

Michael McNamara TD
Chairman
Special Committee on Covid-19 Response
Leinster House
Kildare Street
Dublin 2 D02 XR20

29 May, 2020

Re: Tourism Ireland submission to the Oireachtas Special Committee on Covid-19 Response

Dear Deputy McNamara

Tourism Ireland welcomes the opportunity to contribute to the work of the Special Committee on Covid-19 Response.

Tourism Ireland is responsible for marketing the island of Ireland as a holiday destination overseas. It was established as one of the “six areas of co-operation” under the framework of the Belfast Agreement of Good Friday 1998 and operates under the auspices of the North South Ministerial Council through the Department of Transport, Tourism and Sport in Ireland and the Department for the Economy in Northern Ireland.

Covid-19 has had an immediate and devastating impact on the Irish tourism industry – the country’s largest indigenous industry. It is our view that the sector will require significant investment in order to support a return to growth.

Attached is a copy of our submission, outlining how Tourism Ireland is responding to Covid-19; some facts to consider; and our recommendations to the Committee. I have also attached a copy of Tourism Ireland’s latest global COVID-19 update.

If there are any questions, or if the members would like to discuss our submission in more detail, please do not hesitate to contact me.

Yours sincerely

Niall Gibbons
Chief Executive
Tourism Ireland



**Tourism Ireland's submission to the
Special Committee on Covid-19 Response**

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Tourism Ireland's submission to the Special Committee on Covid-19 Response

Introduction

Tourism Ireland is responsible for marketing the island of Ireland as a holiday destination overseas. It was established as one of the “six areas of co-operation” under the framework of the Belfast Agreement of Good Friday 1998 and operates under the auspices of the North South Ministerial Council through the Department of Transport, Tourism and Sport in Ireland and the Department for the Economy in Northern Ireland.

The importance of inbound tourism cannot be overstated, as it is the island of Ireland's largest indigenous industry, employing around 325,000 people across the island in 2019. Last year, overseas tourism generated approximately €5.8 billion across the island of Ireland, driven by almost 11.2 million overseas visitors. Tourism is also a major contributor to the peace process – before and since the Good Friday Agreement.

In a normal year, around 75% of the tourism spend comes from international visitors. So, while domestic tourism is likely to recover more quickly than overseas tourism, the economic hardship on the tourism industry cannot be compensated for by domestic business.

While COVID-19 remains first and foremost a public health issue for now, it has presented – and will continue to present – profound economic implications and it has had an immediate and devastating impact on tourism and hospitality. This crisis is likely to deeply scar our tourism industry – on the island of Ireland, as well as overseas. For example, tour operators who have served the island of Ireland market for decades may go out of business or be forced to scale back their inventory significantly. It is too soon to say what, if any, of the ‘Ireland experience’ for overseas visitors will be lost.

Previous crises such as Foot & Mouth, SARS, 9/11 and the volcanic ash cloud in 2010 dramatically dampened demand for international travel. COVID-19 has dwarfed all these other crises.

Some facts to consider

- Tourism Ireland's response to Covid-19

COVID-19 has been on the Tourism Ireland radar since early January, when the outbreak escalated in China. Immediate action was taken by Tourism Ireland in the Chinese market – with the postponement of our planned sales mission and the temporary winding down of our operations. As the situation escalated throughout Europe in February and early March, almost all of Tourism Ireland's paid-for promotional activity was stood down or postponed, until the end of August 2020. Overseas tourism receipts are expected to be down about -75% in 2020.

Tourism Ireland is running an online campaign, which is using the hashtag #FillYourHeartWithIreland. Because people aren't travelling right now, the aim of the initiative is to bring the best of Ireland onto people's screens and to help ensure that Ireland stays 'front-of-mind' with prospective visitors for future holidays. It involves the sharing of inspirational content that speaks to the world at this difficult time and connects people with the island of Ireland. Tourism Ireland is sharing this content with its millions of fans and followers on its social channels – including Facebook, Instagram, YouTube and Twitter. The content is also being shared with Tourism Ireland's database of influential travel and lifestyle journalists, who are all looking for great 'armchair travel' ideas right now. We are also in the final stages of a significant capital investment in marketing technology infrastructure, which will position us well when the international travel begins again.

