The Drinks Industry and Tourism in Ireland

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Many factors determine the performance of the economically important tourism industry. These include competitiveness, international economic conditions, promotion and marketing, access and alternative locations. The drinks industry contributes to the tourism performance in several ways. The extensive network of public houses, especially in rural areas, provides physical facilities and services for tourists and contributes to the tourism experience and enjoyment in a positive and significant way. This is particularly so in light of the poor quality of public facilities in many areas and the Irish weather conditions.

Drinks related physical facilities such as the Guinness Storehouse and the Old Jameson Distillery attract large numbers of tourists. The drinks industry supports a wide range of tourism generating festivals. Drinks industry sponsorship also supports a range of national and international sports events which generate both domestic and overseas tourism. Leading Irish drinks brands such as Guinness, Jameson and Baileys contribute to a positive awareness of Ireland in foreign markets and support the tourism marketing effort. While there are many determinants of the tourism performance, the drinks industry makes a valuable contribution.

Executive Summary

Economic Role of Tourism

The tourism industry is very important to the Irish economy. It is one of the most important indigenous traded sectors. The main economic benefits are noted below.

In 2004 out of state tourism expenditure (including visitors from Northern Ireland) was €3.4 billion. When fares to Irish carriers are included the earnings are €4.1 billion. Domestic tourism generated €1.0 billion giving a total tourism expenditure of €5.1 billion.

The tax take from this activity was €2.3 billion. The foreign tourism contribution was €2.0 billion of this. It is estimated that from every € 1 spent by an overseas tourist 52c eventually goes to the exchequer through VAT, excise, PAYE and profits tax.

In 2004 the foreign exchange receipts of tourism was 3.5% of total exports of goods and services. In addition tourism activity has lower import content than most other exports.

Fáilte Ireland estimates that the 2004 GNP tourism impact of the tourism expenditure is €4.78 billion when the multiplier impact is included. This is 3.9% of GNP.

Tourism has a strong regional development and distribution impact compared to many other sectors of economic activity although this impact has declined in the past few years as tourism has become more concentrated in the large urban centres.

The number of overseas visitors to Ireland in 2004 was 6.4 million. This exceeded the previous record year of 2000. Various factors including SARS, foot and mouth and 9/11 caused a decline from the 2000 high level. However the discretionary element of holidaymakers has grown only slightly since 2001.

According to Fáilte Ireland data, tourism and hospitality related employment was 231k persons in 2004. This is comprised of bars, hotels, other accommodation, restaurants and attractions.

Dublin accounts for 26% of the employment, the rest of the southern and eastern region 46% and the BMW region 28%.

Currently there are ambitious plans to increase the number of visitors over the next few years to 10 million. This is needed to maintain and increase the employment level in Ireland and to compensate for the growing number of Irish people taking holidays abroad.

The geographic spread of overseas visitors is Great Britain 3526K, other Europe 1582K, North America 956K and rest of the world 319K. In addition there were 598K visitors from the North. There were seven million domestic trips. Overall the tourism sector generates a substantial volume of economic activity and is an important economic sector.

The drinks industry contributes to the tourism performance but it also benefits from the expenditure of tourists. Overseas tourists spend over a third of their expenditure on food and drink. This ranges from 44% for British tourists to 31% for North American tourists. The tourism spending pattern is:

	%
Bed and board	29
Other food, drink	37
Sightseeing/entertainment	4
Internal transport	9
Shopping	16
Misc.	5

The Role of Public Houses

Public houses provide an extensive network of physical facilities and services needed by tourists. This is particularly so in isolated rural areas. These include the provision of excellent hospitality, food, entertainment, traditional music, a pleasant ambience, information and physical facilities. Based on DIGI research, 95% of pubs provide food, 35% provide live entertainment. 14% of pubs provide entertainment specifically for tourists. 21% of other types of licensed premises provide tourist related entertainment.

Public houses are widely dispersed. Even in counties with small populations and low population densities there are substantial numbers of public houses each with its facilities. Considering that each pub gives excellent hospitality, provides sanitary and shelter facilities and that almost all pubs serve food there is a much higher incidence of public houses than any other type of tourism related facility. The pub is a significant component of the tourism infrastructure and the tourism experience which is based on hospitality and friendliness. For example there are 504 pubs in Kerry, 505 in Donegal, 146 in Leitrim and 495 in Mayo. The lowest number in a county is 105 in Longford.

The pub experience ranks highly in tourist perceptions according to Amarach market research. It reports that 48% of visitors to the Guinness Storehouse ranked Dublins pubs as the best asset of the city. In second place were the people of Dublin (40%).

Fáilte Ireland research shows that 45% of overseas tourists rated traditional music as a very important determinant of choosing Ireland as a holiday location. The pub is a significant outlet for traditional music. 57% of tourists stated that they were very satisfied with the provision of traditional music. Only 6% were dissatisfied with this.

Of the advantages that distinguish Ireland from other locations in a positive way the main ones are people (40%), scenery (31%) and culture/history (19%). The pub is identified by 7% of tourists. This goes to 9% if we add in the 2% identifying the smoking ban as a positive. The people, scenery and history are not determined by discretionary factors. They are not manufactured or person made. While 7 %(or 9%) is a relatively small share it is comparable when compared to discretionary tourism advantages. Access got a 9% response, driving conditions got a 6% response and good accommodation got a 5% response. The pub share dropped from 11% in 1999 to the current 7% or 9%. Public houses do not feature in the disadvantages. On the negative side 44% of tourists stated that alcohol prices were more than expected. However much of this is due to the high Irish excise on alcohol.

Executive Summary

Festivals Tourism and the Drinks Industry

Over 500 festivals take place each year in Ireland. The 2003 Aoife report estimated an economic impact of €32 million from all the festivals. Fáilte Ireland estimates that 22% of festival visitors were from overseas. Sponsorship by the commercial sector is a very important source of funding. Based on Fáilte Ireland research 36% of funding is from commercial sponsorship, 31% from box office receipts, 22% from grants and 11% from other sources. The main challenge identified by festival organisers is lack of funds, and in particular, the task of maintaining sponsorship. The 2005 Fáilte Ireland report notes that "festivals are heavily reliant on one key sponsor (Guinness)".

