IrishTourism: **Quarterly Economic Update**

March 2026

Based on latest available economic and industry performance data up to February 2026.

Fáilte Ireland

Contents

Foreword

This quarterly report brings together the latest data, insights, and industry feedback into a single overview of tourism performance in 2025. It provides a clear picture of how the sector is evolving and the realities being experienced by businesses on the ground.

The findings are encouraging. Despite the very real challenges facing the industry - including rising input costs, increasing consumer price sensitivity, and heightened geopolitical uncertainty – the resilience, adaptability, and determination of Ireland's tourism SMEs are evident throughout this report. Their continued commitment to quality and innovation is central to the sector's ongoing strength.

Tourism supports 229,400 jobs across the country, and this report reaffirms the sector's vital contribution to Ireland's communities and national economy. This is why the Government continues to prioritise sustained investment in tourism. The introduction of the 9% VAT rate on 1 July is a key measure, and the report clearly demonstrates that it will support many SMEs at a critical time. I am particularly pleased to see that a large proportion of those benefitting from the measure agree that it will improve their price competitiveness, indicating that they will pass on at least some of the reduction to customers in the form of lower prices.

Looking ahead, there are significant opportunities for growth, particularly through continued innovation, targeted investment, and strong partnership between industry, Government, and agencies. My new tourism policy statement, A New Era for Irish Tourism, sets out an ambitious vision for the sector's future and identifies the strategic priorities that will guide its development in the years ahead. The work of Fáilte Ireland in providing practical supports that will assist the sector in realising this ambition will be a key priority for the agency over the coming months.

Lastly, in light of recent developments in the Middle East we acknowledge that geopolitical risks are higher than normal and the overall operating environment is facing increased uncertainty. Further analysis will be helpful in keeping all stakeholders informed.

Peter Burke TD,

Minister for Enterprise, Tourism and Employment

1.

Executive Summary

Spending on trips by Irish residents is up by

+65%

since 2019

1.1 Key Points

Table 1: Annual Change in Key Tourism Indicators

Tourism Indicators	Annual Change	Time Period	Comment
Inbound Trips (CSO)	-3%	Jan-Dec 2025	Weak start, but positive year-on-year growth between Aug – Dec.
Inbound Spend (ex. fares) (CSO)	-9%	Jan-Dec 2025	Weaker year-on-year for much of 2025, but up in Nov and Dec.
Domestic Trips (CSO)	-6%	Jan-Sep 2025	Holiday trips held up, but notable drop in trips to see friends and relatives.
Domestic Spend (CSO)	No Change	Jan-Sep 2025	Inflation helping to offset a fall in trips. Unchanged length of stay.
Tourism Employment	No Change	Jan-Dec 2025	Tourism remains a significant employer, accounting for almost 1-in-10 employees in the country.
Inbound Air Seat Capacity (OAG)	+15%	Jan-Mar 2026	All key source markets set to record double digit growth in Q1.
Air Passengers (daa) [overseas & resident activity]	Dublin +5% Cork +13%	Jan-Dec 2025 Jan-Dec 2025	There was a shift in the passenger mix in favour of Irish residents.
Registered Bed Capacity (Fáilte Ireland)	-0.7%	As at Jan 2026	Effectively unchanged.
Hotel Occupancy (STR)	No Change	Jan-Dec 2025	In line with 2024 at 78%.
Airbnb Occupancy (Lighthouse)	-0.4%	Jan-Dec 2025	Effectively unchanged.

Source: Noted above in brackets

Overseas Tourism in 2025

2025's tourism performance was down on 2024, with trips declining by -3% and spending in Ireland falling by -9%. The opening months of last year were weak given the backdrop of heightened global economic uncertainty due to tariff changes, the impact of Storm Éowyn and the Dublin Airport cap. As the year progressed the performance gradually improved and turned more positive in the latter months. While not enough to turn the year around, it builds positive momentum, with trips up +15% in Q4 2024 as the US market in particular rallied.

Domestic Tourism in 2025

Q1 to Q3 results for last year show that there was a decline of -6% in tourism trips taken by Irish residents within the state. More positively, spending by these tourists was unchanged from the year before and the fall in trips taken was largely driven by people visiting friends and relatives, in other words, those less likely to use paid accommodation.

It should be noted that 2024 was a record year for domestic tourism, so spending is holding up at a high level. For example, spending on trips by Irish residents is up +65% since 2019.

Employment in Tourism

In 2025 'Tourism Industries' employee headcount stood at 229,400. This is up +0.3% (or 600) on 2024 and represents close to 1-in-10 (9%) employees in the country[1].

While 'Tourism Industries' contributes meaningfully to overall employment levels, of equal importance is the regional spread of these jobs, almost 70% of jobs across 'Tourism Industries' are located outside of Dublin. See Box B for more details.

Hotel Performance in 2025

The performance of the hotel sector is generally a very good measure for the overall performance of a destination, particularly hotel room rates and occupancy levels.

Hotel room occupancy was relatively flat in 2025 compared with 2024. Room occupancy peaked in September at 91% followed closely by August at 90%, driven partly by two American Football events in Dublin. Given that hotel room supply increased by +3% between 2024 and 2025, it can be inferred that room demand grew slightly faster than supply.

Average Daily Rates (ADRs) increased by +3% on the previous year, effectively matching the sectoral inflation rate.

Air Access

Given that almost 90% of Ireland's overseas tourists fly to and from the country, air access capacity is a good indicator of future demand. Seat capacity to the Republic of Ireland for Q1 2026 is expected to be +15% ahead of the same period last year. With no passenger cap in place, Dublin is set to experience growth of +16% subject to geopolitical conditions. All of which points to strong growth potential for the year ahead.

All key source markets (overseas tourists' countries of origin) are due to see their seat capacity to Ireland grow by double digits this quarter compared to Q1 2025. Scheduled capacity for St. Patrick's Festival is also set to be up +15% on last year's levels.

[1] This is estimated by dividing the number of employees in 'Tourism Industries' by the number of employees across all NACE economic sectors per the CSO's monthly estimate of payroll employees as of August 2025, which was 2,575,500.

Industry Sentiment from Fáilte Ireland's Tourism Barometer

A survey of almost 900 tourism businesses shows that, despite the weakening of inbound and domestic trips reported by the CSO, overall, businesses reported better or equivalent performance in 2025 compared to 2024: 48% of businesses reported growing their revenue in 2025 and 24% held the same level; 28% saw a decrease. The strongest performing sectors were hotels (67% increased their revenue) and inbound tour operators and destination management companies (63%). Most inbound tour operators and destination management companies specialise in bringing overseas tourists to Ireland.

Looking ahead, 40% of businesses expect their revenue to be up in 2026, and 40% expect revenue to remain the same; 20% expect revenues to decline. However, there is industry wide concern about the global economic and geopolitical climate, particularly in terms of how dependent Ireland is on the US market.

