

CARIBBEAN TOURISM OVERVIEW

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CARIBBEAN TOURISM – 2001*

		% change 2001-2000
Tourists (<i>thousands</i>)	19,696	-3.0%
United States (<i>thousands</i>)	10,117	-0.4%
Canada (<i>thousands</i>)	1,317	6.8%
Europe (<i>thousands</i>)	4,871	-7.3%
Cruise Passengers (<i>thousands</i>)	14,518	2.4%
Visitor Spending (<i>US\$millions</i>)	19,607	-1.4%

first declines since 1981

**preliminary figures*

CARIBBEAN TOURISM – 2001 & 2002

IMPACT OF 9/11

----- 2001 -----				
	Tourists	%	Cruise	%
	<i>(millions)</i>	change	<i>(millions)</i>	change
Jan-Aug	14.7	+2.6%	10.6	+6.9%
Sep-Dec	5.0	-16.7%	4.1	-6.4%
Year	19.7	-3.0%	14.7	2.4%
----- 2002 -----				
Jan-Jun*	10.4	-8.2%	8.9	0.8%

* *estimates*

❖ *very preliminary results point to some improvement (smaller declines) in July & August, 2002*

IMPACT OF 9/11

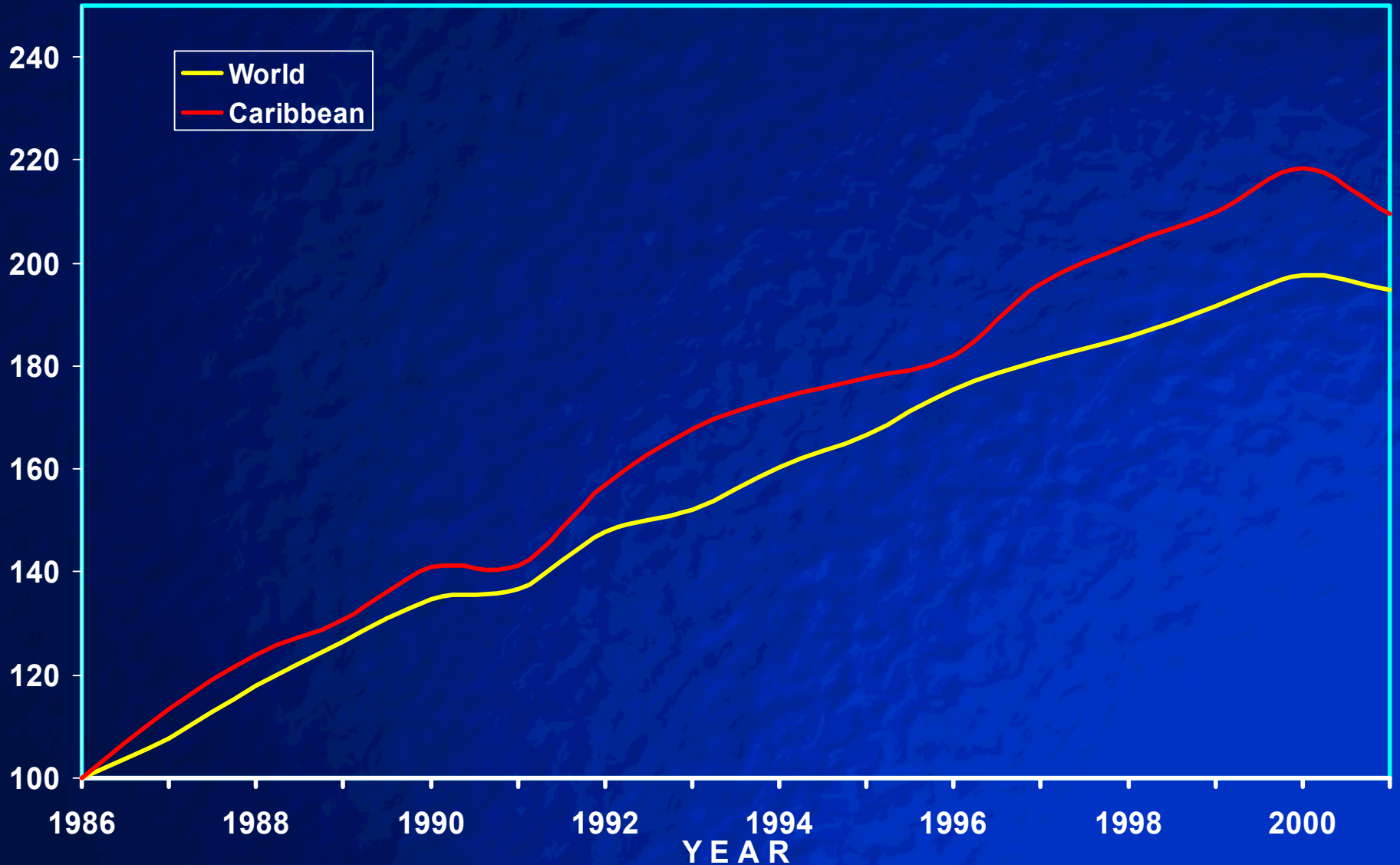
World & Caribbean Performance

	Caribbean	World
Jan-Aug	2.6%	3.0%
Sep-Dec	-16.7%	-11.0%
2001: Tourists	19.7 million*	689 million
% change	-3.0%	-0.6%

* *excluding cruise passengers*

WORLD & CARIBBEAN TOURISM

Relative Performance 1986 - 2001 (1986=100)



9/11 Fall-out

- ❖ **Safety & security, both on route to and at the destination, have become even an more pressing concern among consumers**
- ❖ **9/11 crisis has had a severe impact on the airline industry (which was ailing before)**
- ❖ **Much shorter booking window**
- ❖ **Long haul travel was harder hit, and will recover more slowly**
- ❖ **Weak performances out of Europe in 2002**

9/11 Fall-out

- ❖ **Greater recognition by Caribbean Governments of tourism's importance to their national economies; has speeded up improvements in:**
 - **Product enhancement**
 - **Safety & Security**
