
CEO Data Update

CHTA Board of Directors Meeting

June 21, 2019

Tourism Continues to Be Major Economic Driver Globally and Regionally



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GLOBAL DATA 2018



10.4%

GDP CONTRIBUTION



319_{MN}

JOBS GLOBALLY
(1 IN 10 JOBS)

While the global economy grew by 3.2%, **Travel & Tourism** grew significantly more at **3.9%**



3.2%



3.9%

1 in 5 new jobs were created by Travel & Tourism over the last five years



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Source: World Travel And Tourism Council 2019

Tourism Continues to Be Major Economic Driver Globally and Regionally



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	<u>#</u>	<u>%</u>	<u>By 2028</u>
GDP Total Contribution	\$62.1B	15.5%	17.8%
Employment Total	2.4M	13.5%	3.0M Jobs
Visitor Exports	\$35.4B	20.7%	24.2%

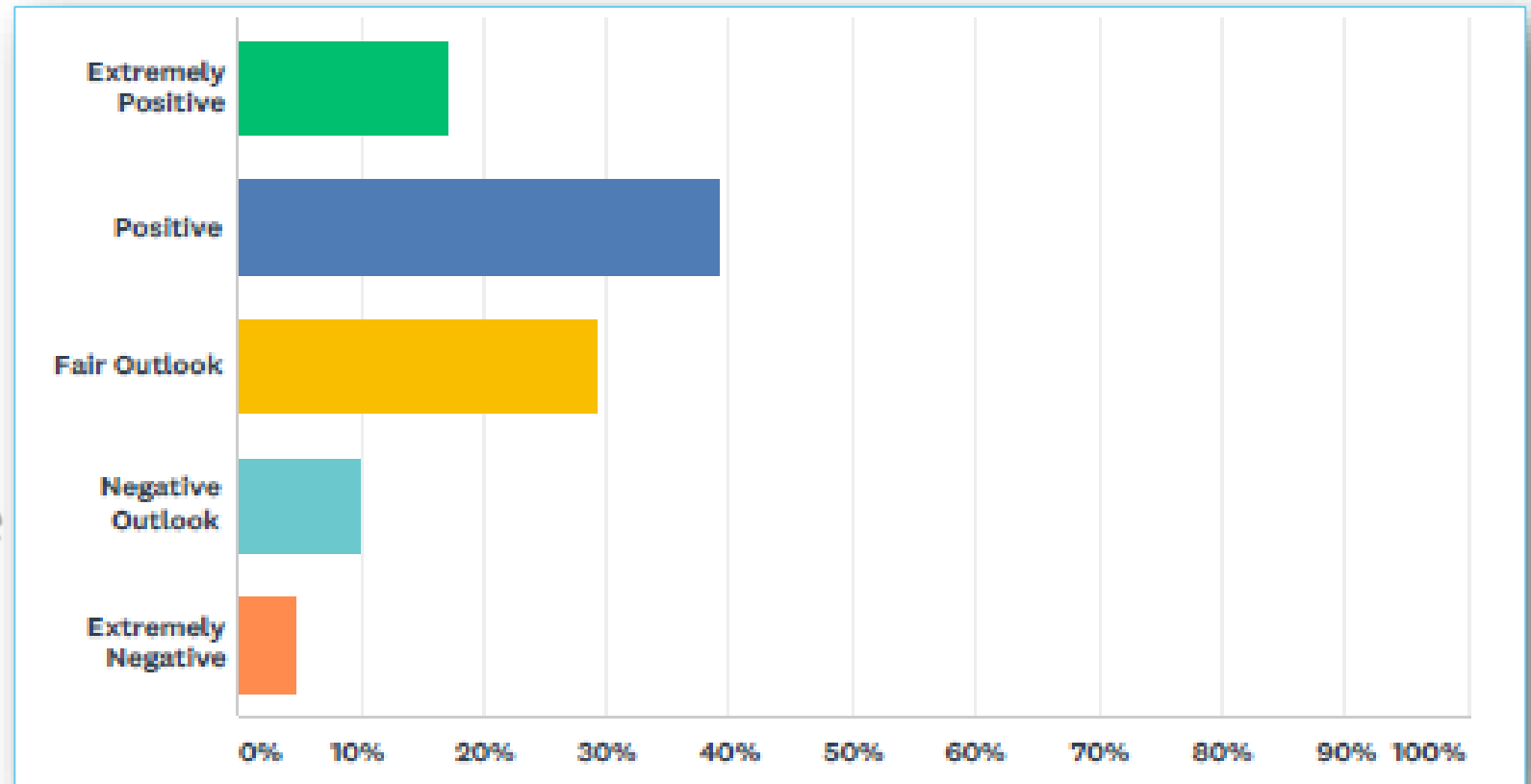
Source: World Travel And Tourism Council 2019

