THE CONTRIBUTION OF THE DRINKS INDUSTRY TO TOURISM

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EXECUTIVE SUMMARY

This report updates the previous DIGI reports on the contribution of the drinks industry to Irish tourism. It presents the facts and figures of the drinks industry contribution to and support of tourism. The drinks industry makes a major contribution to domestic and international tourism in Ireland through:

- The substantial role of the public house in the Irish tourism experience.
- Food and drinks expenditure is a substantial part of tourism direct expenditure. Overseas visitors spent 34 % of their total holiday expenditure on food and drinks in 2014.
- The pub is mentioned by 28% of all visitors as a positive distinguishing feature of Ireland according to 2015 Failte Ireland research.
- 80% of overseas visitors in 2013 mentioned the pub as one the potential experiences influencing them to choose Ireland. This was the top ranked item.
- 83% of overseas visitors said "listening to Irish music in a pub" was one of their visit activities. This was the top ranked item.
- The extensive and geographically spread network of 7193 public houses, and 631 hotel bars and 2406 fully licensed and wine licensed restaurants in 2015.
- This regional spread of public houses and other licensed premises facilitates and supports the geographic spread of tourism and supports regional development.
- The lowest number of public houses in a county in 2015 is 90 in Longford and 97 in Carlow.
- Over half of the public houses provide food. About a fifth of pubs provide entertainment specifically for tourists.
- Failte Ireland research shows that a significant proportion of overseas visitors use pubs for meals, ranging from 36% in Dingle and 35% in Dublin City to 15% in the Dublin Doorstep area.
- The pub is a widely used facility for meals by overseas tourists. It is an extensively available source of hospitality, personal services, food and information which is provided without any government support.
- Direct provision of major tourism attractions such as the Guinness Storehouse, the Old Jameson Distillery and the Midleton Jameson Experience, and other facilities such as Kilbeggan Distillery

and Tullamore Dew Visitor Centre and the recent development of other visitor attractions such as the Smithwick's Experience in Kilkenny and the Irish Whiskey Museum in Dublin.

- Guinness Storehouse is the biggest fee-charging tourism attraction in the country. It achieved a record number of visitors of almost 1.5 million in 2015.
- In September 2015 the Guinness Storehouse was named "Europe's Leading Tourist Attraction" at the World Travel Awards.
- The Old Jameson Distillery was also in the top 20 of fee-charging attractions with 282k visitors in 2015. Over 90% of these visitors are from overseas.
- The Jameson Experience in Midleton received 125,000 visitors in 2015.
- The Kilbeggan Distillery and Tullamore Dew visitor centres also contribute to the regional tourist experience with visitor totals of 65k and almost 34k respectively in 2015.
- The generation of a positive international awareness of Ireland through global brands such as Guinness, Baileys and Jameson.
- The economic role of tourism is substantial. Recent improved tourism performance has contributed to the economic recovery.
- Inward international tourism to Ireland is at record levels and has passed the pre-economic collapse level.
- Domestic tourism is recovering but is still below the pre-collapse peak.
- The 2015 Government Tourism Policy includes very ambitious growth targets for tourism. Tourism is expected to play a major role in the recovery of employment and economic activity over the next few years.
- Drinks industry support will contribute to the realisation of the ambitious tourism growth targets
- Festival tourism is a substantial activity. There are about 900 festivals and events in Ireland. The drinks and hospitality industry is a major sponsor of festivals. Examples of festivals supported by the drinks industry currently or recently are listed below:
- *Absolut Big Top at the Galway International Arts Festival Galway*
- *Absolut Stage, Body and Soul Westmeath*
- *Bulmers Festival Clonmel Tipperary*
- *Casa Bacardi Electric Picnic Stradbally Hall Laois*
- *Hop House 13 Rhythm Route at Spraoi Festival Waterford*
- *Corona Fastnet Short Film Festival Cork*

- *Franciscan Well Brewery Taste of Dublin Dublin*
- *Guinness International Dunmore East Bluegrass Festival*
- *Guinness Jazz Festival Cork*
- *Guinness Singing and Swinging Festival Wexford*
- *Heineken Electric Picnic Stradbally Hall Laois*
- *Heineken Bundoran Sea Sessions Festival Donegal*
- *Heineken Slane Music Events Meath*
- *Hennessy Literary Awards Dublin*
- *Hennessy Portrait Prizes Dublin*
- *Jameson Cult Film Clubs*
- *Powers Irish Coffee Making Competition Foynes Limerick*
- *O'Briens Taste of Dublin Dublin*
- *Smithwick's Roots Kilkenny*
- *Tiger Dublin Fringe Dublin*

The drinks industry is a substantial sponsor of sports events as shown below:

