



Fáilte Ireland's Submission to the Special Committee on COVID-19

Contact

Michael Cawley
 Chairman
 Fáilte Ireland
 Áras Fáilte
 88-95 Amiens Street
 Dublin D01 WR86

Email: Trisha.Murphy@FailteIreland.ie

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1. Fáilte Ireland

As the National Tourism Development Authority, Fáilte Ireland's role is to support the long-term sustainable growth of the economic, social, cultural and environmental contribution of tourism to Ireland. Tourism is of critical importance to the national economy and to regional development and employment. Pre-coronavirus, the sector generated revenue of €7.5billion annually, contributing €1.7billion to the Exchequer and supported 260,000 jobs nationwide.

We work in partnership with Government, State agencies, Local Authorities, representative bodies and industry, to develop tourism across Ireland by creating destination development plans and networks, investing in infrastructure, activities, visitor attractions and festivals. Fáilte Ireland also provides consumer and buyer insights, mentoring, business supports and training programmes and buyer platforms to help tourism businesses innovate and grow.

In addition, Fáilte Ireland supports Business Tourism, managing the bidding for and securing of larger conferences, meetings and events to be hosted in Ireland.

We are also responsible for domestic holiday marketing across four regional experience brands: Wild Atlantic Way, Ireland's Ancient East, Ireland's Hidden Heartlands and Dublin.

2. Executive Summary

The following submission considers the economic impact on tourism of three aspects of the current travel restrictions:

1. Reducing social distancing from 2m to 1m.
2. Domestic travel restrictions and the timing of the re-opening of the tourism sector for staycations.
3. Overseas travel regulations / protocol for self-isolation.

1. Reducing Social Distancing from 2m to 1m:

- Reducing the distance to 1m could potentially help restore 80,000 tourism jobs in 2020.
- The key issue with 2m social distancing is capacity reduction.
- For the likes of hotels, 2m social distancing reduces capacity by up to a third. For restaurants, it could be up to a two-thirds reduction. Capacity constraints on this scale make most businesses unviable as they would be unable to cover their fixed costs.

2. Domestic Travel & Timing of Staycations:

- Moving the opening of hotels and other tourism business, plus the removal of the 20km travel limit, to Phase 3 (planned for 29th June) has the potential to restore 64,000 to 80,000+ jobs three weeks earlier than the current plan.
- In addition, as July is such an important holiday month, many of these jobs may not materialise if businesses choose not to open if they miss the key holiday month of July.
- Ireland is planning to be the last country in Europe to opens itself up for domestic staycations. Some of our competitors are already open.
- By delaying to the 20th July, tourism all but loses the critical month of July revenue which is worth €340mn or 25% of the total H2 tourism domestic market revenue.
- Other European destinations are opening in June and airlines are opening routes to and from Ireland to these destinations. If the domestic Irish tourism industry is forced to remain closed until the 20th July, this could lead to more Irish residents holidaying abroad in July. This would be a significant loss to the Irish tourism economy.

3: Overseas Travel & Self-Isolation:

- If the need for overseas visitors to self-isolate was removed from 1st July, this could lead to 36,000 additional jobs being restored in tourism in the second half of 2020.
- It is important that this decision be pre-announced so overseas visitors can book their trips to Ireland with confidence.
- Self-isolation gives the perception that Ireland is closed for business, which will have a direct impact on overseas bookings and lead to overseas consumers looking at alternative competitor destinations which are open for business.
- An early removal of this barrier to travel would send out a more positive message that Ireland is open and welcoming.

For all the above issues, timing of communication is a significant factor. Businesses need time to get their business ready and accept advance bookings and consumers need time to plan and book their holidays. Therefore, as much advance notice as possible is important to the recovery of the sector, ideally a minimum of 3 to 4 weeks in advance for domestic travel and 6 to 8 weeks for overseas visitors from Europe.

3. Economic Impact of Reducing Social Distancing from 2m to 1m

Potential impact of 80,000 jobs.