The Aoife report concluded that commercial sponsorship accounted for 39% of funding. Of particular interest to the drinks industry is the fact that the top two sources of commercial funding were

- Publicans, restaurants, hotels and other hospitality	27% of all festival sponsorship
- Breweries and distillers	21% of all festival sponsorship

By contrast banks and building societies provided only 6% of commercial sponsorship

In addition to the substantial role played by the main drinks manufacturers local publicans provide sponsorship as shown in the Aoife report. Killarney vintners support the Killarney of the Welcomes festival. New Ross vintners sponsor the JFK Dunbrody festival. The Galway arts festival is sponsored by Guinness. IDL sponsors the Jameson Film Festival. Beamish supports the Folk Festival and the Music Experience Festival. The Cork Film Festival is sponsored by Murphys. Budweiser supports the Killarney summer festival. Baileys and Guinness support the St Patrick's festival. Various drinks companies support the Ballina Festival Bulmers supports the Clonmel Junction and International Comedy Festivals.

Sports Events Tourism and the Drinks Industry

As is the case internationally the drinks industry is a major sponsor of sports events. Drinks companies are substantial sponsors of sports such as baseball in the USA, soccer and cricket in the UK and football in Australia and of international competitions. Large international events such as the rugby internationals bring in overseas tourism. The main economic impact of sports is on domestic tourism. Of course, even if there was no sponsorship most if not all of these sporting events would continue but not at the same level of public interest. Major sports sponsorship includes the Guinness Hurling Championship, the Heineken European Rugby Cup and the horse racing sponsorship of Budweiser, Baileys, Murphys and Powers Gold Label.

The role of the drinks industry in horse racing sponsorship is notable. In 2004 the total racing sponsorship was €5.4 million. Of this the drinks industry provided €1.1 million or 21%. The 2003 share was 23%. The IT industry, by contrast provided 1.7% of sponsorship and banks provided 1%.

Executive Summary

Tourism Attractions and the Drinks Industry

Guinness Storehouse is the second most important fee charging tourism attraction. In 2001 it was ranked number one ahead of Dublin Zoo. In 2003 the positions were reversed. The Storehouse, in second place, is very far ahead of the third ranked attraction which was Trinity College/Book of Kells. The 2003 attendances are listed below. The top ten are identified. The Old Jameson Distillery was close to the tenth ranked attraction with over 150K visitors in 2003 and 200K in 2004.

Top ten fee charging attractions (persons)	
1 Dublin Zoo	772322
2 Guinness Storehouse	738000
3 Trinity College	467513
4 Bunratty	307145
5 Waterford Crystal	303000
6 Fota Park	301313
7 Blarney Castle	300000
8 St Patricks	275922
9 Rock of Cashel	245316
10 Boyne	216957

Currently the Storehouse has about 780,000 visitors and the Old Jameson Distillery has over 200,000 per annum. The Midleton distillery has over 100,000 visitors.

International Profile

Substantial public and private sector funds are devoted to promoting Ireland as a tourism destination. Factors which raise the profile of the country in a favourable way in the minds of potential tourists are desirable and contribute to promoting tourism. High profile international sporting or cultural achievements by Irish people contribute to the positive profile of Ireland. High profile high quality global Irish brands also contribute to the positive profile of Ireland. Ireland has a very limited number of such high profile global product brands. The drinks industry contributes several such brands such as Guinness, Baileys and Jameson. These are all recognised as high quality products and are readily associated with Ireland generating a positive impression of the country. These products are sold in over 100 countries. The same is true of the many Irish pubs which are located in foreign markets. The recognition impact of these drinks brands and products is an important support to the direct tourism marketing effort.

Conclusion

Tourism is an important sector in terms of economic impact. The main impact comes from the overseas visitors but the domestic component is also important. The drinks industry makes a substantial contribution to the tourism performance.

Over 10,000 public houses provide physical facilities and a range of services required by tourists. They provide a strong element of the tourism experience and are centres of hospitality and welcome. All provide physical facilities, in even the very remote parts of the country. Almost all provide food and a third provides live entertainment. 14% of pubs provide entertainment specifically for tourists. A market research report on Guinness Storehouse visitors ranked pubs as Dublins best tourism asset. After the fundamental attractions of people, scenery and culture, pubs are identified as an attraction by 7% of tourists.

The dominant sources of festival sponsorship are pubs, the hospitality sector, breweries and distillers which provide almost half of all sponsorship compared to banks and building societies which provide 6%.

In 2004 the drinks industry provided a fifth of all horse racing sponsorship compared to the IT sector which provided 1.7%.

The Guinness Storehouse is the second most popular fee charging tourism attraction with 780K visitors and the Old Jameson Distillery attracts 200k. Old Midleton Distillery has 100K visitors. Over 90% of these visitors are from overseas.

Brands such as Guinness, Jameson and Baileys generate positive awareness of Ireland among potential tourists. These are global, high quality brands which are sold in over 100 countries.

1. Introduction

This research report outlines the contribution of the drinks industry to tourism in Ireland. The tourism industry is a source of substantial employment and economic activity. Irish tourism has performed well over the past years and the Tourism Review Group has set ambitious growth targets for the future. It is aimed to double tourism revenue by 2012 and to increase visitor numbers to 10 million. There are many determinants of tourism performance including competitiveness, access, marketing and promotion and tourism facilities and services. The drinks industry is a significant contributor to the tourism performance in a number of ways, and it must continue to play its part if the tourism growth targets are to be realised.

The drinks industry contribution can be divided between

- The role played by the nationwide network of public houses in providing a very attractive part of the tourism experience in Ireland centres on welcome and hospitality and a readily accessible network of physical facilities and services.
- The drinks industry is responsible for important tourism attractions such as the Guinness Storehouse and the Old Jameson Distillery.
- The drinks industry is a substantial sponsor of a variety of festivals which generate both domestic tourism and tourism from outside the state.
- The tourism activity both domestic and international which is generated by sports events is assisted by drinks industry sponsorship.
- Global brands such as Guinness, Jameson and Baileys generate positive awareness of Ireland and support the tourism marketing and promotion effort.

The substantial sponsorship role of the drinks industry reflects the scale and economic significance of many drinks firms and international practice. Internationally the drinks industry is a major sponsor of sports events.

The various contributions are outlined in detail in the following sections. Section 2 profiles the economic significance of tourism. Sections 3 to 7 deal with the individual contributions. Conclusions are presented in Section 8. As will be argued below the drinks industry is an important part of the hospitality and tourism product.

As well as contributing to the tourism performance the drinks industry benefits from tourism expenditure. Tourists use the services of public houses and buy the products of the drinks manufacturers.

The main sources of data used in the product are the Central Statistics Office, Fáilte Ireland, Tourism Ireland, drinks industry material and certain market research.