- *Guinness Series, International Rugby*
- *Guinness Pro 12 Rugby*
- *Heineken European Rugby Champions Cup*
- *Horse racing sponsorship of Hennessy Gold Cup (up to 2015), the Guinness Punchestown national hunt sponsorship and Guinness sponsorship of Galway Races*
- *Carlsberg sponsorship of Irish soccer*
- *Beamish sponsors the Munster Senior League (soccer).*
- *Heineken sponsors the Kinsale Rugby Sevens.*
- *The drinks industry provided €328.5k or 7.7% of all commercial sponsorship of horse racing in 2015. Hotels provided another 3.5%.*

- Guinness Storehouse generates about 200 million global media impressions annually

- Global brands such as Guinness (consumed in 150 countries), Baileys (consumed in 130 countries), and Jameson (consumed in 120 countries) contribute greatly to the awareness of Ireland as a location associated with hospitality and relaxation and supplement the publicly and privately funded marketing effort

INTRODUCTION AND ROLE OF DRINKS INDUSTRY

This report identifies the contribution of the drinks industry to tourism in the Irish economy. It updates previous DIGI reports on the same topic. Tourism has performed excellently over recent years with strong growth in international visitor numbers and substantial hospitality employment increases. The number of international visitors is at a record level. Brexit has raised serious issues for the ongoing good performance of the sector. The decline in the value of Sterling reduces the competitiveness of the Irish tourism product and uncertainty and lower economic growth reduces tourism demand. The UK market is the largest national market for inward tourism. The 2015 Government tourism strategy, "People, Place and Policy: Growing Tourism to 2025" sets very demanding targets for tourism growth over the next decade. That report notes that: "Tourism is one of Ireland's most important economic sectors and has significant potential to play a further role in Ireland's economic renewal". In the Brexit environment the realisation of these targets will be particularly difficult.

Many different factors determine the performance of the tourism industry apart from the contribution of the drinks industry. These include cost competitiveness, other competitiveness factors such as management, quality of service, product, international economic conditions, promotion and marketing, access, competing locations, national and international economic performance and consumer confidence.

The drinks industry, along with other sectors, contributes to the national and international tourism performance in several ways. The extensive 2015 network of 7193 public houses, 631 hotel bars, 431 fully licensed restaurants and 1975 restaurants with wine licences provides physical facilities and services for tourists and contributes to the tourism experience in a positive and significant way, particularly in rural areas. This is particularly so in light of the poor quality of public facilities in many areas and the often bad Irish weather conditions.

Drinks-related tourism facilities such as the Guinness Storehouse and the Old Jameson Distillery attract large numbers of tourists, particularly international tourists, and are significant components of the Irish tourism product. Other drink related tourism visitor facilities include Midleton Distillery visitor centre, the

Kilbeggan and Tullamore DEW visitor centres, the Smithwick's Experience in Kilkenny and the Irish Whiskey Museum in Dublin.

The drinks industry supports a wide range of tourism generating festivals and arts activities. 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, Baileys and Magners contribute to a positive awareness of Ireland in foreign markets and support the tourism marketing effort and direct marketing spend.

Failte Ireland and other research show that international visitors consider the Irish pub to be an integral part of their positive tourism experience in Ireland.

This report identifies the contribution that the drinks industry makes to tourism generally and to festival and sports related tourism. This is not to say that the relevant sports and festival events would cease to operate in the absence of the drinks industry support. Other sponsorship and support might fully or partially replace all or some of the drinks industry support. Events, especially sports events, would continue even if there was no drinks sponsorship. However, it is reasonable to expect that the scale and economic impact of many festivals and other events would be lessened in the absence of drinks industry support and/or that replacement finance could be diverted from other desirable programmes and activities.

Ideally, the report would identify the exact quantitative link between the various drinks industry contributions and supports and levels of domestic and international tourism activity. However, there is insufficient data to quantify the tourism volume directly related to the drinks industry. Even in the absence of this direct quantitative link, it is clear from the empirical data presented in this report that the drinks industry is associated with a substantial contribution to tourism activity. The empirical data used in the report are mainly from independent sources such as the Central Statistics Office, Revenue Commissioners and Failte Ireland with some use of industry sourced material. Updates are not yet available for some data presented in the previous drinks industry and tourism report.

In summary, the drinks industry contributes to domestic and international tourism through:

- the extensive and geographically spread network of public houses and other on-licensed premises, such as restaurants and hotels, providing services and facilities
- a substantial contribution to the positive visitor experience
- financial and other support for festivals tourism
- financial and other support for sports events
- direct provision of major tourism attractions, such as the Guinness Storehouse, Old Jameson Distillery and other visitor centres
- the generation of positive international awareness of Ireland through major global and international brands which have a particular association with Ireland, such as Baileys, Guinness, Jameson and Magners and which complement the international tourism marketing spend.

