

From: Malcolm Briant  
Policy Services, Tourism and Equality Division  
DETI

Date: 28 May 2003

To: Ian Pearson

## TOURISM IRELAND LIMITED – GREAT BRITAIN

**Objective:** To brief you on the background to the responsibilities of Tourism Ireland Limited and the Northern Ireland Tourist Board for marketing in Great Britain.

**Issue:** In the North/South Ministerial Council process for the approval of additional funding for marketing by Tourism Ireland Limited in GB, Mr David Trimble questioned its role as his understanding was that it had no remit there and this breached the original agreement. While Mr Trimble agreed to the extra funding on this occasion he was still uncomfortable with the position. You have asked for a paper on the subject.

**Timing:** Within next week.

**Presentational Issues:** None at present but could cause political and media reaction if raised again.

**Recommendation:** I have summarised the pertinent points in paragraph 9 below. I suggest we discuss how to handle briefing of Mr Trimble and/or his advisors to clarify the position.

### DETI

DEPARTMENT of ENTERPRISE,  
TRADE and INVESTMENT  
An Equal Opportunities Organisation

G:\MBRIANT\2003\May 03\25-Pearson.doc



INVESTOR IN PEOPLE

Denis  
Travel  
Nicola O/R  
June  
11/6 AM 24/6  
to note and file please  
Kim 30/5/03  
Ann - J  
Amulo



## Background

In the passage of a recent paper on additional funding for marketing for Tourism Ireland Limited (TIL) through the present NSMC process, Mr David Trimble raised the question of TIL marketing in Great Britain. There is a clear misunderstanding in his mind – and perhaps some of his advisors – on the basis of and the relationship between TIL and the Northern Ireland Tourist Board (NITB) and how it works.

2. The Belfast Agreement Strand II 1998, inter alia, dealt with the role and functions of the North/South Ministerial Council (NSMC) and listed 12 subject areas with a view to identifying and agreeing where cooperating and implementation for mutual benefit should take place – one of these areas was tourism. There was intensive discussion that autumn between the political parties and indeed required the Prime Minister's intervention to bring about agreement which led to the Belfast Statement of 18 December 1998 by the First and Deputy First Ministers. The arrangement for tourism was the final – and a major – hurdle before agreement was reached on the total package.
3. The Statement listed 6 areas of implementation with corresponding implementation bodies (eg the Trade and Business Development Body now operating as InterTradelreland) and 6 areas of cooperation, one of which was tourism (Annex A). Tourism was the only cooperation area to have a body to take it forward and in Annex A you will see the comprehensive detail that was included (this was not only in contrast with scant details on the other areas of cooperation but also with the section on the implementation bodies). It sets out the services to be provided and specifically states that "the new company would subsume the existing Overseas Tourism Marketing Initiative (OTMI)" and that "it would carry out overseas marketing and promotion activity for Bord Fáilte and the Northern Ireland Tourist Board and would establish overseas offices for that purpose".
4. The clear reference to OTMI is key to the argument of whether or not TIL operates in GB. OTMI was a major marketing initiative covering key markets which Northern Ireland bought into and was part of through the NITB and NI trade, which had resulted from agreement between RoI and NIO Ministers in the mid-1990s. At least one-third of the OTMI budget and activity was devoted to the GB market. In February 1999 at his request we passed to Dr Gudgin, then Senior Economic Advisor to Mr Trimble, details of OTMI including its activities in GB and budget allocation.



Subsequently at an informal discussion in March 1999 with leading advisors to Mr Trimble (including David Campbell, Graham Gudgin and Danny Kennedy MLA) it became obvious that the UUP, in negotiating the arrangements for tourism set out in the Statement, had not understood that OTMI covered GB.

5. Interestingly with Sir Reg Empey as Minister for DETI between late 1999 and early 2000 as officials we found it hard to engage him on the subject of setting up the tourism company (on the other hand the Trade and Business Body was put into operation). However, when Ministers returned to office in May 2000 we found Sir Reg focussed on moving forward and from then he had a very "hands on" approach to the subject; I cannot over-emphasise this fact.
6. Sir Reg and his Southern counterpart Dr James McDaid met informally outside the NSMC system at Netherleigh on 12 September 2000 to clarify and agree the issues surrounding the setting up of the new company, including market coverage and the relationships between the company, Bord Fáilte and the Northern Ireland Tourist Board. Consequently a Memorandum of Understanding between DETI and the Department of Tourism, Sport and Recreation was drawn up and approved by Sir Reg (Annex B). The premise is that the company, ie TIL, would carry out strategic all-Ireland destination marketing in **all** markets outside the island of Ireland including developing relationships with the trade and international carriers. NITB and Bord Fáilte would have primary responsibility for promoting the development of tourism products and regions in all markets **but** TIL would carry out the regional and product marketing and promotional activities on behalf of the two boards in all markets outside the island (ie TIL would be the delivery agent). TIL would establish the overseas offices based on the existing office network of NITB and Bord Fáilte operating outside the island.
7. The first NSMC Tourism Sector was held on 27 October 2000 and agreed the Memorandum and Articles of Association of the company. These reflect specifically the terms of the Belfast Statement including subsuming the activities carried out by the OTMI. All papers for the meeting (and all other meetings) passed through the NSMC process, including referral to the members of the NI Executive by written procedure to note prior to the papers being tabled.



