Recovery Oversight Group

Report to Minister Catherine Martin
Reopening Inbound Tourism
May 2021

1. Introduction

Tourism continues to face the challenge presented by the imposition of necessary public health restrictions to combat the spread of Covid-19. The most recent announcement on April 29th by the Government of the relaxation of some restrictions which affect the tourism sector is very much welcomed by the Recovery Oversight Group (ROG), in particular the planned reopening of some visitor attractions from May 10th and tourism accommodation from June 2nd. The ROG notes and welcomes the Government's intention to further reopen the tourism sector later in the summer with regard to indoor hospitality.

In the Recovery Plan submitted to the Minister by the Tourism Recovery Taskforce, the following key recommendations relating to inbound tourism were included:

- *Facilitate the resumption of overseas tourism into Ireland as soon as is practicable and in line with public health guidance by identifying and communicating a targeted reopening date.*
- *The removal of the period of quarantine for arrivals and its replacement by a comprehensive, rapid test, track and isolate (TTI) system or a system more facilitative for inbound tourism.*
- *Government should actively develop and fully commit to the forthcoming EU 'traffic light' system that aims to open up international travel across Europe.*

Unfortunately, the evolution of the pandemic, in Ireland and elsewhere, has meant that Government has not been in a position to address this key issue. The quarantine regime for overseas visitors in place in Ireland is designed to minimise the introduction of cases and variants of Covid and, therefore, discourage any non-essential inbound travel. Currently, the regulations mean that all passengers (with certain exceptions) arriving in Ireland must:

- complete a COVID-19 Passenger Locator Form
- provide evidence of a negative or 'not detected' result from a COVID-19 Reverse Transcription Polymerase Chain Reaction (RT-PCR) test carried out no more than 72 hours before arrival into Ireland, or have evidence of exemption from this legal requirement
- passengers travelling from or via a designated state[1] must also pre-book and pre-pay for a place in a designated facility for mandatory hotel quarantine.

[1] See Appendix 2

However, the Oversight Group's clear view is that the good progress made with the epidemiological situation and the vaccination rollout has meant that the time is right to consider reopening Ireland to inbound tourism from overseas. All indicators suggest that the risks arising from resuming inbound overseas tourism in a targeted manner are at a much lower level than heretofore. Recent pronouncements from members of the Government support this interpretation.

2. Economic Case

The table attached[2] at Appendix 1 sets out the economic value of tourism in 2019, prior to the onset of the pandemic. As can be seen, of the total value of €9.5 billion generated by tourism in 2019, approximately €7 billion was generated by overseas tourism, with the remainder coming from domestic tourism (including Northern Ireland). Overseas tourism therefore accounted for almost 75% of total revenue generated. It follows, therefore, that a significant proportion of the 260,000 jobs supported by tourism are dependent on overseas tourism.

There are three key markets for overseas tourism into Ireland: North America, Mainland Europe (particularly France, Germany, Italy and Spain) and Great Britain. Together these markets account for the vast majority of revenue generated. In the context of reopening inbound tourism, it is worth noting that, initially, it is not necessary to reopen to a large number of countries; opening up to the EU, USA and Britain will provide significant benefits in the short-term.

Value of domestic tourism

Domestic tourism provided a critical lifeline to the tourism sector in the summer of 2020 and will clearly be a hugely important factor again this year. However, it does not come close to the value of inbound overseas tourism. It is instructive to note that CSO data[3] indicates that, while the overall value of domestic tourism did increase slightly in Q3 2020 compared to the same period in 2019, it was significantly down in Q4 and down overall for the second half of the year (€1.17bn compared to €1.28bn in 2019).

Potential value of overseas tourism 2021

Tourism Ireland has undertaken an exercise to consider what value might be generated by reopening Ireland to international tourism. It indicates that an early reopening (GB from July, North America/Mainland Europe from August) could generate up to €1b while a later reopening (from December) could generate less than €100m. There is evidence from key markets, such as the USA, of a growing desire to travel to Ireland. The additional revenue which a timely reopening would generate would be a huge boost for the sector, particularly in the period following the summer peak season. Fáilte Ireland has estimated that the additional revenue generated by an early reopening would help to get over 50,000 extra people back to work in the tourism sector this year.

