

Report of the Tourism Policy Review Group to John O'Donoghue T.D. Minister for Arts, Sport & Tourism



New Horizons for Irish Tourism

An Agenda for Action

Report of the Tourism Policy Review Group to

JOHN O'DONOGHUE T.D.

Minister for Arts, Sport & Tourism



Dear Minister

I have the honour to submit to you, on behalf of the Tourism Policy Review Group, our Report on the Review of Irish Tourism. We have completed the Review under the title **New Horizons for Irish Tourism: An Agenda for Action**. The Report has been completed in accordance with the terms of reference you provided to us.

Yours sincerely

A handwritten signature in black ink that reads "John Travers".

JOHN TRAVERS

Chairman
30th September 2003

Preface



John Travers
Chairman

Irish tourism has been a major success story - perhaps the most successful sector of Irish-owned enterprise since the foundation of the State. Its contribution as a major source of foreign earnings with a low import content, as a powerful instrument of national and regional development and as a source of entrepreneurial opportunity has not always been fully acknowledged and recognised.

The Review Group draws attention to a number of important facts about the tourism industry in Ireland. Employment in tourism over the past 10 years, has increased at a faster pace than even the unprecedented high rates of employment increase in the economy generally over that same period. Today the sector employs more people than the totals employed in either Irish-owned or foreign-owned manufacturing industry. Tourism is by far the largest, Irish-owned, internationally-traded services sector in the economy. It is a sector firmly rooted in the natural and built environment and in the people and culture of Ireland. As a product, therefore, it cannot relocate to another country. But, by the same token, its customers, both domestic and overseas, can. International analyses indicate that, despite the post-2001 slowdown, the future prospects for international tourism over the next 20 years are good and similar to the high growth rates of the previous 20 years.

It is not certain, however, that despite the strong opportunities, Irish tourism will, over the next 10 years, enjoy the same growth and success as it has over the past decade. The sector is at a significant turning point in its development. Competitiveness has been lost in recent years. A certain complacency, the fruit, partly of success, has set in across many parts of the industry. And this is happening at a time when the expectations and requirements of the potential customers of Irish tourism have become more demanding and when the alternative choices of high visitor attraction and good value for money available to them have greatly increased.

It is, therefore, certain that the policies and actions that have delivered strong performance in Irish tourism in the past will not suffice to do so in the future. The way in which the changes now required are anticipated, managed and put in place will determine the future success of Irish tourism as a sector of investment opportunity, innovation and enterprise and as an instrument of Government development policies.

Regaining the competitiveness lost in recent years is central to the new strategy for the development of Irish tourism set out in this Report. This is the fundamental challenge which the industry itself must face and overcome.

There are also important challenges for the Government – none more so than the recognition through relevant, practical and systematic actions of the central role that the tourism industry plays as a major instrument of national and regional development. This will only come about if the scope of tourism policy formulation and implementation is extended beyond its traditional ambit to encompass all areas of Government policy that impact in a significant way on the development of tourism.

The Report of the Review Group acknowledges and articulates the constructive and positive role which tourism policy has played in supporting the significant growth achieved by the industry over the past decade and more. It concludes, however, that the major international and domestic changes affecting Irish tourism at the present time and those anticipated in the foreseeable future, now require urgent and fundamental changes in the policies and actions of both the Government, and of the tourism industry itself, if the success of the industry over the past decade is to be replicated in the future.

This Report, therefore, sets out a new strategy for Irish tourism which is comprehensive, coherent and challenging for the industry itself and for Government. We believe that if it is followed through to implementation with conviction, energy and commitment that it will make a real and lasting contribution to the development of Irish tourism in the years ahead and to the complementary objectives of national and regional development.

I wish to record my appreciation and thanks to my colleagues on the Review Group for the individual talents, wisdom and contributions they brought to the work and deliberations of the Group. I want to express the thanks of the Group to Mary Jackson for her commitment and

professionalism as Secretary to the Group and to her colleague Gráinne Ní Néill for her dedication and support. I also wish to extend our appreciation to Malcolm Connolly, Deirdre O’Keeffe, Brian Maher and Eileen Gallagher of Fáilte Ireland and to Mark Henry of Tourism Ireland who provided much of the analytical and administrative support underlying the work of the Review Group.

Finally, I would like to thank John O’Donoghue, Minister for Arts, Sport and Tourism, for the opportunity afforded to the Review Group to make a contribution to the development of such an important sector of national and regional development and to the Secretary General of the Department, Philip Furlong, for his support and advice.



John Travers

Chairman
30th September 2003

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(Chairman)
former Chief Executive Forfás



Peter Cassells
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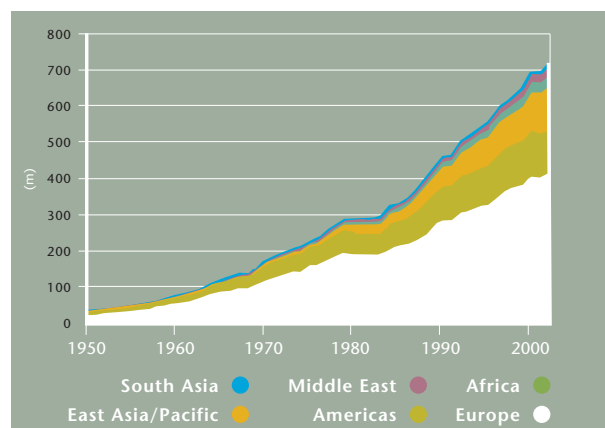
Executive Summary

1. Tourism Worldwide – An Overview

International tourist numbers will double over the next 20 years but the profile and requirements of customers are changing rapidly and competition is becoming more intense.

1.1 The growth in international tourism has been one of the most remarkable economic and social phenomena of the past century. 700 million international trips are now made worldwide each year. Tourism is a major economic sector generating over €500 billion in annual receipts, sustaining in excess of 70 million jobs and accounting for almost 4% of global GDP. The industry has outpaced general economic growth, since 1975, by a factor of 1.3. Tourism growth has been driven by a number of key factors, including economic wealth, mass communication, affordable travel (especially by air), availability of leisure time and the travel opportunities opened up by new technologies.

International Tourist Arrivals



Source: World Tourism Organisation (WTO)

1.2 After a prolonged period of uninterrupted growth, tourism has stalled over the past two years. As of autumn 2003 it is recovering slowly from the post-2000 global economic downturn, terrorism, the war in Iraq and the impact of the SARS virus. And future prospects are good. According to World Tourism Organisation projections, the number of international arrivals is expected to double over the next 20 years to almost 1.6 billion – a rate of growth in tourism similar to that of the past 20 years. While current economic conditions and uncertainties may continue to depress demand in

the immediate future, travel and tourism is firmly established in the lifestyle and discretionary spending pattern of the developed economies pointing to an eventual resurgence in demand.

- 1.3 In common with all internationally traded services, global tourism is experiencing significant change. A vast array of product offerings are becoming available, encompassing traditional leisure pursuits, new entertainment and retail complexes, simple back-to-nature and health-related activities, cultural and heritage experiences and combinations of different product offerings. Many new tourism destinations are opening up providing increasing choice to customers. Easy access to these destinations is becoming common place and cheaper. Customer characteristics are changing rapidly including shorter and more frequent trips, greater use of e-commerce, later bookings, more tailored holiday experiences and growth in the *older people* share of the market. Tourism will, in future, be increasingly demand driven with greater emphasis being placed on value for money, personal fulfilment, unique experiences, authenticity, emotional involvement and travel convenience.
- 1.4 In general, tourism policy internationally is being given increased weight and emphasis in the range of Government policies aimed at national and regional development.

2. Ireland's Tourism Industry: Economic Contribution, Structure and Policy

Irish tourism is a major economic sector of enterprise, and of national and regional wealth creation. The industry at present generates €4 billion in foreign revenue earnings, supports 140,000 jobs and is by far the largest, Irish-owned internationally-traded sector of the Irish economy.

2.1 Tourism is highly important to the Irish economy. It delivers the following major benefits

Benefits of Irish Tourism

- €4 billion in annual foreign earnings
- €1 billion in annual domestic earnings
- 140,000 jobs
- Up to €2.2 billion in tax receipts each year



- **4.4% of GNP**
- **A major instrument of national and regional development**
- **A sector of major opportunity for Irish-owned enterprise**

Employment grew in the sector by more than 70% between 1990 and 2002 - a rate of growth considerably above the 50% growth in employment generally in the economy over that period. To put the annual foreign revenue earnings of €4 billion from tourism in perspective, it is equivalent to more than 50% of the total value of exports by Irish-owned manufacturing industry or more than twice the value of exports of Irish-owned internationally-traded services.

