



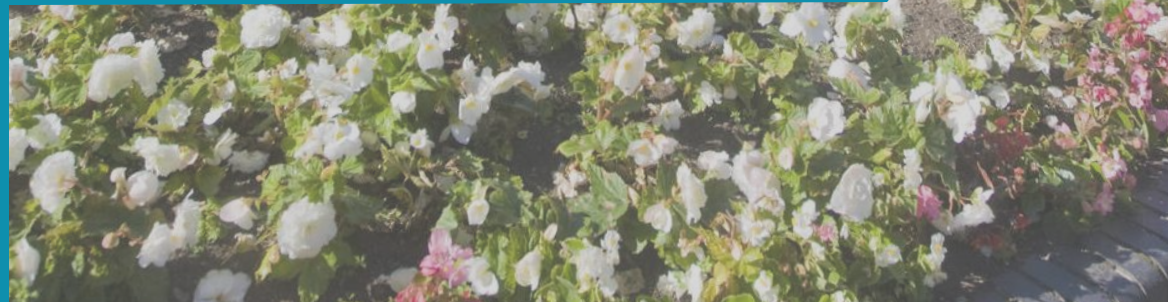
tourism
northernireland

Spring/Summer 2021



TOURISM 360°

Issue 4





This Issue

Economic Outlook & Recovery

Signs of recovery are evident as restrictions are gradually eased and the vaccine rollout continues. Consumers are increasingly optimistic and strong household spending is anticipated in the coming months.

Industry Barometer & Meet the Buyer

Tourism NI recently conducted a survey with the tourism industry, focusing on the impact of COVID-19 and outlook, with particular focus on recovery. Plus, feedback on Meet the Buyer, Tourism NI's flagship business to business networking event.

Consumer Outlook

With summer on the horizon, latest Tourism NI research reveals that intention to take a break in Northern Ireland has grown.

Travel Trends: 2021 and Beyond

Now and post-pandemic, traveller behaviours will be driven by evolving global trends, from the pursuit of health and wellbeing to digital connectivity. What will the next normal for the industry look like?

Tourism Performance

Latest accommodation and air passenger figures underscore the pandemic's huge impact on the industry in Northern Ireland, while also illustrating that we have the strong offering to fuel the recovery and see a return to growth.

Looking Ahead

Signposting to current and future information, advice and policy developments to assist with business planning.

Economic Outlook



The 2020 economic downturn was severe, but there are signs of a rebound as economies cautiously reopen. What are the key economic factors that will impact employment, consumer confidence and ultimately intention to travel?

Global economic activity has increased in recent months as the vaccine rollout has accelerated. While recovery will depend on the path of the pandemic and evolving financial conditions, a more upbeat mood is apparent with many bodies upgrading earlier forecasts.

Global growth predictions (GDP)

| | 2021 | 2022 |
|-------------|------|------|
| IMF | 6.0% | 4.4% |
| WTO | 5.1% | 3.8% |
| OECD | 5.8% | 4.4% |



UK outlook for growth

Latest Office for National Statistics (ONS) figures show **UK GDP contracted 1.2%** in the three months to March 2021, highlighting the impact of lockdown measures in early 2021.

Looking ahead, economic activity is expected to grow in line with the reopening of non-essential retail and hospitality businesses.

The Bank of England forecasts the UK economy will grow **7.25% in 2021**, noting however that uncertainty remains due to factors such as the speed of vaccine rollout and the risk posed by new COVID variants.



-9.8%

fall in UK GDP in 2020

Sources: ONS – GDP Monthly Estimates, Mar 2021; Bank of England – Monetary Policy Report, May 2021

Northern Ireland – key economic indicators

The latest **NI Composite Economic Index** for Q4 2020 shows economic activity fell **1.4%** quarter on quarter, or **2.8%** year on year. This contrasts with UK GDP, which increased in Q4 (+1.3%).

NISRA indicates this decrease is largely driven by the **decline in the Services sector**.

NI Services

-5.0%

over quarter to Dec 2020

-6.6%

over year to Dec 2020

52%

of total NI GVA in 2018

With a consumer spending rebound anticipated in the second half of 2021, forecasters predict the NI economy will grow between roughly **4-6%** this year.