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Tourism Outlook for 2019

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





Forecasted Hotel Performance in 2019 vs. 2018

Indicator	Down Significantly	Down Some	Same	Up Some	Up Significantly
Sales/Revenue	2%	12%	10%	46%	29%
Pricing	0	13	43	43	3
ADR	0	13	27	57	3
Occupancy	7	13	30	33	17
Employment	0	8	44	37	10
CapEx	7	17	15	46	15
Profits	2	12	12	57	15

By The Numbers: Data and Trends

2018 Regional Stopover Arrivals Performance

Arrivals
2.3% ↓
29.9 Million

Spending
1% ↓
\$38.3 Billion

**1st Year of Arrivals and
Spending Decline in 8
Years – Predominantly
Due to 1st Quarter
Declines**

US – 6.3% ↓
Canada - 5.7 % ↑
EU - 1.3% ↑
S. America – 3.6% ↑
Intra-regional 5.3%↑

**68% of Destinations
Registered Growth**
32% Saw Decline....
**Residual of 2017
Hurricanes**

Source: Caribbean Tourism Organization



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Region Experiences Robust Stopover Arrivals Growth to Start 2019

Source: Caribbean Tourism Organization



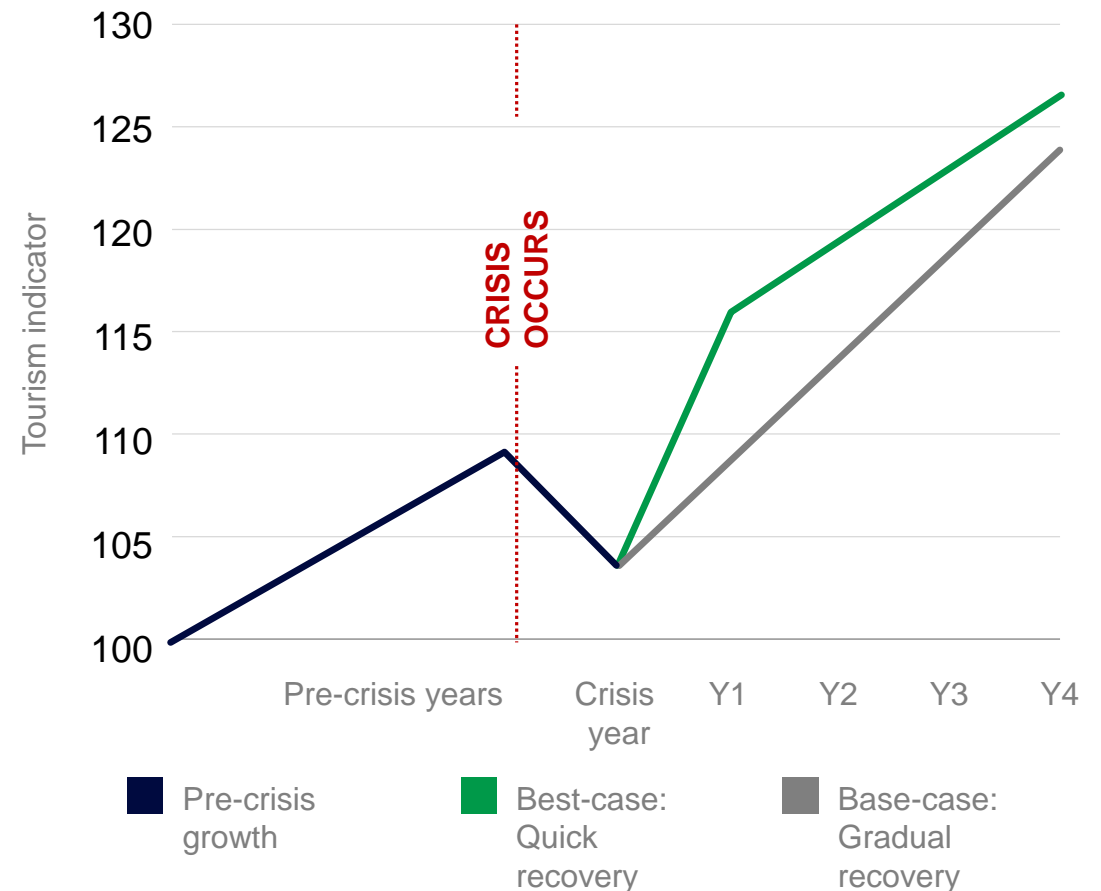
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DESTINATION	2019 YTD Arrivals %
Antigua & Barbuda	6.3 ↑
Bahamas	17.3 ↑
Barbados	2.9 ↑
Belize	6.3 ↑
Bermuda	4.9 ↓
Cayman Islands	8.7 ↑
Cuba	6.6 ↑
Curacao	14.7 ↑
Dominican Republic	4.6 ↑
Grenada	5.1 ↑
Guyana	12.0 ↑
Jamaica	13.3 ↑
Martinique	3.6 ↑
Cancun/Riviera Maya/ Cozumel/Isla Mujeres	.7 ↑
St. Lucia	4.0 ↑
Trinidad & Tobago	2.2 ↓