Tourism Ireland has worked closely with Fáilte Ireland and Tourism Northern Ireland, along with the tourism industry at home and abroad, in assessing the impact of COVID-19 and working on a recovery plan. We are pleased to be represented on the new Tourism Recovery Taskforce established by Ministers Ross and Griffin. We are also pleased to be on the Northern Ireland Tourism Recovery Steering Group, appointed by Minister Dodds MLA.

In the context of international recovery, there are three standout points:

Firstly, in the face of the fundamental changes facing our industry, we need a comprehensive understanding of the changed consumer and the new marketplace. Tourism Ireland will commission an extensive COVID-19 programme of research in our major markets – to help identify when consumers are ready to consider holidaying again and which of our markets offer us the best short-term prospects. Tourism Ireland will then explore in-depth which segments and demographics are

most likely to travel, which products and experiences will most appeal to them and what messaging will most strongly convince them to consider holidaying on the island of Ireland. The insights we gain will ensure that our future promotional plan is as tightly targeted and as powerfully motivational as it possibly can be, in order to drive a strong recovery, as quickly as it is possible to realise it. The first wave of research has just been completed; the scale of the challenge is significant.

Secondly, as an island destination, strong air and sea access links are vital for growth in overseas tourism. Last summer, there were more than 615,000 direct, one-way seats available on planes flying to the island of Ireland every week. However, the landscape has profoundly changed in recent weeks. Airline industry analysts OAG predict that it will be three to four years before Europe's capacity returns to the levels seen in 2019. The restoration of air connectivity will be essential to restoring growth in overseas tourism to Ireland. Sea access levels have been retained, however, and are likely to provide opportunities for closer-to-home markets. Sea may, in fact, become a more attractive option initially – particularly for cautious travellers.

Thirdly, there is no question that the shape of the Irish tourism industry that emerges from this crisis will be different than it was at the beginning of 2020. Tour operators who have programmed the island of Ireland for many years may be forced to scale back their inventory significantly. It is too soon to say what, if any, of the 'Ireland experience' for overseas visitors will be changed. However, we in Tourism Ireland will do everything we can to support our industry partners to get them to the overseas marketplace – when the time is right.

We look forward to working with key partners to develop a new plan for the restoration of international tourism to the island of Ireland, in 2020 and beyond.

Recommendations for action

Given that other EU countries are now beginning to plan lifting their quarantine restrictions, Ireland is in danger of being at a competitive disadvantage – in terms of winning any available tourism business. We need to closely monitor the situation in Mainland Europe, so that quarantine restrictions can be lifted as soon as it is safely possible – always bearing in mind that public health is the first and foremost consideration.

Currently, a 14-day quarantine period is mandatory for all passengers arriving at Irish ports and airports – including for British citizens. However, this does not apply to people transiting to and from Northern Ireland. Some clarity is required around this situation.

Some clarity is also required around practical considerations about arriving passengers and how they get to the location where they will self-isolate. For example, if an arriving passenger has Covid-19 and takes public transport from their point of arrival, there is a danger of infecting others.

Significant investment by Government in international marketing and demand stimulation will be essential for the recovery of Irish tourism.

