

2024 TOURISM INDUSTRY PERFORMANCE & 2025 OUTLOOK SURVEY RESULTS



Providing Insights on Industry Performance, Sentiment, Concerns and Outlook....

- Revenue and Profitability
- Operating Costs
- Pricing
- Employment
- Capital Expenditures
- Performance of Major Markets
- Future Growth and Performance
- Value of Tax and Investment Incentives
- Issues Impacting Industry Performance

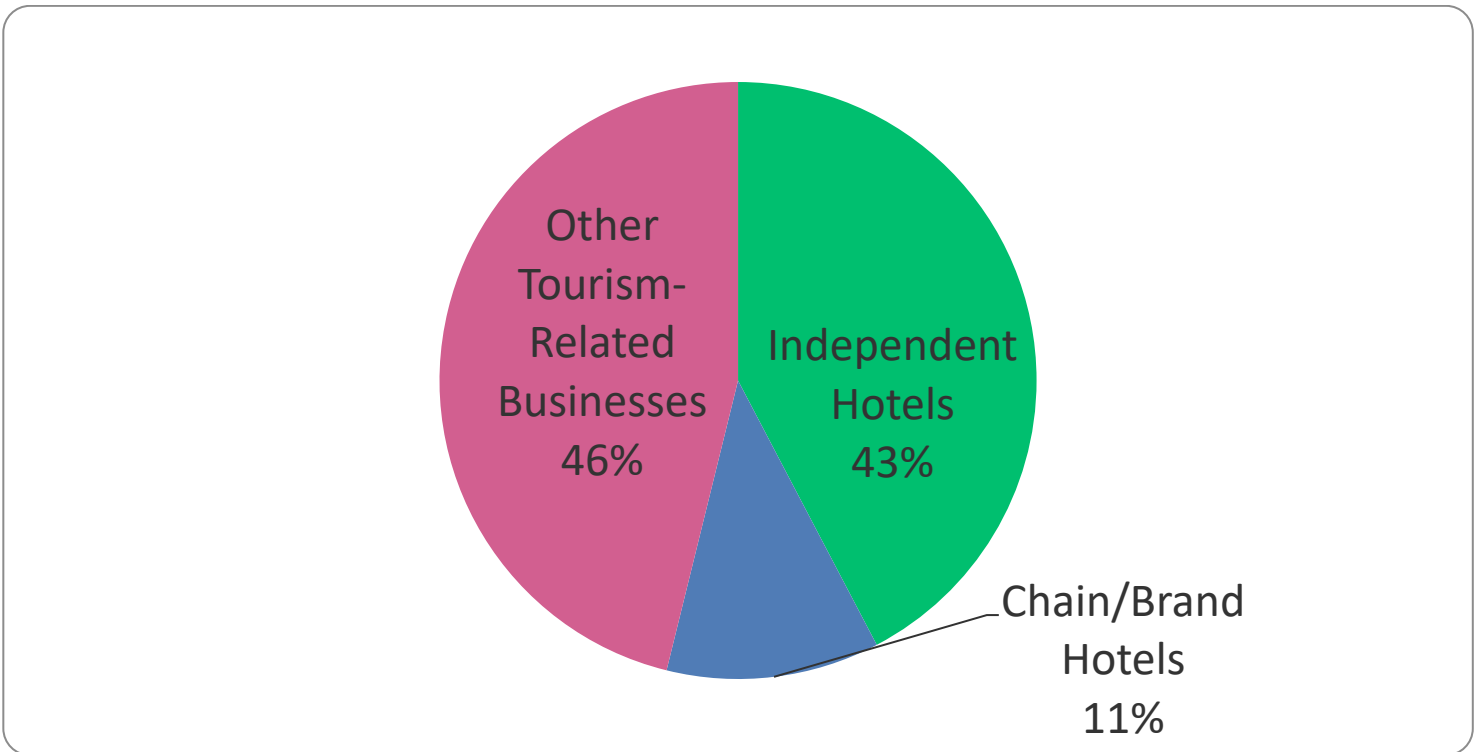




INTRODUCTION

CHTA’s annual Tourism Industry Performance and Outlook Survey was conducted in January, 2025. Below are key takeaways and results from a cross-section of 78 respondents from 20 Caribbean jurisdictions representing the accommodations and other tourism-related sectors (e.g. attractions, tour operators, restaurants).

