



CARIBBEAN TOURISM ORGANIZATION

Caribbean Tourism - State of the Industry (Feb. 2011)

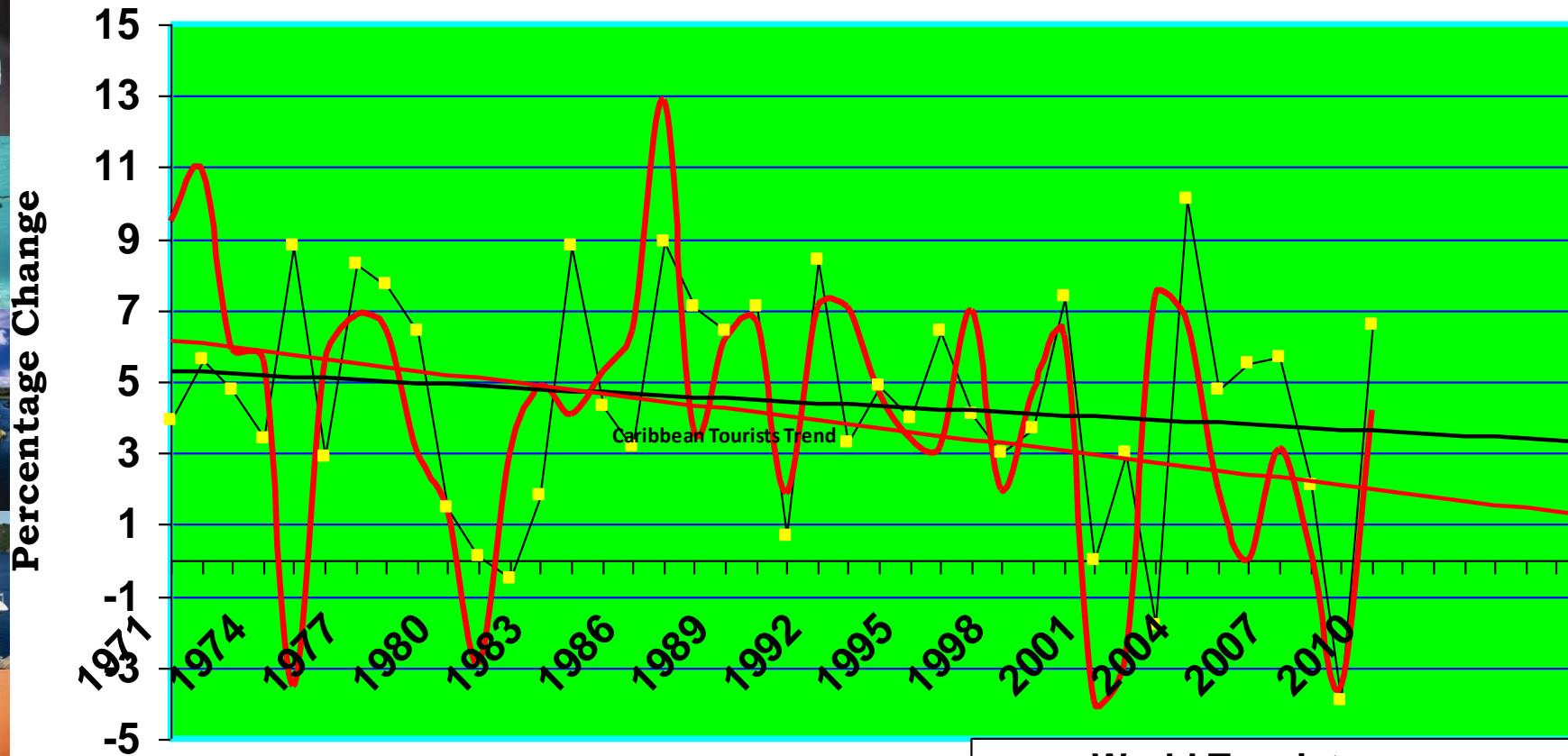


Overview

- Stay-over arrivals globally have increased five fold, moving from 166 million in 1970 to 935 million in 2010.
- Caribbean traffic for the period went from 4 million to 23 million, almost six fold.
- Cruise arrivals grew more rapidly over the time 1.3mil – 1970 and 20 mil - 2010



Global & Caribbean Visitor Arrival Trends 1970 – 2010



Y E A R

- World Tourists
- C'bean Tourists
- Linear (World Tourists)
- Linear (C'bean Tourists)



Tourism Trends

- Total stay-over visitor arrivals worldwide have shown a steady downward trend over the past four decades
- Caribbean arrivals showed an even more exaggerated downward trend than the global
- Growth in the Caribbean has taken place with spurts and fits over the



