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# Speech by Minister Catherine Martin on the Recovery and Reopening of Tourism and Aviation

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Statement by the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, Catherine Martin T.D. to Dáil Éireann

The Recovery and Reopening of Tourism and Aviation

Thursday, 7th October 2021

Tá an-áthas orm labhairt libh inniu, mar aon leis an Aire Stáit Naughton, faoi théarnamh ár n-earnálacha turasóireachta agus eitlíochta; dhá earnáil le dlúthnaisc eatarthu.

I am pleased to have the opportunity, together with Minister of State Naughton, to speak to you today about the recovery and reopening of our tourism and aviation sectors; two sectors with close linkages.

The past 18 months have been an incredibly difficult time for everyone working in our tourism industry. However, as our economy and society have opened up again over the last few months, and as pandemic restrictions are eased further, we can begin to look forward to a sustainable recovery for this vital indigenous economic sector.

The importance of Tourism in Ireland cannot be understated; it is a sector that has made a huge economic and social contribution in recent years right across the country. I am confident that, with our support, it will recover fully from this

crisis and thrive again in a manner which is economically, socially and environmentally sustainable.

In 2019, prior to the onset of the COVID-19 pandemic, tourism was worth €9.5 billion in total to our economy from overseas and domestic tourism combined. Fáilte Ireland has previously estimated that 23 cent in every €1 generated in tourism expenditure went back to the exchequer in tax revenues, this equates to €1.8 billion in exchequer revenue. Tourism supported 260,000 jobs across the country, both in remote rural areas as well as in our towns and cities. It sustains communities and drives regional development in a manner that most other industries struggle to emulate.

The tourism landscape changed drastically in early 2020 with the outbreak and spread of COVID-19. It has had a devastating impact on our tourism industry here in Ireland and all across the world. The pandemic struck Irish tourism towards the end of the first quarter of 2020 by which stage only 10-15% of annual overseas spending would have accrued. After the first quarter there was a collapse in overseas travel and the OECD estimates that international tourism worldwide fell by 80% overall in 2020.

Since the advent of COVID-19 and the consequential and necessary public health measures, many of the jobs supported by tourism have been lost or are surviving with State support and income from the sector is a fraction of what it was in 2019. Last year, the Tourism Recovery Taskforce estimated that, of the 260,000 jobs in the sector prior to the onset of the pandemic, 180,000 are either lost or vulnerable.

The fact that we had successful domestic summer seasons last year and this year has been hugely welcome and helpful to the sector. However, the sector cannot begin to fully recover until inbound overseas tourism resumes in a meaningful way.

Last year a Tourism Recovery Taskforce was put in place to prepare a Tourism Recovery Plan with recommendations on how best the Irish Tourism sector can adapt and recover in a changed tourism environment as a result of the crisis. The Taskforce presented the plan to me last September and it has been more than useful for both my cabinet colleagues and myself in considering measures that can assist the sector.

I appointed a Recovery Oversight Group to oversee the implementation of the Tourism Recovery Plan and they report to me on a regular basis with updates on implementation and the recovery of the sector.

The group have just submitted their third report to me. I will use the report as an important policy consideration as I continue my work, alongside my colleagues, to support the tourism sector in this most challenging period. What is clear is that really substantial progress that has been made in helping tourism to survive and recover from the COVID crisis.

Since the beginning of the pandemic in Ireland, it has been clear that the tourism sector would be severely impacted. My Department, together with Fáilte Ireland and wider Government, have responded to this challenge by providing the supports that would enable strategic tourism businesses survive the pandemic and re-emerge in a safe and sustainable manner.

In the final months of 2020, I allocated funding to Fáilte Ireland to administer a Covid-19 Adaptation Fund; an Ireland-Based Inbound Agents Business Continuity Scheme and a Coach Tourism Operators Business Continuity Scheme. Fáilte Ireland also administered the Restart Grant Plus for B&Bs, on behalf of the Department of Enterprise, Trade & Employment.

In Budget 2021, I secured a record level of funding of just under €221 million for tourism, including €55 million for Fáilte Ireland's Tourism Business Continuity Scheme. The purpose of this Scheme is to support strategic tourism businesses to survive through the pandemic and help drive the recovery of tourism.

In total, since the start of the Covid-19 pandemic, I understand that in excess of €77 million has been paid out for these dedicated tourism supports.

The VAT reduction to 9% out to September 2022, has also given the tourism and hospitality sector some additional breathing space, and is helping with their viability and price competitiveness.

In addition to these direct tourism-specific supports, tourism businesses have benefited from horizontal supports such as the Covid Restrictions Support Scheme (CRSS), the Employment Wage Subsidy Scheme (EWSS) and Pandemic Unemployment Payment (PUP), as well as the commercial rates waiver, tax

debt warehousing and other initiatives such as Pathways to Work and the Business Resumption Support Scheme.

One striking statistic is that employees in the Accommodation and Food Services sector alone have been supported to the tune of over €1.5 billion from the EWSS and its predecessor the TWSS. This is a remarkable figure which shows this Government's commitment to those whose livelihoods have been so negatively impacted by the crisis.

