



British Irish Parliamentary Assembly (BIPA) Plenary

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Tourism: A Force for Good

Good morning. I am delighted to have the opportunity to talk to you about the tourism industry in Northern Ireland. Selecting tourism as the theme for the BIPA Plenary underlines the importance of tourism to all of the regions represented by this Assembly and the crucial role it has in supporting sustainable, regional growth, delivering both economic and social impact.

The NI Tourism Alliance was established in 2018 and is the voice for tourism in Northern Ireland representing the many and varied sectors that make up the tourism economy.

Tourism in Northern Ireland was one of the six areas of cooperation included in the Good Friday Agreement. As a result of the agreement, the business model for overseas tourism was changed with the cross-border agency Tourism Ireland, responsible for promoting Northern Ireland overseas (including GB) as part of the Island of Ireland destination. This has been the case for over 20 years and an estimated €1bn spent on promotional activities. This differs from other regions of the UK, who are promoted overseas by Visit Britain. Tourism has been one of the most successful strands of the Good Friday Agreement. In 2019, overseas tourism accounted for around 25% of total tourism spend - £250M. This grew by 50% from 2011 to 2019. This has driven investment by the private sector with over £600M in development of hotel capacity alone. IT was good to hear from An Taoiseach that there has been a renewed commitment for

connectivity, shared promotion and sustainability between Irish, NI and UK governments.

In a world of constant change and shifting priorities, the tourism sector emerges as a dynamic force for good, ready to shape and contribute to the Economic Mission outlined by the Minister for the Economy, Conor Murphy, on 15th February. With a focus on Good Jobs, Regional Growth, Productivity and Net Zero, the Minister recognises the crucial role of tourism in transforming the economy.

Driving Economic Growth and Job Creation – Tourism possesses a unique power to catalyse economic growth and job creation. NITA's collaboration with Grant Thornton in 2023, produced an impact model that revealed the sector's far-reaching contribution. For 2021, tourism contributed 5% to the NI economy with an economic impact of £2.3bn and supporting 7% of total jobs. Around 70% of visitor spend is by visitors from outside of NI meaning tourism is a significant export sector.

Return on Investment – Government investment in tourism projects helps to regenerate and rejuvenate our spaces across Northern Ireland and it is critical that we continue to invest in the development of new experiences and refreshing existing experiences and assets. We are competing with our nearest neighbour, Republic of Ireland, for our share of visitors to the island of Ireland and we need to ensure we are keeping pace when it comes to development of product and support for the industry.

Investments, such as Titanic Belfast, have transformed the Titanic Quarter and the waterfront. This has attracted further private sector investment, improved transport infrastructure and provided a world-class attraction which is a magnet for tourists. Once here, tourists then visit other experiences. In the first 10 years of operating, Titanic Belfast has generated around £500m into the broader economy. Just this year, Titanic Belfast invested £5M in a project to reimagine the galleries and this has seen a significant increase in visitor numbers, an increase in repeat visitors of over 30%, and in March 2024, Titanic Belfast welcomed its 8millionth visitor since it opened in 2012. The four City and Growth deals in Northern Ireland bring a mix of UK Government/NI Executive and local council funding, £500M of which are in tourism and regeneration projects across the region. This investment is attracting private sector investment and will enhance the experience for our tourists and local communities. This

Government investment has been further supplemented by 800m Euro of Shared Island funding from the Irish government. A true collaboration for mutual benefit. Peace Plus funding from the EU continues to be an important source of funding for cross-border projects.

It should be noted that the majority of tourism businesses are SME's and micro businesses and the programmes run by Tourism NI provide critical support to businesses to invest in their experiences which create new ways to generate value and provide more reasons for tourists to stay longer and spend more. One of the recent programmes has supported innovation within tourism businesses. It was great to see the number of businesses already innovating and now being recognised through the Innovate NI scheme as Gold Innovators.

However, continuous investment in our product and experiences is necessary. It should be noted that the budgets for Failte Ireland are around 6 times the level of budget allocation to Tourism NI. The challenge is having to fund projects within one financial year. A move to multi-year budgets is something we would all like to see.

