

Summer 2023



# TOURISM 360°

Issue 7



TOURISM  
NORTHERN  
IRELAND

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Tourism 360° is produced by Tourism NI's Insights & Intelligence Service

Information correct as at 31/07/2023.

We welcome all feedback 

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# Economic Outlook

*The global economy is demonstrating signs of improvement, however the outlook for growth remains conservative amid multiple risks. Reductions in energy prices are assisting in bringing down headline inflation and easing the strain on household budgets, and the earlier-than-expected reopening of China has provided a welcome boost to global activity. However, core inflation remains persistent, and the impact of higher interest rates is being felt across the economy.*



Sources: Bank of England, Euromonitor Economic Outlook (Q2 2023); IMF World Economic Report (April 2023); KPMG Global Economic Outlook (March 2023); OECD Economic Outlook (June 2023), ONS and PwC UK Economic Outlook (April 2023)

## Global Outlook for Economic Growth

The global economic outlook remains uncertain amid turmoil in the financial sector, persistently high inflation, the ongoing effects of Russia's invasion of Ukraine and the aftermath of three years of COVID.

The Organisation for Economic Co-operation and Development (OECD) reports that global GDP growth in 2023 is forecast to be 2.7%. Excluding the 2020 pandemic period, this is the lowest annual rate of growth since the global financial crisis.

### Outlook for Global Inflation

Resilient consumer spending and China's recovery resulted in slight improvements to Euromonitor's global economic projections. Global inflation is

proving stubborn but is expected to fall from 9.0% in 2022 to 6.9% in 2023 and 4.3% in 2024.

### Global Growth Predictions (GDP)

	2023	2024
<b>Euromonitor</b>	2.5%	3.0%
<b>IMF</b>	2.8%	3.0%
<b>OECD</b>	2.7%	2.9%

## UK Outlook

According to KPMG, the UK economy proved more resilient than expected at the end of 2022 with GDP flat on the quarter, and therefore avoiding a technical recession after the fall in Q3. Although the likelihood of a recession in 2023 has fallen, growth is expected to be impacted by the squeeze on household incomes and the impact of interest rate hikes. KPMG forecast that UK GDP will be -0.3% in 2023, while Euromonitor are predicting GDP to decline by 0.4%. These forecasts place the UK significantly behind other advanced economies including the United States and the Eurozone.

### Outlook for UK Inflation

UK (Consumer Price index) CPI inflation rose by its highest level in 40 years in October 2022 (11.1%) and is expected to decrease in 2023. We've seen the Bank of England raise interest rates to 5% in June 2023 and latest ONS figures (June 2023) have CPI inflation currently sitting at 7.9%. KPMG expect this to fall to 6.3% by the end of the year. PwC's forecast in their Outlook is more optimistic, predicting that inflation will return to the 3-4% mark by the end of 2023.

## Northern Ireland Outlook

Danske Bank's Q2 Quarterly Sectoral Forecast reports that the NI economy has displayed a degree of resilience so far this year and is estimated to have expanded in the first quarter of 2023. Looking forward, the economic outlook remains challenging and uncertain, but Danske Bank are forecasting that the NI economy will grow by around 0.2% in 2023, an upward revision from their previous report.

However, Danske Bank have also revised their projection for output growth in 2024 downwards and now expect the NI economy to expand by about 0.6% next year as price pressures and the tighter policy environment weigh on growth.

## Republic of Ireland Outlook

Irish economic uncertainty remains high; however, this has diminished relative to previous quarters. The Central Bank of Ireland report near-term Irish economic growth is looking better than previously expected. Household real income growth is predicted to turn positive in the second half of 2023 and grow thereafter. Overall, modified domestic demand is forecast to grow by 3.7 per cent this year, and by 2.5 per cent in 2024 and 2025.