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[2] Source: Fáilte Ireland, *Key Tourism Facts 2019*

[3] CSO, *Household Travel Survey 2020*

Reduced cost of ongoing Government supports

If Ireland is not in a position to reopen to inbound tourism by the third quarter of the year, many tourism businesses will continue to suffer a substantial reduction in turnover, and in some cases a complete absence of income, compared to the pre-pandemic position. Government has committed to supporting sectors such as tourism which have been more severely affected by the pandemic. An early reopening would serve to stabilise tourism businesses, particularly from August onwards, and help to reduce the future level of support required from Government.

Competitiveness

A failure by Ireland to reopen in line with our EU neighbours and GB will have an impact in terms of the competitiveness of the sector here in two main ways in the short-term:

- It is expected that there will be an explosion of destination advertising as soon as travel is allowed, especially in highly vaccinated markets such as Great Britain. As Ireland is likely to remain open to travel for essential reasons only through the early summer, we may be expected to fall in our relative positioning compared to other destinations when they begin advertising.
- Irish residents will take the opportunity to holiday overseas even if overseas tourists cannot come here, relying on the EU digital certificate for sun holiday destinations. This will reduce our domestic holiday activity and will be a fundamentally unfair competitive factor for the industry here.

There will also be longer term implications as it will be harder to restore air connectivity if planes are diverted to commercially viable options once other countries start to open up and aviation starts to recover. The wider economic implications of this were noted by the National Civil Aviation Development Forum in its recent Aviation Restart Plan. Furthermore, diminished confidence in Ireland as a tourist destination will be a growing factor the longer we remain closed.

3. Recommendations to Minister

Noting all of the foregoing, the Recovery Oversight Group urges the Minister to work with her colleagues in Government to reopen inbound tourism into Ireland from overseas markets. Specifically, the Group recommends the following:

i. Government should publish a plan no later than the end of May which details when restrictions will be eased on inbound international travel to allow inbound tourism into Ireland to safely resume.

It is critical that this plan is published as soon as possible. Tourism businesses need to be able to plan for this type of business and at least six weeks is required to do so effectively. An early confirmation of the plan will also provide certainty for tourism transport operators, tour operators and consumers, as well as allowing Tourism Ireland to take appropriate steps to market Ireland in overseas markets. Such a plan would be a huge boost for a sector which has faced enormous challenges over the past year.

ii. Remove restrictions on inbound travel for tourists residing in the UK.

The United Kingdom has seen significant reduction in COVID-19 cases due to a combination of a strict lockdown and a significant vaccination programme. Almost 35 million people have had at least one dose of the vaccine to date and over 16 million a second dose. It is intended the remainder of the UK population will have been offered at least a first dose by the end of July. These figures mean that a resumption of free travel from the UK could begin as early as July. The Group notes the fact that British residents will be able to travel freely into Northern Ireland, which will mean that many will travel on into Ireland in any case. From a public confidence perspective, it would make sense to provide for such a scenario. This approach would also be consistent with the purposes and aims of the Common Travel Area.

iii. Introduce the EU Digital Green Certificate as soon as possible following the adoption of the EU Regulation to allow for inbound travel from our fellow EU Member States.

EU residents in possession of an EU 'digital green certificate' will be vaccinated against Covid-19, have tested negative or have recently recovered from the virus. As such, those persons will not present a material risk to Irish residents and should be allowed to freely enter Ireland without being subject to additional restrictions over and above those applying to Irish residents. Ireland should seek to implement this regulation as soon as possible following adoption. The Group notes that many of our fellow EU Member States intend to implement the regime at an early stage and this will allow Irish residents to travel to sun holiday destinations, such as Spain, this summer.

iv. Introduce a mechanism, in line with the EU Digital Green Certificate, which will allow tourists from key third country markets to enter Ireland.

It seems unlikely that Ireland will be in a position to open up for inbound travel from all third countries given the variety of conditions applying with regard to case levels, variants of concern and vaccination rollout. However, the Group notes the recent move by the EU to open up for non-essential travel by vaccinated persons into Schengen area countries. This approach should be adopted by Ireland for key third country markets such as the USA.