NI growth predictions (GVA) – 2021

Ulster University Economic Policy Centre 5.8%

PwC 4.0%

Danske Bank 4.8%

EY 5.9%



Republic of Ireland Outlook

Central Statistics Office (CSO) figures show the ROI economy **grew 3.4% in 2020**. Several sectors saw severe declines, with **distribution, transport, hotels and restaurants** contracting **16.7%**.

EY forecasts growth of **5.0%** in 2021, partly driven by a 'consumer boom' later this year as people spend lockdown savings.



-9%

ROI personal spend in 2020

Sources: NISRA – NICEI Q4 2020; CSO – Quarterly National Accounts Q4 2020; EY – Economic Eye Spring 2021

Economic Recovery



Global bodies such as the OECD have suggested government support schemes be maintained until economies can reopen fully. How will UK and NI economies continue to be supported, and visitor spend further stimulated?

A range of extensions to COVID support packages were announced as part of the **Spring Budget**, with the following extended (for more information, visit [GOV.UK](https://www.gov.uk)):

- **Coronavirus Job Retention Scheme** (furlough), until September 2021
- **Reduced VAT rate** of 5% for hospitality, holiday accommodation and attractions, until 30 September 2021, and a rate of 12.5% from 1 October 2021 to 31 March 2022
- **Business rates holiday** for hospitality and tourism until 31 March 2022.

78k

NI workers have availed of the Self-Employment Support Scheme

99k

NI workers were furloughed as of the end of Mar 2021

£25.9m

claimed by NI businesses through Eat Out to Help Out scheme (Aug 2020)

The NI Department for the Economy's [Economic Recovery Action Plan](#) sets out a **road map to rebuild** a more competitive, inclusive and greener NI economy, with travel a key driver for recovery.

The Economy Minister has also launched the next phase of the **Tourism Recovery Action Plan**, setting out the key challenges facing the tourism industry as it recovers from the pandemic and the actions required to support it in a targeted, effective way.



Consumer Confidence

A consumer spending rebound will be key to recovery. While many households' income has been devastated by the pandemic, average household savings rates remain well above pre-pandemic levels.

x 2.6

UK consumers on average had 2.6 times more savings in 2020

+4%

ROI consumers on average had 4% more disposable income in 2020

These accumulated savings have fuelled hopes of a spending rebound. But how optimistic are consumers in NI and closer to home markets about their personal financial situation – a key factor in propensity to travel – and will pent-up demand translate into greater spend?

Danske Bank

NI confidence levels increased in Q1 2021, supported by the rollout of vaccines. NI consumers reported higher confidence about current and future finances, job security and spending on expensive items.



UK consumer sentiment in May recovered to pre-pandemic levels. Views on personal finances remained strong, while the outlook on demand among shoppers, also increased, signalling that consumers are availing of the chance to spend savings.



ROI sentiment improved again in May to its highest level since June 2019 due to 'opening-up' optimism. Concerns about jobs and the general economic outlook eased, and household finances and spending outlook improved.

Industry Barometer



TNI recently commissioned a survey with NI's tourism industry, focusing on the impact of COVID-19 and industry outlook, with particular emphasis on recovery, the importance of different markets and desired support. Fieldwork took place between 26 March and 23 April 2021, with responses received from over 400 tourism businesses.



Over **200** businesses who responded have successfully applied for the **'We're Good to Go' Scheme**, and TNI's COVID-19 business support helpline has helped over a quarter of respondents. **200+** businesses have also availed of TNI's **webinars/web support**, providing the industry with much needed help at this difficult time.



Key actions that responding businesses have taken/may take to aid recovery include **enhancing online presence, adapting the way they market and sell** and **altering the target markets/segments** they focus on.



The **closer to home markets**, especially the domestic market, are considered by survey respondents to be even **more important** post-COVID, with importance levels dropping (but still remaining high) in 2022 when international travel is expected to recover.

