



# CARIBBEAN TOURISM ORGANIZATION

Caribbean Tourism - State of the Industry (Feb. 2011)



# Overview

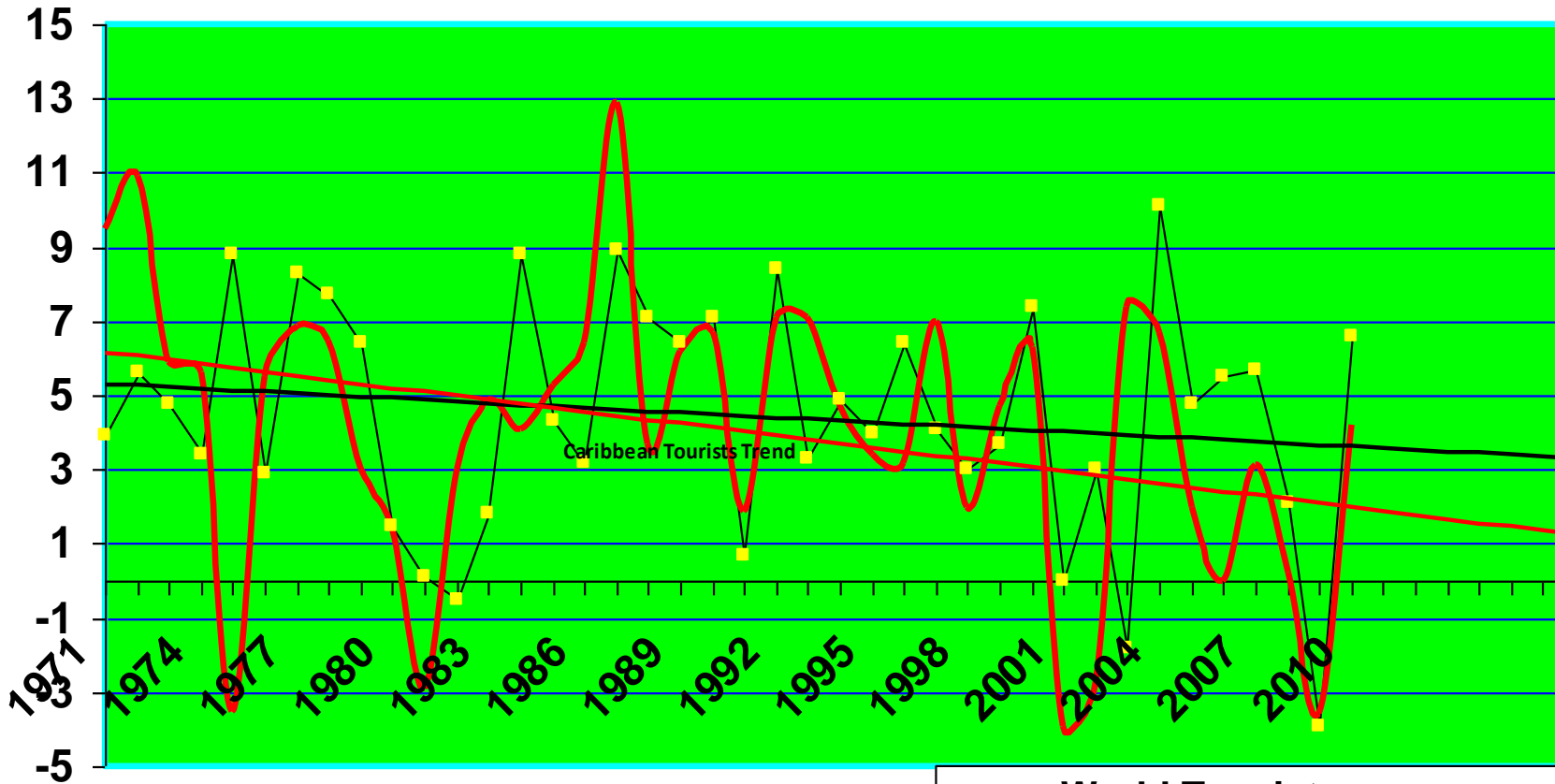
- Stay-over arrivals globally have increased five fold, moving from 166 million in 1970 to 935 million in 2010.
- Caribbean traffic for the period went from 4 million to 23 million, almost six fold.
- Cruise arrivals grew more rapidly over the time 1.3mil – 1970 and 20 mil - 2010



