

Tourism can be our replacement for Industry

Recently I was astonished to read the tourism figures for New York in 2010 and they made amazing reading, especially at a time when most of the world tourism was in decline. These figures were in stark contrast to the figures from Failte Ireland on Tuesday last when extremely disappointing figures were revealed for 2010.

New York in 2010 showed an increase in tourism of 7% from 2009 amounting to a staggering 48.7 million people visiting the city. This broke all previous records and edges them closer to achieving their goal of 50 million tourists for 2012 and the years ahead. All in all tourism in New York amounted to a \$31 billion spend in the city area which again was a 10% increase from 2009.

According to Mayor of New York Michael R. Bloomberg "The strength of our tourism industry is one of the reasons New York City was less impacted by the national recession than other cities." The hospitality industry in New York – hotels, restaurants, museums and attractions added 6,600 jobs in the past year and increased the workforce in that sector to 320,000.

The hotel business continued to boom to such an extent that the room occupancy rate in the Manhattan area stood at 85% which is an amazing figure when you consider that the average price per night of a hotel in this area is \$250 and this is mostly without breakfast. This was up 5% from last year and they expect a further increase in the coming year as they strive towards the 'magical' 50 million.

When we look at this week's figures from Failte Ireland that shows in 2010 Ireland suffered a slump of overseas tourism numbers to 4.6 million, a drop of over 15% which took us back to 1998 levels These figures are truly substandard and unless we see a dramatic and revolutionary approach in the coming year then we can expect a continuation of another year of abysmal figures. We should aim for remarkable growth in 2011 but the Government must give Failte Ireland more than the derisory support to properly drive towards hugely greater achievements.

Tourism is and must be seen as our greatest asset. What we have is unique and unequalled in the world.

Confidence in tourism can only be driven by precise support and the country will be rewarded with significant exchequer returns. Why can we not share the same positivity as NY for the year ahead and set our targets high enough to make the economic difference. The sense of achievement of reaching these ambitions would

be akin to winning an All-Ireland and the absolute pride will be shared by the nation as a whole.

The employment figures from the Central Statistics Office shows that in 2009 that there were 123,000 people employed in the Tourism & Hospitality sector and this was down 10,000 from the previous year. In 2011 we should be aiming at increasing these numbers significantly. According to Failte Ireland figures the hotel room occupancy rate from January to September 2010 stood at 59% a rise of 2% from 2008. Figures from one of the world's leading hotel websites www.hotels.com shows that the current average room rate for a hotel in Ireland is now €79 per night. This compares impressively with the \$250 for a New York hotel and other hotel prices throughout the world.

The tourism industry in 2009 generated a total of €5.36 billion which generated a tax to the Government of €1.3 billion- this amounted to 3.7% of the total tax revenue.

According to all Irish Airlines the Government Travel Tax of €10 has proven to be a major stumbling block to the development of tourism in Ireland and one wonders if tourism despite its major input to the exchequer is looked on unenthusiastically by our Government. At the Ryanair AGM in September Michael O'Leary was quoted as saying "they would be able to create 6,000 new jobs and bring as many as six million new visitors to the country every year if the government was to lift its €10 travel tax." What we received from the budget was a token gesture reduction to €3 with a proviso that it would revert to the €10 if the airlines did not pull their weight and increase numbers. Why, oh why, could they not go the full hog and abolish the tax completely and support the airlines to develop what they say they can do rather than retain a belligerent attitude. The Government should give the essential and vital support that airlines, hotels and promoters of Irish tourism deserve to drive this county back to exciting financial returns.

Working together is the only way we can rise ourselves from the depths we now find ourselves in and if we do not get the necessary Government commitment on tourism then they are doing a woeful disservice to the business and every tax payer. This is our opportunity to face full-on what is the most important financial revival our country ever needed and we have the natural environment for it to succeed.

Rather than declaring we have too many hotel rooms we should be promoting and developing in such a manner that we fill every room and compete to better the 85% hotel occupancy rate of New York. We have the most natural tourist attractions and tourist friendly country in the world and we are allowing others with meagre tourism attractions to surpass us.

In the budget we also had a reduction in the minimum wage by €1 to €7.65 but sadly we are seeing very little reduction in some sectors in the cost of living. We can compare all we want and complain all we want about the lack of tourism but if we cannot compete with the cost of everyday living with other countries then we cannot expect to see a growth in our tourism. If the minimum wage drops by €1 then we must also drop the cost of living to afford those people in and around on the minimum wage the right to live and survive on the 39 hour week without the added pressure of overtime to survive.

A case in point are the comments on a visit to her native sod a lady who is a frequent visitor made the comparison about the cost of living here as against the US where she commented on the high standard of living even in a time of recession.

While we can beat hotels in most countries hands down in terms of room rates and size we cannot go near equalling their cost of everyday living and that is the level we must reach to drive a new tourism boom. By dropping the everyday cost of living we can give the country the badly need funding and impetus to revive the fortunes of the tourism industry which will undoubtedly drive our economic revival. What is the point of dropping the minimum wage if everything else that constitutes the standard of living remains static?

If we equal the living standards of other countries we will no doubt be top of the world in tourism and the revenue returns will once again put us to the forefront of economic development rather than in hoc to the IMF, ECB and other lending bodies.

We are acclaimed worldwide for so much natural beauty and renowned for our friendliness, we have a huge diaspora throughout the world and given the right package we would be resolutely fighting our way out of the recession and not leave a burden to generations to come.

To borrow the words of the New York Mayor "Tourism is our replacement for industry." We should acknowledge and embrace this statement, make it applicable to us and together with all the stakeholders work towards the revival of our tourism and economic future.

We have always being referred to as a 'spirited nation' but now our spirit is more akin to 'lambs to the slaughter'. The time to rediscover our spirit is now upon us but the question is, are we ready to revive our lifeless spirit?

Tourism in its many facets is our way forward and this can only be done with resurgent Government support and it must happen now. Tomorrow is too late.
