



CARIBBEAN
HOTEL & TOURISM
ASSOCIATION

Covid-19 Caribbean Tourism Impact and Outlook Survey

April 2020





Survey Objectives and Results Overview

The following represents the results from a random member survey undertaken by the Caribbean Hotel and Tourism Association between April 10th and 15th, 2020 to:

- (1) better assess the impact of the Covid-19 pandemic on the region's tourism industry and economies;
- (2) provide an indication of the industry's outlook for the future; and
- (3) help guide regional and local tourism and economic recovery efforts.

A sampling of 111 businesses participated in the survey, with 63% representing the hotel accommodations sector and 37% representing other tourism-related businesses. Fifty-five percent of the hotels were independently owned and operated and 65% of the hotels reported having 75 or fewer rooms.

Feedback was sought to gain input on:

- Business Operating Status and Outlook
- Employment and Labor-Related Matters
- Financial Impact
- Treatment of Guest Cancellations
- Challenges with Tour Operators
- Insurance Coverage
- Health Safety Measures
- Training Needs
- Recovery Support and Stimulus Measures



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BUSINESS OPERATING STATUS AND OUTLOOK

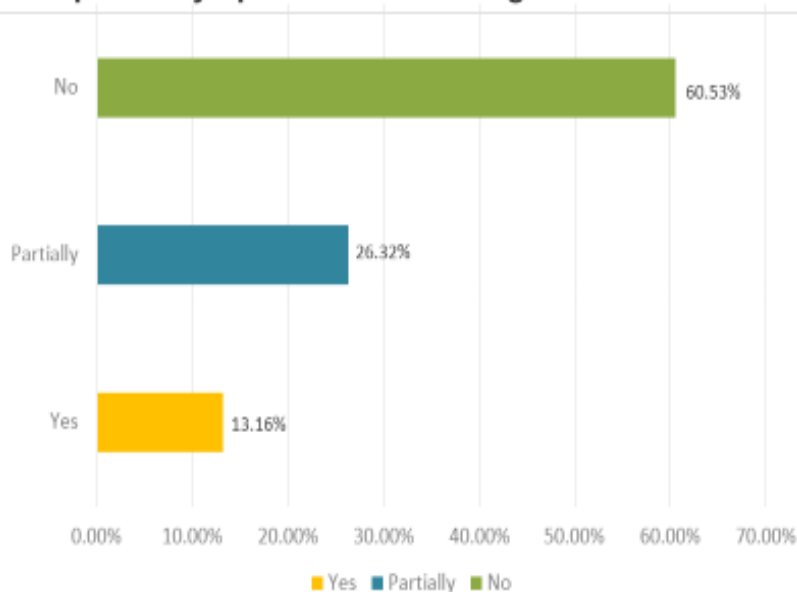


Business Operating Status and Outlook

By Mid-April 2020...

- **13%** Reported being open and conducting business
- **61%** Reported being closed and not accepting guests
- **26%** Reported being partially open but not accepting guests

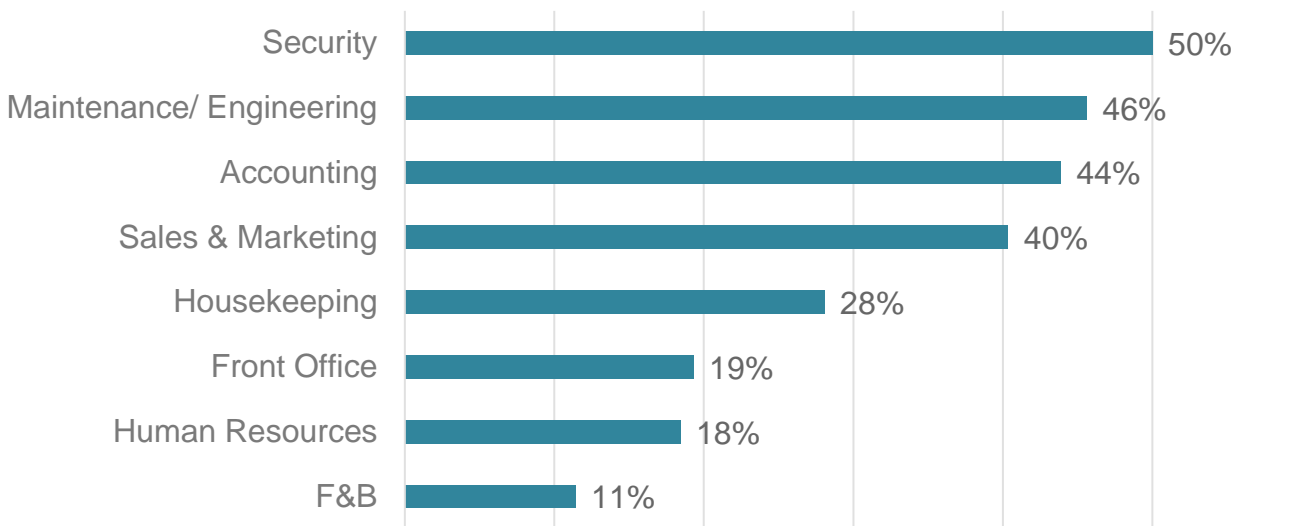
Is your business presently open and conducting business?





