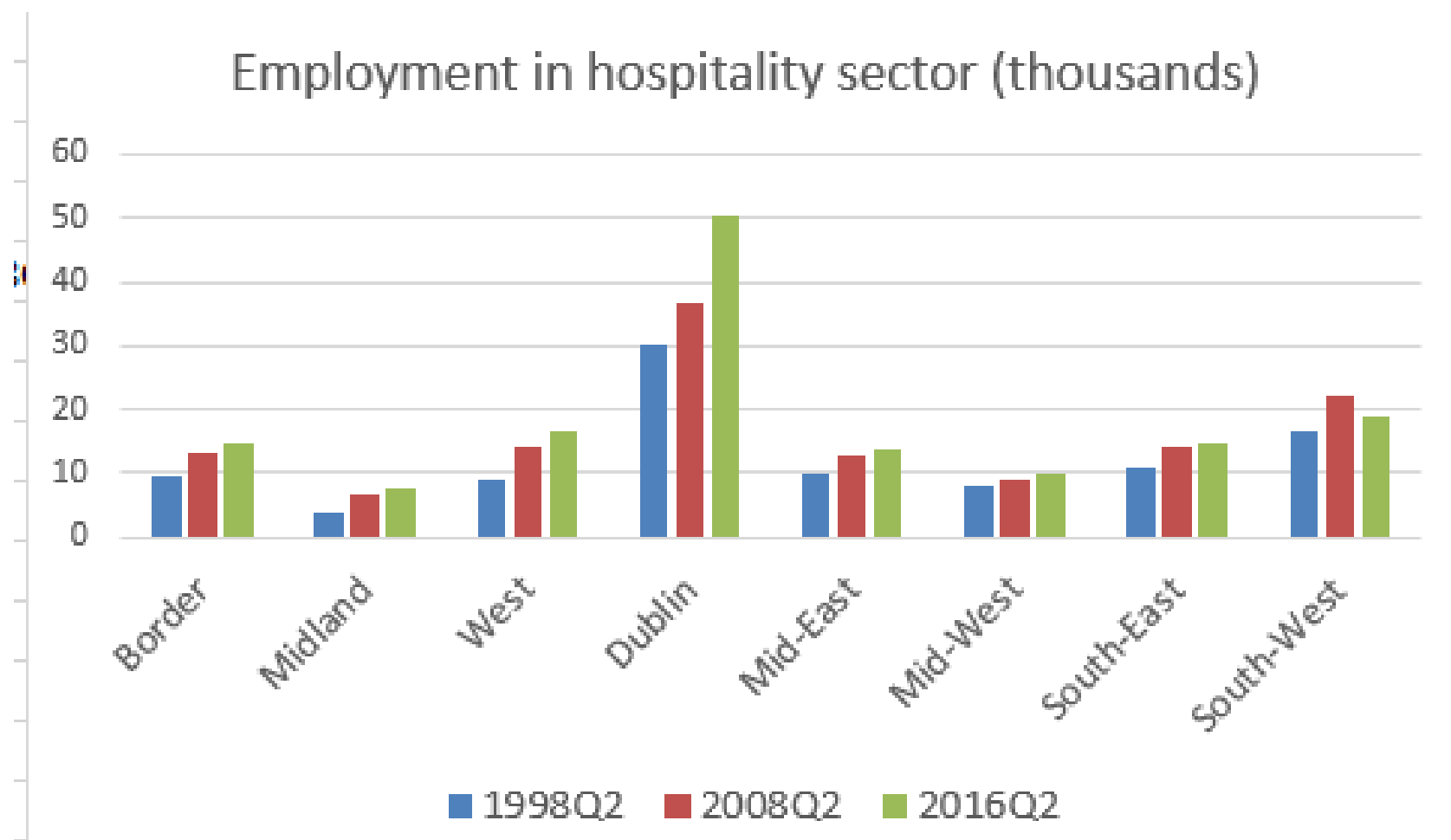
Hospitality jobs (full/part time)



