



Northern Ireland  
Assembly

Committee for Finance and Personnel

# OFFICIAL REPORT (Hansard)

Air Connectivity and Air Passenger Duty:  
Association of British Travel Agents, Northern  
Ireland Hotels Federation and Visit Belfast

22 April 2015

# NORTHERN IRELAND ASSEMBLY

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**Members present for all or part of the proceedings:**

Mr Daithí McKay (Chairperson)  
Ms Michaela Boyle  
Mr Leslie Cree  
Mr John McCallister  
Mr Ian McCrea  
Mr Adrian McQuillan  
Mr Peter Weir

**Witnesses:**

Ms Doreen McKenzie	Association of British Travel Agents
Ms Janice Gault	Northern Ireland Hotels Federation
Mr Gerry Lennon	Visit Belfast

**The Chairperson (Mr McKay):** I welcome the witnesses to the table. Today, we have Mr Gerry Lennon, chief executive of Belfast Visitor and Convention Bureau; Ms Janice Gault, chief executive of the NI Hotels Federation; and Ms Doreen McKenzie, chairperson of the aviation committee of ABTA, which is the travel association. You are all very welcome this morning to the Committee. Do some of you want to make some opening comments to kick us off?

**Mr Gerry Lennon (Visit Belfast):** Ladies first.

**Ms Doreen McKenzie (Association of British Travel Agents):** I will start, being the local employer. I am the owner of Knock Travel, which I founded in 1990. We employ 19 local staff and have an annual turnover in excess of £7 million. We operate in the corporate and leisure markets, selling flights and holidays. Provision of quality, efficient and competitively priced air travel is vital to our clients.

As already mentioned, I am a board member of the Association of British Travel Agents (ABTA), I am chairman of its UK aviation committee and I recently served on the National Connectivity Task Force, which was chaired by Lord Shipley. Our remit was to focus on regional connectivity and the additional runway capacity being considered in the south-east of England. We concluded that air connectivity matters and can make an important contribution to the rebalancing of the UK economy. We produced a public report, and our findings, in addition to the statistical data from all the regions in the UK, have been fed into the Airports Commission, so we hope to get its final report in June.

One myth that I would like to dispel is that foreign travel by Northern Ireland citizens has a negative impact on the UK economy. Passengers spend a lot in the UK before they leave. Companies like my

own, which sell air travel, pay a lot in taxes in the UK, and 7% of all employment in Northern Ireland is supported by travel and tourism. More than 60,000 people in our region are dependent on a thriving travel and tourism sector for their livelihoods. Around one third of travel and tourism jobs are held by young people aged between 16 and 24. That is compared to just 12% of jobs in the wider economy.

Another point is that Northern Ireland attracts more than £208 million annually from international visitors. Around £440 million is brought into the area by domestic tourists. An estimate of £408 million is also injected into the regional economy from our local people travelling outbound. That constitutes what they spend before they travel. It means that we have a collective contribution of around £1 billion every year into the tourism mix.

**Mr Lennon:** Chairman, thank you for the opportunity. I am chief executive of Visit Belfast, which is a public-private partnership, destination-marketing organisation for Belfast. We market Belfast as a city break and conference destination. Those are the two fastest growing elements of tourism, so my focus is purely about getting visitors into Belfast and into Northern Ireland. Our aspiration is that Belfast will be in the top 15 tourism cities, as measured by European City Marketing (ECM); in the top 100 conference cities in the world, as measured by the International Conference and Congress Association (ICCA); and in the top five UK cities for conferences by 2020.

Belfast City Council has a strategy where the target is to grow tourism spend by 100% by 2020. The Minister and the Government's target is to achieve £1 billion tourism revenue by 2020. The simple fact of the matter is that those figures and aspirations will only be achieved if we increase the number of visitors from overseas and from GB. Our tourism has performed very well, but it is too reliant on local, indigenous overnight stayers. We need to grow the off-the-island-of-Ireland visitors; it is as simple as that. The only way that that is going to happen is by increasing connectivity, and one of the drags on increasing connectivity, as we have just heard all morning, is air passenger duty (APD). It is a very simple argument from our perspective: either we are serious about tourism or we are not. If we are serious about tourism, we take all the drags and all the burdens that make us uncompetitive and remove them, and we have the conviction of our ambition to focus on the size of the prize and not just on the cost to the block grant.

