

## Tourism Ireland SOAR

(Situation & Outlook Analysis Report)  
April/May 2019



## 1. Summary Headlines

- The **outlook for the year ahead** remains mixed. Industry partners across the island of Ireland continue to report cautious optimism, while overseas market contacts remain largely confident. Some - particularly in parts of Mainland Europe - are more muted in their projections, with a range of geo-political circumstances impacting on mood. The uncertainty surrounding the UK's withdrawal from the EU remains a key concern for partners at home and in some of our overseas markets. Tourism Ireland continues to consult closely with stakeholders at home and overseas and to monitor the situation.
- There have been a number of **access** issues which affect the season ahead. Aer Lingus has adjusted its North American summer 2019 schedule due to an aircraft delivery delay. Ryanair has announced a reduction on its London Stansted/Belfast service from 22 to 2 flights a week, from the 2nd June. In addition, the full impact of the grounding of B737 MAX aircraft continues to remain uncertain.
- Latest figures for **overseas arrivals to Ireland** show more than 2,026,700 people arrived during January to March this year, an increase of +5.5% on the same period in 2018. North America, up +10.8%; Mainland Europe, up +7.6%; Emerging Markets, up +6.9%; and Great Britain up +1.4%. However, it is still very early days. Data for overseas visitors to Northern Ireland for the same period is not yet available.
- Tourism Ireland's 2019 **promotional campaigns** continue across the globe, helping to boost travel and stimulate demand for summer holidays on the island. Our new global marketing campaign, *Fill your Heart with Ireland*, continues to roll out in key markets, helping to keep the spotlight on the island of Ireland at this important time. Tourism Ireland continues to work closely with industry partners and our colleagues in Fáilte Ireland and Tourism Northern Ireland to capitalise on all opportunities to promote the island and maximise overseas tourism revenue.

## 2. Global Outlook

The latest World Tourism Organisation (UNWTO) forecast for 2019 predicts growth of +3% to +4% in international tourist arrivals worldwide. This is based on current tourism trends, economic prospects and the UNWTO Confidence Index. This rate 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. The forecast reflects sustained demand for international travel from both emerging and advanced economy source markets.

| Outlook for International Tourist Arrivals |        |       |       |      |       |      |       |       |      |       |                   |                                     |
|--|--------|-------|-------|------|-------|------|-------|-------|------|-------|-------------------|-------------------------------------|
|  | 2009   | 2010  | 2011  | 2012 | 2013  | 2014 | 2015  | 2016  | 2017 | 2018* | Average<br>a year | 2019 Projection<br>(issued January) |
|  | Change |       |       |      |       |      |       |       |      |       | 2008-2018         | from                                |
| <b>World</b>                               | -4.0%  | 6.7%  | 4.8%  | 4.7% | 5.0%  | 4.2% | 4.7%  | 3.8%  | 7.0% | 5.6%  | 4.2%              | +3% to +4%                          |
| Europe                                     | -5.4%  | 3.1%  | 6.6%  | 3.9% | 5.2%  | 2.0% | 4.7%  | 2.5%  | 8.6% | 5.7%  | 3.6%              | +3% to +4%                          |
| Asia and the Pacific                       | -1.4%  | 13.4% | 6.5%  | 7.3% | 6.8%  | 6.1% | 5.4%  | 7.7%  | 5.6% | 6.1%  | 6.3%              | +5% to +6%                          |
| Americas                                   | -4.9%  | 6.7%  | 3.6%  | 4.4% | 3.7%  | 8.6% | 6.0%  | 3.7%  | 4.9% | 2.9%  | 3.9%              | +2% to +3%                          |
| Africa                                     | 4.5%   | 9.3%  | -0.7% | 4.6% | 4.4%  | 0.9% | -2.9% | 8.0%  | 8.2% | 7.3%  | 4.3%              | +3% to +5%                          |
| Middle East                                | -5.4%  | 14.6% | -9.3% | 2.6% | -1.5% | 9.9% | 4.0%  | -4.7% | 4.1% | 10.3% | 2.2%              | +4% to +6%                          |