Sources: PwC UK Economic Outlook (April 2023); Danske Bank Sectoral Forecast (Q2 2023); Central Bank of Ireland – Quarterly Bulletin Q2 (June 2023); Credit Union Ireland – NI Consumer Sentiment Index (April 2023); GfK UK Consumer Confidence Index (July 2023) and Credit Union Ireland - Consumer Sentiment Index (July 2023)

### Sectoral Outlook: GVA % Change

	2023	2024
Accommodation & food service	+0.6%	+0.7%
Arts, entertainment & recreation	+0.6%	+0.7%
Wholesale & retail	+0.3%	+0.8%



**+3.7%**  
Forecast Growth in Irish Economy in 2023

Headline inflation is slowing but the rate remains higher than historical averages as dynamics are primarily being driven by the effects of energy and other commodity price shocks seen in 2022/early 2023. The forecast for 2023 inflation is 5.3%.

## Consumer Confidence



NI

Credit Union Ireland's latest NI Consumer Sentiment Index (April 2023) reports a significant improvement in all five key elements compared to their previous survey (Jan 2023). It remains the case that many Northern Irish consumers face serious cost-of-living pressures and/or an uncertain economic future. However, the latest Survey points to a significant decline in negativity.



UK

GfK's UK Consumer Confidence Index decreased six points in July to -30. For the first six months of 2023, UK consumer confidence improved despite the headwinds of the cost-of-living crisis but suddenly, this resilience has collapsed. There are clear concerns over the coming year for our personal finances and for the wider UK economy, with these measures down six and eight points, respectively.



ROI

Irish consumer sentiment improved fractionally in July as holidays and summer sales likely encouraged a pick-up in spending plans. However, a slight pull-back in household financial circumstances suggests consumers remain cautious, implying restrained spending in the months ahead. Overall, the tone of the survey suggests that the pressures facing Irish consumers are fading but far from finished.

# Tourism Performance

NI's January-June 2023 hotel data suggest that year-to-date (YTD) performance is exceeding pre-pandemic levels in the first half of 2019. NI's guesthouses, guest accommodation and B&Bs (GH/GA/BB) are performing better than hotels, experiencing increases in both YTD room occupancy and sales during the first five months of 2023 compared to 2019.

## NISRA 2022 Update:

New 2022 performance data for NI's visitor attractions and self-catering accommodation market was released by NISRA in July 2023.

### Key Findings:

- There were 10.7m visits to NI's visitor attractions in 2022 with Titanic Belfast welcoming the most visits of all responding attractions.
- NI's full year 2022 annual and peak (April-September) unit occupancy (self-catering) were 34% and 45% respectively, representing 3-percentage point increases in both KPIs vs 2019.

[Click here to view the tourism statistics on NISRA's website.](#)

Sources: NISRA and STR

## Hotel Performance

STR hotel data for NI reports that hotel room occupancy for January-June 2023 is exceeding January-June 2019 levels, with growth driven by Belfast hotels. NI's average daily rate (ADR) and revenue per available room (RevPAR) continue to show significant increases compared to 2019.

When comparing NI's 2023 year-to-date occupancy against 2022, a larger increase in occupancy (+5 percentage points) is evident. RevPAR and ADR show increases of 15% and 8% respectively.

The month of June 2023 experienced a minor decline compared to June 2019, but was 2 percentage points above June 2022.

### STR Hotel Data (Jan-June 2023)

	2023	vs 2019
Room Occupancy	71.5%	+2.0pps
RevPAR	£74.74	+43.5%
ADR	£104.49	+39.4%

## Guesthouse/Guest Accommodation/B&B Performance

Northern Ireland Statistics and Research Agency (NISRA) accommodation statistics for January-May 2023 indicate that guesthouses, guest accommodation and B&Bs (GH/GA/BB) experienced increases in both room occupancy and sales compared to 2019 figures. Performance suggests this sector is continuing to progress better in its recovery than hotels.

GH/GA/BB January-May 2023 room occupancy is also up 3 percentage points vs the same period last year (January-May 2022), and bed occupancy has grown by 9 percentage points. Room sales in 2023 have also seen growth of 5% compared to 2022.

