

CARIBBEAN TOURISM

Performance & Prospects

CARIBBEAN TOURISM – 2003*

... getting back to “normal”

	Arrivals <i>(thousands)</i>	% change 2003-2002
Tourists	20,526	7.8%
Cruise Passenger Visits	18,112	11.9%
Visitor Expenditure	US\$20.8 billion	

**latest estimates*

- *2003 was the first full year of growth since 9/11;*
 - *tourist arrivals declined in both 2001 (-1.7%) and 2002 (-3.2%)*
 - *cruise passenger visits grew relatively slowly in 2001 (+2.4%), but regained momentum in 2002 (+8.7%)*

MAIN MARKETS - 2003*

... getting back to “normal”

	Arrivals (<i>thousands</i>)	% change 2003-2002	% share
United States	10,740	6.3%	52.3
Canada	1,535	20.7%	7.5
Europe	5,046	11.8%	24.6

** latest estimates*

- *Good performance from all major markets*
 - *Strong re-bound from the United States and Europe which both declined in 2002 (-1.4% and -7.4% respectively in 2002)*
 - *Best ever performance from Canada but skewed towards a few major destinations*

PERFORMANCE in 2004

January – March*

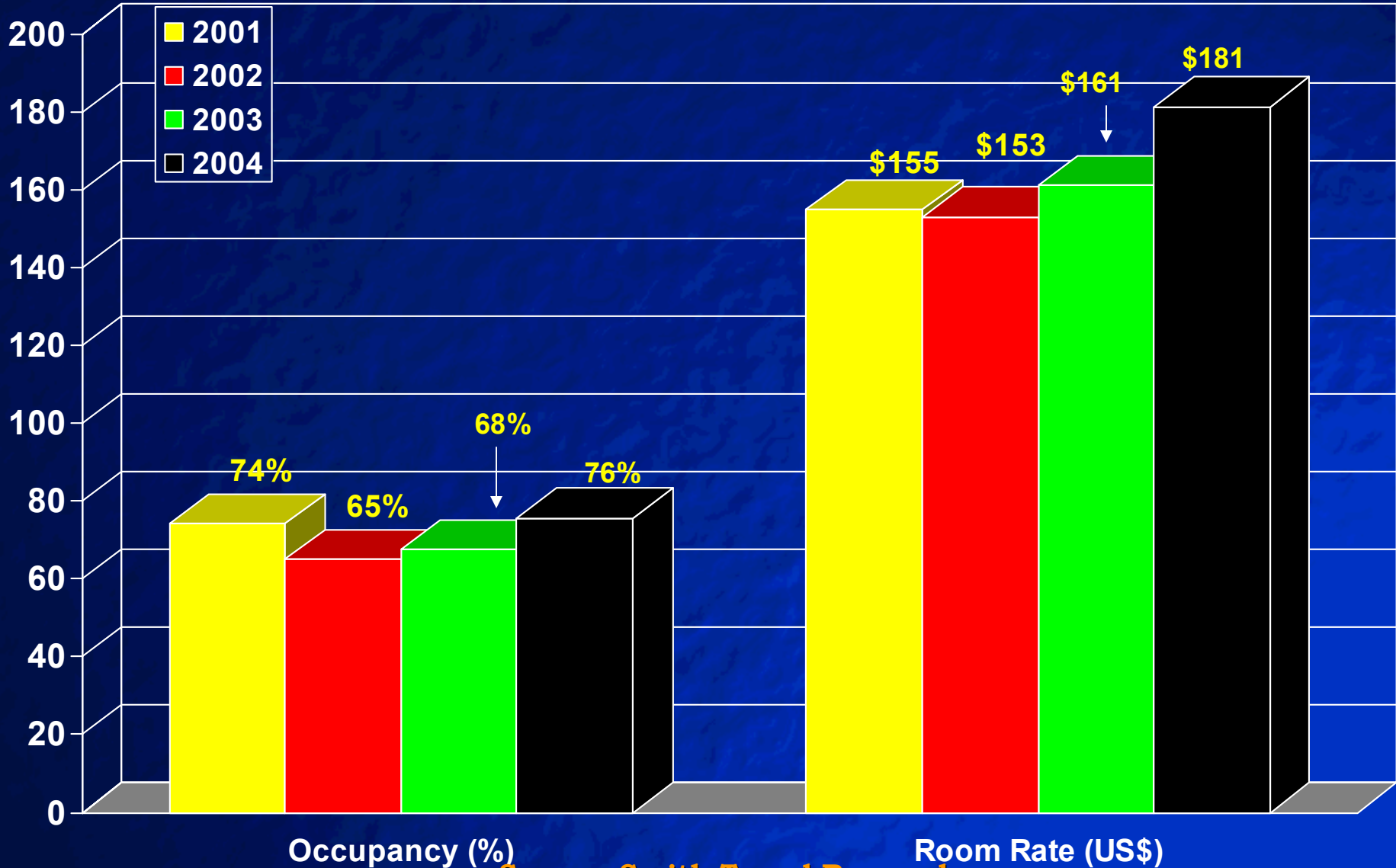
	Arrivals (<i>thousands</i>)	% change 2004-2003
Tourists	5,957	+8.0%
Cruise Passengers	6,186	+15.0%
United States		up 7.0%
Canada		up 15.0%
Europe		up 8.0%

**latest estimates*

- *robust growth in first quarter 2004;*
- *the available data suggests similar growth levels in April*

HOTEL PERFORMANCE

1st Quarter 2001-2004



Source: Smith Travel Research

Short Term Prospects

- ❖ Major factors influencing recent performance include:
 - perception of the Caribbean as a relatively safe and stable region
 - relatively weak US dollar versus the Euro, Canadian dollar & Pound
 - improved economic conditions in major markets, especially the US
 - various post-9/11 marketing and developmental initiatives by individual member countries
 - negative impacts on competing destinations have hampered growth
 - cruise capacity has grown steadily and is expected to grow by about 8 percent in 2004

These conditions will, in the main, likely continue to hold into the short term.

Short Term Prospects

❖ However:

- there is evidence of some resurgence among competing destinations
- the US dollar may well strengthen later in the year
- high fuel prices already impacting on airline prices
- growth in cruise capacity will slow after 2004
- based on past experience: US elections will dampen US outbound travel volumes; Summer Olympics will also impact on travel to the region especially from Europe

OUTLOOK

Land-based Tourism

- ❖ *Based on the foregoing, as well as on feedback from the marketplace, we expect continued robust growth through the first half of 2004, with smaller increases recorded in the latter half of the year.*

Projected growth for 2004 in the 4%-5% range

Cruise Tourism

- ❖ *Cruise visitation to the Caribbean is expected to grow significantly in 2004, with the more northerly destinations again benefiting most. Growth rates likely to slow in 2005*

RELATED ISSUES

- ❖ *The weakness of some statistics (employment, contribution to GDP, etc) emphasizes the need to improve upon our ability to accurately and regularly measure the economic side of tourism. While there is now an internationally approved system (TSA), this needs to be customized and applied in our countries working in concert with our own National Statistical offices, Central Banks, etc;*
- ❖ *Although there is clear evidence of increased and improved use of Information Technology techniques in the day-to-day management and marketing of the industry, this process needs to be accelerated as we strive to match those of our competitors and, most importantly, capitalize upon the opportunities and cost-effectiveness that these systems offer.*