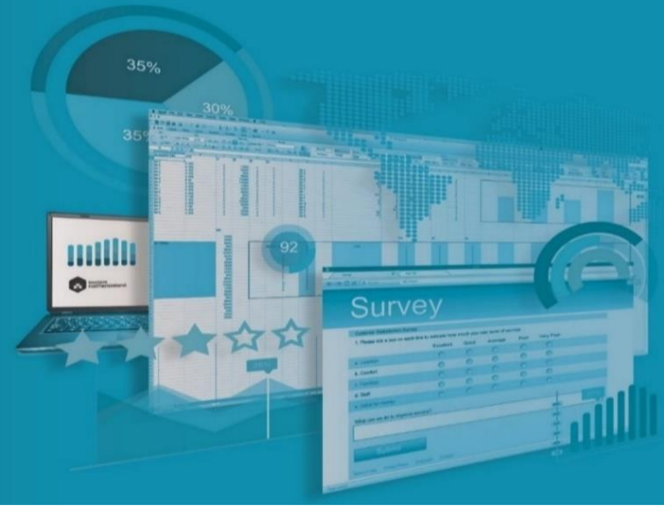
tourism northernireland

Covid-19 Tourism Outlook

26 June 2020



Covid-19 Tourism Outlook brings you economic, market and consumer intelligence along with the impact of key enablers on tourism. We aim to keep you informed through analysis and best practice as the NI tourism sector prepares to welcome back its customers. We look at the next steps as world-wide destinations begin the journey to rebuild the global tourism economy.

This issue – at a glance:

Economic: Key opinion-formers, economists and finance leaders are consistent in their analysis of the extent of Covid-19's impact – that recovery will not be immediate and a very different landscape will emerge – with some advocating to reorient economies in a more sustainable direction that prioritises well-being and quality of life.

Consumer: As countries emerge from lockdown consumer sentiment and analysis indicates that people want to relax and have fun, and these preferences are reflected in growing interest in rural accommodation and outdoor experiences. Closer to home, our up to date surveys will help to deliver actionable insights into offers and experiences.

Air Access: Airlines continue to announce the gradual return of flights. At this point the UK Government and the Irish Government continue with quarantine measures in place, with the first review by the UK Government scheduled for 29 June. Meanwhile the airline industry awaits announcements introducing travel corridors.

Travel and Tourism Industry: Destinations globally are taking a holistic approach to recovery and rebuild aimed at attracting domestic visitors in the first instance alongside government-led measures to enable the tourism industry as it navigates the next stage, including an extensive array of guidelines and advice.

Economic Outlook

Governments worldwide acknowledge that we are facing a deep and prolonged downturn and are responding with intermediate plans, aligned with the vision for longer-term strategies. The Northern Ireland Economy Minister recently announced her plan in response to this reality, to take action to rebuild a more competitive, inclusive and greener economy in the short and medium term. One that will require a step change in economic policy response, as simply trying to keep the pre-pandemic economy alive will not bring about economic recovery.

Global Outlook

- The International Monetary Fund's (IMF) latest World Economic Outlook Update, June 2020 states that the Covid-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated. Global growth is projected at –4.9% in 2020, 1.9 percentage points below the April 2020 World Economic Outlook forecast. In 2021 global growth is projected at 5.4%, some 6.5 percentage points lower than in the pre-Covid-19 projections of January 2020. The report does stress uncertainty around recovery forecasts from a crisis like no other.

Closer to Home

- EY's ITEM Club Interim Forecast for June 2020 forecasts UK GDP will contract 8% in 2020 (downgraded from the 6.8% predicted in April) with a contraction of 15% likely in Q2 2020. However, the UK economy is forecast to grow 5.6% in 2021, up from 4.5% in previous analysis, but still not expected to return to its late 2019 size until 2023. The IMF predicts a downturn of 10% in the UK economy – reflecting perhaps caution on outlook predictions. It also indicates a downturn of 10% in the Euro area.