What happens to the tourism sector after a crisis?

While destinations hope for a quick bounce back after a crisis, typically the crisis creates losses as a destination is set back from its previous growth path. Even after a destination returns to its pre-crisis level, 'losses' can continue to mount as the destination lags behind its previous growth trend.

The long-term impact of a natural disaster





By The Numbers: Data and Trends

2019 YTD Regional Stopover Arrivals Performance

2017 Hurricane Impacted Destinations Rebounding	
Destination	2019 YTD Arrivals Growth
Anguilla	217.6%
British V.I.	128.9%
Dominica	73.5%
Puerto Rico	62.3%
St. Maarten/St. Martin	118.3%
U.S. Virgin Islands	107.8%

Source: Caribbean Tourism Organization



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Status: 2017 High Impact Destinations



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Percentage of Hotels Open Following 2017 Hurricanes

<u>Destination</u>	<u>May, 2018</u> <u>% Rooms Available</u>	<u>May, 2019</u> <u>% Rooms Available</u>
Anguilla	65%	85%
British Virgin Islands	40%	48%*
Dominica	50%	72%
Puerto Rico	75%	100%
St. Maarten/St. Martin	40%	54%
US Virgin Islands	40%	70%

Source: CHTA, May 2019

* 100% of Marinas are Open

Status: 2017 High Impact Destinations



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Percentage of Airline Seats vs. Pre-Hurricane

May, 2019

Anguilla	100%
British Virgin Islands	171%
Dominica	?%
Puerto Rico	100%
St. Maarten/St. Martin	57%
US Virgin Islands	70%

Source: CHTA, May 2019



*By Its Performance....
Tourism Continues to Demonstrate
That It Is the Region's Most Resilient,
Reliable, and Pervasive
Socio-Economic Development Driver*



*But...Amidst Good Times
How Well
Will We Weather
the Next Challenge?*

Caribbean Tourism Industry Performance During Recessions, Major Hurricanes and Zika