Community Empowerment and Regional Growth – Beyond economics, tourism brings about numerous social benefits. Attracting visitors, directly injects spending, jobs and infrastructure investment into communities across Northern Ireland, supporting regional growth. This helps preserve and celebrate local culture and heritage, fostering community pride. Moreover, tourism's role in developing visitor experiences leads to the provision of additional local services and offers opportunities for entrepreneurship, diversification and creating pathways into work for those furthest from the job market.

Cultural Bridges – Tourism's remarkable capacity to bridge cultures fosters mutual understanding and appreciation. By showcasing and preserving cultural treasures, historical landmarks and indigenous traditions, tourism not only attracts visitors but instils a sense of pride in our society. It is 26 years since the Good Friday Agreement, and tourism has provided the space to embrace our identities and differences. The growth of political, cultural and neighbourhood tourism enables us to build on the hard won peace and ensure that all parts of society benefit.

Inclusive Employment and Social Mobility – Tourism is an inclusive employer with a track record of providing a diverse range of desirable career paths from entry level to highly skilled roles and offers career progression and social

mobility. According to a report on the future of tourism in Northern Ireland, published in 2023 by the Department for the Economy, data from 2019 shows that:-

- 54.39% of tourism employees were reported as being female.
- 15% of all 16-24 year-olds in Northern Ireland were employed in the tourism industry,
- And when considering disabilities, the Northern Ireland tourism industry has a larger share of disabled employees when compared to all other industries collectively. 14% of people were reported as being Equality Act disabled, which is higher than the collective NI average of 11% across all industries.

Tourism truly is a beacon for diversity and social mobility, however, there is room for further progression and tourism is one of the solutions to deal with the high number of economically inactive we have in Northern Ireland. The latest figures show NI as the highest region of the UK with 27% of the potential workforce economically inactive.

Environmental Responsibility and Net Zero – Amid the urgent call for environmental sustainability, tourism is stepping up to the challenge. Businesses are showcasing adaptability and innovation in addressing eco-friendly tourism practices, conservation efforts and community engagement initiatives. The tourism industry in Northern Ireland is making significant strides towards contributing to the goal of becoming a net zero economy. The recently launched All-island Sustainability Mark for Tourism, a collaboration between Tourism Ireland, Tourism NI and Failte Ireland, will provide a consistent and measured approach to supporting and promoting the sustainability credentials of tourism across the island.

Challenges

The multifaceted nature of tourism positions it as a key player in driving regional economic growth, championing environmental sustainability, preserving cultural heritage and providing good jobs and career pathways. However, we are facing challenges:

Introduction of ETA - For Northern Ireland in particular, the consequences of this decision could be disastrous. Any initiative regarding the Irish border must be dealt with using the utmost sensitivity, yet this legislation has been put together and passed with little regard as to the practical, political, and economic

impact on the island of Ireland. Over 70% of Northern Ireland's international visitors arrive via Dublin and travel across the land border into NI as part of their trip. The introduction of new travel restrictions for these overseas visitors could result in NI being struck off the itinerary of many all-island tour operators and independent travellers.

NITA are also concerned about the legal jeopardy that tourists could unwittingly find themselves in. Since the Good Friday Agreement (GFA), Northern Ireland has been promoted as part of the Island of Ireland destination with seamless travel across the island. Therefore, a tourist could inadvertently enter NI without being aware of the need to have an ETA. This will put them in legal jeopardy and open to a criminal charge and deportation as per the Nationalities and Borders Act and the Illegal Immigration Bill 262. This is different to the rest of the UK, where all tourists will be arriving at a direct port of entry and their ETA will be checked prior to travelling by the carrier as they have a legal obligation to do so. Therefore, it is highly unlikely that any tourist will arrive directly into the UK without an ETA and be open to criminal sanctions.

We are calling for an exemption for those tourists crossing the land border into Northern Ireland and this is something that all Northern Ireland political parties support.

