Fáilte Ireland
National Tourism Development Authority

Developing Tourism in Ireland

TOURISM PRODUCT DEVELOPMENT STRATEGY 2007-2013

PREFACE

Gillian Bowler
Chairman,
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The success of Irish tourism to date has been facilitated by a clearly articulated vision of our goals and objectives. As an island nation, geographically located on the periphery of a very competitive European marketplace, tourism has prospered because of the very clear directions taken by Government and industry with regard to competitive access transport, modern world class infrastructure, well resourced marketing and the maintenance of a quality environment. The confidence this has generated in the industry has been reflected in the investment over the past five years of almost €3 billion, primarily by Irish investors.

In an ever more challenging global market for tourism, future success will not be easily won. We must carefully plan ahead. In this context, Fáilte Ireland in 2005 invited a group of key representatives of, and innovators in, the industry, together with senior personnel from public sector bodies involved in tourism, to join with our executive in forming a Tourism Product Development Review Group. This group, under the Chairmanship of Dan Flinter, has worked assiduously with our team over the past year to produce a development strategy for Irish tourism over the period of the soon to be announced National Development Plan. The document they have produced, represents a comprehensively researched overview of the opportunities and challenges for the industry and outlines sixty-seven recommendations for implementation by Fáilte Ireland and other industry and government partners.

The reasons why we need a full review of, and a fresh approach to, development strategy are evident, notwithstanding our recent success. When we look behind this success there are trends emerging which should cause us to guard against complacency. Incoming visitor nights are growing modestly, rather than spectacularly. The Regions outside Dublin have seen very limited growth in incoming tourism. Length of stay has been shortening and many of our products, particularly in rural areas, have had difficulty in increasing customer numbers.

Irish tourism must continue to invest for success. A favourable tax regime has, in recent times, been of major advantage in securing the modernisation of, and the attainment of world class standards by, our accommodation sector. Wider economic considerations are now leading to the phasing out of property-based tax reliefs. This will lead to a higher cost of capital for accommodation suppliers. Given the major growth in the number of hotel rooms and other accommodation which has been a feature of the 2000-2005 period, it is essential that the wider tourism product continues to innovate and improve in order that we attract significant numbers of consumers to ensure the longer term sustainability of the sector.

Ireland's competitors have not stood still. Other countries in Northern Europe have redoubled their investments in tourism and recreation. Funds from the public sector and public private partnerships elsewhere are investing in the creation of iconic projects. The emergent product of Central and Eastern Europe represents a significant source of new competition for much of our activity product.

In seeking to spread the benefits of tourism nationally there will, in future years, be a much greater role to be played by our major regional hubs. It is important that investments of scale are achieved in centres such as Cork, Killarney, Limerick/Shannon, and Galway. Such destinations, if they thrive, will inevitably redistribute further business to their surrounding hinterlands.

There are many public bodies with an important role to perform in delivering infrastructure for tourism activities such as walking, cycling and water sports. It can be difficult for local authorities, for example, to find the funding to undertake such developments which primarily serve the visitor rather than the local population. In this regard, we believe that there is a strong need to provide support for such infrastructure from a dedicated tourism infrastructure fund.

Previous European funding programmes were instrumental in the creation of a network of visitor attractions interpreting aspects of Irish history, culture and environment. The most recent funding programme has assisted some major facilities, such as the Visitor Centre at the Cliffs of Moher and the redevelopment of Lough Key Forest Park. The need to make our heritage accessible and the necessity to provide a wide range of weather-independent experiences render it imperative that we continue to invest in visitor attractions. While such facilities are key to the viability of surrounding accommodation and other tourism infrastructure, they have difficulty in generating sufficient funds for reinvestment. We are making the case here for the selective reinvestment which is so essential to refreshing the product.

For tourism to be successful in Ireland, many partners, both public and private, have to share a common objective and to coordinate their actions. As a tourism development agency we are committed to a strategic approach which integrates our actions in supporting capital investment with our programmes for human resources development and the marketing directions undertaken by ourselves and our partners in Tourism Ireland. We believe that the model of sustainable tourism development set out here will, if implemented, create the platform for the long term success of the tourism industry in Ireland.

Gillian Bowler
Chairman,
Fáilte Ireland

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Introduction

As an indigenous industry which has demonstrated a continued ability to grow, tourism's role in the Irish economy is uniquely significant. The rationale for continued investment in the sector is very strong. The performance of Irish tourism continues to be impressive. However, for tourism to keep contributing to Ireland's economic wellbeing, strategies must focus on the needs of future consumers, the actions of international competitors and be in line with market dynamics.

In preparing this strategic review the quantity and quality of tourism product in Ireland was fully assessed. This involved analysing existing research, consulting with relevant sections of the industry and carrying out a national product audit and quality assessment.

The audit showed that with selective investment the Irish tourism product has the potential to substantially expand its market share.

Overall recommendations

The strategy proposes a framework and policy guidance for the long-term development of the tourism product in Ireland. The recommendations cover areas that include:

- Capital investment in the hard tourism product;
- Infrastructure and services relevant to tourists;
- The physical environment;
- Packaging and presentation; and
- Expanding the skills and capability of people working in the industry.

Some of these areas are under the direct control of the tourism sector and the Department of Arts, Sport and Tourism (DAST), and, accordingly, Fáilte Ireland will have primary responsibility for their delivery, while other areas, such as recommendations related to the physical environment or infrastructure and services will involve working with other Government departments or agencies.

On the basis of this analysis it is recommended that support for tourism product development should be market driven. It should optimise the industry's areas of strength so as to capture the maximum economic benefit. There should be less support for providing accommodation, except in specified circumstances. More investment is needed in tourism infrastructure. Investment is also necessary in major new events and other tourism products that will attract visitors. The focus needs to be on providing high-quality ancillary services and integrating existing products to provide a stimulating and rewarding product for consumers. It is also vital to communicate and present these products to the consumer in a way that they can easily access.

The vision for Irish tourism

Appropriate funding will enable the vision for Irish tourism to be fulfilled so that the industry:

1. Achieves growth in market share with a higher yield;
2. Has a pristine physical environment;
3. Offers accommodation that is diverse in its character;
4. Has key iconic attractions to entice visitors;
5. Delivers a range of authentic experiences, in a friendly, engaging environment;
6. Attracts investors and staff of the highest quality;
7. Demonstrates and delivers continuous product innovation;

8. Makes a sustained contribution to the development of the economy, especially from a regionally diverse viewpoint;
9. Respects and supports Irish culture in all its diversity; and
10. Provides a positive international profile of Ireland.

Proposals

The recommended proposals fall into two areas: firstly a series of actions around the broader tourism agenda and secondly a series of funding supports.

The series of proposals and key actions relating to the following significant areas for tourism are presented:

a) **Protecting and managing the physical environment**
   - Undertaking a review of protected scenic landscapes;
   - Encouraging and monitoring the use by Local Authorities of urban and rural design guidelines;
   - Putting in place a Marine Plan and an 'Integrated coastal zone management strategy'.

b) **Enhancing access to and around the country**
   - Improving facilities at, and to, Dublin and the regional airports;
   - Accelerating the delivery of improvements in the road networks, in particular the delivery of the Atlantic Corridor, and public transport access;
   - Providing clear road and information signs;
   - Seeking a speedy resolution to the issue of access to the countryside.

c) **Improving access to cultural heritage**
   - Supporting the completion of key elements of tourism-related infrastructure including the National Conference Centre and redevelopment of the Theatre Royal in Wexford, the Abbey Theatre and the National Concert Hall;
   - Seeking a greater regional provision of Arts infrastructure and creation of cultural hubs.

It is recommended that the State invests €280 million in product development over the period of the NDP 2007-2013, as follows:

1. **Fund for tourism infrastructure**
   Total investment – €133 million
   Some €105 million will be used to develop physical products primarily through the local authorities.

These include:
- Controlled access to environmentally sensitive areas;
- Signposting;
- Water based facilities and marinas; and
- Leisure route development (walking and cycling particularly).

The second part of the fund, some €28 million, will be used to reinvest in facilities like:
- Walking and cycling routes;
- Moorings and jetties.

It is recommended that this fund be either administered by Fáilte Ireland, or if implemented by other agencies, that Fáilte Ireland have a primary role in allocation decision.

2. **Fund for feasibility studies and encouraging innovation**
   Total investment – €21 million
   This fund will support:
   - Feasibility studies;
   - Research into competitor behaviour; and
   - The establishment of a National Institute for Tourism Innovation.

3. **Fund a small number of new major annual events**
   Total investment – €28 million
   This fund will provide support for two to three major new festivals and cultural events. It will be for:
   - Working capital; and
   - Marketing.

4. **Fund to create attractions of international class**
   Total investment – €70 million
   The 20 most strategically important existing visitor attractions in the country will be identified and prioritised for reinvestment. Two or three totally new attractions may also be identified. Attractions eligible to benefit from this fund will include those that:
   - Have an element of Irish culture and can be shown to excite genuine international interest; and
   - Have shown success at attracting visitors in the past.

About €6 million of this fund will also be used to invest in historic or other 'Great Gardens'.

5. **Fund for private sector investment in 'soft-adventure' products**
   Total investment – €28 million
   Certain key products, provided by the private sector should receive funds. These include:
   - Water-sports centres and boat rental facilities;
   - Equestrian facilities and trails; and
   - Other outdoor activity centres.

   Some of this fund will be used to prioritise less developed coastal areas, as well as the Midlands.

In addition to the investment in product development outlined above, it is recommended that €102.5 million be invested to improve communication and help bring the product alive and €156 million in expanding the capability of human resources, productivity and quality control.

6. **Fund to improve communication with visitors, and to bring the product alive**
   Total fund – €102.5 million
   This additional fund will be used to develop:
   - E-marketing with a focus on integrating technologies;
   - Software for itinerary planning and mapping;
   - Software to communicate with PDAs and mobile phones; and
   - Links between different product organisers so everyone can access all products.

   It would also offer support for things like:
   - Dramatisations of local history.

7. **Fund to expand capability of human resources, productivity and quality control**
   Total investment – €156 million (included in separate submission to the Department of Arts, Sport and Tourism)
   This support will focus on:
   - Human resources;
   - Improving productivity; and
   - Introducing quality systems.

Key actions and interventions
This strategy details the key actions and interventions that these funds will be used for. This includes:
- How the intervention will be organised;
- Who will be responsible for the work done; and
- The relevant departments, agencies and organisations that they should work with.

The strategy should be reviewed on a regular basis.

Cooperation between agencies – a good foundation for the 2007-2013 plan
The various tourism agencies in the public sector need to coordinate their services. It is encouraging that the Government has already recognised this and in May 2006 set up the Tourism Strategy Implementation Group. The Tourism Product Development Review Group welcomes this decision. The Implementation Group's brief is to work with a range of public and private agencies in prioritising investments in the wider economy which are important for tourism success.

Coordinated responses like this are essential and together with the specific actions recommended in this plan, can create a bedrock for the success of tourism over 2007-2013. It is our strong wish that the National Development Plan, to be announced in early 2007, will facilitate such an integrated approach.

1.0 INTRODUCTION

1. Introduction

Largest internationally traded services sector

Tourism is the largest internationally traded services sector in Ireland and is a powerful instrument of national economic development. It includes a wide range of diverse small and medium enterprises that are predominantly Irish-owned.

Ireland experienced unprecedented growth and outperformed the rest of Europe as a tourist destination in the 1990s. However, since 2001 it has become less competitive due to a number of factors including changes in demand and customer needs and more aggressive competition from other destinations.

Irish tourism is at a critical point

Irish tourism is at a critical point. The sector has benefited from much investment to date from the EU and the Exchequer, as well as from the private sector.

At this important stage product gaps, shortfalls, opportunities and competitive advantage need to be reviewed and identified. This is essential to secure appropriate and focused investment and capture the huge opportunity that exists for Irish tourism.

It is critical that future development respects the natural environment which is Ireland's most valuable resource.

The tourism industry needs to improve the quality and appeal of the existing products.

Working group produce strategy

A high level Working Group (the Tourism Product Development Review Group), comprising tourism representative bodies, industry players, the public sector and the support agencies was established by Fáilte Ireland. Its remit was to produce a robust development strategy to guide investment in tourism to the end of the decade and beyond.

The composition and background to the establishment of the group, as well as the working procedures are outlined in Appendix 'A'. Appendix 'B' presents the terms of reference of the Tourism Product Development Review Group.

Strategy formed after research, analysis, consultation and review

This strategy is the product of comprehensive research, analysis, extensive consultation and review. A list of the organisations from which submissions were received can be found in Appendix 'C'. Earlier submissions made to the Tourism Policy Review Group[1] were also reviewed. The strategy proposes a framework and policy guidance

Research and planning are vital in a fast-changing world, where competition is continually increasing. It is essential that tourism is sustainable, competitive, diverse, creative and has character.

1 The high level Working Group established by the Minister for Arts, Sport and Tourism at the end of 2002 to review tourism performance and prospects and develop a strategy for future sustainable development of the sector.

for the long-term development of the tourism product in Ireland. This covers areas that include:

- Capital investment in the hard tourism product;
- Infrastructure and services relevant to tourists (these are not all under the direct control of the tourism sector);
- The physical environment;
- Packaging and presentation; and
- Expanding the skills and capability of people working in the industry.

This strategy is very different from previous product development programmes due to:

- The impact of investment in previous years;
- The reduced availability of EU funds;
- A more rigorous EU State aids regime; and
- New structures and organisational roles within the industry.

The strategy details how the industry needs to improve, innovate, develop and enhance its products so that it can realise its economic potential.

Research and planning are vital in a fast-changing world, where competition is continually increasing. It is essential that tourism is sustainable, competitive, diverse, creative and has character.

This strategy will succeed if there is a continuing commitment to implement, monitor, review, update and refine it as needed.[2]

2 In accordance with the Environmental Assessment as outlined in Appendix 'F'.

2.0 THE RATIONALE FOR INVESTMENT IN TOURISM

2.1 Introduction

As an indigenous economic sector, tourism is unique in Ireland in that it particularly benefits the remoter and otherwise less favoured regions, it has consistently registered increases in numbers employed, and it requires minimal import content to produce its output. The rationale for continued investment in the sector is particularly strong. The performance of Irish tourism continues to be impressive. However, for tourism to keep contributing to Ireland's economic wellbeing, strategies must be attuned to the needs of future consumers and in line with market dynamics.

2.2 Growth in overseas numbers and revenue

Numbers rose 13.9% from 1999-2005

There has been consistent growth in incoming visitor numbers for almost two decades. Overseas visitor numbers increased by 13.9% between 1999 and 2005. This indicated an average increase of just over 2% annually over the six years with a total of almost 6.8 million visits reached in 2005. Visitor growth has been highest to Dublin and the eastern regions.

During the period spanning the most recent National Development Plan, total foreign exchange earnings from tourism increased by 37.1%. This was an increase from €3,115 million in 1999 to €4,272 million in 2005. This level of foreign revenue earnings is equivalent to half the value of exports by all Irish-owned manufacturing companies.

Most of the gains in foreign-exchange earnings from tourism were concentrated from 1999 to 2001 (see Table 2.1).

In the four years ending 2005 tourism's foreign currency earnings rose 8.6% in current terms, although on ground expenditure grew faster, given that competitive fares caused Irish carrier receipts to decline.

Mainland European visitor numbers rose rapidly from 1.3 million to 1.9 million between 1999 and 2005. This led to a doubling of the foreign-exchange contribution from this market and a welcome fall in the industry's dependence on the traditional English-speaking markets.

Domestic tourism has also grown rapidly and exceeded €1 billion for the first time in 2004. In just four years, domestic tourism receipts increased by 46.7%.

Total foreign exchange earnings generated by tourism rose by almost 10% in real terms in the six years ending 2005.

When compared to our competitors, real-term earnings growth between 1999 and 2001 was impressive. It substantially built on the market share gains recorded over the preceding decade. However, since 2001 – a difficult year for all international tourism destinations – it is of concern that our growth has been more modest.

As an industry, tourism continues to have the potential to contribute to greater regional balance and also to create new economic activity in rural areas.

Table 2.1 Tourism revenue 1999-2005 (€ million at current prices)

Country or area	1999	2000	2001	2002	2003	2004	2005
Britain	1012	1088	1211	1283	1319	1276	1274
Mainland Europe	631	727	815	867	885	930	1239
North America	555	689	718	709	787	772	738
Other overseas	145	178	209	229	236	256	236
Total overseas	**2343**	**2682**	**2952**	**3088**	**3228**	**3235**	**3487**
Northern Ireland*	115	123	143	161	176	174	179
Overseas same-day	16	19	21	17	21	22	23
Carrier receipts**	641	813	820	723	633	628	583
Tourism foreign exchange earnings	3115	3637	3935	3989	4057	4059	4272
Domestic tourism receipts	n/a	707	880	849	971	1037	1165
Total tourism revenue	**n/a**	**4344**	**4815**	**4838**	**5028**	**5096**	**5437**

Sources: 'Tourism Facts', 2003, 2004 and 2005, Fáilte Ireland.

NOTES: Figures may not add to exact totals due to rounding.
*Includes expenditure on same-day visits by Northern Ireland residents.
**Passenger fare receipts of Irish carriers derived from visits to Ireland.

2.3 Significance of trends in domestic tourism 2000-2005

Consistent data for domestic tourism spending are available only for the years from 2000 onwards. As Table 2.1 shows domestic tourism spending increased from €707 million in 2000 to €1,165 million in 2005 – an increase of 64.8% over the five-year span.

The regions outside Dublin benefited most from the growth in domestic tourism. Some 94% of holiday trips made by domestic tourists and 97% of their holiday nights spent are outside Dublin. Domestic tourism therefore contributes significantly to achieving geographic spread throughout the country.

Figures show that much of the tourism industry is dependent on this domestic tourism. Indeed, given that expenditure by residents on day trips is not counted as tourism spending, the real extent of dependence is even greater for the average tourism enterprise. (See Appendix D for more details on Tourism Satellite Accounts.)

Most tourism suppliers outside Dublin are far more dependent on domestic than on foreign consumers. This leaves them very exposed to any softening of domestic business. They need growth from foreign markets to resume so that they are less at risk if there is any notable softening in domestic consumer spending and leisure trips.

2.4 Regional issues in tourism performance

In recent years, the increases in the number of tourists coming into the country and how much they spend have been concentrated in Dublin. The growth in revenue earned from foreign tourists in Dublin over these years was almost twice the national average. Generally urban areas have fared better than rural areas (see also 4.4).

This growth in Dublin tourism has meant that the Southern and Eastern (S&E) region has on average increased its share of spending by overseas visitors. Between 2000 and 2005 it increased by almost four percentage points from 74.8% to 78.7% of spending by overseas visitors in Ireland. Meanwhile, the Border Midland and Western (BMW) region experienced a corresponding decline.[3]

Since 2000, the growth in domestic tourism has been more evenly dispersed across the country than has the growth in overseas tourism. While the growth of domestic tourism across the country has ameliorated the pull of Dublin, it has not eliminated it. Dublin has increased its share in the combined revenue from overseas and domestic tourism from 25.8% of the national total in 2000 to 31.2% in 2005.

Combined foreign and domestic tourism revenue increased in the S&E region from 72.9% to 75.8% of the total between 2000 and 2005. Correspondingly, in the BMW it fell from 27.1% of the total in 2000 to 24.2% in 2005.

While Dublin has been the most insulated from changes in tourism performance, it is the part of the country least economically dependent upon tourism. In the BMW region in 2003, total tourism revenues were equivalent to 4.3% of total Gross Value Added (GVA) compared to 2.8% in the S&E region.

In the Western region, the ratio of tourism revenue to GVA was 7.6% in 2003 compared to just 2.8% in Dublin.

Even though recent tourism growth has been concentrated in Dublin, the industry continues to show strong regional trends. Many of Ireland's most scenic locations and holiday destinations are rural areas where there are few alternative economic activities.

As an industry, tourism continues to have the potential to contribute to greater regional balance and also to create new economic activity in rural areas.

Indeed, no other sector could have such a positive effect on the economy of every part of the country. Accordingly it has a vital role to play in delivering the National Spatial Strategy.

3 The S&E and BMW are EU Operational Programme Regions.

2.5 The economic significance of tourism

Spending by out-of-state visitors is tourism's most important contribution to Irish economic growth and social development. It injects extra external demand into the Irish economy. Between 2000 and 2004, out-of-state tourists have added more than 5.5% on average each year to domestic consumer demand. The net result was to increase employment.

While residents on domestic holidays and trips do not inject new spending into the economy, they do play an important part in strengthening the regional profile of total tourism spending.

Most of the demand for domestic tourism comes from people in the more affluent East of the country, while most of what they spend on tourism goes to the West and South.

The tourism sector is primarily indigenously owned. The risks taken, and the rewards and losses generated, accrue to local investors. Tourism is more sustainable and less cyclical than other indigenously based sectors. It also generates significant downstream demand in the food and drinks industry.

Capital investment in Irish tourism, by the private and public sectors, has been extensive during the 2000-2006 National Development Plan.

In the five years to 2005, capital investment from all sources reached over €2.7 billion, of which almost 90% was accommodation-related (at constant 2005 prices). Given how much public and private money has been invested, it is now critical that this industry is exploited and yields an enhanced return on investment.

Tourism has a unique role to play in the all-island economy. It is an area in which North-South cooperation can, and does, deliver significant benefits. Working together and combining marketing efforts, it is possible to increase the size of the total market for both jurisdictions.

A further significant economic consideration is that tourism is a 'clean' industry and therefore lends itself to sustainable development in the Irish context.

2.6 Tourism as a major source of job creation

A wide range of activities are wholly or mostly dependent on tourism while a significant number rely partly on tourism. This makes calculating tourism-related employment complex. Table 2.2 includes both full and part-time employment and sets out tourism-related employment between 1999 and 2005.

Table 2.2: Tourism-related employment by business segment 1999-2005

Segment	1999	2001	2003	2004	2005
Core tourism					
Self-catering accommodation	4,580	3,830	3,878	3,848	3,641
Tourism services and attractions	33,910	34,568	34,749	35,016	36,421
Hotels	53,906	54,275	54,164	53,637	54,095
Guesthouses	3,115	2,943	2,879	2,849	2,918
Core tourism employment	**95,511**	**95,616**	**95,670**	**95,350**	**97,075**
Tourism-related					
Restaurants*	55,504	55,676	56,727	56,774	59,898
Licensed premises	78,300	78,225	79,319	78,804	88,986
Tourism-related employment	**229,315**	**229,517**	**231,716**	**230,893**	**245,959**

Sources: Tourism Business and Employment Survey, Fáilte Ireland.
*Licensed and non-licensed.

More than 70% of the jobs generated by **core** tourism are directly attributable to tourism activity, while 30% are attributable to indirect tourism activity like eating out, supermarkets and pub trade.

In 'Tourism services and attractions' and 'Self-catering accommodation' all jobs are tourism supported.[4]

Core tourism employment increased between 1999 and 2005. The number of jobs in this sector that were directly supported by tourism rose from 95,511 in 1999 to 97,075 in 2005. This is also in line with the separate CSO Household Survey which indicates renewed growth in the hotel and restaurant sector in 2005.

