Tourism Businesses' Sentiment Survey

Strategic Research and Insight
September 2026



Fáilte Ireland

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Headline Findings on Sentiment

A mixed year to date is reported

- 37% of businesses report that their revenue has increased year-to-date in 2026 versus 2025 and 25% report the same level; however, 38% say they have experienced a decrease.
- The hotel sector has reportedly performed well in terms of revenue, with 53% stating that revenue increased year-to-date compared to only 23% citing being down.
- Dublin businesses report a challenging year. About a third (32%) of businesses say they are up on revenue, but 48% state they are down, mainly attributing the decline to a subdued overseas market.

Ongoing effects of war in the Middle East being felt

- About three in five (61%) operators say they have seen an impact on their business from the war. They state that resulting geopolitical and economic turbulence is hitting energy costs (cited by 85% of respondents seeing an impact from the war) and bookings (49% seeing an impact say that bookings have gone down).
- Actions taken to counter the effects vary. Around half (48%) of those seeing an impact have absorbed costs, whereas 33% have found ways to cut costs and 28% have increased prices.

Good domestic market performance

- In the April wave of this survey, operators who were optimistic about the remainder of the year hoped that Irish holidaymakers would stay in Ireland this summer. There is some evidence of this having happened. 39% of businesses say domestic revenue is up on 2025, compared to 30% reporting the market being down. 14 out of 22 responding caravan parks, and 41% of self-catering operators cite ‘Irish people holidaying in Ireland’ as a reason to be positive this year. The prolonged sunny weather this summer is thought to have helped.

Outlook

- Whilst a quarter (25%) of businesses say they expect revenue to be up year-on-year for the remainder of 2026, a larger proportion (40%) expect revenue to be down. The factors they see that are hampering demand this year, disposable income and global political and economic outlook, are not expected to ease significantly in the near future.. There are significant concerns among inbound businesses about Ireland’s price competitiveness.
- On a positive note, around half (53%) of businesses cite ‘positive reviews/recommendations’ as a reason to be positive, and 37% say they are investing in their business – this is in spite of significant operating cost concerns.

Interpreting the Sentiment Results

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 below).

The Operating Context

An evolving environment

- CSO Inbound Travel statistics show an 11% increase in inbound visitor numbers during Jan-August 2026 compared to the same period in 2025.
- Air access also increased by 4% between Jan-August 2026. Over the third quarter, air capacity was 2% above 2025 levels, up 7% from the US and Italian markets and 4% from GB. Capacity from France and Germany fell by 5% year on year.
- Hotel room occupancy rates were down marginally in the year to August while Average Daily Rates grew slightly resulting in a slight drop in Revenue Per Available Room.
- Domestic travel in the first six months of the year is also up by 4%, with holiday trips and revenue up 7% and 6% respectively.
- For some 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
  - Rising cost of living pressures in key overseas markets.
  - Downgraded economic forecasts
- There are plenty of factors that support positive momentum. In particular:
  - Air capacity for September onwards is unchanged year on year, against a backdrop of:
    - Base effects associated with significant increased capacity in Q4 2025 when Dublin airport had no passenger cap enforced
    - Operating cost pressure from higher jet fuel prices stemming from the US-Iran conflict.
  - Growing Irish incomes and accumulated household savings are supportive of strong domestic demand.

What Does this Research Cover?

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
  - Impact of VAT reduction

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 2nd September 2026.
- Some sector representative bodies encouraged their members to respond.

Sample

Accommodation sector	Sample size
Hotels	91
B&Bs	52
Self-catering	46
Caravan and campsites	22
Guesthouses	10
Other accommodation	14

Non-accommodation sector	Sample size
Tour guides	101
Attractions	99
Pubs and bars	68
Activity providers	57
Inbound operators and DMCs*	27
Restaurants	16
Golf clubs	14
Chauffeur service	13
Event / festival organisers	11
Retail	11
Other non-accommodation	43

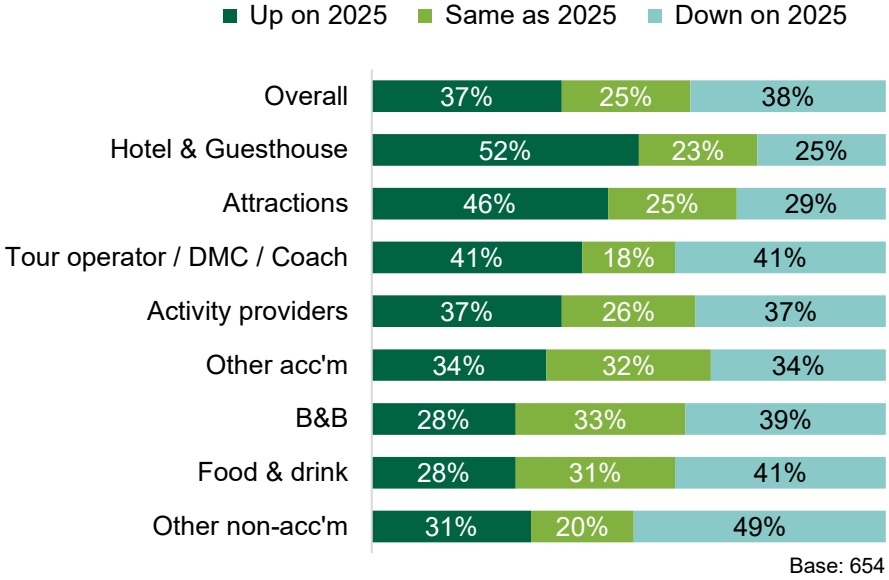
**Destination Management Companies*

- 695 responses in total after de-duping by business, of which 141 (20%) are based in Dublin. This is slightly higher than the response to the previous wave of this survey in April (643).
- The margin of error for 695 responses on questions asked to all is ±3.7%.