PROFILE OF RESPONDENTS



- 43% represented independently-owned hotels; 11% represented chain hotels
- 46% of respondents represented non-accommodation types of tourism-related businesses – (i.e. attractions, tour operators, restaurants, etc.)



KEY TAKEAWAYS

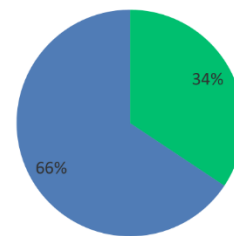
Revenue and Profitability

ACROSS THE BOARD INCREASES IN REVENUE REPORTED FOR 2024

- 65% Raised Room Rates to Counter Higher Costs While 22% Hold the Line on Rate Increases
- Food and Beverage Income Increases Surpass Recent Years, with 57% Seeing Growth
- Higher Operating Costs Hamper Profitability, as 87% Cite Increases; 52% Report Increases Far Exceeding the Inflation Rate
- Employers Expect Even Higher Revenue from Rooms, F&B and Other Sources in 2025
- 63% Anticipate Room Rate Increases in 2025
- Two-Thirds (66%) Report Experiencing Net Profit in 2024 with 42% Indicating Higher Profits Than 2022
- Percentage Reporting Net Losses in 2024 Drops to Lowest Level in Nine Years, Except for Pandemic-Related Losses in 2020 and 2021

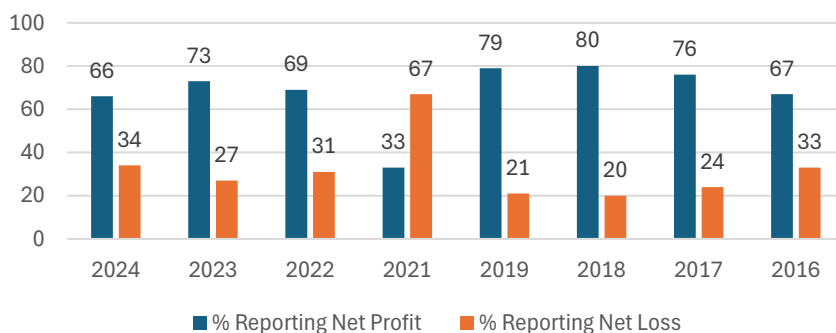
Despite Strong Performance, One-Third of Respondents Report Experiencing a Net Loss, Hampered by Higher Operating Costs

Q8: Did you realize a net loss or net profit in 2024?



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Caribbean Tourism Industry Profit and Loss Performance 2016 to 2024



High Operating Costs Impact Profitability
Percentage Reporting Net Losses Increases to Highest Level in Nine Years, Except for 2020 and 2021 Losses Due to Pandemic

KEY TAKEAWAYS (CONTINUED)

Q4: How would you assess your businesses performance in 2024 in the following categories compared to the same period in 2023:

	DOWN MORE THAN 30%	DOWN 10%-29%	DOWN 1% - 9%	SAME	UP 1% - 9%	UP SOME 10% - 29%	UP MORE THAN 30%
Employment	4%	3%	6%	40%	31%	16%	0%
Room Sales-Revenue Sales/Revenue	7%	12%	5%	17%	28%	24%	7%
F&B Revenue	7%	5%	7%	22%	31%	17%	9%
Other Revenue	7%	10%	7%	31%	28%	14%	3%
Pricing Goods /Services	2%	2%	3%	22%	42%	19%	11%
Operating Costs	0%	1%	0%	12%	36%	37%	15%
Profits	11%	11%	15%	21%	23%	18%	1%
Capital Spending	0%	0%	6%	32%	27%	23%	12%
Room Occupancy	2%	5%	19%	23%	35%	14%	2%
Average Daily Rm Rate	2%	2%	7%	22%	46%	17%	2%

