

WORLD  
TRAVEL &  
TOURISM  
COUNCIL

# THE CARIBBEAN

THE IMPACT OF TRAVEL & TOURISM  
ON JOBS AND THE ECONOMY



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# WORLD TRAVEL & TOURISM COUNCIL

THE WORLD TRAVEL & TOURISM COUNCIL (WTTC) IS THE BUSINESS LEADERS' FORUM FOR TRAVEL & TOURISM, WORKING WITH GOVERNMENTS TO RAISE AWARENESS OF THE IMPORTANCE OF THE WORLD'S LARGEST GENERATOR OF WEALTH AND JOBS.

With chief executives of more than 100 of the world's leading companies in membership, WTTC has a unique mandate and overview on all matters related to success in Travel & Tourism.

WTTC is delighted to have collaborated with the Caribbean Hotel Association to produce this report, which presents the most comprehensive analysis of the Tourism Satellite Account for the Caribbean ever undertaken. It quantifies the impact of Travel & Tourism on individual economies as well as on the region overall.

Undertaken by WTTC, together with our research partners Oxford Economic Forecasting, this report quantifies all aspects of Travel & Tourism demand, from personal consumption to business purchases, capital investment, government spending and exports. It then translates this information into economic concepts of production, such as gross domestic product (GDP) and employment, which can be compared with other industries and the economy as a whole to provide credible statistical information that will assist in policy- and business decision-making.

Results demonstrate clearly that the Caribbean is the most tourism-intensive region in the world. Travel & Tourism currently accounts for 14.8 per cent of total GDP and is expected to increase its share by almost two percentage points to 16.5 per cent by 2014. Similarly, Travel & Tourism in the Caribbean today generates 15.5 per cent of total employment, and this is forecast to rise to 17.1 per cent by 2014. The industry's vital role as a generator of wealth and employment across all parts of the region is indisputable. It also acts as a catalyst for growth in other areas such as agriculture, construction and manufacturing, which would decline if demand for Travel & Tourism were reduced.

This significant contribution should not be underestimated, but neither should the industry's potential for growth be taken for granted.

As illustrated in the Travel & Tourism Overview and Policy Framework sections of this report, several important challenges continue to limit the industry's full potential for growth in the Caribbean, and these must be addressed to ensure the long-term sustainable development of Caribbean Travel & Tourism, with maximum benefits for all stakeholders. Most importantly, these challenges include building awareness of the industry's contribution to the regional, national and local economies with government officials and the broader general public so as to help raise the level of support for the industry to that which it deserves. Also critical is the development of a Caribbean Tourism Strategic Plan that can be supported and implemented by a strong public-private sector partnership to focus the vision on the requirements for long-term growth and job creation.

In a departure from our normal practice of preparing our own policy recommendations from scratch, this report builds on the outstanding 2002 Caribbean Tourism Strategic Plan commissioned by the Commonwealth Fund for Technical Co-operation Programme. We believe that this document, with modest adjustments and updating, would serve as a strong foundation for a collective regional vision of Travel & Tourism in the Caribbean.

WTTC stands ready to support the immediate adoption and implementation of this Plan, including the adjustments and updates recommended in this report, as well as to assist in establishing the Caribbean Tourism Strategy Committee that we have called for to guide the process.



Jean-Claude Baumgarten  
President, World Travel & Tourism Council



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# EXECUTIVE SUMMARY

THE IMPORTANCE OF TRAVEL & TOURISM TO THE CARIBBEAN IS INDISPUTABLE. HOWEVER, THE INDUSTRY'S POTENTIAL IS A LONG WAY FROM BEING FULLY TAPPED, AND BOTH GOVERNMENT AND INDUSTRY WILL HAVE TO OVERCOME A NUMBER OF CHALLENGES TO ENSURE SUSTAINABLE LONG-TERM GROWTH.

While this Tourism Satellite Accounting research clearly identifies the economic intensity of Travel & Tourism regionally and within many individual Caribbean countries, there is still insufficient awareness and understanding of the industry's contribution – how it permeates the depth and breadth of the general economy and overall fabric of Caribbean society. This apparent indifference to Travel & Tourism significantly detracts from the region's unique competitive advantage that holds the promise of economic development and employment creation.

In 2004, the broader Travel & Tourism Economy is expected to contribute 14.8 per cent of the Caribbean's GDP and account for 2.4 million jobs, representing 15.5 per cent of total employment. Over the next ten years, Travel & Tourism in the region is forecast to achieve annualized real growth of 4.1 per cent, in terms of GDP, and 2.8 per cent in terms of Travel & Tourism employment. This would take the share of GDP and employment to 16.5 and 17.1 per cent respectively by 2014.

These are impressive figures. But even more impressive is the fact that two of the 23 Caribbean countries monitored by the World Travel & Tourism Council (WTTC) and its research partner, Oxford Economic Forecasting – the British Virgin Islands and Antigua and Barbuda – owe more than 75 per cent of their economies to Travel & Tourism. For another four countries Travel & Tourism generates between 50-75 per cent, and the respective shares are 25-50 per cent for a further ten countries, and 10 per cent for three others. Only four Caribbean economies – Martinique, Curaçao, Puerto Rico and Haiti – owe less than 10 per cent of their economies to Travel & Tourism.

Moreover, the individual and collective impact

could be even greater than forecast if the underlying regional and national policy framework were conducive to growth – ie if the regional authorities and national governments created the underlying conditions for investor confidence, dynamism and sustainability. However, this depends on the governments recognizing and supporting Travel & Tourism as the Caribbean's highest-priority industry and employer, factoring it in to all policies and decision-making.

To be fair, a number of Caribbean governments have indeed recognized the importance of Travel & Tourism, spending considerable time, effort and funds to study, review, research, report on, and make recommendations about various aspects of the industry's policy agenda. Sadly, implementation of these reports, policy statements, strategies and masterplans has proved a weak link in the process. As a result, while much has been said – and very well said – follow-through is frequently a key missing ingredient.

Recent efforts – including the Strategic Plan commissioned by the Commonwealth Fund for Technical Co-operation Programme – augur well for Travel & Tourism's growth in the longer term,

although there is still a long way to go before the regional players are suitably organized to capitalize on this basic first step.

WTTC recommends that, once the new Secretary General of the Caribbean Tourism Organization (CTO) takes office (following the recently announced retirement of the existing Secretary General), both the CTO and the Caribbean Hotel Association (CHA) should jointly convene a Caribbean Travel & Tourism Congress. This in turn should be responsible for designing, agreeing and setting up a permanent Caribbean Tourism Strategy Committee that would establish, implement and maintain an integrated Strategic Plan for Caribbean Tourism.

The Strategy Committee should comprise the most influential private sector CEOs and professional tourism directors from all segments of the industry, as well as public sector tourism ministers representing the broadest possible range of tourism destinations. This committee should be the region's most visible and public demonstration of public-private sector partnership working hand in hand to guarantee the sustainability of Travel & Tourism in the Caribbean. It should also meet regularly, ensuring frequent progress reviews of the Strategic Plan and its objectives, making adjustments and enhancements as required to meet its goals.

Committee should focus on the components of the Strategic Plan that have received broad endorsement, and which will aid in establishing credibility and a track record of success for this new effort.

The budget for this new effort organized by the Strategy Committee is expected to be nominal at the outset, but will require a funding mechanism that is sustainable, flexible and acceptable to all players, public and private. In this regard, the Committee must use hindsight to understand why the previous proposal, a US\$20 cruise line passenger tax, was not seen as equitable and politically sound. Instead, the Committee should build a consensus around a funding proposal that is acceptable to all stakeholders – public and private, land-based, cruise and aviation, small and large players, tourism-intensive and non-tourism-intensive countries. The Committee will only be seen as a focal point of industry co-operation and advancement once it has finally achieved consensus on a funding mechanism.

In preparation for this report, WTTC undertook considerable research on trends and developments affecting tourism in the Caribbean. This included a 'regional policy review' involving – as already indicated – 18 focus group meetings in nine destinations over a two-week period, plus one additional month of desk research. The effort was designed to identify those policy issues that were

## The Strategy Committee... should be the region's most visible and public demonstration of public-private sector partnership working hand in hand to guarantee the sustainability of Travel & Tourism in the Caribbean.

Although WTTC endorses and has adopted almost all the comments and recommendations of the 2002 Strategic Plan, there is one significant part of the Plan which it is not ready to endorse – the recommendations associated with regional marketing. During the 18 public and private sector focus group meetings held by WTTC in nine destinations in the Caribbean in preparation for this report, it became quickly clear that the report's recommendations regarding regional marketing were not well received.

WTTC therefore recommends that this proposal be sidelined for the time being – and until such time as the Strategy Committee can review the situation and develop an alternative proposal that will be unanimously adopted. Until that time, the

common to many of the individual countries, or that required a regional approach and perspective.

Although we did not cover the entire Caribbean region in our discussions, we were able to study a broad spectrum of public and private sector perspectives and interests. Additionally, because our review was limited in duration and scope, we are the first to acknowledge that WTTC is not in a position to pontificate on the complete range of Caribbean Travel & Tourism policy issues. Nevertheless, we were able to confirm a number of major policy issues that, because they were highlighted so frequently and given such prominence by participants in the focus groups, stood out clearly as being mission critical for the Caribbean.





# FUTURE PROSPECTS

WHILE THE BASELINE FORECASTS FOR CARIBBEAN TRAVEL & TOURISM OVER THE NEXT TEN YEARS ARE GENERALLY POSITIVE, THEY NONETHELESS HIGHLIGHT A FEW WEAKNESSES THAT COULD HINDER TRAVEL & TOURISM'S GROWTH. WTTC ALSO MAINTAINS THEY MAY PREVENT THE CARIBBEAN ECONOMIES FROM ATTAINING THEIR TRUE TRAVEL & TOURISM POTENTIAL IN THE LONGER TERM.

At the same time, greater co-operation between all leading policy-makers – and the private sector – as well as better management of tourism growth, could help the Caribbean countries do even better than the current forecasts suggest. This could help maximize the benefits and ensure they are spread across all countries and islands in the region.

The following summary of the Policy Framework combines sections from the Strategic Plan commissioned by the Commonwealth Fund for Technical Co-operation Programme and additional material prepared by WTTC.

## RAISING AWARENESS

Travel & Tourism is without question the foremost export sector in the Caribbean and possesses the inherent ability to diversify the Caribbean economy, stimulate entrepreneurship, catalyse investment, create large numbers of sustainable jobs and help social development in local communities. However, the impact of the industry is generally not understood by public officials, the industry itself, or the communities where it takes place. Among the issues identified in the process of WTTC's research, raising awareness of Travel & Tourism's role and contribution to Caribbean countries is perhaps the most mission-critical issue that faces the region because, by extension, its impact is all-consuming.

The regional organizations and national governments should undertake an industrial image campaign to ensure that all public and private stakeholders recognize Travel & Tourism's full impact across the national economy and the spin-off benefits that filter down through all levels of the community.

The regional organizations – the Caribbean Tourism Organization (CTO) and the Caribbean Hotel Association (CHA) – should establish a Tourism Economics SWOT Team to assist the different Caribbean nations understand the full impact of Travel & Tourism on their economies. This could be

facilitated through seminars and workshops involving existing governments and every new government that takes office.

WTTC commends the role played by the Caribbean Media Exchange (CMEx) in spreading the message of Travel & Tourism's importance through the media. Another approach to raising awareness should be through the large army of Travel & Tourism employees who can be ambassadors of Travel & Tourism's contribution throughout the broader economy. By helping them understand the basics of Travel & Tourism and how the flow of visitor revenues and spending impacts their lives, they can better serve as emissaries to the rest of the community to help spread the message that Travel & Tourism is everybody's business.

Most importantly, WTTC's research identified an almost universal call for a regional, national and local public awareness campaign to inform and educate the general public about the merits and impact of Travel & Tourism in the Caribbean generally, as well as in individual countries and local communities.

## TOURISM PLANNING

Long-term planning at both the national and regional levels is a prerequisite for generating investor confidence and organizing the successful development of Travel & Tourism in the Caribbean.

WTTC applauds the efforts of those Caribbean economies that have produced and maintained a Tourism Strategic Plan or Masterplan, and we encourage their continued perseverance and focused attention on implementation of these Plans. As for those economies that are still relying on spontaneous or passive response to Travel & Tourism development, we recommend the creation of a Tourism Masterplan incorporated into a formal National Tourism Policy, closely linked to the nation's vision for the future.

In order to ensure greater support and commitment from all stakeholders, governments should strengthen their partnerships with the private sector and local authorities through their respective national tourism organizations (NTOs). Ideally, they should also establish a Travel & Tourism Government Advisory Council that provides direct private sector input into mission-critical policy and decision-making by the public sector with regard to Travel & Tourism.

On a regional basis, WTTC applauds the Caribbean Tourism Strategic Plan produced in 2002 and recommends that it be updated and modified (see detailed Policy Framework) so as to take account of current circumstances and stakeholders' views. Formal agreement and implementation of the Plan should be organized as soon as possible.

## INDUSTRY MEASUREMENT

The Caribbean's economic- and marketing-related Travel & Tourism research and forecasting are generally inadequate, both in terms of quality and quantity. As a result, public sector analysis and related policies tend to overlook or understate the impact of the industry, or deal only with its smaller individual components.

This TSA research, developed by WTTC and OEF for the Caribbean, provides a significant tool for planning and policy development. Updating the TSA on an annual basis will help to ensure that adequate data is available to factor Travel & Tourism into economic and employment strategies. It will also provide NTOs with hard economic data to provide input into decisions regarding their marketing and promotional efforts. This in turn will help raise awareness among public and private sector stakeholders of Travel & Tourism's full impact across the national economy – not just on hotels, restaurants and retail business, but also on construction, real estate, agriculture and other sectors.

A regional Tourism Forecasting Council (TFC) could also be a useful tool for ensuring the credibility of historical results and future demand forecasts. This should be established along the same lines as Australia's successful TFC, in which all stakeholders are well represented and confidentiality and trust are present to encourage real private sector participation. The Council would also anticipate future capital investment and infrastructure needs, helping to mitigate serious supply shortages or oversupply.

## MARKETING AND PROMOTION

Experience has shown that demand for any tourism destination grows sharply if marketing and promotions are well funded and effective. A competitive, sustained promotional campaign has been identified by a number of those who participated in WTTC's focus groups as important for the Caribbean. Most importantly, the campaign would promote the Caribbean brand, clarifying and enhancing the region's image in traditional and emerging source markets. At the same time, it would also raise awareness of the importance of Travel & Tourism to the national and local economies, as well as the spin-off to all the different stakeholders.

Public and private sector Caribbean stakeholders in Travel & Tourism could learn some valuable lessons from the successful brand campaigns undertaken by the Pacific Asia Travel Association (PATA). Its project Phoenix, PATA's most successful global consumer communications campaign to date, was designed to re-invigorate Travel & Tourism after the successive batterings the industry suffered over the past few years as a result of terrorist attacks, wars and the SARS outbreak.

Previous attempts to organize and establish a regional marketing programme in the Caribbean have failed for a number of reasons – not least the need for, and easy access to, funding. Given the circumstances, WTTC recommends that the marketing initiative be presented as an addendum in the Strategic Plan with consideration for possible later implementation. This treatment would allow the broader Travel & Tourism issues to become the focus of the Strategic Plan, facilitate immediate implementation of the Plan, provide a basis for confidence building, and require significantly lower funding.

## HIV/AIDS

Travel & Tourism companies and stakeholders in the Caribbean must adopt a proactive approach to addressing the problem of HIV/AIDS head on. There is no doubt that HIV/AIDS will have an enormous impact on the Caribbean and its people. Travel & Tourism stakeholders should seek help and assistance and follow celebrated examples of education and HIV/AIDS management strategies, which can save a large percentage of the workforce and mitigate the impact of this horrific disease on the lives and well-being of the region's inhabitants. This is not only a moral issue, but also one of survival.

## NATURAL ENVIRONMENT

The quality and success of the Caribbean tourism product is dependent, in large measure, on the maintenance of a healthy and attractive natural environment. In the Caribbean, there is a need for:

- Improved planning and management to increase the technical expertise required in the areas of pollution monitoring, coastal zone management, and the preparation and evaluation of Environmental Impact Assessments (EIAs);
- Increased regional co-operation and collaboration;
- Higher standards of environmental quality;
- Conservation and sustainable use of natural resources through participation in environmental certification and rating programmes;
- Improvements in infrastructure across the region, notably in utilities such as water and electricity supply, and solid waste disposal;
- Greater clarity in land-use policy, containment of the spiralling price of land, and better zoning on the basis of maximizing economic returns;
- Incentives to mobilize the private sector to invest in environmental improvements;
- Education and in-service training for a more sustainable approach to tourism; and
- Crisis and disaster management to mitigate the severe risk of natural and environmental disasters.

## SAFETY, SECURITY AND HEALTH

Among the broad forces driving change in the tourism industry today, traveller safety and health are becoming two of the most influential. Crime,

harassment and other forms of anti-social behaviour, along with hazardous and unhealthy facilities, are some of the major threats – real or perceived – to the development of the industry. Such problems frustrate national and regional efforts to maintain the region's image as a safe, clean and hospitable tourism destination.

## COMMUNITY DEVELOPMENT

There is fairly widespread concern that the benefits from tourism in the Caribbean might not be reaching those who need them most and that, despite the impressive growth statistics, tourism is not doing as much as it could to relieve existing problems of unemployment, poverty and social dislocation.

Travel & Tourism, as the region's leading industry, must be a key element of any national strategy to alleviate poverty and build resilience and sustainability into rural and urban communities. Mechanisms to implement such policies must be strong and well conceived. Attention must be focused on identifying and applying the most appropriate incentives and concessions, technical assistance and training in business practices and regulations, capacity building for community-based tourism projects, development of strategic partnerships to support a new agenda, and establishing pilot projects.

## LINKAGES

The ability and modalities to create linkages between Travel & Tourism and the rest of the economy in the Caribbean are well established, but the largest weakness in the equation is in the implementation and execution of the effort. WTTC recommends that a dedicated effort and resources be organized by each NTO or tourism ministry to guarantee a focused approach to establishing effective linkages between Travel & Tourism and the rest of the economy.

## INVESTMENT

Because of the fundamental importance of tourism to the economies of almost all Caribbean countries and the well-being of their people, it is crucial to put in place an operating climate that will encourage growth and investment in the tourism sector. The partnership challenge for governments, hotels and other sub-sectors is to find ways of reducing operating

costs, thereby increasing profitability and subsequently stimulating new investment to further expand the industry and the taxes it generates.

There is also a need to examine the availability of financing and to devise ways of improving access to finance, especially for the small hotels sector and other sectors such as tour operating, restaurants and attractions. In particular, consideration needs to be given to the creation of specialized financial intermediaries to unlock the very considerable funds tied up in Caribbean pension funds, national insurance funds, insurance companies, etc and make them available for investments in the hotel sector.

Incentive programmes have also been a limiting factor as a result of onerous and difficult bureaucratic barriers, red tape and the preferential treatment given to foreign investors. In many cases, there is also a lack of knowledge by the development agencies about how Travel & Tourism functions, and so incentive programmes have been misconstrued and misapplied.

WTTC calls on NTOs working with national development agencies to produce a Travel & Tourism Investment Strategy that addresses these issues. A detailed ten-year plan that provides strategic guidance and operational direction for the industry also needs to be set up, and this should include 'one-stop shopping' or 'fast-track' programmes to ease the process of establishing new businesses.

## TAXATION

The tourism sector is perceived as an attractive tax target for governments whose other tax sources are coming under threat. In addition to taxes imposed by Caribbean governments, tourists are also faced with an array of travel-related taxes that are now arguably the fastest-growing area of travel costs.

With such a narrow tax base (other than that of the tourism sector), few governments can afford to make drastic cuts in the taxation on tourism establishments unless they are convinced that such measures will be quickly offset by the stimulus provided to sectoral growth and investment. This makes it even more important that taxes that are applied are equitable and, where possible, hypothecated. One of the most contentious issues in the region is the inequitable treatment of land-based tourists compared with cruise passengers. The former pay significant departure taxes while the latter pay only a token port charge, if anything.

With this said, it is important that Caribbean authorities recall the WTTC Principles and Guidelines of Intelligent Taxation and refer to these principles when they consider new taxes or adjustments to existing tax structures.

## AIR ACCESS

Air lift is critical to the existence of the Caribbean tourism industry. However, only a very small proportion of tourism traffic that comes to the region comes in aircraft owned by, or under the control of, companies or states in the region. There is a need for the creation of a viable Caribbean air transport system to supplement the services being provided by the external carriers and to guarantee sustainability of air transport services for the region.

Regional carriers need to work more closely together – both to provide point-to-point service from some external markets to the region, and to distribute that traffic to the smaller destinations within the region, which would otherwise be deprived of business. The Caribbean carriers should be encouraged by specific policy incentives to return to the blueprint for functional co-operation in regional transport detailed in the 1993 CTO study, as well as to rationalize services both with each other and with external carriers in the context of new 'hub and spoke' arrangements.

## AIRPORT SAFETY AND SECURITY

Very few Caribbean countries currently meet the ICAO safety oversight standards and have the International Air Safety Assessment Programme Category 1 classification. This is a serious impediment for air access. The inclusion of Annex 17 into the Convention on International Civil Aviation, which deals with aviation security, in the ICAO Universal Safety Oversight Programme will impose further obligations on states to significantly enhance aviation safety to satisfy revised international standards, including committing to providing additional financial resources.

There is need to implement proposals for the formation of a Regional Safety and Security Oversight Authority to facilitate the cost-effective attainment and maintenance of ICAO safety oversight standards.

## CRUISE TOURISM

Cruise tourism in the Caribbean has, over the past decade, generally grown faster than land-based tourism and this trend is likely to continue. However, there is widespread concern within the Caribbean tourism industry that there has been a lack of balance until now between cruise tourism development and that of land-based tourism. Moreover, the economic contribution of cruise tourism to Caribbean economies is arguably negligible.

The regional authorities, public and private sector, should undertake to develop and agree a regional cruise line strategy that addresses the multitude of issues of concern to the industry, and that could impact negatively on the well-being of local people in the medium to longer term. These include the possible implementation of cruise passenger fees, and attitudes towards, and relations with, the cruise lines. Other issues that need to be addressed include infrastructure development, port operation, carrying capacity, and port and destination charges. Their rapid resolution could help pave the way for a more harmonious and sustainable relationship with land-based operators and NTOs.

## TIMESHARE

It is imperative for the Caribbean countries to draw up sound regulations for timeshare that protect the consumer and allow legitimate developers to grow their businesses. The cornerstone of these regulations should be a cooling-off period to allow the consumer time to think things over before a sale becomes final. Additional mechanisms that protect the consumer's rights over the life of the 'right to use' programmes must also be instituted. The Caribbean would be well-advised to look closely at international best-practice examples of regulatory law in developing its timeshare structure.

## INFORMATION MANAGEMENT

In order to meet successfully the challenges from competing destinations in other parts of the world, the Caribbean needs to use the best available tools and technology to manage, develop and market the tourism industry. NTOs in the Caribbean, which

have in some cases been slow to respond to changes in ways of doing business and of exploiting the potential of new technologies such as the Internet, must quickly become much more expert as information managers. This will help ensure that they have the facilities including the right personnel to collect, store and disseminate comprehensive, high-quality information about the region's tourism products.

## HUMAN RESOURCE DEVELOPMENT

Tourism is a labour-intensive, quality-driven service profession. It depends crucially on the skills level and professionalism of the workforce to make the sector productive and competitive. The human resources requirements of the Travel & Tourism sector depend on the existence of a systematic strategy and action that are responsive to the needs of the industry and relevant to national and regional experiences. In this regard, Travel & Tourism – by its very nature – requires greater flexibility of labour laws to accommodate the seasonality, daily flows and characteristics of an industry that operates on a 24-hour daily/7-day weekly basis.

While a significant amount of tourism education and training activity is currently being provided throughout the region, much is still uncoordinated and fragmented. For this reason, CTO spearheaded the setting up of the Caribbean Tourism Human Resource Council (CTHRC) in 1997 to serve as an overall co-ordinating agency for tourism human resource development.

It should be noted that the CTHRC has not yet found its stride – in fact, focus group participants said that it has generated a lot of talk, but little action to date. The success of the Council as a co-ordinating agency depends on building strong partnerships with key stakeholders, particularly CHA. In order to achieve this, it must be equipped with the necessary human and financial resources – in addition to resources being provided by donors such as the Canadian International Development Agency (CIDA), for the development of a Tourism Learning System, and the European Union, under the Caribbean Regional Tourism Sector Development Programme.



# REALIZING THE POTENTIAL

IN ORDER TO ACHIEVE OR – EVEN BETTER – SURPASS THE BASELINE FORECASTS, AND TO ENSURE THAT FUTURE GROWTH IS SUSTAINABLE, CERTAIN KEY FACTORS NEED TO BE ASSURED.

These include a favourable government fiscal policy, a climate that is conducive to business – offering attractive incentives for investment – and sustained and effective marketing and promotion, as well as environmentally friendly policies. Most importantly, clearly defined, long-term development plans must be drawn up to help guide regional, national and local public and private sector activities. These plans should be developed in consultation with all stakeholders, feeding from and back into a Caribbean Tourism Strategy and individual National Tourism Policies, and they should be disseminated as widely as possible.

Against this background WTTC – using as a base the Caribbean Tourism Strategy – has made certain policy recommendations to the Caribbean governments, detailed in this TSA report under the section entitled The Policy Framework. These recommendations are summarized below:

## PLAN FOR THE FUTURE.

- Establish a regional Tourism Strategy Committee to oversee and implement a regional Tourism Strategic Plan to co-ordinate regional issues and relationships between public and private sectors and the individual Caribbean destinations.
- Increase the influence and leadership of the ministries of tourism, especially in tourism-intensive economies, giving them greater authority at the highest levels of government, and factoring the industry's needs into mainstream policies for employment, trade, investment, education and environmental protection.
- Ensure region-wide development of national tourism policies, which provides vision to individual tourism masterplans, ensuring consultation with all stakeholders – notably local authorities and the private sector.
- Establish a dedicated regional research unit to monitor, anticipate and adapt to changing trends in Travel & Tourism demand.
- Anticipate future investment needs by producing Travel & Tourism Investment Strategies in co-operation between the national tourism organizations (NTOs) and the national development agencies.

## HIGHLIGHT THE STRATEGIC IMPORTANCE OF TRAVEL & TOURISM.

- Recognize Travel & Tourism's impact – and its potential future impact – across the wider economy, as well as its strategic importance as a catalyst for other industries and entrepreneurial activity.
- Reflect Travel & Tourism in mainstream policies for employment, trade, investment and education, ensuring that the underlying policy framework is conducive to sustainable growth.
- Measure the economic impact of Travel & Tourism by updating this Tourism Satellite Account (TSA) annually and communicating results to all levels of government, industry and local communities.
- Convene a Caribbean Tourism Congress, bringing together all Travel & Tourism stakeholders, to discuss challenges and opportunities for the industry.
- Undertake awareness building campaigns with government officials, the media and the general public to communicate the impact and linkages between Travel & Tourism and the broader economy and employment.

