

Supporting Irish Tourism & Hospitality

A manifesto for the long-term sustainable development of Ireland's tourism and hospitality industry, our largest indigenous employer

General Election 2024



“The Irish Hotels Federation calls on all candidates in the upcoming General Election to commit to putting tourism and hospitality at the heart of Ireland’s economic policy – ensuring our industry lives up to its full potential as a major engine for growth and economic prosperity, supporting over 270,000 livelihoods throughout the country.”

Irish Hotels Federation – the voice of Irish hotels & guesthouses





Michael Magner
President, Irish Hotels Federation

Ten key policy priorities to support Irish tourism & hospitality

As Ireland's largest indigenous employer, a vibrant and thriving tourism and hospitality industry is vital for the country's economic well-being – supporting over 270,000 livelihoods nationally and generating €10 billion in revenues annually for the economy.

Given the enormous challenges now facing our industry, an urgent change in direction is required from the next Government to put tourism and hospitality on a more stable footing. This is of critical importance given the integral role our industry plays within the economy, supporting domestic and international tourism, rural and regional prosperity, foreign direct investment, indigenous industry and thousands of communities throughout the country.

“Tourism and hospitality businesses are now at a crossroads as they grapple with very tight margins and reduced profitability due to cost increases that are largely driven by the Government’s economic policies”



- **Urgent Review of Government's Tourism Policy Approach:** An urgent review of the Government's policy approach to Irish tourism and hospitality is required to stave off the growing commercial crisis within the sector before it is too late. It is essential that the right policy measures are put in place to support our entire tourism ecosystem, including smaller indigenous operators. This must be the number one tourism priority for the next Government.
- **Cost of Doing Business:** Improving overall cost competitiveness within the economy must be a major priority over the next five years, avoiding cost-increasing policies that affect tourism and hospitality businesses. Meaningful, sector-specific measures such as Local Authority Rates waivers and Employers' PRSI rebates must be provided to offset the impact of policies that place labour-intensive industries such as tourism and hospitality at a disadvantage. More needs to be done to address excessive insurance costs and lack of competition within the insurance market. Upgrades to the national energy network infrastructure should be supported by central Government funding to reduce pass-through charges and help keep energy costs in line with our European competitors.
- **9% VAT on Hospitality Food Services:** The 9% rate of VAT is the correct long-term rate for Irish tourism and hospitality. It is essential that the 9% rate is reinstated for hospitality food service businesses, which are struggling to deal with exceptionally high operating costs as a direct result of recent Government policy decisions.
- **Training, Skills & Development:** Additional funding should be provided for hospitality training, skills and development through the National Training Fund (NTF) €2 billion surplus.

Key policy priorities to support Irish tourism & hospitality

- **Air Access:** Enhanced air access is vital for the long-term development of our economy. The 32 million passenger cap at Dublin Airport is a major barrier to further recovery and growth given that over 85% of air passengers travel through Dublin. This requires an urgent intervention by the Government in the form of revised planning legislation to remove the cap. A wider review of national aviation policy is also required, including a focus on securing additional opportunities to enhance regional air access and connectivity.
- **Increased Investment in Tourism Marketing & Development:** A significant increase in investment in tourism marketing and development is required to support the recovery and long-term sustainable growth of Irish tourism. This should be supported by targeted marketing strategies to optimise the return in market segments of greatest potential value and underwritten by enhanced destination marketing and infrastructure development projects.
- **Sustainability:** Targeted funding should be earmarked for a national hotel retrofitting scheme to reduce carbon footprint throughout the sector in line with the Government's climate action goals. Additionally, infrastructure for EV charging stations should be exempt from local authority rates.
- **Access to Finance:** A full review of State-supported financing solutions for business development should be carried out to identify ways to further increase access to finance.
- **Tips and Gratuities:** The Payment of Wages (Amendment) (Tips and Gratuities) Act 2022 provides i) for the treatment of certain voluntary payments made to or left for employees and contract workers, and ii) for obligations on employers relating to the fair distribution of certain tips and gratuities. Voluntary payments to employees in the form of tips and gratuities covered by this act should be exempt from taxation.
- **Dedicated Department for Tourism and Hospitality:** Similar to the approach taken at European Commission level and by other countries with large and highly diverse tourism ecosystems, a dedicated Department of Tourism & Hospitality with a seat at the cabinet is now required to maximise growth and employment.

Irish Tourism & Hospitality – Key Facts



270,000 livelihoods

Supported by Irish tourism & hospitality throughout the length and breadth of the country



€10bn revenues

Generating combined tourism revenues of €10 billion for the Irish economy annually



Hotels & Guesthouses

65,000 people employed directly by hotels and guesthouses



€2.3bn in taxes

Contributing €2.3bn in tax receipts to the exchequer annually



Regional employment

70% of Irish tourism & hospitality jobs outside of Dublin



International tourism

75% of tourism dependent on international visitors to Ireland

The Voice of Irish Hotels & Guesthouses



Irish Hotels Federation

We are available as a resource for further information and views on Ireland's hotels sector and wider tourism industry. Please contact the Irish Hotels Federation on (01) 497 6459 or info@ihf.ie.