

4th Tourism Policy Workshop

Industry Priorities for the Tourism Policy Review

16th November 2013

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Industry Priorities for the Tourism Policy Review

Topics

- Short Overview of Tourism performance
- Some scenarios for growth
- Cost and ROI to the Exchequer
- Tourism Policy Considerations and Issues on:
 - Competitiveness
 - Marketing
 - Product Development
 - Product Quality and Regulation
 - Human Resources and Training Enterprise Support
- Summary

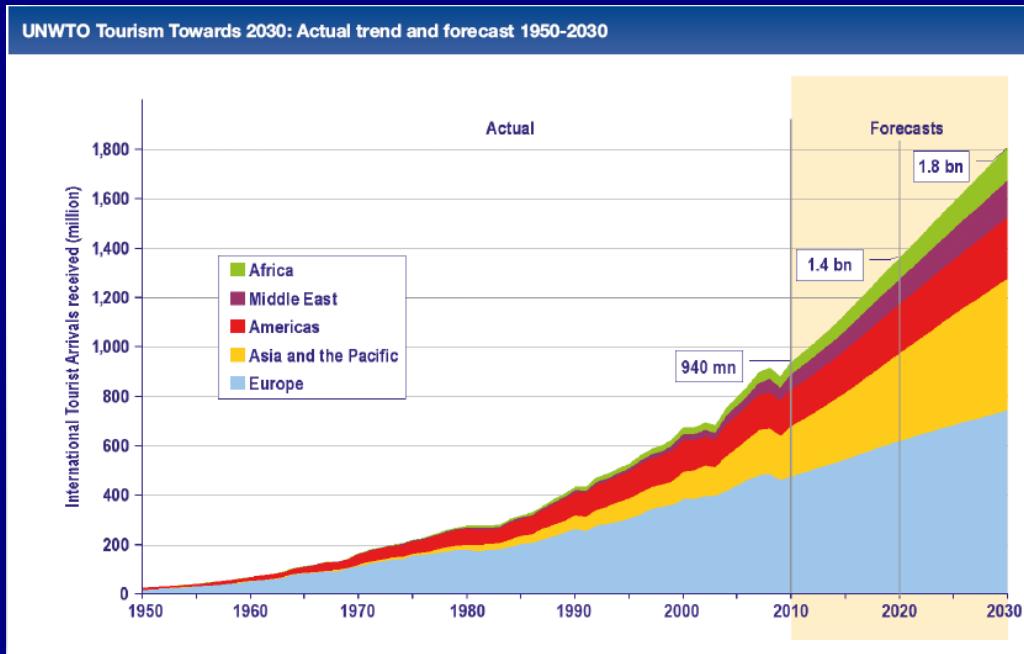
Tourism Services

DTTAS

HIGH LEVEL GOAL

“To support the Tourism Industry in increasing revenue and employment through enhancing competitiveness and sustainability “

Tourism Worldwide – Growth



World Tourist Arrivals
↑ 3.3% pa 2010 to 2030
- 1.8bn

Northern Europe
↑ 1.8% pa 2010 to 2030
82 million

Market Share Battle to achieve higher growth

Key Employment Statistics

- Accommodation and Food Services Q2 2013 129,600
↑ 15,200 from Q2 2011 (CSO)
- Tourism and Hospitality est. 185,000* – 230,000**
- €1million of tourist expenditure helps support 34 tourism jobs
- 2013 €5.80bn Revenue ≈ 197,000 tourism jobs
- 10.5% of total in employment