THE ECONOMIC ROLE OF TOURISM AND RECENT GROWTH

This section identifies the economic importance of tourism to the Irish economy, the recent excellent performance of the sector and the need to achieve demanding tourism growth targets over the coming years.

International tourism has performed excellently over recent years. Domestic tourism has grown but at a much lower rate. This has generated substantial economic benefits. The Minister for Transport, Tourism and Sport published the National Tourism Policy in 2015, covering the period to 2025, which contains the overall ambitious tourism goal of significantly increasing overseas tourism revenue. In addition, total employment in the tourism sector as broadly defined is targeted to increase from 200k persons to 250k persons. There will be 10 million annual visits to Ireland by 2025. An additional target is that 95% of all visitors will be "very satisfied" with Ireland as a destination.

Tourism is a very substantial indigenous international economic sector. The main economic benefits of tourism are noted below:

- In 2015 according to the CSO foreign tourism expenditure was €5.530 billion. Domestic tourism generated €1.529.9 billion, giving a tourism total of €7.059.9 billion.

- The total tax take from tourism in 2014 was estimated by Failte Ireland at €1.5 billion.

- The tourism sector supported 142,400 jobs in Quarter 1 2016 in the CSO accommodation and food sector and overall tourism employment was about 210k persons. Tourism employment has recovered significantly in the recent past. The accommodation and food sector employed 110.7k persons in Quarter 1 2011 compared to the 2016 figure of 142.4k persons. This is an increase of 28.6%. The Quarter 1 2016 level of employment exceeds the Quarter 1 2007 level of 133.8k persons.

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

- Tourism has a strong economic linkage with the rest of the economy.

The 2015 geographic market spread of overseas visitors was:

- Total inward trips by non-residents 8.643 million
- Great Britain: 3.547 million
- Other Europe: 3.043 million, of which the two largest national markets are Germany (629k) and France (505k)
- North America: 1.514 million
- Rest of the world: 539k million

Like other sectors of the economy tourism declined greatly from its peak in 2007 but there has been substantial recent growth, most notably in 2015. In 2007 there were 8.0 million overseas visitors. This declined to 6.1 million in 2010. Since 2010 there has been substantial growth. Numbers were 6.5 million in 2011, 6.5 million in 2012, 7.0 million in 2013, 7.6 million in 2014 and 8.6 million in 2015. The 2015 level of 8.6 million overseas visitors is the highest ever. The strong growth continued into 2016. In Jan-May of 2016 compared with the same period in 2015 there was an increase of 13.7% in overseas visitors.

The significance of Brexit is illustrated by the very high dependence on the UK market which provided 3.547 million international visitors or 41% of the total in 2015.

The domestic tourism sector is a very important component of the total tourism activity. In 2015, there were 7.529 million domestic trips (excluding daytrips) of which 3.815 million were holiday trips. The 2015 Hotel Industry Survey identifies that 67% of hotel guest nights were derived from the domestic market. Festivals and sports tourism are important components of the domestic tourism market. The growth performance of the domestic tourism sector has been much weaker than the international sector and the 2015 level of activity remains well below the peak of 2008 and 2009.

Between 2014 and 2015 domestic trips increased from 7.354 million to 7.529 million or 2.4% which is well below the 2009 peak of 8.340 million. The holidaymaker component of the domestic total increased substantially from 3.583 million in 2014 to 3.815 million in 2015, an increase of 6.5% but is well below the 2008 peak of 4.398 million.

IMPLICATIONS OF BREXIT

Brexit has significant immediate and short term negative implications for Irish tourism. The most immediate impact has been through the exchange rate of Sterling. The 25 July rate was 0.8367 Sterling to a euro compared with 0.7641 on 29 January, a depreciation of 9.5%. The average rate in 2015 was 0.7285. Sterling has depreciated by almost 15% compared with that average.

This significantly reduces the cost competitiveness of Ireland for UK visitors. It is likely that the new lower Sterling exchange rate will persist. It is not a temporary phenomenon.

The uncertainty associated with Brexit has reduced consumer and investor confidence and will lower Irish, UK, EU and global economic growth from what otherwise would have been the case. This will reduce demand for the Irish tourism product from overseas markets. It will also reduce the growth of domestic tourism. However, despite a negative impact from Brexit, Irish economic growth should remain relatively high over the next two year.

The uncertainty will persist until a clearer picture emerges of the likely economic relationship between the UK and the EU following exit. It is unclear if that new relationship will maintain most of the current economic relationship or if there will be significant new restrictions on economic transactions and the movement of people.

EXPENDITURE BY TOURISTS

This section identifies the significant role of food and drink in tourism expenditure.