Business Operating Status and Outlook

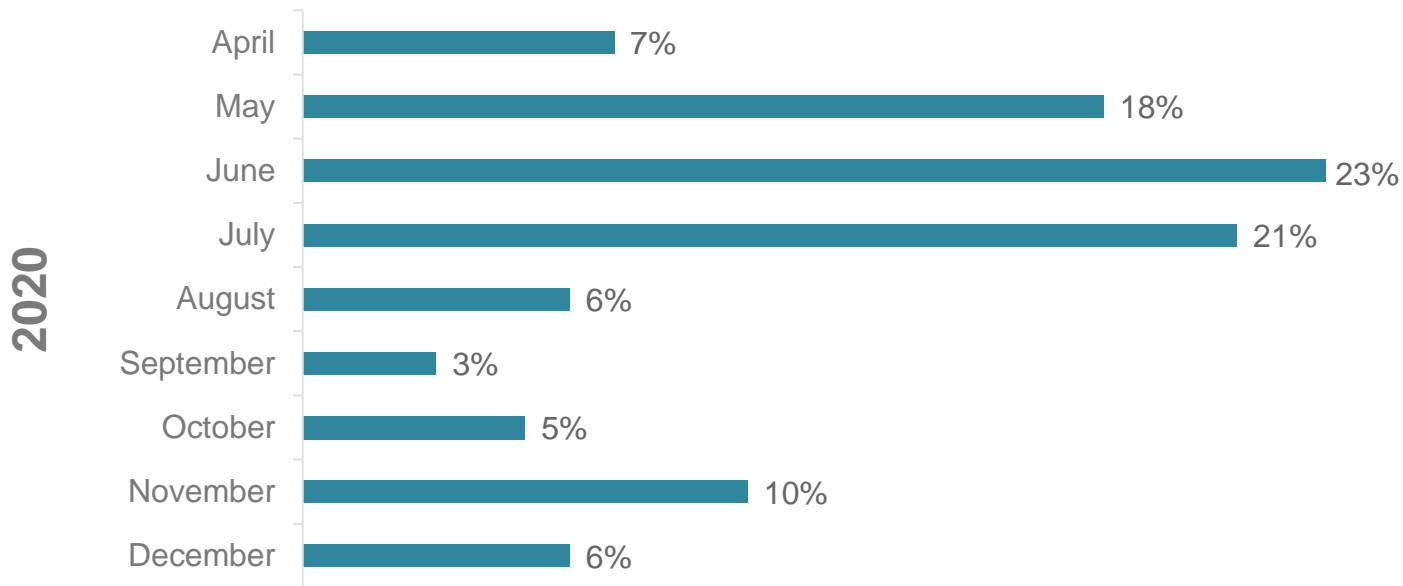
If your business is closed or partially open, what functions are still operational?





Business Operating Status and Outlook

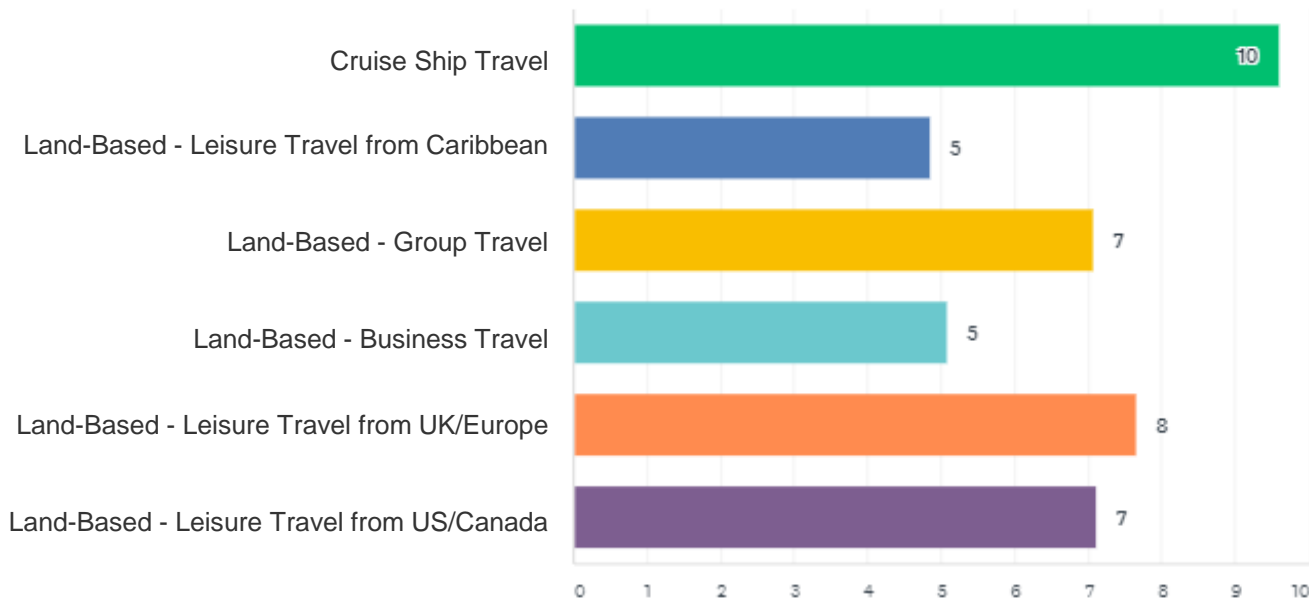
If your business is presently closed, at the present time when do you anticipate reopening?