### NISRA GH/GA/BB (Jan-May 2022)

	2023	vs 2019
Room Occupancy	33%	+5pps
Room Sales	186k	+23%

pps = Percentage Points

## Air Access



NI's three main airports with a seat capacity of over 2.98m. This indicates that total scheduled seats to NI Airports between July-December 2023 will be at 110% of pre-pandemic levels seen in the second half of 2019.

By comparison, scheduled seat capacity to airports in the Republic of Ireland (ROI) is at 105% of pre-pandemic levels, resulting in total air access to the island of Ireland in the second half of 2023 being at 106% of 2019 levels.

## Sea Access

Latest figures show the number of passengers on ferries to NI from Great Britain (GB) increased by 3% in January-June 2023 compared to the same period in 2019.

For comparison, car ferry traffic to ROI via Central and Southern Corridor routes saw decreases of 15% and 17% respectively in January-June 2023 vs 2019.

NI Air Passenger Flow (Jan-May 2023)	% Change vs 2019
2,968,069	-16%

Civil Aviation Authority (CAA) airport data indicate that air passenger flow for NI between January-May 2023 stood at over 2.9m, representing a decline of 16% on the same period in 2019, with similar declines evident across each of the airports (George Best Belfast City Airport (-18%), Belfast International (-15%) and City of Derry (-22%) airports).

### Air Access Forecast

Looking at the second half of 2023, (as at July 2023) there are over 20,600 scheduled flights through

Car Ferry Traffic (Jan-June 2023)	% Change vs 2019
<b>Northern Corridor</b> <i>Belfast &amp; Larne Services</i>	+3%
<b>Central Corridor</b> <i>Dublin and Dun Laoghaire</i>	-15%
<b>Southern Corridor</b> <i>Rosslare</i>	-17%

Sources: Central Statistics Office; Civil Aviation Authority; FerryStat; OAG Aviation and ONS.

## UK – Overseas Travel & Tourism



Overseas residents made 7.7 million visits to the UK in Quarter 1 (Jan-March) 2023; this was higher than the 3.7 million visits made in Q1 2022.



Overseas residents spent £5.6 billion on their visits to the UK in Quarter 1 2023, an increase of £2.8 billion compared with visits in Quarter 1 2022.



UK residents made 15.3 million visits abroad in Quarter 1 2023; this compares with 9.6 million visits in Quarter 1 2022.



UK residents spent £12.7 billion on their visits abroad in Quarter 1 2023; this was £5 billion more than they spent in Quarter 1 2022.

To view the full results on the ONS website, please [click here](#).

## ROI – Household Travel Survey



ROI residents took 2.6 million domestic overnight trips in Q1 2023, up from 2.3 million (+11%) compared with the same period in 2022. This also represents a 16% increase on Q1 2019.




Total expenditure on domestic overnight trips in Q1 2023 amounted to €517m, up 10% on 2022 and up 43% on 2019.

To view the full results on the CSO website, please [click here](#).

# Consumer Sentiment

Tourism NI completed Wave 12 of its consumer sentiment research in NI and ROI, measuring travel behaviour and travel intentions for spring and summer 2023. Wave 12 also focused on exploring NI and ROI consumers' perceptions of the food & drink offering in NI. Fieldwork was undertaken in March and April 2023, with a robust, nationally representative sample in both markets.

 Click here to view the full results from Tourism NI's Consumer Sentiment Research

Source: Tourism NI's Consumer Sentiment Research

## Executive Summary:

*In comparison to previous research waves, the proportion of NI and ROI consumers who feel they will be negatively affected by cost-of-living increases has reduced. However, many consumers indicated they will be reducing spending on things like eating out at restaurants and going to pubs/ bars. Consumers anticipate a reduction in the number of trips/ amount spent on holidays/ short breaks on the Island of Ireland, with similar proportions likely to reduce the number of trips/amount spent on holidays/ short breaks abroad, posing both challenges and opportunities.*

## Key Findings

Encouragingly, **intentions for NI domestic day trips** over the spring and early summer **were significantly higher** that was reported in the same survey period in 2022.