- 2.2 Tourism embraces a wide range of businesses and services in thousands of enterprises, predominantly Irish-owned and small and medium in size, distributed throughout the country. It is a complex, diverse sector of economic activity. It has a well-structured representative system which works with Government Departments and State Agencies in a productive partnership arrangement to promote the development of the industry. However, notwithstanding its size and well-established representative structures, the sector has had difficulty in ensuring that the value of its economic and social contribution is fully acknowledged at Government level and more widely.
- 2.3 Government involvement in the development of tourism has been of long-standing duration. This reflects the importance of the industry to national and regional development and the *market failures* (i.e. *the likely returns not justifying private sector investment*) intrinsic to a highly-dispersed industry made up of small and medium sized enterprises operating in a sophisticated internationally-competing services sector. Today, the focus of Irish tourism policy is on supporting sustainable growth in visitor expenditure, with an emphasis on a wider regional and seasonal spread of business. The fundamental components of policy encompass:
- a Government Department (the Department of Arts, Sport and Tourism) which promotes and represents tourism as an important instrument of national and regional development and source of foreign earnings within the general Government decision-making process

- a number of State Tourism Agencies which have recently been restructured to support both the international marketing of the island of Ireland as a tourist destination and the development of the sector across its many facets in locations throughout Ireland
- a strong regional organisational structure for the promotion of tourism exercised through the State Tourism Agencies, the Regional Tourism Authorities and Shannon Development, County Tourism Committees, Product Development Management Boards, County Enterprise Boards and LEADER Groups
- a number of evolving partnership arrangements between the State Tourism Agencies and private sector representatives of the industry
- the periodic statement and re-statement of the vision, targets and objectives guiding tourism development in Ireland by the Department and the State Agencies which operate under its aegis
- a range of State fiscal, financial and advisory supports – both Exchequer and EU funded – for the promotion of tourism operating generally, but not exclusively, under the aegis of the Department of Arts, Sport and Tourism.

- 2.4 The first comprehensive statement on tourism policy in Ireland was set out in a Government White Paper in 1985. Government policy statements have gone through a number of iterations since then in response to changing national and international circumstances and the underlying organisational structures have evolved in keeping with these changes. This period of more structured policy development and implementation has coincided with a substantive take-off in the development of tourism in Ireland. A number of factors underlie the rapid expansion of tourism here. These include a major international increase in demand driven by the rising real income levels in many parts of the world, the falling cost of communications and transport and currency developments favourable to Irish tourism. Central to the strong performance of Irish tourism in a favourable international market environment has been the intrinsic attractiveness of the landscape, culture and people of Ireland as a visitor destination together with the energy, enterprise and increasing professionalism of the people in a largely Irish-owned service industry. It is also reasonable to conclude that improvements in policy formulation and implementation in Ireland played their part.

2.5 Led by the private sector, with Exchequer and EU support, total capital spending on tourism-related products amounted to €4.3 billion over the 1990s. The direct Exchequer spend on tourism amounts to €107 million in 2003, of which approximately €80 million is related to marketing and associated costs. In addition, it is estimated that the industry spend on marketing was of the order of €134 million in 2001.

3. Ireland's Tourism Industry: Overview of Performance 1990-2002

Visitor numbers to Ireland and tourism receipts throughout the 1990s grew well ahead of global trends, benefiting all regions of the country. Irish tourism gained market share in most markets in which it competes. While visitor experience generally has consistently met or exceeded expectations for over 90% of visitors, the perception of good value for money has fallen significantly in recent years.

3.1 Visitor numbers to Ireland grew well ahead of global trends throughout the 1990s, increasing by an average of over 7% each year compared with a corresponding world figure of 4.3%. In terms of receipts, Ireland's performance also exceeded European and global growth rates in the eleven years up to 2001. The best performance source markets for Irish tourism have been the US and Britain.

Visitor Numbers and Foreign Revenue Earnings 1990 - 2002

	1990	1995	2000	2001	2002
Britain	1,785	2,285	3,428	3,340	3,452
Mainland Europe	744	1,101	1,435	1,336	1,378
France	198	234	283	280	298
Germany	178	319	319	285	288
Other Europe	368	548	834	771	792
North America	443	641	1,056	903	844
USA	402	587	958	829	759
Canada	41	54	98	74	85
Other Overseas Areas	124	204	261	261	245
Total Overseas	3,096	4,231	6,181	5,840	5,919
Foreign Revenue Earnings (€million)	1,112	1,749	2,824	3,115	3,267
Receipts paid to Irish air and sea carriers (€million)	334	383	813	807	718
Total Foreign Revenue Earnings	1,446	2,132	3,637	3,922	3,985



- 3.2 Travel to Ireland by those whose main purpose for visiting was a holiday has grown slightly ahead of the trend in overall visitor numbers. Irish tourism has increased its market share of visitors from the US, but latterly has seen a decline in its share of an expanding British market and has been losing market share from Germany and France. All regions of Ireland have benefited from the growth of Irish tourism in recent years. Dublin and the South West have achieved the highest rates of growth nationally. The strong Dublin performance has been boosted by the significant increase in the number of visitors on short city breaks. The lowest growth rates were recorded for the Shannon, the West and North West regions. Most activity holidays showed considerable growth in the late 1980s and early 1990s but have recorded declines since then.

Regional Distribution of Overseas and Domestic Tourism Revenue

	1990 €m	2002 €m	Real Growth 1990-2002	As a % of 1990 revenue	As a % of 2020 revenue
Dublin	356	1,257	151%	22%	30%
South West	290	793	94%	18%	19%
Midlands/East	159	414	85%	10%	10%
South East	169	434	82%	10%	10%
Shannon	198	433	55%	12%	10%
West	276	596	53%	17%	14%
North West	175	284	15%	11%	7%
Total	1,623	4,211	84%		

Source: Fáilte Ireland

Domestic tourism remains a bedrock for the Irish tourism industry, contributing almost half of all visitor numbers seeking accommodation in 2002 and representing a fifth of the overall revenue generated by tourism.

- 3.3 Survey analysis shows that the core tourism appeal of Ireland is characterised by *people, place and pace*. Visitors to Ireland are motivated principally by the expectation of a warm and welcoming people, the perception of beautiful unspoilt scenery and the relaxed pace of life. The holiday experience of visitors to Ireland has met or exceeded expectations in the case of over 90% of visitors.

Important Factors when Choosing to Holiday in Ireland and Satisfaction Ratings

	Very Important (%)	Rating - % Very Satisfied				
		1997	1999	2000	2001	2002
Friendly, hospitable people	87	88	88	89	88	90
Beautiful scenery	86	89	89	89	89	91
Memorable experience	82	83	82	83	84	82
Natural, unspoilt environment	81	83	77	79	79	83
Safe and secure	77	76	77	78	79	80
Easy, relaxed pace	74	83	83	82	82	82
Suitable for touring	66	76	72	73	73	71
Attractive cities/towns	64	59	62	66	64	65
Overall Satisfaction Rating		94	91	94	94	93

Source: Fáilte Ireland Visitor Attitudes Surveys 1997-2002

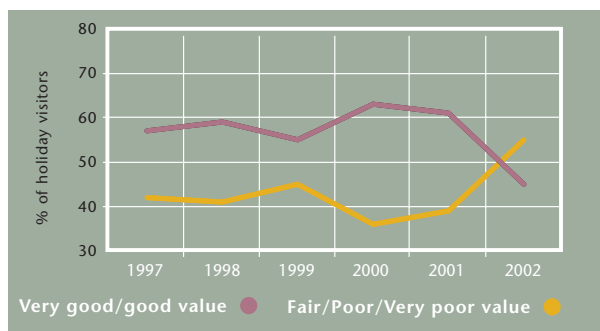
4. Tourism in Ireland Today – An Assessment

Irish tourism is, arguably, the most successful sector of Irish-owned enterprise since the foundation of the State. The industry today has strong foundations which underpinned its success in the 1990s. It is, however, at an important turning point in its evolution. Recent years have seen a significant loss of competitiveness which, if not redressed, will undermine the capacity of the industry to benefit from the strong growth envisaged in international tourism in the years ahead.

- 4.1 The Irish tourism industry today has strong foundations based on a substantial and increased customer base, high overall customer satisfaction ratings, competent and experienced staff, many highly successful business enterprises and the quantity and the generally good quality of its accommodation, restaurants, leisure facilities and visitor attractions. The industry has also a successful record in meeting challenging investment, revenue earnings and employment targets set under successive national plans and EU Operational Programmes for Tourism. These provide a solid base to address with confidence the new challenges facing the sector.
- 4.2 Today, the industry is at a turning point in its development. It faces a major challenge in regaining competitiveness in the light of reducing customer satisfaction ratings, in particular as regards delivering good value for money. There has been a noticeable

drop in recent years in the perception of good value for money by overseas visitors, which has declined from 63% in 2000 to 45% in 2002. This is mainly price-related.

Overseas Holidaymakers Rating of Value for Money



Source: Fáilte Ireland/Survey of Overseas Travellers

For visitors, the price issue relates not so much to the cost of access and accommodation, which is generally pre-booked, but to the price of eating out, drink, food in shops and the general cost of living when they get here. While resolute action by the Government is essential to help reduce inflation, the tourism industry itself has the primary role in driving down costs in the industry. Reforms in the Irish taxation system over the past decade have resulted in substantial gains for businesses generally, but comparatively high VAT rates and excise duties contribute to unfavourable price differentials in certain key tourism products in Ireland in comparison with other eurozone countries. High insurance costs are also a particular concern, pointing to the need to accelerate the Government's insurance reform programme to reduce premiums.

- 4.3 The range of tourism products and services, including tourist accommodation, has increased greatly in quantity and improved significantly in quality in recent years. There are at present, however, indications of underutilised capacity and falling margins which, if not redressed, could threaten reinvestment and the maintenance of standards in the future. Some remaining gaps exist in tourism infrastructure, most importantly the development of a National Conference Centre and a National Sports Stadium. There is also a need for an enhanced emphasis on product innovation and the better marketing and promotion of tourism products to meet changing customer requirements.

Environmental conservation must become a central element of tourism policy and its implementation. Air and sea access to Ireland has seen major improvements during the 1990s. But changes which enhance competitiveness in transport policy and the further improvement of access infrastructure – in particular at Dublin Airport and in serving the wider catchment needs of Cork and Shannon airports – hold significant potential to generate increased visitor numbers at both national and regional level.