Source: World Tourism Organisation

Data as collected by UNWTO, January 2019

## 3. External Travel Trends

### Key Markets Economic and Travel Outlook

#### 3.1 Overview

According to *Oxford Economics*, global economic prospects for the first half of 2019 remain downbeat. However, the latest data indicates that world economic growth is beginning to stabilise, however. It continues to expect more positive financial conditions and other policy supports to trigger a modest acceleration in global GDP growth in the latter part of 2019. The organisation forecasts that world GDP will rise by +2.7% this year and +2.9% in 2020, after last year's +3.2% gain, with upward revisions of +0.2% for 2019 and +0.1% for next year.

While there are plenty of reasons to remain cautious in the near term, *Oxford Economics* expect global GDP growth to pick up after a soft start to 2019. Chinese credit data has improved recently and, although uncertainties over US-EU trade relations remain, global trade tensions seem to be waning. More balanced central banks and the resultant loosening in financial conditions, should support growth in both the advanced and emerging economies.

## 3.2 Economic Indicators

### Great Britain

The UK economy is enduring a soft patch, reflecting the recent slowdown in world trade and the ongoing uncertainty around EU exit, which has been a key factor in the lack of business investment. However, provided the withdrawal is 'orderly', *Oxford Economics* expect strengthening household spending power and looser fiscal policy to underpin a modest acceleration in GDP growth through 2019 and into next year, with GDP growth forecast at +1.4% this year and +1.9% in 2020.

|                              |                         |
|------------------------------|-------------------------|
| <b>2019 GDP Forecast:</b>    | +1.4% (no change)       |
| <b>CPI 2019:</b>             | +1.8% (down from +1.9%) |
| <b>Unemployment:</b>         | 4.0% (down from 4.1%)   |
| <b>Exchange rate (€/\$):</b> | €1: £0.86 (no change)   |

### USA

Recession fears have risen again in the US amid a slowing economy. However, *Oxford Economics* believes this recession bias to be misguided. Economic momentum is slowing due to reduced fiscal stimulus, tighter monetary policy, subdued global activity and lingering trade tensions, but the US economy should still post a respectable +2.3% growth in 2019. Elevated private sector confidence, a solid labour market and looser-than-expected Fed policy should prevent a hard landing this year.

|                              |                             |
|------------------------------|-----------------------------|
| <b>2019 GDP Forecast:</b>    | +2.3% (down from +2.5%)     |
| <b>CPI 2019:</b>             | +1.6% (down from +1.7%)     |
| <b>Unemployment:</b>         | 3.8% (down from 4.0%)       |
| <b>Exchange rate (€/\$):</b> | €1: \$1.13 (up from \$1.12) |
| <b>Exchange rate (£/\$):</b> | £1: \$1.31 (no change)      |

### France

Consumer and business confidence are struggling to pick up in France due to external uncertainties remaining high. Britain's withdrawal from the EU continues to have a negative effect. Consequently, *Oxford Economics* has slightly lowered its forecasts for GDP growth to +1.4% in 2019 and +1.5% in 2020, both down by -0.1% from last month. Despite this revision, *Oxford Economics* still sees France slightly outperforming the eurozone, thanks to robust consumption and solid investment growth.

|                              |                         |
|------------------------------|-------------------------|
| <b>2019 GDP Forecast:</b>    | +1.4% (down from +1.5%) |
| <b>CPI 2019:</b>             | +1.2% (down from 1.3%)  |
| <b>Unemployment:</b>         | 8.4% (down from 9.1%)   |
| <b>Exchange rate (€/\$):</b> | €1: £0.86 (no change)   |

### Germany

Two opposing themes continue to dominate German economic data. Further steep falls in manufacturing surveys and factory orders are worrying for the near-term prospects of exporting firms and thus pose a risk to their capital spending. In contrast, there is plenty of evidence of buoyant domestic demand in Q1. Therefore, *Oxford Economics* still expect Q1 GDP growth of +0.5% but sees downside risks for Q2. Overall, the 2019 and 2020 GDP growth forecasts are +1.1% and +1.6% respectively.

