Tourism Businesses' Sentiment Survey

Strategic Research and Insight

May 2026

Fáilte Ireland

Headline Findings on Sentiment (1)

A mixed year to date is reported

- Respondents to the previous wave reported that 2025 was a good year for the industry, but findings now show that, based on sentiment, this upward trend in performance has not – so far - continued into 2026.
- Overall, about a quarter (24%) of businesses have reported their revenue increased year to date in 2026 vs 2025 and 25% have had the same level; however, about half (51%) stated that they have experienced a decrease.
- Dublin, however, differs from the rest of the country so far this year: the proportion reporting to be up (38%) is the same as the proportion reporting to be down.

War in the Middle East has escalated costs, led to cancellations and some reluctance to book

- About three quarters (74%) of operators say they have seen an impact on their business arising from the war.
- Among those reporting an impact, the effects are widespread, including: 'energy costs have gone up' (74% of respondents), 'costs other than energy have gone up' (55%), 'fuel protest related disruptions' (53%), 'cancellations have increased' (50%) and 'bookings have gone down relative to last year' (45%).
- The most common actions considered by respondents to counter the effects are: 'find ways to cut costs' (55%), 'absorb increased costs' (33%) and 'target the domestic market' (33%).

Headline Findings on Sentiment (2)

Cautious expectations for the remainder of the year outside of Dublin

- 29% of businesses say that they expect their revenue to be up during the remainder of the year vs 2025, and 28% state they expect revenue to remain the same; however, 43% expect a decrease.
- Expectations are much more positive among Dublin respondents than in the rest of the country: 43% of Dublin respondents expect to be up, compared to 32% expecting to be down.
- This compares to 26% of respondents outside Dublin expecting an increase, and 46% expecting a decrease.

Strong hopes for the domestic market

- According to the sentiment survey's respondents, all major overseas markets have been affected. Operators who are optimistic about the remainder of the year hope that Irish holiday makers will spend more money in Ireland this summer.

Interpreting the Sentiment Results

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What is the Tourism Business Sentiment Survey (TBSS)?

- TBSS is a survey of business sentiment only.
- It considers how businesses are assessing current trading conditions, feeling about the year so far and the rest of 2026.
- It is very much focused on operators' opinions, not on hard data, such as, CSO visitor statistics, inbound air capacity, and hotel occupancy rates. The data cited reflects self-reported sentiment and not measured outcomes.
- When interpreting the results it is:
  - important to be mindful of this fact and
  - advisable to read these results in conjunction with the latest CSO tourism data and the context businesses are operating in (see slide 5).

The Operating Context

An Evolving Environment

- The year began on a positive note, with strong growth in inbound visitor numbers for Q1 (+24%), increased air access (+15%) in Q1 and hotel room occupancy rates were effectively unchanged.
- For several businesses, reported sentiment is more negative than most available demand metrics suggest. This could be attributed to (a) elevated expectations and (b) a run of 'bad news', such as:
  - The Middle East War
  - Ongoing input cost pressures
  - Downgraded economic forecasts
- There are plenty of positives amidst the negatives. In particular:
  - Summer air access is up, with +5% increase expected from GB and +7% from the US. Air access is often the best predictor of inbound tourism demand.
  - Growing Irish incomes and accumulated household savings are supportive of strong domestic demand.

What is this research about?

Background

- The key aims of this research are to understand sentiment around:
  - 2026 performance to date compared with 2025
  - Expectations for the remainder of 2026
  - Reasons to be positive or concerned about business in 2026
  - Impact of the war in the Middle East on business

Method

- Fáilte Ireland designed a questionnaire which was set up online by SRI (Strategic Research and Insight), an independent research agency.
- Fáilte Ireland distributed the survey link to its trade database on 14 April 2026.
- Some sector representative bodies also encouraged their members to respond.

Sample

Accommodation sector	Sample size
Hotels	114
BandBs	59
Self-catering	43
Caravan and campsites	30
Guesthouses	10
Other accommodation	15

- 643 responses in total after de-duping by business. Of which 103 (16%) were from Dublin.
- Overall response is lower than in the previous wave (888) due to some technical issues in survey invites being blocked, although most of the decrease is seen in just two sectors: tour guides (down from 115 to 23) and attractions (down from 152 to 95).
- Margin of error for 643 responses is 3.9%.

Non-accommodation sector	Sample size
Attractions	95
Pubs and bars	54
Activity providers	50
Inbound operators and DMCs*	44
Restaurants	27
Tour guides	23
Coach operators	12
Chauffeur service	12
Event / festival organisers	11
Golf clubs	11
Other non-accommodation	33