Overall Spending Up

- Total visitor spending went up due to climbing arrivals but average spend per trip fell back recently (permanent or temporary?)
- Over past decade hotel stats were consistently positive until 2008 and 2009 when all key indicators were negative
- Recovery started last year



Tourist Arrivals to the Caribbean ('000)

MARKETS	2007	2008	2009	2010	%ch 10/09
Total Arrivals	22,889.8	22,941.7	22,126.9	23,067.1	4.2
United States	11,790.9	11,531.6	11,088.9	11,716.3	5.7
Canada	2,084.7	2,398.5	2,544.7	2,617.7	4.0
Europe	5,549.5	5,434.3	4,988.8	4,913.1	-1.5
Other	3,464.7	3,576.8	3,540.5	3,790.0	8.1
Stayover Expenditure	27.0	25.0	21.4	22.3	4.2
Cruise Passengers	19,36 3.1	18,88 1.1	19,015.7	20,156.6	6.0

Source: CTO Member Countries and CTO estimates



Sub-Regional Performance

Spanish speaking Caribbean led the numbers improving 5.1% in 2010.

All other sub-groupings (French, OECS, Other CARICOM and Other Commonwealth) showed positive but modest growth over the year

Only the Dutch sub-group did not grow influenced mainly by negative growth in Curacao



Performance by Sub-regional Groupings



ARRIVALS TO THE CARIBBEAN (000s)

SUB-REGION	2010	2009	% CH
OECS COUNTRIES (ANGUILLA, ANTIGUA & BARBUDA, DOMINICA, GRENADA, MONTSERRAT, SAINT LUCIA, ST KITTS & NEVIS, ST VINCENT & G'DINES)	990.0	961.9	2.9
OTHER CARICOM (BAHAMAS, BARBADOS, BELIZE, GUYANA, HAITI, JAMAICA, SURINAME, TRINIDAD & TOBAGO)	4,857.7	4,681.6	3.8
OTHER COMMONWEALTH COUNTRIES (BERMUDA, BRITISH VIRGIN IS., CAYMAN ISLANDS, TURKS & CAICOS ISLANDS)	1,026.6	984.6	4.3
DUTCH CARIBBEAN (ARUBA, BONAIRE, CURACAO, SABA, ST EUSTATIUS, ST MAARTEN)	1,708.5	1,710.5	-0.1
FRENCH CARIBBEAN (GUADELOUPE, MARTINIQUE)	1,233.9	1,177.1	4.8
OTHER CARIBBEAN (CANCUN, COZUMEL, CUBA, DOM REPUBLIC, PUERTO RICO, US VIRGIN ISLANDS)	13,250.4	12,611.3	5.1
TOTAL CARIBBEAN	23,067.1	22,126.9	4.2



US market

- US arrivals drove growth in C'bean tourism
- Went up 5.7 % in 2010, surpassing the 2008 level of 11.5 million
- Still very encouraging as US has held over 50% of share of total arrivals over the years
- Most (21 out of 26) of the reporting countries recorded increases in US arrivals
- Curacao & St. Lucia welcomed over 30% more US residents than in the previous year.



Canadian market

- Canadian market grew by 5.1 % while maintaining its market share of 11.4 percent.
- The growth in 2010 was lower than in the previous three years
- Cancun recorded a 3.8 percent decrease in arrivals from this market thru to July.
- Most destinations welcomed more Canadians to their shores.



European Performance

- European markets continued to perform weakly as economies struggle
 - Still relatively high unemployment
 - Low consumer demand
- European arrivals to the C'bean declined by 1.5 % in 2010
 - Higher airfares
 - Higher Travel taxes



UK Visitors

1.1 million visitors from the UK last year, representing 23 percent of all European arrivals to the region or 5 percent of total arrivals.

• Many CTO member-countries, especially the Eastern C'bean, are highly dependent on the UK market.



% UK Contribution

- In Barbados, 34 percent of tourist arrivals are from the UK.
- Antigua 29%; Montserrat 28%; Grenada 24%; Saint Lucia 22%; St. Vincent & the Grenadines 17%; Jamaica 10%;
- Trinidad & Tobago 9%; Cuba 8%.



UK Arrivals to the Caribbean by Sub-Regional Grouping



UNITED KINGDOM ARRIVALS BY SUB-REGIONAL GROUPING
(‘000)

REGION	2006	2007	2008	2009	2010	% CH
OECS COUNTRIES	246.3	268.0	264.1	219.9	203.8	-7.3
OTHER COMMONWEALTH	554.8	578.8	554.0	506.3	478.5	-5.5
COMMONWEALTH COUNTRIES	801.1	846.8	818.1	726.2	682.3	-6.0
of which CARICOM	719.8	759.2	733.4	654.8	615.0	-6.1
OTHER CARIBBEAN	561.0	526.8	478.6	417.5	417.8	0.1
TOTAL CARIBBEAN	1,362.1	1,373.6	1,296.7	1,143.7	1,100.1	-3.8

Notes: estimates for missing data are included



UK Performance in Sub-region

- Overall four successive years of decline in arrivals from UK
- UK business significantly down in OECS, Other CARICOM and Other Commonwealth
- OECS hardest hit -7% in 2010 and down 22% compared with 2007 level
- UK business fell -6% in 2010 after 2009 - 11% for visitors to CARICOM .



