

## **TOURISM REPORTS**

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## **Introduction**

This paper is split into four sections. Part A outlines reviews by parliamentary committees, on the potential impact of tourism on the Northern Ireland economy. The review by the former Committee for Enterprise, Trade and Investment (October 2002), although interrupted by suspension, did manage to hold two major conferences on tourism. The Northern Ireland Affairs Committee published a report on tourism in Northern Ireland in February 2007. Some major issues addressed in this report are highlighted.

The Preparation for Government Committee Sub-Group on the Economy considered some aspects of the impact of tourism on the economy (September 2006). This information is set out in part B.

Part C provides a list of Northern Ireland Tourist Board publications relevant to economic development. Some background to the Tourism Strategy Forum, chaired by the Minister for Enterprise, Trade and Investment, is also provided. The next meeting of the forum is on Thursday 21 June 2007.

The Belfast Telegraph reported, in its edition of Monday 4 June, that Tourism Ireland has commenced a major review of the island's brand as a tourism destination. The terms of reference of this review have been set out in part D.

## **PART A**

### **(1) Committee for Enterprise, Trade and Investment tourism inquiry**

#### Terms of Reference

- (1) Consider the marketing of Northern Ireland as a tourist destination in the new dispensation and assess the potential for industry partnerships.
- (2) Identify the potential for product development and product integration appropriate to Northern Ireland's tourist market segments.
- (3) Assess the economic potential for the Tourism Industry in Northern Ireland as a region coming out of a state of conflict.
- (4) To report findings to the Assembly, the Department and/or others.

#### Conferences

The Committee organised conferences in Omagh and Coleraine that focused on:

- the role, responsibilities and obligations of the Northern Ireland Tourist Board (NITB) and Tourism Ireland;
- threats to tourism development;
- the interaction of organisations involved in tourism;
- access to Northern Ireland;
- identifying a "winning" Northern Ireland product;
- effective marketing; funding sources and needs; and
- training for the tourist industry.

#### Fact-finding visit

A fact-finding visit to Switzerland, Italy and France was organised for 15 October 2002 but was cancelled due to suspension. The objective was to visit an area in Europe where cross-border issues and difficulties are dealt with in an effective manner and to determine the extent to which such difficulties have been eliminated or remain as impediments to tourism. The inquiry was not completed.

### **(2) Northern Ireland Affairs Committee<sup>1</sup>**

The Northern Ireland Affairs Committee decided on 29 March 2006 to undertake an inquiry into Tourism and its Economic Impact and Benefits, specifically to examine:

*"The nature of tourism in Northern Ireland, its impact on and importance for the overall economy, and the effectiveness of measures taken by Government and other relevant agencies to*

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<sup>1</sup> Northern Ireland Affairs Committee, *Tourism in Northern Ireland and its Economic Impact and Benefits*, Third Report of Session 2006-07

*develop, promote and support the marketing of Northern Ireland as a tourist destination”*

The report was published on 28 February 2007. The Committee endeavoured to build on the work of the former Assembly Committee to identify ways in which Northern Ireland could maximise its tourist potential.

A government response was prepared but the Committee had no authority to expect a formal response to the report from relevant NI departments.

The report is provided in Appendix 1. The Conclusions and Recommendations are set out separately in Appendix 2. The narrative below, although not comprehensive, highlights some of the main issues that emerged from the inquiry.

### **Complexity of Structures**

The complexity of the departmental structures and the plethora of bodies involved in the delivery of tourism policy was emphasised throughout the inquiry. Professor Stephen Boyd from the School of Hospitality and Tourism Management at the University of Ulster, who advised the Committee, described the involvement of seven Government departments<sup>2</sup> in tourism as “crazy” and that a more simplified structure was needed.

Howard Hastings of the Hasting Hotel Group said that the involvement of seven departments made working with the government a complex process for the tourist industry. Co-ordination across the seven departments was also criticised.

The Committee determined that the involvement of seven departments in tourism has led to policy fragmentation, poor departmental co-ordination and confusion for the tourist industry. A Minister responsible for Tourism was suggested as a possible solution.

The Northern Ireland Tourist Industry Confederation (NITIC) advised the Committee that there were “far too many players” in the industry and that the consequential fragmentation and confusion was one of the “major problems in tourism in Northern Ireland”.