## DEVELOP THE HUMAN CAPITAL REQUIRED FOR GROWTH.

- Promote a positive image of the Travel & Tourism industry among members of government, in schools and with the public as a provider of career opportunities, instead of just jobs, for all Caribbeans.
- Place education and training at the forefront of Travel & Tourism development.
- Ensure that formal education and vocational training systems are adapted to the rapidly changing human resource needs of the industry, covering a variety of skills and customer service.
- Recognize Travel & Tourism's potential to provide jobs for young people, first-time job seekers, minority groups and retired people, or working mothers looking for part-time employment.
- Recognize that Travel & Tourism employment is concentrated in small businesses and local communities throughout the region.
- Bridge the gap between the education authorities and the industry, and establish public-private sector liaison groups to plan ahead for the future human resource development needs of the industry.

## ENCOURAGE OPEN MARKETS AND SKIES AND REMOVE BARRIERS TO GROWTH.

- Progressively liberalize trade, transport and communications through the World Trade Organization's General Agreement on Trade in Services and regional trading regimes.
- Open up air transport markets and expand liberal aviation accords to attract new scheduled services, and introduce new strategies and incentive schemes to encourage regional operators.
- Develop a regional cruise line strategy to address the multitude of issues that have created negative perceptions and operating conditions between the cruise lines, destinations and land-based operators.
- Reduce red tape and bureaucratic delays, providing incentives and instilling confidence among potential investors that they can generate adequate returns on their investments.
- Develop fiscal regimes that encourage tourism growth, exports, investment, infrastructure, business innovation and job creation.
- Set up tourism investment facilitation agencies, linked to the ministries of tourism, to act as a one-stop shop for potential investors.
- Establish sound regulations for timeshare that protect the consumer and allow legitimate developers to grow their businesses.
- Treat Travel & Tourism as the export industry it is and apply the WTTC Principles of Intelligent Taxation to all new and existing taxation proposals that impact the industry.
- Build safety and security provisions into regional, national, and local strategies, and place special emphasis on Travel & Tourism in overall policing strategies.

## MATCH PUBLIC AND PRIVATE INFRASTRUCTURE TO CUSTOMER DEMAND.

- Expand infrastructure, including airports and cruise port facilities, to anticipate projected demand, as well as opening up new areas for tourism development.
- Introduce new, expanded incentives for the modernization of the Caribbean's hotel accommodation infrastructure.
- Improve land-use planning and protection, guarding against unsustainable real-estate development that poses a threat to the image and quality of the Caribbean as a destination, and discourages foreign investment.
- Introduce timely incentive schemes to attract sustained capital investment from both domestic and foreign sources.
- Ensure that taxes collected on behalf of the industry are re-invested in infrastructure improvements, human resources and promotion.



## FAVOUR TECHNOLOGICAL ADVANCEMENT.

- Make Travel & Tourism a priority in helping to introduce and apply IT systems and telecommunications at a competitive pace across the region.
- Take the lead in promoting the use of technology and developing e-marketing skills in Travel & Tourism to achieve greater efficiencies and effectiveness, as well as to ensure the industry responds better to the needs of the changing marketplace.

## PROMOTE RESPONSIBILITY IN NATURAL, SOCIAL AND CULTURAL ENVIRONMENTS.

- Establish clear policies and guidelines for planned and sustainable tourism expansion across the region.
- Address urgently the existing problems of water supply, waste disposal and electrification, and anticipate and plan ahead regarding the development of consumption, waste and resource utilization, in order to meet the projected growth in Travel & Tourism demand while protecting natural resources.
- Promote the sustainable development of Travel & Tourism as a policy across the entire industry/region, not just as a policy for rural and nature-based tourism.
- Introduce pilot projects to evaluate and demonstrate local sustainability.
- Ensure that the socio-economic, cultural and environmental benefits of Travel & Tourism are spread equitably across the population in all parts of the region, and recognize the need for local community engagement and empowerment.
- Develop and promote national heritage designations with clearly defined criteria to support quality. Accompany these with increased government funding for the development and promotion of identified areas of particular heritage value, focusing on national and international designations.



# ECONOMIC IMPACT

IN 2004, THE CARIBBEAN'S TRAVEL & TOURISM IS EXPECTED TO GENERATE US\$40.3 BN OF ECONOMIC ACTIVITY (TOTAL DEMAND). THE INDUSTRY'S DIRECT IMPACT INCLUDES:

**814,550**

jobs representing 5.2% of total  
**EMPLOYMENT.**

US\$ **8.7** bn

of **GROSS DOMESTIC PRODUCT**  
(GDP) equivalent to 4.5% of total GDP.

HOWEVER, SINCE TRAVEL & TOURISM TOUCHES ALL SECTORS OF THE ECONOMY, ITS REAL IMPACT IS EVEN GREATER. THE CARIBBEAN'S TRAVEL & TOURISM ECONOMY DIRECTLY AND INDIRECTLY ACCOUNTS FOR:

**2,416,500**

jobs representing 15.5% of total  
**EMPLOYMENT.**

US\$ **28.4** bn

of **GROSS DOMESTIC PRODUCT**  
equivalent to 14.8% of total GDP.

US\$ **21.7** bn

of **EXPORTS, SERVICES & MERCHANDISE**  
or 18.4% of total Exports.

US\$ **7.4** bn

of **CAPITAL INVESTMENT**  
or 21.7% of total Investment.

US\$ **1.9** bn

of **GOVERNMENT EXPENDITURES**  
or an 8.2% share.

# GROWTH

IN 2004 TRAVEL & TOURISM IN THE CARIBBEAN IS FORECAST TO SEE REAL GROWTH OF 10.0% IN TOTAL TRAVEL & TOURISM DEMAND TO US\$40.3 BN AND

**14.9%**

in **TRAVEL & TOURISM  
INDUSTRY GDP**

to US\$8.7 bn for the industry directly and 11.0% to US\$28.4 bn for the Travel & Tourism Economy overall (direct and indirect expenditures).

**16.7%**

in **TRAVEL & TOURISM  
INDUSTRY EMPLOYMENT**

(direct impact only), to 814,550 jobs, and 12.5% to 2,416,500 jobs in the Travel & Tourism Economy overall (direct and indirect).

OVER THE NEXT TEN YEARS, THE CARIBBEAN'S TRAVEL & TOURISM IS EXPECTED TO ACHIEVE ANNUALIZED REAL GROWTH OF:

**4.0%**

in total

**TRAVEL & TOURISM DEMAND,**  
to US\$81.9 bn in 2014.

**4.4%**

in total **TRAVEL & TOURISM GDP,**  
to US\$18.4 bn in 2014 for the industry directly,  
and by 4.0% to US\$58.5 bn for the  
Travel & Tourism Economy overall.

**3.0%**

in **TRAVEL & TOURISM EMPLOYMENT,**  
to 1,092,100 jobs directly in the industry,  
and 2.8% to 3,170,600 jobs in the  
Travel & Tourism Economy overall in 2014.

**4.4%**

in **VISITOR EXPORTS,**  
rising to US\$40.7 bn by 2014.

**3.1%**

in terms of

**CAPITAL INVESTMENT,**  
increasing to US\$13.7 bn in 2014.

**3.3%**

in terms of

**GOVERNMENT EXPENDITURES**  
to US\$3.7 bn in 2014.



# THE CARIBBEAN'S TRAVEL & TOURISM

## OVERVIEW OF RECENT TRENDS AND DEVELOPMENTS.

### RECONFIRMING ITS APPEAL AS A WORLD TOURISM DESTINATION



### Return to healthy growth...

After two disappointing years, the Caribbean recorded healthy growth in both tourist arrivals and international tourism receipts in 2003. The region's 7.6 per cent increase in international arrivals was the third-highest growth recorded by any world region or sub-region last year – after South Asia and the Middle East. And preliminary indications from the World Tourism Organization (WTO) suggest the Caribbean may well have performed better in terms of tourism receipts (excluding spending on transport).

### ...and the outlook is even brighter

More importantly, prospects for 2004 are even brighter. WTTC/OEF forecasts point to a 17 per cent rise in visitor exports (international tourism receipts including transport spend), and industry analysts are projecting a double-digit increase in arrivals.

The reasons for the turnaround are not difficult to explain. Since the events of 11 September 2001, the US market has increasingly seen

the Caribbean as a safe and secure haven at a time when many parts of the world pose real or perceived terrorism threats. At the same time, many Americans are still also reluctant to travel further afield as they are nervous about the hostile reception they feel they may receive from some European and Asian nations as a result of the US Government's stance on Iraq.

For Europeans, on the other hand, more attractive prices and greater value for money are almost certainly the major attraction of the Caribbean thanks to the weaker US dollar, on which many Caribbean currencies are based. The decline in demand from Europe in 2001 and 2002 was directly linked to perceived sharp price rises in the region.

### A tourist's paradise

Despite the downturn in 2001 and 2002, the tropical islands of the Caribbean have long been seen as a paradise for tourists, and they have increasingly become accessible to less affluent travellers. Stretching out over an area of more than 2.5 million square kilometres – from the

Bahamas off the coast of Florida in the north (not taking account of Bermuda, which is not strictly in the Caribbean) to Trinidad and Tobago off the coast of South America in the south – the different islands offer their own unique attractions and rich and colourful history.

The Caribbean boasts a wealth of resources that appeal to tourists the world over – including spectacular scenery, exotic wildlife, cultural diversity, and warm and friendly people. Some islands are best known for their palm-fringed, white-sand beaches or spectacular mountain ranges and volcanoes, others for their historical heritage reflected in their fine colonial architecture. But among the islands' major attractions are the colourful festivals and carnivals, offering lots of live music and dancing, guaranteeing that any holiday spent in the region is filled with lively entertainment. In addition, sports enthusiasts know that every imaginable outdoor activity is catered for.

## Data definitions

The geographic region covered by WTTC/OEF for the preparation of this Tourism Satellite Account comprises 23 Caribbean individual countries, including Bermuda. However, the data quoted in this Travel & Tourism Overview reflects the Caribbean Tourism Organization's (CTO's) definition of the region – ie 32 countries, among which Belize and Mexico's Cancún and Cozumel. It should also be noted that WTO data for the region excludes the Mexican Caribbean and Belize. Although the differences in definition have a negligible impact on overall trends, strict comparisons are not possible between different sets of data.

## RECENT TOURISM PERFORMANCE

### Growth in tourism receipts is back on track

From 1990 to 2000 Caribbean tourism grew by close to 7 per cent a year, in terms of international tourist receipts – well above the annual average recorded worldwide. However, an increase of less than 1 per cent in 2001, followed by a 3 per cent decline in 2002, pushed the annual average down to 5.5 per cent. Preliminary estimates nonetheless suggest that 2000's record was easily surpassed last year, ensuring that the Caribbean's tourism revenue growth is now back on track.

The Dominican Republic attracts the highest share of receipts of all Caribbean destinations, of some US\$2.7 billion in 2002 – although this represented a 2.2 per cent drop on 2001's level. Puerto Rico, in second position in the ranking, recorded a 9 per cent decline to US\$2.5 billion and Cuba, in third place, fell by 3.5 per cent to US\$1.6 billion. But a number of destinations in the region – mostly among the smaller islands – bucked the general trend in 2002 and recorded growth in international tourism receipts. These included Trinidad and Tobago, Curaçao, Grenada, and St Vincent and the Grenadines.

Average spend per tourist – or receipts per arrival – in the Caribbean in 2002 was US\$1,035, although higher than average spending was recorded in the smaller islands such as the Netherlands Antilles, Anguilla, Aruba, the Turks and Caicos and the US Virgin Islands.

## International tourism receipts<sup>a</sup> for the Caribbean, 1990 and 2000-02

Year	Receipts (US\$ mn)	% annual changes
1990	8,712	na
2000	16,993	6.6
2001	17,125	0.8
2002	16,616	-3.0
Av annual % growth 1990-2002:		5.5

<sup>a</sup> Excluding spending on transport

Source: World Tourism Organization (WTO)

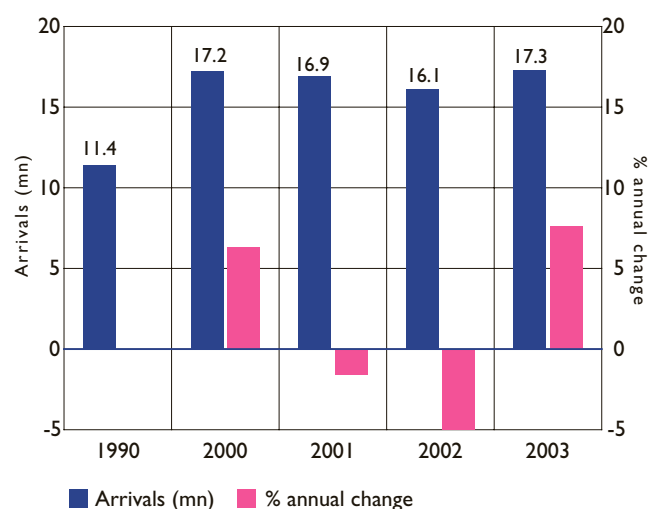
## A modest share of world tourist arrivals

The growth in international arrivals has closely mirrored trends in international receipts. Following a decade of good growth in the 1990s, which continued through 2000, the Caribbean suffered two years of declines in 2001 and 2002. However, as a result of a 7.6 per cent increase last year, 2003 set a new record for international tourist arrivals in the region, of 17.3 million. Despite the return to growth, however, the total represents only a 2.3 per cent share of total world arrivals.

The most significant trend in arrivals over the past ten years has been the rise in popularity of the Hispanic Caribbean – Cuba, the Dominican Republic, the Mexican Caribbean and Puerto Rico. Thanks to an average annual increase in arrivals of close to 7 per cent a year for this sub-region in the second half of the 1990s, the Caribbean region averaged 4.6 per cent annual growth. Without the boost from the Spanish-speaking Caribbean, the overall growth level would have been well below the world average.

For many Caribbean islands, the downturn in demand in 2001 started as early as June, although cumulative arrivals for the different destinations monitored by CTO were 2 per cent up in the first eight months of the year. This was followed by a 19 per cent decline fall in the last four months, reflecting the severe impact of the events of 11 September.

## International tourist arrivals in the Caribbean, 1990 and 2000-03



Source: WTO

## Demand hit by a number of different factors...

Individual destinations in the region were almost all affected, some more acutely than others. The Dominican Republic maintained its position as the most popular destination in the Caribbean, despite a decrease of 6.6 per cent over the previous year. The Bahamas was the hardest hit, with an aggregate decline in arrivals of over 33 per cent in the last four months of the year. This was a clear reflection of the destination's heavy dependence on the US market.

Arrivals from Europe, which has been the fastest-growing source for the Caribbean since the mid-1980s, recorded much less of a downturn, according to CTO data. However, there were double-digit declines to some of the Europeans' most popular destinations in the region – not to mention a 19 per cent drop from the German market overall. But Europe's 19 per cent increase to Cancún in 2001 helped to compensate for the negative trends from Europe to other destinations in the region.

## ...not least a perceived decline in value for money

The decline in stay-over holidays by Europeans intensified in 2002, and the trend was clearly not linked to 11 September alone. The decline was most marked for the lower-cost package holiday destinations such as the Dominican Republic, highlighting the fact that the weak euro, together with perceived high inflation, were among the major deterrents to growth. Although higher-yield sectors of the market, as well as smaller islands offering more upmarket products, continued to sell quite well in 2002, there were serious concerns that, at the more cost-conscious end of the market, the Caribbean was losing its competitive edge in terms of value for money.

## Mixed performance across the region in 2003

Last year's 7.6 per cent arrivals growth for the region masked some very different results from one destination to another. Once again, the Hispanic Caribbean islands turned in the best performances, with the Dominican Republic recording a 17 per cent increase and Cuba registering 13 per cent (to end-November). Cozumel was up nearly 35 per cent, albeit from a small base.

Some of the Dutch Caribbean islands also performed better than average with Bonaire attracting 23 per cent growth and St Maarten 12 per cent. Nevertheless, there was a stagnation in demand for Aruba and Saba recorded a 5 per cent decline. No up-to-date statistical trends are available for the French overseas dominion/department (DOM), Guadeloupe, but its sister DOM Martinique also suffered from stagnating arrivals.

Growth varied sharply for the different British Caribbean islands. Among the best performers were Antigua and Barbuda (+13 per cent), St Lucia (+9 per cent) and Barbados and Jamaica (both up 7 per cent).

## Stay-over arrivals in the Caribbean by destination country, 2003

Destination	Arrivals	Overall	Winter	Summer
Dominican Republic <sup>a</sup>	3,268,182	17.0	19.6	15.6
Cancún <sup>b</sup> , Mexico	2,076,478	5.6	1.8	7.9
Bahamas	1,428,599	1.8	3.8	0.7
Jamaica	1,350,284	6.6	7.9	6.0
Puerto Rico <sup>b</sup>	1,324,968	3.5	5.1	2.5
Aruba	641,906	-0.1	-6.1	3.1
US Virgin Islands	618,703	3.5	-2.2	7.3
Barbados	531,211	6.7	8.0	6.0
Martinique	445,424	-0.6	2.2	-2.5
St Maarten <sup>a</sup>	427,587	12.3	6.6	16.0
Cozumel, Mexico	304,233	34.6	44.7	28.5
Cayman Islands	293,515	-3.1	-3.4	-2.8
St Lucia	276,948	9.3	-1.7	16.4
Bermuda	256,563	-9.7	-9.5	-9.7
Curaçao	221,390	1.6	-6.0	5.7
Turks and Caicos Islands	163,584	6.5	10.1	4.3
Grenada	142,333	7.5	4.8	9.0
Guyana	100,911	-3.3	-16.8	3.5
St Vincent and Grenadines	78,535	1.2	-10.5	6.8
Dominica	72,948	8.7	8.1	9.0
Bonaire	64,176	23.2	25.7	22.0
Anguilla	46,915	7.1	-2.5	14.3
St Eustatius	10,788	10.3	14.9	8.3
Saba	10,260	-4.8	15.4	-12.7
Montserrat	8,375	-12.9	-21.1	-9.1
Cuba <sup>f</sup>	1,690,799	13.1	19.1	8.6
Trinidad and Tobago <sup>e</sup>	334,811	5.6	5.9	5.4
British Virgin Islands <sup>c</sup>	184,777	-4.3	0.2	-11.8
Antigua and Barbuda <sup>a,e</sup>	182,423	12.8	5.0	19.6
Belize <sup>d</sup>	171,709	11.0	8.5	15.3

<sup>a</sup> Non-resident air arrivals <sup>b</sup> Non-resident hotel registrations only <sup>c</sup> Jan-Jul  
<sup>d</sup> Jan-Sep <sup>e</sup> Jan-Oct <sup>f</sup> Jan-Nov

Note: Data for 2004 was not available for Haiti or St Kitts and Nevis

Source: Caribbean Tourism Organization (CTO)  
 from data supplied by member countries as at 26 April 2004

The most significant trend in arrivals over the past ten years has been the rise in popularity of the Hispanic Caribbean – Cuba, the Dominican Republic, the Mexican Caribbean and Puerto Rico.

## INTRA-CARIBBEAN TRAVEL

The intra-Caribbean market currently represents less than 7 per cent of total stay-over arrivals in the Caribbean, according to CTO. One of the main deterrents to intra-regional growth is the inadequate air transport network between the islands. But there has not been any serious, active marketing and promotion until now to try to tap the market's potential, nor any real effort on the part of the public or private sectors to improve intra-Caribbean transport links for locally based and non-Caribbean tourists. But the market is considered to have good potential for growth that could be better exploited.

## INTERNATIONAL MARKETS Canada and Europe outperform the US market

In stark contrast with its performance in 2002, the US market recorded increases every month last year with the exception of March and September. This was a clear sign of recovery, although US arrivals volume in 2003 was still well below its peak of three years earlier, averaging around 4 per cent growth on 2002.

Canadian tourism demand bounced back to near pre-2001 levels. A 27 per cent rise in winter arrivals was followed by an 11 per cent increase in summer 2003. These increases combined translated into 21 per cent growth for the year overall. The main beneficiaries were Cuba (+30 per cent) and the Dominican Republic (+32 per cent).

Tourist arrivals from Europe also rebounded in 2003, ending the year up 12 per cent over 2002's level. Winter arrivals rose by 7 per cent over the previous year, but summer business was even better, recording a 15 per cent increase. The Dominican Republic and Cuba generated over two-thirds of the total European arrivals count, with Cancún, Barbados and Jamaica accounting for a further 20 per cent. The main winners out of Europe, in terms of percentage growth, were the Dominican Republic, St Lucia, Curaçao and Bonaire.

A prime contributor to the revival of European demand for the Caribbean in 2003 was Germany, which had suffered a major slump the

previous year and has been sluggish for a number of years. German air passengers to the region declined as much as 25 per cent to 515,000 in 2002, according to data from the German airports association – largely due to the withdrawal of cheap package holidays to the Dominican Republic. While there was a general downturn in German outbound travel demand, the Caribbean suffered more than most destinations. But German tour operators claim that sales were well up in 2003 and are bullish about prospects for this year.

## Different islands attract different markets

Not surprisingly, while the USA is the major source of tourism for the Caribbean and Europe accounts for around one in four arrivals, the market breakdown is very different for individual destinations. The USA, for example, dominates demand for Puerto Rico – accounting for 87 per cent of arrivals – the US Virgin Islands (80 per cent), Cancún (77 per cent), Jamaica (72 per cent) and the Bahamas (no market data available for 2003). Europe, on the other hand, is the number one market for Cuba (47 per cent), Barbados (44 per cent) and the Dominican Republic (39 per cent) followed, in the case of Cuba, by Canada (24 per cent).

**The USA is the major source of tourism for the Caribbean and Europe accounts for around one in four arrivals.**

## CRUISING A booming business

Cruise passenger arrivals in the Caribbean have been far less affected by the events of the last few years, starting with 11 September 2001. In 2002 they achieved a double-digit increase and continued to grow sharply in 2003, with almost all countries achieving increases in demand. Belize, which has been the fastest-growing cruise destination in recent years, registered an increase of 80 per cent over 2002's level. The British Virgin Islands' cruise arrivals were up by 57.3 per cent (for the first seven months of the year) and cruise visitors to the Dominican Republic rose by more than 61 per cent. Other strong performers were Jamaica, Dominica and Antigua and Barbuda.

Aruba, Curaçao, St Vincent and the Grenadines and Trinidad and Tobago, in contrast, recorded declines last year. And among the top five cruise destinations in the Caribbean, the US Virgin Islands and Puerto Rico – in fourth and fifth positions in the favourites ranking – achieved only modest growth compared with their competitors.

Overall, these performances translated into a 10 per cent increase in cruise passenger arrivals overall in the Caribbean in 2003. This was largely in line with projections, since a number of destinations have continued to improve their ports to accommodate increasing calls by the newly launched larger vessels.

### International tourist arrivals in leading Caribbean destinations<sup>a</sup> by main markets, 2003

Destination	USA	Canada	Europe	Other
Dominican Republic <sup>b</sup>	865,942	412,625	1,265,978	723,637
Cancún <sup>c</sup>	1,590,204	139,285	255,828	91,161
Cuba <sup>d</sup>	na	395,170	789,791	505,838
Jamaica	968,688	95,265	218,500	67,831
Puerto Rico <sup>c</sup>	1,152,747	13,627	29,965	128,629
Aruba	460,241	17,218	54,711	109,736
US Virgin Islands <sup>c</sup>	496,357	4,809	7,756	114,799
Barbados	129,326	49,641	232,500	119,744

<sup>a</sup> Destinations attracting more than 500,000 international arrivals in 2003

<sup>b</sup> Non-resident air arrivals <sup>c</sup> Non-resident hotel registrations only

<sup>d</sup> Jan-Nov – US arrivals included with 'other'

Source: CTO



## Cruise passenger arrivals in the Caribbean by destination country, 2003

Destination	Arrivals	% change on 2002
Bahamas	2,970,174	6.0
Cozumel, Mexico	2,708,913	15.6
Cayman Islands	1,818,979	15.5
US Virgin Islands	1,773,948	2.0
Puerto Rico	1,234,992	2.6
St Maarten	1,171,734	11.1
Jamaica	1,132,596	30.9
Belize	575,196	79.9
Barbados	559,122	5.6
Aruba	542,327	-6.8
Dominican Republic	398,263	61.3
St Lucia	393,240	1.6
Antigua and Barbuda	385,686	23.5
Curaçao	279,378	-12.4
Martinique	268,542	33.7
Bermuda	226,097	13.0
Dominica	177,044	29.4
Grenada	146,925	8.8
St Vincent and Grenadines	64,965	-7.6
Trinidad and Tobago	55,532	-7.5
British Virgin Islands <sup>a</sup>	178,699	57.3

<sup>a</sup> Jan-Jul

Source: CTO from data supplied by member countries as at 26 April 2004

Given that the Caribbean attracts around 50 per cent of the world cruise market, its contribution to overall tourism earnings is nonetheless relatively insignificant – accounting for between 8–10 per cent of international tourism receipts only. As explained in the Policy section of this report, efforts to create a more sustainable playing field by imposing some kind of passenger fees on cruise arrivals – stay-over visitors are required to pay a departure tax – have so far failed. This is largely due to the fact that a number of Caribbean governments fear their destinations would simply be dropped by the big cruise companies if these fees were imposed.

In addition, the Travel & Tourism industry is concerned that stay-over tourism has been affected by the increased popularity of home porting by US cruise lines, reducing possibilities for fly-drive options, which encourage tourists to spend a few days in their cruise departure or arrival country.

## AIR ACCESS

### Increased air capacity stimulates demand

The revival in Caribbean tourism has also brought a welcome expansion of flight capacity into the region from the USA, Canada and different European points. There is now increased competition, for example, on the Amsterdam–St Maarten route. In addition to KLM and the Curaçao airline DCA, the charter carrier Air Holland has also been flying to the Dutch part of the island since last autumn, offering some of the lowest fares available to the Caribbean.





British Airways is increasing its number of weekly frequencies to Bermuda from four to five in June and bmi has announced plans for a new ex-UK route starting in November. Destinations under consideration include Barbados and Antigua. A series of bmi flights will also operate from Manchester to Barbados, Antigua and St Lucia this winter. Other new or expanded services are being inaugurated by Virgin Atlantic – to Cuba – and by BWIA, from Manchester to St Lucia and from London Heathrow to Trinidad.

A number of major US carriers also increased service to the Caribbean this past winter, which was a significant contributor to stimulating demand from the USA. New services included a daily service from Boston to San Juan from US Airways and two daily non-stop, round-trip regional jet flights between Atlanta and Grand Bahama Island from Delta Connection. American Airlines introduced new services from Fort Lauderdale to Port-au-Prince, Haiti, and to Santo Domingo, Dominican Republic. American Airlines began non-stop weekend service between San Juan and Los Angeles. Air Jamaica also rescheduled its service from Orlando to Jamaica, operating five times weekly, so that flights now arrive in its Montego Bay hub in time to connect with its onward service to various gateways throughout the Caribbean.