Business Operating Status and Outlook

Please indicate the number of months you anticipate it will take before consumers are again willing to travel to the Caribbean.





Business Operating Status and Outlook

How confident are you in the Caribbean tourism industry's ability to recover from the impact of the pandemic and by when?(Level of Confidence: 1 = Not Confident; 5 = Highly Confident)

	1	2	3	4	5
End of Q2 2022	7%	2%	4%	16%	72%
End of 2021	5%	4%	7%	23%	61%
End of Q2 2021	4%	8%	19%	20%	48%
End of Q1 2021	5%	16%	22%	25%	32%
End of 2020	18%	25%	28%	15%	13%



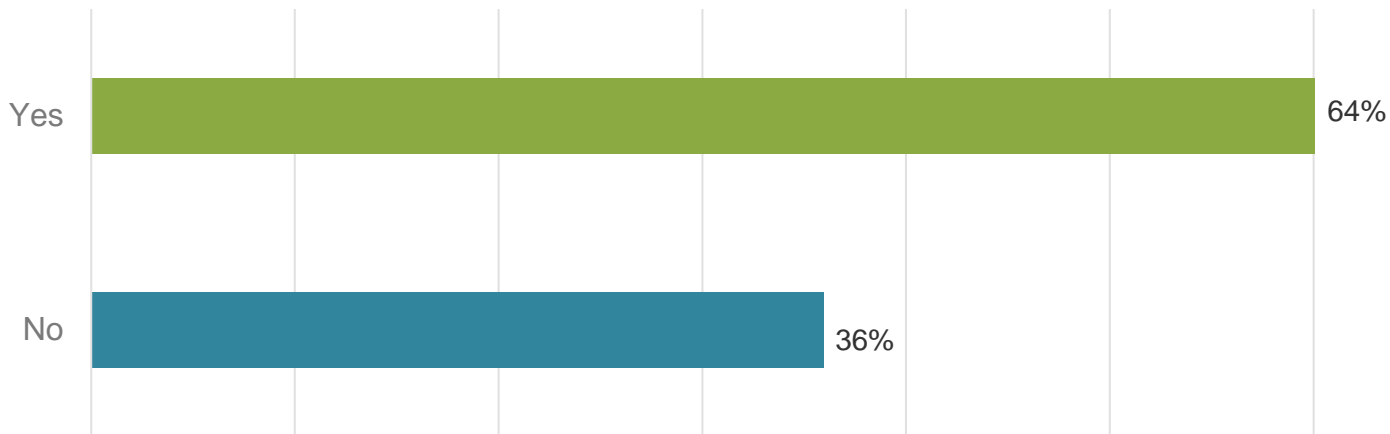
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EMPLOYMENT & LABOR-RELATED MATTERS



Employment & Labor-Related Matters

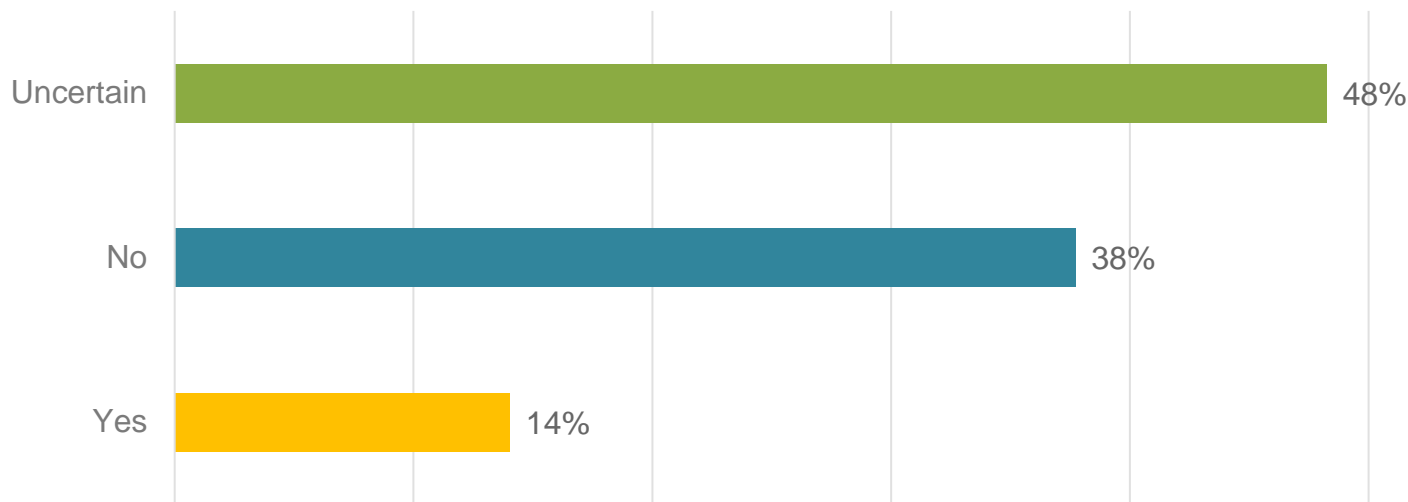
If you are closed or partially closed, are you continuing to pay any employees a percentage of their salary?





