

# Tourism Barometer

Strategic Research and Insight

June 2025





# Fáilte Ireland Preface and Contextual Commentary



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## Sharing some contextual information

A preface has been included in this report to provide important context that is essential for accurately interpreting the findings of this business sentiment survey

- 2024 was a strong year for Irish tourism and that may have raised expectations for 2025. For example:
  - Irish resident tourists' spending was up +15%
  - Irish resident trips were up +16%
  - Overseas tourists spending grew by +9% (and +8% excluding fares)
  - Overseas tourist trips grew by +3%.
- However, Q1 2025 was relatively weak, compared with 2024, for various reasons:
  - Ireland's winter air access was down -2% due to the Dublin airport cap
  - January saw some very disruptive storms
  - February was a day shorter
  - And the CSO reported very strong inbound growth for Q1 2024 which set a high bar for comparisons.

# Setting the context



## Looking across a range of hard performance indicators shows a flat start to 2025

Indicator: Annual Change	Latest Data	Time Period	Notes
CSO Inbound Trips (CSO)	-18%	Jan-Apr 2025	1.5 mn arrivals, down on 2024. Rate of decline slowing.
CSO Domestic Trips (CSO)	-8%	Jan-Mar 2025	While domestic trip were down, spending was up +7%
Air Seat Capacity (OAG)	1%	Jan-Apr 2025	Lost air capacity restored. Summer looks very positive
Air Passenger Movements (CSO)	-1%	Jan-Apr 2025	Effectively on par with 2024, but mix differs due to air cap.
Hotel Occupancy (IHF)	±1%	Jan-Apr 2025	Pretty much in line with 2024.
Fáilte Ireland Registered Bed Capacity (FI)	-1%	As at Jan 2025	Effectively unchanged.
Airbnb Occupancy (Lighthouse)	1%	Jan-Apr 2025	Pretty much in line with 2024.
Flights Searches for Ireland (ForwardKeys)	-1%	Jan-Apr 2025	No evident drop in overseas interest in Ireland.

**While CSO data shows a slow start to 2025 tourism, other information sources indicate a broadly flat performance for the first four months.**

## A view on the sentiment survey results

- This barometer is a survey of business sentiment, and considers how businesses are feeling about the year so far and the rest of 2025.
- Although the year began on a slower note, overall demand (including Ireland, Northern Ireland and overseas markets) was not as weak as some information sources suggest.
- For some businesses, sentiment is more negative than most available demand metrics suggests. This could be attributed to a number of things including (a) elevated expectations due to 2024's strong outturn and (b) a run of 'bad news', such as:
  - Ongoing input cost pressures
  - The Dublin airport cap (which was only suspended in April)
  - January's storms and a flurry of last-minute cancellations
  - Commentary on the weak inbound data for Q1
  - International trade tensions and downgraded economic forecasts.
- There are plenty of positives amidst the negatives. In particular:
  - Summer air access will be up +7% (air access is often the best predictor of inbound tourism demand)
  - Growing Irish incomes and accumulated household savings support ongoing demand.



# Summary Results



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## Slow start to the year

- 26% of businesses have increased their revenue to date in 2025 compared to the same period last year and 23% have had the same level; however, 51% have seen decreased revenue
- Revenue is down on balance in every sector and region – sectors with high proportions of businesses reporting to be down on revenue include B&Bs (74%), self catering (62%), food & drink (58%) and tour guides (56%)
- Looking ahead, most businesses (56%) say 2025 will be ahead of 2024 or on par with last year

## What respondents say about the dip in performance?

- Lack of disposable income combined with lack of affordable tourist accommodation got the year off to a slow start, but this has recently been compounded by global economic uncertainty brought about by President Trump's economic policies
- As a result, businesses across numerous sectors are seeing some cancellations of US trips and a lack of forward bookings from this market as US travellers are concerned about their income and also how they are perceived abroad
- 60% of businesses cite 'Trump presidency / global economy' as a concern – making it the most mentioned concern

## What are the reasons to be positive in 2025?

- Some businesses have managed to grow their revenue
- This includes 38% of hotels (although 43% report being down) and 36% of activity providers (40% are down)
- 'Positive reviews / recommendations' (cited by 49%), 'repeat visitors' (40%), 'own marketing' (39%) and 'own investment in the business' (35%) lead the reasons to feel positive
- The domestic market is felt to offer the best hope this year, especially among hotels, attractions and activity providers



# What is this research about?

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## Background

- Fáilte Ireland's Tourism Barometer is a sentiment survey targeted at tourism providers. The key aims of this research are to understand:
  - 2025 visitor volumes, turnover & room yields to date
  - Expectations for 2025
  - Reasons to be positive or concerned about business in 2025

## Method

- 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 29 April 2025
- Some sector representative bodies also encouraged their members to respond

# Sample

Accommodation sector	Sample size
Hotels	106
B&Bs	71
Self-catering	41
Caravan & campsites	31
Guesthouses	22
Other accommodation	11

- 834 responses in total after de-duping by business
- Overall response is typical for barometer waves

Non-accommodation sector	Sample size
Attractions	129
Activity providers	72
Pubs & bars	63
Tour guides	60
Inbound operators and DMCs*	47
Restaurants	44
Retail	22
Event / festival organisers	22
Coach operators	21
Chauffeur service	15
Other non-accommodation	57 <sub>10</sub>