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Q5: Please indicate how you anticipate your business will do in 2025 in the following categories compared to the same period in 2024:

	DOWN MORE THAN 30%	DOWN 10% - 29%	DOWN 1% - 9%	SAME	UP 1% - 9%	UP 10% - 29%	UP MORE THAN 30%
Employment	4%	2%	6%	52%	24%	12%	0%
Room Sales/Revenue	3%	2%	7%	20%	47%	20%	2%
F&B Revenue	2%	2%	2%	30%	48%	15%	2%
Other Revenue	3%	0%	7%	33%	44%	10%	3%
Pricing of Goods/Services	0%	1%	0%	23%	42%	28%	5%
Operating Costs	0%	1%	0%	16%	46%	31%	4%
Profits	3%	4%	6%	29%	32%	19%	6%
Capital Spending	2%	0%	9%	40%	16%	22%	11%
Hotels Room Occupancy %	2%	0%	2%	33%	43%	17%	2%
Hotels Average Daily Rate	2%	0%	5%	30%	49%	9%	5%

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KEY TAKEAWAYS (CONTINUED)

Expenses

BUSINESSES RAISE PRICES TO COUNTER INFLATION AND HIGHER PURCHASING COSTS

- 87% Faced Higher Operating Costs in 2024
- More than 70% of Respondents Expect Expenses to Continue to Rise in 2025

Capital Expenditures

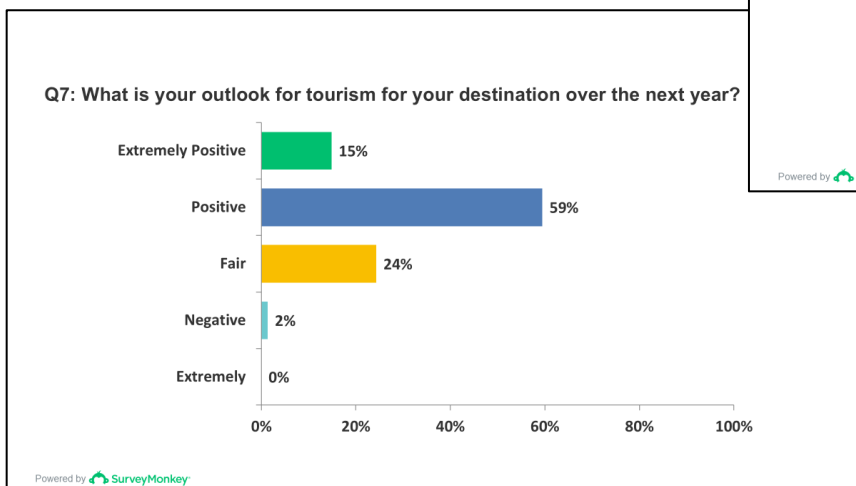
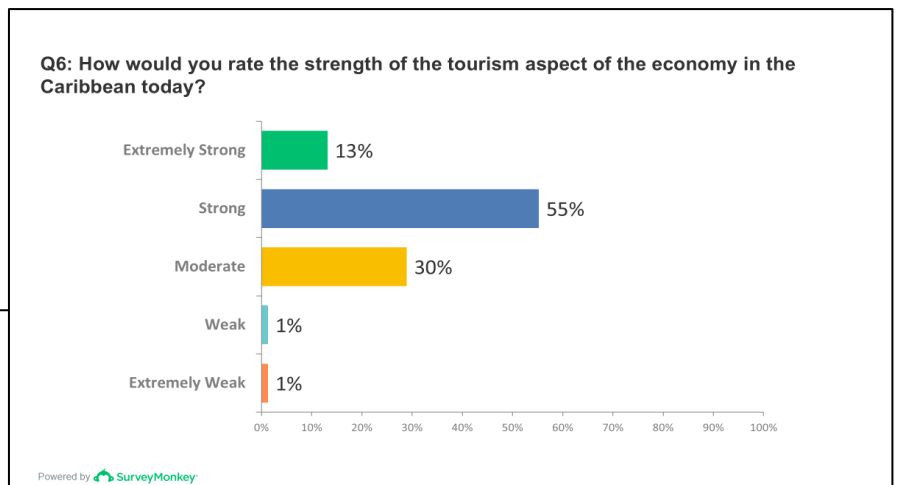
DESPITE HIGHER OPERATING COSTS, BUSINESSES CONTINUE TO MAKE SUBSTANTIAL INVESTMENTS IN UPGRADES AND CAPITAL EXPENDITURES