**To relax and unwind** and to have fun are key motivators for intended NI trips for both markets, with the opportunity to enjoy NI's food & drink experience particularly important for ROI consumers.

For July and August, results indicate a steady domestic performance but a slight dip in ROI consumer intentions for both short and longer holiday breaks in NI, likely impacted by **continued growth in intentions to holiday abroad**.

Overall, **NI's value for money score continues to improve**, with consumers in both markets rating NI's value for money more positively than ROI and GB.

While holidays abroad have grown in popularity over the summer months, there is also evidence that a significant proportion of prospective travellers have to date ruled out this travel option as being too expensive. **This brings opportunities to grow staycations by stressing NI's value for money**.

For both NI domestic and ROI visitors, **enjoying the food & drink experience was one of the key motivators for their NI trip**, with the majority having researched places to eat before their trip, and 33% and 40% respectively booking before arriving on their trip.

**The food & drink experience was highly rated** by both NI domestic and ROI visitors, with the vast majority saying it met or exceeded their expectations.

## VisitBritain / VisitEngland Research

### Top 5 Reasons for UK Holiday Preference

1. UK holidays are easier to plan
2. UK holidays are cheaper
3. Shorter / quicker travel
4. To avoid queues at airports / cancelled flights
5. Uncertainty around restrictions overseas

VisitEngland's latest domestic sentiment research, conducted in July 2023, indicates optimism around the cost-of-living situation. However, the majority (66%) of UK adults are either 'cautious and being very careful' (45%) or have been 'hit hard and are cutting back' (21%) due to cost-of-living increases.

Despite these concerns, travel intentions remain strong. Three quarters (75%) of UK adults are planning an overnight domestic trip in the next 12

### Top 5 Reasons for Overseas Holiday Preference

1. Better weather
2. I want to visit new places / experience new cultures
3. Overseas holidays are cheaper
4. I'm prioritising overseas trips after missing out in the last few years
5. To visit friends & relatives

months, compared to 72% when this research was carried out the year before (July 2022 research).

For overnight overseas trips, intentions are on par with 2022 overall, although 2023 intentions are higher for trips planned for July and September.



[Click here to view VisitBritain's / VisitEngland's research in full.](#)

## Insights from Tourism NI's Digital Data



Tourism NI analysis of online review data for NI accommodation establishments between January-June 2023 indicates continued strong overnight visitor numbers from ROI and other close to home markets, albeit at a marginally reduced level from the growth reported for 2022. International markets are showing signs of recovery, with online review numbers significantly up on 2022, although overall review volumes remain below 2019 levels. Attractions are recovering at a slower pace than accommodation.

Monitoring of visitor experience scores suggests that NI accommodation and attractions continue to deliver an overall positive visitor experience.



These findings are corroborated by separate analysis of cardholder spend data for the first quarter of 2023, which indicates a slight slowdown in performance for the close-to-home markets in comparison with January-March 2022. Encouragingly, tourism-related spend for international markets such as North America and Australia have shown substantial increases compared to Q1 2022.

*NB: The digital data should be seen as indicative of trends rather than providing actual tourism performance statistics.*



# DfE Tourism Research

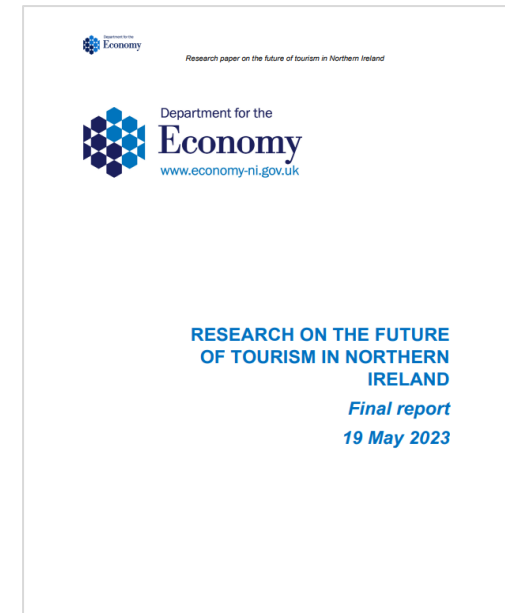
The Department for the Economy (DfE) published a research paper (May 2023) that considered the key challenges that the tourism industry will face by 2030. The report concludes that tourism is aligned with the 10X Vision and has been delivering tangible results for several years. Moving forward, substantial measures could be taken to ensure the sustainable development of this value-added sector. Investing in the tourism product is key to ensuring its long-term competitiveness.



