



Tourism Ireland
SOAR
(Situation & Outlook Analysis Report)
February 2019

1. Summary Headlines

- Industry sentiment across the island of Ireland and among overseas trade partners is generally positive for 2019, on the back of a largely buoyant 2018. Early indications from overseas markets are good, and the worldwide tourism industry is performing well, despite a somewhat uncertain global trading environment. The uncertainty surrounding Britain's withdrawal from the EU remains a key concern for industry, and Tourism Ireland continues to monitor its implications and to consult closely with stakeholders at home and overseas.
- Latest figures for **overseas arrivals to Ireland** show more than 10.6 million people arrived between January and December last year, an increase of +7% for 2018. There were strong results from North America, up +19% on 2017, from Mainland Europe, up +17% and +4% growth from Australia and Emerging Markets. Britain also saw growth of +1%.
- Latest figures released by the Northern Ireland Statistics and Research Agency (NISRA) show that spend by **overseas visitors to Northern Ireland** increased by +3% in the first three months of 2018*.
- Both STR **hotel data** and industry sources report a strong hotel performance across the island of Ireland for 2018, instilling confidence for 2019. STR reports that hotels in Ireland enjoyed an increase in occupancy and average daily rate last year; occupancy was 79%, an increase of +1%, with the average daily rate rising to €132.65, an increase of +8%. While the addition of new hotel stock to the market in Northern Ireland meant that occupancy for the period calculates at 75% (a decline of -4% yoy), this actually represents a net increase of +6% in room sales. The average daily rate in Northern Ireland increased by +1% to £79.09.
- Tourism Ireland's **2019 promotional campaigns** kicked off across all our markets in late 2018. Our new brand advertising campaign – Fill Your Heart with Ireland - launched in late December on TV, cinema and digital platforms in key markets, helping to put the spotlight on the island of Ireland. We continue to work closely with trade and industry partners and our colleagues in Fáilte Ireland and Tourism Northern Ireland to grow demand for the island of Ireland in 2019.

*Note: 2018 data for overseas visitors to Northern Ireland is delayed and there is currently no publication date

2. Global Outlook

Latest figures from the World Tourism Organisation (UNWTO) show that international tourist arrivals grew by +6% to 1.4 billion in 2018. This is a consolidation of the positive 2017 trend (+7%) and reflects a continued strong economic situation globally. Notably, the 1.4 billion mark has been reached two years ahead of UNWTO's long term forecast, which was issued in 2010.

International arrivals increased in all regions for 2018, led by the Middle East (+10%) and followed by Africa (+7%). Arrivals to Asia Pacific and Europe were both at +6%, while the Americas saw growth in arrivals of +3% over the twelve-month period.

Looking at the sub region of Northern Europe, there was flat growth recorded for the year, with a mixed performance across destinations. While Ireland, along with Denmark, Iceland and Sweden, enjoyed robust growth, the United Kingdom – the largest destination in the sub region - experienced a -5% decline in the first nine months alone, when compared to a strong 2017 performance for this same period.

Based on current tourism trends, economic prospects and the UNWTO Confidence Index, UNWTO forecasts a growth of +3% to +4% in international tourist arrivals worldwide in 2019. This is comparable to the 2008-2018 average of +4% per year, though below the +6% increase seen in 2018. Europe is projected to see +3% to +4% more international arrivals, after its +6% growth last year.

UNWTO Global Performance 2018	
International Arrivals	Jan-Dec 2018 YoY % +/-
World	+6%
Africa	+7%
Asia Pacific	+6%
Americas	+3%
Middle East	+10%
Europe	+6%
Northern Europe	0%
Northern Ireland (NISRA) (Jan-Mar)	-6%
Ireland (CSO) (Jan-Dec)	+7%

Source: UNWTO, CSO, NISRA

3. External Travel Trends

Key Markets Economic and Travel Outlook

3.1 Overview

2018 turned out to be a healthy year of growth in both advanced economies and emerging and developing markets. Looking ahead to 2019, *Skift Research* is forecasting another year of strong economic growth which should bode well for the global tourism industry.