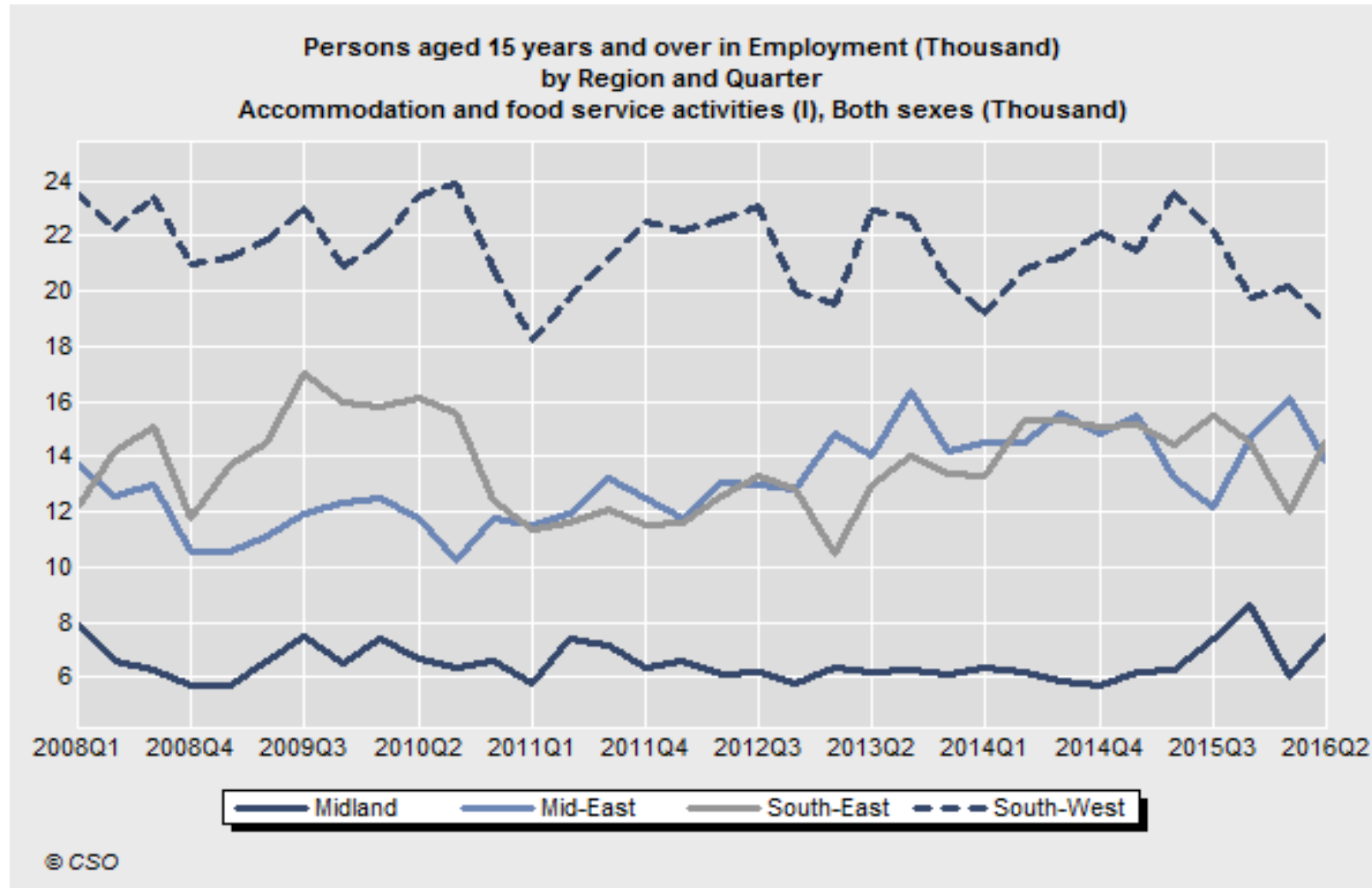
Importance of hospitality by region



Regional hospitality job numbers



Something awry in the south west

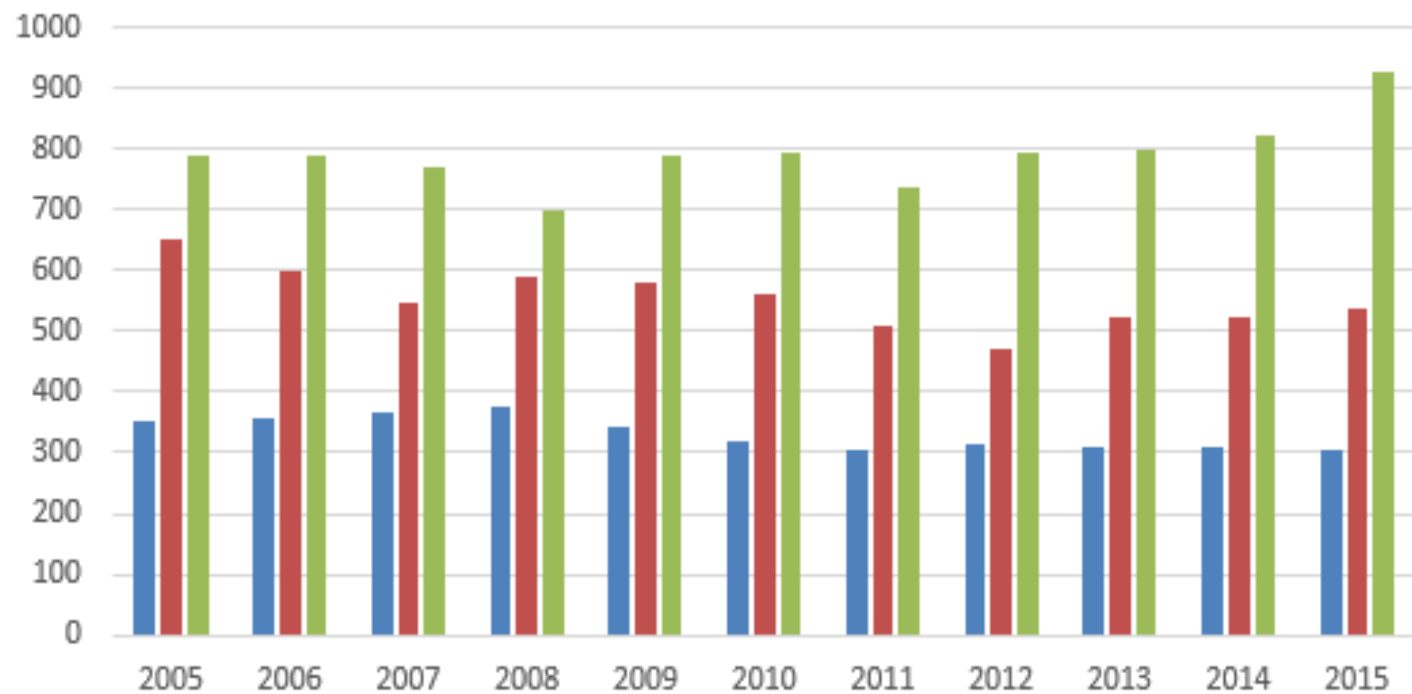