- 62% Increase CapEx in 2024; Another 32% Continue Higher CapEx from 2023
- Capital Expenditure Levels Projected to Decline in 2025, with 50% Projected to See Increases vs. 62% in 2023

Strength of Caribbean Tourism Economy

INDUSTRY REMAINS BULLISH ON ECONOMY

- 68% Characterize the Industry as Strong or Extremely Strong
- Only 2% Describe it as Weak
- When Asked About the 2025 Outlook, 98% Gave a Fair to Extremely Strong Thumbs Up



KEY TAKEAWAYS (CONTINUED)

Workforce/Employment Matters

CARIBBEAN TOURISM INDUSTRY CONTINUES TO CREATE JOBS

- Nearly Half (47%) of Employers Added to their Workforce in 2024
- 13% Reduced Employment Levels in 2024 While 40% Maintained 2023 Levels
- 36% Expect to Continue to Increase New Hires in 2025

SKILLS SHORTAGES CONTINUE TO NEGATIVELY IMPACT THE INDUSTRY

- Two-Thirds of Respondents Express Difficulty in Finding Entry-Level Employees
- 69% Having Difficulty Finding Supervisory and Management Level Employees
- 73% Unable to Readily Find Individuals with Specialized Skills (i.e. chefs, engineers and maintenance personnel)
- 78% Impacted by Higher Labor Costs
- Two-Thirds of Employers Spending More on Training
- Employee Turnover and Retention Costs Impacting Most Employers

Visitor Arrivals from Major Source Market Regions

ALL MARKETS SHOW GROWTH TRADITIONAL MARKETS CONTINUE TO PERFORM WELL

- U.S. Continues to Lead Arrivals Growth in 2024 and No Let Up Expected in 2025
- All Other Regions Show Growth, with the UK, Canada, Continental Europe, Intra-Caribbean, and Diaspora-Related Travel Show Solid Gains
- Major Source Markets Expected to Continue Growth Trajectory in 2025



Question 15 - Estimated percentage of change in business you anticipate to generate from key markets in 2025 vs 2024:

Source Market	% Reporting Increase	Average % Increase	% Reporting Decrease	Average % Decrease	% Reporting Same
United States	76%	16.9%	0%	NA	24%
Canada	66%	12%	4%	10%	30%
United Kingdom	71%	11%	8%	7%	21%
Continental Europe	64%	12%	3%	5%	33%
China	5%	5%	0%	NA	95%
Latin America	45%	14%	0%	NA	55%
Caribbean	50%	15%	0%	NA	50%
Returning Diaspora	60%	13%	0%	NA	40%

