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A STATISTICAL PROFILE OF IRISH DOMESTIC TOURISM, 2000-2005

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(read before the Society, 1 March 2007)

Abstract: The 2000–2005 period was a turbulent one for the tourism industry. Yet despite shocks like September 11 and the outbreak of Foot and Mouth disease, domestic tourism has not only survived but also apparently thrived, with a nominal growth in trips and expenditure of 31% and 65% respectively. This paper attempts to put this increase in domestic tourism into perspective and examine some of the driving forces behind the growth, such as population, immigration, employment, income and price. The paper also highlights structural changes occurring on the supply side, such as the decline of the B&B sector and the emergence of holiday homes as an important sector. It also demonstrates the magnetic pull of the Greater Dublin Area on business tourism and highlights the differing tourism patterns associated with different age groups or whether children are involved or not. It is also argued that domestic tourism is less vulnerable to external shocks than inbound and outbound tourism and advocates that same day visits are perhaps far more important to domestic and national tourism than previously realised.

Keyword: Tourism

JEL Classification: L83

1. INTRODUCTION

The 2000–2005 period has been a challenging time for tourism. International events, such as September 11, the London and Madrid bombings, SARS, the Afghan and Iraq Wars, the Stephen's Day Tsunami, Hurricane Katrina and Avian flu have all served to reinforce just how globally influenced and delicate the tourism product is. Despite all these challenges, international tourism continues to grow inexorably and now claims to be the largest traded service on the planet.

The internal tourism market in Ireland would not appear to be an exception to this rule. In addition to the events above, in recent years the Irish tourism industry has had to contend with the uncertainties posed by the appearance and disappearance of new airlines and routes, the emergence of a peaceful Northern Ireland as a new entrepot and doorstep competitor and the threat of Foot and Mouth disease. Yet, in spite all these events, this fragile and globally exposed market has shown a remarkable resilience and has continued to thrive.

* Any of the views expressed are those of the author and do not reflect the views or policies of the Central Statistics Office.

2. THE PURPOSE OF THIS PAPER

The purpose of this paper is twofold. The first is to introduce some new Household Travel Survey (HTS) data, which is the primary source of information on domestic tourism in Ireland. The second is to highlight some gaps in tourism statistics, particularly statistics relating to domestic tourism, that until recently had not been thought to be particularly important.

Broadly speaking Irish tourism can be categorised in to three distinct markets: Inbound tourism (foreign tourists coming to Ireland); Outbound (Irish tourists going abroad); and, Domestic tourism (Irish tourists staying in Ireland). This paper will focus on the Irish domestic tourism market.

The HTS measures National tourism (i.e. Domestic + Outbound tourism) on the demand side. Six years of HTS data have now been compiled and published, and given the events that have unfolded during those years, it is timely to examine these data and see if there are lessons to be learned.

Although the HTS data are available on a quarterly basis, the bulk of the data discussed and presented in this paper are annual data only. While this hides some of the flavour, it allows us to examine larger data aggregates and volumes of data, thus making any analysis and conclusions more robust. This is particularly important for cross-classification analysis, where the sample sizes are not sufficiently large to ordinarily support such scrutiny on a quarterly basis.

3. DEFINING DOMESTIC TOURISM

The UN-WTO¹ defines “tourism” as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited. So tourism, as defined by the UN-WTO, encompasses most short-term travel away from a person’s normal place of work or residence and includes not just holiday, leisure and recreational travel but also travel for the purposes of visiting friends and relatives, business, education, religious, health or other reasons.

The term “activity remunerated from within the place visited” is an important part of this definition as it draws the distinction between business and work. Trips taken for the purposes of work, where clearly distinguishable from business trips, should be excluded. However drawing a clear distinction between work and business in practice is not straightforward; more about this in part 4.

The source data for this paper is primarily taken from the CSO HTS and covers the six-year period 2000 to 2005. The HTS measures National tourism, which is comprised of Outbound and Domestic tourism together, i.e. the tourist activities of Irish residents. Supplementary data supplied by Fáilte Ireland on the supply of collective accommodation were also used.

Domestic tourism is made up of two discrete segments; Overnight visits and Same-Day visits. The HTS only measures Overnight visits. For the purpose of the HTS, an overnight visitor is defined as any Irish resident who travels outside their usual environment for a period of less than 12 months, stays at least one night in collective or private accommodation and whose main purpose of trip is not work. Consequently, a number of short distance and regular trips are outside the scope of the HTS,² such as commuting to work etc.

¹ United Nations – World Tourism Organisation

² See CSO, Household Travel Survey – Background Notes for full list of exclusions.

4. A BRIEF DESCRIPTION OF THE HOUSEHOLD TRAVEL SURVEY

The HTS was first launched by the CSO in the first quarter of 2000 and first results were published on December 19, 2003 (Q1 2000 – Q1 2003). The survey covers all non-routine, non-work overnight trips, both domestic and international.

Data is collected via postal survey. The questionnaire has 3 sections. Part A establishes Household Composition, i.e. the number of persons in the household, their ages and their gender. Relationships between members of the household are not established. These data are required whether any trips were taken by members of the household or not. Part B determines if any overnight trips were taken. Finally Part C, relevant only to those households where overnight trips were taken. The following variables are requested:

1. Destination (main country if outbound or county if domestic)
2. Who went (number of persons and who they were)
3. When (month of departure)
4. Why (main purpose of journey)
5. Length of trip (the number of nights spent away from home)
6. Accommodation (main)
7. How the trip was booked
8. Transport used (main)
9. Total expenditure
10. Pre-payments made in advance.

For all variables, the survey asks respondents to provide details of the “main” event. So if multiple destinations are visited or if multiple forms of accommodation or transport are used we attribute the full trip to a single destination, purpose, accommodation or transport type. When the HTS was first launched, information on second and third destinations were also collected but these variables were discontinued. For the majority of trips, where second and third destinations were listed, they were the same as the first, i.e. the level of destination coding was too aggregated to capture the secondary destinations in any useful way (e.g. Spain was the first and second destination). It should be noted that all expenditure is attributed to the primary destination, and this expenditure is divided over all participants on the trip equally, i.e. children spend as much as adults.

Since Q3 2006, a question on port of departure and a question on how many nights (if any) on an outbound trip were spent in Ireland, en route to, or returning from a trip abroad. These questions only apply to outbound trips and don't apply to domestic trips. A Part D has also been added, asking respondents to detail their total expenditure, for their last reported trip, into the following breakdowns:

1. Package
2. Other accommodation (not included in package)
3. Other transportation (not included in package)
4. Other excursions/tours (not included in package)
5. Other food (not included in package)
6. Shopping
7. Total expenditure.

The survey is a random stratified sample, where each quarter private households are randomly selected from District Electoral Divisions on the Electoral Register. At design, the sample size of 12,000 households represented roughly 1% of the estimated 1.2 million private households in the state. The period 2000–2005 witnessed an exceptional growth in the number of private households, with the Quarterly National Household Survey (QNHS) estimating the private household population for Q4 2005 at 1.48 million. Because of the rapid growth in private

households wedded to a steadily falling response rate, from 67% in 2000 to 53% in 2005, it was decided in Q4 2005 to boost the sample to 13,000 households per quarter. On receipt, the forms are scanned and then a small number of micro and macro edits and imputation (e.g. business expenditure) are completed.

Survey results are grossed to population by using a two stage weighting process. In stage 1, the survey results are weighted to household population estimates classified by household type (i.e. number of persons aged 18 or more) and region (at NUTS 3 or planning region level). These household population estimates are sourced from the QNHS.³ The Electoral Register cannot be used as a grossing frame, as it is a fairly static register and does not adequately capture the growth or distribution of the population on a quarterly basis.

Response rates for the HTS have never been particularly enviable, although for a postal survey they are still quite good. During 2000, some follow up studies of non-respondents were conducted to try and determine whether non-respondents had simply not responded or had not actually travelled and didn't feel the survey applied to them. These studies were inconclusive. Fortunately, from the frontier tourism surveys we know the volume of outbound Irish tourism. Comparing these datasets, it was clear that the HTS under reports outbound traffic by roughly 15%. A clear seasonal pattern has been identified to this under reporting, which is always higher during Q4 and Q1. Consequently in stage 2, the international or outbound HTS results are calibrated with the outbound tourism frontier survey results. The same calibration is also applied to domestic tourism results.

As noted earlier, drawing a clear distinction between work and business is not a simple or straightforward matter. From the point of view of the Household Travel Survey data, there has always been a concern that the Business and Other categories may have contained an element of work. For example, if a respondent undertook an atypical trip for the purposes of work, that trip may still have been reported (even if the distinction between business and work was understood) as the respondent considered it atypical, or perhaps the trip contained an element of leisure despite the main purpose of the journey being work. As the HTS is a postal survey, unclear, peculiar or partial responses cannot be validated with the respondent.

In Q4 2005, the HTS questionnaire was amended, to make an explicit reference to work. The category "Business" was changed to "Business/Work". In that quarter, trips for the purposes of Business did appear to increase by an unusually high degree, whereas the number of "Other" trips taken decreased by a higher than usual amount. On the face of it, this would appear to confirm suspicions that there may have been confusion on how to deal with work trips. That said, it is early days, so no clear conclusions can be drawn yet. For the purposes of this paper, I have ignored any effects this change might have had on Q4 2005, and have made no attempt to adjust the data i.e. business trips for all periods of 2005 are being treated as comparable.

5. THE DOMESTIC MARKET

During the period 2000–2005, some 39 million domestic trips involving an overnight stay away from home were taken and almost 139 million nights were spent away from home. The number of domestic trips grew from just over 5.4 million in 2000 to almost 7.2 million in 2005, a growth of almost 1.7 million trips per annum or 31%.

With the reasonably steady fall in the Average Length of Stay over the six years, nights spent resulted in a less spectacular but none the less impressive growth of 19% or almost 4 million nights per annum, rising from 20.7 million in 2000 to almost 24.7 million in 2006.

³ See Appendix 2 - Table A

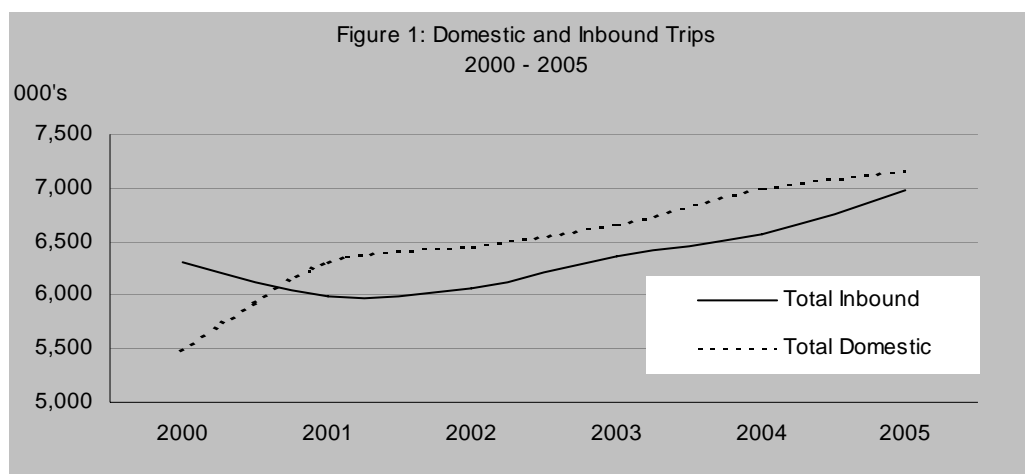
Of the 39 million domestic trips taken during 2000–2005, almost 18 million of these, or roughly 45% of all trips were considered to be holidays by the participants. A further 13 million or 34% were spent visiting friends and relatives (VFR). Assuming that visiting relatives is not a chore and could be considered a leisure activity then almost 31 million or 79% of all trips were taken for recreational purposes. Extending this assumption to nights, then over 114 million or 82% of nights spent away from home were considered to be recreational.