Main markets and demand factors

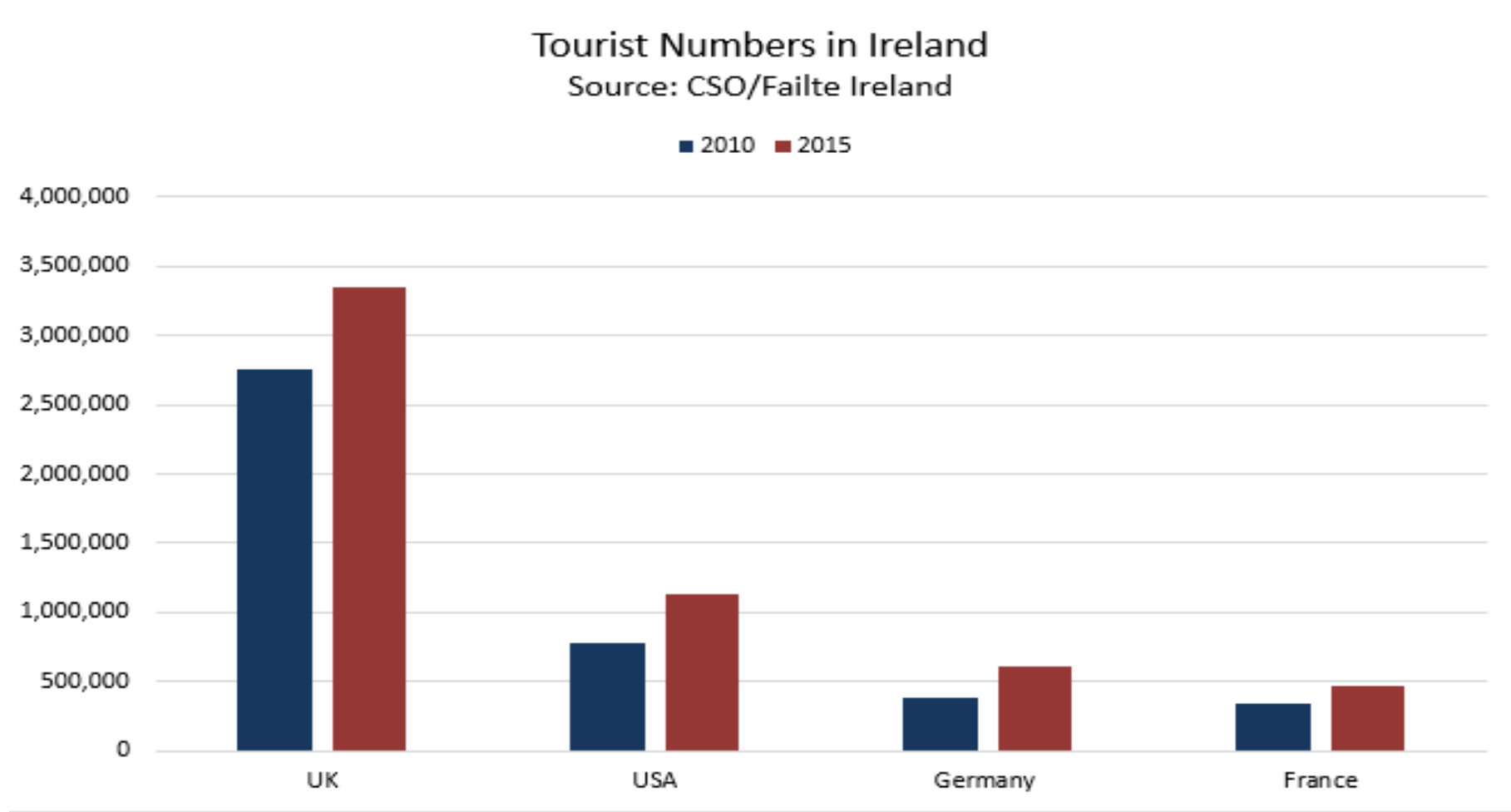
Big spenders

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

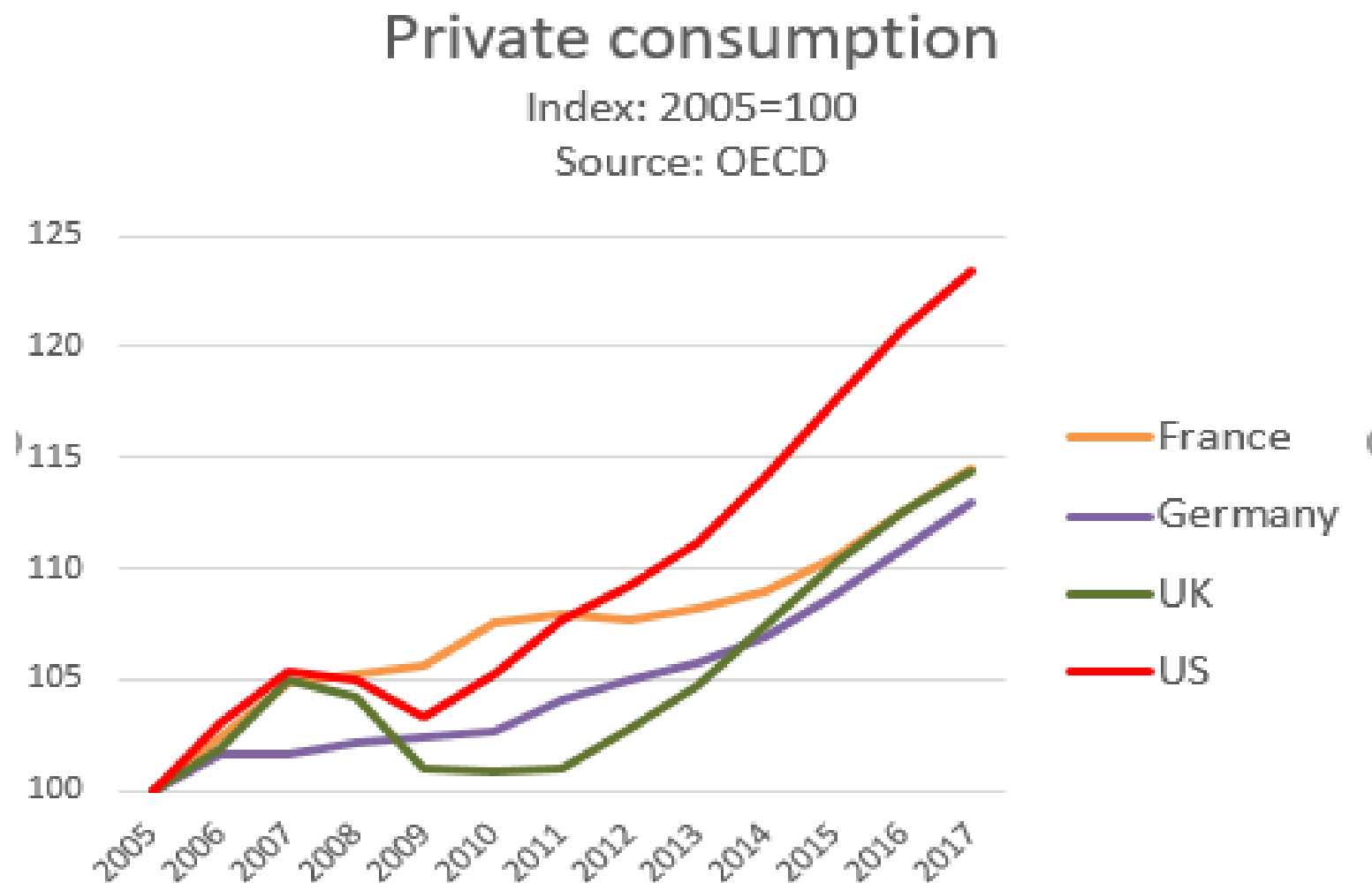
■ UK ■ Mainland Europe ■ North America