Sentiment on 2026 Performance

2026 Revenue vs 2025 by Sector

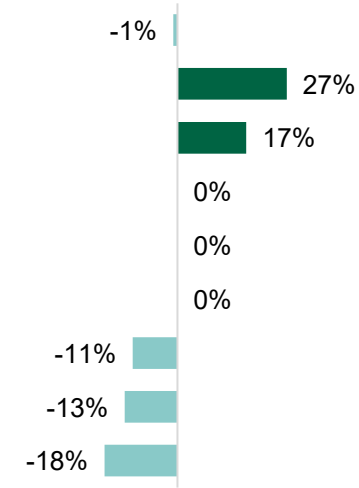
Q4 "How does your overall revenue to date this year compare to the same period last year?"



Base: 654

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

Net sentiment scores



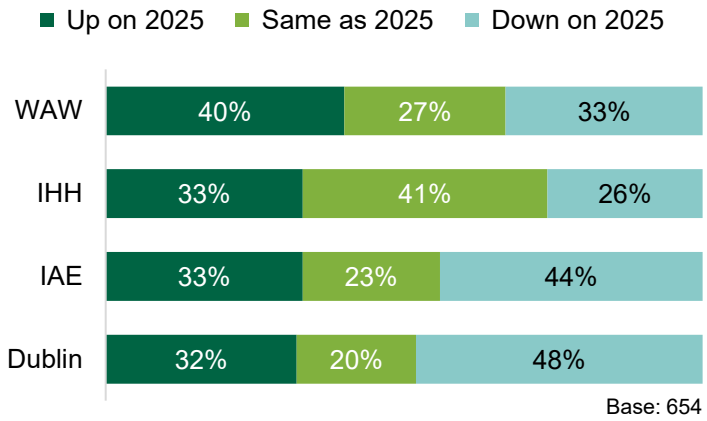
Net sentiment scores are calculated by subtracting the proportion being down from the proportion being up

Mixed year reported for most sectors

- Most sectors comprise a fairly balanced mix of businesses reporting to be up or down on 2025. Attractions and hotels and guesthouses are the only two sectors to register a positive net sentiment score.
- Geopolitical / economic uncertainty is reported to significantly hamper demand, especially from overseas (discussed in more detail later). Concerns over disposable income are also said to be a key hindrance.
- On the positive side, Ireland enjoyed long spells of warm sunny weather during the summer.
- Open feedback shows that some businesses report year-on-year revenue fluctuating up and down from one month to the next.

2026 Revenue vs 2025 by Region

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



Base: 654

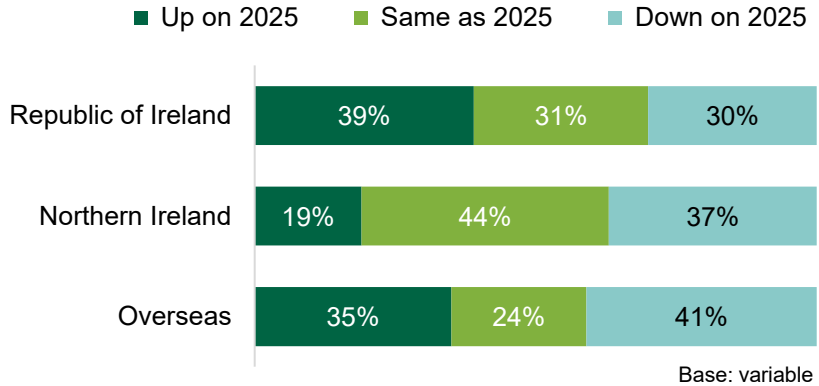
'Don't know' and 'not applicable' answers have been excluded

Some differences by region

- Businesses in the Wild Atlantic Way and Ireland's Hidden Heartlands regions report that revenue is up on balance.
- However, the year has been reported to be particularly challenging to date for businesses in Ireland's Ancient East and Dublin. 'Cost of tourist accommodation' is the most frequently cited concern among non-accommodation businesses in Dublin. The sentiment among non-accommodation operators is that Ireland, particularly Dublin, is seeing declining value for money as a holiday destination compared to other European destinations.

Revenue by Market

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



Base: variable

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

Domestic market underpins strong performances

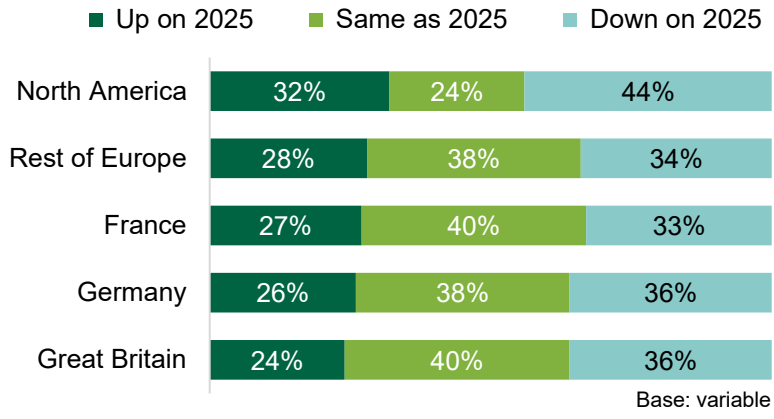
- For sectors and regions state that they are up on revenue compared to 2025, the domestic market is reported to be strong this year. This includes for:
  - Hotels (51%) state that they are up on domestic revenue versus 25% reporting to be down
  - Ireland's Hidden Heartlands (50% up versus 24% down)

Overseas market under pressure

- Reports on overseas market performance to date this year are mixed. Overseas revenue is reported to be down in particular for Dublin businesses: 55% say this, compared to only 28% reporting overseas revenue to be up.

Performance by Overseas Market

Q6 "Looking at your overseas business in more detail, how does your revenue to date this year compare to the same period last year from each of the following markets?"