The drinks industry contributes to the tourism performance but it also benefits from the expenditure of tourists. Drink spending is a significant element of total tourism expenditure. Overseas tourists spend over a third of their expenditure on food and drink. A breakdown between food and drink is not available. The expenditure share on food and drink ranges from 32% for North American European and rest of the world tourists to 39% for British tourists. Bed and board also includes some food expenditure. The 2015 Hotel Industry Survey states that 18.8% of hotel sales revenue is from alcohol and soft drinks. Alcohol is about 30% of the sales of licensed restaurants.

The overseas tourism spending pattern is shown in Table 1.

Table 1: Overseas tourist spending pattern 2014*

% of total spending	Total	Britain	Mainland Europe	North America	Rest of World
Bed and board	31	28	33	32	30
Other food and drink	34	39	32	32	32
Sightseeing/entertainment	7	6	7	8	8
Internal transport	13	13	12	13	12
Shopping	14	12	14	13	16
Misc	2	2	2	2	2

**Source: Failte Ireland*

THE ROLE OF PUBLIC HOUSES, LICENSED RESTAURANTS AND HOTEL BARS

This section identifies the role played by public houses, licensed restaurants and hotel bars in supporting tourism in terms of range of services, facilities and wide geographic spread of facilities.

Public houses, licensed restaurants and hotel bars provide an extensive network of facilities and services needed and used by tourists. This is particularly so in isolated rural areas where there is a substantial presence of public houses. These facilities and services include the provision of washroom facilities, shelter from adverse weather, a warm welcome, food, entertainment, traditional music, a pleasant ambience and information and opportunity to meet local people.

Over half of pubs provide food. Based on DIGI research conducted in 2008, 43% of licensed premises offer some form of regular or occasional live entertainment. 22% of licensed premises and 17% of public houses provide entertainment specifically for tourists such as Irish music or ballad sessions.

The 2012 Lonely Planet travel guide described “going to the pub” as the greatest experience a tourist can have in Ireland.

Failte Ireland collected information on the eating out pattern of overseas visitors and the pub played a significant part (Failte Ireland Holidaymaker Study 2013). The percentages of overseas visitors using pubs for meals in 2013 in different locations were:

- Clare 31
- Cork City 18
- West Cork 19
- Dingle 36
- Donegal and Sligo 26
- Dublin City 35
- Dublin Doorstep 15
- Galway and Mayo 26
- Ring of Kerry 29
- Shannon Corridor 29

- South-East 22

In 2015, according to Revenue Commissioner licence data, there were 7193 public houses and 641 hotel bars. There were also 2406 restaurants with either full licences or wine licences.

There is a much wider geographic availability of public houses than any other type of tourism related physical facility. Because of the uncertain Irish weather, the shelter role of the pub is important. In addition, the local pub is a source of local information and advice and other services, as noted above.

The pub is a significant component of the tourism infrastructure and service and is widely available throughout the country. There is also a substantial spread of hotel bars and licensed restaurants. The data show that there is a substantial number of public houses and other bars in every county. For example there are 435 pubs in Kerry in 2015, 365 in Donegal and 109 in Leitrim. The lowest number in a county is 90 in Longford and 97 in Carlow (Table 2). There is also a wide geographic spread of licensed restaurants and hotel bars. This tourism enhancing role of the public house and other licensed network is provided without any government financial support.

Table 2: Geographic spread of public houses, hotel on licensed premises and licensed restaurants 2015

County	Pubs	Hotel bar licences	Fully licensed restaurants	Wine licence restaurants
CARLOW	97	7	2	21
CAVAN	190	10	6	10
CLARE	291	18	8	52
CORK	954	63	52	231
DONEGAL	365	40	22	55
DUBLIN	773	135	162	677
GALWAY	475	65	14	128
KERRY	435	50	23	115
KILDARE	183	22	13	72
KILKENNY	191	12	10	30
LAOIS	123	9	2	18
LEITRIM	109	5	3	10
LIMERICK	360	23	14	68
LONGFORD	90	1	2	8
LOUTH	182	10	15	38
MAYO	273	40	8	68
MEATH	195	12	16	49
MONAGHAN	106	7	3	14
OFFALY	126	5	2	18
ROSCOMMON	203	4	5	15
SLIGO	145	11	0	22
TIPPERARY	422	17	10	39
WATERFORD	220	15	14	53
WESTMEATH	169	10	11	33
WEXFORD	265	22	4	69
WICKLOW	151	18	10	62
	7193	631	431	1975

**Source: Revenue Commissioners*

The geographic spread of pubs and other on-licensed facilities helps to support a wide geographic spread of tourism which is economically important for the less developed areas of the economy. The regional distribution of hospitality related employment is shown below.