**Destination Management Companies*

Sentiment on 2026 Performance

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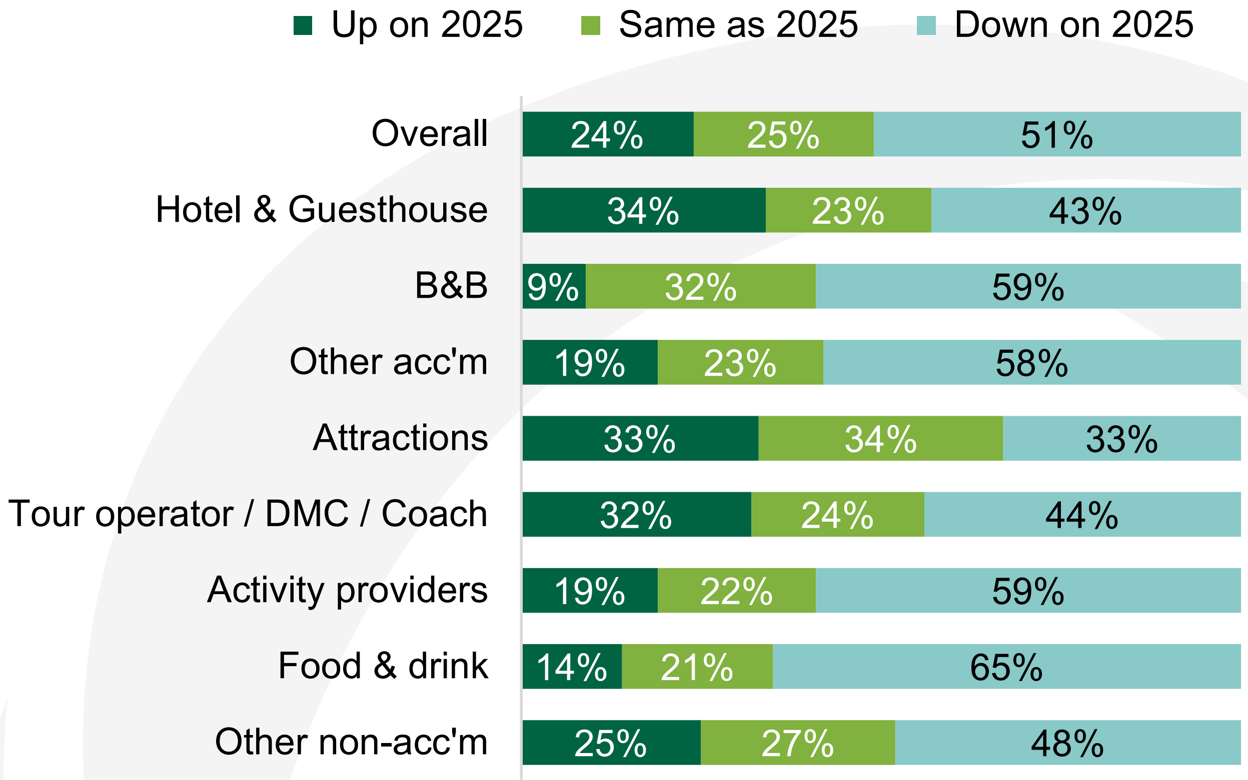
2026 Revenue vs 2025 by Sector

A suggested change of direction

- Respondents in earlier waves stated that last year was a good year for the industry, but 2026 responses have so far been mixed.
- Based on sentiment, attractions are the only sector to avoid slipping backwards on revenue year-on-year.
- Geopolitical / economic uncertainty is reported to significantly hamper demand, especially from overseas (discussed in more detail later).
- In a similar question on visitor volumes, 22% of businesses report increased visitors to date, 25% have received the same level but 53% have had a decrease.

Q4 "How does your overall revenue to date this year compare with the same period last year?"



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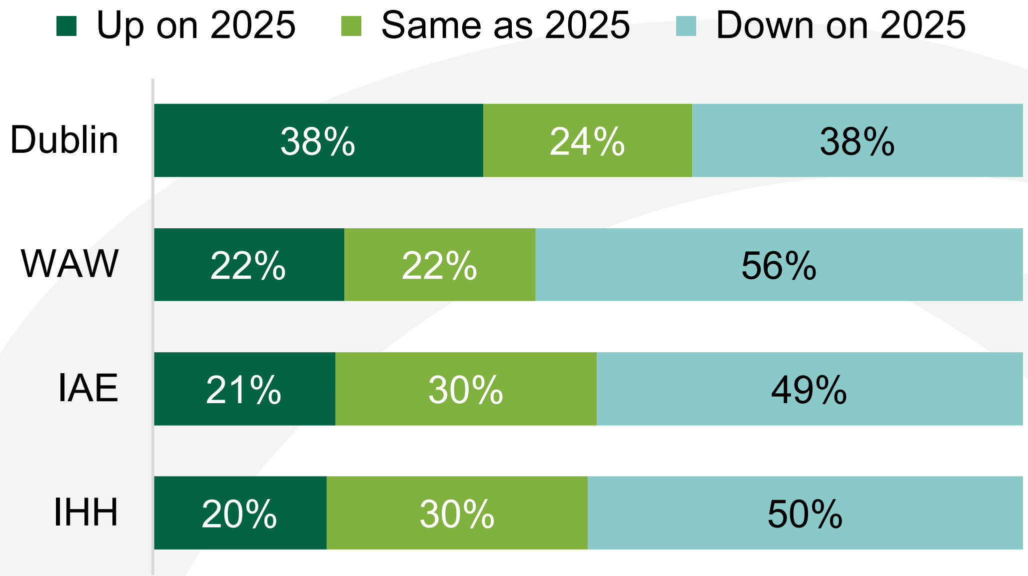
'Don't know' and 'not applicable' answers have been excluded

2026 Revenue vs 2025 by Region

A difference between Dublin and the rest of the country

- Dublin businesses report that they have managed to keep up with 2025 revenue levels overall – the city has seen stability in both the domestic and the overseas markets.
- This is not seen in the rest of the country, which is reporting a net loss of demand in some areas based on the sentiment shared.

Q4 "How does your overall revenue to date this year compare with the same period last year?"



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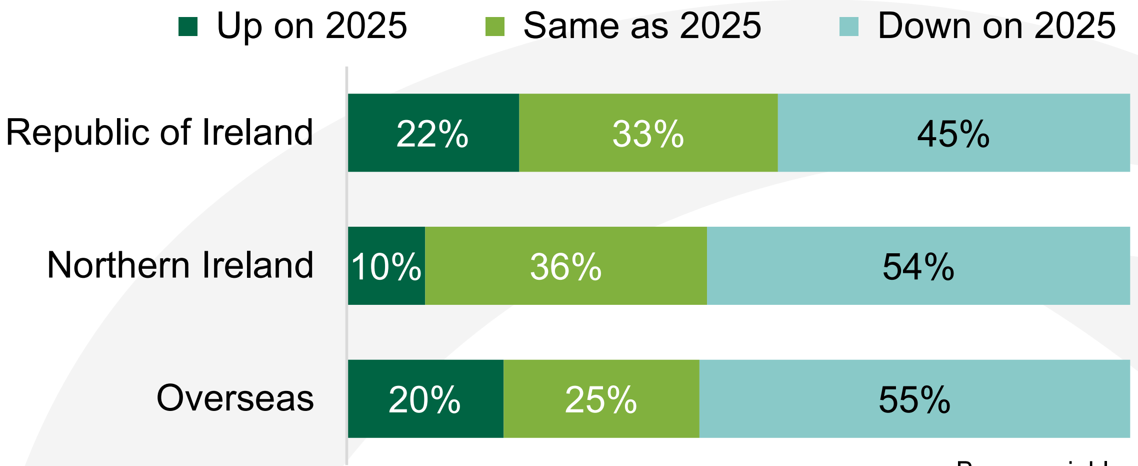
Revenue by Market

Impact seen across domestic and overseas markets

- Attractions report that the domestic market has performed well (40% report it being up vs 25% down) and it is seen as stable by hotel respondents.
- All other sectors, however, report the domestic market is down as consumers, in the opinion of tourism businesses, lack disposable income.
- The overseas market is reported to be down in all sectors, including attractions and hotels.