-ENDS-

COVID-19 (Coronavirus) Update

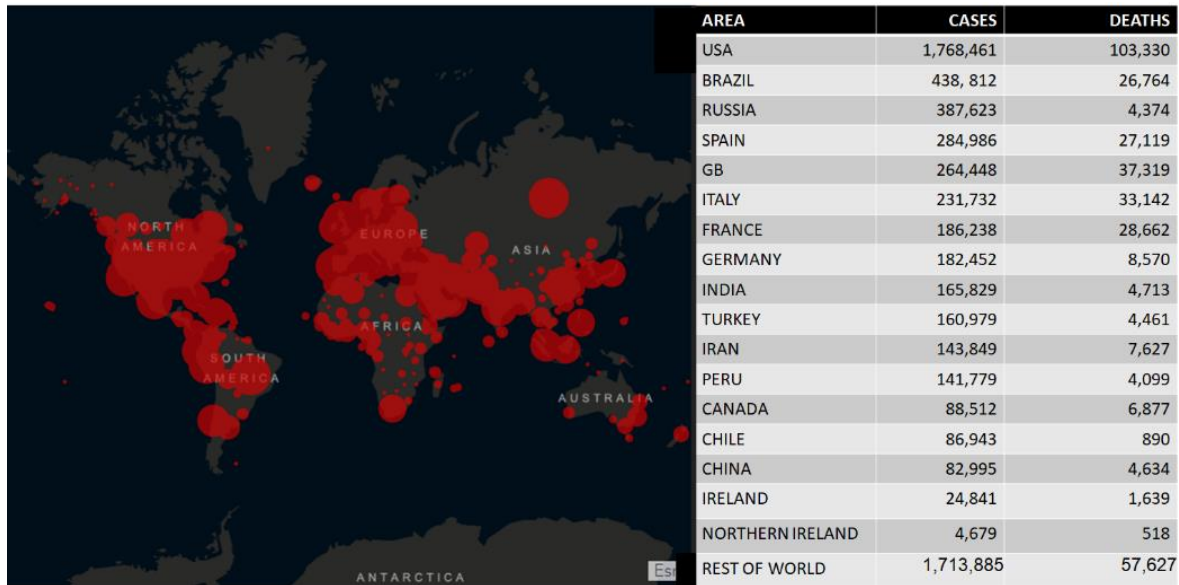
S&I and Market Update – Friday, 29 May, 2020

CONFIDENTIAL

Tourism Ireland's Strategy & Insights (S&I) team and market colleagues have compiled Tourism Ireland's latest market intelligence on the impact of COVID-19 on global economies and tourism.

Latest statistics as of 29 May

- COVID-19 has infected over 5.9 million people, killing more than 362,400 as of Friday, 29 May. Deaths in the US reached 100,000 during the week. Cases continue to decline in Europe and both the Republic of Ireland and Northern Ireland reached a significant milestone this week, a day with no COVID-19 deaths reported.



<https://coronavirus.jhu.edu/map.html>

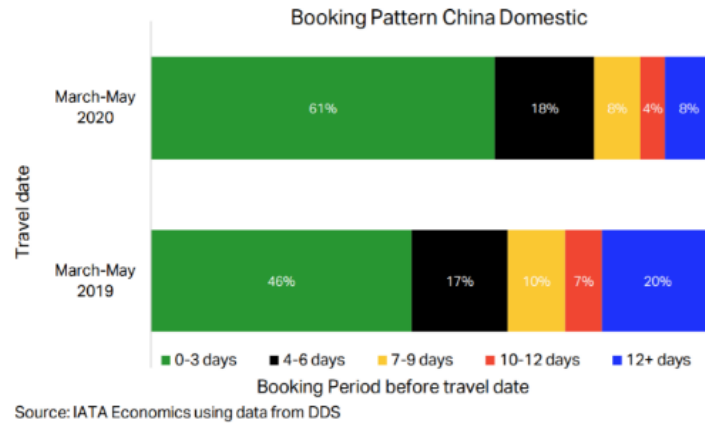
<https://www.worldometers.info/coronavirus/#countries>

Please note the situation is changing rapidly, so we expect figures to be constantly evolving.