### **Regional Tourism Partnerships – lack of clarity of roles**

Four Regional Tourism Partnerships (RTPs) were set up in April 2006 to provide, among other things, visitor servicing, product development, marketing and industry training.

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<sup>2</sup> DETI (tourism policy and legislation), DARD (Natural Resource Rural Tourism Initiative), DCAL (museums and tourist events), DEL (training and skills needs of the industry), DOE (environment and Heritage Service), DSD (developing and implementing programmes which address the social, economic, and physical regeneration of cities, towns and villages with respect to tourism), DRD (objective within the Regional Development Strategy - to strengthen the position of Northern Ireland on the world tourist map).

The Committee heard that there was a lack of clarity and understanding of the different roles performed by RTPs, Tourism Ireland and NITB.

### Bureaucracy

Concern was also expressed that excessive departmental control impacts the effectiveness with which NITB and Tourism Ireland operates. It was noted that the level of bureaucracy appears to be very different in the Republic of Ireland.

### **No measure of economic impact**

NITB and the Federation of Small Businesses complained that there were no measures of what tourism contributed to the Northern Ireland economy, although DETI was doing some work to establish new measures. The NITIC believed that this was symptomatic of a failure to take the potential economic contribution to the Northern Ireland economy seriously and a failure to establish “an environment of seeing tourism as an economic opportunity to create wealth right across the community”.

NITB estimated that tourism’s contribution to the economy in Northern Ireland was 1.82% of GDP, compared to 4.4% in the Republic of Ireland, 5% in Scotland and 7% in Wales. Northern Ireland is still not seen as a “holiday” destination: only 17% of visitor spending in 2004 came from “pure holiday” visitors. The former Minister Maria Eagle, referred to a DETI study, yet to be published<sup>3</sup>, which valued Northern Ireland’s contribution to the economy in 2003 at £759 million and 3.4% of Gross Value Added, and it generated in excess of 37,000 jobs. However of this sum, non-residents contributed only £192 million in revenue in 2003, mounting to 0.9% of GVA, supporting 9,790 jobs. The Chartered Institute of Marketing believes that Northern Ireland had the potential to generate around 8-10% of GDP from tourism within 10 years, given the provision of the necessary capital infrastructure in terms of accommodation, transport and developed tourist products.

The Committee noted the urgent need for appropriate data on tourism to benchmark progress and identify markets to exploit.

### **Marketing of Northern Ireland**

Concern was expressed at the effectiveness of Tourism Ireland’s marketing of Northern Ireland. NITB was described as an “unequal partner” in Tourism Ireland. However support was expressed for the role Tourism Ireland could play in reaching more “shop windows” in countries that it would not have had in the past.

### Signature Projects

NITB has developed five signature projects to help market Northern Ireland: The Giant’s Causeway/Antrim and Causeway Coast area; the Titanic Quarter, Belfast; the Walled City of Derry; Christian Heritage/Saint Patrick’s Trail; and the Mourne National Park area.

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<sup>3</sup> Assembly Research has a hard copy of this study

Deep concern was expressed that funding will not be available for developing and sustaining these projects.

### **Tourist Industry Development**

The extent of Northern Ireland's untapped tourist potential was highlighted in November 2006 when it was included in the Lonely Planet "Blue List" as one of the top "must-see" countries in 2007, with Belfast listed as one of the top ten cities "on the rise". In October 2006, the British Guild of Travel Writers ranked the Antrim Coast Road in the world's top 50 views, alongside attractions such as Sydney Harbour Bridge and Opera House, Table Mountain in Cape Town, the Great Wall of China, Sugar Loaf Mountain in Rio de Janeiro and Machu Picchu.

#### Development of tourist industry infrastructure

It was noted that with a similar number of visitors, Ayers Rock in Australia generated an estimated annual total of £180 million of tourist spending, whereas the Giants Causeway generated only £18-£20 million. This was because Ayers Rock also had hotels, restaurants, shops and recreation facilities, which had been developed sensitively without compromising the beauty and tranquillity of the site. There are only two 75 bed hotels in the area of the Causeway Coast.

