

# North South Inter-Parliamentary Association

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## **Fifth meeting**

### *Key aspects of tourism strategy on the Island of Ireland.*

**8 October 2014**

**Background briefing prepared by the Research and Information Service (RaISE) of the Northern Ireland Assembly and by the Library & Research Service of the Houses of the Oireachtas (*Tithe an Oireachtais*)**

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## Key points

- Tourism Ireland was established on foot of the Good Friday/Belfast Agreement to market the entire island of Ireland.
- Tourism Ireland's Business Plan and Corporate Plan set out the strategies being employed to grow tourism on the island of Ireland over the next three years.
- Tourism Ireland reports that the direct economic contribution of tourism is 3.3% of GDP in the Republic and 2.1% of GDP in Northern Ireland.
- Tourism Ireland is placing a major focus on highlighting the Wild Atlantic Way and the Causeway Coastal Route, as well as promoting key events, such as Limerick City of Culture, the Croke Park Classic college football game which took place in September, and other festivals taking place across the island; as well as experiences – including Titanic Belfast, the Giant's Causeway, the Cliffs of Moher, and the Viking Triangle (Co. Waterford)
- Tourism Ireland identify their top performing markets as: USA, Great Britain, Germany and France, while Canada, mainland Europe and Australia have great potential.
- Tourism Ireland's 2014-2016 Corporate Plan proposes to concentrate on niche markets with revenue potential, identified as: English language training, golf, business tourism and diaspora.
- In Northern Ireland, the Northern Ireland Tourist Board is tasked with development of tourism and the marketing of Northern Ireland as a tourist destination to visitors within Northern Ireland and from the Republic. In the Republic, Fáilte Ireland promotes Ireland as a holiday destination through its domestic marketing campaign (DiscoverIreland.ie).
- Total overseas visitors to Northern Ireland for the first quarter of 2014 grew by 4% year-on-year. Overseas holidaymakers to Northern Ireland increased by 13% for the first quarter of 2014 when compared to the same period last year, with holidaymakers from Great Britain showing a 15% increase year-on-year.
- Overseas visitors to the Republic increased by 9% for the first five months of 2014, compared to the same period last year. Great Britain (GB) contributed the largest share of this growth with an increase in arrivals of 13% when compared to the same period last year.

## 1. Background

The Good Friday/Belfast Agreement identified tourism as a specific area for cross-border cooperation. Arising from this, Tourism Ireland was established to market the entire island of Ireland as a destination of choice.<sup>1</sup>

Cooperation on tourism takes place within the North South Ministerial Council (NSMC) tourism sectoral format. Items discussed at such meetings include Tourism Ireland's [Business Plan 2014](#), and Corporate Plan 2014-2016.<sup>2</sup> These documents set out the strategies being employed to grow tourism on the island of Ireland over the next three years.

Tourism Ireland operates under the auspices of the North/South Ministerial Council through the Department of Enterprise, Trade and Investment in Northern Ireland and the Department of Transport, Tourism and Sport in the Republic.<sup>3</sup> The body is jointly funded by the Irish Government and the Northern Ireland Executive on a 2:1 ratio.<sup>4</sup>

Recent highlights from Tourism Ireland 2013 marketing campaign include:

- The Gathering Ireland 2013.
- UK City of Culture 2013.
- Jump into Northern Ireland showcase at the European Parliament.
- Global Greening initiative around St. Patrick's Day.

In the Republic, Fáilte Ireland promotes Ireland as a holiday destination through its domestic marketing campaign (DiscoverIreland.ie). It also manages a network of nationwide tourist information centres that provide help and advice for visitors to Ireland.<sup>5</sup>

In Northern Ireland, the Northern Ireland Tourist Board is tasked with development of tourism and the marketing of Northern Ireland as a tourist destination to visitors within Northern Ireland and from the Republic.<sup>6</sup> However, research by Dr. Adrian Devine from the University of Ulster quotes an independent study commissioned by the Northern Ireland Tourist Board which found that there were several bodies tasked with promoting tourism, leading the authors to conclude that:

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<sup>1</sup> PQ answered on 26/06/14 by the Minister for Transport, Tourism and Sport, Mr. Leo Varadkar. Ref Number: 27421/14

<sup>2</sup> Ibid.

<sup>3</sup> <http://www.tourismireland.com/Home/about-us.aspx>

<sup>4</sup> Ibid.

