

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

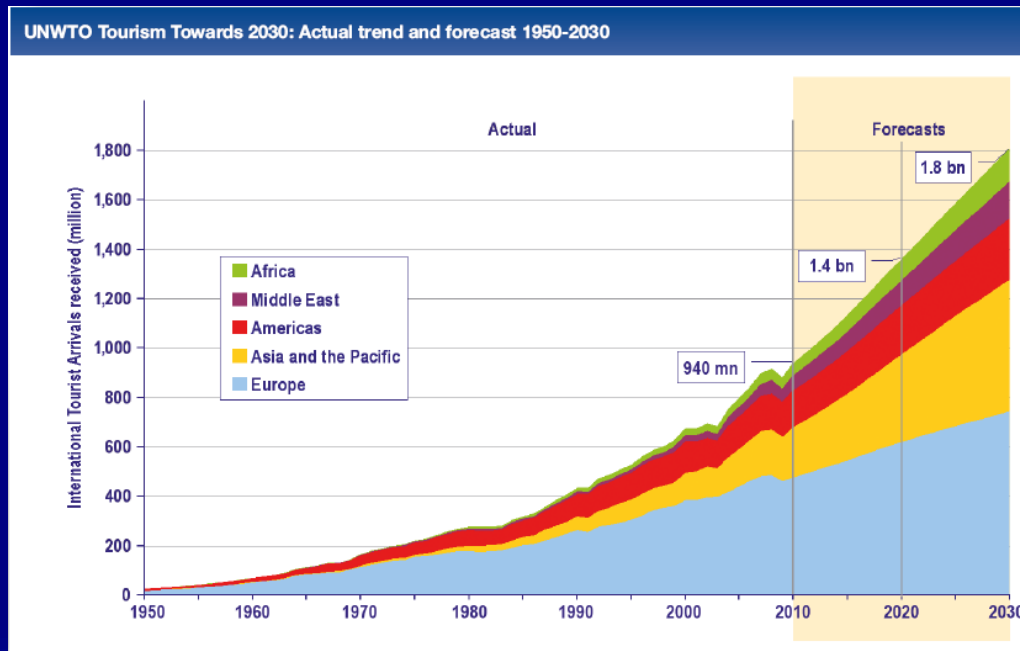
Tourism Services

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

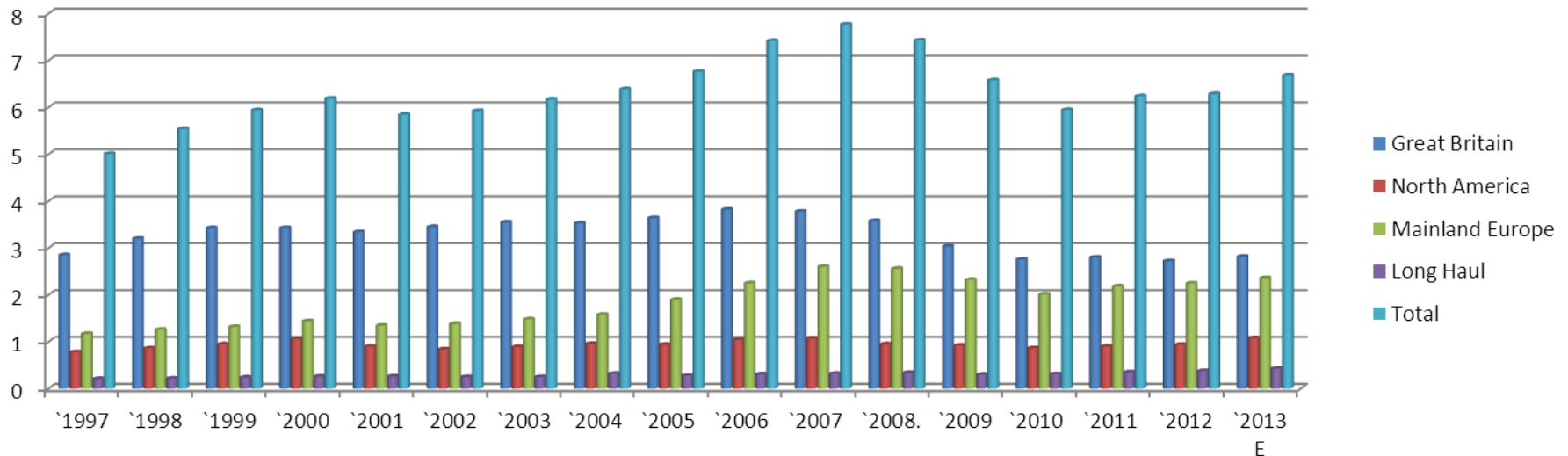
* Failte Ireland

