

CHTA Annual Industry Performance and Outlook Study

January 2019



CARIBBEAN
HOTEL & TOURISM
ASSOCIATION



CHTA Industry Performance and Outlook Study

In January, 2019 the Caribbean Hotel and Tourism Association conducted its fourth annual Industry Performance and Outlook survey. This was undertaken to assist the organization with 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.



SUMMARY OF RESULTS

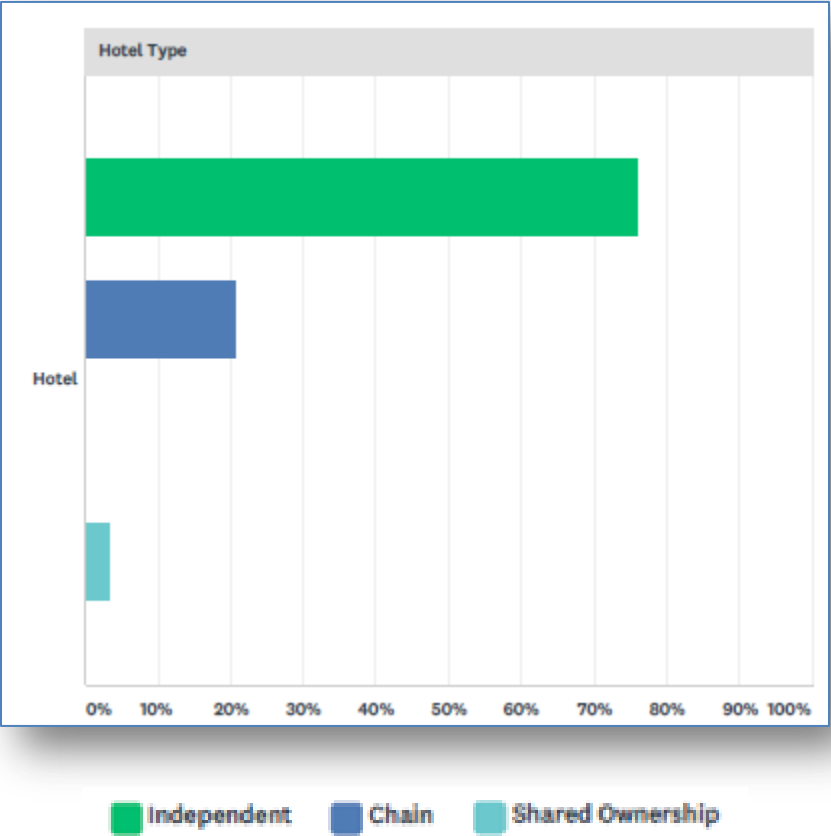
Assessing Hotel Performance in 2018 vs. 2017, outlook for 2019:

- Overall 2018 Global Economy, New and Upgraded Accommodations , Additional Airlift, Greater Marketing Investments Fueled Continued Growth
- Optimistic About 2019 but Increasing Concerns About Global Economy
- Increased Capital Investments Reported by 61 Percent of Hotels
- Three Years of Rising CapEx and New Hotels on Stream Increased ADR
- New Hires Reported by 47% while 44% Maintain Existing Levels
- 76% Report Increased Revenue with 29% Indicating It Was Significant
- More Hotels Report 2018 Net Profit; 80% vs. 20% Expecting Net Loss
- Residual Impact of 2017 Hurricanes Still Affecting Several Destinations
- Concerns About Negative Perception in the Marketplace, Need For Greater Marketing Investments



Survey Respondents....

76% Independent
21% Chain
3% Shared Ownership





Business Performance in 2018 vs. 2017

	DOWN SIGNIFICANTLY	DOWN SOME	SAME	UP SOME	UP SIGNIFICANTLY
Employment	0.00% 0	9.76% 4	43.90% 18	36.59% 15	9.76% 4
Sales/Revenue	2.44% 1	12.20% 5	9.76% 4	46.34% 19	29.27% 12
Pricing	0.00% 0	12.50% 5	42.50% 17	42.50% 17	2.50% 1
Profits	2.44% 1	12.20% 5	12.20% 5	58.54% 24	14.63% 6
Capital Spending	7.32% 3	17.07% 7	14.63% 6	46.34% 19	14.63% 6
Room Occupancy	6.67% 2	13.33% 4	30.00% 9	33.33% 10	16.67% 5
Average Daily Rate	0.00% 0	13.33% 4	26.67% 8	56.67% 17	3.33% 1