Q5 "How does your overall revenue to date this year compare to 2025 from each of the following markets?"



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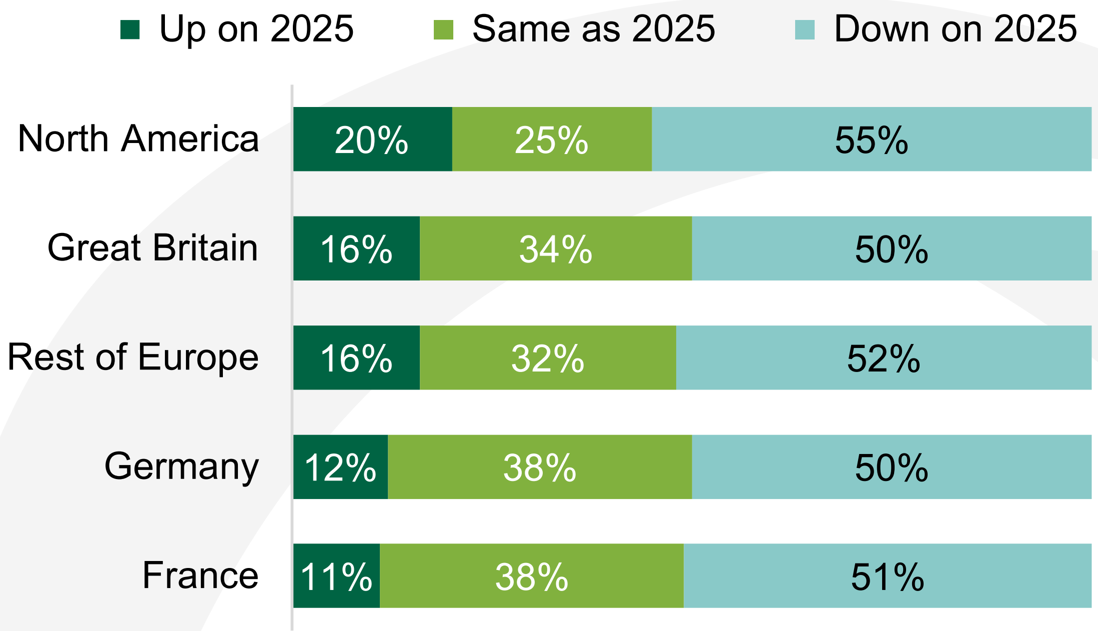
Performance by Overseas Market

Overseas market performance finely balanced

- In previous waves, some respondents expressed concerns about Ireland's reliance on the North American market, especially if a change in geopolitical events would deter Americans from travelling.
- Unfortunately, the war in the Middle East has increased this concern among respondents.
- For the European and GB markets opinions are much more finely balanced, with approximately 50% reporting performance in line or ahead of 2025.

Q6 "How does your revenue to date this year compare to 2025 from each of the following markets?"



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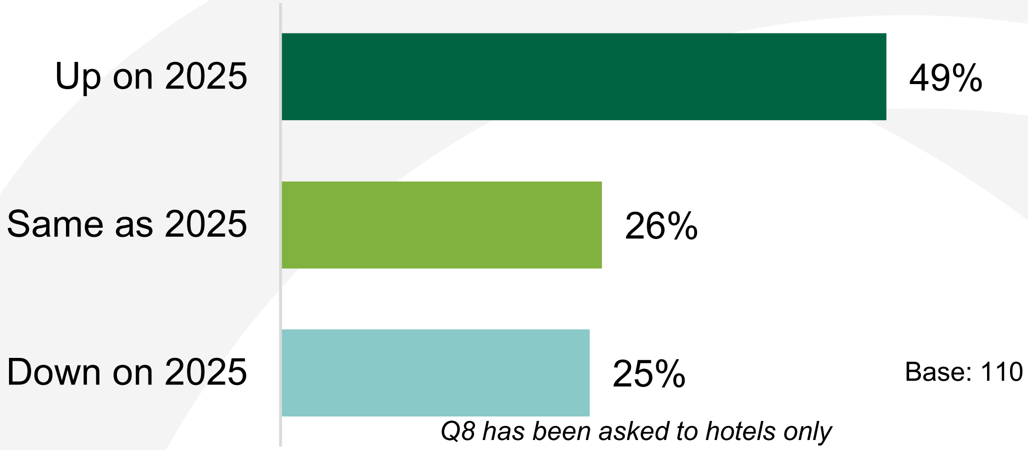
Hotels – Average Room Yield

Room yields are up

- The chart opposite paints an interesting picture in that average room yields reported in the hotel sector are up, whilst other results indicate that revenue and volume are down generally.
- Widespread price increases reported in the hotel sector to protect margins have a knock-on effect on other tourism businesses, especially destination management companies and inbound operators, whereby cost of tourist accommodation is stated to be their second biggest concern (more so than other types of cost).

Q8 "How does your average room yield year to date compare with 2025?"

