

# Visitor arrival numbers are not the whole story

## The Business of Tourism

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To understand the Caribbean tourism economy requires time, and a willingness to explore what lies behind the commentaries and headline statistics. Despite this, and the fact that tourism is now the region's most significant industry, there is an alarming absence of publicly available, viable, in-depth information on what is happening in specific markets, or to the industry in the region as a whole.

This is because most Caribbean governments share only arrival numbers and the country of origin of their visitors. Few provide any of the analysis that would determine, for example, how profitable an industry is, the demographic profile of visitors, hotel occupancy rates, the type of accommodation used, or help to distinguish those arrivals which are not tourism related.

Some also confuse the issue by leaving unclear the extent to which their total arrival numbers include lower-spending cruise ship visitors, and few say anything at all about annual or seasonal movements in key private sector measurements such as revenue per available room (RevPar) which, by measuring occupancy and revenue, is ultimately the industry metric used to manage rates and profitability.

The most challenging example, when it comes to understanding a country's tourism performance, is Cuba. The country has indicated surging visitor arrivals, up by 22.2 per cent in the first semester of 2017, with 4.2m travellers in total forecast for the year. However, it provides virtually no accompanying detail other than country of origin. There is therefore no indication, for example, of how well other regions of the country are doing in relation to Havana, or about the country's repeat business or visitor satisfaction.

This has become especially important as the increase in the regional arrival figures are, to a significant extent now, being influenced by the success of Cuba, the Dominican Republic and Jamaica.

In this overall context, it was therefore pleasing to see a recent comment on the subject by Vincent Vanderpool Wallace, the Principal Partner in Bedford Baker Group, and one of the few industry professionals whose analytical and thought-provoking approach recognises that tourism's complex multi-dimensional nature requires rigorous examination.

Speaking in St Maarten, with the experience of having been a former tourism minister in The Bahamas and CEO of the Caribbean Tourism Organisation (CTO), he described as "flawed" the method by which the countries of the region determine the economic impact of tourism.

"What we have been doing for a long time is counting heads in terms of how many people are coming to the country, which is not a good measurement of the economic impact of people", he said.

Observing that this represented a form of mismanagement of tourism, he told conference participants at the 2017 'Caribbean Aviation Meetup' that the industry needs to use the economic tools it now has available to measure and capture transactions, so that it can guide the sector and governments to maximize the industry's economic benefits.

Governments understandably want to be able to demonstrate to their electorates that visitor numbers are increasing, but this is only a small part of the story.

A more realistic approach would be to broaden the base of reporting on tourism, to consider the amount retained by individual nations through taxes; to be more aware of the inputs and services the industry uses; report on product pricing; consider the impact of exchange rate fluctuations; and forecast the implications of changes in the economic strength of feeder markets.

There is also a need to better differentiate or explain changes in arrivals. For example, there is evidence that some of the 'tourism' recorded in the Dutch Antilles, Trinidad and other parts of the region is fictitious, in the sense that it reflects Venezuelans coming to buy basic necessities, collect foreign currency, or arriving as refugees.

There is also a problem when it comes to recording Chinese visitors. Although their arrival numbers have been increasing, the probability is that given the absence of same-plane air services from China to anywhere in the region other than Cuba, these visitors are not tourists, but those who are developing or working on the huge projects that China is now engaged in around the region.

I note this not to be critical of the messaging about what is largely positive regional news about the likelihood of a record year for tourism, but to suggest that there is a strong case for better research, and for the publication of more comprehensive tourism statistics and analysis to assist decision making and to enable more thoughtful media questions.

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