The big four



Consumers in the big four markets

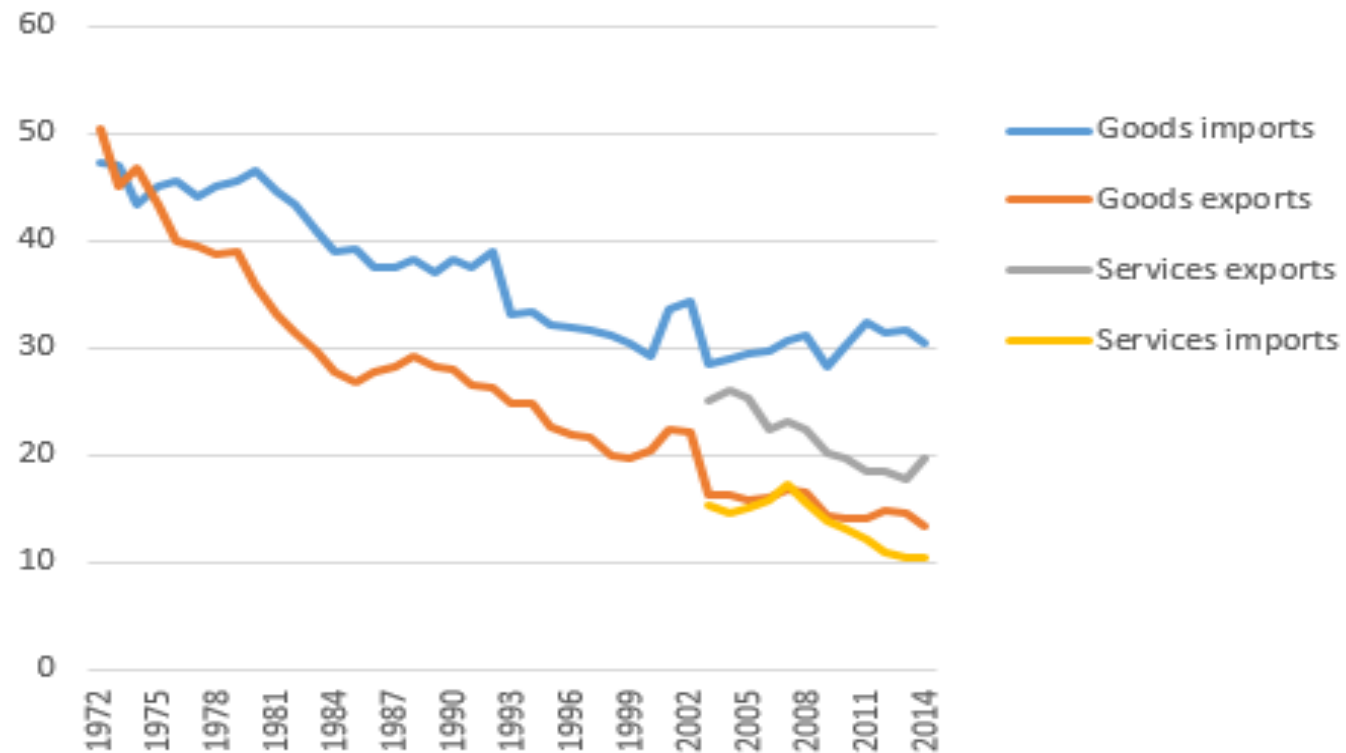


Britain

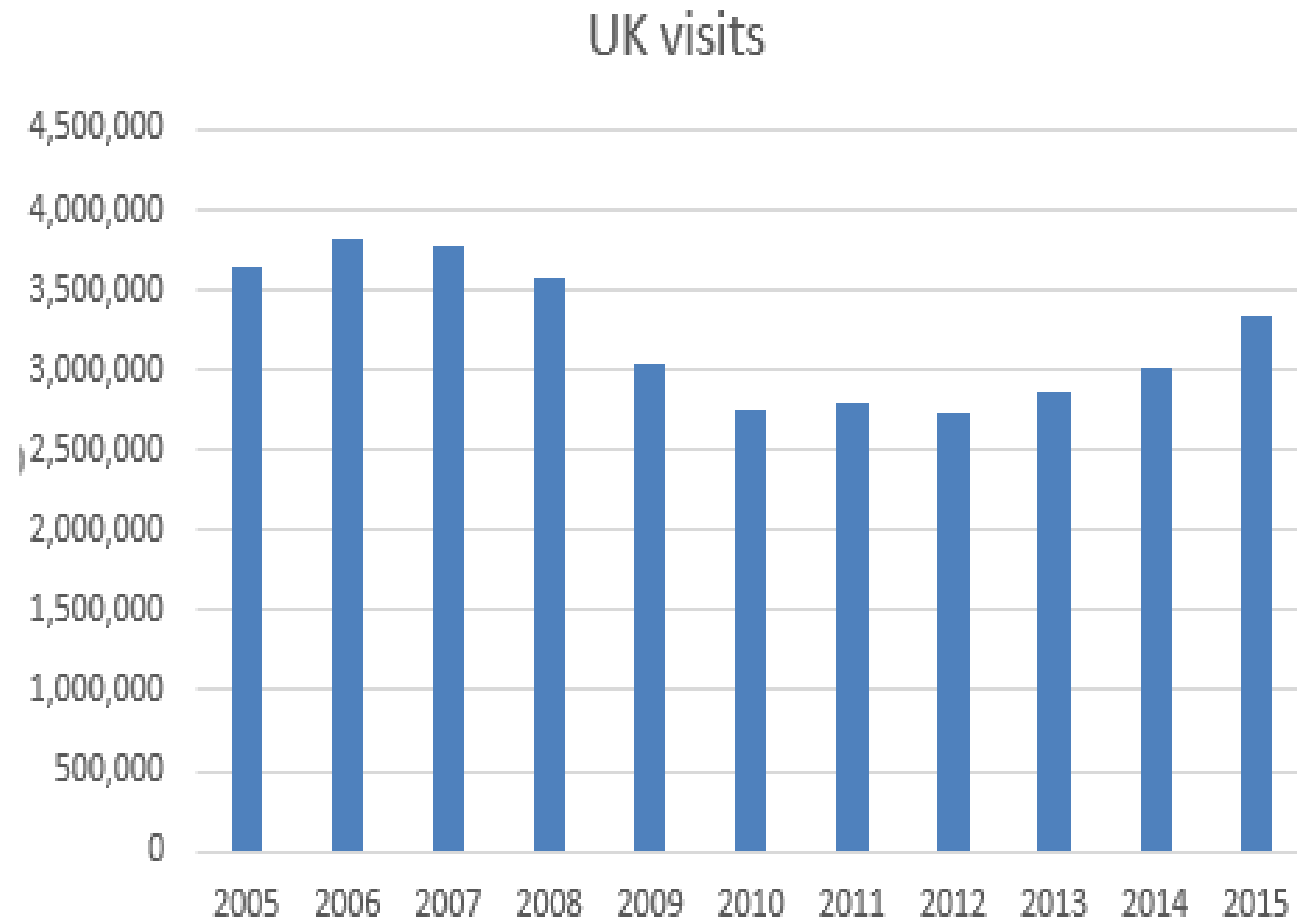
Trade with UK: long term **relative** decline