Employment & Labor-Related Matters

Do you anticipate being legally obligated to provide severance to employees who have been laid off?



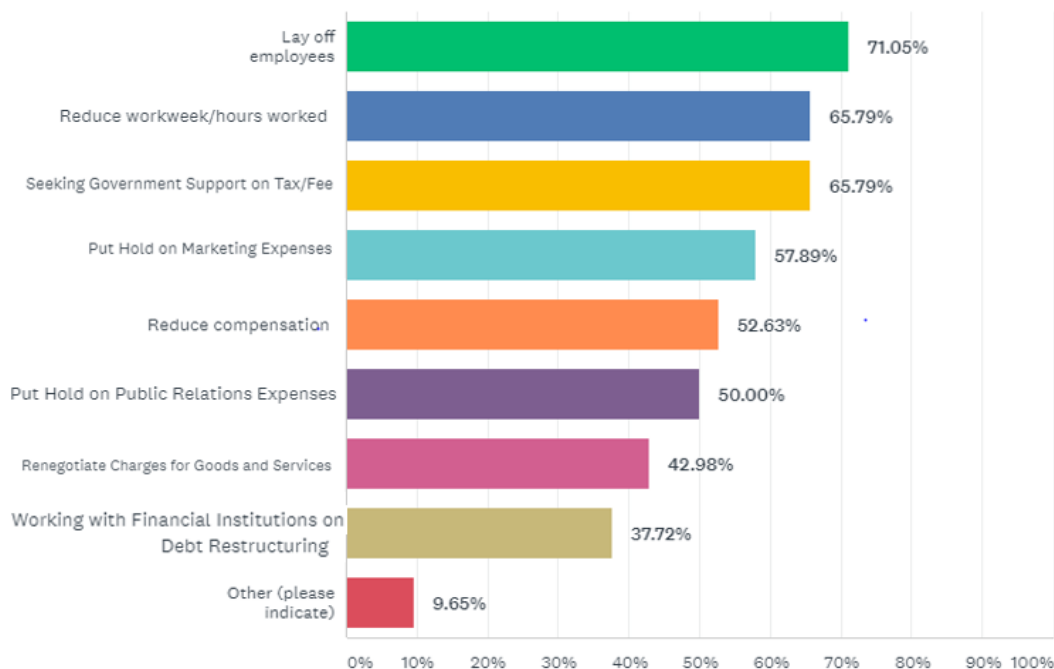


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FINANCIAL IMPACT



What measures have you put in place to address your 2020 revenue shortfall?



Other Measures Include:

- Business Restructuring
- Business Closing Down
- Searching for Alternatives
- Debt Moratorium
- Energy Management Program and Efficiency Solutions
- Governmental Support and Loans
- Reduce capital investments



What average room occupancy percentage do you require based on your history to reach a break-even point?

52%

**Avg. Occ% Needed by
Hotels to Break-even**



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TREATMENT OF CANCELLATIONS



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Treatment of Cancellations

What percentage of cancellations do you expect to re-book with your company?