- The Office for National Statistics (ONS) reports that more than one-fifth of the UK's usual household spending has been largely prevented during lockdown, using year on year comparisons. In the financial year ending March 2019, UK households spent an average of £182 per week on activities such as travel, holidays and meals out, equivalent to 22% of a usual weekly budget of £831 - spending not possible since lockdown, and which may have to be offset against income loss.
- ONS also considers personal and economic well-being (April to May 2020). Average anxiety has fallen but life satisfaction and the things we feel are worthwhile is subdued. The time we think it will take for things to return to normal has increased, with one in four of us expecting it will take over a year or will never go back to normal. An estimated 12.5 million households say they have been affected financially, with parents more than twice as likely to report reduced income, and less than half able to cover a large necessary expense.

Recovery Outlook

- As announced by the NI Economy Minister on 17 June, Rebuilding a Stronger Economy highlights there are a significant number of jobs in NI that depend on consumer spending. From a tourism perspective it recognises the tourism and hospitality sector as a significant employer, entirely reliant on consumer spending and that a **Tourism Recovery plan** will set out the actions required to support the industry.
- Key advocates for global sustainability have formed The Future of Tourism with a world-wide mission to place tourism destinations at the centre of recovery strategies. A guiding principle is that by its nature tourism involves the destination as a whole, not only industry businesses, but also its ecosystems, natural resources, cultural assets and traditions, communities, aesthetics, and built infrastructure. The forum will operate with the guidance of the Global Sustainable Tourism Council.

Consumer Outlook

Balanced with the economic reality and financial impacts on households, green shoots are still appearing. As travel restrictions ease across the UK and Ireland, there are positive indicators from consumer sentiment research that people do want to take short breaks (and may extend by an extra night or two) – as long as they can stay safe while doing so. This very human feeling is emerging across the globe but it can be bumpy, with confidence up and down at times.

Global Outlook

- Consumer sentiment research from Trip Advisor (April and May) highlights that **consumers are 218% more likely to want to take a trip where they can relax compared to before the pandemic**, with nearly two thirds (59%) reporting they would prefer to go somewhere off the beaten path versus a popular destination post-Covid-19. Search trends suggest rural accommodation that combines relaxation with an environment conducive to social distancing is seeing clear spikes in interest.
- Skyscanner's latest Weekly Travel Insights (18 June) reveals that while travel-related searches and bookings in Europe have been rising over the past month there has been a slight dip in confidence with 60% of all travellers believing the situation is improving, compared to 65% last week and 62% the week before.
- The European Travel Commission's latest Long-Haul Travel Barometer, based on research conducted in April, indicates that the confidence for travel to Europe in summer 2020 is weak across all six major long-haul markets monitored (Brazil, China, India, Japan, Russia, and the US) – an indicator of the preference towards domestic staycations.

Closer to Home

- Recent consumer sentiment analysis by Tourism NI and Failte Ireland, using data from 29 May to 11 June survey waves, indicates a more optimistic outlook with short break intention having picked up and over half consumers planning a short break in the next six months.

  For full details see Tourism NI's dedicated Covid-19 Insights & Intelligence webpage, and see below for a number of key insights:

  - Nearly three out of 10 (28%) in NI state that Covid-19 will have no impact on their household income - with those 65+ and those in higher socio-economic groups less impacted than average.
  - 57% of consumers across the island of Ireland are now planning a short break to Ireland in the next six months.
  - Many people are extending their short breaks from 2/3 nights to 4 nights.
  - Over half of those planning a trip across the island of Ireland do not expect to pay more for their accommodation, hospitality and entrance fees.
  - The most important reasons for taking either a short or a long trip are: relax and unwind (61%), get away from it all (50%), have fun (32%) and enjoy great food and drink (30%).
  - For those who intend to take a short break in NI or ROI, outdoors is a high priority: walking/hiking (51%), visiting a nature reserve/national park (48%), visiting a historic house/castle (43%) and gardens (41%).
  - Clear implementation of hygiene measures like hand sanitisers (65%), limiting numbers of visitors (64%) and social distancing enforcement (61%) would make NI consumers feel most comfortable about visiting attractions when they reopen.

