

# ***The Future of Caribbean Tourism – Key Considerations for the COVID-19 recovery***

**Caribbean Tourism Organization**

***April 30, 2020***



# ***COVID-19 and Caribbean Tourism***

## ***A quick snapshot***



## **COVID-19 Caribbean overview**

- The first cases of COVID-19 were detected in the Caribbean in late February/early March 2020.
- Since then we have seen varying responses from Caribbean countries ranging from mandatory quarantine for travellers from COVID-19 hotspots to the eventual shutdown of borders and prohibition of passenger travel.
- Like a significant portion of the rest of world the COVID-19 crisis has resulted in essentially no commercial air travel into the Caribbean for the better part of 6 weeks. (although some countries have allowed the repatriation of citizens stranded overseas)
- At the end of April 2020, countries have indicated the removal of the lockdown measures applicable to persons within their borders and there have been actions regionally to facilitate the eventual reopening of borders for travel.



<b>Table A2: Number of COVID-19 cases by destination</b>	
<b>Destination</b>	<b>Total number of cases</b>
Anguilla	3
Antigua & Barbuda	24
Aruba	100
Bahamas	80
Barbados	80
Belize	18
Bermuda	110
British Virgin Islands	6
Cayman Islands	70
Cuba	1,437
Curaçao	16
Dominica	16
Dominican Republic	6,416
Grenada	19
Guadeloupe	149
Guyana	76
Haiti	74
Jamaica	381
Martinique	175
Montserrat	11
Puerto Rico	1,400
Saint Lucia	15
St. Kitts & Nevis	15
St. Maarten	75
St. Martin	38
St. Vincent & the G'dines	15
Suriname	10
Trinidad & Tobago	116
Turks & Caicos Islands	12
U S Virgin Islands	59
<b>Caribbean (Total)</b>	<b>11,016</b>
<b>Source :</b> <a href="https://www.worldometers.info/coronavirus/">https://www.worldometers.info/coronavirus/</a> as of April 29, 2020	



## **The effects of COVID-19 on Caribbean tourism**

### ***Stayover Arrivals***

- 2019 was a record year for Caribbean tourism, with several countries recording significant gains due to very focused rebuilding efforts after the 2017 hurricanes.
- The 2019 average of 4.4% growth in international arrivals exceeded the world's international arrivals growth of 3.8%.
- In 2020 the Caribbean registered an estimated 15.4% reduction in level of arrivals in the first quarter when compared to 2019. The estimated reduction in arrivals for March 2020 when compared to 2019 is 39.7%.
- By the ending March 28, 2020, hotel occupancy had been estimated by STR - based on its reporting hotels - to have reached 10.6%.



### Monthly Tourist Arrivals ('000)

	2019 <sup>e</sup>	2020 <sup>e</sup>	%CH 20/19
<b>JAN</b>	2,905.0	2,827.9	-2.7
<b>FEB</b>	2,918.3	2,912.3	-0.2
<b>MAR</b>	3,338.9	2,013.0	-39.7
<b>QTR1</b>	<b>9,162.1</b>	<b>7,753.2</b>	<b>-15.4</b>

Note: Imputed from data on international travel to member countries.

Source: CTO Member Countries and CTO estimates.



## **The effects of COVID-19 on Caribbean tourism**

### ***Cruise***

- Similar to land based tourism arrivals in 2019, cruise arrivals had reached a record level of 30.2 million visits.
- In the first quarter of 2020, cruise visits were reduced by an estimated 19.1% when compared to 2019.
- The month of March 2020 showed an estimated 57.4% reduction in visits, in a similar vein to stayover arrivals.



## Monthly Cruise Passenger Arrivals ('000)

Month	2019 <sup>e</sup>	2020	%CH 20/19
JAN	4,013.9	3,868.2	-3.6
FEB	3,249.0	3,317.3	2.1
MAR	3,408.6	1,452.5	-57.4
<b>QTR1</b>	<b>10,671.4</b>	<b>8,638.0</b>	<b>-19.1</b>

Note: Imputed from data on international travel to member countries.

Source: CTO Member Countries and CTO estimates.



- Since tourism is the key economic driver for the region, these preliminary figures at the end of March, and the essentially zero travel by the end of April, have resulted in significant economic challenges for the Caribbean.
- A preliminary projection for 2020 of a minimum 50% reduction in regional stayover arrivals would take the Caribbean back to 1995/1996 levels, a reversal of 25 years of growth.
- While revenues from tourism are not in a linear relationship to arrivals, we can extrapolate that a significant reduction in tourism activity will lead to a significant reduction in tourism receipts.



- In a presentation to CTO members on March 27, 2020, Dr. Justin Ram of the CDB indicated the potential for COVID-19 to result in reduction in real GDP in Caribbean countries across the board, of between 15 and 30%.
- Similarly in that presentation, it was shown that the potential for the increase in public debt is between 15 and 60%.
- Both of these indicators show that the COVID-19 crisis will have far-reaching effects on Caribbean economies.



## **Recovery**

- As the pandemic has unfolded in the Caribbean, and governments and planners grapple with its effects, it has been recognized that the Caribbean, like the rest of the world, will be dealing with a ‘new normal’ post-COVID.
- This ‘new normal’ will see greater integration of public health and tourism .
- This integration will be necessary since a reopened Caribbean will require public health monitoring and assessment at the ports of entry, to ensure the safety of visitors and citizens alike.
- In addition, destinations will have to ensure the ability of their health systems to manage the potential for new cases once borders are reopened.



- The collaboration of these two sectors will require the establishment of a rigorous framework or set of protocols based on international standards to ensure the discipline and consistency necessary for effective results and restoring confidence.
- Retraining of the frontline workers in these sectors will be necessary.
- A further drill down demonstrates the need for the key stakeholders in the tourism sector (i.e. airlines, cruise lines, hotels, restaurants, attractions, the sharing economy and public sector policy makers) to collaborate since the revitalization of tourism to regain its market share will require inputs (resources) from each stakeholder grouping.
- The Caribbean brand positioned in this context will be able to stand up to international scrutiny, as will be the case when travellers are reintroduced to it. A marketing campaign highlighting the strengths of the Caribbean as a healthy and safe destination would be a fitting way to 'relaunch' the region as it welcomes back visitors to its shores.



- Other potential areas to highlight in a marketing campaign, in addition to the health and safety aspects:
  - The attraction of the Caribbean as a destination for regaining health and wellness beginning in the 1700's.
  - The diversity of the Caribbean tourism product.
  - Elements of the existing product which already set it apart from the rest of the world such as its heritage, culture and cuisine.
- Navigating the 'new normal' requires thinking outside of the box and being creative with the promotion of existing properties, sites and attractions.
- The Caribbean ended 2019 exceeding the world average; we know where we need to be again.



***THANK YOU***

