

Tourism Is An Export Industry: Ireland Needs To Take it Seriously

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Background

- Why Is Tourism Important For Ireland?
- 1. It is an export industry that accounted for 4.8 billion in external earnings in 2008 from the 8 million “out of State tourists”. Domestic tourism accounts for an additional 1.5 billion Euro in expenditure.

Employment and Tax Revenue

- 128,400 jobs in accommodation and food sector alone that is more than financial, insurance and real estate services (104,100)
- An estimated 1.5 billion Euro in tax revenue for Government.

Other Benefits

- Tourism supports infrastructure that improves the “living environment” for citizens.
- Tourism is often one of the only economic levers for many rural areas.

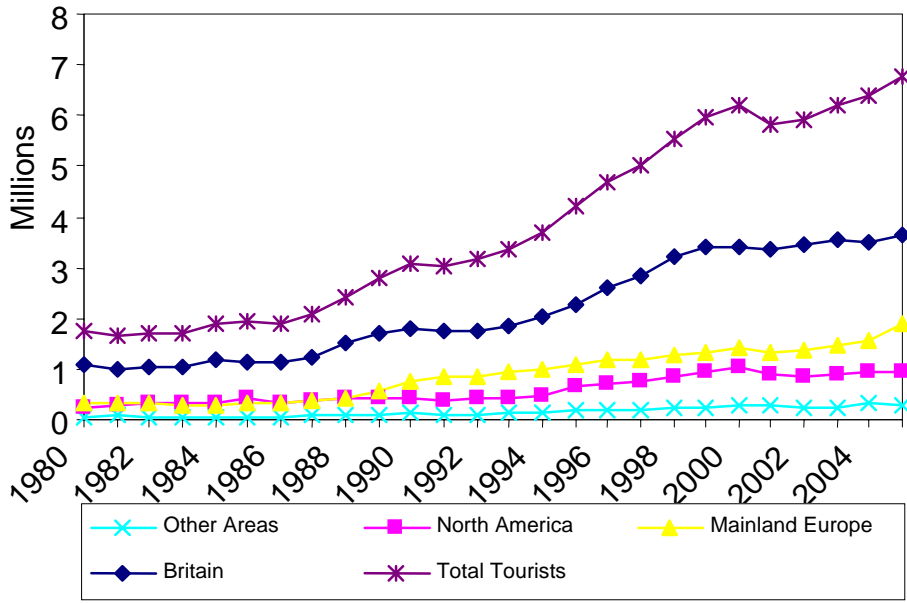
How Has Ireland Performed in Tourism

- Summary:
- From 1922 to 1985 a mediocre performance by international norms.
- 1986 to 2002-A stellar performance-particularly from 1986 to 2000.
- From 2000 onwards tourism growth has slowed and in 2009 looks to have declined by circa 10-12%. 2010 will also be very challenging.

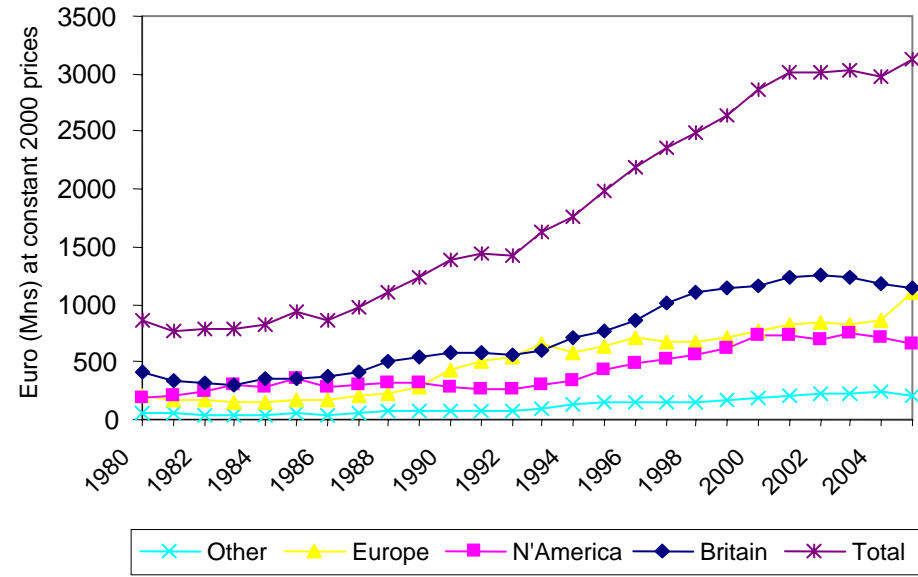
A Quick Snapshot of the Performance

- Volume growth but little real revenue growth after 2003.
- Worrying signs obvious even before the recent international collapse.