Click here to view the DfE tourism report in full.

Source: Department for the Economy Research on the Future of Tourism in Northern Ireland (May 2023)

## Research on the Future of Tourism in Northern Ireland



DfE's report states that the NI's tourism sector will face three main challenges by 2030.

1. How can we increase the resilience of the tourism sector against climate change and airplane dependency for an island destination?

The NI tourism sector will have to overcome environmental and sustainability concerns, directly impacting on supply and demand in NI. On the one hand, the sector will have to mitigate against airplane dependency and the rise of carbon prices, which may limit affordability for external tourists.

On the other hand, global warming and the rising sea levels are affecting coastlines and infrastructure of tourism destinations across the world.

2. How can we innovate to answer new demands from domestic and international tourists post-COVID?

NI will need to maintain its attractiveness to domestic and international tourists by investing and innovating in its products. Focusing on domestic tourism, business tourism and experiential tourism could help NI in answering the challenges of rising carbon prices and demand in order to support a more responsible way to travel.

3. How can we develop an inclusive tourism model which benefits the Region in its entirety and is accepted by locals?

NI must measure and anticipate the social acceptability of tourism in its territory. Tourism has a major strength: it plays a key role in a more inclusive and labour-intensive economy. The industry offers a range of entry/pathway opportunities and roles which are accessible to all. On the other hand, the increased concentration of flows in certain areas and at certain times of the year (over-tourism) can also result in negative oversaturation and nuisances for local populations that must be anticipated and resolved.

## NI Chamber & BDO Economic Survey



The NI Chamber of Commerce & Industry Quarterly Economic Survey (QES), in partnership with BDO NI, focuses on a number of business indicators including local sales, exports, employment and confidence.

The Q1 2023 QES findings suggest signs of confidence are re-emerging both in turnover and profitability along with some easing of inflationary pressures.

It has been a strong start to 2023 for the services

sector with all key indicators positive and NI a top performing region for 9 of the 11 indicators.

55% of members believe their business will grow in 2023 although a sizeable minority of 33% expect it to contract.



Click here to view the full Quarterly Economic Survey Summary – Q1 2023

Sources: NI Chamber/BDO NI Economic Survey (Q1 2023) and NIHF Hotel Market in Northern Ireland (March 2023)

## NIHF Hotel Report 2023

### Hotel Market in Northern Ireland

A report from the Northern Ireland Hotels Federation on the hotel market and the challenges it faces.

The Northern Ireland Hotel Federation (NIHF) published their Hotel Market in Northern Ireland report in March 2023.

#### Some key take outs

As a region, NI has reached a wider audience not only in visitors but also investors. This development could open the door to new brands, increase the value of local hotels and make selling an attractive option for current operators.

NIHF highlight that the two primary drivers for 2023 will be people and profit. Retaining staff and keeping costs under control will be a difficult act to balance.

The report suggests that rising interest rates and operating costs, along with staffing concerns are all likely to impact the industry's expansion in 2023/24. There is interest in visiting NI which bodes well for business, but there is a balance to be found in covering costs and pricing to attract the guest.

Click here to view the full [NIHF Hotel Market in Northern Ireland](#) report.

# Tourism NI Updates

For the latest news, events and webinars, as well as industry insights, opportunities and campaigns, please visit [TourismNI.com](https://www.tourismni.com). You can also find us on Twitter, LinkedIn and YouTube.