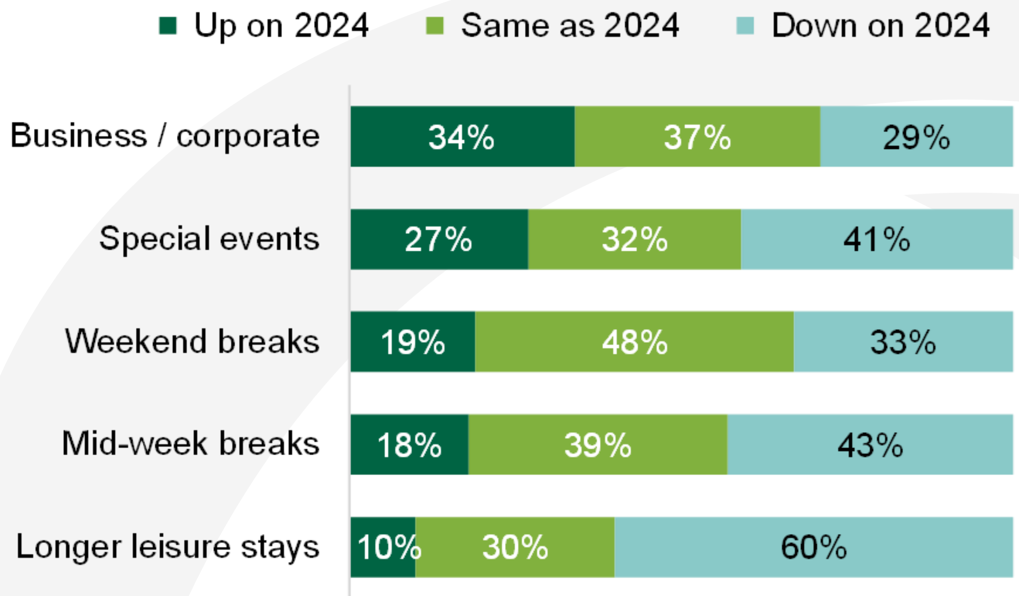


Hotels – Ireland Market

Some positive reports of the corporate market

- Some hotels are reporting an upturn in corporate business, which has been on the road to recovery since the covid years.
- Otherwise, recent waves have shown that hotels state that long leisure stays are not happening like they used to, and this wave shows a continuation of that reported trend.

Q9 "Thinking about your Ireland market business in the year to date, how have each of the following performed compared with 2025 in terms of revenue?"



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Expectations

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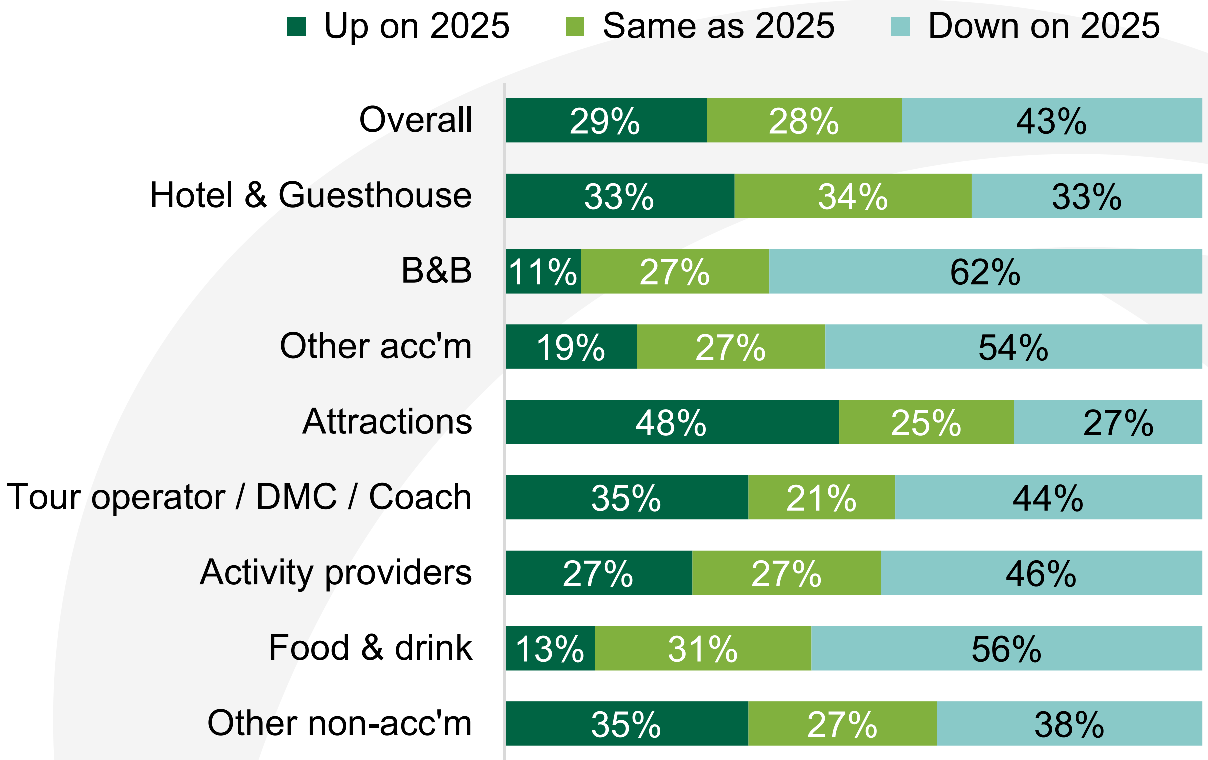
Revenue Expectations by Sector

Challenges seem set to remain due to elevated uncertainty

- The peak summer season lies ahead but based on sentiment, many operators say they are not confident that they can match 2025 revenue levels for the remainder of the year with currently no end in sight for the war in the Middle East and its effect on international travel and costs for businesses and consumers.
- Attractions, however, are more optimistic largely because of their hopes for the domestic market.

Q10 "How do you expect your revenue to perform during the remainder of this year compared to the same period last year?"