Reflecting the government's ongoing commitment to support tourism, a VAT reduction from 13.5% to 9% on food and catering businesses will come into effect from 1st July 2026. The survey shows that:

- Nine-in-ten restaurants and cafés (88%) will benefit from the measure.
- Most hotels (75%) say that they will also benefit.
- Some businesses (27%) in other sectors also feel that it is an advantage for them.

1.2 Implications for Fáilte Ireland's Work Programme

With 2024 being the base year for growth targets out to 2031 in the new National Tourism Policy, 2025's outturn puts added emphasis on performance in the intervening years, pointing to a:

- Renewed focus for Fáilte Ireland in 2026 on assisting businesses in driving down their operating costs through the Climate Action, F&B 360 and Digital programmes, with further new programmes to be considered in 2026.
- Renewed engagement with Tourism Ireland to ensure it can optimise its reach and that Fáilte Ireland has the products to support that.
- Providing robust economic data to support and grow major events and sports fixtures.

Box A:
A Technical Note on Tourist Statistics

Tourism differs from other economic sectors in how it is defined. Unlike other sectors, where output can be measured and valued by looking at supply, tourism is defined by demand. It is the characteristics of the person who is spending money on goods and services that determine if it is tourism or not. For example, if a Dublin resident buys a meal out in Dublin it is classed as local spending, but if that person buys a meal out while on a holiday trip to Galway then it is tourism expenditure.

There is no pre-defined classification of tourism activity in the standard classification of industrial activity known as NACE [2]. Rather, there are several NACE activities with a strong tourism touchpoint, including

- Accommodation.
- Food services.
- Beverage services.
- Passenger transport.
- Travel agency and tour operator.

Owing to being demand side defined, tourism statistics focus on measures like:

- The number of trips taken.
- Spending on tourism goods and services while on trips.
- The number of nights spent on trips.
- The average length of stay.
- Accommodation occupancy levels and rates charged.

Key tourism concepts and definitions are set out in Appendix 1.

229,400
People were employed by the tourism industry in 2025

9%
Of Ireland's employees

[2] NACE is a statistical classification of economic activities developed in the European Community. For more see NACE – Classification of Economic Activities – CSO – Central Statistics Office

2. Overseas Tourism

2.1 Importance of Overseas Tourism

Overseas tourists account for the majority of the industry's earnings, typically representing around 60% of spending by all tourists in Ireland, with the inbound share of earnings boosted further by spending on air and sea fares with Irish carriers.

In terms of spending in Ireland by overseas tourists, North American tourists account for 36% of spend. Mainland Europe represents 33%, while those from GB [3] account for 22%. The rest of the world/other areas makes up 9% of spending.

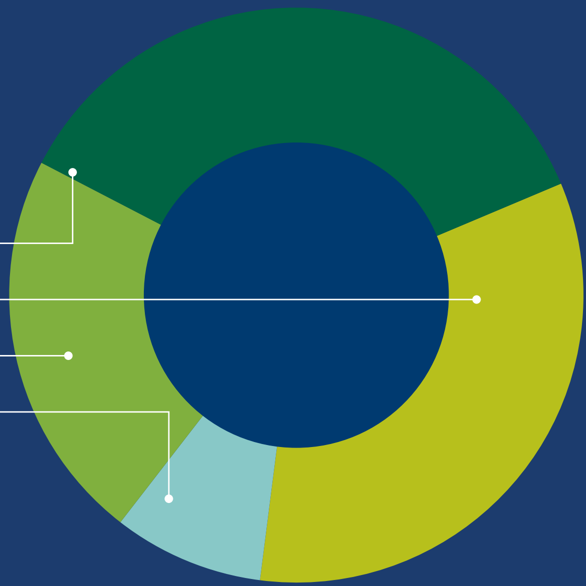
Overseas tourists represent around

60%

of spending by all tourists in Ireland

[3] In Irish tourism a clear distinction is made between the United Kingdom and Great Britain. While the UK comprises Great Britain and Northern Ireland, for the purposes of tourism promotion (a) GB is an overseas market targeted by Tourism Ireland and (b) Northern Ireland is targeted by Fáilte Ireland.

**Chart 2.1:
Share of Spending by Overseas Tourists in Ireland in 2025**



Source: CSO, Inbound Tourism, December 2025 [4]

2.2 Latest Results: Full Year 2025[4]

Excluding fares, overseas tourists spent €5.5 billion in Ireland, down -9% on 2024.

Table 2.1: Overseas Tourist Expenditure Excluding Fares by Region (€ million)

	2024	2025	% Change year on year
Great Britain	**€1,241m**	**€1,211m**	-2%
Mainland Europe	**€2,077m**	**€1,827m**	-12%
North America	**€2,195m**	**€1,974m**	-10%
Other Areas	**€516m**	**€464m**	-10%
Total	**€6,029m**	**€5,476m**	-9%

Source: CSO, Inbound Tourism, December 2025

[4] Excludes arrivals via Northern Ireland.

Over 6.4 million overseas tourists departed Ireland in 2025, down -3% on the year before.

Table 2:2: Overseas Overnight Tourist Trips (000s)*

Market	2024	2025	% Change year on year
Great Britain	2,440	2,411	-1%
Mainland Europe	2,348	2,130	-9%
France	392	356	-9%
Germany	462	433	-6%
Italy	248	219	-12%
Other Europe	1,246	1,122	-10%
North America	1,439	1,546	7%
Other Areas	365	318	-13%
Australia/New Zealand	127	125	-2%
Rest of world	238	192	-19%
Total	6,592	6,405	-3%

Source: CSO, Inbound Tourism, December 2025

* Excludes arrivals via Northern Ireland.

The number of nights spent in Ireland by overseas tourists fell to 47.9 million (-3%). This drop was driven by Mainland Europe (-6%) and Other Areas (-14%). Nights spent by British tourists were unchanged, while nights by North American tourists grew by +5%.

Table 2:3: Overseas Tourist Average Length of Stay (No. of nights)*

Market	2024	2025	Change year on year
Great Britain	4.8	4.9	0.0
Mainland Europe	8.0	8.3	0.3
North America	8.7	8.5	-0.2
Other Areas	16.6	16.3	-0.3
Total	7.5	7.5	0.0

Source: CSO, Inbound Tourism, December 2025

Holiday trips were down -8% in 2025. Despite the drop in trips, the average length of stay for holidaymakers was unchanged at 6.6 nights. Demand from those visiting friends and relatives was flat (+1%) and business tourists (-5%) contracted last year.