Table 3 Regional distribution of hospitality/tourism employment 2015

Region	CSO accommodation and food and beverages services employment Quarter 4 2015, thousands	Estimated regional distribution of hospitality/tourism employment (tourism policy classification), thousands
Border	14.8	21.8
Midland	8.6	12.7
West	11.2	16.5
Dublin	49.8	73.5
Mid-East	14.7	21.7
Mid-West	9.7	14.3
South-East	14.5	21.4
South-West	19.8	29.2
Total	143.1	211.2

Source. CSO and own estimates

The 143.1k total refers to the CSO definition of accommodation and food and beverage services. The 211.2k total refers to our estimate of the Tourism Policy definition of broader tourism. Dublin accounts for the highest employment total at 49.8k, on the CSO definition, followed by the south-west at 19.8k. The lowest region is the Midlands with 8.6k hospitality jobs.

Regional visitors are shown below. Visitors can visit more than one region or location during one trip. Therefore, the sum of the regional or county visits adds to more than the national total.

Dublin has by far the largest volume of overseas tourism activity with 4.1 million visitors compared to the second ranked region of South-West with 2.2 million visitors. The lowest region is the North-West with 602k visitors.

The overseas tourism industry is also a substantial source of regional revenues with the North-West generating €183 million, South-East €206 million, Shannon €326 million and the Midlands-East €291 million in 2014. The South-West generated €778 million. Dublin generated €1379 million from overseas tourism.

The regional spread of overseas tourists and expenditure is shown below in Table 3 for 2014.

Table 4: Overseas Tourism activity by region 2014

Region	Number of Tourists (thousands)	Revenue (€M)
Dublin	4119	1379
Midlands- East	781	291
South-East	870	206
South-West	2229	778
Shannon	1077	326
West	1442	434
North-West	602	183

Source: Failte Ireland

The 2015 regional breakdown of domestic tourism expenditure is shown in Table 6.

Table 5 Domestic tourism expenditure by Region 2015 (CSO regions), € million

Region	€ million
Border	152
Midland	53
West	293
Dublin	258
Mid-east	90
Mid-west	125
South-east	223
South-west	336

Source: CSO

The region with the highest domestic tourism expenditure is the South-west with €336 million followed by the West with €293 million. The lowest expenditure region is the Midlands with €53 million. Each region excluding the Midlands and the Mid-east generates in excess of €100 million.

The advantages of Ireland most frequently mentioned by overseas tourists in the Failte Ireland 2015 visitor survey were (multiple answers given):

1. Irish people 64%
2. scenery 53%
3. culture/history 38%
4. English speaking 32%
5. nature/ecology 29%
6. **drinks/pubs/pub culture 28%**

All other advantages were each less than 21%. Drinks/pubs ranked sixth in the list. The drinks/pubs scores for different market segments were Britain 24%, North America 30%, Mainland Europe 28%, rest of world 30%.

Among the most frequently mentioned disadvantages in the 2015 visitor survey were weather, mentioned by 28% of respondents (highest), high cost of living 10%, drink costs 8%, driving being difficult 8% and food costs 6%. The high drinks costs were referred to by 11% of British visitors, 4% of Americans, 9% of Mainland Europeans and 6% from the rest of the world.

The 2013 Failte Ireland survey contained additional questions related to pubs. It asked tourists to identify the aspects of Ireland they wished to experience and which influenced their decision to come to Ireland. The top ranking response was "an Irish Pub" with 80% mentions, rising to 85% for Mainland Europe visitors and 84% for Germany and North America. The UK score was 65%. The next highest element that visitors desired to experience was Dublin's heritage and culture with 61% and an Irish castle 56%. The top seven tourism elements that influenced the decision of overseas visitors to visit Ireland are listed below:

1. An Irish Pub 80%
2. Dublin's Heritage and culture 61%
3. An Irish Castle 56%
4. the Cliffs of Moher 46%
5. The Ring of Kerry 37%
6. Connemara 36%
7. the Rock of Cashel 18%

The Failte Ireland 2013 survey asked overseas visitors to identify the tourism elements in which they had participate or visited during their stay. The highest ranked answer was “listened to Irish music in a pub” which was experienced by 83% of the survey respondents, rising to 88% for North American visitors. Visiting a coastal town got an 82% response and ranked third was “tasted Guinness” with a 79% response. The fourth ranked element was “visited a food or craft market” with a 49% response.

As noted by ITIC 2014 “The Irish pub offers a unique hospitality experience that is renowned the world over. When tourists come to Ireland they want to go to an Irish pub, they want to enjoy a pint in the welcome surrounds of locals. The pub is the hub of the local town, it is the heart of the local community and uniquely provides a convivial environment for meeting local people”. (ITIC 2014)

Research on behalf of Support Your Local in 2015 confirms the positive role of pubs in the overseas tourists’ experience. 57% of visitors intended to visit a pub. In terms of factors influencing the intention to visit Ireland the highest ranked factor, at 57%, was Dublin’s heritage and culture but the next ranked item was pubs with 54%. According to the research factors which made Ireland unique were, number one at 61%, the people, number two at 56% was historical places of significance and pubs were ranked number three with 50%.

