

# **CARIBBEAN TOURISM OVERVIEW**

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# CARIBBEAN TOURISM – 2001\*

		% change 2001-2000
<b>Tourists</b> ( <i>thousands</i> )	<b>19,696</b>	<b>-3.0%</b>
<b>United States</b> ( <i>thousands</i> )	<b>10,117</b>	<b>-0.4%</b>
<b>Canada</b> ( <i>thousands</i> )	<b>1,317</b>	<b>6.8%</b>
<b>Europe</b> ( <i>thousands</i> )	<b>4,871</b>	<b>-7.3%</b>
<b>Cruise Passengers</b> ( <i>thousands</i> )	<b>14,518</b>	<b>2.4%</b>
<b>Visitor Spending</b> ( <i>US\$millions</i> )	<b>19,607</b>	<b>-1.4%</b>

*first declines since 1981*

*\*preliminary figures*

# CARIBBEAN TOURISM – 2001 & 2002

## IMPACT OF 9/11

----- 2001 -----				
	<b>Tourists</b>	<b>%</b>	<b>Cruise</b>	<b>%</b>
	<i>(millions)</i>	<b>change</b>	<i>(millions)</i>	<b>change</b>
Jan-Aug	14.7	+2.6%	10.6	+6.9%
Sep-Dec	5.0	-16.7%	4.1	-6.4%
<b>Year</b>	<b>19.7</b>	<b>-3.0%</b>	<b>14.7</b>	<b>2.4%</b>
----- 2002 -----				
Jan-Jun*	10.4	-8.2%	8.9	0.8%

\* *estimates*

❖ *very preliminary results point to some improvement (smaller declines) in July & August, 2002*

