

## Hoteliers forecast sunshine with a risk of rain

- **70% of hoteliers and guesthouses say business is up year on year**
- **More staycations and overseas visitors from US, Continental Europe**
- **Yet one in five say advance bookings are down**
- **Almost half (49%) still seeing fall in UK business**

**Dublin, 12th July 2018**

Irish hotel and guesthouse owners are forecasting a good summer for the sector, according to the results of the latest industry survey\* undertaken by the Irish Hotels Federation (IHF). The majority (70%) say business is up, compared to the same time last year, with increases in staycations and visitors from overseas markets including North America and continental Europe. Michael Lennon, President of the Irish Hotels Federation, said that although the outlook is encouraging there is little room for complacency. "Despite the upturn, not every tourism business is enjoying the same level of success and the hotel sector is still a number of years away from achieving sustainability in certain regional areas," he said. Almost half (49%) of hoteliers are seeing a drop in UK business while one in five say their advance bookings for the rest of the summer are down compared to last year.

According to the IHF survey, the domestic market remains buoyant with six in ten hoteliers seeing an increase in home-grown business compared to this time last year. This is good news for seasonal seaside resorts and other parts of the country beyond the traditional hot spots as they are heavily reliant on local visitors. In terms of overseas visitors, six in ten (60%) hoteliers say business levels from the US are up while four in ten (41%) are seeing an increase from Germany. Although the fall in UK visitors appears to have tapered off for now, after the significant fall in 2017 (down 5% year on year), only one in five (18%) hoteliers are seeing an increase. With so many still experiencing a drop off in business, Mr Lennon says the UK market continues to be a significant concern.

Employment growth is set to continue in 2018 and the Irish Hotels Federation President said the tourism industry is on track to creating 40,000 new jobs by 2021. "Almost half of hoteliers (47%) expect to increase their staffing levels over the next year with opportunities available across all areas of business, from entry-level positions to jobs for experienced staff," he said. The tourism industry is Ireland's largest indigenous employer. It supports approximately 230,000 jobs - equivalent to 11% of total employment – with more than 60,000 of these jobs in the hotel sector alone. Employment in the tourism sector has grown by over 60,000 since 2011, an increase of 33%, compared to an increase of 13% in employment throughout the overall economy.

Mr Lennon said that the continued growth in tourism has created a welcome renewed interest in employment within the sector. "We have made considerable progress in developing varied career paths for new and existing employees that support professional development and advancement with skills that are transferrable internationally. The new industry led Commis Chef Apprenticeship programme launched earlier this year with Solas, for example, enables young people who may not necessarily want to commit to a full time college course gain an internationally recognised qualification, while getting valuable on the job experience," he added.

The improving business levels that the sector is seeing has also given hoteliers increased confidence. “It is enabling hotels to invest more extensively in their businesses this year – from refurbishment to expansion, as well as investing in new facilities, services, employment and marketing – which feeds out into the wider economy,” said Mr Lennon.

Almost all (94%) hoteliers plan to invest in capital expenditure projects over the next 12 months. The majority (91%) intend to refurbish or redecorate their properties, while half (50%) are planning to invest in technology with improvements to broadband a key focus. Many hoteliers (37%) are enhancing the sustainability of their properties, using technology such as smart thermostats, motion sensor lighting systems and energy efficient kitchen appliances to help to reduce energy consumption.

Mr Lennon said that continued government supports such as the 9% VAT rate and zero travel tax have been hugely significant in underpinning the recovery of the tourism sector. “The substantial fall in visitor numbers during 2017 from the UK, our largest market with the greatest seasonal and regional spread of visitors, served as a reminder of how vulnerable our tourism industry is to volatility in other economies,” he said. Mr Lennon acknowledged the focussed efforts of the state’s tourism bodies in new product development and market diversification and the positive impact of brands such as the Wild Atlantic Way, Ireland’s Ancient East and Dublin – a Breath of Fresh Air on sustaining tourism growth. Welcoming the recent launch of ‘Ireland’s Hidden Heartlands’ by Failte Ireland, he hoped it would match the success of the other brands in providing new and unique value offerings that will encourage more visitors from the existing and emerging markets being targeted by Tourism Ireland.