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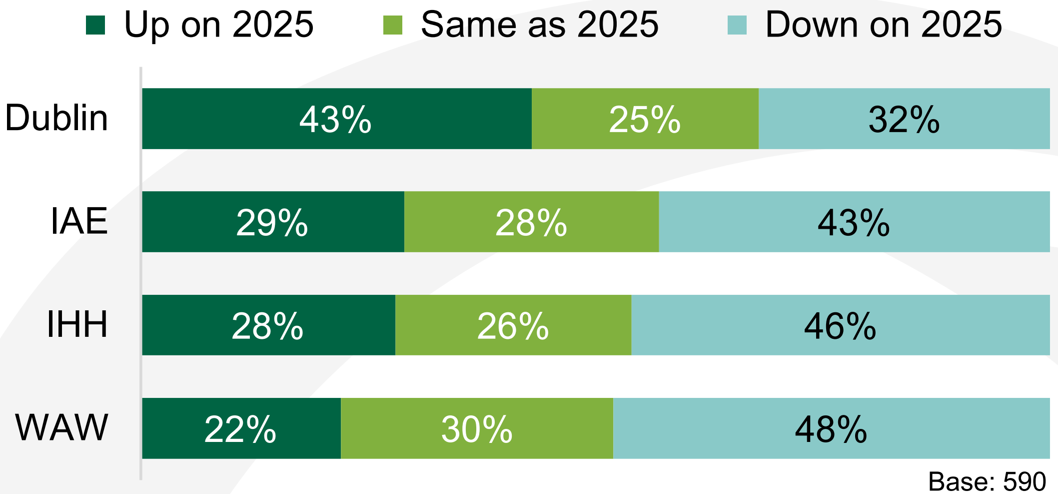
'Don't know' and 'not applicable' answers have been excluded

Revenue Expectations by Region

A difference between Dublin and other regions

- As seen with performance year-to-date, respondents' expectations in Dublin differ from expectations in the rest of the country.
- Dublin responses are positive on balance about both the domestic and overseas markets.
- Ireland's Ancient East business sentiment is quite hopeful about the domestic market but not overseas, whereas Wild Atlantic Way respondents are more cautious.

Q10 "How do you expect your revenue to perform during the remainder of this year compared to the same period last year?"



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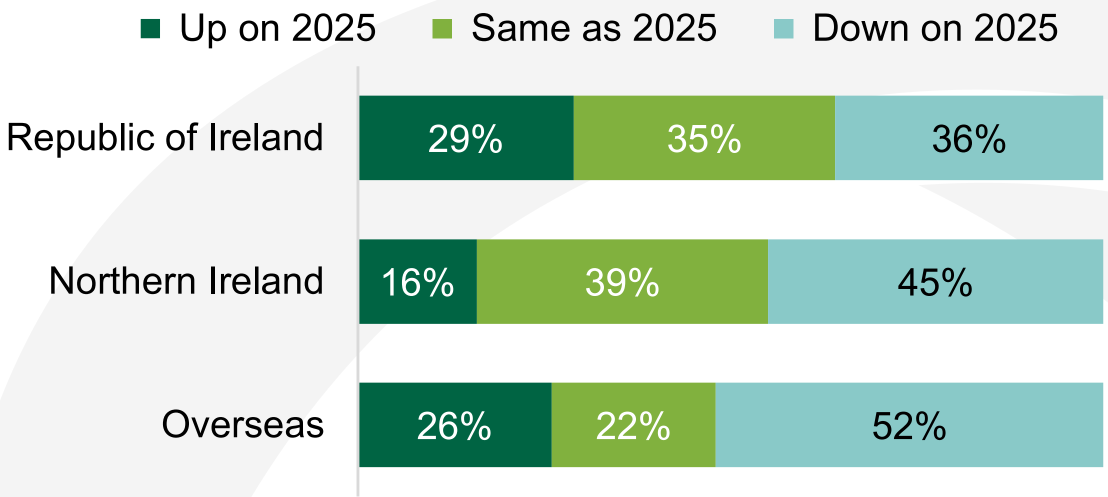
Revenue Expectations by Market

Much depends on Irish holidaymakers

- With global uncertainty impacting travel planning, businesses report looking for the opportunity in the domestic market.
- Respondents express hopes that Irish holidaymakers will spend more money in Ireland instead of going abroad to balance the visitor numbers.

Q11 "How do you expect your revenue to perform during the remainder of this year compared to the same period last year from each of the following markets?"



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Section 3

Reasons to be Positive or Concerned

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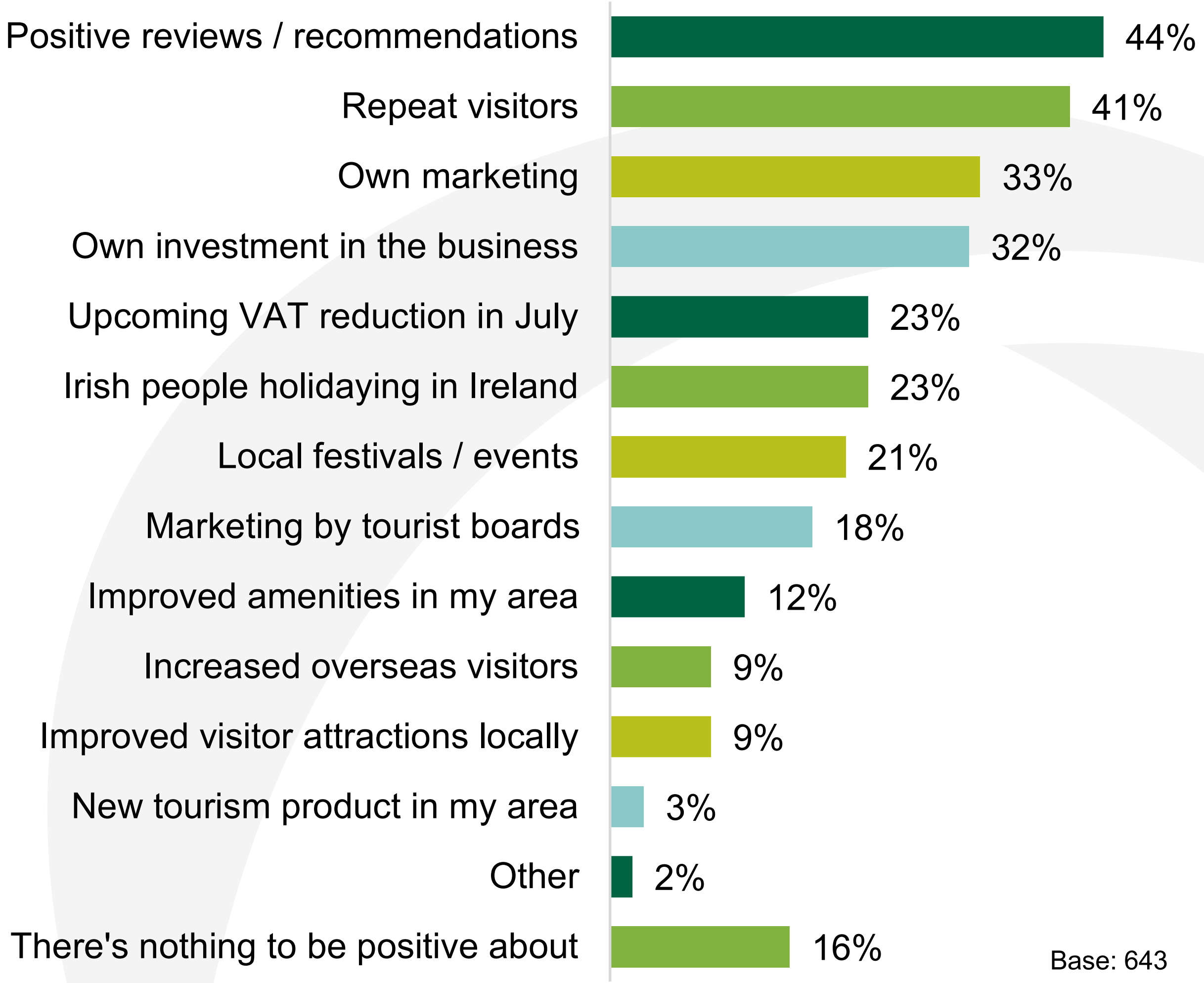
Reasons to Be Positive