Table 1: Domestic trips by Reason for Journey, 2000 - 2005

	2000		2005		2000 - 2005	
	Trips	% Share	Trips	% Share	Trips	% Share
	000's		000's		000's	
Total Domestic - Trips	5,478		7,173		39,068	
Holiday	2,516	45.9	3,348	46.7	17,660	45.2
Business	554	10.1	770	10.7	3,802	9.7
Visiting Friends/Relatives	1,800	32.9	2,298	32.0	13,158	33.7
Other	607	11.1	757	10.6	4,446	11.4

As noted in the introduction, tourism had to contend with a number of shocks in recent years, but most notably the September 11 atrocities and the outbreak of Foot and Mouth disease during 2001. In fact in 2003, Enterprise Ireland noted the significant effect these events had on tourism in their economic outlook (Enterprise Ireland, 2003). In the case of Foot and Mouth disease, it is arguable that it had a more significant effect on tourism than it did on agriculture (Deegan et al, 2006). What is interesting however is the performance of the domestic tourism market compared with that of the inbound market.

Not only has domestic tourism outperformed the inbound performance by a factor of 3 (i.e. 31% growth versus 11% growth) during the period in question but during 2001, the black year for tourism, when foreign tourists stayed at home and inbound tourism faltered, the domestic market kept the tourism industry afloat. In fact, not only did domestic tourism hold ground but grew by a staggering 15% on the previous year. Of course, comparing trips is simplistic and overstates the performance of the domestic market in real terms (i.e. expenditure), as these are very different markets with significantly different average length of stays; 3.5 nights for domestic tourism as against 7.3 nights for inbound. Nevertheless, the basic point holds true, domestic tourism is less exposed to external shocks.



6. DOMESTIC TOURIST EXPENDITURE

Between 2000 and 2005, €5.6 billion was spent by domestic tourists in Ireland. In that time, annual tourist expenditure saw a dramatic increase, rising from €707 million in 2000 to €1,165 million in 2005 – a growth of 65%. Not surprisingly, recreational tourism (Holidays + VFR) accounted for the lion's share of this. But despite generating 82% of total bed-nights, the €4.1 billion spent on recreational tourism only accounted for 72% of total domestic tourist spend.⁴

Business tourism had the highest growth in expenditure over the six years, growing from €110 million to €188 million, an increase of 72%. Considering that business travel experienced the highest growth in trips of all the Reason for Journey categories this is not entirely surprising. But Business travel has also had consistently by far and away the highest average per diem spend of all the categories. Over the 2000–2005 period, business per diems averaged €87.60 per person, almost twice the average per diem spend for domestic holidays over the same period.

The 30-59 age group accounted for almost €3.1 billion of the total spend for the six years or 54% of all expenditure, despite only accounting for 46% of all nights spent. Their average per diem spend was typically €7.40 higher than the average per diem for all domestic tourists.

However, it is the 60 years and over age group that had the highest growth in expenditure, almost doubling from €103 million to €203. This saw their contribution to total expenditure grow from 14.5% to 17.5%.

The 20-29 age group not only had the lowest volume of domestic travel but also had the lowest growth and the lowest total spend. That said, their per diem spend was consistently the highest of all the age groups. Over the 2000–2005 period, their daily spend was on average €10 higher than the 30-59 age group, the next highest spenders.

Trips involving adults and children (i.e. persons aged less than 18) accounted for 54% of total nights away but only 33% of total domestic expenditure. The growth in expenditure for combined adult and children trips was only about half that for trips involving adults only. The per diem spend for trips involving adults only was on average €33.90 higher than for trips involving adults and children.

The increase from €707 million in 2000 to €1,165 million in 2005 is of course in current prices. The results are somewhat less impressive when expressed at constant prices. Two options for the deflation of domestic tourism expenditure are set out below. Using the Consumer Price Index excluding mortgage interest repayments (CPI-M) as a crude deflator of the prices faced by Irish residents purchasing tourism products in Ireland, the €1,165 is reduced to €982 million, a reduction of €183 million or roughly 16%.⁵ This gives an estimated real increase in tourism expenditure of 39% rather than the nominal 65%. If average per diem expenditure is compared at current and constant prices, the nominal increase of 39% falls to 17%.

This of course might understate the impact of inflation on the domestic tourism product itself. Tourism is a very diverse activity and its tentacles affect just about every aspect of the Services economy. Consequently, it is very difficult to know which services to include within the tourist industry and which ones to exclude. Over the course of a typical domestic trip, a typical tourist will purchase a wide range of goods and services, some of which would normally be thought of as tourist products (e.g. accommodation services) and some, which might not be thought of as tourism products (e.g. purchasing motor fuel).

⁴ See Appendix 3 – Table A

⁵ See Appendix 3 – Table B

Table 2: Estimated Total Expenditure at Current and Constant Prices, 2000 - 2005

	2000	2001	2002	2003	2004	2005
						€ Millions
Total Expenditure - Current Prices	706.6	879.9	849.4	970.9	1,037.2	1,164.5
Total Expenditure - Constant Prices (CPI-M)	706.6	843.6	775.7	851.7	891.8	981.9
Total Expenditure - Constant Prices (CPI-T)	706.6	830.1	746.4	803.1	824.5	896.5
						€
Average Per Diem - Current Prices	34.1	37.9	38.2	41.1	42.9	47.3
Average Per Diem - Constant Prices (CPI-M)	34.1	36.4	34.9	36.1	36.9	39.9
Average Per Diem - Constant Prices (CPI-T)	34.1	35.8	33.6	34.0	34.1	36.4

Source: CSO, CPI and HTS, 2000-2005

Over the six years 2000–2005, the prices for what we might call the Tourist Index or CPI-T (i.e. prices of tourist products as measured in the CPI) rose by almost 30%. This index represents a typical “core” basket of tourism products, i.e. the index is comprised of goods and services that might typically be thought of as within the tourism sphere.⁶ This excludes items such as retail shopping, transport, motor fuels, books & newspapers, photographic services, and hair and beauty treatment which all might ordinarily play an important role in a domestic trip but are outside the control of the tourism industry. Again, one could quibble over the exact composition of the basket but the CPI-T includes the main tourist goods and services purchased by a wide range of domestic tourists while on a trip. If this index were used as the deflator, then €1,165 would be reduced further to €897 million, yielding a real growth rate.

Using CPI-M as the deflator, a 39% growth in expenditure over six years is still impressive. Compared with the Retail Sales (RSI) volume index (which measures an obvious alternative to tourism expenditure) which grew by just under 11% (CSO, 2005)⁷ in the same period, it puts the domestic tourism industry performance into perspective.

7. REAL AND NOMINAL GROWTH

So how have Irish residents managed to take so many more additional trips every year? Even allowing for the steady decline in the Average Length of Stay, a growth of 31% in the number of trips taken is impressive. Apart from effecting decisions regarding domestic versus outbound trips, cheaper air fares or a strengthening Euro can be discounted as minor or non-influencing factors when considering domestic tourism. Intuitively, any change in income or wealth could be expected to be a significant determinant. After all, holidays cost money! Certainly, in the short period under discussion, 2000–2005, the Irish economy grew at a robust rate, with Gross National Income (GNI) averaging 4.3%⁸ at constant market prices (CSO, 2005a: Table 4.1). Aggregate income also increased substantially, with remuneration of employees between 2000 and 2005 increasing by 9.5%⁹ on an annual basis (CSO, 2005a: Table 1.1). Combined with a growing population and a swelling, active labour force, Personal Consumption Expenditure (PCE) on goods and services

⁶ Eating out, drinking out and accommodation services.

⁷ See Appendix 3 – Table C

⁸ See Appendix 3 – Table D

⁹ See Appendix 3 – Table E

grew by an average of 4.5%¹⁰ at constant market prices (CSO, 2005a: Table 6.1). It is not unreasonable to assume, nor would it be surprising that this led to increased spending on tourism, whether it be domestic or outbound.

But could there be other determinants? During the 2000–2005 period, employment witnessed rapid growth, from 1,671.4 million persons employed in the second quarter of 2000 to 1,929.2 million in Q2 2005 – a growth of over 15%. Since then, employment has surged further and now stands at 2,107.0 million persons (CSO, 2006). Presumably the growth in paid employment made a contribution to the growth in domestic tourism, both business and non-business. But it was just that, a contribution, as the growth in domestic tourism considerably exceeded that for employment.

Even when the growth in employment is taken into consideration, the number of trips per person employed still increased from 2.6 in 2000 to 3 in 2005. If the number of trips taken by those 15 or more (comparable to ILO¹¹ age cut-off) is adjusted to take account of the growth in employment, the growth in trips falls from 32% over the six-year period to a more modest 14%.

	2000	2001	2002	2003	2004	2005
						000's
All Trips	5,478	6,307	6,452	6,657	7,001	7,173
Population	3,790	3,847	3,917	3,979	4,044	4,131
<i>Trips per head</i>	1.4	1.6	1.6	1.7	1.7	1.7
Trips (Aged 15+)	4,324	4,897	5,115	5,324	5,448	5,702
Persons Employed (ILO)	1,671	1,722	1,764	1,793	1,836	1,929
<i>Trips per Employed</i>	2.6	2.8	2.9	3.0	3.0	3.0

Another approach in trying to assess the real growth in the number of trips taken might be to examine the growth in the total population. During the 2000–2005 period, the estimated population for the Republic grew from 3.790 million to 4.131 million persons, a growth of over 341,000 persons or 9%. Net migration was almost 215,000 persons, accounting for almost two thirds of this growth.

The growth in domestic tourism outstripped the 9% growth in population more than three fold. Even when the growth in population is taken into account, the number of trips taken per head of population still grew from 1.4 in 2000 to 1.7 in 2005. Again, if the number of trips taken is deflated by the growth in the population as a whole, the nominal 31% growth experienced for all domestic trips falls to the a more modest, but nonetheless impressive 20%.

8. PUTTING DOMESTIC TOURISM IN CONTEXT

Tourism is unlike most other economic activities; the composition and diversity of the sector is one that defies normal economic activity classification and nomenclature. In fact, it might be better thought of as a collection of economic activities rather a single one. This collection is very diverse, ranging from restaurants and hotels on one end of the spectrum to car hire and photo development

¹⁰ See Appendix 3 – Table F

¹¹ International Labour Office (ILO). The ILO classifies the population aged 15 or more into employed, unemployed and inactive.

on the other. Consequently, this makes for an industry that is not easily measured, analysed or understood.

In the view of Travers *et al.* tourism is “the largest internationally traded services sector in Ireland. It embraces a wide range of diverse small and medium sized enterprises that are predominantly Irish Owned” (Travers *et al.* 2005). Unfortunately, quantifying the actual value of total tourism, let alone domestic tourism is a very difficult challenge to address. Honohan and Walsh suggest that total tourism and travel receipts come to little more than 4% of GNP (Honohan and Walsh, 2002). However, Deegan (2006: 14) suggests that results from their Tourism Satellite Account (TSA) gives a total tourism spend as a percentage of GNP closer to 7%.

According to published data, over the past six years domestic tourism has accounted for roughly 19% of all overnight National tourism expenditure (i.e. Tourist expenditure made by Irish residents). Of course, this understates the weight of the domestic tourism market significantly, as the HTS does not capture Same-Day Visits (SDV), which obviously plays a much larger role in domestic tourism than they do for outbound tourism. Nor does the HTS distinguish between the portion of total outbound expenditure spent in Ireland, either as part of a pre-payment made in Ireland (e.g. commissions paid to travel agents, foreign airlines or rental agencies etc.), payments to Irish carriers or as overnights spent en-route or returning from airports (e.g. purchasing meals, petrol, accommodation, parking etc.).

There are no data on same day domestic tourism in Ireland, or on the domestic portion of total outbound spend although it has been estimated, as part of the First Steps Tourism Satellite Account (TSA) project that Same-Day tourism could account for as much as 28% (Deegan *et al.* 2004) of total tourism demand in Ireland. Given the greater importance of SDVs for domestic than for outbound tourism, including their expenditure and the portion of outbound spend actually made in Ireland would have a dramatic re-balancing impact on the relative importance of the two markets.

A satellite account permits the understanding of the size and role of sectors that are poorly defined within the conventional national accounting framework. The tourism industry is just such a sector. It is more accurately a collection of heterogeneous activities that defy conventional classification rather than a single unified industry. A Tourism Satellite Account¹² or TSA is an account through which the goods and services associated with tourism can be measured and assessed in line with internationally accepted standards of concepts, classifications and definitions. Thus a TSA facilitates both inter and intra-national comparison of tourism sectors.