I would like to take this opportunity to thank BIPA members for their interest and support, Lord Dubbs and his colleagues in the House of Lords and the Irish government for their continued support.

Competitiveness – We are competing on a global stage, with our closest competitor only 90 minutes down the road. Different policies on Air Passenger Duty, VAT, Corporation Tax etc, make it more challenging to ensure that we are able to offer value for money and encourage tourists to make the trip to Northern Ireland. The introduction of the ETA will introduce a barrier to tourists and many will decide not to come.

Competing for skills and talent is a challenge for all industries and in particular tourism. Employers are working harder than ever to attract and retain talent through better pay and incentives, flexible working arrangements, career progression, reduced trading hours to allow employees a better work-life balance and responding to evolving employee expectations. We are seeing the positive changes, and we are hoping to collaborate with Failte Ireland to have a consistent approach to Employer Excellence. However, we are working within a

tight and competitive labour market and current UK immigration policy is particularly challenging for businesses in Northern Ireland

Promotion - The World Travel and Tourism Council have recently published research showing that global tourism is 'soaring' past its pre-pandemic levels and is set to break records this year. But the question is will that be true for us?

People don't just come to Northern Ireland; we need to continually inform and engage with potential visitors. We need to address negative perceptions and make Northern Ireland a must-see destination. TNI have done well in significantly increasing the number of tourists coming from RoI to NI, one benefit of the pandemic as people weren't able to go overseas. What has been the real positive, is that this trend has continued, and the outdated perceptions of Northern Ireland are being changed. However, to ensure this continues more investment needs to be made in promotional activity.

International Markets - Within the Department for the Economy draft tourism strategy, four key markets are identified- Domestic, RoI, GB and USA. We have concerns that with a primary focus on 4 markets this would not create a sustainable growth path for NI. We need to look to other long-haul markets such as Asia, and India. Alongside Tourism Ireland we need to look at how we work proactively with Visit Britain to maximise the promotion of NI into long haul markets. Market intelligence is forecasting China/Asia market to be 4th biggest in 2024 for UK inbound tourism and NI needs to be able to benefit from that.

This brings me to the next challenge - access and connectivity. We have seen an increase in the short haul routes in our 3 regional airports in the last couple of years, from both GB and Mainland Europe. However, there is the potential to further develop these routes to provide direct access to Northern Ireland. It is also important to look at long haul destinations, especially with the restrictions on passenger numbers at Dublin Airport and the impact of the introduction of the ETA on those visitors crossing the land border into Northern Ireland. We were pleased to see this referred to in the Safeguarding the Union paper which laid out the negotiated deal to restore the Stormont institutions. We have an opportunity, and need, to explore additional direct access routes from long haul destinations and other hub airports.

The strategic importance of Belfast as the principal gateway into Northern Ireland needs to be recognised with transport infrastructure supporting travel within Belfast and around the different regions. The announcement of Shared

Island and Peace Plus funding to enable an hourly rail service to run between Belfast and Dublin City has been welcomed by the tourism industry.

With an estimated 3m visitors from outside of Northern Ireland each year, transport infrastructure policy and development must be based on the needs of our local communities and tourists. This includes transport and road infrastructure alongside improved water and energy infrastructure. For example, we are seeing an increase in tourists using electric vehicles and investment is required in our electric vehicle charging infrastructure.

To achieve growth in tourism over the next 10 years, development of further supporting infrastructure such as accommodation must be incorporated into future planning. There are exciting developments planned within the hotel sector, but further development will be required both within and outside of Belfast.

Conclusion

The restoration of the Stormont Institutions has been well received globally and has injected a sense of optimism and stability much needed by business. The return of The Open next year, the successful One Young World event in Belfast last year, our growing number of business events alongside our breathtaking landscapes, heritage and diverse culture provide authentic and quality experiences for our visitors to enjoy.

By harnessing the power of tourism, Northern Ireland has the potential to pave the way for a thriving, sustainable and culturally enriched future. It is crucial to recognise and embrace the immense potential of tourism as a catalyst for sustainable economic growth.