Numerous reasons to remain positive

- In spite of a challenging year so far, many operators reported reasons to be positive.
- ‘Positive reviews / recommendations’ ranks first among Bed and Breakfasts, self-catering, activity providers and tour guides.
- ‘Repeat visitors’ stand out for caravan parks (63%) and self-catering (56%).
- ‘Own marketing’ is the most frequently cited positive among attractions (51%) and inbound tour operators and destination management companies (45%).
- It is also encouraging to see that many operators across numerous sectors state that they are investing in their business in spite of significant cost challenges.
- The upcoming VAT reduction on food and catering has been welcomed, especially for respondents in restaurants (52%) and hotels (49%).

Q12 "Are there any particular reasons to be positive about business this year?" *(prompted)*



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Reasons to Be Concerned

Rising costs and geopolitical uncertainty top of mind

- Global uncertainty, both economically and politically, was already a key concern reported before the war started in the Middle East.
- Otherwise, rising costs, both for businesses and consumers, continue to be the most mentioned concerns across all sectors.
- The cost and lack of tourist accommodation continues to rival concerns over operating costs among non-accommodation respondents, whereby 48% cite ‘cost of tourist accommodation’ and 40% cite ‘lack of tourism accommodation’ as a concern.

Q13 "Are there any particular causes for concern regarding business this year?" *(prompted)*

Base: 643

Section 4

Impact of War in Middle East on Business Sentiment

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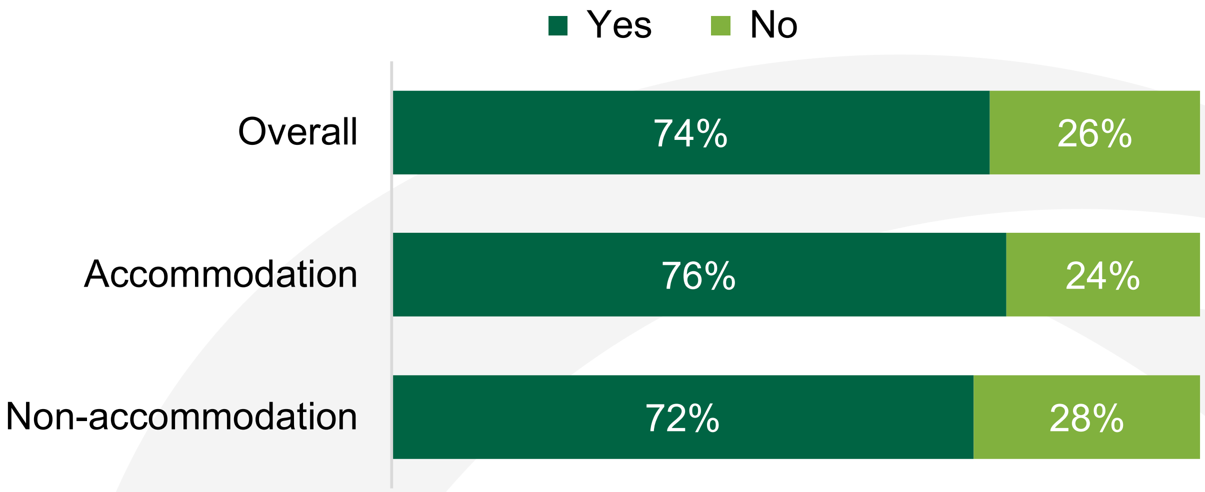
Businesses Affected by the War

Impact felt across the board

- About three in four respondents say they have seen an impact of the war in the Middle East on their business.
- The impact is reported across the industry – there are no significant differences by sector or region.
- Whilst a quarter of businesses say they have not seen an impact yet, some of them say that they may well do if the war doesn't end soon.

Q14 "Have you seen an impact on your business arising from the war in the Middle East?"