#### Government support for tourist industry development

Government intervention in Scotland and the Republic of Ireland was considered to be more appropriate. Scottish Enterprise acknowledge the different risks of investment in the tourist industry and the longer time frames for projected returns, and identified different measures of appraisal of tourism investment. Invest NI was criticised for applying the same criteria to applications for grants from tourist businesses as they applied to any other economic activity.

The Chief Executive of Tourism Ireland believed that the Republic of Ireland's fiscal incentives had led to an upsurge in development of hotels and other tourist products. For example, there are more hotel beds in Donegal than the whole of Northern Ireland. It was argued by a Regional Tourism Partnership that the fiscal incentives put in place by the Republic of Ireland government had worked more effectively than the capital grants given in Northern Ireland.

#### Planning constraints on industry development

The Committee called on the Department of Environment to bring forward a planning policy statement governing tourist industry development for consultation by September 2007.

#### Skills and training

Witnesses expressed concern at the low level of skills and negative perceptions of jobs in the tourist industry. Concern was also expressed that the large sums of money being invested in skills and training for the tourist industry are misdirected. It was suggested that the DETI consider developing the NITB so that it could take on a similar role to that enjoyed by Failte Ireland with regard to education and training for the tourist industry.

Transport infrastructure

More needs to be done to develop the transport infrastructure in Northern Ireland. Current infrastructure, particularly of road and rail services are of a poor standard, insufficiently integrated and had suffered from significant under investment.

Events tourism

The Committee noted the importance of developing Northern Ireland as a major conference venue. Locating the National Stadium in the city would provide considerable tourist advantages.

Cross-border cooperation

The Committee highlighted the issue of surcharges on car hire in one jurisdiction and dropping it off in another.

**Government Response**

A copy of the government's response to the Committee's conclusions and recommendations is provided in Appendix 3.

Minister Maria Eagle's response, dated 30 April, is largely framed in the context of tourism matters being the responsibility of the devolved administration.

## **PART B**

### **Preparation for Government Economic Sub-Group**

In its first report on the economic challenges facing Northern Ireland the Preparation for Government Sub-Group on the economy highlighted underperformance in the tourist industry. The second report considered tourism with respect to investment initiatives and other elements of an economic package.

#### Underperformance in tourist industry

The Tourism Ireland (TI) submission did not directly address the issue of impediments to growth. Rather, having supplied information on “strong growth” in recent years, it listed the global challenges faced by the industry. Many of these are outside local control, although a trend towards shorter stays was identified as leading to a “shift from sea access to air access” which might have tie-ins to air-route development.

TI referred specifically to progress in delivery of the (5) ‘Signature Projects’ not having been “at the pace originally envisaged in all cases” and that this delay might result in a corresponding delay in the achievement of ambitious targets.

The Northern Ireland Tourist Board (NITB) noted that the trend in visitor numbers was upwards from 1.5m in 1995 to a peak of almost 2m in 2000. Revenue from visitors was up from £180m in 1994 to £357m in 2005. The tourist industry employs 51,000 people, which is almost 8% of all employment.

NITB was concerned about the loss of Peace II funding since March 2006 and the reprioritisation of resources by the International Fund for Ireland (IFI) away from tourism to the social economy. NITB argue that resources are better increased while tourism is on a growth curve.

The sub-group agreed that tourism is underperforming significantly against its potential for growth and by comparison with the UK and RoI. In Northern Ireland, tourism contributes approx 2% to GDP, compared with 6% - 7% in Scotland and the RoI. The sub-group agreed with NITB that there is significant room for improvement and that the public and private sectors need to increase investment in key signature projects.

#### Investment initiatives and other elements of an economic package - Tourism

As an area of mountain, coast and rural beauty Northern Ireland’s tourist industry should be as well developed as those of the Republic of Ireland or Scotland. Before the civil unrest of 1968 and the following decades, Northern Ireland’s visitor numbers were proportionately higher than those of the Republic. Much of this was in traditional coastal resort tourism, with visitors from Scotland and elsewhere that would have declined as holiday tastes changed over the years. The development of a vibrant modern tourism industry was prevented by civil unrest and political instability.