Tourism has been supported by significant Government initiatives such as the Gathering and the introduction and retention of the hospitality 9% VAT rate. Other recent initiatives to promote regional and rural tourism include the Wild Atlantic Way and the Ancient East projects. The Wild Atlantic Way markets the west coast as an integrated 2,500km Atlantic coastal route, passing through nine counties and stretching from Donegal to Cork. As noted above, there is a wide spread of public houses, hotel bars and restaurants along this route.

FESTIVALS TOURISM AND THE DRINKS INDUSTRY

This section identifies the role of drinks industry sponsorship in supporting festivals and illustrates the wide range of festivals and events which receive drinks industry support.

There is little up to date detailed information on the number of, and economic impact of, festivals. The existing research is dated and has been summarised in previous DIGI reports on tourism and the drinks industry. It is clear that the sector is of economic significance and that sponsorship matters. The exact number of festivals operating in Ireland is uncertain but the available data indicate that it is a very large number. Failte Ireland referred to 900 festivals and events in 2011. In 2015 it grant-aided 214 festivals and events compared to 210 in 2011. Its 2011 research indicated that festivals generated paid employment for 10, 836 persons and almost 49,000 persons were involved on a voluntary basis.

The total contribution of the drinks industry and other commercial sponsorship is greater than the direct financial support. It includes additional non monetary assistance including staff, advertising and promotion, facilities and expertise.

As shown below the drinks industry is a major supporter of many events particularly the larger international events. In addition to the substantial role played by the main drinks manufacturers, local publicans also provide sponsorship for a range of local events.

Research from Failte Ireland’s Survey of Overseas Travellers indicated that in 2009 376,000 overseas visitors attended festivals. Failte Ireland states that in 2010 the overseas festival attendance was about 400,000 persons. Of course, attendance at festivals does not imply that the festival was the main determinant of the choice to come to Ireland. However, festivals enhance the tourism product and tourist experience. The great majority of festival attendees are domestic, which contributes greatly to the domestic tourism market. €448 million was generated by festivals in 2010 and more than two million bed nights were generated from the domestic market alone according to Failte Ireland.

The available evidence indicates that the drinks industry is a major business sponsor of festivals**.** An illustrative sample of recent and current drinks industry sponsored festivals is shown below:

Illustrations of Festivals Currently or Recently Sponsored by the Drinks Industry

- Absolut Big Top at the Galway International Arts Festival Galway
- Absolut Stage, Body and Soul Westmeath
- Bulmers Festival Clonmel Tipperary
- Casa Bacardi Electric Picnic Stradbally Hall Laois
- Hop House 13 Rhythm Route at Spraoi Festival Waterford
- Corona Fastnet Short Film Festival Cork
- Franciscan Well Brewery Taste of Dublin Dublin
- Guinness International Dunmore East Bluegrass Festival
- Guinness Jazz Festival Cork
- Guinness Singing and Swinging Festival Wexford
- Heineken Electric Picnic Stradbally Hall Laois
- Heineken Bundoran Sea Sessions Festival Donegal
- Heineken Slane Music Events Meath
- Hennessy Literary Awards Dublin
- Hennessy Portrait Prizes Dublin
- Jameson Cult Film Clubs
- Powers Irish Coffee Making Competition Foynes Limerick
- O'Briens Taste of Dublin Dublin
- Smithwick's Roots Kilkenny
- Tiger Dublin Fringe Dublin

As well as being the principal sponsor for many events, the drinks industry also contributes to events as associate and minor sponsors.

SPORTS EVENTS TOURISM AND THE DRINKS INDUSTRY

This section identifies the role of the drinks industry in supporting a wide range of sporting events.

As is the case internationally, the drinks industry is a major sponsor of sports events. Large international events, such as the rugby internationals, generate overseas tourism as well as generating domestic tourism. The main economic impact of sports is through domestic tourism. Of course, even if there was no sponsorship most, if not all, of these sporting events would continue. The lost sponsorship might be replaced by other sponsors. If not, financial resources available to events would have to be reduced or the additional finance needed to replace the sponsorship would be diverted from other desirable programmes.

Major recent and current sports sponsorships included:

- Guinness Series, International Rugby
- Guinness Pro 12 Rugby
- Heineken European Rugby Champions Cup
- Horse racing sponsorship of Hennessy Gold Cup (up to 2015), the Guinness Punchestown national hunt sponsorship and Guinness sponsorship of Galway Races
- Carlsberg sponsorship of Irish soccer

Beamish sponsors the Munster Senior League (soccer). Heineken sponsors the Kinsale Rugby Sevens. Carlsberg sponsors the Salthill Devon national five a side soccer festival. There is also a range of smaller supports including individual pub sponsorship of local teams and events. According to a 2013 VFI survey of members, 49% of VFI members sponsored local sports teams.