Causes for Business Performance in 2018 vs. 2017

Where Performance is **Down Significantly...**

1. Residual Effect Of 2017 Hurricanes
2. Airlift Availability and Cost
3. Global Uncertainty

Where Performance is **Up Significantly...**

1. Capital Investments Paying Off
2. Marketing Investments
3. Recovered from 2017 Hurricanes





Top Ten Most Important Issues Affecting Caribbean Tourism

1. Global Economic Uncertainty – *i.e. Consumer Confidence, Brexit, Potential Recession*
2. Insufficient Marketing by Destinations and Region
3. High Airfares
4. Need for Improved Local Business Environment
5. Labour Related – *availability of qualified workers....productivity*
6. Increasing Global Competition
7. Perception of Safety and Crime
8. Overall Negative Perception of Region
9. High Cost of Doing Business
10. Lingering Impact of 2017 Hurricanes



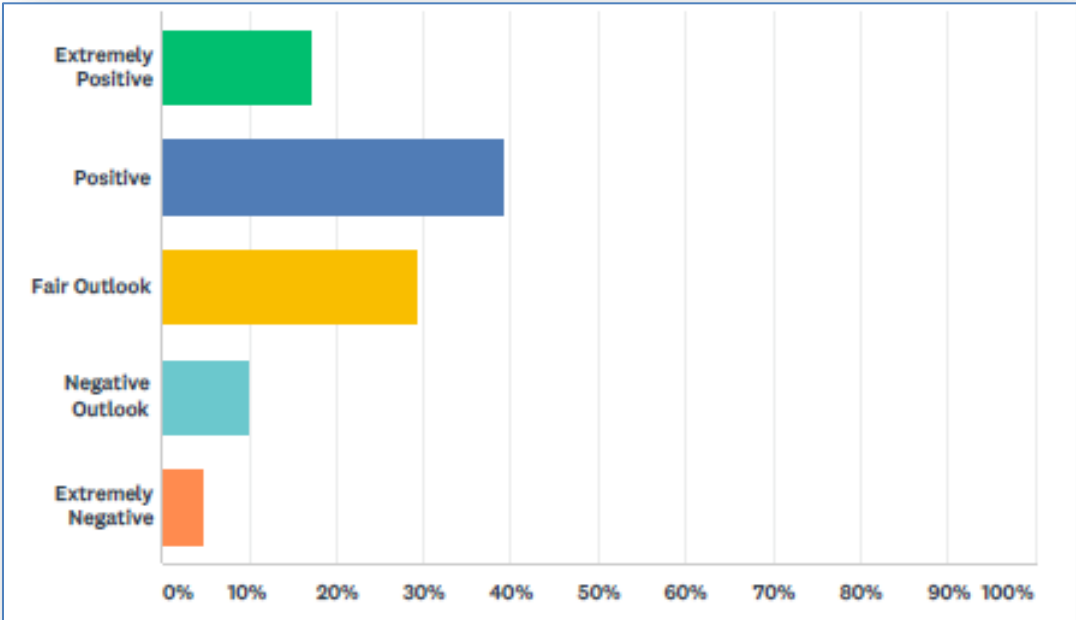
LOOKING AHEAD TO 2019

Despite Areas of Concern, Overall Outlook Remains Positive



Tourism Outlook for 2019

17% Extremely Positive
39% Positive
29% Fair
10% Negative
5% Extremely Negative





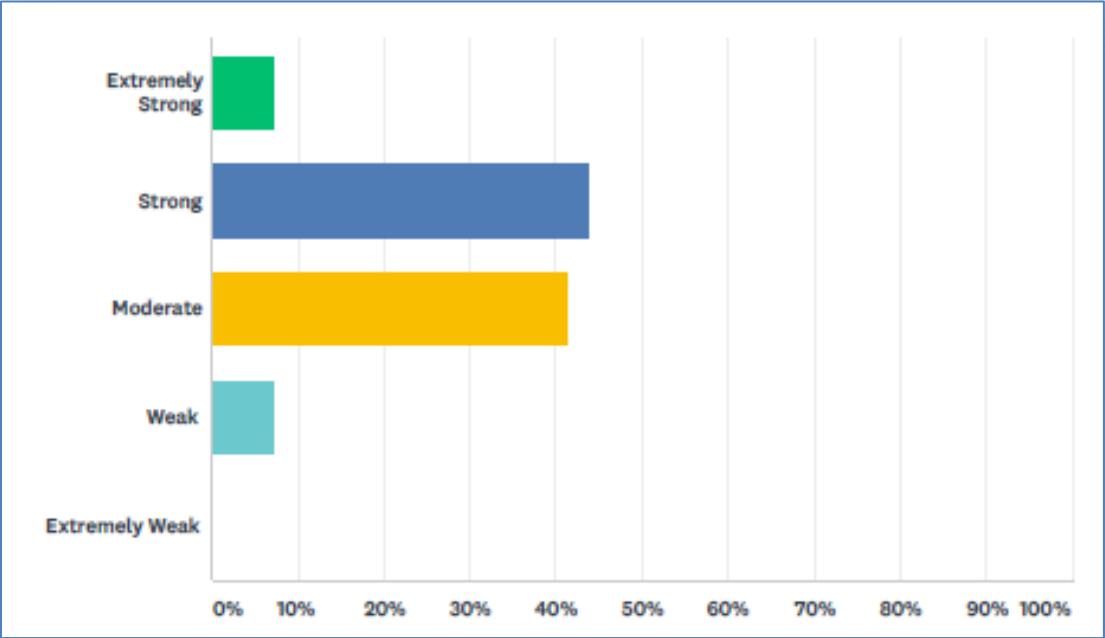
Expected Business Performance in 2019 vs. 2018