1

* Failte Ireland

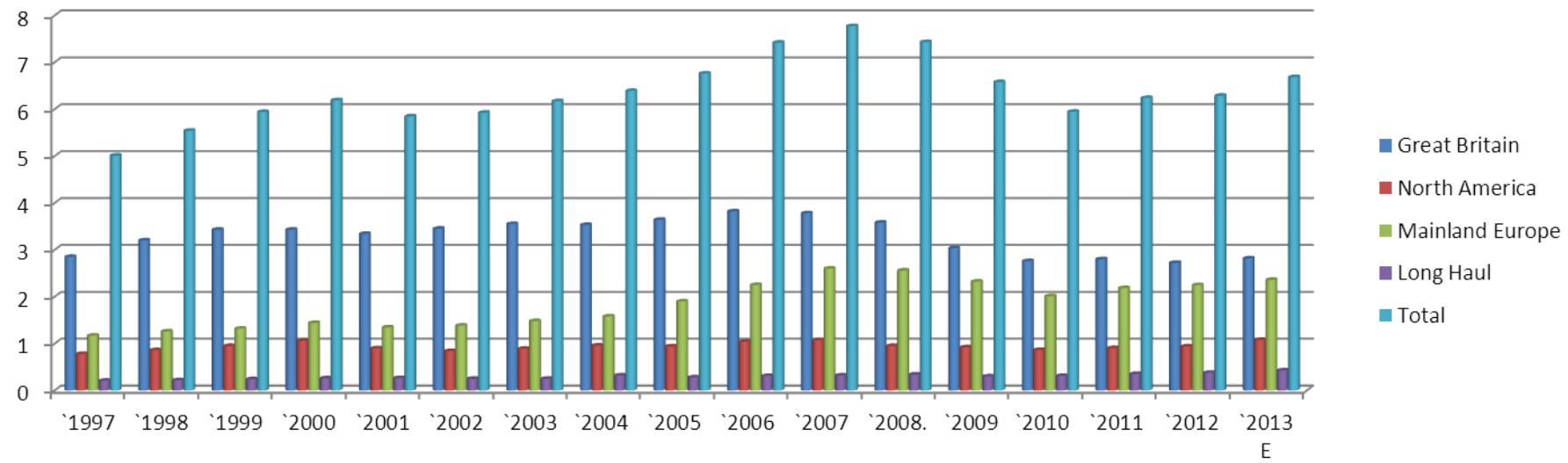
** The Hospitality Sector in Europe E & Y 2013

An assessment of the economic contribution of the hospitality sector
across 31 countries

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Overview of Performance

Number of Overseas Visitors to Ireland



Total

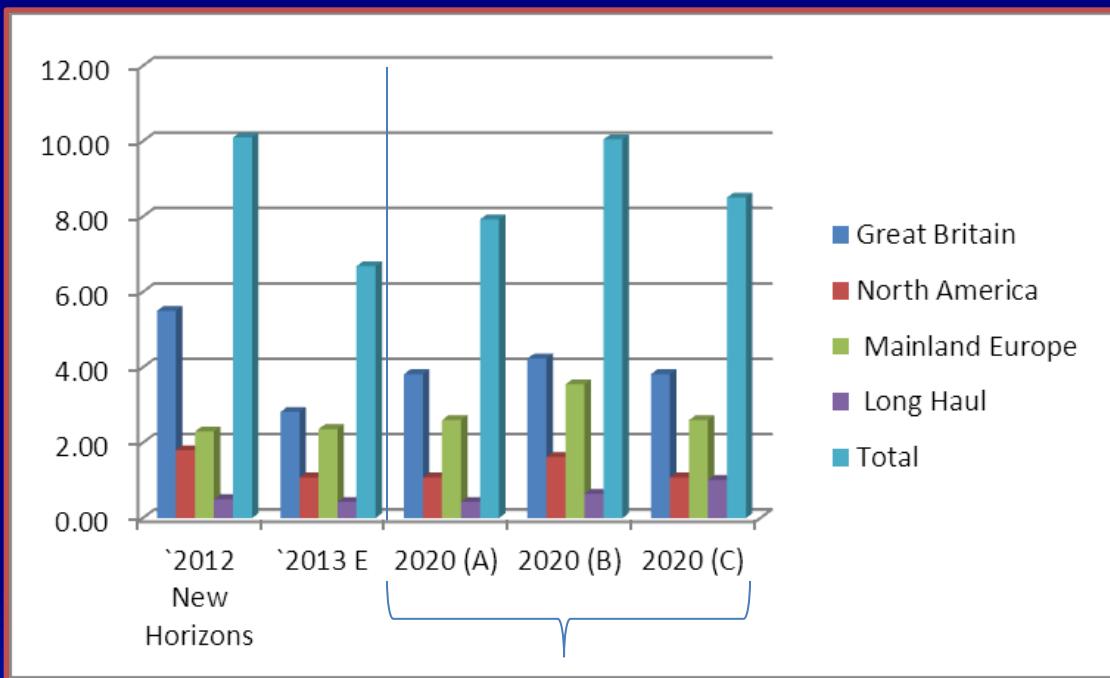
Peaked in 2007 – 7.70 m
Dropped 2010 – 5.95 m ↓ 23%
Recovery Est. 2013 – 6.68 m ↑ 12%