# Global & Caribbean Visitor Arrival Trends 1970 – 2010



Percentage Change



Y E A R

- World Tourists
- C'bean Tourists
- Linear (World Tourists)
- Linear (C'bean Tourists)



# Tourism Trends

- Total stay-over visitor arrivals worldwide have shown a steady downward trend over the past four decades
- Caribbean arrivals showed an even more exaggerated downward trend than the global
- Growth in the Caribbean has taken place with spurts and fits over the



# Overall Spending Up

- Total visitor spending went up due to climbing arrivals but average spend per trip fell back recently (permanent or temporary?)
- Over past decade hotel stats were consistently positive until 2008 and 2009 when all key indicators were negative
- Recovery started last year



## Tourist Arrivals to the Caribbean ('000)

MARKETS	2007	2008	2009	2010	%ch 10/09
<b>Total Arrivals</b>	<b>22,889.8</b>	<b>22,941.7</b>	<b>22,126.9</b>	23,067.1	<b>4.2</b>
<b>United States</b>	11,790.9	11,531.6	11,088.9	11,716.3	5.7
<b>Canada</b>	2,084.7	2,398.5	2,544.7	2,617.7	4.0
<b>Europe</b>	5,549.5	5,434.3	4,988.8	4,913.1	-1.5
<b>Other</b>	3,464.7	3,576.8	3,540.5	3,790.0	8.1
<b>Stayover Expenditure</b>	<b>27.0</b>	<b>25.0</b>	<b>21.4</b>	<b>22.3</b>	<b>4.2</b>
<b>Cruise Passengers</b>	19,36 3.1	18,88 1.1	19,015.7	20,156.6	<b>6.0</b>

Source: CTO Member Countries and CTO estimates

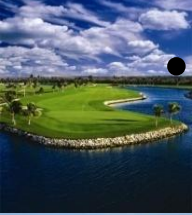


# Sub-Regional Performance

Spanish speaking Caribbean led the numbers improving 5.1% in 2010.

All other sub-groupings (French, OECS, Other CARICOM and Other Commonwealth) showed positive but modest growth over the year

Only the Dutch sub-group did not grow influenced mainly by negative growth in Curacao



# Performance by Sub-regional Groupings

## ARRIVALS TO THE CARIBBEAN (000s)

SUB-REGION	2010	2009	% CH
<b>OECS COUNTRIES</b> (ANGUILLA, ANTIGUA & BARBUDA, DOMINICA, GRENADA, MONTSERRAT, SAINT LUCIA, ST KITTS & NEVIS, ST VINCENT & G'DINES)	990.0	961.9	<b>2.9</b>
<b>OTHER CARICOM</b> (BAHAMAS, BARBADOS, BELIZE, GUYANA, HAITI, JAMAICA, SURINAME ,TRINIDAD & TOBAGO)	4,857.7	4,681.6	<b>3.8</b>
<b>OTHER COMMONWEALTH COUNTRIES</b> (BERMUDA, BRITHISH VIRGIN IS., CAYMAN ISLANDS, TURKS & CAICOS ISLANDS)	1,026.6	984.6	<b>4.3</b>
<b>DUTCH CARIBBEAN</b> (ARUBA, BONAIRE, CURACAO, SABA, ST EUSTATIUS, ST MAARTEN)	1,708.5	1,710.5	<b>-0.1</b>
<b>FRENCH CARIBBEAN</b> (GUADELOUPE, MARTINIQUE)	1,233.9	1,177.1	<b>4.8</b>
<b>OTHER CARIBBEAN</b> (CANCUN, COZUMEL , CUBA, DOM REPUBLIC, PUERTO RICO, US VIRGIN ISLANDS)	13,250.4	12,611.3	<b>5.1</b>
<b>TOTAL CARIBBEAN</b>	23,067.1	22,126.9	<b>4.2</b>





# US market

- US arrivals drove growth in C'bean tourism
- Went up 5.7 % in 2010, surpassing the 2008 level of 11.5 million
- Still very encouraging as US has held over 50% of share of total arrivals over the years
- Most (21 out of 26) of the reporting countries recorded increases in US arrivals
- Curacao & St. Lucia welcomed over 30% more US residents than in the previous year.