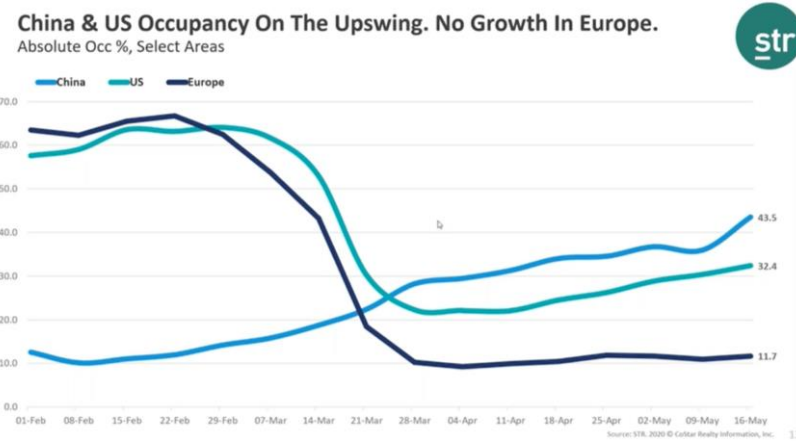
Risks and impact on tourism

- The World Health Organization (WHO) has warned of an “immediate second peak” in cases, if restrictions are lifted too soon and has expressed concern about cases rising in Latin America. Officials in South Korea have re-implemented lockdown measures in Seoul, following a spike in infections.
- The WHO also came out in support of a letter written by international medical professionals to G20 leaders, asking them to ensure that the economic recovery from the COVID-19 pandemic take account of air pollution and climate breakdown.
- On 27 May, the European Commission (EC) put forward its [proposal for a major recovery plan](#) called ‘Next Generation EU’ worth €750 billion, which in addition to the EU budget for 2021-2027, will bring the total financial firepower of the EU budget to €1.85 trillion. Tourism is mentioned in the recovery plan as one of the hardest-hit sectors which “could see a more than 70% drop in turnover in the second quarter of 2020”. The plan has earmarked €161 billion as a basic investment that is required for the tourism sector.
- The World Tourism Organization (UNWTO) has partnered with CNN International for a new initiative. The #TravelTomorrow campaign is a continuation of the UNWTO’s message during the pandemic that people should continue to travel when it is safe to do so.
- The World Travel & Tourism Council (WTTC) has launched [the world’s first-ever global safety and hygiene stamp](#). The stamp will allow travellers to recognise governments and businesses which have adopted health and hygiene global standardised protocols. Businesses such as hotels, restaurants, airlines, cruise lines, tour operators, restaurants, outdoor shopping, transportation and airports will be able to use the stamp, once the protocols outlined by WTTC have been implemented.
- Around the globe, the tourism industry continues to feel the impact of the COVID-19 pandemic. After 100 years in business, Hertz filed for bankruptcy on 22 May, yet another casualty of the financial downturn.

- China’s domestic tourism industry continues to show some signs of recovery. However, a change in booking pattern has been noted, with 61% of travellers opting to book just three days before travelling, compared with 46% the previous year.



- As hotels re-open around the world, all hotels will have to guarantee safety to their guests, in terms of cleanliness, decontamination and social distancing, in order to regain consumer confidence. According to STR, hotel occupancy levels are continuing to improve week on week, with China well ahead, with its occupancy levels continuing to rise. Occupancy levels in the US did not drop as low as Europe (which had longer and tougher restrictions) but they are seeing steady recovery compared to Europe, which is flat.



Europe, the UK and the US – border restrictions at a glance

The Irish authorities require anyone coming into Ireland, apart from Northern Ireland, to self-isolate for 14 days. Passengers arriving in Ireland from overseas are obliged to complete a mandatory [Public Health Passenger Locator Form](#) and to submit it to the relevant authority at their port of entry. This includes Irish residents.

