

**CARIBBEAN TOURISM PERFORMANCE IN 2004**  
**STATEMENT BY DIRECTOR OF INFORMATION MANAGEMENT AND**  
**RESEARCH AT CTO NEWS CONFERENCE HELD AT CTO**  
**HEADQUARTERS ON FRIDAY, JANUARY 28, 2005**

We can perhaps describe the Caribbean tourism sector as “robustly holding its own” in 2004.

Based upon the available returns from its member countries, which encompass the English, French, Dutch, Spanish-speaking Caribbean as well as the US Virgin Islands and Puerto Rico, the Caribbean Tourism Organization (CTO) estimates that tourist arrivals to the region grew by 7 percent to reach 21.8 million in 2004.

During this period, cruise passenger visits to Caribbean destinations increased by an estimated 13 percent to reach 20.5 million.

Consistent with these results, Smith Travel Research, the international hotel performance analysts, reports that, based on their sample of Caribbean hotels in 11 CTO member countries, average room occupancy for 2004 was 67.9 percent compared to 62.7 percent in 2003, while average revenue per available room increased by 16.4 percent to US\$96.14 in 2004.

These are both record numbers, which, according to our best estimates at this time, translates to a gross expenditure by these visitors of some US\$21 billion.

In terms of our major markets, tourist arrivals from the United States grew by just over 7 percent during this period, arrivals from Canada were up by some 16 percent (although most of these went to Cuba and the Dominican Republic) while tourist arrivals from Europe grew by just over 4 percent.

This reasonably good performance of the region’s tourism sector in 2004 follows a 7 percent increase in tourist arrivals in 2003.

We should note however that the rate of growth in tourist arrivals has slowed as the year has proceeded. During the 2004 winter months (January-April), tourist arrivals increased by 10 percent while arrivals during the May-December period grew by nearly 6 percent. And, although increases were recorded in every month, these fell to a relatively low point (up 1 percent) in September, followed by larger (but still moderate) increases in October and November. The recent active hurricane season was clearly a major factor in this performance, but these figures also show (as our contacts in the marketplace had earlier indicated) that this setback was temporary.

We should note also that 2004 was a year marked by a resurgence of travel worldwide. According to the World Tourism Organization, world tourist arrivals during the first 8 months (January-August) of 2004 grew by an estimated 12 percent, or somewhat faster than for the Caribbean. These figures need further examination however for - beset by the challenges of SARS, Bird Flu and the threat of terrorism – world tourist arrivals in recorded a **decline** of 1.5 percent in 2003 compared to a 7 percent increase for Caribbean tourist arrivals in that year.

The fact is that the full-fledged recovery of the Caribbean tourist industry after 9/11 began somewhat earlier than other parts of the world. Indeed, for the two-year period 2003-2004 combined, tourist arrivals to the Caribbean grew by around 15 percent, compared to a 10 percent increase for overall world tourism..

Most Caribbean destinations have reported substantial increases in their total tourist arrivals as shown in the attached table.