Base: variable

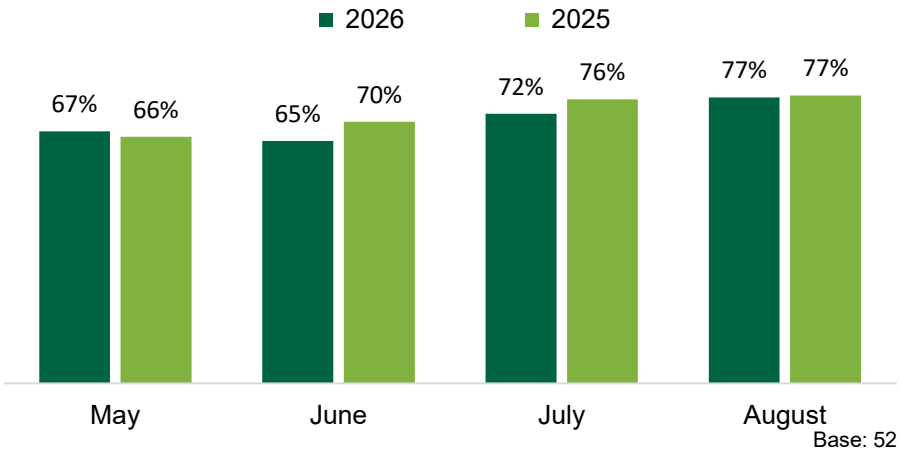
'Don't know' and 'not applicable' answers have been excluded

Mixed year for all major overseas markets

- North America is a significant market for many businesses, but this year, political and economic uncertainty has seemingly deterred some Americans from travelling long haul. We discuss this impact in more detail under Q12 later.
- Feedback shows businesses' concerns over disposable income in European countries combined with, in their eyes, Ireland's lack of price competitiveness.

Accommodation Occupancy – B&Bs

Q8 (B&Bs) "How much of your available capacity was booked for each of the following months?"



Base: 52

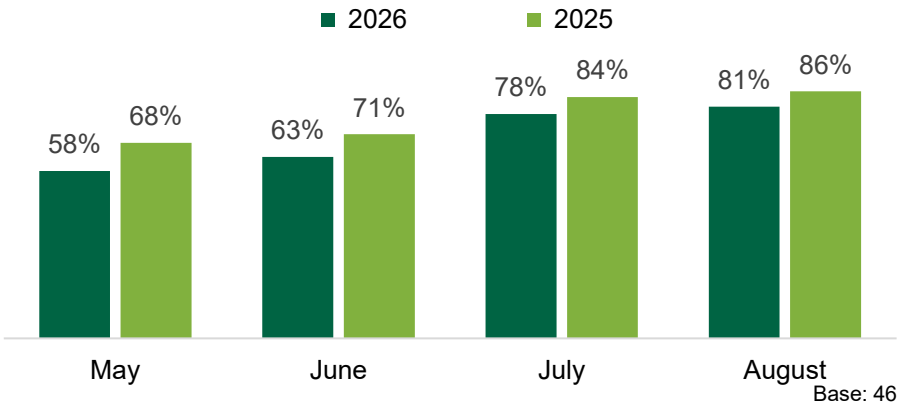
The chart shows average occupancy for B&Bs, weighted by size of business

Comparable performance to last year

- The charts show that average occupancy levels in the B&B sector were behind last year in June and July, but the year-on-year differences are not statistically significant due to sample sizes.

Accommodation Occupancy – Self-catering

Q8 (Self-catering) "How much of your available capacity was booked for each of the following months?"



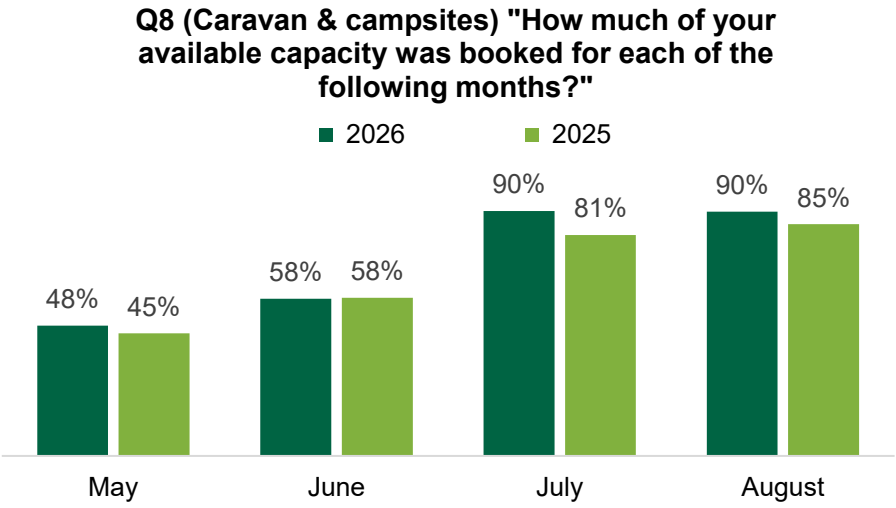
Base: 46

The chart shows average occupancy for self-catering, weighted by size of business

Down on last year for the May – August period overall

- Overall occupancy in the self-catering sector from May to August was 70% – significantly down on the same period last year (77%).

Accommodation Occupancy – Caravan & Camping

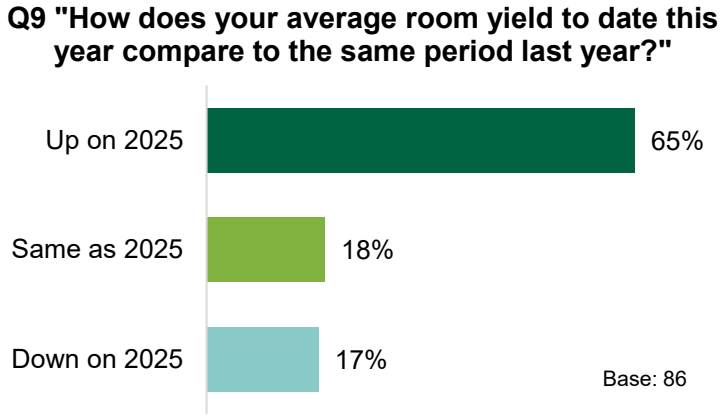


The chart shows average occupancy for caravan & camping, weighted by size of business

Indication of strong peak season

- The above occupancy levels for caravan & campsites are indicative due to sample size and suggest that the sector enjoyed a strong peak summer season. A strong domestic market and fine weather seem to have helped greatly. 15 of the 22 operators[1] in the sample report the domestic market to be up year-to-date on last year.