In the Economic Recovery Plan, we acknowledge that continuing support for the tourism sector will be important for the coming adjustment period as public health restrictions are lifted and international travel is restored.

I am currently engaged with my Government colleagues in preparing for next week's Budget. We will consider both the importance of economy-wide support measures for tourism jobs and businesses but also any additional sector specific measures which may be required.

Any further measures must be directed at those businesses and jobs with ongoing difficulties and the restoration of international tourism.

While our domestic tourism market has helped sustain the industry, it now needs international visitors to return in significant numbers in order to facilitate a meaningful recovery. In 2019, overseas tourists spent over €5.1 billion in our economy.

Since the easing of restrictions on the 19th of July overseas visitors have started to return to our shores but at a much lower level than prior to the pandemic.

The competition globally to attract tourism will be more challenging than ever. To this end Tourism Ireland have started to 'roll out the green carpet' and welcome back our international visitors as they work to encourage as many overseas holidaymakers as possible to book Ireland for their next holiday destination. The concept revolves around creating a commitment to travel, by 'pressing the Green Button' – green being the universal colour of 'go' and instinctively connected with the island of Ireland. I was happy to help Tourism Ireland launch this new campaign in both the UK and the United States recently when I travelled to both markets to engage with our industry partners to reassure them that Ireland was open and waiting to welcome back visitors.

Connectivity is a huge part of the picture here. Air access for tourism is a virtuous circle; increased access drives tourism and increased demand for tourism helps to increase air capacity.

I am aware, of course, that aviation poses challenges for the environment and I look forward to Minister of State Naughton's comments on that.

At the start of this week, the Government launched the new National Development Plan 2021-2030. With provision for €165 billion worth of investment, this is the largest National Development Plan ever delivered in the history of the State. The capital investment priorities for my Department will support economic recovery and resilience in the tourism, culture, arts, Gaeltacht, sport and media sectors, while also enhancing individual and community wellbeing and advancing social, economic and environmental sustainability to protect our unique cultural, linguistic and sporting heritage for generations to come.

The COVID-19 pandemic had a devastating impact on the tourism industry. As we rebuild this vital sector, we must build it back in a way that ensures the contribution of the tourism sector to our economic recovery, providing sustainable employment across Ireland in a way that protects our unique environment.

With specific regard to tourism capital investment, I look forward to seeing the delivery of projects that will support a sustainable tourism sector - sustainable from an environmental, social, and economic perspective. The new National Development Plan provides for the delivery of enhanced amenity through investment in tourism product development, including through Platforms for Growth - Fáilte Ireland's capital investment strategy to target projects that have the greatest potential to grow and foster sustainable tourism.

Through this first platform, significant Fáilte Ireland investment totalling over €44 million was announced in June 2021 to develop four new world-class tourist attractions in the following locations:

- Shannon Pot & Cavan Burren Park, in Co. Cavan
- Fort Dunree in Donegal
- 'This is Ireland' North City Centre in Dublin, and
- Westport House Estate & Gardens in Mayo

In addition to the Fáilte Ireland allocations, match funding of €29 million from public and private project partners brings the total investment in these attractions to €73 million.

I am also excited about the investments we are making in redeveloping and enhancing the sustainability of our national and regional cultural infrastructure, including significant capital projects at our National Cultural Institutions. For example, the ambitious redevelopment plans for the Crawford Art Gallery in Cork will open up our national collections to even more people, enhancing the visitor experience of the gallery while also protecting and enhancing the sustainability of this historic building at the heart of the city.

While there are many challenges ahead, the Government is committed to continuing support for tourism and to working towards its full reopening and recovery.

From a tourism perspective, a real recovery will only be possible when inbound international tourism returns. Ireland's tourism sector is, compared with most other EU member states, highly dependent on overseas travel accounting for some 75% of spending in Ireland by tourists. Since the pandemic there has been a complete collapse in overseas travel to Ireland.

That does not mean that we should not maximise the domestic opportunity over the next few years. While the level of demand from the home market cannot compensate for the loss of overseas tourism, it plays a vital bridging role in getting the industry through the current survival phase.

Recruitment continues to be a significant challenge for the tourism sector, with up to two-thirds of businesses reporting reduced capacity due to staff shortages. My Department and Fáilte Ireland have been collaborating with industry and other Government Departments to ensure that there is a coordinated approach to addressing the labour and skills shortages.

A collaborative approach by stakeholders, including Industry Bodies, Education Providers, Government Departments and State Agencies will be required to address the skills shortages in the Tourism Sector. As tourism and hospitality is a major employer in Ireland, this will be vital for the recovery of the sector, which provides employment in all parts of the country.

Prior to the pandemic it was becoming clear that the traditional model of tourism was changing. As a Green Party Minister, I am concerned about the tourism impacts on our natural environment and local communities. In this regard, officials within my Department have initiated the development of a new national tourism policy which seeks to mainstream the concept of sustainability. The development of this new policy gives us an opportunity to set out what type of tourism sector we want out to 2030 and beyond.