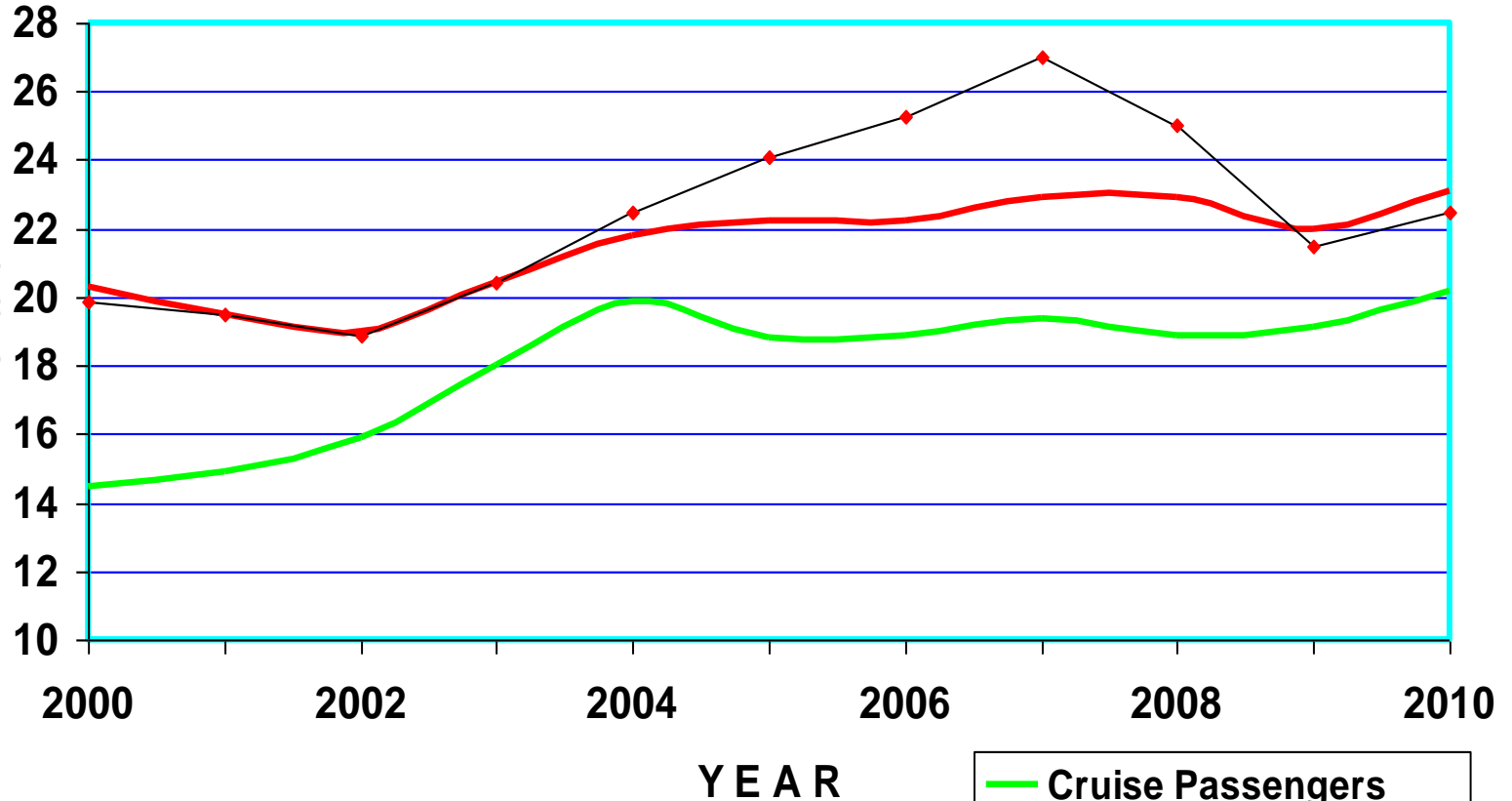
Improvement

- US arrivals showed steady improvement over the four quarters of 2010
- Cruise arrivals showed positive moderate growth over the year
- Evidence of modest improvement in total visitor spending
- Hotel metrics showed better performance