- 4.4 The professionalism, friendliness and quality of services provided by people are essential success factors in Irish tourism. A greater level of investment is needed in human resource development to upgrade skill levels and to address staff retention and other problems. While there is a strong funding commitment to tourism marketing and promotion by the State and the tourism industry, actions are required to improve the efficiency and effectiveness of spend in this area. The ability of the Department of Arts, Sport and Tourism, the State Tourism Agencies and the tourism industry to more effectively shape and influence Government policy in the wider issues that impact on tourism, will be a key influence in determining the future success of the sector. The Department's policy formulation and implementation role and capability requires to be strengthened and developed in line with the new tourism strategy set out in this Report.



5. A Strategy for Irish Tourism 2003-2012

The New Vision for Irish Tourism is that of a dynamic, innovative, sustainable and highly-regarded sector - offering overseas and domestic customers a positive and memorable experience beyond their expectations. Assuming reasonably favourable international economic and geopolitical circumstances, the Review Group has set a challenging target to double overseas visitor spend to €6 billion over the 10 year period to 2012, with an associated increase in visitor numbers from just under 6 million to 10 million.

- 5.1 **Irish Tourism at a Crossroads:** Irish tourism in 2003 is at a crossroads. It requires a new strategy to chart the way forward at a pivotal point in its evolution. It has come through a period of major development and success in the 1990s – probably the most successful decade in its history. Today, it faces major changes in the international economic and geopolitical environment very different to those which helped to underpin its success in the 1990s. Significant changes have emerged in the profile of its customer base, both at home and abroad. The competition that it faces from traditional competitors has intensified in the face of a downturn in world tourism and some uncertainty about the immediate future. At the same time new competitors from Eastern Europe and further afield have entered the market in which Irish tourism has traditionally competed.
- 5.2 **Competitiveness Threat:** All of this is happening at a time when the competitiveness of Irish tourism has deteriorated and is under further threat. This arises from a combination of price pressures and from a certain complacency at industry and Government levels that the good performance of the past can, on the basis of an out-dated approach, be sustained in a changed international and domestic environment. Congestion factors have arisen following a decade of both economic and tourism growth faster than had been anticipated and faster than the capacity of many elements of infrastructure to adjust to the increased demands.
- 5.3 **Public Finance Constraints:** It is also clear that the significant levels of financial support for the development of the industry from the EU and Government, widely available in the 1990s and to the present time through direct grants, taxation incentives and infrastructural supports, will not be available at anything like the same level in future years.

- 5.4 **Irish Tourism – An increasingly Self-Reliant, Agile and Adaptable Sector of Successful Enterprise:** A successful Irish tourism industry in the years ahead will be an industry that is more self-reliant, agile and adaptable to change in the market place. The industry has shown, over the past decade and more, its capacity to adapt. It has many strengths including, and beyond, those available when the industry started on an extraordinarily successful development path in the 1990s. Among these strengths are its proven track record of meeting customer needs and a deep knowledge of customer requirements associated with that success, a capital stock based on recent investment that is modern and efficient across all segments of the industry and a *people in tourism* resource to which visitors have consistently awarded the very highest accolades. Arguably tourism represents the most successful sector of Irish-owned enterprise since the foundation of the State.
- 5.5 **Competitiveness – The Key to Success:** Central to the success of Irish tourism in the years ahead will be a recovery of the competitiveness that has been lost in recent years.
- 5.6 **A New Strategy for Irish Tourism – Key Components:** To address these issues a new strategy for Irish tourism is needed which clearly sets out a new way forward in the context of the fundamental changes now affecting the industry. Such a strategy has been developed by the Review Group. It encompasses:

Components of a New Strategy for Irish Tourism

- a clear vision of where Irish tourism wants to go
- an understanding of the underlying forces that are shaping the industry at present and those that will continue to do so in future
- the establishment of challenging targets and objectives for the industry going forward
- a knowledge of the factors that will drive success in the industry
- an enhanced capability to innovate and respond effectively to unforeseen circumstances
- a decision-making framework that facilitates the formulation of such a strategy and its implementation through consistent and decisive actions at Government level and across the different sectors of the industry itself.

The new strategy for Irish tourism can be represented diagrammatically as follows:



5.7 **A New Vision for Irish Tourism:** The new vision for Irish tourism set out in this Report is of a dynamic, innovative, sustainable and highly-regarded sector, offering overseas and domestic visitors a positive and memorable experience beyond their expectations.

Vision for Irish Tourism

Ireland will be a destination of choice for discerning international and domestic tourists which:

- provides a tourism experience that exceeds customer expectations in terms of friendliness, quality of environment, diversity and depth of culture
- has a range of high-quality, world-class, competitive products and services widely distributed throughout all the regions of the country
- is a vibrant source of foreign and regional earnings throughout the year
- respects the natural and built environments and supports their conservation and enhancement
- provides attractive career opportunities in tourism for people with a range of skills and employment needs
- provides the opportunity for people working in tourism to enhance their skills through experience, training and life-long learning
- respects and supports Irish culture in all its diversity
- provides a positive international profile of Ireland.



- 5.8 **International Prospects:** The medium and long-term prospects for tourism worldwide remain strong despite the recent deceleration in the underlying growth rates since 2000 because of economic and geopolitical uncertainty. The fundamental drivers of change affecting tourism internationally are expected to result in strong growth rates which, over the next 20 years, are projected to be similar to the doubling of tourist traffic that occurred over the period 1980-2000. Tourism development will continue to be largely determined by the rate of global and regional economic growth and associated increases in the disposable incomes of a wide distribution of individuals. The developed countries will remain the largest source and destination of tourism numbers in absolute terms but new markets for Ireland are emerging including those from Eastern Europe and the Far East.
- 5.9 **Key Markets and Determinants of Success:** For Ireland, the tourism markets of most importance will continue to be in Britain, the US, the larger countries of Mainland Europe and the domestic market. But the customer profile is changing rapidly, driven by technology, demographics and societal changes such as better education, increasing interest in cultural experiences, increased leisure time, multiple but shorter holiday breaks, greater interest in health enhancing tourist experiences and increasing empathy with environmental conservation. Developments in access transport are of fundamental importance in facilitating tourism development. The quality, price, frequency and routes of air and sea carriers have improved during the 1990s. In particular, low fare airline services have transformed the market for travel between Ireland, Britain and Mainland Europe. The potential for additional route development in these services, and on transatlantic air routes, remains strong. The upgrading of internal transport services will be important for the regional spread of visitors. Measures to optimise the use of new information and communication technologies throughout the tourism sector are also of key importance.
- 5.10 **Tourism Development Targets 2003-2012:** Ambitious but realistic targets for key indicators of performance are an essential component of Irish tourism strategy. Strategic targets, few in number, provide a sense of direction for tourism policy and facilitate the prioritisation of actions to support the development of the sector. Assuming reasonably favourable international economic and geopolitical circumstances, **the Review Group has set a challenging target to**

double overseas visitor spend from €3 billion to €6 billion over the 10 year period to 2012, with an associated increase in visitor numbers from just under 6 million to 10 million. Targets are also being set

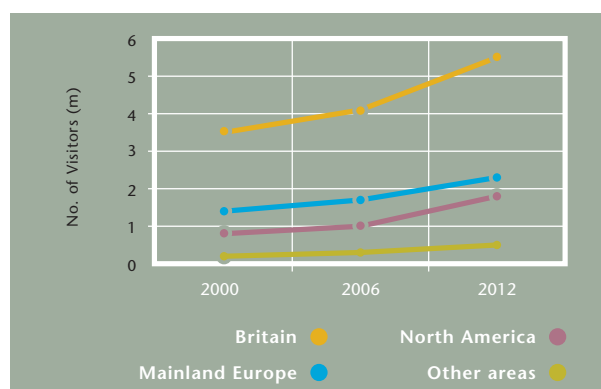
- to increase the share of *promotable* segments (holiday, conference, language study and incentive travel) from 45% to 50% of total visitor numbers
- to increase the number of domestic holiday trips from 3 million to 4.3 million, with associated revenue earnings increasing from €0.6 billion to €1 billion
- to double the number of overseas *promotable* visitors staying at least one night in the Border Midland and Western (BMW) region.

Overseas Revenue and Visitor Number Targets to 2012

Revenue (€ million 2002 prices)	2002 Actual	2006 Target	2012 Target	Av. Annual Growth % 2002-2012
Overseas Visitor Spend ¹	3,088	3,835	6,000	6.9%
No. of Visitors (m)				
Britain	3.5	4.1	5.5	4.8%
Mainland Europe	1.4	1.7	2.3	5.3%
North America	0.8	1.0	1.8	7.6%
Other areas	0.2	0.3	0.5	6.3%
Total	5.9	7.0	10.0	5.4%

¹ Excluding receipts paid to Irish air and sea carriers & revenue from Northern Ireland visitors

Overseas Visitor Number Targets to 2012





Overseas Visitor Revenue Targets to 2012 (2002 prices)



5.11 **The Drivers of Success:** The key strategic drivers of success for Irish tourism in the future which will determine the achievement of the targets set are as follows:

Key Drivers of Success

- Business Environment
- Competitiveness & Value for Money
- Access Transport
- Information and Communication Technologies
- Product Development & Innovation
- Marketing & Promotion
- The People in Tourism
- The Government Sector
- Information, Intelligence & Research

The impact of these factors on Irish tourism in the future are set out in detail in the main Report.

5.12 **An Agenda for Action:** The tourism development strategy set out by the Review Group provides a clear framework and set of actions to support the further development of tourism in Ireland and its regions. The specific actions required are clearly set out together with the reasons for taking them, the bodies responsible for implementing the actions and the timeframe within which the actions should be accomplished.