|                              |                         |
|------------------------------|-------------------------|
| <b>2019 GDP Forecast:</b>    | +1.1% (down from +1.3%) |
| <b>CPI 2019:</b>             | +1.5% (no change)       |
| <b>Unemployment:</b>         | 5.0% (no change)        |
| <b>Exchange rate (€/\$):</b> | €1: £0.86 (no change)   |

Source: *Oxford Economics Briefing and April reports 2019*

### 3.3 Travel Trends in Key Markets

**Great Britain:** According to the latest release from the British Office of National Statistics (ONS), the period October–December 2018 saw UK travellers make 14.5 million visits abroad, a decline of -1% when compared with the same period in 2017. UK residents spent £9.2 billion on these visits, +7% more than in the same period in 2017. There were 11.2 million visits to European countries, a decrease of -3% on the same period a year earlier. Visit Britain has reported that staycations were down -2% for the period January–December 2018 (118.5 million) when compared 2017 (120.7 million). While nights remained unchanged at 370.3 million, spend for the year 2018 increased by +1% to £23.9 billion. Outbound travel companies and airlines have reported weaker customer demand so far in 2019 and attribute this to macroeconomic uncertainty. A decline in demand for outbound package holidays to Europe has prompted significant price discounting this year.

**North America and Australia:** In **the US**, outbound travel demand for European destinations remains strong, with all destinations seeing growth. A recent report from *Visit Britain* has shown that GB was the only European country recording zero visitor growth from North America in 2018. The main three US carriers, United, Delta and American Airlines have all reported strong profits for 2018. Jet Blue announced they would commence operations from JFK and Boston to London in 2021 and also referenced Dublin as a potential route for future development. Reports on the US economy are mixed with fears emerging of a possible economic slowdown, along with a potential rate hike. Consumer Confidence has fallen for the 4th time in 5 months. However, unemployment fell to 3.8% in February against industry expectations of 3.9%. The Dow Jones Index remains volatile delivering mixed messages on the state of the economy. The dollar remains strong against the euro and is worth 10% more than last year. In **Canada**, outlook for outbound travel is positive with travel intentions for Europe at their highest level in a decade (28%), according to the independent research organisation *CBOC*. This year the largest outbound travel volume increases are forecast for Italy, France, Ireland and Portugal. Great Britain is expected to see an increase in Canadian arrivals, even as the uncertainty associated with its EU exit continues. The organisation also reports that Canadian travel to the US is weakening again, despite regaining strength in 2018, with 42% of all outbound leisure travellers intending to visit the US this summer, the lowest share in over a decade. In **Australia**, consumer confidence is high and the demand for overseas vacations has continued to grow year-on-year. Sydney and Melbourne airports, the two main international entry/exit points, have both seen strong growth continue.

**Mainland Europe:** In **Germany**, the holiday market saw strong growth last year with Germans taking 70 million trips of 5 days or more, and 88 million short trips, with a combined expenditure of over €94 billion. This was a record for the market. The outlook for 2019 remains positive with more than 71% of Germans having definite or provisional plans to go on holiday, according to the *Reiseanalyse* by *FUR*. In **France**, Scotland continues its strong performance, while demand for Norway is in decline. French regional airports saw a strong increase in traffic in Q1 with Nantes up +14%, Lyon up +9%, and Rennes up