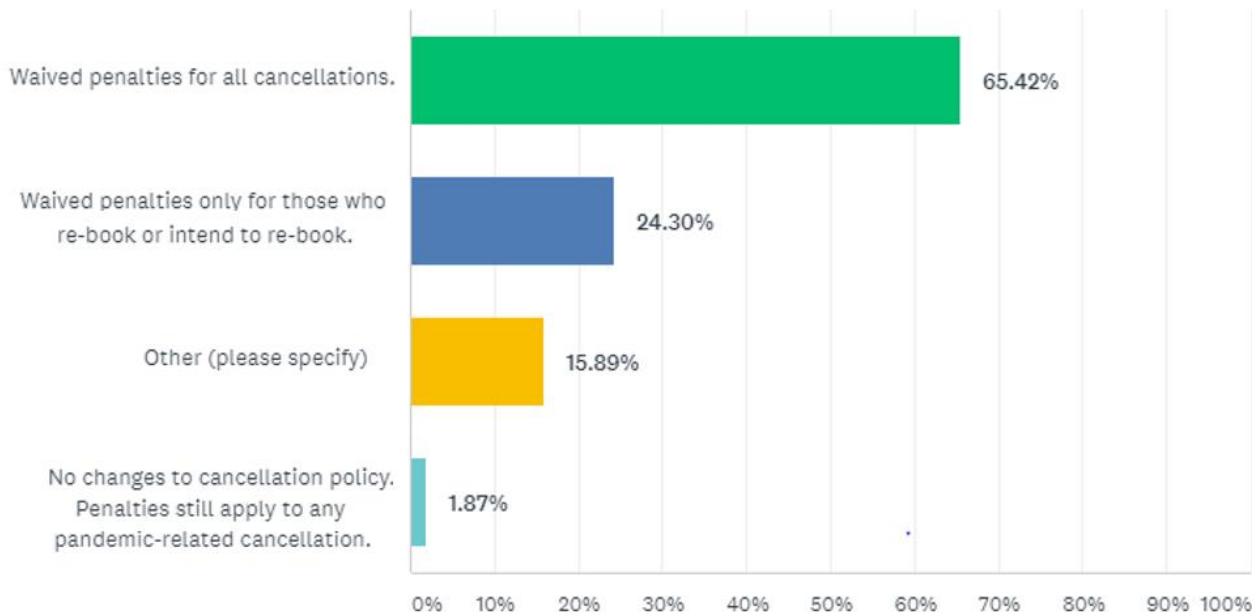
43%

**Avg. % of Cancellations
Expected to Re-Book**





How have you modified your cancellation policy for direct bookings during the pandemic?





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CHALLENGES WITH TOUR OPERATORS



Challenges with Tour Operators

Please indicate the difficulty with restrictions placed upon cancellations, if any, by the following.

	Booking.com	Expedia	Tour Operators
Required to offer full refund	67%	69%	52%
No difficulty with restrictions	71%	69%	75%
Lack of flexibility to rebook	68%	63%	50%



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Challenges with Tour Operators

Delayed Reimbursements by Some Traditional Tour Operators

69%

Of Hotels Report Not
Receiving Reimbursements
for Services Rendered
During Q1 2020

\$219,000

The average amount owed to
hotels by tour operations for
Q1 services rendered with
highest reported amount owed
at \$15,000,000

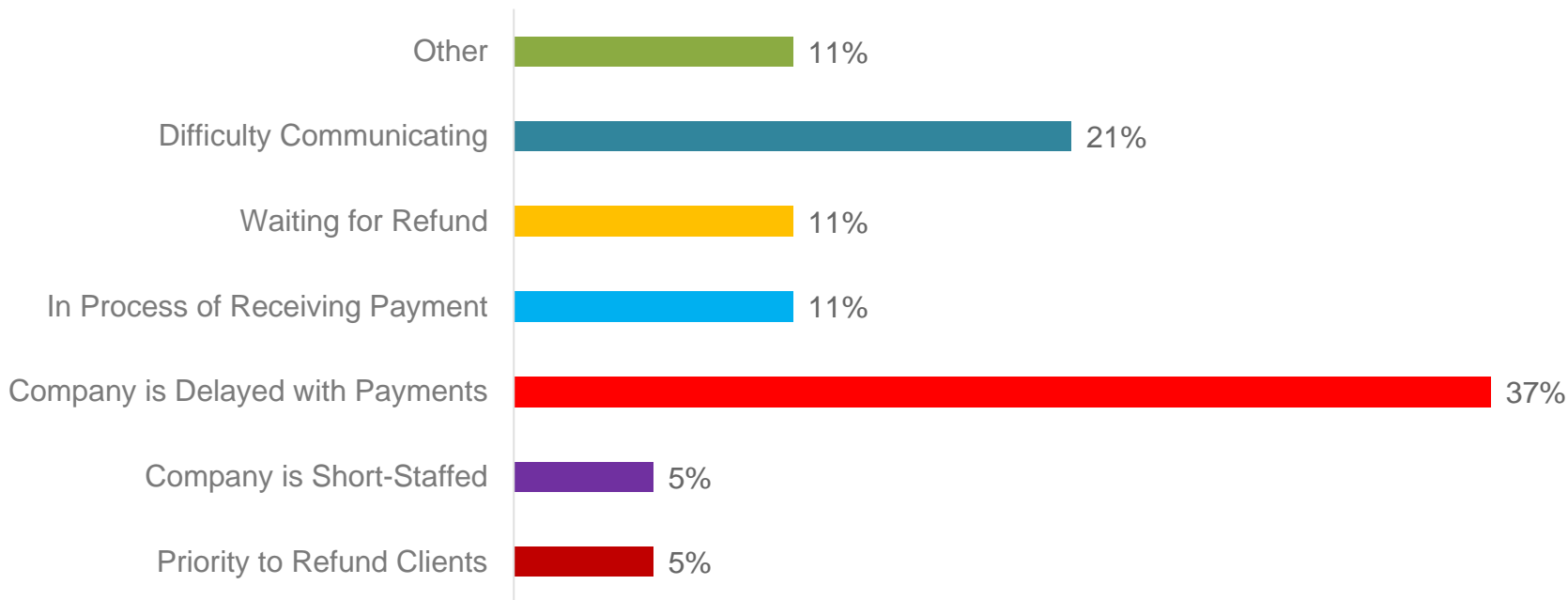
**60-120
Days**

The additional time hotels
expect before receiving
reimbursement based upon
tour operator feedback.



Challenges with Tour Operators

If “Payments have been delayed”, what has the tour operator indicated?