\*Destination Management Companies



# 2025 Performance



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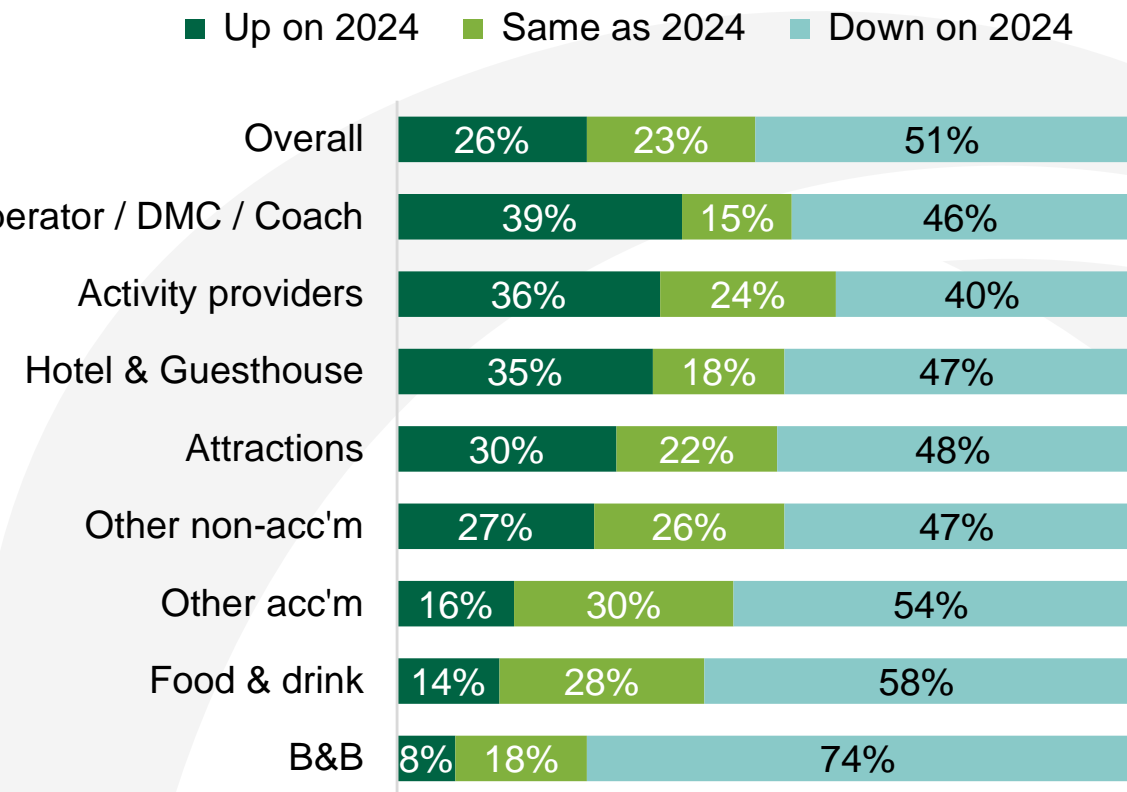
# 2025 Revenue vs 2024 (by Sector)



## Slower start to the year

- Revenue year to date is down on balance in every sector
- In a similar question on visitor volumes, 24% of businesses have seen increased visitors to date, 24% have received the same level but 52% have had a decrease
- Overseas visitor levels are soft, but so too are domestic levels
- Lack of disposable income combined with lack of affordable tourist accommodation got the year off to a slow start, but then President Trump's economic policies raised the industry's challenges to a new level

## Q6 "How does your overall revenue to date this year compare to 2024?"



Base: 772



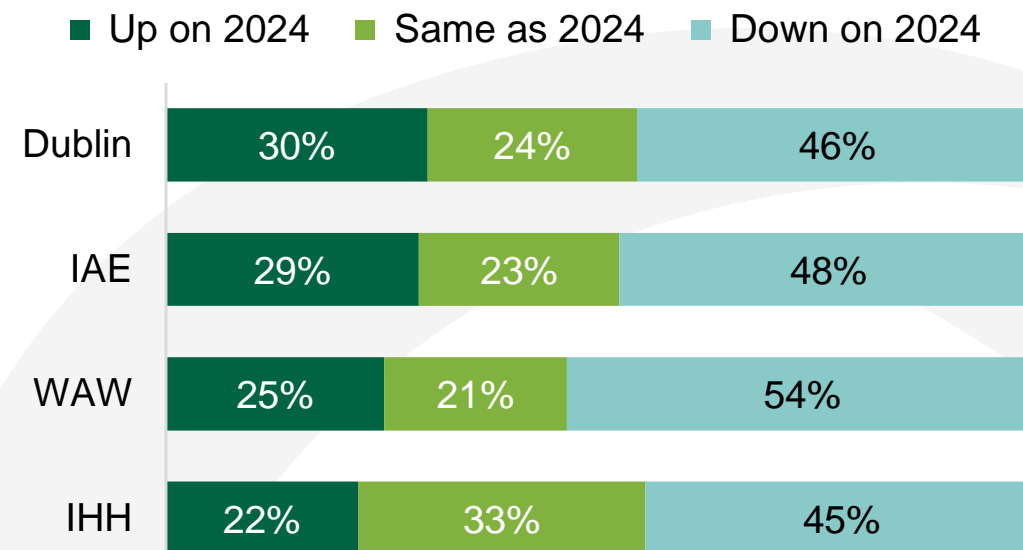
# 2025 Revenue vs 2024 (by Region)



## All regions are, on balance, down

- The challenging market conditions are seen across the whole country and are not regionally specific
- As overseas visitor levels are down, even Dublin, which often performs better than the other regions, is affected
- There are no significant differences between tourism hotspots and non-hotspots

