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By Air, By Land, By Sea
– *Industry Analysts Present the Facts*

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Caribbean Travel & Tourism

“Tale of Paradoxes”



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The Big Picture

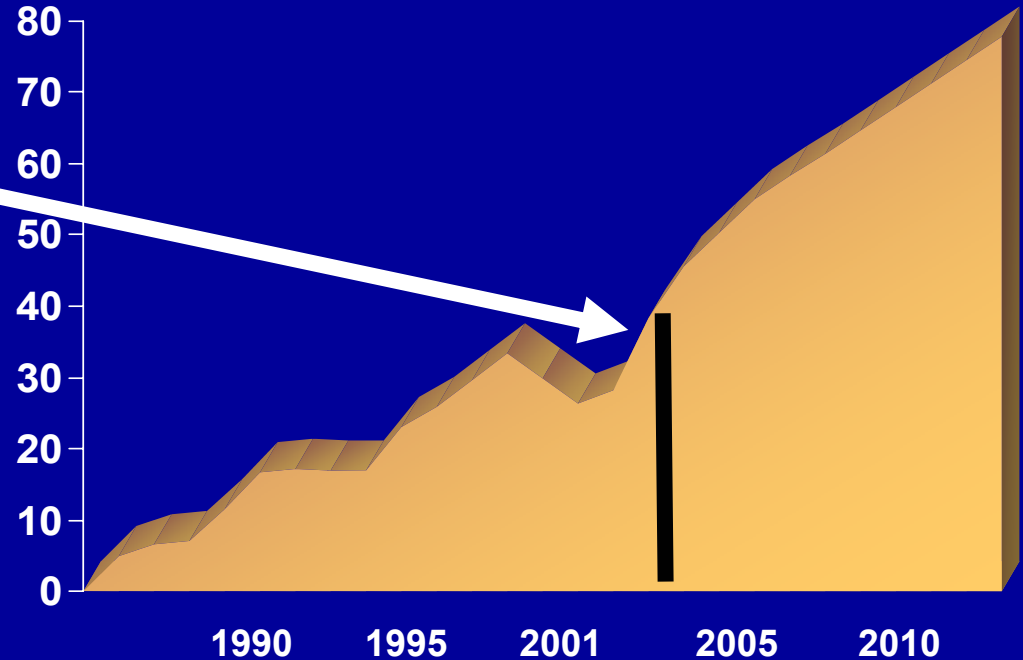


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Industry Demand



- Total Demand 2004
– US\$ 40.3 Bn
- Projected Avg. Real
Growth to 2014
4% per annum
- Robust Return to
Growth for Region
2002-2004



WTTC Est.

**Consumption
(Industry)**



T&T Industry and Economy

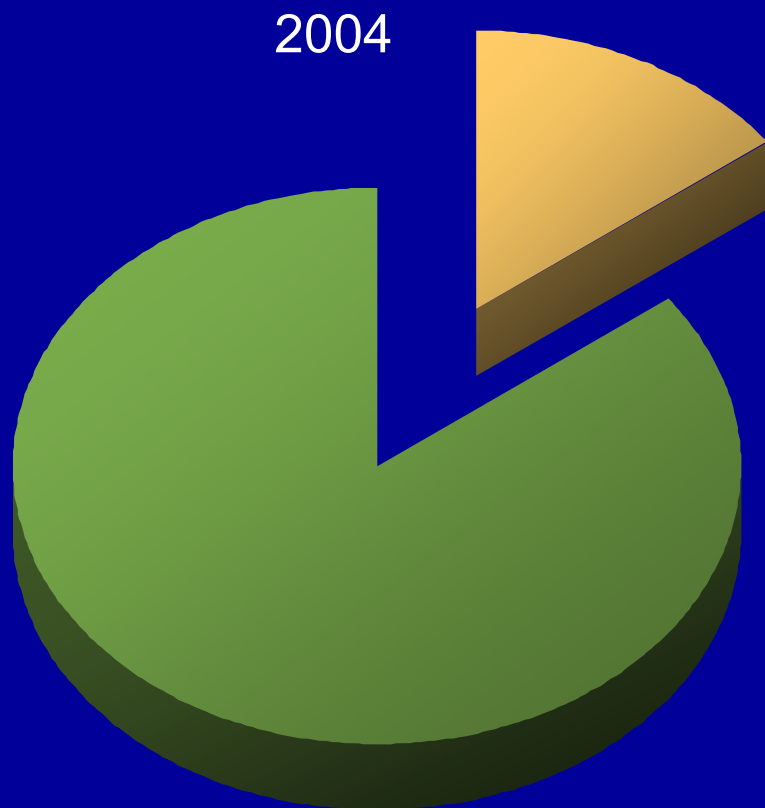
**Demand
(Economy)**



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GDP



- **Travel & Tourism GDP Associated with T&T Demand (Direct and Indirect)**
- **US\$28.4 billion in 2004**
- **14.8% of Total Gross Domestic Production in 2004**
- **11.0% Real Growth in 2004**
- **4.1% Real Growth per annum (2005-2014)**



