

Joint Oireachtas Committee on Transport, Tourism and Sport
Fáilte Ireland Statement, Wednesday, 7th November, 2018

Introduction

Chairman, Deputies and Senators my name is Paul Kelly, Chief Executive of Fáilte Ireland and I would like to thank you for your invitation to present to you on the potential implications of Brexit on the Irish tourism industry.

As members may know, Fáilte Ireland is the National Tourism Development Authority and works across a wide range of areas to grow the economic and social contribution from Tourism to Ireland. Fáilte Ireland has played a critical role in the success of Irish tourism in recent years with initiatives like the Gathering, the repositioning of Dublin as an attractive tourism destination and the development of our suite of regional experience brands the Wild Atlantic Way, Ireland's Ancient East and most recently Ireland's Hidden Heartlands.

Fáilte Ireland works to ensure that the government's capital investment in developing tourism attractions generates the highest economic return for the State. In doing this we work closely with industry, our own Department, the Department of Rural and Community Development, OPW, Coillte, the National Parks & Wildlife Service, Waterways Ireland, Local Authorities and others to seek to maximise the economic contribution from tourism assets.

Failte Ireland also administers over €4m in festival grant aid annually to support the development of festivals that improve the visitor experience in Ireland and make Ireland an internationally more appealing destination.

We promote Ireland as a holiday destination through domestic & Northern Ireland marketing campaigns and manage a network of nationwide tourist information centres that provide help and advice for visitors to Ireland.

We also have lead responsibility for product and regional marketing. We support and work with industry via the Convention Bureau's in Dublin, Cork, Galway and Limerick under the "Meet In Ireland" brand platform, to attract international meetings, incentives, conferences and events. We also work closely with Tourism Ireland in the leisure holidaymaker international product category and regional sales and marketing.

We provide a wide range of practical business supports to help tourism businesses better manage and market their products and services through increasing industry capacity, capability, competitiveness and quality.

Irish Tourism & Brexit

Irish Tourism has already begun to feel the impact of Brexit with the devaluation of sterling being a significant factor in a reduction of visitors of 5% from Great Britain and 3% Northern Ireland in 2017.

The scale of potential further future impact of Brexit will depend on the details of the deal, the currency movements that result and the general UK economic conditions that follow Brexit.

The relationship between Ireland and the UK in the tourism sector is both extremely important and extremely complex. The UK is our biggest volume market it is also our largest and closest competitor. Northern Ireland is both a competitor for domestic

tourism but an important part of our overall tourism offering for overseas holidaymakers. Many visitors also come to Ireland through UK tour operators on joint UK & Ireland tours, so in this regard the UK is an important route to market for long haul visitors for many Irish businesses.

Fáilte Ireland Brexit Response Programme

Since the announcement of Brexit, we have developed and continually updated a customised suite of supports that businesses in the sector can avail of to *Get Brexit Ready* focusing on four key areas, including:

- Training and Supports
- Market Diversification
- Competitiveness
- Retaining GB and NI market share

In addition to the *Get Brexit Ready* programme, we also provide industry support in the areas of driving business performance, building sales capability and being quality assured. Since this programme launched over 1500 businesses or 5000 individuals have availed of our supports.

In addition to these business training supports we invested €1.2 million in business development and sales support initiatives particularly targeted at northern regions who are more exposed to Brexit due to the reliance on Northern Ireland business. We project this investment will deliver an economic return of €22 million to help tourism businesses in these regions to mitigate against the effects of Brexit.

We have also participated fully in the recent series of Get Ireland Brexit Ready workshops in Cork, Galway, Monaghan and Dublin.

We are currently finalising our plans for 2019 to support the industry through the Brexit challenges.

No Deal Brexit

As we know, there is a tremendous amount of uncertainty surrounding Brexit and negotiations on the UK's exit are continuing. Until the negotiations are complete, it is difficult to quantify the range and scope of impacts that Brexit will have.

However, it is important for all stakeholders to be aware that a "No Deal Brexit" scenario is very likely to have significant negative impacts for Irish Tourism in terms of significant losses in economic revenue, employment and exchequer revenue.

These losses will impact Ireland as a whole but will be particularly felt in some regional areas where there are few alternatives to replace the economic benefits generated by tourism.

Fáilte Ireland has submitted to government a response proposal to a 'No Deal' Brexit, which would require a significant increase in both current and capital investment to protect the employment in, and economic contribution from, the sector in the event of a No Deal Brexit.

Summary

Fáilte Ireland is aware of the many complex issues and impacts that Brexit will have on the Irish tourism industry. We are here to assist the sector and we have already implemented a series of programmes to assist the sector diversify and look to grow core markets and to attract others including from China and the Middle East. And we will

continue to provide upskilling and expertise to the industry through our suite of business supports.

Finally I would like to mention, the Government's decision to increase the budget for the Tourism Agencies in the recent Budget, which is a welcome development and will allow us to provide even more expertise, assistance and solutions for the Irish Tourism sector as we work towards sustaining the contribution the tourism sector makes to Ireland.

Thank you and I am happy to answer any further questions you may have.