Britain's % share of Irish trade

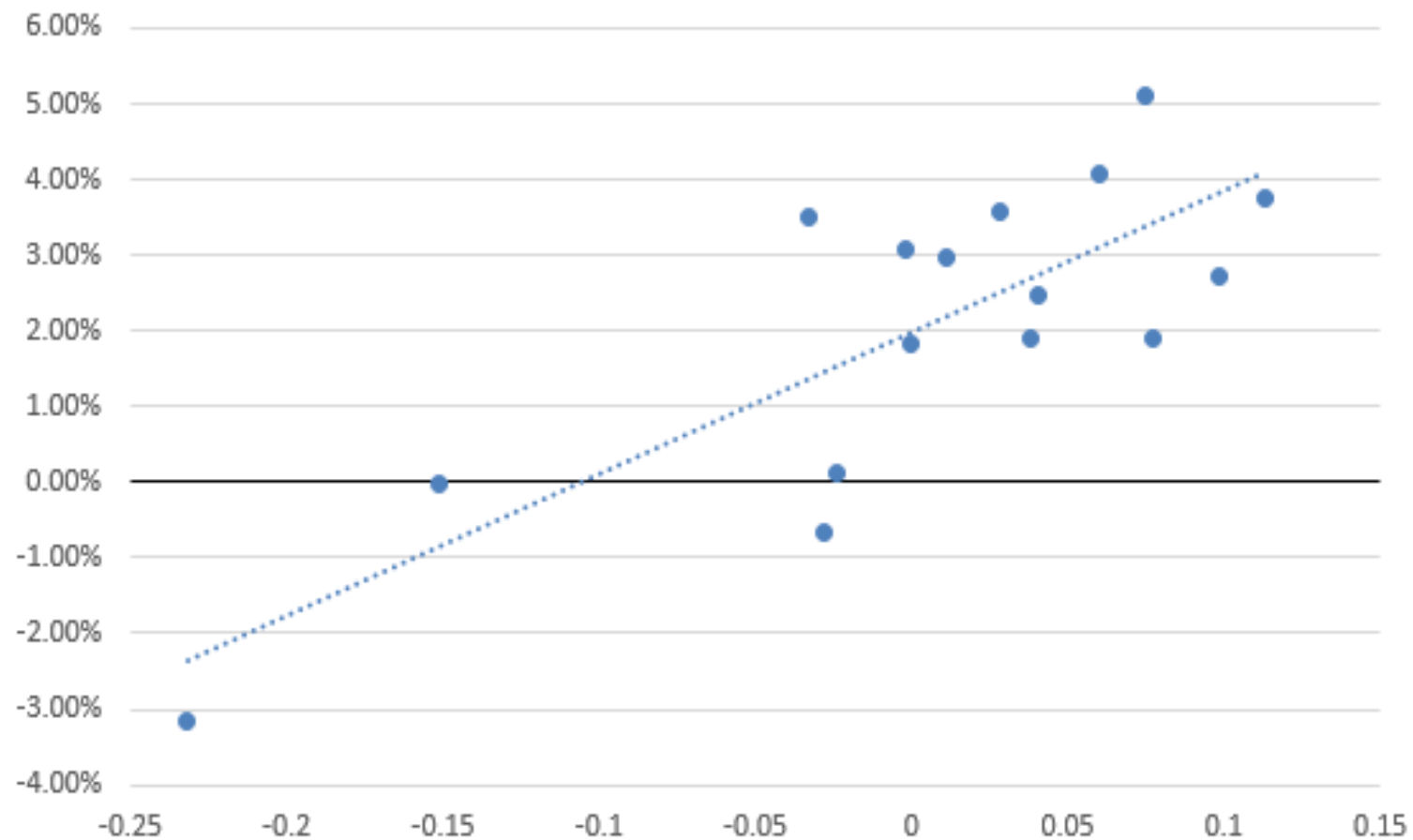
Source: CSO



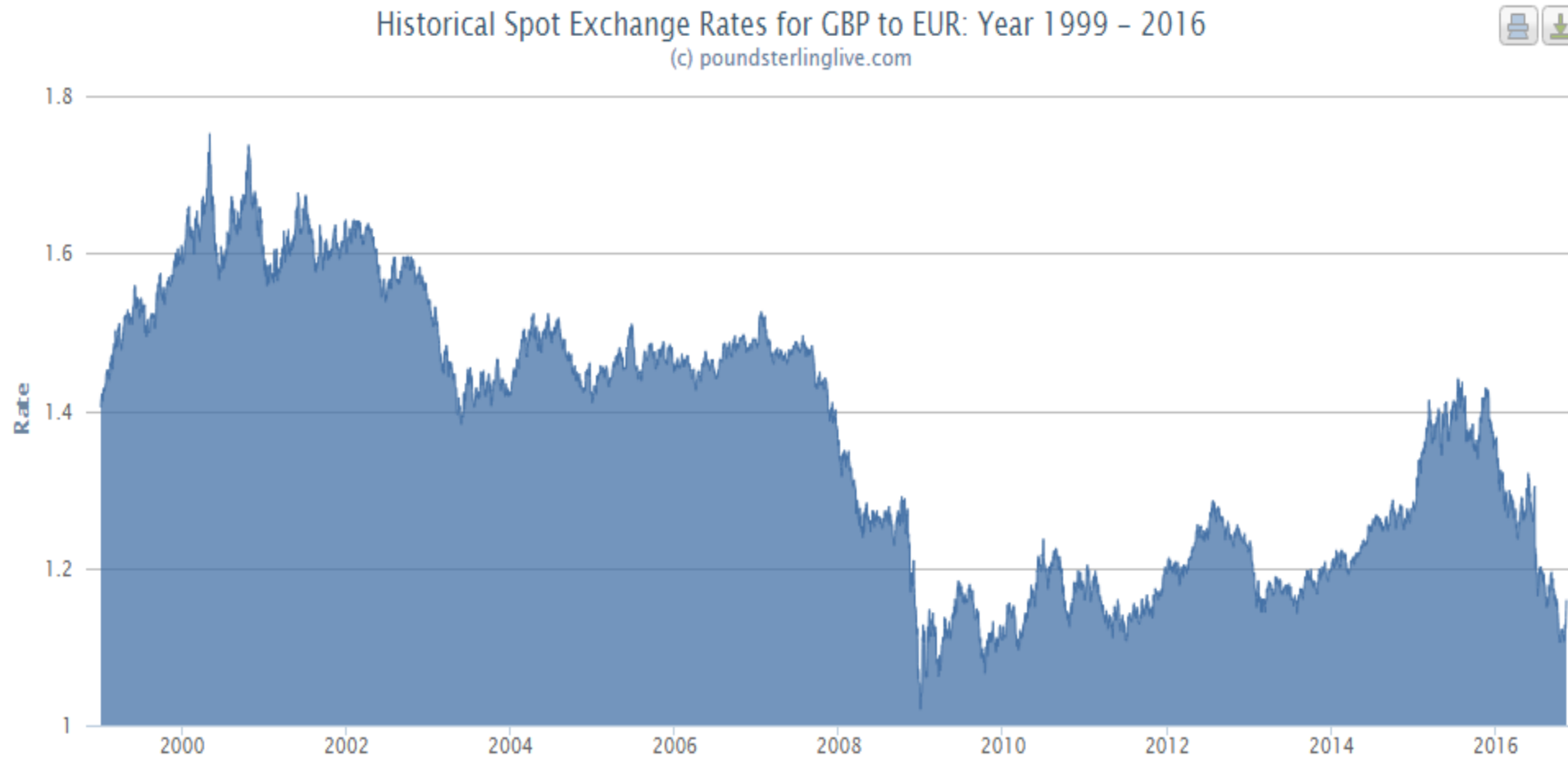
British arrivals



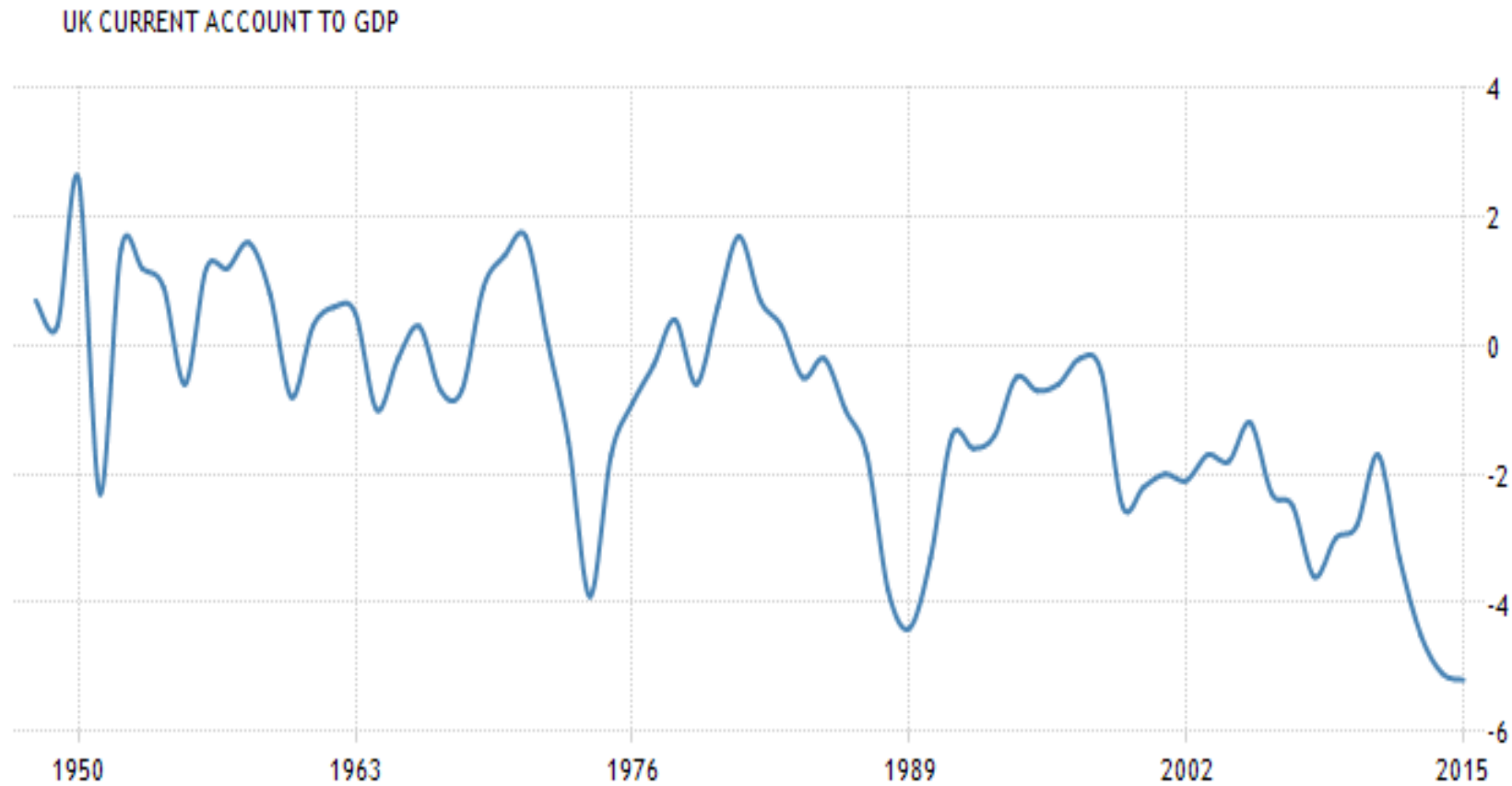
UK Tourism Revenue Growth vs Consumption Growth



Sterling: euro down since Brexit...