<sup>5</sup> <http://www.failteireland.ie/Utility/What-We-Do.aspx>

<sup>6</sup> <http://www.nitb.com/Home.aspx>

“...responsibility for tourism in Northern Ireland is complicated and confusing and not for the faint hearted.”<sup>7</sup>

The next section looks at recent tourism statistics for the Island of Ireland.

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<sup>7</sup> <http://www.shannoncollege.com/wp-content/uploads/2009/12/THRIC-2010-Full-Paper.-A.Devine.pdf>

## 2. Tourism statistics

The following statistics are taken from Tourism Ireland's *Situation & Outlook Analysis Report* (SOAR), July 2014.

- Overseas visitors to the Republic increased by 9% for the first five months of 2014, compared to the same period last year. Great Britain (GB) contributed the largest share of this growth with an increase in arrivals of 13% when compared to the same period last year.<sup>8</sup>
- Total overseas visitors to Northern Ireland for the first quarter of 2014 grew by 4% year-on-year. Overseas holidaymakers to Northern Ireland increased by 13% for the first quarter of 2014 when compared to the same period last year, with British holidaymakers up a 15% increase year-on-year.<sup>9</sup>
- The Civil Aviation Authority in the UK estimates that air passengers between Great Britain and Northern Ireland grew by 1% for the first five months of the year when compared to the same period in 2013. Total overseas air and sea passengers to the Republic were up 5% for the first five months of the year.
- Tourism Ireland reports that the direct economic contribution of tourism is 3.3% of GDP in the Republic and 2.1% of GDP in Northern Ireland.

Additional statistics published on the 4<sup>th</sup> July 2013 show that approximately 430,000 visitors from the Republic spent at least one night in Northern Ireland; an increase from 370,000 when compared to 2011.<sup>10</sup>

Ireland, as the UK's closest neighbour and one of its main trading partners, is a key tourist destination for UK residents.<sup>11</sup>

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<sup>8</sup> Official data from the Central Statistics Office (CSO), as reported by Tourism Ireland.

<sup>9</sup> Data from the Northern Ireland Statistics and Research Agency (NISRA) as reported by Tourism Ireland.

<sup>10</sup> [http://www.detini.gov.uk/visitors\\_from\\_the\\_republic\\_of\\_ireland\\_to\\_northern\\_ireland\\_2012.pdf?rev=0](http://www.detini.gov.uk/visitors_from_the_republic_of_ireland_to_northern_ireland_2012.pdf?rev=0)

<sup>11</sup> <http://www.esri.ie/UserFiles/publications/WP412/WP412.pdf>

### 3. Tourism on the Island of Ireland: strategies to promote tourism

#### Tourism Ireland: Growth targets

Tourism Ireland's growth targets are guided by the report of the *Tourism Renewal Group* (TRG) and the *Trading and Investing in a Smart Economy 2015* (both published in the Republic), as well as Northern Ireland's *Tourism Strategy for Northern Ireland to 2020* report.<sup>12</sup> Tourism Ireland focuses on 'promotable' visitors which are made up of holidaymakers, conference or incentive visitors, and visitors here to learn English as a foreign language (EFL).<sup>13</sup>

Tourism Ireland is placing a major focus on highlighting the Wild Atlantic Way and the Causeway Coastal Route, as well as promoting key events, such as Limerick City of Culture, the Croke Park Classic college football game in September, and other festivals taking place across the island; as well as experiences – including Titanic Belfast, the Giant's Causeway, the Cliffs of Moher, and the Viking Triangle (Co. Waterford) among others.<sup>14</sup>

#### Tourism Ireland's Corporate Plan (2014-2016)

Tourism Ireland identify their top performing markets as:

- USA;
- Great Britain;
- Germany;
- France.

Areas and regions which Tourism Ireland identify as having great potential include:

- Canada;<sup>15</sup>
- Mainland Europe;
- Australia.

Places which Tourism Ireland identify as ones to watch include:

- Brazil;
- South Africa;
- Middle East;

<sup>12</sup> Tourism Ireland (2011): Tourism Ireland's Corporate Plan 2011-2013.

