# Hospitality & Tourism Spend Report

For the life you're after

2025

AIB's full-year analysis of the Hospitality & Tourism Sector - trends and spend insights

# Hospitality & Tourism resilience in 2025

**AIB's analysis of the Hospitality and Tourism sectors shows continued resilience in 2025. This is supported by strong domestic demand and selective growth across key categories.**

Drawing on AIB customer card-spend data, we examined the 2025 spending performance compared to 2024 across key hospitality and tourism categories. Some notable trends:

- Dining remained the standout category, with spending in Restaurants up 7.2% and Fast Food increasing by 7.8%. The growth was primarily due to high transaction volumes, showing that Irish consumers continued to prioritise eating out despite ongoing cost pressures. In contrast, Drinking Places contracted, with spending in Pubs & Bars down 8.5%. This decline is due to sharply lower transaction volumes – which points to a consumer shift toward more price-sensitive or alternative socialising behaviours.
- Accommodation spending rose 4.1%, supported by increases in both average transaction size and transaction volumes. This builds on last year's solid performance and reflects sustained domestic appetite for short breaks and hotel stays.
- Consumer appetite for outbound travel remained evident but mixed by channel. Travel Agents & Tour Operators recorded an increase of 5.7% on stronger transaction volumes, while Airlines saw a 3.7% decline, reflecting fewer transactions and reduced direct bookings. Car Rental rose 5.0% on double-digit transaction growth despite lower average transaction size, and Tourist Attraction spend was modestly higher at 1.5%.

Despite a turbulent global backdrop earlier in the year, 2025 ultimately saw an improving economic environment. This helped sustain strong domestic demand across the hospitality sector. While geopolitical risks persisted, moderating inflation and improved international sentiment supported overall sector stability. Although inbound tourism showed signs of softening during 2025, the strength of domestic activity showed that Irish consumers continued to prioritise leisure experiences.

Looking ahead to 2026, domestic demand is expected to remain reasonably strong, supported by a resilient Irish economy. Enhanced air connectivity should further strengthen Ireland's appeal to inbound travellers, underpinning momentum across the sector. However, heightened geopolitical uncertainty, particularly ongoing tensions in the Middle East, poses a downside risk to consumer confidence, energy costs, and international travel demand. Margin pressures also remain a headwind, driven primarily by elevated wage and payroll costs. While the scheduled VAT reduction on food related services in mid 2026 will provide welcome cost relief, it is likely to support operator margins rather than translate into lower consumer pricing.

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# Key Trends

↓ **8.5%**
Drinking Places

↑ **4.1%**
Accommodation

↓ **3.7%**
Airlines

↑ **5.7%**
Travel agents & tour operators

↑ **7.4%**
Dining venues

# Accommodation

Accommodation spend by Irish consumers remained robust in 2025, across both domestic and overseas stays. Total spend rose 4.1%. This was supported by steady increases in both transaction volumes and average spend per stay. Hotels delivered solid growth, while Other Accommodation such as campsites and holiday parks outperformed, highlighting growing interest in value-led, experience-focused travel options.

## Accommodation 4.1%

| Category | Overall spend | No. of transactions | Avg. transaction size |
|---|---|---|---|
| **Hotels** | 4.1% | 1.2% | 2.8% |
| **Other Accommodation** | 5.9% | 5.1% | 0.9% |

# Dining & Drinking

Spending across Drinking and Dining venues increased overall in 2025, but a clear divergence emerged between categories. Dining continued to strengthen as consumers prioritised social experiences, driving solid growth in both Restaurants and Fast Food outlets. In contrast, Pubs and Bars experienced a sharp decline, with fewer visits pointing to a shift away from alcohol-led socialising.

## Dining Venues 7.4%

| Category | Overall spend | No. of transactions | Avg. transaction size |
|---|---|---|---|
| Restaurants | 7.2% | 5.1% | 2.0% |
| Fast Food Restaurants | 7.8% | 7.4% | 0.4% |

## Drinking Places -8.5%

| Category | Overall spend | No. of transactions | Avg. transaction size |
|---|---|---|---|
| Pubs & Bars | -8.5% | -10.1% | 1.7% |

# Travel & Tourism

Irish consumers maintained a strong appetite for outbound travel in 2025, though performance varied significantly across categories. Travel Agents and Tour Operators saw solid growth, reflecting a preference for packaged or supported booking options.

Airlines, however, experienced fewer direct bookings, resulting in lower overall spend. Car Rental recorded strong volume-driven growth while Tourist Attractions saw modest gains.

| Category | Overall spend | No. of transactions | Avg. transaction size |
|---|---|---|---|
| **Airlines** | -3.7% | -2.9% | -0.8% |
| **Car Rental** | 5.0% | 11.9% | -5.8% |
| **Tourist Attractions** | 1.5% | -0.2% | 1.7% |
| **Travel Agents & Tour Operators** | 5.7% | 6.4% | -0.7% |

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