TOURISM OVERVIEW
First Three Quarters
2010
## MONTHLY ARRIVALS

<table>
<thead>
<tr>
<th></th>
<th>TOURIST ARRIVALS (000s)</th>
<th>CRUISE PASSENGERS (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>JAN</td>
<td>2,032</td>
<td>2,095</td>
</tr>
<tr>
<td>FEB</td>
<td>2,105</td>
<td>2,144</td>
</tr>
<tr>
<td>MAR</td>
<td>2,230</td>
<td>2,440</td>
</tr>
<tr>
<td>APR</td>
<td>2,040</td>
<td>2,043</td>
</tr>
<tr>
<td>WINTER</td>
<td>8,407</td>
<td>8,722</td>
</tr>
<tr>
<td>MAY</td>
<td>1,656</td>
<td>1,797</td>
</tr>
<tr>
<td>JUN</td>
<td>1,783</td>
<td>1,871</td>
</tr>
<tr>
<td>JUL</td>
<td>2,106</td>
<td>2,245</td>
</tr>
<tr>
<td>AUG</td>
<td>1,806</td>
<td>1,920</td>
</tr>
<tr>
<td>YTD SUMMER</td>
<td>7,351</td>
<td>7,833</td>
</tr>
<tr>
<td>YTD TOTAL</td>
<td>15,759</td>
<td>16,556</td>
</tr>
</tbody>
</table>

Notes: Imputed from data received from member countries as of 7th October 2010
COUNTRY PERFORMANCES

- 20 of 28 reporting countries showed increase in stay-over arrivals so far for the year.

- Five destinations reported increases in excess of 10% (Anguilla, BVI, Cancun, Saint Lucia and St. Eustatius) and another seven surpass the 5% threshold.

- Bermuda, Curacao, and Grenada are noticeable among those showing some contraction especially in the early year.
COUNTRY PERFORMANCES

(Cont’d)

- Growth of 3% or higher was recorded in all sub-regional grouping except Dutch Caribbean where the performance was flat.

- The OECS countries as group grew by approximately 8% lead by double digit growth in Saint Lucia (16%) and British Virgin Islands (10.3%).

- Other groupings with modest growth during the period were Other CARICOM (3%); French Caribbean; Martinique only (6% and all other Countries (5%).
MARKET PERFORMANCE
Intra-Caribbean

- Arrivals declined marginally -0.5% in 2008 and a further -8% in 2009.
- A decrease of between 4%-5% was realized for the 21 destinations reporting data on this market in the review period.
- Still relatively high airfares
COUNTRY PERFORMANCES
Cruise

- 14 of 20 reporting countries showed increases in cruise passenger arrivals so far for the year.

- Bermuda, Cozumel, Belize, USVI and the Bahamas all made outstanding rebounds ranging from 38% - 14%

- Dominican Republic, Curacao, St. Vincent and the Grenadines, Antigua and Barbuda and Jamaica are noticeable among those showing double-digit contraction
## MARKET PERFORMANCE

<table>
<thead>
<tr>
<th>MARKETS</th>
<th>ARRIVALS (‘000)</th>
<th>%Change 2010/09</th>
<th>% Change Winter</th>
<th>% Change Summer</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>8,595.8</td>
<td>+7.6%</td>
<td>+6.9%</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Canada</td>
<td>1,958.4</td>
<td>+2.5%</td>
<td>+0.2%</td>
<td>+9.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>3,316.6</td>
<td>-4.2%</td>
<td>-4.5%</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Other</td>
<td>2,685.2</td>
<td>+11.9</td>
<td>+10.8%</td>
<td>+12.8%</td>
</tr>
<tr>
<td>Total Tourists</td>
<td>16,556.0</td>
<td>+5.1%</td>
<td>+3.7%</td>
<td>+6.6%</td>
</tr>
<tr>
<td>Cruise Passenger *</td>
<td>12648.9</td>
<td>5.9%</td>
<td>+2.6%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

**Notes:** All data is for the period Jan-Aug. * Jan-Jul only

*Imputed from data received from member countries as of October 7th, 2010*
MARKET PERFORMANCE

United States

- Grew by 7.6% in the first eight months of 2010. Positive growth in every month with double digit increases in March (13.3%) and May (10.5%)
- Major air carriers have increased their seating capacity and flight frequencies
- AA, Delta, West Jet, Jet Blue and Continental increased capacity
- Tour operators: Bookings down across the board
ECONOMIC PERFORMANCE
United States - 2010

- Unemployment stood at 10.0% at the end of 2009 but dropped slightly to reach 9.6% August 2010
- Still high and sub-optimal by developed country standards
- Consequence - cautious discretionary spending by consumers
- The inflation rate averaged - 0.4% for 2009. The rate for January stood at 2.6% but has since dropped steadily to 1.1% at the end of August.
- General domestic prices remaining relatively low and competitive
- US consumers will certainly base their travel decisions on these standards
US dollar regained strength against the Euro – 17% in 1st half 2010 due to weak European economic performance.

Last three months US$ has fallen back 11.5% and expected to continue unless domestic value of US$ is preserved by the feds.

Tendency to sell high yielding treasury bills to raise funds to service 13 trillion dollar public debt.