Advanced economies are expected to remain stable, and emerging and developing markets are still seeing strong growth - though at decelerating rates for some. Nevertheless, recent stock market volatility and political uncertainty could weigh on consumer and corporate confidence. U.S. trade tariffs, Britain's withdrawal from the EU, a stronger US dollar, rising budget deficits globally, and increasing protectionism, could all have a negative impact on the global economy in 2019.

However, *Skift Research* is still expecting another solid tourism performance in 2019. This is based on 10 years of economic expansion, with the expectation that key indicators remain positive and the global economic system avoids any negative shocks.

3.2 Economic Indicators

Great Britain

While business investment has been dampened by uncertainty related to Britain's EU Exit, Oxford Economics still expects a gradual increase in household spending due to firmer wage growth and looser fiscal policy in 2019. This will underpin an acceleration in GDP growth from 1.4% in 2018 to 1.7% this year and 2.0% in 2020. These projections are based on the assumption of an 'orderly' exit from the EU.

2019 GDP Forecast:	+1.7% (no change)
CPI 2019:	+1.7% (down from +1.8%)
Unemployment:	4.1% (no change)
Exchange rate (€ / £):	€1: £0.87 (down from £0.89)

USA

Growth in the US economy is expected to cool slightly in 2019 from a rate of +2.9% in 2018 to +2.5% this year. Fading fiscal stimulus and tighter financial conditions will contribute to slowing economic momentum over the course of 2019. In addition, the economy must contend with a myriad of risks, including trade conflict with China, the recent government shutdown and ongoing political uncertainty due to potential debt limit confrontation later this year. Nonetheless, the economy is supported by strong growth in consumer spending, resilient business activity and firming government outlays.

2019 GDP Forecast:	+2.5% (no change)
CPI 2019:	+1.7% (down from +2.1%)
Unemployment:	3.9% (up from 3.7%)
Exchange rate (€ / \$):	€1: \$1.14 (no change)
Exchange rate (£ / \$):	£1: \$1.30 (up from \$1.28)

France

Despite a slowdown in economic growth in 2018, Oxford Economics expects a slight acceleration in growth from +1.5% in 2018 to +1.6% in 2019 due to the supportive measures introduced in December to stimulate growth. These include tax cuts for those on modest pensions, tax exemptions on overtime and a €100 boost in the minimum wage. Private companies have also been asked to pay a tax-free end-of-year bonus to their employees. The decrease in unemployment and lower housing taxes will further lift households' disposable income.

2019 GDP Forecast:	+1.6% (down from +1.7%)
CPI 2019:	+1.3% (down from +1.5%)
Unemployment:	8.9% (down from 9.3%)
Exchange rate (€ / £):	€1: £0.87 (down from £0.89)

Germany

Overall, Oxford Economics remain relatively optimistic about the short- and medium-term outlook for Germany with GDP growth projected to be +1.4% in 2019. However, US car tariffs, Britain's withdrawal from the EU and a weaker Chinese economy, are important downside risks for the export-reliant German economy. The continued tightening of the labour market could result in much faster wage growth than expected, which would add to underlying inflationary pressures and may lift headline inflation above the ECB's 2% target.

2019 GDP Forecast:	+1.4% (down from +1.6%)
CPI 2019:	+1.7% (down from +1.8%)
Unemployment:	5.0% (down from 5.1%)
Exchange rate (€ / £):	€1: £0.87 (down from £0.89)

Source: Oxford Economics Briefing and February reports 2019

3.3 Travel Trends in Key Markets

Great Britain: Latest data from the British Office of National Statistics (ONS) reports that UK outbound travel for September 2018 was down -3% YoY while expenditure on visits abroad was up +1% YoY. Latest data from research company *GfK* shows a shift away from EU destinations and an increase in demand for Bulgaria, Turkey and North Africa. In terms of the economy, the British Office of National Statistics (ONS) reports that the UK economy grew by +0.3% in the three months to November 2018, down from +0.4% in the three months to October, and the weakest in six months. Any growth was driven by the services sector.

