

Irish Economic Snapshot

March 2010

- **The employers' group, IBEC, has said that Ireland is beginning to emerge from its deep recession.**
- **In its latest quarterly economic trends report, IBEC says it is more confident about recovery because of a rise in consumer and business confidence. The group now forecasts that the economy will shrink by 0.7% in 2010 in contrast to its earlier prediction for a fall of 1.6%.**
- **For 2011, it has also revised its forecast growth rate from 1.7% to 2.1%.**
- **IBEC said that tough action taken to stabilise the public finances has resulted in some restoration of confidence in Ireland on international financial markets.**
- **Seasonally adjusted Unemployment figures for 2009 were 12.4%**
- **Unemployment figures for February 12.6%**
- **Although a large percentage of the working population have seen some degree of reduction in pay this is compensated by cost of living reductions i.e. Retail Sales own by 4.8% and the overall CPI (consumer price index) down by 3.2%**

Visitation Figures

IRISH MARKET FOR U.S. TRAVEL AND TOURISM SERVICES STATISTICAL SUMMARY

Irish residents' travel to the U.S. 1998 - 2008			
Year	*Rank	Number	% change
1998	21	232,391	7%
1999	22	246,394	6%
2000	21	285,697	16%
2001	21	276,806	-3%
2002	18	259,687	-6%
2003	17	254,320	-2%
2004	12	345,119	36%
2005	14	383,640	11%
2006	14	414,423	10%
2007	14	491,055	18%
2008	14	531,198	8%
2009	16	376,248	-23% Jan-Nov

Irish residents' travel to the U.S. 2009 2009 - % change by month - year on year			
Month	Number	% Change	
January	22,152	-20.90%	
February	31,121	-10.60%	
March	34,368	-37.30%	
April	41,329	26.80%	
May	28,802	-30.90%	
June	43,583	-10%	
July	34,574	-33.60%	
August	31,188	-24.70%	
September	29,654	-37.50%	
October	40,615	-28.00%	
November	38,862	-19.60%	
December	?	?	

Expenditure			
			%change
Global - ytd	\$90.6 b		-16%
Ireland 2009	?		?
Ireland 2008	\$1,85 b		4%
Ireland 2007	\$1.78 b		

Aer Lingus Group have announced a 3.5% decrease in passenger numbers for February 2010 as compared to the same month last year.

Aer Lingus' overall load factor in the month was 69.9%, a decrease of 2.1 points compared to February 2009, with capacity decreasing by 8.2%.

Short haul load factor was 70.8%, a decrease of 6.7 points on 2009, with capacity increasing by 12.7%.

Long haul load factor was 67.7%, an increase of 3.4 points on 2009, with capacity decreasing by 37.5%.

Coupled with January's figures (which showed a 0.6% overall year-on-year passenger rise, but a 23% fall in long-haul figures), Aer Lingus's total passenger numbers are down by 1.5% in the year to date, with long-haul traffic down 27.5% but short-haul up 1.6%.

Aer Lingus Scheduled Traffic Statistics

	December		Year-to-date		Change %
	2009	2008	2009	2008	
Passengers (thousands)¹					
Short haul	693	612	9,673	9,151	5.7
Long haul	73	91	1,067	1,271	(16.1)
Total	766	703	10,740	10,422	3.1

		% Points		% Points
Passenger load factor				
Short haul	69.5	66.9	77.8	76.8
Long haul	76.8	72.6	72.1	71.7
Total	71.9	69.4	75.7	74.5

The latest figures from the Central Statistics Office showed that the number of overseas trips taken by Irish people in the first nine months of 2009 fell from 6.8 million to 6.1 million, a drop of just over 10 per cent.

To put these figures into perspective, there were nearly one million fewer overseas visitors to Ireland last year.

Travel/Booking Patterns

- **The Irish market for U.S. travel and tourism services is resilient. Despite the economic decline, Irish people will consider cutting down on eating out, buying a new car, making home improvements and clothing before forfeiting their summer holiday.**
- **The USA continues to be perceived as a value for money destination. With increased competition and more discerning customers, airfares and hotel accommodations are expected to fall further providing greater value for money.**
- **In 2009, consumer trends included a change to late bookings, fewer and shorter trips and less expensive holiday options.**
- **During the Celtic Tiger years the trend was for consumers to take one long haul trip of perhaps 2/3 weeks duration and two shorter breaks, usually including a shopping trip. This trend changed in 2009 to one short and one long haul break**
- **Shopping trips held up, particularly towards the end of the year**
- **Importantly, post the Budget and NAMA, people now have a better handle on what their incomes are likely to be and they are feeling more confident about planning ahead and spending money**
- **The launch of Department of Homeland and Security Customs and Immigration Pre-clearance at Shannon (2009) and Dublin (2010) airports is expected to boost Irish travel**

Tour Operator Snapshot

- **Tour Operators are cautiously optimistic that 2010 will be a better year than 2009 for the tourism industry, even though capacity is likely to be down by 15-20 per cent.**
- **According to the ITAA, there were signs of an industry comeback, with Tour Operators seeing as much as a 20 per cent increase in bookings so far this year.**
- **Tour Operators are also reporting that they are re-hiring reservation staff**
- **Tour Operators are also reporting a return to longer lead-in time bookings**
- **The Main Tour Operators offering Massachusetts product are:**
 - **American Holidays**
 - **Classic Resorts/John Cassidy Travel**
 - **Sunway Holidays**
 - **Tour America**
- **In 2009, we lost CanAmerica however this is counterbalanced with a new Boston, Massachusetts and New England Program from Classic Tours/John Cassidy Travel**
- **One in 10 Irish tour operators has not renewed its license for 2010. The figures come after a year of high-profile closures in the sector, including the recent collapse of Budget Travel**

Competition

- The three areas are showing modest growth, while other sections of the business contract as a result of the recession
 - Cruising is the fastest-growing sector of the Irish travel business
 - Adventure Holidays
 - Bespoke/Tailor-Made getaways
- Within the US, Massachusetts' main competitors are Florida, New York, Las Vegas and California
- Las Vegas was only US destination to show modest growth in 2009 mainly due to cost. Tour operators reporting that Las Vegas are 'giving away' hotel rooms
- Outside of the US, main competition is coming from Turkey, Dubai, Abu Dhabi, Thailand.
- Ethiad Airways now operate 10 flights a week from Dublin to Abu Dhabi and this key to servicing travel to Asia and Australia
- Let me leave you with one very important fact, Irish People Travel, always have and always will.

In the past eight years Ireland has been in the top twenty International arrivals into the US, occupying 14 spot for 4 out of the 8 years and 4 years prior occupied 21st spot.