...and there is further to fall



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

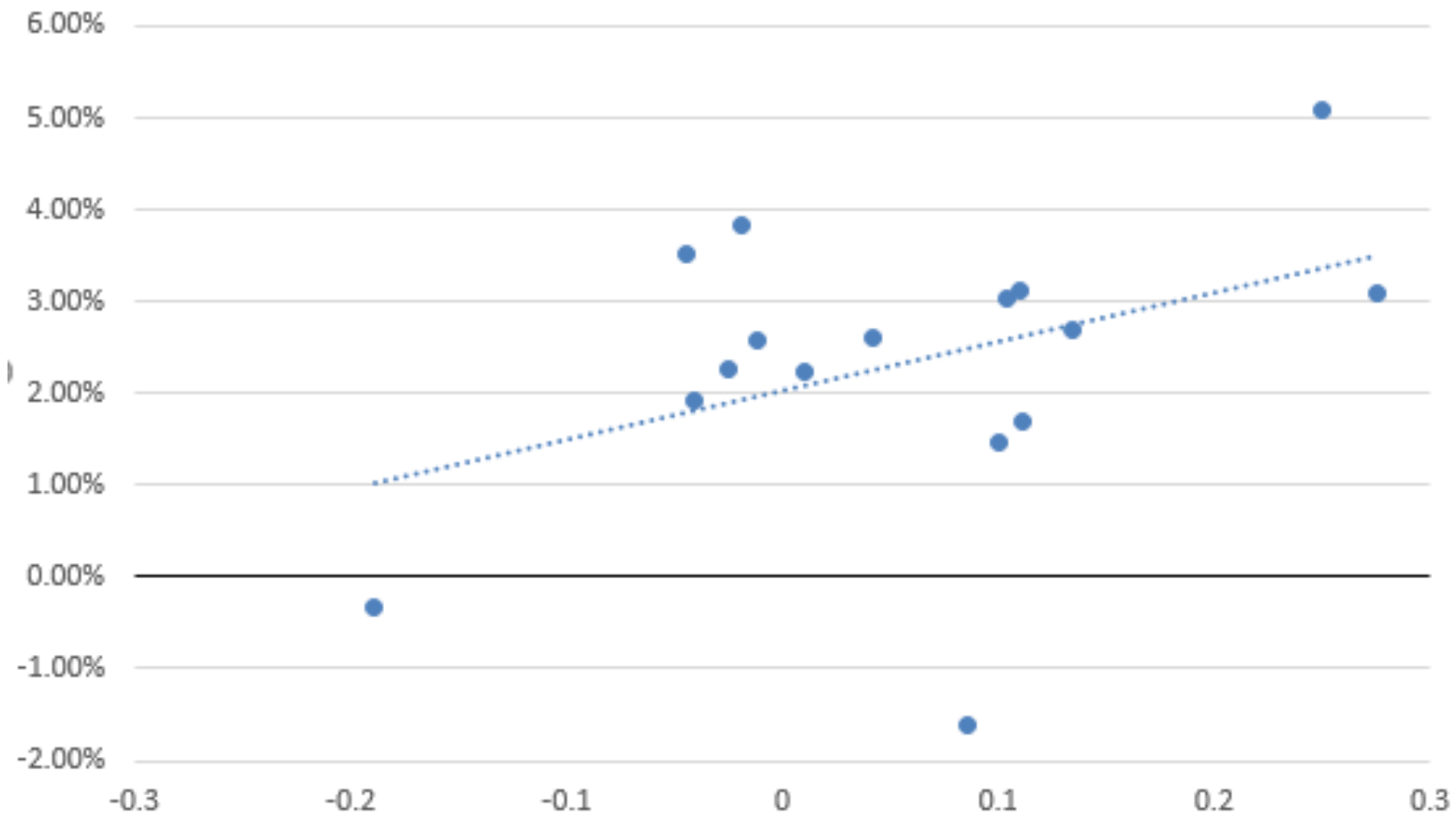
Prospects for UK consumption

- 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



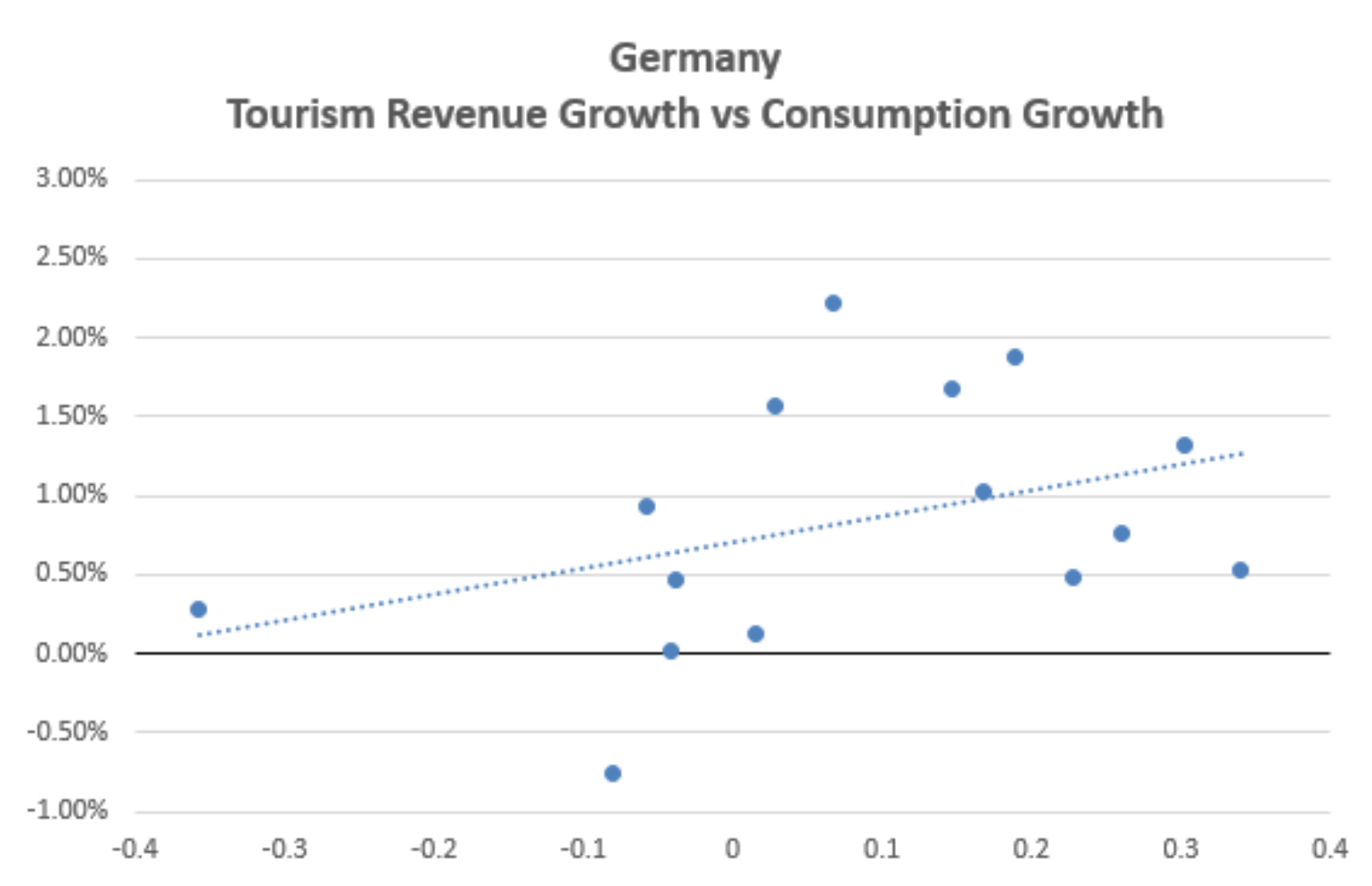
US Tourism Revenue Growth vs Consumption Growth