Hotels – Average Room Yield



Q9 has been asked to hotels only

Strong yields

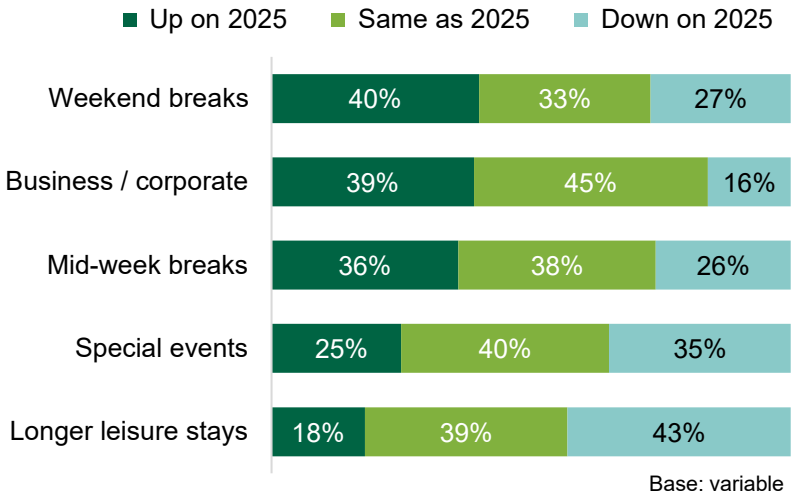
- About two thirds (65%) of hotels report that their average room yield is up year-to-date. They are however vulnerable to rising costs like any other sector, and so higher rooms yields do not necessarily mean increased profitability. Many (78%) hotels cite 'rising payroll costs' as a concern – one of the highest proportions of any sector to say this.

[1] The sample, while small, represents 20% of operators in this sector.

- As hotels raise prices to mitigate rising costs, there are significant knock-on effect on other tourism businesses, especially destination management companies and inbound operators, whereby cost of tourist accommodation is stated to be their biggest concern (more so than other types of cost).

Hotels – Ireland Market

Q10 "Thinking about your Ireland market business to date this year, how have each of the following performed compared to the same period last year in terms of revenue?"



Base: variable

Q10 has been asked to hotels only. 'Don't know' and 'not applicable' answers have been excluded

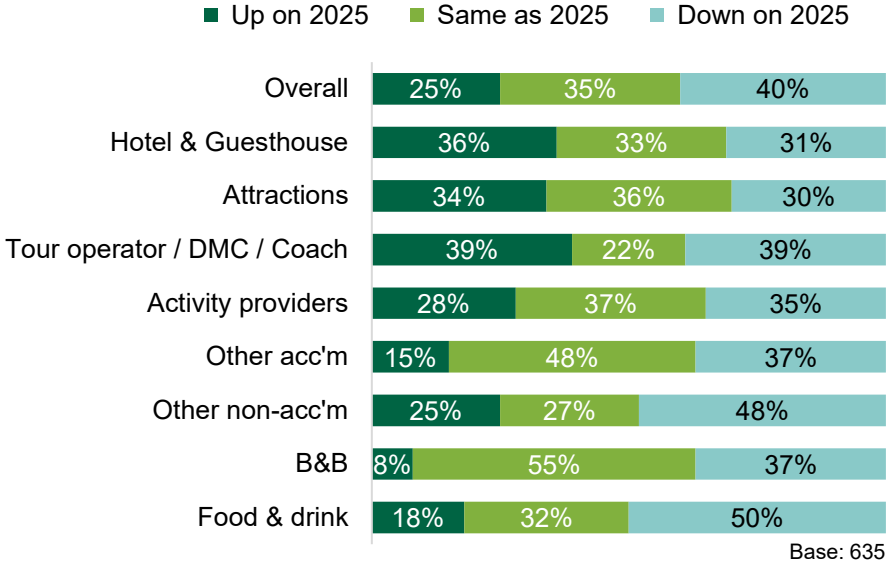
Continued trends of upturn in corporate business but shorter leisure stays

- As seen in other recent waves of this survey, business related tourism continues on its upward trend in the post-covid years, as reported by respondents. However, long leisure stays in the domestic market are reported to be increasingly less common, whilst short breaks are up. Uncertainty over disposable income is thought to be a factor by respondents.

Expectations

Revenue Expectations by Sector

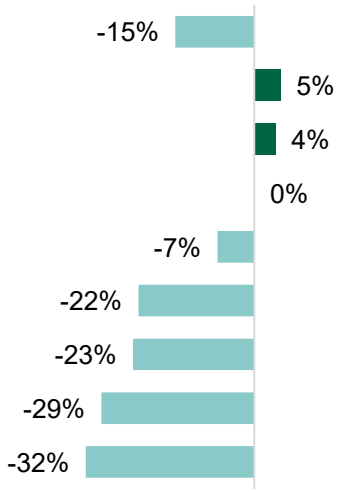
Q16 "How do you expect the revenue of your overall business to perform during the remainder of this year compared to the same period last year?"