GB V Mainland EU

Greater Than 1999 – 2.11 m
Difference 2013 – 0.46 m

Overview of Performance

Potential Overseas Visitors to Ireland



New Horizons (2003) Target 2012 – 10.00m
Est. Actual 2013 – 6.68m
GB - Target 5.5 m Est. Actual – 2.82m
GB – 80% of shortfall

2020 Scenarios

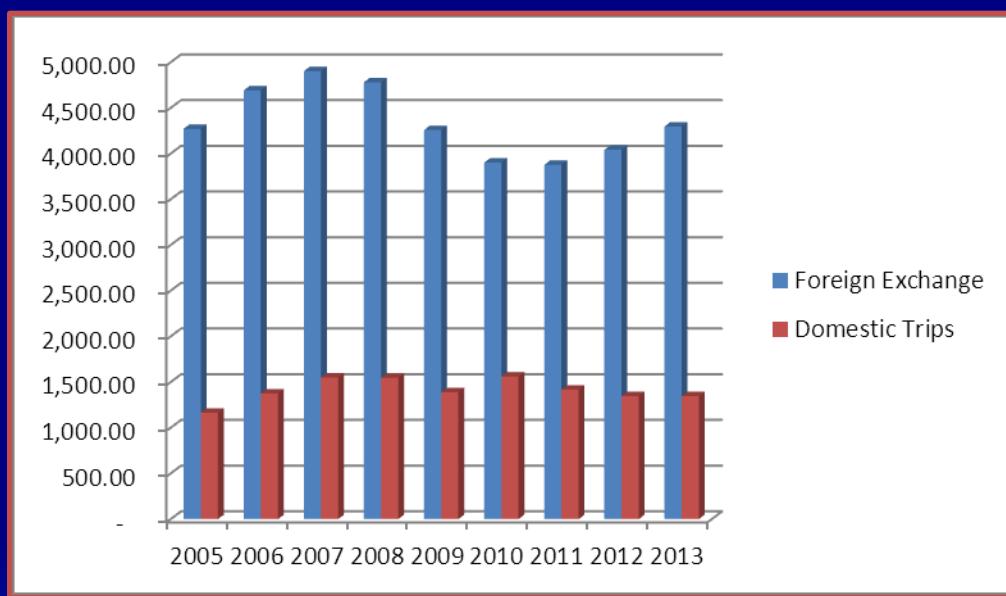
A – 7.93m Max achieved between 1997 to 2013 in each market **2.47%pa**

B – 10.05m **6% pa** increase in each market

C – 8.51m Max achieved between 1997 to 2013 in each market except Long Haul - 13% growth **3.5%pa**

Overview of Performance

Tourism Revenue



Foreign Exchange Revenue peaked in 2007 at €4.9bn

Dropped to €3.9bn in 2011
↓ 21%

Recovery Est. €4.3bn in 2013
↑ 11%
Domestic Trips Revenue between €1.3bn and €1.6bn.