Visitor Arrivals & Expenditure 2000 – 2010

Millions of Persons/Billions of Dollars



- Cruise Passengers
- Tourists
- ♦ Tot Expenditure US\$Bil



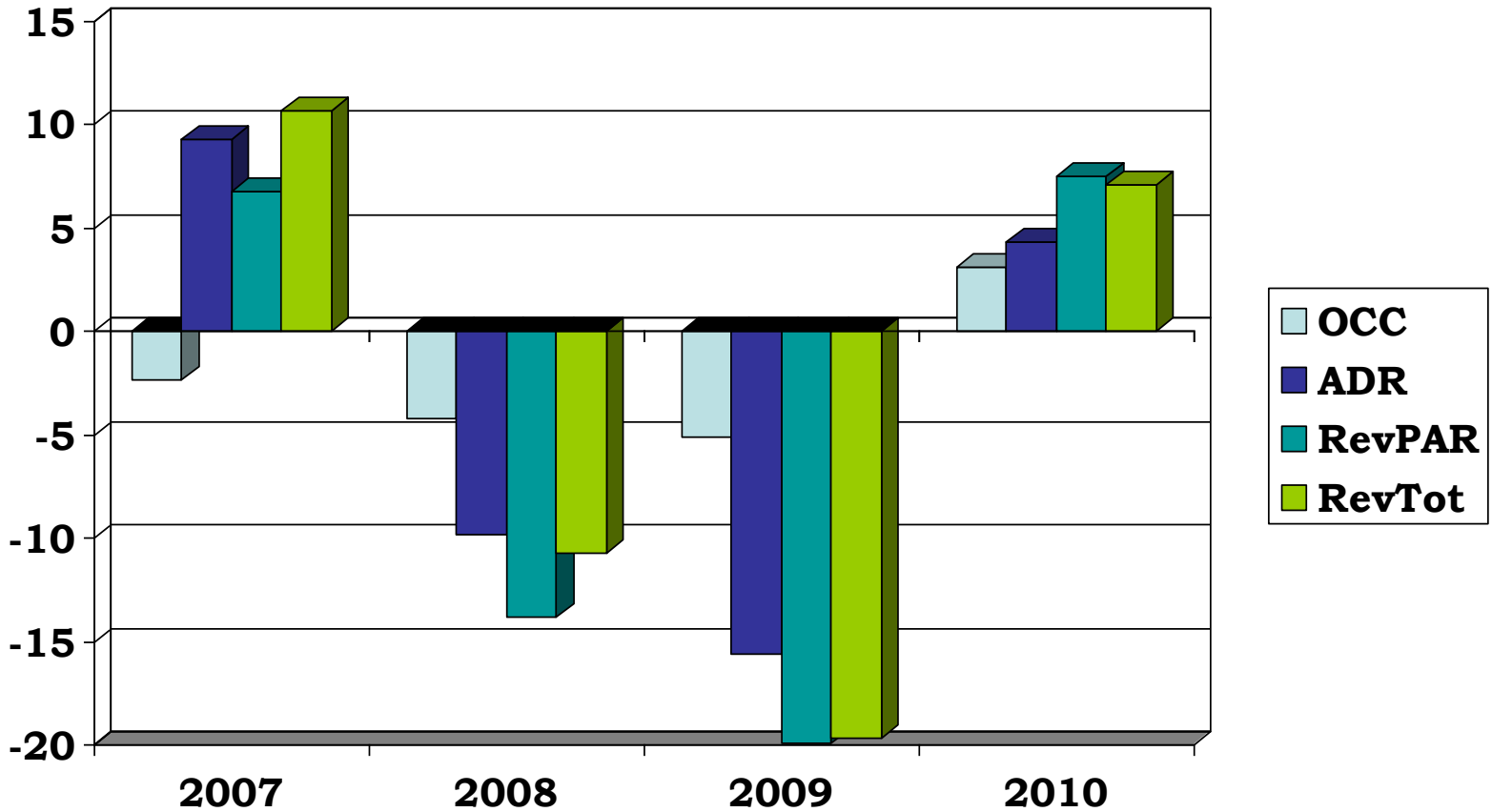


Visitor Spending and Effects

- Average visitor spending is now again moving in the same direction as arrivals albeit lagging and moving more slowly
- Hotel revenues were positive but are yet to return to pre-2008 levels
- Businesses still under considerable pressure due to relatively low revenues



CHANGE IN CARIBBEAN HOTEL OCCUPANCY AND ROOM REVENUE STATUS 2007 - 2010



* Smith Travel Research 2007-09



Conclusion

- Overall tourists arrivals to the region have increased in 2010
- Cruise arrivals grew faster than land-based
- Aggregate spending above previous years due to higher arrival numbers
- Average spending back to 2004 level
- Relatively low level of spending still exerting pressure on the region's industry and economies
- Arrivals expected to grow around 5% in 2011 and spending by no more than 3% - bargains and discounts dictating