North America and Australia: In the **US**, outbound travel is still performing strongly and the demand for Europe remains buoyant, with Italy remaining the most popular destination. The *US Tour Operators Association* has reported a very healthy marketplace with positive sentiment for the year ahead. Japan, Vietnam and Australia are proving popular in the market and Turkey has recovered fully from its previous declines. The UK continues to lose market share in the US, however, with this trend persisting in early 2019, despite a favourable currency exchange. The trend for unique experiences is growing in the market with US travel industry sources reporting an increased demand for personalised itineraries and for emerging regions and attractions. In **Canada**, independent research specialists the *Conference Board of Canada* has reported 5.5 million visits to European destinations during the first 10 months of 2018, an increase of +6.9% vs 2017. Slovenia, Turkey and Croatia enjoyed the largest growth, while Spain and the UK have experienced a year-on-year decline. Growth for the island of Ireland in 2018 is expected to turn out at +13%. Demand is increasing for short breaks to Europe and destination distance is reportedly becoming less of a barrier - this bodes well for island of Ireland season extension and city break messaging. Outbound travel from **Australia** continues to trend upward with New Zealand, Indonesia and the USA proving the most popular destinations, while Japan has enjoyed the strongest overall growth from the market.

Mainland Europe: In **Germany**, research company *GfK* have reported that December bookings in travel agencies had increased slightly as a result of demand for short winter breaks, however bookings for summer sales were trading slower than in previous years. The main German airports all reported increased business for 2018, however recent airport staff strike actions are expected to have a negative impact. Sources in the market report a continued decline in demand for the UK, on the back of continued uncertainty relating to Britain's withdrawal from the EU. In **France**, inbound tourism numbers have declined as a result of recent protests and local tourism networks have programmes in place to reassure overseas visitors and reverse these declines. Outbound travel is faring better in the market with North African destinations enjoying a resurgence in popularity. Demand for Iceland has declined significantly in France as a result of reported overcrowding and perceived over-pricing. While Great Britain, and particularly Scotland, were popular in 2018, this trend has reversed in recent months. In **Spain**, the outbound market performed very well in 2018, with *The Bank of Spain* reporting an increased spend of +12% by Spanish residents on overseas trips during the first ten months of 2018. The Spanish economy continues to be stable and consumer confidence is strong. The *Spanish Airport Authority (AENA)* has

reported growth in passenger numbers in 2018 with the main outbound airports of Madrid and Barcelona growing by +8% and +6% over the year. In **Italy**, outbound travel remains strong with *Assoaeroporti* reporting a +6% increase in passenger traffic at Italian airports between January and November 2018. Travel agents remain an important holiday booking source in the Italian market, according to a report on innovation in digital tourism by the *University of Milan*, the research reports that almost a quarter of Italian holidaymakers still use traditional travel agents to book their break. In **the Nordics**, traditional consumer travel fairs remain an important part of the promotional calendar, with over 60,000 Danes expected to attend Scandinavia's largest outbound travel show in February. Event organisers report that Danes are increasingly looking for exotic breaks when choosing a holiday destination. Nordic country economies continue to perform strongly, with the majority of consumers enjoying a high level of disposable income and generous paid holiday allowance. In **BeNe** outbound travel is trading strongly. According to Dutch research company *NBTC-NIPO Research*, holidaymakers in Holland spent more than €19.8 billion on holidays in 2018, an increase of +2%. They estimate that 83% of Dutch citizens went on holiday last year and took, on average, three breaks in the year. Although the total number of holidays decreased slightly last year (-1%), the total number of overnights increased (+1%). An average holiday lasted 8.1 nights and, in line with previous years, the most popular destinations were Germany, France and Spain. A holiday survey by *TUI* and *de Persgroep*, has revealed that the Dutch use social media more than Belgians to document their trips, while Belgians consider culture and history more important to their trip than the Dutch do. Passenger traffic at Schiphol airport is continuing to trend upwards with +4% growth in 2018.