# Canadian market

- Canadian market grew by 5.1 % while maintaining its market share of 11.4 percent.
- The growth in 2010 was lower than in the previous three years
- Cancun recorded a 3.8 percent decrease in arrivals from this market thru to July.
- Most destinations welcomed more Canadians to their shores.



# European Performance

- European markets continued to perform weakly as economies struggle
  - Still relatively high unemployment
  - Low consumer demand
- European arrivals to the C'bean declined by 1.5 % in 2010
  - Higher airfares
  - Higher Travel taxes



# UK Visitors

1.1 million visitors from the UK last year, representing 23 percent of all European arrivals to the region or 5 percent of total arrivals.

• Many CTO member-countries, especially the Eastern C'bean, are highly dependent on the UK market.

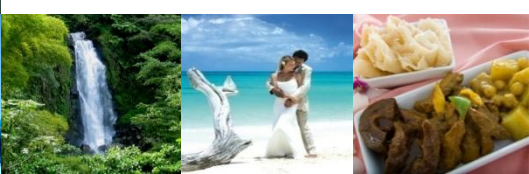


# % UK Contribution

- In Barbados, 34 percent of tourist arrivals are from the UK.
- Antigua 29%; Montserrat 28%; Grenada 24%; Saint Lucia 22%; St. Vincent & the Grenadines 17%; Jamaica 10%;
- Trinidad & Tobago 9%; Cuba 8%.



# UK Arrivals to the Caribbean by Sub-Regional Grouping



**UNITED KINGDOM ARRIVALS BY SUB-REGIONAL GROUPING**  
(‘000)

REGION	2006	2007	2008	2009	2010	% CH
<b>OECS COUNTRIES</b>	246.3	268.0	264.1	219.9	203.8	<b>-7.3</b>
<b>OTHER COMMONWEALTH</b>	554.8	578.8	554.0	506.3	478.5	<b>-5.5</b>
<b>COMMONWEALTH COUNTRIES</b>	801.1	846.8	818.1	726.2	682.3	<b>-6.0</b>
<b>of which CARICOM</b>	719.8	759.2	733.4	654.8	615.0	<b>-6.1</b>
<b>OTHER CARIBBEAN</b>	561.0	526.8	478.6	417.5	417.8	<b>0.1</b>
<b>TOTAL CARIBBEAN</b>	<b>1,362.1</b>	<b>1,373.6</b>	<b>1,296.7</b>	<b>1,143.7</b>	<b>1,100.1</b>	<b>-3.8</b>

Notes: estimates for missing data are included



# UK Performance in Sub-region

- Overall four successive years of decline in arrivals from UK
- UK business significantly down in OECS, Other CARICOM and Other Commonwealth
- OECS hardest hit -7% in 2010 and down 22% compared with 2007 level
- UK business fell -6% in 2010 after 2009 - 11% for visitors to CARICOM .