+18%. The 'Gilets Jaunes' protests - which started 5 months ago - continue to negatively impact the French economy with no sign that these protests will end soon. Travel agency business is in decline in the French market with the number of agency closures trending upwards year on year. *EasyJet* recently reported a decline in demand from French travellers to their UK destinations, and attribute this decline to Brexit related uncertainty. In **Spain**, latest figures released by the Spanish National Statistics office show that the country's outbound market grew by +12.2% in 2018 with an additional 2.2 million trips abroad versus 2017. Indicators for 2019 travel continue to be positive with AENA (Spanish Airport Authority) seeing a +6% increase in traffic for Q1 with key outbound airports Madrid and Barcelona seeing good growth to date. In **Italy**, airports saw good growth in Q1 with an increase of +5.3% versus the same period last year. Recent research by *Coop Italia* forecasts a +5% increase in holiday travel this year, with 37% of respondents intending to travel overseas. Italians are increasingly booking the Maldives, the US, Egypt and Australia, while Spain, Greece and Croatia remain the market's top holiday choices. 73% of respondents intend to book their entire holiday independently versus using a travel agent. Cyprus and Jordan saw a strong performance from Italy in Q1, attributed to increased direct access with Ryanair. Israel also saw continued growth with the month of March alone up +49%. In **the Netherlands**, outbound traffic from Schiphol Airport Amsterdam to Ireland is trending upwards, with an increase of +8.2% between 2017-2018. Recent research by the *ANVR/GfK* booking monitor, shows a decrease of -2% in overall holiday bookings for the month of February 2019, with bookings for the UK and Ireland showing a decline, when compared to the same month last year. Competitor destinations including Denmark, Sweden and Norway are seeing very strong growth. In **The Nordics**, outbound travel remains strong overall with Norway, Denmark and Finland seeing growth in Q1. However, in Sweden, environmental concerns are having a negative impact on travel bookings with 'flygskam' (shame of flying) now a trending topic. In 2018 Swedes made half a million fewer journeys overseas for leisure purposes than the year before (11.2 million, down from 11.7 million in 2017) with recent research revealing that 35% of Swedes plan to cut back on overseas travel this year.

**Emerging Markets:** In **China**, outbound travel continues its strong growth with 2018 data showing a growth rate of +14.7%, representing almost 150 million Chinese travellers. Total expenditure grew by +4% to USD\$120bn. China's largest travel platform *Ctrip* reports that more than 80% of China's outbound travellers are under 40 years of age. Beijing's second international airport is due to open later this year and this is expected to generate an expansion in international routes. In the **UAE**, Emirates Airlines is expanding its service to the UK with a second daily flight to London Stansted, starting in July this year, bringing to 140 its total number of weekly flights to the UK. In **India**, a new report by the *International Air Transport Association* (IATA) shows growth of +20% in new routes serving the country. This has provided a significant boost to passenger demand in the market with both foreign and domestic carriers expanding their outbound international routes in India, targeting both business and leisure travellers. The strengthening of the rupee by +7.5% against the US dollar has had a positive effect on bookings with cheaper outbound holiday packages proving popular.

## 4. Market Intelligence

### 4.1 Arrivals and Visitors

#### Preliminary Estimates

| Visitor Origins | 2019                                       |        | 2018   |        |
|-----------------|--|--------|--|--------|
|                 | Ireland Direct Arrivals January-March 2019 | %YOY   | Ireland Overnight Visitors Jan-December 2018 | %YOY   |
|                 |  |        | 000's  |        |
| Total           | 2,026,700                                  | +5.5%  | 9,273  | +6.3%  |
| Great Britain   | 809,100                                    | +1.4%  | 3,253  | +0.4%  |
| Mainland Europe | 730,000                                    | +7.6%  | 3,478  | +7.8%  |
| North America   | 367,300                                    | +10.8% | 1,924  | +14.4% |
| Rest of World   | 120,200                                    | +6.9%  | 618  | +7.5%  |

Source : CSO

Note : **Arrivals** are all overseas trips into an Ireland port, including transfers, overnights and day-trips.

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

**Visitors** only include those who overnight in the destination

Latest results from the CSO indicate that there were 2,026,700 overseas arrivals to Ireland in the months January to March this year, an increase of +5.5% on the same period in 2018. Arrivals from North America were up +10.8%; from Mainland Europe, up +7.6%; from Emerging Markets, up +6.9%; and from Great Britain up +1.4%. However, it is still early days. Data for overseas visitors to Northern Ireland for the same period is not yet available.

