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Ireland

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Ireland

Tourism in the economy

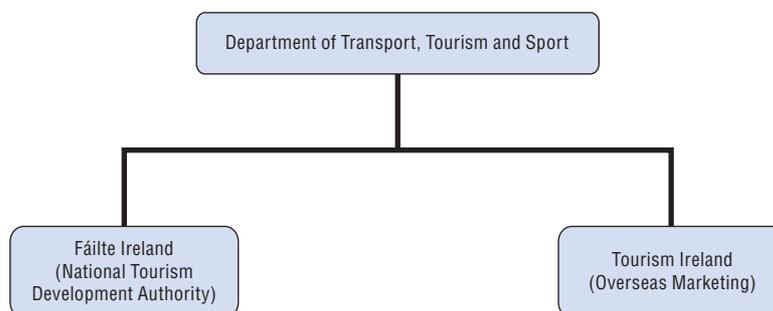
Tourism is an important driver of economic activity for Ireland. As well as being the longest-standing source of service export earnings, it also directly and indirectly supports employment across the country for a range of skill levels – often in areas where the scope to develop other export-focused sectors is constrained. The tourism and hospitality industry employed approximately 185 000 people in 2012, and generated over EUR 5 billion in revenues from home and abroad – equivalent to over 3% of GDP. Tourism also shapes Ireland’s image and attractiveness as a place to live, work and invest.

2012 data show that overall visits to Ireland held steady (+0.2% to 6.52 million trips), with holiday trips up 3.8% and business trips up 7.7%. By comparison, visits to friends and relatives in Ireland fell by 7.9%. Spending by visitors to Ireland also increased in 2012, with total tourism and travel earnings from overseas visitors growing by 4.5% to EUR 3.67 billion. There was particularly strong growth in expenditure by holiday visitors from North America (+10% to EUR 519 million) and from other long-haul source regions (+11% to EUR 142 million).

Tourism organisation and governance

The Tourism Division forms part of the Department of Transport, Tourism and Sport and advises government on national tourism policy (Figure 1). It provides the strategic direction required to support the growth of a competitive and sustainable tourism industry through the development, implementation and influence of a range of policy actions and programmes by the department, its agencies and other government departments, in consultation with industry partners.

Figure 1. **Ireland: Organisational chart of tourism bodies**



Source: OECD, adapted from the Department of Transport, Tourism and Sport, 2014.

Fáilte Ireland was set up to encourage, promote and support tourism as a leading indigenous component of the Irish economy. Its principal functions are the development of a quality tourism product, domestic tourism marketing, tourism standards, enterprise support, capability building and human resource development for the tourism industry.

Tourism Ireland carries out the promotion of the island of Ireland as a tourism destination in overseas markets. Tourism Ireland is accountable to the North South Ministerial Council, with funding being provided by the Department of Enterprise, Trade and Investment in Northern Ireland and by the Department of Transport, Tourism and Sport in Ireland.

Local tourism bodies outside the main state organisation (e.g. West Cork Tourism, Wicklow Tourism) also play an important role in tourism promotion. Local Action Groups use public funding to implement multi-sectoral business plans for the development of their own areas. All Local Action Groups have a tourism element in their business plan and other non-tourism actions may also have an impact on tourism.

Tourism budgets

The overall budget allocated by the Department of Transport, Tourism and Sport specifically for tourism in 2012 was EUR 143 million. This was allocated to the tourism agencies – Fáilte Ireland and Tourism Ireland – and includes specific funds for product development, marketing and promotion. Apart from private sector investment, the main source of funding is the national budget funded by taxation. A total of EUR 39.35 million was provided for overseas marketing in 2012. Funding of EUR 20.2 million was provided for the continued rollout of Tourism Product Development investment support, which will lead to the development of improved tourism infrastructure and new and upgraded tourist attractions and activities.

The Special EU Programmes Body (SEUPB) launched a call for suitable projects under INTERREG IVA during 2008. Approximately EUR 30 million (including matching funding) was made available for tourism projects during the period 2008-13.

Local tourism bodies also receive public funding to implement multi-sectoral business plans for the development of their own areas.

Tourism-related policies and programmes

In the context of the challenges facing both the sector and the wider economy, the Irish government has integrated tourism into the broader economic strategic framework as a key component of the country's economic recovery programme, rather than pursue separate stand-alone strategies for the tourism sector. This overall strategic approach is complemented by the work of the tourism agencies.