## Q6 "How does your overall revenue to date this year compare to 2024?"



Base: 772

*'Don't know' and 'not applicable' answers have been excluded*

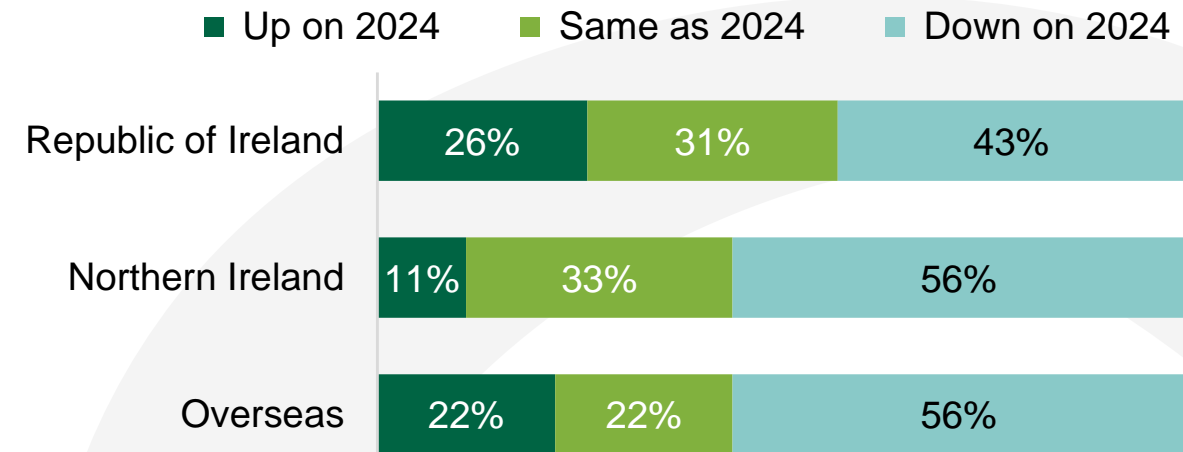
# Revenue by Market



## All main markets are soft, so far

- The overseas market performed so well in 2024, but to date this year, it has not performed as hoped
- In particular, overseas revenue is down for:
  - Food & drink (75% report being down)
  - B&Bs (71%)
  - Self-catering (62%)
  - Tour guides (60%)
- The domestic market is not performing well either

## Q7 "How does your overall revenue to date this year compare to 2024 from each of the following markets?"



Base: variable

*'Don't know' and 'not applicable' answers have been excluded*



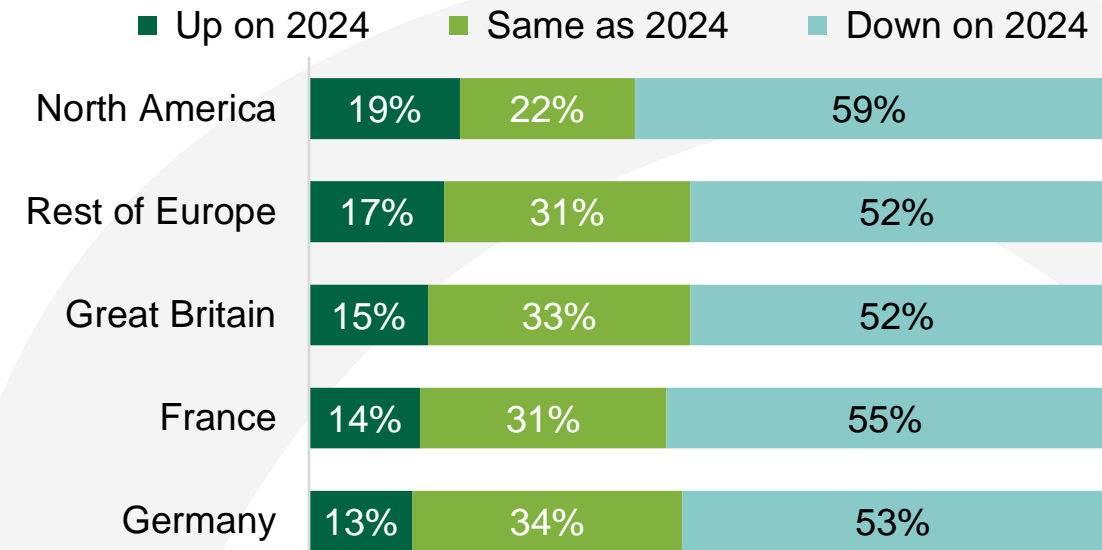
# Performance by Overseas Market



## Reliance on North America may be an exposure

- The North American market has so often delivered for the industry, underpinning positive overseas market performance at times when European markets were flat
- Now that North American levels have seemingly slipped back, Irish tourism businesses are feeling the effects
- Some report cancelled trips from the US market as travellers are concerned about their income and job security amidst President Trump's radical economic policies

## Q8 "Looking at your overseas business in more detail, how does your revenue to date this year compare to 2024 from each of the following markets?"