## 4.2 Air and Sea Connectivity

| Air Access<br>Seat Capacity Estimates |            | Summer 2019 vs. Summer 2018 |                   |  |
|---------------------------------------|------------|-----------------------------|-------------------|--|
| YOY % Change                          | Ireland    | NI                          | Island of Ireland |  |
| Great Britain                         | NC         | +1%                         | NC                |  |
| Mainland Europe                       | +6%        | NC                          | +5%               |  |
| North America**                       | +6%        | -100%                       | +4%               |  |
| Rest of World                         | +17%       | NA                          | +17%              |  |
| <b>Overall</b>                        | <b>+4%</b> | <b>NC</b>                   | <b>+3%</b>        |  |

*Source: Based on the TTC Summer Access Inventory Report 2019 - Sourced from OAG/airlines scheduled direct one-way weekly seat capacity July 2019. NA= Not applicable. NC= No change.*

The air access outlook for the summer 2019 season is positive overall. Latest estimates suggest that available air seat capacity to the island of Ireland over the peak summer months is forecast to grow by +4% when compared to the same period a year ago. However, the operating environment for airlines is currently challenging.

The full impact of the grounding of B737 MAX aircraft remains uncertain. Aer Lingus has adjusted its North American summer 2019 schedule due to an aircraft delivery delay. Ryanair has announced a reduction in its London Stansted/Belfast service from 22 to 2 flights a week (Friday and Sunday) from the 2nd June. This will have a significant impact on capacity between GB and Northern Ireland which will now grow by only +1% for summer 2019 when compared to last summer. Flybe encountered pilot rostering issues in April which resulted in some cancellations. Norwegian Airlines plans to reduce the number of aircraft at Dublin Airport to one or two next September, from the six scheduled this summer.

Ferry access is also projected to increase this summer, aided by Irish Ferries launching the W.B. Yeats on the Cherbourg-Dublin route and boosting available car capacity by +10% from Mainland Europe.



### 4.3 Total Passenger Numbers

|                               | Total Pax 2018* | % change 2018 | Feb 2019 | Mar 2019 |
|-------------------------------|-----------------|---------------|----------|----------|
| <b>ROI sea passengers</b>     | 3m              | -2%           | -7%      | -10%     |
| <b>NI sea passengers</b>      | 2.1m            | -1%           | +4%      | -9%      |
| Dublin Airport                | 31.5m           | +6%           | +9%      | +9%      |
| Shannon Airport               | 1.9m            | +6%           | -2%      | -10%     |
| Cork Airport                  | 2.4m            | +4%           | +10%     | +11%     |
| Ireland West Airport Knock    | 0.77m           | +3%           | +6%      | +13%     |
| <b>All ROI Airports</b>       | 36.2m           | +6%           | +8%      | +9%      |
| Belfast International Airport | 6.3m            | +7%           | +17%     | +8%      |
| Belfast City Airport          | 2.5m            | -2%           | 0%       | +2%      |
| City of Derry Airport         | 0.2m            | -4%           | -7%      | n/a      |
| <b>All NI Airports</b>        | 9m              | +4%           | 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

For the month of March 2019, air passenger traffic growth of +9% was recorded at airports in Ireland. Sea passenger numbers to and from Ireland were down -10% YOY for the same month, but it's important to note that Easter fell in April this year. Latest published sea passengers to and from Northern Ireland for the month of March were down -9%.

## 4.4 Accommodation

### Hotel accommodation data estimates





| Hotel Accommodation<br>January - March 2019 |           |                    |            |                       |                    |
|---|-----------|--------------------|------------|-----------------------|--------------------|
|   | Occupancy |                    | Room Sales | ADR                   |                    |
|   | %         | % change<br>v 2018 | %          | Average Daily<br>Rate | % change<br>v 2018 |
| Island of Ireland                           | 66.5%     | -0.3%              | +2.7%      | €108.63               | +1.1%              |
| Northern Ireland                            | 61.1%     | -7.9%              | +2.8%      | £68.69                | -4.9%              |
| Ireland                                     | 67.4%     | +0.9%              | +2.7%      | €112.82               | +1.5%              |
| Scotland                                    | 65.2%     | -0.7%              | +3.0%      | £64.76                | -4.0%              |
| England                                     | 70.6%     | +0.2%              | +2.5%      | £84.11                | +0.1%              |

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 reported that hotels across the island of Ireland experienced moderate growth in terms of average daily rate in Q1 this year, with occupancy declining slightly by -0.3%. Room sales increased by +2.7% for the period January to March 2019.