When you look at the contribution of tourism to GDP to Scotland, Wales and the Republic of Ireland, you see that we are clearly at about 50% of that. That is the level and scale of our ambition. If we were to achieve double-digit growth, we would probably create another 60,000 jobs in Northern Ireland. More emphasis should be put on those figures in terms of the size of the prize and the benefit of it. There needs to be a good cost-benefit analysis. I think that there has been too much focus on the cost and not enough on the benefit. To give you an idea, we have had 150% growth in conferences in the last year. Last year, Belfast was voted the number-one conference city in the UK. So these are aspirations and objectives that are not pie in the sky but are actually based on practical evidence.

I also believe that the focus on APD has been too singular. In itself, it will not deliver all of this, but it should be taken in the round with policies to support the tourism industry. There is APD, route development and VAT. Those things need to be considered in the round and taken together. In that way, we will have a paradigm shift and prioritise tourism and prioritise the growth of visitors and, in particular, the out-of-state, overnight-staying visitors to Northern Ireland.

**Ms Janice Gault (Northern Ireland Hotels Federation):** Thank you for the opportunity to speak. I represent the Hotels Federation, and there are about 8,000 hotel beds in Northern Ireland. We are about getting people to leave their home and stay in hotels. However, we recognise that hotels are not a stand-alone product. You have to have a vibrant economy to support them, and it is important that you have a good night-time economy. We see access as a key issue. When we look around, we see a business climate that is pretty unfavourable here in comparison with other regions. When I look at the figures from the Irish Republic and put them into context, I see that we had 243,000 visitors from Europe in 2013, and the Irish Republic had 10 times that number, with 2,463,000. There is no rocket science involved in that; it is simply the fact of better connectivity. We are a short-break destination. We are an island, and we have certain things here. We have spent a vast amount of money creating a number of unique products that people can only see in Northern Ireland. All of you represent different regions throughout the Province, and tourism can deliver to every single part of this region. When I look at the hotel figures, I see us sitting with about 72% occupancy, which sounds really, really good. However, in reality, that means that the room is empty 28% of the time. When I look to regional Northern Ireland, I see it as being about 66%, which is gradually falling away. The only way for us to increase that is by getting more visitors from overseas.

There is no mistaking the fact that the silo approach to tax does not work. If you look at APD and corporation tax, you see that tax regimes see themselves in competition with each other; they are simply not. As I always say, it is like giving somebody a box of chocolates and telling them to choose only one, and that is pretty difficult to do. We have to develop a business climate that works. Tourism is not a stand-alone industry. Every hotel supports laundry, food service businesses, transport and visitor attractions. A wide range of industries can be approached.

We also would like people to realise that the type of tourism that we are looking for is different. We would like to hold on to our domestic tourist visitors. When I look at the breakdown, 60% of people visiting here are from the island of Ireland, and that is a massive figure. If you add GB, we get under 10% from further afield. When I look at the figures, it is quite disturbing for us that we need to grow this. We spent a vast amount getting superb product. We have Titanic Belfast and the visitor centre at the Giants Causeway. Derry has had a major facelift. The only way for us to sustain that is to get visitors from new destinations and, as Gerry said, to attract the business visitor. We need to become suitable for conferences, longer-haul conferences from Europe, and without connectivity we are not going to be able to do that. If you are a short-break destination, people will come for three or four nights and then leave. When I look to long haul, I see the difference. We actually get more visitors from Australia than we get from Germany, and that is incredible when you think of it. When we look at those figures, we despair, because we ask ourselves how this is ever going to change.

I agree with what others have said today: we need to look at an overall, economic-future study of Northern Ireland, particularly in the tourism sector, to see how to produce a business climate that supports this industry and allows us to grow. To put a figure on it, we will probably have 10 million visitors to the island of Ireland this year. Nine million of those will come in through Dublin, which will have all the advantages of that. Plus, we will have a large number leaving here from Dublin Airport, which is a bit of a whammy as well. But, from our point of view, nine million people coming into Dublin Airport is a huge commercial and economic advantage, and we would like to see us getting a bigger share of that cake.