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Jobs 2004

Direct
814,600
or 5.2%

**Direct
+Indirect**
2,400,000
or 15.5%

Travel & Tourism Industry and Economy Employment
(No. of persons Employed)

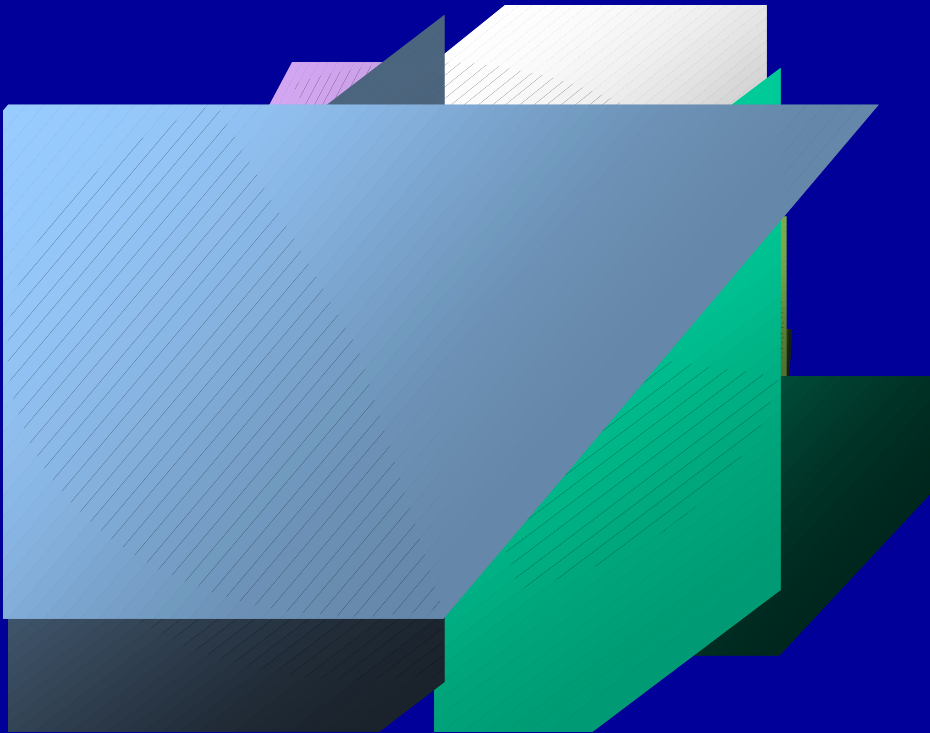


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Exports (Foreign Exchange)