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

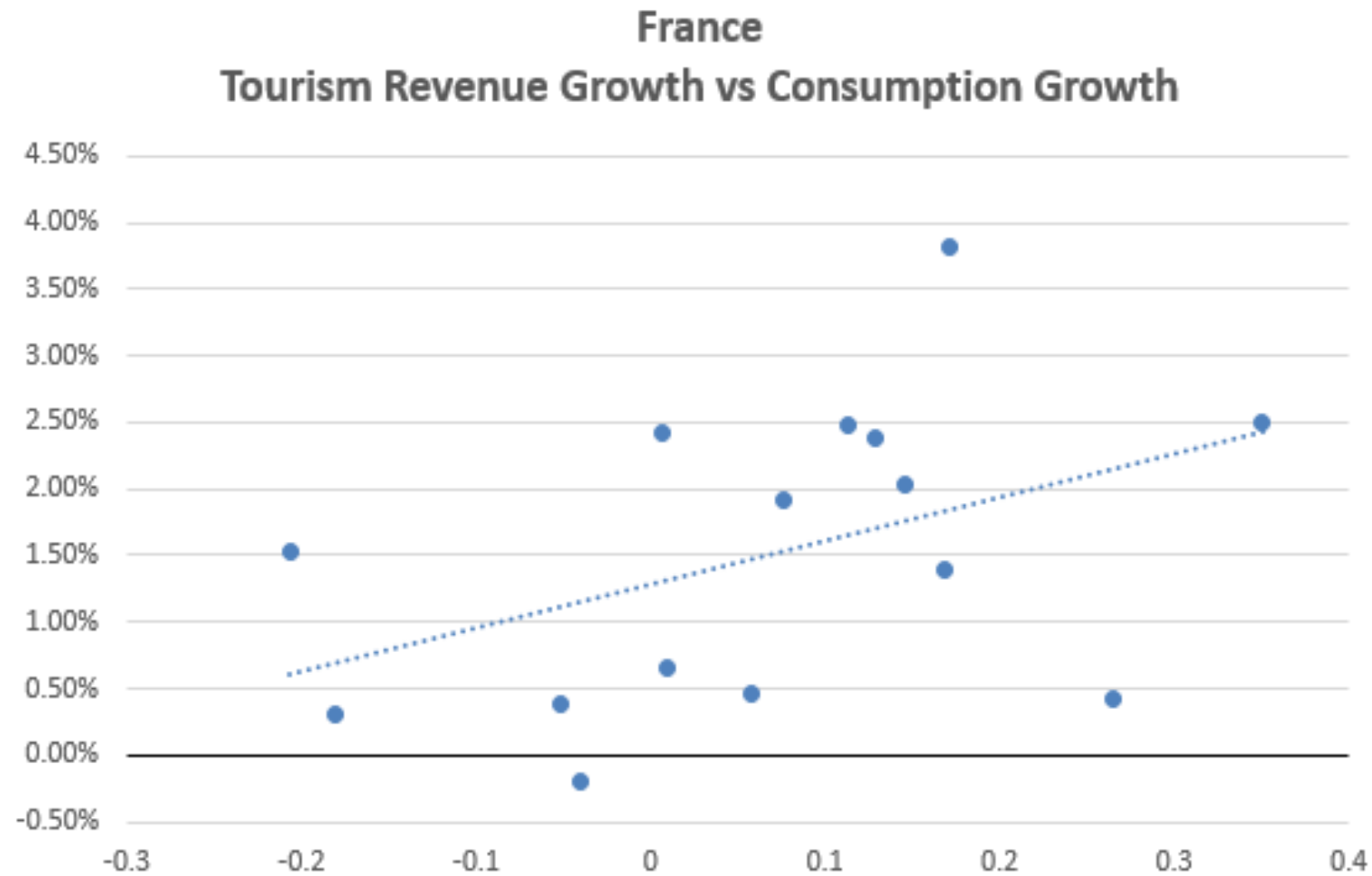
Germany



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

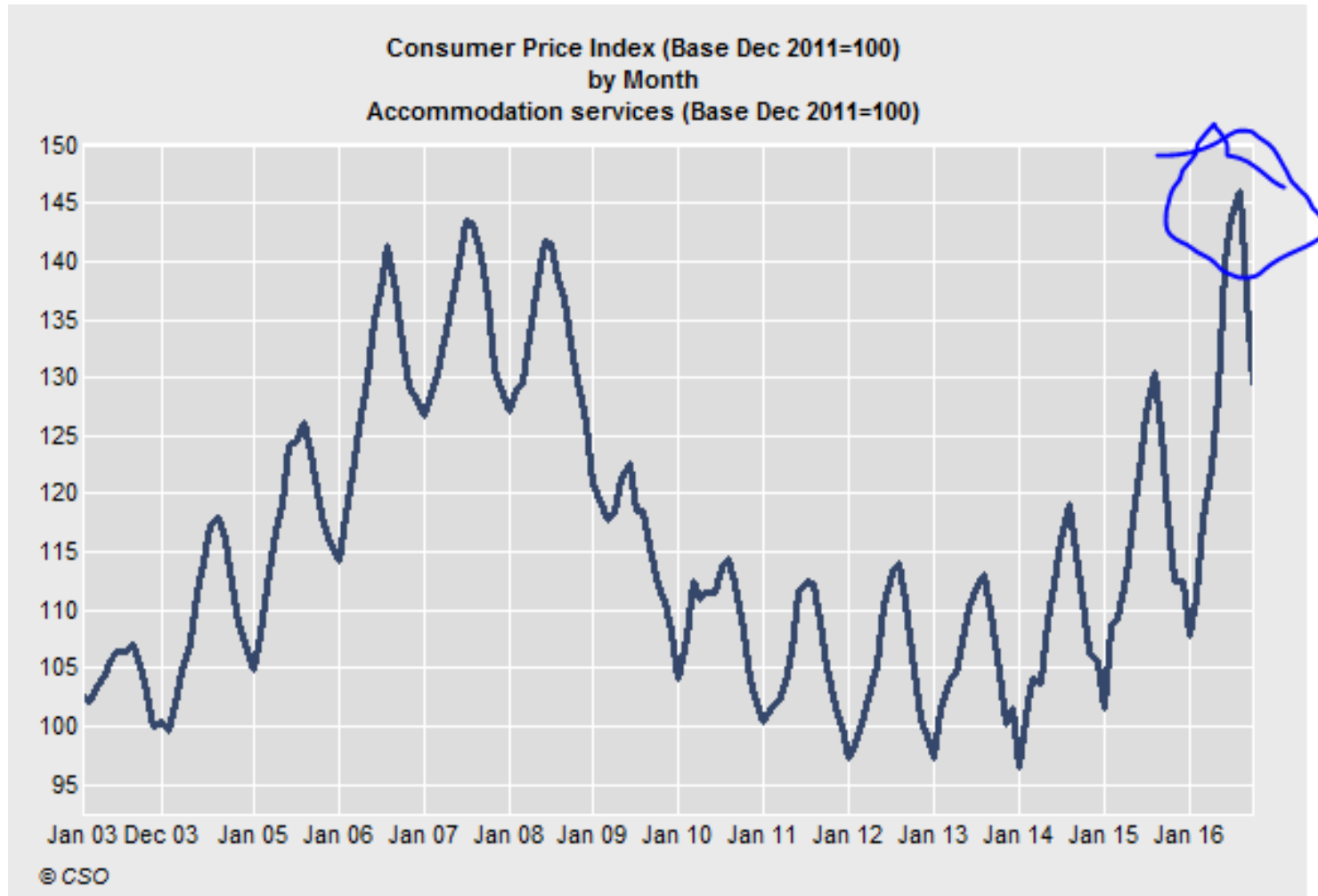


Prospects for French consumption

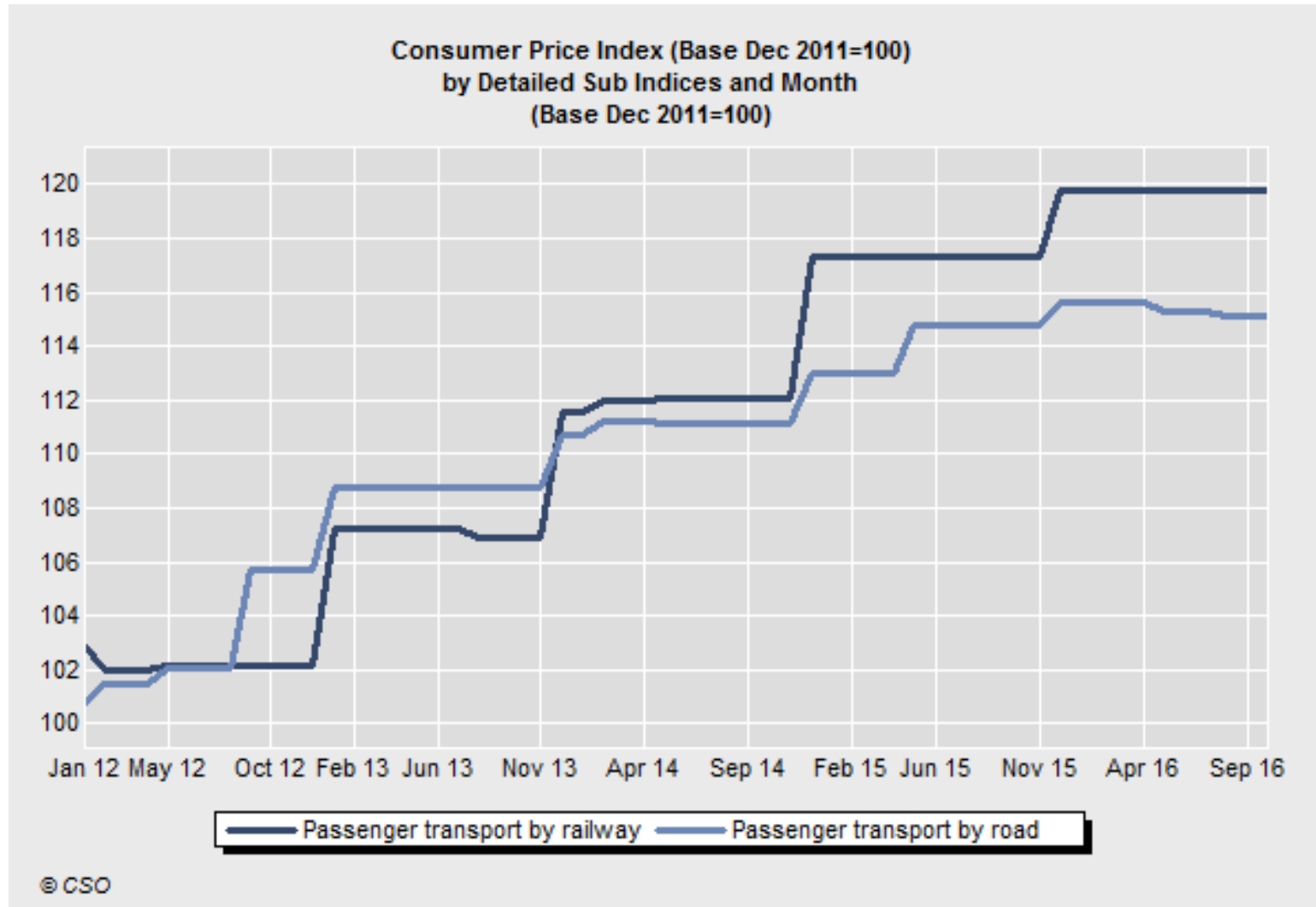
- Consumer confidence at highest level since 2008
- Employment growth picking up
- Possible political uncertainty as election approaches