**The Chairperson (Mr McKay):** How concerned are you that things could get worse? I am just looking at the map of the different areas, the percentage of GDP and the figure of £1.5 billion for the North. Obviously, with the abolition of APD in the South and the potential transfer of APD to Scotland, followed by its reduction and eventual abolition, we will become less competitive, meaning that the situation could get worse.

**Mr Lennon:** You have answered your question; that is simply it. This is not a nice-to-do sort of thing. The rest of the world has moved on, and we have to catch up. We must not forget that we are coming from a low base. We are trying to catch up with all these other well-established tourism economies, and it does not take Einstein to work out that if that is what they are doing and they are successful, then we need to do the same. We probably have saturated — maybe not saturated — the domestic tourist market. The only significant, fast growth that we are going to get now is from off the island of Ireland, from GB and Europe. Your previous delegation talked about Germany and European source markets, and we have a fantastic story to tell, which Janice alluded to. We have truly iconic visitor attractions; we have a state-of-the-art conference facility; we have all the kit now, but we need to go and tell the story and for people to be able to get here. That is about two things: route development and APD parity.

**The Chairperson (Mr McKay):** Which is more important, the short-haul European routes or the short-haul routes to Britain? If there is a decision to be made on APD, and there is differentiation between the two, which is more important for economic growth?

**Ms Gault:** It is not an either/or question. If you look at the figures, you will see that we got roughly 1.2 million visitors from Great Britain in 2013. The Irish Republic got 3.1 million. We basically get a third, which is not bad. We actually have quite good connectivity with GB, a lot of which is business-led; but it is a question of choice. Looking at APD, it was great that the flight in the long-haul market was saved, but the real disappointment is that we could have had a direct route to the Middle East, if it had been quicker. Dublin now has 28 flights a week to the Middle East, which gives you huge connectivity to markets in Asia, New Zealand, Australia, and China. Titanic is a huge, huge thing in China.

APD on long-haul flights has more or less been sorted out, but it is not a choice between Britain and Europe. In the South, they made a very clever decision. They reduced the tax to €3 and kept it at that. Then they went back and said, "If this works, and you promise us more routes, we will abolish it". They simply doubled their capacity. They filled a complete terminal. Everybody said that it would be

the ruination of the regional airports, but Shannon had more flights this year than it has had for a large number of years; it is back on direct American routes. Cork has grown its numbers as well. So it has had advantages for everybody. It is not a choice of doing one and not the other.

Do not forget that Dublin is also bleeding routes on Manchester and London. Aer Lingus is going to offer a daytime flight to the States, so that you can be there in the morning to start your day's business. The flight will leave Dublin early in the morning so that you can do a full day's business in the States. Aer Lingus has been very clever about how this has been adapted; it has been adapted for a range of markets. The business traveller is a lucrative traveller, one that you would like to get through here. Aer Lingus is hubbing people through Manchester and London and out through Dublin. It is hubbing people from the States back into Dublin and out into mainland Europe. People think that that business does not bring you money, but it does. It gets people through your airports, supports your airline staff and supports you with airport charges.

**Mr Lennon:** Let me follow on from Janice. She is right: it is not an either/or situation. GB is the lifeblood, currently, in terms of overnight stays to Belfast. It is by far the biggest market share, and you cannot reduce that at all. However, in terms of the aspiration to hit €1 billion of Dublin tourism revenue by 2020, if we are serious about it, the growth is going to come from short-haul flights to Europe.

Northern Ireland has about 5% of the connectivity that Dublin has to mainland Europe. That shows the scale of where we are. As the guy said earlier, you do not need mass coverage across Europe; you can be very strategic in terms of the big source markets — Germany is one; Northern Italy is another. You can also have the added value that we are all looking for in the long-haul connections. You can go into cities and airports that have connectivity into the long-haul market as well, so it can be very cleverly done. However, in the first instance, in terms of accelerating the growth of tourism that we all want, we have to get better connectivity into Europe very quickly. That route development fund, together with APD, puts the hands of the Government on a lever which can give us a fighting chance to grow tourism.

**Ms McKenzie:** ABTA commissioned some research into the value of leisure aviation. That took on board that the mix of an aircraft is not just business travellers or leisure travellers; it needs the whole mix of bringing tourists in and taking people out to make flights viable, so that airlines can make profit on them. If it is a traditional carrier, which can carry cargo in the belly hold, that is a bonus for us as well, and it will help our inward investment. So, we need to look at the whole mix, rather than pick and choose whether it should be a sun destination or a city destination. We need to bring tourists in, no matter what part of the world they come from.