Base: 635

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

Net sentiment scores



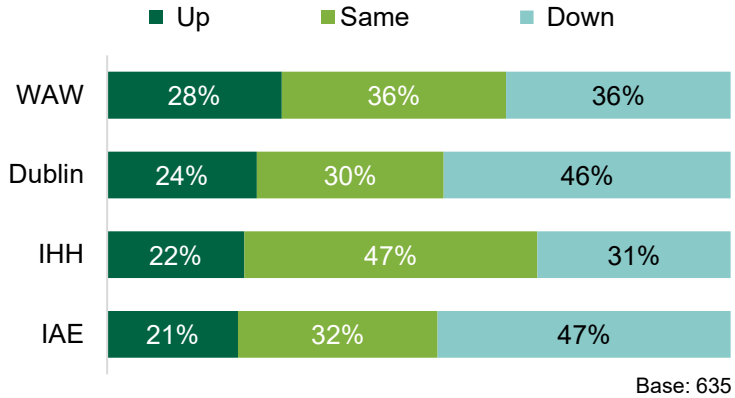
Net sentiment scores are calculated by subtracting the proportion being down from the proportion being up

Muted expectations overall

- Whilst a quarter (25%) of businesses say they expect revenue to be up year-on-year for the remainder of 2026, a larger proportion (40%) expect revenue to be down. The factors reported to be hampering demand this year -disposable income and global political and economic outlook - are not expected to be going away any time soon.

Revenue Expectations by Region

Q16 "How do you expect the revenue of your overall business to perform during the remainder of this year compared to the same period last year?"



Base: 635

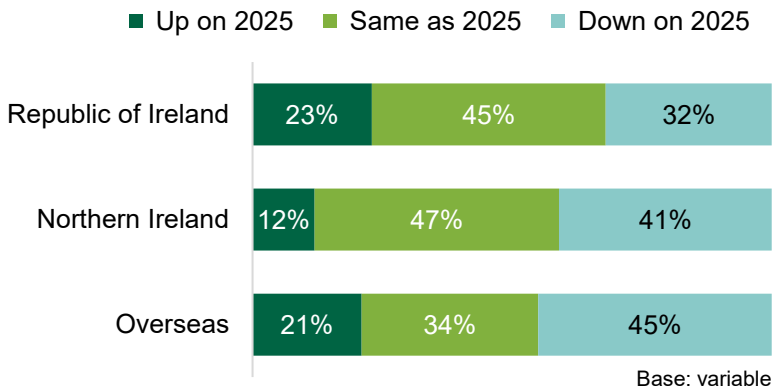
'Don't know' and 'not applicable' answers have been excluded

Challenges in all regions

- The proportion of businesses reporting that their revenue expectations for the remainder of the year are down outweighs the proportion expecting revenue to be up in all four regions. This is especially the case in Dublin and Ireland's Ancient East which is attributed to the lack of overseas bookings.

Revenue Expectations by Market

Q17 "How do you expect the revenue of your business to perform during the remainder of this year compared to the same period last year from each of the following markets?"



Base: variable

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

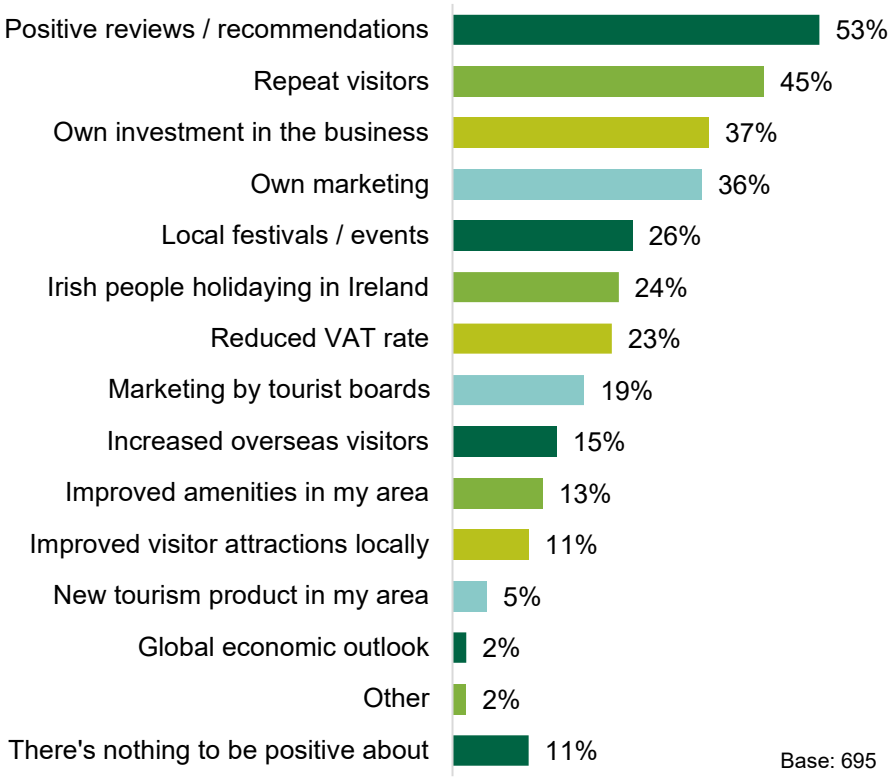
Greater hope for domestic market than overseas

- With global uncertainty impacting travel planning, businesses say they are continuing to look for opportunities in the domestic market, which is reported to have performed well for a number of sectors so far this year.

Reasons to be Positive or Concerned

Reasons to Be Positive

Q18 "Are there any particular reasons to be positive about business this year?" *(prompted)*