Base: variable

*'Don't know' and 'not applicable' answers have been excluded*

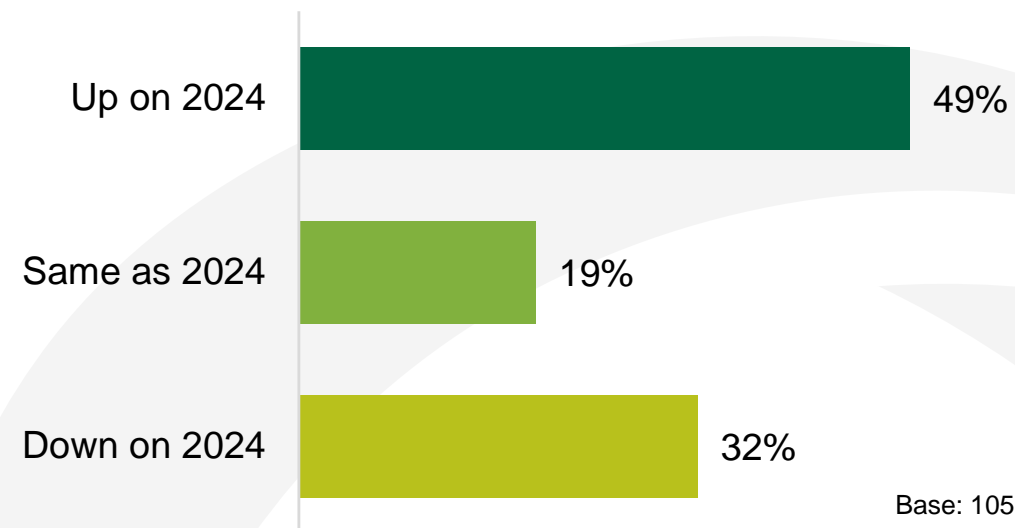
# Hotels – Average Room Yield



## Room yields are up

- The hotel sector overall has performed well on average room yields to date this year
- However, operating margins remain under pressure as costs have continued to rise
- As such, the hotel sector continues to tread a fine line between covering costs and losing competitiveness
- Many DMCs, inbound tour operators and tour guides say that they – and Ireland overall – are losing business because of the country's lack of competitiveness

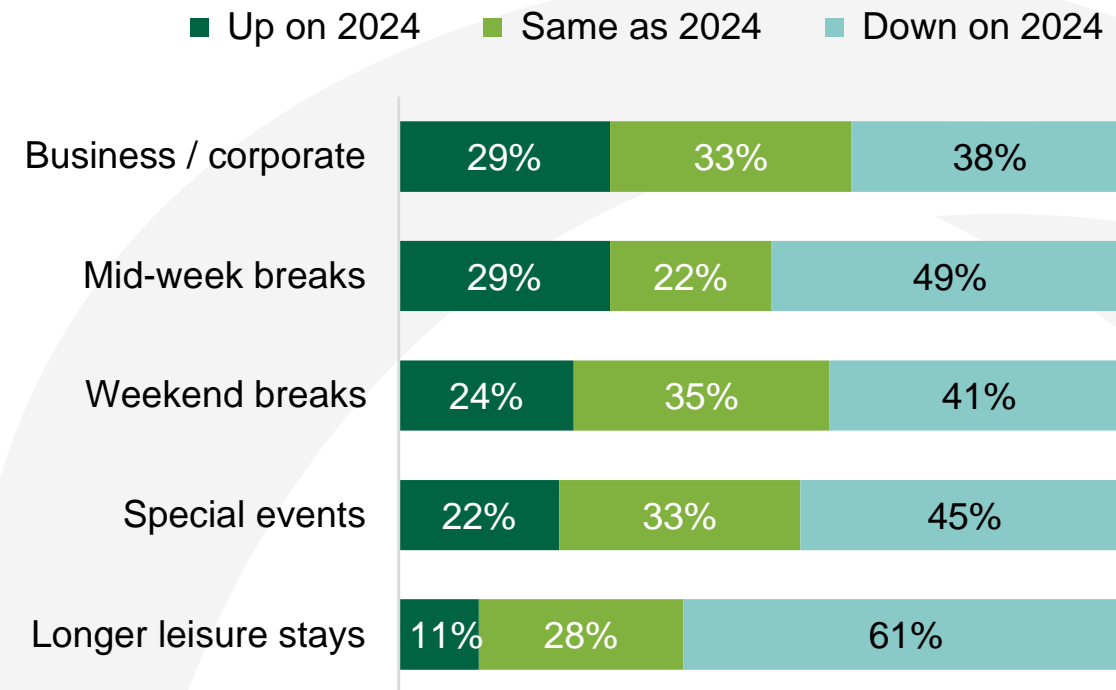
## Q9 "How does your average room yield year to date compare with 2024?"



## Lack of longer stays being felt

- The domestic market for hotels is lacking long leisure stays, but the volume of shorter stays is down also
- Corporate stays are also down, as some hoteliers report a decline in the need for business accommodation

## Q10 "Thinking about your Ireland market business in the year to date, how have each of the following performed compared with 2024 in terms of revenue?"