Overview of Performance

Tourism and Tax Revenue with Employment

2020 Scenarios

Scenario	Overseas visitors million	Overseas visitors €bn	Domestic trips million	Domestic trips €bn	Total €bn	Tax * €bn	Employ ment '000
A 2020	7.93	5.11	9.00	1.50	6.61	1.62	225
B 2020	10.05	6.48	9.00	1.50	7.98	1.96	271
C 2020	8.51	5.49	9.00	1.50	6.99	1.71	238
2013 Est.	<u>6.68</u>	<u>4.30</u>	<u>9.00</u>	<u>1.50</u>	<u>5.80</u>	<u>1.42</u>	<u>197</u>

* 24.5c /€

Overseas visitor ≈ €645 each - Domestic Trips ≈ €167 each

For every € spent on tourism (domestic and overseas) 24.5c is generated in tax

Every €1m in tourist expenditure helps support 34 jobs (Fáilte Ireland)

Overview of Performance

Department of Transport, Tourism and Sport

Total Voted Expenditure 2014 – Tourism to lose €12.9 million

Financial & Human Resource Inputs

Numbers	
2012	2013
551	496

- E.1 - ADMINISTRATION - PAY
- E.2 - ADMINISTRATION - NON-PAY
- E.3 - FÁILTE IRELAND - (GRANT-IN-AID)
- E.4 - TOURISM IRELAND LIMITED - GRANT FOR
ADMINISTRATION AND GENERAL EXPENSES
- E.5 - TOURISM MARKETING FUND (GRANT-IN-AID FUND)
- E.6 - TOURISM PRODUCT DEVELOPMENT (GRANT-IN-AID)
- SHANNON FREE AIRPORT DEVELOPMENT
COMPANY LIMITED (TOURISM DEVELOPMENT)
(GRANT-IN-AID)*

Programme Total:-
of which pay:-

2012 Provisional Outturn			2013 Estimate		
Current	Capital	Total	Current	Capital	Total
€000	€000	€000	€000	€000	€000
920	-	920	1,010	-	1,010
123	14	137	421	22	443
64,491	800	65,291	65,076	1,000	66,076
16,496	-	16,496	15,849	-	15,849
39,354	-	39,354	37,245	-	37,245
-	20,200	20,200	-	19,000	19,000
746	-	746	-	-	-
122,130	21,014	143,144	119,601	20,022	139,623
29,705	-	29,705	29,678	-	29,678

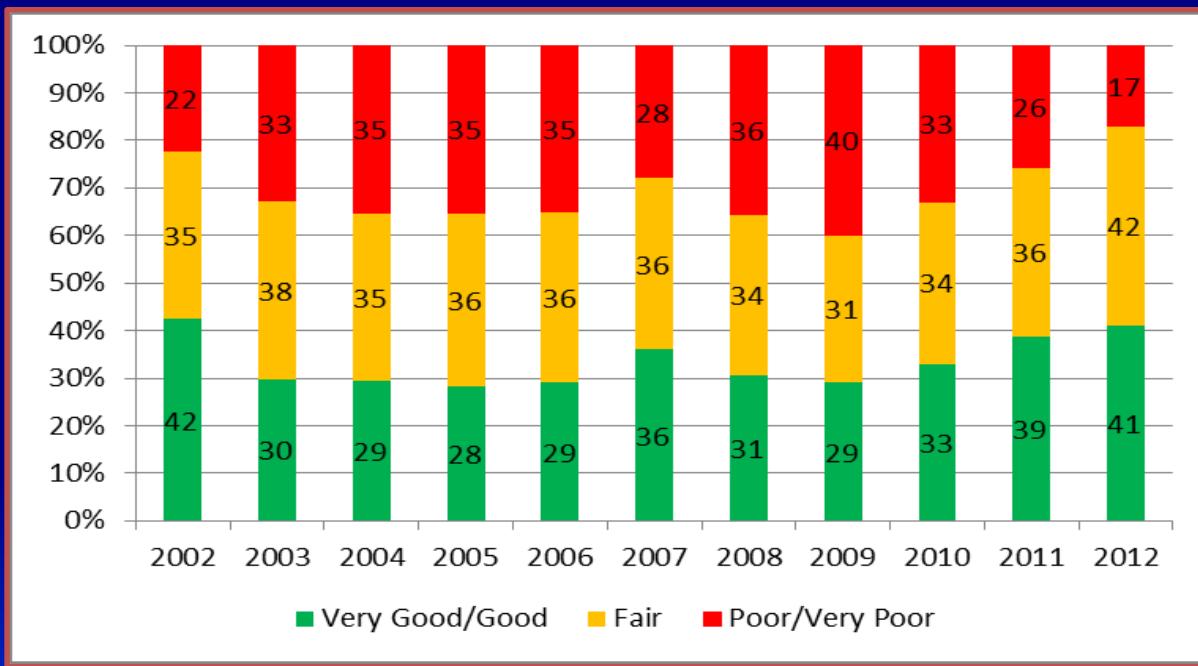
State Investment in Tourism is more than justified by the
tax take and employment
Efficiency vital but ROI enormous