The draft operating guidelines developed for tourism businesses by Fáilte Ireland based on the Health Safety Authority (HSA) return to work protocols, will require significantly more cleaning, extensive use of PPE and new ways of operating businesses to keep staff and visitors safe.

While feedback from the industry on the draft guidelines is positive, a key business challenge is the 2m versus 1m need for social distancing. For a significant number of the industry, it is the difference between re-opening and remaining closed.

The core issue is the impact it has on capacity of an establishment. It is difficult to give the average impact of social distancing as it is dependent on the physical layout of each business. However, the clear message is that moving from 2m to 1m will make a significant number of businesses viable once again. The differential between 2m and 1m is potentially 80,000 jobs.

Below are best estimates of the economic impact at this time, primarily estimated on capacity implications i.e. estimates are based on the potential capacity under the social distancing restrictions and assume consumer demand will fill this capacity.

Sector	Employment 2019	2m Social Distancing Employment	1m Social Distancing Employment
Accommodation (hotels)	78,000	18,000	26,000
Restaurants Licensed	72,000	7,800	47,500
Bars	45,000	13,500	27,000
Attractions (privately owned)	9,500	2,800	4,300
Activities	6,300	1,600	4,500
Other	59,000	19,500	39,000
Total	260,000	63,200	148,300

For example:

Hotels - The Irish Hotels Federation (IHF) estimate that:

- 2m social distancing would result in
 - 30% less revenue compared to 1m social distancing.
 - 70% of hotels will not be able to operate on a break-even basis.
 - only 23% of workforce will be employed.
- For 1m social distancing, it is estimated that 33% of previous workforce will be employed. A key factor in this reduction is the loss of wedding and events business.

Restaurants - The Restaurants Association of Ireland (RAI) estimate that as a rough rule of thumb:

- 2m social distancing would result in
 - restaurants operating at an economically unviable one-third of available capacity.
 - 90% of restaurants will not open – only 10% of restaurants will open.
- At 1m social distancing, restaurants could operate at two-thirds of capacity which is financially viable for most. It is estimated that 66% of restaurants could open.

There is also value in having a common European practice in this area and the guidelines outlined by the European Centre for Disease Prevention and Control (ECDC) could form the basis for this common approach.

4. Economic Impact of Domestic Travel Restrictions and the Timing for Staycations

Potential impact of 64,000 to 80,000+ jobs coming back 3 weeks earlier.

An analysis of various European countries' roadmaps to reopening (see Appendix) shows that:

- By June, most EU member-states will allow their tourism operators to get back to business and hire staff once again.
- Ireland is the last country to re-open its tourism industry. All the other countries reviewed are allowing tourism businesses to re-open before Ireland's target date of 20th July.

Driving Domestic Tourism from the earlier Phase 3 (planned for 29th June)

Staycations

- Domestic consumers' staycations (including Northern Ireland residents holidaying in ROI) from July to Dec 2019 were worth €1.4bn.
- July alone was worth about €340mn or 25% of the €1.4bn.

Foreign Travel by Domestic Consumers

- Domestic consumers' overseas travel from July to Dec 2019 was worth €4.1bn, three times the amount they spent on holidays in Ireland.
In July 2019 alone, approximately €1bn was spent abroad by Irish residents.

Domestic consumers normally support 80,000 of the 260,000 jobs in tourism and hospitality.

There may be a perception that there is 'pent-up-demand' that exists in the market which will turn into a significant number of consumers taking a break in Ireland later this year. However, so far, the lead indicator data says domestic tourism in H2 2020 will still be well below the level of domestic tourism in 2019 at about -20%.

While 80,000 jobs can normally be supported by domestic demand, what happens for the rest of the year could fall into three scenarios:

1. Likely: staycations drop -20% = 64,000 jobs.
2. Potential: staycations hold flat year-on-year = 80,000 jobs.
3. Upside: staycations grow as 20% of normal overseas travel switches to staycations = 130,000 jobs.