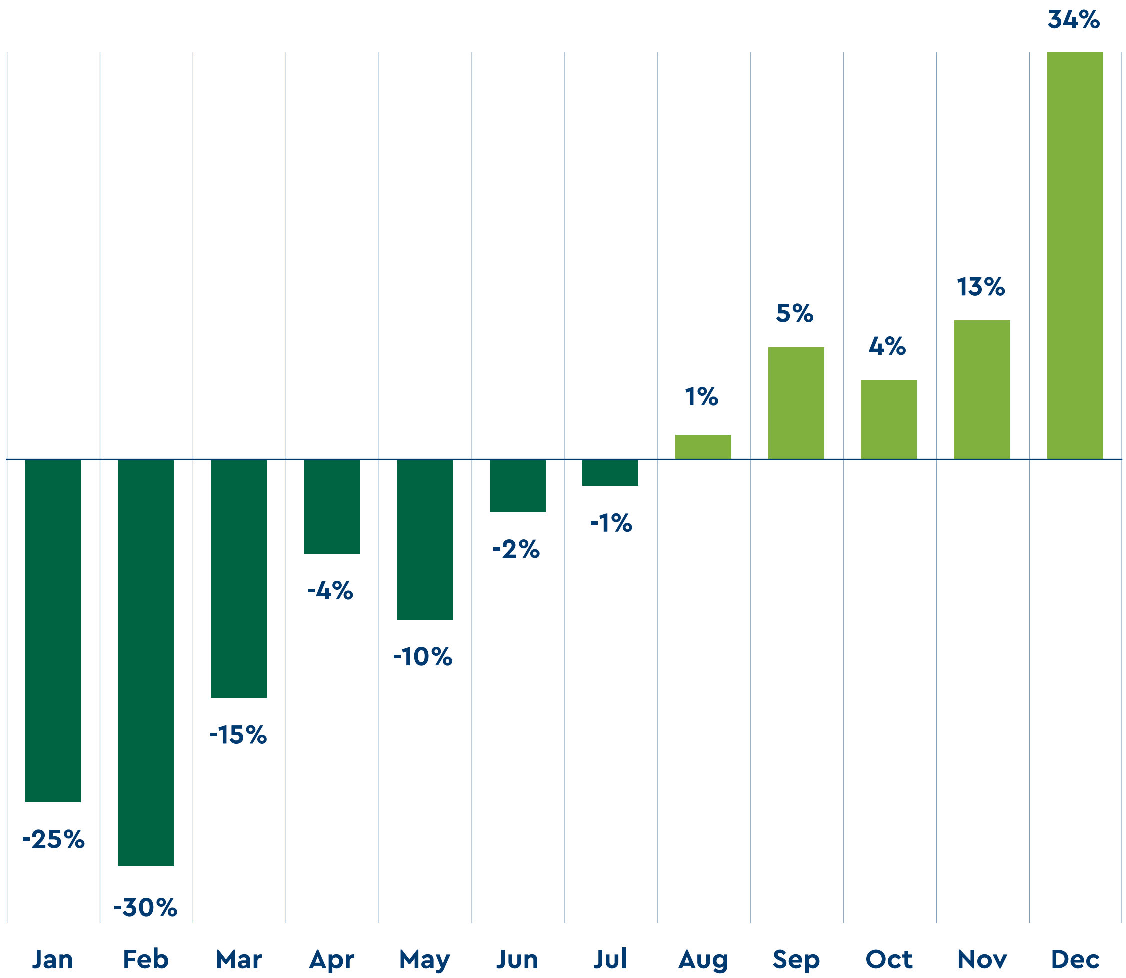
Airport passengers: 23 million passengers (island of Ireland residents and overseas), departed the Republic of Ireland in 2025, up +6% on 2024.

- Irish residents accounted for 63% of departures in December, an increase of 3% on 2024.
- Overseas tourists made up 28% of departing passengers last year, a decline of 3 percentage points on 2024. Same day visitors make up the balance (9%).

* Excludes arrivals via Northern Ireland.

Looking at the CSO inbound data by month, as the year progressed there was a welcome turnaround in performance. Chart 2.2 shows that the decline in annual performance was driven by the first six months of 2025, with the second half of the year performing much better. There were consecutive months of year over year overseas visitor growth from August 2025 onwards.

Chart 2.2: Overseas Tourism Trips, Percentage Change Relative to Same Month Last Year



Source: CSO, Inbound Tourism, December 2025

December 2025 performance indicates improvement in all key metrics across all main markets. North American trips to Ireland grew again in December, up +48% with nights up +3% and spend +8%.

2.3 Note on the Data Used

The CSO January-December data accounted for some 95% of inbound revenue (i.e., all non-domestic) in 2024. The CSO's inbound data does not include overseas tourists arriving in Ireland via Northern Ireland. This data comes from Northern Ireland Statistics and Research Agency (NISRA) and is not yet available.

3.

Domestic Tourism

3.1 Role of Domestic Tourism

Trips taken by residents of Ireland at home are a key component of demand, accounting for 64% of trips and 35% of spending in Ireland in 2024.

Along with its scale and value, demand from the home market is well spread across the year and across all regions/destinations. Short trips, in particular, have excellent seasonality and regionality characteristics.

It is worth pointing out the very strong growth in the domestic market in recent years. Since 2019 overnight trips taken by Irish residents at home are up +31%, with associated spending up +65%. Spending on day trips doubled over the period.

Domestic Tourism accounted for

64%

of trips and

35%

of spending in 2024

3.2 Latest Results: Q1-Q3 2025

Core performance data comes from the CSO, with the latest update covering Q1 to Q3 showing that

- The number of domestic trips by Irish residents declined by -6% between January and September 2025 compared to 2024.
- Outbound trips grew +12% in Q1-Q3 2025
- Domestic and outbound trips each made up +50% of the total trips.

Table 3.1: Estimated Expenditure by Irish Residents (€ Million) By Purpose

	Q1-Q3 2019–2025					% Change in 2025	
	2019	2022	2023	2024	2025	vs 2019	vs 2024
Holiday	1,070	1,582	1,473	1,726	1,780	66%	3%
Visiting friends /relatives	281	355	529	618	499	78%	-19%
Business	85	137	128	151	172	101%	14%
Other reasons	253	281	255	288	339	34%	18%
Total	1,689	2,355	2,385	2,783	2,789	65%	0%

Source: CSO, Household Travel Survey Q3 2025

Overall expenditure by Irish residents on domestic trips was on par year on year, with increased spend on business trips (+14%), holidays (+3%) and other reasons (+18%) compared to the first nine months of 2024. Spending by those visiting friends and relatives fell (-19%).

