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Hospitality & Tourism Spend Report

H1 2024

AIB's detailed look at the hospitality & tourism sector, highlighting trends and insights for H1 2024.

Mixed results in Hospitality & Tourism spend in H1 2024

AIB card data for H1 2024 reveals mixed results in the hospitality sector, with a significant increase in airline and travel agent spend compared to H1 2023.

In the first of our hospitality & tourism spend analyses, we explore AIB customer card spend data for H1 2024 across the sector.

The data shows the hospitality sector had a 3.3% increase in overall spending compared to the same period last year for hotels, pubs and restaurants. The pub trade had an encouraging six months of trade with spend up 11.4%, however restaurant spend experienced a more modest increase of 3.8%, while accommodation spend declined by 2.6% in H1 2024. VAT on food and accommodation sales during this period was 13.5%, compared to 9% in the same period in 2023.

Data from the CSO shows price inflation stood at 4.1% for pubs, 7% for restaurants and 2.1% for accommodation services in June 2024 compared to June 2023.

After a record year in 2023 for many hoteliers, the staycation market appears to be softening as domestic spend on hotels was down by 3.0% with transaction numbers declining by 1.2%. On the other hand, travel agent & tour operator transaction numbers were up 16% and overall spend up 14.3%, whilst airline transaction numbers were up 4.5% and overall spend increased by 7.3% in H1 2024.

The large number of sporting and entertainment events in the first half of 2024 benefited the pub trade with a sharp increase in transaction numbers of 11.6% compared to the same period in 2023. Restaurant transaction numbers increased during H1 2024 by 2.1% and average transaction value increase of 1.6% drove an overall positive spend.

Whilst margins will continue to be challenged into the second half of the year, AIB macro-economic forecasts indicate that inflation rates continue to normalise. Strong employment rates and stable, incremental, modified domestic demand growth for the rest of 2024 will help to support consumer spend. Air access in 2024 is also set to be ahead of both 2019 and 2023 levels, which will help drive tourist numbers, albeit ‘sun routes’ directed towards domestic outbound travel also continue to be a growth area in airline schedules.

Jonathan Clarke
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Key Trends

↑ **3.6%**
Eating Places

↓ **2.6%**
Accommodation

↑ **7.3%**
Airlines

↑ **14.3%**
Travel Agents & Tour Operators

↑ **11.4%**
Drinking Places

Accommodation

Accommodation -2.6%

Year-on-year sales in the accommodation sector dropped by 2.6% in H1 2024, driven by a 1.2% decrease in transaction numbers and a 1.4% decrease in average transaction size compared to the same period in 2023. The sector is broken down as per the table below.

Hotel spend was down by 3.0% in H1 2024 as a result of a 1.2% decline in transaction numbers and a 1.8% reduction in average transaction size.

Other accommodation, which includes campsites and holiday parks, saw overall spend increase by 7.2%. While there was a 6.6% decline in transaction numbers, a 14.8% increase in average transaction size drove spend in the sub-sector higher.

Category	Overall Spend	No. of Transactions	Avg Transaction Size
Hotels	-3.0%	-1.2%	-1.8%
Other Accommodation	7.2%	-6.6%	14.8%

Eating & Drinking

Eating Places +3.6%

Overall, the dining sector showed a year-on-year sales value increase of 3.6% in H1 2024 compared to the same period in 2023. The number of transactions increased 0.9% and average transaction size grew 2.7% in the first half of the year. The sector is broken down as per the table below.

Restaurants saw an increase in spend of 3.8% in H1 2024, driven by an increase in average transaction size of 1.6% with transaction numbers ahead of the same period in 2023 by 2.1%.

Fast-food restaurants experienced a 3.4% increase in overall spend. While transaction numbers experienced a fall of 0.3%, average transaction size increased by 3.7%.

Drinking Places +11.4%

Drinking places (pubs) were the strongest performing sub-sector, with overall spend up 11.4% driven by a 11.6% increase in transaction volumes. Average transaction size showed a marginal decline of 0.1%.

Category	Overall Spend	No. of Transactions	Avg Transaction Size
Restaurants	3.8%	2.1%	1.6%
Fast-Food Restaurants	3.4%	-0.3%	3.7%

Category	Overall Spend	No. of Transactions	Avg Transaction Size
Pubs	11.4%	11.6%	-0.1%

Travel & Tourism

When referring to the Travel & Tourism sector, we're discussing the categories listed in the table below. Travel & Tourism spending patterns point to an increase in demand for foreign holidays in H1 2024, as transaction numbers and spend increased compared to the same period in 2023.

Airline transaction numbers and average transaction size were up by 4.5% and 2.7% respectively, which drove overall airline spend up 7.3%.

Car rental spend, largely in foreign jurisdictions, was up by 0.8% in H1 2024. Transaction numbers were strong, up 17.5%, however a 14.2% decline in average transaction size resulted in spend being only marginally higher.

Tourist Attractions spend was up by 8.4%, driven by both an increase in transaction numbers of 4.5% and average transaction size of 3.8%.

Travel Agent & Tour Operator spend was up 14.3% compared to the same period in 2023, as transaction numbers increased by 16%. Average transaction sizes took a slight hit and were down by 1.5%.

Category	Overall Spend	No. of Transactions	Avg Transaction Size
Airlines	7.3%	4.5%	2.7%
Car rental	0.8%	17.5%	-14.2%
Tourist Attractions	8.4%	4.5%	3.8%
Travel Agents & Tour Operators	14.3%	16.0%	-1.5%

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