Key Policy Issues in Caribbean Tourism and CTO’s Statistical Inventory

Prepared by CTO Research Unit
Key Facts

• The Caribbean is the most tourism intensive-region in the World.

• According to WTTC, tourism
  – contributed approx. 14% of GDP and
  – generated about 12% of total Caribbean employment both (directly and indirectly) in 2012.
Key Policy Issues: Measurement
Key Policy Issues

- **Measurement**: The region inadequately captures tourism contribution in GDP.
  - TSA’s are only employed in Bahamas, Jamaica & Dominican Republic.
  - Indirect contribution is not estimated.
  - Key performance indicators e.g. accommodation occupancy rate and length of stay are sparse.

- Hence, economic analysis underestimates the tourism impact.
Key Policy Issues: Environment
Key Policy Issues

- **Environment**: tourism is heavily dependent on a healthy and attractive environment.

- Yet the management of pollution, coastal zones, conservation and sustainable use of the natural habitat etc has been lacking.

- **Statistics required**: geographical data, # of livelihoods dependent on coasts etc.
Key Policy Issues: Safety & Security
Key Policy Issues

- **Safety & Security:** crime against tourists affect the perception of a safe destination and could lower arrivals.

- E.g. few years ago, a cruise line dropped calls to a destination after a violent attack on a tourist.

- **Statistics required:** trends of crimes against tourists, data on tourists’ perception of safety in destination etc.
Key Policy Issues: Taxes
Key Policy Issues

• **Taxes:** The tourism sector is perceived as a lucrative revenue source.

• Across the region many Governments have increased departure taxes to ease fiscal constraints during the Great Recession.

• Additionally, U.K. a major source market increased its APD, which excessively affects outbound travel to the Caribbean.

• **Statistics required:** trends on taxes in tourism sector, data analysis on impact on tourism sector etc
Key Policy Issues: Air Access
Key Policy Issues

- **Air Access:** Intra-regional air access is expensive primarily due to high airport fees and taxes.

- Further, the few remaining Caribbean airlines need to be financially sustainable to ensure airlift into/across the region.

- **Statistics required:** trends in airport fees & taxes, trends in passenger load factors of regional aircraft, data analysis on impact of fees on intra-regional travel etc.
CTO’s INVENTORY OF TOURISM STATISTICS
DATA SOURCES

• Primary data sources for Tourism Statistics in the Caribbean

  ➢ Immigration Cards

  • The Immigration Card or Emigration/Disembarkation, (E/D) Card is a legal document which is the property of the Justice/Immigration department of a country.

  • It is used to determine the number of visitors, country of residence and other personal characteristics.
DATA SOURCES

➢ **Hotel Registration Data**
  • In destinations where E/D cards are not available, Hotel Registrations of Non-Residents can be used as a proxy for tourist arrivals

➢ **Surveys**
  • **Visitor Expenditure and Motivational Survey**. Focus mainly on marketing issues but do include some expenditure questions.
CURRENT INVENTORY

- (Inbound) Tourism indicators from 32 Caribbean destinations
  - Number of Visitor Arrivals – Overnight Arrivals, Same-Day Visitors & Cruise Passenger Arrivals
  - Profiles of visitors (Age, Gender etc.)
  - Activities during the trip (sparse data)
  - Expenditure levels
  - Accommodation statistics
  - General Economic Data (sparse data)
<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>% ch 2011/12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourist (Stay-Over) Arrivals (millions)</strong></td>
<td>22.9</td>
<td>22.1</td>
<td>22.8</td>
<td>23.8</td>
<td>25.0</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Cruise Passengers (millions)</strong></td>
<td>18.8</td>
<td>18.9</td>
<td>20.5</td>
<td>20.9</td>
<td>20.7</td>
<td>-0.8</td>
</tr>
<tr>
<td><strong>Visitor Expenditure (US$ T)</strong></td>
<td>27.2</td>
<td>24.4</td>
<td>25.5</td>
<td>26.5</td>
<td>27.4</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Average Length of Stay (nights)</strong></td>
<td>7.18</td>
<td>7.12</td>
<td>7.05</td>
<td>7.10</td>
<td>7.09</td>
<td>-0.01</td>
</tr>
<tr>
<td><strong>Number of Rooms in Tourist Accommodations (’000)</strong></td>
<td>297.2</td>
<td>301.4</td>
<td>306.1</td>
<td>306.3</td>
<td>n.a</td>
<td></td>
</tr>
<tr>
<td><strong>Room Occupancy (%)</strong></td>
<td>64.9</td>
<td>61.6</td>
<td>61.1</td>
<td>61.8</td>
<td>66.3</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Average Room Rate (US$)</strong></td>
<td>178.0</td>
<td>156.3</td>
<td>161.4</td>
<td>167.6</td>
<td>175.6</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>revPAR (US$)</strong></td>
<td>115.5</td>
<td>96.3</td>
<td>98.7</td>
<td>103.6</td>
<td>116.4</td>
<td>12.4</td>
</tr>
</tbody>
</table>

Source: Caribbean Tourism Organization, Smith Travel Research
# CURRENT INVENTORY

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Countries Reporting</th>
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</thead>
<tbody>
<tr>
<td>Total Arrivals</td>
<td>29</td>
</tr>
<tr>
<td>Main Markets (total)</td>
<td>25</td>
</tr>
<tr>
<td>US by State</td>
<td>12</td>
</tr>
<tr>
<td>Europe by Country</td>
<td>18</td>
</tr>
<tr>
<td>Caribbean by Country</td>
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<tr>
<td>South America by Country</td>
<td>10</td>
</tr>
<tr>
<td>Canada by Province</td>
<td>8</td>
</tr>
<tr>
<td>Length of Stay</td>
<td>12</td>
</tr>
<tr>
<td>Occupancy Rate</td>
<td>6</td>
</tr>
</tbody>
</table>
CURRENT INVENTORY

• Timeliness varies from country to country.
• Only 3 responses have been received on the Budget and 6 to performance questionnaire.
• Tourist Accommodations data and Visitor expenditure estimates are non-existent in many countries.
CHALLENGES

- Timeliness & Comparability
- Measurement of Tourism (TSA’s not widely used)
- Filling data gaps
- Developing new indicators to cover the multidimensional nature of tourism.
OPPORTUNITIES

• TVS index developed by CTO …coming soon!!!

• CTO collaborates with IDB to promote TSA’s in the member countries.

• Improve our data management systems.

• Data transfers from Immigration systems.
CONCLUSION

• Improved tourism statistics necessary to meet challenges are critical to the development of the industry.

• *If you can measure it you can manage it!!!*
THANK YOU