

# Connemara Brexit Information Session

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## Brexit - What needs to be agreed before 29th March 2019?



**The Withdrawal Agreement  
needs to be agreed and  
ratified by the European  
Parliament, EU Council and  
the UK Parliament before  
29th March.**



## Brexit

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**What if the Withdrawal Agreement  
is not agreed by 29th March 2019?**

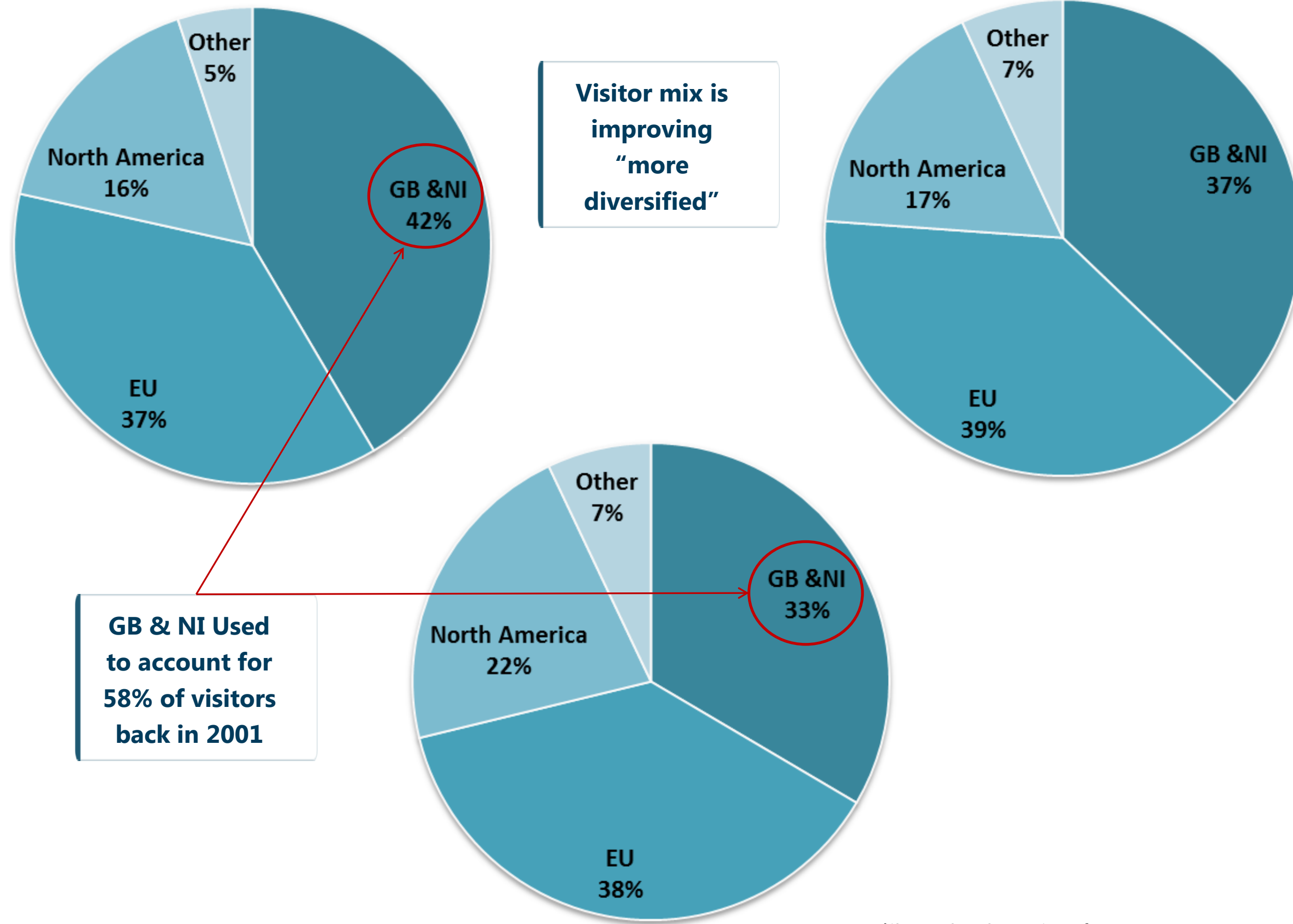
- The UK can request an extension of Article 50 deadline
- OR**
- No Deal Brexit

**When does a Future Trade Relationship  
need to be agreed?**

- If the Withdrawal Agreement is finalised before 29th March 2019, then the transition period up to Dec 2020 gives time for agreement to be reached.