# Improvement

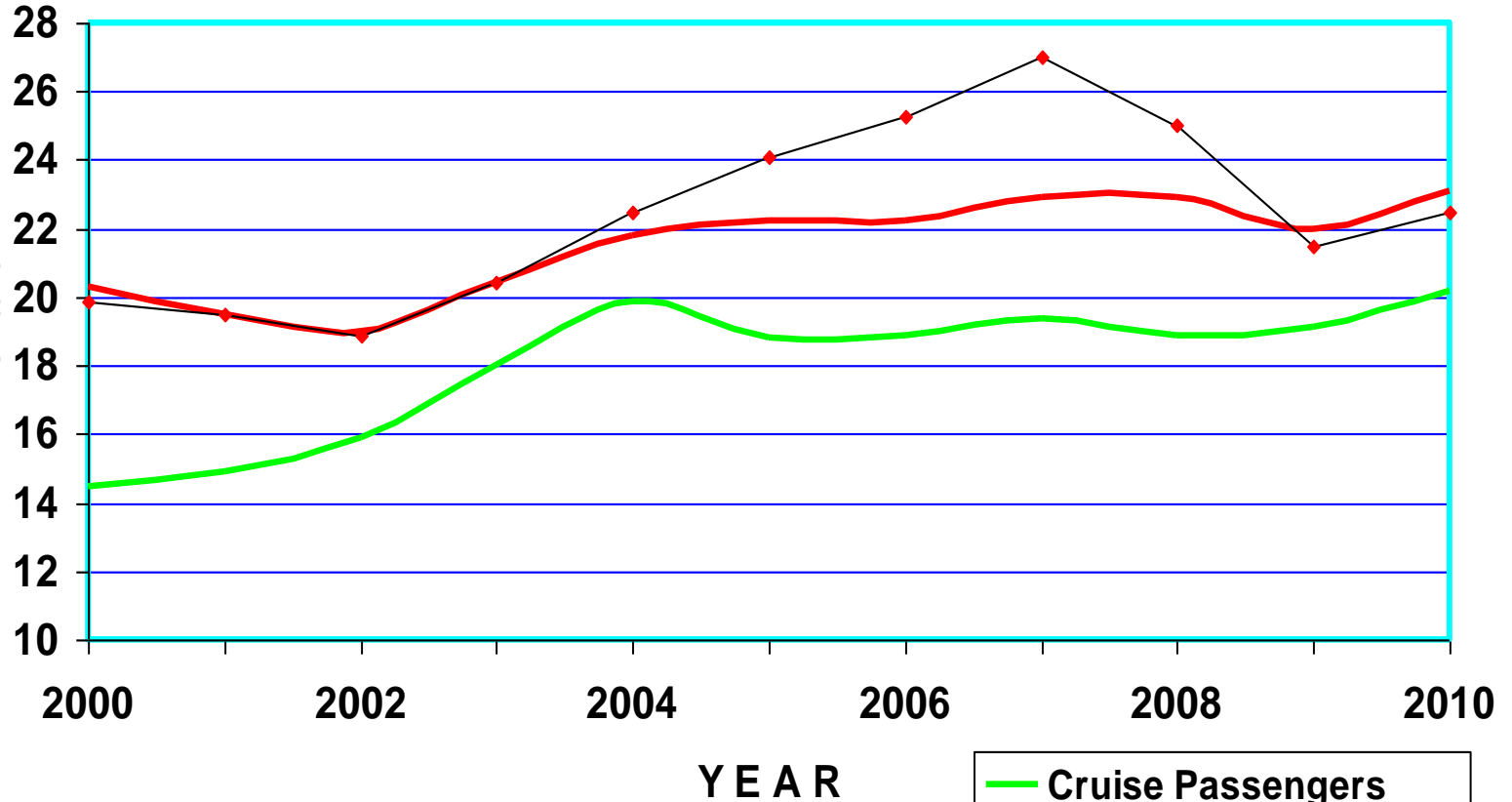
- US arrivals showed steady improvement over the four quarters of 2010
- Cruise arrivals showed positive moderate growth over the year
- Evidence of modest improvement in total visitor spending
- Hotel metrics showed better performance