Emerging Markets: In **China**, 71.3 million Chinese travelled abroad in the first half of 2018, an increase of +15% from 2017. This will rise to 260 million per year by 2030, according to the UNWTO. Millennials are playing a key part in the growth of the Chinese travel market - numbering 400 million and accounting for two-thirds of online spending, they have become a key target for overseas tourism destinations. Favouring personalised travel itineraries, this cohort also prefers unique, authentic, immersive and interactive cultural experiences. Shopping is becoming less crucial for Chinese holidaymakers travelling overseas, with shopping spend trending downward. In **India**, overseas destination weddings are growing in popularity and are a significant business opportunity in the market, with increasing interest in the island of Ireland as a potential wedding location. Sports tourism is also growing, and the upcoming ICC Cricket World Cup 2019 in England and Wales provides opportunities for Indian visitors to extend their stay and include a trip to the island of Ireland on their itineraries. In the **UAE**, outbound results for 2018 have been mixed overall. While Abu Dhabi travel agents have reported a decline in bookings for 2018, Sharjah and Dubai travel trade have seen an increase in business.

4. Market Intelligence

4.1 Arrivals and Visitors

Preliminary Estimates

Visitor Origins	2018			
	Ireland Arrivals Jan-December 2018		Northern Ireland Visitors (3-month visitors) Jan – Mar 2018	
		%YOY		% YOY
Total	10,616,300	+6.9%	378,571	-6%
Great Britain	3,759,000	+0.8%		
Mainland Europe	3,812,700	+9.5%		
North America	2,383,800	+13.4%		
Rest of World	660,700	+6.7%		

Sources: CSO, NISRA

Note : **Arrivals** are all overseas trips to the destination, including transfers, overnights and day-trips.

Visitors only include those who overnight in the destination.

Ireland (Direct) Overnight Visitors – only includes those that leave through ports in the ROI

Ireland: Latest results for the 2018 tourism year show 10,616,300 overseas arrivals. This represents year-on-year growth of +6.9%, an additional 684,200 arrivals. North America continued its strong performance, with arrivals from the US and Canada up +13.4% (+282,300). Mainland Europe also recorded good growth, with 330,300 extra arrivals (+9.5%). Arrivals from Britain grew, with 30,100 extra arrivals (+0.8%). Growth from Australia and Emerging Markets was +6.7% (+41,400 extra arrivals).

Northern Ireland: According to latest data from NISRA, in the January-March 2018 period, overseas visitors to Northern Ireland fell by -6% when compared with 2017, while revenue grew by +3% to more than £98 million. The figures confirm that 378,571 overseas visitors came to Northern Ireland during the first three months of last year. Note: 2018 Northern Ireland arrivals data is currently delayed. As yet, there is no date set for the completion and publishing of this data from NISRA.

4.2 Air and Sea Connectivity

Air Access Seat Capacity Estimates	Winter 18/19 vs. Winter 17/18			
	YOY % Change	Ireland	NI	Island of Ireland
Great Britain		+1%	+12%	+4%
Mainland Europe		+10%	+8%	+10%
-France		+6%	-22%	+4%
-Germany		+8%	N/A	+7%
North America		+19%	-100%	+18%
Rest of World		+15%	N/A	+15%
Overall		+7%	+11%	+8%

Source: TTC Winter 2018/19 Access Inventory Report

Capacity is estimated at a single point in time (December) for the season.

NA= Not applicable.

The 2018/19 winter season is trading with a +8% increase in direct, one-way air seats available per week to the island of Ireland, when compared to the same period last winter. It is estimated there are approximately 465,000 one-way weekly winter seats available, almost up to the high of the winter 2007/08 period (when just over 470,000 were available).

There is growth from all four market areas. While EasyJet has dropped its weekly Lyon-Belfast service and Norwegian have withdrawn their Belfast service, Northern Ireland is still forecast to experience a +11% increase (which is driven by a +12% uplift from Great Britain). Ireland is seeing an estimated +7% increase in air seats available.

Recent announcements include Hainan Airlines launching a new twice weekly service from Shenzhen to Dublin beginning on February 25th. Norwegian Airlines, at the end of January, launched an emergency rights issue attempting to increase liquidity and prevent a breach of debt covenants. The airline's current difficulties represent an ongoing risk to the continuity of services to Ireland. Irish Ferries have launched the W.B. Yeats on the Dublin-Holyhead route increasing capacity on the Irish Sea.