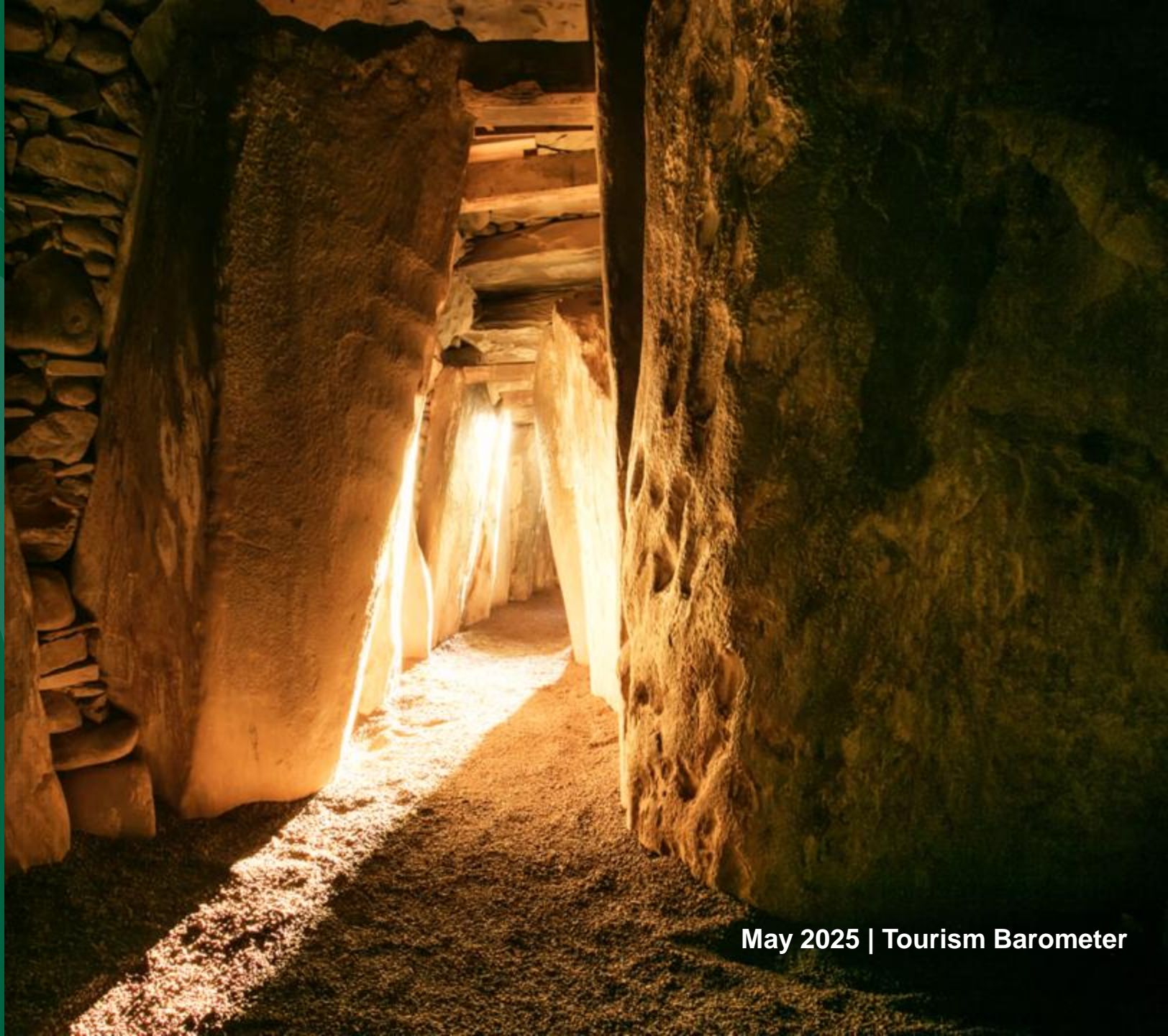


Base: variable

'Don't know' and 'not applicable' answers have been excluded



# Expectations



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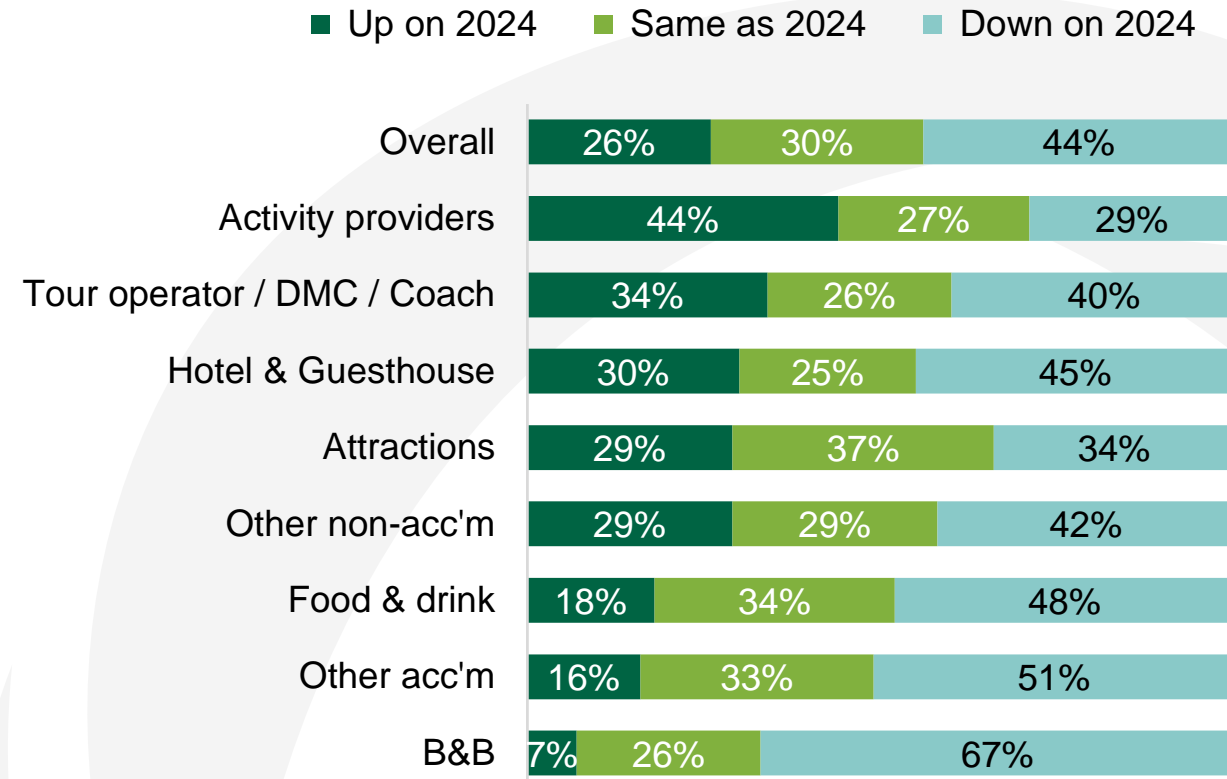
# Volume Expectations (by Sector)