2. Economic Role of Tourism

2.1 Summary of Economic Role

Reports such as the Irish Tourist Industry Confederation's "The Impact of Tourism on the Economy" and "New Horizons for Irish Tourism," as well as Fáilte Ireland research have established that tourism makes a substantial economic contribution. As is argued in the report the drinks industry plays a strong role in that contribution. A summary of the economic role is given below.

Fáilte Ireland and CSO statistics show that Irish tourism

- had 6.574 million overseas tourists in 2004 (the country's population is 4 million)
- had 6.225 million overseas tourists who stayed at least one night in 2004
- of a total of 46.6 million bednights, 10.7 million or 22.9% were in hotels, a further 15% were in guesthouses and bed and breakfasts: those staying with relatives and friends were also a large category
- generated €4.1 billion in foreign exchange and non domestic earnings in 2004 and €1.0 billion in domestic tourism
- provided €2.3 billion to the exchequer in tax revenue in 2004 according to Fáilte Ireland
- generated a tax revenue return of 52 cent for every € spent by foreign visitors
- accounted for 3.9% of GNP in 2004 including multiplier effects
- is associated for 231K jobs

The tourism industry generates substantial economic returns in GNP, foreign exchange/non domestic earnings, employment and tax revenue. The Report of the Tourism Policy Review Group described tourism as a "significant instrument of national and regional economic development" and the "largest Irish-owned internationally-traded services sector in the economy."

2.2 Regional Spread

In addition to the above, tourism contributes to balanced regional development. In recent years the geographic concentration of tourism in favour of the Dublin area has increased but it still has a substantial regional spread and has the potential to further contribute to regional development. It is likely that an intensified effort will be made to improve the regional spread in the coming years. The drinks industry has an important role to play in that effort.

The regional spread of overseas and domestic tourism revenue is shown below

Regional Spread of Tourism Revenue 2004 %

	Overseas	Domestic
Dublin	36.0	13.9
Midlands/East	7.7	8.7
S-E	8.3	14.5
S-W	20.2	23.9
Shannon	8.7	10.7
West	14.2	20.3
N-W	5.0	80
Total	100.0	100.0

Source: Fáilte Ireland (Overseas excludes Northern Ireland)

Almost two thirds of overseas revenues arise outside the Dublin area and 86% of domestic tourism revenue arises outside Dublin. Tourism can play a very important role in achieving the National Spatial Strategy objective of a more even geographic spread of population and economic activity, especially in the less developed areas. The wide geographic dispersion of the public house network supports that objective.

2.3 Employment in Tourism

Fáilte Ireland publishes estimates of the employment in the Irish tourism and catering industry. This total overstates the tourism impact because restaurants and pubs cater for non tourists. Only a portion of the licensed premises employment depends directly on tourism. Even allowing for this it is clear that the hospitality industry is a major employer. The 2004 data are shown below. Total employment in the Irish economy was 1.8 million in 2004. The hospitality industry, as defined by Fáilte Ireland accounted for 231K. New Horizons for Irish Tourism estimated the direct tourism employment to be 140K.

Employment in Tourism Sectors

Sector/Year	2004
Hotels	53,637
Guesthouses	2,849
Self-Catering Accommodation	3,848
Restaurant	41,367
Non-Licensed Restaurant	15,407
Licensed Premises	78,803
Tourism Services & Attractions	35,016
Total	230,927

Source: Fáilte Ireland

2.4 Growth in Tourism

The tourism sector has grown greatly over the long-term. Between 1990 and 2000 overseas visitors doubled. Because of factors such as SARS, 9/11 and foot and mouth numbers declined from the peak of 2000. However since 2001 numbers have been increasing and the 2004 total exceeded the 2000 performance.

Overseas Visitors 2000 – 2004 (Million)

2000	2001	2002	2003	2004
6.310	5.990	6.065	6.369	6.574

Source: CSO & Fáilte Ireland

Tourism numbers do not give the full story, however. While numbers have increased the average length of stay has decreased. The total number of bednights has not performed as well as the visitor indicator. In addition the real revenue per visitor has declined. The total number of visitors includes business travellers and those visiting friends and relatives. When the discretionary category of holidaymakers is isolated the performance is less impressive.

Holidaymakers 2000 – 2004 (Million)

2000	2001	2002	2003	2004
3.320	3.140	3.216	3.291	3.367

Source: CSO & Fáilte Ireland

The 2004 volume is only 1.4% above the 2000 level.

The tourism market has undergone substantial changes in recent years. There has been a substantial growth in urban tourism or city breaks and more frequent and shorter breaks. As already noted, this is reflected in a weak regional performance and a growing concentration on the Dublin area.

Demanding targets have been set by the "New Horizons for Irish Tourism" report. The target is, over the period 2002-2012, to double the overseas spend to €6 billion and to increase visitor numbers from almost 6 million to 10 million.

Those targets are to be realised in the changed environment of higher costs and different tourism requirements. The achievement of the targets requires a strong input from all of the factors which affect tourism performance including the drinks industry.

2. Economic Role of Tourism

2.5 Tourism Expenditure

The role of food and drink in the tourism experience is illustrated by the pattern of tourist expenditure. The food and drink category is the largest item of expenditure in Ireland by foreign tourists. The bed/board category also includes an element of food. Food/drink is 37% of tourist expenditure. The next highest category is bed/board with 29%. Shopping is in third place but is substantially behind with 16% of expenditure.

Sight seeing and entertainment, for example, generates only 4% of expenditure. In other words a very large part of the tourist experience in Ireland is obtained through food/drink.

How did overseas tourists spend their money in Ireland?

Breakdown of Spend in Ireland (%)	Total	Britain	Mainland Europe	North America	Rest of World
Bed & Board	29	26	32	28	31
Other Food & Drink	37	44	34	31	33
Sightseeing/ Entertainment	4	3	4	6	6
Internal transport	9	9	8	10	7
Shopping	16	15	16	18	16
Miscellaneous	5	3	6	6	7

There are nationality differences with British tourists spending 44% on food and drink compared to 31% by North American visitors.

2.6 Summary

The relative net foreign exchange earnings of tourism are higher than other sectors because of the high domestic content of the activity.

The tourism industry is strategically important on a range of measures. It is large, therefore changes have a substantial national impact. Its economic competitiveness is deeply rooted in the Irish economy. It is a deeply embedded sector. Its actual and potential regional impact is substantial.