Country	Border restrictions
Austria	Re-open its frontier with Germany on 15 June
Belgium	Borders remain closed
Bulgaria	Re-open borders with Serbia and Greece on 1 June
Croatia	Border open with Slovenia, Austria, Czech Republic, Hungary and Slovakia
Cyprus	Due to re-start tourism during June from select countries
Czech Rep.	Border open with Germany, Austria, Slovakia and Hungary
Denmark	Borders remain closed for foreign travellers
Estonia	Border open with Lithuania and Latvia, but its external borders remain closed
France	Borders to open 15 June
Finland	Borders to open 14 June
Germany	Border restrictions have been loosened
Greece	Borders to open 15 June
Hungary	Borders are open with Romania, Slovakia and the Czech Republic
Latvia	Border open with Estonia and Lithuania, but its external borders remain closed
Iceland	Borders to open 15 June

Ireland	14-day quarantine in place
Italy	Borders to open 1 June
Lithuania	Border open with Estonia and Latvia, but its external borders remain closed
Luxembourg	Border with Germany open
Netherlands	Border open but government has strongly advised against non-essential trips
Norway	Border with the other Nordic countries to re-open by 20 June
Poland	Border closed
Portugal	Borders to re-open 15 June
Romania	Re-opened its border with Hungary
Slovenia	Borders open
Slovakia	Border opened to Hungary and the Czech Republic
Spain	Borders to reopen on 1 July
Sweden	Border to re-open on 15 July
Switzerland	Border with Germany, Austria and France to reopen on 15 June
UK	14-day quarantine in place (except for Ireland)
US	US plans to 'open up' to travellers arriving from low-risk countries in Europe and elsewhere, shortly. This means many Europeans may soon be able to plan American holidays or business trips.

Global access situation

- The latest OAG data shows that, globally, the number of scheduled flights is down by -69% this week, compared to the same week last year. However, airlines are starting to re-commence operations in June/July.

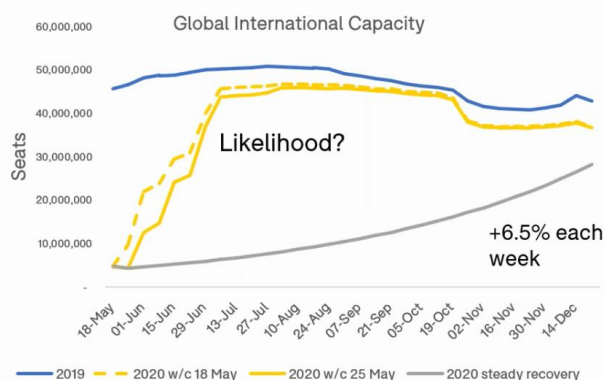
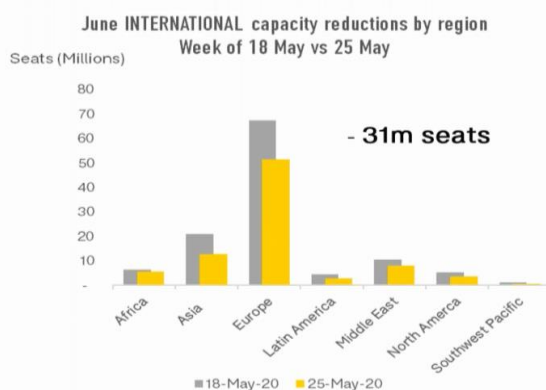
CHANGES BY COUNTRY

Scheduled Flights by Month & Week for selected markets
Month/Week compared with equivalent month/week in previous year

Countries	January	February	March	April	04-May	11-May	18-May	25-May
ALL	0.8%	-8.6%	-14.8%	-64.5%	-69.9%	-68.4%	-67.6%	-68.6%
USA	1.7%	1.2%	-2.2%	-56.9%	-74.5%	-74.7%	-73.5%	-73.9%
Canada	-5.9%	-6.0%	-16.2%	-72.9%	-73.3%	-73.2%	-76.4%	-78.3%
France	-0.8%	0.4%	-15.3%	-90.6%	-91.9%	-91.1%	-91.9%	-92.1%
Italy	-3.3%	-4.2%	-48.0%	-85.6%	-78.1%	-78.3%	-84.2%	-92.4%
Spain	-3.7%	-1.8%	-23.2%	-94.0%	-92.3%	-92.1%	-94.4%	-94.5%
United Kingdom	-3.8%	-3.3%	-22.8%	-92.3%	-92.5%	-92.3%	-93.9%	-94.6%



- Schedule capacity is still very volatile, in terms of short-term plans. According to OAG, global international schedule capacity for June fell by 31 million seats between this week and last week. The trend is the same when you look further into the summer, so accurately estimating air access for this summer at this stage is very difficult, as the situation is too fluid.