5.13 **Implementation Group:** In order to reflect the action orientation of the report a small, high-level Implementation Group should be established, for a two-year period with high-level representation from the private and public sectors. The Group should report directly to the Minister for Arts, Sport and Tourism. The task of the Implementation Group will be to oversee the implementation of the recommended actions in the Report and to revise them as necessary in consultation with the bodies responsible for their implementation. A strong, ongoing process of consultation with the industry is a critical component of the follow-up to the report of the Review Group.

6. Implementing the Strategy – the Actions Required

The policies and actions that have delivered strong performance in Irish tourism in the past will not suffice to do so in the future. The way in which the changes now required are anticipated, managed and put in place will determine the future success of Irish tourism as a sector of investment opportunity, innovation and enterprise, and as an instrument of Government development policies.

- 6.1 The Irish tourism industry is a highly complex and diverse sector of interdependent, economic activities within the domain of both the private and public sectors. The actions now required to implement the new strategy for Irish tourism outlined in the Report are equally diverse and wide-ranging. They encompass many different decision makers in both the private and public sectors.
- 6.2 In identifying the key actions needed to deliver the strategy outlined, the Review Group was guided by three fundamental principles

Fundamental Principles Guiding Recommended Actions

- tourism growth is driven by private sector enterprise, innovation and investment
- the need for a consistent framework of well chosen actions across all areas of Government activity
- targeted public sector interventions to be confined to *market failure* in close partnership with the industry.

6.3 Substantive change is required in key areas of Government policy, in the delivery of that policy by the State Tourism Agencies, in the work of the industry representative bodies, and, importantly, at the level of individual enterprises throughout the industry. The effectiveness and efficiency with which the changes required are anticipated, managed and delivered will determine the future success of Irish tourism as a sector of private sector investment opportunity, innovation and enterprise, and as an instrument of Government social and economic development. The fundamental components of that change require

- a new policy framework and set of related actions that continue to promote strong, self-reliant, profitable, innovative, customer-focused tourism enterprises
- an industry that itself anticipates and embraces the changing needs of its customer base – both domestic and overseas visitors – and offers to each customer a product, service and experience which surpasses that available from alternative providers both at home and abroad.

6.4 The specific actions required to be taken under each of the key drivers of a successful Irish tourism industry are set out in full in this Executive Summary. The actions focus on the period 2003-2005. To attempt to recommend today what actions will require to be taken beyond 2005 is not realistic. What is required, instead, in an increasingly volatile tourism environment, is a process of frequent review of strategy, at two-yearly intervals, and the adoption of a series of rolling 2-3 year action plans which reflect changing circumstances, the periodic review of strategy and the immediately preceding action plan.

6.5 The set of actions recommended in the Report may, accordingly, be regarded as *the first rolling action plan* for the development of Irish tourism over the next decade. It sets out

- the rationale underlying the identification of the particular driver of success in Irish tourism
- the objectives which the actions recommended seek to attain
- where primary responsibility lies for undertaking the actions recommended
- the timeframe within which the actions recommended should be accomplished.

The longer term strategy and more immediate action plan set out in this Report provide a coherent framework of actions for the development of Irish tourism, at this stage of its evolution, particularly taking account of the fact that the majority of businesses are small and medium in size. The strategy and action plan will facilitate the ongoing review process recommended as an inherent element of the development process for the industry going forward. The review process will be led by the Department of Arts, Sport and Tourism, and will encompass the State Tourism Agencies, other Government Departments and State Agencies whose policies and actions significantly affect tourism and, importantly, representatives of the key sectors of the industry itself.



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Actions to Improve the Business Environment for Tourism Operators*¹

Strategic Success Driver 1	Business Environment
Objective	To facilitate the development of the tourism industry through a range of tourism-supportive Government macroeconomic and other policies that enhance the business environment and encourage investment
Rationale	The ultimate determinant of success in Irish tourism will be an energetic, innovative and profitable private sector operating within a domestic environment where Government policies and actions are supportive of business investment in tourism.

Actions	Lead Role	Milestones/Timeframe
<p>1 Government Commitment: Strengthen Government commitment to creating and maintaining a positive legislative, budgetary and regulatory environment for tourism investment and development by</p> <ul style="list-style-type: none"> a stronger and more frequent acknowledgement of tourism as an important, highly-valued instrument of national and regional development policy a redefinition of tourism policy to encompass not only the traditional role and functions of a "Department of Tourism" and the Tourism State Agencies but, in addition, all areas of Government policy and actions that impact in a significant manner on the development of tourism establishing a stronger analytical and resource base within the Department of Arts, Sport and Tourism, to monitor, influence and shape developments, in conjunction with the Tourism State Agencies, across the wider arena of Government policy that significantly affects tourism. 	Government/Department of Arts, Sport and Tourism	Immediate and ongoing
<p>2 Competition: Strongly support competition, or pro-competition regulation where market competition does not operate, in the case of both private and public sector activities that affect tourism - including the hospitality sector, access transport carriers and infrastructure (ports and airports) and internal transport services.</p>	Department of Arts, Sport and Tourism/Tourism Industry Representative Bodies	Immediate and ongoing

¹ Actions that support more than one driver of successful tourism development are denoted by an asterisk *



Actions	Lead Role	Milestones/Timeframe
<p>3 Inflation: Take resolute action to maintain recent progress to bring inflation and tourism prices down to the eurozone average and below through</p> <ul style="list-style-type: none"> • the full implementation by all the social partners of the provisions relating to pay, productivity and the facilitation of change in the workplace contained in the Social Partnership Agreement 2003-2005 -<i>Sustaining Progress</i>, as well as the Agreement's anti-inflation initiative • Government commitment to an inflation target benchmarked to the eurozone average rate • maintaining any increases in charges for Government services below the general rate of inflation • avoiding further increases in excise duties and VAT in Budget 2004. 	Government/Department of Finance	Immediate and ongoing
<p>4 Taxation: While company and personal taxation rates in Ireland are generally competitive and the narrow base of taxation in Ireland and EU State Aid Rules constrain Government action in this area, nevertheless, within that framework a number of actions should be taken</p> <ul style="list-style-type: none"> • promote reinvestment in maintaining the capital stock in Irish tourism at high standards through use of the accelerated write-offs already available for plant and machinery • establish and publish annually information on investment in tourism facilities undertaken with the aid of capital allowances and other tax reliefs in order to monitor and assess investment in maintaining the quality of Ireland's tourism stock • bring indirect taxation levels on key tourism-related consumables down to average eurozone levels – focussing initially on the high excise duties on wine. 	<p>Fáilte Ireland/Tourism Industry Representative Bodies/Regional Tourism Authorities</p> <p>Fáilte Ireland/Revenue Commissioners/Tourism Industry Representative Bodies</p> <p>Department of Finance</p>	<p>Immediate and ongoing</p> <p>First Investment Report published in 2004</p> <p>From Budget 2004 and ongoing</p>

<p>5 Insurance: Address the factors generating the high absolute levels of, and high rates of increase in, insurance costs for tourism enterprises through</p> <ul style="list-style-type: none"> the acceleration of the Government's Insurance Reform Programme, in particular the establishment of the Personal Injuries Assessment Board on a statutory basis the consideration of the particular impact on tourism of insurance increases in the analysis/report on the insurance sector being prepared at present by the Competition Authority the consideration of the scope for co-operative action by the tourism industry in areas such as the management of claims, health and safety measures and self-insurance. 	<p>Department of Enterprise, Trade and Employment</p> <p>Competition Authority</p> <p>Tourism Industry Representative Bodies</p>	<p>Reduction in insurance charges levied from 2004</p> <p>By end 2003</p> <p>Immediate</p>
<p>6 * Infrastructure: Accelerate the completion of key elements of tourism related infrastructure including</p> <ul style="list-style-type: none"> * National Conference Centre (Strategic Success Driver 5 also refers) * National Sports Stadium (Strategic Success Driver 5 also refers) * National Roads Programme, in particular the early completion of the Dublin M50 orbital route and the route network around international air and sea access points and routes/centres of high tourism demand (e.g. Kerry, Connemara and the mid-West) including regional and inter-regional access to Shannon Airport (Strategic Success Driver 3 also refers) * National and Regional Road Signposting Programmes (Strategic Success Driver 3 also refers). 	<p>Department of Arts, Sport and Tourism</p> <p>Department of Arts, Sport and Tourism</p> <p>Department of Transport/ Department of Environment, Heritage and Local Government</p> <p>Department of Transport/ Department of Environment, Heritage and Local Government</p>	<p>See later Actions for details</p> <p>See later Actions for details</p> <p>See later Actions for details</p> <p>See later Actions for details</p>
<p>7 Regional Infrastructural Priorities: Update the audit of the tourism-related infrastructural needs of each of the regional tourism authority areas and prioritise the key actions required to bridge the gaps for submission to the relevant Department/agency.</p>	<p>Regional Tourism Authorities/ Fáilte Ireland</p>	<p>Immediate and ongoing</p>

* Actions that support more than one driver of successful tourism development are denoted by an asterisk *