The number of visitors has been rising steadily but should be two or three times higher than the current level. The legacy of under-development in the industry means that accommodation and tourist facilities remain inadequate. Despite a good record of hotel building for the business market, especially in Belfast, hotel provision in rural areas and coastal resorts is under-developed. Visitor attractions are also not sufficient for modern needs. A number of high profile projects that could boost Northern Ireland's tourism portfolio are in need of public investment. These flagship projects need to be of a scale and quality that acts as a prime motivator for visitors to come to Northern Ireland and, as such, the sub-group considered that:

- The reconstruction of facilities around the Giants Causeway needs to be accelerated and extended. (£38 million)
- The development of the Titanic Park in Belfast is an urgent priority that should help to attract the growing cruise-ship market. (£90 million)
- There is a case for public support for the Walled City of Derry, Christian Heritage/St. Patrick and the Mourne National Park Area projects. (totalling £20 million)
- Studies should also be undertaken of the viability of other tourism projects. These include the renovation of the Ulster Canal to promote holidays afloat and the further development of golf infrastructure facilities to an international standard.
- The potential exists for a step change in raising the number of holiday visitors to Northern Ireland. Under these conditions, the sub-group recommends that government assistance for the promotion of tourism events should be increased. Support has declined in recent years to £2m in 2005/6, and could be doubled, to enhance the attraction of major sports and cultural events.
- Further investment in tourism infrastructure needs to be encouraged.

## PART C

### Northern Ireland Tourist Board Research and Evaluation Tourism Publications<sup>4</sup>

The following reports have been published, or are shortly due to be published, over the last five years.

- **Monthly Hotel Occupancy Report.**

Informs the Tourist Board and Key Stakeholders (such as hoteliers) on monthly hotel performance and trends. Monthly reports from May 2003 to present are available on [www.nitb.com](http://www.nitb.com). Hard-copies of monthly reports for the period January 1980 to April 2003 can be forwarded upon request.

- **Monthly Guesthouse / B&B Occupancy Report.**

Informs the Tourist Board and Key Stakeholders (such as guesthouse/B&B owners) on monthly performance and trends. Monthly reports from May 2003 to present are available on [www.nitb.com](http://www.nitb.com). Hard-copies of monthly reports for the period January 1997 to April 2003 can be forwarded upon request.

- **Annual Hotel Occupancy Report**-2006 report to be posted next week.

Informs the Tourist Board and Key Stakeholders on hotel performance during the year and trends. In addition it benchmarks the performance of Northern Ireland hotels against that of their UK/ROI competitors. Annual reports from 2003 to present are available on [www.nitb.com](http://www.nitb.com). Annual reports prior to 2003 can be forwarded upon request.

- **Annual Guesthouse / Bed & Breakfast Occupancy Report**-2006 report yet to be finalised.

Informs the Tourist Board and Key Stakeholders on guesthouse/B&B performance during the year and trends. In addition it benchmarks the performance of Northern Ireland hotels against that of their GB competitors. Annual reports from 2002 to present are available on [www.nitb.com](http://www.nitb.com).

- **Annual Self-catering Occupancy Report**-2006 report yet to be finalised.

Informs the Tourist Board and Key Stakeholders on self-catering performance during the year and trends. Reports covering 2000 to present are available on [www.nitb.com](http://www.nitb.com).

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<sup>4</sup> Information provided by DETI 7 June 2007

- **Annual Visitor Attraction Report**-2006 report yet to be finalised.

Collects visitor performance information from Northern Ireland visitor attraction establishments in order to inform the Tourist Board and Key Stakeholders (such as local authorities) of performance and trends. This information is also vital when considering the potential of future establishments (such as the NITB Signature Projects). Reports covering 2002 to present are available on [www.nitb.com](http://www.nitb.com).

- **Tourism Barometer**- published in June, September and December each year.

Collects performance information from tourism-related Northern Ireland businesses in order to inform the Tourist Board and Key Stakeholders of current business attitudes and concerns, as well as gauging business outlook for the year ahead. This survey first began in June 2003.

- **Tourism Facts**-Published annually.

Collects performance information regarding tourism performance and trends, as well as outlining the highlights from the annual occupancy surveys and the annual visitor attraction survey. Reports covering 2002 to present are available on [www.nitb.com](http://www.nitb.com).

