

General Election Manifesto

Voting for Tourism ✓

OCTOBER 2024



**The case for tourism as
a key employer, export
industry and economic
engine for growth and
regional balance**



Irish tourism and hospitality is the country's largest indigenous industry and biggest regional employer. According to the CSO 257,900 people directly work in the sector with 70% of jobs in regional Ireland. The Irish Tourism Industry Confederation (ITIC), representing the leading stakeholders in the sector, have set an ambitious goal of revenue growth of **50%** by 2030 which will be beneficial for the exchequer, employment and business.

However a number of headwinds and roadblocks exist which need to be remedied if the industry is to prosper and fulfil its environmental obligations.

Ireland must not take tourism success for granted in a highly competitive global context. The next Government has the opportunity to create the **enabling environment** for the industry to succeed and ITIC outline the follow **7 key areas** that form our Tourism Manifesto.

We urge all political parties to adopt the measures and ensure tourism is elevated and amplified within the next Programme for Government.

1 Whole of Government Approach

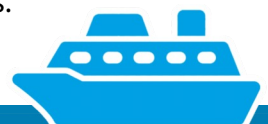
ITIC calls for a bold and ambitious national tourism policy to reflect the industry's aspirations for the sector. Responsible growth, regional economic balance and sustainable jobs must be sought for such a vital industry that showcases the best of the country to a domestic market and international audience. A whole of Government approach is needed due to the strategic importance of tourism to the Irish socio-economic fabric from public realm to transport to the environment.

2 Competitiveness

It is an accepted fact that Ireland is a high-cost environment for business compared to international peers. The high cost of labour, construction, credit, energy and other input costs are way out of line with our competitor set. Government's own analysis identifies hospitality as being most impacted by payroll legislation changes, and, for labour-intensive sectors such as tourism, this results in elevated prices that damage demand or squeezed profit margins that damage viability. Government must work to improve the sector's competitiveness including restoring the 9% VAT rate for tourism services as well as moderating additional labour increases in line with inflation. Reform is needed in the areas of excise tax, insurance and retail tax back thresholds. All future policy changes must pass an SME stress-test before implementation.

3 Connectivity

As an island nation connectivity by air and sea is absolutely critical to a tourism industry that depends on the majority of its revenue from international visitation. Government needs to develop all state airports to enhance connectivity and infrastructure in a sustainable manner to meet our country's future travel needs. The passenger cap at Dublin needs to be lifted without further delay. Ireland's state aid rules for regional airports need to be aligned with EU permissible levels. Connectivity around the country must be improved and rail links to Dublin and Shannon airports must be prioritised, as well as enhanced public transport to Cork Airport in order to optimise access to all three state airports.





4 Political configuration

ITIC is of the view that tourism needs to move from its current departmental home to an economic portfolio. As such a key export industry - bringing foreign revenue into the country and employing 1 in 9 people - all decisions and policy must be formulated primarily with an economic lens. A Department of Enterprise, Tourism, Trade and Employment would mean that the Senior Minister and Departmental officials would treat tourism and hospitality opportunities and challenges with the appropriate economic rigour. A dedicated Minister of State for Tourism also needs to be re-installed, an important position that served alongside the senior Minister up to 2020.

5 Capacity

For a sector such as tourism to grow there needs to be additional capacity stimulated to cater for future demand. In that context additional hotel stock needs to be stimulated in parts of the country, car hire VAT reform is needed to build fleets, and a careful balance must be sought between housing and tourism so that the self-catering sector is protected in regional Ireland and a fit-for-purpose register is created for short-term rentals. Government must lessen its dependence on hotels and guesthouses for refugees and asylum seekers and return these tourism beds to the visitor economy. State heritage assets need to be sustainably developed and utilised for the visitor to benefit local communities.

6 Investment

ITIC calls for a doubling of investment in tourism. Currently at €226 million ITIC argue that this is wholly inadequate for one of the few sectors that can provide regional economic balance. New product development is required to create experiences of scale and international appeal, a step-change is needed in marketing investment, and additional sustainability budgets will be required to help the industry on the path to decarbonisation. An appropriate proportion of the National Training Fund which stands at €1.5 billion should be earmarked for tourism and hospitality for upskilling and training needs.

7 Sustainability

Ireland's tourism industry is fully committed to the State's climate action obligations. Significant strides and initiatives within industry are happening but need to be supported with appropriate resources to ensure that big-ticket items like retrofitting and green energy can be implemented. EV infrastructure must be rolled out expeditiously, Ireland has the opportunity to become a production and development hub for Sustainable Aviation Fuel, and taxation on green fuels such as hydro-treated vegetable oil needs to be reformed.





Tourism and hospitality in numbers



13%

of national workforce



46,000

businesses according to CSO

70%

of employment in
regional Ireland



€10bn

Value to exchequer



-92%

carbon reduction of
Shannon boat cruisers

23c

of every tourism euro
spent goes to the
exchequer in taxes



75%

of tourism is
dependent on
international
visitation



€2.50

is spent on
downstream tourism
for every €1 spent
on accommodation