Actions	Lead Role	Milestones/Timeframe
<p>8 Tourism State Agencies – Business Plans: In order to facilitate investment in tourism and tourism related bodies from a number of sources in the private and public sectors, Fáilte Ireland and Tourism Ireland to prepare and publish annually business development plans which establish key targets of performance in the development, promotion and marketing of tourism at national and regional levels within a clear policy framework articulated by the Department of Arts, Sport and Tourism and set out in the plans.</p>	<p>Fáilte Ireland/Tourism Ireland/Department of Arts, Sport and Tourism</p>	<p>For 2004 and ongoing</p>
<p>9 Proposed Smoking Ban in the Workplace: While supporting action to reduce the adverse impact on public health of smoking in the workplace and in the light of the overall assessment by Tourism Ireland that the proposed ban will not have a dramatic effect on visitor numbers, discussions should continue between the Department of Health and Children and the tourism sector on the detailed arrangements for the introduction of the new measures to help minimise any adverse impact on the sector.</p>	<p>Department of Health and Children/Tourism Industry Representative Bodies</p>	<p>Immediate</p>

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Actions to Improve Competitiveness and Value for Money

Strategic Success Driver 2	Competitiveness & Value for Money
Objective	To address the deterioration in the competitiveness of Irish tourism in recent years
Rationale	The competitiveness of Irish tourism is a function of the total visitor experience relative to other locations. Restoring competitiveness is a major challenge for Irish tourism. It is not just a pricing issue, it is about wider value for money. It encompasses the experience for customers from the initial point of contact with Ireland as a potential tourist destination, through the transport services used in getting to and from Ireland, travel experience within the country, the price and quality of products and services, and a host of intangible factors that influence the perception of customers of the Irish tourist product. Accordingly, the competitiveness of Irish tourism is influenced by the full range of factors and actions set out in this Chapter. There is, however, a need to focus on a number of issues in this section that have a more direct impact on competitiveness.

Actions	Lead Role	Milestones/Timeframe
<p>1 Tourism Industry to Acknowledge Primary Responsibility for Restoring Competitiveness: The Irish tourism industry should acknowledge through its representative bodies and through individual enterprises that</p> <ul style="list-style-type: none"> in recent years it has lost competitiveness and that a high and increasing proportion of customers have expressed concerns about value for money primary responsibility for restoring competitiveness and better value for money rests with the industry itself. 	Tourism Industry Representative Bodies and tourism enterprises	Immediate and ongoing
<p>2 * Government Action on Inflation: The Government should resolutely implement the package of anti-inflation actions identified in Strategic Success Driver 1.</p>	Government/Department of Finance	Immediate and ongoing
<p>3 Benchmark the Competition: The price and product offerings against which Irish tourism competes should be identified each year and the information widely distributed within the industry.</p>	Tourism Industry Representative Bodies/ Fáilte Ireland/ Tourism Ireland	For 2004 and ongoing
<p>4 * New Management Development Capability Programme: Fáilte Ireland should develop and introduce a programme on management development capability for the industry similar to that which Enterprise Ireland has developed for Irish-owned industry and</p>	Fáilte Ireland	Early 2004 and ongoing

* Actions that support more than one driver of successful tourism development are denoted by an asterisk *



Actions	Lead Role	Milestones/Timeframe
<p>internationally-traded services (non-tourist). The objective of the programme will be to enhance the capability of industry to manage more effectively the major changes now affecting it, and those in prospect, to increase productivity and standards and to restore competitiveness.</p>		
<p>5 * Customer Relations Management: Fáilte Ireland should develop and introduce a programme to improve the standards of the tourism industry in customer relations management (CRM), making particular use of the potential which modern information and communication technologies provide to enterprises for this purpose, including the sharing of information for mutual benefit between enterprises offering products and services that are complementary. (Strategic Success Drivers 4 and 6 also refer)</p>	Fáilte Ireland in partnership with Tourism Industry Representative Bodies	Early 2004 and ongoing
<p>6 * Competition: Strongly support competition, or pro-competition regulation where market competition does not operate, in the case of both private and public sector activities that affect tourism – including the hospitality sector, access transport carriers and infrastructure (ports and airports) and internal transport services. (Strategic Success Driver 1 also refers)</p>	Department of Arts, Sport and Tourism/Tourism Industry Representative Bodies	Immediate and ongoing
<p>7 Management/Employee Partnerships: In order to enhance the scope to anticipate and introduce change in the workplace as an inherent and ongoing element of work practice, management/employee partnership arrangements to enhance performance, productivity and competitiveness should be strongly encouraged by the Tourism Industry Representative Bodies, in consultation with Fáilte Ireland and the National Centre for Partnership and Performance (NCP).</p>	Tourism Industry Representative Bodies	Immediate and ongoing
<p>8 Make High Standards the Competitive Advantage of Irish Tourism: Recognising that at its current stage of development, Ireland is a high-wage, high-productivity economy, a relentless upgrading of standards within the tourism sector should be promoted as a competitive response to lower cost alternatives in other countries. These high standards should encompass product, (accommodation, restaurants, visitor centres, activity products, natural and built environment), transport infrastructure and services.</p>	Fáilte Ireland/ Tourism Industry Representative Bodies	Immediate and ongoing

* Actions that support more than one driver of successful tourism development are denoted by an asterisk *

Actions	Lead Role	Milestones/Timeframe
<p>9 Stronger Role for Tourism Industry Representative Bodies: The tourism industry itself should strengthen the capability of its representative bodies through a widening of their functions and the recruitment or secondment from industry of people with the requisite analytical and other required expertise to promote and to provide leadership in relation to competitiveness throughout the industry and its different segments. Measures in which industry representative bodies should take a lead include</p> <ul style="list-style-type: none"> • identifying and promoting competitiveness enhancing actions • facilitating joint cooperative action between enterprises in areas such as marketing, training and insurance provision • joint product development initiatives • the establishment of management networks at local and regional level • providing training supports in productivity enhancement, cost management, marketing and customer relations management • benchmarking performance of Irish tourism against developments in competitor countries • investing in research and planning that supports the development of tourism and enhances the objectivity and credibility of tourism representative bodies. 	<p>The Tourism Industry Representative Bodies</p>	<p>For 2004</p>
<p>10 Training: Develop specific training supports to enhance the industry's capability in cost management.</p>	<p>Fáilte Ireland/Tourism Industry Representative Bodies</p>	<p>Early 2004 and ongoing</p>

<p>4 * Additional Air-Routes: Actively pursue the <i>best prospects</i> for additional route access into Ireland from Mainland Europe and Britain with airport authorities and air carriers, including low fare airlines that demonstrate an ability to develop and sustain new routes and carry significantly increased numbers of visitors. (Strategic Success Driver 6 also refers)</p>	<p>Tourism Ireland in conjunction with airlines and airport authorities</p>	<p>Immediate and ongoing and for inclusion in operational plans of Tourism State Agencies and Airport Authorities for 2004 and subsequently</p>
<p>5 Regulation of Sea Ports: Appoint a regulator, similar to that for aviation, to regulate port charges with a specific mandate to enhance facilities, services, competitiveness and transparency.</p>	<p>Department of Communications, Marine and Natural Resources</p>	<p>Before end 2003</p>
<p>6 Visitor Facilities at Seaports: Develop a programme to improve facilities for visitors at major seaports including information on arrival, improved reception facilities, easier and more attractive access through the ports.</p>	<p>Port Authorities</p>	<p>By start of 2004 season</p>

<p>Strategic Success Driver 3 continued</p>	<p>Access Transport (Internal)</p>
<p>Objective</p>	<p>To ensure that tourism priorities are reflected in national infrastructural development plans – in order to improve internal travel arrangements and facilities for tourists</p>
<p>Rationale</p>	<p>Direct, easy and affordable access to all tourism areas within Ireland, through improvements in roads, sign-posting, public transport and domestic transport links, is essential if regionality targets are to be achieved. Management of tourism flows and congestion in developed tourist areas, especially in peak season, must also be addressed in terms of the impact on sustainability.</p>

Actions	Lead Role	Milestones/Timeframe
<p>7 * National Roads: Improve and upgrade the National Roads Programme and, in particular, accelerate actions to achieve the early completion of the Dublin M50 orbital route and the route network around international air and sea access points and routes/centres of high tourism demand (e.g. Kerry, Connemara and the mid-West including regional and inter-regional links to Shannon Airport). (Strategic Success Driver 1 also refers)</p>	<p>Department of Transport/ Department of Environment, Heritage and Local Government</p>	<p>Tourism priorities reflected in the 2004 Roads Programme</p>

* Actions that support more than one driver of successful tourism development are denoted by an asterisk *



Actions	Lead Role	Milestones/Timeframe
<p>8 * Signposting: Prioritise major tourism routes in the National and Regional Road Signposting Programmes and provide annual progress report on implementation – with particular reference to tourism routes. (Strategic Success Driver 1 also refers)</p>	<p>Department of Transport/ Department of Environment, Heritage & Local Government</p>	<p>2004 annual reports to include progress on meeting tourism priorities</p>
<p>9 Bus Services: Bus Eireann should work more closely with the Regional Tourism Authorities to improve bus services to, and within, key tourist destinations.</p>	<p>Bus Eireann in consultation with Regional Tourism Authorities</p>	<p>By start of 2004 season</p>
<p>10 Rail Travel, Facilities and Customer Services: A significant upgrading of station facilities, passenger communications and rolling stock on main inter-urban routes is required which, for example, makes provision for</p> <ul style="list-style-type: none"> • simplified ticketing arrangements for tourists to allow greater interchange between bus and rail services • the priority delivery of electronic information systems at key transport locations for journey planning and on board trains • ensuring sufficient and adequate seating and luggage facilities for all passengers on inter-urban routes • higher standards of service in terms of punctuality, cleanliness, reliability, frequency and comfort of trains and stations and more independent monitoring of customer service charters • the priority deployment of modern rolling stock on key tourist routes. 	<p>Irish Rail</p>	<p>Immediate and ongoing</p>
<p>11 Dublin Airport Metro Link: Accelerate proposals for developing a metro link between Dublin airport and Dublin city centre with provision for ease of transfer to national road, rail and bus services.</p>	<p>Department of Transport</p>	<p>Decision in principle to proceed by end 2003</p>

* Actions that support more than one driver of successful tourism development are denoted by an asterisk *

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Actions to Improve the Use of Information and Communication Technologies

Strategic Success Driver 4	Information and Communication Technologies
Objective	To accelerate the exploitation of the potential of information and communication technologies and e-commerce for the tourism industry
Rationale	The use of internet-based technologies remains at an early stage of development across the majority of operators in Irish tourism. The impact of information and communication technologies on tourism will intensify in the years ahead. Enterprises that have the capability to effectively use information and communication technologies in areas such as customer relations management, marketing, payment, cost control, accounting, training and human resource management, will have a competitive advantage.

