

From the Office of the Minister



Department of

**Enterprise, Trade
and Investment**

www.detini.gov.uk

NETHERLEIGH
MASSEY AVENUE
BELFAST
BT4 2JP
Tel: 028 90 529452
Fax: 028 90 529545

E Mail: private.office@detini.gov.uk

Our Ref: DETI COR 239/2013

The Rt Hon Maria Miller MP
Secretary of State for Culture, Media and Sport
Minister for Women and Equalities
4th Floor
100 Parliament Street
LONDON
SW1 2BQ

4 June 2013

Dear Maria,

You wrote to the First Minister and deputy First Minister on 15th May 2013, regarding the Review of the Balance of Competences launched by the Foreign Secretary in July 2012. OFMDFM has agreed that Ministers will reply on behalf of their individual Departments, and I am writing to you in my capacity as Minister with responsibility for tourism.

Tourism is a key driver for social and economic growth and in Northern Ireland is a strong performing sector. The sector is worth in excess of £600m p.a. to the Northern Ireland economy and is a key export with 2011 overseas tourism revenue amounting to £377m. Tourism supports around 40,000 or 5.8% of the jobs in Northern Ireland and 4.9% of the economy is directly or indirectly related to tourism.

As a region on the periphery of the UK, and with a land border with another EU state, Northern Ireland is sensitive to legislative and regulatory decisions, including those relating to EU state aid interventions, as these can impact on the tourism industry's ability to compete effectively.

EU Funding is a major benefit to tourism in Northern Ireland and tourism projects and programmes have been very well supported by EU Structural Funds over the past number of programming rounds. The tourism sector in Northern Ireland has benefited from all the major Structural Fund programmes including Competitiveness, PEACE, INTERREG, Rural Development and ESF (Training).

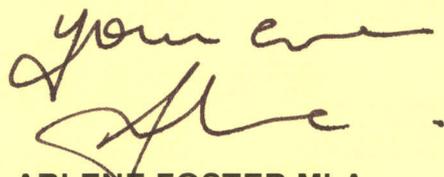
The Northern Ireland Tourist Board (NITB) currently has three tourism related bids being progressed through the ERDF 2014-2020 programme. These relate to building the capacity and capability of tourism SMEs, the Tourism Innovation Fund and marketing. If NITB was unable to avail of this programme it would lose out on a total of over £19.5m in additional funding to support the tourism industry. This potential ERDF funding could enable a total funding pot across all three bids of almost £45m.

If the access to ERDF was not available, the targets of 170 SME tourism businesses would not be supported and prospective increased revenue would not be generated, as a £6:£1 Return on Investment for the marketing campaigns may not be realised. This could jeopardise £210m (£30m pa) estimated revenue generated as a result of ERDF intervention.

It is regarded as desirable for Northern Ireland that funding for tourism continues to be directed through the EU, rather than the UK Government, as in many cases the EU monies are additional to the Northern Ireland Block Grant.

EU Directives that impact on the tourism industry are welcomed as they are in place essentially to protect holidaymakers' rights – for example, the EU Package Travel Directive, which covers all elements of travel, flights and accommodation. Recently, the EU has reiterated to airlines their obligations to honour the rights of passengers travelling independently in the event of cancellations, prompted by the difficulties encountered by many passengers in the wake of the volcanic ash cloud a few years ago. As a general point, whilst the tourism industry does complain about excessive regulation such EU Directives are viewed positively from our perspective as they help ensure the delivery of a good visitor experience.

I hope these comments are helpful in your deliberations.



ARLENE FOSTER MLA
Minister of Enterprise, Trade & Investment