 - **Marketing & Promotion, and;**
 - **Created the basis for greater public-private sector cooperation**

Recovery on the Horizon?

- ❖ Past experience: industry has proven to be very resilient; tendency to postpone rather than cancel
- ❖ General consensus among analysts that tourism has passed the low point of the down-swing
- ❖ Gradual return of consumer confidence in major markets as recession recedes
- ❖ WTO: “tourism will pick up its habitual rhythm of growth by the second half of 2002, as business travel resumes and consumer confidence returns”

Caribbean tourism: Recovery on the Horizon?

- ❖ **Recovery will be very slow**
- ❖ **Hotel sector will feel the effects of difficult Winter 2001/2002 and Summer 2002**
- ❖ **Growth expected to resume in later months (flatter to deceive!!), with real growth possible by Winter 2002/2003. Much will hinge on the international political environment.**
- ❖ **Expected growth in cruise tourism, although skewed towards the Western Caribbean**



MAJOR MARKETS - 2000

	Tourists <i>(thousands)</i>	2000 percent share	% change 2000/1996 <i>(annual average)</i>
United States	9,471	46%	2.6%
Canada	1,097	5%	4.1%
Europe	5,172	26%	8.1%
Caribbean	1,427	7%	4.7%
Latin America	730	4%	-0.8%
Other	2,273	11%	8.8%
Total	20,320	100.0%	4.6%

CARIBBEAN TOURISM – 2001

IMPACT OF 9/11

- ❖ Modest performance prior to September 11th
- ❖ Improved performance out of US market
- ❖ Slower growth out of Europe
- ❖ Sharp declines following 9/11 (-19% in Sep, Oct, Nov; -13% in December)
- ❖ **Initially** sharpest out of US market; slower out of Europe due mainly to re-directed traffic
- ❖ Heavy discounting by hotel sector
- ❖ Cruise visitation also affected, despite significant levels of discounting