The role of the drinks industry in horse racing sponsorship is substantial although the absolute amount has declined over recent years.

In 2015, total commercial race sponsorship was €4.268 million. Of this, the drinks industry provided €328,500 or 7.7%, which was the fifth highest sectoral share behind media (17.2%), stud farms (14.5%) racecourses and supporters (13.7%) and bookmakers and betting exchanges (13.4%). Hotels provided another 3.5% of the sponsorship and restaurants accounted for 0.1%.

The scale of the racing industry and its economic impact can be appreciated by the attendance of 1.276 million persons who attended race meetings in 2015.

TOURISM VISITOR ATTRACTIONS AND THE DRINKS INDUSTRY

This section identifies the substantial role played by the visitor attractions established by the drinks industry.

Failte Ireland publishes comprehensive data on the number of visitors to tourist attractions in Ireland. The latest data refers to 2015. The 2015 Failte Ireland national data for all fee charging attractions shows that the Guinness Storehouse was the largest fee charging tourism attraction in 2015 with 1,498,124 visitors. Second in the ranking was the Cliffs of Moher with 1,251,574 visitors. Third in the ranking was Dublin Zoo with 1,105,005 visitors.

The Old Jameson Distillery attracted 282,056 visitors in 2015 and was ranked seventeenth in the top 20 attractions. The Jameson Experience in Midleton attracted 125k visitors in 2015.

The 2015 visitor numbers for the full range of drinks related visitor centres (data supplied by centres except for Storehouse and Jameson facilities which are Failte Ireland figures) were

- Guinness Storehouse 1,498,124
- Old Jameson Distillery 282,056
- Jameson Experience Midleton 125,00
- Kilbeggan Distillery Experience 65,000
- Smithwick's Experience 50,000
- Tullamore Dew Visitor Centre 33,900
- Irish Whiskey Museum 56,000

The Guinness Storehouse is now (2015) at almost 1.5 million visitors. Old Jameson Distillery is up to 282k visitors. The Midleton facility is at 125k visitors. Kilbeggan is at 65k visitors and the Tullamore centre attracted almost 34k visitors in 2015. The two newest facilities have 56k and 50k visitors respectively.

The Guinness Storehouse has topped the list of fee-charging visitor attractions every year since 2008 except for 2010.

The drinks industry visitor attractions are particularly important in overseas tourism. The large majority of visitors to the drinks related visitor centres were from overseas. 95% of the Old Jameson Distillery visitors in 2015 were international while 5% were from Ireland. Of the 95%, 30% were from the USA, 13% from

Britain, 8% each from France and Germany and 37% from the rest of the world. Jameson Experience Midleton visitors were 82% overseas and 18% from Ireland with 25% from the United States, 20% from Germany and 14% from France. The overseas share was 93% for the Guinness Storehouse in 2015 and the largest overseas share was from the USA. Half of all holidaymakers who visit Dublin visit the Guinness Storehouse.

In September 2015 the Guinness Storehouse was named “Europe’s Leading Tourist Attraction” at the World Travel Awards receiving more votes than such as the Eiffel Tower and the Colosseum.

Diageo opened the Smithwick's brewery in Kilkenny as a state-of-the-art visitor experience in July 2014. This is modelled on the Guinness Storehouse approach. In addition the Irish Whiskey Museum was opened in Dublin in August 2014. Other very recent drinks related visitor developments include Dingle Distillery, Connacht Whiskey Company, Teeling Distillery in Dublin, Boann Distillery in Louth and Walsh Whiskey in Carlow.

The 2015 top 20 fee paying attendances are listed below. This includes the two main drinks visitor facilities.

Table 6: Top 20 fee-charging attractions (visitors) 2015

Rank	Attraction	Number of visitors (thousands)
1	Guinness Storehouse	1,498.1
2	Cliffs of Moher Visitor Experience	1,251.6
3	Dublin Zoo	1,105.0
4	National Aquatic Centre	991.6
5	Book of Kells	768.0
6	Tayto Park	750.0
7	Kylemore Abbey	600.0
8	St Patricks Cathedral	532.0
9	Fota Wildlife Park	436.4
10	Doneraile Wildlife Park	432.2
11	Blarney Castle	400.0
12	Bunratty Castle and Folk Park	341.7
13	Kilmainham Gaol	326.6
14	Rock of Cashel	300.7
15	Castletown House	297.7
16	Kilkenny Castle	282.6
17	Old Jameson Distillery	282.1
18	Powerscourt House	249.5
19	Dublin Castle	231.2
20	Christ Church	195.9

**Source: Failte Ireland*

INTERNATIONAL PROFILE

This section identifies the contribution that Ireland's international drinks brands makes to the international tourism perception of Ireland.