# Visitor Arrivals & Expenditure 2000 – 2010

Millions of Persons/Billions of Dollars



- Cruise Passengers
- Tourists
- ♦ Tot Expenditure US\$Bil



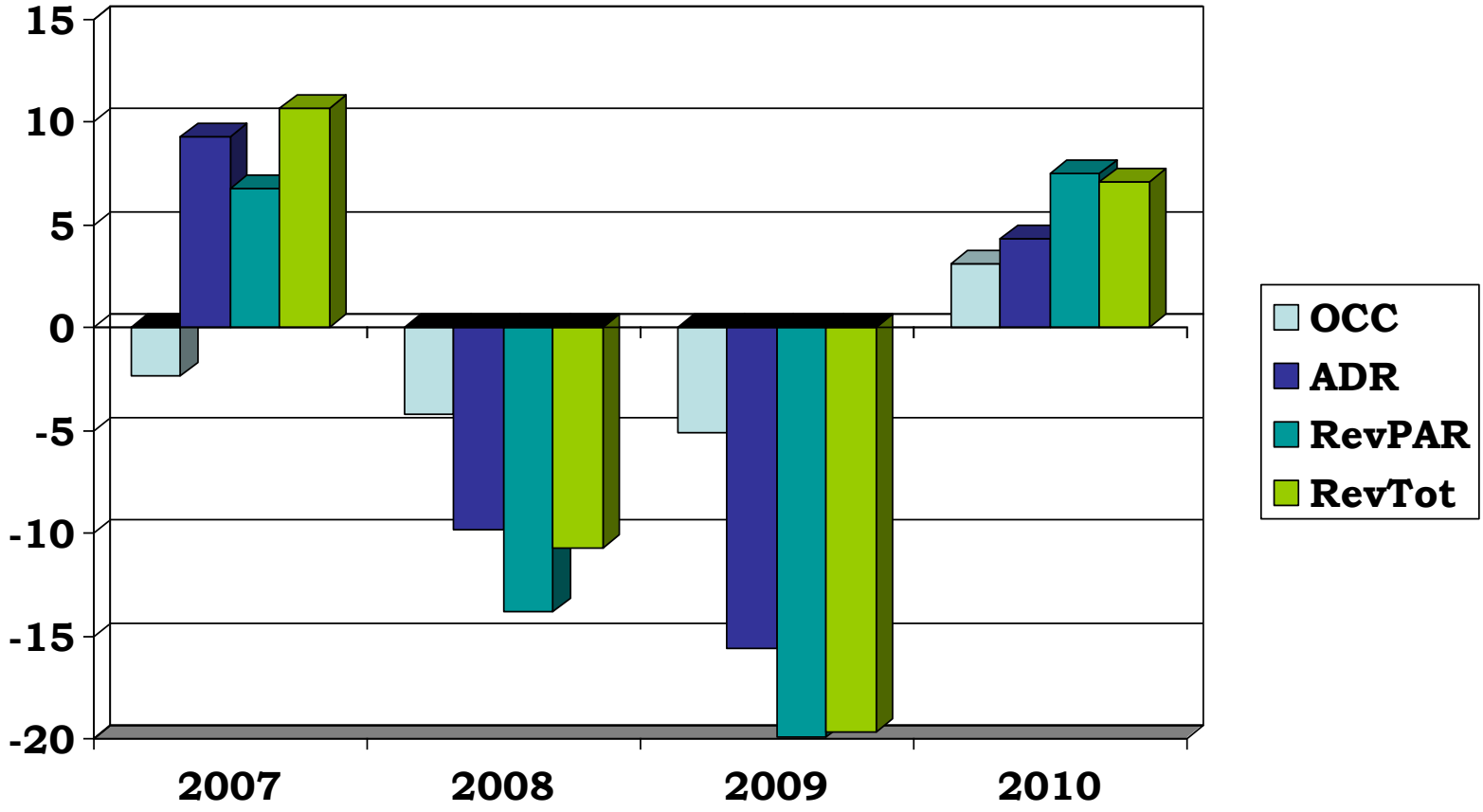


# Visitor Spending and Effects

- Average visitor spending is now again moving in the same direction as arrivals albeit lagging and moving more slowly
- Hotel revenues were positive but are yet to return to pre-2008 levels
- Businesses still under considerable pressure due to relatively low revenues



# CHANGE IN CARIBBEAN HOTEL OCCUPANCY AND ROOM REVENUE STATUS 2007 - 2010



\* Smith Travel Research 2007-09



# Conclusion

- Overall tourists arrivals to the region have increased in 2010
- Cruise arrivals grew faster than land-based
- Aggregate spending above previous years due to higher arrival numbers
- Average spending back to 2004 level
- Relatively low level of spending still exerting pressure on the region's industry and economies
- Arrivals expected to grow around 5% in 2011 and spending by no more than 3% - bargains and discounts dictating