- Visit Britain's weekly consumer sentiment tracker for the period 15-19 June indicates the following (click here for the weekly summary reports in full):

    - Confidence in the ability to take a domestic short break or holiday continues to gradually improve, 25% in August, rising to 40% by September.
    - Positively, the majority (54%) are now confident they would be able to take a domestic overnight trip by the end of the year.
    - For the summer period, countryside/village and traditional coastal/seaside town destinations continue to lead with 33% and 32% shares respectively.
    - For the June-September period, there is a broadly even split between the leading four accommodation types, although from October hotels/motels/inns take a clear lead, with caravan/camping moving down the rankings.
    - People are seeking reassurances in order to feel comfortable staying in a hotel: measures to reduce contamination (e.g. hand sanitisers and enhanced cleaning regimes) are important, although the single most cited factor is for them to offer the provision of free cancellations.
    - As restrictions lift, outdoor areas and activities look set to attract higher than usual levels of visitors, while predominantly indoor activities/venues are likely to face a much longer period of subdued demand.

Recovery Outlook

- On 30 June Tourism NI launches our Recovery Marketing Campaign with a focus on key visitor segments in the domestic market in Northern Ireland and Republic of Ireland. There will be marketing support for graded accommodation, visitor attractions and experiences. The campaign will feature the new tourism brand 'Northern Ireland – Embrace a Giant Spirit' that will communicate a high quality experience to visitors that is recognisable as distinctively Northern Ireland.

For more details on how you can get involved click here.

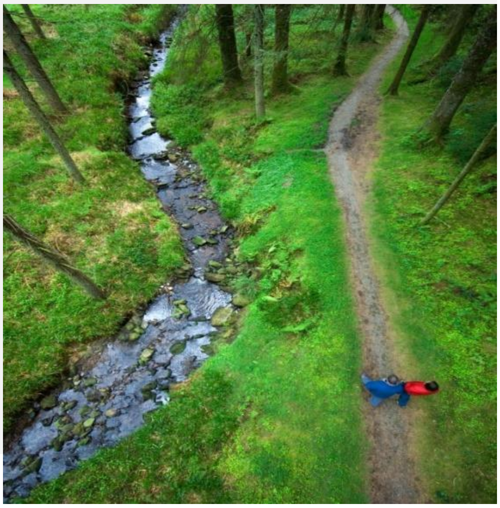
- Encouragingly, PwC notes that there is an increasing tendency among consumers to support local and independent retailers by shopping locally, with younger consumers and millennials in particular driving this trend. Elsewhere, research by Paymentsense shows that 62% of the population in the UK plan to continue to use local firms after lockdown, and more than half (53%) say they will spend more money in local restaurants and cafes.

Air Access Outlook

Pending announcements on 'travel corridors' being agreed, airlines have begun to make tentative steps to recovery but with limited routes and with reduced seat capacity. Route availability is likely to continue to change on a daily basis as airlines try to maximise yield in these extremely challenging conditions as they rely on consumer confidence returning and gauging likely demand.

Global Outlook

- The UNWTO's latest review of Covid-19 travel restrictions (15 June) reports that while international destinations continue to have some form of travel restrictions in place, 48 out of the 213 worldwide destinations (22%) have taken steps to ease restrictions. The International Air Transport Association (IATA) Travel Centre has created an interactive map tracking Covid-19 travel regulations by country.
- IATA in an online global forum discussion (24 June) calls for a more layered approach to safe travel and alternative options to quarantine. It is fully supportive of the guidance from the International Civil Aviation Organisation (ICAO) which itself estimates that by the end of 2020, the COVID-19 impact on scheduled international passenger traffic could reach reductions of up to 71 per cent of seat capacity and up to 1.5 billion passengers globally. On a more optimistic outlook IATA believes that although recovery will be slow, people will not forget or lose their desire to travel and it notes that when confidence returns reasonably priced travel insurance will be a factor in that decision.