CSO data also indicates that tourism employment is proportionately more important outside the Dublin and Mid-East regions.

Tourism-related jobs rose 7.3% 1999-2005

As a result, total tourism-related employment – broadly the workforce of the hospitality industry – rose from 229,000 in 1999 to 246,000 in 2005. This was an increase in employment of 7.3 % over the six-year span.

Over the same period, employment in agriculture declined by 17.0% while employment in 'productive industries' (manufacturing and utilities) fell by 6.0%.

2.7 Tourism as a tax generator for the Exchequer

Tourism generates substantial tax returns

Generally tourists spend their money on goods and services that are relatively heavily taxed – car hire, petrol, alcoholic drink and department store purchases in particular. As a result, the tourism industry generates substantial tax returns for the Exchequer.

Every Euro spent by overseas visitors in Ireland directly generates an additional 30.2 cent in tax revenue for the Exchequer. In addition, every Euro spent on passenger fares with Irish carriers directly creates a further 11.7 cent in tax receipts for government.[5]

Tourism also generates further indirect taxation from related enterprises that must buy inputs such as professional services, and transportation to meet the final demands of out-of-state visitors.

When the direct and indirect effects are combined, it is estimated that every Euro of overseas visitor spending in Ireland produces an additional 37.1 cent in tax receipts for the Exchequer.

In the case of passenger fares, the combined direct and indirect effects of each Euro spent by visitors raises additional tax revenues of 17.8 cent for the government.

The direct and indirect tax receipts for tourism in 2004 can be estimated at just under €2.4 billion for the Exchequer.

2.8 A challenging business environment for Irish tourism

Growth in the economies of Ireland's trading partners will determine the potential number of tourists that may come into Ireland. However, it is competitiveness that will shape the share of the available market, overseas and domestic, captured by Irish tourism.

If Irish tourism is to remain competitive, it must excel in product innovation, in operations and in marketing. Excellence in these areas characterises outstanding companies and sectors. Supportive public policies are vital to achieve this competitiveness.

The price of tourism products and services to the consumer is key to determining Ireland's international competitiveness.

Inflation was low throughout the 1990s, but the rate of increase in Irish retail prices began to escalate rapidly in 2000 – both in absolute terms and relative to competitors. The Irish rate of retail price inflation is compared, on a like-for-like basis, against average EU-15 price inflation in Table 2.3.

As illustrated, the average level of Irish consumer prices increased by almost one-quarter between 1999

4 CHL Consultants conducted research for CERT which was published in 1987. It found that the proportions of total employment directly attributable to tourism ranged from: self-catering accommodation and tourism support services (100%); through hotels (75%); guesthouses (70%); restaurants (20%); and licensed premises (8%). While the ratios may have changed since then, those figures are still indicative of the tourism-intensity of employment by market segment.

5 'The Impact of Tourism on the Economy of Ireland (2000)', Eamonn Henry and Brian Deane, 2002, Table 501.

Table 2.3: Trends in Irish and EU-15 inflation 1999-2005 (HICP 1996 = 100)

Year	Ireland	% Change	EU-15	% Change
1999	106.0	----	104.3	----
2000	111.5	+5.2%	106.2	+1.8%
2001	116.0	+4.0%	108.6	+2.3%
2002	121.5	+4.7%	111.8	+2.9%
2003	126.3	+4.0%	113.0	+1.1%
2004	129.2	+2.3%	115.3	+2.0%
2005	132.1	+2.2%	117.8	+2.2%
Change 1999-2005	+24.6%	+24.6%	+12.9%	+12.9%

Source: EU Harmonised Index of Consumer Prices, CSO, February 2006.

and 2005, the period spanning the first six years of the 2000 - 2006 National Development Plan.

Ireland's inflation converged with the EU average in 2004 and 2005. However, a historically high inflation rate and more recent trends have undermined Ireland's competitive standing relative to Europe.

Ireland's move up the European price league and its adverse exchange rates for US and British visitors have made overseas visitors unhappy with the level of retail prices in Ireland.

Some 35% of visitors say value-for-money is poor

The Fáilte Ireland annual *Survey of Overseas Travellers* found that 35% of overseas visitors felt that value for money was poor in Ireland in 2005. The areas considered by all overseas visitors as offering less than good value for money were the 'indirect' tourism products. This included the cost of eating out, of drink, the general cost of living and to a lesser extent the cost of food in shops and supermarkets.

In contrast, dissatisfaction is lowest in the more tourism-specific market segments. These include the cost of accommodation, car hire and admission prices to tourist attractions.

Reduced capital expenditure taxes have had some beneficial effects on keeping accommodation prices competitive, but Ireland has not lowered VAT rates on certain areas of tourism consumption as has been done elsewhere in Europe.

Price is only one dimension of the overall competitiveness of the Irish tourism package. The scenery and the friendliness of the people, the range and uniqueness of tourism products and the quality of services are also important parts of overall tourism competitiveness. However, price competitiveness is a key determinant of future success because it influences people when they assess the affordability of an Irish holiday.

Fall in competitiveness must be addressed

It is clear that the fall in Ireland's competitiveness caused by rising prices throughout the economy, especially when compared to competitor countries, needs to be addressed.

2.9 People in tourism

People are an integral part of the tourism product. Their skills and competence are essential to the quality of the product and to the overall competitiveness of tourism.

Characteristics of workforce

The tourism-related workforce shows the following characteristics.

- Most are employed in small- and medium-sized enterprises. In 2003, some 13,440 hotels, bars and restaurants employed 114,100 people, representing an average staffing level of 8.5 people per enterprise.
- Employment spans the skills spectrum, from management personnel through crafts people to semi-skilled workers.
- Operations are labour intensive, rather than capital intensive.
- Labour turnover amongst permanent staff is high at an estimated 25%.

Training needs

The characteristics of the tourism workforce pose challenges for training at all skill levels.

- SME managers are reluctant to take part in off-the-job training and development due to time pressures and the lack of management cover in the business.
- Employee training is often deferred due to the disruption caused to the business by the absence of employees on training leave and because of the financial costs involved in training.
- Investments in staff training may be difficult to justify where labour turnover and industry exit rates are high, as the returns on training investments are thereby lost.
- Financial cost and perceived lack of relevance of much of the training offered discourages SMEs from taking part. Because of the small numbers involved, unit training costs in SMEs are high and training providers are often unwilling to fashion tailor-made courses specific to the needs of the business.

2.10 Summary

The economic rationale for seeking to speed up the pace of tourism growth is based on the nature of the sector.

Why tourism growth is needed

- Since 1999, growth in foreign earnings from tourism has been sustained.
- There has been major progress in attracting mainland European visitors.
- Much of the growth has occurred in Dublin.
- Outside Dublin, growth has been more dependent on the domestic market.
- The next stage is about growing market share, exploiting the investment that has been made in the accommodation sector and developing the products which will meet customers' needs.
- The sector is primarily indigenously owned, is more integrated into the economy than virtually any other sector and has out-performed all other indigenous sectors at providing employment, with the short-term exception of the construction sector.
- In the longer term, tourism has a vital role to play, especially in terms of the required development and the delivery of the National Spatial Strategy.

3.0 FUTURE MARKET TRENDS

3.1 Introduction – Global trends, tourism growth expectations

Tourism – a sustained growth industry

The global tourism industry is increasing and is expected to continue to grow over the next 15 years. The composition of the tourism market is also changing. Research for Tourism Ireland has shown that there are more than 60 million consumers in Ireland's key international markets who have a broad interest in the idea of holidaying in Ireland.

International trips up 5% per annum

Globally, international trips have increased on average by 5% per annum over the past 30 years. Worldwide tourism expenditure has increased at even higher rates. Global revenues from tourism grew consistently up to 2001. The traumatic events of 2001 contributed to a virtual standstill in international travel through to 2003. However, growth resumed strongly in 2004 and 2005 and early 2006 with a growth in trips of 18% worldwide since the beginning of this millennium.

There is a strong relationship between the level of disposable consumer income and travel. International tourism significantly outpaced the growth of economic output (real GDP) between 1975 and 2000, growing on average 1.3 times faster.

Tourism has seen significant growth and has continued to diversify geographically and in the range of products and experiences on offer.

Over the past decade the Asia Pacific regions and the former Eastern European countries have been fast growing destinations.

Leisure or holiday travel accounts for most international trips – approximately three-in-five trips worldwide. However, throughout the 1990s, international business travel grew at a faster rate than leisure trips, and now accounts for one-in-six travellers. Within this segment promotable business travel (meetings, incentives, and exhibitions) is particularly fast growing.

Tourism forecasts say industry to double by 2020

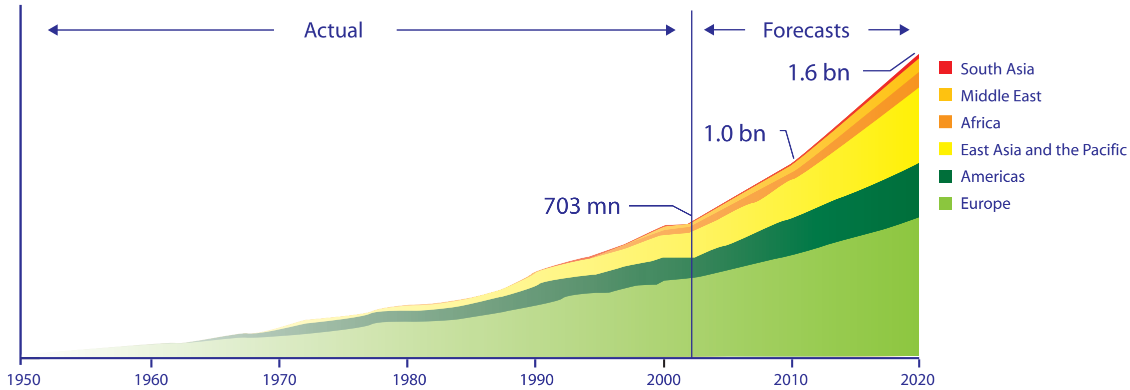
Tourism continues to have vast potential for further growth – the proportion of the world's travelling population is expected to at least double by 2020. UNWTO's *'Tourism 2020 Vision'* forecasts that international arrivals are expected to reach more than 1.56 billion by 2020 (see Figure 3.1).

The regional forecast for total Tourist Arrivals shows that by 2020 even though Europe will lose market share, it will still receive more tourists than any other region – some 717 million tourist arrivals.

Travel to Northern Europe (Scandinavia, Britain and Ireland) is forecast to grow by an average of 3.8% per annum.

The global tourism industry is increasing and is expected to continue to grow over the next 15 years.

Figure 3.1: WTO forecast and assessment of tourism development to 2020



Source: World Tourism Organisation Tourism 2020

Growth of 3.8% is just enough to keep market share

Long-haul travel, which is forecast to grow at a faster pace than intra-regional travel, is expected to benefit Europe. Arrivals from other continents are expected to grow more quickly than intra-European or domestic tourism. This means that if Ireland is just to hold its share, it needs to grow inbound tourism by a minimum of 3.8% visitors per annum.

Some 57 million additional holidays are estimated to be taken by Europeans and Americans between 2002 and 2020. Of these, 55% are expected to be taken by the 55+ age group[6], a segment for which many of our appeals are particularly suited.

6 IPK for the European Travel Monitor.

Trends forecast for Ireland's main markets

- **Great Britain** is expected to be the world's largest source market for city breaks. It is also expected to be the largest and fastest growing market for countryside holidays, and a growth market for touring holidays.
- **North America** is expected to be a strong demand source market for sightseeing; culture; cruises; and guided tours.
- **Mainland Europe** is predicted to show strong demand for touring holidays; city breaks; and 'Wellness'.

'Drivers' of tourism demand

The major 'drivers' of tourism growth globally have been:

- Economic growth;
- Population demographics;
- Lifestyle changes; and
- The increasing availability of affordable transportation, especially air travel.

Medium and long-haul air travel have become significantly more affordable. Meanwhile, low-cost airlines have revolutionised short-haul journeys within North America, Europe, Australia and Asia.

Other factors that influence demand for travel

- **New information technologies:** technology has dramatically broadened people's access to information and travel opportunities.
- **Increased leisure time:** many people are now entitled to more holidays than they were in the past and may have more flexible working conditions.
- **The 1990s economic boom:** this produced the 'cash-rich – time-poor' segment who want to make the most of their available recreation time.
- **Issues that concern travellers:** more recently, travellers have become concerned about safety, security and health.

Changing consumer demographics & lifestyles

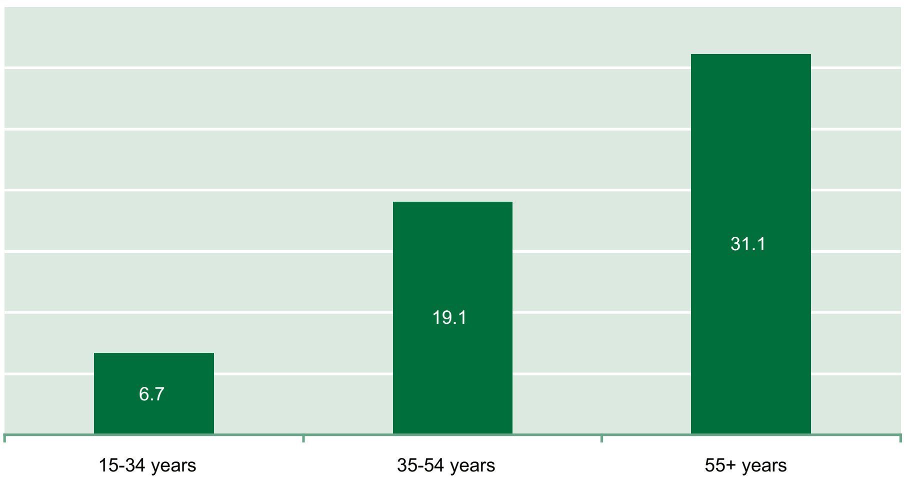
Changing demographics and lifestyle have many implications for tourism. They will affect travel patterns, customers' needs, and the type of products and services that they want. They will also affect the volume, destination, type, frequency and length of holiday trips that customers demand. These demographics and lifestyle factors include:

- The ageing population in the developed world – especially Europe;
- The increasing number of single person households;
- Changing work and career patterns; and
- An emphasis on personal wellbeing and evolving value systems.

Ireland is very well suited to produce the type of product which these markets will demand.

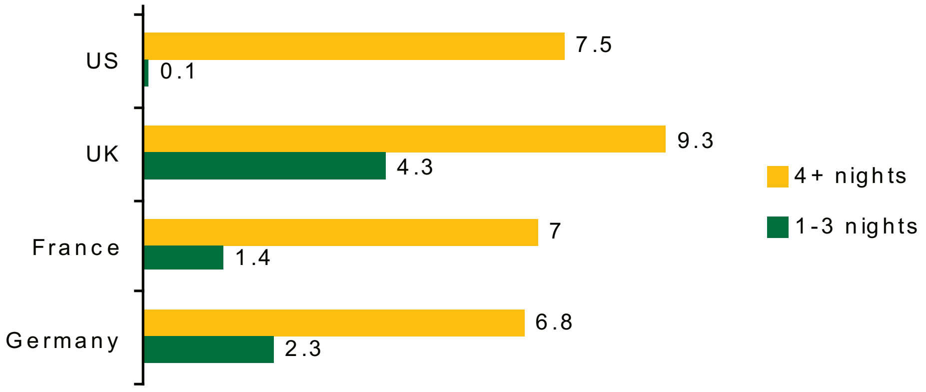
The ageing population has discretionary time and funds. Tourism service providers are already reviewing, and in some cases redesigning, the type of facilities that they offer to suit these clients.

Figure 3.2: Age-group growth for holidays up to 2020 (millions) (US, UK, France and Germany)



Source: IPK Generational Study, 2004.

Figure 3.3: 1-3 nights and 4+ nights – growth in holiday volume to 2020 (millions)



Source: IPK 2004 as above

Older people have more leisure time and are fitter than this age group used to be, and this is expanding the market for the travel industry. Tourists from this category have boosted travel figures in the UK, Germany, France and the US so much that in a recent study those countries showed the strongest growth in absolute numbers of outbound holidaymakers.

The 2004 IPK World Travel Monitor produced forecasts for outbound travel from key European and North American markets. It concluded that the trend towards shorter trips would continue in the immediate short term. However, it is then expected to slow as a result of growth in medium-length stays. Many of these medium-length trips will be extra holidays of up to seven or eight days rather than short weekend breaks.

3.2 The consumer perspective

Emerging trends in international customer profiles include:

- A more sophisticated and travel-savvy consumer;
- More frequent and shorter trips;
- A growing environmental consciousness;
- Holiday destinations are increasingly determined by activities, hobbies, interests and curiosity; and
- A strong awareness of value.

In addition, today's travellers place a high value on a safe, healthy environment. At the same time, the consumer is faced with an increasing range of options for their leisure time and disposable income. These include entertainment, recreational activities, fitness regimes and events close to home.

Tomorrow's customer will be better educated, more individualistic and more discriminating than their predecessors. They will expect the travel and hospitality provider to provide an experience that:

- Meets their needs;
- Is at a quality level that meets their expectations; and
- Is at a price they are willing to pay.

Older generation will demand 'quality' experience

Tomorrow's customer will have high expectations and will be more demanding than in the past. Predominantly the older generation will demand services that boost their 'quality of life' and consequently will be looking for a 'quality experience' when travelling. These customers are computer literate and expect fast, efficient, courteous service.

The new generation of older customers will be the largest and fastest growing market sector. However, the next generation – the 'live-now' generation, most likely double-income couples – does not wish to postpone travel experiences as their parents did. They will seek short, quality intensive, and life enriching travel experiences.

3.3 The needs of tomorrow's consumers

"In this pursuit of individualism, consumers will look for new experiences such as unusual environments and cultures, personal and physical improvement and emotional development... Customers no longer want just a trip; they want a memorable, custom-designed travel experience."

The World of Travel in 2020

The Future Foundation for Cendant Corp.

Consumer needs are driven by a range of personal and social circumstances which are generally beyond the specific tourism field. The following are some general issues which have been identified as having a strong impact on consumer needs.

- Increased stress.
- The 'cash-rich – time-poor' dichotomy for certain groups of consumers.
- Improved education and increasing knowledge of other ways of life and traditions.
- The desire to reconnect with some 'traditional' values – things like simpler ways of living, slower pace of life and family-centred lifestyles.
- Increased concern regarding security – physical, health and financial.
- The desire to continually 'improve' oneself.
- The 'old' are getting younger.
- The 'pester power' of children – and the desire to make more of the limited time parents have with children.

Ireland needs to develop products and experiences which appeal to consumers in a marketplace which is increasingly competitive and stimulating. It must focus not only on the tangible product requirements but also on the less tangible consumer needs. These less tangible needs are the key to how consumers decide where, how and when to take a holiday.

Tourism meets needs that vary by consumer and type of holiday. The set of needs which tourism and leisure activities attempt to satisfy include delivering:

- An authentic experience;
- Reward – to feel exclusive and personally satisfied;
- Rejuvenation;
- Relaxation and serenity;
- Belonging – socialising, fun, bonding;
- Self-actualisation or education – to feel mentally stimulated and knowledgeable;
- Energising – to feel vital and alive;
- Freedom;
- Safety; and
- Healing – mental, physical and spiritual.
- Discovery.

Customers no longer want 'just a trip' but are looking for a memorable and quality-based experience. The future for tourism lies in providing those experiences in a way which meets the key needs of these customers.

3.4 Competitor responses to changing demand

Ireland's competitors are responding to the changes in consumer demand identified above. Many of them have the added advantage of having a supply of long-established, iconic attractions.

The changing customer trends, market environment and increased competition have prompted several high-profile tourism destinations to adopt a more proactive customer 'needs-based' approach. They have done this by integrating their product development and the destination marketing strategy.

The key to success

High profile destinations comparable with Ireland have a number of characteristics that facilitate their success.

- They recognise that they must have a vision in place.
- They have strong national strategic leadership.
- They have a dynamic relationship between the public and private sectors that allows them to achieve partnerships between government and the tourism industry.
- They have partnerships between new products and geographic areas.
- They focus on innovation in product development.

High-quality market research and predictive research would appear to be key to success in encouraging product development. This type of research facilitates a fast response to changing conditions. It also allows tourism to make the necessary commitment to ensure environmental, social and economic sustainability.

Britain, Germany, Austria, Portugal, Norway and New Zealand have all designed their tourism products with the needs of the consumer at the centre of their strategies.

Examples of competitors' investments in tourism

Our neighbouring Northern European destinations are putting significant public investment into tourism. For example in Scotland, in addition to the €52 million government grant support for the Visit Scotland agency, the Highland and Islands Enterprise Agency, in recent years has been spending up to €22 million annually on tourism. About 50% of this is being spent on product development in just one region of the country.

In Norway such public spending has been running at €43 million annually.

Our competitors are all putting considerable ongoing investment into product innovation. Throughout Europe, municipalities and other public bodies have been very active in delivering major new iconic visitor attractions. Examples include the Guggenheim in Bilbao and The Eden Project near Bristol.

These type of investments by municipalities and other public authorities continues to provide and upgrade iconic attractions across Europe. These attractions offer compelling reasons to motivate visitors to choose a destination.

Major events

Likewise individual major events, which have significant tourism impact, are very generously funded elsewhere. To take just one example, the Edinburgh International Festival receives €5 million of public funding annually.

Leisure and recreation investment are comparatively low

When comparing our product investment to our competitors we should take into account that investment is distributed differently in different countries. For example we need to note the differences between the briefs undertaken by local authorities, and bodies such as Forestry Boards or Commissions, in our neighbouring countries.

Leisure and recreation and investment in these activities is strongly emphasised in local government responsibilities in most of Western Europe, while in Ireland it has a much more modest role.

Municipalities and regional authorities are very active investors in infrastructure for most outdoor activities elsewhere in Europe. However, in Ireland they are reluctant to invest unless specific central funding is supplied. They may also want the facility provided primarily to meet local, rather than tourist demand. This means they may strongly support facilities like swimming pools but will be less likely to priorities things like long-distance walking routes.

Most of our competitors have made impressive investments in building major new attractions and in making products accessible to the visitor.

Public agencies have been to the forefront of rolling out Web and other technology-based information systems for the culture, heritage and tourism sectors.
Ireland must seriously address such issues of product organisation, coordination and information systems if it is not to be left behind. Without investment we will lose market share.

3.5 Ireland's target markets and future approach

Rigorous and continuous consumer research has identified the segments which offer the greatest potential for Ireland (see Appendix E).

Segmentation of the market for holidays in Ireland – both current visitors and 'best prospects' – based on demographics, behaviour and product-usage provides a valuable insight into the motivations and product needs of the visitor.

An analysis of Ireland's top four source markets – Britain, USA, France and Germany – has identified seven independent segments. The analysis also estimates size and behaviour characteristics.