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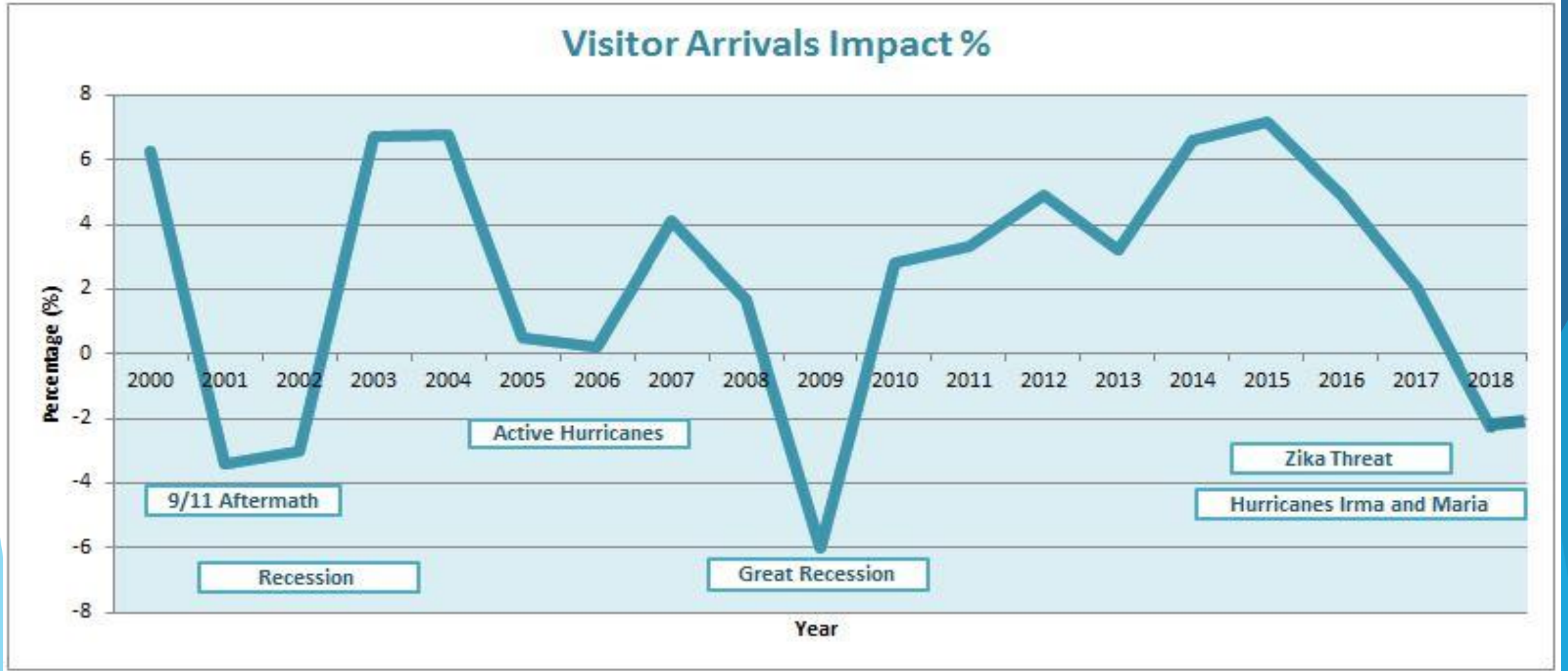


<u>Year</u>	<u>Recession</u>	<u>Visitor Arrivals %</u>	<u>Occupancy</u>	<u>RevPar</u>
2000	No	↑ 6.3	xxx	xxx
2001*	Yes	↓ 3.4	xxx	xxx
2002	Yes	↓ 3.0	xxx	xxx
2003	Yes	↑ 6.7	xxx	xxx
2004	No	↑ 6.8	68.4	\$109.99
2005**	No	↑ .5	69.6	\$113.39
2006**	No	↑ .2	68.8	\$131.19
2007	No	↑ 4.1	66.5	\$138.01
2008***	Yes	↑ 1.7	62.5	\$128.34
2009***	Yes	↓ 6.0	58.8	\$107.00
2010***	Yes	↑ 2.8	58.6	\$110.33
2011	Yes	↑ 3.3	61.8	\$121.98
2012	No	↑ 4.9	65.6	\$131.95
2013	No	↑ 3.2	66.3	\$135.52
2014	No	↑ 6.6	67.8	\$148.67
2015	No	↑ 7.2	68.3	\$138.12
2016****	No	↑ 4.9	67.2	\$134.95
2017*****	No	↑ 2.1	66.0	\$135.65
2018*****	No	↓ 2.3	65.2	\$135.46