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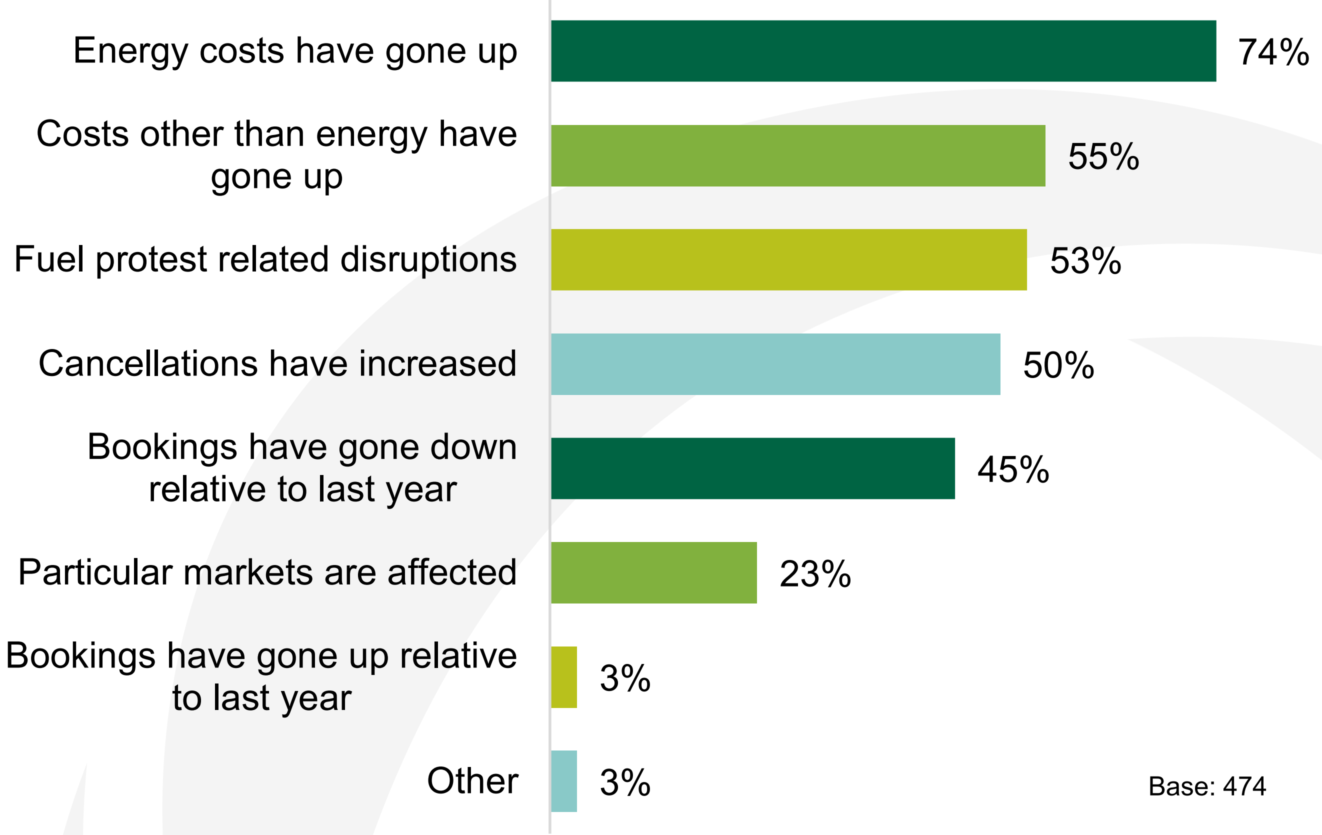
What are the reported impacts?

Chain of effects

- The impact of the war is not isolated to just one issue, rather there are many knock-on effects.
- The most direct reported impact is that energy costs have soared.
- This has led to other rising costs as some suppliers have to put up their own prices, for example, food suppliers to restaurants.
- Rising costs affect consumers too, meaning they have less to spend or feel uncertain about what they can afford.
- This then leads to cancellations and nervousness about making new bookings.
- This is on top of other travelling concerns such as safety and disruption.

Q15 "What are the impacts?"



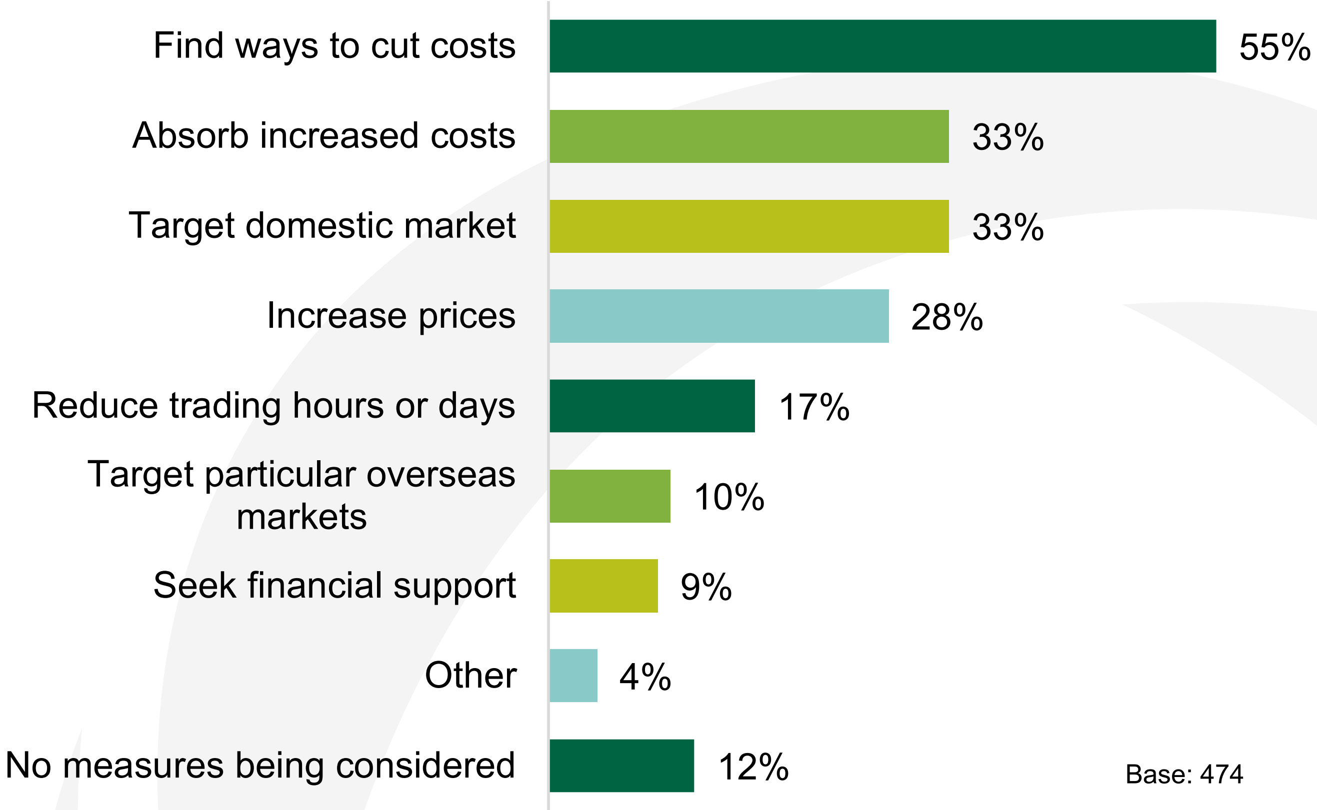
Q15 has been asked to those seeing an impact (Q14)