Target segment size is 66.1 million

The estimated potential size of all seven segments is 66.1 million tourists. The largest segment is Sightseers and Culture Seekers and the estimated potential size of this segment is 20.7 million outbound ABC1 holidaymakers

(30-33%). This segment has a higher interest than other segments in holidaying in Ireland. In reality the sightseers and culture seekers make up over half (50 to 60%) of Ireland's holidaymakers each year.

Sightseers and culture seekers

The key motivations and behaviour characteristics of sightseers and culture seekers are:

- Admiring scenery;
- Learning about the country and its culture;
- Sightseeing and visiting historical sights; and
- Experiencing music and the arts.

Other key segments

The other key segments and their estimated potential size are:

- 'Family and loved ones' (approximately 25%) 16.5 million;
- 'Relaxers' (approximately 21%) 14.0 million;
- 'Social adventurers' (approximately 9%) 5.7 million;
- 'Outdoor actives' (approximately 6%) 4.2 million;
- 'Affinity groups' (approximately 5%) 3.4 million; and
- 'Luxury lovers' (approximately 2%) 1.6 million.

In all of the above segments, Ireland's current share is relatively modest, but research within these groupings shows that there are few outright 'rejecters' of the idea of holidaying in Ireland. This means that there is significant potential to grow our share.

Domestic tourism

Current demand for domestic tourism can be segmented into the following five main groups.[7]

Food and luxury seekers

This segment forms about 20% of the domestic tourism demand and mainly comprises urban-based couples aged 25-50. They are looking for things like:

- Rest and relaxation;
- Weekends away with good food; and
- Value for money in an international context.

The annual growth potential in this segment is estimated at 4-5%.

Child-focused holidays

This segment forms about 25% of domestic tourism demand and mainly comprises adults aged 30-50 who have children. They are looking for:

- Things to do for the kids and a child-friendly environment.

The annual growth potential is estimated at 1-2%.

Nightlifers

This segment forms about 25% of the domestic tourism demand and mainly comprises single people aged 18-35. They are looking for:

- Fun;
- Food, drink and entertainment; and
- Weekend breaks.

The annual growth potential is estimated at 3-4%.

Country ramblers

This segment forms about 20% of domestic tourism demand and mainly comprises people over 50 years of age who are retired or semi-retired. This group will travel any time and is looking for:

- Good deals;
- Comfort; and
- Good food.

The annual growth potential is estimated at 2-3%.

Hobby enthusiasts

This segment is estimated to form less than 10% of domestic tourism demand and covers all age groups. The trips they are looking for are determined by:

- The activity or their interest.

The estimated annual growth potential is 3-4%.

Holiday values will shift

Research of consumers' needs predicts that tomorrow's travellers will show a significant shift in holiday and travel values. As consumers' confidence grows and they focus on fulfiling personal and lifestyle needs, their holiday aspirations and behaviour will also change.

Tomorrow's consumers' pursuit of individualism will lead them to unusual and new experiences. They will seek out different environments and cultures to provide physical or personal improvement and emotional development.

7 Fáilte Ireland, TGI.

Tourist needs must be fulfilled

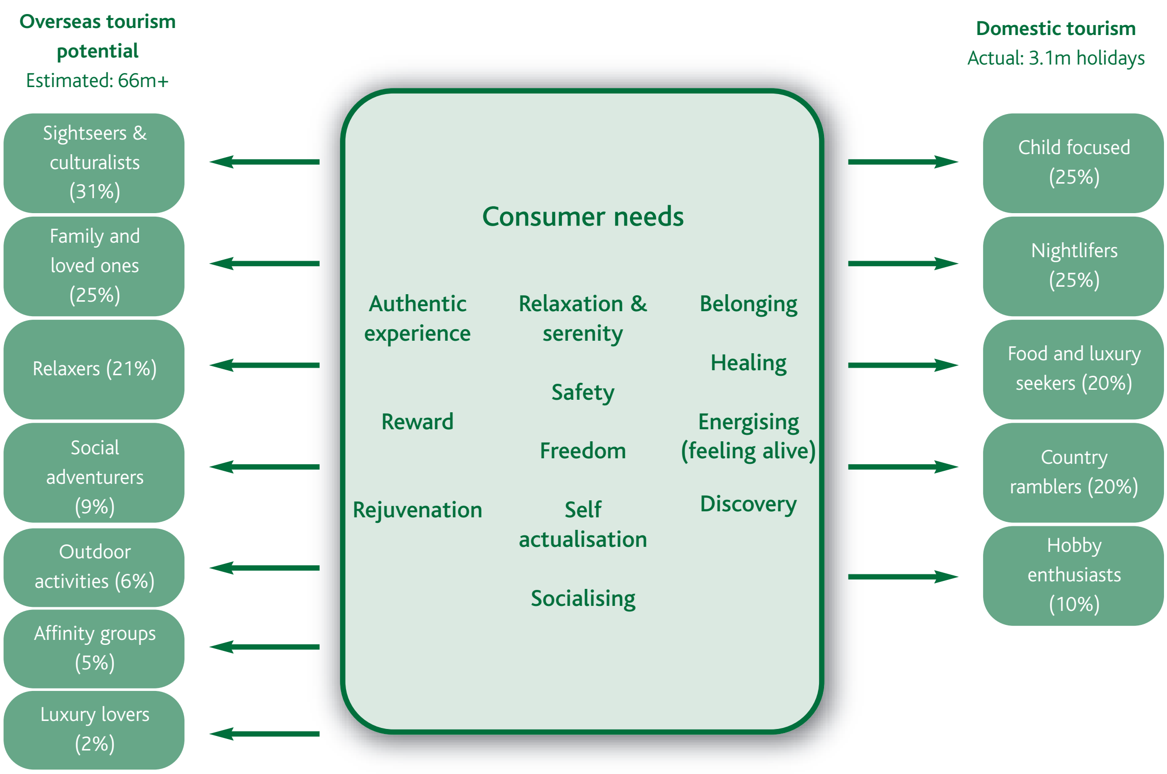
Any approach to developing a product or a proposition in tourism must make sure that tourists' needs can be fulfilled. This is the only way the destination can deliver a genuine tourism experience that provides consumers with the holiday experiences they are seeking.

Figure 3.4 shows Ireland's key overseas and domestic segments and the main customer needs. Travel destination and holiday companies must change if they are going to be successful in the future. They must move from delivering travel 'components' to delivering a 'complete holiday experience', not in the same way as the old package-holiday idea, but in a flexible and individualised manner.

Specifically this will involve development of experiential tourism, where tourists can experience the product through active involvement and participation, according to their individual preferences.

If Ireland is to compete for tomorrow's customers, it will have to ensure that it continues to meet the primary needs of each consumer segment. A sea change is needed in how tourism development is approached to offer more holistic experiences. This shift in emphasis will have implications for the co-operation between government departments, as well as for individual tourism providers.

Figure 3.4: Key overseas and domestic segments and main consumer needs



The following diagram illustrates how to move from identifying tourists' needs to creating new tourism experiences.

Figure 3.5: Developing new tourism experiences

Research identifies new areas of tourism demand

Research into competitors and benchmarking against their tourism products has identified where new tourism experiences and packages can be offered. This research examined consumers' needs; trends; and consumer segments – domestic and international.

Products need to be supported by 'soft' elements

From a marketing perspective Ireland must underpin the specific products it offers with the 'softer' elements. These softer elements include:

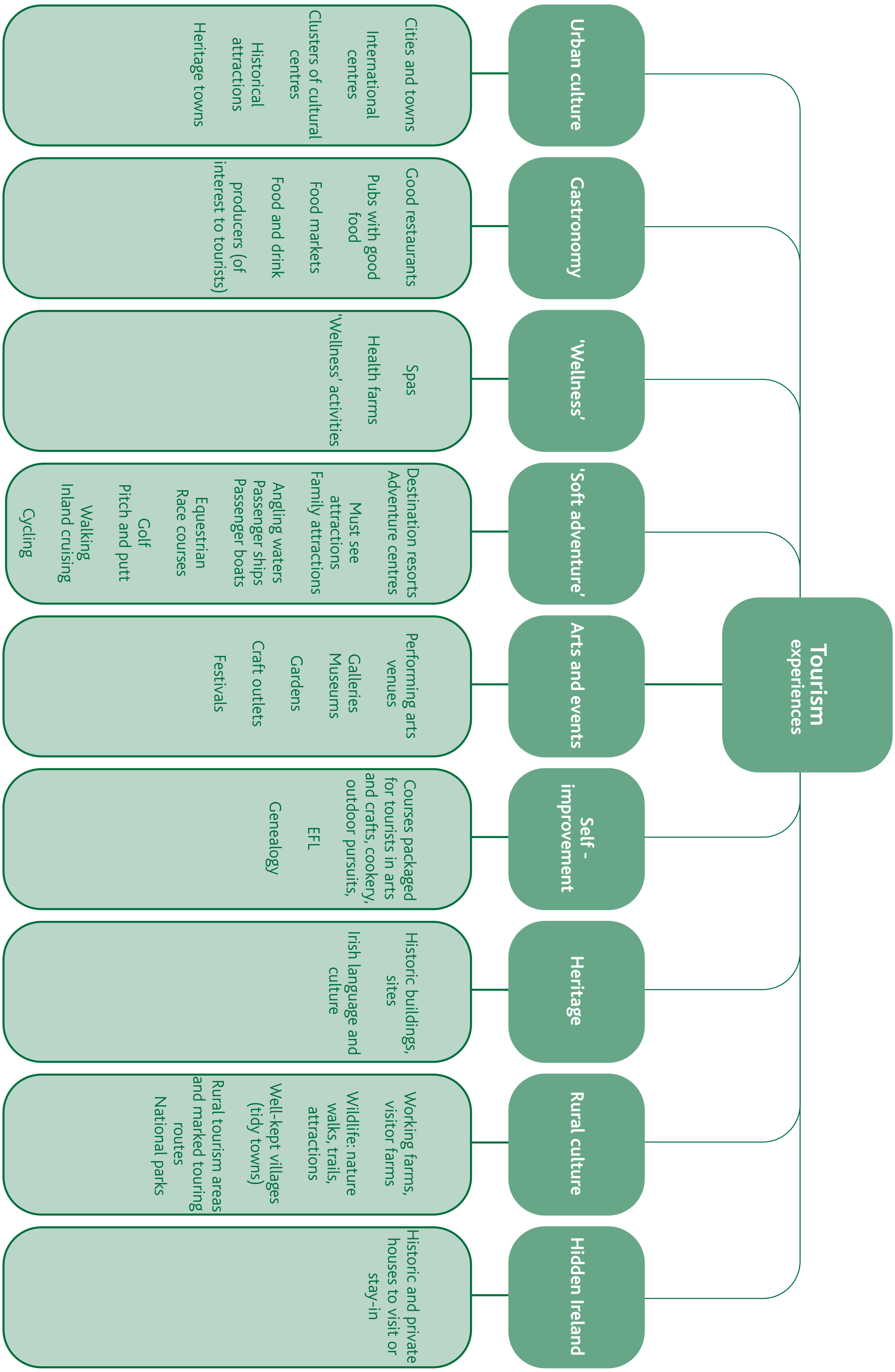
- Quality;
- Customer service;
- Information provision;
- Packaging and presentation;
- Price;
- Integration and accessibility of products; and
- The unique attractions of specific regions.

Future emphasis should be on delivering tourism experiences tailored to the needs of the consumer rather than the convenience of the producer. This clear evolution in strategy means that there will be major changes to the tourism product, its presentation and organisation.

This evolution will allow tourism to bundle together a range of tangible products and 'softer' elements to give our target segments a diverse range of experiences.

The nine main themes which have been identified (see Figure 3.6), our unique natural environment and our good quality customer service, can help Ireland's market share to grow.

Figure 3.6: The product themes and categories



Combine tourism resources

We need to combine our tourism resources, for example, the 'Soft adventure' theme, with tourist information, food and dining, entertainment, access, transportation and the environment. This will allow us to create an overall visitor experience which will be authentic, enriching and memorable. Important tourism resources, for the 'soft-adventure' theme for example include:

- Destination resorts;
- Adventure centres;
- Family attractions;
- Must-see attractions;
- Angling waters;
- Equestrian activities;
- Race courses;
- Golf;
- Walking;
- Inland cruising;
- Cycling;
- Pitch and putt; and
- Water-borne craft providing boating trips.

It will also be necessary to focus on innovation to make sure that products keep adapting to the market. For example, the types of activities that people will want to take part in as part of 'soft adventure' will evolve as new sports and activities develop and become fashionable.

3.6 Summary

In summary, the main points from Chapter 3 are:

- There is long-term growth potential for Irish tourism;
- There is a need to respond to changing customer needs;
- There has been an aggressive response by our competitors, not just in marketing, but in product development and market research;
- Without investment we will lose market share;
- Seeking continuous product innovation is key; and
- The product requires physical investment but at the same time must be accessible, well presented and meet customer expectations.

4.0 STATE OF THE PRODUCT – THE GAPS IDENTIFIED

4.1 Introduction

This chapter reviews the current Irish tourism product from a quantitative and a qualitative perspective. It looks at:

- The physical environment;
- Infrastructure;
- Tourism products and services (including accommodation, activities, attractions and events);
- Capability in the tourism industry; and
- Integration and communication of the tourism product.

Analysis is used to draw conclusions about the gaps and opportunities in the industry and what actions or interventions are needed to remedy them.

4.2 Physical environment

In addition to its people, Ireland's other vitally important tourist attraction is the environment. The scenic landscapes and coastlines, and relatively good air and water quality, are a significant draw for visitors.

The varied landscape across the country offers a diverse product which is a popular attraction in itself, and is also the backdrop to a wide range of activities and events.

Why people visit Ireland

In 2005, 82% of visitors rated Ireland's scenery as an important reason for visiting Ireland. Some 77% nominated the natural unspoilt environment while 60% mentioned Ireland's attractive cities and towns.

Ireland's distinctive landscapes and seascapes are an important differentiating factor in attracting visitors to Ireland. Without this environmental attraction there would be no distinctive Irish tourism product, or no significant potential for ecotourism.

However, these positive environment ratings from visitors should not lead to complacency. Ireland needs to make meeting international commitments on air emissions and waste management a priority.
It is also important to protect the quality, character and distinctiveness of scenic landscapes and to prevent and control eutrophication (breakdown of the environment in lakes and rivers) in inland waters.[1]

Scenery and seascapes

Ireland's scenic landscapes and seascapes are a fragile resource and they are coming under increased pressure to accommodate greater levels of development. The sustainability of the Irish tourism industry will be partly determined by how well landscape change is managed over the coming decades.

Six National Parks are protected by the State but there are just two sites in the country designated as World Heritage Sites. The Minister for the Environment, Heritage

Ireland's distinctive landscapes and seascapes are an important differentiating factor in attracting visitors to Ireland.

1 Environmental Protection Agency, (2004), State of the Environment Report, Wexford, and European Environment Agency, (2005) The European Environment: State and Outlook 2005, EEA, Denmark.

and Local Government also designates some private lands as:

- 'Special areas of conservation' for habitats and species;
- 'Special protection areas' for birds; and
- 'Natural heritage areas' which are areas of national scientific importance.

Ireland has 25 species and 60 habitats that the EU recognises need special protection.

In addition, Local Authorities identify some scenic landscapes for protection.

Poorly sited and designed residential, commercial and industrial developments can detract from the quality of visually sensitive landscapes. Development and planning authorities need to consider how sensitive landscapes can accommodate change without spoiling their attractiveness.

In response to this challenge, Local Authorities are increasingly preparing design guidance for developments such as single houses in rural areas.

Key challenges in relation to scenic landscapes

The key challenges in relation to scenic landscapes are:

- To protect the quality, character and distinctiveness of designated scenic landscapes and landscapes of high amenity value; and
- To make sure there are design guides available and that they are put in place in developments created within sensitive landscapes.

Coastline and off-shore islands

Ireland's 7,500km long coastline and off-shore islands form some of its most valuable tourism resources and a significant proportion of tourism is at or near the coast.

The coastline is a fragile resource which is vulnerable to over-development and needs sensitive management to make sure that its scenic, ecological and cultural qualities are not spoiled.

Currently, Ireland's coastline does not benefit from a national Integrated Coastal Zone Management Strategy, which has been recommended by the EU.[2] This is considered essential to the sustainable management of the coastal zone.

The high numbers of sea lice on poorly managed salmon farms and the fall in wild sea trout populations in the West of Ireland[3] are symptoms of the current lack of co-ordination. This link was identified by the Central Fisheries Board and is a serious issue which has contributed to the decline in angling tourism in some areas.

2 COM/00/545 of 8 September 2000.
3 Gargan, P.G., Tully, P. & Poole, W.R., (2004) "The Relationship Between Sea Lice Infestation, Sea Lice Production And Sea Trout Survival in Ireland, 1992-2001". From: Salmon on the Edge, (ed. D. Mills), pp.119 -135, Blackwell Science, Oxford, UK.

Key challenges in relation to the coastal zone

The key challenges in relation to the coastal zone are:

- To protect and improve the coastal and estuarine water quality;
- To protect and enhance designated scenic coastal landscapes and seascapes;
- To prepare a national 'Integrated coastal zone management plan' to ensure the sustainable and co-ordinated management of the coastal resource; and
- To improve the management of beaches.

Inland waters

The quality of inland waters is also important. While Ireland's water quality overall is of a relatively high standard, its decline threatens tourism.

Serious pollution in rivers and streams has been reduced in recent years to just 0.6% of river channels surveyed – its lowest level since the early 1990s. This should not lead to complacency because eutrophication of rivers, lakes and tidal waters continues to be the main threat to surface waters. Eutrophication is caused by pollution from both diffuse agricultural sources and municipal sewage[4].

The reduction of eutrophication levels is crucial to protect salmon and trout stocks. The introduction of the 'Nitrates Directive' will regulate the use of nitrate fertilisers on farms and is expected to reduce the level of water pollution from agriculture.

The EU Water Framework Directive is a positive step to the integrated management of Ireland's water resources. It deals with the quality of coastal, estuarine and inland waters in general and includes the requirement to set up River Basin Districts.

Key challenge with inland waters

The key challenge in relation to inland waters is:

- Eutrophication prevention and control.

Municipal waste

The generation of municipal waste in Ireland has increased significantly since the mid-1990s. The economic boom and the population boom were the two main drivers of this increase.

Waste management has seen significant improvements since the Waste Management Act, 1996. Recycling in particular has increased and there is a 26% reduction in the proportion of waste being sent to landfill. However, an ongoing challenge is the continued rise in absolute quantities of waste which was up 10% in 2003.

Growing numbers of tourist accommodation providers have become more energy, waste and water efficient in recent years. This improvement has been partly achieved with the help of a number of pilot schemes promoted by the Irish Hotels Federation and the Irish Hospitality Institute, together with the continued implementation of the Performance Plus scheme by Fáilte Ireland.

Key challenges with Greenhouse Gas (GHG) emissions

The key challenge for the tourism industry in relation to GHG emissions, energy consumption and municipal waste is:

- To ensure that all stakeholders in the sector play their part in becoming more energy, waste and water efficient.

Historic cities, towns and villages

Ireland's historic cities and towns will become increasingly important to tourism as visitors continue to travel to urban areas for short breaks.

The medieval and Georgian quarters in our cities; the 18th to 19th century characteristics of our towns; and the vernacular qualities of many of our villages, have high heritage values and provide a popular attraction for tourists. They are also the backdrop for other activities and events.

Since the mid-1990s there has been continuous growth in the suburban areas and historic centres. The core tourism product remains the historic centres of cities, towns and villages.

Fáilte Ireland has carried out an aesthetic appraisal of 100 of Ireland's most architecturally distinctive and characteristic towns and villages. *The Irish Towns Study* identified a number of issues facing tourism in Ireland's historic urban areas.

4 Environmental Protection Agency, (2004), State of the Environment Report 2004, Wexford.

Key challenges for historic urban areas

- Generic building designs, which take no account of local architectural character, are leading to an erosion of the qualities that make many of our towns and villages visually unique and distinctive.
- Traffic congestion and poor traffic management can detract from the enjoyment of the historic centres of Ireland's towns by visitors and locals alike.
- Many publicly owned historic buildings in historic cities and towns are poorly interpreted and very often inaccessible.
- Large edge-of-town shopping centres and retail parks have damaged the commercial life in the historic centres of many smaller towns. This leaves these towns with the serious challenge of redefining the function of their historic centres.

Litter

Litter is still one of the most visible environmental problems in Ireland. However, the 2002 levy on plastic bags is estimated to have removed one billion bags from circulation each year. Litter remains a problem in urban and rural areas alike. Some 11% of all respondents to the Fáilte Ireland *Visitor Attitudes Survey* gave their satisfaction with litter levels a score of less than five out of 10.

Key litter challenges

The key challenges in relation to litter are:

- To continue reducing litter in urban, rural and coastal areas;
- To build on the success of the reduction in plastic-bag litter – by tackling plastic bottles as a priority.

Physical environment

Our physical environment is an important but fragile tourism resource that needs sensitive management to ensure that all its essential qualities are maintained and enhanced.

The scenic quality of a landscape is usually eroded gradually as a result of insensitive incremental development over time.

Land-use planning

Over the past 20 years, land-use planning in Ireland has been largely a reactive process. There has been relatively little investment in management plans for sensitive landscapes, seascapes and historic urban areas.

This is beginning to change as formal assessments of a landscape's characteristics are being made, coastal zone management is integrated and architectural heritage protection and design guidelines for urban and rural areas are developed.

These are useful planning tools that can be used to plan for positive change in our most sensitive landscapes, seascapes and townscapes.

4.3 Infrastructure

Good quality infrastructure and services are essential to building a quality tourism product. The public is particularly concerned with infrastructure and services provision, including things like access, value for money and quality.

A good tourism infrastructure has become more important with trends such as more frequent and shorter trips and an ageing population as outlined in Chapter 3.

Key infrastructure challenges

The main issues and areas requiring action in terms of physical infrastructure and services are:

- Regional access;
- The quality of the road network;
- Directional signposting; and
- Poor internal transport –
  - from the airports
  - to and between the regions
  - public transport to rural locations.

We welcome *'Transport 21, the 21st century transport plan for 21st century Ireland – connecting communities, promoting prosperity'* and support the full implementation of the plan and the creation of an integrated public transport network.

Quality, integrated transport is critical for competitiveness, return on investment and regional development. The key

Good quality infrastructure and services are essential to building a quality tourism product.

elements of *'Transport 21'* would greatly enhance the tourism product and address many of the transport shortcomings.

Tourism needs more improvements to the infrastructure, in addition or in a modified form, to those proposed in *'Transport 21'*. The improvements needed are:

- To have an access transport policy that provides low-cost air travel both to Dublin and the regions via the regional airports;
- To provide airport rail links;
- To accelerate the Atlantic Road Corridor;
- To make sure secondary and tertiary roads are fit for their purpose;
- To address the continuing issues visitors have about road signs; and
- To provide easily accessible car and coach parking, particularly in our towns and cities.