Both the tourism and aviation sectors have proven themselves resilient before and I am optimistic that, as our economy and society begins to open up, they will recover from this crisis and thrive again.

I would like to thank the deputies for their important contributions to this debate today.

We are on track to remove most remaining restrictions from 22nd October. This will provide a further boost to the tourism sector.

In the meantime, our primary focus is to continue with our careful and gradual approach to easing remaining restrictions and facilitating full reopening from 22nd October, while supporting the maximum reach of the vaccine programme and allowing time to achieve the full benefits for all those currently being vaccinated.

Government will meet in advance of 22nd October to decide on the next phase of easing of restrictions and what, if any, further guidance might be required beyond that date.

Overall, I am confident that our trajectory in terms of managing COVID is very positive. This, along with our hugely successful vaccination programme, means that we should be viewed as a safe destination for holidaymakers and I will be asking our agencies to get this message across.

In relation to supporting direct access into our regional airports, I provide funding to Tourism Ireland for the Regional Cooperative Market Access Scheme.

The purpose of this scheme is to promote direct air and sea access routes into Ireland's tourism experience brand regions with matching funding from airlines, sea carriers, airports, ports and regional tourism stakeholders including local authorities.

In this regard, I am happy to report that for 2021, I have increased the funding available for the Scheme to €3 million – up from the €2.5 million available last year before the pandemic struck.

In order to help to stimulate inbound tourism directly into our regions, Tourism Ireland is currently engaged with a number of air carriers to support the promotion of routes into our regional airports.

Aside from this, Tourism Ireland also engages in cooperative marketing with Dublin Airport to support inbound routes with strong tourism potential.

With specific regard to business tourism and related events, Fáilte Ireland recently briefed the industry on its plans to support the sector and rebuild a strong pipeline of events. Thanks to the collaborative efforts of industry and the tourism agencies, I understand that over 280 important events lined up before the pandemic but subsequently postponed have now been rescheduled, which is worth in the region of €200 million to the economy.

Another exciting event that has been rescheduled is the highly anticipated “Aer Lingus College Football Classic”, which was originally due to kick-off in Dublin 2020 but will now take place in 2022 with the first game between North Western University and The University of Nebraska. This, in its first year, will attract in excess of 25,000 visitors, most from the USA and many who are expected to stay for a week or longer. This event is expected to generate some €63m alone for the Irish economy next year. And, as ever, these types of events, like the Ryder Cup in 2027 in Adare, Co Limerick, are also a fantastic opportunity to showcase our beautiful country and the many attractions that we offer as a holiday destination.

While our focus is rightly on the survival of our tourism sector, we must also begin planning for a sustainable recovery. The global health crisis has left our tourism sector in a state of shock but it has also provided an opportunity now to address sustainable tourism development in a more meaningful way during the recovery and rebuilding phase following this crisis.

A Sustainable Tourism Working Group, established under the Tourism Action Plan 2019-2021, published a report setting out the ambition for sustainable tourism in Ireland as well as a number of guiding principles for sustainable tourism development. This Group has also drawn up an interim action plan,

which will be published shortly, that aims to promote sustainable tourism practices out to 2023.

In line with our Programme for Government commitments, as I have outlined, officials within my Department have initiated the development of a new national tourism policy which mainstreams sustainability. The development of this new policy will be informed by and build upon the work undertaken by the Sustainable Tourism Working Group and be consistent with our sectoral climate change targets and commitments.

It is clear that the traditional model of tourism is changing and the development of this new national tourism policy gives us an opportunity to set out what type of tourism sector we want out to 2030 and beyond. Tourism has proven itself resilient before and I am confident that, with the support of Government, it will recover from this crisis and thrive again in a manner which is economically, socially and environmentally sustainable.

I look forward to a sector that will support economic growth in communities throughout the country and with a greater spread of demand across the year. In delivering high quality tourism experiences that exceed our visitors' expectations, we should do so in a manner that minimises any negative environmental or community impacts.

Of course, as an island nation, we are highly dependent on air access, not just for tourism but across the economy. The new tourism policy will aim to strike a balance between tourism's dependence on aviation and our aim to have a more sustainable sector. I was very pleased to hear from Minister Naughton about the work being done in the aviation sector to make it a more sustainable form of transport.

Tuigim go maith na dúshláin ollmhóra atá roimh an turasóireacht agus leanfaidh mé ag obair le mo chomhghleacaithe sa Rialtas chun a chinntiú go dtabharfar gach tacaíocht is féidir don earnáil chun é a chur ar a cumas teacht slán ón bpaindéim agus tógáil ar bhealach níos seasmhaí, níos digitithe, níos glaise agus níos inbhuanaithe.

I am fully aware of the huge challenges facing tourism and I will continue to work with my colleagues in Government to ensure that the sector is given every possible support to enable it to emerge intact from the pandemic and to build back in a more resilient, digitalised, greener and sustainable way.

Go raibh maith agaibh go léir.