In the First-Steps TSA compiled for Ireland for 2000, estimates for SDV and domestic portion of outbound expenditure were produced, as were pre-payments. This involved a number of steps:

1. Using SDV data from the UK, Deegan *et al.*, estimated that the ratio of Same-Day trips or Day-Tripper to Overnight tourist trips was 14:1, yielding 76.7 million SDVs for 2000.¹³ This gave a Same Day Penetration Rate (the number of SDVs per head of population) of 20¹⁴ for Ireland, compared with 23 for Great Britain. The HTS does not provide expenditure category breakdowns, so SDV per diems were then calculated. This was done was first using Household Budget Survey (HBS) domestic tourism expenditure data to net out accommodation expenditure.¹⁵ Then Fáilte Ireland/IMS inbound tourist data was used to

¹² For more information on TSAs see UN-WTO/OECD/EU Tourism Satellite Account – Recommended Methodological Framework, 2001.

¹³ 5,478,000 trips * 14 = 76,692,000 SDVs

¹⁴ 76,692,000 / 3,786,900 = 20

¹⁵ €72.4m on holidays lasting 4+ nights of which €5m was on accommodation

distribute the remaining expenditure into spending shares (i.e. Food & Drink, Sightseeing/Entertainment, Transport, Shopping and Miscellaneous).¹⁶ This gave an “Irish Day Tripper” per diem spend of €23.21 and a total spend of €1,779.92m.

2. A simple pro-rata adjustment was made for the domestic portion of outbound trips. CSO estimated, using HTS “secondary destination” data, that in 2000, 84,000 nights were spent by Irish residents en-route to or returning from overseas destinations.¹⁷ As there were 35,544,000 overnights outside of Ireland, with a total expenditure of €2,804m during 2000, €3.36m¹⁸ was transferred from outbound to domestic expenditure.
3. In addition to commission on the €3.36m above (0.53m), commission on travel agency/tour operator services in respect of outbound tourism was estimated at €153m.
4. Finally, residents travelling abroad paid Irish international carriers €495m.

Table 4: Domestic, Outbound & National Tourist Expenditure, 2000 - 2005

€ Million

Year	Overnight Domestic Tourism	Estimated Same-Day Domestic Tourism	Estimated Domestic portion of Outbound Tourism	Estimated Total Domestic Tourism	Overnight Outbound Tourism	Estimated Overnight Outbound Tourism	National Tourism	Estimated National Tourism
	A	B	C	D	E	F	G	H
	A + B + C				E - C		A + E	D + F
2000								
- 2005	5,609	14,129	5,198	24,936	24,056	18,857	29,664	43,793
2000	707	1,780	655	3,143	3,187	2,532	3,894	5,675
2001	880	2,216	815	3,912	3,550	2,734	4,430	6,646
2002	849	2,140	787	3,776	3,924	3,137	4,773	6,913
2003	971	2,446	900	4,316	4,092	3,192	5,063	7,509
2004	1,037	2,613	961	4,611	4,258	3,297	5,295	7,908
2005	1,165	2,933	1,079	5,177	5,044	3,965	6,209	9,142

Adding these adjustments to the €707m generated from overnight domestic tourism, total domestic expenditure grows to €3.1bn. Holding the ratio between overnight domestic expenditure and total domestic expenditure, i.e. between €707m and €3,143m constant and extrapolating forward over the years 2001 through 2005, it could possibly mean that aggregate domestic tourism, from 2000 to 2005 generated €2.9 billion.

This re-balancing would not only increase the value of total domestic expenditure from €3.6 billion to €2.9 billion, it would also decrease the total value of total outbound expenditure (or invisible imports) from €4.1 billion to €1.9 billion. This would have the rather dramatic effect of

¹⁶ See Appendix 3 – Table G

¹⁷ CSO estimated this understated the real figure, as this figure was calculated from the secondary destination questions in the HTS which were rarely completed. It is likely there was a significant level of partial non-response in relation to these questions.

¹⁸ €2,804 less €12m cross border = €2,692m x (84,000/35,544,000 = 0.00236) = €3.36m

making total domestic tourist expenditure worth more than total outbound expenditure. It would also re-value total national tourism at €43.8 billion in total over the 2000–2005 period.

In terms of internal tourism (i.e. domestic + inbound), domestic tourism also plays an important role. Again, it is not exactly clear how important that role is, due to the lack of SDVs data for domestic tourism and comprehensive data on the impact of outbound expenditure made within Ireland. But the scenario is similar to that for national tourism, in that SDVs have a larger impact on domestic tourism than on inbound tourism.

Table 5: Domestic, Inbound & Internal Tourist Expenditure, 2000 - 2005
€ Million

Year	Overnight	Estimated	Total	Internal	Estimated
	Domestic	Total	Inbound	Tourism	Internal
	Tourism	Domestic	Tourism	Tourism	Tourism
	A	B	C	D	E
				A + C	B + C
2000					
- 2005	5,609	24,936	23,955	29,564	48,891
2000	707	3,143	3,637	4,344	6,780
2001	880	3,912	3,935	4,815	7,847
2002	849	3,776	3,989	4,838	7,765
2003	971	4,316	4,057	5,028	8,373
2004	1,037	4,611	4,065	5,102	8,676
2005	1,165	5,177	4,272	5,437	9,449

We know from the CSO frontier surveys (CSO, 2005c) that Same-Day Visit expenditure generally accounts for less than 3% of total inbound expenditure. Using the calculations from Table 4 we can expect domestic SDVs to have a rather more important contribution to domestic tourism.

The effect of including SDV expenditure and re-apportioning some of the outbound expenditure to domestic tourism increases the value of internal tourism from an estimated €9.6 billion to €48.9 billion. It also repositions domestic tourism, in that domestic and inbound tourism become more equal, with total domestic expenditure accounting for €24.9 billion and total inbound tourism €23.6 billion. In other words, domestic tourism generates as much income, if not more, than inbound tourism. We do not know a great deal about the spending habits of either domestic or inbound tourists, beyond their total expenditure, but it is possible that in terms of value added, domestic tourism expenditure contributes more as proportionately less of that expenditure may be diverted to imported goods.

The real purpose of this exercise is not to accurately estimate the actual value of national or internal tourism but to highlight, in broad terms, the difference in CSO survey expenditure and the Tourism Satellite Account estimate. The difference highlights important data gaps.

9. ASSESSING PERFORMANCE

If the value of the domestic market is not clear, then how can the performance of the domestic tourism market be assessed? One way might be to make a quick comparison with the domestic markets' direct competitor – outbound tourism. In some sense outbound tourism could be thought of as the opportunity or potential lost to the domestic market, although in many cases, such as

visiting relatives or attending business meetings abroad, these markets are not interchangeable or substitutable. That said, it is interesting to compare the two markets at the aggregate level.

In 2000, the Domestic market accounted for 59% of National Tourism (i.e. all trips taken by Irish residents involving an overnight stay) with outbound trips only accounting for 41%. However between 2000 and 2005, outbound trips grew at a staggering 64% compared with a more modest 31% for Domestic trips. The result was that by 2005, Domestic trips only accounted for 54% of all trips taken by Irish residents, a loss of almost 6% in market share in as many years.¹⁹

The same pattern can be seen for nights spent. The growth of outbound nights outstripped Domestic nights by a ratio of more than two to one, 45% compared with 19%. The upshot was a fall in the Domestic market share of 37% to 32% during the period 2000-2005.

Interestingly, despite a significant loss in market share for both trips and nights, the domestic market did not lose any share of total expenditure, on the contrary in fact, despite the loss of trips' and nights' share to outbound trips, the domestic share of expenditure increased from 18% to 19%. Worryingly, this might be due to relatively high price levels in Ireland. Comparative Price Levels for Household Final Consumption Expenditure from the Purchasing Power Parity (PPP) surveys conducted by CSO on behalf of the European Commission show a marked deterioration in Ireland's relative price competitiveness, going from 111.6 in 2000 to 123.4 in 2005, benchmarked against an EU-25 average of 100 (Eurostat, 2006), i.e. in 2000, overall price levels were estimated to be 11.6% higher than the EU-25 average. By 2005, this differential had widened to 23.4%.

	2000	2001	2002	2003	2004	2005
EU - 25	100.0	100.0	100.0	100.0	100.0	100.0
Ireland	111.6	116.0	122.4	126.6	123.1	123.4
Italy	94.0	95.5	97.9	102.3	102.7	102.6
Spain	85.0	85.1	85.0	86.6	87.4	90.0
France	107.0	105.5	106.1	105.8	108.0	108.5
Netherlands	104.2	104.0	105.3	106.6	105.2	105.2
United Kingdom	117.3	114.3	110.7	103.8	105.6	104.9
United States	117.6	122.0	118.6	101.3	-	-

Source: Eurostat

If this is contrasted with some of the main travel destinations typically visited by Irish residents, the message is clear. For example, the UK went from 117.3 in 2000 to 104.9 in 2005. Despite some improvement since 2002, overall, Ireland has had the highest relative increase in price levels vis-à-vis the EU average.

In terms of benchmarking domestic tourism in Ireland, outbound travel to Northern Ireland is probably one of the more interesting comparisons that can be made as we share a border on the same island. Over the six years, trips to Northern Ireland grew by 44% but in terms of nights spent, the growth was less than 5%. Trips to Northern Ireland also witnessed a surprising decline

¹⁹ See Appendix 3 – Table H

in average length of stay, falling from 3.9 nights in 2000 to 2.9 nights in 2005.²⁰ On balance, it would appear that domestic travel has outperformed outbound trips to Northern Ireland.

It would be all too easy to attribute the loss of domestic market share to the outbound market to the impact of low cost airlines and the favourable relative cost of different markets. No doubt price, and presumably weather, are influencing factors on Irish residents when they make their decisions on where to holiday, particularly within the Euro zone where prices are easily compared. But perhaps there are other factors at work?

Approximately 9% (CSO, 2006b) of Irish residents are now non-nationals, immigrants from all over the world but in particular from the UK and Eastern Europe. Their decisions on where to holiday are probably not made exclusively on price (or weather) but on where their family and relatives are located.

Part of the explanation for the decline in domestic market share may lie in the fact that during the years 2000 – 2005 “we”, Irish residents, have changed dramatically. A decade ago, the concepts of “Irish resident” and “Irish national” were virtually interchangeable, but by the turn of the Century this was clearly no longer the case. Between the years 2000–2005 over 349,000 (CSO, 2005b) immigrants crossed to our shores, 80% of whom were aged between 15 and 44 and net migration was almost 215,000 persons²¹ and accounting for almost two thirds of the population growth during that time. No longer can Irish residents be necessarily thought of as Irish nationals.

Unfortunately, the Household Travel Survey does not compile any data on nationality so this is somewhat speculative. But given that 9% of the population are now non-national compared with only 5.8% in 2002 (CSO, 2006b), it is reasonable to assume that such a dramatic structural change in the population must be having some impact on travel patterns. It is reasonable to assume that recent immigrants to Ireland, now resident, will use their holidays to return home to their native countries to visit friends and family in the same way that Irish emigrants have done for so long. Certainly, this hypothesis is not inconsistent with the growth in outbound trips by Irish residents to countries like Poland etc. Whether these trips are being taken by resident nationals or resident non-nationals is not clear however.

For the Internal tourism market, this might not be as important perhaps as it might seem at first glance, as the change in population is creating a trade-off. It is hard to be certain but arguably, the presence of non-nationals in Ireland has more than compensated for the decline in the domestic share of national tourism by attracting their friends and relatives to Ireland. Between 2000 and 2005, inbound VFR has increased by 36%, compared with a 2% growth in holidays and a decline of 10% in business trips. Visitors from Other Europe have also shown the highest growth at 32%.

10. THE ACCOMODATION MARKET

The 6 year period 2000–2005 has seen some startling structural changes within the tourism industry, but none more so than within the accommodation sector. One of the most noticeable changes has been the decline of the Guesthouse/B&B sector.

In 2000, Guesthouses and B&Bs accounted for 11% of all domestic nights (roughly 2.3 million nights) whereas by 2005 this sector only accounted for 7% (or 1.8 million nights) of market share.²² This dramatic fall in relative market share was the combination of growth in other sectors

²⁰ See Appendix 3 – Table I

²¹ See Appendix 3 – Table J

²² See Appendix 3 – Table K

and an incredible fall of half a million bed nights within the sector itself. This trend has been mirrored by a significant decline on the supply side, with the number of registered Guesthouses/ B&Bs and bed spaces available falling by 22% and 16% respectively.²³ Interestingly though, certain specialist sectors have survived or even expanded. For example, the number of health farms and residential activity B&Bs have increased, both in terms of premises and beds available. Equally, within the Guesthouse market, the 3 and 4 star grades have increased in numbers while the 1 and 2 star grades have suffered a decline.