Actions	Lead Role	Milestones/Timeframe
1 Information and Communication Technologies Development Programme: Develop a programme with the industry to maximise the use of information and communication technologies for training, marketing and customer relations management, including a strong demonstration campaign, co-operative networks and shared databases, web-based training and the alignment of websites. Fáilte Ireland will have the "enterprise facing role" and Tourism Ireland will have the "market and consumer facing role"	Fáilte Ireland/Tourism Ireland	Early 2004 and ongoing
2 Support Programme: Support the industry in the introduction and development of effective customer friendly e-commerce applications and in building capability in their use.	Fáilte Ireland	In 2004 and ongoing
3 Co-operative Networks: Promote best practice models of co-operative networks in the application of information and communication technologies and e-commerce strategies.	The Tourism Industry Representative Bodies	Details of case studies published in 2004
4 Training Courses – New Technologies: <ul style="list-style-type: none"> Ensure that training courses operated directly, or supported, by Fáilte Ireland involve a computer use and operation module Make it an objective that graduates from Fáilte Ireland operated or supported courses are proficient in the use and application of new technologies in the industry. 	Fáilte Ireland	Early 2004



Actions	Lead Role	Milestones/Timeframe
<p>5 Leadership Role for State Agencies: Fáilte Ireland and Tourism Ireland should be seen as strong leaders in the application of information and communication technologies in all aspects of their business including operations, communications, training and the standards of their web-sites/portals.</p>	<p>Fáilte Ireland /Tourism Ireland</p>	<p>Immediate and ongoing</p>
<p>6 Award/Recognition Schemes: Fáilte Ireland should establish, promote and widely communicate awards to acknowledge excellence in the application of information and communication technologies in different areas of tourism including hotels, other accommodation, visitor centres etc.</p>	<p>Fáilte Ireland</p>	<p>Programme initiated in 2004</p>

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Actions to Support Product Development and Innovation

Strategic Success Driver 5	Product Development and Innovation	
Objective	To ensure that the tourism product which Ireland offers to overseas and domestic customers provides, and continues to provide, a positive and memorable experience beyond their expectations	
Rationale	The Irish tourism product is highly diverse, built around the three pillars of <i>people, pace and place</i> . It encompasses the natural and built environment, a wide range of hospitality products and services, a range of visitor attractions and cultural facilities, transport facilities and, importantly, the interaction with people. The tourism product is the fundamental determinant of the tourist customer experience on which the success of the Irish tourism industry rests.	
Actions	Lead Role	Milestones/Timeframe
1 * Reinvestment in Capital Stock: In order to maintain and enhance the standards of the capital stock in Irish tourism, strongly promote reinvestment in plant and equipment with the aid of the accelerated tax write-offs available. (Strategic Success Driver 1 also refers)	Fáilte Ireland/Tourism Industry Representative Bodies/Regional Tourism Authorities	Immediate and ongoing
2 Innovation Fund: Establish, on a pilot basis, for a 3 year period, an innovation fund to promote and support on a competitive basis, the development of tourism products that are new to the Irish market, 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.	Fáilte Ireland	2004-2006
3 Product Clusters: In order to address the under-utilisation of certain historical, cultural and sporting attractions and facilities, it is essential to achieve a better presentation and more integrated and cooperative marketing of clusters of products that complement each other and broaden the offerings available to visitors, including those with disabilities. The clusters can be single product (e.g. golf, heritage etc.) or multi-product (e.g. golf/health-related, culture/heritage etc.) and could be promoted and supported at regional level or on an all-island basis.	Groups of Tourism Product Suppliers/ Regional Tourism Authorities/Fáilte Ireland	Immediate and ongoing

* Actions that support more than one driver of successful tourism development are denoted by an asterisk *



Actions	Lead Role	Milestones/Timeframe
<p>4 Product Research: Identify international trends in the supply and demand of tourism products (to anticipate/ meet emerging <i>best prospects</i> such as demand for well being and health breaks, quality destinations for city breaks, car touring, cruising) particularly in the markets against which Ireland competes. Communicate this information widely within the tourism industry in Ireland and use it to support product development and market development plans.</p>	<p>Fáilte Ireland/Tourism Ireland /Tourism Industry Representative Bodies jointly</p>	<p>Immediate and ongoing</p>
<p>5 * National Conference Centre: Finalise quickly, efficiently and effectively the Government announced commitment to establish a National Conference Centre in Dublin in partnership with private sector investors. (Strategic Success Driver 1 also refers)</p>	<p>Department of Arts, Sport and Tourism</p>	<p>Complete by early/mid 2004 the selection, following open competition, of private sector partners</p>
<p>6 * National Sports Stadium: In order to better exploit the visitor attraction and overseas marketing potential of major field-based sporting events of international interest, finalise on the basis of objective, value for money, marketing and environmental analysis, a decision on the provision of a National Sports Stadium in Dublin. (Strategic Success Driver 1 also refers)</p>	<p>Department of Arts, Sport and Tourism in partnership with the main field sports organisations</p>	<p>Decision in principle by end 2003</p>
<p>7 Access Rights: Establish clear guidelines and codes of practice on rights of access for visitors to the countryside, hills, mountains, coast and State-owned forestry and bring clarity to the legal position in relation to public liability.</p>	<p>Department of Community, Rural and Gaeltacht Affairs in consultation with farm organisations, Local Authorities, Regional Tourism Authorities and Coillte and Fáilte Ireland</p>	<p>Complete guidelines by start of 2004 season</p>
<p>8 UNESCO World Heritage Site Designation: Put in place the consultation, management and conservation arrangements necessary to achieve the designation of additional sites in Ireland as UNESCO World Heritage Sites, to add to the two so designated at present – Boyne Valley and Skellig Michael.</p>	<p>Department of the Environment, Heritage and Local Government</p>	<p>Immediate and ongoing. Seek an additional designation by 2005</p>

* Actions that support more than one driver of successful tourism development are denoted by an asterisk *

Actions	Lead Role	Milestones/Timeframe
<p>9 Litter: In order to address an issue of frequently expressed concern to tourists and building on the success of the plastic bag levy and the expressed commitment of the Minister for the Environment, Heritage and Local Government and his Department to intensify anti-litter measures</p> <ul style="list-style-type: none"> Local Authorities should further strengthen their actions in co-operation with local business and commercial sectors including those engaged in tourism, and with greater public participation, to tackle litter pollution - with a particular focus on fast tracking projects in established tourist areas the Regional Tourism Authorities should ensure that litter abatement is kept at the top of tourism development priorities throughout their regions, support periodic surveys of litter pollution and follow through on the necessary abatement measures. 	<p>Department of Environment, Heritage & Local Government/Local Authorities/Regional Tourism Authorities/Tourism Industry Representative Bodies</p>	<p>Immediate and ongoing</p>
<p>10 Working Closely with the Planning Authorities: In order to support the sensible conservation of the natural and built environment which is a fundamental foundation of Ireland's tourism industry, the Tourism State Agencies should work more closely with county, city and urban planning authorities in the preparation and implementation of their development and litter abatement plans and in the operation of planning control, particularly in areas of visual amenity and historical importance. In doing so, the Agencies would renew a role they previously undertook with significant benefits to the tourism industry but which has been less strongly pursued by them in recent years.</p>	<p>Fáilte Ireland/Regional Tourism Authorities</p>	<p>Immediate and ongoing</p>
<p>11 The Tourism Industry and the Environment: A top-class environment awareness and promotion programme should be put in place by the Tourism Industry Representative Bodies which emphasises the importance of environmental conservation to the future of Irish tourism and which provides a series of guidelines on good environmental management practice, covering areas such as waste-management, energy use and conservation, litter abatement, and the design principles for buildings and facilities.</p>	<p>Tourism Industry Representative Bodies</p>	<p>Immediate and ongoing</p>



Actions	Lead Role	Milestones/Timeframe
<p>12 Hotel and Guesthouse Classification: In order to underpin the increased emphasis on quality of product and service on which Irish tourism must compete in a higher cost national environment, Fáilte Ireland should, in close consultation with the industry, put in place a mandatory classification system for hotels and guesthouses on the basis of the best up-to-date criteria.</p>	Fáilte Ireland	New classification system agreed with industry by mid-2004
<p>13 A Unified Representation Structure for the B&B Sector: In order to better develop and promote the important and unique product which the B&B sector offers to tourists, there is a strong case for the different groups representing the sector to come together into a more unified and single structure to more effectively represent their industry and work closely with Fáilte Ireland and Tourism Ireland for that purpose.</p>	The B&B representative bodies	By early 2004
<p>14 Cultural and Artistic Infrastructure of Dublin: In order to narrow the gap in cultural and artistic infrastructure which exists between Dublin and other capital cities in Europe, early decisions should be taken to secure</p> <ul style="list-style-type: none"> • the redevelopment of the Abbey Theatre • the relocation of the National Concert Hall. 	<p>Department of Arts, Sport and Tourism</p> <p>Department of Arts, Sport and Tourism</p>	<p>Decision to proceed with public private partnership by mid 2004</p> <p>Decision to proceed by end 2003</p>
<p>15 Product Development Scheme: In order to accelerate the processing of applications for grants under the Tourism Product Development Scheme 2002-2006, primarily in non-traditional tourism areas, Fáilte Ireland should allocate additional resources to make early decisions on the applications that were received in 2002.</p>	Fáilte Ireland	Immediate

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Actions to Support Marketing and Promotion

Strategic Success Driver 6	Marketing and Promotion
Objective	To focus marketing and promotion activities on the market prospects and segments which hold the characteristics and potential to best meet the expenditure, visitor number and regionality objectives of Irish tourism policy
Rationale	Marketing links Ireland's tourism product with potential overseas and domestic customers. The tourism sector is highly diverse with a predominance of small enterprises which lack the individual scale, resources and knowledge to engage effectively in international marketing. Partnership arrangements and State support are, therefore, appropriate in marketing tourism products. The State has a particular responsibility in supporting destination marketing to the island of Ireland in partnership with the Northern Ireland authorities and representatives of the various segments of the tourism industry.