There are several factors that will impact the demand for staycations reaching the 'potential' (80,000 jobs) and the 'upside' (130,000 jobs) scenarios including: the appeal of Ireland as a destination, safety reassurance, 2m versus 1m social distancing requirement impacting the number of businesses that are open, financial concerns, level of infection in Ireland and internationally, overseas travel restrictions, etc.

However, if tourism businesses were allowed restart trading in Phase 3 (planned for 29th June) and the 20km travel restriction was lifted, it could have a significant impact on jobs.

- It could take 64,000 or more people off COVID-19 income supports three weeks sooner than would be the case otherwise.
- It would make re-opening tourism businesses more financially attractive – July accounts for 25% of all domestic earnings in H2.
- By clearly communicating that domestic tourism is open for business, it would make Ireland more attractive to domestic consumers boosting the potential for more staycations in H2 and taking the potential jobs benefit to 80,000+.

It is important to note that many mainland European destinations are opening in June and a few are already open. Plus, airlines are opening routes to and from Ireland to these destinations. If the domestic Irish tourism industry is forced to remain closed until 20th July, this could drive a significantly higher number of Irish residents (some of whom feel they are in desperate need of a holiday / change of scenery after months at home) to holiday abroad. Rather than holiday at home in late June and July, they may go to popular and potentially more crowded and higher health risk sun destinations. This would clearly be a significant loss to the Irish tourism economy but would also need to be considered from a balance of risk perspective on public health grounds.

5. Economic Impact of Overseas Travel Regulations for Self-Isolation

Potential impact of up to 36,000 jobs.

From 28th May to 18th June, all people except for essential workers arriving into Ireland from any jurisdiction except Northern Ireland will need to:

- Self-isolate for 14 days and;
- Complete a COVID-19 Passenger Locator Form.

For as long as there is a 14 day self-isolation requirement for arriving overseas passengers, we believe that the number of overseas visitors will be very low and have assumed a zero figure as the profile of our visitors shows that the vast majority stay for 10 days or less.

The longer the self-isolation requirement stays in place, the harder it will be to convince overseas consumers that Ireland is a safe and welcoming place to visit. It sends a message that could be taken to mean Ireland is still not open for business.

In addition, for long lead-time business such as international conferences and events, a prolonged period of uncertainty as to when the restrictions will be removed will impede our ability to secure international meeting and conference business for Ireland, not just for 2020 but also for future events that are being confirmed in 2020 as many of these are bid for and secured years in advance.

From an analysis of other European countries, while most have initially imposed some version of a 14 day self-isolation requirement for travelers (see Appendix), many have pre-announced when these restrictions will be relaxed or removed. In most cases, European countries are looking at easing these restrictions before the 1st July, allowing consumers to book their holidays with confidence.

As we are likely to be facing into a period of fluidity and change where we need to consider and manage how we can safely facilitate international travel, it is imperative that the right oversight and management structures are in place to ensure the policies and actions are efficiently informed by all relevant expert input, and decisions can be made quickly. This will need to include public health, transport and tourism expertise. From a tourism perspective it will be important that both Fáilte Ireland and Tourism Ireland are involved in this. Tourism Ireland because of their interactions with visitors pre-visit and Fáilte Ireland from the point of view of oversight of visitors' experience when here in Ireland and the connection with the tourism industry on the ground.

Economic Implications of Self-Isolation

Of the 260,000 jobs in the tourism and hospitality sector, 180,000 of these are supported by overseas tourists and business travellers with the rest of the jobs supported by domestic demand.

The current situation is that we have temporarily lost the 180,000 jobs and all the revenue that is supported by these overseas travellers.