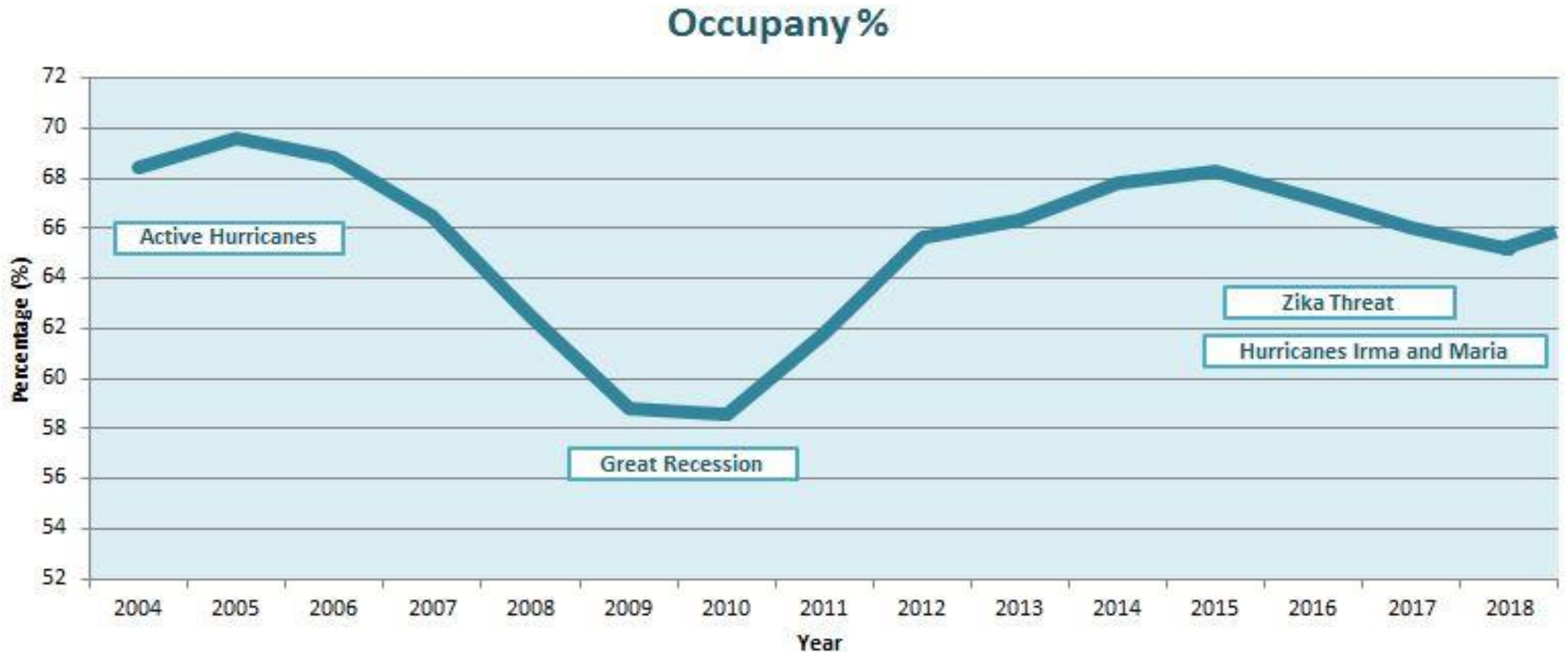
*	September 11 aftermath
**	Active Hurricanes
***	Great Recession
****	Zika threat
*****	Hurricanes Irma and Maria