Measures to Mitigate the Impact

The need to cut costs

- Finding ways to cut costs is a key priority according to respondents right now.
- The majority say they are not considering price increases – awareness that customers are struggling with rising bills too is a key reason for this. That is also why a third of businesses reporting an impact say they are considering absorbing increased costs.
- There are considerations to target the domestic market amidst disruption to international travel.

Q16 "Are you considering any measures to mitigate the impact of the war?"



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Q16 has been asked to those seeing an impact (Q14)

Section 5

Sentiment by Individual Sectors

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Hotel Operators' Sentiment

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One of the best performing sectors

- Around a third (36%) of hotels report increased revenue year to date, and a similar proportion (40%) report experiencing a decrease.
- This makes hotels one of only two sectors (the other being attractions) to come close to being stable overall on revenue.
- Hoteliers state that the domestic market has helped achieve some stability, as all major overseas markets are reported to be down.
- Average room yield has been reported as very positive: up for 49% of responding hotels and down for only 25%.
- Key positives reported include 'upcoming VAT reduction' (49%), 'repeat visitors' (48%), and 'own investment in the business' (46%).
- However, hotels report the same concerns about rising costs as other sectors, led by payroll (81%) and energy (81%).
- Hotel respondents also have relatively high proportions citing 'availability of accommodation for staff' (43%) and 'can't get the staff' (31%).

Bed and Breakfasts’ Sentiment

The trend from 2005 continues

- Previous waves reported that 2025 was a challenging year for responding Bed and Breakfasts.
- This trend has continued into this year: 9% of Bed and Breakfasts report increased revenue year to date, but 59% have seen a decrease.

Factors affecting performance

- On a positive note, 56% of Bed and Breakfast respondents cite ‘positive reviews / recommendations’ as a reason to be positive this year, and 47% cite ‘repeat visitors’.
- However, ‘rising energy costs’ are reported to be an acute challenge (cited by 85%).

Self-Catering Operators' Sentiment

2025 was a good year

- The previous wave showed that 2025 was reported to be a good year for the self-catering sector.
- Unfortunately for the sector, this trend has not continued: 19% of operators state that they are up on revenue year to date vs 2025, but 64% say they are down.
- The sharp decline is seen in all markets.

Positives outweighed by economic issues

- 58% of respondents cite 'positive reviews / recommendations' as a positive factor this year – among the highest proportion in any sector to say this.
- A similar proportion (56%) cite 'repeat visitors' as a positive.
- However, the sector faces the same economic challenges as other sectors, led by 'rising energy costs' (cited by 74%) and 'people lacking disposable income' (67%).

Visitor Attractions' Sentiment

Strong domestic market

- The attractions sector is split into equal thirds in terms of the proportions of businesses reporting being up / same / down on revenue.
- This makes attractions the most positive sector on revenue, and this is because of the domestic market, whereby 40% say they are up on Irish visitors, compared to 25% reporting to be down.
- Respondents expect the strong domestic market to continue for the remainder of the year.

Factors affecting performance

- Around half (51%) cite 'own marketing' as a positive this year – the highest proportion of any sector to say this – and 42% cite 'positive reviews / recommendations' as a positive.
- Although attractions are more positive than most sectors this year, they are not immune to the macro-economic challenges, with 74% reporting 'rising energy costs' and 65% mentioning 'people lacking disposable income' as causes for concern.

Activity Providers’ Sentiment

As yet, no continuation of growth seen in 2025

- Activity providers reported that 2025 was a good year in previous waves. So far this year, 20% of businesses are reported to be up on revenue, 59% are down.

Unwelcome events combining

- According to respondents, reasons for business being down vary to a degree depending on what the activity is: some outdoor providers rely heavily on settled weather, and some are very vulnerable to rising fuel prices – both of these factors have gone against the sector recently.
- On the positive side, half (50%) cite ‘positive reviews / recommendations’ affecting their business this year, and 40% cite ‘Irish people holidaying in Ireland’ – one of the highest proportions in any sector to say this.

Pubs and Bars' Sentiment

Changed times

- Last year pubs and bars were polarised when it came to reporting performance, with fairly equal proportions citing to be up and down on revenue.
- Sector performance this year is clearer: 10% say they are up on revenue year to date, but 62% report they are down.
- The decline is perceived in all markets.

Cost challenges remain

- Costs were already a significant challenge reported by pubs and bars before the current war in the Middle East started, and the challenges have only become more acute – 74% cite 'rising energy costs' as a concern.
- 70% cite 'rising payroll costs' as a concern.
- On the plus side, about a third (31%) cite the VAT reduction in July as a positive.

Inbound Tour Operators and Destination Management Companies’ Sentiment

Mixed start to 2026 following a very good 2025

- Last year was reported to be a very good year for inbound tour operators and destination management companies, but this year they say they are concerned about geopolitical volatility – cited by 80% as a concern (the highest proportion of any sector to say this).

- About a third (34%) of inbound tour operators and destination management companies report being up on revenue to date this year, but 43% report being down.

- Contracts are often made well in advance, so to some extent this has softened the blow to the sector so far, but if the geopolitical situation does not improve soon, they mention that future business could be highly impacted.

- Some operators report performing well in spite of the current headwinds – high spending luxury travel is mentioned as being less affected by uncertainty.