### Inter-island transport remains expensive

Except during off-season periods, such as June, September and October, island hopping remains a comparatively expensive pleasure. A ticket from St Maarten to Cuba costs US\$600 or more; the trip from Santo Domingo in the Dominican Republic to Port of Spain in Trinidad over US\$400.

There is no airpass covering all the islands, either. Airpasses and special deals are offered by, among others, Air Jamaica, BWIA, CaribbeanStar and LIAT, but they are all restricted to the airlines' own networks. With 18 destinations, LIAT has the largest network of routes of all the Caribbean airlines, but it effectively serves only the Lesser Antilles. The US carrier, American Eagle, is the only carrier to serve almost all the islands from its base in San Juan.

## ACCOMMODATION

### Sharp rise in hotel capacity

Just over 100,000 rooms were added to the Caribbean tourist accommodation stock between 1990 and 2000 – a capacity increase of 66 per cent to 252,300 rooms. And the number has continued to grow in the last three years. According to the Caribbean Hotel Association (CHA), nearly half (48 per cent) of all hotel rooms in the Caribbean are now concentrated in Cuba, the Dominican Republic and the Mexican Caribbean, where the growth of new accommodation over the past decade has been spectacular.

Significant growth in tourist accommodation has also been experienced in Aruba, the Bahamas, the French West Indies, Jamaica and Puerto Rico, and in the villa sector in Barbados. However, elsewhere in the region – especially in the Eastern Caribbean – there has been much less new investment in the accommodation sector.

CHA's hotel membership (it also has 700 non-hotel Allied members) is around 850, accounting for some 120,000 rooms. Of these 63 per cent of hotels and 41 per cent of rooms are located in the English Caribbean.

### CHA membership<sup>a</sup>, 2003 (%)

Caribbean region	Hotels	Rooms
English	63	41
Spanish	22	47
Dutch	8	9
French	7	3

<sup>a</sup> Membership comprising 856 hotels with some 120,000 rooms in total, as well as 700 Allied members

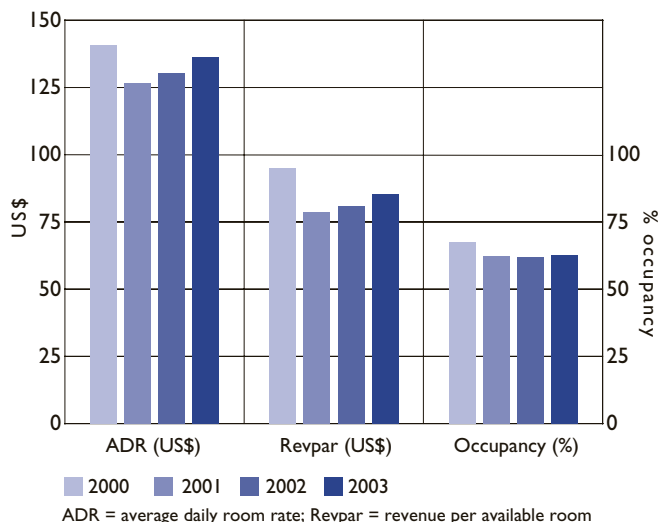
Source: Caribbean Hotel Association (CHA)

A 1997 study estimated that the region would need investment of some US\$3-4 billion annually to meet the needs for growth of new accommodation and attractions, as well as refurbishment of existing facilities. However, the Caribbean experience in attracting investment capital has been mixed. Some destinations have profited from very large flows of foreign investment in the tourism sector. For others – the majority – international inflows have been minimal. Efforts are now being made by the European Union, among other aid donors, to promote partnership and investment opportunities through programmes such as PRO€INVEST – PROFIT in the Caribbean 2004.

### New-found optimism among hoteliers

Meanwhile, data from Smith Travel Research shows that, although the crisis in tourism to the region is not yet fully over, the operating and financial performance of Caribbean hotels has picked up strongly since 2003. Last year ended with an average room occupancy of 62.7 per cent – up from 61.9 per cent in 2002, albeit down from the 2000 peak of 67.7 per cent. Average daily room rate was US\$136.20 – only 3 per cent down on 2000 – but revenue per available room (revpar) was still 10 per cent off its peak.

### Caribbean hotels' performance, 2000-03



Source: Smith Travel Research



All three measures showed significant improvement in the first quarter of 2004, with occupancy reaching close to 76 per cent. In 2002, the Caribbean had a total of 58 million roomnights available and generated US\$5 billion in revenues. Europe accounted for about one-third of total roomnight sales.

While the Caribbean is perhaps best known as a destination for all-inclusive holidays – it is the world leader by a very wide margin in quantity and quality of all-inclusive resorts – the region has increasingly diversified its accommodation product. This means that there are now many more options available for independent travellers looking for alternative holiday accommodation – from smaller, independently run hotels to villas and timeshare.

## Getting off the beaten track

On islands such as the Bahamas, Barbados, Jamaica, Puerto Rico and St Lucia, family-run and boutique hotels now have their own organization to enable them to join forces to advertise abroad. Some 35 or so hotels are part of the Insider Jamaica programme, designed to encourage holidaymakers who want to avoid mass tourism to get to know the country and the people.

Travellers who want to live like the locals can also try out Meet the People programmes in Jamaica and in the Bahamas, as well as Community Tourism on St Lucia, St Vincent, and Trinidad and Tobago. Tourist boards and hotels distribute invitations to house parties and barbecues, and to join locals to attend church or watch football and cricket matches.

## CURRENT PROSPECTS

### Positive image of 'brand Caribbean' augurs well for future growth

Despite the lack of co-operative marketing and promotion of the Caribbean in recent years, the region's brand image is stronger than it has been for some time and, as already indicated, this is due to a number of different factors. The improving economies of key source markets, the Caribbean's image as a safe and secure haven far from threats of terrorism that plague destinations in North America, Europe and other parts of the world and, most importantly perhaps, the depreciation of the US dollar – all have contributed to raising the Caribbean's profile and stimulating demand.

Moreover, the results of the WTTC/OEF research suggest that prospects for growth over the foreseeable future are extremely bullish, although certain challenges remain to be addressed. Admittedly, destinations such as the Dominican Republic and Haiti may suffer temporarily following the tragic floods in May this year. But experience of similar natural disasters – and the Caribbean islands have had more than their fair share off these – shows that any resulting downturn is likely to be short-lived.

Preliminary indications suggest that large and small destinations in the Caribbean – especially those with US dollar currencies – are very much in demand this year. Only the French Antilles have experienced a downturn because of the euro. CTO is currently projecting a growth of 7 per cent in international tourist arrivals this year.

Future growth prospects will remain closely linked to the US economy and Americans' desire to travel abroad. As far as the European market is concerned, the important question is whether the region can remain competitive vis-à-vis new destinations such as South Africa, or traditional Asian favourites like Thailand. For the moment, the Caribbean is very much back in favour – helped, it is true, by the weaker US dollar – but there are some concerns about local unrest in some islands and its impact on tourists' safety, and this also needs to be addressed.

### But the risk of price wars in the future...

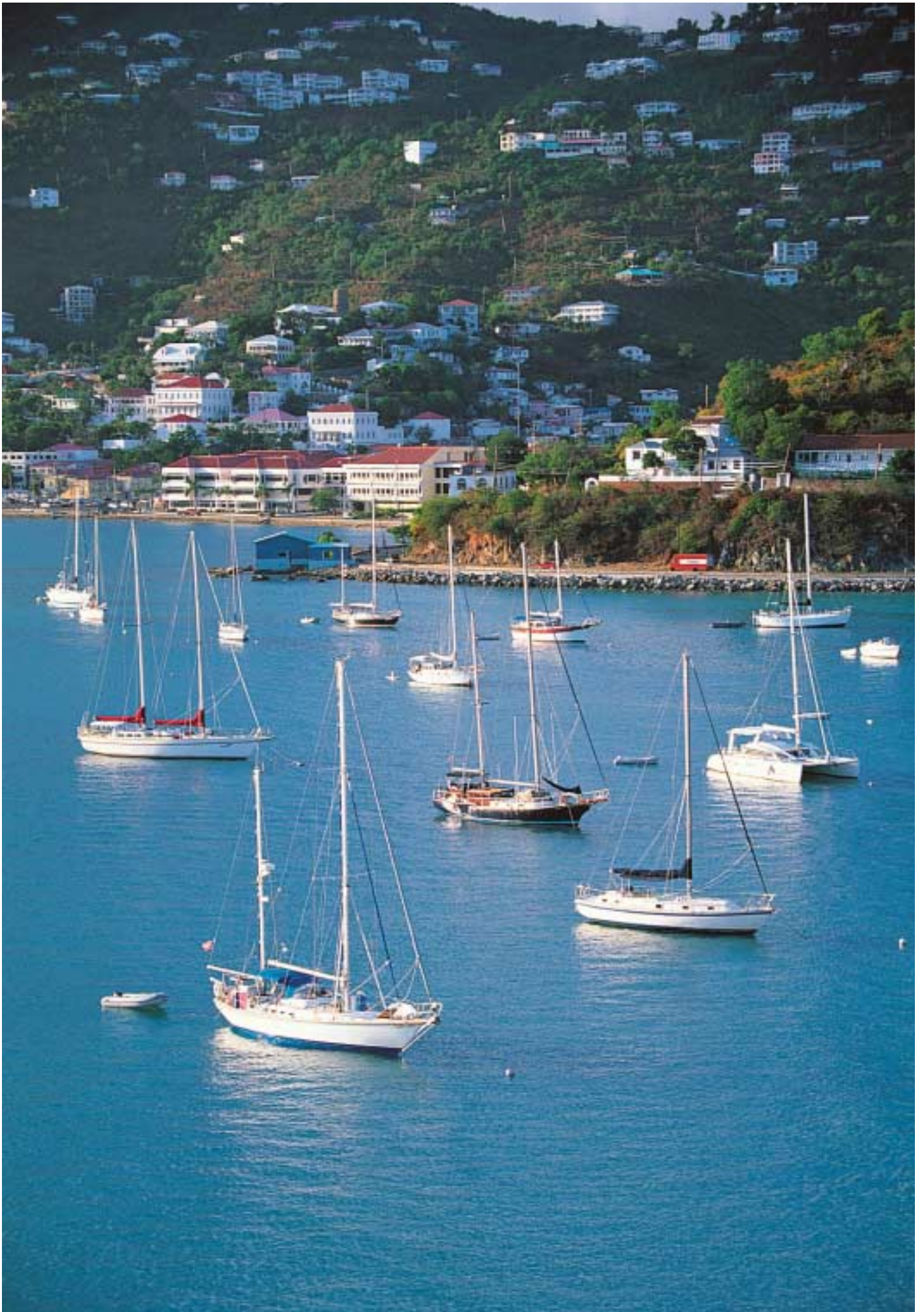
Another potential risk is that, as Cuba opens up as a holiday destination for US travellers, creating a more competitive marketplace, the temptation to resort to unhealthy rate cutting could intensify. Not only will Cuba be seen as a novelty destination, but it is also cheap and, with 50,000 new beds scheduled to come on line on the island – more than the current bed capacity of the whole English-speaking Caribbean – other islands are sure to suffer.

### ...could undermine the sustainability of Caribbean tourism

The Caribbean islands need to focus on the fact that, although undercutting produces short-term gains, this would not be good for the long-term sustainability of Caribbean tourism. Today's tourists are also increasingly sophisticated and demanding of quality, and any attempt to reduce the level of service as a means of cutting costs is bound to have a negative impact.

The Caribbean islands – especially Jamaica, Barbados and Aruba – are considered to be the world leaders in sustainable tourism. Almost 40 per cent of the eco-certificates awarded by Green Globe, for example, have so far gone to this region. So it is in the interests of all stakeholders that they preserve this leadership.

The Caribbean's image as a safe and secure haven far from threats of terrorism that plague destinations in North America, Europe and other parts of the world and, most importantly perhaps, the depreciation of the US dollar – all have contributed to raising the Caribbean's profile and stimulating demand.



# TRAVEL & TOURISM SATELLITE ACCOUNT

## TOURISM SATELLITE ACCOUNTING

THIS REPORT FOLLOWS THE CONCEPT OF SATELLITE ACCOUNTING DEFINED IN THE *TOURISM SATELLITE ACCOUNT: RECOMMENDED METHODOLOGICAL FRAMEWORK (TSA:RMF)*, AND DEVELOPED UNDER THE AUSPICES OF THE WORLD TOURISM ORGANIZATION.

Over the last three decades, countries have estimated the economic impact of Travel & Tourism through a range of measures using a variety of definitions and methodologies. Such approaches have prevented meaningful comparisons among nations. Even for the same nation over different periods of time, they have frustrated business and government attempts to draw valid conclusions about the nature and course of Travel & Tourism demand in national economies. This regime has obscured the substantial, positive role the industry plays in national economies and has thwarted business and government attempts to optimize economic programmes and policies.

The World Travel & Tourism Council (WTTC) recognized the dearth of crucial Travel & Tourism intelligence from the time of its establishment in 1990 and it published the first detailed estimates of world tourism's economic impact that same year.

Since then WTTC has worked to improve its methodologies and to encourage individual countries to enhance their measurement and understanding of tourism's impact on their national economies. Furthermore, in the spirit of joining forces to enhance world comprehension of the role of Travel & Tourism in national economies, WTTC has strongly supported the programmes of the World Tourism Organization (WTO) to improve tourism statistics worldwide.

## WTTC'S RESEARCH

WTTC and its economic/research partners – Oxford Economic Forecasting, (OEF), since 1999, and Global Insight (previously known as DRI•WEFA), from 1990-1999 – have developed and published research on the economic contribution of Travel & Tourism to the world, regional and national economies.

Starting in 1990, WTTC's research team has been working to develop practical, real-world models to illustrate Travel & Tourism's economic contribution based on the needs of private sector leaders, public sector policy-makers and industry researchers, and on the interpretation of the system of national accounts. The research is now firmly anchored in the international standard for tourism satellite accounting that was developed by WTO, OECD and Eurostat, and approved by the United Nations Statistical Commission in 2000. It was launched at the TSA Conference held in Vancouver in May 2001 and published as the *Tourism Satellite Account: Recommended Methodological Framework (TSA:RMF)* in 2001.

Since 1999, WTTC's research has assumed the conceptual framework of the UN-approved standard with a number of discretionary extensions, and it combines the most sophisticated economic modelling and forecasts available with the most up-to-date, publicly available data to generate a comprehensive implementation of Travel & Tourism satellite accounting.

This special simulated TSA for the Caribbean is the product of work commissioned by the Caribbean Hotel Association (CHA). In carrying out the work, OEF has drawn extensively on the methodology developed over the years by WTTC to develop TSAs as operational tools, and has worked closely with CHA and its project steering committee to review the assumptions, models and results produced by this exercise.

# WTTC'S APPROACH TO TOURISM SATELLITE ACCOUNTING

WTTC has endeavoured to implement and produce the most comprehensive TSA provided for within the TSA:RMF – by developing the narrow concept of the ‘Travel & Tourism Industry’ in addition to the broader concept of the ‘Travel & Tourism Economy’. WTTC advocates full implementation of the TSA as defined in the TSA:RMF in order to achieve the highest level of benefits for industry and governments. These include:

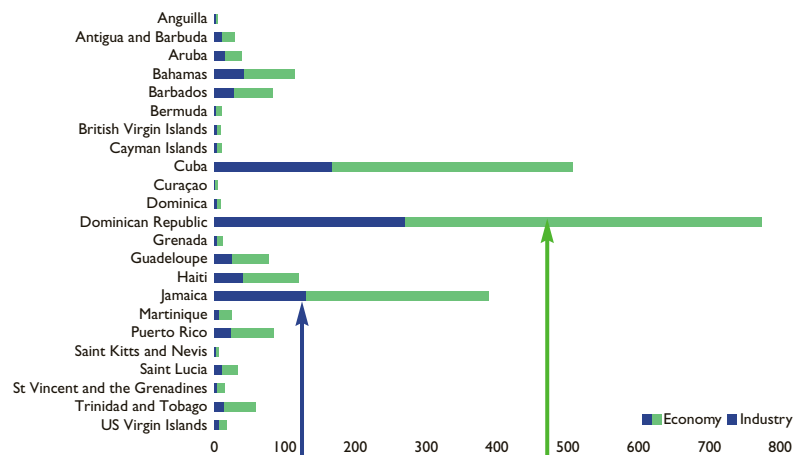
- A wealth of customer and consumer information on tourism-related purchases (before, during and after trips – whether domestic or international, imported or exported – as well as services, durables and non-durables) that has never been identified until now;
- Comprehensive documentation and analysis of the full tourism-product service chain and government’s ability to deliver quality and timely service to visitors;
- Linkages between Travel & Tourism and other sectors of the economy such as agriculture and manufacturing to illustrate the flow-through of spending;
- Complete outlook for public works that benefit visitors and Travel & Tourism companies in order to leverage public sector plans and priorities for growth;
- Focused opportunities for domestic production, as well as incentives from the public sector, to aid in the growth of businesses that help alleviate trade balance issues;
- Demand- and supply-side information on employment that allows for human resource planning and development.

WTTC has worked towards developing a comprehensive TSA – not because it is eager to exaggerate the size of Travel & Tourism’s impact, but because the information that can be garnered from the exercise by governments and industry is crucial for making intelligent and informed policy and business decisions. WTTC believes that history will document its pioneering implementation of the simulated TSA as one of the most important turning points for Travel & Tourism’s long overdue economic recognition.

In the WTTC research, no country receives special treatment or favours. WTTC uses internationally available data sources and the same scope of tourism satellite accounting for all countries, as well as the same basic assumptions through the same system of models. WTTC’s TSA research utilizes a universal and internally consistent modelling framework and generates harmonized results and forecasts for 175 countries around the world. Details of the methodology used by WTTC/OEF in its TSA research are available on WTTC’s website ([www.wttc.org](http://www.wttc.org)).

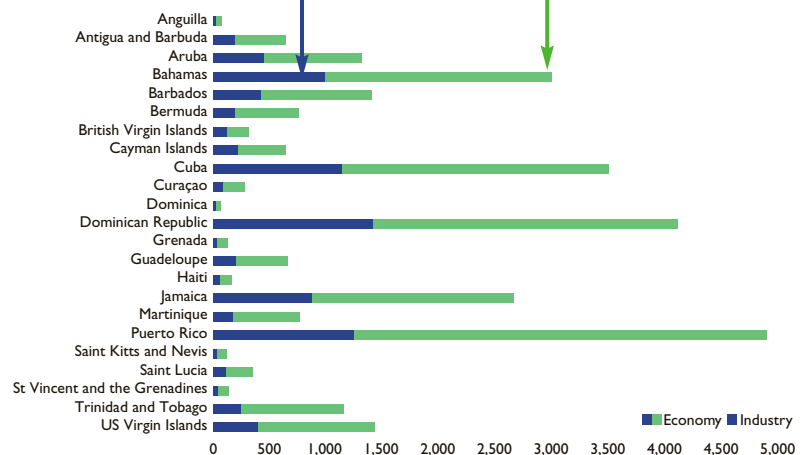
# CARIBBEAN

Travel & Tourism Employment ('000 Jobs)



**T&T INDUSTRY**  
Direct impact of visitor activity (transportation, accommodation, food and beverage, recreation, entertainment and travel services)

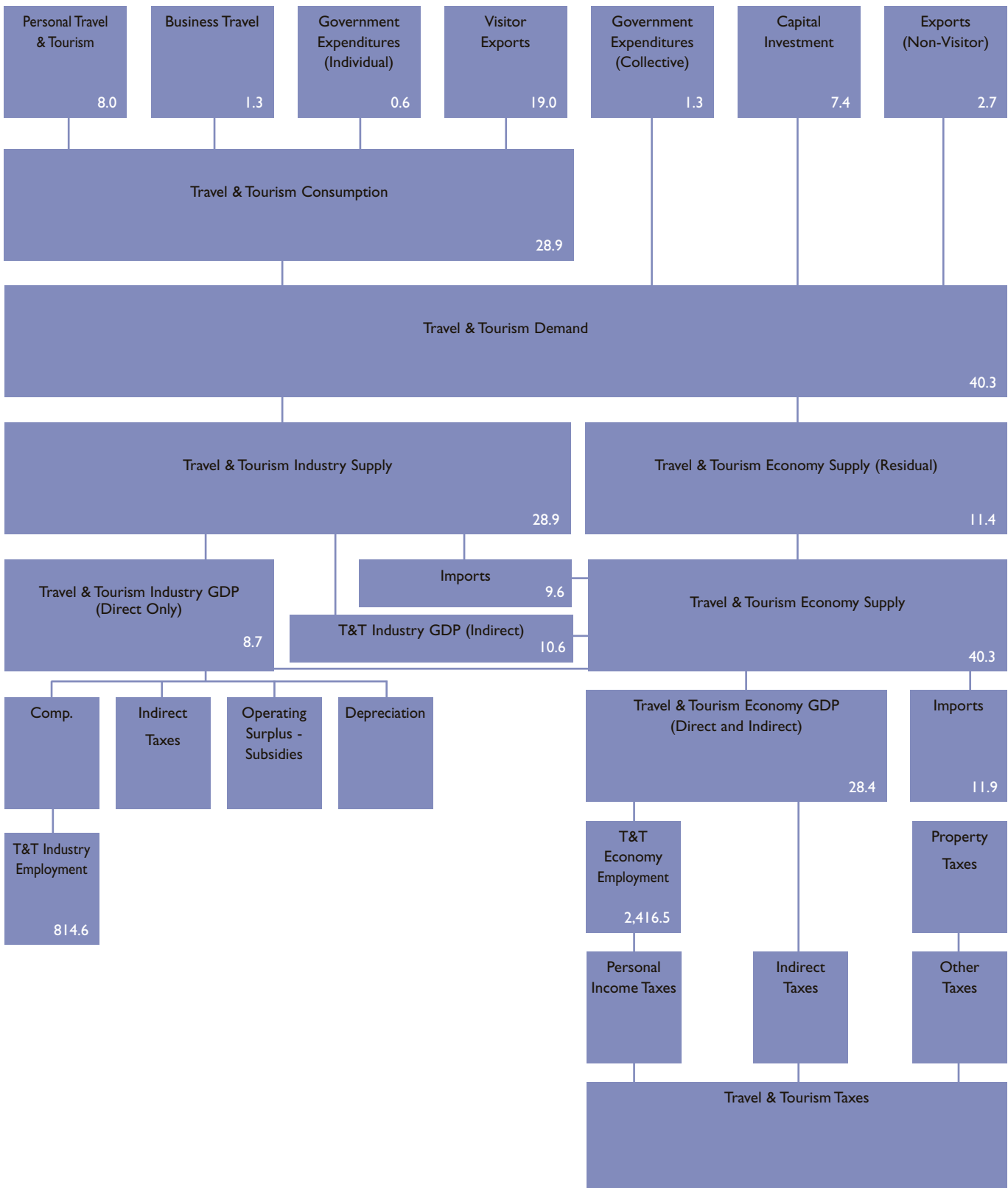
**T&T ECONOMY**  
Direct and indirect impact of visitor activities, capital investment, exports and government services.



Travel & Tourism Gross Domestic Product (1990 Constant US\$ mn)

# TSA CONCEPTS & STRUCTURE

2004 (US\$ bn, '000 of Jobs)





Travel & Tourism Satellite Accounting research for the Caribbean reflects a comprehensive simulation of the new international standard adopted by the United Nations following the Enzo Paci World Conference on the Economic Impact of Tourism (Nice, France, June 1999), ten years of model development and TSA experience by WTTC and Oxford Economic Forecasting (OEF), and application of OEF's latest macro-economic forecasts.

### TSA Economic Concepts

The Travel & Tourism Satellite Account is based on a 'demand-side' concept of economic activity, because the industry does not produce or supply a homogeneous product or service like traditional industries (agriculture, electronics, steel, etc). Instead, Travel & Tourism is an industrial activity defined by the diverse collection of products (durables and non-durables) and services (transportation, accommodations, food and beverage, entertainment, government services, etc) that are delivered to visitors. There are two basic aggregates of demand in the TSA:

I **Travel & Tourism Consumption** represents the value of products and services that have been consumed by visitors. It is the basic demand-side aggregate used to construct an explicitly defined production-side 'industry' equivalent for comparison with all other industries. Travel & Tourism Consumption includes:

- **Personal Travel & Tourism**, more formally known as consumer expenditures, which captures spending by the Caribbean's residents on traditional Travel & Tourism services (lodging, transportation, entertainment, meals, financial services, etc) and goods (durable and nondurable) used for Travel & Tourism activities.
- **Business Travel** by government and industry, which mirrors Personal Travel & Tourism's spending on goods and services (transportation, accommodation, meals, entertainment, etc), but represents intermediate inputs used in the course of business or government work.
- **Government Expenditures (Individual)** by agencies and departments which provide visitor services such as cultural (art museums), recreational (national park) or clearance (immigration/customs) to individual visitors.
- **Visitor Exports**, which include spending by international visitors on goods and services.

II **Travel & Tourism Demand** builds on Travel & Tourism consumption to include Travel & Tourism products and services associated with residual components of final demand. It is used to construct a broader 'economy-wide' impact of Travel & Tourism. The residual elements of Travel & Tourism demand are:

- **Government Expenditures (Collective)** made by agencies

and departments associated with Travel & Tourism, but generally made on behalf of the community at large, such as tourism promotion, aviation administration, security services and resort area sanitation services.

- **Capital Investment** by Travel & Tourism providers (the private sector) and government agencies (the public sector) to provide facilities, equipment and infrastructure to visitors.
- **Exports (Non-Visitor)** which include consumer goods sent abroad for ultimate sale to visitors (such as clothing, electronics or petrol) or capital goods sent abroad for use by industry service providers (such as aircraft or cruise ships).

By employing input/output modelling separately to these two aggregates (Travel & Tourism Consumption and Travel & Tourism Demand), the Satellite Account is able to produce two different and complementary aggregates of **Travel & Tourism Supply**: the **Travel & Tourism Industry** and the **Travel & Tourism Economy**. The former captures the explicitly defined production-side 'industry' equivalent, direct impact only, for comparison with all other industries, while the latter captures the broader 'economy-wide' impact, direct and indirect, of Travel & Tourism. Through this process, the Satellite Account is also able to determine that portion of supply, which it **Imports** from abroad.

Next, the satellite account breaks down both aggregates of supply (Industry and Economy) into the direct and indirect impacts of **Gross Domestic Product (GDP)**, the main descriptor of economic production, as well as the various components of GDP (**Wages & Salaries, Indirect/Transaction Taxes, Operating Surplus, Depreciation and Subsidies**). Beyond the regular TSA accounts, a separate analysis is also provided of **Personal Income Taxes** paid by Travel & Tourism generated employment and **Corporate and Property Taxes** paid by Travel & Tourism companies.

Finally, one of the most important elements of the Travel & Tourism Satellite Account are the Employment results, which can now be quantified for the basic Travel & Tourism Industry and the broader Travel & Tourism Economy.