Sources: Arrivals – CTO; Occupancy & RevPar - STR

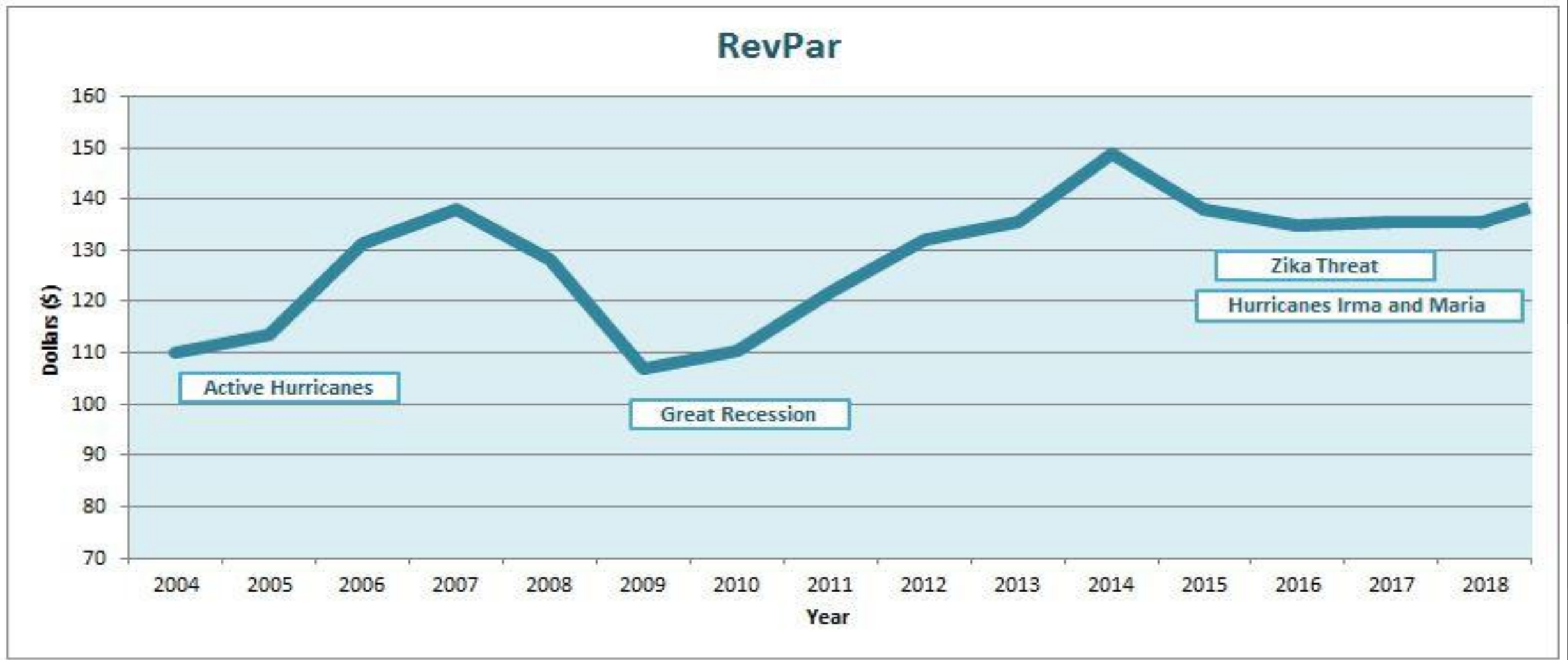
Caribbean Tourism Performance During Recessions, Major Hurricanes, Zika



Caribbean Tourism Performance During Recessions, Major Hurricanes, Zika



Caribbean Tourism Performance During Recessions, Major Hurricanes, Zika





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How Do We Minimize the Risk from a Downside?

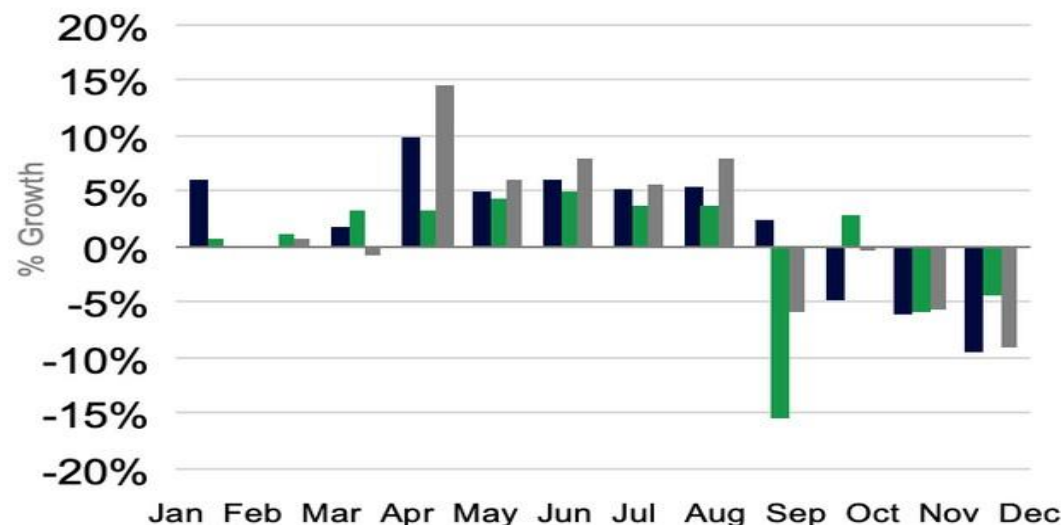
The Caribbean tourism sector was experiencing a strong 2017 before the hurricane season

While the hurricanes started to impact certain countries in August, major impacts did not occur until September.

From September onward, most indicators suggest a decline of 5% or more compared to 2017.

Indicators showed a year on year demand increase of more than 4% prior to hurricane season. Losses were then evident in every month from September through the end of the year.