Closer to Home

- Carriers continue to announce plans to restart/expand their services to and from Northern Ireland from mid-June and early July. However, these dates are subject to levels of demand and to the lifting of travel restrictions. This table shows the dates when airlines plan to recommence services:

Northern Ireland

Airline	Date	Airline	Date
British Airways	1 July	**Loganair**	4 July
Eastern Airways	15 June	**Ryanair**	1 July
easyJet	15 June		

- easyJet is currently operating a reduced flying schedule to Belfast International Airport from GB: London Gatwick, Liverpool, Birmingham, Bristol, Newcastle, Glasgow, Edinburgh.
- Loganair has announced it will add Glasgow to its portfolio of Scottish destinations starting from 4 September with a double daily flight Monday to Friday and on Sundays, and a single flight on Saturdays. Existing routes from Belfast City to Aberdeen and Inverness will resume from July 6. It will start a new route between Belfast and the university city of Dundee from 7 September. See feature by George Best Belfast City Airport. Also, advice on all passenger routes to GBBCA is here.
- City of Derry Airport will welcome back a number of its routes from starting from early July, including Liverpool, Glasgow and Edinburgh from 4 July.

Island of Ireland

- Aer Lingus, Air Baltic, Air France, Blue Air, Croatia Airlines, Emirates, Etihad, KLM, Lufthansa, Ryanair, Stobart Air, Swiss, Turkish Airlines and Qatar Airways are currently operating a limited service to and from Dublin airport. The table below summarises the dates when other airlines will recommence their services:

Airline	Date	Airline	Date
American Airlines	7 July	**Icelandair**	2 July
Air Canada	2 July	**Loganair**	September (date TBC)
British Airways	1 July	**Lauda**	1 July
Cathay Pacific	September (date TBC)	**Norwegian**	September (date TBC)
Delta	July (date TBC)	**SAS**	July (date TBC)
Eurowings	13 July	**United Airlines**	7 July
Finnair	August (date TBC)	**WestJet**	August (date TBC)

Recovery Outlook

- IATA suggests that the recovery of air travel is likely to occur gradually and in stages as passenger confidence begins to return and travel restrictions are lifted, with domestic air travel returning first, followed by regional travel and finally long-haul international travel. While IATA's research suggests that some 60% of travellers will be eager to recommence travel within a few months of the pandemic coming under control, it also shows that a large percentage of potential travellers could delay a return to travel until their personal financial situation stabilises (69%), while others would be deterred from travel if there were quarantine measures in place (80%).

Travel and Tourism Industry Sectoral Outlook

As we ease out of lockdown, detailed practical guidelines for employers and employees have been made available. Meanwhile, new research into how people feel about returning to attractions and live events shows that the most important factor in restoring confidence – and therefore the factor that will help these sectors get back on their feet quickly but also will sustain their recovery – is feeling safe.

Global Outlook

- The EU Commission has formally launched the Re-open EU website, which is designed to support a safe relaunch of travelling and tourism across Europe and will provide real-time information on travel restrictions, health and safety measures.
- Skift has produced a guide to reopening events by country to assist event planners around the world who are dealing with different approaches, sizes and restrictions and a lack of clarity as events are usually part of the final phase of reopening.
- TUI and Booking.com have announced a Strategic Global Tours, Attractions and Experiences Partnership providing millions of Booking.com customers worldwide with direct access to the rapidly growing activities segment of TUI utilising its digital subsidiary Musement a Milan-based technology start-up. A growing offering in the European home markets is also planned.

UK & Ireland Recovery Plans

Northern Ireland

As Northern Ireland moves towards reopening, guidance from the Department for the Economy and Tourism Northern Ireland for safe working during Covid-19 has been published. Dates for reopening the sector are conditional on the application of relevant guidelines and continued management of the rate of transmission of the virus.