Michael Lennon said that hotels too were also looking for ways to improve guests’ experiences, beyond investing in infrastructure. “Increasingly guests want to holiday in destinations where they can really get to know the area in which they are staying. We are very fortunate in Ireland as our rich tradition in the arts, history, music and sport across the country provide ample scope to offer immersive experiences,” he said. The majority of hotels (80%) have plans to showcase and promote local produce, businesses and artists during 2018.

Corporate meetings and events are a significant source of business for many hoteliers (44%) with more than four in ten (44%) of these reporting an increase in business year on year, another sign of the buoyant economy. Weddings continue to be important too, with over half saying it represents a significant part of their business. Three in ten say that business levels are up year on year while over half (54%) intend to invest in the wedding facilities and services that their venue offers.

**I R I S H  
HOTELS  
FEDERATION**

Members Survey  
June 2018

**BUSINESS LEVELS 2017 vs 2018**

70% <sup>Up</sup>      15% <sup>Down</sup>      15% <sup>Same</sup>

**BUSINESS LEVELS BY MARKET vs 2017**

	Up	Down	Same
	60%	18%	22%
	18%	49%	33%
	59%	11%	30%
	41%	10%	49%
	28%	9%	63%
	15%	10%	75%

**SUMMER ADVANCE BOOKINGS**

67% <sup>Up</sup>      20% <sup>Down</sup>      13% <sup>Same</sup>



**JOB GROWTH**

 **47%** plan jobs growth  
 **230,000** tourism jobs  
 **11%** of total employment largest indigenous employer

**60,000** hotel sector jobs  
**60,000** since 2011 

**CAPITAL EXPENDITURE**

**94%** planning projects  
 **91%** refurbish or redecorate  
 **50%** technology improvements  
 **37%** enhancing sustainability

**THE TOURISM SECTOR**

 Tourism accounts for almost **4%** GNP  
 **9.022m** overseas visitors 2017  
yoy growth slowed to 3.2%  
 **€8.4 bn** total tourism revenue in 2017

Breakdown across markets compared to this time last year:

**Domestic market:** 60% of hotels and guesthouses are reporting an increase in visitor numbers from across Ireland compared to this time last year with 22% seeing no change and 18% noting a decrease.

**Britain:** Just 18% are noting an increase in visitor numbers from Britain, while 49% are seeing a decrease and 33% see no change.

**United States:** 59% of premises are noting an increase, while 30% have seen no change and 11% noting a decrease.

**Germany:** 41% of hotels and guesthouses are reporting an increase, with 49% saying they have seen no change and 10% seeing a decrease.

**France:** 28% of hotels and guesthouses are noting an increase, with 63% saying they have seen no change and 9% seeing a decrease.

**Italy:** 15% are seeing an increase in visitors from this market, while 10% are seeing a decrease and 75% are reporting no change.

#### **Tourism sector at a glance**

- Latest CSO figures [\[LINK\]](#) for overseas tourism for the first five months to the end of May 2018 show that total number of overseas visitors to Ireland have increased by 7.6% when compared with the same period in 2017.
- 9.022 million overseas visitors in 2017, (8.74 million in 2016), year on year growth has slowed to 3.2%
- Total tourism revenue of €8.4 billion in 2017
- The tourism sector accounts for 1 in 4 of all new jobs created in Ireland in the past 5 years.
- Tourism industry as a whole now supports approximately 230,000 jobs - equivalent to 11% of total employment in Ireland with over 60,000 of these jobs in the hotels sector alone
- Irish tourism set to increase 40,000 jobs by 2021
- Tourism accounts for almost 4% GNP
- 824 Hotels (820 in 2017) and 58,425 Hotel bedrooms (57,596 in 2017)
- 170 Guesthouses (181 in 2016) and 2,450 Guesthouse bedrooms (2,598 in 2016)