** The Hospitality Sector in Europe E & Y 2013

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

Overview of Performance

Number of Overseas Visitors to Ireland



Total

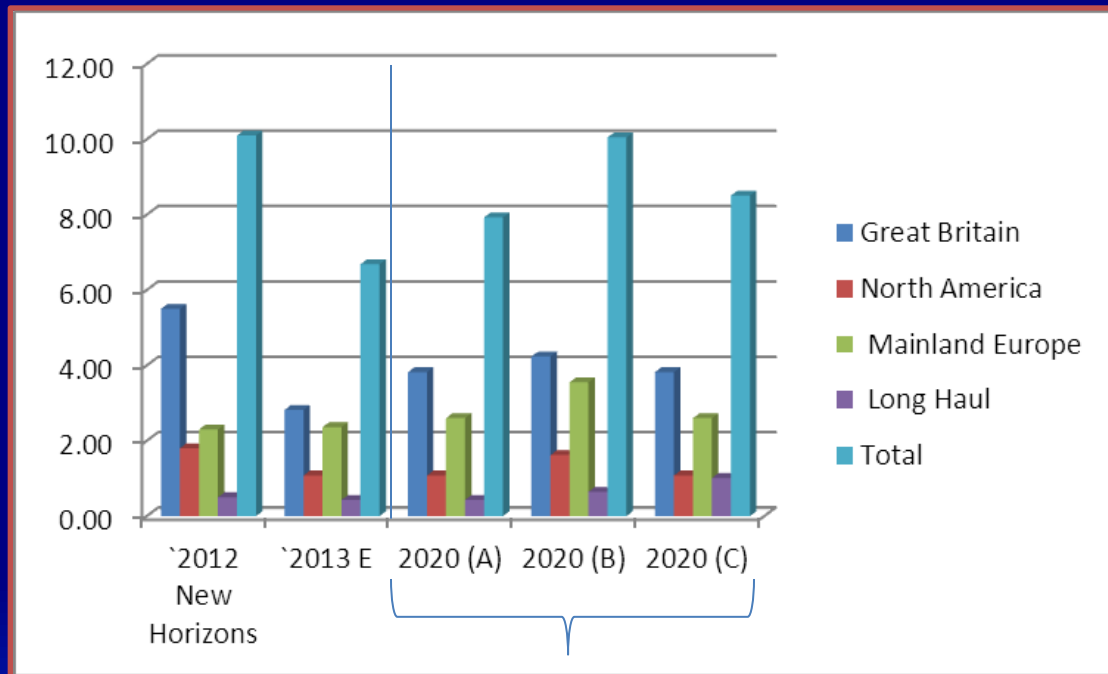
Peaked in 2007 – 7.70 m
 Dropped 2010 – 5.95 m ↓ 23%
 Recovery Est. 2013 – 6.68 m ↑ 12%

