

Ireland

Market Summary

With rising unemployment, a collapsed property market and media claims of government corruption, overall consumer confidence is at an all time low. Companies, particularly small to medium size business, are closing down due to lack of financial viability and anecdotal feedback from the Irish trade industry has reported that as many as thirty travel agencies have ceased business since June 2009.

With the economic situation being one of the worst in the EU, tourism operators report that this is impacting on consumer sentiment for travel, with booking lead time continuing to contract. Arrivals from the Irish market have mainly been attributable to the resilience of the under 30 segment, as well as continued discounting by airlines and tour operators. The Irish market remains very price driven.

1. Market News

- Budget deficits averaging 12.8 per cent of GDP are expected in 2009 and 2010, despite large tax rises and some significant reductions in public expenditure. Along with the fiscal costs of the depression, the cost of bailing out the financial system is as yet unknown and not factored into government calculations.

Source: http://www.economist.com/displayStory.cfm?story_id=14252575, 28 August 2009

- Ireland's Central Bank has issued its forecast for the rest of the year and next, saying it expects unemployment to rise to 15 per cent next year. In its quarterly report, the bank gave a sullen prediction for the coming year, suggesting Ireland could have the highest government deficit in the EU for the second year running. The report also said the economy will shrink by 8.3 per cent this year and by an expected 2.7 per cent in 2010.

Source: http://www.4ie.ie/irish_news.asp?id=97271, 28 August 2009

- Fáilte Ireland May traffic statistics confirm that Ireland's passenger air traffic decline is accelerating as May 2009 traffic fell by 15 per cent, much greater than the 10 per cent decline of the first four months to April 2009. Since the Government's €10 tax was introduced in April 2009, the rate of traffic decline and tourism collapse has accelerated.

Source:

http://peanuts.aero/low_cost_airline_news/airline/26812/59/F%C3%A1ilte+Ireland+May+

[Statistics+Confirm+that+Ireland%E2%80%99s+Traffic+Decline+is+Accelerating](#) , 25 August 2009

- Aer Lingus have reported an operating loss of €93 million for the first half of this year. The airline says total passenger numbers were up 1.7 per cent to almost five million, but revenue was down 12 per cent compared to the first six months of 2008. It says it is taking action to make €65 million worth of savings this year, but says the months ahead will be challenging and the outlook is uncertain.

Source: <http://www.independent.ie/breaking-news/national-news/business/aer-lingus-reports-euro93m-operating-loss-1870887.html>, 27 August 2009

- The Irish Farmers' Association (IFA) has launched its campaign for a Yes vote in the Lisbon EU treaty referendum. IFA president, Pdraig Walshe, has come under criticism for supporting the Lisbon treaty. A new 'Farmers for No' group has warned a Yes vote in Lisbon would jeopardise farm succession rights and lead to a massive influx of Turkish farmers into the EU.

Source: <http://www.irishtimes.com/newspaper/breaking/2009/0827/breaking17.htm>, 27 August 2009

- The European Commission is to introduce a range of new measures aimed at protecting consumers who use the internet to book holidays. Consumer Affairs Commissioner, Meglena Kuneva, made the announcement of an overhaul of legislation governing holiday packages at the start of a two-day visit to Ireland. She said current the holiday protection currently offered by EU law did not reflect changes in the market place over the last decade.

Source: <http://www.irishtimes.com/newspaper/breaking/2009/0827/breaking35.htm>, 27 August 2009

2. Consumer Insights

- Results of Fáilte Ireland's Visitor Attitude Survey revealed that 52 per cent of visitors to Ireland would seek to stay in a hotel that has reduced its environmental impact and 35 per cent would pay more. The survey, which was carried out amongst 5,700 overseas holidaymakers who completed questionnaires between May to October 2008, revealed a strong trend of visitors becoming more environmentally aware and more conscious about the impact of their activities. One in every three visitors think about the environmental impact when booking their holidays, and nearly half of visitors surveyed agree to some extent that they would seek to offset carbon emissions when flying on holiday.