- **T&T Industry Employment** generally includes those jobs with face-to-face contact with visitors (airlines, hotels, car rental, restaurant, retail, entertainment, etc).
- **T&T Economy Employment** includes T&T Industry Employment plus those faceless jobs associated with:
  - Industry suppliers (airline caterers, laundry services, food suppliers, wholesalers, accounting firms, etc).
  - Government agencies, manufacturing and construction of capital goods and exported goods used in Travel & Tourism.
  - Supplied commodities (steel producers, lumber, oil production, etc).

# TRAVEL & TOURISM'S ECONOMIC IMPACT

TRAVEL & TOURISM – ENCOMPASSING TRANSPORT, ACCOMMODATION, CATERING, RECREATION AND SERVICES FOR VISITORS – IS THE CARIBBEAN'S HIGHEST-PRIORITY INDUSTRY AND EMPLOYER.

Worldwide in 2004, Travel & Tourism is expected to post US\$5.5 trillion of economic activity (Total Demand) and this is forecast to grow to US\$9.6 trillion by 2014.

Total Demand in the Caribbean region is expected to reach US\$40.3 billion in 2004, growing to US\$81.9 billion by 2014.

In 2004, the Travel & Tourism Industry should contribute 3.8 per cent to worldwide GDP. The broader Travel & Tourism Economy should contribute 10.4 per cent to world GDP in 2004.

In the Caribbean, the Travel & Tourism Industry is expected to contribute 4.5 per cent to GDP in 2004 (US\$8.7 billion), rising to US\$18.4 billion (5.2 per cent of total), by 2014. The Travel & Tourism Economy contribution should grow from 14.8 per cent (US\$28.4 billion) to 16.5 per cent (US\$58.5 billion) over the same period.

Travel & Tourism is a high-growth activity, which is forecast to increase its total economic activity by 4.5 per cent per annum worldwide in real terms over the next ten years.

In the Caribbean, Travel & Tourism is expected to post average annualized gains of 4.0 per cent between 2004 and 2014.

Travel & Tourism is human resource intensive, creating quality jobs across the full employment spectrum. In 2004, one in 12.3 jobs will be generated by the Travel & Tourism Economy. The Travel & Tourism Industry accounts for 2.8 per cent of global employment. Today there are 73.7 million Travel & Tourism Industry jobs and 214.7 million jobs in the Travel & Tourism Economy, and these will rise to 87.5 million Travel & Tourism Industry jobs and 259.9 million Travel & Tourism Economy jobs by 2014.

In the Caribbean, in 2004, Travel & Tourism Economy employment is estimated at 2.4 million jobs, or 15.5 per cent of total employment. By 2014, the

number of jobs should grow to 3.2 million – 17.1 per cent of total employment. The 814,600 Travel & Tourism Industry jobs will account for 5.2 per cent of total employment in 2004 and are forecast to rise to 1.1 million jobs, or 5.9 per cent of the total, by 2014.

Travel & Tourism is a major exporter, with inbound visitors injecting foreign exchange directly into the economy.

In the Caribbean, exports make up the major share of Travel & Tourism's contribution to GDP. Of total Caribbean exports, services and merchandise, Travel & Tourism is expected to generate 18.4 per cent (US\$21.7 billion) in 2004, increasing to US\$46.2 billion (18.7 per cent of total exports), in 2014.

Travel & Tourism is a catalyst for construction and manufacturing. In 2004, the public and private sectors combined are expected to spend US\$802.3 billion in new Travel & Tourism capital investment worldwide – 9.4 per cent of total investment – rising to US\$1.4 trillion, or 9.9 per cent of the total, in 2014.

Capital investment in the Caribbean's Travel & Tourism Economy in 2004 is estimated at US\$7.4 billion, or 21.7 per cent of total investment. By 2014, this should reach US\$13.7 billion, or 22.4 per cent of the total.

Travel & Tourism is both a generator and receiver of government funds. Globally, in 2004, Travel & Tourism is expected to account for US\$265.3 billion of government expenditures, or 3.9 per cent of total expenditures. By 2014, government spending on Travel & Tourism should increase to US\$398.5 billion – 4.1 per cent of total government expenditures.

Government Travel & Tourism operating expenditures in the Caribbean in 2004 are expected to total US\$1.9 billion, or 8.2 per cent of total government spending. In 2014, this spending is forecast to rise to US\$3.7 billion, or 8.7 per cent of total government spending.

# ESTIMATES AND FORECASTS

## CARIBBEAN

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	7,985.4	6.5	6.0	15,826.0	7.2	3.8
Business Travel	1,301.7	---	6.9	2,545.4	---	3.8
Government Expenditures	1,902.0	8.2	1.2	3,655.0	8.7	3.3
Capital Investment	7,390.9	21.7	1.6	13,712.0	22.4	3.1
Visitor Exports	19,013.0	16.1	16.8	40,653.0	16.5	4.4
Other Exports	2,715.5	2.3	8.0	5,503.8	2.2	3.9
Travel & Tourism Demand	40,309.0	---	10.0	81,895.0	---	4.0
T&T Industry GDP	8,671.1	4.5	14.9	18,407.0	5.2	4.4
T&T Economy GDP	28,428.0	14.8	11.0	58,495.0	16.5	4.1
T&T Industry Employment	814.6	5.2	16.7	1,092.1	5.9	3.0
T&T Economy Employment	2,416.5	15.5	12.5	3,170.6	17.1	2.8

## ANGUILLA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	11.6	12.0	7.9	24.2	13.3	5.1
Business Travel	1.4	---	10.2	2.9	---	4.9
Government Expenditures	2.3	13.4	4.3	4.5	14.0	4.3
Capital Investment	9.3	54.2	4.0	17.6	55.0	4.1
Visitor Exports	67.8	46.7	9.9	152.2	52.0	5.8
Other Exports	2.6	1.8	3.8	4.4	1.5	3.1
Travel & Tourism Demand	94.8	---	8.8	205.8	---	5.4
T&T Industry GDP	28.8	27.3	10.4	66.2	36.3	6.1
T&T Economy GDP	75.9	71.9	9.6	170.1	93.3	5.8
T&T Industry Employment	1.9	31.6	11.4	3.2	38.3	5.3
T&T Economy Employment	4.8	79.7	10.8	7.9	95.0	5.2

## ANTIGUA AND BARBUDA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	58.0	11.9	7.4	100.7	11.3	3.1
Business Travel	22.2	---	10.4	44.6	---	4.6
Government Expenditures	49.8	27.4	4.2	94.8	28.5	4.1
Capital Investment	180.8	73.6	3.9	336.2	74.9	3.8
Visitor Exports	402.6	71.9	16.1	807.5	71.6	4.6
Other Exports	1.8	0.3	8.2	3.4	0.3	4.0
Travel & Tourism Demand	715.1	---	11.0	1,387.2	---	4.3
T&T Industry GDP	192.6	24.9	15.6	388.2	29.1	4.7
T&T Economy GDP	635.8	82.1	11.7	1,253.5	93.9	4.4
T&T Industry Employment	10.4	34.8	15.8	12.9	38.3	2.2
T&T Economy Employment	28.3	95.0	7.9	32.1	95.0	1.3

## ARUBA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	181.7	10.7	6.0	384.4	10.4	3.4
Business Travel	51.5	---	9.8	121.3	---	4.6
Government Expenditures	88.9	20.9	4.2	202.5	22.0	4.2
Capital Investment	221.7	76.2	3.9	488.0	77.6	3.9
Visitor Exports	1,021.8	33.1	6.1	1,904.5	31.1	2.1
Other Exports	67.0	2.2	2.6	127.2	2.1	2.3
Travel & Tourism Demand	1,632.4	---	5.7	3,227.9	---	2.7
T&T Industry GDP	448.4	18.7	6.3	872.4	16.8	2.6
T&T Economy GDP	1,305.8	54.5	5.7	2,620.1	50.6	2.9
T&T Industry Employment	15.0	26.2	6.1	19.0	23.6	2.4
T&T Economy Employment	39.4	69.0	5.7	51.0	63.3	2.6

## BAHAMAS

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	746.0	19.4	5.5	1,427.9	20.8	4.1
Business Travel	97.8	---	9.6	189.9	---	4.3
Government Expenditures	100.8	13.8	3.8	186.8	14.4	3.8
Capital Investment	752.8	66.5	3.5	1,357.8	67.3	3.5
Visitor Exports	1,884.4	64.4	13.9	4,490.0	68.1	6.4
Other Exports	31.4	1.1	4.3	59.8	0.9	4.1
Travel & Tourism Demand	3,613.1	---	9.3	7,712.2	---	5.3
T&T Industry GDP	990.4	18.6	12.5	2,296.3	24.1	6.1
T&T Economy GDP	2,986.8	56.0	10.2	6,555.2	68.9	5.6
T&T Industry Employment	42.1	26.0	12.0	67.3	33.8	4.8
T&T Economy Employment	113.3	69.9	10.5	174.7	87.7	4.4

## BARBADOS

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	204.0	11.0	6.2	377.0	11.2	3.8
Business Travel	62.3	---	8.4	124.1	---	4.6
Government Expenditures	97.4	14.6	2.6	184.0	15.2	4.0
Capital Investment	402.4	65.1	2.4	742.3	66.2	3.7
Visitor Exports	843.2	53.5	17.7	1,687.8	52.5	4.6
Other Exports	12.1	0.8	8.3	24.2	0.8	4.6
Travel & Tourism Demand	1,621.3	---	10.7	3,139.5	---	4.2
T&T Industry GDP	420.3	15.8	16.3	843.9	18.3	4.6
T&T Economy GDP	1,391.9	52.2	11.5	2,732.0	59.3	4.4
T&T Industry Employment	28.0	19.8	16.5	40.0	23.1	3.6
T&T Economy Employment	82.4	58.3	12.9	115.5	66.7	3.4

<sup>1</sup>2004 Real Growth Adjusted for Inflation (%); <sup>2</sup>2005-2014 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

# ESTIMATES AND FORECASTS

## BERMUDA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	190.0	7.7	6.1	350.0	8.3	3.2
Business Travel	36.0	---	8.6	68.1	---	3.5
Government Expenditures	73.8	18.3	2.9	132.1	19.0	2.9
Capital Investment	267.4	45.8	2.7	468.3	46.5	2.7
Visitor Exports	394.8	23.0	13.1	905.5	29.0	5.5
Other Exports	33.9	2.0	1.8	50.3	1.6	1.0
Travel & Tourism Demand	995.9	---	7.5	1,974.3	---	4.0
T&T Industry GDP	194.6	6.2	12.5	442.3	8.6	5.4
T&T Economy GDP	753.1	24.1	8.4	1,552.5	30.2	4.4
T&T Industry Employment	3.2	8.7	10.5	4.8	12.1	4.0
T&T Economy Employment	10.3	27.9	7.6	14.3	36.0	3.3

## BRITISH VIRGIN ISLANDS

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	74.1	49.7	8.5	162.1	63.7	5.5
Business Travel	8.1	---	7.0	15.1	---	3.8
Government Expenditures	8.3	26.6	-0.4	15.1	27.7	3.6
Capital Investment	33.2	53.8	-1.2	58.5	53.8	3.2
Visitor Exports	272.8	62.6	11.3	566.9	73.1	5.0
Other Exports	4.7	1.1	-0.2	5.7	0.7	-0.4
Travel & Tourism Demand	401.1	---	9.1	823.4	---	4.9
T&T Industry GDP	122.8	37.3	11.5	259.7	38.1	5.2
T&T Economy GDP	313.7	95.2	9.7	648.7	95.2	5.0
T&T Industry Employment	3.4	38.3	1.2	3.8	38.3	1.2
T&T Economy Employment	8.4	95.0	1.1	9.3	93.8	1.1

## CAYMAN ISLANDS

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	80.0	5.1	7.8	205.4	6.3	6.7
Business Travel	34.3	---	10.4	77.5	---	5.3
Government Expenditures	56.9	28.9	4.7	123.7	30.3	4.9
Capital Investment	108.3	52.4	4.0	209.9	49.0	3.7
Visitor Exports	499.8	49.2	7.6	1,051.2	66.7	4.6
Other Exports	28.3	2.8	0.6	27.8	1.8	-3.1
Travel & Tourism Demand	807.7	---	6.7	1,695.6	---	4.6
T&T Industry GDP	220.3	12.8	8.1	479.6	13.5	5.0
T&T Economy GDP	644.4	37.6	7.1	1,358.4	38.3	4.6
T&T Industry Employment	4.2	18.0	4.4	4.7	18.9	1.2
T&T Economy Employment	11.0	47.4	3.8	12.2	48.8	1.0

## CUBA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	1,155.9	5.3	4.0	2,058.9	5.7	2.9
Business Travel	125.2	---	7.2	227.4	---	3.1
Government Expenditures	159.1	5.7	1.6	271.7	5.9	2.4
Capital Investment	878.0	14.9	1.4	1,469.0	15.1	2.2
Visitor Exports	2,458.6	42.0	16.0	4,902.0	44.8	4.0
Other Exports	53.3	0.9	1.2	86.9	0.8	1.9
Travel & Tourism Demand	4,830.0	---	9.2	9,015.8	---	3.3
T&T Industry GDP	1,135.0	4.4	15.7	2,267.7	5.7	4.1
T&T Economy GDP	3,490.6	13.7	11.6	6,681.9	16.8	3.6
T&T Industry Employment	166.9	3.9	14.2	220.2	5.0	2.8
T&T Economy Employment	505.9	11.8	10.3	640.7	14.5	2.4

## CURAÇAO

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	193.6	10.1	5.4	328.3	11.9	3.4
Business Travel	74.0	---	7.3	115.9	---	2.6
Government Expenditures	30.2	4.8	1.5	44.7	4.9	2.0
Capital Investment	112.5	19.5	1.3	164.8	19.8	1.9
Visitor Exports	266.6	16.4	16.5	528.9	18.0	5.0
Other Exports	11.7	0.7	0.8	16.7	0.6	1.6
Travel & Tourism Demand	688.5	---	8.6	1,199.2	---	3.6
T&T Industry GDP	89.4	2.2	22.1	188.3	2.9	5.7
T&T Economy GDP	277.0	6.7	18.2	547.8	8.5	5.0
T&T Industry Employment	1.6	3.0	20.0	2.5	4.1	4.5
T&T Economy Employment	4.5	8.3	17.4	6.7	10.7	4.1

## DOMINICA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	18.9	10.7	7.7	32.2	11.4	3.4
Business Travel	4.0	---	12.1	6.9	---	3.7
Government Expenditures	3.9	6.0	5.4	6.4	6.2	3.0
Capital Investment	14.8	17.6	5.1	23.8	17.8	2.8
Visitor Exports	44.0	27.9	15.4	91.1	30.6	5.5
Other Exports	2.2	1.4	6.3	3.9	1.3	3.8
Travel & Tourism Demand	87.8	---	11.0	164.3	---	4.4
T&T Industry GDP	21.1	8.2	15.4	43.4	11.3	5.4
T&T Economy GDP	64.4	25.1	12.8	125.9	32.9	4.9
T&T Industry Employment	2.8	7.7	16.0	4.1	10.6	3.8
T&T Economy Employment	8.4	22.7	13.6	11.6	29.9	3.3

<sup>1</sup>2004 Real Growth Adjusted for Inflation (%); <sup>2</sup>2005-2014 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

# ESTIMATES AND FORECASTS

## DOMINICAN REPUBLIC

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	626.2	6.3	15.7	1,632.0	8.0	5.4
Business Travel	157.6	---	1.2	347.3	---	3.6
Government Expenditures	227.1	20.6	-6.0	483.2	21.6	3.3
Capital Investment	794.3	24.9	-4.1	1,641.0	25.3	3.0
Visitor Exports	3,196.9	32.4	31.2	5,890.5	33.5	1.8
Other Exports	185.6	1.9	35.1	303.8	1.7	0.6
Travel & Tourism Demand	5,187.6	---	19.5	10,297.8	---	2.5
T&T Industry GDP	1,406.9	8.8	23.6	2,641.2	7.5	2.0
T&T Economy GDP	4,096.4	25.5	16.7	7,810.7	22.3	2.1
T&T Industry Employment	268.9	7.7	27.0	319.1	6.6	1.7
T&T Economy Employment	772.2	22.2	20.1	930.0	19.4	1.9

## GRENADA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	33.9	10.0	7.2	67.4	11.5	5.0
Business Travel	10.7	---	10.5	20.1	---	4.4
Government Expenditures	8.3	11.7	4.8	14.8	12.1	3.9
Capital Investment	39.5	21.0	4.5	68.9	21.3	3.6
Visitor Exports	74.9	28.1	17.0	155.5	28.6	5.5
Other Exports	3.1	1.2	5.8	5.9	1.1	4.5
Travel & Tourism Demand	170.5	---	10.7	332.6	---	4.8
T&T Industry GDP	38.0	8.3	16.1	79.1	10.0	5.5
T&T Economy GDP	127.8	27.8	12.4	253.8	32.2	5.0
T&T Industry Employment	3.6	8.2	13.6	5.4	10.0	4.2
T&T Economy Employment	11.3	26.2	10.5	16.4	30.4	3.8

## GUADELOUPE

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	129.4	6.7	-3.0	252.8	8.2	7.1
Business Travel	36.7	---	-0.7	64.0	---	5.9
Government Expenditures	55.2	20.4	-5.8	91.1	21.0	5.3
Capital Investment	135.7	23.9	-5.2	191.7	21.2	3.6
Visitor Exports	454.5	29.5	0.3	1,001.8	27.0	8.5
Other Exports	61.3	4.0	-2.6	155.0	4.2	9.9
Travel & Tourism Demand	872.9	---	-1.7	1,756.4	---	7.4
T&T Industry GDP	203.9	8.4	0.0	424.6	10.9	7.9
T&T Economy GDP	656.2	26.9	-1.4	1,288.2	33.1	7.2
T&T Industry Employment	24.9	8.2	8.7	38.8	10.7	4.6
T&T Economy Employment	76.1	25.2	7.3	112.8	31.2	4.0

## HAITI

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	113.6	4.2	-6.5	166.1	4.5	1.5
Business Travel	38.3	---	-4.1	57.8	---	1.8
Government Expenditures	4.8	2.9	-9.1	6.8	2.9	1.2
Capital Investment	34.5	4.6	-9.0	48.2	4.7	1.1
Visitor Exports	53.9	9.5	5.2	130.4	10.8	6.8
Other Exports	12.9	2.3	1.7	26.8	2.2	5.1
Travel & Tourism Demand	258.1	---	-3.9	436.1	---	3.0
T&T Industry GDP	54.9	1.6	-4.0	104.2	2.0	4.2
T&T Economy GDP	158.5	4.5	-4.6	293.4	5.5	4.0
T&T Industry Employment	40.4	1.2	-3.2	60.8	1.5	4.2
T&T Economy Employment	118.3	3.6	-3.8	173.8	4.4	3.9

## JAMAICA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	408.8	8.4	8.8	752.9	8.8	2.6
Business Travel	154.4	---	7.8	295.2	---	3.0
Government Expenditures	204.9	15.8	1.7	374.3	16.4	2.5
Capital Investment	636.6	32.3	2.1	1,142.1	32.9	2.4
Visitor Exports	1,866.3	47.1	18.5	4,234.8	51.0	4.8
Other Exports	29.6	0.7	12.2	53.5	0.6	2.4
Travel & Tourism Demand	3,300.7	---	12.0	6,852.8	---	3.9
T&T Industry GDP	870.5	11.8	16.7	1,948.8	14.8	4.7
T&T Economy GDP	2,647.8	36.0	12.6	5,631.9	42.9	4.1
T&T Industry Employment	130.3	10.7	16.6	190.2	13.5	3.9
T&T Economy Employment	387.4	31.8	12.7	539.0	38.1	3.4

## MARTINIQUE

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	381.0	5.4	-0.4	776.9	5.8	4.8
Business Travel	67.4	---	10.2	138.3	---	4.9
Government Expenditures	65.2	7.9	4.0	120.6	8.2	3.8
Capital Investment	333.9	18.3	3.6	604.0	18.6	3.5
Visitor Exports	352.7	12.7	15.2	595.8	11.6	2.9
Other Exports	66.1	2.4	-1.1	109.0	2.1	2.6
Travel & Tourism Demand	1,266.3	---	5.4	2,344.6	---	3.8
T&T Industry GDP	175.0	2.1	15.5	313.5	2.0	3.5
T&T Economy GDP	760.1	8.9	10.1	1,372.1	8.5	3.5
T&T Industry Employment	6.5	2.6	12.2	6.9	2.5	0.5
T&T Economy Employment	23.6	9.4	8.0	24.9	9.0	0.6

<sup>1</sup>2004 Real Growth Adjusted for Inflation (%); <sup>2</sup>2005-2014 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

# ESTIMATES AND FORECASTS

## PUERTO RICO

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	2,533.1	5.2	5.4	5,032.3	5.5	3.0
Business Travel	107.0	---	8.3	216.3	---	3.2
Government Expenditures	433.0	3.9	2.7	839.1	4.1	2.7
Capital Investment	1,281.2	10.5	2.5	2,425.8	10.7	2.5
Visitor Exports	3,040.6	4.3	11.6	7,464.9	5.0	5.2
Other Exports	1,637.3	2.3	6.8	3,397.7	2.3	3.4
Travel & Tourism Demand	9,032.2	---	7.1	19,376.1	---	3.8
T&T Industry GDP	1,239.4	1.4	11.2	2,941.8	1.7	4.9
T&T Economy GDP	4,881.6	5.3	9.2	10,881.0	6.3	4.2
T&T Industry Employment	23.3	1.6	11.2	36.9	2.1	4.8
T&T Economy Employment	83.2	5.8	8.5	121.5	7.1	3.9

## SAINT KITTS AND NEVIS

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	24.9	9.3	7.6	54.4	9.0	6.0
Business Travel	10.9	---	15.9	28.0	---	7.8
Government Expenditures	13.3	14.4	8.8	31.6	15.2	6.9
Capital Investment	50.2	25.9	8.0	112.7	25.9	6.3
Visitor Exports	63.7	37.3	15.7	135.5	39.7	5.8
Other Exports	1.9	1.1	6.8	3.3	1.0	3.5
Travel & Tourism Demand	164.9	---	11.3	365.6	---	6.2
T&T Industry GDP	29.4	7.9	18.5	72.5	10.9	7.3
T&T Economy GDP	112.1	30.1	15.4	278.4	41.9	7.4
T&T Industry Employment	1.7	9.0	18.1	2.6	12.4	4.3
T&T Economy Employment	5.7	30.3	15.4	8.8	42.2	4.4

## SAINT LUCIA

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	45.6	8.2	7.4	91.4	9.1	5.1
Business Travel	20.7	---	12.4	41.6	---	5.2
Government Expenditures	29.9	23.8	6.1	56.6	24.8	4.5
Capital Investment	91.7	43.3	5.9	171.9	44.6	4.4
Visitor Exports	265.6	65.1	17.2	550.0	56.4	5.5
Other Exports	3.7	0.9	14.1	11.0	1.1	9.2
Travel & Tourism Demand	457.2	---	12.7	922.5	---	5.2
T&T Industry GDP	112.2	15.6	17.9	227.8	19.2	5.3
T&T Economy GDP	345.1	47.9	14.8	686.9	58.0	5.0
T&T Industry Employment	11.2	16.5	17.9	16.8	20.4	4.2
T&T Economy Employment	32.4	47.7	15.3	47.9	57.9	4.0

## ST VINCENT AND THE GRENADINES

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	20.8	7.2	6.3	36.6	6.8	3.7
Business Travel	11.2	---	8.3	17.0	---	2.2
Government Expenditures	9.4	8.6	2.8	15.0	8.9	2.8
Capital Investment	50.6	36.7	5.1	95.7	37.0	4.5
Visitor Exports	87.9	43.0	14.0	148.6	40.6	3.3
Other Exports	1.5	0.7	2.8	2.4	0.6	2.5
Travel & Tourism Demand	181.5	---	9.5	315.2	---	3.6
T&T Industry GDP	39.1	10.0	14.8	67.6	10.1	3.6
T&T Economy GDP	133.8	34.1	11.7	239.3	35.8	3.9
T&T Industry Employment	4.3	9.2	12.7	4.7	9.4	1.1
T&T Economy Employment	14.1	30.4	9.8	16.2	31.9	1.4

## TRINIDAD AND TOBAGO

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	443.7	7.1	6.6	842.1	8.3	4.7
Business Travel	110.3	---	9.5	196.7	---	4.0
Government Expenditures	48.1	4.1	3.8	81.3	4.2	3.5
Capital Investment	411.5	18.4	4.0	769.5	21.0	4.5
Visitor Exports	407.7	6.5	13.3	859.5	5.9	5.8
Other Exports	412.8	6.6	6.5	932.7	6.4	6.5
Travel & Tourism Demand	1,834.0	---	7.5	3,681.7	---	5.3
T&T Industry GDP	244.7	2.3	10.4	435.5	2.5	4.0
T&T Economy GDP	1,147.5	10.8	8.1	2,115.5	12.1	4.4
T&T Industry Employment	14.4	2.6	8.3	19.1	2.8	2.9
T&T Economy Employment	58.5	10.4	6.3	79.8	11.7	3.2

## US VIRGIN ISLANDS

	2004			2014		
	US\$ mn	% of Total	Growth <sup>1</sup>	US\$ mn	% of Total	Growth <sup>2</sup>
Personal Travel & Tourism	310.7	9.8	3.8	669.6	10.6	3.8
Business Travel	59.8	---	9.1	129.5	---	3.9
Government Expenditures	131.6	19.5	3.5	274.2	20.5	3.5
Capital Investment	550.0	61.6	3.1	1,104.1	62.2	3.1
Visitor Exports	992.4	35.9	10.4	2,398.9	41.6	5.1
Other Exports	50.8	1.8	2.5	92.5	1.6	2.1
Travel & Tourism Demand	2,095.3	---	6.7	4,668.7	---	4.2
T&T Industry GDP	393.5	8.8	11.6	1,002.7	11.3	5.6
T&T Economy GDP	1,421.4	31.9	8.8	3,397.6	38.3	4.9
T&T Industry Employment	5.6	12.3	9.8	8.1	15.8	3.9
T&T Economy Employment	17.0	37.6	7.8	23.7	46.1	3.4

<sup>1</sup>2004 Real Growth Adjusted for Inflation (%); <sup>2</sup>2005-2014 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs



# TOTAL DEMAND

Travel & Tourism in the Caribbean economies is expected to generate US\$40.3 billion of economic activity (Total Demand) in 2004. This represents an expected real growth of 10.0 per cent over 2003's level. More importantly, it reflects a robust return to growth following several years of poor results that began in 2001 due to the events of 11 September and the depressed economic situation in key source markets.

Travel & Tourism Demand is an aggregate measure of Travel & Tourism economic activity that combines personal Travel & Tourism, business travel (government and corporate), government expenditures to support Travel & Tourism activities, traditional visitor exports, and merchandise exports (consumer and capital goods) shipped abroad for use by visitors or Travel & Tourism companies.

The largest Caribbean Travel & Tourism economy is Puerto Rico, which is expected to generate US\$9.0 billion of total demand in 2004 and account for 22.4 per cent of the region's Travel & Tourism activity. Second in size is the Dominican Republic with an estimated US\$5.2 billion of Total Demand, followed by Cuba with US\$4.8 billion, the Bahamas with US\$3.6 billion and Jamaica with US\$3.3 billion. These five economies combined account for nearly two-thirds (64.4 per cent) of total Caribbean Travel & Tourism.