- The ECA (the representative body for pilots in Europe) has asked the European Commission to intervene, to prevent mass unemployment of pilots and has said that current supports were insufficient with a huge number of jobs currently at risk at many major airlines.
- The International Air Transport Association (IATA) expressed grave concern about the quarantine measures that some governments are putting in place for overseas arrivals. It continues to urge governments to provide financial support to the airline industry to avoid bankruptcies. Airlines to date have received over \$120 billion in financial assistance from governments, but around half of this aid is in a form that will increase debt – loans, loan guarantees, deferred tax payments, etc. IATA has said global airline debt was due to rise to \$550 billion, by the end of 2020.

- On 25 May, the IATA reiterated that any move for social distancing on aircraft would ‘fundamentally shift’ the economics, by slashing the maximum load factor to 62% – well below the average break-even load factor of 77%. This would ultimately lead to a rise in ticket prices, with IATA estimating prices could increase by up to +54% compared with 2019, just to cover costs.
- Aer Lingus has told its Shannon-based cabin crew that they are to be temporarily laid off, while those based in Dublin and Cork will see pay reduced by -30% to -50% of usual wages. Aer Lingus also cancelled its contract with Cityjet. Stobart Air, the Aer Lingus Regional service, is selling seats for flights across its network, starting on 1 July.
- Ryanair’s chief executive Michael O’Leary has strongly criticised Ireland’s new quarantine measures. The airline launched a seat sale for travel in July and August, after it confirmed plans to operate 40% of its normal July schedule last week. This came after Spain announced it would remove travel and visitor restrictions from 1 July.
- Lufthansa’s supervisory board has refused to approve a €9 billion bailout package proposed by the German Government, after the European Commission asked the airline to give up slots at Frankfurt and Munich airports. The government had agreed the bailout, which would see them take a 20% stake in the airline.
- Austria's Government and Lufthansa-owned carrier Austrian Airlines reached an agreement on loans for the airline Gand to keep Vienna Airport as a hub.
- easyJet has announced plans to cut up to 30% of its workforce, due to the impact of the COVID-19 pandemic.
- American Airlines has also announced plans to cut 30% of its staff.

Airline announcements at a glance

- Aer Lingus, Air France, KLM, Ryanair, Stobart Air and Qatar Airways are currently operating a limited service to Dublin Airport. The table below summarises the dates when other airlines will recommence their services to/from Dublin Airport:

Air Moldova	June 13 th	Finnair	July 1 st
Aegean	June 20 th	Flyone	June 30 th
Aeroflot	June 15 th	Iberia	until further notice
American Airlines	July 7 th	Icelandair	June 15 th
Air Canada	July 4 th	Lufthansa	June 1 st
airBaltic	June 15 th	Luxair	July 1 st
Air Transat	June 30 th	Loganair	Services expected to resume in June (date TBC)
Blue Air	May	Lauda	July 1 st
British Airways	Services expected to resume in June (date TBC)	Norwegian	July 1 st
Cathay Pacific	until further notice	SAS	June 30 th
Croatia Airlines	Services expected to resume in June (date TBC)	Sun Express	July 25 th
Delta Air Lines	Services expected to resume in July (date TBC)	Swiss	Services expected to resume in June (date TBC)
Eastern Airways	July 1 st	Turkish Airlines	June 10 th
Emirates	July 1 st	Transavia	Services expected to resume in July
Ethiopian	June 20 th	TUI	until further notice
Etiihad Airways	until further notice	TAP Air Portugal	June 13 th
Egypt Air	Services expected to begin in October (date TBC)	United Airlines	Services expected to resume in June (date TBC)
El Al	until further notice	Vueling	until further notice
Eurowings	Services expected to resume in July (date TBC)	Westjet	July 5 th

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