Monthly growth indicators in the Caribbean




■ Air arrivals ■ Room demand ■ Visitor arrivals

YTD Growth through July:

Air arrivals ▲ 4.6%
Room demand ▲ 4.2%
Visitor arrivals ▲ 4.8%

Sources: CTO;
OAG; STR;
Tourism
Economics

An aerial photograph of a coastline, likely in the Caribbean, showing a mix of dark land, white sandy beaches, and blue water. Large, white, fluffy clouds are scattered across the sky and over the water. The overall tone is dark and moody.

The hurricanes exacted an estimated loss of 3.0% of total regional visitation when compared to the growth trends pre-hurricane season rates.

The hurricane season resulted in a estimated loss of 973,900 Caribbean visitors in 2017.

These visitors would have spent \$878 million and supported 12,800 jobs.



Caribbean Development Bank Estimated in 2015 the Economic Impact of a One Percent Drop in Visitor Arrivals on 19 CDB Member Countries Translates Into:

- 226,653 Fewer Visitors
- \$137.8M in Reduced Visitor Export Spending

Note: This does not include the Dominican Republic, Cuba, U.S. Virgin Islands, Puerto Rico, Bermuda, Aruba, Curacao, Bonaire, St. Maarten, St. Martin, Martinique, and Guadeloupe which combined contribute to over 60 percent of the region's arrivals.



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**Extending the CDB Impact Study of a
One Percent Drop in Arrivals to the Entire Caribbean
Results in an Estimated Impact of:**

- ***362,645 Fewer Visitors***
- ***\$303.18M in Reduced Visitor Export Spending***



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Even Without a Crisis.....



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- **The Region Has Over 84,000 Vacant Hotel Rooms Each Night**
- **Filling Just 10% of the Vacant Rooms Would Inject Nearly \$2 Billion Annually Into the Region (\$628 million in rooms revenue plus 2/3 added spend per visitor)**
- **This Protects Profitability, Brings Destination Spinoff Impact on Tax Revenue, Employment and Economic Activity**

Source: STR and CHTA



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What's the Point?

Our Challenge...as an Industry and a Region....

- **We Need to Work Better Together to Protect and Enhance Investments and the Caribbean Brand**
- **We Need to Invest in the Long Haul....Beyond the Physical Plant**
- **When We Do....It Yields Results....as Again Proven in 2018 With Limited Resources Pledged by Far Too Few From Government and the Private Sector to Mitigate the Impact of 2017 Storms**



A Challenge to Private Sector Tourism Stakeholders

1. Recognize That Your Bottom-Line is Tied to the Social, Environmental, Political and Economic Environment Around You.
2. Invest in and Protect Infrastructure in the Broadest Sense, for the Long-Haul - the Physical, Human, Promotional, and Environmental Infrastructure.
3. Become More Involved and Proactive in Supporting and Working to Grow and Develop Our Industry and By Extension, Your Business....

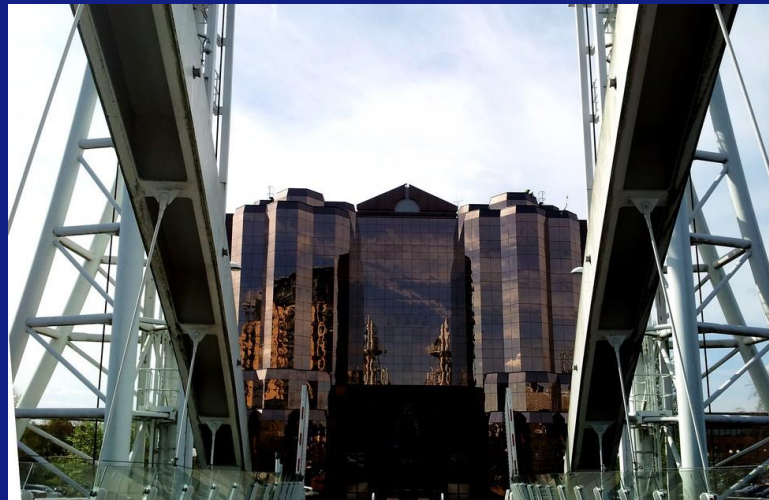


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Economic Sustainability is Tied Directly to the Infrastructure in its Broadest Sense:



ENVIRONMENTAL
INFRASTRUCTURE



PHYSICAL
INFRASTRUCTURE



HUMAN
INFRASTRUCTURE

[illegible]