Existing tourism policy was set in the Programme for government 2011, which set out key priorities to help the industry survive after some of the most challenging years for decades, and included commitments on access, marketing, visas and product development (Box 1). Key commitments in the 2011 Programme for government were reflected in the government's subsequent "Jobs Initiative", with immediate priority actions set out in the annual Action Plans for Jobs. In 2013, the "Gathering Ireland 2013" was an important year-long initiative inviting people with ancestral links and an affinity for Ireland to play a part in, and benefit from, the country's economic recovery by connecting with the people of Ireland, now and in the future.

Box 1. Training in the Irish tourism and hospitality sector

Tourism and hospitality training used to take place primarily in dedicated training centres with the focus on full-time training courses typically of 12-16 weeks in duration, preparing new entrants to the marketplace. However, the economic downturn meant that there were much reduced opportunities for new entrants to the sector, but a growing need for on-site training and other business support measures to help businesses survive and sustain employment. In consequence, Fáilte Ireland radically reoriented its training infrastructure so that interventions are now focused at the enterprise level to improve their skill base, reduce their costs and grow their top line.

While the initial focus was also on mentoring, cost control and other essential survival skills, it has since evolved to help businesses grow through improving their sales skills and the quality of their online presence. There are also dedicated online tools for businesses including webinars and online diagnostic tools.

In addition to the on-site training to tourism employees, Fáilte Ireland provides accreditation for prior learning (APL), thus improving the service these tourism workers provide in tandem with the quality of their jobs. It also supports a number of “Earn and Learn” programmes operated by Institutes of Technology, which enable workers to attend college part-time while receiving paid work experience. Tourism has also been identified as a key sector in government strategies for employment.

The Finance Act 2013 contained further measures to assist the tourism industry by stimulating growth and job creation, including: a fuel rebate for hauliers and bus and tourist coach operators; an increase in the VAT cash receipts’ threshold from EUR 1 million to EUR 1.25 million to assist small businesses with cash flow; extension of the Employment and Investment Incentive Scheme to encourage the tourist accommodation sector to invest in renovation and refurbishment; and confirmation of the eligibility of hotels and accommodation providers to participate in Real Estate Investment Trusts.

In 2013, the Minister for Transport, Tourism and Sport commenced a review of tourism policy to examine how policy should contribute to sustainable growth in the sector in the medium term.

The government has already delivered on several measures under the Jobs Initiative to reduce costs for tourists and for tourism businesses, therefore enhancing Ireland’s competitiveness – e.g. reducing VAT on certain tourism services to 9% until end-2013; introducing a new Visa Waiver Programme; and halving employers’ PRSI for those on modest wages. Tourism also benefits from the government’s Internship and Work Placement programmes, as well as from the significant investment in non-national roads and other transport infrastructure, as part of the Jobs Initiative.

A cross-departmental plan for the development of the “green economy” was published in 2012 – *Delivering Our Green Potential: Government Policy Statement on Growth and Employment in the Green Economy*. The Action Plan recognises that Ireland has an outstanding natural environment and landscape to support “green tourism” and activities, as well as an established international image as the “Emerald Isle”, which could be built on to promote its “green” offering.

Several agencies provide assistance to tourism businesses and Fáilte Ireland has developed an environmental guide for tourism businesses outlining all the supports currently available, from tips and advice, assessment and training and eco-label certification, to marketing and communications. Many businesses have already taken steps towards improving environmental performance, ranging from simple steps such as reducing energy consumption to becoming fully accredited eco-tourism businesses. These businesses are profiled on the DiscoverIreland.ie/green section of the consumer website, where green businesses are profiled for the visitor.

Various eco-labels/accreditation/certification programmes are available to sustainable and eco-tourism businesses that wish to attain formal recognition and associated marketing benefit.

Other supports to help Irish businesses make more efficient and sustainable use of resources, and include guidance and programmes administered by the Sustainable Energy Authority of Ireland and by the Environmental Protection Agency (EPA). There is also a scheme of accelerated capital allowances for energy equipment, as well as a tax incentive aimed at encouraging companies across all sectors to invest in energy saving technology, which was extended to include catering and hospitality equipment.