**Mr Lennon:** Our preference would be against sun destinations.

**Ms McKenzie:** I understand that.

**Mr Lennon:** From our perspective, there is no need for any more connectivity to places like Alicante. It is about source markets coming in here, source markets for FDI.

**Ms McKenzie:** What I am saying is that you should not write them off. They should be included in the mix because there is a value to them.

**Ms Gault:** Believe it or not, for people from Spain, the fact that it rains and is cooler here in the summer is a big selling point. It might sound strange. They do not necessarily wish to have a better tan; they are quite content the way they are. It is a 50:50 situation. The United Airline route is a really good example; it sits at 45% or 50%, depending on when you look at it. Ideally, you need your plane filled both ways. You cannot just have it as a one-way destination. We need routes that are sustainable and going to Alicante is lovely over the summer, but, in the winter, the airlines come off the route. That is not to say that those things are not important, but we want people to come here to visit and stay.

**Mr Lennon:** Another way, Chairman, of viewing this and the connectivity thing is that, as Janice said, we have invested so much in Titanic Belfast, the Giant's Causeway, Derry and in the extension to the Waterfront Hall, and we need to exploit that investment. We need to find the quickest way to get a return on that investment and give us connectivity to the markets where we can get international conferences and people on European short breaks to come here and experience that. It is a case of,

once we have put in that investment, how do we exploit it? That is one way of looking at APD and route development.

**The Chairperson (Mr McKay):** What is the potential of flights to Germany?

**Mr Lennon:** GB and Germany are the largest outbound, short break destinations in Europe.

**Ms Gault:** Germany sent 557,000 visitors to the Irish Republic last year. We had 50,000. Germany has the biggest travelling market. It is quite a traditional market, and it is a good market for us because the younger German likes to look at cities and is quite into the city vibe, but there is a big tendency in Germany — there is a German word for it; I will not bore you with my dreadful German, but it means "nothingness". They like to go to places, stand and look at mountains and really see wide open spaces. The Germans also have 37 days of holiday per year, so they take more than one break, and some Germans will stay for a longer period. We see Germany as a good market, and it is a good market for business as well. A lot of companies here have direct links to German manufacturing companies, particularly in the airline industry. Germany would be a good route development for us, and it has been talked about for probably the last eight to 10 years. There is talk about two or three German routes coming on board. The figures are there — 557,000 Germans came to the South last year, and we got 10% of that.

**Ms McKenzie:** A German airline has been in Belfast over the last couple of months to look at the potential of bringing routes in. It was not entirely sure what cities in Germany would be the best to serve. It serves the whole of the country. We should do more to encourage airlines to come over and help decide what we want as a destination, rather than have them sticking pins in a map and saying, "Well, we'll try that". There needs to be some sort of joined-up conversation, and government should be involved in that as well as the airports and airlines.

**Ms Boyle:** Thank you for your presentation. That made very interesting listening. How do you market your feeder routes? I would be interested to know. Gerry, you talked about the Titanic Quarter and the Giant's Causeway. Janice, you mentioned Germans looking for wide open spaces. How would that be marketed for the likes of the Sperrins? Is there a feeder route from the Causeway Coast up to the Sperrins or from Belfast to the Sperrins? Hopefully you are doing that. How is it being done? Or is it not?

**Ms Gault:** Currently the island of Ireland is marketed as one destination for all overseas routes. We are faced with the situation where we are marketed along with the South for everything. We sit here with a different tax regime, a different currency and different APD. All of those are currently in a disadvantaged state. When you look at the advertisement for the North of Ireland, it shows a large amount of that: meeting people, coming in through gateways, driving along the coastlines. That has very much been put forward. There is connectivity within the market.