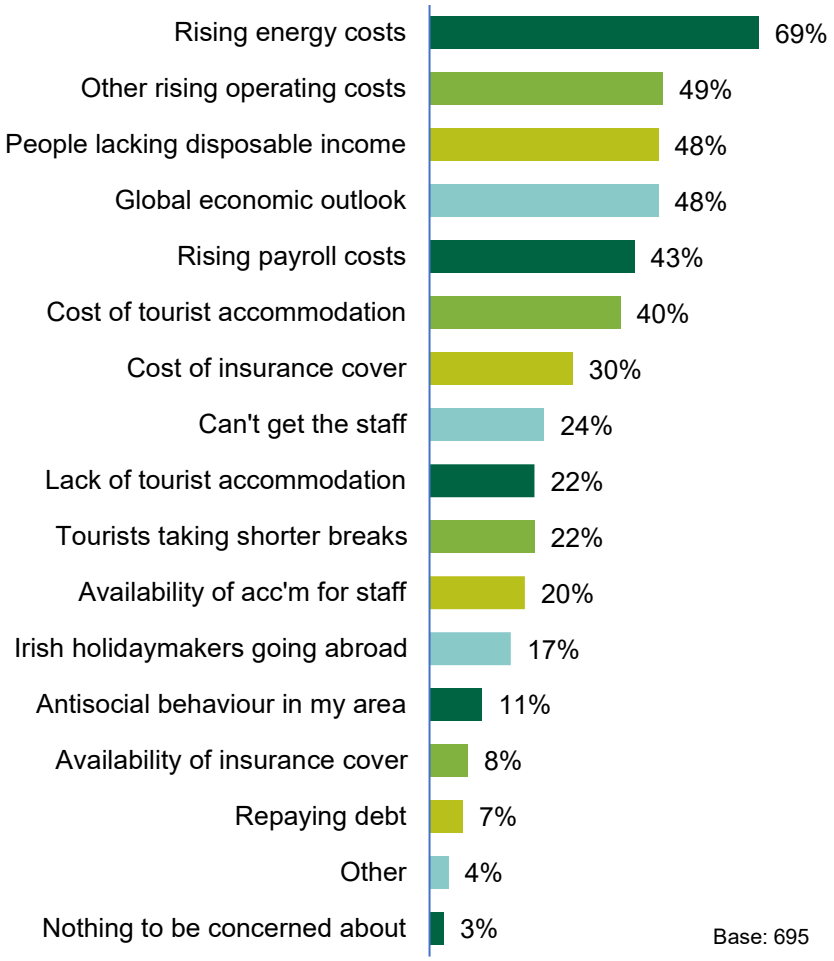


Numerous reasons to be positive

- Despite a mixed year so far, many operators are finding good reasons to feel positive.
- 'Positive reviews'/ recommendations' ranks first among B&Bs, attractions, activity providers and tour guides.
- 'Repeat visitors' stand out for caravan parks (82%) and self-catering (61%).
- 'Own marketing' is the most frequently cited positive among inbound tour operators and destination management companies (63%).
- It is also encouraging to see that many operators across numerous sectors state they are investing in their business.
- The VAT reduction on food and catering has been cited as a positive by 47% of food and drink businesses and 65% of hotels.

Reasons to Be Concerned

Q19 "Are there any particular causes for concern regarding business this year?" *(prompted)*



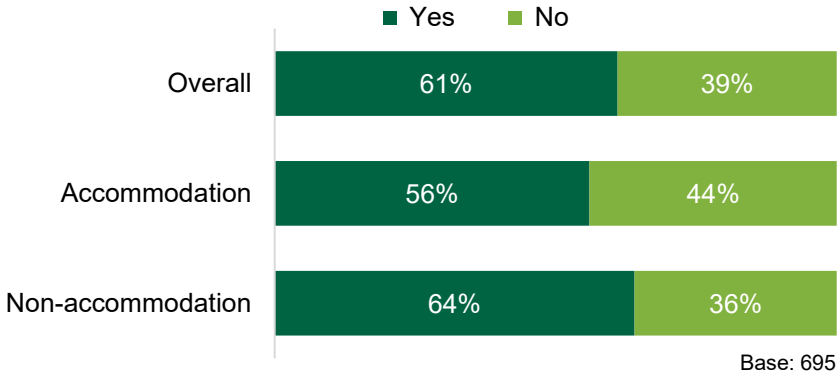
Costs continue to dominate feedback on concerns

- Concerns about costs – whether for businesses, consumers or the economy generally – fill the top seven places in the above chart. 'Rising energy costs' stands out as a specific cost concern, exacerbated by the war in the Middle East (discussed in more detail later under Q12).
- 'Cost of tourist accommodation' has now become the most frequently cited concern among inbound tour operators and destination management companies (78% cite this) and tour guides (59%).
- 'Antisocial behaviour in my area' is the most frequently mentioned (34%) concern among Dublin businesses that is not related to costs. Some recognise that there are efforts among authorities to tackle the problem but say that this, in their view, is not having enough impact. Some feel that their customers may be put off returning to Dublin.

Impact of War in Middle East on Business Sentiment

Businesses Affected by the War

Q11 "Have you seen an impact on your business arising from the war in the Middle East?"



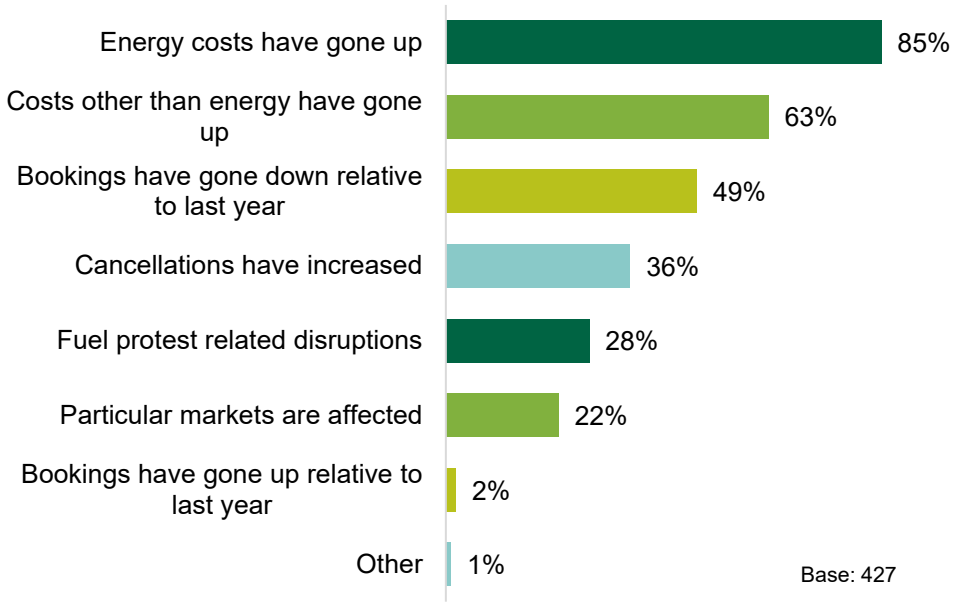
Base: 695

Majority affected

- About three in five (61%) respondents say they have seen an impact of the war in the Middle East on their business. Whilst this is a majority of respondents, it is lower than the proportion (74%) stating this when the same question was asked in the April wave of this survey.
- The impact is reported across the industry but is higher among non-accommodation operators, especially food and drink businesses (78% report an impact).

