

Paul Kelly, Fáilte Ireland CEO
Opening Statement
COVID-19 Response Dáil Committee
July 2nd 2020

Mr Chairman,

Thank you for inviting me here today, I am joined by my colleagues, Jenny De Saulles, Director of Sector Development and Caeman Wall, Head of Economic Research. At the outset may I congratulate Minister Catherine Martin on her appointment.

I'm going to talk briefly about the impact of Covid-19 on tourism, the industry supports that have already been put in place by Fáilte Ireland and the challenges that lie ahead for tourism but before I do this it is worth just reminding ourselves of the vital importance of tourism to Ireland.

Last year tourism employed 260,000 or 1 in 9 people throughout Ireland. In some counties along the Wild Atlantic Way tourism accounts for more than 1 in 5 jobs. Tourism was worth almost €8bn to the economy. But tourism is not just about jobs and money, it sustains infrastructure and businesses that are vital for the wellbeing of local communities, culture and environment.

The impact of Covid-19 on tourism has been catastrophic, it dwarfs all previous crises. Tourism was hit first, hit hardest and will take the longest to recover. The sector was shut down in March and has now had four months of no revenue. While revenue stopped the costs have not. Despite the supports the Government put in place via the TWSS, the rates holiday and loan repayment breaks, our initial ballpark estimate is that businesses in tourism and hospitality have incurred well over €1billion in unavoidable costs while closed since March.

Before we look at the future challenges it is important to look at some of the supports Fáilte Ireland has already put in place to help the industry navigate the huge challenges over the last 4 months.

Fáilte Ireland's response was immediate, constructive, and comprehensive. Back in late February Fáilte Ireland established a Covid-19 Advisory Group comprising of industry associations, members, agencies and department officials, to date this group has met 15 times.

We immediately refunded almost €3 million to tourism businesses in registration and trade fees and set up a Covid-19 Business Supports Taskforce. To date the Taskforce has created 14 separate suites of new online business supports and training tools to help businesses with managing their people, their operations, and their finances during closing down, surviving while closed and reopening. These supports have been highly valued and have been accessed over 300,000 times by industry on our online Business Support Hub.

We worked across all relevant Government departments and industry bodies to develop 8 new sets of Safe Reopening Operational Guidelines for specific tourism sectors, with 3

more sets currently under development. These have been viewed and downloaded over 40,000 times since June 9th.

Our response has been informed by extensive research, we have had over 5000 direct industry engagements and spoken to 21,000 domestic holiday makers.

Last weekend we launched a new heavy weight domestic marketing campaign, called 'Ireland, Make a Break for It'. We also briefed industry on the Fáilte Ireland Covid-19 Safety Charter designed to instil public confidence in the safety of tourism businesses, we already have over 700 businesses signed up to this and we will be launching our consumer marketing campaign for this Safety Charter within the next few days. We have established 23 local Destination Recovery teams all around the country and we have created a new discoverireland.ie website.

I want to take this opportunity to acknowledge and thank our industry partners, departmental colleagues and the whole team at Fáilte Ireland for the incredible quantity and quality of output delivered over the last 4 months.

Looking to the future, while we are delighted that tourism businesses are beginning to reopen this week, the path ahead will be extremely challenging due to a number of factors.

Firstly, businesses are now carrying a very high level of unplanned debt accumulated over the last 4 months which will make survival extremely challenging if not addressed.

Secondly revenue will be a lot lower due to a number of factors and the complete absence and slow rebuild of over 70% revenue that comes from overseas visitors. The blanket 14 day self-isolation requirement effectively closes Ireland to all overseas visitors, we simply must find a way to facilitate the planning for and the re-opening of access for overseas tourism as soon and as fast as public health considerations can allow. In addition to the lack of overseas revenue, the capacity restrictions imposed by social distancing measures and the challenges to domestic demand created by health and economic concerns will depress revenue levels.

And thirdly business operating costs will be higher in the Covid-19 world with increased cleaning, screens, signage, PPE needs etc.

The range of intervention supports and actions urgently required to help ensure we have companies that can re-employ people are very well summarised in the interim report of the Tourism Recovery Taskforce and we believe these need to be implemented in full as quickly as possible.

It will be a long hard road to recovery for tourism, but we must not be put off by this, we must not shy away from providing tourism with the huge support it will require to recover. To do so would be to abandon families and communities all over Ireland and make any kind of balanced regional development or self-sustaining rural communities an impossibility. When this country was last plagued with high unemployment following the financial crisis it was the tourism industry, supported by initiatives from Fáilte Ireland like the Wild Atlantic Way and The Gathering, that got people back to work faster and in larger numbers than any other sector. Tourism will recover again but just like the Oireachtas needed to intervene at an unprecedented scale to support our financial sector in 2010 and

to support our health sector in recent months, the tourism sector will need this scale of support now and for the next few years so that it can thrive again.

Thank you.