Adopting these recommendations would provide a very positive signal to the tourism sector here in Ireland that the recovery is fully underway. The sooner we can safely reopen to inbound tourism, the faster and stronger the recovery in the sector will be. The Recovery Oversight Group requests the Minister to give this report her immediate consideration and bring it to the attention of her colleagues in Government.

Nóirín Hegarty
Chairperson
11 May 2021

Appendix 1: Value of Overseas Tourism 2015-2019

Revenue (€m)	2015	2016	2017	2018	2019	Change 19 vs 18
Britain	**1,017.9**	**1,109.8**	**1,046.5**	**1,024.8**	**1,022.1**	**-0.3%**
Mainland Europe	**1,555.3**	**1,657.5**	**1,763.0**	**1,845.8**	**1,853.6**	**0.4%**
North America	**1,199.7**	**1,337.4**	**1,525.5**	**1,746.7**	**1,705.7**	**-2.3%**
Other Overseas	**492.6**	**533.3**	**588.9**	**599.9**	**592.5**	**-1.2%**
TOTAL OVERSEAS	**4,265.3**	**4,638.0**	**4,923.9**	**5,217.3**	**5,174.0**	**-0.8%**
Northern Ireland[3]	338.2	366.9	371.3	394.6	402.0	1.9%
TOTAL OUT-OF-STATE	**4,603.5**	**5,004.9**	**5,295.2**	**5,611.9**	**5,576.0**	**-0.6%**
Carrier receipts[4]	1,322.0	1,487.0	1,611.0	1,725.0	1,766.0	2.4%
Overseas same-day visits	38.0	48.0	53.0	47.0	44.0	-6.4%
TOTAL FOREIGN EXCHANGE EARNINGS	**5,963.5**	**6,539.9**	**6,959.2**	**7,383.9**	**7,386.0**	**-**
Domestic trips[5,6]	*1,725.3*	*1,797.7*	*1,879.1*	*2,006.0*	*2,146.6*	7.0%
TOTAL TOURISM REVENUE	**7,688.8**	**8,337.6**	**8,838.3**	**9,389.9**	**9,532.6**	**1.5%**
TOURISM REVENUE EXCLUDING CARRIER RECEIPTS	*6,366.8*	*6,850.6*	*7,227.3*	*7,664.9*	*7,766.6*	1.3%

Source: CSO/Fáilte Ireland/TSB NISRA/Central Bank of Ireland

Appendix 2: Designated states (as at 8 May 2021)

Travel to Ireland from specific designated states is now subject to mandatory hotel quarantine. This must be pre-booked in advance of travel. These arrangements apply to any passenger who has been in any of these countries in the previous 14 days, even if only transiting through one of these countries and even if remaining airside.

These arrangements also apply to any passenger who is travelling on to Northern Ireland.

It is important to note that the list of designated states will be subject to change at short notice and passengers are required to check the list before travelling to Ireland, to be sure of their obligations. As of the beginning of May, the Minister for Health has designated the following countries as designated states for the purposes of mandatory hotel quarantine:

Africa	**Asia**	**Europe**	**North America**	**South America**
Angola	Bahrain	Andorra	Anguila	Argentina
Botswana	Bangladesh	Belgium	Bermuda	Bolivia
Burundi	Georgia	France	Canada	Brazil
Cape Verde	India	Luxembourg	Costa Rica	Chile
Democratic Republic of the Congo	Iran	Montenegro	Puerto Rico	Colombia
eSwatini	Kuwait	Serbia	United States of America	Ecuador
Ethiopia	Maldives	Turkey		French Guiana
Kenya	Mongolia			Guyana
Lesotho	Nepal			Panama
Malawi	Oman			Paraguay
Mozambique	Pakistan			Peru
Namibia	Palestine			Suriname
Nigeria	Qatar			Uruguay
Rwanda	The Philippines			Venezuela
Seychelles	United Arab Emirates			
Somalia				
South Africa				
Tanzania				
Zambia				
Zimbabwe				