

INSTITUTE OF HOSPITALITY

WHITE PAPER

THRIVING INDUSTRY, STRUGGLING WORKERS:
CAN HOSPITALITY IN NORTHERN IRELAND
AFFORD TO GROW?

November 2025 | Ulster Bank Head Office, Belfast



by Katherine Price MIH



“

Customer expectation has gone through the roof. They travel more; they travel away in Northern Ireland and Ireland more. They see what they perceive as luxury in different countries... the majority of the venues just haven't been able to make that step up to meet the expectation.

Michael Stewart, Belfast night czar

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The background

Hospitality is worth £2bn annually to the Northern Ireland economy, accounts for 72,000 jobs, and is the fourth largest private sector employer [1]. The hotel sector alone has invested more than £1b over the last 20 years [2], meanwhile the number of overseas visitors has more than doubled, and scheduled air routes to the region have more than tripled [3].

But with tourism still only 5.2% of GDP, there is the potential and opportunity to double that figure to over 10% [4], according to BDO Northern Ireland. And Northern Ireland's economy minister plans to almost double the size of the tourism industry over the next decade [5] – but can hospitality in Northern Ireland afford to grow?

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The cost of everything and the VAT, sometimes it's prohibitive for things that you want to do.

Fiona Waikato, head of retail and hospitality, Titanic Belfast

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The challenge

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The only thing that is certain is uncertainty.

Janice Gault, chief executive, Northern Ireland Hotels Federation

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The hospitality sector in Northern Ireland continues to be impacted by Brexit, periods without a functioning Executive and the Covid-19 pandemic, exacerbating existing staffing and skills shortages in the sector and historic underinvestment in infrastructure, leaving businesses ill-prepared for rising costs and weakening consumer spend.

Cost increases have forced 87% of hospitality businesses in Northern Ireland to operate below 90% of required capacity [6], with 55% operating below 80% capacity. And over a quarter of businesses are now operating at a loss [7]. 43% of businesses have reduced staff numbers and 70% have cut hours since April 2025 tax increases [8] .

Northern Ireland also suffers from sharing a land border with an EU member state, where the difference in VAT has a direct impact on local businesses, particularly in border counties where competition with the Republic is strongest. With the Republic of Ireland announcing a reduction in food VAT from 13.5% to 9%, compared to 20% in Northern Ireland, businesses are expected to be placed at an even greater disadvantage when competing for visitors, events, and investment [9].

Meanwhile, small and medium-sized businesses are struggling to source financing to scale up, potentially threatening regional tourism, and the UK Home Office announced major changes to the skilled worker visa route, effectively ending this route for most hospitality roles [10]. The Good Jobs Bill is also set to impact employment conditions, particularly restricting zero-hour contracts [11].

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Immigration laws have changed. You're not able to sponsor people.

Ria Mehta, culture and talent officer, Andras Hotels

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Thriving Industry, Struggling Workers: Can Hospitality in Northern Ireland Afford to Grow?

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One of the things that we've noticed in the last couple of years is more investment in the sector, especially the larger scale things, whether that be new hotels being built, new bars being refurbished or created, the consolidation of existing hoteliers creating more economy of scale, in terms of adding to their existing group... [from] a banking perspective, it's not all negative. There are very strongly performing groups out there.

Richard Lusty, corporate banking relationship director, Ulster Bank

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Several operators have indicated their confidence in the market's ability to grow. Belfast is set to welcome a new modern hostel concept [12] as well as Hilton's first Tempo hotel outside of the US [13]. However, others have warned of a skills gap that needs to be bridged to deliver standards that guests expect, particularly in luxury hospitality [14].

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Michael Stewart, Belfast night czar

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There are reasons for optimism: the number of students graduating from the Northern Ireland Hospitality School has doubled from 36 in 2024 to 71 in 2025 [15]. The government is also set to scrap co-investment payments that small and medium-sized employers pay for apprentices under 25 [16].

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[Retention] is certainly better than what it was post-Covid. Over the last three years, it's got better.

Eóin McGrath FIH, group sales & revenue director, Hastings Hotels

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Best Practice

The development and collaboration of Manchester's hospitality sector is potentially a blueprint for other cities such as Belfast. Greater Manchester's economy is growing faster than anywhere else in the UK, including London. Over the past decade, it has become the fastest-growing part of the UK economy, with annual growth more than double the rate of the country as a whole [17], and a thriving hotel sector despite growing supply [18]. This has in part been credited to the expansion of Manchester's night bus service [19].

Consumer surveys have identified a lack of late-night transport as the number one barrier to participation in Belfast's night-time economy, with a 12-month late-night weekend service to be piloted during 2026 [20].

Solutions

Reframe the narrative

Businesses are encouraged to share positive stories about working in the industry and the opportunities it offers, including development, creative potential and the range of opportunities on offer that potential employees may be less aware of. This will help position the sector as an attractive industry to work. Emphasise the industry's contribution to culture, society and economy so governments take it seriously.



There's a lot more to the industry than serving food and beverage.

Jonathan Mallon FIH, chief operating officer, Mount Charles



Focus on Northern Ireland's USPs



One of the things is to keep our value and not become a watered-down destination, not to become cheap... We just need to change the perceptions of our industry, which is very, very difficult.

Carolyn Boyd, industry development manager, Tourism Northern Ireland



Northern Ireland hospitality has so much that makes it special, from its landscapes and history to its culture and warmth. Businesses need to find a balance when it comes to meeting guest expectations but not underselling, meanwhile emphasising what differentiates Northern Ireland as a destination.



What we can do is look at how we can raise the profile of the fantastic work, hospitality and culture of Northern Ireland and bring more people here.