2004

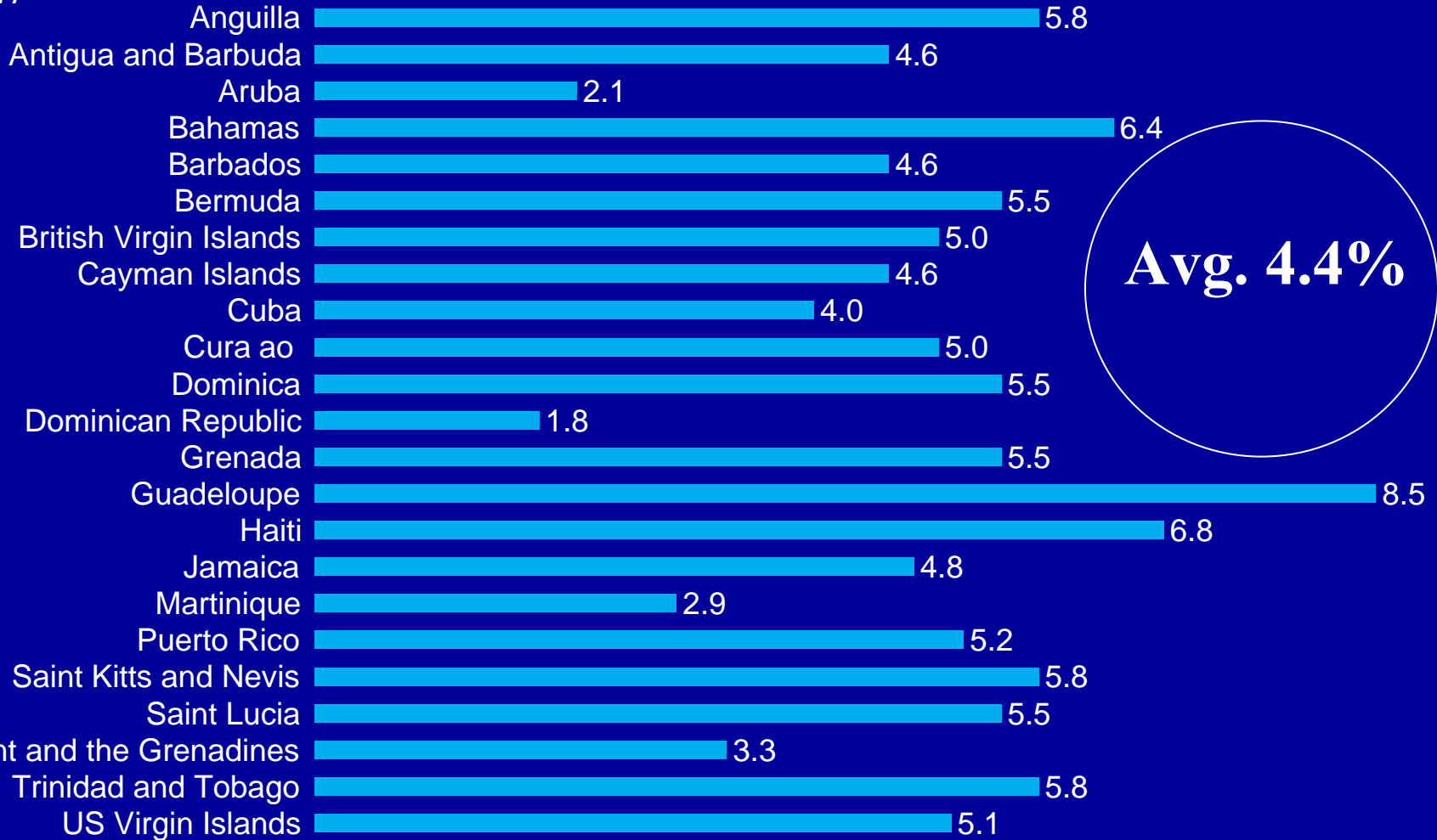


- **T&T Spending by International Visitors**
- **US\$19.0 billion in 2004**
- **16.1% of Total Exports in 2004**
- **16.8% Real Growth in 2004**
- **Projected 4.4% Real Growth per annum (2005-2014)**



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Visitor Exports Growth



Travel & Tourism Visitor Exports
(2005-2014 Real Growth Annualized, %)



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What's Missing?



**Is the Tourism Business Making the Profit
Necessary for Sustainability**

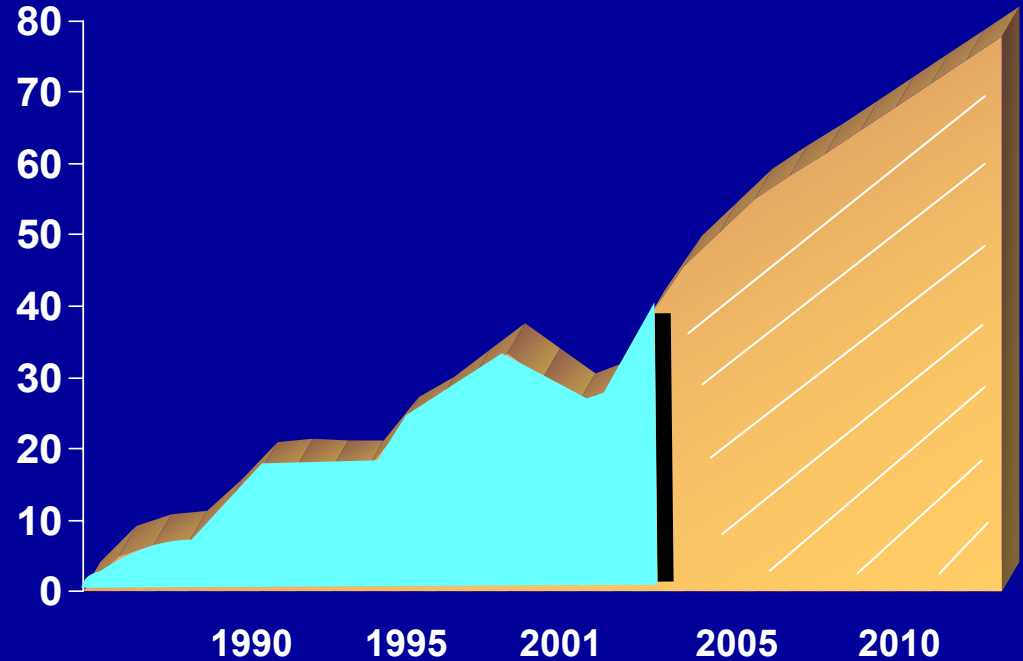


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Industry Demand



- 2 Realities of a Process
 - The Past Time Slice
 - lessons
 - The Future
 - what can we expect

