



CARIBBEAN
HOTEL & TOURISM
ASSOCIATION

COVID-19 Weekly Update

CHTA Covid-19 Update to Members May 5, 2020

Dear Industry Partners:

Re: Data and Sentiments Begin to Give Indication of Recovery Pace and Challenges

Insights from consumers, health authorities, airlines, hotels and local, regional and global public and private sector tourism entities are beginning to provide indicators which can help to guide the industry through what is expected to be a long-slow recovery.

Now is a good time to start to plan for a recovery, but it should be done with a dose of reality.

While some airlines, hotels and destinations are looking to open up later this month or early next month, the situation remains fluid. An acceleration regionally and globally in the pandemic's spread and the possibility of a second wave in the fall could play havoc with the re-opening of borders and affect consumer travel confidence.

There is a growing amount of data which can help to drive decision-making over the coming weeks and months. We wish to highlight several, starting with CHTA's recently completed member survey which queried the industry on a number of matters to gauge impact and outlook. To review the survey report, please [click here](#). Here's a summary of findings:

- **69% of Caribbean hotels presently closed look to reopen** between now and the end of July assuming borders are open.
- **Intra-Caribbean Business and Leisure Travel is expected to return first**, followed by land-based travel from the U.S. and Canada, then from Europe. Cruise travel's return expected to take at least 10 months.
- Recovery expected to be gradual, with **28% expressing confidence in a tourism turnaround beginning by the end of 2020 but most anticipating the beginning of**

a significant turnaround to take longer, into the first half of 2021. *Note: other data is indicating that hotel occupancy next winter/spring will still likely be running under 50 percent during the traditional peak season.*

- **Nearly 2/3rds of employers reported in April being able to provide some measure of salary support for employees**, most citing it difficult to do so even on partial basis beyond two months.
- Hotels peg **break-even occupancy level at 52%** with austerity measures in place. Summer and fall occupancies are expected to be in the 10% to 40% range with most likely hovering on the lower end.
- **43% of Covid-19 induced cancellations expected to rebook.** Most hotels honored a no-penalty rebooking window of 12 months.
- **69% of hotels report not receiving reimbursements from some tour operators** for services rendered in first quarter.
- **Average amount outstanding by those tour operators delaying reimbursements is \$219,000** with highest reported outstanding amount owned to one property at \$15 million.
- **68% report not having business interruption insurance**, with the overwhelming percentage who do have it indicating it does not cover pandemics.

The survey results also point to **added health safety measures which hotels are putting in place or plan to put in place and identifies those support and stimulus measures** which industry believes are important to recovery.

CHTA's webinar last Friday on airlift pointed to the challenges facing international and regional carriers but also offered an indication of hope, as **presenters from the International Air Transport Association, JetBlue, interCaribbean Airways, and the U.S. Virgin Islands described health safety protocols being developed to help shore up traveler confidence, and the readiness steps which are essential for destinations and the airline industry to support tourism's return. All parties stressed the need for collaboration between airlines, governments, tourism officials and airport management entities as fundamental to recovery.**

To view the 'Return to the Sky' webinar, please [click here](#). We've also posted on the CHTA Covid-19 Resource Center a copy of **IATA's 'Roadmap for Restarting Aviation'** which provides local stakeholders with guidance to support their local efforts.

The issue of **major delays by some tour operators in reimbursing hotels** for Q1 stays also took center stage last week as data provided by member hotels underscored the extent to which the delays are impacting hotels. CHTA has sought resolution on the matter with outreach efforts directed at the national trade associations representing those tour operators who are delinquent in reimbursements and providing support information to local regional associations and members to

assist with their outreach efforts. **To review the support information, please log into the secured CHTA membership portal [here](#) and find the document under Publications.**

We invite you to register for our upcoming webinar on the CHTA Live: Resilience Series "**Staying Sane in an Insane World**." This session touches on the life-altering consequences of the pandemic, and ways to support personal wellbeing, essential for our individual and employees recovery as it is for our industry's. Join the conversation on Thursday, May 7, 2020 2:00 - 3:15PM ET.

Please also periodically visit the CHTA Covid-19 Resource Center for new information and updates at: **www.caribbeanhotelandtourism.com/covid-19**.



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