GB V Mainland EU

Greater Than 1999 – 2.11 m
 Difference 2013 – 0.46 m

Overview of Performance

Potential Overseas Visitors to Ireland



2020 Scenarios

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

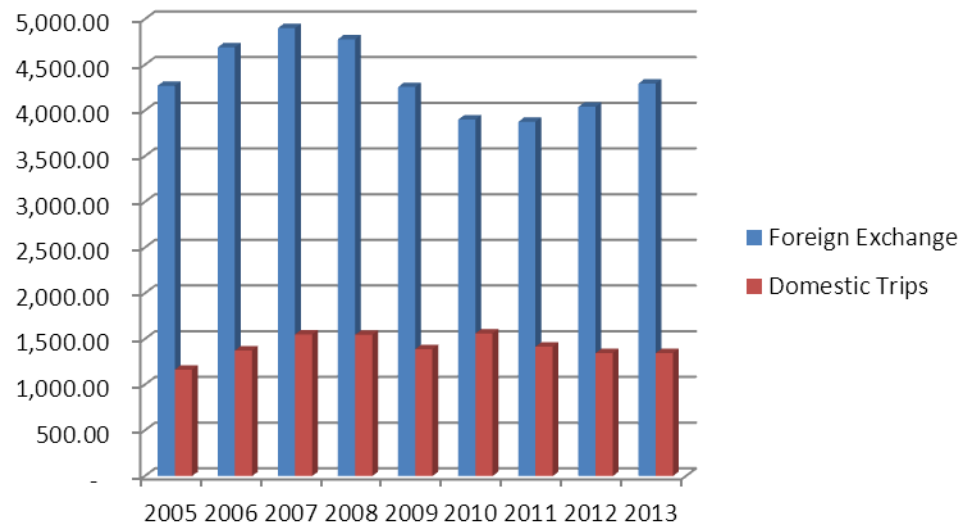
B – 10.05m **6% pa** increase in each market

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

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**

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		Domestic trips		Total	Tax *	Employment
	million	€bn	million	€bn			
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 (Failte 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:-

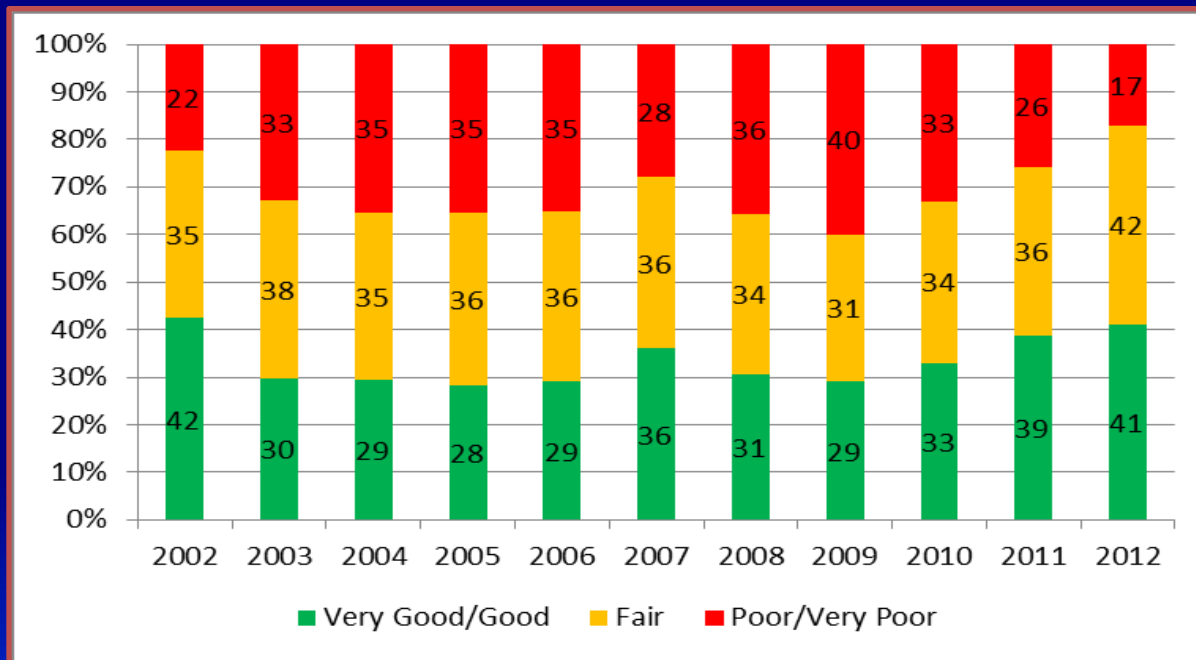
2012 Provisional Outturn			2013 Estimate		
Current	Capital	Total	Current	Capital	Total
€000	€000	€000	€000	€000	€000
920	-	920	1,010	-	1,010
123	14	137	421	22	443
64,491	800	65,291	65,076	1,000	66,076
16,496	-	16,496	15,849	-	15,849
39,354	-	39,354	37,245	-	37,245
-	20,200	20,200	-	19,000	19,000
746	-	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

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