## A steady year ahead for most

- Most businesses (56%) say 2025 will be ahead of 2024 or on par with 2024
- Some even say that the decline of US volumes is likely to be felt more strongly in 2026 as some visitors fulfill the travel plans they had already made for 2025
- A similar question asked about revenue expectations shows 28% expecting revenue to be up on 2024, but 43% expect it to be down

**Q11 "How do you expect the volume of your overall business to perform during the remainder of this year compared to the same period last year?"**



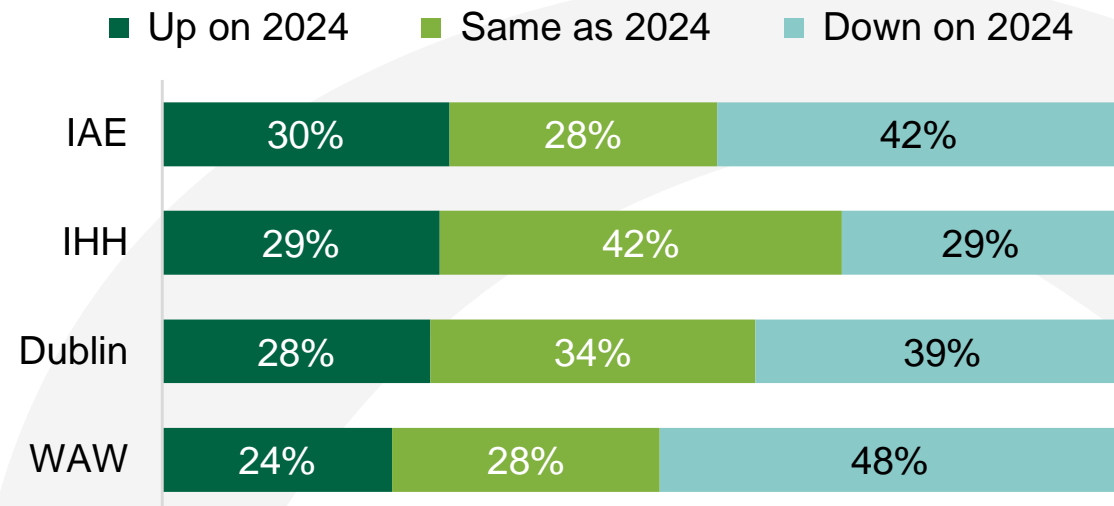
# Volume Expectations (by Region)



## A consistent picture in all regions

- Most businesses in each tourism region expect volumes to be the same or up on 2024 for the remainder of this year
- Differences by region are not significant, as is also the case when looking at revenue

**Q11 "How do you expect the volume of your overall business to perform during the remainder of this year compared to the same period last year?"**



Base: 762

*'Don't know' and 'not applicable' answers have been excluded*



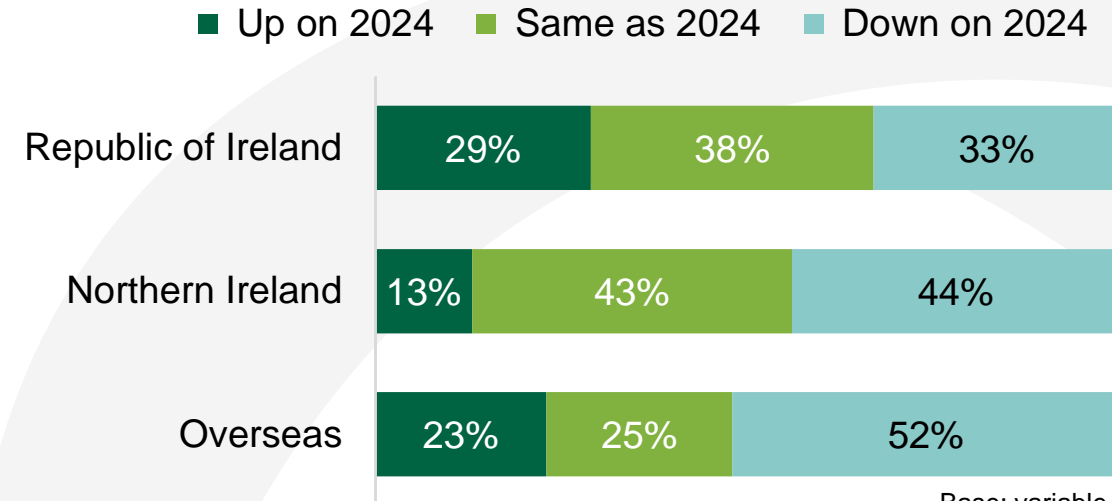
# Volume Expectations by Market



## Strong hopes for domestic market

- As the overseas market is struggling this year, hopes for the remainder of 2025 lie more on the domestic market
- One exception is that some businesses hope to pick up overseas travellers who would have otherwise visited the USA – some are hopeful for more Canadians

## Q12 "How do you expect the volume of your business to perform during the remainder of this year compared to the same period last year from each of the following markets?"