There are also important social and external benefits. Local communities can benefit from investment in tourism facilities such as leisure and sporting facilities.

The tourism sector has a substantial economic significance. It accounts for almost 4% of GNP and over €2 billion in exchequer revenue. It is a very significant indigenous sector. It has performed excellently over the long term. There has been some recovery from 2001 but the nature of the tourism market is changing. More frequent, shorter city breaks are growing in importance. It is more difficult to generate growth in the discretionary holidaymaker category. The aim is to double tourism revenue over the long term despite the more demanding high cost economic environment. The achievement of these targets will require a strong input from all the factors determining the tourism performance including the drinks industry.

3. Public Houses and Tourism

The public houses/bar sector makes an enormous contribution to the tourism experience in Ireland. Fáilte Ireland's Visitor Attitudes Survey 2004 notes that pubs and bars are _ _ _ "the most widely experienced eating establishment (by tourists)" and that the pub culture experience is _ _ _ "often viewed as an intrinsic feature of the Irish holiday" (page 35). The public houses are at the forefront of the visitor/local interaction. It is the most extensively available element of the hospitality industry and, apart from people, it is the most experienced element of the tourism package.

The sector provides multi-facetted benefits for tourists. There is an extensive country wide network of over 10,000 establishments. The vast majority of these are family businesses most of which have passed from one generation to the next. They are centres of great hospitality, provide enjoyable tourist experiences, provide physical facilities and provide food and entertainment services. Overall the public houses provide a countrywide network of physical facilities, good tourist experience and tourism related services.

The range and scale of the physical network is identified first. When one considers the food, hospitality, shelter, sanitary, entertainment and information services provided by over 10,000 pubs and bars (to varying degrees) it is very difficult to envisage a strong and successful tourism industry in the absence of the pub network. Public houses are available to a very much greater extent than any other tourist or tourist related facility. Public houses are also found in the most rural of locations where little or no other services or facilities are available. There are far more pubs than public conveniences, tourism information centres, local authority offices, grocery shops, heritage centres, garda stations or other facilities. Public houses are open seven days per week throughout the day on an almost year round basis.

Geographic Spread of Public Houses 2004

County	Total
Cork	1315
Kerry	504
Cavan	242
Monaghan	131
Donegal	505
Mayo	495
Dublin	921
Louth	226
Galway	701
Roscommon	256
Leitrim	146
Longford	105
Sligo	195
Westmeath	172
Offaly	169
Limerick	485
Clare	379
Carlow	114
Kildare	239
Kilkenny	241
Laois	172
Meath	255
Tippery	560
Waterford	292
Wexford	346
Wicklow	219

Source: Revenue Commissioners

The lowest number of public houses per county are Longford with 105 and Carlow with 114. Peripheral counties such as Donegal (505), Mayo (495) and Kerry (504) have relatively large numbers as the data indicate.

Amarach Consulting market research on visitors to the Guinness Storehouse indicated that pubs were a major part of the attractiveness of Dublin to overseas tourists. When asked what were Dublins best assets 48% of visitors ranked its pubs as the best asset of the city followed by its people and sightseeing. The data indicate that Dublins attractions are the 'craic' and atmosphere of its pubs, the friendliness of its people and sightseeing.

The Vintners Federation of Ireland (VFI) operates the "Irish Pubs of Distinction" initiative. This is designed to recognise high quality pubs and to promote higher standards of hygiene and hospitality. Irish pubs of distinction are rigorously vetted and regularly inspected to ensure high standards. The aim is to ensure an excellent pub experience for both tourists and domestic users.

The strongest reason for initially choosing Ireland by tourists was Irelands sights and culture, (42%) followed by "to be with family/loved ones" (17%), relaxation (14%), organised holiday (8%) and outdoor holiday (7%). This was particularly pronounced in the case of US and Mainland Europe visitors (54% and 47% respectively for culture and sights). British tourists rated relaxation much higher and culture/sights lower than the other nationalities.

The most important destination issues are friendliness of people (noted by 85% of tourists) and relaxed pace of life (69%). These two features are closely linked with public houses because friendliness and relaxation are two of the main attributes of the pub.

Traditional music was identified as important by 67% of tourists. 75% were very satisfied with their experience on this topic. 60% said nightlife and entertainment was important and 72% were satisfied with this. While other activities contribute to nightlife the pub is a central part of the tourism nightlife experience. Only 5% were dissatisfied with nightlife and 5% with traditional music.

Fáilte Ireland research identified the advantages which distinguished Ireland from other locations. The details are presented below.

Irelands Advantages relative to other locations

	1999 %	2000 %	2001 %	2002 %	2003 %	2004 %
The Irish People	47	45	46	45	41	40
The Scenery	32	33	30	35	34	31
Culture/History	16	15	16	16	15	19
English Speaking	14	15	16	14	15	16
Restful/Relaxing	12	10	10	13	10	10
Unspoilt Environment	11	11	10	11	11	9
Access/Easy to get to	9	7	10	9	9	9
Drinks/Pubs	11	10	9	8	7	7
Quiet Roads/Drive on Same Side	5	6	5	4	5	6
Good Accommodation	7	7	6	6	6	5
Prices/value	4	5	5	5	3	3
*Smoking ban – no smoking in pub/restaurants	n/a	n/a	n/a	n/a	n/a	2
No advantages	2	2	3	3	4	4

Source: Fáilte Ireland

3. Public Houses and Tourism

The Irish people are most frequently mentioned, 40% followed by the scenery 31% and culture 19%. English speaking (16%), relaxing ambiance (10%) and unspoilt environment (9%) are the next three. The culture and environment are clearly deep rooted features of the Irish experience. While the tourism experience of these could be disimproved by mismanagement it is nonetheless difficult to describe them as manmade tourism features. Access which is manmade gets a 9% rating. Drink/Pubs get a 7% rating. While it is below the scenery, culture, people ratings it is high compared to the other manmade features. For example accommodation gets 5%, roads get 6% and value gets 3%. Excluding the fundamentals of scenery, culture and people, pubs get a significant mention. If the 2% referring to "no smoking" are added to the 7% pubs the pubs reference gets 9%.

The per cent identifying pubs as conferring an advantage over other locations has declined from 11% in 1999 to 7% in 2004, or 9% if the "no smoking is added to pubs. It is notable that the pubs confer almost the same advantage as the unspoilt environment (7% to 9%). However, as already noted the people and relaxation are intrinsic features of the pub experience.

