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AIB Coach & Golf Tourism Outlook

June 2025



Coach Tourism

AIB supporting customers in the sector

The spread of coach tourists across the shoulder season means they contribute to the continuity of tourism businesses throughout the year and improve the year-round utilisation of Ireland's tourism infrastructure.

Touring holidays and day trips make up the two categories of Coach Tourism. Coach tour operators depend strongly on international tourism, with golf tourism emerging as a significant growth sector. In recent years, Ireland has seen a marked increase in international golf tourists, driven by the rising global appeal of Irish golf courses.

Coach companies offering escorted tours are ideally placed to capitalise on this momentum. With access to a diverse range of tourist attractions, they support both day excursions and extended trips. The associated economic impact is felt nationally, as spending supports jobs and local businesses. According to **Nessa Devereux**, Head of Transport & Logistics Sector, AIB Business Banking: "We have coach companies that specialise solely in tourist business and others that have a mix of scheduled services and tours available. Some coach companies are now focused exclusively on golf tourism, offering tailor-made tours. Their outlook for 2025 and beyond is optimistic, driven by sustained international interest and strong booking pipelines."

Nessa noted that coach and bus registrations in Ireland increased by 70% in 2024. The sector has been catching up on the market crash in 2020 and 2021, and a large volume of coaches delivered in late 2023 were not registered until 2024.

"Demand for coaches and buses is expected to continue expanding in the coming years. However, there is a major issue with vehicle supply", according to **Pat Moore**, a lending specialist with AIB Finance & Leasing.

Belgian coach manufacturer Van Hool has scaled back output after entering an insolvency arrangement in 2024, while other major suppliers to the Irish market, are also experiencing order backlogs.

The supply issue has several impacts, one being the price of new coaches rising by approximately 20% in the past three years. Secondly, second-hand vehicle availability has decreased because coach operators are not selling their current vehicles without first taking delivery of their new ones.

"There are other knock-on effects down the line," Pat adds. "Operators are running older vehicles longer than they would like to, which increases costs in terms of repairs and maintenance."

He expects increased transition from diesel to hydrotreated vegetable oil (HVO) fuel in the coming years. The Dublin Express airport service, which carried over two million passengers in 2024, is now run on HVO fuel.

In the final quarter of 2024, battery-electric buses outsold diesel vehicles for the first time across Europe. In Denmark, Finland and Luxembourg, zero-emission buses accounted for two-thirds of the total bus and coach market.

Wrightbus in Northern Ireland recently secured funding to develop electric buses that can travel up to 200 miles on a single charge and recharge in under three hours. The company is also developing the UK's first hydrogen-powered coach, with the aim of launching in 2027.

Nessa says, "the focus is on increasing the number of sustainable transport journeys in Ireland, which is a key focus in Ireland's Climate Action Plan¹. Greening our business and putting customers first are two of AIB's strategic priorities. By supporting customers as they work towards greening their fleet and optimising journey performance, AIB will continue to be a major supporter of the sector and the associations that support the sector."



Nessa Devereux
Head of Transport & Logistics
AIB Business Banking

1. CAP25, May 2025, Climate_Action_Plan_2025_updated_cover.pdf (page 8)

Wexford Bus

The expansion and improvement of Ireland's motorway network in recent decades has presented commercial opportunities for entrepreneurs to transport people to and from the capital.

One of the most successful operators in the space is **Brendan Crowley**, whose blue and orange **Wexford Bus** coaches motor up and down the N11 throughout the day.

In 2007 the express service between Wexford and Dublin Airport started, and now it also serves Waterford, Wicklow, Carlow, and Kildare.

Wexford Bus operates 1,500 public transport services a week with a fleet of 70 buses and coaches. Turnover in 2023 increased by 28% on the previous year, and in 2024 Wexford Bus revenue exceeded pre-pandemic levels according to Brendan.

Based on customer feedback, the 740X service was introduced in January 2024 to connect Wexford and Dublin Airport, operating three times a day. Unlike the regular 740 service, the express route bypasses Enniscorthy, Gorey and Arklow so that passengers can travel from Wexford town to Dublin city centre in about two hours.

"You can't beat that by car or by train," says Brendan. "The service suits business customers travelling to Dublin for a meeting, and some of them tell us that they now arrange their meetings around our timetable."