During Q1 2019 the average daily rate in Northern Ireland declined by -4.9%, while occupancy declined by -7.9% YOY. However, rooms sold in Northern Ireland for the period January to March increased by +2.8%.

## 4.5 Island of Ireland Industry Feedback

| Barometer  | What they said ...   |
|--|--|
| <p>Mixed</p>     | <p><b>Accommodation providers</b></p> <p>Northern Ireland hotels are expressing cautious optimism as the market adjusts to the increased supply of hotel rooms (+26% YTD). While Q1 was somewhat disappointing, the summer season appears to be trading well, with indications that summer 2019 is likely to be positive overall. Promotional initiatives are expected to stimulate business as the season unfolds.</p> <p>Hotel and guesthouse sources in Ireland remain concerned about the impact of the VAT hike on business, while room rates, occupancy levels and room sales continue to grow. Feedback from the self-catering and B&amp;B sectors in Ireland is positive, with sources reporting good bookings for the year ahead.</p> |
| <p>Mixed</p>    | <p><b>Air and sea carriers</b></p> <p>Feedback from air carriers is moderately positive with mixed outlook from some partners. Competitive pressures, rising fuel costs, uncertainty in markets and slowing economies are all contributing to a more cautious mood.</p> <p>There's also significant competitive pressure in the ferry market with sea carriers generally cautious about yields, while also aware of the potential impact of the UK's proposed withdrawal from the EU.</p>  |
| <p>Bright</p>  | <p><b>Attractions</b></p> <p>Feedback from attractions across Ireland is positive overall, with cautiously optimistic sentiment for the year ahead. The majority of partners are expecting good growth, although the potential impact of Brexit and the increase in the VAT rate remain key concerns.</p> <p>Sources in Northern Ireland also report a strong Q1 performance from overseas visitors, with some larger attractions experiencing double digit growth in international visitors. Partners are optimistic for further growth as the tourism season unfolds.</p>  |
| <p>Mixed</p>   | <p><b>Tour Operators</b></p> <p>There is mixed sentiment for 2019 among tour operator partners in all markets. The uncertainty of Brexit, increased VAT in Ireland and capacity and rate challenges continue to cause some concern.</p>  |

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



## 4.6 Tourism Ireland Market Outlook

**Great Britain:** The outlook from GB is cautiously positive overall. The EU withdrawal extension to 31 October is reportedly having a positive effect, giving outbound travellers the confidence to book holidays and business travel in the short-term. Air carrier forward bookings for May and June are in line with last year, while sea carriers are reporting that northern and southern corridor routes are performing well, though bookings on the central corridor into Dublin are somewhat slower. Joint promotional campaigns with Tourism Ireland are expected to stimulate demand for the season ahead. OTA bookings for the summer season are broadly in line with last year, with forward bookings for June, July and August performing well. Tour operators are reporting a slowing in bookings after a good Q1, this is attributed to Brexit/EU exit related consumer caution.

**North America and Australia:** In the **US**, outlook is somewhat mixed, with some sectors of the market performing better than others. While the escorted tour sector is seeing a distinct slowdown in business, FIT travel is experiencing strong growth, with the private tour segment performing particularly well. OTAs are also reporting a strong demand for accommodation on the island of Ireland in 2019. Airlines are positive overall with peak season airfares remaining competitive and forward bookings strong. The grounding of the B737 max aircraft is posing difficulties for Norwegian Air, who are combining Providence and Stewart operations into Stewart and Shannon/Cork departures have been moved to Dublin with no date set for a return to operations of the max aircraft. In **Canada**, the outlook is positive overall, with growth expected this year. Despite a slow start, the market is seeing an uplift in bookings in recent months. There has been a notable growth in interest in self-catering and B&B accommodation, with demand for off-the-beaten track itineraries and small escorted adventure groups also increasing. Trade partners are reporting greater demand for Northern Ireland this year. In **Australia**, outlook is cautiously positive overall, inspired by good growth to the island of Ireland in Q1 2019. While forward bookings are good, the market is somewhat cautious as national elections approach and airlines continue to experience challenges in a highly competitive environment.