The drinks industry is also part of the history and culture feature. There is a long history to the drinks industry in Ireland. In general, most of the major elements (brewing & distilling) of the industry have existed for hundreds of years and are an intrinsic part of the culture/history of Ireland. The same is true of many public houses. Many are buildings with significant histories and can trace their existence for hundreds of years.

Murphys Brewery was founded in 1856. Beamish was founded in 1792 on a site where brewing had been undertaken since 1650. Guinness started brewing in 1759 and the forerunners of IDL began distilling in 1780.

The rating of food in pubs/bars is shown below. This is compared with other eating facilities.

Visitor Attitude to Food, Fairly Satisfied or very Satisfied %

	Quality %	Service %	Price %
High Quality Restaurants	97	96	79
Hotels	93	96	84
Budget Restaurant	91	93	78
Pubs/bars	94	95	84

Source: Fáilte Ireland

The pub/bar ratings are comparable to the other sectors and the pub/bar sector has high satisfaction ratings. All sectors are above 90% in quality and services. Price dissatisfaction ranges from 16% to 21%. Pubs fare better on food prices than high quality restaurants and budget restaurants.

As noted in Section 2 the role of urban tourism or city breaks is growing. Fáilte Ireland data show that 10% of the 2004 visitors come on a city break.

In city break tourism there is a greater emphasis on nightlife, relaxation and getting away from things and a lesser focus on exploring Ireland's sights and culture than for overall tourism. The pub aspect of city break tourism is important because pubs are a significant element of city nightlife in Ireland.

Main Motivations for choosing Ireland as a city break

	City Breaks %	All Visitors %
I just came to relax and get away from things	27	14
I came to explore Ireland's sights and find out about the culture	26	42
I came to be with my family/ loved ones	15	17
I came for the nightlife	8	1
I came on an organised holiday with friends or a group of like-minded people	7	8
I came to meet locals/other new people	5	3
I came to have a luxury holiday in luxury accommodation	2	1
I came for an outdoor holiday where I can be physically active	1	7

Source: Fáilte Ireland

City breaks are expected to be fun exciting and action packed and longer holidays tend to be focused on unwinding, the rural ambiance, scenery and culture.

53% of city break visitors state that good evening entertainment and nightlife is a very important factor in choosing Ireland. This compares with 34% of all visitors.

Importance of factors considering Ireland for a holiday – Very Important

	City Break %	All Visitors %
Friendly hospitable people	78	85
Safe and secure destination	70	78
Competitively priced air and sea fares	68	55
Good all round value for money	68	62
Good food and opportunities for eating out	66	57
Easy to get to	59	50
Always something to do	57	43
Easy relaxed pace of life	52	69
Good evening entertainment and nightlife	53	34
Beautiful scenery	51	83
Suitable for touring	35	65
Plenty of shopping opportunities	35	26
Opportunities for outdoor activities	17	38

As shown above 70% of city break visitors are very satisfied with evening entertainment and nightlife and 81% are very satisfied with Ireland as a destination for a city break.

DIGI research shows that 95% of public houses are independently or family owned. This, combined with the small size of the majority of pubs, facilitates a friendly, hospitable and personalised approach to domestic and overseas customers. The size (by sales) distribution of public houses is shown below.

Annual Net Sales (€)	% of Public Houses
Under 200K	52.8
200K – 400K	21.3
400K – 650K	10.5
650K – 1M	6.7
1M & over	8.7
Total	100.0

3. Public Houses and Tourism

Only 8.7% of premises have annual sales in excess of €1 million while over half of pubs have sales under €200K.

As already noted the public houses is the most widely used facility for food by tourists. 95% of pubs provide some form of food.

Food Served in Public Houses

Type	% of Pubs
Sandwiches/Rolls	95.4
Toasted Sandwiches	93.7
Salads/Buffets	73.1
Hot Meals	73.9
Hot Soup	90.8
Tea/Coffee	100.0

Source: DIGI Survey of Licensed Premises in Ireland 2004

A wide range of entertainment is provided by pubs. Over a third of pubs provide live shows, snooker/pool or darts.

Tourism is an important business segment for public houses and other licensed premises.

Percentage of Customers in Licensed premises Accounted for by Tourism

Percentage of Customers	Public House	Other Premises	Total
Less than 5%	59.2	36.9	53.3
5%-14%	22.5	18.4	21.3
15%-24%	10.9	15.8	12.3
25%-50%	5.4	16.1	8.3
Over 50%	2.0	12.8	4.9
Total100.0	100.0	100.0	

Source: DIGI Survey of Licensed Premises in Ireland 2004

Entertainment specifically for tourists is provided by 13.7% of public houses and 21.2% of other licensed premises.

Price has been one of the negatives associated with tourist perceptions. The price perception is shown below. Restaurants fared worse with 47% of visitors stating that the price was higher than expected. This was closely followed by alcoholic drink with 44% stating "more than expected." However much of the Irish price differential relative to other countries is due to the very high excise taxes in Ireland.

Perception of prices of various items

	More than Expected %	Less than Expected %	Same as Expected %	Don't know %
Hotels	23	3	27	48
Guesthouse/B&Bs	17	4	28	51
Rented/self catering accommodation	6	3	13	79
Eating out in Restaurants	47	6	35	11
Food other than eating out (e.g. from supermarkets)	31	5	36	28
Alcoholic drinks				
(e.g. wine, beer, spirits etc)	44	4	32	19
Taxis	10	6	19	66
Car hire	13	3	22	62
The cost of living in general	51	3	29	17

While Ireland's overall tax burden (tax relative to GDP) is low by international standards this is most certainly not the case for alcohol excise. Relative to the EU Ireland is a high alcohol tax economy. In some cases it is very high. For example

- Ireland's beer excise is the highest in the EU15
- The Irish wine excise is the highest is the EU15
- Seven of the EU15 have no excise on wine
- Ireland's beer tax is ten times that of Germany and seven times that of France
- Ireland's spirit excise is the second highest in the EU15
- Ireland's cider tax is the second highest in the EU15

The high alcohol excise position of the Irish economy is shown below. The only countries comparable to Ireland are the UK and the Nordic countries. The negative effects of high excise taxes are being recognised in the Nordic countries and Denmark and Finland have recently significantly reduced spirits taxes. Unfortunately Ireland did the reverse in Budget 2003 and increased the already high spirits excise.