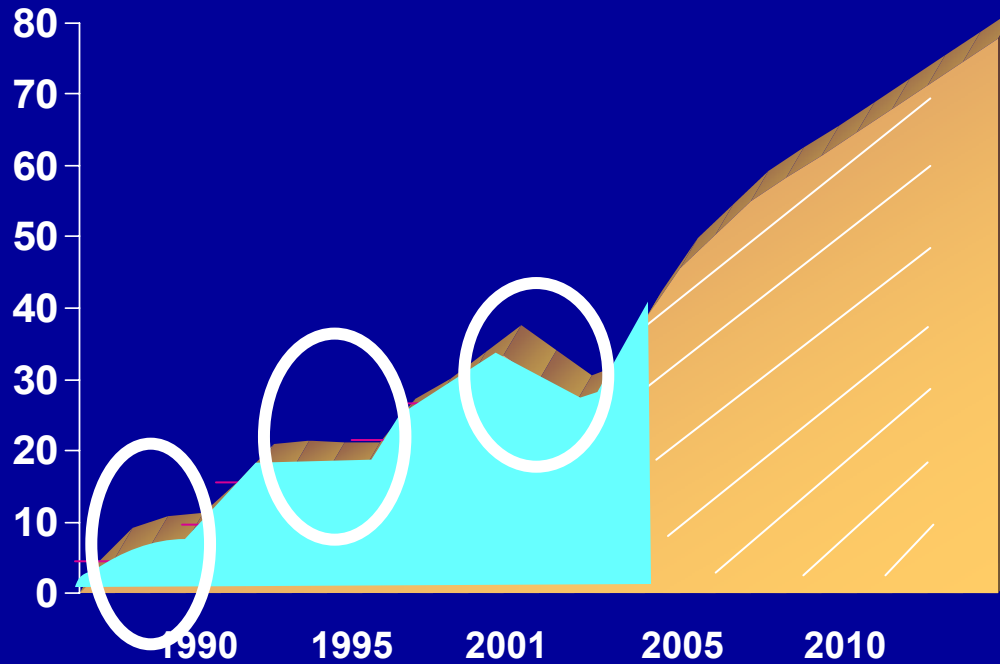




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Cyclical Issues 5 to 6 years



- Predetermined or can we insolate the regional brand?



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Sub Regional Issues Market Share - Land



	1995	2000	Change
Hispanic C'bean	47%	52%	+5
CARICOM	28.6%	25.7%	-2.9
Dutch	8.6%	7.0%	-0.4
French	6.7%	6.6%	-0.1
US territories	22%	19.4%	-2.6
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All sub-regions except HC declined



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Lifestyle Segments & Seasonality Issues



- **Over reliance on leisure segment (over 70%)**
- **Creates major seasonality Issues**
- **Opportunity to develop high potential segments that reduce seasonality**
- **Sports Tourism (Over US\$ 118 Bn)**
- **Conference and incentives**