*'Don't know' and 'not applicable' answers have been excluded*

## Section 3

# Reasons to be Positive or Concerned



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# Reasons to Be Positive



## Positive feedback and repeat visits

- During challenging times, positive reviews, recommendations and repeat visits are more important than ever as operators compete for the available business
- These positives rank highly in every sector
- 'Own marketing' is the most frequently cited positive among inbound tour operators & DMCs (47%)
- Many operators are managing to invest in their business in spite of continued cost challenges

### Q14 "Are there any particular reasons to be positive about business this year?" (prompted)





# Reasons to Be Positive – Open Comments

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## Naturally positive outlook

- Some operators describe or portray themselves as naturally positive – they will always try and focus on the gains they can make in business, however small
- Investment in the business, astute targeting of certain markets and providing a good service to encourage repeat business and recommendations can all help

## Hopes for better summer weather this year

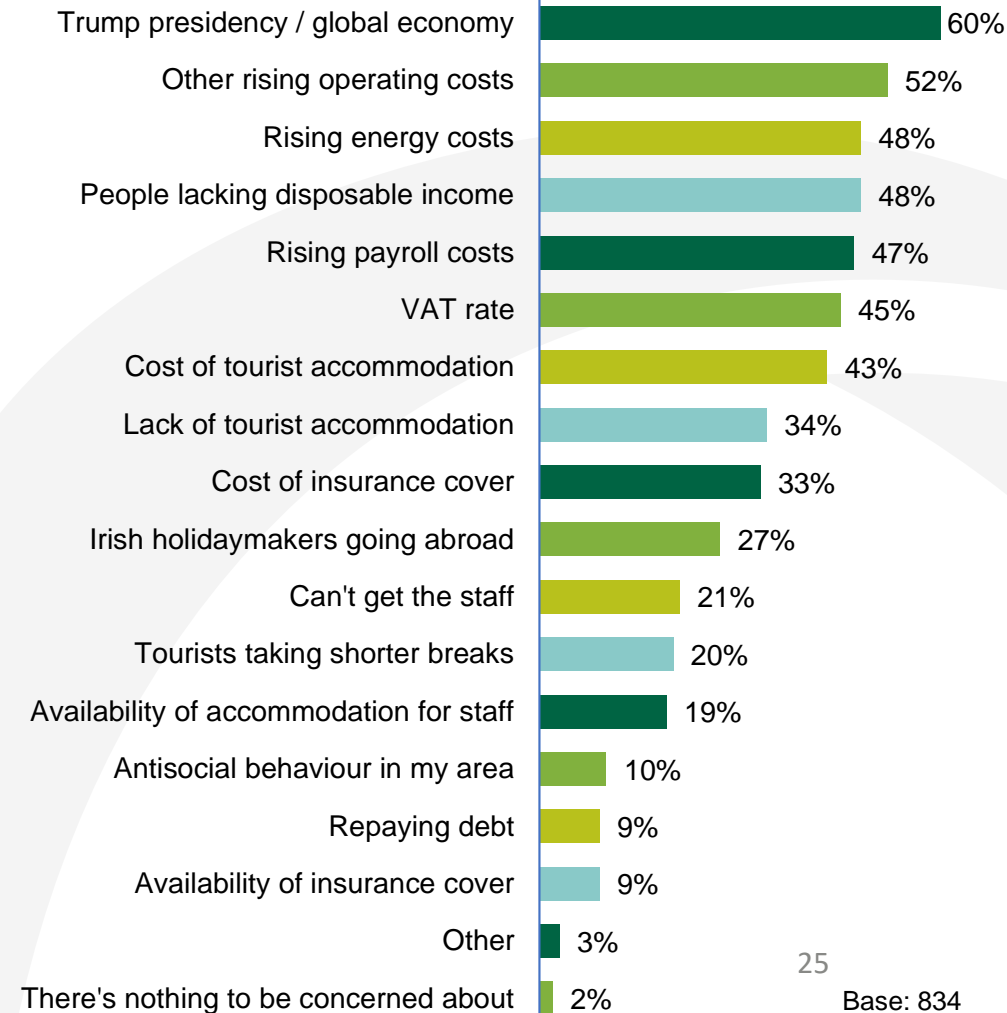
- A summer of fine weather, unlike last year, would really help the industry this year as many operators pin their hopes on the domestic market

# Reasons to Be Concerned

## Trump has trumped the existing concerns

- Before President Trump was inaugurated for a second term, operating costs, lack of disposable income and lack of affordable accommodation were dominating concerns
- Those concerns have not gone away, but now businesses have an additional concern to grapple with. The proportion of businesses expressing concerns regarding the Trump presidency have escalated from 18% in January, before his inauguration to 60%.
- Open comments on the key themes are discussed next

### Q15 "Are there any particular causes for concern regarding business this year?" (prompted)



# Reasons to Be Concerned – Open Comments (1)

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## **Global economy thrown into uncertainty**

- The sharp raising of tariffs by the USA – or the threat of it – has thrown world markets into uncertainty
- Whilst the economic policies are supposed to put ‘America First’ and make Americans better off, for now it seems to be Americans who are reluctant to travel
- A number of Irish businesses who have contact with Americans say they are hearing concerns about how other countries will now receive them

## **Full impact may be felt in 2026**

- Some say that pre-planned trips from US visitors have largely gone ahead in 2025, but they fear that 2026 is when Ireland will feel the effects of US policies most fully