Source: http://www.travelmole.com/stories/1137915.php?mpnlog=1&m_id=nvbbbm, 27 August 2009

- More than half of the Irish population will holiday in Ireland this summer, according to a new survey that suggests the recession is having a clear effect on travel trends. The research found that 55 per cent of Irish people will 'staycation' over the next few months, compared with 27 per cent last summer.

Source: *Irish Times* 4 July 2009

For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- Budget Travel announced on 21 August 2009 the proposed closure of 14 of their 31 offices, as well as letting 95 staff go; 75 in retail shops and 20 in their Head Office. Irish tour operators estimate an overall consumer demand drop of 40 per cent on last year.
- Since ATE 09 in Melbourne, over 30 travel agencies have closed in Ireland.
- Research commissioned by Fáilte Ireland earlier this year found that 23 per cent of people were planning to reduce spending on foreign holidays this year.
- Cruising line, Royal Caribbean, has reported an increase of 21 per cent in sales for first six months of 2009, relative to 2008. Anecdotal feedback from the trade is that the cruise market has continued to show some resilience with the older demographic of the market.
- As at July 2009, there were 211 Aussie Specialist agents, of which 63 per cent were fully qualified.

4. Airline News

- Despite the current economic downturn, Etihad are reporting very strong growth out of Ireland. Etihad continue to be the only airline offering one stop to Australia.

5. Competitor News

- Recently released figures from Fáilte Ireland show that overseas visits to the www.discoverireland.com website up to the end of June 2009 surpassed 5.9 million, representing a 21 per cent increase in the organisation's web activity over the same period in 2008. In the month of June alone, there were over 1 million visits to the site. This follows on from last year's record for www.discoverireland.com, when the sites attracted 10.3 million visits, a 54 per cent increase on 2007.

Source: http://www.waterford-today.ie/index.php?option=com_content&task=view&id=6458&Itemid=1&ed=659 , 25 August 2009

- Operators report there is little competitor activity in the market currently, other than New York Company which held a Dublin sales mission in June.

6. Key Campaigns and Activities in Market

Current Campaigns and Activities – Jun/Jul/Aug				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
1 June 2009	16 June 2009	<p><i>USIT co-operative campaign</i></p> <p>12 tram columns on the Luas line in Dublin covered in creative to inspire Irish Working Holiday Makers to travel to Australia.</p> <p>Commuter cards on Dart trains, Dublin buses, regional buses and Arrow services with creative to inspire Irish Working Holiday Makers to travel to Australia</p> <p>Location: Dublin</p>	Working Holiday Makers and youths (18-30 year olds)	USIT
15 June 2009	19 June 2009	<p><i>ATE Melbourne</i></p> <p>Three Irish delegates from three companies attended ATE in Melbourne, with one company being a new recruit</p> <p>Location: Australia</p>	Travel Trade	None
1 July 2009	30 September 2009	<p><i>Media Content</i></p> <p>JustSplit Magazine summer edition released with two-page <i>Two Week Walkabout</i> message.</p>	Travel agents and consumers	Justsplit.ie
24 July 2009	5 August 2009	<p><i>International Media Hosting Programme</i></p> <p>No Frontiers broadcast travelled to the Northern Territory and Tasmania to film two programs for the travel series. Shows to air in 2010.</p>	Consumers	Tourism Northern Territory, and Tourism Tasmania
20 August 2009	20 August 2009	<p><i>Irish Industry meeting</i></p> <p>Industry meeting held to engage with the Irish travel trade and discuss Tourism Australia's plans for 2009-10. Also provides a chance to get industry feedback on the current market situation and opportunities. 15 trade partners attended the meeting</p> <p>Location: Dublin</p>	Travel Trade	None

Upcoming Campaigns and Activities – Sept/Oct

START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
7 September 2009	20 September 2009	<i>USIT Co-operative Marketing campaign</i> A2 commuter cards and A2 bus interior formats across buses in Dublin, Cork and Limerick, promoting the Working Holiday Visa to 18-30 year old Irish consumers	Working Holiday Makers/Youth market	USIT
14 September 2009	12 October 2009	<i>Working Holiday Visa campaign</i> Online campaign promoting the Working Holiday Visa to Irish 18 to 30 year olds.	Working Holiday Makers	None