	DOWN SIGNIFICANTLY	DOWN SOME	SAME	UP SOME	UP SIGNIFICANTLY
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Strength of the Tourism Economy in the Caribbean Today

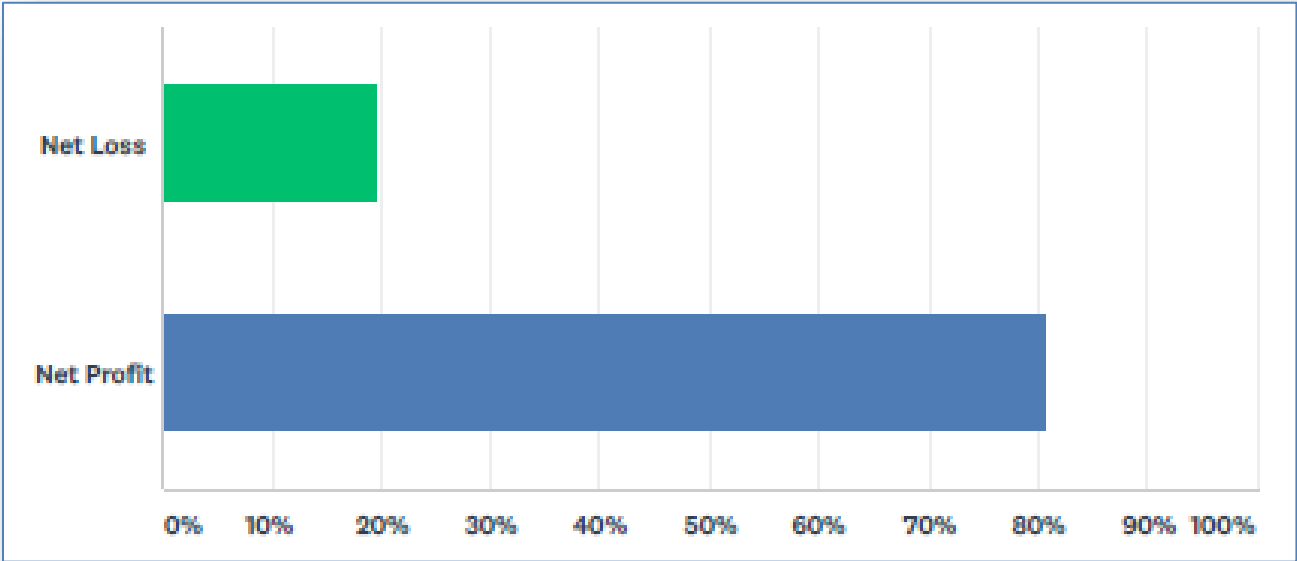
7%	Extremely Strong
44%	Strong
42%	Moderate
7%	Weak
0%	Extremely Weak





Net Profits are Anticipated in 2018

20% Net Loss
80% Net Profit





Key Takeaways....

- Four Consecutive Years of Capital Improvements Showing Results
- Strong Tourism Performance Sparks Growth in Employment, Government Revenue, Hotels Reporting Net Profit
- CapEx Investments and Fresh Product Key to Growth in ADR
- Unprecedented Growth in Airlift for 2019 Cause for Continued Optimism
- Hurricane Impacted Destinations Rebounding
- Optimism Continues Into 2019....but Caution Underscored by Growing Global Economic Uncertainty, Brexit, External Factors

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THANK YOU



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