It is vital that these elements are completed on time and there is an especial need to accelerate the development of Dublin Airport. In addition, the completion dates of other elements, like the development of the Atlantic Corridor, need to be brought forward.

Access transport

The development of access transport is vital for a successful tourism industry in Ireland. The key strategic objectives are to:

- Keep encouraging transport providers to improve their products and make them attractive to visitors in Ireland's most important existing markets – and in potential markets; and
- Expand the gateway into Ireland by providing more services via Cork, Shannon, Belfast and other regional airports – especially during high season.

Visitor reception facilities

Visitor reception facilities at key international access airports need to be of the highest standards. They should reflect Ireland's reputation as a welcoming destination.

Dublin airport

Dublin Airport is the dominant gateway into Ireland and it needs to be expanded. The Government's decision to build a second terminal is welcome and supported by the Group. It is important to make sure that gateway infrastructure, and internal transport networks converging on Dublin and at other international airports, are of a high standard. These transport networks include bus, rail and road (including signposting) services. Currently, bus and rail services are poorly integrated.

Signage and road improvements

- There is a clear need to address the continuous negative feedback from overseas visitors about confusing directional road signs and the inferior road network in Ireland.
- Local Authorities are responsible for making sure that there are good directional road signs and that the necessary road improvements are made. National standards need to be set for all local authorities so that they are on a par with international practice. This would eliminate the varying standards of signs from county to county.
- The opening up of the Atlantic transportation corridor linking Sligo, Limerick and Waterford is a key feature in linking up the different regions.

Ports and ferry travel

Feedback from visitor research indicates that there is a need to upgrade visitor facilities and the broad infrastructures, such as signage, at certain tourist ports. There has been considerable growth in cruise tourism in the last three years and Ireland gains substantial benefits from this sector. Although a 'cruise passenger' is not considered a tourist as they do not have a 24-hour stay, or bednight, it is important that the figures are included in the annual tourism returns.

There are opportunities to facilitate more sea cruises in a number of places in Ireland. This is the fastest growing sector in global tourism and the value of the sector for Ireland in 2003 was estimated at €66 million[5]. There is the potential to attract more cruise ship 'turnarounds' and extra liners per year to various places around Ireland.

5 Marine Institute

4.4 The tourism product and services

If Ireland is to compete successfully in the international tourism marketplace, it must offer tourism products and services of world-class standard that meet the needs for meaningful and authentic experiences.

This section reviews the current product offering, its quality and any gaps that exist and it outlines the challenges and development needs. Products and services are addressed under two principal headings: tourist accommodation; activities, attractions and events (including major events and iconic attractions).

4.4.1 Tourist accommodation

Ireland's accommodation stock grew from 76,000 to 84,000 rooms over the period 1994-2005. Since 2000 the hotel and self-catering stock has continued to increase substantially, but there have been reductions in the guesthouse; Irish home (B&B); hostel; and camping and caravanning sectors. This reflects trends in the accommodation mix elsewhere in Europe, other than for some mainland countries where the B&B sector is growing.

Some €2.4 billion has been invested in tourism accommodation in Ireland between 2000 and 2005 – encouraged by tax allowances available in certain categories. This is over 85% of the capital investment made in the Irish tourism product during the five years concerned.

There has been major upgrading of the hotel product, with particularly big increases in three-, four- and five-star rooms. One- and two-star rooms have declined. Major investment has also taken place in ancillary facilities, including spas and leisure centres.

However, annual room occupancy rates in the hotel sector have been at a similar level since 2000. The annual room occupancy in 2005 was 62%. Rates are especially low in regions like the Midlands East (53%) and North West (54%). These rates are relatively low by international standards. New investment in the hotel stock is not always producing a distinctive Irish product. It is also thought that there has not been enough investment in non-accommodation tourism support products. These would help to support the growth in tourism that the expanded accommodation sector needs.

Until now, accommodation providers have generally focused more on operational issues than on strategic business planning and on the long-term viability of their product.

Accelerated capital allowances are set to close down in 2006-2007. This will lead to a further increase in the supply of accommodation as investors bring their development dates forward to take advantage of the allowances.

Areas where issues are likely to arise in relation to accommodation stock in the future are:

- The need for reinvestment in the more traditional, independent Irish hotel product;
- The change in the supply of self-catering as the 10-year tax-obligation period expires – this means that owners will no longer have to let their premises to avoid tax clawbacks; and
- The impact of changes in the B&B sector with changing consumer patterns.

4.4.2 Activities, attractions and events

A comprehensive national *'Product audit and quality assessment'* was undertaken based on the themes as listed in Table 4.1. It aimed to evaluate the product and development needs of the different regions around the country. This was greatly supported by a full audit of marine tourism facilities by the Marine Institute.

Dividing the different tourism products into themes is useful, but it should be noted that many products deliver services under several themes. For example, heritage towns are important to heritage-based tourism experiences, as well as to urban culture.

The audit provides a picture of the volume, distribution and quality of products by region and by county. Products were rated from one to four and can be compared on a geographic basis.

The inventory of tourism products was created from the themes and categories outlined in Table 4.1. In total 7,910 products were identified, of which 7,316 were in the Republic of Ireland. Some 594 products were in the parts of Northern Ireland that form part of the hinterland of key tourism areas in the Republic.

The audit was designed to identify priority areas for future investment. It must be stressed that the ratings the audit produced are not intended either as a guide for consumers or as a criticism of product providers. Instead, they rate the product and how ready it is for the tourism market. The overall average rating for all products across all counties is 2.68 out of 4 (67%).

Table 4.1: Amount and rating of product according to themes

Themes and categories of product	Amount of product	Average product rating (assessment of product and how ready it is for the market)
HIDDEN IRELAND		
Historic and private houses to visit or stay in	185	
	185	**3.12 (78%)**
GASTRONOMY		
Good or interesting restaurants	480	
Pubs with good food	485	
Food markets	126	
Food and drink producers (of interest to tourists)	64	
	1,555	**3.01 (75%)**
URBAN CULTURE		
'Picturesque' cities and towns	85	
Major historical interpretative centres	62	
Clusters of cultural centres	34	
Historical attractions linked by touring routes	68	
Heritage towns	97	
	346	**2.88 (72%)**
WELLNESS		
Spas, health farms, wellness activities	132	
	132	**2.77 (69%)**
ARTS AND EVENTS		
Performing arts venues	222	
Galleries	249	
Museums	233	
Gardens	195	
Craft outlets	332	
Festivals	662	
	1,893	**2.74 (69%)**
SELF-IMPROVEMENT		
Courses packaged for tourists in arts and crafts, cookery, EFL and so on	270	
Genealogy	34	
	304	**2.73 (68%)**
RURAL CULTURE		
Working farms, visitor farms	133	
Wildlife and nature walks, trails, attractions	169	
Well-kept villages (Tidy Towns)	212	
Rural tourism areas and marked touring routes	72	
National parks	6	
	592	**2.66(67%)**
TOURISM INFORMATION		
Main permanent TIOs: services provided to tourists; supply of information on local events of interest to visitors, for example GAA matches and pubs with music.	98	
	98	**2.64 (66%)**
'SOFT' ADVENTURE		
Destination resorts	27	
Adventure centres	81	
Must-see attractions	32	
Family attractions	359	
Angling waters (coarse, pike, game and sea)	412	
Equestrian	271	
Race courses	27	
Golf	353	
Walking	278	
Inland cruising	8	
Cycling trails	39	Not rated
Pitch and putt	126	Not rated
Passenger ships	119	Not rated
Passenger boats	425	Not rated
	2,557	**2.45 (61%)**
HERITAGE		
Historic buildings, sites	606	
Irish language and culture	42	
	648	**2.24 (56%)**
OVERALL TOTAL	**7,910**	**2.68 (67%)**

'Soft-adventure' is big market opportunity

'Soft adventure' is the theme under which Ireland can offer the largest amount of tangible product. The 'Soft-adventure', 'Arts and events' and 'Gastronomy' themes, as shown in Table 4.1, account for 71% of the total. This shows that there is a large selection of activities for visitors and a healthy supply of good restaurants and pub food.

The 'Heritage' and 'Rural culture' themes make up another 16% of the inventory. However, it was found that heritage and rural culture products were of relatively low quality (Table 4.1). Indeed, some products which could feature under these themes like organised wildlife watching and tours, were virtually absent.

Poor communication

The assessment found that there was a considerable amount of product available, but it was not always communicated or presented well to visitors.

Geographical distribution of products by county

Not surprisingly, the counties that are most prominent in the tourism industry have the largest numbers of products (Map 4.1). The six leading counties contain 52% of the inventory in the Republic between them. They are Dublin, Kerry, Cork, Galway, Donegal and Mayo.

There are parallels between the distribution of products and the distribution of rooms and these show that tourism is concentrated in coastal areas (Map 4.2). The product and accommodation shares of the Midland and Border counties (with the exception of Donegal) indicate relatively low levels of tourism activity. This is also the case for those counties with a minimal coastline.

Among the mainstream coastal counties, a number have a low share of tourism product. In view of their scenic qualities, these counties appear to be under-performing. Inland, as expected there is some consistency between the counties with a low share of the product inventory and a low share of the room stock.

Product density

The product density distribution illustrated in Map 4.3 shows that the most popular tourist destinations (as defined by their relative share of tourist rooms) are also where product capacity is most used. This implies that in general, products in these areas have a greater potential for viability and sustainability than in areas where the capacity has a low level of use.

It also means that commercial investment in products in the areas shaded in blue is more difficult to generate and sustain.

Product ratings

The ratings were designed to show which products and areas have the most potential for future development investment.

Map 4.4 shows that the areas with the top average product ratings, when weighted by their share of the product inventory, are along the west coast, and in Dublin and Wicklow on the east coast. The lowest product rating averages are in the Border, Midlands and South-east regions.

There is a considerable amount of product in certain coastal and traditional tourism counties. However, the quality of the product needs to be addressed even though these areas have a strong tourism profile, particularly on the domestic market. It should be noted that these are overall averages.

In general, the leading counties in terms of overall ratings, and in terms of the distribution of products and guest rooms, also tend to be at or close to the top of the ratings in each theme.

However, there are distinctive variations where some counties are notably strong on products relevant to certain themes, while others are notably weak on other products. Some well-known tourism counties are at the lower end of the ratings for certain products.

The analysis identified a number of key points about how the tourism product differed by area.

'Must-see' attractions missing

Many areas have no recognised 'must-see' attractions. These areas also have a relatively small number of family attractions. These product-portfolio weaknesses can significantly influence tourist preferences.

'Soft-adventure' group gets low rating

The overall average rating for the 'Soft-adventure' group is the second lowest of the 10 groups. The 'Soft adventure' group categories with the lowest average ratings are:

- Angling waters;
- Equestrian centres;
- Golf[6]; and
- Walking.

Low-average product ratings in these categories are spread throughout the country. However, the Midlands tend to have greater product weaknesses than coastal areas.

There are examples of good products in this category in almost every area, but most are of a weak average standard. This is particularly true in terms of visitor access, the quality of the product and the facilities and services available.

'Arts and events' group is second largest theme

When tourism is broken down into themes, 'Arts and events' is the second largest product. There is a considerable disparity between the number of products on offer in different areas. Coastal areas generally have more products in this group than those inland.

Festivals do well

On average, the 'Festivals' category received the highest ratings under the 'Arts and events' theme.

Museums do poorly

Museums received the lowest average rating under the 'Arts and events' theme. There are a lot of museums in the inventory, but most are small with dated and poorly presented displays.

Heritage group gets lowest rating

The 'Heritage' theme received the lowest average rating of all the groups. Most counties have at least 12 sites.

There are excellent sites very well presented to visitors where access is easy, and the information, interpretation and facilities are good. However, a high proportion of sites received low ratings because of a lack of visitor facilities, weak or non-existent interpretation, restricted access, and poor presentation.

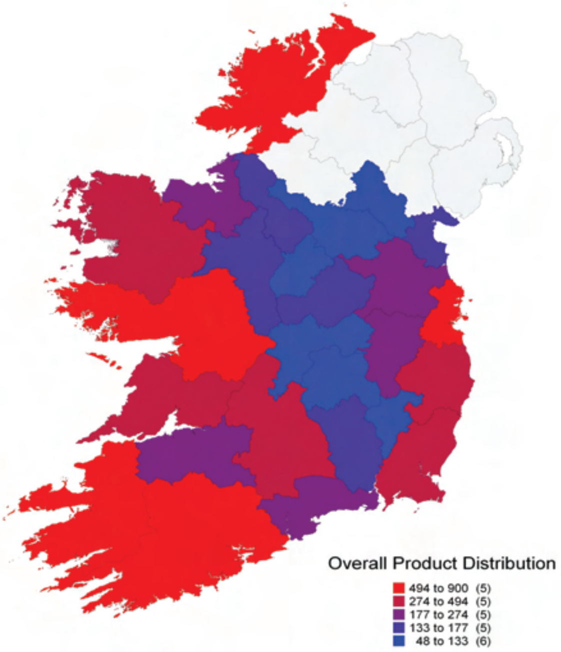
Rural culture

In general, under the 'Rural culture' theme, national parks and rural tourism areas received the highest average ratings, while villages received the lowest.

Many areas have no recognised 'must-see' attractions. These areas also have a relatively small number of family attractions. These product-portfolio weaknesses can significantly influence tourist preferences.

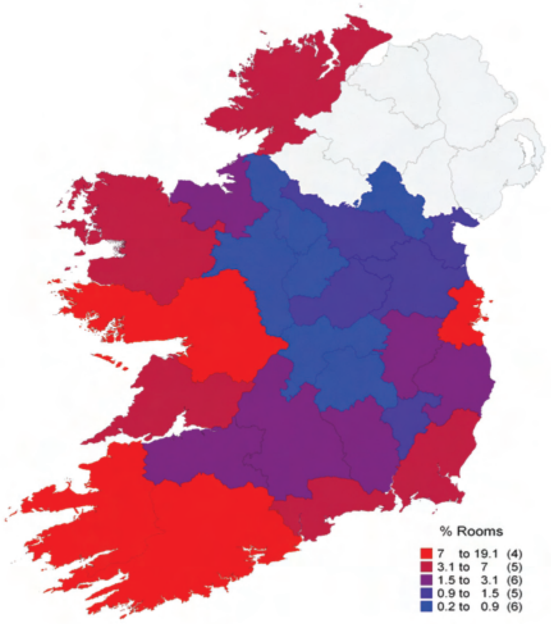
6 This is partly due to lack of focus on the needs of international visitors and the services they require. Priority tends to be given to members' needs rather than providing services to the international visitor.

Map 4.1: Distribution of products by county



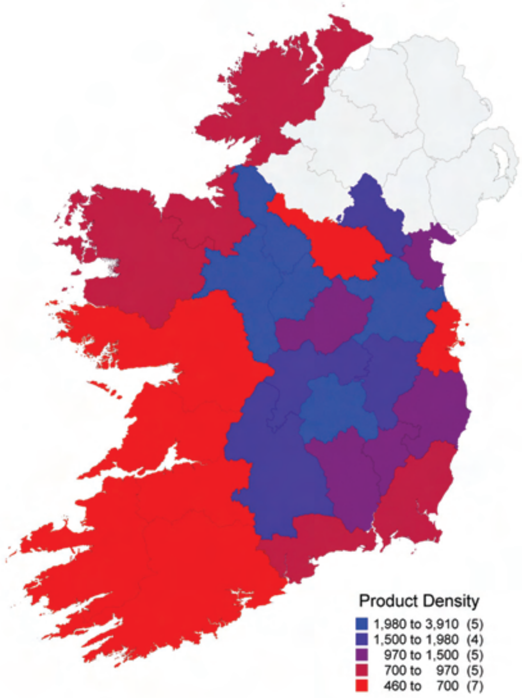
- The map shows how tourism products are distributed around the country.
- The number of tourism products in each county determined which category it was put in.
- The number in brackets is the total number of counties in that category size.

Map 4.2: Distribution of rooms by county



- The map shows how rooms are distributed around the country.
- The percentage number of rooms in each county determined which category it was put in.
- The number in brackets is the number of counties in each category.

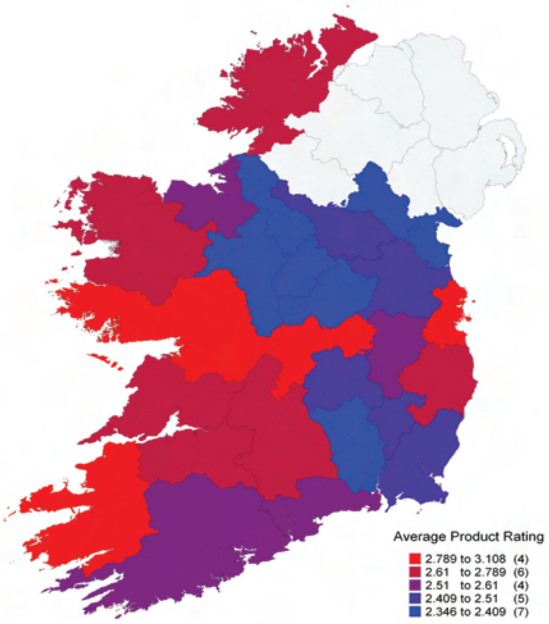
Map 4.3: Product density



- The density of the product is a relative measure based on the amount of product per 10,000 guest bedrooms in each county.
- The product density in each county determined which category it was put in.
- The number in brackets is the number of counties in that category.

Map 4.4: Average product ratings by county

(Assessment of the product and how ready it is for the tourism market)



- The average product rating in each county determined which category it was put in.
- The number in brackets is the number of counties in that category.

Key product components

The number of overseas visitors taking part in activities and visiting historical or cultural attractions has generally been static or declining. This was shown in detailed research of consumers, tour operators and the travel media in consultation with relevant people in the industry.

Numbers taking part fall

Many of the activities Ireland is offering face key issues and development challenges. From 2000 to 2005 the numbers of those taking part in the following areas were down:

- Golf;
- Angling;
- Cycling;
- Language learning;
- Equestrian activities;
- Sailing;
- Hiking and hill walking (with some recent recovery); and
- Gardens (with some recent recovery).

The number of visitors taking part in inland cruising and genealogy has fluctuated somewhat over this period, while the volume of holidaymakers visiting historical and cultural attractions, which is proportionately by far the largest segment and a key attractor for Ireland, has only risen slightly to 2.6 million. This highlights that this product also needs to be refreshed and to attract reinvestment. The number of visitors taking part in each of the activities for 2005 is outlined in Table 4.2.

Table 4.2: Overseas visitors who took part in activities in 2005 (000's)

	Number of holidaymakers
Cultural or historical visits	2,612
Gardens	525
Hiking or cross-country walking	280
English language learning	108*
Golf	98
Genealogy	60
Angling	56
Cycling	43
Equestrian	27
Cruising	24
Sailing	9**
Health and wellness	Not available

Source: Fáilte Ireland 2006

NOTE: * Figure based on three-year average.
**There were difficulties enumerating the number of visitors taking part in this activity due to the nature of the product.

High quality is vital to healthy market

High quality products are important to two groups. The first is the 'the generalist visitor' who may wish to sample a number of different types of products. The second is the 'the specialist', who wishes to take part in one particular activity while on holiday – like golf or angling. There are specific issues relating to each product.

Culture and heritage (including gardens and genealogy)

Ireland's cultural and historical heritage is one of the strong magnets for tourists coming to Ireland. The others include the mainstream attractions of scenery and friendly, hospitable people.

Less well-known attractions are overshadowed

Research and visitor numbers have shown that when people think about Irish cultural heritage they think of 'mainstream' attractions such as historic houses, castles, monuments and sites. For example Blarney Castle, Bunratty Castle, Brú na Bóinne and Glendalough.

A whole range of other attractions are being overshadowed or undersold compared with the main, well-known attractions. Lack of reinvestment in such attractions has detracted from the overall tourism offering.

A number of national public buildings could be unlocked to become key tourism assets and 'iconic' attractions. This would help to disperse visitors to other attractions.

'Great gardens'

The investment during the past 15 years in restoring and developing 'Great gardens' has provided a good network of this product, however a few regional gaps still exist.

'Living culture'

Access to the range of 'Living culture' is very poor and opportunity exists to develop this sector.

Genealogy

There has been a failure to capitalise on the opportunity to attract more people of Irish ethnicity overseas to discover the details of their roots and genealogy.

Business tourism – meetings, incentives, conventions, exhibitions

The Business Tourism Forum is also working on a number of issues that are hampering the development of business tourism in Ireland.

- Ireland does not have a National Convention Centre.
- Currently there is no public building available for holding large banquets or gala dinners.
- The VAT regime in Ireland is not comparable to other countries, including Britain and Northern Ireland where VAT concessions exist for international conferences.
- The predominance of low-fares airlines in Ireland inhibits group bookings and business class travel.

Hiking and hill walking

- There are issues surrounding access to privately owned land.
- National and local Government, as well as the public agencies, have an interest in developing the product, but have not co-ordinated their approach.
- There is no system for ongoing management, including maintenance, to ensure a quality product[7].
- The product offered needs to meet the needs of a variety of abilities from the casual walker to the specialist.
- There is a major product gap in coastal walking routes.

Golf

- Just about one third of the 320 golf courses in the Republic are easily available and accessible to visitors. Member-clubs in urban areas, particularly on the east coast, are the least available for visiting tourists.
- Tourism could benefit from a more balanced spread of visitors if the golf courses around the country were more accessible to them.
- Internet online booking of tee times is not widely available.

7 DAST, DGCRA, FI and NWMWC plan to set up a working group for walking to address the lack of co-ordination and establish a co-ordinated policy for walking.

Angling

- There has been a serious reduction in stock levels as well as water quality in recent years and this has resulted in negative publicity for the sector.
- Some overseas visitors have to get several different licenses and permits in both the Republic and Northern Ireland and this is discouraging.
- Historically, tourism and the local community have had different ways of handling the fishing resource. This has not always been in the best interest of tourism – particularly in relation to the problems associated with drift netting and the consequent reduction in stock levels.
- There are some problems with tourists getting access to inland and sea angling fisheries.

Cycling

- There is a very limited cycle-route network.
- Many of the cycling operators are small businesses so the high cost of insurance cover is a particular obstacle to their operations. This means there are not enough bicycle hire services.
- New trains are not bicycle-friendly.

English language learning

- 'Language learning' is a product that has increasingly experienced difficulties because there are not enough host families.
- Ireland is coming under increasing price competition from other destinations offering the 'English as a Foreign Language' product.
- Visa requirements are becoming increasingly difficult as Government immigration policy tightens.

'Health and wellness'

This is a relatively new product for Ireland and it is in the early stage of its product lifecycle. There is no clear product categorisation or industry association body for 'health and wellness' yet. The appeal for overseas visitors is limited as the product generally does not have a unique Irish selling proposition. It is also a challenge to make sure prices are competitive because 'health and wellness' is already well developed in many competitor destinations.

Inland cruising

- Overseas operators say the Irish product has become 'jaded' and that it is facing increased competition from other destinations. They see it as relatively expensive compared with products in other new and developing cruising destinations.
- Many inland cruising locations lack services and many marinas are overcrowded.
- Inland cruising is vital to the Midlands economy.