Summary of Findings:

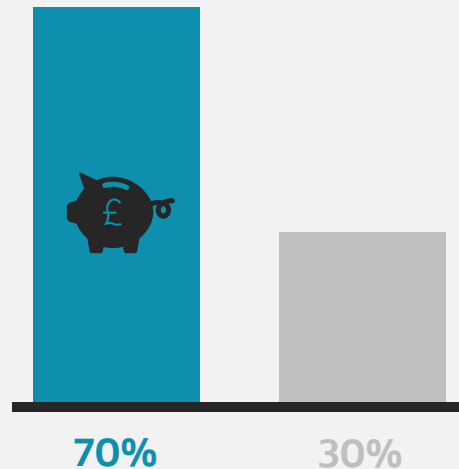
Survey results found that the vast majority of businesses **intended to re-open as soon as they were permitted to do so**.

70% of surveyed businesses applied successfully for any type of **financial support scheme** in 2020.

81%



81% of tourism businesses re-opened during the summer period (July-Sep 2020) when restrictions were lifted, however the majority (**over three-fifths**) experienced declines in turnover compared with a typical summer period.



Three-fifths expect their business to recover financially by the end of 2022, with employment levels anticipated to recover sooner than business finances.

The main types of support businesses would benefit from over the next year **include financial, marketing and website development/design**.



[View the full findings from Tourism NI's Industry Barometer here](#)

Meet the Buyer



Virtual Meet the Buyer 2021

Taking place from 20th to 22nd April, Tourism NI's flagship business to business networking event was held virtually for the second time and provided a unique platform for local tourism businesses to engage with qualified international buyers.

The event was the biggest virtual event delivered by Tourism NI and the largest in terms of the individual number of Northern Ireland tourism businesses who attended. The virtual event was attended by 185 Northern Ireland tourism companies, 138 overseas operators and 20 ROI based operators. Nearly 4,000 appointments took place at the event.

96%
said all or most of the operators they met with seemed genuinely interested in doing business with them

96%
rated the event as 'good' or 'very good'

99%
said that they would be likely to attend again in future years



"Very worthwhile event and to meet and talk with so many others gave us some positivity for the future after a tough past year. Thank you to the team at TNI for delivering this platform."

"Fantastic opportunity where we secured new business, as well as caught up with existing customers."

Consumer Sentiment



Tourism Northern Ireland commissioned a programme of research to understand **consumer sentiment in the NI and ROI markets** and explore attitudes towards travel.

Fieldwork for Wave 4 was undertaken from 23 March – 6 April. **Overall, consumer sentiment continues to improve.** There is a clear sense that we are over the worst of the pandemic and willingness to be vaccinated has increased.

General appetite to travel has grown and openness to exploring ideas for an NI holiday has increased in both markets.

54%
+7pps
of NI consumers

are open to exploring ideas right now for a holiday in NI this year (up **7pps** from Wave 3).

37%
+9pps
of ROI consumers

are open to exploring ideas right now for a holiday in NI this year (up **9pps** from Wave 3).

However, evidence of pent-up demand for holidays abroad suggests **competition with other holiday destinations will increase as the year goes on.**

Escapism and desire to reduce stress are what people are what people are looking forward to most about their future holiday – **if they can do it safely.**



Awareness of the 'We're Good to Go' Mark among NI consumers has **increased** from Wave 3, as has the confidence it instils that a business is safe.

[Learn more about Tourism Northern Ireland sales platforms here](#)

[View the full findings from Tourism NI's Wave 4 Consumer Sentiment Research here](#)

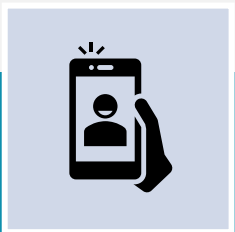
Travel Trends Outlook



2020 was a hugely challenging year for the travel and tourism industry. As the rollout of vaccines continues to reshape the outlook for travel, a recent special edition of Tourism 360° looked at the evolving global trends influencing travel and tourism in the months ahead.



Health and wellbeing: Boosting health and wellbeing will remain a crucial factor in motivating travel in 2021, with travellers seeking new ways to stay safe, active and healthy.



Digital transformation: Virtual travel experiences, touchless tech solutions, and digital customer service may sustain prospective travellers' interest during lockdown and help restore confidence.