- **Activities undertaken by Visitors to Northern Ireland Annual Report.**

Collects visitor performance and trend data in relation to activities undertaken whilst in Northern Ireland. Reports covering 2002 to present are available on [www.nitb.com](http://www.nitb.com).

- **Lough Erne Hire Cruiser Survey.**

An overview of the performance of the hire cruiser market in Lough Erne, County Fermanagh, including seasonal analysis and availability. Reports covering 2002 and 2003 are available on [www.nitb.com](http://www.nitb.com).

- **Annual Regional Tourism Estimates**- 2006 report yet to be finalised.

A breakdown of trips, nights and spend of visitors to Northern Ireland and domestic holidaymakers by Local Authority. Annual reports from 2004 to present are available on [www.nitb.com](http://www.nitb.com) and reports for the years prior to 2004 can be e-mailed upon request.

- **Visitor Attitudes Survey 2003**

The survey was conducted to ascertain the opinions and satisfaction levels amongst visitors towards the wide range of tourism products and services on offer. Available on [www.nitb.com](http://www.nitb.com).

- **Business Visitor Attitudes Survey 2006**-to be published shortly on [www.nitb.com](http://www.nitb.com).

The survey was aimed at providing quantitative measures of satisfaction; information on the perceptions and attitudes of business visitors on the quality and availability of Northern Ireland's tourism products and services as required by the discretionary business visitor; competitor benchmarking; issues to be addressed with regard to potential improvements and actions to address the identified issues.

- **Tourism in the Northern Ireland Economy**-to be published shortly on [www.nitb.com](http://www.nitb.com). (Hardcopy made available to Assembly Research)

Estimates the economic impact of tourism in terms of its wider contribution to the Northern Ireland economy in a manner that is consistent with regional accounts and a Tourism Satellite Account approach. The report covers the year 2003 as this was the year for which the most up-to-date data was available to the consultant concerning the Northern Ireland economy. *Please note that updated figures for 2004-05 will be issued in a few weeks time. Assembly research has requested a copy of these figures.*

## Tourism Strategy Forum<sup>5</sup>

### Background

The Tourism Strategy Forum is a working partnership between the Northern Ireland public and private sectors. Its purpose is to develop tourism policy initiatives and to provide a platform for the exchange of information and views.

The Forum is concerned to:

- ensure that fundamental principles associated with tourism are adhered to when agreeing strategic priorities and actions;
- encourage a shared approach in the implementation of policies by establishing stronger public and private sector relationships;
- review progress and performance of the tourism industry; and
- provide a platform for the exchange of information and views between Government and the industry.

The Forum is normally chaired by the DETI Minister and provides all concerned with the opportunity to discuss key tourism issues. The next meeting of the Forum is scheduled to take place on Thursday 21 June 2007 and will be held in the Greater Belfast area.

Membership comprises representation from all major public and private sector tourism interests as follows:

<b>Name</b>	<b>Organisation</b>
Nigel Dodds OBE MP MLA	DETI Minister
Stephen Quinn	DETI Perm Sec
Alan Clarke	NITB Chief Ex
Tom McGrath	NITB Chairman
Paul O'Toole	TIL Chief Ex
Margaret Bingham	NI Bed & Breakfast Partnership
Ken Canavan	Hostelling International NI General Secretary
Nicola Carruthers	Federation of Retail Licensed Trade Chief Executive
Tanya Cathcart	Fermanagh Lakeland Tourism Marketing Manager
Claire Donnelly	NI Tourist Industry Confederation (NITIC)
Adrian McLaughlin	NI Hotels Confederation President
David Maginn	NI Self Catering Association Honorary Secretary
Catherine Reilly	Incoming Tour Operators Association Treasurer
Gerry Lennon	Belfast Visitor & Convention Bureau Chief Ex
Hilary McGrady	National Trust (NI) Director
Mark Mohan	Armagh Down Tourism Partnership Manager

<sup>5</sup> Information provided by DETI 7 June 2007

<b>Name</b>	<b>Organisation</b>
Wavell Moore	Society of Local Authority Chief Executives SOLACE
Catherine O'Connor	Derry Visitor & Convention Bureau
Don Wilmont	Causeway Coast & Glens Manager
Noel Cornick	DETI TALE Division Director
Mick Cory	DCAL Director of Culture & Recreation Division
Pauline Keegan	DARD Director of Rural Development
Nuala Kerr	DEL, Director of Training Division