## Intl Demand - Overseas visitors breakdown (ROI Wide)

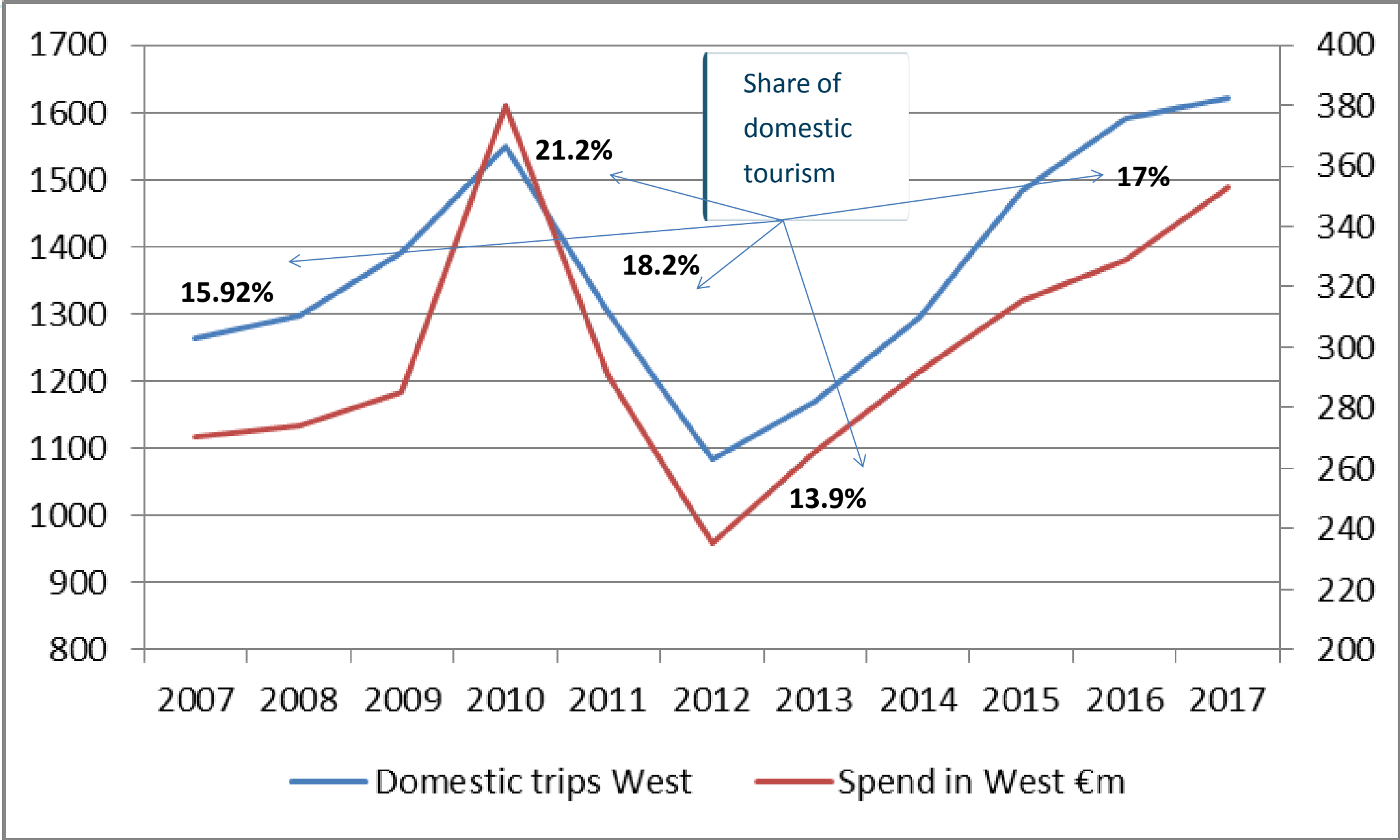


Source: Fáilte Ireland Tourism facts report 2007 to 2017





Domestic Demand - Tourism (West of Ireland)



Period	Persons unemployed	Unemployment rate %
Sep-07	164,200	4.6
Sep-12	433,800	14.7
Sep-17	134,200	5.6
Sep-18	129,400	5.4

Unemployment register shows a 300k drop between 2012 and 2018

Source: Fáilte Ireland Tourism facts report 2007 to 2017 & CSO





Demand - Avg € spend by key market(West of Ireland)

