

# Rebuilding Intra-Caribbean Travel

Removing Barriers and Building Bridges to  
Recapture Over \$1 Billion in Lost Annual  
Revenues and Beyond

**Session One:**

Wednesday, April 6, 2022, 10:00 a.m. to 11:00 a.m. ET

**Session Two:**

Thursday, April 7, 2022, 10:00 a.m. to 11:00 a.m. ET

60  
Years



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## Profile of the Intra-Caribbean Traveler: Understanding the Obstacles and Opportunities for Recovery

**OPENING COMMENTS AND MODERATOR  
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# Welcome and Objectives of Two-Part Series on Stimulating the Return of Intra-Caribbean Travel

## *What We Hope to Accomplish....*

- Identify Opportunities for Businesses and Destinations to Reignite, Develop, Grow and Promote this Important Travel Segment
- Share Best Practices by Companies and Destinations in Stimulating Intra-Caribbean Travel
- Provide Destinations and National Hotel and Tourism Associations with Insights and Information to Support Local Policies and Efforts to Restore and Grow Intra-Caribbean Travel



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# Travel Within The Caribbean Has Been Slow to Rebound....

- Over One Billion Dollars in 2021 Revenue Loss
- Business and Leisure Travel Within the Region Estimated at 30% of Pre-Pandemic Level
- International Travel to the Region Rebounds to % of Pre-Pandemic Level
- Smaller Caribbean Economies and Smaller Locally-Owned Businesses Particularly Hard-Hit
- Larger Caribbean Countries Depend on Regional Trade to Bolster Local Economies and Sell Local Goods and Services
- Intra-Regional Travel's Return Would Stimulate Higher Local Spending, Increase Trade in Local Goods and Services, Boost Government Revenues and Local Economies



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## **The Pandemic Underscored the Importance of Domestic and Regional Travel Globally**

- First Travelers in mid-2020 Were Domestic, particularly for larger and multi-island destinations
- Followed by Regional Travel, mostly by Automobile
- But not in The Caribbean....Where Regional Travel Requires Air Travel

## ***The World Travel and Tourism Council Reported in December, 2021 that....***

- Domestic tourism accounted for 73% of total Travel & Tourism spending in 2017
- Governments increasingly use domestic tourism as a tool to eliminate poverty, generate employment and economic growth, upgrade infrastructure
- Domestic travel helps address seasonality within regions, while also dispersing travelers to less visited rural areas, which tend to be overlooked by foreign visitors.

## ***WTTC Recommends Policies and Practices to Raise the Contribution of Domestic Tourism***

- Successful destinations have adopted policies around pricing, marketing and promotional campaigns, inter-linkages between transport and tourism, and direct incentives to support the sector.
- Dual pricing (different pricing for international and local/domestic tourists, and/or lower prices in off-season months) for tourist sites and attractions.
- Support for collaboration and partnerships to build domestic and regional travel products, policies and promotional campaigns.
- Adopt incentives to encourage domestic travel.
- Income earned from of domestic travel can be used to build develop and protect heritage, cultural and nature assets.

# Thailand's *'We Travel Together'* Recovery Program Provides Food for Thought

## *'We Travel Together' Program launched August, 2020*

- Government budgeted \$640 million to promote/support domestic tourism as part of pandemic recovery
- In addition to a promotional budget, the government subsidized a total of six million nights of hotel accommodation at 40 percent of normal room rates. The subsidy was capped at 3,000 baht (\$100) per night for up to five nights.
- Subsidies for other services, including food, were capped at 600 baht (\$20) per room per night.
- In addition, domestic tourists traveling by air would qualify for a government refund of 40 percent of the ticket price. This was capped at 1,000 baht (\$32) per seat, with a quota of 2 million seats.
- The program reached its total quota of six million hotel-room nights in February 2021, seven months after its launch. During that time, at least \$1 billion had been added to the Thai economy.
- Program was halted during Delta variant but reinstated in October, 2021.



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## **Lessons from 2007 Cricket World Cup in Caribbean**

- Held in Six Regional Countries, requiring Large Movement of People in Concentrated Period
- Passport and Protocols Relaxed to Facilitate Ease of Travel Between Destinations
- Affordable Air and Accommodation Packages in Place to Encourage Fan Travel

## **Caribbean Multi-Destination Partnerships and Approaches**

- Government to Government – Jamaica-DR-Cuba-Panama
- Private Sector – Regional and International Brands Promote Stays at Different Destinations – i.e. Sandals, AM Resorts, Elite Island Resorts, Moon Palace.....



# Recommended Focus Areas

- **Build an Enabling Environment to Support Intra-Regional Travel**
  - Ease of Travel Protocols –Eliminate Redundant Security and Health Safety Checkpoints
  - Reduce Travel Costs – High and Repetitive Taxes and Fees
  - Incentivize Airlines Which Commit to Destination Travel Growth
- **Create Attractive and Affordable Travel Packages**
  - Special Appeals and Promotions to Purpose-Driven Travelers – Business, Family, Sports, Religious, Festivals and Events
- **Partnerships and Collaboration**
  - Government to Government
  - Government and Private Sector
  - Hotels and Accommodation Providers and Local Attractions/Events
  - Hotels and Accommodation Providers and Regional Airlines

# ***Rebuilding Intra-Caribbean Travel***

**Caribbean Tourism Organization**  
***April 6, 2022***



# The intra-regional traveler

The intra-regional traveler, based on our research, tends to travel for the following reasons:

- Business
- Recreation including festivals
- Visiting friends and relatives
- Immigration purposes ie. travelling to another country to acquire a visa etc.
- Education
- Medical care
- Flight connectivity

5 countries depend on intra-regional travel as their main market and for a further 4 countries it is the dominant market.



## Pre-pandemic Reality

An analysis of destinations during the period 2015 to 2019 indicated the following:

- Growth in intra-regional travel in the range of 4% each year.
- Increases in intra-regional travel were particularly noticeable during the months when annual festivals were held.
- The increases in intra-regional travel noted around festivals were in the region of 50% and higher and in some cases exceeding 100%.
- During the remaining months of the year no material increases were noted in what were steady streams of arrivals.



# The pandemic and beyond

## *2020 & 2021*

- The year-on-year comparison shows declines in excess of 90% for some destinations (in some cases 100% ) in 2020.
- Slight improvement was noted in 2021, as destinations reopened, but still significantly below 2019 levels.

## *2022 and beyond*

- 2022 has started with a significant reduction in travel restrictions and the announcement by several governments that festivals will take place, albeit with reduced/managed formats.
- Reduced restrictions have resulted in plans by regional institutions and businesses for face-to-face meetings later in the year.



# The pandemic and beyond

## *2022 and beyond*

- Action by CARICOM to look at reducing taxes on intra-regional travel.
- Continued routing adjustments by regional carriers to mitigate against the significantly reduced LIAT footprint.
- Creation of sustainable plans for heritage and cultural sectors:
  - Promotion of travel for culture and heritage to regional travelers, especially in non-traditional travel months.
  - Based on the low infection rates, relative to the rest of the world in the current pandemic, intra-regional travel for leisure could be a viable stop gap in a future pandemic or similar period of travel restriction.
- Raising the awareness of the regional traveler that an undiscovered experience may lie just a 'few' miles beyond your shores.



***THANK YOU***

