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Hospitality & Tourism Spend Report

H1 2025

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

Hospitality & Tourism spend increases in H1 2025

AIB customer card data for H1 2025 shows hospitality spending holds strong, but pub trade lags behind

Following insights from the 2024 Hospitality & Tourism Spend Report, we now examine card spending patterns for the first half of 2025, against the same period in 2024.

Domestic card spend in hospitality showed resilience across most categories in the first half of 2025, reflecting continued consumer demand and confidence in the sector. Accommodation, restaurants and travel-related services all recorded year-on-year growth compared with the same period in 2024. The main exceptions were airlines and the pub trade, which saw spending decline compared to last year. Accommodation spend rose by 5.7%, while dining was the standout performer with growth of 7.3%. Travel agents and tour operators saw a 6.9% increase, reflecting steady demand for holiday bookings and packaged breaks. Airlines, however, saw a modest 2.1% decline, suggesting that consumers are changing their travel patterns, or booking through other platforms. The largest decrease was observed in the on-trade drinking segment, where spending declined by 8.7% compared to 2024 levels.

While domestic card spend points to resilience among Irish consumers, Central Statistics Office figures, which include overseas tourist activity as well as domestic demand, suggest broadly flat or weaker hospitality sales volumes. Managing operating costs remains a significant challenge for the sector. A further increase to the minimum wage, combined with food inflation outpacing general inflation, continues to put pressure on profitability. Looking ahead to the remainder of 2025, the signals are broadly positive. Summer trade appears to be robust, while general wage-growth and moderating inflation should underpin domestic spending. Despite an uptick in unemployment numbers, employment levels remain strong. The broader hospitality market will monitor international visitor trends closely. While domestic spend is robust, softer inbound tourism could limit overall sector growth. Despite pressures on sales volumes and changing consumer habits, the first half of 2025 shows Irish consumers willingness for leisure spending.

Jonathan Clarke
Head of Hospitality & Tourism Sector AIB Business Banking

Key Trends

↓ **8.7%**
Drinking Places

↑ **5.7%**
Accommodation

↓ **2.1%**
Airlines

↑ **6.9%**
Travel agents & tour operators

↑ **7.3%**
Dining venues

Accommodation

Accommodation +5.7%

There was strong demand from the domestic market in H1 2025 with a 5.7% overall increase in spend compared to 2024.

Hotels: Spending rose by 5.7%, driven by a 4.5% increase in average transaction size, with transaction numbers increasing by 0.7%.

Other accommodation (campsites, holiday parks etc): Spending grew by 5.0%, with transaction numbers up 4.3% as average transaction size increased marginally by 0.4%.

Category	Overall spend	No. of transactions	Avg. transaction size
Hotels	5.7%	0.7%	4.5%
Other accommodation	5.0%	4.3%	0.4%

Dining & Drinking

Spending across dining and drinking venues grew by 2.4% overall in H1 2025, however performance varied significantly, with drinking venues down sharply and dining places recording strong growth.

Dining places +7.3%

Restaurants: Spending rose by 6.1%, supported by a 3.9% increase in transaction numbers and a 2.2% increase in average transaction size.

Fast-food restaurants: Experienced a very strong 9.0% increase in spending, driven by an 8.6% increase in transaction numbers. Average transaction size was up marginally at 0.4%.

Drinking places -8.7%

Pubs & bars: After strong growth in 2024, spending fell 8.7% due to a 10.7% drop in transaction numbers, though average transaction size rose 2.2%.

Category	Overall spend	No. Of transactions	Avg. Transaction size
Restaurants	6.1%	3.9%	2.2%
Fast-food restaurants	9.0%	8.6%	0.4%

Category	Overall spend	No. Of transactions	Avg. Transaction size
Pubs & bars	-8.7%	-10.7%	2.2%

Travel & Tourism

Travel & tourism spending patterns in H1 2025 indicate demand for foreign travel still remains but less than in previous years. Below is a selection of some of the sub-sectors that make up the travel & tourism sector.

Airlines: Spending declined by 2.1%, driven by a 3.7% decrease in transaction numbers. Average transaction size increased by 1.7%.

Car rental: Spending rose by 4.8%, with transaction numbers up 13.9%, though average transaction size declined by 7.0%.

Tourist attractions: Spending increased by 1.8%, driven by a 1.2% rise in transaction numbers and a 0.6% increase in average transaction size.

Travel agent & tour operators: Spending rose by 6.9%, with transaction numbers up 5.3% and average transaction size increasing by 1.6%.

Category	Overall spend	No. Of transactions	Avg. Transaction size
Airlines	-2.1%	-3.7%	1.7%
Car rental	4.8%	13.9%	-7.0%
Tourist attractions	1.8%	1.2%	0.6%
Travel agents & tour operators	6.9%	5.3%	1.6%

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