The Caravan & Camping market also suffered a decline over the period. Similar to the Guesthouse and B&B market, Caravan & Camping suffered an absolute and relative decline. In terms of market share, Caravan & Camping lost about 2% of market share, falling from almost 9% in 2000 to 7% in 2005.

Of course, these declines have been balanced by growth elsewhere, most notably within the Hotel and the Owned Holiday Home sectors. In 2000, Hotels catered for roughly 4.7 million domestic bed nights, whereas in 2005 this had grown to 6.4 million nights, a growth of 36%. This growth saw the Hotel share of the accommodation market grew from 23% to 26%. Again, this trend was mirrored on the supply side. Although the number of actual hotels only increased by 1%, the available rooms and beds increased by 20% and 22%²⁴ respectively. What is also striking about the Hotel sector, has been the apparent increase in quality of hotels, i.e. the number of hotels being awarded additional stars. The number of 1 and 2 star hotels has declined in real and absolute terms and by 2005 only accounted for 27% of all Hotels. In contrast, the growth in 4 star hotels is significant, with 26 additional 4 star hotels being registered between 2001 and 2005, a growth rate of 41%.

Table 7: Domestic Nights by Type of Accommodation, 2000 - 2005

	2000		2005		2000 - 2005	
	Nights 000's	% Market Share	Nights 000's	% Market Share	Nights 000's	% Market Share
Total Domestic - Nights	20,703		24,651		45,354	
Caravan/Camping	1,808	8.7	1,641	6.7	3,458	7.6
Guest House/B&B	2,275	11.0	1,816	7.4	4,102	9.0
Own Holiday Home	1,082	5.2	2,174	8.8	3,261	7.2
Hotel/Conference Centre	4,689	22.6	6,357	25.8	11,069	24.4
Self Catering/Rented House	3,090	14.9	3,582	14.5	6,687	14.7
Friends/Relatives	6,594	31.9	7,562	30.7	14,188	31.3
Other	1,165	5.6	1,520	6.2	2,691	5.9

Owned Holiday Homes also enjoyed boom times, witnessing a staggering 100% growth in just 5 years and snatching a larger slice of the market share, going from 5% in 2000 to almost 9% in 2005. The Owned Holiday Home sector was also only one of two accommodation categories that enjoyed an increase in the average length of stay when comparing 2000 and 2005.

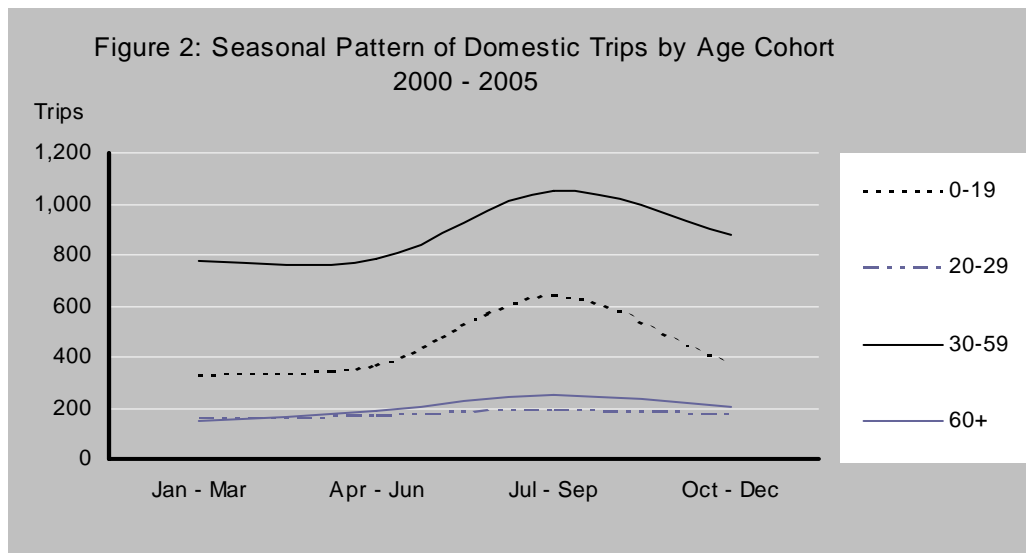
Although Staying with Friends and Relatives experienced a slight decline in share, it remained the most popular choice of accommodation for domestic trips, accounting for 31% of all bed nights over the 2000 – 2005 period.

²³ See Appendix 3 – Tables L & M

²⁴ See Appendix 3 – Table N

11. AGE PROFILE OF DOMESTIC TOURISTS

For the purposes of this paper domestic tourists have been grouped into four age categories: 0-19 which roughly corresponds to those in full-time education; 20-29 further education and early career; 30-59 established career/life choice and 60+ retired. One could quibble over the actual band thresholds but they suffice for the purposes at hand.



The age cohort 30-59 or those that could be considered most likely to be in an established career or life choice, account for the biggest share of domestic trips. This group took over 20 million trips and accounted for 52% of all the domestic trips taken during the 2000–2005 period. The 0-19 group, with almost 10 million trips, were the next biggest travelling group. Obviously, there is some overlap between these two groups, particularly for the 0-14 sub-group, who in the majority of cases probably accompanied their parents, who are most likely in the 30-59 group. The 0-14 group accounted for over 8 million of the 10 million trips taken by the 0-19 group. While the 60+ group only accounted for about 12% of domestic trips and 14% of nights spent, this group saw the biggest growth over the period, going from almost 0.7 million trips in 2000 to 1 million in 2005, a growth of 49%. This group also accounted for a 41% growth in nights, double the growth of any other age group.

The close relationship can clearly be seen if the data are grouped by quarter. Clearly the 0-19 and the 30-59 age cohorts move together, and are much more seasonal in their behaviour than the 20-29 and 60+ age cohorts. Presumably, there is a high degree of correlation between the 0-19 and 30-59 age cohort patterns and school holidays.

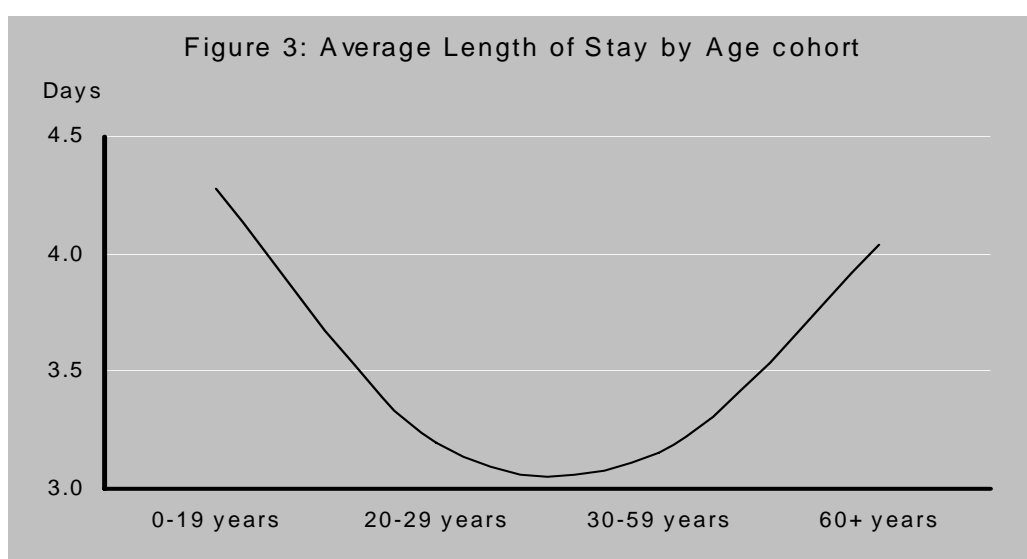
12. MOST COMMON AND AVERAGE LENGTH OF STAY

Over the period 2000–2005, the average length of stay for domestic trips has been falling, from an average of 3.8 nights in 2000 to an average of 3.4 nights in 2005. This decline in length has not been consistent nor has it been across the board however. For example, trips to Owned Holiday Homes have not suffered any decline at all and trips using Self Catering accommodation have suffered virtually no decline either. On the other hand, Hotels and Guesthouses/B&Bs have suffered the greatest decline in average length of stay.

Examining trips by purpose, the decline in average length of stay has been more consistent across most trip types, although business trips have suffered the biggest reduction, falling from 3 nights in 2000 to 2.6 nights in 2005.

In contrast, the most common length of stay (mode) has remained unchanged over the six years at 2 nights. Across all the accommodation sectors, the most common length of stay was also 2 nights, with the exception of Self Catering, where the most common length of stay remained at 7 nights. The most common length of stay for a holiday was 2 nights and for business trips was 1 night.

Over the 2000–2005 period, the average length of stay of a domestic trip was 3.6 nights. When broken down into the four age cohorts outlined above, one can see that the 0-19 and 60+ groups spent on average an extra day per trip than the 20-29 and 30-59 groups, typically spending over 4 days in comparison to 3.2 days.



13. REGIONAL PATTERNS²⁵

Throughout the 2000–2005 period, the relative share between the Southern and Eastern (SE) and Border, Midlands and Western (BMW) regions remained fairly stable. The SE region was clearly dominant, accounting for roughly 67% of all domestic trips and nights. This dominance was in no small measure attributable to the popularity of the South-West as holiday destination and Dublin as a business destination. Although the SE region took an even larger share of total expenditure, the BMW region secured a marked increase in expenditure share, going from 21% in 2000 to 24% in 2005, despite a less significant growth in trips and nights.

The South-West was the most visited region, with 8.5 million overnight trips between 2000 and 2005, attracting almost 1.5 million more trips than its nearest competitor, the West. Equally, more nights were spent in the South-West, with an impressive 34.7 million nights, compared to the next highest, again the West, with 25.3 million nights – a difference of 9.4 million nights. Interestingly, the South-West has consistently maintained the longest Average Length of Stay (ALS) and over the six year period has sustained an average ALS of 4.1 nights.

²⁵ See Appendix 1 for more information on regions.

	Region Visited	% Share		% Share		% Change
		2000	2000	2005	2005	2000 - 2005
						'000
Trips	BMW	1,750	32.0	2,366	33.0	35.2
	SE	3,727	68.0	4,807	67.0	29.0
						'000
Nights	BMW	6,674	32.2	8,199	33.3	22.8
	SE	14,029	67.8	16,408	66.7	17.0
						€ Million
Total Expenditure	BMW	147.4	20.9	281.3	24.2	90.8
	SE	559.2	79.1	883.2	75.8	57.9
						€
Average Per Diem Expenditure	BMW	35.3		46.3		31.1
	SE	33.8		47.7		40.9

In contrast, fewer nights were spent in the Midlands region than any other, attracting only 1.7 million trips and 4.3 million nights over the six-year period. The Midlands has also had the shortest ALS of all regions, averaging only 2.6 nights. However on a more positive note for the Midlands, the region has experienced the greatest level of growth in trips taken of all the regions, growing steadily from 209,000 trips in 2000 to 341,000 trips in 2005 – a growth rate of 63%. The growth in nights spent was a more modest 22% however. The next highest growth rate for trips was experienced in the Dublin region at 46%.

In terms of overall market share, the South-West accounted for 21.7% of all domestic overnight trips and 25% of all domestic nights, followed by the West at 17.9% (trips) and 18.2% (nights). The Dublin region had a share of 13.7% (trips) and 10.7% (nights).

When purpose of journey is taken into consideration, the regional spread takes on a somewhat different complexion. The Dublin region accounted for more business trips than any other region, 1.1 million trips or 28% of all domestic business trips taken during the 2000–2005 period. The magnetic pull of the Dublin region as the business centre of Ireland was evident across all regions, with the exception of the Greater Dublin Area itself. For example, 55% of all business trips taken by residents of the South-West region were to Dublin.

The South-West region came in a distant second with 0.7 million business trips or 18%. In fact, Dublin accounted for nearly as many Business trips as the entire BMW region put together, 1.07 million and 1.13 million trips respectively. Interestingly, while there were significantly different growth rates across the individual regions, the growth in the number of business trips to the BMW and SE regions was remarkably similar at 41% and 39% respectively.