<sup>13</sup> <http://www.tourismireland.com/CMSPages/GetFile.aspx?guid=f57448b3-92aa-4719-a982-bb698dcdae7>

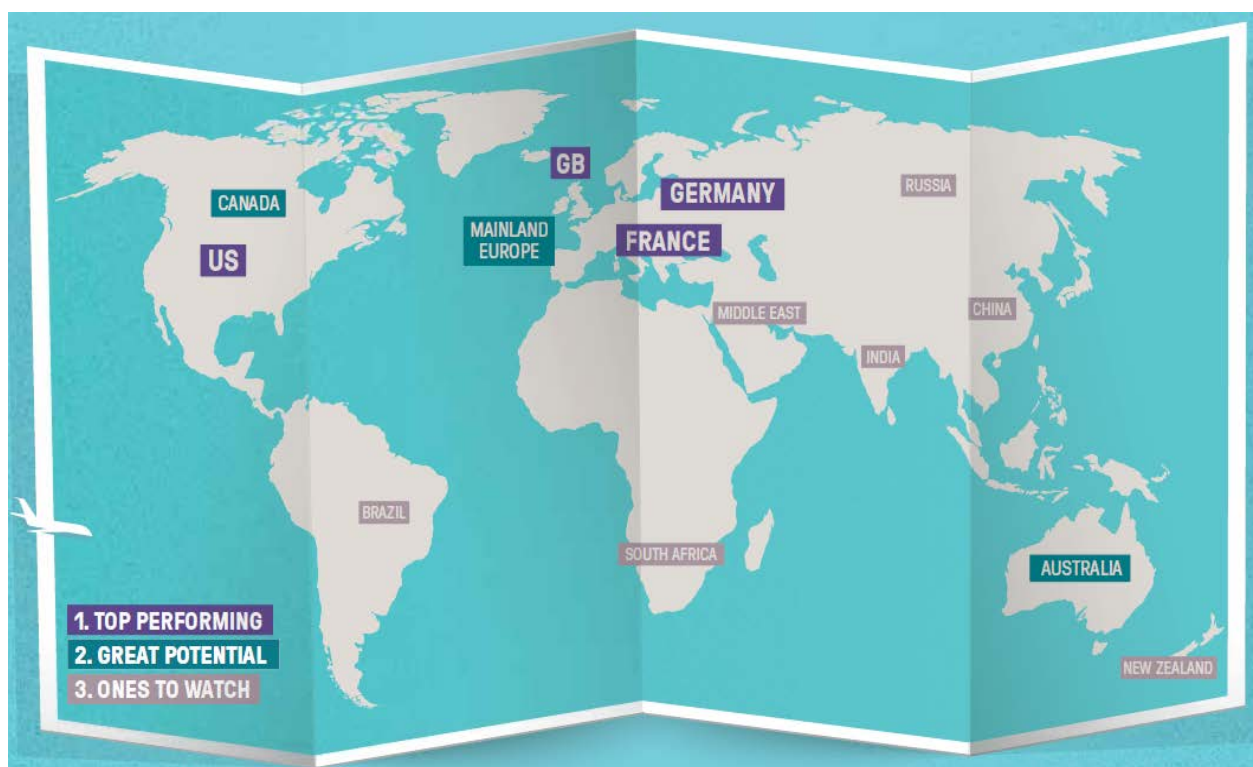
<sup>14</sup> Tourism Ireland's *Situation & Outlook Analysis Report* (SOAR), July 2014

<sup>15</sup> See press release: <http://www.tourismireland.com/Home!/About-Us/Press-Releases/2014/New-Strategy-Unveiled-to-Boost-Tourism-From-Canada.aspx>

- India;
- Russia;
- China.

Figure 1 illustrates this.

**Figure 1: Tourism Ireland's 'Best Prospects'**



Themes identified for the 2014-206 Corporate Plan include:<sup>16</sup>

- Enhancing brand knowledge and relevance;
- Driving consumer engagement;
- Capitalising and building on Northern Ireland's strengths;
- Building successful partnerships and alliances;
- Focusing resources to compete and win;
- Harnessing the power of digital marketing; and
- Developing meaningful metrics to provide direction for investment.

The 2014-2016 Corporate Plan also proposes to concentrate on niche markets with revenue potential, identified as: English language training, golf,<sup>17</sup> business tourism and diaspora.

<sup>16</sup> [http://www.northsouthministerialcouncil.org/tourism\\_joint\\_communique\\_26\\_june\\_2013.pdf](http://www.northsouthministerialcouncil.org/tourism_joint_communique_26_june_2013.pdf)

<sup>17</sup> See the L&RS/Raise paper on Sports Tourism.