## **PART D**

### **Tourism Ireland Brand Review 2007 - Terms of Reference<sup>6</sup>**

#### Background

The last comprehensive review of the Ireland Brand was undertaken in 1995, and led to the development of TBI 1 (Tourism Brand Ireland) and the definition of the brand experience around 'people, place and pace'. This was refined during 2001/2002 and again in 2004/2005 in the lead up to TBI 3 and resulted in the current definition of the brand experience – 'people place and culture' – and the accompanying brand personality, essence and range of benefits. This we used as the basis for developing the communications strategy and for the current destination advertising campaign (TBI 3), around the proposition of 'Great places and activities brought to life by great people'.

Tourism Ireland believe that the current expression of the brand has served the island of Ireland and its marketing communications well and has been a key contributor to 2006 being a record year in terms of visitor numbers to the island of Ireland. Given the rapidly changing nature of the island of Ireland, intense competition and the challenges of anticipating future consumer trends and expectations Tourism Ireland believe it is an appropriate time to review the brand and to assess its readiness for the next 3-5 years and beyond.

#### Scope

It is proposed to undertake a full and comprehensive review of all aspects of the brand, both from a tourism perspective, but also to widen the reach to the Ireland Inc brand to establish how the wider perspective of Ireland in overseas markets impacts on or offers opportunities for the tourism-related brand.

The review will test the current brand essence and personality to establish the need for change or development, and assess the benefits of the brand to ascertain (a) their relationship to the experience and (b) their relevance to the core target groups in meeting their future needs.

It is not intended that the Ireland brand mark be reviewed or changed in any way, but the branding elements around it in the current campaign will be tested and developed inline with the findings of the review.

Over 80% of the visitors who come to the island of Ireland travel from Great Britain, US, France and Germany. As a result these markets have been historically the main focus of the research which has shaped the current positioning and strategies. Going forward Tourism Ireland may wish to augment this by undertaking research in some markets which offer greater medium and long term potential.

#### Timelines

Following the completion of the tendering process on the 14th May, consultants have been appointed with immediate effect and will be required to

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<sup>6</sup> Information provided by DETI 7 June 2007

manage strict time lines to project completion in October in order to dovetail with the completion of the next corporate plan. The project will involve liaison and presentations to key stakeholders together with the evaluation of current research, the development of appropriate research stimuli and the definition and management of a global research project in conjunction with Tourism Ireland Research dept in order to test and evaluate alternative Brand positionings.

Tourism Ireland plans to appoint a steering group to guide the project. This will be made up of industry and marketing experts. It is envisaged that the consultants will liaise with this group as part of the briefing and scoping phase.

### **Northern Ireland input to brand review**

#### Industry

The TMP will act as the industry representation throughout the life of the project – 4 meetings are envisaged with the TMP to get their input at critical stages. Northern Ireland representation on the TMP:

Sue Ward, NITB  
Janice Gault, NIHF  
Tba, NITIC

In addition, a wider consultation with industry is planned in September where a broad range of industry (c60 in Northern Ireland) will be invited to a meeting to give their input into the project

#### Expert Group

An Expert Group has been appointed to the project to give an external perspective. The group is made up of 3 members from Northern Ireland, 3 from the South, 1 from GB and 1 from Germany. The Northern Ireland representatives are:

Professor David Carson, University of Ulster  
Trevor Ringland, Partner Macaulay & Ritchie, Solicitors  
Mark Thompson, Chairman Ulster Scots Agency

#### Island of Ireland nationals and non-nationals

We will be carrying out research on the island of Ireland, including Northern Ireland, amongst nationals and non-nationals who interface with tourists (hospitality, restaurant, shop, bar employees etc) to get an understanding of how they see the brand being delivered

#### Tourism Ireland

Input is being gathered within Tourism Ireland across all departments, including from staff in Coleraine and from market offices to gain their insights and experience of delivering the island of Ireland brand through their activities



Tourism Ireland board

The board will guide the project through regular updates and participation in the process

Visitors

We will also be talking to visitors to Northern Ireland before and after their visits to assess their experience versus their expectations and perceptions.