Real GDP rose by 3.7% in the first quarter and 1.7% in the second quarter. Projected growth is 2.6% in 2010 and 2.3% in 2011. Sluggishness expected to persist.
MARKET PERFORMANCE
Canada

- Grew by an average 9.1% per annum between 2005 and 2009
- Increased by 2.5% during the Jan-Aug review period
- Strong performance in several destinations Antigua & Barbuda (86.4% - Jan to Apr), Barbados (20.9), Jamaica (8.4%). Noticeable declines in the traditional destinations of Cuba (-1.3%) and Dominican Republic (-0.4%)
- Increased airlift into the region
ECONOMIC PERFORMANCE
Canada – 2010

- Unemployment stood at 9% in August 2009 and has moved to 8.7% for same period 2010.

- Inflation on average was 0.3% in 2009 a decline from 2.3% average in 2008. July to August 2010 the rate was recorded at 1.7%.

- Canadian dollar on average gained strength against most major currencies; rose against the euro for first six months but has started to creep downwards; remained relatively stable vis-à-vis the US dollar.

- Real GDP growth expected to be small but positive in the second quarter (0.5% when compared in the first quarter).
MARKET PERFORMANCE

Europe

- Arrivals declined by an average -2.3% per annum during the 2005 to 2009 period
- Down by -4.2 during Jan-Aug 2010;
- Only during the month of March did arrivals from this market increase (2.8%)
- UK pound now down 5% against US$ rate of early 2010
- General outlook still uncertain as European economies struggle to come back
ECONOMIC PERFORMANCE
UK - 2010

- The unemployment rate for the three months to July 2010 was 7.8 %, down 0.1% on the quarter
- Inflation was 3.1% in August, unchanged from July, which is higher than the provisional figure for European Union (2.1%)
- GDP growth expected to be small but positive in the coming quarters
Findings of CTO Surveys

- Conducted in Barbados during a 2 week period between May - June 2009 and a follow-up in March - April 2010.
- 1,703 and 1431 visitors respectively were randomly selected and interviewed.
- Range of fares paid by respondents was between £385 and £450.
- Sample represented 9.5% of total arrivals in Barbados for that time.
- Margin of error of estimated at +/- 2.
Findings of CTO Survey (2)

- **Class of Travel:**
  - 75% travel Economy Class,
  - 20% travel Premium Economy or Business,
  - 5% travel First Class.

- **Class of Travel & Average Spend:** Economy Class travelers equal largest group & also most total expenditure. For survey period, their spend is 15% < First Class, = to Premium Economy and 10% < than Business Class travelers.

July 1, 2010
Findings of CTO Survey (3)

- Class of Travel by Travel Arrangements:
  - Economy and Business Class travelers came on pre-paid package tours, representing 78% of travellers.
  - First Class travelers made their own arrangements.
  - Over 90% stay in hotels and other established accommodation.
  - Only 33% of UK arrivals were on a first time visit.
Findings of CTO Survey (4)

- **Annual household income of UK arrivals:**
  - 42% have less than £60,000;
  - 22% have between £60,000 and £100,000;
  - more than 50% of Economy Class travelers had incomes of less than £100,000 pounds
Overall Response to Airfare Increases

- Respondents asked if and how they would change travel plans if airfares incrementally increased.

- Airfares were placed into bands:
  - Lower fare band of £350 to £800 = Economy Class fares;
  - Medium fare band of £1600 to £2600 = Premium Economy & Business Class fares
  - Highest fare band of £2900 to £4400 = First Class fares
Overall Response to Airfare Increases

- As the fare incrementally goes over £500, there are sharper fall-offs in visitors.
- The % of UK visitors not interested in travel at all, quickly moves from 5% to 20%, when the fare increased from £500 to £800.
- This represents a decline of 14.8% for this range.

July 1, 2009
# HOTEL PERFORMANCE

**January – August 2010**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Jan-Aug 2010</th>
<th>% change 2010/’09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy</td>
<td>65.5%</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Room Rate</td>
<td>$166.07</td>
<td>+4.6%</td>
</tr>
<tr>
<td>RevPAR</td>
<td>$108.81</td>
<td>+6.0%</td>
</tr>
<tr>
<td>RevTot</td>
<td>-</td>
<td>+6.3%</td>
</tr>
</tbody>
</table>

*Source: Smith Travel Research

14 countries: Aruba, Bahamas, Barbados, Bermuda, Cayman Is, Cozumel (Mexico), Curacao, Dominican Republic, Jamaica, Puerto Rico, Saint Lucia, Trinidad, USVI, Venezuela
CHANGE IN CARIBBEAN HOTEL OCCUPANCY AND ROOM REVENUE STATUS
2007 - 2009

* Smith Travel Research 2007-09
* STR 2007 - 08 & 1st Quarter, 2009
Winfield Griffith, 6/10/2009
Short Term Forecast

- Major factors include:
  - Global economy weak but expected to continue sluggish improvement throughout winter
  - US dollar could lose some ground versus the Euro and the Pound
  - Higher than usual unemployment in the major markets
  - Based on current trends, arrivals are reasonably expected to increase moderately in the coming winter 2010-11 (4-6%);
  - Aggregate Spending can also be expected to increase modestly