Fleet investment cost Wexford Bus €1.5m in 2023, and Brendan is conscious of the requirement to green the fleet with more sustainable vehicles.

"AIB has been very supportive of our business for years, and we are aware that in terms of lending AIB will have to start looking at what percentage of our fleet is electric. However, there are practical hurdles to overcome," Brendan remarks.

"The emission levels on our new vehicles are the lowest available and we hope to move to electric vehicles or alternatively fuelled vehicles in the future," Brendan explains. "The reality though is that if I were to buy an electric bus tomorrow, it would be double the price of the equivalent diesel bus."

He adds that working out the operating cost of electric vehicles compared to diesel is also very challenging. "Most of our fleet is Volvo with a smaller number of Scania vehicles. If we are to consider transitioning to electric the suppliers will need to know the topography of the route, the length of the running day so that the life expectancy of the batteries can be forecast and appropriate warranties in place. This results in reduced flexibility when it comes to vehicle deployment. Furthermore, there will be a requirement for a significant investment in charging infrastructure to support an electric fleet."

Wexford Bus and the Coach Tourism and Travel Council (CTTC) are working with the Government to assist bus operators to make the switch to electric vehicles. Extending the VAT71 rebate to non-tour buses would be a good start, says Brendan. "The State is potentially facing billions of euros in fines if Ireland does not reach carbon emission reduction targets by 2030," he adds.



Brendan Crowley
Managing Director





Case Study



Kerry Coaches

Golf has been great for **Mike Buckley** and his family business in Killarney. **Kerry Coaches** is a specialist supplier of transport to Americans, and other tourists, who travel to Ireland to play Ireland's celebrated links courses.

"There is an affluent American market that want to play links golf - it's on their bucket list," Mike explains. "There has been massive growth in golf tourism post-Covid and the only thing that has prevented it from going further is the availability of tee times."

"American golfers want to play premier courses such as Ballybunion, Lahinch, Waterville, and the Old Head of Kinsale. They have no difficulty paying €500 for a round for golf and do that consecutively for a week. In the short and medium term, we're riding the crest of a wave."

It helps too that Irish golfers Rory McIlroy and Shane Lowry have cut a dash on the world stage. This year the Open is being staged at Portrush and in 2027 the Ryder Cup is coming to Adare Manor.

"Golf's popularity in the States continues to grow with a significant increase in the number of people playing" Mike remarks. "The Americans still regard Ireland as a relatively affordable destination. A meal for two in New York costs a lot more than in Dublin or Cork."

Mike Buckley notes that American enthusiasm for links golf is having a positive effect on the north-west region of the country. "With the tee time shortage in Kerry and Clare, you're seeing capital investment in new hotels in Derry, Letterkenny, and Sligo. There's a whole new infrastructure building up around the golf product because the demand is there for it."

Kerry Coaches has grown to a fleet of over 100 vehicles, spanning Mercedes cars and vans up to large coaches. Many of the vehicles are fitted out with the golf tourist in mind, with ample leg room, reclining seats, tables, and of course fridges for the beers.

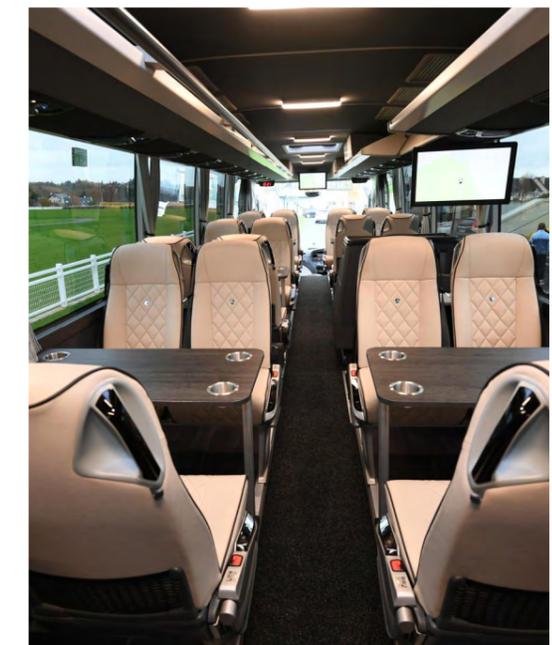
With a large fleet and a luxury offering, vehicle replenishment requires sizeable investment. Mike anticipates that Kerry Coaches' fleet expenditure over the next three years will be c.€9 million, with funding support from **AIB Finance & Leasing**.