Substantial public and private sector marketing 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 tourism performance.

High profile international sporting or cultural achievements by Irish people contribute to the positive profile of Ireland. High profile high quality international Irish brands also contribute to the positive profile of Ireland.

The drinks industry contributes global brands, such as the three most internationally recognised Guinness, Baileys and Jameson. In addition, Magners has an international reach. Drinks products are associated with leisure, relaxation and the hospitality industry, which adds to the tourism promotion effect. These are all recognised as high quality premium products. They are directly associated with Ireland and generate a positive impression of the country from a tourism perspective.

The geographic reach of these drinks brands is global. Jameson is consumed in about 120 countries. Baileys is consumed in about 130 countries and is the worlds leading liqueur. Guinness is consumed in about 150 countries.

The presence of Irish pubs in many foreign cities also contributes to the awareness of Ireland as a location associated with hospitality and relaxation.

The recognition impact of Irish drinks brands including Guinness, Baileys, Jameson and Magners is an important support to the direct tourism marketing effort**.**

Guinness Storehouse generates around 200 million media impressions each year which promote Dublin and Ireland as tourist destinations.

CONCLUSION

Tourism is a very important sector in terms of economic impact and regional development. The tourism sector is expected to grow substantially over the next decade. However, the Brexit situation makes it more difficult to realise that growth potential. The drinks industry makes a substantial contribution to the tourism performance in several ways.

7,193 public houses and 631 hotel bar on-licences provide physical facilities and a range of services required by tourists on a very widespread geographic basis. In addition there are 2406 fully licensed or wine licensed restaurants.

The public house network provides wash room facilities and shelter, food and hospitality services and entertainment. The pub is a central part of the international visitors' positive tourism experience. These services are provided in even the very remote parts of the country. This supports the regional spread of tourism.

After the fundamental attractions of *people, scenery, culture/history, English speaking and nature/ecology* public houses are identified as an advantage that positively distinguishes Ireland by 28% of overseas tourists according to 2015 Failte Ireland research.

2013 Failte Ireland research asked overseas tourists to identify the Irish tourism aspects they desire to experience which influenced their decision to visit Ireland. The top ranking response was "an Irish Pub" with 80% mentions, rising to 85% for Mainland Europe visitors and 84% for Germany and North America. The UK score was 65%. The next highest elements that visitors desired to experience were Dublin's heritage and culture with 61% and an Irish castle 56%.

The Failte Ireland research asked overseas visitors to identify the tourism elements in which they had participate or visited during their stay. The highest ranked answer was "listened to Irish music in a pub" which was experienced by 83% of the survey respondents, rising to 88% for North American visitors.

Festivals currently or recently supported by the drinks industry include the Guinness Cork Jazz Festival, the Heineken Electric Picnic, the Jameson Cult Film Clubs and the Bulmers Comedy Festival, Kilkenny.

The drinks industry sponsors or previously sponsored both major and local sports events including golf, horse racing, soccer, rugby and GAA. In 2015, the drinks industry provided 7.7% of all horse racing sponsorship and hotels provided another 3.5%.

The Guinness Storehouse was the most popular fee charging tourism attraction in Ireland with almost 1.5 million visitors in 2015. In September 2015 the Guinness Storehouse was named “Europe’s Leading Tourist Attraction” at the World Travel Awards.

The Dublin Old Jameson Distillery attracted 282k visitors in 2015. Both are in the top 20 of fee charging attractions. The Midleton Jameson Experience attracted 125k visitors in 2015.

The 2015 visitor numbers for the drinks related visitor centres were:

- Guinness Storehouse 1,498,124
- Old Jameson Distillery 282,056
- Jameson Experience Midleton 125,00
- Kilbeggan Distillery Experience 65,000
- Smithwick’s Experience 50,000
- Tullamore Dew Visitor Centre 33,900
- Irish Whiskey Museum 56,000

The large majority of visitors to the drinks related visitor centres were from overseas.

Guinness Storehouse generates about 200 million global media impressions annually.

Brands such as Guinness, Jameson and Baileys which are consumed in over 100 countries generate positive awareness of Ireland as a place of quality relaxation and leisure among potential tourists. Other brands such as Magners also have an international reach.

Overall, the drinks industry support for Irish tourism is substantial and wide ranging. The tourism industry is expected to be a major source of economic development and employment growth over the coming years although Brexit will make it much harder to realise the growth potential.

To achieve this desirable and demanding growth the tourism industry will need widespread support, including the ongoing substantial direct and indirect support provided by the drinks industry.

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