




CARIBBEAN
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ASSOCIATION

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**Frank Comito addresses the media at Caribbean
Travel Marketplace last week.**

CARIBBEAN HOTELIERS PREDICT POSITIVE TOURISM PERFORMANCE FOR 2017

THE BAHAMAS (February 8, 2017) - Caribbean tourism fared well in 2016 and industry stakeholders are generally upbeat about the year ahead, despite the fact that many hoteliers were forced to adjust their high performance expectations for 2016 as the year progressed due to unforeseen events.

Announcing the results of the second annual Caribbean Hotel and Tourism Association (CHTA) Industry Performance and Outlook Study, Frank Comito, Director General and CEO of the private sector association, stated that "more than four out of five (81 percent) hoteliers have an encouraging outlook for tourism in 2017."

Comito explained that the survey, conducted by CHTA, was undertaken "to assist the organization in gaining a better understanding of the state of the tourism economy, its outlook, and the degree to which a number of factors impact or may affect the tourism industry."

The survey, administered during the first two weeks of this year, polled a representative sampling of hotels throughout the Caribbean of varying sizes and categories, and looked at their 2016 performance and 2017 expectations for factors in areas such as employment levels, revenue, profits, capital spending, room occupancy, and rates, each forming the basis for assessing the state of the tourism economy.

In 2016, hoteliers reported an even split on revenue performance with 47 percent recording an increase and a similar percentage reporting a decrease. While expectations for the year were higher initially, last year's mixed performance came after an exceptional year for Caribbean tourism in 2015.

"Hoteliers entered 2016 with high performance expectations but these were tempered as a combination of unanticipated factors surfaced during the year," said Comito. These events included a warmer than usual winter in the region's primary feeder markets, Canadian and UK exchange rates, Brexit, the threat of Zika, and political and economic certainty in parts of the world, according to the survey respondents.

Despite this, the profitability picture improved over the previous year, with most hotels registering a net profit in 2016. Seventy-eight percent of respondents reported a net profit while 22 percent reported a net loss. Looking ahead, in 2017 more than two-thirds (67 percent) anticipate an increase in revenue, and 56 percent expect a slight improvement in profits.

It was encouraging to note that about 55 percent of hotels also increased capital expenditures in 2016, with a quarter of those investing more than 10 percent over what they did in 2015. "This is a positive sign and an indication of long-term confidence by Caribbean hoteliers in the industry," reported Comito.

Although room occupancy decreased for just more than half (51 percent) of the reporting hotels, a notable proportion (29 percent) reported an increase in occupancy. More hoteliers are optimistic for 2017, with two-thirds expecting an increase in occupancy.

Despite the fact that average daily room rates (ADR) were reduced by 45 percent of hotels, as many as 42 percent increased their rates. This year, approximately 55 percent of hoteliers expect to increase ADR while only 15 percent expect downward pressure on rates.

It is important to note that employment levels were maintained by 55 percent of survey respondents in 2016, while only 17 percent reduced staffing levels and a sizable proportion (28 percent) hired more staff. This pattern is anticipated to continue in 2017.

Despite the mixed results in 2016, hoteliers appear to be generally optimistic about the year ahead.

About the Caribbean Hotel and Tourism Association (CHTA)

The Caribbean Hotel and Tourism Association (CHTA) is the Caribbean's leading association representing tourism interests for national hotel and tourism associations. For more than 50 years, CHTA has been the backbone of the Caribbean hospitality industry. Working together with 1,000 hotel and allied members and 32 National Hotel Associations, CHTA is shaping the Caribbean's future and helping members to grow their businesses. Whether navigating new worlds like social media, sustainability, legislative issues, emerging technologies, data and intelligence or looking for avenues and ideas to better market and manage businesses, CHTA is helping members on matters that matter most.

For further information, visit www.caribbeanhotelandtourism.com.

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