A press release for the launch of Tourism Ireland's Marketing Plans 2014-16 on 2<sup>nd</sup> December 2013 states that the body aims to:

“...build on this year's growth in overseas tourism and to welcome 25.6 million visitors to the island over the coming three years – contributing some €12.6 billion to the economies, north and south.”<sup>18</sup>

The press release also states that Tourism Ireland will:

“...prioritise those markets that offer the best return on investment, in terms of holiday visitors and revenue i.e. **North America** and **Mainland Europe**. Ireland's 'best prospect' visitors will be targeted more closely – with distinctive holiday experiences, events and special offers tailored to their interests and designed to trigger their 'must go now' impulses. Tourism Ireland will get them talking about Ireland among their colleagues and friends and then sharing those conversations online – by harnessing the growing power of social media...”

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<sup>18</sup> <http://www.tourismireland.com/Home!/About-Us/Press-Releases/2013/Tourism-Ireland-Launches-2014-16-Marketing-Plans.aspx>

## 4. Tourism policy in the Republic

Since 2011 the Republic has put tourism at the centre of its economic recovery plan.<sup>19</sup> Among the measures used to boost tourism were: a 9% VAT rate (reduced from 13.5%), reduction of Air Travel Tax to zero (previously it was €10 per passenger with a lower rate of €2 for shorter air journeys), as well as a Visa Waiver. In 2013 tourism was responsible for €5.7 billion of revenue to the Republic's economy, €1.4 billion of which directly benefited the exchequer through taxation. In addition the tourism sector supports an estimated 200,000 jobs overall.<sup>20</sup>

The primary focus of the Irish Government's tourism strategy is: "to maximise the benefits to Ireland from overseas visitors."<sup>21</sup> The Central Statistics Office (CSO) provides tourism and travel statistics from 2013.<sup>22</sup> The figures show strong growth in the number of holiday trips taken by overseas visitors to Ireland. Comparing Quarter 1 2014 to Quarter 1 2013:

- total number of visits from Great Britain grew by 11.4%;
- total number of visits from North America grew by 5.9%;
- total number of visits from Mainland Europe grew by 0.9%;
- total number of visits from "Other" long-haul markets grew by 17.4%.

A review of tourism policy was launched on 11th September 2013, whereby the Government sought submissions on ideas for future tourism plans. In order to facilitate this discussion the Government provided a consultation document (which can be accessed at this link<sup>23</sup>) including twenty topics, such as:<sup>24</sup>

- Where our priority country markets should be?
- What should be the balance of spending among marketing, events and attractions?
- How can we build on the success of the Gathering?
- How can we best harness local authorities, communities and business to support tourism?
- How should we measure success, visits or revenue?

<sup>19</sup> Department of Transport, Tourism and Sport. (2014). A National Tourism Policy for Ireland (Draft).

<sup>20</sup> Department of Transport, Tourism and Sport. (2014). A National Tourism Policy for Ireland (Draft).

<http://www.dttas.ie/tourism/english/tourism-policy-review-20132014>

<sup>21</sup> Ibid.

<sup>22</sup> <http://www.dttas.ie/press-releases/2014/2014-target-be-another-year-growth-tourism-varadkar>

<sup>23</sup> <http://www.dttas.ie/sites/default/files/upload/general/issues-paper-and-request-submissions-developing-tourism-policy-statement-august-2013.pdf>

<sup>24</sup> <http://www.failteireland.ie/News-Features/News-Library/Your-views-wanted-for-new-tourism-review.aspx>

On foot of this, over 170 submissions were received by the Department of Transport, Tourism and Sport. On 8th July 2014, the then Minister for Transport, Tourism and Sport, Leo Varadkar T.D., and the Minister of State for Tourism and Sport, Michael Ring T.D., published a Draft Tourism Policy Statement<sup>25</sup> for the period to 2025. The Department has invited interested parties to comment on the draft before it is finalised in autumn 2014.

The draft policy outlines the Government's main objective which is to increase exchequer revenue from overseas visitors, excluding carrier receipts, from €3.3 billion to €5 billion in real terms (i.e. excluding the effects of inflation) by 2025. In order to do this the Government has agreed:

- the marketing of Ireland as a visitor destination will aim to generate a balance of visitors from both mature and developing markets;
- heritage assets will be protected, and any public investment in tourism will be based on evidenced needs;
- that Ireland's tourism industry will have the capacity and capability to meet the changing needs of visitors, underpinned by a clear and coherent framework for the development of human capital in the industry;
- that there will be a clear understanding of the responsibilities and expectations of Government, State agencies, Local Authorities, the tourism industry and other stakeholders in the development of the tourism industry; with an enhanced role for Local Authorities and recognition of the contribution of communities to tourism; and
- that the Government will place tourism at the centre of its economic strategy, with development in the tourism sector reflecting the highest standards of environmental and economic sustainability, and the role of tourism in promoting peace and political co-operation on the island of Ireland will continue to be recognised and encouraged.