The following table shows the estimated impact on tourism jobs and revenue under various scenarios:

Tourism Jobs & Overseas Travel Restrictions				
	2020 H2		2021 Full Year	
	Jobs Restored	Overseas Rev €bn	Jobs Restored	Overseas Rev €bn
1. Removal of Restrictions from 1st July 2020	36,000	€0.6	90,000	€2.6
2a. Selected Removal of Restrictions – UK only for 2020	12,000	€0.2	68,000	€1.9
2b. Selected Removal of Restrictions – EU only for 2020	12,000	€0.2	68,000	€1.9
2c. Selected Removal of Restrictions – UK & EU	24,000	€0.4	75,000	€2.1
3. Existing restrictions in place until end-2020	0	0	60,000	€1.7

Scenario 1: Removal of Restrictions from 1st July 2020

The need for self-isolation is a huge barrier to overseas tourists and business travellers coming to Ireland. If a decision was made to end this travel requirement from 1st July, then the potential positive impact on tourism jobs and revenue from overseas could be:

- 2020 - 36,000 jobs and €0.6bn in tourism earnings. Equivalent to 20% of 2019 H2 overseas spending in Ireland for the remainder of 2020.
- 2021 - 90,000 jobs and €2.6bn in revenue. With Ireland building a reputation for being open to visitors, 2021 could deliver the equivalent to 50% of 2019’s overseas revenue.

Scenario 2a: Selected Removal of Restrictions GB Only for 2020

Alternatively, rather than having a blanket lifting of the restrictions or a blanket maintaining of the need for self-isolation from all overseas markets, a more nuanced approach could be taken. This would see the restrictions being lifted for travel from certain countries with the list expanding over time.

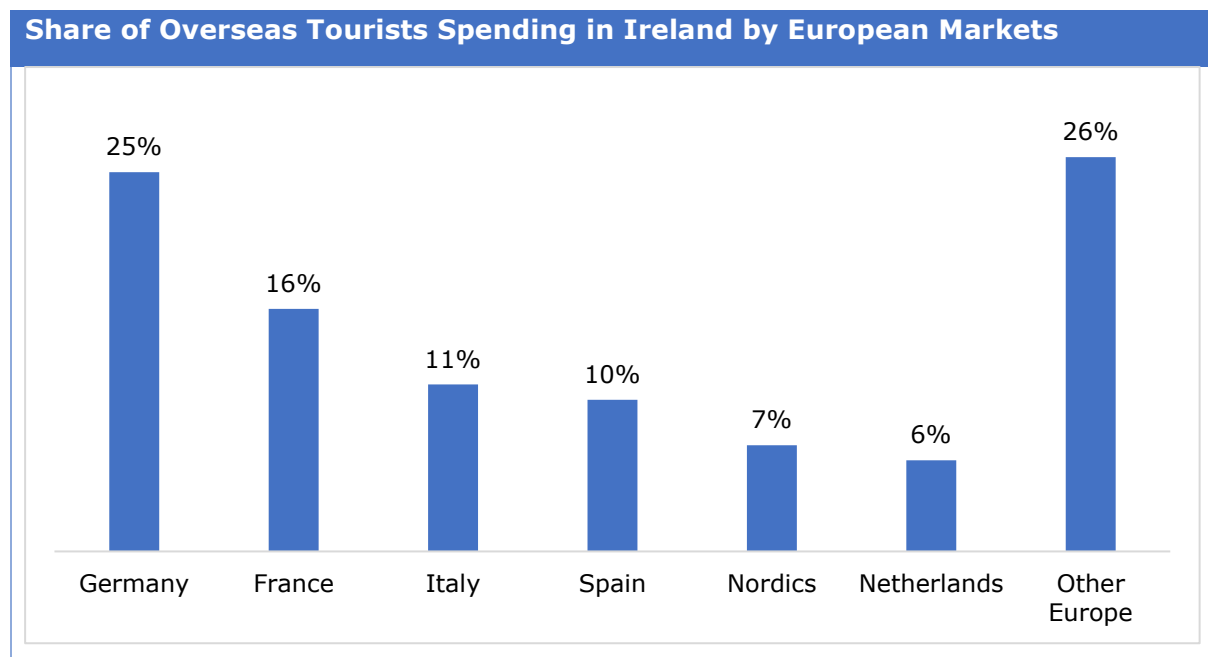
If this was done just for GB for 2020, it would create the possibility of generating an extra €200mn in foreign exchange earnings and restore approximately 12,000 of the lost jobs.