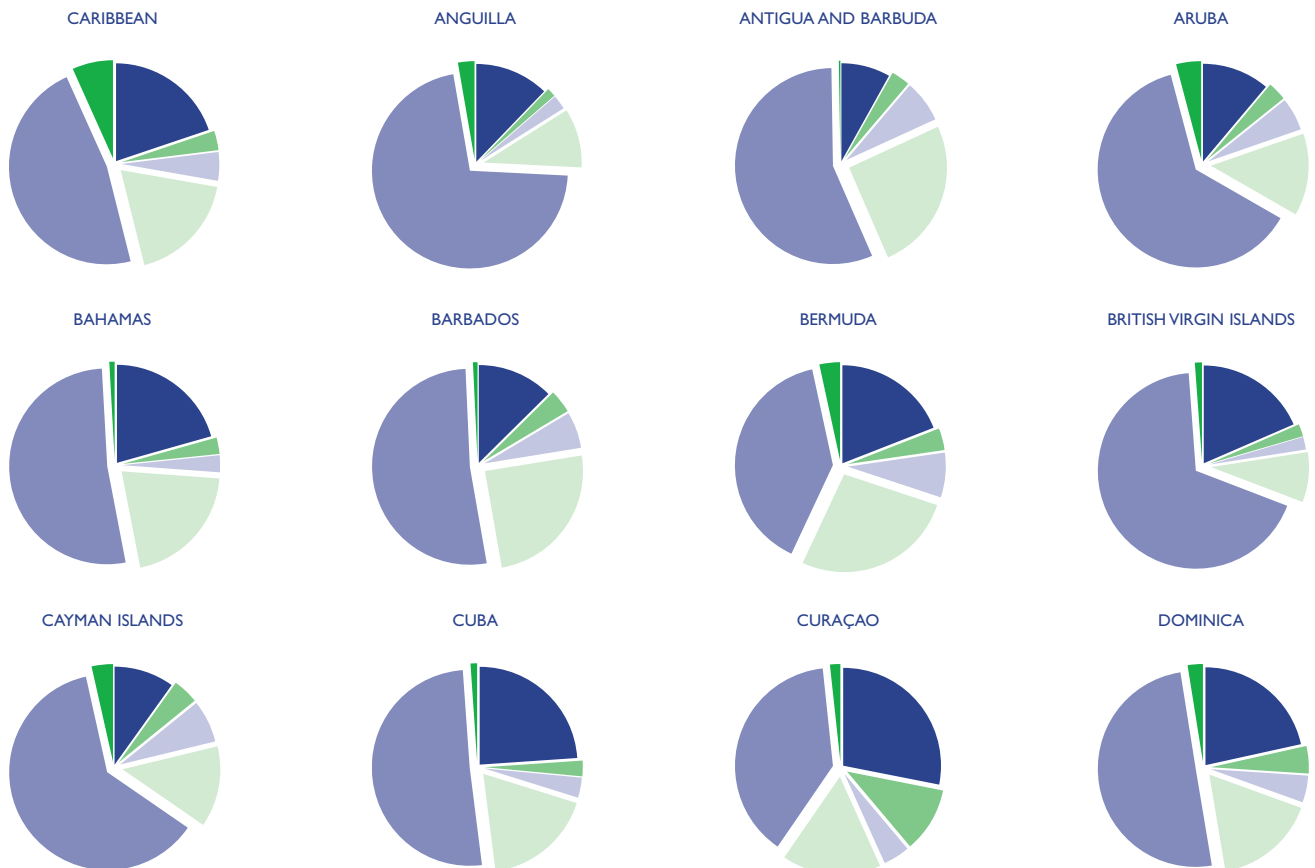
Over the next ten years, to 2014, the expected annual growth rates for the different Caribbean islands (in terms of Travel & Tourism Demand) range from 2.5 per cent for the Dominican Republic and 2.7 per cent for Aruba, at the low end of the scale, to 7.4 per cent and 6.2

per cent respectively for Guadeloupe and St Kitts and Nevis at the top of the scale. Average growth for the Caribbean region as a whole is expected to total 4.0 per cent over the period.

Each of the Caribbean economies reflects a unique combination of Travel & Tourism Demand, as illustrated in the pie charts below (Total Demand Components). First, the region includes countries such as Antigua and Barbuda, where the spending of island residents (Personal Travel & Tourism) plays a very small part in the islands' Travel & Tourism economies. In Haiti the opposite is true. The situation is similar with regard to Puerto Rico's spending on Business Travel by resident companies and government agencies, which represents a minor contribution to Puerto Rico's Travel & Tourism economy. In contrast, again, Business Travel by residents is an important component of Total Demand.

With regard to Travel & Tourism Capital Investment in 2004, the British Virgin Islands reports the lowest share of Total Demand, while St Kitts and Nevis has the highest share. Perhaps the most interesting measure for Caribbean Travel & Tourism is the ratio of Visitor Exports to Total Demand. With regard to this tourism indicator, Haiti is clearly the least dependent on inbound visitors for its Travel & Tourism economy, while Anguilla is clearly the most dependent on inbound tourism. Finally, one interesting case worth noting, when looking at the breakdown of Total Demand in the Caribbean, is that of Trinidad and Tobago, where energy exports constitute a large portion of their Travel & Tourism 'Other Exports'.

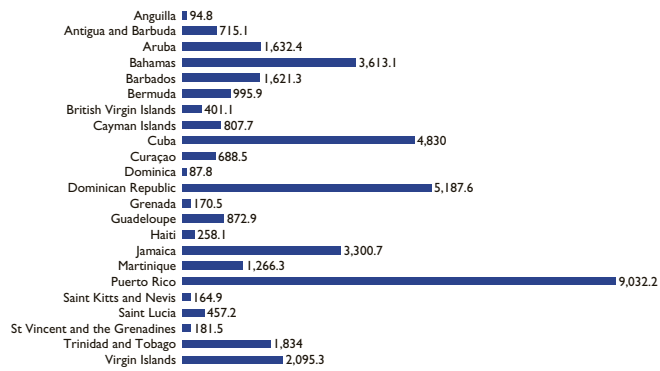
## Travel & Tourism Demand Components 2004



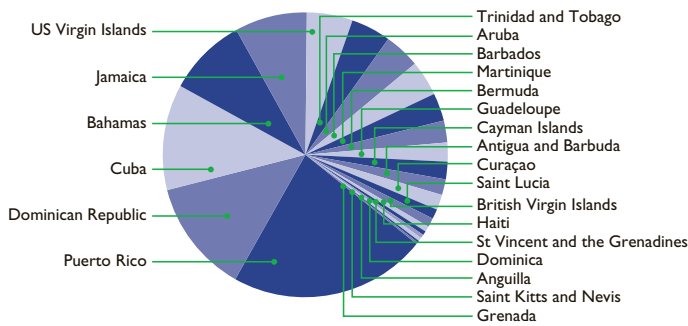
■ Personal Travel & Tourism ■ Business Travel ■ Government Expenditures ■ Capital Investment ■ Visitor Exports ■ Other Exports



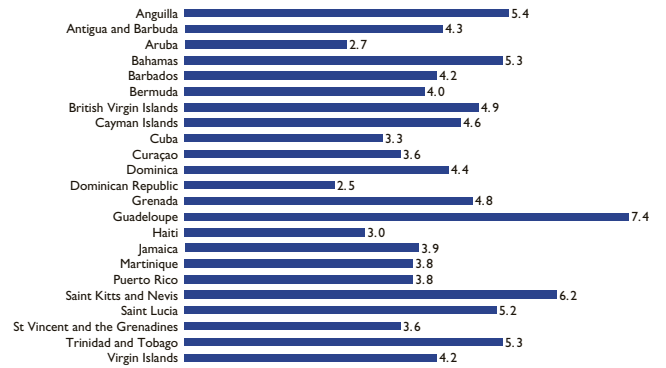
CARIBBEAN COUNTRIES  
Travel & Tourism Total Demand  
(2004 Est. US\$ mn)



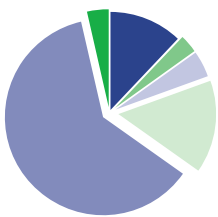
CARIBBEAN COUNTRIES  
Travel & Tourism Total Demand  
(Market Share)



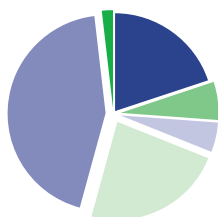
CARIBBEAN COUNTRIES  
Travel & Tourism Total Demand  
(2005-2014 Real Growth Annualized, %)



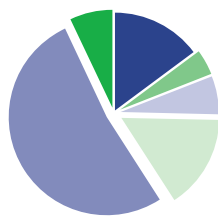
DOMINICAN REPUBLIC



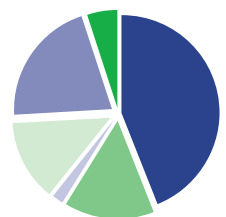
GRENADA



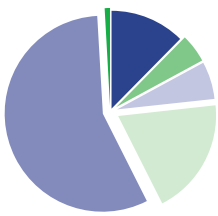
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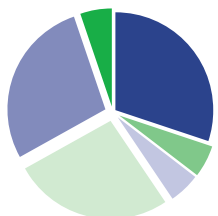
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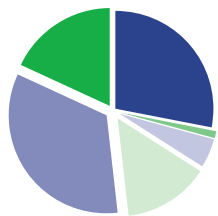
JAMAICA



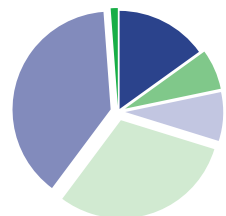
MARTINIQUE



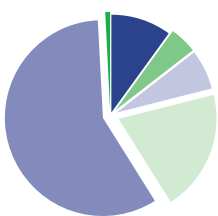
PUERTO RICO



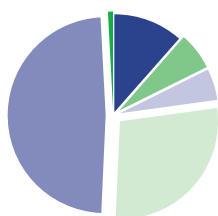
SAINT KITTS AND NEVIS



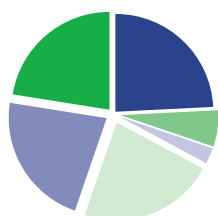
SAINT LUCIA



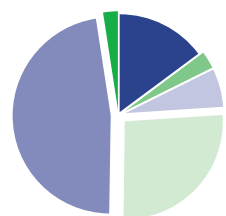
ST VINCENT AND THE GRENADINES



TRINIDAD AND TOBAGO



US VIRGIN ISLANDS



# EMPLOYMENT

Tourism Satellite Accounting quantifies Travel & Tourism Employment in two different ways. First, it measures Travel & Tourism Industry employment – employment which is directly associated with Travel & Tourism consumption (ie visitor expenditures). In 2004, we expect the Caribbean economies to produce 814,600 Travel & Tourism Industry jobs. These will represent 5.2 per cent of total Caribbean economy employment. Second, there is Travel & Tourism Economy employment – that which is indirectly, as well as directly, associated with Travel & Tourism Demand, which includes Travel & Tourism consumption, as well as capital investment, government expenditures and other exports.

This latter definition is the broader and more comprehensive measure of Travel & Tourism generated employment. In 2004, WTTC/OEF estimate that 2.4 million Caribbean jobs will result from Travel & Tourism Demand. These jobs will represent 15.5 per cent of total employment in the region.

Our comparative analysis highlights the vast differences from one island in the Caribbean to another, in terms of employment numbers. The Caribbean economy with the largest number of Travel & Tourism Economy jobs is the Dominican Republic, with 772,200. Cuba ranks in second position with 505,900, followed by Jamaica with 387,400. These three Travel & Tourism economies combined account for more than two-thirds (68.9 per cent) of Caribbean Travel & Tourism Economy employment.

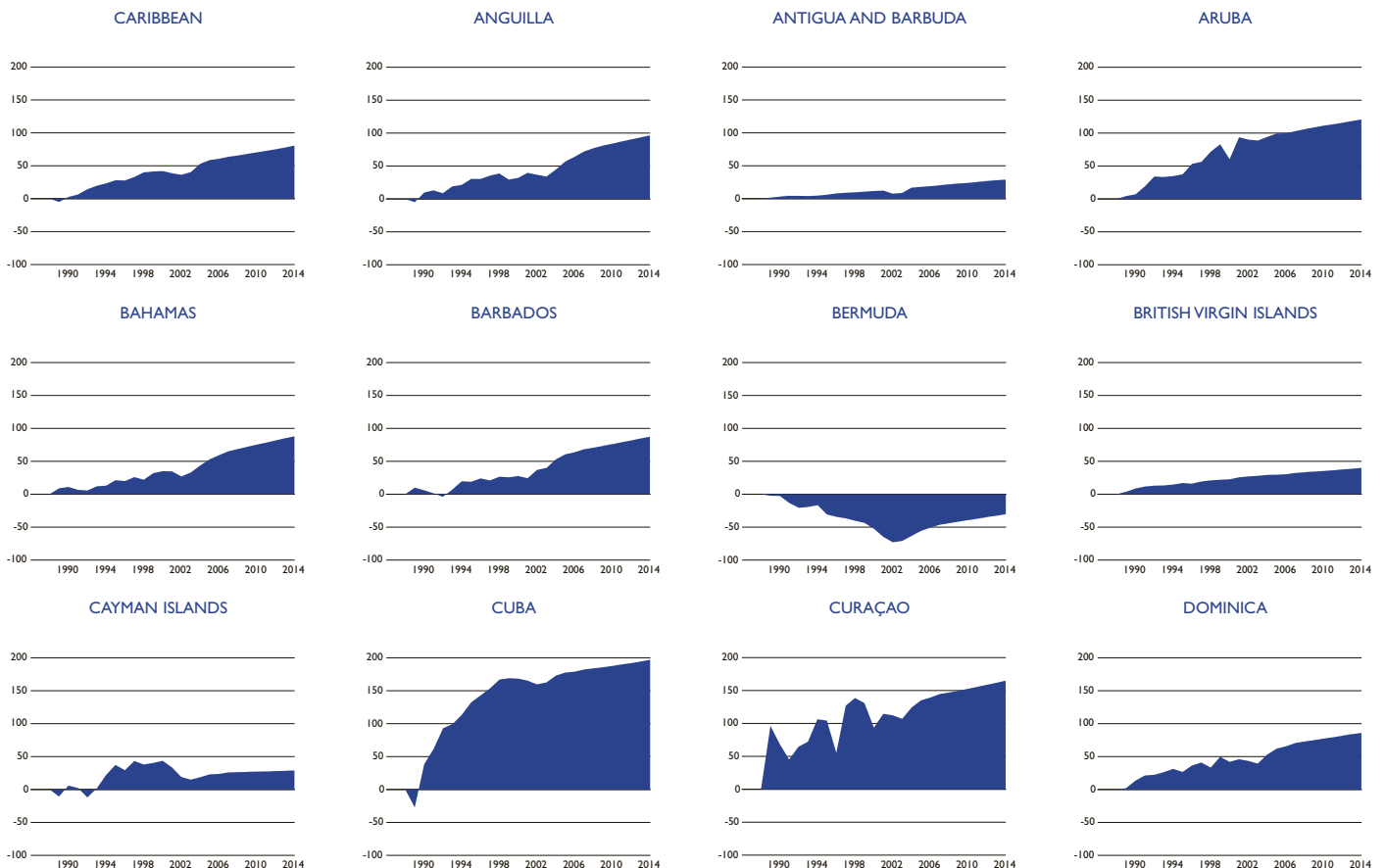
A second measure of Travel & Tourism's importance in terms of jobs generated is the share of Travel & Tourism in total employment. Antigua/Barbuda and the British Virgin Islands head the ranking for this measure with 95.0 per cent of their total employment produced directly

or indirectly by the Travel & Tourism Economy. Next in line is Anguilla with 79.7 per cent of total employment in Travel & Tourism. Other nations for which a majority of jobs (ie more than 50 per cent) are associated with Travel & Tourism include Aruba, the Bahamas and Barbados. Travel & Tourism employment in the Cayman Islands and St Lucia falls just short of the 50 per cent threshold, accounting for 47.4 per cent and 47.7 per cent of total employment in each of the countries respectively.

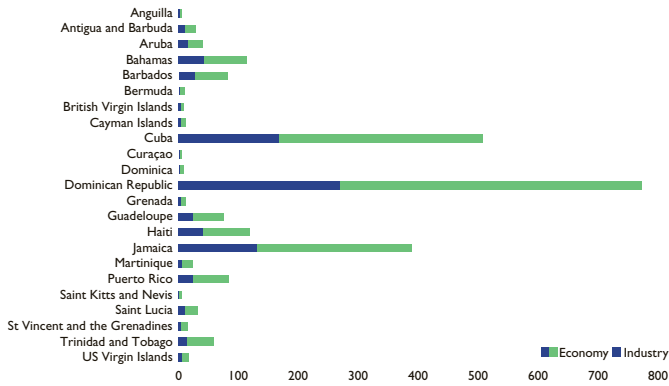
Over the next ten years, Travel & Tourism employment is expected to grow fastest in Anguilla at a compound annual rate of 5.2 per cent per annum. Following closely behind will be the Bahamas and St Kitts and Nevis, building their Travel & Tourism Economy jobs total by 4.4 per cent per annum. Three other nations – Curaçao, Guadeloupe and St Lucia – are also expected to grow their Travel & Tourism Economy employment by 4.0 per cent or more annually.

The charts at the bottom of both pages illustrate the complete history and forecasts of Travel & Tourism Economy employment growth for each country beginning in 1988. The stories of employment growth are as diverse as the individual Caribbean economies. First there are countries such as Aruba, the Bahamas, the British Virgin Islands, Cuba and Dominica with largely consistent, as well as steady growth, while there are others like Curaçao and Haiti with significant annual swings – both positive and negative – throughout their history. Finally, there are a number of Caribbean economies, such as Bermuda, St Kitts and Nevis, St Vincent and the Grenadines, and the US Virgin Islands, that have suffered several years of employment declines due to lost business or productivity gains.

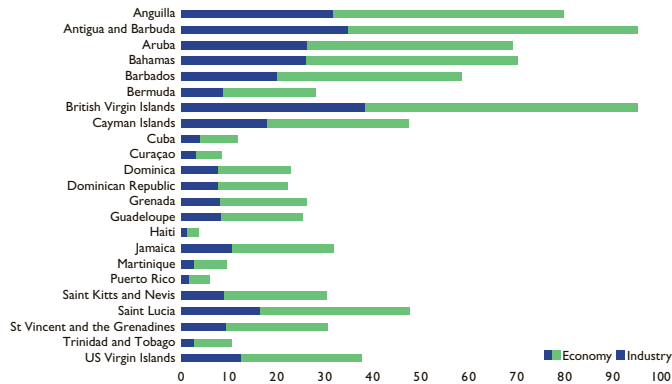
## Travel & Tourism Economy Employment (Cumulative Growth, %)



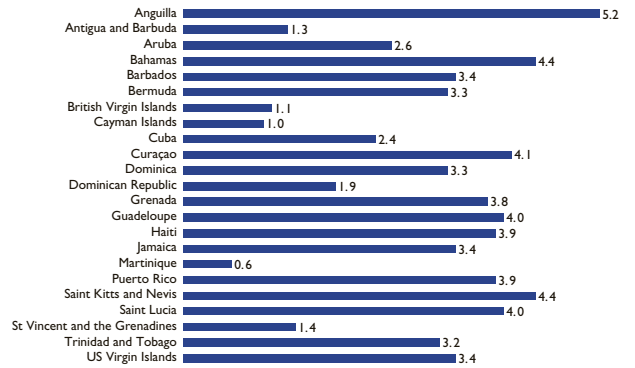
CARIBBEAN COUNTRIES  
Travel & Tourism Employment  
(\*000 Jobs)



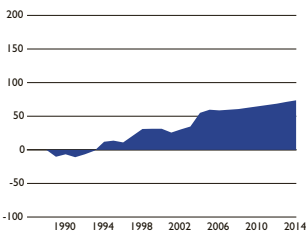
CARIBBEAN COUNTRIES  
Travel & Tourism Employment  
(% of Total Employment)



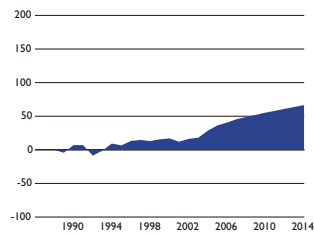
CARIBBEAN COUNTRIES  
Travel & Tourism Employment  
(2005-2014 Growth Annualized, %)



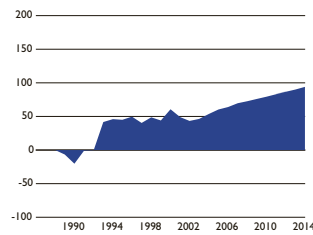
DOMINICAN REPUBLIC



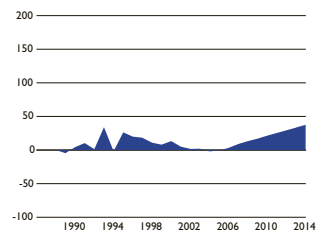
GRENADA



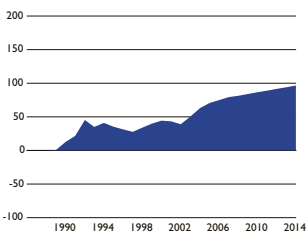
GUADELOUPE



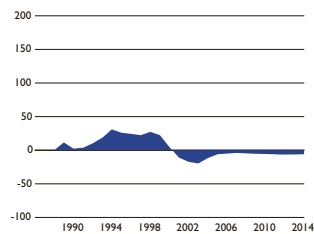
HAITI



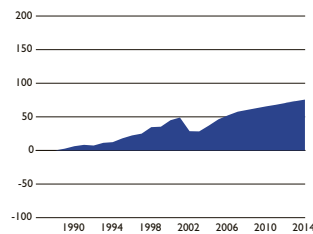
JAMAICA



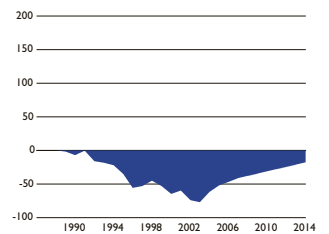
MARTINIQUE



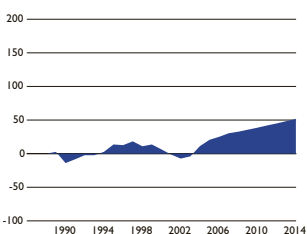
PUERTO RICO



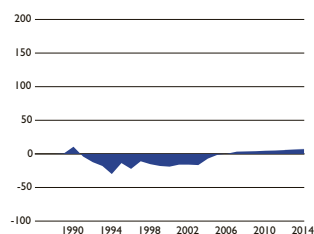
SAINT KITTS AND NEVIS



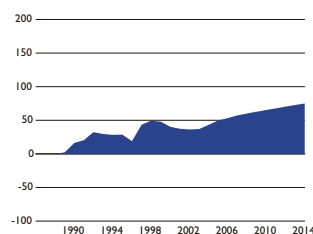
SAINT LUCIA



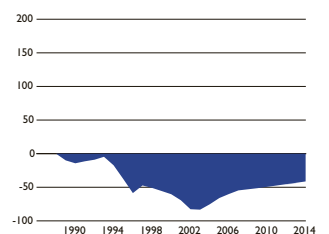
ST VINCENT AND THE GRENADINES



TRINIDAD AND TOBAGO



US VIRGIN ISLANDS



# GROSS DOMESTIC PRODUCT

As is the case with employment, there are two sides of Travel & Tourism Gross Domestic Product (GDP) quantified by the Tourism Satellite Account. First there is Travel & Tourism Industry GDP – that which is directly associated with Travel & Tourism consumption (ie visitor expenditures). In 2004, we expect the Caribbean economies to generate US\$8.7 billion of Travel & Tourism Industry value added or GDP. This represents 4.5 per cent of total Caribbean GDP.

Again, as with employment, the second measure is that of Travel & Tourism Economy GDP – or GDP that is directly and indirectly associated with Travel & Tourism Demand, including Travel & Tourism consumption, capital investment, government expenditures and other exports. By definition and design, this is the broader and more comprehensive measure of Travel & Tourism GDP. In 2004, WTTC/OEF estimate that US\$28.4 billion of Caribbean GDP will result from Travel & Tourism Demand. This broader figure represents 14.8 per cent of total value added (GDP) in the Caribbean economies.

For the purposes of comparative analysis, Caribbean nations can be ranked in absolute and relative terms for Travel & Tourism GDP. First, the Caribbean economy with the largest Travel & Tourism GDP impact in US dollars is Puerto Rico – with US\$4.9 billion expected for 2004. The Dominican Republic follows in second place with US\$4.1 billion of Travel & Tourism Economy GDP, ahead of the Bahamas, Cuba and Jamaica with more than US\$2.5 billion each.

On a relative scale, the ranking is different. In 2004 we expect the

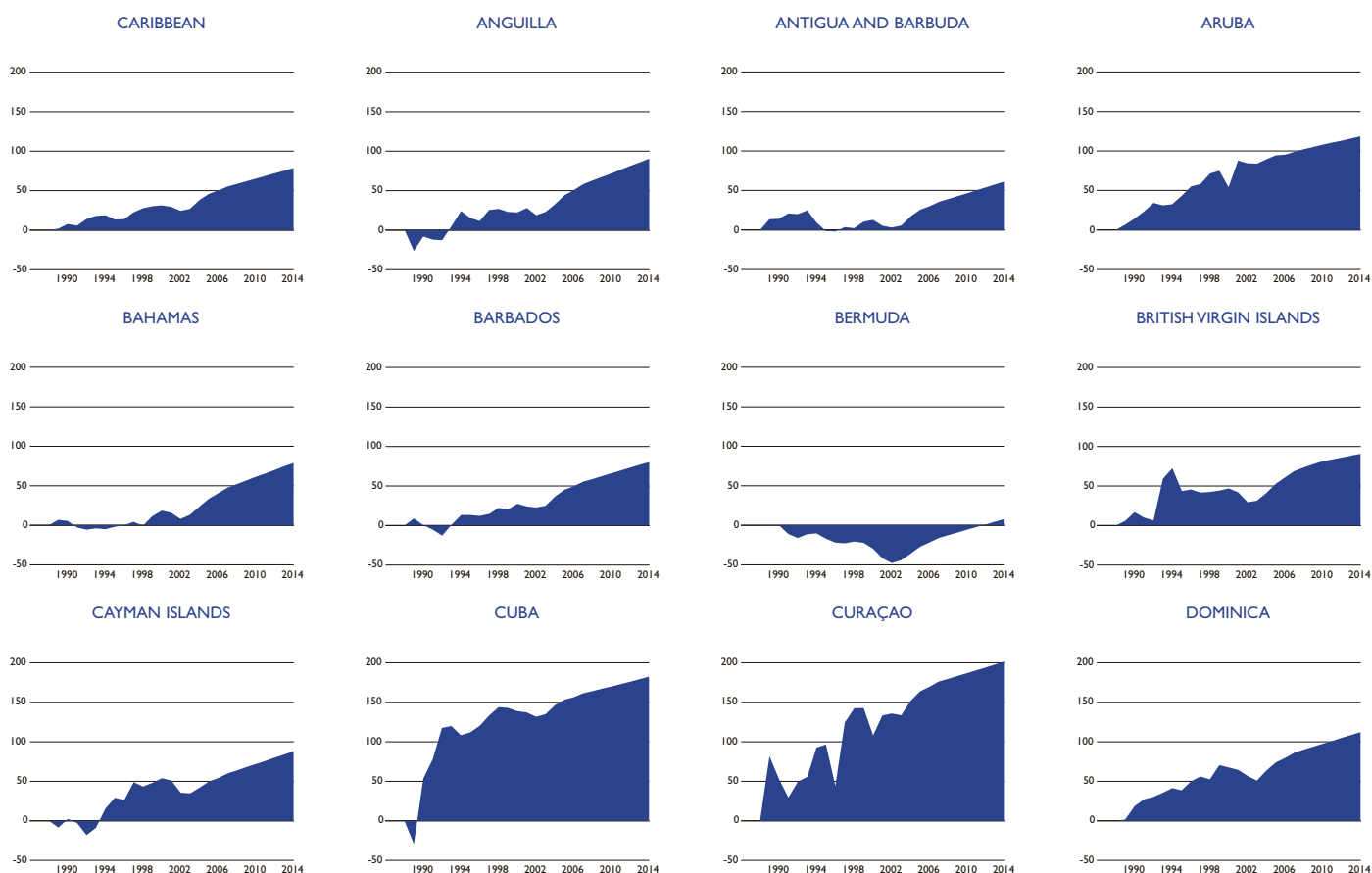
British Virgin Islands to post the highest relative GDP contribution from the Travel & Tourism Economy at 95.2 per cent. Also in the top tier are Antigua and Barbuda and Anguilla, with shares of 82.1 per cent and 71.9 per cent respectively. Among the remaining Caribbean nations Aruba, the Bahamas and Barbados also owe more than half their economies to Travel & Tourism.