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<sup>25</sup> <http://www.dttas.ie/sites/default/files/content/tourism/english/general/tourism-policy-review-2013/2014/draft-tourism-policy-statement-2014.pdf>

## 5. Tourism Policy in Northern Ireland

A Northern Ireland tourism strategy was set out in draft form in 2010. This strategy outlined tourism policy up to 2020. However, speaking in January 2012 the Minister for Enterprise, Trade and Investment stated that this draft strategy would be revised in light of the “downturn in global tourism” resulting from the economic conditions.<sup>26</sup> A finalised strategy was not produced. Commenting on this in April 2014 the Minister stated:

“The key strategic targets for tourism are contained in the Programme for Government (PFG) and the economic strategy.

The past couple of years have been highly successful for Northern Ireland tourism. My focus has been on delivering on the tourism product, major events and global marketing campaigns to ensure success and bring maximum economic benefit to the local economy. I am delighted with what has been achieved, and it is now an opportune time to consider future plans. A review of the Northern Ireland Tourist Board and wider tourism structures is due to be completed by the end of May 2014. When I have the recommendations from that review, I will take stock of the action that is needed to ensure that we deliver on my and the industry’s aspiration to grow tourism into a £1 billion industry by 2020.

...Frankly, we have moved on from the tourism strategy... Anyone who has been looking at what has happened in tourism over the past number of years will have seen a lot of action with the product that we now have available, the events that we have been able to bring to Northern Ireland and, indeed, a whole uplifting of the skills in the hospitality and tourism industry. I think that a lot has been achieved. We should take pleasure from that, but should also plan for the future. That is why the review of the Northern Ireland Tourist Board comes at an opportune time. I look forward to receiving that review at the end of May.”<sup>27</sup>

As per the above, the Programme for Government 2011-2015 includes a number of tourism commitments:

- Increase visitor numbers to 4.2 million and revenue to £676m by December 2014;
- Provide financial support across government to ensure the success of *NI 2012: our time, our place* initiative;

<sup>26</sup> Northern Ireland Assembly Oral Questions AQO1232/11-15, tabled 26 January 2012

<sup>27</sup> Northern Ireland Assembly Official Report *Oral Answers to Questions – Enterprise, Trade and Investment* (08 April 2014) <http://www.niassembly.gov.uk/Assembly-Business/Official-Report/Reports-13-14/08-April-2014/#6>

- Support the successful hosting of the 2012 Irish Open and build on that success to secure a further international golf event.<sup>28</sup>

The Northern Ireland Economic Strategy recognises that the ‘tourism sector... provides enormous opportunities for our economy’. The strategy includes a range of action points in relation to tourism and commits to:

- Delivering key tourism events for 2012 & 2013, to help increase visitor numbers to 4.2m and revenue to £676m by end of 2014;
- Completing key Tourism Signature Projects and exploit the 2012 and 2013 tourism opportunities for Northern Ireland; and
- Developing direct air links with international long haul markets by eliminating Air Passenger Duty on direct long haul flights departing from NI.<sup>29</sup>

As noted in the quote above, Northern Ireland’s tourism policy has been subject to review. An independent *Review of the Northern Ireland Tourist Board and wider structures* was published in July 2014. This sought to:

- Ensure that appropriate structures are in place to deliver objectives and targets for tourism and ensure alignment with the work of Invest NI;
- Identify opportunities to capitalise on the Northern Ireland Tourist Board’s (NITB) links with NI Executive and on an east/west and north/south basis, including the relationship with Tourism Ireland and Visit Britain;
- Ensure the effective delivery of integrated business support services to the tourism industry across its many sectors;
- Prepare for the impact of the Review of Public Administration on tourism development in Northern Ireland; and
- Rationalise, where it is cost effective to do so, the provision and delivery of corporate services (including accommodation) within NITB and Invest NI.<sup>30</sup>

The Review made a number of recommendations. These were subject to a consultation process that closed on 22 September 2014. The Review recommended:

- NI Executive should publish an updated Strategy for Tourism;