Fáilte Ireland and the EPA funded a three-year project (2009-12) to test a set of sustainable tourism indicators (ACHIEV) across the following headings: Administration; Community; Heritage; Infrastructure; and Visitors and Economics. The project has led to the development of a manual/toolkit for measuring sustainability at destination level, which Fáilte Ireland intends to make available to other destinations, allowing them to use the same indicators to undertake evidence-based (indicator-led) destination management plans.

Statistics and performance evaluation

Official tourism statistics cover three different surveys: Overseas Travel (the number of overseas trips, both inbound and outbound); Tourism and Travel (further details on international travel including expenditure, purpose of visit and overnight stays); and the Household Travel Survey (Irish households' travel and tourism, both at home and overseas, including expenditure, purpose of trip and overnight stays). The tourism agencies also conduct their own analyses and research, including Fáilte Ireland's Survey of Overseas Travellers, Visitor Attitudes Survey and surveys by accommodation providers (covering visitor motivation for holidaying in Ireland, activities undertaken, destinations visited and accommodation used).

A TSA pilot project was completed in 2004 and work has continued to address the data gaps identified. However, the Central Statistical Office has not had the necessary resources to develop further, regular TSAs. In the meantime, Fáilte Ireland has developed its own economic model to estimate the value of tourism's contribution, based on available data and using multipliers to measure the direct, indirect and induced effects of tourism expenditure.

Statistical profile

Table 1. **Ireland: Domestic tourism**

	Unit	2008	2009	2010	2011	2012
Total domestic trips		..	..	..	..	..
Overnight visitors (tourists)	Thousand	8 339	8 340	7 300	7 169	7 031
Same-day visitors (excursionists)		..	..	..	..	..
<i>Trips by main purpose of visit</i>						
Business and professional		..	..	..	..	..
Holiday, leisure and recreation		..	..	..	..	..
Nights in all means of accommodation	Thousand	26 195	26 027	22 540	21 628	20 120
Hotels and similar establishments		..	..	..	..	..
Other collective establishments		..	..	..	..	..
Domestic travel receipts		..	..	..	..	..

Source: Central Statistics Office.

StatLink  <http://dx.doi.org/10.1787/888932987442>

Table 2. **Ireland: Inbound tourism**

	Unit	2008	2009	2010	2011	2012
Total international arrivals	Thousand	7 839	..	..	..	..
Overnight visitors (tourists)	Thousand	7 288	6 470	5 695	6 021	6 035
Same-day visitors (excursionists)	Thousand	551	..	..	..	..
<i>Top markets¹</i>						
Great Britain	Thousand	3 872	2 987 |	2 562	2 623	2 518
Other Europe	Thousand	776	1 492 |	1 270	1 382	1 415
United States/Canada	Thousand	1 005	905 |	849	889	922
Germany	Thousand	468	415 |	378	409	435
France	Thousand	415	377 |	338	378	382
Nights in all means of accommodation		..	..	..	..	..
Hotels and similar establishments		..	..	..	..	..
Other collective establishments		..	..	..	..	..
Total international receipts ¹	Million EUR	4 520	3 874 |	3 485	3 582	3 670
International travel receipts ¹	Million EUR	3 834	3 383 |	2 947	2 864	2 877
International passenger transport receipts	Million EUR	686	491	538	718	793

1. Break in series. Since 2009, refers to overnight tourism trips only.

Source: Central Statistics Office.

StatLink  <http://dx.doi.org/10.1787/888932987461>

Table 3. **Ireland: Outbound tourism**

	Unit	2008	2009	2010	2011	2012
Total international departures	Thousand	7 877	7 021	..	..	..
Overnight visitors (tourists)	Thousand	..	..	6 534	6 144	6 170
Same-day visitors (excursionists)		..	..	..	..	..
Total international expenditure ¹	Million EUR	7 728	6 043	6 367 |	6 110	6 060
International travel expenditure ¹	Million EUR	6 912	5 473	5 788 |	5 340	5 260
International passenger transport expenditure ¹	Million EUR	816	570	579 |	770	801

1. Break in series. Since 2010, refers to overnight tourism trips only.

Source: Central Statistics Office.