Robert Richardson FIH MI, CEO, Institute of Hospitality



Adapt to the changing environment



You want to project an image of a company that the younger generation wants to work for and then have a different approach to the older generation. You can't manage everybody in the same way anymore and expect the same outcome.

Colin Neill, CEO, Hospitality Ulster



Whether to meet changing expectations among the next generation of hospitality workers or recognising the ageing population and decreasing birth rates, businesses are having to change the way they operate. That can be through streamlining roles, making more use of quality pre-prepared products in the kitchen, as well as changing approaches to recruitment and retention to appeal to different generations.



What I'd like to see change is young people having an enthusiasm for a career and not just a pay packet.

Heather Wilson, general manager, Aspire Lounge Belfast City Airport



Consider what benefits could be offered, such as four-day weeks or different shift patterns, as a way to be more attractive to workers, and not forgetting that staff don't want to just be well-paid, they also want to feel appreciated and recognised for their input in the workplace.



There needs to be a lot of work around providing better benefits, not just looking at salary but those extra bits.

Danielle McGinley, director of sales & marketing, Voco Belfast



Don't forget older workers

While it's important to ensure a pipeline of future young talent, it can be easy to forget that hospitality as a sector also has a lot of opportunities to offer older workers who may be looking for a career change. What these workers are looking for in an employer may be quite different to the younger generation, but a multi-generational workforce is key to ensuring venues are well-staffed and delivering a great service to all customers.

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It's working with the education sector to encourage not just young people, but older people, about our industry, and that you can come back into it at a later date and you can have a career.

Nicola Looby, operations director, Mount Charles

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Next steps

- 1) Be more vocal about the positives of working in hospitality. Businesses can be great ambassadors for the sector by sharing good news stories – and emphasising to the government the contribution it makes.
- 2) Think differently about recruitment and retention, and how to appeal to talent in a multi-generational way. Benefits don't have to always be pay-related.
- 3) Focus on what makes Northern Ireland a special destination for guests and what differentiates its hospitality.
- 4) Look into what further support Northern Ireland's night-time economy may need to thrive and flourish.
- 5) Consider changing guest expectations and how the hospitality sector can continue to be competitive and meet those expectations, particularly in the luxury segment.
- 6) Have an eye on opportunities to streamline operations, for example through technology or quality pre-prepared food products.
- 7) Explore the opportunities posed by the removal of co-investment payments that small and medium-sized employers pay for apprentices under 25.

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We are an industry of people. While there's lots of pressures out there, the costs and everything else, we really need to focus on that... Keeping People Interested, that should be the new KPI.

Aaron Logan FIH IS, director of operations, Mount Juliet Estate, County Kilkenny

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Methodology

This white paper has been produced following a round table discussion at Ulster Bank Head Office in Belfast on 20 November 2025.

Panel



Chaired by

Aymen Fetouak MIH
head of professional development,
Institute of Hospitality



Carolyn Boyd
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Janice Gault
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Aaron Logan FIH IS
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Jonathan Mallon FIH
chief operating officer, Mount
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Heather Wilson
general manager, Aspire Lounge
Belfast City Airport



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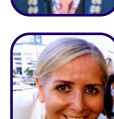
Colin Neill
CEO, Hospitality Ulster



Robert Richardson FIH MI
CEO, Institute of Hospitality



Michael Stewart
Belfast night czar



Fiona Waikato
head of retail and hospitality, Titanic
Belfast

Resources

Hospitality Ulster

Institute of Hospitality Northern Ireland

Northern Ireland Hotels Federation

References

- (1)** Hospitality Ulster: Over a quarter of NI hospitality businesses now operating at a loss (10 June 2025)
- (2)** Northern Ireland Hotels Federation: £1bn Hotel Investment (24 March 2023)
- (3)** RTÉ: NI economy 'transformed' since Good Friday Agreement – analysis (13 March 2023)
- (4)** BDO Northern Ireland: Hospitality & Tourism (accessed 3 December 2025)
- (5)** BBC: 'Ambitious' plan to double NI's tourism industry by 2035 (15 January 2025)
- (6)** Hospitality Ulster: Half of hospitality firms trim staff as crucifying hike in costs bites hard (20 August 2025)
- (7)** Hospitality Ulster: Over a quarter of NI hospitality businesses now operating at a loss (10 June 2025)
- (8)** Hospitality Ulster: Reactive statement from HU on UK Budget 2025 (26 November 2025)
- (9)** Hospitality Ulster: Hospitality Ulster responds to Irish budget VAT cut (8 October 2025)
- (10)** Northern Ireland Hotels Federation: UK Skilled Worker Visa Changes (28 July 2025)
- (11)** BBC: Zero-hours contracts to be restricted under new plans (28 April 2025)
- (12)** Belfast Telegraph: Modern hostel concept aiming to 'redefine city hospitality' coming to Northern Ireland (28 November 2025)
- (13)** The Caterer: First Tempo by Hilton hotel outside of the US to open in Belfast (27 March 2025)
- (14)** The Irish News: Northern Ireland hospitality: Luxury is on the rise, but skills remain the key (22 September 2025)
- (15)** Insider Media: Number of graduates from the Northern Ireland Hospitality School doubles (25 November 2025)
- (16)** FE Week: Budget 2025: Free training extended to under 25 apprentices in SMEs (26 November 2025)
- (17)** Manchester Evening News: Why Greater Manchester is growing faster than anywhere else (19 November 2025)
- (18)** CoStar: Manchester city centre hotel market continues to thrive despite growing supply (25 June 2025)
- (19)** Greater Manchester Business Board: Mayor unveils latest Bee Network improvements as passenger numbers continue to rise (2 September 2025)
- (20)** Belfast Night Czar: Extend Belfast nights out with Translink's new year-round late-night transport pilot (24 November 2025)