## Summer 'Lunch & Learn' Series

Recordings and supporting materials are now available for Tourism Northern Ireland's recent 'Lunch and Learn' webinars, delivered as part of our ongoing Tourism Enterprise Development (TED) Programme.

These sessions include updates on the latest useful resources, toolkits and supports we have available for the NI Tourism industry across a range of topics.

To access webinar recordings, presentation slide decks, supporting documents, 'how to' and 'top tips' videos and useful links, please [click here](https://www.tourismni.com/lunchlearn).



## Wellbeing & Development Promise launch

Hospitality Ulster in partnership with Tourism Northern Ireland and the Hospitality and Tourism Skills network (HATS) will deliver the rollout of the 'Wellbeing and Development Promise' in Northern Ireland with the aim of attracting and retaining talent in the sector, boosting training and development opportunities, and promoting staff wellbeing. The scheme replaces similar schemes previously delivered on a regional basis.

Employers are encouraged to sign up to the Wellbeing and Development Promise. To find out more, please [click here](#).



## Embrace a Giant Spirit: Experience Portfolio

The Embrace a Giant Spirit: Experience Portfolio was developed following feedback from our key stakeholders and industry to create a more inclusive framework and support a wide range of tourism experience operators underpinned by our NI tourism brand. Expressions of interest are now open for established tourism experience businesses to become a member of the Embrace a Giant Spirit: Experience Portfolio.

For full eligibility criteria and to find out more information on the Experience Portfolio, please [click here](#).



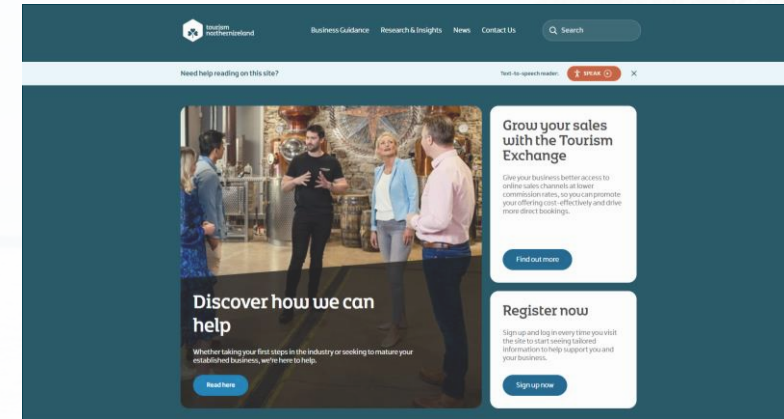
## Embrace a Giant Spirit: New Engagement Opportunities

To support the design and promotion of quality visitor experiences in NI, updated information has been published for all tourism businesses on the NI – Embrace a Giant Spirit tourism brand and how you can use this to enhance your business offer and best deliver on visitor expectations. Our new 'Guide to Awakening our Giant Spirit' book offers practical information and examples on the four key brand inspirers.

For more information, and to view the NI – Embrace a Giant Spirit brand book in full, please [click here](#).



## Sign Up to TourismNI.com



Whether you are considering taking the first steps in starting your tourism business, need support, or are an established business looking for new opportunities Tourism NI is here to help. If we can't provide what you need, we will aim to signpost you to those who can.

Once you have signed up and selected your relevant primary business activity you will over time start seeing content that is relevant to you. This is something that will continue to grow and develop over the coming months and is the start of a journey. Now you can manage your discovernorthernireland.com listing via this log in too.

For more information and to sign up, please [click here](#).

# Looking Ahead

On a global level, international tourism grew 86% in Q1 2023 compared to the same period last year, showing continued strength at the start of the year. An estimated 235 million tourists travelled internationally in the first three months, more than double those in the same period of 2022. The UNWTO Panel of Experts survey indicates that almost 70% of experts expect better performance in May-August 2023. However, most continue to believe international tourism will not return to 2019 levels until 2024 or later.