Equestrian

- There is a considerable opportunity to develop this product and to create an image of 'Ireland the Land of the Horse'. The equestrian product offered could also be widened to outside horse riding schools to include race meetings, trails and other horse related attractions.
- Specialist tour operators are not as interested in this product as they used to be – there are issues about the price competitiveness of the Irish product.
- Insurance is a key issue for people providing equestrian services as is access to certain trail routes.

Marine tourism (including sailing)

- Modern public facilities in Ireland and services for visitors, linked to best practice in beach management, are not as high as the standards commonly seen abroad.
- The visitor marina network is incomplete, particularly along the west and north-west coastline.
- There are no clear policies around planning and foreshore issues for marine tourism.
- There is a rather thin network of sailing, boating, watersports and dive centres. There are also very few marine or water-themed visitor centres, in key strategic locations.
- There are localised shortages of sea angling and small tourism vessels.
- Viewing points or vessels for whale and dolphin watching are poorly provided compared with our neighbouring competitors.

Three geographic aspects to tourism

In summary, the product audit reinforced that the regional problem is not just an east-west divide. Rather there are broadly three geographic dimensions:

- The well-established largely coastal destinations;
- The inland core; and
- Dublin and urban hinterland.

Each of the three categories needs a separate development strategy. Some key challenges are now outlined.

Create urban magnets of attraction

Places like Cork, Galway and Limerick already have a critical mass of product. The challenge is to develop these centres and create other attractions that draw the tourists to these urban areas. They are also important counter poles of attraction in the Government's overall National Spatial Strategy. In addition, Killarney has the potential to play an even greater role as a magnet and hub.

Stage events in the Midlands

The midlands face particular challenges that could be addressed, by for example, staging significant events.

Treat Dublin as a separate product

It needs to be recognised that Dublin is a product in its own right, and that it too needs to be developed.

Highlight our strengths

Tourism in Ireland needs to play to its strengths – the scenic coastal counties.

State and non-State sectors

The audit identified strong products, weak products, opportunities and quality issues.

It also identified the progress and commitment made to product development in the non-State and State sectors. The non-State sector does benefit from some public funding support. Very welcome developments in the non-State sector from a tourism and revenue point of view include:

- The redeveloped Croke Park;
- The forthcoming new Rugby and Soccer Stadium at Lansdowne Road; and
- The proposed new Thomond Park.

In the State-owned sector significant progress has been made in the national and civic cultural institutions in Dublin such as:

- The National Museum at Collins Barracks;
- The Millennium Wing of The National Gallery;
- The redevelopment of Dublin City Gallery the Hugh Lane;
- Plans for the Abbey Theatre;
- Plans for the redevelopment of the National Concert Hall;
- New exhibition space at the National Library and IMMA; and
- The Chester Beatty Library at Dublin Castle.

Around the country significant progress has also been made with:

- The national monuments at Newgrange and Cashel;
- The national parks at Muckross House in Killarney and the reinstatement of Diamond Hill at Connemara; and
- The new visitor exhibitions at Glenveagh, Co Donegal, and Coole Park, in Gort Co Galway.

Commitment has also been made for:

- New Visitor Centres at Ballycroy National Park, County Mayo; and
- Clara Bog, County Offaly.

A greater regional provision of Arts infrastructure is also emerging, which will be extremely desirable.

All of these welcome developments need to be further built upon and accelerated.

4.5 Management capability and business development

Many tourism businesses can struggle with management. This can involve:

- People management
- Financial management
- Strategic management
- Market management
- Product development

Tourism managers (frequently as a result of their own training) tend to focus strongly on operational matters. They can sometimes fail to take a broader or strategic management perspective. Gaps in people-management are common and support for training is needed to address this issue.

Education

However, access to learning can be problematic. Many employers (particularly small-medium enterprises and medium enterprises) find that the time taken for training and development can significantly disrupt normal service and production.

More needs to be done to make learning convenient. This will most likely involve regional training centres, a greater use of e-learning channels and other more innovative and flexible ways of providing education.

Continuing, relevant learning, linked directly to performance and profitability will frequently be best done in the workplace. In this way new behaviours, skills, and practices can be tested against the reality on the job rather than within a classroom situation.

Craft skills

In the craft area (and particularly in professional cookery) skills gaps continue to mark the industry. Employers will need to support their staff in acquiring and extending relevant craft skills if they are to overcome these gaps. Craft skills in cookery, bar service, and hospitality represent the core skill-set within the industry.

Valuable human assets

The people working in tourism – both at craft and management level – are valuable human assets. They need continuous investment in the upgrading of skills and know-how.

Most leading business organisations recognise the importance of human capital. They have built their success on the knowledge, skills, and enthusiasm of their workers. Over the next few years tourism enterprises will need to mirror this type of investment in human capital.

Tourism needs the right people with the right skills

The challenge in tourism is to:

- Create a value-driven model;
- Provide a premium product; and
- Deliver consistent quality based on the highest standards of skills and service.

Meeting this challenge will require that the right people – and the right craft and management skills – are widely available across the tourism sector as a whole.

Human resources development

In April 2005, a human resource development (HRD) strategy for Irish Tourism – *Competing Through People* – was published. It underlined that people and skills were essential to the Irish tourism product. This HRD strategy also made the point that human resources, and the skills and professional competencies of those working in tourism, must be understood as a significant source of competitive advantage in the sector.

This is well recognised in many of our competitor destinations where tourism-relevant skills development is part of both the further and higher education system.

Fáilte Ireland's HRD strategy set out a range of actions over 2005-2010. Many of these initiatives have now been introduced and their continuing implementation is being resourced and monitored. These interventions are focused primarily on skills development.

The people working in tourism are a key element of the overall tourism experience, and in many cases are an important determinant of the customer experience. This emphasises that stronger links should be built between staff skills development and product development.

4.6 Communicating an integrated product

The analysis above shows that Ireland has an extensive product to offer. From the consumer perspective, it is essential that the product is accessible and that the consumer can easily make the links so critical to the enjoyment of a holiday.

Internet challenge

The consumer of the future is less likely to use the services of traditional intermediaries, such as package organisers, and is more likely to require that a competitive and comprehensive offering is available at the click of a button. This is a fundamental challenge for product providers and the agencies with which they work in Ireland.

Fáilte Ireland and other relevant players need to provide incentives and encouragement to the sectors that are 'market ready' and have a minimal web-booking presence. This would mean, for example, integrating activities like river cruising and cycling together.

Giving information is a key part of the successful visitor experience. The main sources of visitor information are:

- The Internet;
- Tour operators;
- Product providers;
- Tourist guides; and
- Tourist Information Offices (TIOs).

Fáilte Ireland has a particularly strong role to play in Internet development, the development of the TIOs and training of product providers. New ways of communicating, including new technologies, are important to providing information and services to visitors. They are not currently being used in Ireland as much as they are in other destinations.

Lack of innovation

There is a growing need to encourage the development of tourism products that are consumer-focused and new to the Irish market. These products must also have a clear potential to attract additional visitors and incorporate best practice – particularly in terms of environmental sustainability, accessibility for tourists with disabilities and equality in service provision.

Currently, there is a lack of innovation in the tourism industry. The industry needs to foster a culture of tourism innovation and research that will allow the development of new, unique or varied tourism concepts. This would enable Ireland to compete and 'stand out' from our competitors.

4.7 Delivery of the product and the strategy

The tourism industry does not have clear boundaries and this is reflected in public policy. Parts of the product are under the control and influenced by a number of Government departments and agencies in addition to the Department of Arts, Sport and Tourism. The Local Authorities also exert some control over the tourism industry. The six other Government departments involved in tourism are:

- Department of the Environment, Heritage and Local Government;
- Department of Transport;
- Department of Agriculture and Food;
- Department of Finance;
- Department of Communications, Marine and Natural Resources;
- Department of Community, Rural and Gaeltacht Affairs; and
- The Office of Public Works.

The delivery of the tourism product is very fragmented, with a large number of agencies and organisations putting money into it. There is a need to link efforts and to use the information in this *Tourism Product Development Strategy* to make sure that the tourism industry uses 'joined-up thinking'. This would also mean that the tourism product would be better integrated both on the ground and through e-marketing.

Wider Government recognition of tourism

Following the publication of the Report of the Tourism Policy Review Group, *New Horizons for Irish Tourism*, the Department strengthened its Tourism Division. Part of this involved allocating significant resources to servicing the work of the Tourism Action Plan and the Implementation Group, who produced three progress reports culminating in March 2006.

The Implementation Group actively monitor the progress in delivering the 'action points' in the new strategy. This complemented the work of the Department in ensuring that Government memoranda were more effectively monitored so that the interests of tourism were considered in the wider areas of Government decision-making.

The Minister and his Department have indicated that the Implementation Group has helped them to pursue a more integrated approach to tourism policy across Government.

These efforts are paying dividends. There is growing recognition of tourism policy concerns in decision-making and consultative processes in areas that have traditionally been outside the Department's primary remit.

The establishment of the Tourism Strategy Implementation Group, to continue the important work of the Tourism Action Plan Implementation Group, is welcomed. The Group will advise the Minister on the implementation of the outstanding recommendations of the *New Horizons* report. It will also respond to issues as they arise in the course of the development of the tourism industry in a dynamic international context and work with other Government Departments and Agencies to address key areas which include:

- Competitiveness, Productivity and Skills;
- Product development and Innovation;
- Access and Marketing;
- Sustainability and Regional Spread; and
- The Strategy Implementation Process.

Co-operating with other agencies

Tourism and the law

Challenges exist in other areas to:

- Work with the Department of Foreign Affairs for tourism favourable law in relation to visitors' visas; and
- Encourage the Department of Health and Children to reform the Marriage Law so that more venues can be used for marriage ceremonies[8].

The Implementation Group could be well positioned to work towards these developments.

Competitiveness and tax

Under this more integrated and proactive approach, the Department of Arts, Sport and Tourism is actively involved in the work of the National Competitiveness Council and the Tax Strategy Group. These two bodies have a strong influence on Government policies and decisions that affect tourism.

This also makes sure that there is a strong tourism voice in the work of other inter-Departmental and Agency groups. These include the Enterprise Strategy monitoring group, the National Spatial Strategy implementation group and the Asia Strategy Group.

Greater shared vision

There is no doubt that sustaining this process of a greater shared, cohesive vision is critical to achieving long-term effective results from public policy.

8 The 'Proposed Reform of Marriage Law' proposed liberalising locations where marriages could be solemnised and introducing a register of solemnisers for groups which did not have specified buildings for marriage ceremonies. This could have significant positive effects on the tourism sector.

4.8 Key conclusions

- The environment is key, and elements of it are under threat.
- The regional issue is not a simple Dublin versus 'the rest', but a more complex Dublin and urban, coastal, and inland division.
- Concentration of the general product and high quality product is mainly found in Dublin, other urban regions and along the coast.
- There are specific challenges with each of the key product components.
- There is a strong accommodation product but areas of concern have been identified. These are the traditional independent hotels, self-catering units and the B&B sector.
- The marine sector and Ireland's historic towns and cities have not yet exploited their full potential.
- The need to invest in product in all the major locations (e.g. Dublin, Cork, Killarney, Limerick, Shannon and Galway) is vital not just to those locations but for the country as a whole.
- State investment in key public assets is vital.
- From a tourism point of view, priority needs to be given to certain aspects of transport development, and investment needs to be accelerated.
- The cohesiveness of public policy needs to be strengthened.
- The tourism sector lacks an ethos of continuous innovation and Research and Development.

5.0 FRAMEWORK FOR DEVELOPMENT

5.1 Context

Irish tourism is competing for its share of a growing market. The international tourism market within, and to, Northern Europe, as shown in Chapter 2, is a dynamic one. It continues to grow with rates of ca. 4% annually forecast.

Domestic tourism has grown in line with growth in the economy and in personal disposable income. Short-term growth forecasts, from groups like the ESRI, predict annual GNP growth of more than 5% in the immediate term. Domestic consumption is expected to increase annually by 6%.

The tourism industry in Ireland needs to grow at 4% per annum just to keep its market share.

More sophisticated consumer

A more sophisticated consumer also places considerable demands on the evolution of the tourism product. Research shows that current tourists choose holidays that will give them a different and rewarding experience. In product terms this means they have a set of 'needs' such as:

- Cocooning;
- Self-actualisation;
- Reconnecting with nature; and
- The need to 'discover'.

Product must also be, more than ever, accessible, both physically and in an intellectual sense.

Irish tourism faces considerable information challenges; the traditional personal channels cannot service the increasing instant information needs of a discerning consumer.

Competing with rest of Europe

Ireland's competitors have not stood still. The opening up of Central and Eastern Europe has brought a huge increase in the supply of countryside-activity tourism. These products are now accompanied by accommodation which matches western standards, but which continues to benefit from significant cost advantages.

Other parts of Western Europe have not been slow to invest in iconic attractions. In addition, the traditionally relatively higher budgets for arts, culture and recreation in most of our EU neighbours have helped to generate a very attractive competing tourist product.

The audit of the Irish tourism product has shown that it needs to catch up with its EU competitors on its core tourism products such as:

- Heritage and culture;
- Walking;
- Cycling; and
- Marine sports.

There is widespread accommodation across the nation but not enough complementary activities to make sure all those beds are sold. This is especially true in non-coastal regions.

There is a clear case for selective public investment in some core tourism products, such as walking and heritage & culture because this type of infrastructure is not profitable in its own right.

The private sector has been slow to invest in such regions. However, there is a clear case for selective public investment in initiatives in the areas concerned because this type of infrastructure is not profitable in its own right. Public investment should not be restricted to the more traditionally attractive tourism areas.

Natural environment needs better protection

Similarly there are concerns that existing practices and policies do not do enough to protect the superb natural environment, which is so central to Ireland's attractiveness for incoming tourists.

5.2 A vision for Irish tourism

Unique strengths

More than ever, Irish tourism needs to play to its unique strengths.

The Irish people

In a less economically successful era, the spontaneity, natural friendliness, hospitality and relaxed pace of life of the Irish people were recognised as a major strength. This was seen as a bedrock of the tourism appeal.

Scenery and environment

The other main traditional appeal was the quality of scenery and natural environment. Major changes in lifestyle, combined with fewer native-born Irish people at the frontline in the hospitality industry make it all the more essential that the natural environment is strongly preserved and protected.

Premium quality

It is also essential to deliver premium quality. The relative importance of segments such as 'Conference' and 'Incentive', for example, in the overall tourism mix, has increased considerably. Such segments are highly demanding in terms of quality delivery. Ireland needs to put in place the mechanisms which will ensure consistent quality for the consumer.

Innovation

While the options to develop totally new and different tourism products in Ireland may be relatively limited, it is important to foster a culture of innovation. Ireland has in the past achieved many 'firsts', including the introduction of such distinct products as the medieval banquet.

More recently we have pioneered national reservations systems for sectors such as B&Bs. More innovations should be developed – particularly around product organisation.

The Vision for Irish Tourism is that Ireland will be a destination of choice for international and domestic tourists which:

- Achieves growth in market share with a higher yield;
- Has a pristine physical environment;
- Offers an accommodation product which is diverse in its character;
- Has key attractions which entice visitors to Ireland;
- Delivers a range of authentic experiences, in a friendly, engaging environment;
- Attracts investors and staff of the highest quality;
- Demonstrates and delivers continuous product innovation;
- Makes a sustained contribution to the development of the economy – especially from a geographically diverse viewpoint;
- Respects and supports Irish culture in all its diversity; and
- Provides a positive international profile of Ireland.

5.3 An integrated response

Earlier analysis indicated that tourism has a critical role to play in the development of the Irish economy. It has the potential to contribute consistently to regionally-balanced and sustainable development.

The future success of Irish tourism depends on a shared vision and the actions of a wide range of players, public and private. They will need to dovetail their work to create an environment that provides a competitive and attractive product.

Government has central role

The Government, through its many branches and agencies, has a central role to play. This has been recognised in the wide brief given to the Tourism Strategy Implementation Group set up in May 2006. The Government recognises that tourism needs to be taken fully into account when determining national policy in areas as diverse as:

- Environmental protection;
- Road and transport infrastructure; and
- Taxation policy.

For example, Ireland's current mix of low-direct and high-indirect personal taxation tends to favour import tourism (outbound travel by Irish residents) at the expense of export tourism. Very high real estate costs in Ireland also deter activity, particularly in areas like the restaurant sector.

Infrastructure must take tourism into account

Infrastructure investment programmes should take the needs of tourism fully into account and not just the needs of the resident population. Ireland can learn from the generous approach to funding of tourism infrastructure in many of its competitors.

The Local Authorities, who play a major role in funding the public infrastructure, need to be able to draw on tourism funds so that they can carry out infrastructure projects that mainly benefit tourists rather than local residents. Similarly in terms of amenity and environmental funds which become available to the local authorities and similar bodies during the forthcoming National Developement Plan period, it is important that a mechanism is brought forward which allows the tourism authority have a direct influence in fund allocation.

The criteria for spending significant public funds on historic buildings should focus equally on the capacity to draw tourists as on the conservation requirement.

Likewise, tourism should influence the decision when assessing whether to upgrade heritage management services, for example, to achieve a greater number of World Heritage site designations.

Major new attractions should be prioritised

The Irish tourist industry needs to prioritise providing a small number of major new attractions and selectively reinvesting in existing attractions. Some of the funding will be needed on an ongoing basis for staff training to ensure good quality information provision.

Sensitive landscapes need more State investment

Greater state investment in sensitive landscapes is needed. While national parks are now established in Kerry, Donegal, Connemara, Wicklow, Mayo and Clare the extent of national territory covered by such parks is still small by international standards.

Some national assets like the coastline and major public buildings have the potential for greater exploitation and they should be more developed. This development should be guided by a group of stakeholders who strongly represent tourism. Funding allocations need to reflect such priorities.

Private sector should be encouraged

The private sector needs to be strongly encouraged to invest in tourism opportunities – especially in those ventures that do not represent conventional asset-backed standard format developments.

5.4 Guiding principles

Irish tourism has benefited from generous tax and grant incentives from the Exchequer and the EU over the past 15 years. This has resulted in a very modern and well-equipped accommodation sector, even though it is characterised by a high degree of uniformity.

Accommodation sector does not warrant more major funding

One consequence of this has been that occupancy rates have remained at slightly below international norms (64% in 2005[2]). This means that it does not make sense to intervene further fiscally or financially in the overall accommodation sector.

Rural B&Bs may need some support

However, it may sometimes be appropriate for local development agencies to give modest support to developments like rural bed and breakfasts. When they do, the tourism agencies should determine the design of the supports.

Wide range of accommodation is good for business

It is also important to encourage the maintenance of a wide choice of tourism products. For example, small tourism-focused, non-chain affiliated family hotels face particular challenges. There is a case for prioritising marketing and productivity support programmes for these types of establishments. It is also important to continue monitoring the range, adequacy and performance of this sector so that policy amendments can be made quickly when needed.

Investment should focus on long-term ancillary products

Any future public and private investment should be aimed at optimising the long-term return. Investment in the key tourism areas should be prioritised according to business opportunity and sustainability – commercial as well as environmental. Specifically, incentives should be focused on expanding the non-accommodation tourism products and strengthening the relevant infrastructure to support them.

Accommodation sector faces challenges

The accommodation sector faces increasing operational challenges in a tight labour market and as the cushion offered by subsidised capital diminishes. There is a growing need to facilitate productivity and to strengthen human resources if the product is to match consumers' expectations.

Competitiveness needs a co-ordinated response

Competitiveness must be recognised as a major challenge facing Irish tourism. The public and private sectors need to respond in a concerted and coordinated way to the issue. It must be to the forefront of the agenda for joint action between:

- The Department of Arts, Sport and Tourism;
- The agencies;
- The Irish Tourism Industry Confederation; and
- The major sectoral groupings.

Competitiveness needs to be tackled in both quality and price terms and through enhancing productivity at the level of the individual enterprise. Substantial training and professional development support will help to deliver a quality product at or above international norms. There may also be a case for abolishing or reducing fees currently levied on the industry for taking part in quality approval schemes.

Any options for reducing Government-imposed costs on sensitive sectors within the tourism industry need particular attention.

Physical environment is central to tourism

The central importance of the physical environment to tourism demands that the tourism sector puts itself at the centre of any decisions about the environment. Members of the tourism industry should be represented on as many environmental decision-taking forums as possible.

5 Source: Fáilte Ireland Hotel Review 2005.

Audit shows tourism is divided into three main areas

During the 2000-2006 National Development Plan, tourism activity experienced further significant concentration in the Dublin area, while it declined in the Border Midlands Western (BMW) region. Even within the regions, the cities and larger towns have increased their market share at the expense of the more rural areas. Nearly all new hotels are in larger towns while many rural B&Bs have closed their doors.

The audit showed that there were in effect three tourism regions:

- Dublin – where tourism is growing;
- The West and South East – where tourism is deeply important but needs investment;
- The Midlands – where tourism is struggling and there is a limited product.

Industry needs to play to strengths

It makes sense to develop some regions more intensely than others. The industry needs to play to its strengths and look at where there are gaps in the product. There is a need to avoid spreading the product too thinly. For example, locations chosen for major attractions must have the necessary demand base to ensure sustainability.

Public policy must respect private investment decisions

Private sector investment in tourism has concentrated on the Dublin area and other coastal locations. Very little has been developed in the centre of Ireland.

Public policy cannot, or should not, seek to overturn the location decisions made by private investors. At the same time, central Ireland can still contribute by providing options that in the future reduce the impact of congestion in more popular areas.

The best response to this, in the short to medium term, may be to give strong support to areas where the Midlands has inherent advantages – affordable golf, language learning, cruising, and angling for example. Greater marketing support should also be available for central areas of the country. This could be especially productive around the creation of major events – especially where they are accessible by major gateways and close to tourism hubs.

Support must be productive

Funding for festivals, new events and incubation 'start-ups' therefore ought to sometimes favour areas like the Midlands instead of the 'honey pots'. However, the extent of support should take into account how much tourism can realistically contribute to the economy.

Priority areas

Higher priority should be given to areas that:

- Have a more scenic natural environment;
- Have a greater reliance on the tourism sector;
- Have a local population increasingly interested in tourism as agriculture and manufacturing declines;
- Do not benefit from being near an outer suburban belt; and
- Do not benefit from strong activity in other sectors like 'new-economy' services.

Some products act as magnets to others

It should be noted that some products will not be commercially viable but could draw other ventures to the area. These less economic ventures include culture and arts infrastructure, national parks, monuments, public buildings, regional and travelling museums.

Local decision-making

Decision-making, particularly about providing marketing and information, should increasingly be undertaken at local or county level, but agreed and networked nationally to agreed international standards. This type of information would encourage visitors to stay locally and take part in local activities.

Public sector must provide research and marketing support

It is vital that the public sector plays a key role in maintaining a constant flow of pertinent, accurate and up-to-date research for decision makers in the sector. Similarly marketing supports must continually reinvent themselves to deal with the challenge of a constantly changing market environment.