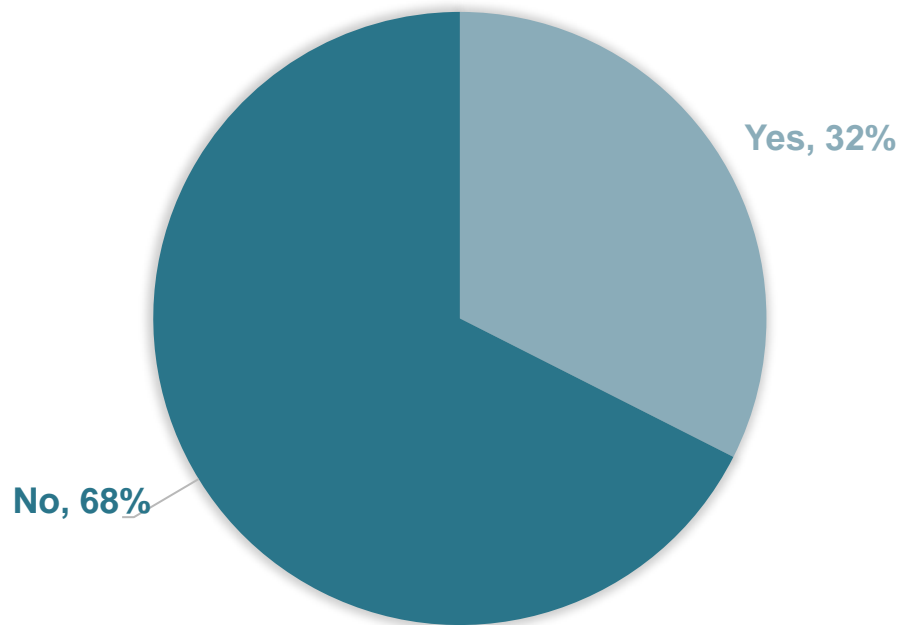


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INSURANCE COVERAGE



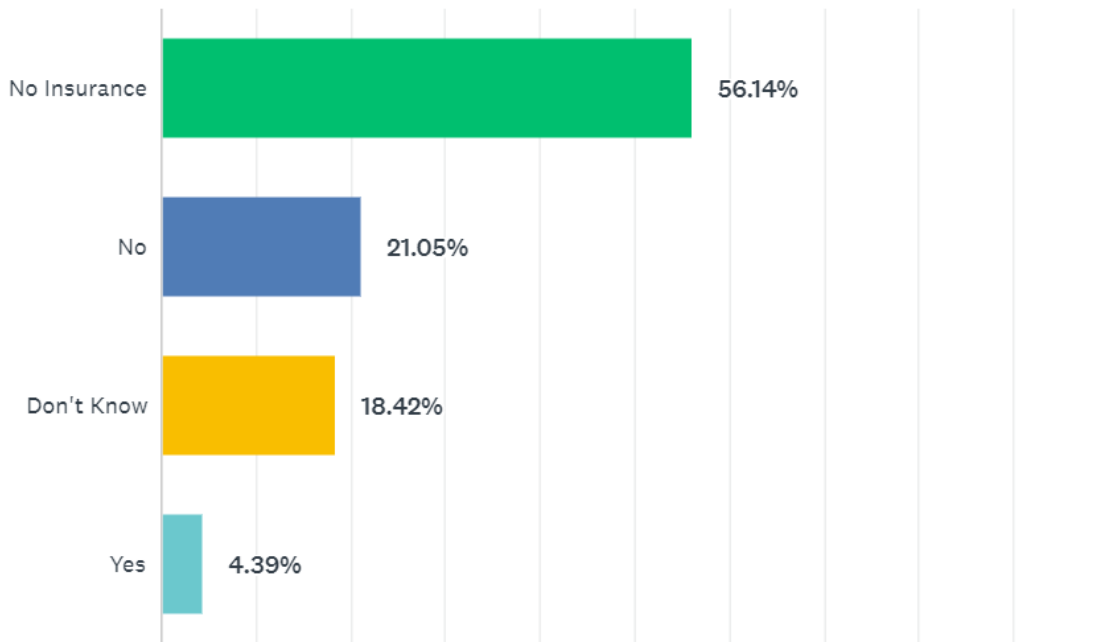
Do you have business interruption insurance?