Table 3.2: Number Of Domestic Trips by Irish Residents ('000s) By Purpose

	Q1-Q3 2019–2025					% Change in 2025	
	2019	2022	2023	2024	2025	vs 2019	vs 2024
Holiday	4,638	5,531	5,060	5,658	5,593	21%	-1%
Visiting friends /relatives	2,842	3,209	4,226	5,065	4,199	48%	-17%
Business	367	396	486	599	594	62%	-1%
Other reasons	1,133	1,076	1,143	1,213	1,364	20%	12%
Total	8,890	10,212	10,915	12,535	11,750	31%	-6%

Source: CSO, Household Travel Survey Q3 2025

The year-on-year decline in domestic travel (-6%) was not evenly distributed by purpose of visit. Holiday and business trips were marginally down (-1%). There was a sharp decline in trips to visit friends and relatives (-17%) and double-digit growth in trips for other reasons (+12%).

Table 3.3: Average Length of Stay by Irish Residents (Nights) By Purpose

	Q1-Q3 2019–2025					Change in 2025	
	2019	2022	2023	2024	2025	vs 2019	vs 2024
Holiday	2.9	3.0	2.7	2.5	2.5	-0.5	0.0
Visiting friends /relatives	2.4	2.1	2.4	2.2	2.1	-0.2	-0.1
Business	1.5	2.4	1.5	1.4	1.8	0.3	0.4
Other reasons	2.7	2.8	2.1	2.3	2.3	-0.4	0.1
Overall	2.7	2.7	2.4	2.3	2.3	-0.4	0.0

Source: CSO, Household Travel Survey Q3 2025

The overall average length of domestic trips remains the same year on year.

Table 3.4: Day Trips and Associated Revenue by Irish Residents

	Q1-Q3 2019–2025					% Change in 2025	
	2019	2022	2023	2024	2025	vs 2019	vs 2024
Trips (000s)	8,449	11,539	11,347	14,269	15,491	83%	9%
Domestic (€mn)	413	602	500	748	831	101%	11%

Source: CSO, Household Travel Survey Q3 2025

Note that Day trips data relates to all types of day trips, not just for leisure.

3.3 Note on the Data Used

The CSO's Household Travel Survey data does not include tourists from Northern Ireland.

Data on trips in Ireland by those living in Northern Ireland comes from NISRA. At the date of publication, NISRA has not published the relevant results for 2025.

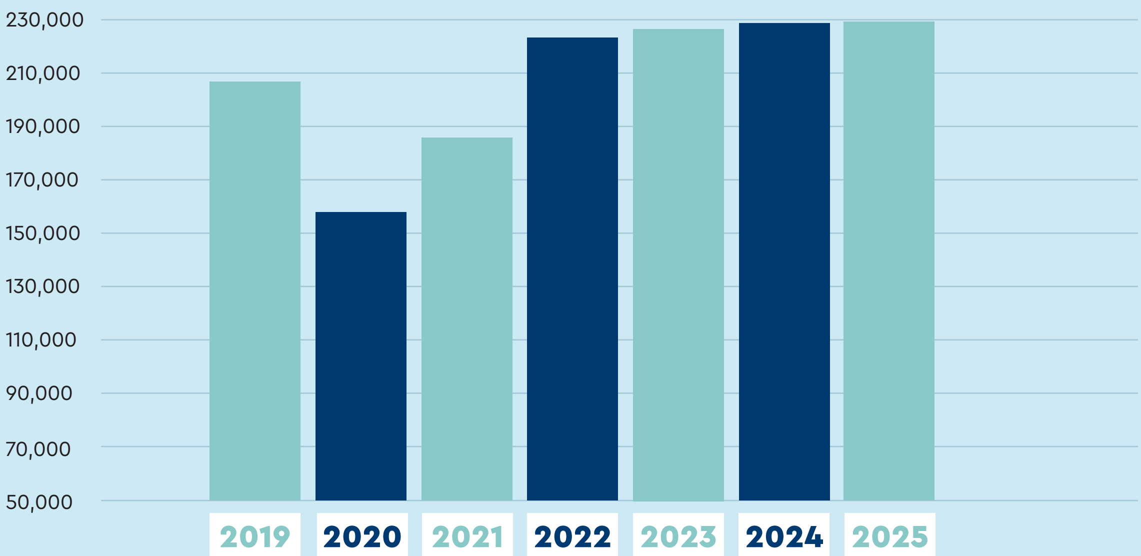
Box B:
A Focus on Tourism Employment

The Central Statistics Office (CSO) produces an estimate of employment in tourism that differs from the traditional Labour Force Survey (LFS) in that it utilises the Revenue Commissioners' PAYE Modernisation tax data to develop a timely, objective employee headcount [5]. Estimates are available for what is referred to as 'Tourism Industries', a more inclusive measure to that of Accommodation & Food Services derived from a list of activities developed by the statistical office of the European Union, Eurostat (see below for NACE Rev. 2 activity breakout).

For the purpose of generating a yearly estimate, the headcount for August is utilised as this represents a time of peak tourism activity.

For 2025, 'Tourism Industries' employee headcount stood at 229,400. This is up +0.3% (or 600) on 2024 and represents close to 1-in-10 (9%) employees in the country [6] – highlighting the economic importance of tourism as Ireland's leading indigenous industry. The number of employees in 'Tourism Industries' has been edging higher for several years now but, consistent with the wider labour market, the pace of growth has slowed.

Chart A: Number of Employees in 'Tourism Industries'



Source: CSO. Estimates for August in each calendar year

[5] PRSI classes S (self-employed) and M (primarily pensioners) are excluded.
[6] This is estimated by dividing the number of employees in 'Tourism Industries' by the number of employees across all NACE economic sectors per the CSO's monthly estimate of payroll employees as of August 2025, which was 2,575,500.

While 'Tourism Industries' contributes meaningfully to overall employment levels, of equal importance is the regional spread of these jobs because consumption takes place where the service is available. This ensures that the economic benefits reach communities the length and breadth of the island. It is estimated that approximately 70% of jobs across 'Tourism Industries' are located outside of Dublin. [7]

Table A.1: NACE Rev. 2 Activity Breakout for Tourism Industries

Code	Description
H4910	Passenger rail transport, interurban
H4932	Taxi operation
H4939	Other passenger land transport n.e.c.
H5010	Sea and coastal passenger water transport
H5030	Inland passenger water transport
H5110	Passenger air transport
I5510	Hotels and similar accomodation
I5520	Holiday and other short-stay accomodation
I5530	Camping grounds, recreational vehicle parks and trailer parks
I5610	Restaurants and mobile food service activities
I5630	Beverage serving activities
N7710	Renting and leasing of cars and trucks
N7721	Renting and leasing of recreational and sports goods
N7910	Travel agency and tour operator activities
N7990	Other reservation service and related activities

[7] The share of jobs in the Accommodation & Food Services Sector at NUTS 3 level captured in the Labour Force Survey is used as a 'proxy' for the regional spread of 'Tourism Industries' headcount.

4. Hotel Performance Data

4.1 Hotel Data: Why it matters and what is reported?

The performance of the hotel sector is generally a very good measure for the overall performance of a destination, particularly hotel room rates and occupancy levels.