I will take the route from Dublin as an example. A number of people have discovered that they want to get to Belfast at 3.00 pm. They do not necessarily want to arrive in Belfast at 9.00 am if they are on a tour or at 12 noon. We have come up with the idea of driving through the Slieve Gullion area, looking at it, coming out and then maybe going the Mourne coastal route. That is from talking directly with the big tour operators who are bringing people to the North for maybe one or two nights. They may have planned to go to Titanic Belfast at 3.00 pm, and, when they leave, they may want to head to the Wild Atlantic Way. The answer is to send them down the Causeway Coast, maybe through the Sperrins to Derry and then on to the next part. This is not a stand-alone product, and you have to market the whole — Northern Ireland has a wide range of attractions. Some of them are city-based attractions and some are not, and different markets like different things. It is important for us to understand that there are a lot of things here that we do not see. I was at the Giant's Causeway on 20 March, and there were eight buses from McComb's there. It was not high season. They were bringing people the whole way around and taking them on to further destinations. We try to market through a joined-up approach, but you have to be aware that some things are simply city attractions while others are rural attractions. Germans like a rural product, but they may not —

**Ms McKenzie:** It is not for everybody.

**Ms Gault:** It is not for everybody.

**Mr Lennon:** Thirty-five per cent of people who stay overnight in Belfast visit other destinations. When we sell Belfast as a conference destination, for example, its big attraction is that it is a gateway to our natural resource-based tourism. When the cruise ships come in, the vast majority of passengers go on to other places as well. Selling Belfast as a city break or conference destination is not an either/or; it definitely increases the footfall into other areas, including the Sperrins.

**The Chairperson (Mr McKay):** I will follow on from that point: what potential is there to increase cooperation for mutual benefit between the North and Donegal? Donegal is obviously very well established, but, when we are talking about APD, if we can get more people to go through Belfast to get to Donegal as opposed to Dublin, it will benefit everybody. It is closer than Dublin.

**Mr Lennon:** I am not the expert on that, and I am sure that the airports would be able to give you that information. However, it is certainly common sense. Donegal is a lot closer to the City of Derry Airport and the Belfast International Airport than having to drive through the country to Dublin. If there was parity of esteem in cost, I am sure that travellers would go through the airports here. Belfast is a good gateway to Donegal, as well as an exit point for the Donegal population.

**Ms Gault:** You can get from Donegal to Dublin Airport six times a day in about three hours and 20 minutes through a direct bus route, just as you can get to Dublin Airport from Belfast 24 hours a day. Buses run right through the night. If we had more routes, we could certainly attract people from Donegal both ways, out and in.

Donegal has a small airport that is supported by a regional fund, and it has a direct flight to Dublin every day. A lot of it is not necessarily used for connectivity. The airport would need to give you the figures, but it is my understanding that it is a feeder airport for business into Dublin, as opposed to a feeder airport for international routes. The flight leaves in the morning and comes back in the evening, but that route is very heavily supported.

The Wild Atlantic Way has been the success story of Irish tourism over the last year. It runs from Malin Head in Donegal to Mizen Head in Cork, so we have the opportunity of an entire coastal experience. People talk about the Big Sur in California, which is lovely, but it is probably not as dramatic as the Causeway coast or the Mourne drive. We have an opportunity to join these places up, but you have to get people to your destination.

Most people in modern times are time-poor; that is the one big thing that people say. They want to go away for three days. If you can get them to you for three days and they do three things while they are here, you have won. They will go back and tell 15 people — I think that that is the figure — and those 15 people will tell another 15 people.

The problem is that we need to get more people here directly. In some ways, Dublin is a gateway for us, but it is also a big threat. We have seen that we are not growing. Our numbers from Europe are falling.

**Ms McKenzie:** I had a conversation with representatives of the City of Derry Airport last week and was advised that 34% of its departing passengers originate from Donegal.

**Ms Gault:** That airport puts on two or three sun routes every summer, including Faro and Malaga, I think. It attracts people in that way, and that has worked well. It is a good policy, and people from Donegal, particularly families with small children, do not want to travel to a large city hub. I speak from experience, in that members of my family have used it. It works well and is a market that they have developed quite cleverly. They rotate the destination every year. I think that it was Lanzarote last summer.

**Mr McCallister:** Some of the figures are fairly stark. The ones that leapt out at me were 10 million visitors to the island of Ireland, with nine million coming through Dublin.

**Ms Gault:** That is the estimate. Take last year, for example, when, according to Fáilte Ireland, about 7.6 million overseas visitors came into the Irish Republic. We are in an embarrassing situation because now, in April 2015, the 2014 figures for the South are out. They are able to tell you how many visitors they had and where they came from. We do not have those figures and will not have them until May of this year. We are five months into the year, and we do not know where our visitors came from last year. If you wanted to make any plans, how could you? I have the figures for the first nine months of last year, which probably show another year of consolidation as opposed to growth. I

look at the South, and I see their figures going one way, and it has been like that since 2011. Even if we have nine million visitors, eight million of them will come through Dublin.