For the forecast period (2005 to 2014), Travel & Tourism GDP is expected to grow fastest in St Kitts and Nevis at an annualized growth rate of 7.4 per cent. Also in this top tier of growth is Guadeloupe, which is projected to see 7.2 per cent Travel & Tourism GDP growth per annum, with Anguilla forecast at 5.8 per cent per annum and the Bahamas at 5.6 per cent.

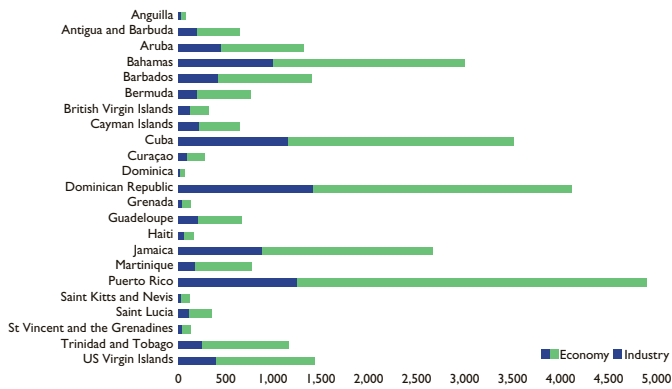
The cumulative growth analysis at the bottom of both pages shows the historical and forecast growth for each Caribbean country's Travel & Tourism Economy GDP – figures that reveal some remarkable stories. Immediately apparent is the large number of success stories, including those related to Aruba, Cuba, Curaçao, the Dominican Republic, Grenada and Jamaica.

But it is also easy to recognize those nations that have suffered from different events such as hurricanes or 11 September 2001, as well as identify clearly how these affected their Travel & Tourism GDP results. The impact of 11 September was very marked in several countries. But despite the negative influences of the past, the outlook for Travel & Tourism GDP in all Caribbean countries over the next decade is extremely positive.

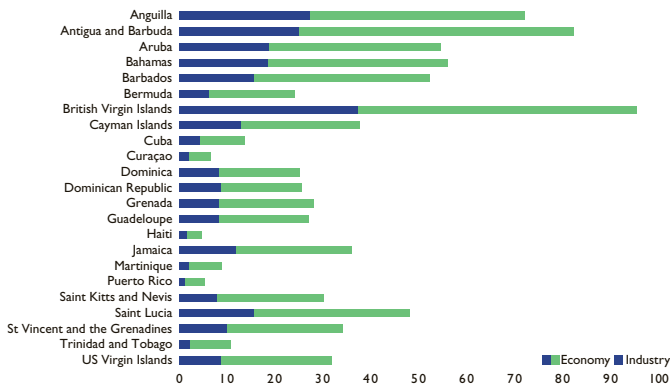
## Travel & Tourism Economy GDP (Cumulative Real Growth, %)



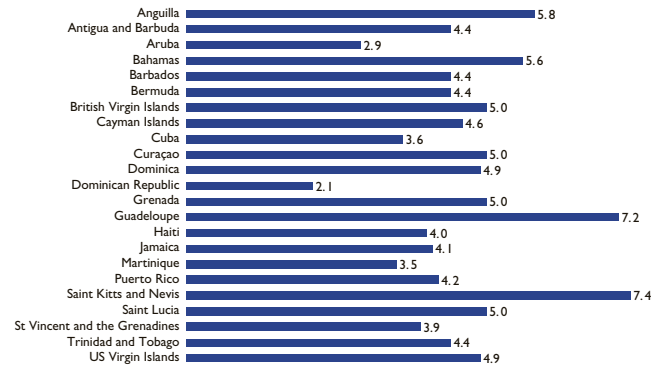
CARIBBEAN COUNTRIES  
Travel & Tourism Gross Domestic Product  
(US\$ mn)



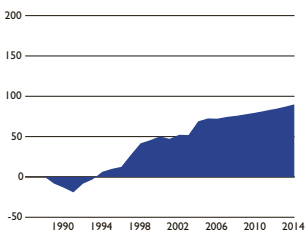
CARIBBEAN COUNTRIES  
Travel & Tourism Gross Domestic Product  
(% of Total GDP)



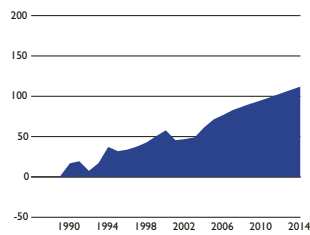
CARIBBEAN COUNTRIES  
Travel & Tourism Economy Gross Domestic Product  
(2005-2014 Real Growth Annualized, %)



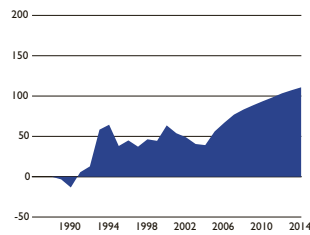
DOMINICAN REPUBLIC



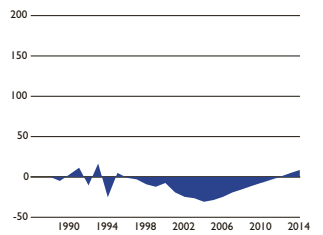
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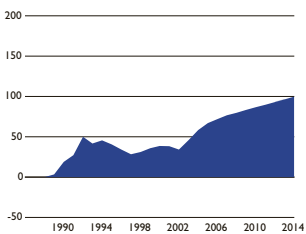
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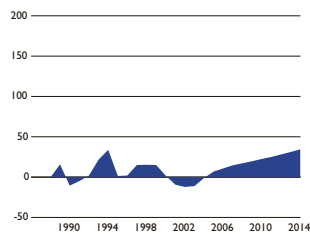
HAITI



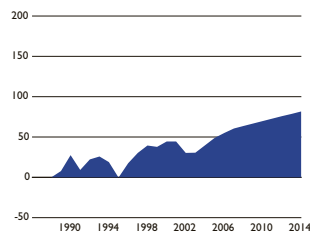
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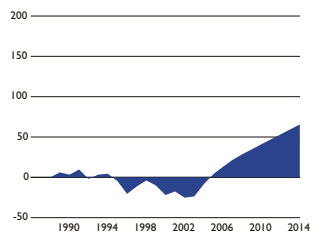
MARTINIQUE



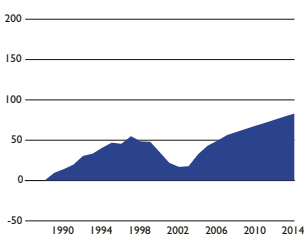
PUERTO RICO



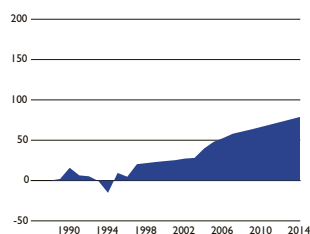
SAINT KITTS AND NEVIS



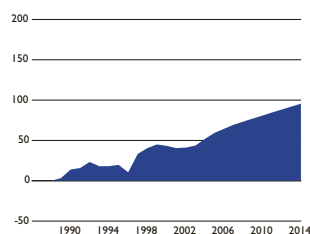
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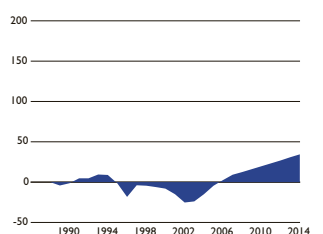
ST VINCENT AND THE GRENADINES



TRINIDAD AND TOBAGO



US VIRGIN ISLANDS



# CAPITAL INVESTMENT

Travel & Tourism Capital Investment should be the premier barometer of future Travel & Tourism growth in any economy. Included in this category of the Tourism Satellite Account is public sector investment in tourism infrastructure and private sector investment in new facilities and equipment. This category also captures the unique treatment of second homes purchased for vacation/holiday use.

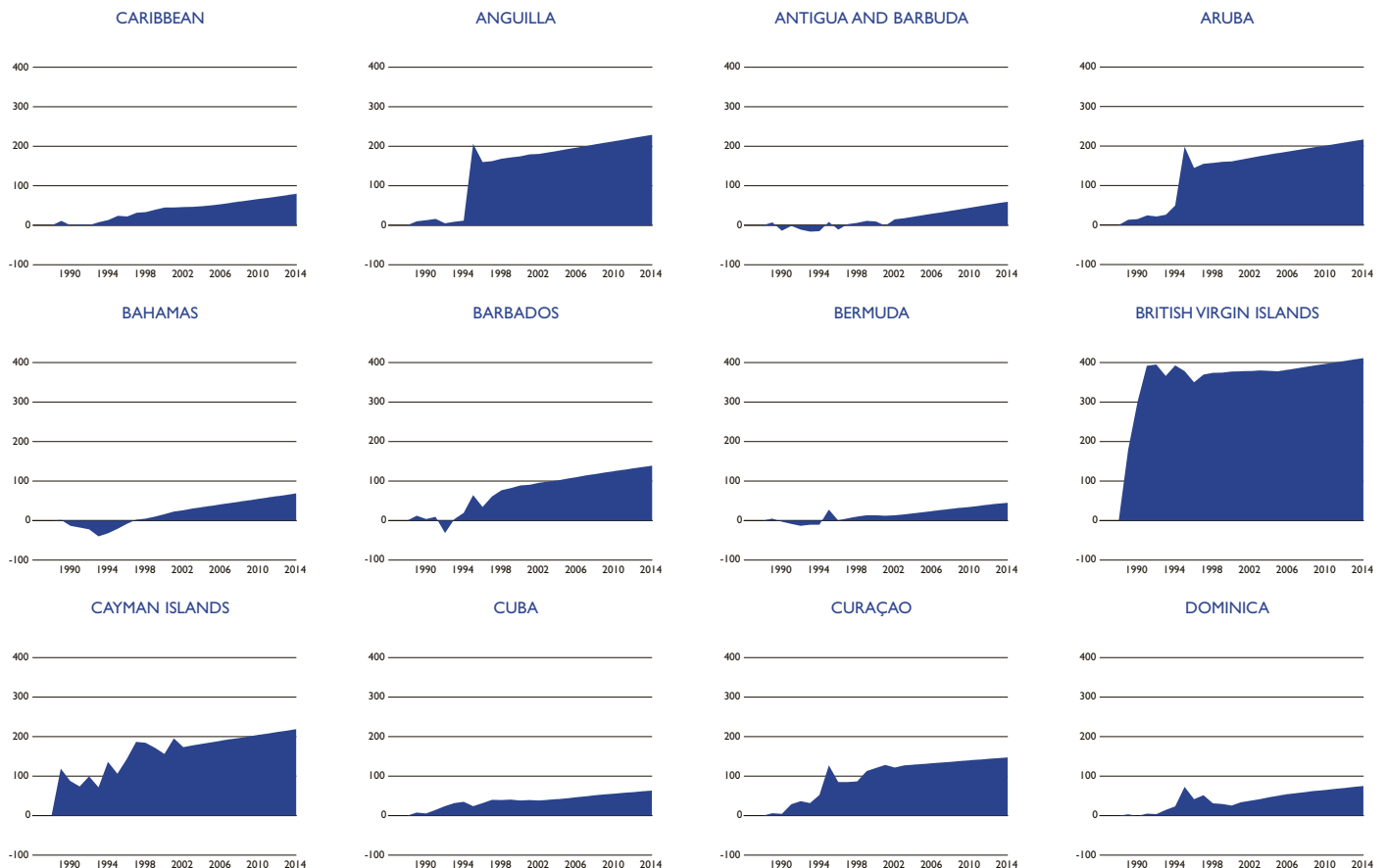
In 2004, the Caribbean economies attracting the highest investment in Travel & Tourism are Puerto Rico, with US\$1.3 billion, Cuba with US\$878 million, the Dominican Republic with US\$794 million, and the Bahamas with US\$753 million. On a relative basis – ie measuring Travel & Tourism investment as a percentage of total capital investment – the ranking looks different, with Aruba heading the list with a 76.2 per cent share. Second in line is Antigua and Barbuda with 73.6 per cent of its investment dedicated to Travel & Tourism, followed by the Bahamas with 66.5 per cent and Barbados with 65.1 per cent. Four other economies – the US Virgin Islands, Anguilla, the British Virgin Islands and the Cayman Islands – allocate more than 50 per cent of their total capital investment to Travel & Tourism. The average

relative contribution to the Caribbean region from Travel & Tourism is 21.7 per cent.

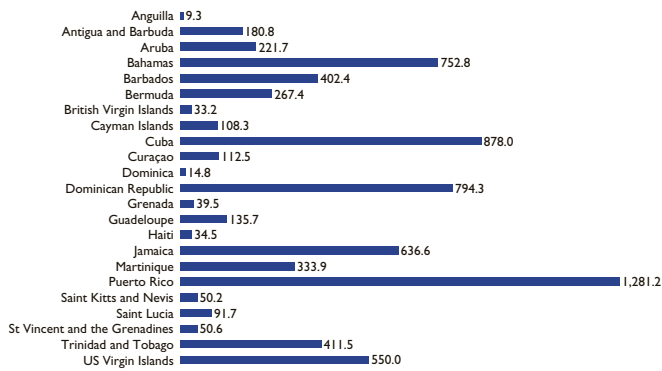
Looking forward, Travel & Tourism Capital Investment is expected to increase in St Kitts and Nevis at 6.3 per cent real per annum over the next decade. Four other countries – Anguilla, St Lucia, St Vincent and the Grenadines and Trinidad and Tobago – will grow their Travel & Tourism investment by more than 4.0 per cent per annum. At the bottom end of the scale for Travel & Tourism Capital Investment growth is Haiti, which only expects to increase its current level by 1.1 per cent per annum over the next ten years. The average for capital investment growth in the region between 2005 and 2014 is 3.1 per cent per annum.

A comparison of the cumulative real growth charts for Travel & Tourism capital investment on both pages below highlights several interesting trends. The historical growth for Anguilla, Aruba, the British Virgin Islands and the Cayman Islands is one trend to note. But also important is the outlook for future growth in Travel & Tourism Capital Investment in economies like Haiti, Curaçao and Cuba, which looks particularly sluggish.

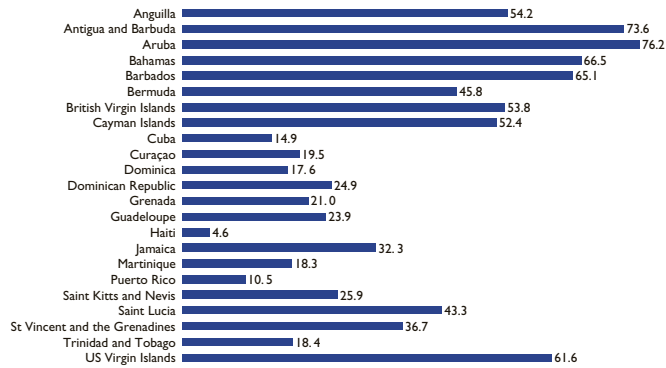
## Travel & Tourism Capital Investment (Cumulative Real Growth, %)



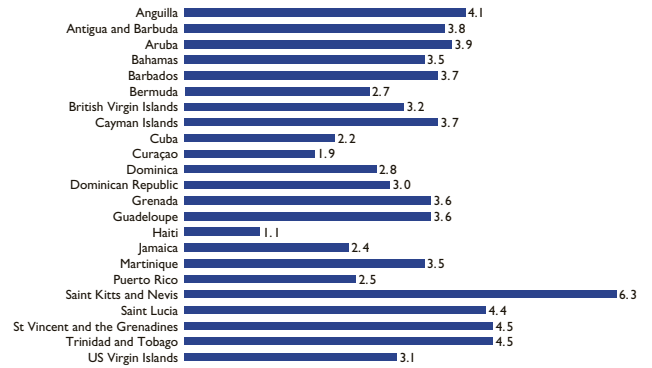
CARIBBEAN COUNTRIES  
Travel & Tourism Capital Investment  
(US\$ mn)



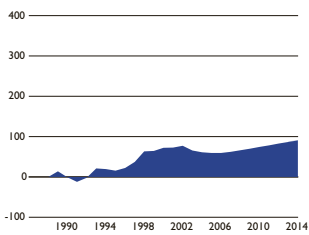
CARIBBEAN COUNTRIES  
Travel & Tourism Capital Investment  
(% of Total)



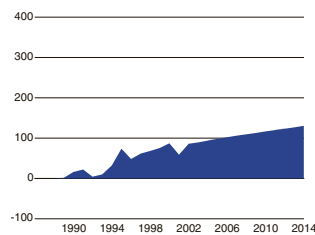
CARIBBEAN COUNTRIES  
Travel & Tourism Capital Investment  
(2005-2014 Real Growth Annualized, %)



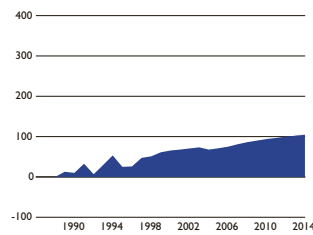
DOMINICAN REPUBLIC



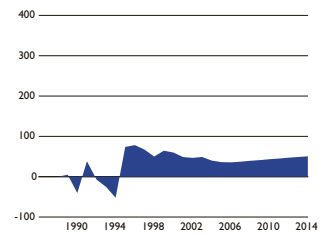
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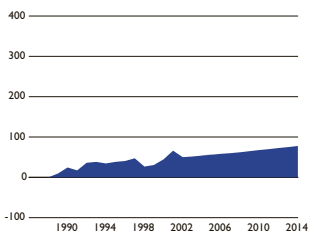
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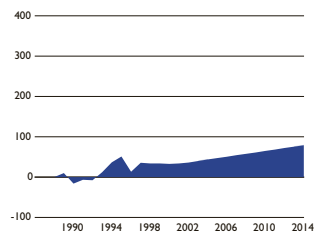
HAITI



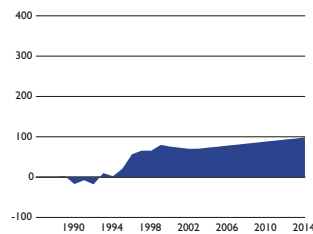
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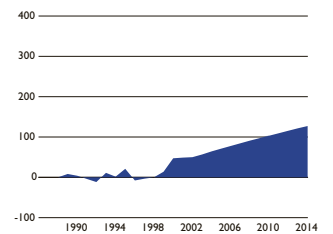
MARTINIQUE



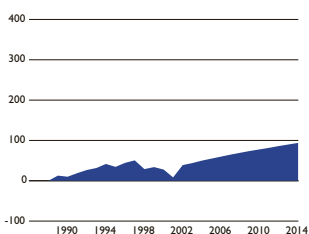
PUERTO RICO



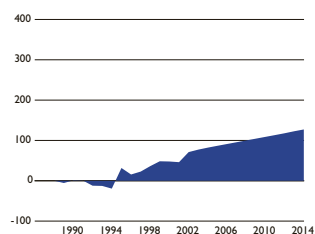
SAINT KITTS AND NEVIS



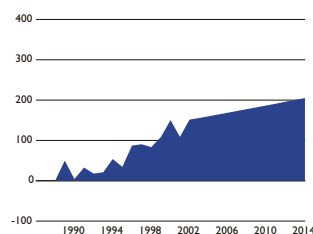
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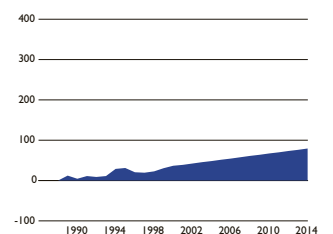
ST VINCENT AND THE GRENADINES



TRINIDAD AND TOBAGO



US VIRGIN ISLANDS



# PERSONAL & BUSINESS

Personal Travel & Tourism reflects spending by Caribbean residents on domestic and international Travel & Tourism, and includes both traditional travel services such as airlines, car rental, hotels, meals and entertainment, as well as the purchase of merchandise (shopping) while on a trip, and durable and non-durable goods purchased before or after a trip as a function of the trip. This category of Travel & Tourism Demand is therefore one of the broadest and most flexible, and depends entirely on the spending habits of each country's population.

Business Travel & Tourism on the other hand is spending by resident companies and government agencies on domestic and international business travel for their employees. Again, the list of expenditure can include both services and merchandise, but it is typically focused on traditional travel service activities.

As most people would expect, the Caribbean economy with the highest volume of Personal and Business Travel & Tourism is the region's largest economy, Puerto Rico. Second in the ranking is Cuba, followed by the Bahamas and the Dominican Republic.

The ranking of Caribbean economies' Personal Travel & Tourism as a function of total personal consumption suggests that, as an economy becomes more developed, the relative spending by residents on Travel & Tourism increases. The leading Caribbean economies in terms of Personal Travel & Tourism (as a percentage of total consumption)

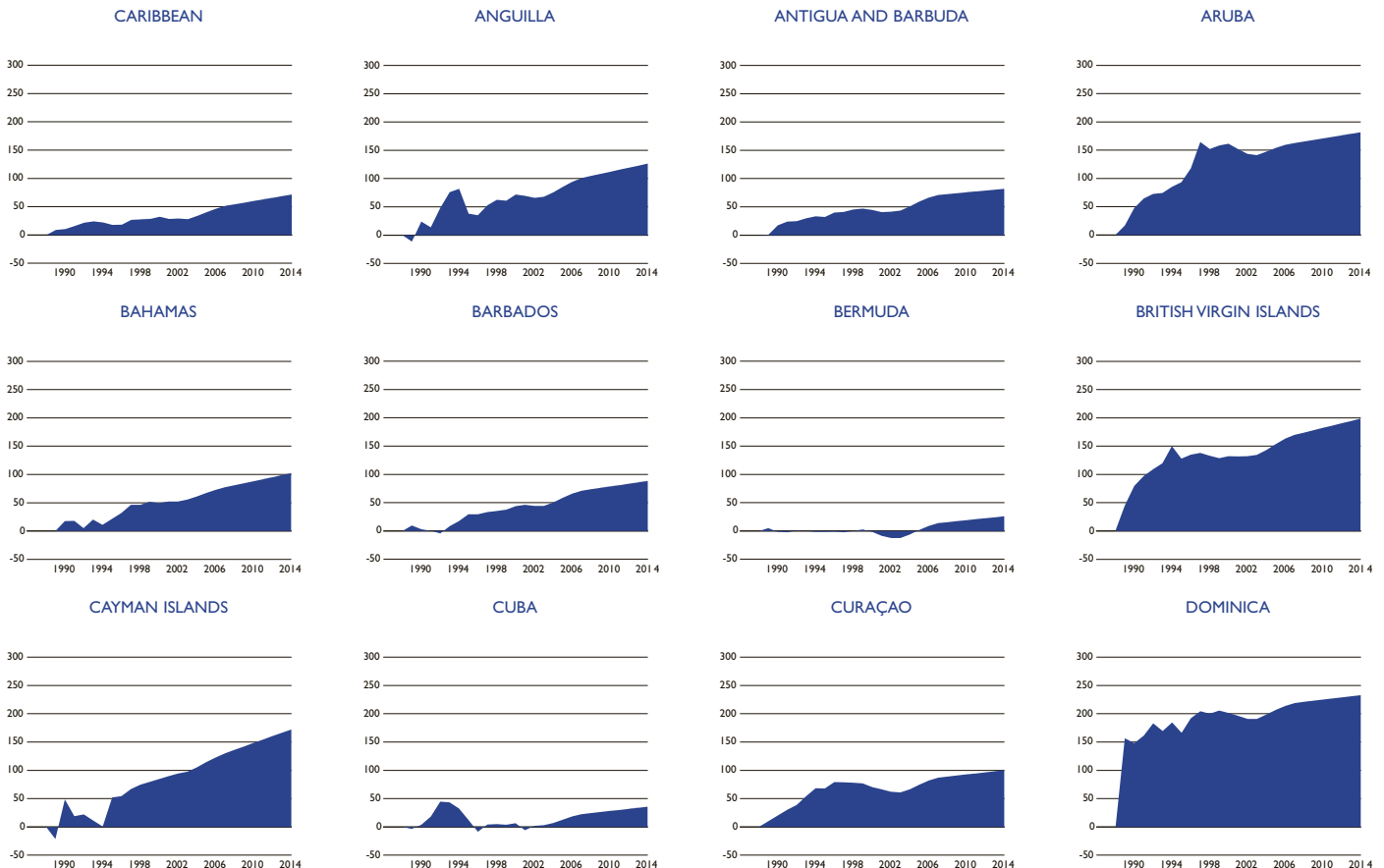
include the British Virgin Islands, with Travel & Tourism at 49.7 per cent of total consumption, and the Bahamas with 19.4 per cent. At the opposite end of the scale is Haiti at only 4.2 per cent. The average for all Caribbean economies is 6.5 per cent.

Caribbean economies such as the British Virgin Islands and the Bahamas reflect a unique phenomenon relative to this category because, in some cases, the Personal Travel & Tourism concept includes spending abroad on consumer goods, rather than souvenirs and gifts, that would normally be purchased within the usual environment and not included as Personal Travel & Tourism. This happens in the Caribbean, because the availability of these consumer goods locally is limited and, by purchasing them abroad on trips, they qualify under the rules of the TSA as Personal Travel & Tourism.