In the analysis that follows STR Fáilte Ireland Survey data is used. An average of 272 Fáilte Ireland registered hotels share monthly data with STR (representing 33% of registered hotels). STR is the largest supplier of such data in the market and has a strong international presence. The data shared allows reporting on the following metrics:

78.4%
Room occupancy in 2025

€174
Average Daily Rate

- The percentage of available room sold over a period. It is calculated by dividing the number of rooms sold by the number of rooms on sale and occupied.
- Average Daily Rates (ADRs): The average rate achieved from the sale of available rooms occupied. Calculated by dividing rooms revenue by the number of rooms sold.
- Revenue Per Available Room (RevPAR): It is a factor of room occupancy and ADR.

Table 4.1 shows the results for the key hotel performance metrics for the last two years.

Table 4.1: Annual Hotel Performance Metrics,2024 and 2025

Year	Room Occupancy (%)	Average Daily Rate	Revenue per Available Room
2024	**77.8%**	**€169**	**€132**
2025	**78.4%**	**€174**	**€136**
Variance	**+0.8%**	**+3%**	**+3%**

Source: STR Fáilte Ireland Hotel Survey

4.2 Room Occupancy

Annual hotel room occupancy grew marginally in 2025 compared to 2024. Room occupancy reached its peak in September at 91% followed closely by August at 90%. Two major American Football events took place in the Dublin during this period; the American Football College Football Classic was played in the Aviva Stadium in August while the Pittsburgh Steelers played the Minnesota Vikings in Croke Park in September. Lowest room occupancy of 59% was recorded in January resulting in a variance of 32 percentage points between the highest and lowest points.

Given that room supply increased by +3% between 2024 and 2025, it can be inferred that room demand grew slightly more quickly than supply.

Nights where occupancy exceeds 90% or 95% are known as "compression nights". This was the case in September when Dublin hosted the NFL match between the Pittsburgh Steelers vs Minnesota Vikings. Compression nights indicate that hotels in a destination are effectively running at or close to full capacity.

4.3 Average Daily Rates

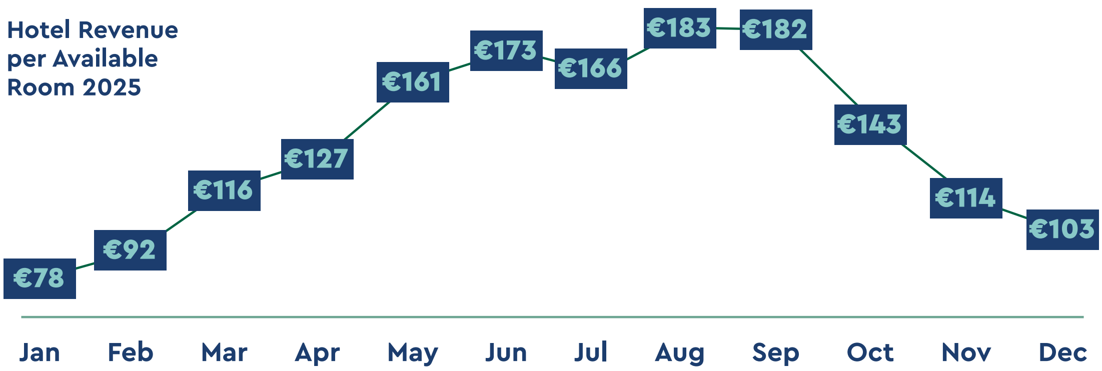
Average Daily Rates increased by +3%, in-line with tourist inflation for the year of 3.1%.[8] Average Daily Rates hit their peak during the months of highest occupancy, €202 in August and €201 in September, fuelled by exceptionally high demand driven by events such as the American Football matches. At the other end of the scale, January recorded an average daily rate of €133, €69 or 34% lower than the peak months.

[8] The annual average rate of price growth for restaurants and hotels, as per the CSO's Consumer Price Index, is used as a 'proxy' for tourism inflation.

4.4 Revenue per Available Room (RevPAR)

On an annual basis, RevPAR growth was driven by growth in room rate. The variance in growth in RevPAR (a factor of room occupancy and average daily rate) by month was notable, differing by over €100 between the demand peak months (€182/€183) and January (€78). Such broad variances undoubtedly have an impact on individual businesses, particularly with regard to cash flow and sustainable, year-round employment.

Chart 4.1: Average Hotel Revenue per Available Room 2025



Source: STR Fáilte Ireland Hotel Survey

STR data is proprietary and subject to copyright.

5.

Air Access Capacity

5.1 Importance of Air Access

Given that almost 90% of Ireland's overseas tourists fly to and from the country, air access capacity is a good indicator of future overseas demand. In the information that follows air access capacity is measured in seat capacity on flights to Ireland.

5.2 Latest Results: Q1 2026

- Seat capacity to the Republic of Ireland in the first quarter of 2026 is expected to be +15% above the same time last year, which augers well for inbound tourism demand. With no passenger cap in place currently, Dublin is to experience an increase of +16% in seat capacity subject to geopolitical conditions.
- All key source markets are due to see their seat capacity to Ireland grow in double digits this quarter compared to Q1 2025.
- Capacity from the US is +16% above its Q1 2025 levels at Dublin airport. In Shannon airport it is due to remain the same.
- Scheduled capacity for St Patrick's Festival is also set to be +15% above last year's levels.

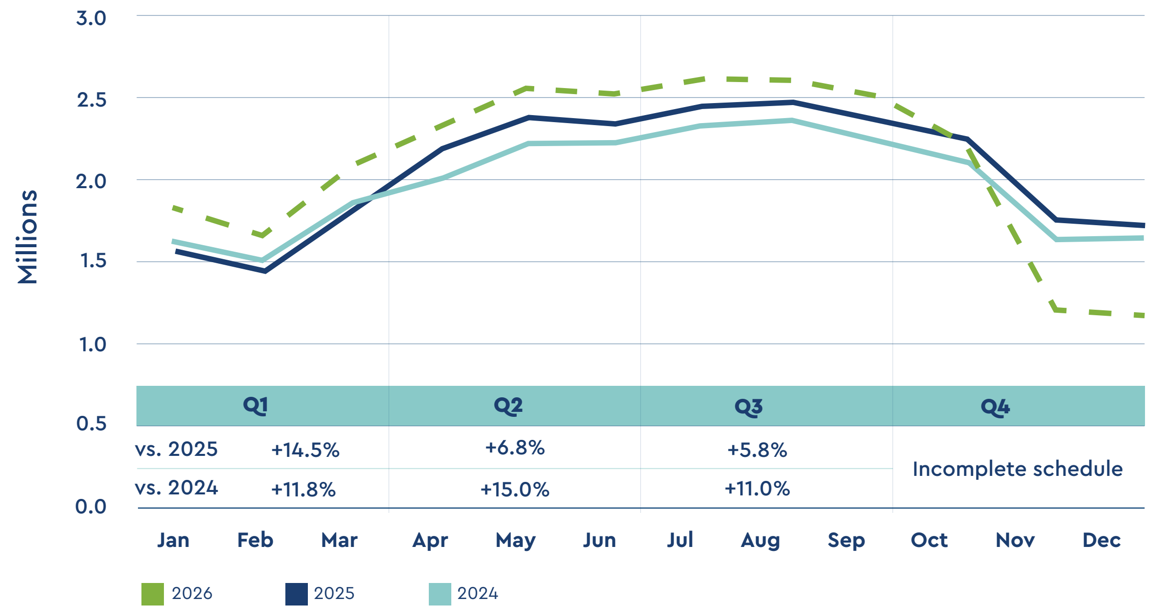
Seat capacity in the Republic of Ireland, in 2026, to increase