4.3 Total Passenger Numbers

	Total Pax 2018*	% change 2018	Nov 2018	Dec 2018	Jan 2019
ROI sea passengers	3m	-2%	-5%	-6%	-5%
NI sea passengers	2.1m	-1%	+2%	-3%	n/a
Dublin Airport	31.5m	+6%	+7%	+6%	+5%
Shannon Airport	1.9m	+6%	+5%	+6%	-2%
Cork Airport	2.4m	+4%	+8%	+6%	+9%
Ireland West Airport Knock	0.77m	+3%	+8%	+5%	+7%
All ROI Airports	36.2m	+6%	+6%	+7%	+5%
Belfast International Airport	n/a	n/a	+13%	+15%	+11%
Belfast City Airport	2.5m	-2%	-3%	-1%	-1%
City of Derry Airport	n/a	n/a	n/a	n/a	n/a
All NI Airports	n/a	n/a	n/a	n/a	n/a

Sources: CAA, DAA, Shannon Group, IWAK, Fáilte Ireland, Annaero, Ferrystat, TTC, Anker Report

*Total Pax 2018 is the total traffic (two-way) at the airport(s)/seaports

n/a = not available

Air passenger traffic to Ireland in 2018 (two-way) was positive, with growth of +7%. For the month of January 2019 there was air passenger traffic growth of +5%. Latest available published results for air passenger traffic to Northern Ireland, for the first eight months of 2018, was also positive (+8%).

Sea passenger numbers to and from Ireland were down -2% for the year 2018, and -5% for the month of January 2019. Latest published sea passengers to and from Northern Ireland for the year 2018 were down -3%.

4.4 Accommodation

Hotel accommodation data estimates

Hotel Accommodation January - December 2018				
	Occupancy		ADR	
	%	% change v 2017	Average Daily Rate	% change v 2017
Island of Ireland	78%	0%	€127.19	+7%
Northern Ireland	75%	-4%	£79.09	+1%
Ireland	79%	+1%	€132.65	+8%
Scotland	77%	-1%	£84.32	+2%
England	78%	+1%	£92.43	+1%
Italy	70%	+1%	€143.46	+1%

Source: STR Hotel reports – Properties across the island of Ireland are included, with a strong representation from Dublin and Belfast.





The hotel data specialist, STR, reports that hotels across the island of Ireland experienced strong growth in terms of average daily rate in 2018, while occupancy levels were on par with 2017.

In Northern Ireland, industry sources have noted an increase in overseas visitors and a welcome extension to the season in 2018. While the addition of new hotel stock in Northern Ireland meant that occupancy for the year calculates at 75% (a decline of -4% yoy), this actually represents a net increase of +6% in room sales. The average daily rate in Northern Ireland increased by +1% to £79.09.

In Ireland, occupancy for 2018 was a healthy 79%, while average daily rate grew by 8% to €132.65.

Fáilte Ireland's 'Analysis of Tourism Accommodation in Cork, Galway and Kilkenny' reports that, by 2022, there will be an expected total of 934 extra bedrooms in Cork, 490 extra in Galway and 41 additional rooms in Kilkenny. Their 'Analysis of Tourist Accommodation in Dublin 2018-2020' reported that there will be an estimated 5,435 new hotel rooms on-stream in Ireland's capital city by the end of 2020 (a net addition of just over 4,900 due to hotel closures over the next two years.)