Locally based marketing supports will not be fully effective unless the public sector maintains its extensive marketing of Irish tourism internationally.

Public support should focus increasingly on 'software'

It is increasingly important that public support for tourism is channelled into 'software' in addition to 'hardware' supports. 'Software' support includes relevant training, education, and ongoing professional development services.

It is particularly important that each Irish tourism enterprise gets as wide a range of public supports as its counterpart in other sectors.

The focus of public funds falls into four categories:

- 'Public good' investments (road signs and walking routes for example);
- Developing a small number of new internationally competitive events;
- Co-financing, with the private sector, capital investment in a number of specific areas; and
- Human resources, particularly oriented towards developing an innovation culture and creating a National Institute for Tourism Product Innovation.

Research and development

Tourism investment in research and development has trailed other parts of the economy and has created an urgent need for initiatives to redress this situation.

The remaining sections of this document now address how these principles can be converted into concrete actions.

6.0 IMPLEMENTATION OF THE STRATEGY 2007-2013

6.1 Introduction

The success of this *Tourism product development strategy* will depend on a close working relationship between the public and private sectors and a clear implementation plan.

This chapter outlines the supports needed (Ref. 6.2):

- To deliver the targets set;
- Address the key issues and challenges;
- Address the opportunities; and
- Fill the product gaps.

It also proposes how these actions and interventions will be put in place (Ref. 6.3). This includes details of:

- How the intervention will be organised;
- Who will be responsible for the work done; and
- The relevant departments, agencies and organisations that they should work with.

An annual review of the strategy will be undertaken. The implementation of this strategy, in addition to the proposals outlined in the *New horizons for tourism*, will help ensure the successful development of the tourism industry to 2013.

6.2 Structuring development supports

Basic building blocks

The basic building blocks (see Figure 6.1) that form the tourism product include:

1. The physical environment;
2. Access and transportation; and
3. Tourism-specific infrastructure.

These are managed by many players and are the bedrock on which the industry is built.

Tourism enhancers

At the next level are 'the enhancers' of sustainable tourism development which include:

4. Product development by sector – accommodation, activities, attractions and events;
5. Capability development;
6. Communicating an integrated product offering; and
7. Delivery of the product.

Key development supports

The industry analysis and audit identified a number of key development supports needed in the future framework for which Fáilte Ireland should play a lead role (Table 6.1), and a range of wider actions and interventions (see section 6.3). These are now outlined below and the year-by-year proposed funding supports are detailed. To the maximum extent possible we recommend that such funding is channelled through Fáilte Ireland. It may not be necessary to always directly channel the funding in some areas such as, for example, walking routes, but it is essential that the tourism authority set the priorities for the application of such complementary funding. The schedule of requirements below gives a relatively low figure for 'set-up' in 2007 and also a tapering off towards the end of the programme period.

Figure 6.1: A model of sustainable tourism development

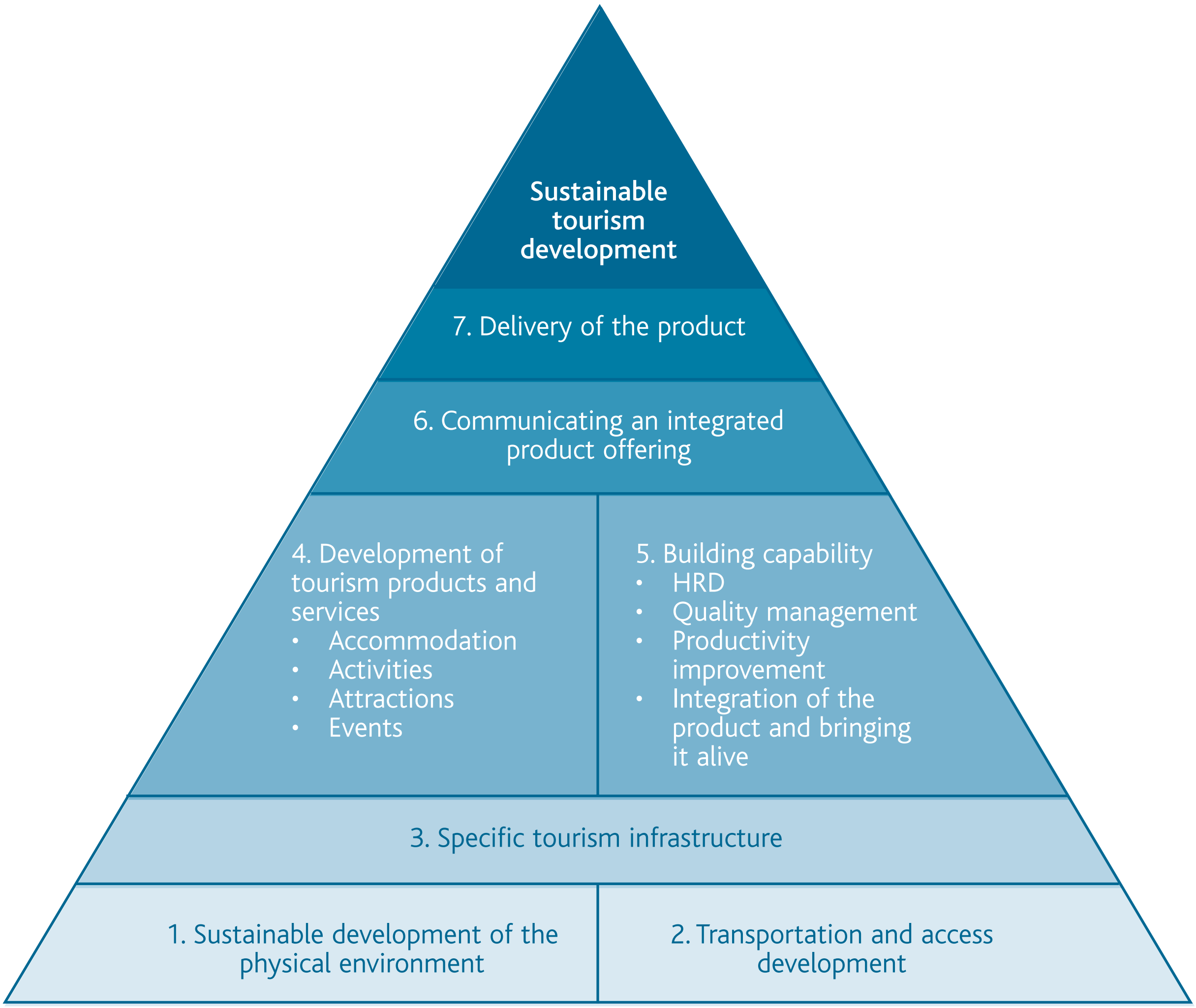


Table 6.1 Annual average funding required for key developments supports (€m)

	2007	2008	2009	2010	2011	2012	2013	2007-13	Note
Tourism infrastructure fund - capital development a) Tourism infrastructure fund for the development of physical product in the public sector.	3	12	18	18	18	18	18	105	Limited support was provided in NDP 2002-2006 for walking and cycling.
b) Fund to maintain product in the public sector (for example walking routes and signs).	3	5	4	4	4	4	4	28	New
Non-capital development Fund for undertaking feasibility studies and encouraging product innovation.	2	4	5	3	3	3	3	21	New
Fund for creating a small number of major annual events.	1	4	4	5	4	5	3	28	Additional to existing festivals and events funding.
Investment in attractions Fund for investment in small number of new or reinvestment in some existing attractions to create attractions of international class.	0	8	12	15	15	10	10	70	Limited support previously in NDP for cluster upgrading.
Private sector investment Fund for private sector investment in products under 'soft adventure' (for example outdoor activity centres), heritage and rural culture.	2	5	4	5	4	5	3	28	'Special interest' funding provided in NDP 2002-2006.
Communication and product improvement Supports to improve communication with visitors, and supports to facilitate bringing the product alive.	13	13.5	14.0	14.6	15.2	15.8	16.4	102.5	
Supports for building capability	20	20.5	21.5	22	23	24	25	156	Amount included in a separate submission to DAST (Department of Arts, Sport and Tourism) *A Human Resource Strategy for Irish Tourism.*
Total	**44**	**71**	**81.5**	**86.6**	**86.2**	**84.8**	**84.4**	**538.5**	

Investment in our tourism strengths is priority

An overriding policy is to invest in our strengths and areas that have naturally strong tourist attractions like scenic areas. These need to be made accessible and improved and it is important that only appropriate development is allowed.

6.2.1 Tourism infrastructure fund

a) 'Tourism infrastructure fund' for developing physical product in the public sector – €15 million annual average.

Infrastructure is priority

The development and infrastructure priorities for Irish tourism have significantly changed over time. The analysis, as earlier outlined, does not propose that the state provides further major investment in tourism facilities being provided by the private sector. However, it underlines how necessary it is to be more active in providing the required supporting public infrastructure.

Tourism needs to be brought to the forefront of policy coordination when public bodies are making decisions that will have a critical impact on tourism success. This is particularly important where environmental planning is concerned. But it also applies to the actions of groups as diverse as cultural and conservation bodies; environmental protection watchdogs; and public transport providers.

Operational supports are high priority for the future of tourism. It is also necessary to support investment in the types of tourism infrastructure that the relevant authorities might not prioritise.

In order to get this type of development under way, it is proposed to set up a Tourism Infrastructure Fund with an average annual budget of €15 million. Fáilte Ireland would administer this fund and request public bodies to submit annual proposals for investments which may be 100% financed from this Fund.

Local Authorities do not have the resources

Local authorities are the main providers of public infrastructure. They are the primary providers of walking and cycling facilities and they have an important role in providing water sports and some other facilities for outdoor activities. However, Local Authorities often do not have the funds to prioritise tourism needs.

The 'Tourism infrastructure fund' is needed to provide and maintain such facilities. This fund needs to be ring-fenced and would be for all public sector infrastructures, for example:

- Controlled access to environmentally sensitive areas;
- Signposting;
- Water based facilities;
- Marinas; and
- Leisure route development (walking and cycling particularly).

Other projects need boost from tourism fund

The Marine Institute have separately identified a €30 million requirement to provide service centres at busy seaside resorts; while the Central and Regional Fisheries Boards are setting out the spend required to ensure access to angling waters. These important elements of tourism infrastructure will need support from a separate funding line.

b) Fund for the maintenance of product in the public sector, for example, walking routes and signage – €4 million annual average

In many cases, the maintenance of centrally-funded facilities, such as walking routes, jetties and moorings, under the control of Local Authorities has been inadequate. There needs to be a ring-fenced fund available for such critical tourism, as distinct from local amenity, infrastructure.

6.2.2 Fund for undertaking feasibility studies and product innovation – €3 million annual average

Enterprise Ireland innovation funds have been a worthwhile stimulus to entrepreneurs in other sectors. Given that the tourism sector is completely open to international competition, innovative proposals are the key to the future. There is real potential to generate new demand by providing finance to support such activity.

Institute for innovation

A fund to support innovation and new product development is proposed. This could include supporting feasibility studies and research into competitor behaviour, as well as the establishment of a National Institute for Tourism Innovation.

6.2.3 Fund for creating a small number of major annual events – €4 million annual average

Festivals and events have been shown to be an effective way of attracting significant numbers of people to a region - often in the low tourist season. They help to address regional and seasonal issues.

A fund is therefore proposed to encourage the development of major events that would make a material difference. The focus should be on new festivals or cultural events that could attract a significant number of international visitors.

This fund will target venues near support infrastructure such as accommodation - which is essential for these types of events.

Working capital and increased skill sets to 'pump prime' the venture will be needed to create events of adequate scale. An annual allocation of €4 million is proposed. This is in addition to the existing funding for ongoing festivals and events.

The funding that promotes major tourism sporting events will need to continue separately.

6.2.4 Fund for reinvestment to create international-class attractions – €10 million annual average

In the past, European funding encouraged a plentiful network of facilities like visitor attractions and interpretative centres throughout the country. Most of these are maintained and operated by groups in the voluntary, community and local government sector. They are not guaranteed ongoing central Government funding.
Paradoxically, a commendable Governmental initiative to make State-owned heritage easily accessible and free of entry charges has rendered the economics of non (central) government visitor attractions more precarious. Few, if any, are generating the profits necessary for reinvestment.

Funding for market-led themed centres

The themed visitor centres developed in the past were often not of interest to the international tourist. There is a clear need to identify the type of centres that have international appeal and which have been proven to attract visitors. This type of centre should be prioritised for reinvestment - subject to some local funding also emerging.

The 20 most strategically important centres of this kind need to be identified, and an average of €2 million each set aside for reinvestment in each one.

If an element of Irish culture can be shown to excite genuine international interest, then a case can be made for developing a new themed visitor attraction to exploit that interest.

Some €24 million should be set aside over the plan period (2007-2013) for such new attractions, with up to 100% funding available in the public sector.
There is also a modest need for continued investment in historic or other 'Great Gardens', for which it is proposed to allocate €6 million support.

Irish Diaspora family history

There is a major underexploited opportunity to capitalise on the growing interest in family and ethnic history among the Irish Diaspora. Currently, there is a lot of interest in the Ellis Island Immigration Museum in New York. It marks the place where in the past immigrants were registered when they arrived at the US. However, interpretation of the roots of the Diaspora in Ireland itself is still largely absent. One of the proposed attractions should be devoted to this genealogy-related theme.

Music and culture

There may be another opportunity for a large attraction based on music, culture and heritage – the West would be best suited for this.

United Nations World Heritage Sites

One of the best testimonials a heritage attraction can have is to be recognised by a body like the United

Nations. However, even though Ireland still has physical evidence of much of its medieval history intact, it is poorly featured in the portfolio of United Nations World Heritage Sites. For example, Brú na Bóinne and Skellig Michael are the only two World Heritage Sites in the State, with the Giant's Causeway representing only the third such site on the whole island.

It is expensive to attain such status and can take a considerable amount of time. However, given the strategic directions for tourism outlined in this document, it is increasingly a necessary rather than desirable development.

6.2.5 Fund for private-sector investment in 'soft-adventure' products – €4 million annual average.

Key products for rural tourism

There are key products provided by the private sector that are critical to the continued viability of some rural tourism nodes. These products include:

- Water-sports centres and boat rental;
- Other outdoor activity centres and facilities.

Less developed coastal areas, as well as the Midlands, should be prioritised for support of these types of activities.

6.2.6 Supports to improve communication with visitors and to bring the product alive – €14.6 million annual average

Support for existing tourism products

The audit of tourism product confirmed that there was a wide portfolio of good quality product. The main challenge is to effectively organise, exploit, interpret and bring the product to market – rather than to add further products. However, the audit did find some areas where the quality of the product was relatively poor. These were Cork and the South East – places which rely particularly on tourism.

There are many forms of operational support. It is vital that public agencies provide the tourism sector with consistent, relevant and up-to-date market research on the needs, preferences and behaviour of potential consumers of Irish tourism.

Public agencies should also be a major source of information and they should work with the industry to anticipate and fulfil consumer expectations.

E-marketing must be exploited

E-marketing will continue to become more important as a way to communicate with potential visitors. It is vital that the industry uses the full potential of this tool. In particular, it is important:

- To develop integrated booking technologies and standards for all products;
- To examine how to provide comprehensive, quality online content; and
- To develop itinerary planning and mapping software so tourists can search for products by location.

Tourist Information Offices

The Tourist Information Office (TIO) network needs to change how it communicates and informs visitors. It also needs to:

- Refocus on new technology and how it can be used to provide information;
- Create better links to product organisers so visitors can get information about local products more easily – this would encourage them to spend longer in the area; and
- Review the location of all TIOs and consider introducing 'TIO Kiosks' in suitable places.

'TIO Kiosks'

TIO Kiosks should provide comprehensive quality content accessed from Fáilte Ireland's TCS (Tourism Content System)[1]. The kiosks should use similar technologies and websites to the TCS to create a holistic experience for tourists. This type of content should also be available to visitors through PDAs and mobile phones. The integration of products needs to be improved to give visitors a richer experience.

Example of themed integration

This will be helped by initiatives like investing in the B&B sector to develop themed holidays. This may require extra facilities. For example B&Bs offering walking breaks may need to provide drying rooms. This type of integration

1 The TCS is a web application backed up by a comprehensive database that contains all Ireland's tourism information. The TCS was fully developed by Failte Ireland and services multiple distribution channels, such as websites and print. It will also in the near future deliver content for Call Centres, Tourism information Offices and Kiosks.

will also need training and networking sessions amongst product providers. Local enterprise funding can be used to do this.

Support should also be made available to develop drama and interpretation initiatives to bring products alive. For example, actors could tell the local story or re-enact it.

6.2.7 Supports for expanding capability in human resources, productivity and quality control – €22.3 million annual average (included in separate submission to DAST[2])

Human resources

This support focuses on human resource development together with improving productivity and introducing quality systems. It does not repeat the initiatives described in the Fáilte Ireland HRD Strategy, however, it does describe some areas where the connections between Fáilte Ireland's work on people and product development can be reinforced and strengthened.

For as long as the tourism industry mainly comprises small-medium enterprises, it will need support for:

- Professional development;
- Enterprise development; and
- Skills training.

Support also needs to shift from traditional hospitality areas, like food and room preparation, and vocational supports to supplying:

- E-business skills;
- New leisure activity training; and
- Coaching.

The industry needs to be made more attractive and to increase productivity levels. Management should be trained in the skills needed to match the area they work in and to work more efficiently.

Currently, many day-visitor attractions depend on FÁS trainees to run their operations. This type of staffing fluctuates and is uncertain. Support is needed to employ trained staff in these positions and to increase productivity.

Quality needs to improve

Tourism in Ireland is not considered cheap, so it is vital that a high quality product is offered so that it can compete. It is necessary to raise the quality of some of the tourism products in Ireland. It is proposed to introduce quality systems and 'Observation visits' where providers can observe 'Best-in-class' elsewhere.

It has been shown that exposure to competitors is an effective way to show providers what can and must be done in order to compete successfully.

6.3 Interventions and actions

This section outlines the sectors which should receive intervention over the life of this plan (2007-2013). Considerable emphasis is placed on providing 'soft' services like training, quality system developments and marketing. It does not focus on 'hard' financial incentives for construction. Other recommendations refer to Fáilte Ireland's role in the advocacy area.

The specific actions and interventions are outlined according to the 'Sustainable Tourism Development Model' (see Figure 6.1) and prioritised within each section.

The following tables outline who would have the lead role in undertaking the actions recommended, and which departments, agencies or organisations would work in association with them. It is recommended that the Tourism Strategy Implementation Group should carefully monitor and review progress in this regard.

2 Department of Arts, Sport and Tourism.

6.3.1 The physical environment

Action	Lead role	In association with
Review scenic landscapes Undertake a comprehensive national review of protected scenic landscapes in Ireland.	Fáilte Ireland.	DEHLG[3]; Heritage Council; Local Authorities.
Make the most of historic towns Maximise the tourism potential of historic towns, for example: • Influence the design of new development; • Minimise impact on authentic historic fabric; • Maximise physical and intellectual access to the built and cultural heritage; • Set standards for the minimum level of tourist facilities and support services that such towns should strive towards. This should be done for each of the 100 towns and villages identified in the *Irish Towns Study*.	Local Authorities.	Fáilte Ireland; DEHLG; Local Authorities; Heritage Council; OPW.
Put coastal strategy in place Put in place an 'Integrated coastal zone management strategy' for Ireland, at the earliest opportunity.	DCMNR[4].	Local Authorities.
Encourage beach management Encourage better beach management practices among Local Authorities, like the one put in place by Donegal County Council. Include the provision of basic tourism services.	DCMNR. Local Authorities.	Marine Institute; Fáilte Ireland; Heritage Council.
Review angling Review the environmental factors influencing the decline in angling tourism, for example the impact of aquaculture on water pollution.	Fáilte Ireland.	Fisheries Boards.
Put marine plan in place A plan for the marine sector is being developed. Fáilte Ireland will work with the other Government Departments and agencies to implement the plan. The plan will support public facilities like marinas and water-sports. This type of support can effectively stimulate activity in regional areas.	DCMNR; Marine Institute.	Fáilte Ireland; Other Government Departments and agencies.
Support the Water Framework Local Authorities to support the implementation of the Water Framework Directive by taking part in the River Basin Management Projects.	Local Authorities.	

3 Department of the Environment, Heritage and Local Government.
4 Dept of Communications, Marine and Natural Resources.

6.3.1 The physical environment (cont.)

Action	Lead role	In association with
Get involved in environmental planning Influence the location and quality of new development in environmentally sensitive tourist areas by being involved in the planning process.	Fáilte Ireland.	DEHLG; Local Authorities.
Make infrastructure tourism-friendly Make sure that physical infrastructure developments like roads, railways and public transport fit in with the priorities for tourism development.	Dept of Transport; DEHLG; DAST.	Fáilte Ireland.
Examine National Park network Examine the feasibility of extending the National Park network, including the possibility of a first National Maritime Park in an Atlantic location.	DEHLG.	DCMNR; Marine Institute; DCRGA[5].
Promote rural design guidelines Encourage and monitor the use by Local Authorities of urban and rural design guidelines.	DEHLG.	
Holiday home and caravan guidelines Prepare guidelines on the sustainable development of holiday homes and caravan parks in coastal areas.	DEHLG. Fáilte Ireland.	DCMNR; Marine Institute.
Consider environmental accreditation Consider introducing a national accreditation system that would measure the environmental performance of tourism businesses and enterprises. This rating system should be supported by a major awareness-raising programme aimed at accommodation providers.	Fáilte Ireland; EPA; Sustainable Energy Ireland.	IHF; IHI.
Provide more bins and recycling facilities Make additional litter bins and recycling facilities available at marinas along inland waterways, at beaches and at other tourist sites. Display more anti-litter messages at airports and seaports. These should be multi-lingual posters and signs designed to influence tourist behaviour and reinforce Ireland's clean, green image.	Local Authorities.	DEHLG; Fáilte Ireland.

5 Dept of Community, Rural & Gaeltacht Affairs.

6.3.2 Transportation and access

Action	Lead role	In association with
Improve airports Improve facilities at Dublin and the regional airports.	Dept of Transport.	
Speed up construction of metro link Accelerate proposals for developing a metro link between Dublin airport and Dublin city centre, and provide easy transfers to national road, rail and bus services.	Dept of Transport.	
Speed up road network improvements and public transport access Accelerate the delivery of improvements in the road networks, in particular the delivery of the Atlantic Corridor, and public transport access for all.	Dept of Transport; NRA; Local Authorities.	
Provide clear road and information signs • Set guidelines and standards for signs provided by all Local Authorities. • Make sure every major junction in the country has clear, correct and large directional road signs. • Establish joint planning between adjoining Local Authorities for all signs erected. • Ensure there are adequate signs at all major roads that show areas of particular interest to tourists.	DEHLG.	Dept of Transport; Local Authorities (implementation); Fáilte Ireland.
Resolve countryside access Seek a speedy resolution to the issue of access to the countryside. This would allow tourism to capitalise on the huge opportunity to develop outdoor activities in Ireland.	DCRGA.	Farm organisations; Local Authorities; Coillte; Fáilte Ireland.
Improve access to cultural heritage Improve the physical and intellectual access to the built and cultural heritage in historic towns and cities. This would involve a review of the level of access to historic buildings in public ownership (State and Local Authorities). Provide a range of supports at local level to improve the standard and quality of the cultural tourism product and its general presentation and also to develop arts infrastructure and regional cultural hubs. These supports would include grants: • To do the physical works necessary to provide access to historic buildings; • To develop self-guided historic walking routes; and • To provide appropriate on-site interpretation at historic sites.	Multi-agency; Local Authorities.	Fáilte Ireland.
Encourage cruise ships Facilitate more cruise ship 'turnarounds' and extra liners per year in suitable locations around Ireland.	Port Authorities.	Local Authorities; Fáilte Ireland.