		Britain	Main EU	N. America	Other	Overseas	NI	Domestic	Total
2007	Visitors 000's	457	593	350	77	1,476	79	1,264	2,819
	Spend €m	164	182	140	30	515	32	270	818
	Avg Spend €	358	307	400	384	349	406	214	290
2009	Visitors 000's	366	474	249	58	1,147	52	1,390	2,589
	Spend €m	143	107	102	22	374	13	285	673
2010	Visitors 000's	376	429	258	72	1,136	102	1,548	2,786
	Spend €m	118	124	121	19	383	34	380	797
2014	Visitors 000's	335	605	391	111	1,442	96	1,294	2,832
	Spend €m	106	150	145	34	434	20	292	746
2016	Visitors 000's	350	733	479	114	1,675	155	1,591	3,421
	Spend €m	110	191	210	33	543	54	329	926
2017	Visitors 000's	346	806	594	166	1,911	109	1,622	3,642
	Spend €m	103	269	255	67	694	43	353	1,090
	Avg Spend €	298	334	429	404	363	394	218	299

Ranking in spend

4

3

1

2

5

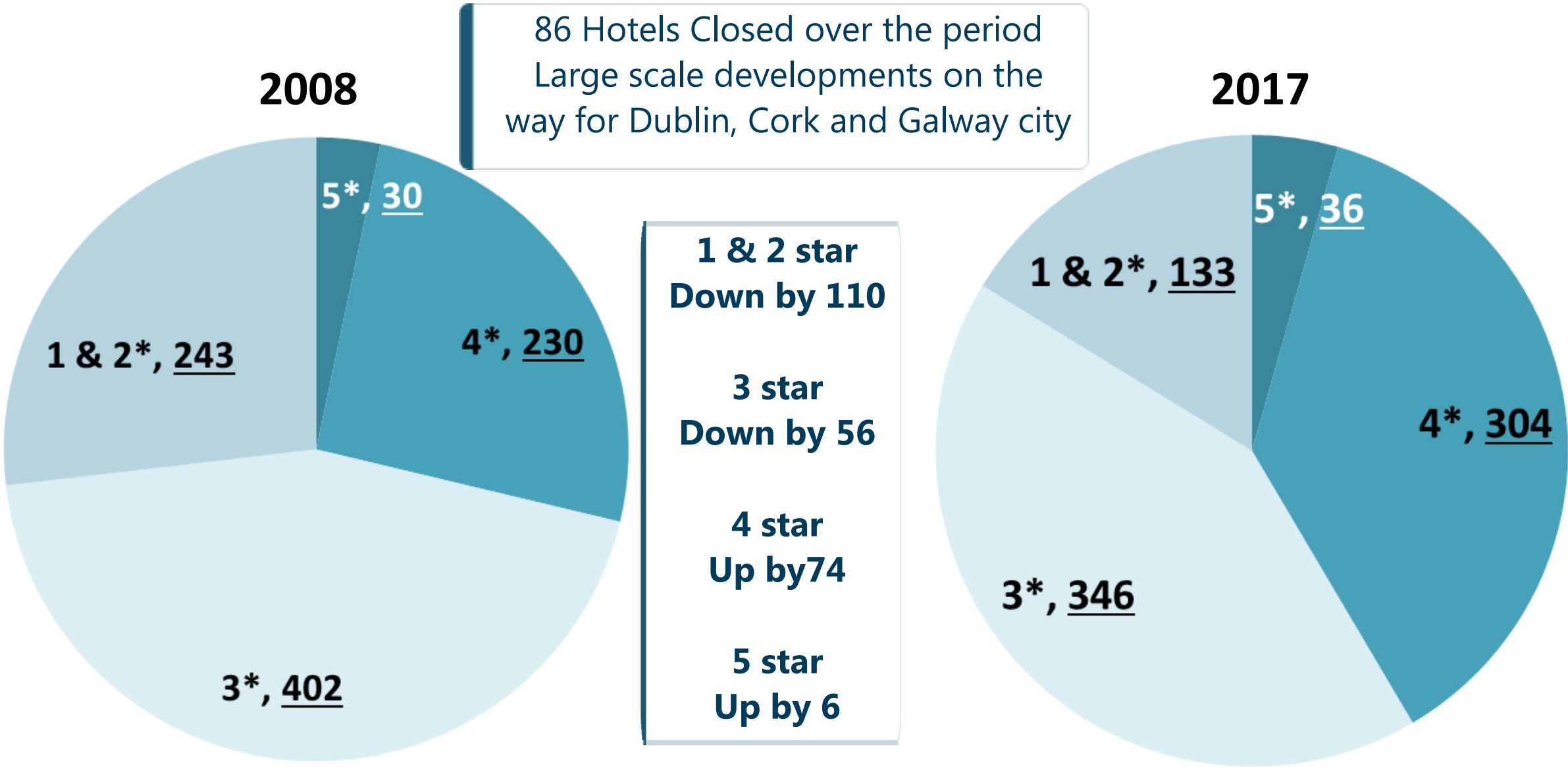
Average spend by North American visitors is 44% higher than that of the average GB visitor