Some competitiveness issues

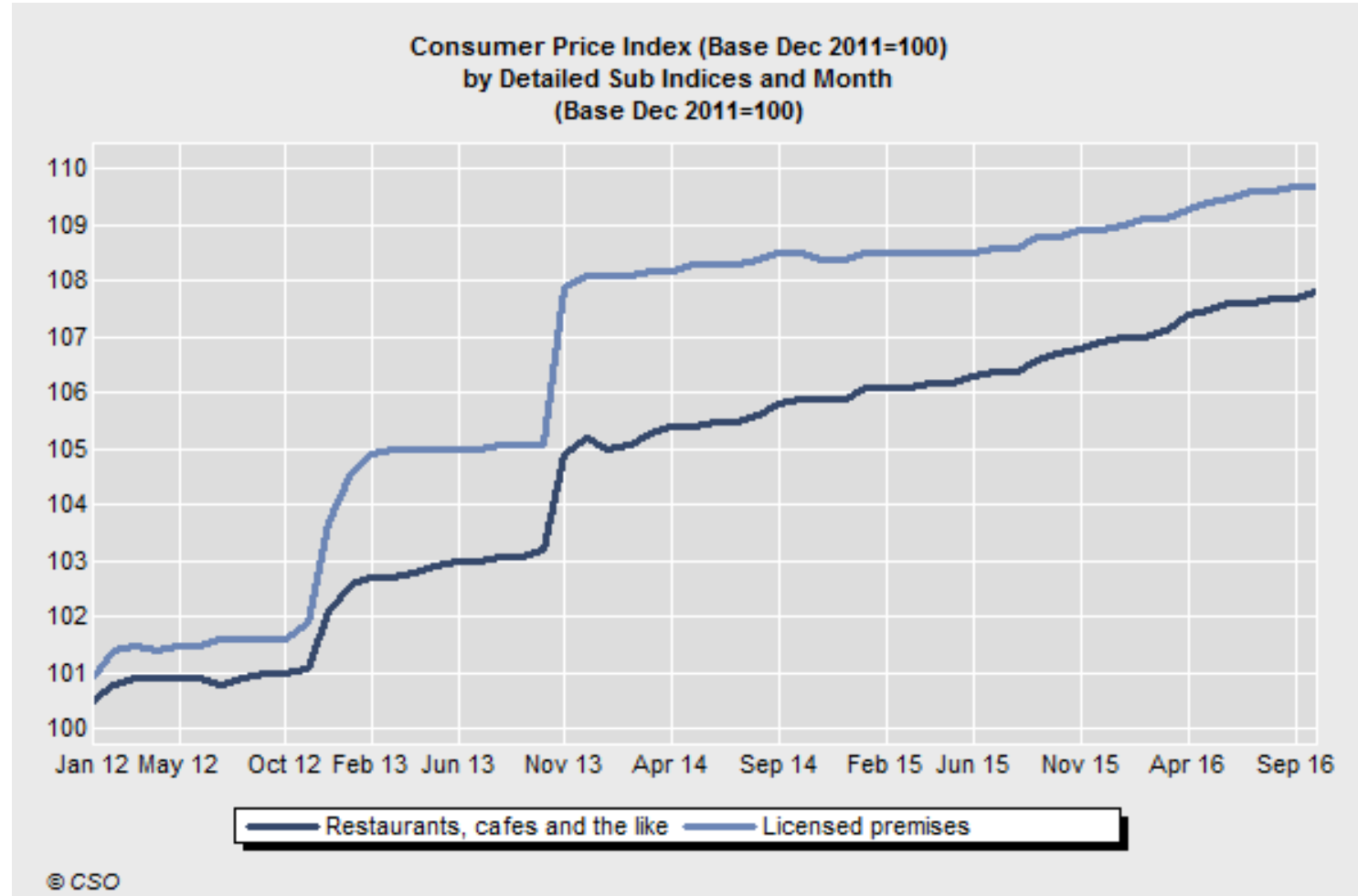
Accommodation prices



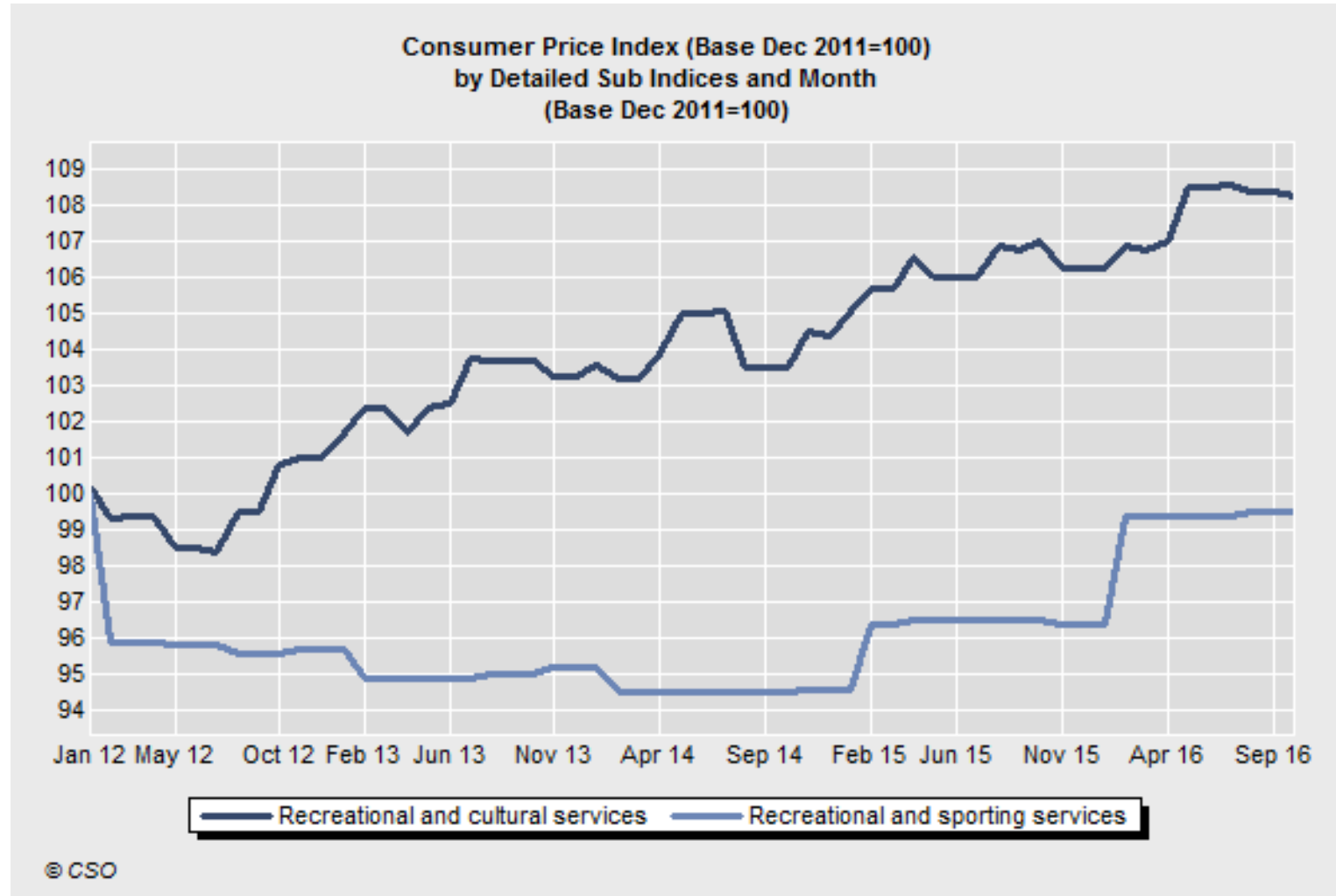
Rail and road transport prices



Restaurant and pub prices



Cultural and sporting prices



Thank you.

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