6.3.3 Specific tourism infrastructure

Action	Lead role	In association with
Accelerate tourism-related infrastructure Accelerate the completion of key elements of tourism-related infrastructure including: • The National Conference Centre; • Redevelopment of the Abbey Theatre; • Redevelopment of the National Concert Hall; • Provision of expanded facilities at the National Museum; • Further upgrading at the National Library, National Gallery and Chester Beatty Library; and • Enhancement of cultural infrastructure at key regional gateways.	DAST.	OPW.
Support 'soft-adventure' products Support product development with a particular emphasis on 'soft adventure', heritage and rural culture product themes that have been identified as being below average quality.	Fáilte Ireland.	Public and private sector promoters.

6.3.4 Tourism product and services

Funding and support for tourism products and services will be prioritised towards areas that particularly appeal to visitors and where product may already exist but needs improvement or upgrading. In this regard Dublin is recognised as a product in its own right, where development is also required.

Action	Lead role	In association with
Aim for World Heritage Site quality Identify three or four iconic attractions and provide the funding for the necessary research, management and physical upgrades so that they reach World Heritage Site designation. Iconic attractions could include: • A National Park (e.g. the Burren or Killarney); • A monastic site (e.g. Glendalough, Clonmacnoise, Durrow); • A built heritage site (e.g. Rock of Cashel, Stone Forts in the West of Ireland); and • The intangible heritage (e.g. The Great Blasket Island).	DEHLG; OPW.	Fáilte Ireland.
Upgrade 20 important visitor attractions Select 20 strategically important visitor attractions, with a good geographic spread, for upgrading. At least half of them should not be under the control of the Office of Public Works or the National Parks and Wildlife Service. A case for making reinvestment funds available for Dublin has been made – tourism policy previously precluded it. Consider two or three new iconic attractions for development and funding.	Fáilte Ireland.	DEHLG; OPW; National Parks and Wildlife Service.

6.3.4 Tourism product and services (cont.)

Action	Lead role	In association with
Fund work on key heritage buildings Set aside funding for the restoration and preservation of key heritage buildings.	DEHLG/OPW.	Local Authorities; Heritage Council; Fáilte Ireland.
Identify historic building for banquets Identify a major historic building to be re-equipped for major event banqueting.	DAST.	DEHLG; Fáilte Ireland.
Fund 300 'looped walks' Fund the development of up to 300 'looped walks' as part of essential tourism infrastructure.	Fáilte Ireland.	Local Authorities; Irish Sports Council; DCRGA.
Fund 2,500km of themed cycling routes Fund the development of up to 2,500km of themed cycling routes on tertiary and minor routes over the plan period.	Fáilte Ireland.	Local Authorities.
Local Authority cycling, walking routes Seek dedicated funding for Local Authorities to maintain walking and cycling routes and similar infrastructure.	Fáilte Ireland.	Local Authorities.
Create events to attract overseas visitors Work with local partners to create a number of events and festivals to act as key magnets to attract overseas visitors in particular. For example, a major garden festival.	Fáilte Ireland.	Relevant State agencies; Tourism Ireland.
Fund marinas on Western seaboard Fund two or three strategically located marinas with berths and facilities for visitors along the Western seaboard.	Fáilte Ireland.	Marine Institute; DCMNR; Local Authorities.
Improve inland waterways • Provide additional moorings and other facilities on the inland waterways navigation where needed. • Research visitors' needs on the inland waterways. • Support the introduction of new inland cruising stock to replace product which has become 'jaded'.	Waterways Ireland; Fáilte Ireland.	
Fund specialised activity centres Provide selective funding to specialised activity centres, including those specifically devoted to water sports and equestrian pursuits.	Fáilte Ireland.	
Increase funds for equestrian marketing Provide a greater proportion of event and marketing budgets for the equestrian sector to develop the image of 'Ireland the Land of the Horse'.	Fáilte Ireland.	Horse Racing Ireland; Tourism Ireland.

6.3.4 Tourism product and services (cont.)

Action	Lead role	In association with
Fund game-angling re-stocking Fund game-angling re-stocking programmes in trout and salmon fisheries. Reinvest in basic angling infrastructure like fishing stands for example.	Fisheries Boards.	Local Authorities.
Promote all-Ireland coastal walk Develop a plan for a coastal walk around the entire coastline of Ireland. This would be a world-class attraction for visitors to Ireland, as well as an attraction for Irish residents.	Fáilte Ireland	DEHLG; Local Authorities; NITB[6] State Agencies; Irish Sports Council; Sports Council for Northern Ireland; Private landowners.
Create a Science Museum Create a Science Museum – link to Media Lab and Digital Hub, but add in other elements like 'life sciences'.	To be identified.	
Develop Irish Diaspora Centre Develop an Irish Diaspora Centre at the Custom House in Dublin. It should trace the history of emigration to 160 countries worldwide. Build a 'lead' centre with regional satellites.	To be identified.	Fáilte Ireland.
Encourage new golf links courses Encourage limited new golf links courses if appropriate opportunities exist.	Fáilte Ireland.	

6 Northern Ireland Tourist Board.

6.3.5 Expanding capability in human resources, productivity and quality control

Interventions to assist in the building of capability will focus primarily on human resource development, quality management, and productivity improvement.

Human resource development

Action	Lead role	In association with
Support workplace-focused learning Support product development through workplace-focused learning interventions. These should include 'action learning', learning networks and on-site learning. This should help people to take advantage of the existing programme of County Based Tourism Learning Networks (CBTLNs).	Fáilte Ireland.	Industry representative bodies.
Identify new skills needed Identify the skills needed as customer demands change and products evolve. Examples include recent developments in the 'spa' and 'wellness' products. Fáilte Ireland will play a role in interacting between education providers, relevant professional bodies, and regulatory or standards boards.	Fáilte Ireland.	Industry representative bodies; Education providers.
Provide training for SMEs Provide targeted training for SMEs to strengthen ICT skills as a key enabler of product research, product development and product promotion.	Fáilte Ireland.	
Support craft skills training Support craft skills training as a key input to the tourism product. Effective craft skills are essential to maintain consistent standards across the sector. It is particularly important that further education deals with the emerging trends in tourism.	Fáilte Ireland.	Education providers.
Review management training Conduct a fundamental review of systems and practices in management training and education in the tourism sector.	Fáilte Ireland.	Education providers.
Establish 'start-up' incubation fund Establish a programme to provide 'start-up' and incubation business assistance to suppliers of products like 'learn-to-golf' and 'learn-to-fish'. This could also support those who provide experiential tours like walking holidays.	Fáilte Ireland.	County Enterprise Boards.

Quality management

Action	Lead role	In association with
Develop classification Develop a classification system for the Irish homes and B&B sector.	Fáilte Ireland.	B&B representative groups.
Categorise spas and health facilities Introduce categorisation criteria for spas and health tourism facilities.	Fáilte Ireland.	Industry.
Introduce learning networks Introduce and support a series of 'action-learning' networks in the non-accommodation sectors. This would support continuous improvement in business processes. These networks should be clustered around individual products like equestrian centres, golf courses, festivals and events.	Fáilte Ireland.	
Support productivity improvement Introduce and support a productivity improvement programme that emphasises the needs of small business. The programme will help the industry to: • Invest in new, higher yielding products; • Provide management training and development; • Improve staff and supervisory training; and • Apply new cost-saving technologies.	Fáilte Ireland.	Industry.
Set up National Centre for Innovation in Tourism Set up a National Centre for Innovation in Tourism that will: • Fund ongoing, applied tourism research; • Support innovation and entrepreneurship in tourism SMEs; and • Embed a culture of innovation in the tourism industry.	Fáilte Ireland/DAST	

6.3.6 Communicating an integrated product

Action	Lead role	In association with
Part-fund integrated products Part-fund, on a pilot basis, the marketing of selected integrated product offerings. This would be things like accommodation combined with an activity – where clear consumer value is being delivered.	Fáilte Ireland.	Accommodation sector.
Make cultural tickets available online Develop an online ticketing system for the cultural tourism product.	To be identified.	Fáilte Ireland.
Expand themed trails and routes Facilitate the expansion of national and regional themed trails and routes. This would include assisting local artists, crafts, and food producers. Urban walking routes and city signage could also be included in this scheme.	Fáilte Ireland.	Tourism Ireland; Local Authorities.
Support drama-based 'infotainment' Provide investment to support the introduction of drama-based 'infotainment' at key visitor centres.	Fáilte Ireland; Arts Council.	
Research 'wildlife watching' Research 'wildlife watching' as a potential new product area.	Fáilte Ireland.	DEHLG; Irish Wildlife Trust.

Marketing communications

Action	Lead role	In association with
Develop world-class e-marketing Develop and implement a world-class e-marketing strategy for Irish tourism.	Fáilte Ireland; Tourism Ireland.	Industry.
Develop seasonal, bundled packages Develop and present a seasonal menu of bundled packages which integrate product, to appeal to the domestic and international market segments. This includes networks of infrastructure services.	Industry	Fáilte Ireland; Tourism Ireland.
Develop online angling information Develop an online, regularly updated, angling information system.	Central and Regional Fisheries Boards.	
Review Tourist Information Network Conduct a comprehensive review of the Tourist Information Network and assess the requirement for kiosk technology.	Fáilte Ireland.	
Consolidate all product information Consolidate all Fáilte Ireland product information into Fáilte Ireland's Tourism Content System (TCS). This would centralise all product information and make it possible to distribute it to multiple channels, including: • Online; • Print; • TIOs; and • Call centres. It would also be a manageable way of maintaining data and allowing strategic analysis of products. As part of this programme there should be investment in personnel at regional level to improve the quality and timeliness of all web-based tourist information.	Fáilte Ireland.	
Develop online maps and itineraries Develop online mapping and itinerary planning software so that tourists can search specific places for particular products.	Fáilte Ireland.	
Assess technology needed Assess the volume of high media product content required as the penetration of broadband and 3G technologies increase.	Fáilte Ireland.	
Increase overseas marketing Increase destination marketing activities overseas.	Tourism Ireland.	

6.3.7 Delivery of the product and strategy

Action	Lead role	In association with
Address the VAT on conferences Address the issue of full VAT being charged on conference business in Ireland.	Fáilte Ireland Tourism Strategy Implementation Group	Tourism industry; representative bodies.
Make tourism count with other agencies Seek a mandate for other key agencies (like the OPW) which gives due weighting to tourism when they carry out their statutory functions.	Fáilte Ireland.	OPW.
Set up co-operative forums Put in place the necessary forums to make sure all the relevant bodies work together on the development and marketing of tourism.	Fáilte Ireland.	Government bodies; State agencies; Local Authorities; industry.

APPENDIX A:

Background to the establishment of the Tourism Product Development Review Group and working procedures

The Tourism Product Development Review Group was set up in October 2005 to produce a new tourism product development strategy for the period 2007-2013. The high level Working Group was comprised of tourism representative bodies, industry players, the public sector and the support agencies and was chaired by Dan Flinter. The strategy will form a key input to government for the next National Development Plan. The Group met in plenary session on eight occasions.

The members of the group were:

Dan Flinter	**Chairman**
Paul Bates	Assistant Secretary, Department of Arts, Sport and Tourism
John Brennan	General Manager, The Park Hotel, Kenmare
Brian Britton	Managing Director, The Sandhouse Hotel, Rossnowlagh, Donegal
Dermot Burke	Director - Built Heritage, OPW
John Healy	Director, O'Mara Travel
Samantha Leslie	Managing Director, Castle Leslie, Monaghan
Eamonn McKeon	Chief Executive, ITIC
Chris O'Grady	Director – National Parks and Wildlife Service, DEHLG
Paul O'Toole	Chief Executive, Tourism Ireland
Jim Power	Economist
John Power	Chief Executive, The Irish Hotels Federation
Shaun Quinn	Chief Executive, Fáilte Ireland
Noel Sweeney	Tourism Consultant
Malcolm Connolly	Director – Industry Development, Fáilte Ireland
Paul Keeley	Marketing Director, Fáilte Ireland
Aidan Pender	Director of Education & Training, Fáilte Ireland
Ciaran Tuite	Head of Product Development, Fáilte Ireland
Linda Campbell	Executive Secretariat to the Group, Fáilte Ireland

Working procedures of the Tourism Product Development Review Group

At the outset, the work of the Group involved designing a robust project process and a major exercise in information gathering and analysis. Current market research, including research for each of nine special interest/niche product areas was presented to the group and discussed. Consultation meetings were held with the Regional Tourism Authorities and Shannon Development as well as other organisations such as the Western Development Commission and the Marine Institute. The programme for the Group was also outlined to the Association of County and City Managers and they were urged to contribute to the process.

A major initiative was the commissioning, via Fáilte Ireland, of a nationwide Product Audit and Quality Assessment. This involved not only the development of an extensive product inventory but also a substantial consultation and research process with key industry representatives from all product sectors around the country. The audit was addressed in a systematic manner and the specific products audited were those relevant to the nine themes identified in separate research as offering the greatest tourism potential for Ireland, and tangible tourism product that falls under these themes.

The process also involved writing to a large number of organisations and inviting them to make submissions on product development to the Group. This included all the organisations and individuals who made submissions to the Tourism Policy Review Group. Submissions were also invited on the Fáilte Ireland corporate website.

As part of the process, a review of the tourism product development strategies in a number of Ireland's competitor destinations was undertaken. The countries looked at specifically were Austria, Canada, France, New Zealand, Norway and Scotland. This exercise involved in-depth research on certain aspects of their strategies to benchmark and identify best practices and winning approaches.

Statement by the chairman of the Tourism Product Development Review Group

This report was commissioned by Fáilte Ireland to explore the product development challenges facing the tourism sector in Ireland, to identify the potential opportunities and to present proposals for future strategy. It is the strong conviction of the Tourism Product Development Review Group (TPDRG) that there are further growth opportunities in this sector, that tourism has the potential to play a special role as an indigenous source of consistent and sustainable economic growth and can make a unique contribution to the delivery of the National Spatial Strategy.

The TPDRG recognises that in tourism, as in any sector, competitiveness is based on knowledge of market needs, effective marketing strategies, delivery of the highest and consistent order and constant innovation. Major investments have taken place in this sector in recent years particularly in the accommodation product. It is now both timely and necessary to adjust the emphasis, especially in relation to public policy, on to other areas of the tourism product. Crucial to the capacity of the sector to perform is the development of the ability to innovate.

Our approach presumes that innovative behaviour becomes endemic in the sector. For this to occur there must be extensive knowledge of customer needs and of competitor behaviour. Public policy has a key role to play across a range of areas as set out in the executive summary and in Chapter 6. This role involves significant public investment in the sector as well as investment in supporting infrastructure.

I would like to express my thanks to the individual members of the Tourism Product Development Review Group for their enthusiasm, commitment and contributions in developing this report. All of them shared their deep insights and brought to bear their experience and judgement to the process. Many organisations and individuals made time available to meet with members of the TPDRG during the consultation process. To them I express the thanks of my colleagues for the insights and advice offered.

On behalf of all of the members of the TPDRG, I would like to convey our thanks to the project team in Fáilte Ireland, in particular Ciarán Tuite and Linda Campbell. They supported the work of the Group with efficiency, good humour and great skill.

The recommendations in this report are of all the members and we urge their adoption and implementation.

Dan Flinter
Chairman

APPENDIX B:

Tourism Product Development Review Group
Terms of reference

To bring forward a strategy / approach to product development which takes account of:

- Established Government policy regarding tourism development and investment with particular regard to the approach and targets set out in *New Horizons;*
- Gained experience from past initiatives;
- Trends in competitor countries in product development;
- Market and sectoral trends, performance and issues;
- Consumer expectations and reaction to existing products;
- Potential product area opportunities;
- Investor and stakeholder experiences and expectations; and
- Regional development imperatives.

Proposals emerging from this analysis should deal with the direction of public policy in relation to:

- Proposition development and presentation;
- Product development (existing and new capital stock);
- Quality management approaches; and
- Information exchange, industry facilitation and capability building.

APPENDIX C:

List of submissions received

- Horse Racing Ireland
- Marine Institute
- Les Routiers
- Irish Tourist Assistance Service
- Department of Transport Co-ordination Unit
- Irish Marine Federation
- Countryside Consultancy
- The Taste Council of Ireland
- The Hidden Ireland
- Cruise Ireland
- Westport Chamber of Commerce/Hotel Westport
- Town and Country Homes Association

Consultations were also held with the Regional Tourism Authorities, the Marine Institute and the Western Development Commission.

APPENDIX D:

Tourism satellite accounts

The significance of trends in domestic tourism 2000-2004

A continuous series for domestic tourism spending is available only for the years from 2000 onwards. Domestic tourism spending increased from €707 million in 2000 to €1,037 million in 2004, representing a rise of 46.7% over the four-year span.

In consequence, domestic tourism, spurred by significant real personal income growth in Ireland, has been the fastest-growing segment of the Irish tourism market since 2000. Furthermore the beneficiaries of the growth in domestic tourism are the regions – 94% of holiday trips and 97% of holiday nights by domestic tourists are spent outside the Dublin area.

Moreover, the existing definition of domestic tourism spending is quite restrictive. Domestic tourists are defined as residents of the Republic of Ireland travelling to, and staying, at least one night in places away from home within the Republic. As a result, **expenditure by residents on day trips is not counted as tourism spending**. In consequence, the revenues accruing from domestic tourism are seriously understated by the exclusion of same-day domestic trips. As the Report of the Tourism Satellite Account First Steps Project points out:

> *"A major finding to emerge from this project is the crucial importance of 'domestic tourism' in the overall tourism marketplace....". There has been no attempt previously to estimate 'same day visits' for Ireland. This first estimate, which we believe to be conservative, suggests that this component is a very sizeable element (27.7% of total) of tourism demand and as such it is imperative that data collection methods be developed to monitor this vital component"*[1].

Spending by domestic tourists staying away from home for at least one night amounted to €707 million in 2000. Separately, the Tourism Satellite Account (TSA) Project estimated spending on day trips by domestic residents at €1,780 million in 2000. Thus, unrecorded spending on domestic day trips by residents was found to be two and a half times as high as recorded spending on domestic tourism, which must include an overnight stay.

Furthermore, Irish residents travelling on holidays abroad expended an estimated €654 million in Ireland during 2000, principally on fares paid to Irish carriers and travel trade commissions. Taking all of these categories together, domestic tourism expenditure in 2000 is estimated in the TSA at €3,141 million[2]. Because of the importance of the TSA Project's identification of substantial unreported same-day domestic tourism expenditures, the tourism spending data for 2000 are re-stated in Table D with an expanded equation for home tourism.

1 'Ireland Tourism Satellite Account First Steps Project', National Centre for Tourism Policy Studies, University of Limerick and Centre for Policy Studies, National University of Ireland, Cork, Final Report, August 2004, page viii.
2 Ireland Tourism Satellite Account, 2004, Section 4.2, pages 18-23.

Table D: A restatement of total tourism spending In 2000

Category		Basic Spending (€ Million)	TSA Spending
1.	Total Foreign Exchange Earnings	3637	3637
	Domestic Tourism		
•	Domestic Trips with Overnight Stay	707	707
•	Domestic Same-Day Trips	0	1780
•	Domestic Consumption by Irish Residents Travelling Abroad	0	654
2.	Total Domestic Tourism Spending	707	3141
3.	Total Tourism Revenue (=1+2)	4344	6778
4.	Domestic Tourism as % Total Tourism Revenue (=2/3 x 100)	16.3%	46.3%

Sources: Basic Spending derived from Tourism Facts 2004, Fáilte Ireland;
TSA Spending derived from Ireland Tourism Satellite Account, Table 2.

Accordingly the inclusion of same-day domestic trips and the domestic consumption of Irish residents travelling abroad raises the total for domestic tourism spending in 2000 from €707 million to €3,141 million.

In consequence, the scale of total tourism-related activity in Ireland during 2000 is raised from €4,344 million to €6,778 million, an increase of 56.0%.

In other words, the tourism sector in Ireland is half as large again as conventional measurement techniques might suggest.

Moreover, the TSA Project throws into high relief the central importance of domestic tourism in overall tourism performance. On a conventional basis, domestic tourism revenues accounted for just one-sixth of all tourism spending in Ireland. The revised data show that, in 2000, domestic tourism spending accounted for 46.3% of all revenues accruing from tourism. Indeed outside Dublin, the great majority of tourism suppliers are far more dependent upon domestic than foreign consumers.

APPENDIX E:

Ireland’s target markets

Ireland’s target segments – overseas markets

Key segments of top four Overseas Markets for Ireland	Current relative importance	Est. potential size	Key motivations & behaviour characteristics
Sightseers and culture seekers	50 – 55%	20.7m outbound (ABC1) holidaymakers	Admire scenery; learn about country and its culture; sightseeing and visiting historical sights; and experience music and arts.
Family and loved ones	Approx. 10%	16.5m	Spend most time with people closest to them, like to visit friends and relatives, and tend to re-visit destinations.
Relaxers	Approx. 10%	14m	Like to relax, to get away from everyday life and get a tan.
Social adventurers	< 10%	5.7m	Seek to meet new people, get to know the locals, discover/experience something new, and enjoy nightlife.
Outdoor actives	Approx. 5%	4.2m	Like to play sport; engage in physical activity; and get close to nature.
Affinity groups	Approx 2%	3.4m	Travel in a group with friends or with people of similar age and interests.
Luxury lovers	Approx. 1%	1.6m	Willing to pay for luxury and only stay in top class accommodation.

In addition to these broad segments, those pursuing specific activities/interests can also be segmented. Each of the new strategies which have been produced during 2005 for angling, golf and wellness contain detailed segmentation information on those products, and will feed into the gap analysis at a later stage of the Tourism Product Development Strategy.