For 2021, with restrictions lifted from all countries, growth would be slower as the perception of Ireland being closed for tourists would delay bookings for 2021 and encourage international consumers to look at other competitor destinations.

Scenario 2b: Selected Removal of Restrictions EU (Exc GB) for 2020

If this approach were taken and the self-isolation requirements were removed for EU countries, this would have a similar impact to scenario 2a of generating €200mn extra revenue and 12,000 restored jobs.

It is worth noting that Germany and France represent 41% of all visitors from the EU to Ireland.



Scenario 2c: Selected Removal of Restrictions GB & EU for 2020

If the removal for self-isolation included GB and EU countries, then potentially 24,000 jobs could be saved in 2020 and an additional €400mn revenue generated.

This approach, combined with lifting of all restrictions from January 2021, would support 75,000 jobs in 2021 with overseas visitors generating €2.1bn in revenue.

Scenario 3: Existing restrictions in place until end-2020

If the current overseas travel limitations remain in place for the rest of this year, then it is very hard to see any more discretionary overseas trips to Ireland. Demand and jobs would return in 2021 with freer travel movements. However, with Ireland not opening until January 2021, early bookings for 2021 would struggle and the year would likely start slow. This might lead to only one third of the tourism jobs being restored (60,000).

6. Other Considerations - Northern Ireland Border

We work in close collaboration with Tourism Northern Ireland on our industry development strategies and work in competition with respect to our domestic marketing.

However, for the majority of overseas visitors, the island of Ireland is seen as a single destination, so, if possible, it would be important to have common practices North and South in order to avoid the likes of health checks at the border.

Easing of Travel & Quarantine Measures in Europe

In March, all Schengen Area Members approved a plan proposed by the EU Commission to close it's external borders for at least 30 days, this was then extended to 15th May and currently until 15th June.

Countries	Current Border Status	Future Border Plans	Travel Quarantine	Measures/Details	Exceptions
Ireland	Non Essential Travel Ban		✓	14 days Quarantine and complete a Public Health Passenger Locator Form	N Ireland
Austria	13th May - re-opened two border crossings with Hungary (13th May) to assist workers who live on one side of border and work on the other. Also opened border to some traffic from Germany on 15th May to Austrian Ski Resorts. All entry checks on land borders as a result of Covid to be scrapped from 4th June except Italy	From 4th June - Opening seven bordering countries - Germany, Liechtenstein, Switzerland, Slovakia, Slovenia, the Czech Republic and Hungary.	✓	Covid Free Health Certificate required on entry. If not must self isolate for 14 days. Covid 19 Test also available at Vienna Airport for €190	
Belgium	Non Essential Travel Ban	15th June - Plan to reopen borders to international tourists	✓	14 days Quarantine	
Bulgaria	Non Essential Travel Ban	From 1st June will permit tourists from Greece and Serbia	✓	14 day Quarantine	Greece & Serbia
Croatia	Opened Border to 10 Countries, Slovenia, Hungary, Austria, Czech Republic, Slovakia, Estonia, Latvia, Lithuania, Poland, Germany. Foreign Nationals with property, boats or close family.		✓	14 day quarantine for other Countries	10 Countries, Slovenia, Hungary, Austria, Czech Republic, Slovakia, Estonia, Latvia, Lithuania, Poland, Germany must provide contact details