What are the Reported Impacts?

Q12 "What are the impacts?" *(prompted)*



Base: 427

Q12 has been asked to those seeing an impact (Q11)

Impact on two main fronts

- Businesses seeing an impact from the war are being hit on two main fronts: costs have gone up, whilst at the same time, demand has reportedly gone down. This, they say, has put profit margins under a lot of pressure.

North American market hit

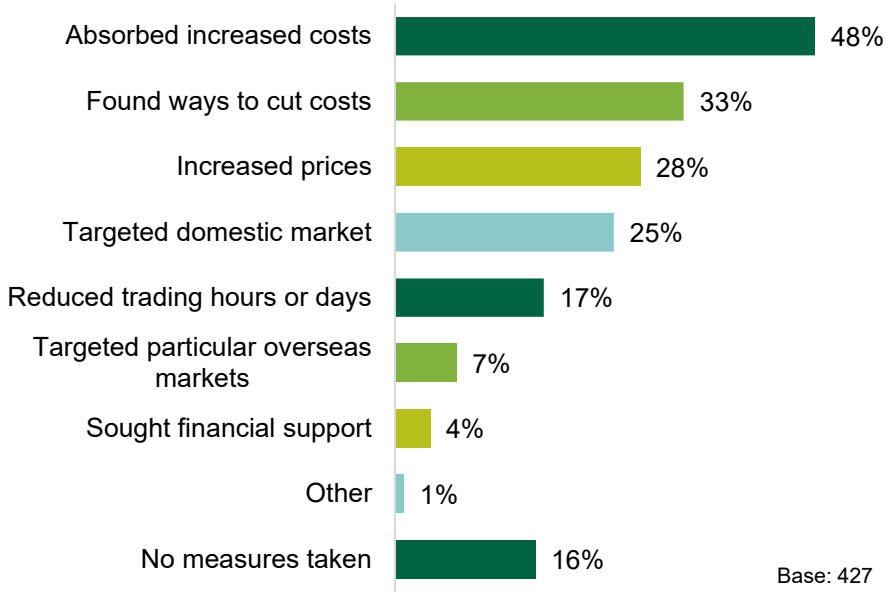
- Among those saying that particular markets have been affected, North America stands out. This is partly thought to be due to uncertainty over disposable income and partly due to concerns over safety or travel disruption.

Long haul markets flying via Middle East also affected

- Some businesses say they have seen a drop-off in customers from parts of the world who would normally fly over and/or stop off in the Middle East on their way to Europe. This includes the Far East, Australia and New Zealand.

Measures to Mitigate the Impact

Q13 "Have you taken any measures to mitigate the impact of the war?" *(prompted)*



Q13 has been asked to those seeing an impact (Q11)

Absorbing increased costs as consumers are also struggling

- The most common measure being taken to mitigate the impact of the war is to absorb increased costs. This impacts profitability for the business, but many feel they have little choice when they believe that their consumers are also struggling with lack of disposable income.

Protecting margins

- Some businesses have resorted to protecting their profit margins by increasing their prices and/or by finding ways to cut costs.

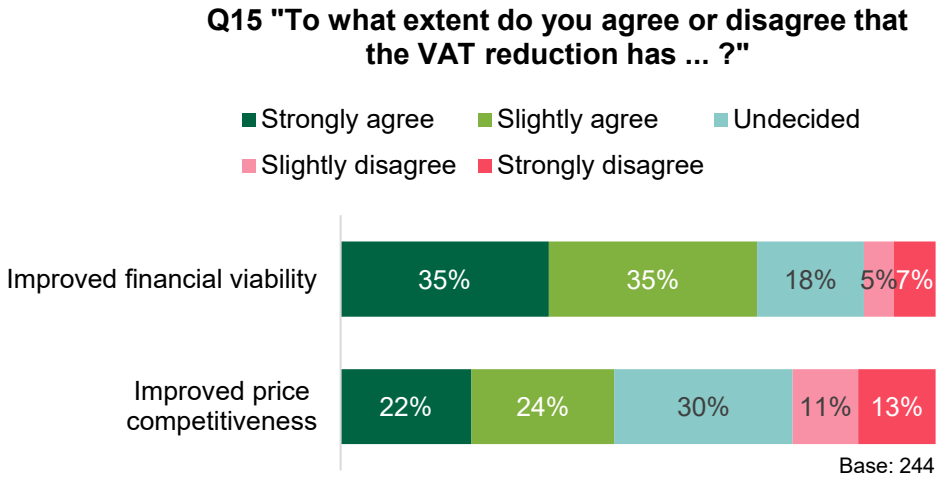
~~Increased prices can have knock-on effects on tourism businesses in other sectors if their customers end up paying higher prices. This reduces the price-competitiveness of Ireland as a destination, even if an individual business has not put their own prices up.~~

Targeting of particular markets

- Some (25%) say they have targeted the domestic market amidst disruption to long haul travel. Others have targeted new overseas markets (especially Europe) or the same markets in a new way (especially North America) in order to try and revive demand.

Impact of VAT Reduction

Reported Impact



Q15 has been asked to businesses to which the VAT reduction applies (self-selected from an earlier question)

Two possible benefits from VAT reduction

- VAT is a consumer tax rather than a business tax, but businesses can benefit from VAT reduction in two main ways:
  - Improved financial viability – if they do not pass on the reduction to customers in full, thus improving their own margin
  - Improved price competitiveness – if they pass on some or all of the reduction to customers
- The majority (70%) of businesses to which the VAT reduction applies say this has improved their financial viability, implying they may not have passed on the reduction in full to customers.
- Some businesses disagreeing with the above statements say that rising costs have eclipsed the benefit of VAT reduction that they might have otherwise experienced.