- Guidance for businesses within the visitor economy
- Guidance for hotels and accommodation
- Guidance for restaurants, pubs and bars
- Guidance for attractions, venues and experiences

- Caravan parks, camping sites and self-catering tourist accommodation can reopen on 26 June;
- Other tourist accommodation can reopen from 3 July;
- Additional sectors of the tourism and hospitality industry can reopen from 3 July – this includes restaurants, cafes and coffee shops;
- Public houses and bars will also be permitted to reopen from 3 July for the purposes of selling food and alcohol on a table service basis. Public houses and bars with outside spaces, such as beer gardens, will be able to use these spaces to serve alcohol on a table service basis;
- These relaxations also apply to hotel restaurants, bars and outdoor areas. However, spas and leisure facilities at hotels will not be permitted to open at this stage;
- Visitor attractions can also open from 3 July.

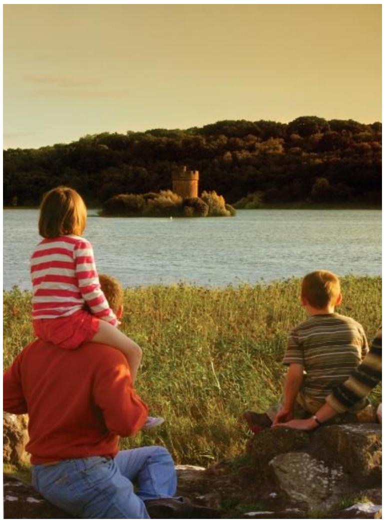
Republic of Ireland

Fáilte Ireland has released guidelines for reopening pubs in the Republic of Ireland including that businesses may implement 1 metre physical distancing in controlled environments, provided other risk mitigation requirements have been met and pre-booked time slots are in place.

- Seating time has been extended from 90 minutes to 105 minutes, with 15 minutes reserved for cleaning between guests (2 hours total).
- Contact tracing: Businesses will now be required to collect the contact information of just the party lead rather than each member of the group.

England

New guidance for reopening the visitor economy will take effect in England on 4 July.



- Specific advice on safety in the workplace has been published for Hotels and accommodations; Restaurants, bars, pubs and takeaway services; and Heritage locations.
- Guidance has also been released on Social distancing, including maintaining 1m of social distance when 2m is not possible. There are Coronavirus outbreak FAQs on what can and can't be done after 4 July.

Scotland

On 24 June First Minister Nicola Sturgeon announced indicative dates for moving through the remainder of Phase 2 and early Phase 3.

- **3 July –** Travel distance restriction is relaxed, and people can travel more than 5 miles from home. Visits to self-catering accommodations and second homes (without shared facilities) are permitted.
- **6 July –** Outdoor hospitality may reopen, subject to physical distancing rules and public health advice.
- **15 July –** All holiday accommodation, indoor hospitality, and tourist attractions including museums, galleries, cinemas, monuments may open with relevant guidance.

Wales

The First Minister has outlined the next stage of their reopening approach, At the next review on 9 July, the Welsh Government will consider a range of specific options for opening including self-contained holiday accommodation. The First Minister signalled the visitor and tourism industry to use this current period to begin to make preparations for reopening. Discussions will also be held with the hospitality sector about the potential phased reopening of pubs, cafes and restaurants while maintaining strict social distancing.

Recovery Outlook

- The Association of Leading Visitor Attractions (ALVA) has published the results of Wave 3 of its Attractions Recovery Tracker. There is a strong upturn in confidence around visiting attractions in early June, likely driven by the reopening of some outdoor attractions such as zoos and safari parks. The results show too the importance of implementing and communicating safety measures with visitors seeking reassurance on crowds, distancing and queuing.
- An updated report from Indigo into audience views on returning to live cultural events (incorporating research conducted up to 27 May) shows that 57% of UK respondents are keen to support their local venues again. However, only 16% of respondents are actively booking for events, and most of these bookings are for events taking place from November onwards. 75% of respondents would feel more confident about attending events with some form of social distancing measures in place, such as no queuing, limited attendance numbers and seats spaced >2m apart.