**Mr McCallister:** That is way out of kilter with —

**Ms Gault:** If, setting aside the politics and division, you approached it on the basis of the nine counties of Ulster, you would expect to have probably about a third to a quarter. That would be a reasonable assumption.

**Mr McCallister:** A bit more like your figures for visitors from GB, which are, relatively, proportional to population.

**Ms Gault:** There are 1.3 million visitors from North America coming into Dublin and 165,000 into Northern Ireland. America has become a short-haul market, believe it or not. A lot of young Americans, the higher-spend people, are prepared to travel for four days, leaving on a Thursday evening. I have travelled quite a bit to the States. You will meet golfers coming in on a Thursday evening. They have left Wall Street or wherever — these are the people whom I met — on a Thursday evening after work, got the 9.00 pm flight and flown to Northern Ireland to play four courses in Northern Ireland before flying back on Sunday evening.

**Mr Lennon:** John, I will just pick up on your point: we have 50% of the seats to GB that the Republic has, so we are doing OK percentage-wise. We have only 3% of the seats to North America and 5% of the seats to mainland Europe that the Republic has, so we are underperforming there. Clearly, we need to increase our route connectivity, and then we will have a better chance of getting what we would perceive to be our fair share of those source markets.

**Mr McCallister:** That is all very interesting, especially your point, Janice, about the silo mentality and tax. It probably ties in with how you develop this entire package for tourism. It is not just about getting people here; there has to be something for them to do, something that is interesting and that will appeal to different markets, from the Germans, who want to walk, or from any type of hill rambles or walkers, to sightseers, or those coming for whatever the activity happens to be, who are coming here for the cooler climate and a bit of rain.

When I was questioning the guy from the airport, he was talking about looking at tax and devolving tax. I think that we need to work much more as a commission to work out what are the best things we need to look at. Is it corporation tax on its own, APD, both or VAT? What do we need to change to build our regional economy and a complete tourist package? People who represent different places come at this from slightly different angles. First, we look at getting people here, and then the issue is the amount of tax that we charge on tourism and hospitality compared with the South, and we are not able to respond to those things quickly enough to compete with our nearest neighbour.

**Ms Gault:** You have to look at this as an economic question for Northern Ireland, not simply a tourism question. This is where you see yourself positioned in 2030: 2020 is too close because it is only five years away. You have to look at what economic structure you want this region to have, coupled with the changing political and socio-economic climate. You have to put all that together. We believe that tourism has the ability to deliver significant change, and change that is not in just one small slice of the economy — change that can spread.

We have spent a huge amount of money developing things. We are now in a prime position and have a lot going for us. However, we need slight adjustments to thinking. I hasten to add that some of that is Westminster thinking, as much as thinking in the Assembly. A lot of this is job-focused, and that is certainly where a lot of the changes came in the South. Change in the South came in the 2011 pre-Budget, when they looked at the job model. Looking at a single issue — even at this tax — is not enough. You have to look at the tax element, the transport infrastructure, the skills and the cohesion, or how you are bringing people together.

Our concern is that sometimes things are seen in isolation. We have, for example, fantastic food in Northern Ireland. Everybody who comes here is shocked by how good the food is. They are equally shocked by the size of the portions, but generally shocked by how good the food is. You have great food agribusiness that you can join with your tourism business, and then you can join that with your export business. I would say that probably 20 of the top Michelin-starred restaurants in London serve Irish beef. They see it as a premium, grass-fed product, and that is the key element to it.

Our concern is that tourism needs to be seen as a great economic driver, and the climate to grow that needs to change. That is not about APD alone; APD is part of the puzzle. Scotland is looking at it, but not for the good of its health. The Scots are sitting with a tourism product that is seven times the size of ours. They are sitting with an agrifood business that sells one bottle of Scotch whisky every 30 seconds. I do not know whether that is exact, but it is some incredible figure. They have seen that joining the two makes sense. They have tourism as the key driver for their economy.