Sources: UNWTO Tourism Barometer (May 2023); ETC European Tourism – Trends & Prospects Q2 2023 (July 2023) and WTTC Economic Impact Report (April 2023)



Based on the latest [UNWTO](#) results, international tourist arrivals reached 80% of pre-pandemic levels in the first quarter of 2023. Strong results are expected in the coming Northern Hemisphere summer season backed by robust pent-up demand, the sustained recovery of air connectivity, and the recent reopening of China and other major Asian markets and destinations.

(May 23)



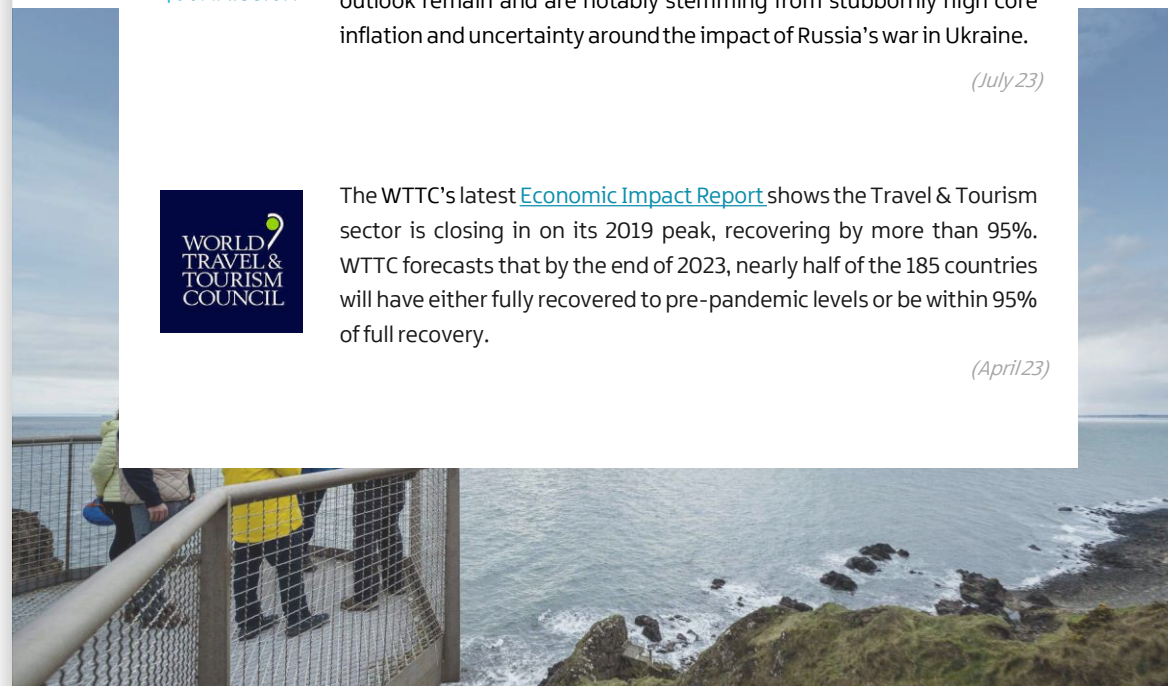
According to [ETC's European Tourism – Trends & Prospects](#) report, Europe recovered to about 95% of 2019 levels of international tourist arrivals in the first quarter of 2023. However, risks to the tourism outlook remain and are notably stemming from stubbornly high core inflation and uncertainty around the impact of Russia's war in Ukraine.

(July 23)



The WTTC's latest [Economic Impact Report](#) shows the Travel & Tourism sector is closing in on its 2019 peak, recovering by more than 95%. WTTC forecasts that by the end of 2023, nearly half of the 185 countries will have either fully recovered to pre-pandemic levels or be within 95% of full recovery.

(April 23)





Tourism 360° is produced by Tourism NI's Insights & Intelligence Service

We welcome all feedback – [\*contact us here\*](#)



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