EU Alcohol Tax Rates (Excise) (€ per HLPA), 2004

	Spirits	Wine	Beer	Cider
Austria	1000	0	520	1714
Belgium	1661	428	428	354
Denmark	2020	863	931	1438
Finland	2825	1927	1945	2452
France	1450	31	260	81
Germany	1303	0	197	0
Greece	945	0	282.5	0
Ireland	3925	2482	1987	1982
Italy	731	0	398	0
Luxembourg	1041	0	198	0
Netherlands	1775	537	502	807
Portugal	898	0	310	0
Spain	740	0	177	0
Sweden	5519	2209	1618	1981
UK	2776	2109	1787	898

Source: CEPS, Summary of EU Member States, Brussels (Rates as of August 2004)

Ireland is a high tax economy as regards alcohol and this influences the price

Ireland's High Alcohol Taxation

Category	Position
Wine	Highest in EU15
Beer	Highest in EU15
Spirits	Second highest in EU 15
Cider	Second highest in EU15

The high Irish alcohol taxation levels with EU15 are more starkly illustrated when comparing the levels between the different economies instead of the ranking. For example:

- Ireland's beer tax is almost four times the level of Austria and ten times the level of Germany;
- Ireland's wine tax is almost six times the level of Belgium's and almost three times the level of Denmark;
- Ireland's spirits tax is almost three times the level of France and five times the level of Italy;
- Ireland's cider tax is over twice the UK's.

The Irish relative position is worsened by the arrival of the new 10 EU members. Details of their excise rates are given below. The only high excise rate is Malta's spirits tax. All the others have spirits rates of under €1000. Five of the ten including Malta have no wine excise. All ten have beer excise levels of less than €700 compared to Ireland's level of €1957.

Alcohol Excise Rates (€ per HPLA) 2004 August New EU Members

	Spirits	Wine	Beer
CYP	599	0	479
CZE	831	0	188
EST	927	604	352
HUNG	756	29	413
LVA	847	420	197
LITH	927	395	203
MTA	2332	0	187
POL	963	270	375
SLVA	606	0	182
SLOVE	707	0	698

Source: CEPS

The exchequer receives €1.09 from every pint or 30% of the price; €1.15 or 34% of a half-glass of spirits; an enormous €15.24 or 62% from an off-licence bottle of whiskey and 38% from a €10 bottle of wine.

In addition to the high excise taxes the Irish VAT rate of 21% exceeds the rates of Austria, France, Germany, Greece, Italy, Luxembourg, Netherlands, Portugal, Spain and the UK. It is a particular problem relative to the UK's 17.5% rate.

If Ireland operated the zero tax wine policy of many EU economies the € 10 bottle of wine would sell at €7.52, a reduction of almost 25% (the excise and the VAT savings on the excise). The Irish excise rate keeps prices high. The Irish/EU excise gap is very wide. Application of the German beer excise rate would reduce excise on a pint to 5 cent instead of 47 cent, reducing the price by 14%. Application of the French spirits excise rate to Ireland would reduce excise to 20 cent from 56 cent giving a price per half glass of €2.96, a reduction of 13%.

In addition to the high excise taxes the pub sector has been hit by a high and rising minimum wage and rapidly rising local authority charges. For example the Spanish minimum wage is €4.01 per hour compared with €7.50 in Ireland.

4. Festivals Tourism and the Drinks Industry

The drinks industry makes a substantial contribution to the financing of the extensive range of festivals which takes place in Ireland. While festivals are not the main motivation for large numbers of tourists to come to Ireland they do directly attract a niche segment. In addition they provide a positive experience for many other tourists who come here for other reasons.

Specific festivals have particular significance for the host area where there are limited alternative attractions. They can also support tourism activity in the off peak periods. The significance of festival tourism is illustrated by the existence of a specific festivals development unit within Fáilte-Ireland.

There have been two recent substantial pieces of research on festivals tourism. These are the AOIFE report "Irish Festivals, Irish Life" and the Fáilte Ireland's "Study of Ireland's Festivals & Events Sector".

The Fáilte Ireland report concludes that the key challenge is finance and in particular maintaining support from existing sponsors. The Fáilte Ireland report is based on a sample frame of 302 festivals. 66% of the sample festivals were organised by a voluntary group, 15% by the private sector, 9% by the public sector and 21% did not specify.

About 22% of all visitors were from overseas. While the main tourism impact is on domestic tourism there is a small but significant presence of foreign tourists. The overseas role varied relative to the type of festival. Arts festivals attracted the lowest overseas share (17%) and dance festivals had the highest (30%).

Commercial sponsorship is the largest single source of funding for festivals, 36% of funding comes from the commercial sector (17% from main sponsor and 19% from smaller sponsors). 31% of funding comes from ticket/box office receipts. A combined 22% comes from a variety of funding bodies such as Arts Council, local authority, Fáilte-Ireland and others. An additional 11% comes from fundraising and advertising. The commercial sponsorship is seven times the Fáilte Ireland support.

The Fáilte Ireland report does not give details of type of sponsors but it did conclude (page 28)
"It is apparent that festivals are heavily reliant on one key sponsor (e.g. Guinness) . . . "
The Aoife report contains details of the type of sponsors and this identifies the extensive role of the drinks industry.

The Aoife report concluded (for 2002) that about five million people attended free festival events of which the Dublin's St Patrick's festival was the largest and about two million people bought tickets for festival events. The total number of festivals examined was 462.

The source of income were identified as follows:

	Aoife (2002)	Fáilte Ireland (2005)
Sponsorship	39	36
National	29	
Local	10	
Box Office	19	31
Grants	39	22
Other earned income	11	11

The two sources are based on different samples and apply to different periods. The main differences are in the roles of grants and box office. The commercial sponsorship roles are broadly similar, 39% and 36%.

The Aoife report identifies the types of commercial sponsor.

The largest category is publicans, restaurants, hotels and other hospitality which provides 27% of all commercial sponsorship. The next largest is brewers and distillers at 21%. By contrast manufacturing, construction and property was only 8%, banks and building societies 6%. It is not clear what proportion of the largest group should be allocated to the drinks industry part. If a conservative less than one quarter share is used, say 6%, the drinks industry share sponsorship rises to 27% compared to 10% for the entire financial services sector.

The independent data shows that financing is a critical issue for festivals, that commercial sponsorship is the main source of finance and that the drinks industry is the main source of commercial sponsorship for festivals, compared with other industry sectors.

The festivals cover a wide range of activities. Many provided more than one activity. According to Fáilte Ireland music is provided by 46%, cultural/educational activities by 40% and arts by 21%. Other activities such as food & drink, water based activities and dance were all above 10%.