Conscious travel: As travellers become more aware of tourism's impacts, they will aim to make more informed choices and look for a wider range of sustainable options.



The resilient traveller: The fundamental desire to travel remains unchanged, but cautious consumers will seek better value, choice and flexibility from travel providers.

The next normal for travel and tourism

The outlook for tourism remains mixed, with industry experts finding it difficult to predict how the coming months will play out. Although there are causes for optimism for 2021, experts suggest that uncertainty will continue to characterise the outlook for travel for several years after COVID-19 is declared under control, with a possible recovery timeline extending to 2023.

Various scenarios have been offered, describing how and when the global travel and tourism sector may recover.



The United Nations World Tourism Organisation notes prospects for a rebound of international arrivals in 2021 have [worsened](#) recently. A rebound this year hinges on several factors: the reversal of the pandemic, the rollout of vaccines, significant improvement in traveller confidence and major lifting of travel restrictions by mid 2021.



The World Travel & Tourism Council's [best-case scenario](#) anticipates international travel will recover from spring 2021, but again this is highly dependent on factors including widespread vaccination and the adoption of test-and-trace programmes. The WTTC's more pessimistic forecast delays recovery further into 2021.



Latest [air travel recovery projections](#) from the International Air Transport Association, as of end of May 2021, suggest that while 2021 will see improved performance compared to 2020, passenger levels will not return to pre-pandemic levels until 2023.

More information can be found in the [Travel Trends Outlook – 2021 and Beyond](#) special edition of Tourism 360°. Tourism NI plans to issue several more editions of Tourism 360° throughout 2021; see final page.

Tourism Performance



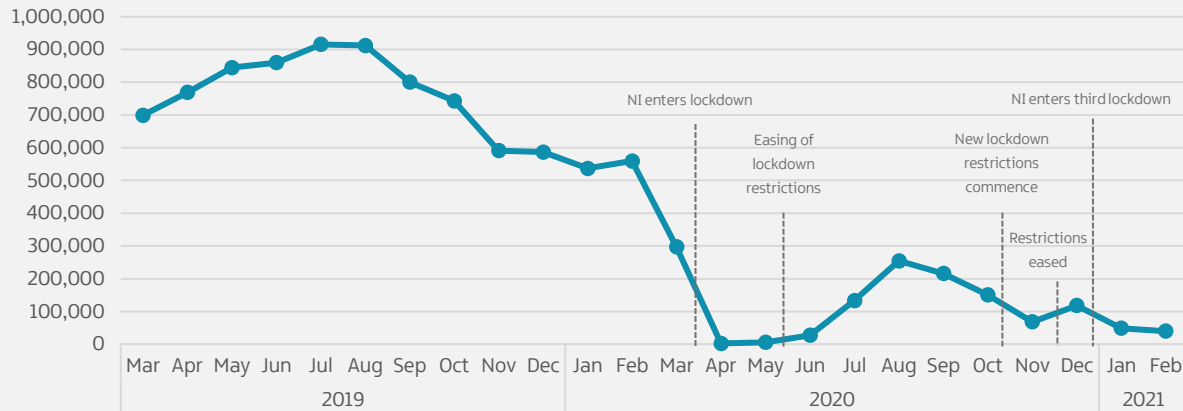
Air Access – NI Airport Passenger Numbers

Civil Aviation Authority (CAA) data details the passenger flow through NI's three main airports: Belfast International Airport, George Best Belfast City Airport and City of Derry Airport.

| Time Period: | NI Passenger Numbers: |
|----------------------------|-----------------------|
| March 2019 – February 2020 | 8,817,313 |
| March 2020 – February 2021 | 1,363,054 |
| Percentage Change | -84.5% |

The pandemic has had a devastating impact on NI passenger flow. Passenger numbers are down **84.5%** between March 2020-February 2021 compared to March 2019-February 2020.