8. Subsequent meetings of the NSMC on Tourism were held in March 2001, June 2001, November 2001 and February 2002. The first three concentrated on setting up the new organisation eg staffing and most importantly the Tourism Ireland Brand, including logo. In the context of the question of GB, the February 2002 meeting is the most relevant as the TIL Corporate Plan 2002-04 and Operating Plan 2002 were discussed and approved by NSMC. The Operating Plan sets out in considerable detail the proposals for Great Britain and states that it will be the major target for growth in 2002. (It should be noted that the Operating Plan 2003 again sets out clearly the objectives and activities in GB and passed through the present NSMC process on 16 December 2002 without comment from political party special advisors.) The NSMC papers for February 2002 also referred to the progress in establishing a single new office for TIL in London (subsequently final financial/leasing details were signed off by Sir Reg on 18 July 2002).

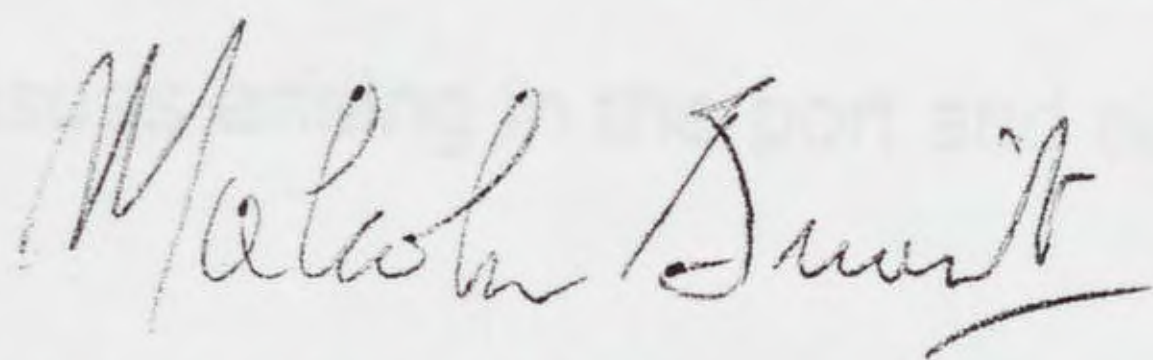
### Summary

9. In summary the main points are: -
- (a) The Belfast Statement 18 December 1998 by the First and Deputy First Ministers states, under Areas of Cooperation, that the new company would subsume the existing OTMI; OTMI majored on marketing in GB;
  - (b) Contact was made early in 1999 between UUP senior advisors and DETI on the coverage of OTMI, including GB;
  - (c) The Memorandum and Articles of Association of Tourism Ireland Ltd reflect specifically the references to OTMI in the Statement of 1998 and were approved by NSMC on 27 October 2002, having gone to the NI Executive;
  - (d) The Operating Plans for 2002 and 2003 approved by NSMC state clearly the role and targets of TIL in GB;
  - (e) TIL is responsible for destination marketing for the island of Ireland in all marketing outside the island (which includes strategic all-Ireland product marketing) and delivers regional and product marketing on behalf of NITB in GB, which of course means specific initiatives.



## Recommendation

10. We will be bringing forward a paper in the near future for NSMC approval on additional resources from DETI for TIL operating costs (this is to regularise the position on North/South contributions and does not specifically deal with GB) and in the autumn another paper on further marketing proposals with regard to a proportional match to the recent RoI input. While the former may not draw comment from the UUP, the latter will be of interest to them.
11. I suggest therefore we discuss with you now how to handle the briefing of Mr Trimble and/or his advisors, including timing.



**MALCOLM BRIANT**

Telephone: 028 905 29202

cc    Bruce Robinson  
      Wilfie Hamilton  
      Kim Burns



MATTERS FOR COOPERATION

in accordance with paragraphs 8 and 9 (i) of Strand Two of the Agreement, at least six matters are to be identified and agreed for co-operation through the mechanism of existing bodies in each separate jurisdiction.

