



Dermot Crowley, chief executive of Dalata Hotel Group

Forrest Phillips

Dalata boss warns infrastructure failings pose threat to economy

BLAIR DONNELLY

Dermot Crowley, chief executive of Dalata Hotel Group, has delivered a stark warning about Ireland's infrastructure shortcomings, describing them as a growing threat to the country's economic future.

As Dalata, Ireland's largest hotel chain, posts record profits and expands aggressively into Britain and Europe, Crowley urged immediate investment in housing and utilities to prevent the nation's growth momentum from stalling.

"When I look at increases in our pay rates, it's primarily down to the fact that people need to get paid more because costs are too high, and that's because there's not enough housing, and sometimes the housing is restricted by the supply of water, supply of electricity," he told the *Business Post*.

"Infrastructure is really important, and we really do need to get moving on it. Neither is something we can count on as a country and an economy."

Dalata last week said it expected to deliver a profit of more than €212 million this year as it continues to expand its presence across Britain and Europe. The latest adjusted earnings before deductions of €212 million

represents growth of 4 per cent year-on-year.

Ireland's appeal to US multinationals, bolstered by political stability, EU membership and skilled workforce, remains a significant economic driver. However, Crowley suggested that these advantages could be eroded if the government fails to address infrastructure issues that were pushing up costs for businesses and workers alike.

"What happens in the US political environment, we can't control," Crowley said, rebuking concerns about potential tariffs under a Trump presidency.

"What we can control is making Ireland thrive through our infrastructure needs to catch up."

"When I talk to someone who is in the area of infrastructure, [investment] absolutely needs to happen, because just doing it will not meet our growth," he said.

Dalata is bracing ahead with real estate plans, focusing on major English cities such as London, Manchester and Birmingham, despite the British economy's stagnation. In November the Bank of England forecast growth of 0.3 per cent in the final three months of this year.

"The UK is our major country of

growth, we're looking at Europe as well, but the UK will be our main focus."

The company aims to add 5,000 rooms in Britain, where Crowley sees structural advantages over smaller competitors opening older properties.

"The UK economy is interesting because... sometimes we talk about a national economy, [but] it varies from location to location."

"The big cities in the UK are doing reasonably okay. I think it's the smaller cities, or those cities that are maybe more traditional manufacturing cities, that have struggled," Crowley said.

"Because we're focused on places like Edinburgh, Glasgow, Manchester, Birmingham—they're all big cities with a lot of tourist demand and a lot of corporate demand. We obviously keep a close eye on the outlook for the UK economy, but generally speaking, isn't something that's overly concerned about? No."

"I think, structurally, in the UK, a lot of our competitors are smaller, they've got very old hotels, so we've got a lot of structural advantages versus our competitors in the UK."

The company could add "another 5,000 rooms or so over time" in the

UK, Crowley said, focusing on cities such as London, where the company announced a sixth hotel a few weeks ago.

Despite its international offices, Dalata remains a key player in the Irish economy. Crowley called for greater recognition of the hospitality sector's contribution, noting its role as a major regional employer.

"We should appreciate the contribution hospitality makes to the overall economy and just how important it is to protect it and nurture it. If we could have a dollar-and-a-half cent wage for the industry, I'd be all in favour of that. But it would be wrong for me to say I don't appreciate the challenges when you are running a government."

The broader Irish hospitality industry faces increasing challenges. Rising wages, energy costs and food prices have driven many operators to the brink, with nearly 700 cafes and restaurants closing this year alone. Crowley warned that without targeted government support, closures will continue into 2022.

"In hotels, you have more money from events, our food and beverage businesses are more challenged than the rooms business. If you're running a restaurant, it is really difficult in Ireland," he said.