<sup>28</sup> The Department for Enterprise, Trade and Investment *Tourism Policy* (Accessed 01 October 2014) <http://www.detini.gov.uk/deti-tourism-index>

<sup>29</sup> Northern Ireland Executive *Northern Ireland Economic Strategy Priorities for sustainable growth and prosperity* (March 2012) <http://www.northernireland.gov.uk/ni-economic-strategy-revised-130312.pdf>

<sup>30</sup> Department for Enterprise, Trade and Investment *Review of the Northern Ireland Tourist Board and wider Tourism Structures* (July 2014) [http://www.detini.gov.uk/deti\\_tourism\\_14\\_review\\_doc\\_2-7.pdf?rev=0](http://www.detini.gov.uk/deti_tourism_14_review_doc_2-7.pdf?rev=0)

- NITB should continue its work with Invest NI to develop an economic development brand for NI;
- NITB should clarify roles and responsibilities with key partner organisations, including the new District Councils;
- NITB and Tourism Ireland should deepen their relationship through improved communication and enhanced collaboration, with robust targets for increasing tourism numbers based on the updated Strategy for Tourism;
- NITB should appoint pillar managers for each of its five experience pillars, working alongside existing destination managers;
- Invest NI and DEL/People 1st should continue to provide business support services and training services respectively to the tourism industry;
- DEL should initiate a review of the skills needs of the tourism sector;
- NITB's organisational structure should be built around support for its destination managers and proposed pillar managers in a new Directorate for "Destination Areas and Experiential Pillars";
- NITB should engage in an organisation development and culture change programme to embed a renewed focus on the client; and
- NITB's name should be changed in order to signal the scale of its envisaged transformation.<sup>31</sup>

Commenting on the review process in September 2014 the Minister stated:

"Tourism has an important role to play in our economy.

Final outcomes from the independent review of the Northern Ireland Tourist Board and wider tourism structures will inform our thinking on the way ahead. The public consultation period on the review report is due to close at the end of September.

When the responses from the review have been analysed, I will take stock of the action needed on a tourism strategy."<sup>32</sup>

The latest data on tourism performance in Northern Ireland shows that between April 2013 and March 2014:

- The estimated total annual number of overnight trips (NI residents and visitors) was 4.1 million – a 1% fall on the previous 12 months;
- Annual total expenditure associated with these overnight trips was £735 million – an increase from £707 million (up 4%) in the previous 12 months;

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<sup>31</sup> *Ibid*

<sup>32</sup> Northern Ireland Assembly Oral Questions AQW 35319/11-15 tabled 02 September 2014

- The estimated annual number of overnight trips by visitors (GB, RoI and overseas residents) was 2.06 million – a 1% rise on the previous 12 months; and
- Annual total expenditure associated with the overnight trips of visitors (GB, RoI and overseas residents) was £538 million – an increase from £495 million (up 9%) in the previous 12 months.<sup>33</sup>

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<sup>33</sup> Northern Ireland Statistics and Research Agency *Northern Ireland Tourism Statistics April 2013 to March 2014* (17 July 2014) [http://www.detini.gov.uk/publication\\_january\\_march\\_2014.pdf?rev=0](http://www.detini.gov.uk/publication_january_march_2014.pdf?rev=0)

## 6. Conclusion

Tourism Ireland is tasked with marketing the island of Ireland and works with Fáilte Ireland and the Northern Ireland Tourist Board, who are responsible for product and enterprise development and marketing to tourism consumers within the island of Ireland. Cooperation on tourism also takes place within the North South Ministerial Council (NSMC) tourism sectoral format.

Tourism Ireland aims to increase the number of visitors to the country by concentrating on niche markets with revenue potential, such as: English language training, golf, business tourism and diaspora. In addition the body hopes to use digital marketing to its advantage and target more closely 'best prospect visitors' such as those from North America and Mainland Europe.

Recent statistics suggest that tourism has the potential to expand. For instance figures show that overseas visitors to the Irish Republic increased by 9% for the first five months of 2014 while the comparative figure for Northern Ireland was 4% for the first quarter of 2014 year-on-year.

The most popular destinations on the island of Ireland include: Titanic Belfast, the Giant's Causeway, the Cliffs of Moher, and the Viking Triangle in Co. Waterford. In addition, events such as: The Gathering Ireland 2013; UK City of Culture 2013 (Derry/Londonderry); Jump into Northern Ireland showcase at the European Parliament; and Global Greening initiative around St. Patrick's Day have helped to market the island to potential overseas visitors.