StatLink  <http://dx.doi.org/10.1787/888932987480>

Table 4. Ireland: Enterprises in tourism
Number of enterprises

	2008	2009	2010	2011	2012
Total tourism enterprises	22 112	23 295	23 475	22 684	..
Tourism industries	..	..	..	..	..
Accommodation services for visitors ¹	15 987	16 460	16 511	16 340	..
Hotels and similar establishments	..	..	..	..	..
Food and beverage serving industry	..	..	..	..	..
Passenger transport	1 933	2 001	1 949	1 942	..
Air passenger transport	..	..	..	..	..
Railways passenger transport	..	..	..	..	..
Road passenger transport	..	..	..	..	..
Water passenger transport	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..
Transport equipment rental	..	..	..	..	..
Travel agencies and other reservation services industry	..	..	..	..	..
Cultural industry ²	3 421	4 048	4 246	3 638	..
Sports and recreation industry	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..
Other country-specific tourism industries ³	771	786	769	764	..
Other industries	..	..	..	..	..

1. Includes food service activities.

2. Arts, entertainment and recreation.

3. Administrative and support service activities.

Source: Central Statistics Office, Business Demography.

StatLink  <http://dx.doi.org/10.1787/888932987499>

Table 5. Ireland: Employment in tourism
Number of employees

	2008	2009	2010	2011	2012
Total tourism employment (direct)	184 700	166 900	165 929	164 840	..
Tourism industries	..	..	..	..	..
Accommodation services for visitors ¹	132 200	118 100	116 350	117 200	..
Hotels and similar establishments	..	..	..	..	..
Food and beverage serving industry	..	..	..	..	..
Passenger transport	26 600	25 400	24 891	25 636	..
Air passenger transport	..	..	..	..	..
Railways passenger transport	..	..	..	..	..
Road passenger transport	..	..	..	..	..
Water passenger transport	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..
Transport equipment rental	..	..	..	..	..
Travel agencies and other reservation services industry	..	..	..	..	..
Cultural industry ²	18 800	18 100	18 986	16 306	..
Sports and recreation industry	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..
Other industries ³	7 100	5 400	5 702	5 698	..
<i>Gender breakdown</i>					
Male (% of total tourism employment)	..	..	..	..	..
Female (% of total tourism employment)	..	..	..	..	..

Note: Full-time equivalent.

1. Includes food services.

2. Arts, entertainment and recreation.

3. Administrative and support service activities.

Source: Central Statistics Office, Business Demography.

StatLink  <http://dx.doi.org/10.1787/888932987518>

Table 6. **Ireland: Internal tourism consumption**

Million EUR, 2007

	Domestic tourism consumption	Inbound tourism consumption	Internal tourism consumption
Total	3 142	3 637	6 779
Consumption products	..	..	..
Tourism characteristic products	..	..	..
Accommodation services for visitors	228	672	900
Food and beverage serving services	983	932	1 915
Passenger transport services	762	1 062	1 824
Air passenger transport services	..	..	..
Railways passenger transport services	..	..	..
Road passenger transport services	..	..	..
Water passenger transport services	..	..	..
Passenger transport supporting services	..	..	..
Transport equipment rental services	..	..	..
Travel agencies and other reservation services	155	12	167
Cultural services	209	197	406
Sports and recreation services	..	..	..
Country-specific tourism characteristic goods	..	..	..
Country-specific tourism characteristic services	..	..	..
Other consumption products ¹	805	762	1 567
Tourism connected products	..	..	..
Non-tourism related consumption products	..	..	..
Non-consumption products	..	..	..

1. Includes profit margin.

Source: Central Statistics Office, Tourism Satellite Account.

StatLink  <http://dx.doi.org/10.1787/888932987537>Table 7. **Ireland: Key economic indicators**

Percentage

	2008	2009	2010	2011	2012
Tourism GDP (direct) as % of total GDP	..	..	..	..	..
Total tourism employment (direct) as % of total employment	14.0	14.0	15.0	15.0	..

Source: Central Statistics Office, Business Demography.

StatLink  <http://dx.doi.org/10.1787/888932987556>

For more information

Department of Transport, Tourism and Sport
 National Tourism Development Authority
 Overseas Tourism Promotion (Corporate website)
 Overseas Tourism Promotion
 Domestic Tourism Promotion
 Central Statistics Office

www.dttas.ie
www.failteireland.ie
www.tourismireland.com
www.ireland.com
www.discoverireland.ie
www.cso.ie