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Overview of Performance

Perceived Value for Money

Fáilte Ireland Visitor Attitudes Survey



Survey in 2012 of 1,578 overseas visitors

83% very good, good or fair VFM

17% Poor or very poor down from 40% in 2009

Competitiveness is a Key Driver

Policy Considerations and Issues

Competitiveness

- 9% VAT great initiative
- Local authority charges
- JLC's – (National Minimum Wages for ALL workers)
- Access to funding
- EIIS

Policy Considerations and Issues

Tourism Marketing

- Increased funding for Fáilte Ireland and Tourism Ireland's marketing and capital budgets
- Regional Balance
- Business and Events Tourism
- Specific events such as the Emerald Isle Classic

Policy Considerations and Issues

Tourism Marketing

- Priority markets GB, Mainland Europe, North America
- Long Haul investment
- Measurement of effectiveness ROI by market

Policy Considerations and Issues

Tourism Marketing

- Online presence - Face to Face interaction
- Formal structures between FI, TI and the Industry
- Replacement for the TRT

Policy Considerations and Issues

Tourism Marketing

- Air and Sea Access is pivotal to Tourism on an island
- Tourism Satellite Account (or similar)

Policy Considerations and Issues

Tourism Product Development

- The Wild Atlantic Way
- New enterprise along the route
- Other successful initiatives - GW Greenway

Policy Considerations and Issues

Tourism Product Development

- Gap Research into product and support products nationwide
- New product policy - Shannon Basin and Midlands
- Local Authorities and OPW - National Tourism Policy
- Restoration and Development
- Customer focus

Policy Considerations and Issues

Tourism Product Development

- Walking and cycling
- Landowners
- Signage to be more tourist destination friendly
- Season extending product and support services
- Scale of projects - mixed and location appropriate

Policy Considerations and Issues

Tourism Product Development

- Gathering legacy initiatives
- A National Community Tourism office

Policy Considerations and Issues

Tourism Product Quality and Regulation

- Quality assurance - CORE
- Licensing of tourism enterprises
- Names (hotels, guesthouses etc.) in Tourist Traffic Acts
- FI remit for regulation & classification

Policy Considerations and Issues

Human Resources and Training, Enterprise Support

- Director & Dept. of Tourism Training in SOLAS
- National advisory committee on tourism training
- Tourism & Hospitality a core field of study in Institutes of Technology
- Tourism studies at second level
- Enterprise supports to continue in FI

Summary

Priorities for Tourism Policy Review

- Increased funding for Brand Ireland
- Growth and Job Creation
- Common Goals
- Competitiveness
- Access to Finance
- Quality Assurance
- Training Policy



Thank You