4.5 Island of Ireland Industry Feedback

Barometer	What they said ...
Bright 	<p>Accommodation providers</p> <p>Northern Ireland hotels had a reasonably positive year in 2018 with good room sales and rates overall. While last year's increased supply of room stock put pressure on room and occupancy rates in Belfast, huge enthusiasm remains in the sector to grow the market and ensure the new stock is filled in 2019. Sources in the region have reported larger numbers of overseas tourists in 2018 and have also noticed a positive effect on performance from season extension initiatives. While sources have seen a somewhat challenging start to the year, Easter onwards appears to be stronger, with summer 2019 reportedly filling well.</p> <p>Sources in Ireland's hotels and guesthouses have reported a strong year for the sector in 2018, with good rate and occupancy growth. Feedback from the self-catering and guesthouse sectors in Ireland was also positive with sources reporting good bookings for 2019. Hostel sources were also positive and expecting business from European markets to remain strong this year. Sources in B&B sector report a less buoyant year in 2018, however, but remain positive for 2019 with key sources expecting to maintain occupancy levels or see modest growth.</p>
Mixed 	<p>Air and sea carriers</p> <p>Feedback from air carriers is very positive, with good forward bookings for 2019 off the back of a strong overall performance in 2018. Transatlantic business is particularly strong and the increase in capacity for 2019 is expected to bring even more growth.</p> <p>A key sea carrier has reported good sales across 2018 and continuing good uplift, with forward bookings looking positive for 2019. However, the ferry market is very competitive, and carriers are generally cautious of how this competitive environment will impact sales, while also alert to the impact of Britain's withdrawal from the EU.</p>
Mixed 	<p>Attractions</p> <p>Feedback from attractions across Ireland is positive overall, with the majority of partners seeing growth and good season extension last year. Partners are optimistic about 2019 but have expressed concern about the potential impact of Brexit and the possible effect of the increase in the VAT rate on their businesses.</p> <p>Sources in Northern Ireland also reported a strong performance from overseas visitors in 2018, with some larger attractions experiencing double digit growth from international visitors. The year has started well with good growth in January, and partners are hopeful of further growth for the rest of 2019.</p>
Mixed 	<p>Tour Operators</p> <p>Overall, tour operators enjoyed moderate growth in 2018 and report good early indications and positive sentiment for 2019. The performance from North America is still very strong, while business from Mainland Europe is more mixed. The increase in the VAT rate in Ireland and capacity and rate challenges continue to cause some concern.</p>

Source: Based on feedback from island of Ireland industry sources, January 2019

4.6 Tourism Ireland Market Outlook

Great Britain: A mixed outlook from the market, with travel appearing to be holding up relatively well in terms of consumer spending in Britain. However, there is concern for European destinations as sources report that bookings and enquiries for the region are currently slowing. The *GfK* consumer sentiment index, released in December 2018, shows British consumer confidence has fallen to -14, its lowest level in 5 years. Despite the economic and political uncertainty, the main travel brands have demonstrated their optimism for the market with heavy investment in 2019 promotional programmes. Sources report that, while sales in early January have been slow, to date bookings for summer 2019 are ahead of where they were last year. Trade partners in the market have expressed their commitment to promoting their island of Ireland products and programmes this year and continue to work closely with Tourism Ireland in a series of joint marketing initiatives.

North America and Australia: In **the US** the outlook for travel to the island of Ireland in 2019 is positive, with tour operators reporting a generally strong start to the year and good early indications for the year ahead. The addition of new direct air capacity is helping to generate demand. While there's very strong demand for golf product around the island, tour operators are concerned about potential capacity shortages during the peak season. In **Canada**, sentiment is positive with leading market operators reporting good enquiries and strong bookings for 2019, with an expectation to match or increase sales to the island on the back of a record year last year. A number of key partners are also working with Tourism Ireland in a series of targeted co-op marketing initiatives, kicking off in February, to drive bookings for expanded air routes this year. In **Australia**, the outlook for outbound travel is cautiously positive with bookings to Europe performing well for key tour operators, despite a slower than usual early bird booking period in Q4, 2018. The island of Ireland offering is proving popular and performing very well at this stage of the booking calendar. While some flight booking agents noticed a softening in bookings to Europe in 2018, they remain optimistic for 2019.

Mainland Europe: In **Germany** the outlook is generally positive for 2019, on the back of strong growth in outbound tourism last year. While sales for the year are off to a slow start, with early bookings slightly behind last years' levels, operators remain cautiously optimistic at this early stage. Both FIT and group tour operators report a somewhat sluggish early booking pattern for the island of Ireland. Ferry operators are seeing direct route bookings from the continent more or less on par with last year, but land bridge bookings are slow. Airline sources are saying it's just too early to tell which way the season will go but remain optimistic. In **France**, the overall outlook for 2019 is cautious. Outbound sales in December 2018 were subdued, reportedly related to political unrest and ongoing protests in the market. While some trade sources are optimistic and reporting a strong demand for the island of Ireland this year, others are more cautious and refer to upheaval surrounding Britain's EU withdrawal as a key concern. Joint marketing campaigns and promotional initiatives are ongoing and helping to generate demand for shoulder season propositions. In **Spain**, the outlook for 2019 is positive on the back of a strong end of year performance for 2018. While it's too early to predict performance in 2019, modest growth is expected. Key trade