The South-West accounted for 27% of all holiday trips taken, with the West and South-East accounting for 21% and 20% respectively. In terms of nights spent, the South-West accounted for 30%, with the West and South-East accounting for 20% and 21% respectively. Residents of the

South-West and West regions favoured their own regions as their most popular holiday destination. For all other regions, the bulk of holidays were taken outside their own region. Typically, the favoured region for holidays was a neighbouring one. For example, the South-East was the favoured holiday destination for Dublin and Mid-East residents while the West was favoured by those living in the Border region.²⁶

In terms of growth however, it was Dublin and the Midlands that led the way, both in terms of holiday trips and nights. Over the six year period, the Midlands experienced growth of 122% while Dublin grew by 117%. Growth in nights spent for these regions was also impressive with 58% for the Midlands and 74% for Dublin. This saw the Dublin region increase its market share for holiday trips from just under 5% in 2000 to almost 8% in 2006, while the Midlands increased their share from 2% to 3% in the same period.

One of the advantages of examining aggregated data over a six year period is that we can mine down to County level. At NUTS 4 county level, Dublin, which is identical to the NUTS 3 region Dublin accounts for the greatest share of trips (5.3 million from 2000 to 2005) but Cork reaped the greatest number of nights with 17.6 million. Kerry came in a close second with 17 million nights and Galway third with 16 million nights. Wexford had the longest average length of stay with 4.4 nights, followed closely by Kerry and Clare, with 4.3 and 4.2 nights respectively. Offaly had the shortest average length of stay with only 2.4 nights.²⁷

14. TRAVELLING WITH CHILDREN

Domestic Tourism is an umbrella term for a plethora of industries and market segments. One interesting tourism market is the sector catering for families and children (i.e. those under 18 years of age). For the purposes of this paper, the data have been classified into two groups; those comprising of adults only and those made up of adults and children together.

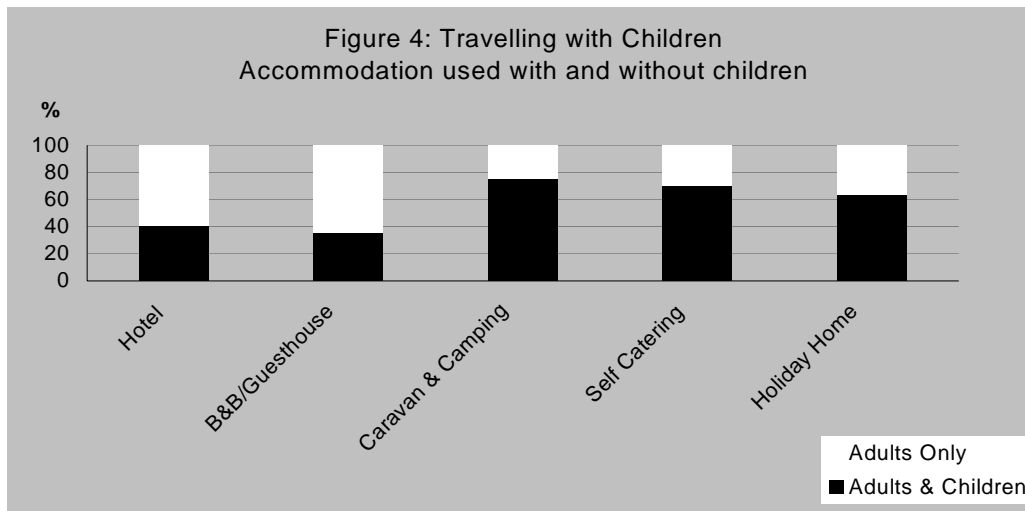
In 2000, the number of trips taken by adults only was broadly speaking at parity with the number of trips taken involving children and adults. By 2005, this had changed, with adult only trips accounting for 56% of all trips taken. By 2005, the number of nights spent involving adults and children were still greater than that for adults only, but this simply due to the fact that trips involving children had a longer average length of stay. Trips involving children were typically a night longer than those without.²⁸

Over the six years, expenditure for adult only trips massively exceeded that of adult and children trips by a ratio of almost 2 to 1, €3.7 billion compared with €1.9 billion. Per diem expenditure for adult only trips were on average almost 2.4 times that of adult and children trips, €8.90 compared with €25. Six years is a relatively short period from which to draw conclusions, but it is possible that changes in population composition such as immigration and the reducing number of “nuclear families” are having an impact.

²⁶ See Appendix 3 – Tables O, P and Q

²⁷ See Appendix 3 – Table R

²⁸ See Appendix 3 – Table S



Not surprisingly, 88% of business trips were adult only. Trips involving adults and children, only accounted for 41% of nights spent in hotels, 35% on nights spent in Guesthouse/B&B's but 76% of all nights spent camping, 70% of nights spent in self catering accommodation and 63% of all nights spent in owned holiday homes.

15. CONCLUSIONS

One of the aims of this paper was, having examined the 2000–2005 data, was to see if there were any clear lessons that can be learned, and clearly there are!

Although the 2000–2005 period was arguably one of the most turbulent periods for the tourism industry in recent times, it was also one of the most economically buoyant in Ireland's history. This climate appears to have had a clear beneficial impact on domestic tourism. Over the six years in question, the domestic tourism market not only survived but also apparently thrived with a nominal growth in trips and expenditure of 31% and 65% respectively. While growth in population and employment undoubtedly contributed to this growth, they clearly do not account for all of it. Even allowing for population and employment growth, trips per head of population increased from 1.4 to 1.7 and trips per employee increased from 2.6 to 3.0.

In the past six years, the domestic market has witnessed a dramatic change within the accommodation sector. The B&B sector in particular has undergone a significant decline, whereas the Hotel and Owned Holiday Home sectors have enjoyed an impressive expansion. These changes have taken place both on the supply and demand side. The supply side has also witnessed significant structural change with a move to higher quality accommodation being offered in a number of sectors, but particularly within the Guesthouse and Hotel sectors.

The 60+ market is growing faster, roughly twice as fast, as any other age cohort in the market. This group typically takes longer trips and travels all year round, i.e. is less seasonal than most than most other age cohorts. Their per diem spend, although on the lower end of the spectrum, is one of the fastest rising among the age categories.

Within regional travel patterns, a type of clustering behaviour is evident. For Business trips, there is a clear gravitational pull towards Dublin. With the exception of the Greater Dublin Area (i.e. the Dublin and Mid-East regions), for every other region, at least a third of its business travel is directed towards Dublin. In terms of holiday trips, the spread is more diverse and heavily weighted

in favour of the South-East, South-West and West regions. There is also an evident pattern, where residents tend to holiday either in their own or a neighbouring region. Relatively speaking, there is very little traffic between the Border regions and the Southern regions, in either direction. Nor is there much holiday traffic from the West to the East, although the same cannot be said from East to West.

Because the tourism industry is so difficult to pinpoint, it is difficult to isolate price changes that affect the tourism industry from price changes coming from within the industry itself. While one might quibble with the Tourism Index constructed for this paper, the lesson is clear. There has been much discussion about “Rip off Ireland” in recent times and if price inflation for the tourism product exceeds that of headline inflation, it must impact on domestic tourism as will the relative purchasing power in Ireland compared with other attractive holiday destinations.

It is likely that immigration is having an impact on domestic tourism, in the short to medium term at any rate. While price is no doubt a contributing factor in the decline of the relative market share of the domestic market versus the outbound market, the structure of our population may also be exerting a significant influence. Recent immigrants will probably return home for some years to visit their friends and family. The extent to which this continues into the future is anyone’s guess but what is already clear from the inbound tourism data, is that many tourists from Eastern Europe and elsewhere are now coming to visit their friends and relatives in Ireland.

This paper has suggested that in terms of generating revenue, domestic tourism may possibly be every bit as important to Internal tourism as inbound tourism, or at any rate, is undoubtedly more important than traditionally thought. Also, domestic tourism is less vulnerable to external shocks, such as September 11 etc. Perhaps less glamorous than inbound tourism, domestic tourism has arguably been the stable bedrock of Irish internal tourism, as was particularly evident in 2001.

From the perspective of official tourism statistics there are clear messages too. One striking conclusion must be that the lack of Same-Day Visits data leaves a gap in our knowledge of the domestic market. This gap undermines our understanding of not only the domestic market but also of the national and internal tourism markets. Consequently, trying to put the importance of tourism generally, but the domestic market in particular, into perspective is challenging. Determining the value of the domestic market is not easy and given the divergence between the value of domestic tourism involving overnight stays and the probable total value of domestic tourism, it is very difficult to say with any certainty what contribution domestic tourism makes to the economy.

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APPENDIX 1: NUTS REGIONAL CLASSIFICATION

The regional classifications in the Household Travel Survey and this paper are based on the NUTS (Nomenclature of Territorial Units) classification used by Eurostat. The NUTS 3 regions correspond to the eight Regional Authorities established under the Local Government Act, 1991 (Regional Authorities) (Establishment) Order, 1993, which came into operation on 1 January 1994. The NUTS 2 regions, which were proposed by Government and agreed by Eurostat in 1999, are groupings of the NUTS 3 regions. The composition of the regions is set out below.

NUTS 2 Region	NUTS 3 Regional Authority	NUTS 4 County
<i>Border, Midlands and Western (BMW)</i>	Border	Cavan
		Donegal
		Leitrim
	Midland	Louth
		Monaghan
		Sligo
	West	Laoghis
		Longford
		Offaly
West	Westmeath	
	Galway City	
	Galway	
<i>Southern and Eastern (SE)</i>	Dublin	Mayo
		Roscommon
		Dublin City
		Dun-Laoghaire
	Mid-East	Fingal
		South Dublin
		Kildare
	Mid-West	Meath
		Wicklow
		Clare
South-East	Limerick	
	North Tipperary	
	Carlow	
	Kilkenny	
	South Tipperary	
South-West	Waterford City	
	Waterford	
	Wexford	
	Cork City	
	Cork	
	Kerry	

APPENDIX 2

Table A: Weighting Frame - Household Type x NUTS 3 Region							
Region	1 Adult	2 Adults	3 Adults	4 Adults	5 Adults	6+ Adults	Total Number of Households
1 Border	x	x	x	x	x	x	x
2 Dublin	x	x	x	x	x	x	x
3 Mid-East	x	x	x	x	x	x	x
4 Midlands	x	x	x	x	x	x	x
5 Mid-West	x	x	x	x	x	x	x
6 South-East	x	x	x	x	x	x	x
7 South-West	x	x	x	x	x	x	x
8 West	x	x	x	x	x	x	x
Total	x	x	x	x	x	x	x

Source: CSO, Quarterly National Household Survey

APPENDIX 3: TABLES

Table A: Total Estimated and Per Diem Expenditure by Reason for Journey, 2000 - 2005							
	€million						
	2000	2001	2002	2003	2004	2005	2000 - 2005
Domestic - Expenditure	706.6	879.9	849.4	970.9	1,037.20	1,164.50	5,608.50
Holiday	447.7	549.7	501.6	575.9	624.9	706.8	3,406.60
Business	109.5	149.3	152.9	157.6	162.5	188.3	920.1
Visiting Friends/Relatives	81.3	86.6	97.2	114	121.1	142.4	642.6
Other	68.1	94.3	97.7	123.4	128.7	127	639.2
							€
Average Per Diem Expenditure	34.1	37.9	38.2	41.1	42.9	47.3	40.5
Holiday	39.0	41.6	41.5	44.3	46.3	51.7	44.3
Business	65.5	84.0	93.6	88.1	97.6	95.4	87.6
Visiting Friends/Relatives	14.4	14.9	15.9	17.5	18.7	21.8	17.3
Other	35.5	39.6	41.2	53.4	50.7	52.4	45.9