NI Airport Total Passenger Numbers: March 2019 - February 2021



[View Tourism NI's Airport Passenger Statistics 2020 Report here](#)

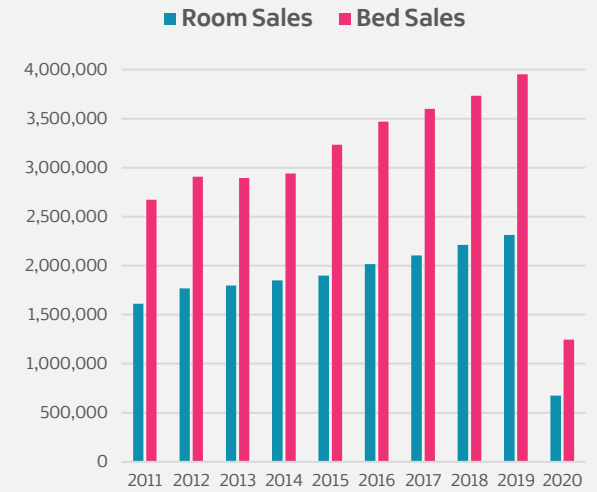
Source: Civil Aviation Authority – Airport Data

Accommodation – Hotel Statistics

One year on from the start of the pandemic, the latest official accommodation statistics from **NISRA** underscore the devastating impact COVID-19 has had on the sector – but also illustrate that NI has the offering to drive recovery and return to growth.

Lockdown measures and restrictions on operations made 2020 a hugely challenging year for the accommodation sector.

Room sales fell from **2,312,273** in 2019 to just **676,092** in 2020*, a decline of **70.8%**.



Looking back, NI room and bed sales were **43%** and **48%** (respectively) higher in 2019 than they were in 2011, highlighting how far the industry progressed during this period.

After a challenging 2020, the sector has reported strong forward bookings following the reopening announcement.

Source: NISRA – Hotel Occupancy Statistics
*NB – 2020 data not available for Mar-July and Nov.

Looking Ahead



From Recovery to Regeneration

Global conversations are focusing on the opportunity to drive a **responsible recovery** of travel and tourism, one that can **regenerate economies, communities and the planet**. With travellers' awareness of sustainability increasing, this represents an emerging opportunity for NI tourism.



The UN World Tourism Organisation's **One Planet Vision** calls for sustainable tourism to become the new normal, suggesting a responsible recovery will equally benefit 'people, planet and prosperity'.



Translink has pledged to cut emissions by 50% by 2030 and reach Net Zero by 2040, saying the business sector has a real opportunity to reset, join forces and bring about a green recovery.

Tourism NI is asking visitors to **#MakeAGiantDifference** by signing a **Visitor Pledge** to commit to three core guidelines: Take Care of Each Other; Take Care of the Land; and Take Care of Local Businesses.

Make a giant difference to NI by signing [our pledge](#). Inspire your friends and family to follow in your footsteps.



Tourism NI's **latest sentiment research** reveals how sustainable considerations will influence NI and ROI residents' holiday choices post-COVID:

3/5

in NI & ROI will avoid destinations negatively impacted by overcrowding

64% in NI
69% in ROI

will make an effort to support the tourism sector on the island of Ireland

Brexit

The UK has left the European Union and new rules on trade, travel and business for the UK and EU now apply. Tourism NI's [website](#) hosts up to date guidance on what you need to know about how Brexit might affect your business.

High Street & Holiday Voucher schemes

The Department for the Economy is progressing plans for a **High Street Stimulus Scheme** to give NI adults a voucher for use at retail and hospitality outlets.

A separate **Holiday at Home** scheme will give a boost to accommodation providers in the autumn.



ROI Strategy Review

Tourism NI is currently working to update its strategy for the Republic of Ireland market.

The ROI market represents a significant tourism opportunity for NI, and with the short-term emphasis on the closer to home markets as a result of the pandemic, will be vital to NI tourism in the years ahead.

In 2019 ROI tourism accounted for:

- 14% of all overnight trips in NI
- 11% of all nights spent in NI
- 14% of all spend in NI

Source: NISRA – Annual Tourism Statistics 2019

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

We welcome all feedback –
insights@tourismni.com

Tourism 360° – Provisional publication schedule

| | Jul | Aug | Sep | Oct | Nov | Dec |
|-------------------|-----|-----|-----|-----|-----|-----|
| Quarterly edition | | | | | | |
| Special edition | | | | | | |