The WTTC/OEF forecasts for Personal Travel & Tourism over the coming decade show that major gains will be made in Guadeloupe (growth of 7.1 per cent per annum), the Cayman Islands (6.7 per cent per annum) and St Kitts and Nevis (6.0 per cent).

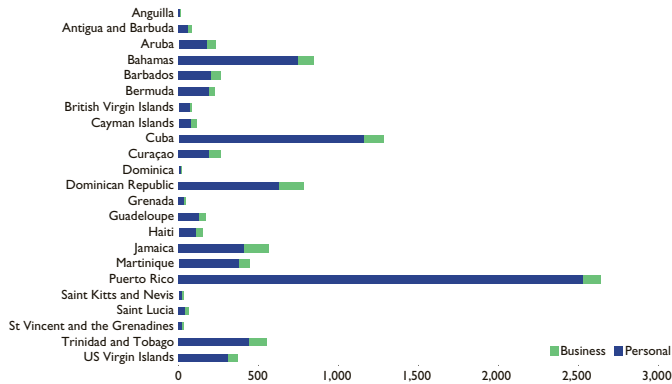
The cumulative real growth charts below (Personal Travel & Tourism) clearly highlight those Caribbean economies that have made significant strides over the past 16 years – including Aruba, the British Virgin Islands, the Cayman Islands, Dominica, Guadeloupe and Martinique.

## Personal Travel & Tourism (Cumulative Real Growth, %)

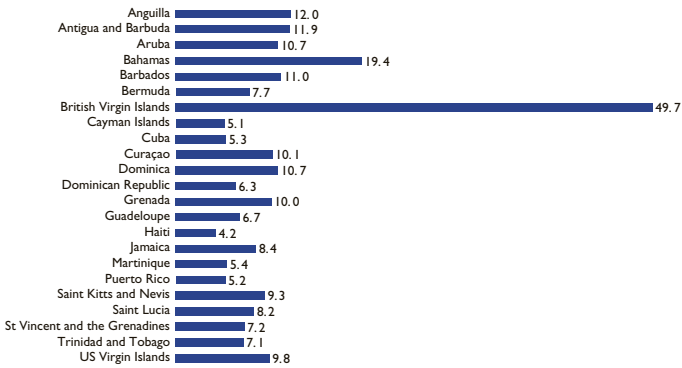




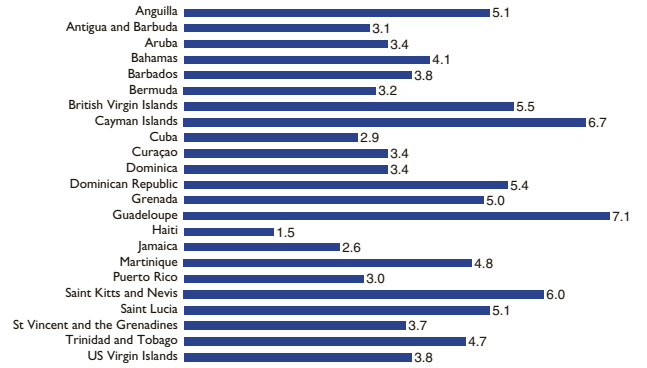
CARIBBEAN COUNTRIES  
Personal and Business Travel & Tourism  
(US\$ mn)



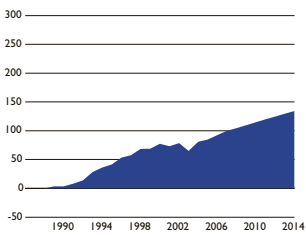
CARIBBEAN COUNTRIES  
Personal Travel & Tourism  
(% of Total Personal Consumption)



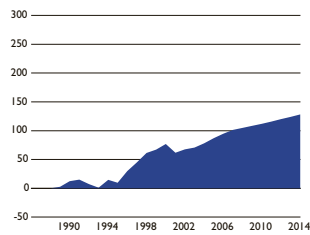
CARIBBEAN COUNTRIES  
Personal Travel & Tourism  
(2005-2014 Real Growth Annualized, %)



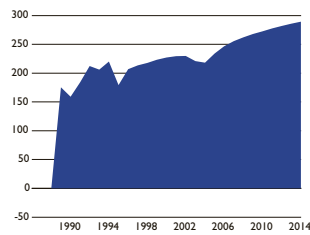
DOMINICAN REPUBLIC



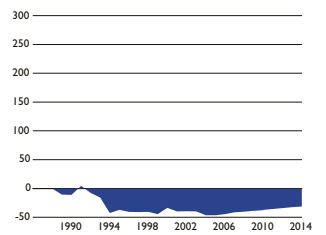
GRENADA



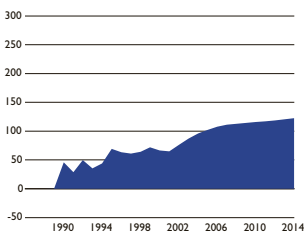
GUADELOUPE



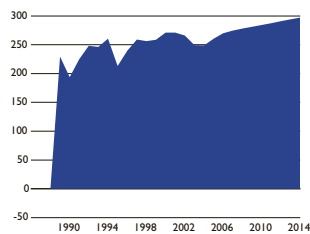
HAITI



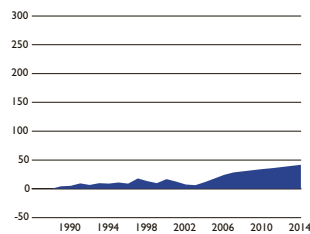
JAMAICA



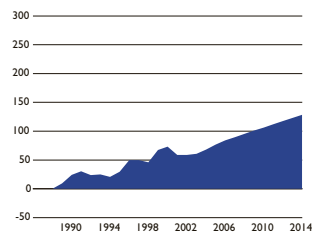
MARTINIQUE



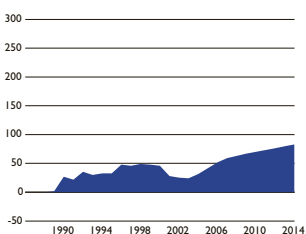
PUERTO RICO



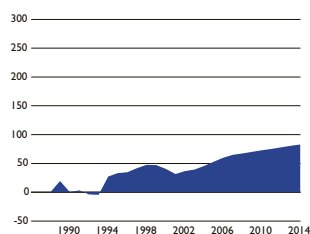
SAINT KITTS AND NEVIS



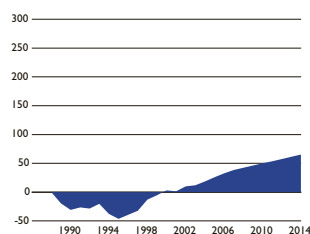
SAINT LUCIA



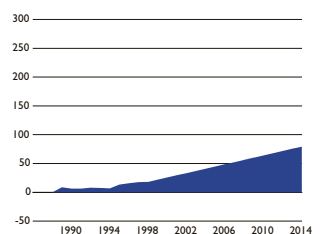
ST VINCENT AND THE GRENADINES



TRINIDAD AND TOBAGO



US VIRGIN ISLANDS



# EXPORTS

As we illustrated with Total Demand, the vast majority of Caribbean countries are heavily reliant on Travel & Tourism Visitor Exports for their Travel & Tourism activity. Visitor exports (otherwise known as international visitor receipts) represent the traditional perspective of tourism as a service-oriented industry providing for international visitors. Other exports represent the hard-goods manufacturing perspective of tourism as an industry that produces goods for visitors and travel companies – no matter where the trip takes place.

The charts below and on the following page illustrate the absolute size of Visitor and Other Exports estimated for 2004 in the Caribbean economies. The largest producer of Visitor Exports is the Dominican Republic with a total of US\$3.2 billion in 2004, followed by Puerto Rico with US\$3.0 billion and Cuba with US\$2.5 billion. The Bahamas and Jamaica are also major producers of visitor exports on an absolute basis.

When other exports are added to the base of visitor exports, Puerto Rico becomes the largest exporter of Travel & Tourism products and services in the Caribbean. This is mainly a result of Puerto Rico's strong manufacturing base. Also interesting is the nearly equal size of visitor and other exports for Trinidad and Tobago as a result of its energy exports.

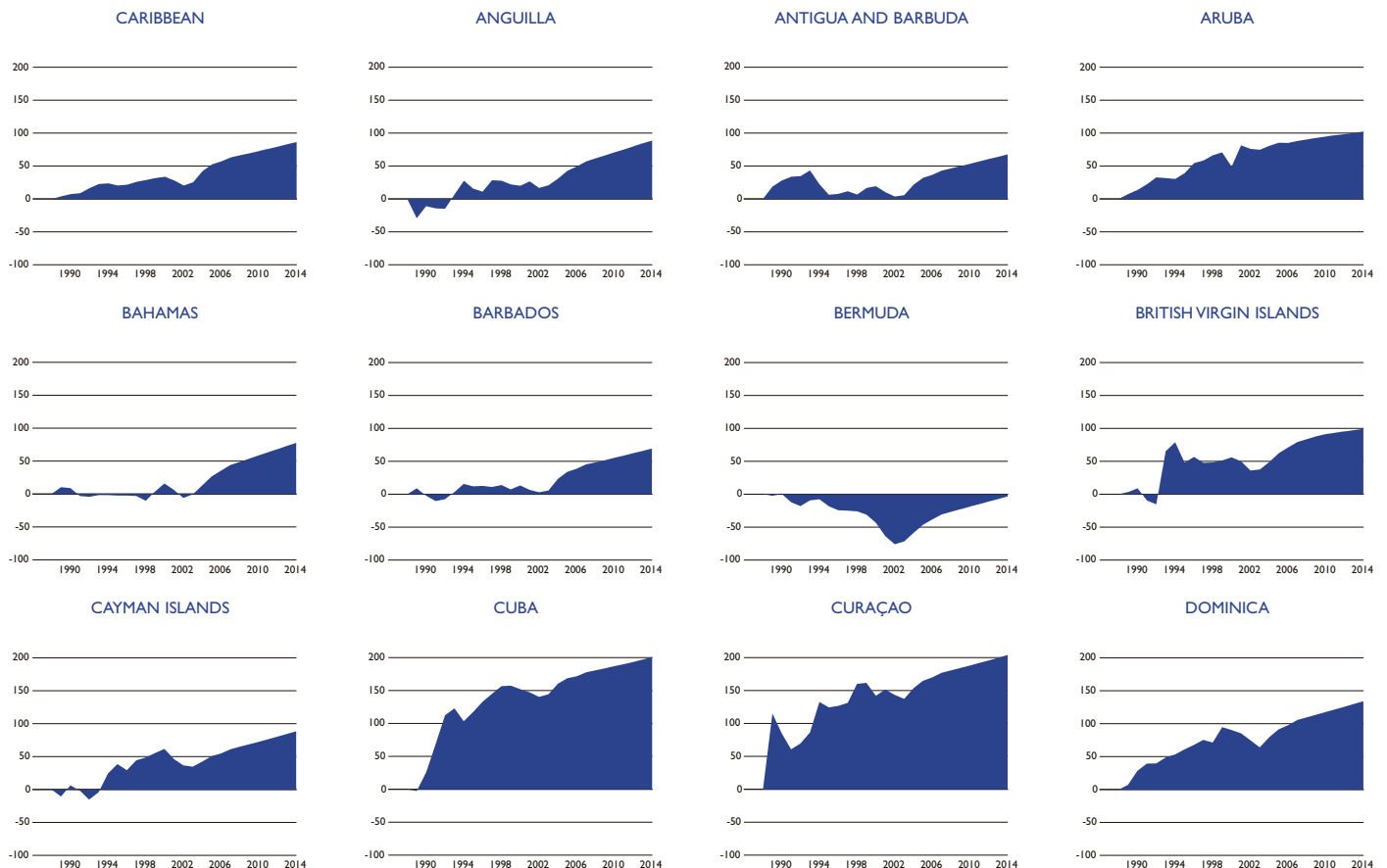
When visitor exports are isolated relative to total exports, several

Caribbean economies excel in 2004. The ranking is led by Antigua and Barbuda with 71.9 per cent of total exports resulting from Travel & Tourism Visitor Exports. Second is St Lucia with a respective share of 65.1 per cent of total exports, followed by the Bahamas with 64.4 per cent and the British Virgin Islands with 62.6 per cent. The average share of Visitor Exports in total exports for the Caribbean region is 16.1 per cent.

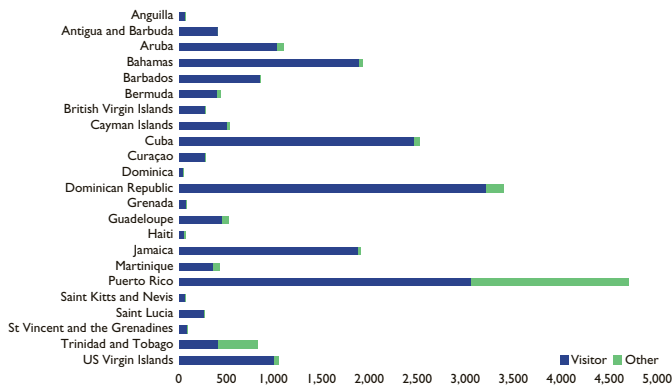
Over the next decade, several Caribbean countries expect to expand their visitor exports. At the top of the growth expectations' list is Guadeloupe, projecting 8.5 per cent growth per annum for visitor exports, followed by Haiti with 6.8 per cent per annum and the Bahamas with 6.4 per cent. Ten other Caribbean economies expect their visitor export growth to exceed 5 per cent per annum, while the annual regional average is expected to be 4.4 per cent.

Finally, the cumulative visitor exports real growth charts below tell a number of stories. First, the Caribbean was almost universally affected by the events of 11 September 2001, resulting in reduced visitor exports. Second, most of this impact has been recovered and the outlook for growth is strong. Finally, although most countries have enjoyed generally positive growth over the past 16 years, several countries – including the Bahamas, Bermuda, Martinique, St Kitts and Nevis and the US Virgin Islands – have had difficulty in growing their visitor exports.

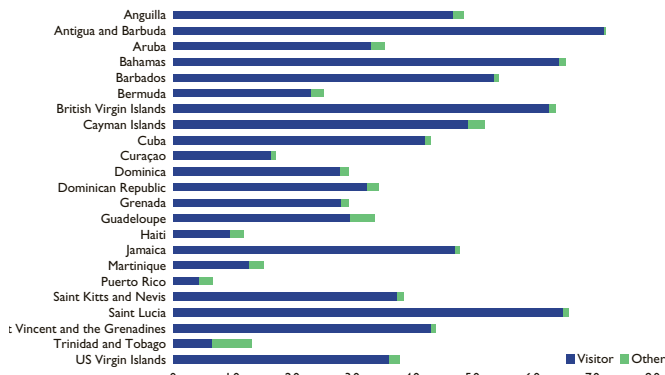
## Travel & Tourism Visitor Exports (Cumulative Real Growth, %)



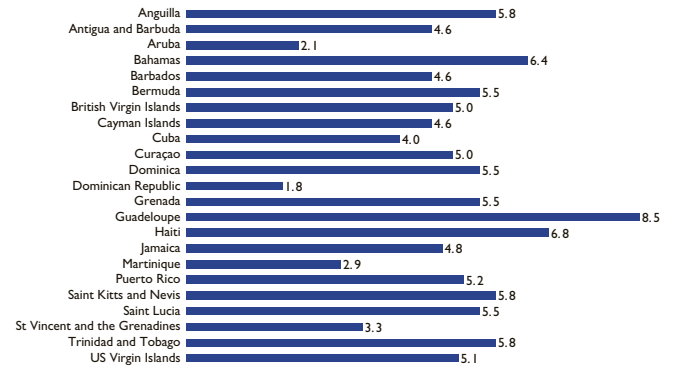
CARIBBEAN COUNTRIES  
Travel & Tourism Exports  
(US\$ mn)



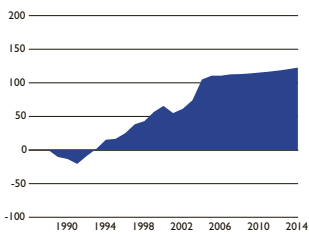
CARIBBEAN COUNTRIES  
Travel & Tourism Exports  
(% of Total Exports)



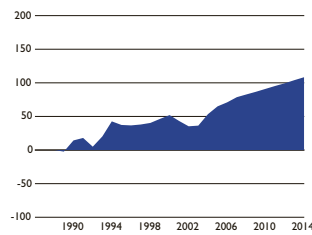
CARIBBEAN COUNTRIES  
Travel & Tourism Visitor Exports  
(2005-2014 Real Growth Annualized, %)



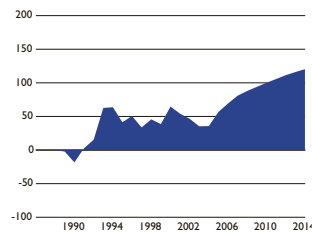
DOMINICAN REPUBLIC



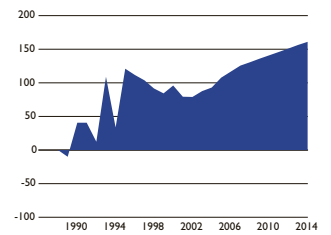
GRENADA



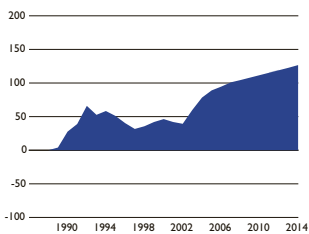
GUADELOUPE



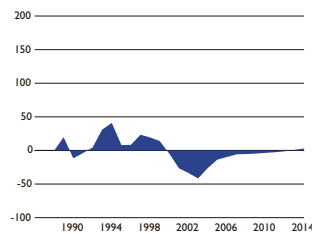
HAITI



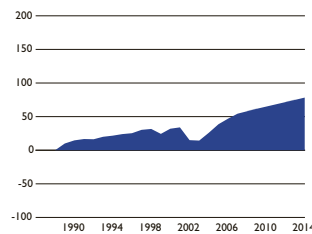
JAMAICA



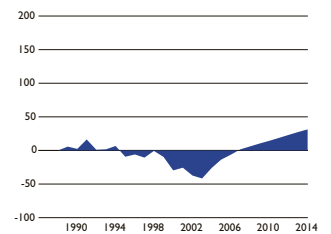
MARTINIQUE



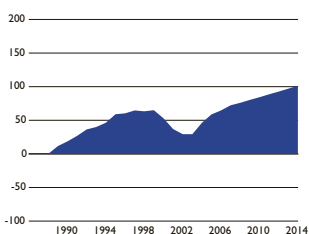
PUERTO RICO



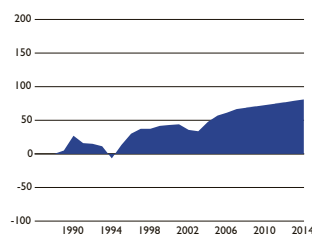
SAINT KITTS AND NEVIS



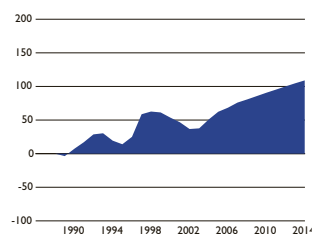
SAINT LUCIA



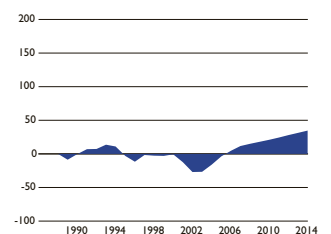
ST VINCENT AND THE GRENADINES



TRINIDAD AND TOBAGO



US VIRGIN ISLANDS



# GOVERNMENT

Travel & Tourism Government expenditures can be classified as 'individual', when they are associated with an individual visitor, and 'collective' when they are Travel & Tourism related, but are provided to the community at large. Most government Travel & Tourism spending falls into the latter category. In both categories, nevertheless, spending tends to reflect the administration of the Travel & Tourism activity.

In absolute terms – ie in US dollars – Puerto Rico, the Dominican Republic and Jamaica head the ranking of government spending on Travel & Tourism in the Caribbean. Perhaps more interesting is the fact that on a relative scale, five Caribbean countries spend more on Travel & Tourism than the Dominican Republic, nine spend more than Jamaica, and all but one (Haiti) spend more than Puerto Rico. The average for the Caribbean region is 8.2 per cent of total government spending allocated to Travel & Tourism.

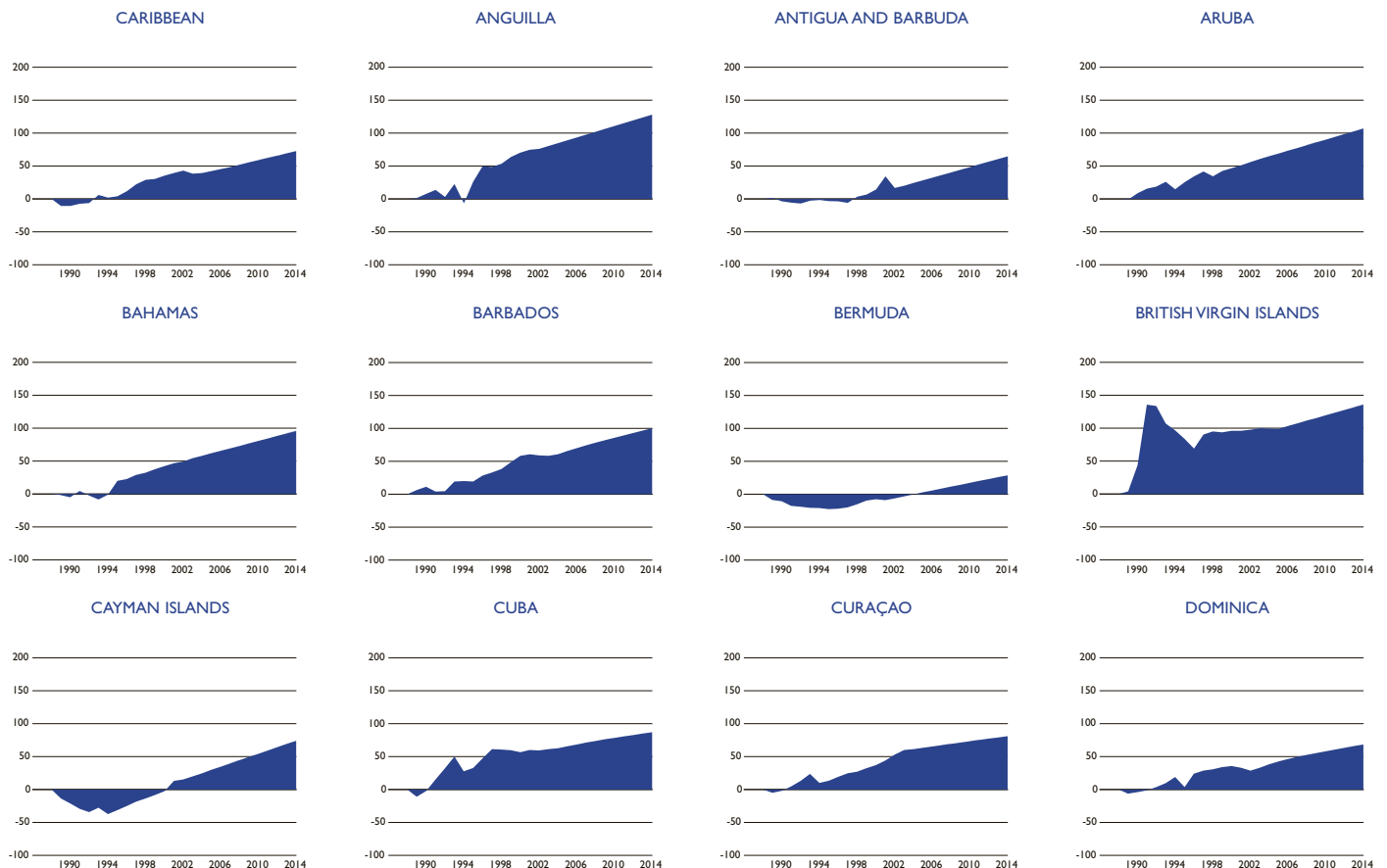
Looking forward, St Kitts and Nevis is expected to growth its government Travel & Tourism spending faster than all other Caribbean countries at 6.9 per cent per annum. Second in the growth ranking will be Guadeloupe at 5.3 per cent, followed by the Cayman Islands at 4.9 per cent annum. The average growth rate for government spending in

the Caribbean generally over the next ten years is expected to be 3.3 per cent per annum.

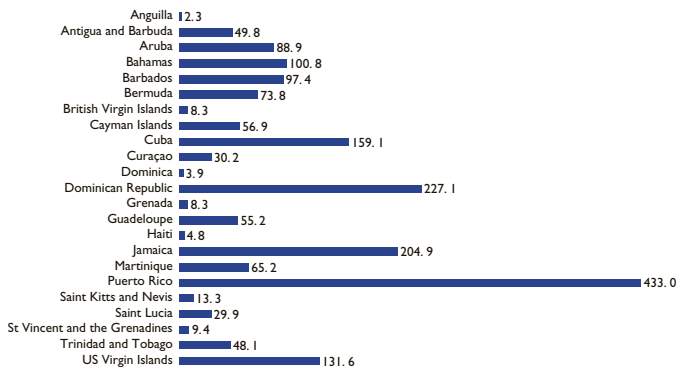
These results and forecasts would seem to suggest that Caribbean economies, which appear to be more heavily reliant on Travel & Tourism exports, are more likely to be spending a larger portion of their government expenditures on Travel & Tourism. There also appears to be a significant correlation between those economies that are forecast to grow their Travel & Tourism Demand and those that are forecast to significantly increase their government expenditures for this activity in the future.

The charts at the bottom on both pages illustrate the cumulative real growth of Caribbean Travel & Tourism government expenditures (historical and forecast). A number of countries, including Anguilla, Aruba, the Bahamas, the British Virgin Islands, Grenada, Guadeloupe, Jamaica, and St Kitts and Nevis, expect to continue posting very strong growth. Other countries may match their future growth rates but, due to their less impressive historical growth rates, may have problems in the future. These include Bermuda, Haiti, Martinique and the US Virgin Islands.