Source: CSO (2006), Domestic Tourism in Ireland, 2000 - 2005: Table 7

Table B: CPI sub-indices (Base: Dec 2001 = 100) rescaled to Year 2000 = 100							
	2000	2001	2002	2003	2004	2005	
CPI-M	100.0	104.3	109.5	114.0	116.3	118.6	
CPI-T	100.0	106.0	113.8	120.9	125.8	129.9	
<i>Current prices</i>							
Total Expenditure (€million)	706.6	879.9	849.4	970.9	1,037.2	1,164.5	
Average Per Diem (€)	34.1	37.9	38.2	41.1	42.9	47.3	
Total Expenditure - Index	100.0	124.5	120.2	137.4	146.8	164.8	
Average Per Diem - Index	100.0	111.1	112.0	120.5	125.6	138.7	
<i>Constant prices - CPI-M</i>							
Total Expenditure (€million) - Constant Prices	706.6	843.6	775.7	851.7	891.8	981.9	
Average Per Diem (€) - Constant Prices	34.1	36.4	34.9	36.1	36.9	39.9	
Total Expenditure - Index	100.0	119.4	109.8	120.5	126.2	139.0	
Average Per Diem - Index	100.0	106.5	102.3	105.7	108.0	116.9	
<i>Constant prices - CPI-T</i>							
Total Expenditure (€million) - Constant Prices	706.6	830.1	746.4	803.1	824.5	896.5	
Average Per Diem (€) - Constant Prices	34.1	35.8	33.6	34.0	34.1	36.4	
Total Expenditure - Index	100.0	117.5	105.6	113.7	116.7	126.9	
Average Per Diem - Index	100.0	104.8	98.4	99.6	99.9	106.7	

Source: CSO, Consumer Price Index sub-indices and Household Travel Survey, 2000 - 2005

Table C: Retail Sales Index Unadjusted Volume - All Businesses (Base: Year 2000 = 100)	
2000	100.0
2001	101.5
2002	101.7
2003	102.6
2004	105.7
2005	110.8
Source: CSO (2006) Retail Sales Index	

Table D: Gross National Income at Constant Market Prices 2000 - 2005						
	€ Million					
	2000	2001	2002	2003	2004	2005*
GNI	107,325	111,338	114,984	120,998	125,818	132,559
	2000 - 2005	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005
GNI (annual % change)	4.3	3.7	3.3	5.2	4.0	5.4
Source: CSO (2006), National Income & Expenditure: Table 4						
* Preliminary						

Table E: Wages & Salaries and Self Employment & Other Trading Income at Market Prices (Including Employers' contribution to Social Insurance) 2000 - 2005						
	€ Million					
	2000	2001	2002	2003	2004	2005*
Agriculture	484	483	493	505	547	554
Non-Agricultural	41,915	46,695	50,267	53,995	59,391	65,825
Self Employment	2,395	2,453	2,293	2,314	2,356	2,846
Total	44,794	49,631	53,053	56,814	62,294	69,225
Source: CSO (2006), National Income & Expenditure: Table 1						
* Preliminary						

Table F: Personal Consumption of Goods and Services at Constant Market Prices 2000 - 2005						
	€ Million					
	2000	2001	2002	2003	2004	2005*
Personal Consumption of Goods and Services	58,669	61,833	64,176	66,231	68,719	73,282
	2000 - 2005	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005
Personal Consumption of Goods and Services (annual % change)	4.5	5.4	3.8	3.2	3.8	6.6

Source: CSO (2006), National Income & Expenditure: Table 6 & 6.1
* Preliminary

Table G: Allocated Domestic Expenditure Shares, 2000	
Tourism Products	SDV Share
Other Food & Drink	0.43
Sightseeing/Entertainment	0.09
Transport	0.12
Shopping	0.28
Miscellaneous	0.08
Total	1.00

Source: Ireland Tourism Satellite Account - First Steps Project: Table 2a

Table H: Inbound, Domestic and Outbound Tourism						
	Inbound		Domestic		Outbound	
					'000	
	Trips	Trips	% Share	Trips	% Share	
2000	6,310	5,478	59.2	3,768	40.8	
2001	5,990	6,307	60.2	4,162	39.8	
2002	6,065	6,452	58.4	4,597	41.6	
2003	6,369	6,657	57.2	4,974	42.8	
2004	6,574	7,001	56.2	5,465	43.8	
2005	6,977	7,173	53.7	6,189	46.3	
2000						
- 2005	38,285	39,068	57.3	29,155	42.7	
<i>% Change</i>						
2000 - 2005	10.6	30.9		64.3		
						'000
	Nights	Nights	% Share	Nights	% Share	
2000	46,169	20,703	36.8	35,544	63.2	
2001	45,276	23,207	37.9	37,953	62.1	
2002	44,339	22,222	35.3	40,660	64.7	
2003	46,846	23,616	35.1	43,702	64.9	
2004	46,604	24,189	34.3	46,302	65.7	
2005	49,451	24,607	32.3	51,503	67.7	
2000						
- 2005	278,685	138,544	35.1	255,664	64.9	
<i>% Change</i>						
2000 - 2005	7.1	18.9		44.9		
						€ Million
	Spend	Spend	% Share	Spend	% Share	
2000	3,637	707	18.1	3,187	81.9	
2001	3,935	880	19.9	3,550	80.1	
2002	3,989	849	17.8	3,924	82.2	
2003	4,057	971	19.2	4,092	80.8	
2004	4,065	1,037	19.6	4,258	80.4	
2005	4,272	1,165	18.8	5,044	81.2	
2000						
- 2005	23,955	5,609	18.9	24,056	81.1	
<i>% Change</i>						
2000 - 2005	17.5	64.8		58.3		

Source: CSO, Household Travel Survey, 2000 - 2005

Table I: Trips, Nights, ALS for Republic of Ireland and Northern Ireland							'000
	2000	2001	2002	2003	2004	2005	2000 - 2005
Trips - ROI	5,478	6,307	6,452	6,657	7,001	7,173	39,068
Trips - NI	188	200	204	223	252	271	1,338
Nights - ROI	20,703	23,207	22,222	23,616	24,189	24,607	138,544
Nights - NI	740	653	603	799	716	775	4,286
							Nights
ALS - ROI	3.8	3.7	3.4	3.5	3.5	3.4	3.5
ALS - NI	3.9	3.3	3.0	3.6	2.8	2.9	3.2

Source: CSO (2006) Household Travel Survey, 2000-2005

Table J: Number of Immigrants by Nationality & Country of Origin, 2000 - 2005						
	2000	2001	2002	2003*	2004*	2005*
<i>Nationality</i>						
Irish	24.8	26.3	27.0	17.5	16.9	19.0
UK	8.4	9.0	7.4	6.9	5.9	6.9
Rest of EU 15**	8.2	6.5	8.1	6.9	10.6	7.1
EU 10***	-	-	-	-	-	26.4
USA	2.5	3.7	2.7	1.6	1.8	1.6
Rest of world	8.6	13.6	21.7	17.7	14.9	9.0
Total	52.6	59.0	66.9	50.5	50.1	70.0
<i>Country of Origin</i>						
UK	20.8	20.6	19.1	13.5	13.0	13.8
Rest of EU 15**	11.7	10.3	11.3	9.7	12.6	8.9
EU 10***	-	-	-	-	-	26.2
USA	5.5	6.7	6.6	4.7	4.8	4.3
Rest of world	14.5	21.5	29.9	22.5	19.7	16.8
Total	52.6	59.0	66.9	50.5	50.1	70.0
<i>Net Migration</i>	26.0	32.8	41.3	29.8	31.6	53.4

Source: CSO (2005), Population and Migration Estimates, April 2005: Tables 6 and 8

* Preliminary

**Rest of EU 15: countries before enlargement on 1 May 2004

*** EU 10: accession countries on 1 May 2004. For the years 2000 - 2004 inclusive, the data relating to the EU 10 are included with the Rest of the World.

Table K: Trips, Nights, Average Length of Stay & Most Common Length of Stay by Type of Accommodation, 2000 - 2005							
	2000	2001	2002	2003	2004	2005	2000 - 2005
	'000						
Total Domestic - Trips	5,478	6,307	6,452	6,657	7,001	7,173	39,068
Caravan/Camping	295	323	293	282	277	298	1,768
Guest House/B&B	724	675	729	720	699	661	4,208
Own Holiday Home	185	211	289	259	294	365	1,603
Hotel/Conference Centre	1,669	2,042	2,041	2,160	2,355	2,597	12,864
Self Catering/Rented House	456	550	494	576	583	547	3,206
Friends/Relatives	1,935	2,241	2,359	2,363	2,512	2,430	13,840
Other	214	264	246	298	282	278	1,582
Total Domestic - Nights	20,703	23,207	22,222	23,616	24,189	24,607	138,544
Caravan/Camping	1,808	2,177	1,706	1,879	1,635	1,595	10,800
Guest House/B&B	2,275	2,217	2,038	2,067	1,963	1,816	12,376
Own Holiday Home	1,082	1,405	1,742	1,572	2,014	2,174	9,989
Hotel/Conference Centre	4,689	5,316	5,357	5,762	5,836	6,358	33,318
Self Catering/Rented House	3,090	3,749	3,168	3,754	3,701	3,582	21,044
Friends/Relatives	6,594	7,023	6,912	7,175	7,736	7,562	43,002
Other	1,165	1,320	1,298	1,407	1,303	1,520	8,013
	Nights						
Average Length of Stay	3.8	3.7	3.4	3.5	3.5	3.4	3.5
Caravan/Camping	6.1	6.7	5.8	6.7	5.9	5.4	6.1
Guest House/B&B	3.1	3.3	2.8	2.9	2.8	2.7	2.9
Own Holiday Home	5.8	6.7	6.0	6.1	6.9	6.0	6.2
Hotel/Conference Centre	2.8	2.6	2.6	2.7	2.5	2.4	2.6
Self Catering/Rented House	6.8	6.8	6.4	6.5	6.3	6.5	6.6
Friends/Relatives	3.4	3.1	2.9	3.0	3.1	3.1	3.1
Other	5.4	5.0	5.3	4.7	4.6	5.5	5.1
Most Common Length of Stay	2	2	2	2	2	2	2
Caravan/Camping	2	2	2	2	2	3	2
Guest House/B&B	2	2	2	1	2	2	2
Own Holiday Home	2	2	2	3	3	2	2
Hotel/Conference Centre	2	2	2	2	2	2	2
Self Catering/Rented House	7	7	7	7	7	7	7
Friends/Relatives	2	2	2	2	2	2	2
Other	2	2	2	2	2	2	2

Source: CSO (2006) Domestic Tourism in Ireland, 2000-2005 - Table 20

Table L: Absolute and Percentage Change in Supply of Registered B&B Premises, Rooms and Beds by Region and Classification, 2000 - 2005

	Units					
	Premises		Rooms		Beds	
	Absolute Change	% Change	Absolute Change	% Change	Absolute Change	% Change
Total	-963	-23.4	-3,857	-22.5	-8,293	-20.7
Dublin	-115	-33.7	-484	-36.0	-1,019	-34.1
Midlands East	-113	-22.9	-426	-21.5	-867	-18.7
South East	-128	-23.3	-500	-22.0	-1,065	-20.0
South West	-57	-6.6	-267	-7.3	-451	-5.2
Shannon	-220	-37.9	-884	-36.9	-1,983	-35.4
West	-182	-23.6	-728	-21.9	-1,605	-20.5
North West	-148	-28.6	-568	-26.6	-1,303	-25.9
Total	-963	-23.4	-3,857	-22.5	-8,293	-20.7
Country Homes	-398	-21.3	-1,532	-20.4	-3,276	-18.5
Farmhouses	-182	-30.8	-772	-30.7	-1,749	-29.0
Town Houses	-363	-23.9	-1,466	-23.6	-3,126	-21.8
Health Farms	1	16.7	33	76.7	84	110.5
Historic House	0	0.0	-7	-2.2	1	0.1
Pub	2	8.7	-4	-3.8	14	5.9
Residential Activity	9	47.4	140	103.7	284	89.6
Residential Language	-4	-100.0	-29	-100.0	-48	-100.0
Restaurant with Rooms	-1	-11.1	-8	-20.5	-21	-22.8
Specialist	-27	-100.0	-212	-100.0	-456	-100.0