<b>Tourist (stop-over) Arrivals and Cruise Passenger Visits in 2004</b>						
<b>Destination (Stop-Over)</b>	<b>Tourist Arrivals</b>			<b>Cruise Passenger Visits</b>		
	<b>Period</b>	<b>Tourists</b>	<b>% Change 2004/03</b>	<b>Period</b>	<b>Visits</b>	<b>% Change 2004/03</b>
Anguilla	Jan-Nov	47,938	16.5	-	-	-
Antigua & Barbuda *	Jan-Nov	221,533	10.3	Jan-Nov	374,334	28.8
Aruba	Jan-Oct	608,532	14.5	Jan-Sep	379,607	1.6
Bahamas*	Jan-Dec	1,450,037	1.5	Jan-Dec	3,360,012	13.1
Barbados	Jan-Dec	554,914	4.5	Jan-Dec	739,417	32.2
Belize	Jan-Nov	208,640	4.6	Jan-Nov	747,746	55.1
Bermuda	Jan-Nov	258,324	5.2	Jan-Nov	205,630	-8.8
Bonaire	Jan-Nov	57,269	1.0	Jan-May	30,080	8.3
Cancun (Mexico) **	Jan-Oct	1,972,306	11.5	-	-	-
Cayman Islands	Jan-Jul	214,372	14.5	Jan-Jul	1,191,593	12.0
Cozumel (Mexico) **	Jan-Jul	244,034	18.7	Jan-Jul	1,738,914	9.0
Cuba <sup>P</sup>	Jan-Jun	1,134,611	13.4	-	-	-
Curacao	Jan-Dec	223,439	0.9	Jan-Dec	219,385	-21.5
Dominican Republic*	Jan-Dec	3,443,205	5.4	Jan-Oct	361,537	n.a
Dominica	Jan-May	30,988	5.7	Jan-May	197,784	106.1
Grenada	Jan-Jul	89,854	9.2	Jan-Jul	159,612	74.6
Guyana	Jan-Nov	107,627	23.4	-	-	-
Jamaica	Jan-Nov	1,278,921	5.5	Jan-Nov	966,022	-4.6
Martinique <sup>P</sup>	Jan-Oct	407,141	3.9	Jan-Nov	132,388	-41.5
Montserrat	Jan-Oct	7,055	18.3	-	-	-
Puerto Rico **	Jan-Sept	1,082,649	6.9	Jan-Oct	1,065,215	13.5
Saba	Jan-May	4,920	11.1	-	-	-
St Lucia	Jan-Dec	298,431	7.8	Jan-Dec	481,279	22.4
St Eustatius <sup>P</sup>	Jan-Jul	6,810	7.5	-	-	-
St Maarten *	Jan-Sep	358,158	14.1	Jan-Sep	783,238	19.1
St Vincent & G'dines	Jan-Nov	75,087	10.9	Jan-Nov	68,562	44.0
Suriname	Jan-Jul	77,577	0.0	-	-	-
Trinidad & Tobago	Jan-Sept	328,047	8.0	Jan-Sep	29,448	-12.2
Turks and Caicos Is.	Jan-Sept	132,039	6.2	-	-	-
US Virgin Islands	Jan-Oct	550,451	10.1	Jan-Dec	1,963,609	10.7

\* Non-Resident Air Arrivals

\*\* Non-Resident Hotel registrations only

- No cruise figures reported

<sup>P</sup> Preliminary figures

n.a. Figures not available N.B: Figures are subject to revision by reporting countries

SOURCE - Data supplied by member countries and available as at April 15, 2013

There are some factors which have influenced our performance over the past

couple years which still obtain.

A major contributing factor is the fact that the US dollar has weakened considerably against European currencies. That has made Caribbean vacations less expensive for people coming from outside the dollar area because our products are priced in US dollars, and it also has made it more expensive for US travellers to travel to Europe, and that has made the Caribbean an attractive alternative.

A second major factor is the fact that the Caribbean has an enviable perception as being a relatively safe region, which is a tremendous asset in these days when consumers are more and more concerned with their safety. We think that those two factors remain with us as we look into the future.

Added to that, the latest survey of our counterparts in the marketplace, the last of which was conducted at the end of October, revealed a unanimous view that, with regards with this winter season, the Caribbean would do well. It was that same survey that projected a swift recovery after the industry was impacted by Hurricane Ivan.

At the same time there are some concerns, one of which must be the price of fuel. We've seen quite an increase in the price of petroleum in 2004 and that in turn has impacted negatively on the airline industry. How that industry performs, the final impact that high fuel prices have upon the performances of those airlines will in some measure determine how well the industry does this year.

We should note also that the upsurge in travel worldwide can translate to the fact that our competing destinations are coming on stream so this will be a more competitive arena that we have had in recent times.

With regards to the cruise industry, in terms of the available cruise capacity, the new berths expected in 2005 are at five percent compared to a double-digit increase capacity over the last couple years, which will impact upon cruise visitation, couple with the fact that in the last couple of years there has been some repositioning of capacity towards the region. We expect this year for some of that capacity to be relocated. So while we expect growth in the cruise industry to continue – and cruise industry executives are very bullish upon that – we do not expect the same level of growth as we experienced over the last two years.

So, our outlook at this time with regards to the industry in 2005 can best be described as “cautiously optimistic”. I expect continued growth but much more modest than we have had in the last couple years; perhaps growth in the region of four to five percent.