# Reasons to Be Concerned – Open Comments (2)

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## Value for money concerns

- Rising operating costs have pushed up prices in Ireland, especially among Dublin hotels
- Some operators in other sectors relying on inbound tourism say the lack of competitiveness is causing them and the country as a whole to lose out on overseas visitors

## Costs have not subsided

- Whilst there are now significant challenges with declining visitor volumes, margins are still being squeezed at the other end by high operating costs

## Section 5

# Individual Sectors



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## Room yields are up, but volumes are down

- 49% of hotels report higher room yield year to date than in 2024, compared to 32% citing being down
- However, the increased yield has come from raising prices, not increased volume – which other sectors say is impacting on Ireland's competitiveness internationally, but hoteliers feel they have little choice because of high operating costs
- 30% of hotels are up on volume of visitors to date this year, but 50% are down

## Factors affecting performance

- On the positive side, 55% of hotels cite 'own investment in the business' as a positive this year, and 53% cite 'own marketing'
- However, rising costs dominate concerns, especially 'rising payroll' – cited by 89% (the joint highest proportion of any sector to say this, alongside restaurants)

## Domestic and overseas markets are weak

- 8% of B&Bs say their revenue is up year to date, but 74% cite being down
- 63% say domestic market revenue is down, and 71% say overseas market revenue is down (similar across Europe and North America)
- Business is unpredictable as some cite last minute booking trends

## Factors affecting performance

- 42% of B&Bs cite 'positive reviews / recommendations' as a reason to be positive this year, and 23% cite 'repeat visitors'
- However, 'Trump presidency / global economy' tops concerns (cited by 59%), followed by 'rising energy costs' (49%) and 'people lacking disposable income' (39%)



## Similar performance to B&Bs

- The self-catering sector had enjoyed a reasonable level of stability in recent years until 2020, when the sector has been hit hard by both declining domestic and overseas markets
- 11% say their revenue is up year to date, but 62% report being down
- 58% say domestic market revenue is down, and 62% say overseas market revenue is down (similar across Europe and North America)

## Grateful for repeat guests

- The self-catering sector typically attracts high proportions of repeat guests, and these are proving to be crucial during these challenges times – 49% cite this as a positive factor on business
- 44% are concerned about Irish holidaymakers going abroad

## Feeling the loss of revenue from overseas visitors

- Attractions enjoyed a strong year in 2024, but this year has seen the sector's revenue decline
- 30% of attractions are up on revenue year to date, but 48% are down
- Decline in the overseas market (both Europe and North America) is making this year challenging for attractions

## Hopes turn to domestic visitors

- 31% expect domestic visitor volumes to be up for the remainder of the year, compared to 21% expecting a decline
- Much depends on whether domestic visitors can afford to come out and spend money, as 57% cite 'people lacking in disposable income' and 55% cite 'cost of tourist accommodation' as concerns

## One of the most stable sectors

- 36% of activity providers have seen increased revenue to date this year, and a similar proportion (40%) cite a decrease
- Stability in the domestic market is helping the sector
- Outlook for the remainder of the year is positive, making activity providers unique in this sense within the industry
- 44% expect visitor volumes to be up for the remainder of the year, compared to 29% expecting to be down – hopes rest on a buoyant domestic market

## Factors affecting performance

- 33% cite 'marketing by tourist boards' as a positive – the highest proportion of any sector to say this
- Accommodation is a key concern, with 53% citing 'cost of tourist accommodation' and 51% citing 'lack of tourist accommodation'

## Sharp decline in overseas visitors

- 18% of pubs & bars have increased their revenue to date this year, but 52% have seen a decline
- Looking specifically at the overseas market, 17% have seen increased revenue, but 60% have experienced a decline – seen across Europe and North America

## Factors affecting business

- On the plus side, 40% cite 'local festivals / events' as a positive influence on business – the highest proportion of any sector to say this
- However, the sector continues to grapple with many challenges, led by costs, especially energy (cited by 73%), payroll (67%) and insurance (60%)



## Significant challenges in this sector

- 7% of restaurants have achieved increased turnover year to date, but 69% have seen a decline
- The decrease comes from both the domestic and overseas markets – 91% cite decreased revenue from overseas visitors
- The situation is not expected to improve this year

## Payroll costs and VAT top the concerns

- In spite of significant cost challenges, 32% cite 'investing in the business' as a positive factor
- However, 89% cite 'rising payroll costs' as a concern and 82% cite 'VAT rate'

## Not as strong as 2024

- Inbound tour operators & DMCs were Ireland's best performing sector in 2024 in terms of revenue and volume growth
- This year, the sector is in decline – 35% report increased revenue year to date but 52% have seen a decline

## Lack of competitiveness and global economic uncertainty

- 74% cite 'cost of tourist accommodation' as a concern – the highest proportion of any sector to say this
- Numerous inbound operators and DMCs say they are finding it hard to compete in the international marketplace with the hotel prices they have to work with
- This comes at a time when US business has been hit by uncertainty – the effects of this may be felt more in 2026

## Affected by subdued overseas market

- Tour guides performed well in 2024, partly as a result of a buoyant North American market, but 2025 is not going as well for many
- 17% of tour guides have increased their revenue to date this year, but 56% have seen a decrease

## Global economy and cost of accommodation

- 68% are concerned about the 'Trump presidency / global economy' and 63% are concerned about the 'cost of tourist accommodation'
- Similarly to inbound operators & DMCs, tour guides are seeing Ireland losing out on business because of high accommodation prices
- On the plus side, 53% cite 'positive reviews / recommendations' as a positive this year