Source: Failte Ireland/Gulliver

Table M: Absolute and Percentage Change in Supply of Number of Registered Guest House Premises, Rooms and Beds by Region and Grade, 2000 - 2005						
Units						
	Premises		Rooms		Beds	
	Absolute Change	% Change	Absolute Change	% Change	Absolute Change	% Change
Total	-33	-6.9	-19	-0.4	227	2.0
Dublin	-21	-24.1	-110	-9.1	-200	-7.6
Midlands East	1	3.0	26	8.6	54	7.9
South East	-1	-1.8	15	2.7	126	9.8
South West	11	8.3	202	13.7	507	15.0
Shannon	-12	-19.7	-79	-14.8	-160	-13.2
Ireland West	-8	-12.5	-48	-7.9	-65	-4.7
North West	-3	-6.3	-25	-5.6	-35	-3.5
Total	-33	-6.9	-19	-0.4	227	2.0
4*	7	10.6	172	19.2	420	21.8
3*	11	5.1	238	10.5	620	11.8
2*	-17	-15.9	-178	-16.9	-337	-14.5
1*	-8	-33.3	-50	-25.9	-86	-20.9
Other	-26	-38.8	-201	-27.8	-390	-23.1

Source: Failte Ireland/Gulliver

Table N: Absolute and Percentage change in the Supply of Registered Hotel Premises, Rooms and Beds by Region and Grade, 2001 - 2005						
Units						
	Premises		Rooms		Beds	
	Absolute Change	% Change	Absolute Change	% Change	Absolute Change	% Change
Total	6	0.7	6,010	15.1	14,650	16.0
Dublin	3	2.1	2,023	17.3	4,608	17.9
Midlands East	3	2.9	1,402	47.7	3,412	53.4
South East	5	4.9	494	12.6	1,352	14.5
South West	13	8.6	1,448	19.8	3,520	20.5
Shannon	-19	-18.3	-776	-14.8	-1,623	-13.1
West	-2	-1.4	671	13.2	1,586	13.2
North West	3	2.8	748	21.0	1,795	21.3
Total	6	0.7	6,010	15.1	14,650	16.0
5*	2	11.1	420	18.4	851	18.0
4*	26	40.6	2,567	46.3	6,208	50.4
3*	10	3.3	1,742	9.4	4,873	11.2
2*	-11	-5.7	44	1.1	58	0.6
1*	-25	-34.2	-390	-36.7	-750	-34.2
Other	4	2.0	1,627	19.6	3,410	17.5

Source: Failte Ireland/Gulliver

Table O: Region Visited by Region of Residence, 2000 - 2005

'000									
Region of Residence	All Trips								
	Region Visited								
	2000 - 2005								
	Border	Dublin	Mid-East	Mid-West	Midland	South-East	South-West	West	State
Domestic Trips	4,155	5,344	2,272	4,006	1,667	6,168	8,465	6,991	39,068
Border	744	758	198	229	136	227	294	772	3,363
Dublin	1,669	439	924	1,196	637	3,060	2,337	2,428	12,692
Mid-East	567	316	301	502	235	898	743	876	4,444
Mid-West	192	677	130	555	125	334	995	562	3,572
Midland	200	295	93	199	121	286	322	454	1,967
South-East	203	788	222	323	114	591	1,028	377	3,646
South-West	188	1,164	220	586	155	544	2,288	578	5,729
West	395	907	190	413	141	229	452	934	3,654
Domestic Nights	15,275	14,821	6,636	14,541	4,261	23,069	34,671	25,270	138,544
Border	2,478	2,338	684	847	327	857	1,359	2,601	11,497
Dublin	6,429	1,361	2,714	4,443	1,618	12,131	10,608	9,456	48,759
Mid-East	1,886	760	739	1,765	558	3,277	3,188	3,174	15,343
Mid-West	763	1,742	386	2,704	302	1,074	3,652	1,841	12,458
Midland	751	757	231	683	264	932	1,257	1,518	6,394
South-East	844	1,964	540	1,070	344	2,219	3,638	1,447	12,068
South-West	832	3,222	790	1,790	470	1,767	9,300	2,209	20,383
West	1,287	2,685	551	1,237	377	813	1,666	3,028	11,640
Average Length of Stay	3.7	2.8	2.9	3.6	2.6	3.7	4.1	3.6	3.5
Border	3.3	3.1	3.5	3.7	2.4	3.8	4.6	3.4	3.4
Dublin	3.9	3.1	2.9	3.7	2.5	4.0	4.5	3.9	3.8
Mid-East	3.3	2.4	2.5	3.5	2.4	3.6	4.3	3.6	3.5
Mid-West	4.0	2.6	3.0	4.9	2.4	3.2	3.7	3.3	3.5
Midland	3.8	2.6	2.5	3.4	2.2	3.3	3.9	3.3	3.3
South-East	4.2	2.5	2.4	3.3	3.0	3.8	3.5	3.8	3.3
South-West	4.4	2.8	3.6	3.1	3.0	3.2	4.1	3.8	3.6
West	3.3	3.0	2.9	3.0	2.7	3.6	3.7	3.2	3.2

Source: CSO Domestic Tourism in Ireland, 2000 - 2005

Table P: Region Visited for Holidays by Region of Residence, 2000 - 2005

'000									
Region of Residence	Holiday								
	Region Visited								
	2000 - 2005								
	Border	Dublin	Mid-East	Mid-West	Midland	South-East	South-West	West	State
Domestic Trips	1,750	997	664	1,818	413	3,548	4,772	3,695	17,661
Border	331	177	65	101	35	107	133	446	1,395
Dublin	756	77	357	490	210	2,024	1,186	1,299	6,399
Mid-East	215	43	81	207	51	534	373	459	1,959
Mid-West	71	136	26	317	20	134	616	294	1,610
Midland	93	52	20	118	21	154	191	278	926
South-East	68	155	51	138	26	268	629	199	1,532
South-West	69	201	36	263	29	246	1,427	305	2,576
West	147	161	29	186	22	81	221	417	1,267
Domestic Nights	7,845	2,863	2,467	8,232	1,212	15,835	23,367	15,156	76,982
Border	1,227	536	287	435	93	491	710	1,699	5,478
Dublin	3,569	295	1,452	2,204	591	9,386	6,808	5,944	30,247
Mid-East	983	74	197	935	128	2,292	2,100	1,812	8,524
Mid-West	337	328	81	2,068	54	570	2,580	1,066	7,084
Midland	468	143	63	433	79	642	894	1,025	3,748
South-East	328	368	129	597	112	1,220	2,453	862	6,069
South-West	431	528	155	948	94	913	6,835	1,265	11,171
West	498	591	102	611	64	323	986	1,483	4,658
Average Length of Stay	4.5	2.9	3.7	4.5	2.9	4.5	4.9	4.1	4.4
Border	3.7	3.0	4.4	4.3	2.7	4.6	5.3	3.8	3.9
Dublin	4.7	3.8	4.1	4.5	2.8	4.6	5.7	4.6	4.7
Mid-East	4.6	1.7	2.4	4.5	2.5	4.3	5.6	3.9	4.4
Mid-West	4.7	2.4	3.1	6.5	2.7	4.3	4.2	3.6	4.4
Midland	5.0	2.8	3.2	3.7	3.8	4.2	4.7	3.7	4.0
South-East	4.8	2.4	2.5	4.3	4.3	4.6	3.9	4.3	4.0
South-West	6.2	2.6	4.3	3.6	3.2	3.7	4.8	4.1	4.3
West	3.4	3.7	3.5	3.3	2.9	4.0	4.5	3.6	3.7

Source: CSO Domestic Tourism in Ireland, 2000 - 2005

Table Q: Region Visited for Business by Region of Residence, 2000 - 2005

'000									
Business									
Region Visited									
2000 - 2005									
Region of Residence	Border	Dublin	Mid-East	Mid-West	Midland	South-East	South-West	West	State
Domestic Trips	379	1,070	175	357	210	377	691	543	3,802
Border	42	134	20	26	23	23	34	48	355
Dublin	144	30	50	124	63	153	284	206	1,052
Mid-East	51	51	18	58	28	51	92	74	439
Mid-West	20	134	16	18	14	26	43	26	305
Midland	23	47	4	16	11	19	30	24	174
South-East	20	145	15	26	18	29	62	34	376
South-West	25	287	31	53	35	52	91	61	645
West	47	191	12	35	17	24	43	70	439
Domestic Nights	1,062	2,932	571	939	482	1,022	1,948	1,558	10,509
Border	116	348	54	79	47	58	129	129	978
Dublin	367	90	146	285	138	333	752	576	2,674
Mid-East	143	130	75	154	76	132	224	222	1,192
Mid-West	66	387	33	48	27	58	135	58	857
Midland	64	146	6	61	19	41	118	77	511
South-East	72	400	32	67	40	180	194	109	1,174
South-West	64	749	136	125	98	138	271	209	1,830
West	147	509	29	124	47	88	127	191	1,289
Average Length of Stay	2.8	2.7	3.3	2.6	2.3	2.7	2.8	2.9	2.8
Border	2.8	2.6	2.7	3.0	2.0	2.5	3.8	2.7	2.8
Dublin	2.5	3.0	2.9	2.3	2.2	2.2	2.6	2.8	2.5
Mid-East	2.8	2.5	4.2	2.7	2.7	2.6	2.4	3.0	2.7
Mid-West	3.3	2.9	2.1	2.7	1.9	2.2	3.1	2.2	2.8
Midland	2.8	3.1	1.5	3.8	1.7	2.2	3.9	3.2	2.9
South-East	3.6	2.8	2.1	2.6	2.2	6.2	3.1	3.2	3.1
South-West	2.6	2.6	4.4	2.4	2.8	2.7	3.0	3.4	2.8
West	3.1	2.7	2.4	3.5	2.8	3.7	3.0	2.7	2.9

Source: CSO Domestic Tourism in Ireland, 2000 - 2005

Table R: Total Number of Trips, Nights and Estimated Expenditure by County Visited, 2000 - 2005					
	Trips	Nights	Average Length of Stay	Most Common Length of Stay	Total Expenditure
	2000 - 2005				
	000	000	Nights	Nights	€ Million
Domestic Travel	39,068	138,544	3.5	2	5,609
Carlow	366	1,015	2.8	1	36
Cavan	521	1,484	2.8	2	60
Clare	2,223	9,396	4.2	2	334
Cork	4,482	17,633	3.9	2	664
Donegal	1,555	6,954	4.5	2	253
Dublin	5,344	14,821	2.8	1	722
Galway	4,474	16,046	3.6	2	792
Kerry	3,981	17,039	4.3	2	751
Kildare	699	1,916	2.7	1	74
Kilkenny	1,053	2,633	2.5	2	164
Laois	331	846	2.6	1	31
Leitrim	365	1,247	3.4	2	45
Limerick	1,157	3,371	2.9	2	139
Longford	167	507	3.0	2	12
Louth	511	1,479	2.9	2	52
Mayo	2,108	8,031	3.8	2	336
Meath	588	1,615	2.7	1	37
Monaghan	253	694	2.7	2	25
Offaly	546	1,302	2.4	2	46
Roscommon	410	1,192	2.9	2	33
Sligo	949	3,417	3.6	2	129
Tipperary	977	2,679	2.7	2	85
Waterford	1,631	6,398	3.9	2	230
Westmeath	624	1,607	2.6	1	66
Wexford	2,766	12,119	4.4	2	377
Wicklow	982	3,104	3.2	1	115

Source: CSO Domestic Tourism in Ireland, 2000 - 2005

Table S: Travel with and without Children							
Trips, Nights, Average Length of Stay, Total and Per Diem Expenditure, 2000 - 2005							
	2000	2001	2002	2003	2004	2005	'000 2000 - 2005
Total Domestic - Trips	5,478	6,307	6,452	6,657	7,001	7,173	39,068
Adults & Children	2,618	3,207	3,122	3,163	3,462	3,138	18,710
Adults Only	2,860	3,100	3,330	3,494	3,540	4,037	20,361
Total Domestic - Nights	20,703	23,207	22,222	23,616	24,189	24,607	138,544
Adults & Children	10,944	13,179	12,331	12,825	13,512	12,413	75,204
Adults Only	9,760	10,028	9,891	10,791	10,677	12,194	63,341
							Nights
Average Length of Stay	3.8	3.7	3.4	3.5	3.5	3.4	3.5
Adults & Children	4.2	4.1	3.9	4.1	3.9	4.0	4.0
Adults Only	3.4	3.2	3.0	3.1	3.0	3.0	3.1
							€Millions
Total Expenditure	706.6	879.9	849.4	970.9	1,037.2	1,164.5	5,608.5
Adults & Children	245.3	305.0	278.3	336.9	366.0	347.0	1,878.5
Adults Only	461.3	574.9	571.1	634.0	671.2	817.5	3,730.0
							€
Average Per Diem Expenditure	34.1	37.9	38.2	41.1	42.9	47.3	40.5
Adults & Children	22.4	23.1	22.6	26.3	27.1	28.0	25.0
Adults Only	47.3	57.3	57.7	58.8	62.9	67.0	58.9

Source: CSO Domestic Tourism in Ireland, 2000 - 2005

APPENDIX 4: ABBREVIATIONS AND ACRONYMS

ALS	Average Length of Stay
BMW	Border, Midland and Western
B&B	Bed & Breakfast
CPI	Consumer Price Index
CPI-M	Consumer Price Index excluding Mortgage Interest
CPI-T	Consumer Price Index Tourist Product Index
CSO	Central Statistics Office
EU	European Union
GDA	Greater Dublin Area
GNI	Gross National Income
GNP	Gross National Product
HBS	Household Budget Survey
HTS	Household Travel Survey
ILO	International Labour Organisation
NUTS	Nomenclature of Territorial Units
OECD	Organisation for Economic Co-operation and Development
PCE	Personal Consumption Expenditure
PPP	Purchasing Power Parities
QNHS	Quarterly National Household Survey
RSI	Retail Sales Index
SARS	Severe Acute Respiratory Syndrome
SDV	Same Day Visits
SE	Southern and Eastern
TSA	Tourism Satellite Accounts
UN-WTO	United Nations – World Tourism Organisation
VFR	Visiting Friends or Relatives

**FIRST VOTE OF THANKS PROPOSED BY PROF. JIM DEEGAN, DIRECTOR, NATIONAL CENTRE
FOR TOURISM POLICY STUDIES, UNIVERSITY OF LIMERICK.**

I am delighted to have the opportunity to propose the vote of thanks to Steve MacFeely for a thoroughly researched and well-prepared paper that is both interesting and insightful and moreover has wide ranging implications for tourism policy.