partners have reported huge growth for Northern Ireland last year and plan to capitalise on the momentum, citing joint promotions with Tourism Ireland as the main driver for growth. With air access remaining unchanged in the main for winter 2019, the expansion of ferry access from Spain is expected to have a positive effect on bookings to the island. The outlook from **Italy** is positive with key tour operators expanding their commitment to the island of Ireland market in 2019. Initial indications are showing moderate increases on enquiries and bookings when compared to last year, though it's very early days and peak booking is traditionally expected between March and May. Joint co-operative marketing campaigns are planned to support and stimulate growth. In the **Nordics**, outlook is positive for the year ahead with good interest and enquiries, however, concerns remain regarding accommodation availability in the main tourism cities at weekends. In **BeNe**, moderate economic growth is forecast for both Belgium and The Netherlands this year. However, sentiment amongst the travel trade is mixed. While some tour operators have seen a positive start to 2019, with good forward bookings, others have had a slower December/January. Travel trade concerns include accommodation availability, price increases following the VAT increases in Ireland, and the general uncertainty surrounding Britain's EU exit.

Emerging Markets: Outlook from **China** is positive for the early months of 2019, with good bookings relating to the Chinese New Year Holiday in February and St. Patrick's Day in March. Chinese tour operators are increasingly featuring St. Patrick's Day on their travel itineraries and expanding their island of Ireland programmes for this year. The main concerns that may negatively impact booking relate to capacity issues, particularly in Dublin during the peak season. In **India**, sentiment is strong for this year, with good growth in enquiries and interest, as well as increased programming of the island of Ireland by Indian travel trade. Advance bookings for summer 2019 are strong and all indications are positive to date. In addition, MICE business to the island of Ireland from India is growing at a steady rate. The outlook from **the UAE** is also positive. Visa liberalisation has increased awareness of Ireland in the market, and trade sources have reported increased bookings on the strength of this. Tourism Ireland's 2019 promotional programme is partnering with key airline and market trade on a range of strategic marketing initiatives to drive awareness and bookings again this year.

5. Conclusion

The outlook from partners for 2019 is positive overall, with good early indications for continued growth in overseas tourism business this year. Overseas trade partners and tourism businesses across the island of Ireland report a strong performance for 2018.

This performance feedback is supported by the latest CSO data, which shows that direct overseas arrivals to Ireland grew to more than 10.6 million for the year 2018, an increase of +7%. There was good growth from North America (+13%) and Mainland Europe (+10%) and Emerging Markets (+7%), with more modest growth from Great Britain (+1%).

While the slight growth from Britain is welcome, it remains too difficult to predict if this is part of a long-term trend. The uncertainty around the UK's exit from the European Union continues to be a major source of anxiety in the market. The fall in the value of sterling has made holidays and short breaks in Ireland more expensive for British visitors and has made Britain more affordable for visitors from many of our top markets. Tourism Ireland has a series of measures in place to address these issues and a busy promotional programme is rolling out with partners in GB right now.

Hotel room sales are performing strongly for accommodation providers in both Ireland and Northern Ireland. However, the challenges associated with capacity and room rates remain a key issue for some tour operators.

Tourism Ireland has an extensive promotional programme under way in our overseas markets to promote holidays throughout the year and encourage visitors to travel more widely around the island. Our new global marketing campaign, Fill your Heart with Ireland, kicked off in late December on TV and digital platforms, in cinemas, on outdoor and in print. It will be supported by a busy programme of trade and consumer promotions and an overseas publicity drive which will generate positive coverage for the island of Ireland worth an estimated €350 million in advertising equivalent value. We continue to work closely with industry partners and colleagues in Fáilte Ireland and Tourism Northern Ireland to maximise all opportunities to continue to grow overseas tourism revenue to the island of Ireland in 2019.