We need to see tourism as something that can deliver for every constituency in the region. It is not a competition: Ballycastle is not in competition with Bangor, nor Strabane with Strangford. There are advantages for everybody. Travelling from Derry, you have to drive through Strabane to get to other places. There is one hotel in Strabane that does very well. Every town needs some form of infrastructure.

I think that that is the bigger question for us as a region. We are very inclined to look at things as stand-alone. I realise that some of this is not within your gift, but I think that all of you have connections to Westminster, and it is very important for regions to have that. I think that Scotland has completely twigged this: for them, tourism is something that can bring in money. This is an export: £723 million came in here last year, £418 million of it from overseas. It is a great thing — it is a real export business.

**Mr McCallister:** You have touched on a lot of themes and issues, Janice, and you mentioned that my constituency covers the Mournes. You say that our rates of spend per night are way below the equivalent in ROI or GB. One complaint that I get from a friend who lives in London is that he can buy Northern Irish product more easily in London than in Northern Ireland, which I find bizarre. The figures from our agrifood industry, our largest private-sector industry, are way below those in the Republic. We are not performing as well as we should. I certainly take the point that it is not about looking at things in isolation. That is why I was interested in that approach. It is better than just saying, "Right, we will fix this and that will sort everything out". We need to build in a much broader package.

**Ms Gault:** Life is about supply and demand. Paris is probably the most expensive city in Europe to go to. It is the most expensive hotel destination. People are prepared to pay €10 to sit and have a cup of coffee on the Champs-Élysées because it is the Champs-Élysées. My argument is that we film 'Game of Thrones' here. There is only one way that you can go to Westeros, and that is by coming here. It is not just about the cost; it is about supply and demand. If Belfast is full, you get waves of people going out. If Derry is full, you get waves of people moving out. People need to understand that ripple effect.

You also have to be clever about the type of tourism that you attract. We do not want to be — I do not really want to mention any destinations — a hen weekend, low-budget destination. Many destinations have tried that. We want to be a higher-end destination that attracts people who are looking for a range of products that they are prepared to pay for. The biggest problem that we have is that we are not particularly good at extracting money from people. The extraction of money is a very important element of the tourism product. I am not talking about ripping people off but about giving people the opportunity to buy something that they want when they are here, be it a cup of coffee, a photograph or whatever.

**Mr McCallister:** I do not think that we are all that good at recognising what we have, and we tend to downplay it too much. I have been in Paris for a weekend, so I know that it is incredibly expensive. Look at holidaying in Scotland, however, which is much better geared up with tourist signs, things to do, activities and things that might interest you. We are not good at tapping into some of that.

**Ms Gault:** That is because Scotland has seen tourism as a driver and bypassed the rules. I have seen the rules being bypassed. It says, "We will do this. Let us move this forward". People have been clever about doing those things. I understand that we have had a difficult start. A lot of things happened here that have made it significantly challenging, but we now sit on the cusp of having the opportunity to grow our tourism. It is not about building lots more attractions; it is about managing the assets that you have, being very specific about the markets that you want to go to and helping the agencies to which you give money to maximise that. You are giving a lot of money to agencies that, at the moment, operate with one hand tied behind their back. I go to America, and, in the States, we operate in a system in which we are behind the door because we do not have the same climate. It is the same even in a business sense. That is why I say that tourism and hospitality tie in directly with business. You will not get the world's leading law firm here if the partner's wife cannot find a nice restaurant to go to and they cannot find a good school to send their children to. You have to look at it

as an overall package, and we think that we have something to offer. It is important that that is looked at in the longer term.

**Mr Lennon:** John, you said that maybe we do not have belief or confidence in ourselves. Surely the last five years have shown that, when we get the marketing and access right, it works and there is growth in tourism. With APD, maybe there should be a focus on the size of the prize and what it could do. Maybe there should be a bit more confidence that, with a step and a leap, it will work. No matter what analysis and programming you do, you are ultimately looking into the future, but, from a tourism perspective, we would take these handcuffs off. Surely we have proven that we can attract people to Belfast and the rest of Northern Ireland and proven the returns that doing that brings. It is a confidence issue. If the restrictions are taken away, we can perform as well as our neighbours down South and in Scotland and Wales. That is a summary of our perspective in Visit Belfast.

**The Chairperson (Mr McKay):** Thank you all very much.