+15%

Capacity in Dublin to increase

+16%

Chart 5.1: Monthly Scheduled Air Capacity to the Republic of Ireland 2024 – 2026



Source: OAG, Schedule Analyser, January 2026

Note: Scheduled capacity is subject to change

Table 5.2: Air Seats to Ireland from Various Overseas Markets, Quarter 1 2026

Market	Seats (000s)	% change vs Q1 2025
Great Britain	2,005	+10%
France	267	+10%
Germany	286	+12%
Italy	239	+24%
Spain	707	+11%
USA	448	+15%

Source: OAG, Schedule Analyser, January 2026

Note: Scheduled capacity is subject to change

5.3 Note on the Data Used

The section is based on OAG data analysed by Fáilte Ireland.

6. Tourism Barometer

6.1 About the Sentiment Survey

Fáilte Ireland's Tourism Barometer is designed to give periodic feedback on how the tourism industry is performing at certain times during the year, key challenges and opportunities. Fieldwork was executed in January and almost 900 tourism businesses participated.

6.2 2025's Performance

Despite the weakening inbound and domestic trips reported by the CSO, most tourism sectors experienced a better year in 2025 relative to 2024: 48% of businesses reported growing their revenue in 2025 and 24% held revenue at the same level; 28% saw a decrease.

The strongest performing sectors were hotels (67% increased their revenue) and inbound tour operators, coach hire and destination management companies (63%). Most inbound tour operators and destination management companies specialise in bringing overseas tourists to Ireland. The coach hire sector is also very reliant on the inbound market.

67%

of hotels increased their revenue in 2025

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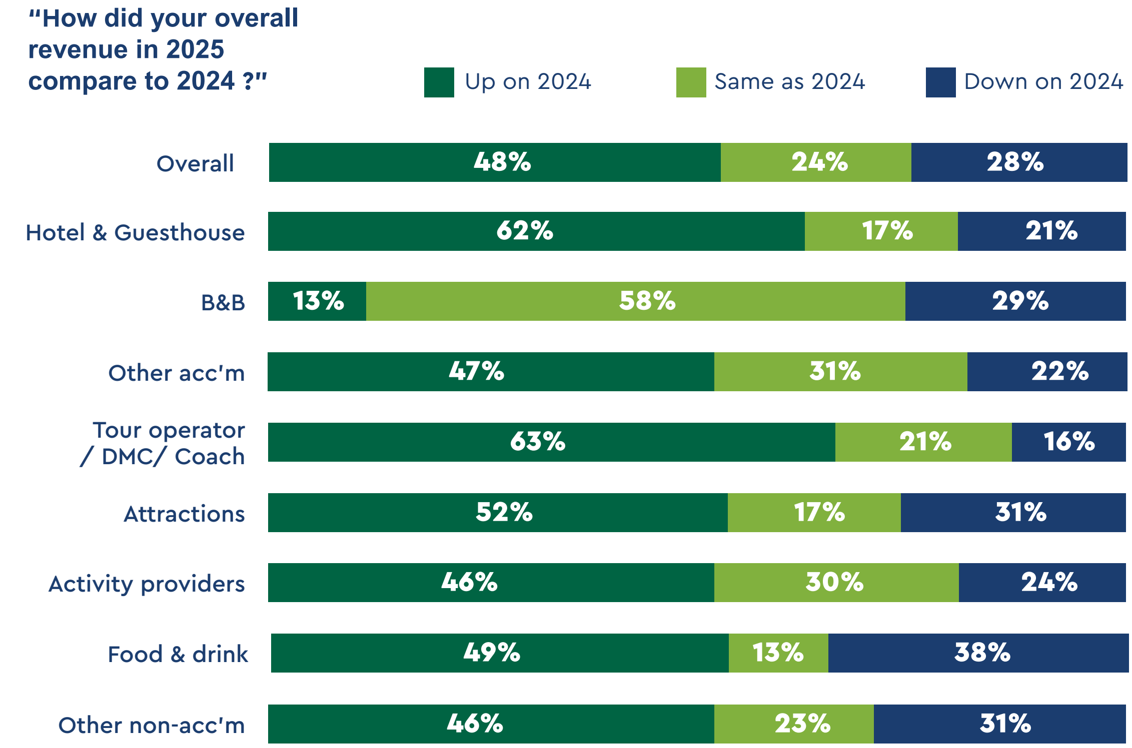
Tourism Barometer

Chart 6.1: Business Revenue Performance in 2025 Relative to 2024



Source: Fáilte Ireland's Tourism Barometer, January 2026

In terms of source of demand, the industry felt that the domestic and overseas markets performed well in 2025. 72% of businesses said that their revenue was either up or the same from the Irish market, with 67% saying the same for the overseas side. The overseas performance was largely attributed to strong demand from North America. Northern Ireland did not perform as well as expected.

6.3 Expectations for 2026

Most sectors are optimistic for a better year in 2026, with some supporting their optimism by referring to advance booking levels. 40% of businesses expect their revenue to be up in 2026, and 40% expect revenue to remain the same; 20% expect revenues to decline.