Source: Fáilte Ireland Tourism facts report 2007 to 2017





# Supply - Changing supply in the hotel market



Fáilte Ireland Business Sentiment Index											
Base: All Accommodation Providers (w eighted to available beds)											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Up	14	15	28	39	41	60	62	70	72	57	51
Same	18	11	25	31	25	27	23	23	19	29	30
Down	68	74	47	30	35	13	15	7	9	15	18

Source: Fáilte Ireland Tourism facts report 2007 to 2017 & Fáilte Ireland Tourism Barometer





	Duty	2014	2015	2016	2017	Variance 14 vs '16%
€0 - €190,499	€250	4327	4,170	4,166	4,041	-7%
€190,500 - €380,999	€505	1936	1,854	1,864	1,836	-5%
€381,000 - €634,999	€1,140	808	802	793	814	1%
€635,000 - €952,499	€1,775	470	499	489	517	10%
€952,500 - €1,269,999	€2,535	229	249	239	242	6%
€1,270,000 or more	€3,805	342	379	358	390	14%
Totals		8,112	7,953	7,909	7,840	-3%

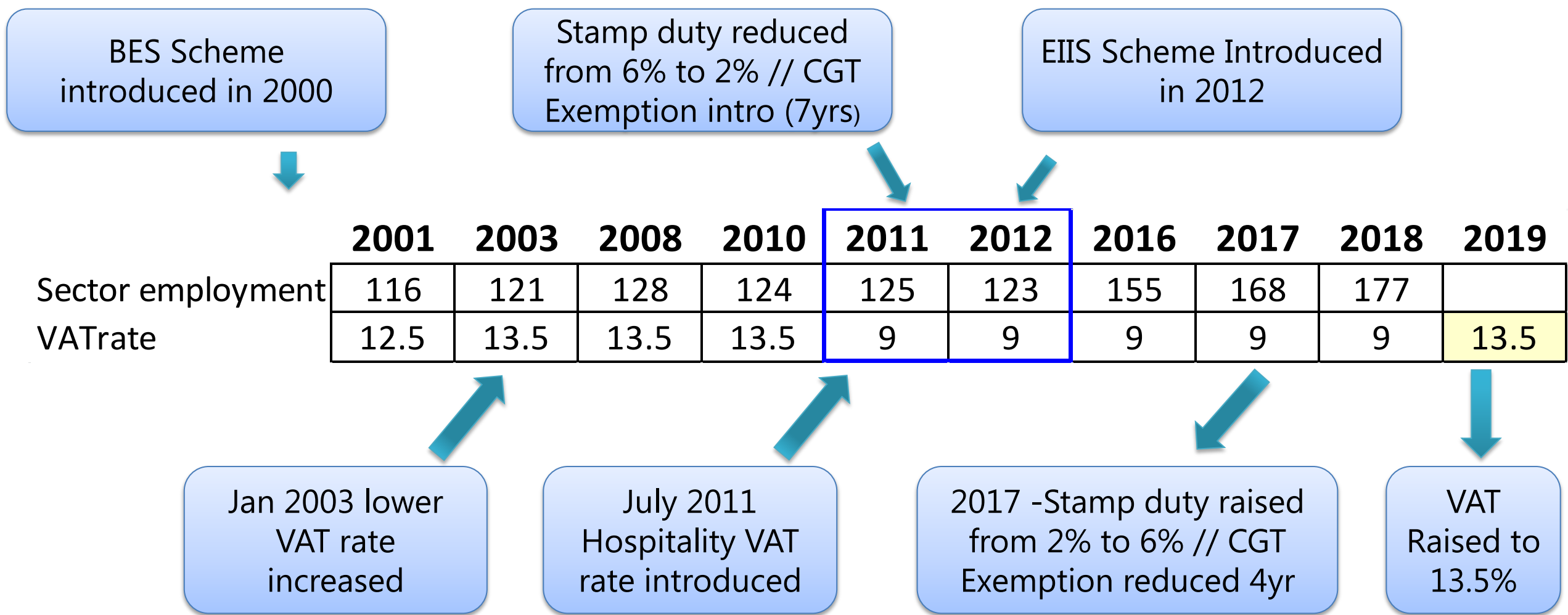
	2001	2006	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pure alcohol total consumption (million lts)	n/a	45.5	40.4	42.2	42.3	41.9	41.7	38.5	40.5	39.7	42.0	42.0
Population aged 15 and over	n/a	3.4	3.6	3.6	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.8
Litres of pure alcohol per adult	14.5	13.5	11.1	11.7	11.7	11.7	11.6	10.7	11.0	10.8	11.2	11.1