Sentiment by Individual Sectors

Hotel Operators' Sentiment

- Over half (53%) of hotels report increased revenue year to date, whereas only 23% report experiencing a decrease. This makes hotels the best performing sector in terms of increasing revenue.
- The domestic market has underpinned performance, with 51% of hotels reporting domestic revenue to be up and only 25% reporting it to be down.
- The overseas market has been mixed this year, however 35% of hotels report the market to be up, but a similar proportion (34%) have experienced a decline year-to-date.
- Average room yield has been reported as very positive: up for 65% of responding hotels and down for only 17%. That said, hotels are not immune to rising costs and therefore profitability continues to be under pressure. Most (81%) cite rising energy costs as a concern, and 78% cite rising payroll costs as a concern – the highest proportion of any sector to say this.
- Hotels also have relatively high proportions of respondents citing 'can't get the staff' (51%) and 'availability of accommodation for staff' (43%).
- On the positive side, reasons to feel positive this year include 'reduced VAT rate' (65%), 'own investment in the business' (57%) and 'positive reviews / recommendations' (54%).

Bed and Breakfasts' Sentiment

- 2026 is turning out perhaps to be little less challenging than was expected earlier in the year for bed and breakfasts. 29% of B&Bs have experienced increased revenue this year, whereas 39% have seen a decline. However, in the April wave of this survey, only 9% of B&Bs reported increased revenue year-to-date and 59% had seen a decrease. The domestic market has brought some degree of stability whilst the overseas market has declined.
- The most frequently cited reasons to be positive this year are: 'positive reviews / recommendations' (63%) and 'repeat visitors' (50%).
- However, 'rising energy costs' are reported to be an acute challenge (cited by 73%).

Self-Catering Operators' Sentiment

- Like with B&Bs discussed above, 2026 is turning out to be less challenging for self-catering operators than was expected earlier in the year. 27% of operators are up on revenue year-to-date, whereas 36% are down. However, in the April wave of this survey, 19% of operators stated they were up on revenue year-to-date at the time and 64% were down.
- The self-catering sector has reported a reasonable amount of stability in both the domestic and overseas markets.
- 61% of respondents cite ‘repeat visitors’ as a positive factor this year – among the highest proportion in any sector to say this.
- A further 52% cite 'positive reviews / recommendations' as a positive, and 41% cite ‘Irish people holidaying in Ireland’.
- However, the sector faces the same cost challenges as other sectors, led by 'rising energy costs' (cited by 74%). 30% cite ‘tourists taking shorter breaks’ as a concern.

Caravan Park Operators’ Sentiment

- The caravan & camping sector is performing well this year, with 10 of the 22 responding operators citing increased revenue year-to-date and only 5 seeing a decrease.

- The sector has been buoyed by a strong domestic market: 15 of the 22 responding operators have seen increased domestic revenue. The fine summer weather has helped this weather-dependent sector. 18 out of the 22 operators cite ‘repeat visitors’ as a reason to be positive and 14 cite ‘Irish people holidaying in Ireland’.
- There are cost challenges like in all other sectors however, led by energy and payroll.

Visitor Attractions' Sentiment

- Close to half (46%) of attractions state they are up on revenue year-to-date, whereas a lower proportion (29%) are down. This makes attractions one of the best performing sectors based on revenue year-to-date. The domestic market has performed well this year.
- Reasons to feel positive this year are led by 'positive reviews / recommendations' (cited by 51%).
- ‘Rising energy costs’ (63%) tops concerns, as it does in most sectors, but ‘cost of tourist accommodation’ (56%) is also a key concern.

Activity Providers' Sentiment

- Activity providers are experiencing quite a stable with year, with 37% seeing increased revenue and the same proportion (37%) reporting decreased revenue. This is an improvement on earlier in the year, when in April 20% of businesses reported being up year-to-date at that time and 59% were down.
- The performance of activity providers can depend a lot on the nature of the activity – whether indoors or outdoors, dependent on sea conditions, fuel prices etc.
- 68% cite 'positive reviews / recommendations' as a reason to be positive this year – the highest proportion of any sector to say this.
- Costs / economic uncertainty dominates concerns.

Pubs and Bars' Sentiment

- 30% of pubs and bars are up on revenue year-to-date, whereas 36% are down. This is much more stable than the picture earlier in the year, when in April, 10% were up on revenue year-to-date, but 62% were down.
- Of the 26 businesses in the sample which say VAT is applicable to them, 15 ‘strongly agree’ that the reduction has improved their financial viability.
- Rising energy costs are a significant concern, cited by 88% – one of the highest proportions in any sector to say this.

Inbound Tour Operators and Destination Management Companies' Sentiment

- Ten of the responding 27 operators report being up on revenue year-to-date, whereas 12 cite being down. The performance of all major overseas markets has been mixed. The unpredictability of the US market, on which many operators in this sector depend, is causing nervousness in the industry. All eyes are on securing more contracts for 2027 whilst there is still time.
- The cost of doing business in Ireland is a significant concern to them as inbound operators feel that Ireland’s price competitiveness in the international marketplace is under pressure. This applies to accommodation and also the cost of eating out.
- In an attempt to counter the economic and political headwinds being experienced, 17 of the 27 responding operators cite their ‘own marketing’ as a reason to be positive.

Tour Guides' Sentiment

- Tour guides are experiencing a challenging year. 18% report being up on revenue year-to-date, but 61% are down. All markets are proving to be a challenge.
- Concerns are topped by 'cost of tourist accommodation' (59%) and 'global economic outlook' (50%). Many say that Ireland is uncompetitive in an international market where there is less disposable income.
- Some tour guides who operate in Dublin cite the problem of antisocial behaviour on the streets as negatively affecting the visitor experience and areas where they can operate.
- However, many tour guides still strive to deliver a good service to their clients, and 55% cite 'positive reviews / recommendations' as a reason to be positive this year.