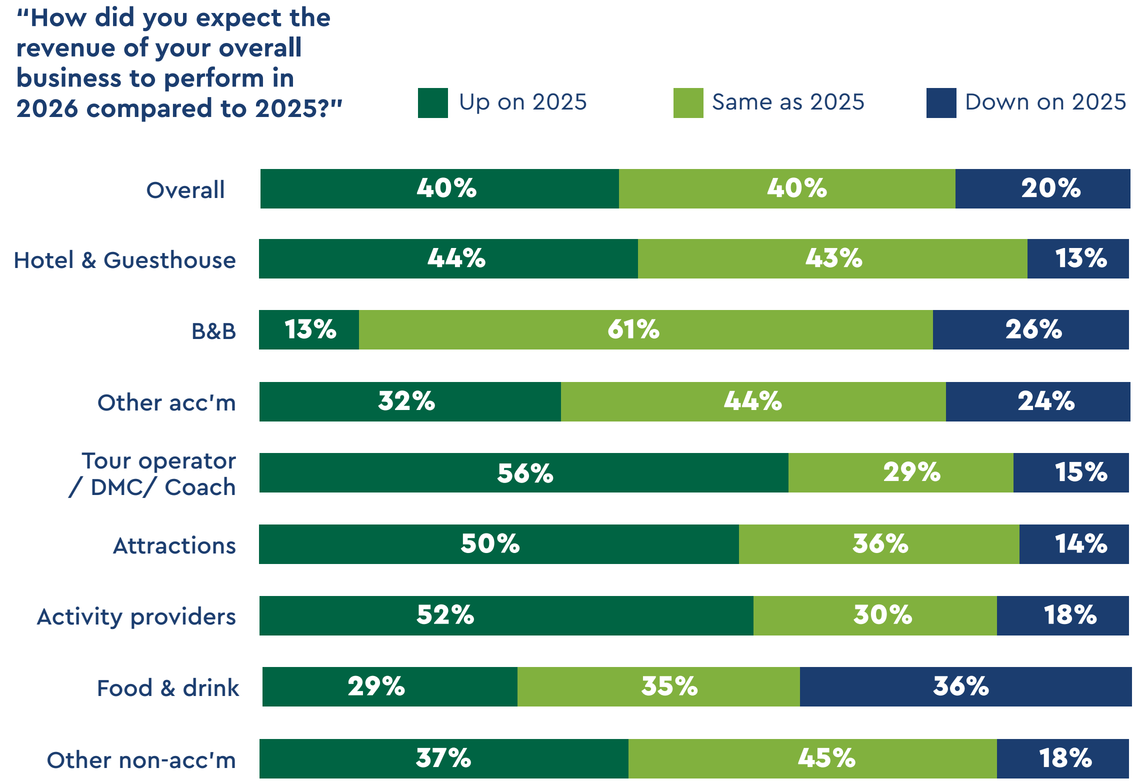
Tour operators/destination management companies are most optimistic with more than half anticipating more business in 2026 while around half of activity providers and attractions are also expecting an upturn in 2026 revenue.

Most businesses in each tourism region expect 2026 revenue to be better or the same as last year. Of the three tourism regions outside of Dublin, expectations in Ireland's Ancient East are particularly positive.

Two sectors were less optimistic on the year ahead – B&Bs [9] and food and drink [10] providers.

However, there is industry wide concern about the global economic and geopolitical climate, particularly in terms of how dependent Ireland is on the US market.

Chart 6.2: Expectations for 2026 Relative to 2025



Source: Fáilte Ireland's Tourism Barometer, January 2026

[9] The B&B sector has been in long-term decline, with 80% fewer Fáilte Ireland registered providers in the market in 2025 compared with 2010. This is attributed to, amongst other things, (a) an ageing cohort of operators retiring, and (b) a shift in owners and consumer preferences towards short-term lets.
[10] Also see Section 6.4 on pricing

6.4 Pricing, Margins and Profitability

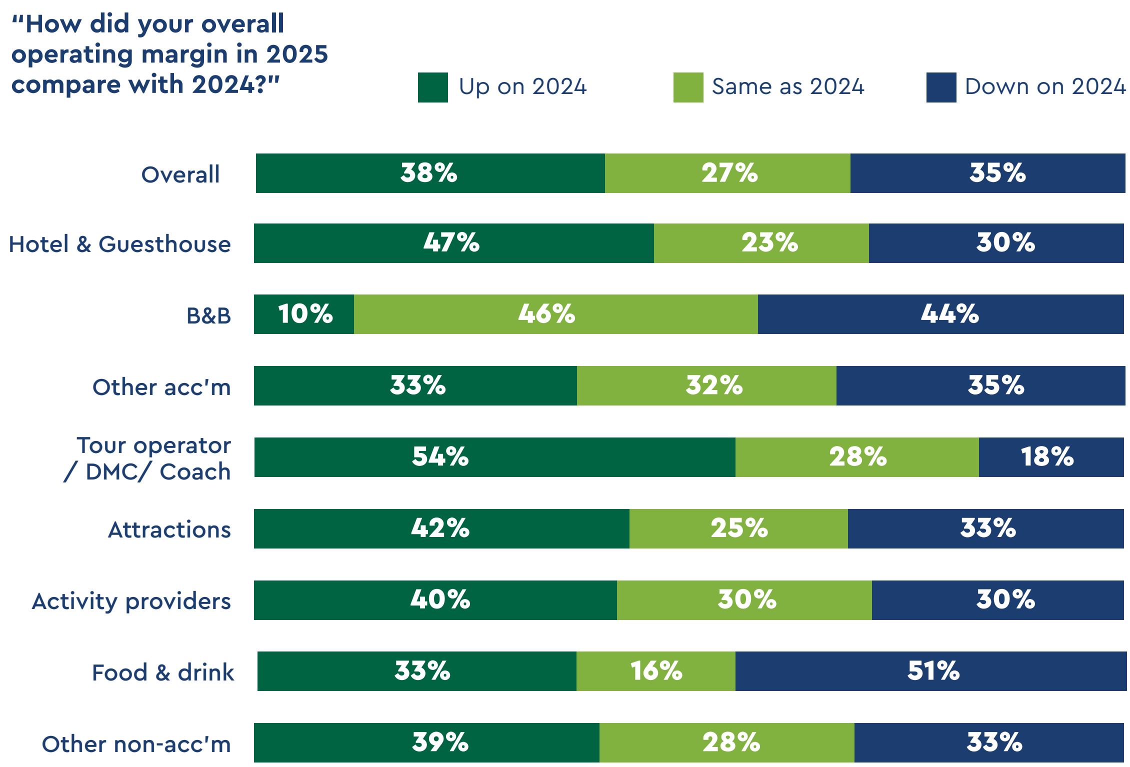
The survey also looked at pricing, operating margins and profitability. In terms of price increases in 2025, 41% of operators did not increase prices. Approximately three in five (59%) businesses increased their prices last year.

Looking at operating margins, price increases helped to alleviate some pressure, with most sectors reporting margins being slightly up in 2024. Strongest margin growth was seen in:

- Tour operators and destination management companies (54% reporting that margins were up on 2024).
- Hotels and guesthouses (47% up on 2024).
- Attractions (42% up on 2024) and activity providers (40% up on 2024).

The food and drink sector remains under most margin pressure, with about half (51%) reporting reduced operating margins. Similarly, a significant proportion of B&Bs (44%) report contracting margins in 2025.

Chart 6.3: Operating Margins in 2025 Relative to 2024



Source: Fáilte Ireland's Tourism Barometer, January 2026

Focusing on profitability:

- 86% of businesses either managed to make a profit or break even in 2025. This is an improvement from 80% in 2024.
- The highest proportions of businesses making a profit are found among tour operators and destination management companies (88%), caravan parks (87%), hotels (82%), and in Dublin (71%).
- In the food and drink sector 49% of businesses report making a profit, compared to 26% making a loss.