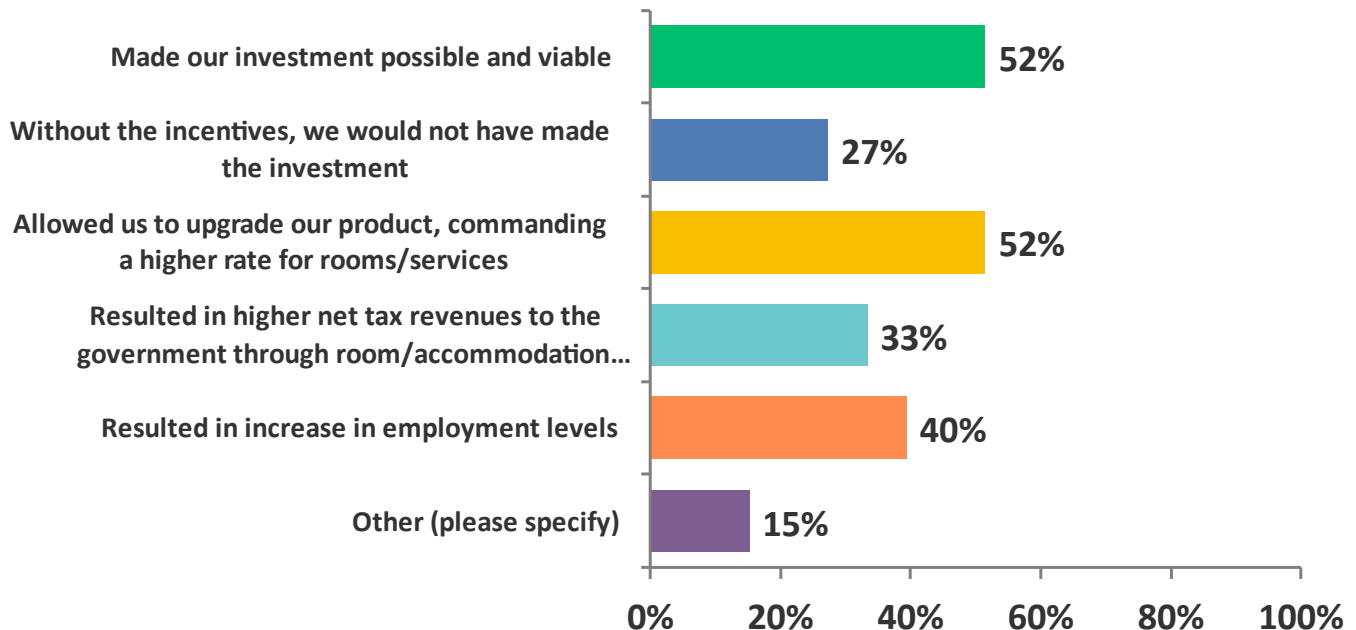
KEY TAKEAWAYS (CONTINUED)

Tax Concessions and Investment Incentives

TAX BREAKS CONTINUE TO FUEL INVESTMENTS AND PUBLIC-PRIVATE REVENUE

- 32% Report Receiving Tax Breaks in Recent Years
- 59% Use Tax Breaks to Upgrade Existing Property; 24% to Develop New Property; 10% Invested in Energy Efficiencies
- Over Half Report That Investments and Upgrades Would Not Have Occurred Without Incentives
 - 52% Indicated Upgrade Resulted in Increased Revenue for the Hotel as Well As to Government
 - 40% Report Increase in New Hires Due to Incentivized Investments

Q12: If your business is or was a beneficiary of tax incentives/investment incentives, how did these benefits affect your business? (check all that apply)





Top Issues Impacting Businesses - Priority Ranking

1. Inflation and High Operating Costs
2. High Taxes and Duties and Threat of Increases
3. Government Delays, Costs and Inefficiencies in Processing Work Permits, Licenses
4. Airport Congestion and Poor Condition
5. Poor Roads
6. Cost and Reliability of Electricity
7. Skills Shortages

Industry Concerns That Could Impact 2025 Performance

1. Crime
2. Natural Disasters
3. Negative Regional Publicity
4. Global Crisis
5. Lack of Local Agriculture Supplies and Supply Chain Issues
6. Insufficient Attention to Destination and Regional Marketing
7. Travel Advisories and Warnings
8. Over-development and Congestion

The CHTA 2024 Tourism Industry Performance and 2025 Outlook Report underscores the resilience of the Caribbean tourism sector despite ongoing challenges. With careful planning, strategic investments, and collaborative efforts, the region is poised for continued growth and prosperity in the years ahead.

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