Impact of regulations already in place:  
smoking ban, stricter drink/driving  
regulations, increased excise

Source: CSO & Drinks Industry Group of Ireland







**Alcohol bill** – MUP, Labelling, Product segregation...



## Trading environment -Brexit risks to the hospitality sector

### Demand

Brexit could further impact UK visitor numbers due to un-favorable exchange rates as well as potential travel restrictions / difficulties (particularly NI)

Cross border casual business (day trade)

- Mainly bars, restaurants and retail

Wedding/Function bookings (Including corporate bookings)

- Longer term damage (cost, border controls)

### Other

Business sentiment (uncertainty)

VAT rate in NI currently at 20%. UK govt under big pressure from businesses in NI

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### Supply Chain

Food, beverage suppliers

If there is a free trade agreement after the transition period, while there might not be tariffs, there could be customs checks which will likely slow down / add additional costs to supply chains

Irish companies importing goods from the UK will have to pay customs duty and VAT when the goods arrive into the country (currently included on their VAT return and normally reclaimed so no cash flow impact).





## Trading environment – Brexit mitigants and opportunities

### **Overseas visitors still on the rise**

Reported overseas visitor numbers to the end of August show a 7.75% (521k) increase against the same period last year

\*UK Market up 2.5%, EU visitors up 10% and US Visitors up 13%

**Tourism initiatives** from Tourism Ireland have been focused on new markets like China for a number of years (great potential from this market)

### **Food Tourism (Growing reputation as a “foodie” destination)**

Average failure rate for Irish restaurants in the first year down to just 15%  
2018 Fáilte Ireland and VFI – “Grow your Food Reputation”

**Wild Atlantic Way is still delivering more than any other initiative** (on-going funding from Tourism Ireland)

### **Digital distribution.**

Evolving distribution channels allow for new entrants to challenge some long established businesses & destinations.

### **Collaboration between businesses is essential**

Festivals, Gatherings, grants, and Diaspora outreach.



## What can you do???

### **Asses Impact – Scenario Planning**

Critical, seasonal, applicable tariffs,

### **Review Distribution channels**

Review merit of dedicating time to new ones  
Consider upgrading/ramp up digital presence.

### **Review Supply chain**

Potential price increases or disruption from existing set up?  
Review alternative suppliers, how are your current suppliers preparing?

### **Improve Competitiveness/ Reputation**

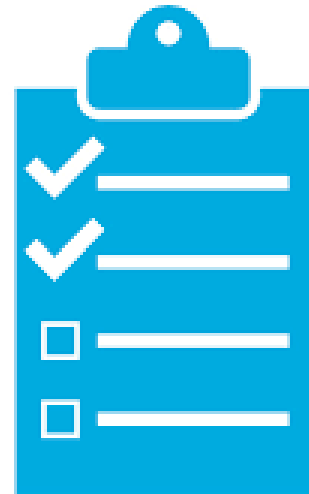
Are all areas of business profitable?  
Are you the local/area market leader? Can you move to top 5?

### **Digital distribution / Diversify markets**

Evolving distribution channels allow for new entrants to challenge some long established businesses & destinations. Explore benefits of different technologies.

### **Collaboration between businesses is essential (Local camber of commerce)**

Festivals, Gatherings, grants, and Diaspora outreach. Coordinated efforts are always more efficient and economical.  
Fáilte Ireland estimates that the next call for applications for large capital projects will probably take place during 2019 (Prepare)







**We want to support you  
as you grow and develop your business!**

**Thank you!**

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