Actions	Lead Role	Milestones/Timeframe
<p>1 Market Focus: Continue to concentrate overseas marketing expenditure on the British and US markets which account for over 70% of visitor numbers. In doing so, continue to work to ensure better integration with the co-operative marketing and promotion strategies of different segments of the tourism industry at national and regional levels, including the car-brought market from Britain, major sporting, artistic and cultural events and by strengthening the role of the niche product marketing groups.</p>	Tourism Ireland /Fáilte Ireland	Immediate and ongoing
<p>2 Mainland Europe: Undertake a fundamental review of marketing and promotion operations in key Mainland Europe markets where market share and market capture has remained relatively low, stagnant or fallen over the past decade and where the perception of visitors with respect to tourism product in Ireland is below average.</p>	Tourism Ireland in consultation with Department of Arts, Sport and Tourism and Tourism Industry Representative Bodies	Complete by early 2004
<p>3 * Partnerships with Airline Industry:</p> <ul style="list-style-type: none"> Work closely with air carriers, including low fare airlines and airport authorities, to identify new direct routes with high visitor market prospects which are sustainable from/to Britain, Mainland Europe and the US and the marketing and cost/price requirements necessary to effectively exploit this potential. (Strategic Success Driver 3 also refers) Encourage airlines providing direct routes from/to Europe from Australia, New Zealand and the Far East to have attractive through route fare arrangements to Ireland. 	Tourism Ireland in conjunction with airlines and airport authorities	Immediate and ongoing

* Actions that support more than one driver of successful tourism development are denoted by an asterisk *

Actions	Lead Role	Milestones/Timeframe
<p>4 All-island Marketing Initiatives: Promote more strongly the development and marketing of clusters of complementary products on the island of Ireland in areas such as cultural facilities (museums, music festivals, theatre events) and sporting facilities (golf, angling, walking).</p>	<p>Tourism Ireland/Tourism Industry Representative Bodies North and South</p>	<p>Immediate</p>
<p>5 * Customer Relations Management: Put in place a programme to upgrade the capability of tourism enterprises in customer relations management including the strong and effective use of computer-based CRM systems. (Strategic Success Driver 4 also refers)</p>	<p>Fáilte Ireland</p>	<p>By end 2003</p>
<p>6 E-Marketing: Enhance e-marketing capability to ensure that potential and repeat international and domestic customers receive world class information services and can be easily directed to online purchasing services for the full range of Irish tourism products/packages/flights and ferries.</p>	<p>Tourism Ireland/ Fáilte Ireland</p>	<p>Immediate and ongoing</p>
<p>7 Gulliver: In order to address the expressed concerns of certain segments of the tourism industry and to enhance the contribution of the Gulliver computerised information and reservation system to meeting the needs of the industry and individual tourists, Gulliver should meet with representatives of the industry to clarify how this can best be done.</p>	<p>Gulliver/B&B Representative Bodies</p>	<p>Immediate</p>
<p>8 Market Expenditure Analysis: As part of the annual expenditure allocation process by the Department of Arts, Sport and Tourism, the Department should undertake and publish, in conjunction with Fáilte Ireland and Tourism Ireland, reviews of the marketing expenditure allocated and results achieved relative to objectives in the previous year. The reviews should differentiate between the main expenditure programmes and between destination and product marketing and in each of these areas between direct spend, outsourced spend, overheads and outturn compared with objectives.</p>	<p>Department of Arts, Sport and Tourism</p>	<p>For 2004 and ongoing</p>

Actions	Lead Role	Milestones/Timeframe
<p>9 Agility/Flexibility: Maintain and enhance the capacity demonstrated in recent years to respond to unforeseen market changes at home and overseas by the timely reprioritisation of marketing activities and associated expenditure allocations, including the use of contingency funding.</p>	<p>Department of Arts, Sport and Tourism/Tourism Ireland</p>	<p>Immediate and ongoing</p>
<p>10 Market Share Analysis: The Tourism State Agencies should monitor market share performance at operational level in all markets (geographical, segment, product/niche) with a view to the information gathered being used by the Department of Arts, Sport and Tourism and the Agencies as a trigger for review, analysis and action response where negative trends emerge.</p>	<p>Tourism State Agencies/ Department of Arts, Sport and Tourism</p>	<p>Immediate and ongoing</p>

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Actions to Support Human Resource (People) Capability

Strategic Success Driver 7	The People in Tourism
Objective	To ensure that the people working in tourism in Ireland operate to the highest international standards of professionalism and that the generally highly positive experience of tourists with the people they meet in Ireland, well-documented in successive surveys over the years, is maintained and enhanced
Rationale	Tourism is an industry in which the attitudes, competence, enterprise, innovation, hospitality and friendliness of the people in it are an intrinsic part of the product itself. The people in tourism are at the heart of the tourist experience in Ireland and the ultimate determinant of the quality of that experience.

Actions	Lead Role	Milestones/Timeframe
<p>1 Human Resource Development Strategy: In order to further strengthen the human resource base, standards of performance and professionalism of Irish tourism and in the context of the extended organisational remit and development responsibilities which have recently been allocated to Fáilte Ireland, a new Human Resource Strategy should be put in place which</p> <ul style="list-style-type: none"> • supports the development of professional career paths for key occupations in the tourism sector and provides clear, flexible and relevant courses and programmes leading to National Qualifications which hold international recognition for excellence • positions the industry as a highly attractive career choice through the excellence of its induction and in-career training, the provision and support of internationally recognised qualifications, clear career progression paths and opportunities within and across the different functional areas and the promotion of good work practices including employee participation in decisions that affect their work • provides a focus for leading, instigating and influencing the education and training policy and practices of the State and private sectors to enhance capability at all levels in the industry through quality assurance, facilitation and support for training and development interventions • stimulates actions aimed at achieving more and better training within the tourism industry 	Fáilte Ireland (with Tourism Industry Representative Bodies and training and education providers)	2004 Programme

Actions	Lead Role	Milestones/Timeframe
<ul style="list-style-type: none"> emphasises the particular importance of communication and inter-personal skills in tourism in recruiting new employees and in training existing employees ensures the delivery of training programmes for existing employees at times and places convenient to the needs of enterprises and employees takes full advantage of the significant potential of distance based e-learning in training and educational programmes supports the development of partnership arrangements between management and other employees as a means of employee incentivisation and of enhanced business performance by tourism enterprises promotes training networks of tourism enterprises in conjunction with the Tourism Industry Representative Bodies evaluates the impact of the full range of education and training supports and services provided at national, regional and local levels with a view to streamlining their availability and operation. 		
<p>2 National Recruitment Plan: Establish a Tourism Career Promotions Group comprised of key stakeholders, including students, to formulate a National Recruitment Plan, designed to intensify and strengthen linkages with schools, communities and career guidance services.</p>	Fáilte Ireland	Immediate
<p>3 Managing Cultural Diversity: Develop and implement a strategy and detailed implementation programme to provide for the integration of non-national employees within the work-place and more widely in our society in a way that recognises and supports cultural diversity and enhances their personal and professional development and their potential to add a new and valuable dimension to traditional Irish tourism values.</p>	Fáilte Ireland/Tourism Industry Representative Bodies	Immediate

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Actions to Support More Effective Government Leadership and Interventions in Promoting Tourism

Strategic Success Driver 8	The Government Sector	
Objective	To improve and enhance the effectiveness of Government leadership and interventions in promoting tourism	
Rationale	Government policies and actions across a wide range of areas strongly affect the development of tourism. It is essential to put in place new organisational and operational arrangements which more fully acknowledge and reflect the importance of tourism as an instrument of national and regional development and which improve the effectiveness of Government interventions which support the development of tourism.	
Actions	Lead Role	Milestones/Timeframe
<p>1 * Redefine the scope of Tourism Policy: Because of the significant impact on tourism of a wide range of Government activities that are the responsibility of a number of different Government Departments, the scope of tourism policy should be redefined beyond its traditional domain within a "Department of Tourism" to encompass all areas of Government activity that impact in a significant way on tourism. (Strategic Success Driver 1 also refers)</p>	Department of Arts, Sport and Tourism	Immediate and Ongoing
<p>2 Strengthen the capacity and role of the Tourism Division of the Department of Arts, Sport and Tourism: The Division of the Department of Arts, Sport and Tourism dealing with tourism matters requires to be strengthened</p> <ul style="list-style-type: none"> to include additional people with the wider range of analytical skills and competencies required to deal with the more extensive scope of Government activities encompassed within the wider definition of tourism policy advocated in this Report to follow through effectively on the recommendations of this Report in consultation with a number of other Government Departments and agencies and with the industry itself to interact more effectively with other Government Departments and agencies on issues important to the development of tourism. 	Department of Arts, Sport and Tourism	Immediate