**Mainland Europe:** In **Germany**, partner sentiment remains quite muted with a flat performance to date and few indications for significant growth in the months ahead. While FIT bookings to the island of Ireland are somewhat steady, wholesalers and carriers are reporting that group bookings are down. The coach and car touring sector is seeing large decreases in bookings for travel via GB (-25% to -30%) and this is most likely as a result of Brexit-related concerns. The increase in overall air capacity is expected to have a positive effect this year. In **France**, the outlook is positive with spring and summer bookings performing well so far this year. Tour operator partners are seeing good demand for their island of Ireland programmes and are on track for a strong 2019 performance to the island. In **Spain**, outlook is positive with local market operator reports of a buoyant April with solid Easter sales. Trade operators are reporting strong growth for Northern Ireland in particular, and positive results from joint promotional campaigns with Tourism Ireland. While it's too early to

call the summer season - given the Spanish market's late booking pattern, early indications are positive and booking activity is expected to increase after Easter and the May bank holiday. Expanded access from Madrid to Dublin for the summer season is also expected to have a positive effect. In **Italy**, outlook for the season ahead remains positive, with good indications from the market. The timing of Easter and two subsequent bank holidays has stimulated demand for short breaks and delayed summer holiday bookings, however booking activity is expected to revive in the coming weeks. In **Belgium and The Netherlands**, sentiment on travel to the island of Ireland is quite muted this year. Local trade magazine *Travel360°* reports a delay in summer holiday bookings due to negative geo-political sentiment, but forecasts a revival from mid-May. This is reflected in tour operator feedback which also reports a slow start for bookings to the island of Ireland and other European destinations. In **The Nordics**, sentiment is positive on the back of a strong Q1 performance. Growth for this period of the tourism year has been consistently positive in recent years on the strength of good year-round access and campaigns promoting early season holidays. Local operator partners are reporting steady business and consumer sentiment is strong with excellent results in digital campaigns from Q1. However, some concerns remain regarding accommodation availability during peak season events.

**Emerging Markets:** The outlook for travel to the island of Ireland from **China** is positive for the year ahead. There are good bookings on the three direct routes from China into the island of Ireland, with strong interest in both UK and Ireland and single destination island of Ireland packages. Recent improvements to the British Irish Visa Scheme system are also having a positive effect. However, Britain's withdrawal from the EU remains a concern for market trade offering UK + Ireland programmes. In the **UAE**, market trade have reported an increase in interest in family holidays to Ireland, with visa liberalisation having a positive effect. Promotional efforts are underway in the market to capitalise on this demand for the upcoming summer season, with an expansion of island of Ireland programmes by local market operators. School tour packages continue to be a focus for the travel trade in the UAE and inquiries have reportedly increased for the island of Ireland. In **India**, market operators are forecasting strong double-digit growth in tourism numbers from the market this year with a range of new promotions and programmes stimulating demand.

## 5. Conclusion

Although sentiment from overseas markets is mixed overall, indications remain positive for modest growth in overseas tourism to the island of Ireland in 2019. Despite geo-political uncertainty causing unease in overseas markets, many industry partners at home and market-based trade contacts remain generally optimistic about the year ahead. We are conscious that the continuing uncertainty around the UK's exit from the EU may be impacting booking patterns in some Mainland European markets and giving rise to some concern. We are monitoring this very closely, in consultation with industry partners at home and overseas.

Tourism Ireland marketing campaigns continue in full swing across markets, helping to stimulate bookings for the summer and the rest of the year. Our new global marketing campaign *Fill your Heart with Ireland* continues to roll out in key markets, helping to keep the spotlight on the island of Ireland at this important time. Campaigns with carriers and OTAs also continue, highlighting ease of access and good value offers from the industry to build on last year's record and maximise overseas tourism revenue this year.

We also continue to work closely with our colleagues in Fáilte Ireland and Tourism Northern Ireland.