Countries	Current Border Status	Future Border Plans	Travel Quarantine	Measures/Details	Exceptions
Republic of Cyprus	Reopening from 1st June to 19 Countries	From 9th June - Air Travel resuming, Category 'A' Countries -Greece, Malta, Bulgaria, Norway, Austria, Finland, Slovenia, Hungary, Israel, Denmark, Germany, Slovakia and Lithuania From 20th June Category 'B' Countries - Switzerland, Poland, Romania, Croatia, Estonia and the Czech Republic.	✓	Must provide a negative Covid test certificate, temperature checks and random tests. After 19th June this will not apply to Category 'A' arrivals but will to Category 'B'	
Czech Republic	From 26 May - eased border controls with Austria & Germany, random checks, Free movement with Slovakia from 4 June.	From 15th June - International arrivals permitted on a traffic light system. Red countries deemed more risky and will need to be tested to enter, Green countries deemed safest and will not require a test.	✓	14 day Quarantine	Green Countries
Denmark	Copenhagen & Billund airports are open with transit permitted only for those with a 'worthy purpose'	From 15th June - Tourists from Norway, Germany & Iceland	✓	14 day Quarantine	Norway, Germany Iceland
Estonia	A 'travel bubble' of Baltic Countries has been created (Estonia, Latvia & Lithuania). Anyone who has not travelled outside the Baltic states in the past two weeks and is not infected or been in contact with an infected person may travel freely to the other nations. Also applies to Finland.		✓	14 days Quarantine	Latvia & Lithuania (travel bubble) & Finland

Countries	Current Border Status	Future Border Plans	Travel Quarantine	Measures/Details	Exceptions
Finland	Non Essential Travel Ban	No date announced for border reopening	✓	14 days Quarantine	
France	French borders shut in the main permitting people who need to travel in and out for work. Some flights operating, Eurostar running a limited service, reduced ferry services on cross channel routes	From 15th June borders will open with Switzerland & Germany & plans to other EU countries without quarantine.	✓	A Covid 17 free Health Certificate required on entry until July, otherwise 14 day self isolation.	EU & UK Citizens
Germany	Some border crossings opened with Austria, Switzerland, France & Luxembourg. In discussions also with Denmark.	From 15th June officially reopening borders to EU Countries & Switzerland, UK, Norway, Iceland & Liechtenstein. No 14 day quarantine for these Countries	✓	14 days Quarantine	From 15th June - EU Countries, Switzerland, UK, Norway, Iceland & Liechtenstein.
Greece	From 1st June - Tourists from Bulgaria & Serbia can enter.	From 15th June - 29 Countries can enter, no quarantine but may be subject to random test. From 1st July - International flights can fly direct to Greek Islands. Also arrivals by sea from 1st July.	✓	If outside 29 Countries, mandatory testing on arrival. If negative -7 days quarantine, if positive - 14 days quarantine.	Bulgaria & Serbia & from 15th June - 29 Countries, some random testing on arrival
Iceland	Currently permitting Schengen area passports to enter.	From 15th June - Tourists from Denmark	✓	Must self isolate for 14 days or take a COVID 19 test at airport & self isolate if positive. Residents and Visitors required to download Covid 19 Tracing App. Some professionals (Scientists, Film makers) allowed in with modified quarantine	

Countries	Current Border Status	Future Border Plans	Travel Quarantine	Measures/Details	Exceptions
Hungary	Non Essential Travel Ban	15th June - borders to open with Austria.	✓	14 day Quarantine	
Italy	Non Essential Travel Ban	From 3rd June , plan to lift all Border restriction to all EU citizens, Schengen Area members, UK, Andorra, Monaco, San Marino, & Vatican City. Italian Citizens can also travel freely throughout country	✓	Up until 3rd June arrival must self isolate for 14 days supplying address of accommodation. * FROM 3RD JUNE - NO QUARANTINE REQUIREMENT for EU citizens, Schengen Area members, UK, Andorra, Monaco, San Marino & Vatican City	
Latvia	A 'travel bubble' of Baltic Countries has been created (Estonia, Latvia & Lithuania). Anyone who has not travelled outside the Baltic states in the past two weeks, is not infected or been in contact with an infected person may travel freely to the other nations		✓	14 days quarantine	Estonia & Lithuania (travel bubble)
Lithuania	A 'travel bubble' of Baltic Countries has been created (Estonia, Latvia and Lithuania). Anyone who has not travelled outside the Baltic states in the past two weeks, is not infected or been in contact with an infected person may travel freely to the other nations		✓	14 days quarantine	Estonia & Latvia (travel bubble)