We have seen that on the aggregate level the drinks industry provides a large component of the total festivals sponsorship. This is reinforced by looking at some of the individual events sponsored by individual drinks brands or enterprises.

In addition to the sponsorship provided by the main companies and brands the individual publicans also play a role. The Killarney Vintners give financial sponsorship to the Killarney of the Welcomes Festival. New Ross Vintners support the JFK Dunbrody festival. An illustrative list of some of the main festivals supported by the drinks manufacturers is given below.

These festivals directly generate tourism activity. They also directly support the particular arts and cultural activities. In addition those with an international scope enhance and promote the profile of Ireland abroad. The majority of the large festivals are marketed abroad.

Illustrations of drinks sponsorship of festivals are shown below. Only a short list is shown, but it clearly illustrates the extensive support of the drinks industry. Activities supported include folk music, rock music, opera, arts and comedy.

Company / Brand	Festival
Beamish	Beamish Folk Festival
Beamish	Beamish Music Experience Festival
Murphys	Cork Film Festival
Heineken	Green Energy Festivals
Guinness	Galway Arts Festival
Guinness	Cork Jazz Festival
Diageo	Wexford Opera Festival
Smithwicks	Cat Laughs Festival
Bulmers	International Comedy Festival
Bulmers	World Music Festival
Jameson	International Film Festival
Jameson	Midleton Food & Drink Festival

5. Sports Events Tourism and the Drinks Industry

Internationally drinks companies and brands tend to be significant sponsors of sports activities. The leading drinks companies in individual countries are sufficiently large to provide the required large amounts of sponsorship for major activities and events.

Sports activities are followed by large segments of the population and provide the required degree of penetration for consumer products such as drink. Also for many spectators the event experience is enhanced by pre-event or post-event consumption. Typically, therefore, internationally drinks companies are heavily involved in sports sponsorship. Sponsorship can arise in several ways including main named sponsor, minor sponsors or official supplier.

Michelob Ultra, the low carbohydrate lager from Anheuser-Busch is a sponsor of the Winter and Summer Great Britain Olympic Squads. Heineken sponsors the European Rugby Cup. The USA National Football League has an official beer sponsor. Since 2002 Coors brewing has been the incumbent. Fosters beer has sponsored the Australian cricket team. Carlton draught beer is a major sponsor of the Australian Football League.

The Australian Institute of Sport notes that "Alcohol enjoys a strong association with sport in Australia at all levels _ _ _ major brewing companies often sponsor sporting events within Australia and numerous high-profile sporting teams are affiliated with brewing companies _ _ _" (Page 1 AIS Page 1) Sports Nutrition 2004.

The Australian Rugby Union has among its sponsors Tooheys New Beer, Bundaberg Rum and Coca-Cola. In England Carling sponsor the soccer League Cup. Budweiser is the official beer of the FA Premier League. Tennants is a sponsor of the Scottish FA. Pepsi and Mahou beer are sponsors of Real Madrid. Carling sponsors the Glasgow Rangers soccer club.

The research report is concerned with the tourism aspects of sports. Not all sports events or activities generate tourism activity. Some sports events have an almost exclusively domestic tourism impact while others can be significant generates of inward tourism. Success in sports is also associated with tourism outflows. Ireland's participation in world championships finals such as soccer or rugby results in thousands of Irish people travelling abroad. The location of international events in Ireland such as the Ryder Cup or Heineken European Cup Final attracts tourists to Ireland.

Sporting success in the international arena indirectly promotes Ireland as a tourism destination by the higher profile of the location.

While many festivals would be negatively affected by the removal of commercial and drinks sponsorship, it is less evident that many major sports events would be seriously threatened by the removal of sponsorship. This would not be true of some activities such as horse racing or golf where sponsorship directly supports prize money and its absence would directly threaten part of the calendar.

Clearly sports sponsorship provides resources to market and promote events which generates a higher level of interest, attendance and participation. In most cases, however, it is probably the overall sport which benefits through providing finance for development, improvement of skills and facilities. The specific tourism effect of much of the sponsored activity is not dependent on the sponsorship.

The economic impact of sports tourism can be substantial. The IRFU has estimated that the Ireland-France international is associated with an expenditure of over €50 million. In the past, efforts to attract major sports events to Ireland have been partly justified on the basis of the expected direct economic activity as well as the indirect knock-on effect.

A selection of the range of sports sponsorships is shown below. Events include local, national and international ones. There is a wide range of sports covered.

Company/Brand	
Murphys	Former sponsor of the Irish Open Golf Tournament
Heineken	Kinsale Sevens Rugby
	European Cup
	Munster Primary Junior Rugby
Guinness	International Rugby
	Championship Sponsor of Guinness Stand
	Cork City FC
	Hurling All Ireland Championship
Bulmers	GUI All Ireland Cup
	Sponsorship of Cork Constitution
Powers Gold Label	Irish Grand National
Budweiser	Irish Derby
	Smurfit European Open
	Official Sponsor of 2006 Ryder Cup
Lucozade	Munster Rugby
Coca Cola	Sponsor of Schools Tag Rugby
Ballygowan	Munster Rugby
Pepsi	FAI Sponsor
Carlsburg	FAI Sponsor

The drinks industry is particularly active in supporting horse-racing. For example sponsorships include

- Baileys — Leopardstown Irish Champion Stakes
- Powers Gold Label — Irish Grand National
- Budweiser — Curragh Irish Derby
- Murphys — Irish Stout Handicap
- Jameson — Fairyhouse Jameson Stand
- Guinness — Punchestown Gold Cup, Kerry National

Horse Racing Ireland's data on race sponsorship confirms the significant role of the drinks industry. In 2004 it provided 20.6% of all race sponsorship compared to 1.7% by the computer/IT industry and 1.0% by financial institutions. The 2004 figure of 20.6% was below the 2003 figure of 22.9%. In both years it is the largest sector followed by stud farms.

Race Sponsorship 2003, 2004 %

	2003	2004
Drinks Industry	22.9	20.6
Stud Farms	10.7	12.4
Construction	9.2	11.5
Bookmakers / betting	7.3	11.4
Computer / IT	1.8	1.7
Insurance	2.8	1.6
Financial Institutions	0.8	1.0
Other sectors	45.5	39.8

Source: HRI

As is the case internationally, the drinks industry is a substantial supporter of sports events and activities.