Trends in Overseas Tourist Arrivals 1980-2005



Trends in Tourism Revenue 1980-2005



So Why Did Tourism Grow So Quickly Before the Decline Set In?

- What Does Tourism Need to Prosper?
 - 1. A competitive macroeconomic environment.
 - 2. Good external and internal access transport.
 - 3. A good product that increasingly puts emphasis on the environment.

The Years Of Success

- Ireland tackled all these issues up to 2000-Good policy-Good changes to access transport and investment in product.
- Wheels began to come off the wagon in early years of the decade.

Underlying Trends

- The “pure holidaymaker” numbers to Ireland peaked in 2007 and have fallen to 48% in 2008 (55% 1999).
- US and GB falling significantly (exchange rate). Value for money in major decline.
- Over-investment in hotels and not enough on “pure attractors”.

Bednight Shares 99 to 08

- Dublin's share has grown from 20 to 33%. Southwest has grown marginally 26 to 27%.
- All other regions have lost market share in varying proportions. For example Shannon has gone from 15 to 9%. South East and East Midlands 7 to 5 % respectively.

Consumer Trends

- Influence of tour operators has dramatically declined.
- In 2008: 83% of "holidaymakers" made their own arrangements.
- Friends and relatives(50%) and increasingly social media/internet (48%).....ICT MATTERS MORE AND MORE

ACCESS/SHORTER STAYS

- In 1997 almost 40% of holidaymakers arrived by sea. In 2008 it was just over 10%.
- Air access is vital for the regions and overall tourism growth.
- Dublin accounts for 75% of all air traffic.
- The regions need to focus on the improved road infrastructure as an opportunity but increasingly many tourists do not use cars. Getting tourists direct to regions is key.

The Product

- Key is to provide a good tourism product that is competitive.
- ICT presence both before, during and after a visit will be key.
- Providers must be market led and be fully engaged with social media sites for “niche tourism”

The World Tourism Competitiveness Indicators

- 14 Pillars of Competitiveness in Tourism.
- 1. Policy Rules and Regulations; 2. Environmental Sustainability; 3. Safety and Security; 4. Health and Hygiene; 5. Prioritisation of Travel and Tourism; 6. Air Transport Infrastructure; 7. Ground Transport; 8. Tourism Infrastructure; 9. ICT; 10. Price Competitiveness in Tourism; 11. Human Resources; 12. Affinity for Tourism; 13. Natural Resources; 14. Cultural Resources.

Some Highlights:

- 1. On index Ireland scores 18th in World and 13th in Europe.
- Poor on the Following Areas:
- Carbon dioxide emissions 109th of 133; Business Costs of Crime and Violence 48th; Gov expenditure on tourism 54th; Quality of air transport 46th; All ground infrastructure is rated above 50th(exception road density 24th)

Highlights Contd:

- ICT an average score
- Purchasing Power Parity 128th
- Ticket taxes and airport charges 43rd
- Fuel Price levels 119th
- Hiring and Firing Practices 84th

Natural Resources

- World Heritage Sites 74th
- Protected Areas 126th
- Quality of Natural Env 20th
- Total Known Species 125th

Cultural Resources

- Number of World Cult Sites 82
- Sports Stadiums 1
- International Fairs/Exhibitions 32
- Creative Industry Exports 28

Opportunities/Challenges

- Tourists increasingly search for products and then a location-Those who will prosper must have the product, package it and use ICT to promote it. Ireland scores well on creative industries/Culture-we need to build on this.
- Tourism is affected by many Government and Local Authority Actions-The Competitiveness Report Gives us Guidance For Action.

ACTION

- Ireland needs to improve competitiveness on critical issues.
- Airport Policy will be vital-can we continue with so many small airports?
- We will need to have an integrated transport policy-Our new road infrastructure must be exploited fully for regional tourism potential to be realised.
- Tourism can make a major contribution to our economic renaissance if action is taken.
- Thank You For Listening.