Domestic tourism

Current demand for domestic tourism can be segmented into five main groups:
Food and luxury seekers: (approx. 20% of demand)

- Value rest and relaxation, weekends away; good food
- Mainly urban based couples aged 25-50
- Growth potential: 4-5%

Child focused: (approx. 25% of demand)

- Seeking things to do for the kids and a child friendly environment
- Aged 30-50
- Growth potential: 1-2%

Nightlifers: (approx. 25% of demand)

- Fun seeking, food, drink and entertainment, especially for weekend breaks
- Singles aged 18-35
- Growth potential: 3-4%

Country rambler: (approx. 20% of demand)

- Will travel anytime, deal seekers for comfort and good food
- Aged 50+, semi-retired/retired
- Growth potential: 2-3%

Hobby enthusiasts: (est. < 10% of demand)

- Trip determined by activity or interest
- Covers all age groups
- Growth potential 3-4%

APPENDIX F:

Environmental assessment of the Tourism Product Development Strategy 2007-2013

1. Introduction

This appendix contains an environmental assessment of the Tourism Product Development Strategy 2007-2013. The purpose of the assessment is to highlight the likely environmental consequences of implementing the Strategy so that mitigating measures can be formulated where potential negative effects are identified. This assessment is particularly important given that the future sustainability of the tourism industry in Ireland depends, to a significant degree, on the continued maintenance of a high quality built and natural environment. Recent research in New Zealand has shown that the environmental image of a country held by overseas markets – in Ireland's case, its clean green image – will track environmental quality in the long-term[1]. It is important to ensure, therefore, that the development of the tourism industry itself does not take place at the expense of the environmental resource base which is a significant attractor for visitors to Ireland.

2. Methodology

This is a strategic assessment and differs from project environmental impact assessment primarily in the level of detailed baseline data that is drawn upon. The assessment is more qualitative in nature referring to available baseline data where possible. In addition to this strategic assessment, many of the projects that flow from it or are incentivised by it will be subject to a full project EIA by virtue of their size or location, thus ensuring that the possible negative environmental impacts of specific projects are avoided or minimised.

While this assessment is not a full Strategic Environmental Assessment in accordance with all articles of EU Directive on Strategic Environmental Assessment (SEA) (Directive 2001/42/EC), it has been carried out in accordance with the general principles of the directive and includes the following stages:

(a) overview of general impacts on the environment as a result of tourism development and activity;
(b) identification of the strategic environmental goals of the Strategy; and
(c) assessment of the impact of the aims and actions contained in the Strategy on the environment.

The environmental criteria used in this assessment are derived from the list of environmental topics outlined in the *Guidelines to Regional Authorities and Planning Authorities on the Assessment of the Effects of Certain Plans and Programmes on the Environment*, issued by the Department of the Environment, Heritage and Local Government (DoEHLG, 2004). A matrix is used to set out each of the aims / actions contained in the strategy document and assess them against each of the seven environmental criteria which are set out in section 5 below. The following symbols are used in setting out the potential effects of each policy and objective:

√	Significant beneficial impact
?	Uncertain impact
X	Significant adverse impact
O	No relationship or insignificant impact

3. Overview of general impacts

The fundamental tenets of sustainable development were recognised in the National Development Plan 2000-2006:

1 Ministry for the Environment (New Zealand), (2001), Valuing New Zealand's Clean Green Image.

that development must not deplete the resource base. This is particularly important in Ireland because international trade depends on our clean, green image, and both the tourism and food industries are subject to a quality environment. A second tenet of sustainable development states that economic growth must find a balance and harmony with environmental protection. For the tourism industry, this means that all growth in the sector must be carefully monitored to ensure it is not damaging to the environment. Unacceptable impacts occur as a result of unsustainable development which creates pollution and congestion. This leads to the deterioration of the qualities which originally made a region attractive. The World Tourism Organisation defines sustainable tourism as 'tourism that meets the needs of present tourists and host regions while protecting and enhancing opportunity for the future'.

Potential environmental impacts of tourism in Ireland include atmospheric pollution, noise pollution, the destruction of vegetation, unregulated sewage and waste disposal, the destruction of coastal ecosystems, disturbance to wildlife and habitats and soil compaction. Atmospheric and noise pollution can occur where the use of tour buses and recreational driving is greatly increased as a result of tourism.

Much of Ireland's tourism is orientated towards the coast. Coasts, particularly beaches, are amongst the least stable and most physically changeable of the earth's landform systems. Estuaries and sea loughs are vulnerable because they constitute over-wintering and feeding grounds for seabirds and other migrants. Sewage discharge is an additional pressure along coasts where there is heavy tourist activity. The construction of golf courses may involve the removal of indigenous vegetation, the introduction of foreign plants and shrubs and the use of chemical pesticides and fertilisers. These processes can have adverse effects on local ecosystems.

To assess the impacts of tourism on the environment, it is necessary to identify what aspects of environmental change are most critical to ecosystem functioning. The following five fields of environmental change to which tourism contributes have been identified:

- Changes in land use
- Energy consumption and climate change
- Threats to biodiversity
- Exchange and dispersion of disease
- Water consumption and waste disposal[2]

While changes in the above factors originate at a local site specific level, the growth of tourism has contributed to a cumulative impact on the global environment.

4. Identification of the strategic environmental goals of the strategy

The Product Development Strategy contains a comprehensive account of the environmental challenges that are likely to be faced by the tourism industry over the period of the strategy. In addition, in Chapter 6 of the Strategy, Fáilte Ireland has identified actions which will help to address these issues, either alone or working in partnership with other bodies. The overall strategic environmental goal of the strategy is to work towards reducing the environmental impact of tourism in Ireland, thus ensuring the sustainability of the industry in the long-term, beyond the period of this strategy. This is reflected in each of the actions contained in section 6.4.1 relating to the Physical Environment.

5. Assessment of the impact of the aims and actions contained in the Strategy on the environment

Environmental criteria

The following environment criteria have been used in the assessment:

(a) *Human beings / social need*
To promote the creation of a safe, healthy and high quality environment which takes account of the needs of the host community as well as the needs of the visitor.

(b) *Water / soil*
To ensure the protection and maintenance of a high quality water supply and prevent the contamination of water supplied; maintain the quality of soils; minimise the amount of waste to landfill.

(c) *Air / climate / noise*
Maintain and promote the improvement of air quality; reduce the need for motorised transport where

2 Environmental Resource Management, (2005), Review of Existing Literature and Research on the Socio-Cultural and Environmental Impacts of Tourism – A Report for Fáilte Ireland, p20.

possible; promote the use of public and non-motorised transport; promote sustainable energy use; minimise noise pollution.

(d) *Landscape / visual*
Protect and enhance designated scenic landscapes / seascapes / townscapes; minimise negative impacts from development.

(e) *Biodiversity*
Protect areas identified as being of biodiversity value and maintain habitats for protected flora and fauna.

(f) *Material assets / Cultural heritage*
Safeguard the integrity and setting of Protected Structures, archeological monuments, and Architectural Conservation Areas.

(g) *Environmental equity*
Ensure physical and intellectual access to a high quality environment for all.

Compatibility of the aims and actions with the environmental criteria

In general, the following are identified as the significant environmental impacts likely to arise from the implementation of the strategy:

(a) Additional pressure on popular tourist destinations
The regional dimension of the strategy favours the central area of the country with greater marketing support. This, together with funding for festivals and event innovation and incubation 'start-ups', will help in drawing visitors away from the traditional 'honey-pot' destinations where congestion and poor environmental management can be a problem. However, in adopting a policy of building on the strengths of prospering tourist areas outside of, and including, Dublin, the strategy could lead to additional pressures being brought to bear on the environmental resources of these destinations.

However, on the other hand, the regional dimension to the strategy is likely, in the long-term, to result in less development on green-field sites in rural areas, which reduces the possible negative impacts on biodiversity and loss of agricultural land.

Mitigation measure:
Carrying capacity studies could be undertaken in a sample of honey-pot destinations and popular resorts to examine issues such as the capacity of the landscape character to accommodate further development, the capacity of the existing sewage infrastructure to accommodate increased numbers of visitors, and the capacity of the town centre to accommodate increased levels of traffic. The results of such studies could be used to guide future development in these destinations to ensure that such development is sustainable.

(b) Additional pressure in coastal areas
The Regional Dimension of the Strategy also facilitates private sector development in coastal locations. While this is designed to strengthen the tourism product and tourism activity in these areas, there is also the risk that (1) poor quality development will detract from the character and distinctiveness of coastal areas, (2) additional building of second homes in coastal locations will widen the affordability gap for local people and (3) development may lead to additional conflicts over the use of the coastal resource.

Mitigation measure
Close consultation at pre-planning stages in the planning process between private developers and local authorities can avoid negative impacts on the coastal environment and such consultation should always be encouraged. Both developers and local authorities should be aware of any negative impacts of tourism developments on the viability of coastal communities, particularly during the off-season, and take steps to avoid or minimise such impacts.

(c) Impacts on sensitive landscapes and areas of high amenity
The locational strategies of all developments will be central to determining their eventual environmental impact. There has been a trend for developers to wish to locate accommodation facilities as close to a particular environmental attraction as possible, often with the result that the setting of the attraction is compromised.

Mitigation measure
As with all development, areas which have been identified as being of high amenity or conservation value by national or local authorities should generally be avoided if possible. To ensure the sustainability of towns and villages,

tourism infrastructure should be directed towards these urban areas which are already serviced and the development of an important tourist facility may catalyse the improvement of such services.

(d) The contribution of the industry to the production of greenhouse gases, energy use and waste generation

With a predicted increase in overall tourist numbers to Ireland over the period of the strategy, it is inevitable that CO2 emissions, particularly from the airline industry as well as car traffic, are set to increase. Additional demand for accommodation is also likely to increase energy use and waste generation by hotels and other accommodation providers.

Mitigation measures

The introduction of energy, waste and water efficient practices by accommodation providers, as well as other players in the tourism sector, will help to improve their overall environmental performance. Fáilte Ireland has already taken steps in this regard in the form of the environment channel of the Performance Plus programme, which is aimed at this accommodation sector. Other sectors, including the transport sector, must also be addressed in this regard.

6. Use of sustainable tourism indicators

Methodologies have been developed to gauge the impact tourism has on the environment. Environmental indicators have been accepted within the tourism industry as a practical method of quantifying the impacts of tourism on the environment. In 1993, the WTO working group report recommended establishing indicators using three categories reflecting different policy needs – corporate indices, national level indices and site specific indices. These indices should provide an indication of the environmental carrying capacity for tourism related activities at each respective level. Under the ERTDI Programme 2000-2006, the Tourism Research Centre of DIT is currently undertaking a project entitled: '*Sustainable Tourism Development: Towards the Mitigation of Tourism Destination Impacts*'. The objective of this two-year research programme is to devise and improve methods for the implementation of carrying capacity indicators at a destination level and to facilitate government and tourism business managers in making more informed decisions. By proposing to develop the concept of tourism carrying capacity and to develop a range of indicators, the project aims to meet the requirements of the National Sustainable Development Strategy (DoEHLG, 1997).

Key supports /actions (reference nos. refer to those in strategy document)	(a) Human beings / social need	(b) Water / soils	(c) Air / climate / noise	(d) Landscape / visual	(e) Biodiversity	(f)Material assets / cultural heritage	(g) Environmental equity	Comments
6.2.1a Tourism Infrastructure Fund for the development of physical product in the public sector.	√	√	O	O	?	√	√	Environmental criteria should be included as part of the overall assessment criteria for the fund.
6.2.1b Fund for the maintenance of product in the public sector (e.g. walking routes, signage, etc.).	√	√	O	√	√	√	√	Generally positive impact. Prevention of soil erosion, etc.
6.2.2 Fund for undertaking feasibility studies and encouraging product innovation.	√	O	O	O	O	√	√	Environmental criteria should be included as part of the overall assessment criteria for the fund.
6.2.3 Fund for creating a small number (2 or 3) of major annual events.	√	?	O	O	O	√	√	Litter and waste management plans should be part of the planning of all major events.
6.2.4 Fund for reinvestment in attractions to create attractions of international class.	√	O	O	O	O	√	√	Generally neutral to positive impact. Higher environmental standards should be sought from all grant recipients.
6.2.5 Fund for private investment in products under soft adventure (e.g. activity centres), heritage and rural culture.	√	O	O	O	?	√	√	Environmental criteria should be included as part of the overall assessment criteria for the fund.
6.2.6 Supports to improve communication with visitors / Supports to bringing the product alive.	√	O	O	O	O	O	√	Positive benefits to environmental equity.
6.2.7 Supports for Building Capability (focuses on human resources development, improving productivity and the introduction of quality systems).	√	O	O	O	O	O	O	Generally neutral environmental impact. Supports could include an element of environmental training.

√ Significant beneficial impact ? Uncertain impact X Significant adverse impact O No relationship or insignificant impact

6.3.1 The physical environment								
(a) Review of protected scenic landscapes.	O	√	√	√	√	√	√	Generally positive impact.
(b) Maximise tourism potential of historic towns.	?	?	?	?	O	√	√	Environmental carrying capacity of towns should be identified (e.g. sewerage) and traffic congestion should be addressed.
(c) Put in place Integrated Coastal Zone Strategy.	√	√	√	√	√	√	√	Generally positive impact.
(d) Encourage better beach management practices among Local Authorities.	√	√	√	√	√	√	√	Generally positive impact.
(e) Review the environmental factors influencing the decline in angling tourism.	√	O	O	O	√	O	√	Generally positive impact depending on outcome of review.
(f) Support plan for the marine sector which is being devised.	√	√	O	O	?	?	√	Generally positive impacts provided plan contains robust environmental policies to ensure the protection of the marine environment.
(g) Support the implementation of the Water Framework Directive.	O	√	√	√	√	O	√	Generally positive impact.
(h) Influence the location and quality of new development in environmentally sensitive areas.	O	O	O	O	O	O	O	The intention of such an action would be to ensure a neutral or positive impact on the environment from development.
(i) Ensure that physical infrastructure developments are aligned with priorities for tourism development.	√	?	?	?	?	?	?	Individual infrastructural developments may be subject to EIA to determine their particular environmental impacts, including tourism impacts.
(j) Examine the feasibility of extending the National Park network.	√	√	√	√	√	√	√	An extension of the network would result in a generally positive impact.
(k) Encourage and monitor the use by Local Authorities of urban and rural design guidelines.	O	√	√	√	√	√	O	Generally positive impact.
(l) Prepare guidelines on the sustainable development of holiday homes and caravan parks in coastal areas.	O	√	√	√	√	√	O	Generally positive impact.
(m) Consider the introduction of a national environmental accreditation system for tourism businesses.	O	√	√	O	√	O	√	Positive environmental impact.
(n) Provide more bins and recycling facilities.	√	√	O	√	√	√	O	Positive environmental impact.

√ Significant beneficial impact ? Uncertain impact X Significant adverse impact O No relationship or insignificant impact

6.3.2 Transportation and access								
(a) Improve facilities at Dublin and the Regional Airports.	√	?	X	O	O	O	O	Increased level of air travel will result in an increase in greenhouse gas emissions.
(b) Speed up construction of metro link to airport.	√	?	?	?	?	?	√	Metro project will be subject to EIA.
(c) Support the delivery of improvements in the road networks, particularly acceleration of the delivery of the Atlantic Corridor, and public transport access.	√	?	?	?	?	?	?	Individual road developments will be subject to EIA.
(d) Provide clear directional and informational signage.	√	O	O	O	O	O	√	Improvement of access to sites of tourism interest.
(e) Seek a speedy resolution to the issue of access to the countryside.	√	O	O	O	O	O	√	Improvement of access to sites of tourism interest.
(f) Improve the physical and intellectual access to the built and cultural heritage in historic towns.	√	O	O	O	O	√	√	This is likely to lead to an improvement in the quality of the historic built environment.
g) Encourage cruise ships. Facilitate more cruise ship 'turnarounds' and extra liners per year in suitable locations.	√	O	O	?	?	O	√	Choice of berthing locations would have to consider landscape / visual impacts and impact on biodiversity.
6.3.3 Specific tourism infrastructure								
(a) Accelerate the completion of key elements of tourism related infrastructure including: - National Conference Centre - Redevelopment of the Abbey Theatre and the National Concert Hall	√	O	O	O	O	O	O	Generally neutral environmental impact.
(b) Support product development with a particular emphasis on soft adventure, heritage and rural culture product themes.	√	?	O	O	O	√	√	Generally neutral environmental impact.
6.3.4 Tourism product and services								
(a) Identify three / four iconic attractions and provide the funding for the necessary research, management and physical upgrades which will allow their progression to World Heritage Site designation.	√	O	O	?	?	?	√	Associated infrastructure (e.g. visitor facilities) should be subject to environmental assessment.

√ Significant beneficial impact ? Uncertain impact X Significant adverse impact O No relationship or insignificant impact

(b) Select 20 strategically important visitor attractions for upgrading.	√	O	O	?	?	?	√	Associated infrastructure (e.g. visitor facilities) should be subject to environmental assessment.
(c) Set aside funding for the restoration and preservation of key heritage buildings.	√	O	O	√	O	√	√	Positive impact on historic built environment.
(d) Identify a major historic building to be re-equipped for major event banqueting.	√	O	O	√	O	√	√	Positive impact on historic built environment.
(e) Fund the development of up to 300 'looped walks'.	√	?	O	O	?	?	√	Possible impacts on soils, water, biodiversity and cultural heritage sites. These would have to be assessed in each individual case.
(f) Fund the development of up to 2,500km of themed cycling routes on tertiary and minor routes.	√	O	O	O	O	O	√	Improvement of access to sites of tourism interest.
(g) Seek dedicated funding for Local Authorities specifically for the maintenance of walking and cycling routes and similar infrastructure.	√	√	O	√	√	√	√	Improvement in environmental management of routes.
(h) Work with local partners to create a number of events / festivals which would act as key magnets to attract particularly overseas visitors.	√	?	O	O	O	√	√	Litter management plans should be part of the planning of all festivals and events.
(i) Fund two or three strategically located marinas with berths and facilities for visitors along the Western seaboard.	√	?	O	?	?	?	√	Each marina development is likely to be subject to EIA.
(j) Provide additional moorings on the inland waterways navigation and provide additional facilities where needed and introduce new cruising stock.	√	√	√	√	√	O	√	Generally positive environmental impact.
(k) Provide a selective programme of funding assistance to specialised activity centres, including those specifically devoted to water sports and equestrian pursuits.	√	?	O	?	O	√	√	Impact on water quality and visual impact of individual projects should be assessed.
(l) Provide a greater proportion of event and marketing budgets for the equestrian sector to develop Ireland's image as 'Ireland the Land of the Horse'.	O	O	O	O	O	O	O	Generally neutral environmental impact.

√ Significant beneficial impact ? Uncertain impact X Significant adverse impact O No relationship or insignificant impact

(m) Fund game angling re-stocking programmes in trout and salmon fisheries. Reinvest in basic angling infrastructure (fish stands, etc.).	√	√	O	O	√	O	√	Generally positive environmental impact.
(n) Development of a proposal for the development of a coastal walk around the entire coastline of Ireland.	√	?	O	O	?	?	√	Possible impacts on soils, water, biodiversity and cultural heritage sites. Each portion of the walk would have to be assessed environmentally as part of the route planning stage.
(o) Create a Science Museum linked to the Media Lab and the Digital Hub.	√	O	O	O	O	O	√	Generally positive to neutral impact. Potential to raise awareness of environmental issues.
(p) Develop an Irish Diaspora Centre (Custom House, Dublin).	√	O	O	O	O	O	√	Generally positive to neutral impact. Improvement in access to genealogical information.
(q) Support limited new links golf course development if appropriate opportunities exist.	√	?	O	?	?	?	?	May be a conflict with environmental objectives if dunes are designated for protection. The development of each course is likely to be subject to EIA. ECO Management guidelines and standards of the Golf Environment Europe organisation should be applied in each case.
6.3.5 Building capability - human resource development								
(a) Support product development through workplace-focused learning interventions.	√	O	O	O	O	O	O	Neutral environmental impact.
(b) Identify skills needs emerging from changing customer demands and ongoing product evolution.	√	O	O	O	O	O	O	Neutral environmental impact.
(c) Provide targeted training to SMEs to strengthen ICT skills as a key enabler of product research, product development and product promotion.	√	O	O	O	O	O	O	Neutral environmental impact.
(d) Support craft skills training as a key input to the tourism product.	√	O	O	O	O	√	√	Positive to neutral impact. Potential to raise awareness of traditional craft skills.

√ Significant beneficial impact ? Uncertain impact X Significant adverse impact O No relationship or insignificant impact

(e) Conduct a fundamental review of systems and practices in relation to the provision of management training and education in the tourism sector.	√	O	O	O	O	O	O	Neutral environmental impact.
(f) Establish a specific programme to provide 'start-up' / incubation business assistance to suppliers of 'learn to golf', 'learn to fish', etc. programmes, plus experiential tour providers (e.g. walking, etc.).	√	O	O	O	√	√	√	Potential to raise awareness of environmental issues.
6.3.5 Building capability – quality management								
(a) Encourage and support the widespread adoption of best practice principles across the tourism product with a particular emphasis on business excellence.	√	O	O	O	O	O	O	Neutral environmental impact.
(b) Develop a classification system for the Irish homes / B&B sector.	√	O	O	O	O	O	O	Neutral environmental impact.
(c) Introduce categorisation criteria for spas and health tourism facilities.	√	√	O	O	√	O	O	Potential to improve standards in water and waste disposal.
(d) Introduce and support a series of action learning networks in the non-accommodation sectors as a means of supporting continuous improvement in business process.	√	O	O	O	O	O	O	Neutral environmental impact.
(e) Introduce and support a new productivity improvement programme for implementation across the industry and with particular emphasis on the needs of small business.	√	O	O	O	O	O	O	Neutral environmental impact.
(f) Fund applied tourism research and embed a culture of innovation in the tourism industry through the establishment of a National Centre for Innovation in Tourism. Provide support to encourage innovation and entrepreneurship in tourism SMEs.	√	O	O	O	O	O	O	Neutral environmental impact.

√ Significant beneficial impact ? Uncertain impact X Significant adverse impact O No relationship or insignificant impact

6.3.6 Communicating an Integrated Product Offering								
(a) Part fund on a pilot basis, the marketing of selected integrated product offering, e.g. accommodation plus activity where clear consumer value is being delivered..	√	O	O	O	O	O	O	Neutral environmental impact.
(b) Facilitate the expansion of national and regional themed trails/routes available at regional level, e.g. artists, crafts, food producers, etc. Urban walking routes and city signage could also be facilitated.	√	O	O	O	√	O	√	Neutral to positive environmental impact. Will raise awareness of heritage and environmental resources as well as organic food producers.
(c) Provide investment to support the introduction of drama-based 'infotainment' at key visitor centres.	√	O	O	O	O	O	O	Neutral environmental impact.
(d) Research 'wildlife watching' as a potential new product area.	√	O	O	O	?	O	√	Generally positive environmental impact and sustainable tourism activity. Environmental good practice guidelines should be devised and enforced for all operators in this area to ensure the protection of birds and sea mammals.
(e) Develop and implement a World Class e-marketing strategy for Irish Tourism (includes five individual actions).	√	O	O	O	O	O	√	Will increase awareness of environmental and heritage resources.
(f) Marketing communications.	√	O	O	O	O	O	√	Positive benefits for environmental equity.

√ Significant beneficial impact ? Uncertain impact X Significant adverse impact O No relationship or insignificant impact

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