I would like to proceed as follows: firstly, I would like to discuss why a paper such as this is very welcome and necessary; secondly, I will discuss in my view what the big issues are arising from the paper; thirdly, I will briefly address some points of specific interest from the analysis conducted; and finally, I would like to make some comment on how the advent of new technology may enable us to expand our understanding of the issues that Steve has raised in the paper.

This paper is important for the issues it raises in relation to tourism but in a more general sense it also highlights an emerging concern for a better understanding of services. The services sector has emerged in most OECD economies as the major engine of output and employment growth yet it has not received the commensurate attention it deserves by the academic community (Penender, 2000). At a time when services account for two thirds of those employed in Europe and 60 to 70 per cent of Gross Value Added (Ganz, 2005) it is clear that the research infrastructure underlying this development is far from adequate. In Ireland, total employment associated with services grew from 62% in 1998 to 66% in 2005 (CSO, 2006) yet much public commentary is still predominantly dominated by a concern with the traditional sectors of the economy. Importantly, the move to a services dominated economy has significant implications for productivity and national welfare which require significant analysis and an appropriate policy response. It is clear that part of the explanation for the absence of a focus on services is due to an absence of data and, if anything, what Steve Mac Feely has shown in this paper is that good data can certainly help to improve our understanding.

While the paper is very comprehensive in the analysis of the Household Travel Survey results, it is difficult to do it justice in the time available. I do think that the following issues stand out:

- a) The results presented in the paper suggest that domestic tourism is far more important than was previously understood or, more correctly, if people understood this previously it was a hunch rather than anything that could be supported by data;
- b) The emergence of a clear methodology for measuring tourism, namely the Tourism Satellite Account (OECD, 2001) reinforces the rationale for understanding and measuring domestic tourism and the First Steps Tourism Satellite Account for Ireland results, in tandem with the HTS results, are mutually reinforcing. It is also clear that we need to fully engage with the TSA process and to develop the appropriate survey research that the first TSA projected identified; and,
- c) The results presented in this paper and from the TSA suggest that if our understanding of tourism is to be enhanced it is critical that a "Day Visit" survey be implemented as a matter of priority.

I will now turn to some specific issues raised in the paper:

1. The analysis of the HTS 2000-2005 clearly shows that domestic tourism has outperformed the inbound tourism market and it is clear that this segment of the tourism marketplace is less exposed to external shocks;
2. The data presented also shows that the strongest growth in expenditure came from those aged over 60. This finding is particularly important as this market has often been relatively neglected. In addition, the discrete analysis of the consumption patterns by several cohorts provides information for policy that was previously either absent or very scant in detail;

3. The paper provides an excellent analysis of the 31% growth of domestic trips for the years under review and adjusts the growth to allow for other factors in play. I would agree with the analysis conducted and would add one additional issue of importance that is most likely influencing domestic trip-taking. It seems clear that those engaging in short breaks, at least the second short break in a year, are increasingly concentrating on the actual time spent on relaxation during the break. Given the significant time spent and inconvenience of travelling through busy airports, there is a move to substitute domestic trips for foreign trips. Given the general improved road network outside of Dublin, it seems that domestic trips may be substituted for foreign trips if the appropriate packages are competitively priced by the tourism sector in Ireland.
4. Section 6 of the paper incorporates the findings of the First TSA project for Ireland in an attempt to put domestic tourism in an overall context. Whether one accepts the TSA estimates or not, it is clear that the TSA methodology and results when taken with the HTS results provide a rationale for a serious re-think of some issues. For example, the big issues introduced by the TSA which are not common to traditional measures are “day visits” and the “domestic portion” of expenditure of an outbound trip. Firstly, the extrapolations conducted for the paper suggest that in aggregate domestic tourism from 2000 to 2005 could have generated in the region of 24.9 million Euro. As is reported in the paper, this would have the “rather dramatic effect of making total domestic tourism expenditure worth more than total outbound expenditure.” In addition, it is certainly clear that tourism makes a far greater contribution to GNP than previously understood (Deegan *et al.*, 2006).
5. The information and analysis of regional trends provided in the paper is comprehensive and will prove extremely useful to the tourism industry and policymakers. It shows clearly that domestic tourism is extremely important for the less developed regions of Ireland and that it performs this role far better than international tourism.

The foregoing suggests that this paper has considerably added to our understanding of domestic tourism and like any good paper it has raised many new issues that we shall be debating for many years to come. It has undoubtedly opened up a debate on the relative merits of domestic tourism and international tourism and reinforces a long-held personal view of my own that investors in tourism usually look to the domestic market when making an investment. Often if the domestic market is not a major contributor then the investment is unlikely to go ahead. As such, many investments in tourism should have a very keen eye on domestic trends.

It is clear that the survey evidence on which this paper is based has provided the foundation for much needed analysis and debate. I would very much wish to urge the relevant stakeholders and decision-makers to provide the resources to continue such work in many other areas of tourism. In this regard, I would strongly urge those charged with this important work to seriously consider many new forms of Information and Communications Technology that will allow survey work to be undertaken in new and very cost efficient ways. This will allow us to have more accurate and timely information than heretofore and will provide information for such excellent analysis that we have witnessed this evening.

Let me once again thank Steve for presenting us with such an interesting paper and for raising many important issues.

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SECOND VOTE OF THANKS PROPOSED BY BRIAN MAHER, FÁILTE IRELAND.

I would like to congratulate Steve MacFeely on a most comprehensive and stimulating paper to the Society and I am delighted to second the vote of thanks.

The publication of the Household Travel Survey in December 2003 was a significant event, and a source of some relief, to Fáilte Ireland/Bord Fáilte. In the absence of data from any other source, Bord Fáilte had been commissioning research on the domestic tourism market since the sixties in order to measure the volume, value and regional distribution of domestic tourism and, in particular, domestic holidays. The resource that the tourist board was able to commit to measuring domestic tourism was limited and this was reflected in the quality of the data that was produced. Initially, the survey was based on interviewing a quota based sample of individuals in their homes and was conducted once a year in October (the closest month to the main holiday taking period of July to September) amongst a sample of 3,000 persons representative of the adult population. Data was collected on all tourism trips taken over the previous twelve month period. The survey was subject to a significant lack of recall amongst respondents, particularly in respect of short breaks and the accurate reporting of expenditure. In order to address these issues, the frequency of the survey was increased to three times a year with data collected from 1,000 respondents in May, September and January each year in respect of tourism trips taken during the previous four months. The change in methodology resulted in a significant increase in the number of domestic trips, particularly short breaks, which made the trend data existing at the time of the change somewhat redundant. It was also apparent that if you wanted to increase the size of the domestic tourism market all one needed to do was increase the frequency of the measurement. Although the resource allocated by the tourist board to the Irish Travel Survey was limited, it still represented a resource that could have been allocated to other issues if the basic economic data on domestic tourism had been available from an independent source. That is why the publication of the HTS data was so eagerly anticipated by the tourist board, and it meant that the figures published for this important economic activity would have the imprimatur of the CSO.

The paper that Steve presented has most ably demonstrated the significant breadth of data that is available from the survey, covering as it does the number of domestic trips and resultant expenditure by purpose of trip, by regions visited, by accommodation used and by demographic cohorts. All of this information is vital for Fáilte Ireland in developing effective marketing strategies for domestic holidays and ensuring that policy issues recognise the importance of domestic tourism with all of the benefits that accrue to the tourism industry from this activity. Domestic tourism is key to the sustainability of the Irish tourism product. Two of the main challenges to the sustainability of tourism enterprises have been the need to improve the spatial spread of tourism, bringing more tourism related activity to the peripheral or marginal regions of

the country, and to improve seasonality, providing tourism enterprises with year round business opportunities. Domestic tourism makes a significant contribution to both of these issues, and Steve has also clearly pointed out in his paper how domestic tourism can help sustain the industry during extraordinary events such as the aftermath of 9/11 or the outbreak of foot and mouth disease in the UK in 2001. Domestic tourism makes a significant contribution to bed nights in hotels and other forms of serviced accommodation, particularly outside of Dublin. The domestic holiday taker is particularly responsive to promotion and can be mobilised at relatively short notice through effective advertising and promotion.

As the agency responsible for the development and marketing of the domestic market, Fáilte Ireland has a particular requirement for robust, timely and relevant data on the domestic holiday market. The real benefit of domestic tourism to the Irish economy is when a domestic holiday or break is taken instead of going abroad or indulging in expenditure on other items that may have high import content. Fáilte Ireland research has shown that there is little substitution between abroad and domestic holidays. Some people will always seek sun, sea and sand and will not consider an Irish alternative, whereas others, for family, budget or other reasons, will not consider going abroad. The one segment where there is significant competition is in the short break market where a weekend of wining, dining and pampering in a hotel in Ireland will compete with a weekend break in Amsterdam, Prague or Tallinn. Fáilte Ireland needs to fully understand the dynamic of the domestic holiday market and so we need to exploit as fully as possible the data on holidays captured within the HTS, sometimes beyond what is publicly available.

A couple of specific points occurred to me while considering Steve's paper. Despite working for the agency charged with the responsibility for domestic tourism, I do not feel that the issue of the balance of payments between domestic and outbound tourism is of particular concern. It is recognised that in the modern Ireland of high employment and increasing prosperity, people will travel abroad and we frequently find that people who holiday abroad will also take additional short breaks in Ireland. Against this backdrop, I don't think that the relative value of the sectors is a key measurement, although I do accept that for advocacy purposes money talks.

A related issue addressed in Steve's paper is the measure of same-day visits. Since the publication of the First Steps Tourism Satellite Account for Ireland, based on the work done by Jim Deegan and colleagues in Limerick University and UCC, a lot of attention has focussed on the need for a same-day visit survey, primarily due to the value that has been ascribed to this activity. I would like to enter a word of caution. I can recall an animated debate at a UN-WTO conference on tourism statistics regarding appropriate criteria for determining domestic same-day visits, for example, whether time away home or distance travelled was the appropriate determinant of a domestic same-day trip. It would be important that any criteria adopted for Ireland would be appropriate to the country. From an economic perspective, the main beneficiaries of same-day visits amongst tourism enterprises would be attractions and restaurants, and possibly some elements of transportation. A lot of the beneficiaries of expenditure on same-day visits would not be in the identified tourism sector and a lot of the impact would be displacement. Whereas the issue of domestic same-day visits is certainly worth pursuing, I think that it is more important that we continue to invest in improving our tourism statistics in respect of staying leisure visitors, before we allocate significant resource to a measure of domestic same-day visits.