6. Tourism Attraction and the Drinks Industry

The drinks industry plays an important role in providing attractions for tourists to visit. The Guinness Storehouse, Old Jameson Distillery, Old Midleton Distillery and Lockes Distillery are substantial attractions. The Guinness Storehouse is the second most popular fee charging tourism attraction. Only Dublin Zoo has a higher volume of business. Over 730K people visited the Guinness facility in 2003 compared with 772K for Dublin Zoo. The next highest attraction after the Guinness Storehouse is Trinity College, but at 468K visitors, it is well behind the Guinness Storehouse. The Storehouse was ahead of Dublin Zoo in 2001. The Storehouse is very popular when compared to all the other fee charging attractions. The Storehouse attracts more than the combined total of the St. Patrick's Cathedral, the Rock of Cashel and Bru na Boinne.

Top ten fee charging attractions

		2003	2001 Ranking
1	Dublin Zoo	772,322	(2)
2	Guinness Storehouse	738,000	(1)
3	Trinity College / Book of Kells	467,513	(3)
4	Bunratty Castle & Folk Park	307,145	(5)
5	Waterford Crystal	303,000	(4)
6	Fota Wildlife Park	301,313	(8)
7	Blarney Castle	300,000	(6)
8	St. Patrick's Cathedral	275,922	(7)
9	Rock of Cashel	245,316	(9)
10	Bru na Boinne	216,957	(13)
	Total Visits (1-10)	3,927,488	

Source: Fáilte Ireland

The Old Jameson Distillery attracts about 200K visitors which places it close to the top ten attractions. The Storehouse attracts more visitors than the top non-charging attractions. The top free attraction is the National Gallery of Ireland which has 706K visitors. The 200K visitors to the Old Jameson Distillery places it above all but four of the free attractions.

		2003
1	The National Gallery of Ireland	706,000
2	Cliffs of Moher	650,000
3	Irish Museum of Modern Art	309,000
4	National Museum of Archaeology & History	260,000
5	National Museum of Decorative Arts and History	136,868
6	Chester Beatty Library	134,161
7	National History Museum	118,705
8	National Museum of Country Life	112,270
9	Cashel Heritage Centre	75,000
10	Triona Design	65,000
	Total Visits (1-10)	2,567,004

The Old Midleton Distillery attracts about 100K visitors.

7. International Profile of Ireland

The maintenance and improvement of a positive international profile is important for promoting tourism. This can be achieved directly and indirectly in a number of ways. The tourism industry and government spends money in marketing and promoting Ireland. High quality international events promote a positive image of Ireland. These include sports events such as participation in international activities abroad such as rugby or soccer world cups, olympics or athletics world championships. The holding of major events within Ireland such as the Ryder Cup, rugby cup final or European Hockey Championship also enhance the profile of Ireland.

The world wide reputation of artists such as U2 raises the profile of Ireland in a way beneficial to tourism. As already shown the drinks industry has supported many sports events and thereby enhanced the profile of Ireland. The drinks industry also contains a number of high profile international brands which raise awareness of Ireland and present an image of excellence and quality. There are very few global Irish brands. Three such brands are Guinness, Baileys and Jameson. These three are intrinsically linked with a positive image of Ireland.

Guinness is regarded as the No.1 stout in the world. It sells 11.4 million cases annually. Its top five markets are Great Britain, Ireland, Nigeria, USA and Cameroon. Guinness is brewed in 50 countries and sold in 150 countries. Ten million glasses are consumed each day.

Baileys is the No.1 liquer in the world. 6.7 million cases are sold each year. The top markets are US, Great Britain, Spain, Global Duty Free and Germany. It is sold in 130 countries. Baileys is the No.6 global premium spirit brand. Over 2K glasses are drunk each minute.

Jameson is sold in over 100 countries. 1.7 million cases are sold annually.

These three products have a strong association with Ireland and are distributed on a global basis. Indirectly they contribute to the positive international profile of Ireland.

Tourism Ireland is responsible for marketing the Island of Ireland awareness a holiday destination. It has overseas offices in eleven countries and has market agents in another six. As already noted consumption of Guinness, Baileys and Jameson are enjoyed in over 100 countries.

8. Conclusions

This report examined the contribution of the drinks industry to tourism in Ireland. It contributes through several mechanisms.

- The 10K public houses contributes greatly to the tourists experience in Ireland, its extensive network ensures it is the most widely experienced aspect of the hospitality industry; the public houses provide an unrivalled network of physical facilities, excellent hospitality, enjoyable experiences and tourism services; these tourism related services are provided without government support and despite severe taxation and rapidly rising costs.

- The drinks industry is the single largest commercial sponsor of festivals, contributing about 27% of total commercial sponsorship compared to 10% by financial services. Fáilte Ireland research identifies finance as the most important strategic issue facing the festival sector; festivals supported include arts, comedy, film and music.

- Sports events directly bring visitors and generate domestic tourism. Indirectly international events can raise the profile of Ireland and encourage tourism. As is the case internationally the Irish drinks industry supports sports. In horse racing it provides 21% of sponsorship compared to 1% by financial institutions. Sports sponsorship includes horse racing, golf, soccer, rugby and hurling. Internationally one finds that the drinks industry is an active sponsor of sports activities & events.

- The Guinness Storehouse and Old Jameson Distillery are significant fee charging tourist attractions. The Guinness Storehouse attracted 738K visitors, just below Dublin Zoo and well ahead of Trinity College which is ranked No.3 with 467,513 visitors. The Old Jameson Distillery attracts 200K visitors.

- Drinks industry products support the positive aspects of the profile of Ireland. Guinness, Baileys and Jameson are intrinsically linked with Ireland in international consciousness and have a strong international profile with sales in over 100 countries.

- The culture and history aspects of Ireland are important tourist attractions. The drinks industry is itself part of this feature. The breweries of Murphys and Guinness have been operating since the eighteenth century and the distillers have been in existence for the same length. Many pubs have also been in existence for very long periods. This all adds to the historical ambiance of the tourism experience.

- Over the long term the tourism sector has performed well. Overall visitor numbers have again reached the pre-2001 levels. However the discretionary holiday makers category has experienced slow growth over the past few years. The Tourism Policy Review Group has set demanding targets up to 2012. The industry now operates in a high cost environment and the market is moving to shorter stay more frequent city breaks. The tourism sector is becoming increasingly concentrated in the Dublin area. The drinks industry and especially the public house sector has a major role to play in both enhancing the city break segment and in promoting a better geographic spread of tourism. This will be achieved by the continuation of the sponsorship activities, the maintenance of the drinks tourist attractions and the continuing enhancement of the public house quality and experience.

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