Prospects for Caribbean Travel

CTO-27 Conference, 2004
presented by Richard Cope
Introduction

• European trends
• Top European source markets performance
• Market characteristics
• Economic prospects
• Travel prospects.
## Intraregional market: Europe

<table>
<thead>
<tr>
<th>Year</th>
<th>Caribbean</th>
<th>Americas</th>
<th>Long-haul</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>2,947</td>
<td>16,814</td>
<td>39,027</td>
</tr>
<tr>
<td>2000</td>
<td>4,553</td>
<td>22,933</td>
<td>55,403</td>
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<tr>
<td>2001</td>
<td>4,077</td>
<td>20,257</td>
<td>52,557</td>
</tr>
<tr>
<td>2002</td>
<td>3,374</td>
<td>18,298</td>
<td>52,718</td>
</tr>
</tbody>
</table>

Source: WTO; Europe Outbound, Mintel
European long-haul: the Caribbean share 2002

- Caribbean: 6%
- Other Americas: 29%
- Asia: 27%
- Oceania: 21%
- Africa: 13%
- Middle East: 4%

Source: WTO
Leading European Tourism Spenders 2000-02

Source: Europe Outbound, Mintel
European trips abroad 2000-02

Source: Europe Outbound, Mintel
European trends

- Short-breaks = half of the holiday market
- € strength against $ promotes long-haul travel
- Move towards private accommodation
- Long-haul growth in ‘DIY Holidays’ – booking travel and accommodation separately
- Tour ops / Travel agent used for between 20-40% of trips
- Agent / operator usage 1) Germany 2) France 3) Neths 4) UK 5) Italy.
UK trends

- 2nd-highest travel propensity in Europe
- Top recent performer for trips: island status + relative economic health + new and affordable new routes
- Awareness of sustainable tourism revealed in 2002 MORI poll
- Growth in ‘self-packaging’... summer 2004 some operators cut capacities by up to 10%
- Growth in Christmas long-haul, becoming more adventurous
- TGI 2004: decline in all-inclusive; growth in B&B accommodation.
UK trips abroad 2003

- 82% in Europe
- 7% in Asia
- 7% in N America
- 3% in Caribbean
- 1% in Other Non-Europe
- 7% in Other Non-Europe

Source: International Passenger Survey; Europe Outbound, Mintel
German trends

- 2002: travel propensity down to 75.3%, from 76.1%
- Domestic holidays up, whilst trips abroad fall by over 1.1 million
- Becoming used to cheaper travel: low-cost airlines + cheaper accommodation + car hire options
- 2003: 6% decline in package market
- 2004: +3-5% turnover growth for major tour operators
- TGI 2004: all-inclusive growth; decline in all other hotel accommodation sectors.
German trips abroad 2002

Source: Reiseanalyse Urlaub + Reisen (FUR) Europe Outbound, Mintel
French trends

- Seasonality: one-fifth of all nights spent abroad in August
- Traditional summer market in decline
- 2004: tourist trips abroad +17% in first quarter against 2003
- Direct sales and last-minute bookings growth
- Growth focused in long-haul.
Italian trends

• ‘Mini boom’ in Italian outbound tourism, despite sluggish economy
• 3 million more trips in two years, especially to the Americas
• WHY?
  • Later marriage = growing market of single adults in their 20s with small outgoings
  • Younger generation becoming more urbanised and free
  • Low-cost carriers
  • Market can exceed 30 million trips.
Netherlands trends

- Most affluent and densely populated of European countries
- Highest propensity to travel (104%) of the major markets
- 2000-02: trips grew + 20%
- But lower expenditure: growth mostly short-haul
- Sense of market maturity.
Holiday Booking methods 2003

Source: TGI
Tourist arrivals 1995-2020

Source: WTO
European Economic Forecasts 2005-2009

Source: International Tourism Forecasts, Mintel 2004
Europe outbound forecast 2005-2015

Source: International Tourism Forecasts, Mintel