* Actions that support more than one driver of successful tourism development are denoted by and asterix *

Actions	Lead Role	Milestones/Timeframe
<p>3 Tourism and the National Competitiveness Council: In order to strengthen the focus of Government policies in supporting competitiveness in tourism, the Department of Arts, Sport and Tourism should be included among the Government Departments in attendance and participating at meetings of the National Competitiveness Council which reports directly to the Taoiseach on issues affecting the competitiveness of the economy and its different sectors.</p>	<p>Department of the Taoiseach/ Department of Arts, Sport and Tourism</p>	<p>Immediate</p>
<p>4 Inter-Departmental Bilateral Consultation Arrangements: Establish standing consultation arrangements between the Department of Arts, Sport and Tourism and the Government Departments/Agencies whose activities most impact on tourism including the Department of Finance, Department of Transport and Department of Environment, Heritage and Local Government.</p>	<p>Department of Arts, Sport and Tourism</p>	<p>Immediate</p>
<p>5 Fáilte Ireland: Following the recent amalgamation of Bord Fáilte and CERT into a single organisation for the development of tourism in Ireland, the organisational structure for the new body should be quickly finalised taking account of the new strategy and action plan that flows from this Report.</p>	<p>Fáilte Ireland</p>	<p>Immediate</p>
<p>6 Regional Tourism Authorities: Establish a closer correlation between the identified core visitor servicing and development functions provided by the Regional Tourism Authorities and the State financial support provided to them through Fáilte Ireland. Agree the new regional structures for the discharge of Fáilte Ireland's functions and determine the appropriate relationships and arrangements at regional level.</p>	<p>Fáilte Ireland</p>	<p>Early 2004</p>



Actions	Lead Role	Milestones/Timeframe
<p>7 Regional/Sub-National Structure: In order to more effectively harness the depth of knowledge, interest and commitment to the development of tourism at regional, county and sub-county level, it is essential that an early review of the functions, activities and interactions of the many bodies involved in tourism promotion and development be undertaken as a matter of urgency. The key principles underlying the review required should encompass the following</p> <ul style="list-style-type: none"> • a clear definition of the roles and functions of different bodies involved in the promotion and development of tourism at regional and local levels • the identification of areas of overlap and duplication together with the actions required to remove such overlap and duplication. The establishment of a coherent framework (e.g. in the form of regional tourism plans) within which the roles, functions and specific actions of the different bodies active in tourism promotion and development at regional level are articulated and coordinated • the establishment of a forum and supporting organisational structure at regional, county and local tourism development level to develop the coherent framework required, to monitor its implementation and to coordinate effectively the range of activities undertaken by different bodies. 	Department of Arts, Sport and Tourism/Fáilte Ireland	Immediate

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Actions to Improve the Quality of Information, Intelligence and Research

Strategic Success Driver 9	Information, Intelligence & Research
Objective	To provide the essential foundations of comparative data, knowledge and intelligence on which to develop the policies and actions by both the public and private sectors that promote tourism across the full range of the <i>nine strategic success drivers</i> outlined in this Report
Rationale	Good policy and development decisions by both Government and the private sector depend on a good base of data, knowledge and intelligence relevant to the tourism industry in Ireland and internationally.

Actions	Lead Role	Milestones/Timeframe
1 Research, Advisory and Co-ordination Group: Set up a Research Advisory and Co-ordination Group, with representatives of the industry, Tourism State Agencies, relevant Government Departments and the research community in third level education to identify information and research gaps.	Department of Arts, Sport and Tourism	By end 2003
2 Research Register: Compile, maintain and publish a comprehensive database on information and research relevant to Irish tourism recently completed, under way and planned.	Fáilte Ireland	Initial database published in 2004
3 Tourism Satellite Accounts: In order to more accurately reflect the importance and contribution of tourism to national economic development, a revised approach to the quantification of the economic contribution of tourism in national accounting terms through the use of the Tourism Satellite Accounts (TSAs ²) model developed by the WTO should be put in place.	Fáilte Ireland and Tourism Ireland in consultation with the Central Statistics Office	Feasibility study and action plan to be completed by early 2004

² A Tourism Satellite Account is a set of detailed tables, consistent with National Accounts, focussed on estimating flows of money relating to tourism activity. They provide better quality information as they reconcile both demand (from surveys of tourists' expenditure) and supply (i.e. goods and supplies from surveys of businesses).

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Implementation Arrangements

Objective	To drive forward and monitor the effective implementation of actions recommended in this Action Plan and to put in place a process to ensure continuing review of strategy to reflect changing circumstances.	
Rationale	The strategy and recommended actions set out in this Report encompass a wide and complex range of issues. These will require to be followed through with resolution, commitment and energy if they are to effectively support and sustain the further development of Irish tourism as a major sector of opportunity for enterprise and investment and as a powerful instrument of national and regional development.	
Actions	Lead Role	Milestones/Timeframe
<p>1 Implementation Group: In order to follow through quickly and effectively on this Report, so that it can make a real difference to the further development of the tourism industry in Ireland, a high-level Implementation Group should be established to drive forward and monitor the recommended actions. The Implementation Group should be representative of the tourism industry and public sector and should</p> <ul style="list-style-type: none"> • report directly to the Minister for Arts, Sport and Tourism • sit for a fixed period of no more than 2 years (2003-2005) • publish a report on its work, results and deliberations at 6 monthly intervals. 	Department of Arts, Sport and Tourism	Immediate
<p>2 Tourism Forum: An annual forum of the tourism industry should be established to consider developments in the sector and, to review performance in the implementation of the new strategy in the context of these developments. The first forum should be established in October 2004, 12 months after the publication of this Report.</p>	Fáilte Ireland	First Forum in October 2004

Appendix A

Background to Establishment of Review Group and Working Procedures

The establishment of the Tourism Policy Review Group was announced by the Minister for Arts, Sport and Tourism at the end of December 2002 and convened its first meeting on 28 January 2003.

The Review Group met on 10 occasions. This included two and a half days of bilateral meetings with the following 17 key representative groups and companies associated with the development of tourism in Ireland.

Aer Lingus	Ryanair
Aer Rianta	Shannon Development
British Tourism Marketing Partnership	SIPTU
European Tourism Marketing Partnership	Stena Line
Irish Farmhouse Holidays Association	The Arts Council
Irish Ferries	Town and Country Homes Association
Irish Hotels Federation	US Tourism Marketing Partnership
Irish Tour Operators Association	
Irish Tourist Industry Confederation	
National Association of Regional Tourism Authorities	

The Review Group convened an all-day Open Public Forum on 14 April 2003 that was attended by over 100 people. Invitations to the Open Forum were pre-advertised in the national press. The Forum covered the following four themes

- Marketing and Access
- Tourism Product and People in Tourism
- Value for Money and Competitiveness
- Sustainable Tourism and Regional Development.

The Review Group also invited, by advertisement in the national press, written submissions in connection with its work. It received over 100 written submissions from interested parties, to whom the Review Group is indebted. The submissions are available on the Review Group's website. (www.tourismreview.ie)

In addition to the written submissions and comments made in response to the public invitation, the Review Group also considered a range of detailed material prepared by its Secretariat, drawn from the Department of Arts, Sport and Tourism, Fáilte Ireland and Tourism Ireland. Some supplementary consultancy work in specialist areas was also commissioned.

As requested by the Minister for Arts, Sport and Tourism at the inaugural meeting, the Review Group published an Interim Report on 28 May 2003. This was prepared following the consultation phase of the assigned task, during which time the Review Group developed a number of initial conclusions and interim recommendations. The Interim Report is available on the Review Group's website (www.tourismreview.ie)

Appendix B

Terms of Reference

Phase 1 – Review of Tourism Performance and Prospects

- Assess the performance and economic impact of the tourism sector in Ireland over the past 10 years in terms of categories of visitor (overseas and domestic), revenue earnings, sectoral and geographical source markets and internal regional distribution, including international comparisons and movements in Ireland's share of key source markets
- Assess the formulation and evolution of tourism policy and the evolution of, and contribution by, the industry to the development of the sector
- Assess the trends in the international competitiveness of the Irish tourism product over the past 10 years and future prospects in terms of value for money, pricing, quality and service levels
- Assess the future tourism market potential for Ireland in terms of priority source markets, categories of visitors, changes in holiday taking trends and level of international competition
- Identify total public and private funding for tourism development over the past 10 years, the sources and modes of delivery and any value for money assessments.

Phase 2 – Strategy for Future Sustainable Development of the Sector

- Identify the key elements of a strategy, both industry-led and Government-led, for the further sustainable development of tourism in Ireland, under the following headings and including controllable sector specific issues
 - product utilisation, development and innovation
 - business capability (including human resource development and training)
 - enhancing international competitiveness in terms of value for money, pricing, quality standards and service levels
 - marketing
 - access transport
 - infrastructural and environmental requirements
 - statistics, research and planning
 - institutional development arrangements, including regional structures and coordination of support measures
- Identify appropriate actions and recommendations for the implementation of the future strategy.

Notes