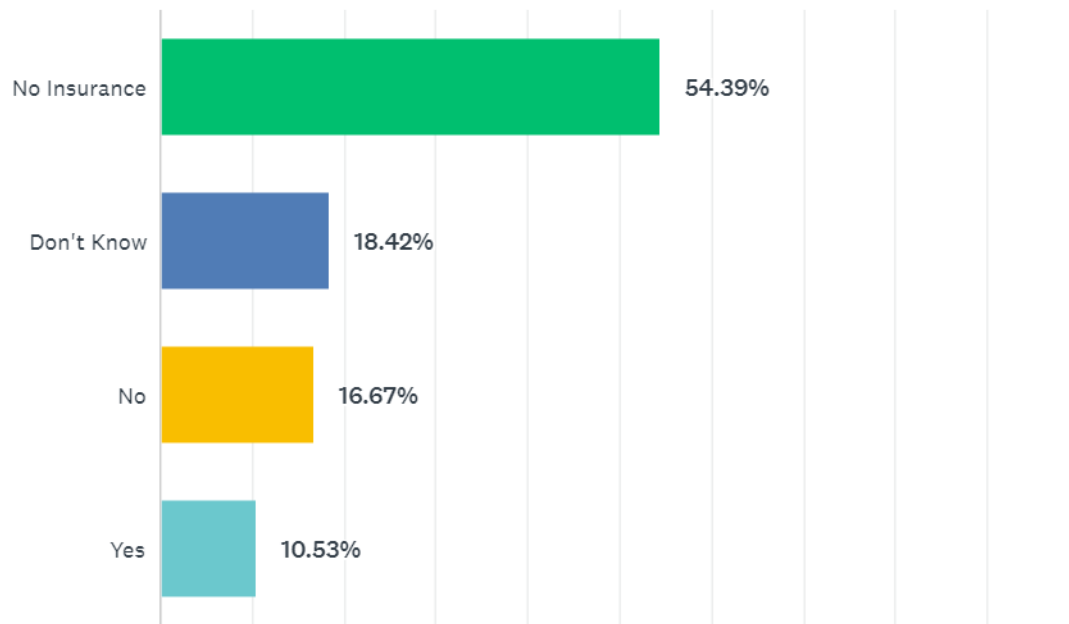
Insurance Coverage

Does your property insurance policy provide coverage for "Civil Authority" and its impact on your operations (this coverage would typically be set forth in a separate paragraph in policies, not buried in an unidentified section):



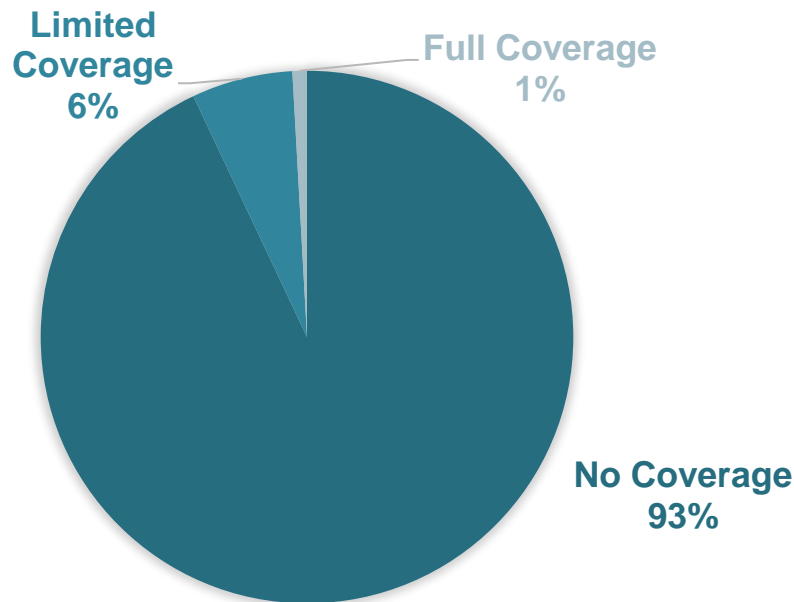


Does your property policy have a contamination exclusion or an exclusion for loss caused by epidemics or pandemics?





What has your insurance company advised you regarding possible coverage for losses due to the pandemic?

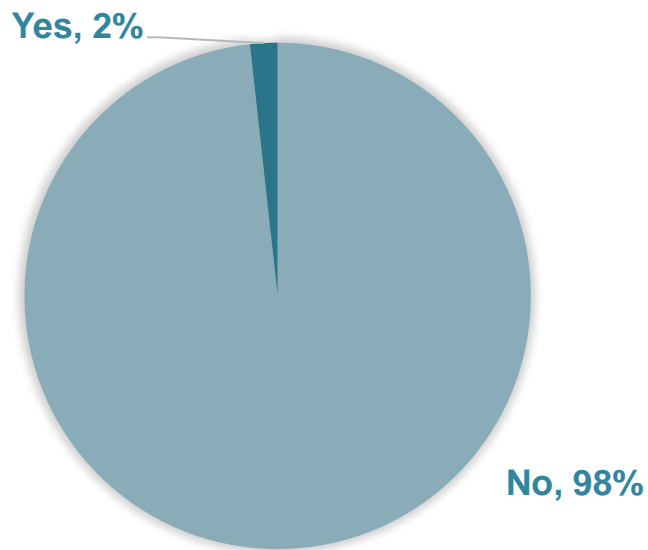




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Insurance Coverage

To your knowledge have you had a guest or employee test positive for Covid-19?





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HEALTH SAFETY & TRAINING



What changes do you plan to put in place to address health safety concerns by guests and employees? (Check all that apply).



Other Changes Include:

- Contingency Planning and Risk Analysis
- Daily Temperature Checks for All Employees
- Advocate through NHTA for Government Implementation of Restrictions
- Room Purification
- Closed Property



Please indicate the value level which you place on the following subject matter areas for training and information sharing to support your company's recovery efforts.