The matters below have been identified as suitable for initial consideration by the NSMC in this regard. It would be open to the NSMC, by agreement between the two sides, to consider other matters.

(i) Transport

Strategic planning and development of cross-border co-operation in transport: while co-operation would primarily arise in respect of road and rail planning, it would take account of issues arising in the port and airport sectors; road and rail safety.

(ii) Agriculture

Discussion of CAP issues; Animal and Plant Health Policy and Research; Rural Development.

(iii) Education

Education for Children with Special Needs (eg autism, hearing impairment); Educational Underachievement; Teacher Qualifications; School, Youth and Teacher Exchanges.

(iv) Health

Accident and emergency planning; co-operation on high technology equipment; cancer research; health promotion.

(v) Environment

Research into environmental protection; water quality management and waste management in cross-border context.

(vi) Tourism

Establishment of publicly-owned limited company as set out below.



## TOURISM

A publicly owned limited company will be established by Bord Failte and the Northern Ireland Tourist Board to provide the following services:

- planning and delivering international tourism marketing programmes, including programmes in partnership with the industry North and South;
- publication and dissemination in overseas markets of information of a balanced and comprehensive nature on the island of Ireland as a tourist destination, which must reflect the diverse traditions, forms of cultural expression, and identities within the island;
- market research, provision of information and other appropriate assistance to help the industry develop international marketing expertise;
- co-operation with, consulting, and assisting other bodies or associations in carrying out such activities;
- carrying out surveys and collecting relevant statistics and information.

The new company would subsume the existing Overseas Tourism Marketing Initiative. It would carry out overseas marketing and promotion activity for Bord Failte and the Northern Ireland Tourist Board, and would establish overseas offices for that purpose.

The company's Articles of Association and Memorandum, which would establish its overall strategic objectives, would be agreed by the two administrations.



The board of the new company would be appointed by the two administrations after consultation with the existing tourist boards and relevant industry interests and with their involvement.

The operations of the new company would be monitored by the existing tourist boards, and by the relevant Northern Ireland and Irish Government Ministers meeting as appropriate under the auspices of the NSMC.

The Northern Ireland Tourist Board would continue to have access to the services of the British Tourist Authority. There would be clear guidance to the company that its promotional efforts should take account of the need to develop tourism in Northern Ireland against the background of the particular problems faced by the industry there over the past thirty years.



**MEMORANDUM OF UNDERSTANDING ON THE  
NORTH/SOUTH TOURISM COMPANY**

Annex B

1. This paper sets out the shared understanding between the Department of Enterprise, Trade and Investment (DETI) and the Department of Tourism, Sport and Recreation (DTSR) on the remit of the new North/South Tourism Company (NSCO) and its relationship with the Northern Ireland Tourist Board (NITB) and Bord Failte (BFE). It is consistent with the Memorandum and Articles of Association to be agreed by the North/South Ministerial Council (NSMC).
2. The basic premises are:-
  - (i) NSCO will own and manage Tourism Brand Ireland (TBI) and its associated communications material and may licence the use of the brand and/or its material to NITB/BFE and others. NSCO will act as effective "gate-keeper" for TBI.
  - (ii) NSCO will carry out strategic All-Ireland destination marketing in all markets outside the island of Ireland, including developing relationships with the trade and international carriers for that purpose.
  - (iii) NITB and BFE will have primary responsibility for promoting the development of tourism products and regions in all markets. NSCO will carry out regional and product marketing and promotion activity for the two tourist boards in all markets outside the island of Ireland, including implementing promotional proposals for regions and products and ensuring the consistency and complementarity of the boards' promotional content with TBI, in co-operation and agreement with BFE and NITB.
  - (iv) NSCO will establish overseas offices, based in the immediate term on the existing office network of BFE and NITB currently operating outside the island of Ireland.
3. Final arrangements for implementing marketing and promotion for BFE and NITB outside the island of Ireland in the context of the boards' regional and product marketing role, and the timeframe for incorporation into NSCO, as soon as is practicable, of the office network of the two tourist boards outside the island of Ireland will be presented to the NSMC at its next tourism sectoral meeting in January 2001. The intention is that the NSCO would be in a position to take over responsibility for the 2002 tourism season.
4. The future structures and operational arrangements will require a positive attitude and a willingness to co-operate at board and senior executive levels in NSCO, NITB and BFE and this will be assisted by the interlocking relationships being put in place through the legal establishment of the company.
5. It is recognised, in particular, that the functional division of responsibility will require a high degree of co-operation between the two tourist boards and their jointly owned overseas marketing company in relation to regional and product marketing and the development of trade relationships.

October 2000