Caribbean Tourism Organisation

Overview of Caribbean Tourism

Presented By

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Importance of Tourism

- The region remains profoundly dependent on Tourism to employ its people, to lend fiscal and balance of payments support and to promote general economic growth.

- The WTTC estimates tourism’s contribution to the region’s GDP as 14.5%.

- According to the WTTC over 2 million persons are directly and indirectly employed by Tourism in 2009.

- Although significantly reduced by current global economic events the level of tourism activity is still high and exceeds that of the traditional producing sectors as employer, revenue provider and foreign exchange earner.
Tourism Trends in the Caribbean

- Caribbean leaders recognize the need to develop and promote Tourism

- Caribbean territories have been repackaging and diversifying their tourism product to appeal to the various markets including their domestic tourism markets

- Caribbean islands are looking to new markets for potential business - Brazil in particular.

- Governments are providing tourism and economic stimulus packages to service providers in order to sustain these businesses during the current economic crisis.
Threats to Caribbean Tourism

- The Region’s Tourism is threatened by both internal & external forces.
- Regional tourism has been heavily dampened by the Global Economic Crisis which has resulted in double-digit declines in some countries.
- The implementation of the UK Air Passenger Duty is expected to have a further negative impact on tourism in the Caribbean, especially the eastern C’bean.
- The emergence of new markets offering tropical experiences.
- Ecological harm to the environment caused by climate change.
- Crime still remains a major threat to tourism in the region.
Arrival Activity

- Guyana, Jamaica, Cuba and Saba are the only countries to record an increase in tourist arrivals.

- Cozumel (Mexico) recorded significant double-digit declines in the Cruise (21%) and Stay-Over categories. H1N1 the major cause.

- Most Caribbean countries continue to experience double-digit decline in the major markets (US & Europe).

- Canadian market is the only bright spark with 11 countries recording increases so far this year.

- 10 out of the 23 countries that reported for Summer 2009 recorded a further decline in arrivals when compared to the winter season.
Growth in Visitor Arrivals 1980-2009

Years:
- 1980
- 1982
- 1984
- 1986
- 1988
- 1990
- 1992
- 1994
- 1996
- 1998
- 2000
- 2002
- 2004
- 2006
- 2008
- 2010

Percentage Growth:
- Cruise Passengers
- Tourists
- Tot Exp
## Monthly Tourist Arrivals in the Caribbean ('000)

<table>
<thead>
<tr>
<th>Month</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>CH 09/08</th>
<th>CH 08/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>1957</td>
<td>2074</td>
<td>2035</td>
<td>-1.9</td>
<td>6.0</td>
</tr>
<tr>
<td>Feb</td>
<td>2078</td>
<td>2243</td>
<td>2122</td>
<td>-5.4</td>
<td>7.9</td>
</tr>
<tr>
<td>Mar</td>
<td>2406</td>
<td>2515</td>
<td>2240</td>
<td>-10.9</td>
<td>4.5</td>
</tr>
<tr>
<td>Apr</td>
<td>2148</td>
<td>2098</td>
<td>2034</td>
<td>-3.0</td>
<td>-2.3</td>
</tr>
<tr>
<td><strong>Winter</strong></td>
<td><strong>8588</strong></td>
<td><strong>8930</strong></td>
<td><strong>8432</strong></td>
<td><strong>-5.6</strong></td>
<td><strong>-4.0</strong></td>
</tr>
<tr>
<td>May</td>
<td>1746</td>
<td>1829</td>
<td>1657</td>
<td>-9.4</td>
<td>4.7</td>
</tr>
<tr>
<td>June</td>
<td>1905</td>
<td>1906</td>
<td>1780</td>
<td>-6.6</td>
<td>0.0</td>
</tr>
<tr>
<td>July</td>
<td>2196</td>
<td>2177</td>
<td>2050</td>
<td>-5.8</td>
<td>-0.9</td>
</tr>
<tr>
<td><strong>YTD Summer (July)</strong></td>
<td><strong>5,847</strong></td>
<td><strong>5,911</strong></td>
<td><strong>5,487</strong></td>
<td><strong>-7.2</strong></td>
<td><strong>1.1</strong></td>
</tr>
<tr>
<td><strong>YTD (July)</strong></td>
<td><strong>14,169</strong></td>
<td><strong>14,435</strong></td>
<td><strong>14,841</strong></td>
<td><strong>-6.2</strong></td>
<td><strong>2.8</strong></td>
</tr>
</tbody>
</table>

**Note:** Imputed from data on international travel to member countries

**Source:** CTO & CTO member Countries
## Distribution of Tourist by Sub-Region

<table>
<thead>
<tr>
<th>Sub-Region</th>
<th>Percentage Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>OECS</td>
<td>6.2%</td>
</tr>
<tr>
<td>Other Commonwealth Caribbean</td>
<td>24.0%</td>
</tr>
<tr>
<td>Dutch West Indies</td>
<td>7.2%</td>
</tr>
<tr>
<td>French West Indies</td>
<td>6.5%</td>
</tr>
<tr>
<td>US Territories</td>
<td>18.8%</td>
</tr>
<tr>
<td>Other Countries*</td>
<td>37.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

* Represents other countries (Cancun, Cozumel, Cuba, Dominican Republic, Haiti & Suriname)

**Note:** *CTO estimates*

**Source:** Caribbean Tourism Organization
Change in Caribbean Hotel Occupancy and Room Revenue Status

* Smith Travel Research - 1st, 2nd & 3rd Quarter 2009
Change in Caribbean Hotel Occupancy and Room Revenue Status

* Smith Travel Research 2007-08, 1st, 2nd & 3rd Quarter 2009
Cruise Trends

- The Florida-Caribbean Cruise Association (FCCA) stated that the Caribbean remains the most appealing cruise destination.

- Cruise liners offering more innovative features such as rock-climbing, ice-skating, private Jacuzzis, golf stimulators etc are the most popular choices for cruisers.

- Discounts and other incentives offered by cruise liners are attracting younger cruisers.

- The opportunity to visit multiple destinations continue to be the number one reason to cruise.
Current Consumer Behaviour

- Travelers are more price-sensitive and hence seek more cost-effective destinations to vacation.
- Health and safety are major concerns for travelers (H1N1 & Crime)
- Mexico recorded a major decline in their tourism due to the spread of the H1N1 virus
- Travelers shifting more to the internet to look for deals and packages, instead of travel agents and tour operators
- Tendency towards more last minute bookings
Challenges to Regional Tourism

- Travelers in the main US & UK markets are still inclined to settle for second best where necessary by taking holidays closer to home.
- Hotels already hard hit are under pressure to lower rates in order to stimulate occupancies.
- International & Regional airlines are struggling to maintain their frequencies of flights to various Caribbean destinations.
- The Caribbean is still lagging in technological advancement (e.g. search engine optimization).
Prospects for the Region

- Caribbean destinations will have to become more innovative in order to capture a fair market share of global tourism.

- Some territories in the region are looking to attract visitors from Countries such as Brazil, China, India, Russia and others with rising disposable incomes.

- The emergence of new carriers to the region is forcing traditional carriers to lower fares and hence attract consumers.

- Cruise business is intensifying with further attractive offerings to consumers.

- The need for niche markets is now being recognized as the islands move away from the traditional sun, sea and sand.
Thank You for Your Attention!