Scored Above Average HIGH Importance*

- Business Cost Saving Measures
- Health Safety Training for Front Line Workers
- Managing Rate Integrity thru a Crisis and Beyond
- New Company Policies and Procedures in a Contagion Environment
- Leveraging Resources to Conduct Destination Marketing
- Labor Management thru the Crisis
- Communications and Public Relations Strategies Now and thru Recovery
- Supervisory and Management Leadership to Guide Recovery and Beyond

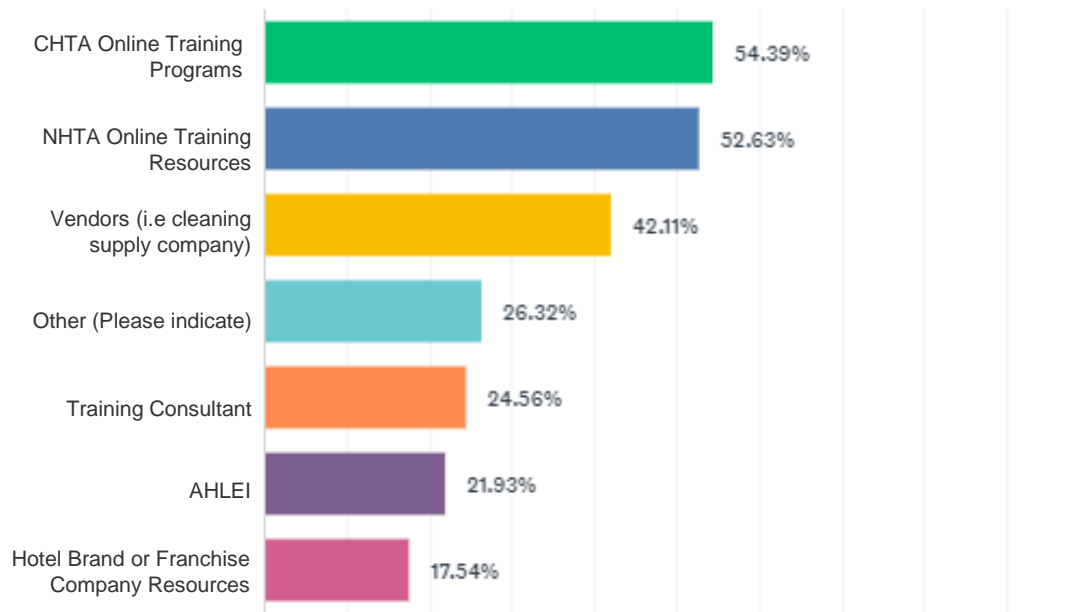
Scored Above Average MEDIUM Importance*

- Stress Management for Employees
- Social Distancing in a Social Business
- Market Differentiation Out of a Crisis
- Leveraging Resources to Conduct Destination Marketing
- Communications and Public Relations Strategies Now and thru Recovery
- Strategies for a Caribbean Brand Marketing Approach
- Supervisory and Management Leadership to Guide Recovery and Beyond
- Refinancing and Debt Restructuring

* Ranked/listed by number of responses



Where will you seek guidance or other resources to implement the above?



Other Resources Include:

- RISC and Business Articles
- Tour Operators
- Local Government Ministry of Health
- NHTAs
- WTTC, WHO, CDC
- Self-Researching, Web and YouTube
- MPI
- American Rental Association



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RECOVERY SUPPORT & STIMULUS MEASURES



Recovery Support & Stimulus Measures

The hospitality industry around the world is seeking relief and support to address the fallout and financial challenges from the pandemic to companies and employees, and to look at measures which could help with the recovery of the industry. Some measures will meet with receptivity, while others will require a strong case to secure support. Please indicate the level of importance you place on the following potential stimulus measures: (Level of Importance: 1 = Low Importance; 5 = High Importance)

Scored Above Average in Importance (5) Category*

- Tax Relief – VAT or Equivalent
- Aviation & Airline Related Fees Reduction to Stimulate Lift Return
- Unemployment Support for Furloughed Employees
- Utilities – Electricity Relief
- Tax Payment Deferral
- Utilities – Electricity Peak Demand Adjustment

Scored Above Average in Importance (4) Category*

- Suppliers – Discounts, Deferred Payments
- Working Capital Support
- Employment Tax Credits or Payroll Support for Early Rehires
- Utilities – Electricity Relief
- Employment Tax Credits for Retention
- Employment Tax Credits for Early Rehires
- Bank – Soft Loans/ Low Interest
- Utilities – Electricity Peak Demand Adjustment
- Bank Loan Payment Deferral

Scored Above Average in Importance (3) Category*

- Working Capital Support
- Suppliers – Discounts, Deferred Payments
- Employment Tax Credits for Retention
- Employment Tax Credits for Early Rehires
- Tax Relief – Other
- Tax Payment Deferral
- Bank – Soft Loans/ Low Interest
- Utilities – Electricity Peak Demand Adjustment

* Ranked/listed by number of responses



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