He also expects that going forward more Kerry Coaches vehicles will use Hydrotreated Vegetable Oil (HVO) instead of diesel. "Where I see the short to medium-term prospect for coach tourism will be diesel to HVO and then ultimately to fully electric," Mike adds. "That comes with a caveat in that we will need sufficient charging points around the country."

Mike Buckley's wish for his sector is a single point of contact for regulation. "There are multiple agencies from the NTA to the RSA to the Gardaí that we have to deal with," says Mike. "Private commercial transport is a huge business sector employing over 11,000 people. I'd like to see just one regulator dedicated to public service vehicles."



Mike Buckley
Managing Director



Golf Tourism

Increasing demand for Ireland's world-class golf offering

Golf tourism contributes significantly to the Irish economy with an estimated value of over €300 million annually. Over 220,000 international golfers visit each year ⁽¹⁾, drawn to Ireland's high-quality golf offering of over 400 courses. Major upcoming events, notably the 2025 Open Championship at Royal Portrush and the 2027 Ryder Cup at Adare Manor, are poised to further elevate the sector's profile and economic impact.

Ireland is internationally renowned as a premier golf destination, with about a third of the world's true links courses located here. The North American golf tourism market is the most significant and high value. Tourists from there favour extended trips and premium accommodation, often relying on coach access and pre-arranged group tours.

According to Fáilte Ireland research, a golf visitor typically spends three times more than the average leisure tourist, with most of the spend going directly into local economies on non-golf expenditure such as accommodation, transport, food, and beverage.

"It's not just the golf which attracts tourists to Ireland," according to **Jonathan Clarke**, Head of Hospitality & Tourism, AIB Business Banking. "The warm hospitality, history and scenic beauty in conjunction with highly personalised services in hotels, guesthouses and golf clubs create memorable stays. Ireland's compact size allows golfers to combine multiple courses and sightseeing all within relatively short travel times."

Golf Ireland reports significant growth in domestic golf participation post-Covid. Combined with an increasing number of overseas golf tourists, the sector is facing some capacity constraints.

With tee-time availability in the more traditional golfing heartlands of the South-West region in short supply during peak times, the North-West is emerging as a popular golf destination due to its stunning coastal landscape and world-class links courses.

The global popularity of the Wild Atlantic Way is also helping to enhance the region's appeal to overseas golf tourists. This brings with it the benefit of disbursing tourist traffic more evenly and supporting regional economies.

Sustainability is becoming an increasingly important part of golf tourism. Golf Ireland has launched the 'Drive the Green' Sustainability Action Plan (2024–2027), aiming to lead by example in environmental stewardship. The plan focuses on reducing carbon emissions, protecting natural habitats, and promoting sustainable practices across golf courses.

Additionally, several Irish golf courses have been recognised on Europe's list of most environmentally conscious and socially responsible golf courses, highlighting the country's commitment to sustainable tourism. Initiatives include habitat creation to enhance biodiversity, installation of solar panels, and replacing fossil fuel vehicles with electric vehicle fleets.

Despite strong demand, the tourism and hospitality industry faces challenges with accommodation availability and rising operational costs. Nevertheless, this area of the economy has remained resilient. While prices have increased, high-net-worth tourists who are less sensitive to price changes continue to favour Ireland's golf offering.



Jonathan Clarke
Head of Hospitality & Tourism
AIB Business Banking

(1) Source: <https://www.failteireland.ie/Utility/News-Library/failte-ireland-tees-up-golf-tourism.aspx>





Fota Island Resort

Golf tourism is central to the business model of **Fota Island Resort**, the luxury 5-Star Hotel & Spa situated on its own private island near Cork City. Not only does the hotel offer two championship golf courses on site, the location, high-end accommodation and culinary offering is just the ticket for affluent American golfers.

"The large number of links golf courses in Ireland attracts a huge influx of foreign golf visitors because it's on their bucket list," says general manager **John O'Flynn**. "It's the thing they want to do because they can't get that experience in their own country."

"The majority of the overseas are Americans who want to play the coastal courses. There is a concentration in the Southwest though demand is moving up the west of the country and even in and around Dublin at courses like Royal Dublin and Portmarnock."