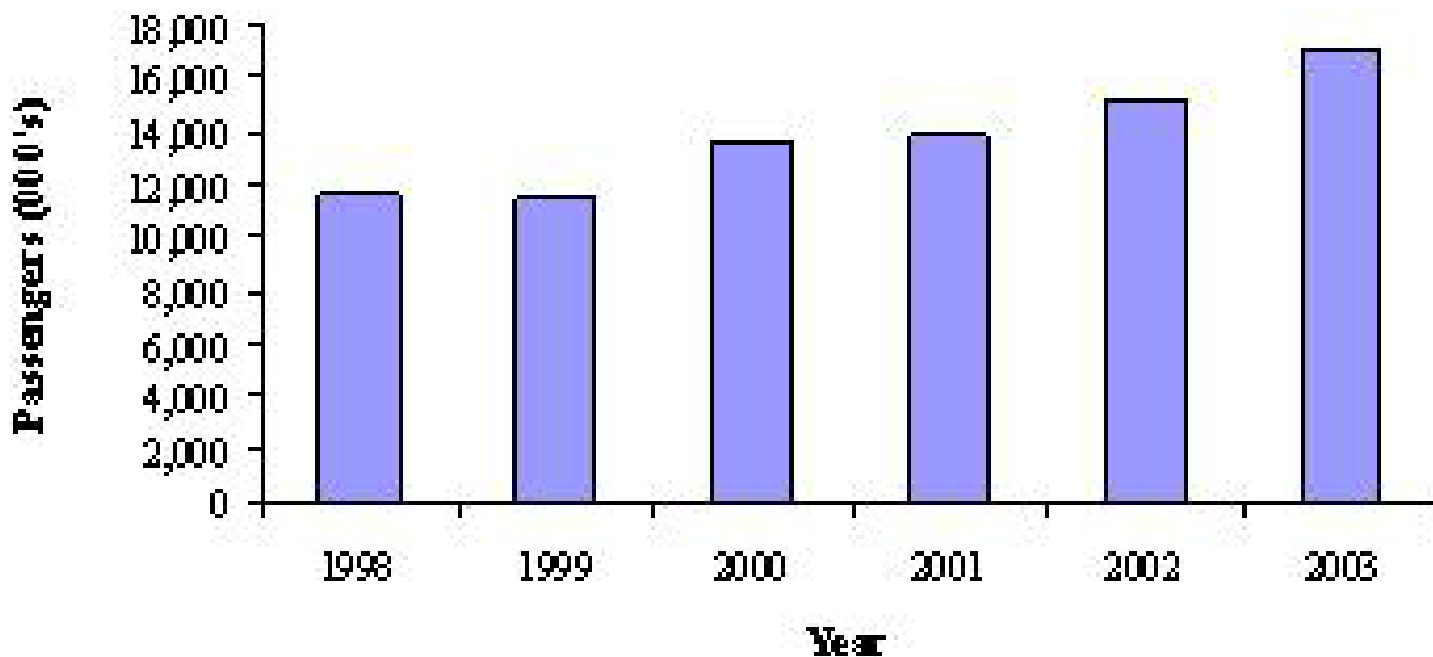


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Caribbean Owns Cruising

Chart 1. Caribbean Cruise Passenger Arrivals



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20 Million Tourists and Growing at 8% p.a



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Cruising Market Shares

	2001	2002	Change
Caribbean	44.5%	46.6%	+2.1
Mediterranean	12.7%	10.0%	-2.7
Europe	8.0%	11.0%	-3.0
Alaska	7.95%	7.89%	-0.06
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**All regions except Caribbean declined
Caribbean dominates 4 to 1**



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Geographic Market Segments -Share

	1990	2000	Change
USA	57.4%	49.8%	-7.5
Canada	6.6%	6.1%	-0.5
Europe	17.0%	26.0%	+9.0
Caribbean CTO	8.0%	6.9%	-2.9

- All regions except Europe declined
 - Caribbean owns US market
 - Europe a winning proposition



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Paradox 1



Economic Value of
Tourism Indisputable
Jobs,FX,GDP,Investment

Private operators of
Business question
profitability

Not Sustainable

- Business find profitable models
- Government remove barriers



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Paradox 2



Tourism Industry
Contributes Lion Share of
Caribbean Economies

No Serious or consistent
Marketing of the Brand

Not Sustainable

Caribbean Governments
Must not leave brand building to
voluntary schemes



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Paradox 3



Tourism receipts
Estimated at USD 20BN

Regional Governments
Committed 18M
(.009%)

Not Sustainable

A minimum of 2% of receipts or \$400M
must be committed to
realize accelerated results



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Paradox 4



Caribbean Dominates
Global Cruise Tourism

Perennial
Controversy and Division

Not Sustainable

- Find Partnership with industry
- Caribbean work jointly
- Exploit Opportunities



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Paradox 5



Tourism is the world's largest and fastest growing industry

Major Tourism entities fighting financial probs, Overcapacity etc.

Not Sustainable

Stop and check assumptions



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Paradox 6

RETHINK (eg)



The race is on for more arrivals, rooms, flights, calls, share, hits

Margins are falling
Demands are increasing

Not Sustainable

Migrate away from quantity and volume
To quality and premiums
Live longer



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Paradox 7

RETHINK (eg)



Customers are demanding
More for less

Tourism business is
Cutting cost by all means

Not Sustainable

Find the right customers who are willing to
pay for value



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Paradox 8

RETHINK (eg)



The Caribbean is the Region's 2nd largest source of business

No serious resources time and attention given to this market

Not Sustainable

Make regional tourism the cost effective and most sustainable segment

Appreciation



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