Countries	Current Border Status	Future Border Plans	Travel Quarantine	Measures/Details	Exceptions
Luxembourg	Border with Germany reopened on 16th May		✓	14 day Quarantine	
Malta	Non Essential Travel Ban	No dates announced for reopening borders to non essential travel & tourists	✓	14 day Quarantine	
Netherlands	Borders are open to tourists from Schengen Countries & essential travel		✓	Airlines require travellers to complete a Health Declaration, Self isolate for 14 days if coming from a high risk area	
Norway	As a member of the European Economic Area (EEA) on 20th May travellers from the EU and UK, Iceland & Liechtenstein can enter for work or if they have family members living in Norway. Decision focused on allowing seasonal workers into country	From 15th June - Opening border with Denmark	✓	14 day Quarantine	
Poland	From 20th May, foreign diplomats, foreigners with Polish residency & professional truck drivers will be able to pass through specific checkpoints. International flights are due to operate again from 23rd May	All other border controls will remain in place until 12th June. They are likely open their borders to international tourists from June 13th	✓	14 day Quarantine	
Portugal	From 1st June - Open to Schengen Countries and Associates but not Italy or Spain	International tourists by 1st July no quarantine but health checks on arrival	✓	14 day Quarantine for other countries. For Madeira & the Azores proof of negative covid test or mandatory test	

Countries	Current Border Status	Future Border Plans	Travel Quarantine	Measures/Details	Exceptions
Romania	Non Essential Travel Ban	No dates announced for reopening borders to non essential travel & tourists. Focusing on domestic tourism & will consider other tourism in June	✓	14 day Quarantine	
Slovakia	Non Essential Travel Ban	No dates announced for reopening borders to non essential travel & tourists	✓	14 day Quarantine	From 21st May, Slovakian residents who travel to Czech Republic, Hungary, Austria, Poland, Slovenia, Croatia, Germany & Switzerland will be exempt from quarantine on the condition they return within 24 hours. Czech Republic & Hungarian residents can enter Slovakia on the same basis.
Slovenia	Have declared an end to Covid 19 restrictions & opened borders to EU travellers on 16th May	Residents from Hungary, Italy & Austria will not be required to undergo the seven day quarantine	✓	Arrivals from outside the EU must self isolate for seven days and provide proof of accommodation.	Hungary, Italy & Austria
Spain	State of emergency until 21 June, Very limited flights & essential travel only	No specific dates but country will reopen in stages throughout June. Balearic or Canary Islands are most advanced in preparations to be offered as a safe destination. Canary Islands are set to be the first region to trial digital health certificates	✓	14 day Quarantine	

Countries	Current Border Status	Future Border Plans	Travel Quarantine	Measures/Details	Exceptions
Sweden	Non Essential Travel Ban	Currently In negotiations with Denmark & other Nordic countries about opening borders	✓	14 day Quarantine	
Switzerland	Sweden's borders are open to EU countries and UK nationals but remain closed to residents of some non-EU countries until June 15th.	From 15th June borders will open with Germany, France & Austria		No quarantine required if free from symptoms of illness	
United Kingdom	Non Essential Travel Ban	New rules from the 8th June	✓	From 8th June: International arrivals must quarantine for 14 days, supply contact & accommodation information & advised to download NHS contact tracing app. Non compliance may result in fines & deportation. Some discussion on creating 'airbridges' with countries with similar 'R' rates for quarantine free entry	Ireland