The food and drink sector has experienced very challenging times recently given strong consumer resistance to price increases and rising input costs. Agricultural output prices for animals have risen by over 20% in the last year on the back of strong price growth for cattle, directly impacting food businesses that operate under a "farm-to-fork" ethos.[11] Wholesale meat, fish and dairy prices are also rising at a faster rate than headline inflation in Ireland.[12] Added to this is a 25% increase in the minimum wage rate since 2023.

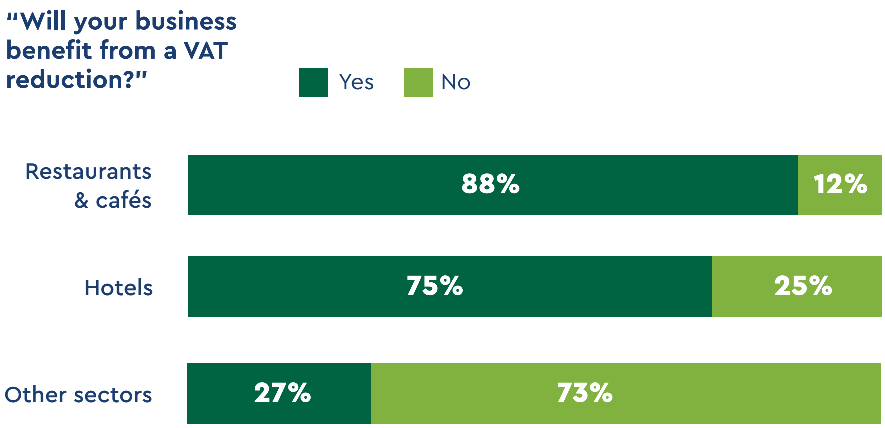
6.5 The Tourism VAT Rate: Improving Viability & Competitiveness

Reflecting the government's ongoing commitment to support businesses facing increased cost pressures, a VAT reduction from 13.5% to 9% on food and catering businesses will come into effect from 1st July 2026.

The VAT cut has been widely welcomed by respondents, with results from the sentiment survey showing:

- Most restaurants and cafés (88%) will benefit from the measure. This is the highest of any sector.
- Most hotels (75%) say that they will also benefit.
- Some businesses (27%) in other sectors also feel that they will benefit.

Chart 6.4: Sectors Benefiting from the VAT Reduction



Source: Fáilte Ireland's Tourism Barometer, January 2026

[11] CSO Agricultural Price Indices December 2025. Figure relates to animals in Table 1.
[12] CSO Wholesale Price Index December 2025. See Table 2 – Industrial Producer Price Indices (ex. VAT)

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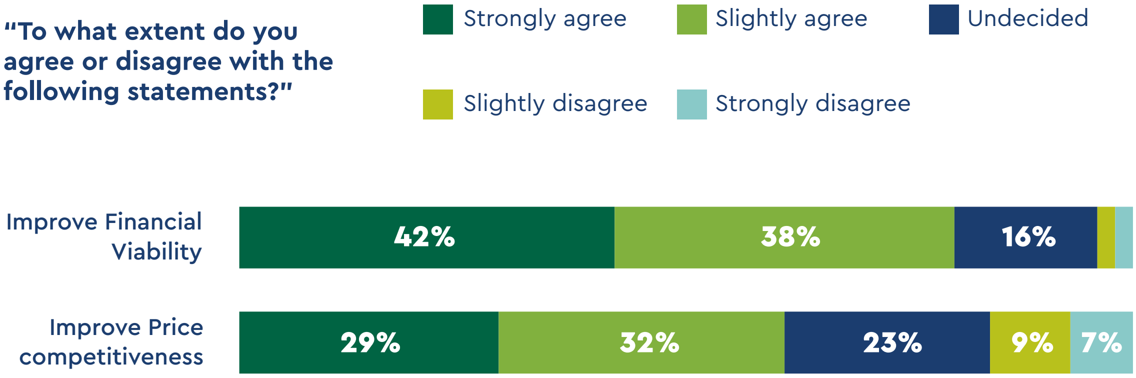
A large proportion of those benefitting from the measure (61%) agree that the VAT cut will improve their price competitiveness, indicating that they will pass on at least some of the reduction to customers in the form of lower prices

Most (80%) of the businesses who say that they will benefit from VAT reduction agree that it will improve their financial viability. This is most likely because it will enable them to protect their operating margin at a time of unusually high input cost growth.

Chart 6.5: Expected Benefits from the VAT Reduction



Source: Fáilte Ireland's Tourism Barometer, January 2026

6.6 Note on the Data Used: Survey Methodology

- Fáilte Ireland designed a questionnaire which was set up online by SRI (Strategic Research and Insight), an independent research agency.
- Fáilte Ireland distributed the survey link to its trade database on 6th January 2026. Some sector representative bodies also encouraged their members to respond.
- There were 888 responses in total after deduplication by business. This is a typical response rate for barometer waves.

Appendix 1: Key Tourism Terms and Concepts

Visitor: Defined as 'any person travelling to a place other than that of his/her usual environment for less than twelve months and whose main purpose is other than the exercise of an activity remunerated from within the place visited'.

Tourist: A visitor who stays at least one night in the place visited. May also be called an overnight visitor.

Same Day Visitor: A same day visitor is a visitor who spends no more than one day in the place visited. They do not stay overnight. May also be called day-trippers or same day travellers.

Trip: A trip refers to the travel by a person from the time of departure from his/her usual residence until he/she returns, a round trip. Only trips which were not part of regular travel are considered relevant.

Usual Environment: The usual environment of an individual is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his/her regular life routines. Places that are frequently visited are part of a person's usual environment even though they may be located at a considerable distance (or in another country) from the place of residence.

Tourism: Means the activity of visitors taking a trip to a main destination outside their usual environment, for less than a year, for any main purpose, including business, leisure or other personal purpose, other than to be employed by a resident entity in the place visited.

Purpose of Visit: The main reason for travel is the primary purpose for which the visitor made the journey. A visitor may have multiple reasons for visiting, but the main reason dictates the purpose of visit. The main purpose of visit categories are given below.

- Holiday: A trip for holiday, leisure or recreation.
- Visiting Friends and Relatives (VFR): A trip to visit friends and/or relatives.
- Business: Those travelling for a specific professional and/or business purpose to a place outside their workplace and residence with the aim of attending a meeting, an activity or an event.
- Other: All other reasons including language study, health treatments, pilgrimage, sporting events and the like.

Promotable Tourism: A broad term for discretionary travel, that is where promotion/marketing may influence the destination choice. Examples include holidays, language study and some types of business travel where the location can be influenced for example, conferences.

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