# IMPACT OF 9/11

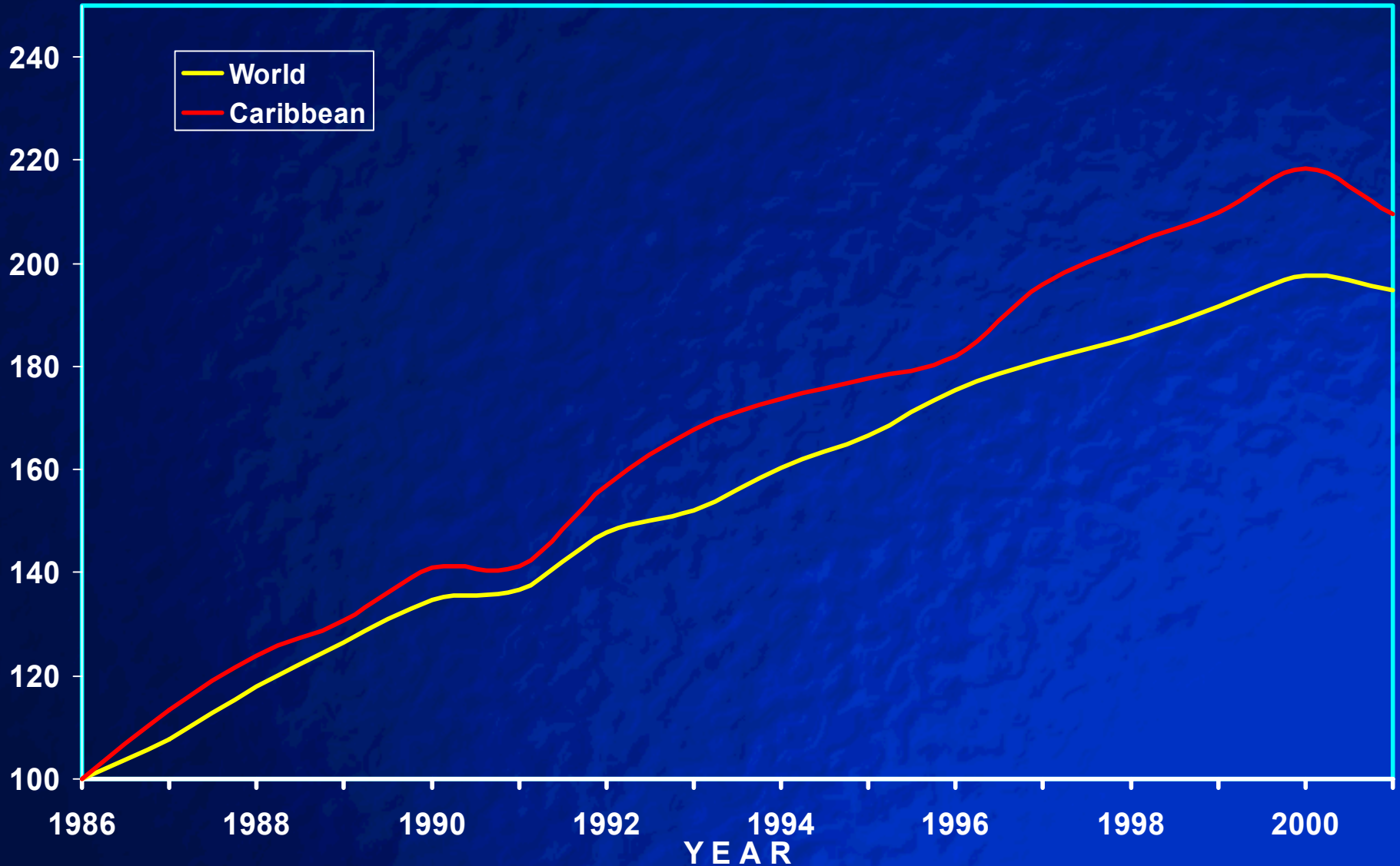
## World & Caribbean Performance

	Caribbean	World
Jan-Aug	2.6%	3.0%
Sep-Dec	-16.7%	-11.0%
<b>2001: Tourists</b>	<b>19.7 million*</b>	<b>689 million</b>
<b>% change</b>	<b>-3.0%</b>	<b>-0.6%</b>

\* *excluding cruise passengers*

# WORLD & CARIBBEAN TOURISM

Relative Performance 1986 - 2001 (1986=100)



# 9/11 Fall-out

- ❖ **Safety & security, both on route to and at the destination, have become even an more pressing concern among consumers**
- ❖ **9/11 crisis has had a severe impact on the airline industry (which was ailing before)**
- ❖ **Much shorter booking window**
- ❖ **Long haul travel was harder hit, and will recover more slowly**
- ❖ **Weak performances out of Europe in 2002**

# 9/11 Fall-out

- ❖ **Greater recognition by Caribbean Governments of tourism's importance to their national economies; has speeded up improvements in:**
  - **Product enhancement**
  - **Safety & Security**
  - **Marketing & Promotion, and;**
  - **Created the basis for greater public-private sector cooperation**

# Recovery on the Horizon?

- ❖ Past experience: industry has proven to be very resilient; tendency to postpone rather than cancel
- ❖ General consensus among analysts that tourism has passed the low point of the down-swing
- ❖ Gradual return of consumer confidence in major markets as recession recedes
- ❖ WTO: “tourism will pick up its habitual rhythm of growth by the second half of 2002, as business travel resumes and consumer confidence returns”



# **Caribbean tourism: Recovery on the Horizon?**

- ❖ **Recovery will be very slow**
- ❖ **Hotel sector will feel the effects of difficult Winter 2001/2002 and Summer 2002**
- ❖ **Growth expected to resume in later months (flatter to deceive!!), with real growth possible by Winter 2002/2003. Much will hinge on the international political environment.**
- ❖ **Expected growth in cruise tourism, although skewed towards the Western Caribbean**



# MAJOR MARKETS - 2000

	<b>Tourists</b> <i>(thousands)</i>	<b>2000</b> <b>percent</b> <b>share</b>	<b>% change</b> <b>2000/1996</b> <i>(annual average)</i>
<b>United States</b>	<b>9,471</b>	<b>46%</b>	<b>2.6%</b>
<b>Canada</b>	<b>1,097</b>	<b>5%</b>	<b>4.1%</b>
<b>Europe</b>	<b>5,172</b>	<b>26%</b>	<b>8.1%</b>
<b>Caribbean</b>	<b>1,427</b>	<b>7%</b>	<b>4.7%</b>
<b>Latin America</b>	<b>730</b>	<b>4%</b>	<b>-0.8%</b>
<b>Other</b>	<b>2,273</b>	<b>11%</b>	<b>8.8%</b>
<b>Total</b>	<b>20,320</b>	<b>100.0%</b>	<b>4.6%</b>

# CARIBBEAN TOURISM – 2001

## IMPACT OF 9/11

- ❖ Modest performance prior to September 11<sup>th</sup>
- ❖ Improved performance out of US market
- ❖ Slower growth out of Europe
- ❖ Sharp declines following 9/11 (-19% in Sep, Oct, Nov; -13% in December)
- ❖ **Initially** sharpest out of US market; slower out of Europe due mainly to re-directed traffic
- ❖ Heavy discounting by hotel sector
- ❖ Cruise visitation also affected, despite significant levels of discounting