"Our guests use Fota as a base and then they'll go and explore," John adds. "They do that by bus or by helicopter, and typically what we have is a group of eight to twelve golfers. They want to play the best golf courses in the country but also have a base that provides everything they need."

"From the minute they land in Ireland, the golfers want everything to run smoothly, because time is of the essence. They want to be up and gone early in the morning and they're not back until late at night."

Fota Island Resort's route to the golf market is largely through specialist tour operators. "The golfers don't want to take any risks," says John. "They use trusted, well-established tour operators who secure access to the best golf courses and tee times. Accommodation in luxury hotels is part of the package to make sure everything is looked after for the whole trip."

Fota Island Resort's golfing customers also arrive from Germany, France, and Switzerland. "The Europeans are more relaxed about it - not full-on golf for the full trip," says John. "They want to experience the location of where they go and spend some time in the town before they play."

Generally, says John, the American golfers are more limited in their tourism aspirations. "They want to create that Instagram moment in a lively pub where they're having pints with the locals and having the craic."

To maintain the luxury offering, Fota Island Resort reinvests 5 per cent of topline turnover in the business every year. "You are never finished investing, as continuous upgrading is part and parcel of the hotel business. We have a longstanding relationship with **AIB**, and they seek to understand our business and what we're doing. They are very good at providing information that helps us make informed business decisions."

Fota Island Resort is expecting good trade in 2025. "Golf has really been on the up since the Covid pandemic, and more and more people are playing the game," says John. "Our customers want a premium experience and in some cases, they've had to wait two or three years to get here. And when they are here, they really want to make the most of their trip."



John O'Flynn
General Manager
Fota Island Resort



Tourism sector eyes 2025 growth

In 2024, Ireland's inbound tourism economy showed an estimated value of €6 billion, according to the Central Statistics Office, marking an 11% increase from the 2023 figures.

Visitors from North America accounted for 35% of overall spend, and by the CSO count 1.24 million US visitors (+9%) and 198,000 Canadian visitors (+24%) travelled to Ireland in 2024. The number of nights these visitors stayed in the country increased by 12%, pushing up spend by 17% year-on-year.

These increases were supported by new air routes from American cities. Major events such as College Football and an NFL fixture are expected to support visitor numbers through 2025.

The Irish Tourism Industry Confederation (ITIC) commented that while revenue (+11%) and volume of international visitors (+5%) were up in 2024 compared with 2023, total bed nights declined by 4%.

The number of nights spent in Ireland by European tourists decreased by 11%. Although UK visitor numbers and spending increased in 2024, the duration of their stay reduced.

Hotels saw strong 2024 growth in trip numbers (+10%) and bed nights (+8%) while Guesthouse/B&Bs saw double digit growth. The view from ITIC is that tourism revenue can grow by 5% to 7% in 2025, although volume growth will be at a lower rate due to capacity blockages.

Eoghan O'Mara Walsh, chief executive of ITIC, believes that Q1 2025 was marginally down in terms of tourism growth. "The North American market, and the US in particular, is very important to Irish tourism and represents about 35% of the overall market," says Eoghan.

"It has been a star performer for Irish tourism for the last number of years and we expect a good summer from the North American market as long as the US economy holds up and the US dollar is strong."

"If the US economy takes a wobble or if the dollar weakens dramatically against the euro, the dynamic will change. All we can control is giving the US visitor as brilliant a holiday experience as possible, which we're very good at," Eoghan adds.

ITIC attributes strong growth in inbound tourism from America over the past decade to improved air access. Tourism from mainland Europe isn't as strong as from the US, which ITIC partly attributes to connectivity.

"We don't have as strong German and French air access as we should," says Eoghan. "I'm pleased that Tourism Ireland is undertaking a strategic review of Germany and France, because there's a lot more business we can win from those markets."

ITIC is encouraged that the new Government has elevated tourism as an economic priority, with tourism policy now directed from the reconfigured Department of Enterprise, Tourism and Employment.

"The VAT rate for hospitality is due to come down in the next budget, which is very positive, and the Government has also committed to lifting the Dublin Airport passenger cap," Eoghan notes.

Notwithstanding some positive demand factors, the tourism sector will face ongoing cost pressures, particularly with wages, which will challenge profitability.



Eoghan O'Mara Walsh
Chief Executive at
Irish Tourism Industry
Confederation





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