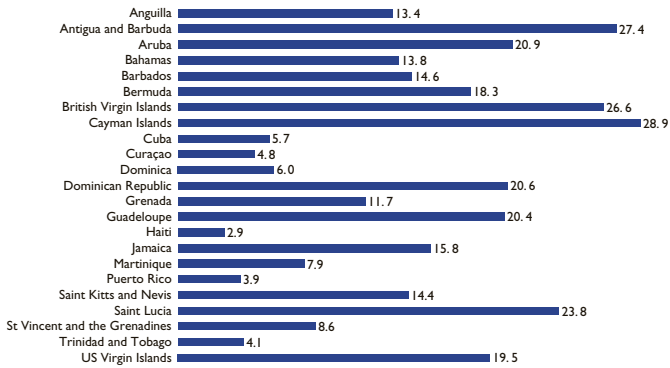
## Travel & Tourism Government Expenditures (Cumulative Real Growth, %)



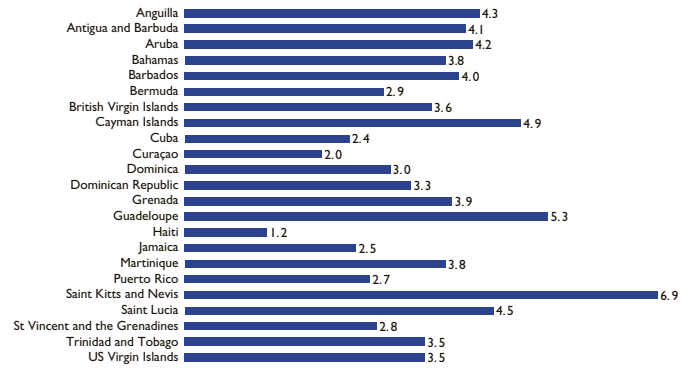
CARIBBEAN COUNTRIES  
Travel & Tourism Government Expenditures  
(US\$ mn)



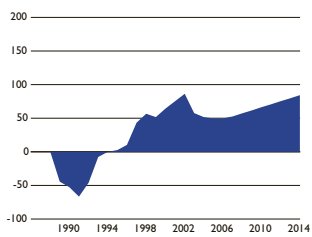
CARIBBEAN COUNTRIES  
Travel & Tourism Government Expenditures  
(% of Total)



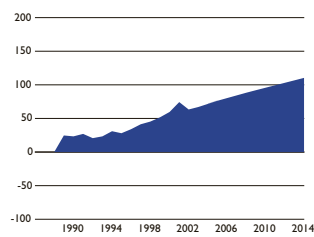
CARIBBEAN COUNTRIES  
Travel & Tourism Government Expenditures  
(2005-2014 Real Growth Annualized, %)



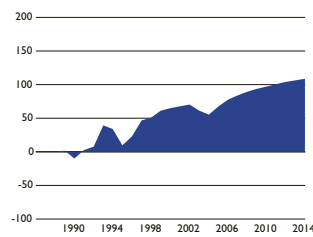
DOMINICAN REPUBLIC



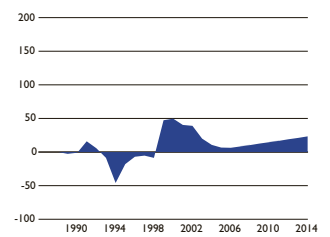
GRENADA



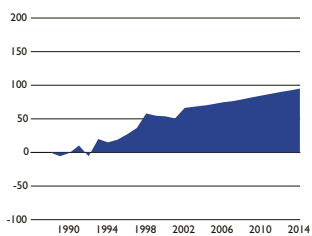
GUADELOUPE



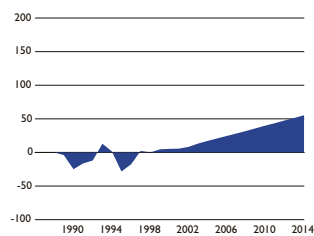
HAITI



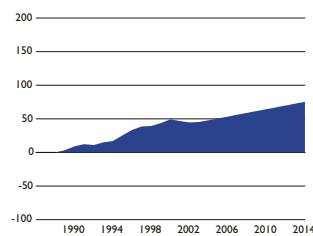
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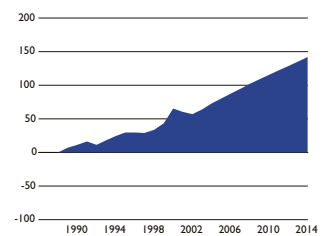
MARTINIQUE



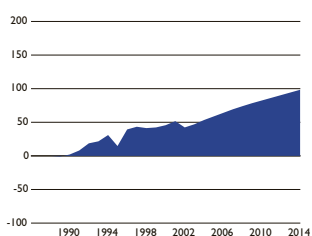
PUERTO RICO



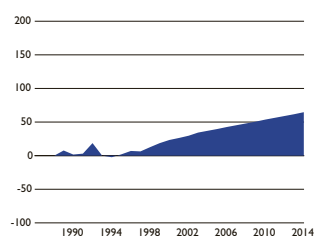
SAINT KITTS AND NEVIS



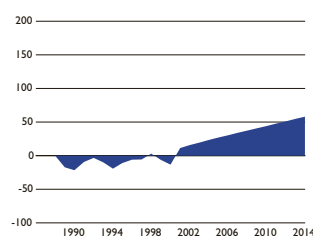
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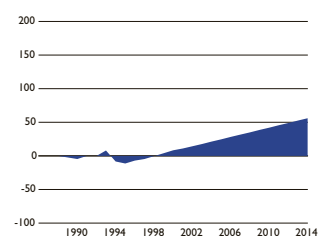
ST VINCENT AND THE GRENADINES



TRINIDAD AND TOBAGO



US VIRGIN ISLANDS





# THE POLICY FRAMEWORK

## POLICY RECOMMENDATIONS

THE CARIBBEAN IS THE MOST TOURISM-INTENSIVE REGION IN THE WORLD. HOWEVER, A VAST MAJORITY OF THE CARIBBEAN COUNTRIES DISREGARD, ARE UNAWARE OF, OR ARE IN COMPLETE DENIAL ABOUT THE ECONOMIC IMPACT OF TRAVEL & TOURISM. AS A RESULT, THEY FAIL TO REALIZE THE FULL POTENTIAL THAT TRAVEL & TOURISM CAN MAKE TO THEIR ECONOMIES AS A CREATOR OF JOBS AND DEVELOPMENT OPPORTUNITIES.

Unemployment is extremely high in many of the Caribbean economies and many residents live below the poverty line. Although foreign assistance, economic and fiscal reforms are having a positive impact, auguring well for improved macro-economic development, key sectors of the economy that were once vital sources of foreign exchange earnings – notably agriculture – have been declining, and are expected to continue to decline, in response to intense international competition.

Travel & Tourism is the one really bright spot on the horizon, and it is very bright – thanks in no small part to the region's wealth of natural geographic attractions and resources. Most importantly, several of the largest, most powerful and most influential economies clearly recognize Travel & Tourism's potential as a contributor to economic growth and social development throughout their countries and the region.

Nevertheless, while many of the Caribbean governments accept that Travel & Tourism has a significant role to play in achieving robust economic development, it appears that even some of these underestimate the full scope of the industry as a catalyst for the development of other areas of economic activity, such as agriculture, manufacturing and financial services. Neither is there wide appreciation of Travel & Tourism's potential to reduce disparities between the 'haves' and the 'have nots' – which, in turn, could bring major improvements to Caribbeans' quality of life and well-being – and to support environmental protection efforts.

Forecasts by the World Travel & Tourism Council (WTTC) and its research partner, Oxford Economic Forecasting (OEF), are positive, pointing to an average annual growth in Travel & Tourism Demand of 4.0 per cent over the next ten years. If this growth is realized, the wider Travel & Tourism Economy will contribute 16.5 per cent to the Caribbean's GDP by 2014 – more than any other individual sector. Moreover, the potential impact could be even greater if the underlying policy framework is conducive to growth – ie if the individual governments and regional organizations create the underlying conditions for market confidence, dynamism and sustainability.

However, several challenges lie ahead, and these must be addressed to ensure the long-term sustainable development of Caribbean Travel & Tourism, generating maximum benefits for all stakeholders and at all levels of the economy. While the private sector can and must play the driving role in tourism development, ensuring quality products and competitive services geared towards rapidly changing demand, governments need to show leadership by stimulating and facilitating investment, streamlining and clarifying regulations, and developing much needed infrastructure and human capital.

The public and private sectors clearly have separate interests and roles in Travel & Tourism. Yet there is a significant opportunity, and obligation, for them to work in partnership at all levels – locally, nationally and regionally – to share a vision and help fulfil the potential of Travel & Tourism in the Caribbean. From the top down, this means that the Caribbean Tourism Organization (CTO) and the Caribbean Hotel Association (CHA) must work together with their respective members to find areas of common interest and agreement to smooth the way for collective achievement. By setting a standard for public-private sector co-operation, the CTO and CHA will do more for Caribbean Travel & Tourism than either could achieve alone.

WTTC conducted a series of 18 public and private sector focus group sessions in nine Caribbean destinations in preparation for this report, as well as spending one month in desk research studying key issues affecting the Caribbean. As a result, we are well aware of the plethora of national and regional research reports, policy statements, workshop findings, strategies and masterplans that have been produced

by and for the Caribbean countries over the past few years. Although it is our standard practice to take a fresh and independent view of the policy situation and develop a set of recommendations that follow our tried and tested policy agenda, it is our conclusion – in the case of the Caribbean – that much of what we would like to say has already been said, and said very well.

Instead of re-inventing the policy wheel, therefore, we have decided to use as our foundation the Caribbean Tourism Strategic Plan. This was commissioned by the Commonwealth Fund for Technical Co-operation (CFTC) Programme, prepared under the direction of CTO and in collaboration with the CARICOM Community Secretariat, CHA and the CARICOM Tourism Summit Preparatory Committee. In those instances in which our views and recommendations differ from those expressed in the Strategic Plan, we have highlighted our differences and tried to justify our different viewpoints. Similarly, in areas in which we feel the Strategic Plan is inadequate or lacking, we have added our recommendations and arguments to support these positions.

Although our policy review did not cover the entire Caribbean region, we feel confident that we were able to incorporate a broad spectrum of public and private sector perspectives representing the different geographical (Eastern, Northern, Caribbean, etc) and cultural (English, French, Spanish and Dutch) interests. In addition, we tried to ensure that the focus group discussions involved small and large economies and all market sectors.

Nevertheless, given that our review was limited in duration and scope, we acknowledge that WTTC is not in a position to pontificate on all the important Caribbean Travel & Tourism policy issues. However, we do feel that we were able to identify the most significant policy issues through our different focus group meetings – all of which were frequently cited by participants and featured strongly in the ensuing discussions. Having said this, our Policy Recommendations do not focus on any of the specific Caribbean economies, but rather provide general guidance for all the economies individually and the region as a whole.

One final point should be made about the many research reports, policy statements, strategies and masterplans produced for Caribbean Travel & Tourism over the years. Although much of what has been analyzed, reported and recommended has been professional, credible and to the point, the primary weakness identified by participants of the WTTC focus group meetings was that implementation of the conclusions, recommendations and directives was lacking and that this inability to focus on making change happen needs to be addressed.

Frankly, it is easy to commission a report, a study or a review, but it is another matter altogether to take that information and transform it into action. Implementation takes significantly more time and resources and is not as easy as writing a cheque to a consultant at the end of a study. However difficult and resource-consuming, government officials and private sector players must begin to re-orient their approach to this work. Instead of spending all their time and money on developing the perfect answer to a given question, it may make sense to spend fewer resources on fewer issues and focus greater resources on making change happen.

Against this background WTTC makes the following recommendations to Caribbean governments and, where relevant, to all public and private stakeholders in Caribbean Travel & Tourism:

## HIGHLIGHT AND COMMUNICATE THE STRATEGIC IMPORTANCE OF TOURISM

### Recognize Travel & Tourism's Economic Importance

Travel & Tourism is without question the foremost export sector in the Caribbean, generating the highest share of foreign exchange revenues. It possesses the inherent ability to diversify the Caribbean economy, stimulate entrepreneurship – particularly among small and medium-sized enterprises (SMEs) – catalyse investment, create large numbers of sustainable jobs, and help social development in local communities. However, no matter where one travels within the Caribbean, the impact of the industry is generally not understood by public officials, the industry itself or the communities where it takes place. More than any other issue, this lack of awareness is responsible for many of the key limitations that Travel & Tourism faces in the region.

In many Caribbean countries the political sympathy and overwhelming sense of entitlement usually lie with agriculture as a result of historical precedent. Unfortunately, the globalization of agricultural commodities has made Caribbean agriculture uncompetitive and, as a result, it has lost market share and output. In contrast, Travel & Tourism in the Caribbean has enormous competitive advantage, even in a globalized economy, to create new opportunities and employment. However, it requires a fair and level playing field to demonstrate the potential that it can provide. Governments across the Caribbean should step back from the emotional 'feed ourselves' approach to agriculture to a more balanced approach, ie 'create self-sufficiency and diversity' through Travel & Tourism.

It is also time for the Caribbean governments to acknowledge one of the economic facts of life – that Travel & Tourism is an export sector just like agriculture, fishing, manufacturing, or pharmaceuticals. Because of this, it is rare for a country to impose taxes on its exports, since resulting price increases disadvantage its products in the global marketplace. Indeed, countries are prone to subsidize exports to gain export market share and/or to tax imports to protect a domestic industry. If a country taxes its own exports, a self-imposed tariff is created, prices are increased and demand naturally decreases, thereby limiting development opportunities and job creation.

The regional organizations and national governments should undertake an industrial image campaign to ensure that all public and private stakeholders recognize Travel & Tourism's full impact across the national economy – not just on eating and drinking places and retail business, but also on construction, real estate, manufacturing, agriculture, and other sectors of the economy. Even more importantly, stakeholders should be made aware of its untapped potential and of the spin-off benefits of tourism that filter down through all levels of the community.



Travel & Tourism should be factored into mainstream policies for employment, trade, investment, education and environmental protection. The strategic importance of Travel & Tourism should be communicated to all levels of government, industry and local communities. All government departments affected by, or impacting on, Travel & Tourism development should be closely involved in drawing up the National Tourism Policies and in planning and co-ordinating individual programmes.

The regional organizations, CTO and CHA, should establish a Tourism Economics SWOT Team to help the different Caribbean nations understand the impact of Travel & Tourism on their economies by conducting a seminar for each existing and each new government that takes office. Ideally, this resource-building exercise should be focused on ministerial level appointees from all cabinet agencies, as well as parliamentarians, to facilitate their understanding of the role that Travel & Tourism plays in their economies, and how their particular functionality impacts or is impacted by the industry.

Another approach to raising the level of awareness and positive profile of Travel & Tourism is through the large army of Travel & Tourism employees. In many respects, these people should be, and must be, ambassadors of Travel & Tourism's contribution throughout the broader economy. Unfortunately, in many cases there is a lack of communication between owners/employers and the people who take the reservations, make the beds, fly the aircraft, wait on tables and guide visitors around the islands. These people have a great deal of personal influence within the communities in which they live.

If they are helped to understand the basics of Travel & Tourism and how the flow of visitor revenues and spending impacts their lives, they can serve as emissaries to the rest of the community to help spread the message that Travel & Tourism is everybody's business. One important step in this effort – already undertaken to some extent by regional and local hotel associations – is opening the lines of communication between owners/operators and their employees through direct contact or regular dialogue and news bulletins. Not only will this raise awareness, but it will also help galvanize employees into supporting and championing Travel & Tourism within their communities.

Perhaps most importantly, WTTC's focus group meetings identified an almost universal call for a regional, national and local public awareness campaign to inform and educate the general public about the merits and impact of Travel & Tourism in the Caribbean, as well as in individual countries and local communities. Although many destinations already have such public awareness campaigns in place, the coverage is not uniform or consistent across the region, and there is always a continuing need to reinforce the message. More significantly, campaigns tend to be geared towards 'treating the tourist well' rather than highlighting the economic and social benefits that Travel & Tourism can bring to local communities.

Lastly, Travel & Tourism needs to focus media attention on industry issues. The Caribbean Media Exchange (CMEx) does a very good job of improving the quality of media coverage on Travel & Tourism issues for the region, largely through educating the media about these issues, and should be supported and encouraged to continue this critical line of awareness building.

## Caribbean Media Exchange

Since its inception in October 2001, CMEx has become an ever-increasing source of confidence and pride for the Caribbean region.

CMEx began with the inspiration of Counterpart International to improve the quality of media coverage of sustainable tourism in the Caribbean. Further, it sought to increase the input of the media in the design of sustainable tourism policies, and highlight the necessity of tourism to the economies of small island states. Two and a half years and five conferences later, it has accomplished just that.

By attracting such notable speakers as the Travel Detective, Peter Greenberg, who doubles as Travel Editor NBC News, and a range of prestige sponsorship from Air Jamaica to Black Entertainment Television (BET), what was recently just a simple initiative has become a full-blown affair.

Extending invitations to members of the media has proven to be one of the quickest ways for CMEx to spread the sustainable tourism message to the masses. The organizers of the conference promote the mingling of journalists, both Caribbean and international, and members of the hospitality sector, in order that synergies will result for the betterment of island peoples.

As the executive vice-president of the Barbados Hotel & Tourism Association, Sue Springer, insightfully said: "The press definitely can play a major role (in developing tourism awareness) and we need to invite you more into all of our tourism events."

Evolving from CMEx, we are happy to see the sharpening of skills within the press corps, the creation of freelance and training opportunities for Caribbean media in North America, smart partnerships between public and private sector organizations, and the implementation of sustainable tourism initiatives that safeguard the environment and enrich Caribbean communities.

Through an increase in published and aired stories throughout the regional and international media, our CMEx sponsors have become closely identified as champions of the sustainable tourism movement. Indeed, with every passing forum, public awareness of the issues of sustainable tourism have become more widely acknowledged and accepted.

CMEx is produced by Air Jamaica, Counterpart International, Counterpart Caribbean, the Caribbean Broadcasting Union, Caribbean Hotel Association, Caribbean Hotel Association Charitable Trust (Life Needs the Caribbean), the Barbara Pyle Foundation, Caribbean Alliance for Sustainable Tourism and EarthVoice, and has grown into the region's premier gathering of the industry's creative elite with leading journalists in the region and beyond.

Source: [www.caribbeanmediaexchange.com](http://www.caribbeanmediaexchange.com)

## PLAN FOR THE FUTURE

### Long-term Tourism Planning

Long-term planning at the national and regional levels is a prerequisite for generating investor confidence and organizing the successful development of Travel & Tourism in the Caribbean. Not only is the industry fragile and likely to be adversely affected by short-term political considerations, but the majority of the Caribbean states are small countries and can less afford to make mistakes than most of their competitors with deep pockets. With so much at stake for tourism-intensive countries in the Caribbean, it is time that Travel & Tourism shed its schoolboy image and approach to business and graduated to the ranks of professional world-class industries.

In many cases, the Caribbean economies have relied on spontaneous, natural evolution or passive acceptance to decide the nature and direction of Travel & Tourism in their countries/islands. Although this approach may be appropriate in less critical circumstances or at an embryonic stage of development, the economic and political forces currently impacting on the Caribbean economies require a structured professional approach to be taken to tourism planning that will ensure sustainable development.

WTTC applauds the efforts of those Caribbean economies that have produced and maintained a Tourism Strategic Plan or Tourism Masterplan, and we would encourage them to persevere towards their goals and focus their attention on implementation. For those economies that are still relying on spontaneous or passive response to Travel & Tourism development, we recommend the creation of a Tourism Masterplan incorporated into a formal National Tourism Policy, closely linked to the nation's vision for the future. This Policy must start from a vision of what kind of Travel & Tourism all stakeholders in individual countries wish to develop – in physical and marketing terms. These stakeholders must include representation from all levels of civil society, as well as the industry and politicians. The Policy must include certain basic elements:

- Clearly defined goals, objectives and responsibilities;
- Decisions based on quantitative input;
- Indications of best practice in tourism development;
- Measures to support existing industry, as well as for the promotion of new developments;
- An articulated strategy for product development and diversification;
- A long-term strategy for tourism marketing and promotion in line with the Policy's long-term goals and objectives; and
- Clear branding, supporting the generic 'brand Caribbean', that reinforces the basic vision for the region's Travel & Tourism development.

In order to ensure greater support and commitment from all stakeholders, each government should also initiate a cohesive and co-operative approach to longer-term tourism planning and development, involving all levels of government, the private sector and local communities. The governments should strengthen their partnerships

with the private sector and local authorities through their respective national tourism organizations (NTOs). Ideally, they should also establish a Travel & Tourism Government Advisory Council that provides direct private sector input into mission-critical policy and decision-making by the public sector in regard to Travel & Tourism.

One last thought on the matter of masterplanning. If the government authorities are not able or willing to produce a masterplan – although this state of affairs would be highly unusual – we would recommend that a broad coalition of private sector players join forces and produce a plan that represents their aspirations for Travel & Tourism. This could then be submitted to the government authorities for consideration and agreement. Although this is not our preferred approach, long-term planning is key to the development of sustainable tourism, and if the public sector does not take the bull by the horns, then the private sector must be proactive and initiate the process.

In order to facilitate attainment of these goals, the responsibility of the ministry of tourism should be increased. This is especially important in cases where tourism represents the majority, or primary, island industry. The ministry should be granted leadership and authority within the individual Caribbean economies to factor the industry's needs into mainstream policies for employment, trade, investment, education and environmental protection.

On a regional basis, WTTC applauds the Caribbean Tourism Strategic Plan produced in 2002, but recommends that it be updated, modified as appropriate – in line with the recommendations made in this report – and expanded to broaden its geographic focus and ensure its relevance to the French, Spanish and Dutch, as well as the English Caribbean. Formal agreement of the report should be expedited so that it can be implemented as soon as possible.

The following contains large extracts from the 2002 Caribbean Tourism Strategic Plan, notably from Section 4, entitled Critical Issues<sup>1</sup>, which we firmly believe summarize the critical issues which Caribbean tourism is facing, and that require specific strategic responses. Section 4, although relabelled, is included in its entirety with the exceptions of parts 4.11 on Marketing and 4.16 on Funding, for which we have alternative comments and recommendations (included at the end of the section). Extracts taken directly from the Strategic Plan are highlighted in italics so as to identify them clearly

**Long-term planning at the national and regional levels is a prerequisite for generating investor confidence and organizing the successful development of Travel & Tourism in the Caribbean.**

<sup>1</sup>See Holder, JS: Meeting the Challenge of Change – presentation to the Tourism Summit, December 2001 – from which much of the information in this Section is derived.

## SUSTAINABLE DEVELOPMENT<sup>2</sup>

The tourism industry is the major source of income for most Caribbean countries and it is therefore imperative that any threats to the sustainability of the industry be firmly addressed and tackled. Its future depends on preserving that very precious combination of natural and cultural assets that have enabled the region to become one of the world's leading warm weather tourism destinations.

In looking at the issue of sustainability of the tourism industry in the Caribbean, CTO has a broad perspective which takes into account the cornerstones of protecting the natural environment, conserving and enhancing the cultural patrimony, strengthening linkages between tourism and other economic sectors, and involving local communities in planning and benefits. Sustainability also depends on the region's ability to maintain product quality, ensure adequate returns for investors, engage in effective marketing and promotion, and ensure air access at competitive rates from major tourist generating markets.

Simply put, investor confidence is created by profits/yield and bureaucratic structure and operation, as well as by a consistent legal framework that includes clear policies and guidelines as to development planning and land-use regulations.

These principles are enshrined in the Regional Sustainable Tourism Policy Framework Policy and Regulatory Framework for Sustainable Tourism in the Caribbean (CTO/ USAID), which was endorsed and approved by the country and agency members of the CTO Sustainable Tourism Technical Committee at their 4th meeting held in Guyana in May 2000. The Policy and Regulatory Framework has been presented to the ACS as an important tool to facilitate the implementation of the ACS Convention on Sustainable Tourism Zone of the Caribbean (signed in December 2001 and now in the process of ratification).

This new conceptual approach now provides a vehicle through which tourism can play an enhanced and ever-increasing role in the long-term development of the Caribbean region. No longer is it possible to view tourism only from its commercial and economic perspective, ie in terms of arrivals, bednights and expenditure. The multi-faceted impacts of tourism make it imperative that the development of the industry be fully integrated at policy, planning and delivery levels across ministries/departments.

Issues of sustainability are highly inter-related. The discussion and formulation of recommendations will thus be organized (below) around the following issues: natural environment; safety and security and health; linkages; community involvement; profitability and return on investment; air access; control over distribution systems; and the need for a sustainable source of funding for tourism development programmes.

### Natural Environment

The quality and success of the regional tourism product is dependent, in large measure, on the maintenance of a healthy and attractive natural environment. There is need for:

- **Improved planning and management** – many of the small island developing states of the Caribbean lack the necessary technical expertise required for the complex field of tourism development and the environment in the areas of pollution monitoring, coastal zone management, and the preparation and evaluation of Environmental Impact Assessments (EIAs);
- **Increased regional co-operation and collaboration** – eg by joining the Cartagena Convention and its Protocols;
- **Development and implementation of high standards of**



<sup>2</sup>See background paper on Sustainable Development Issues in Tourism – prepared for the Tourism Summit by CTO/CHA/CAST/PAHO/ CANARI/CARICOM, December 2001 – and McHardy, Pauline: Regional Sustainable Tourism Policy Framework, USAID/CTO, September 2000

**environmental quality**, including prevention of pollution by cruise and other ships;

- **Conservation and sustainable use of natural resources** – the challenge is to ensure that local tourism businesses and entrepreneurs develop good environmental and social practices, both during the tourism development planning and construction phase and in the operations of tourism enterprises through participation in environmental certification and rating programmes such as Green Globe, Blue Flag and QTC (see below);
- **Improving national infrastructure** to support the tourism industry; water and electricity costs in certain Caribbean countries are among the highest in the world and, where services such as solid waste disposal are not available, hoteliers must operate their own treatment and disposal systems, adding further to their operating expenses;
- **Land-use policy** – eg the need to address the issue of the use of land for tourism, golf courses and indeed housing, and the spiralling price of land, especially on or near areas near the coast in some island destinations, which negatively affects the local population; there is need for better zoning on the basis of maximizing economic returns, respecting parks, water courses, hotels and facilities rather than private villas; policies like taxing of land ought as far as possible to take account of the different situations of local, as opposed to transient, resident populations;
- **Incentives to mobilize the private sector** – lack of financing is a major constraint to investment in environmental improvements, especially in small and medium-sized hotels. Governments can help by providing concessions for capital investments by tourism businesses that impact on reduced water and energy consumption, reduced solid waste consumption, etc;
- **Education and in-service training for a more sustainable approach to tourism** – there is need to encourage environmental education in schools,

devise and implement effective public awareness campaigns and activities to promote care of the environment, and to increase training programmes for industry professionals that support environmental sustainability of the industry; and

- **Crisis and Disaster Management** – the region's tourism industry is exposed to severe risk from the possibility of natural and environmental disasters, such as hurricanes, volcanic eruptions, etc. Of particular concern are the threats to the marine environment posed by oil-spill emergencies and the transport of hazardous substances, such as nuclear waste, through the region.

## SAFETY, SECURITY AND HEALTH

Among the broad forces driving change in the tourism industry today, traveller safety and health are becoming two of the most influential. Crime, harassment and other forms of anti-social behaviour, along with hazardous and unhealthy facilities, are some of the major threats to the development of the industry. Such problems frustrate national and regional efforts to maintain the region's image as a safe, clean and hospitable destination. Whether or not such concerns are supported by data, it is the perception that matters most to the uninformed traveller, including potential travellers to the Caribbean.

Among the critical issues that need to be addressed are:

- negative information dissemination and how this can be managed;
- crime and drugs;
- visitor harassment – surveys show a worsening situation with regard to visitor harassment, sometimes involving drug peddling, with more than half of all visitors in some destinations complaining that they were harassed either a little or a lot. Generally, however, measures to deal with harassment have not been successful; and



## HIV/AIDS in the Workplace – A Programme for the Tourism Industry

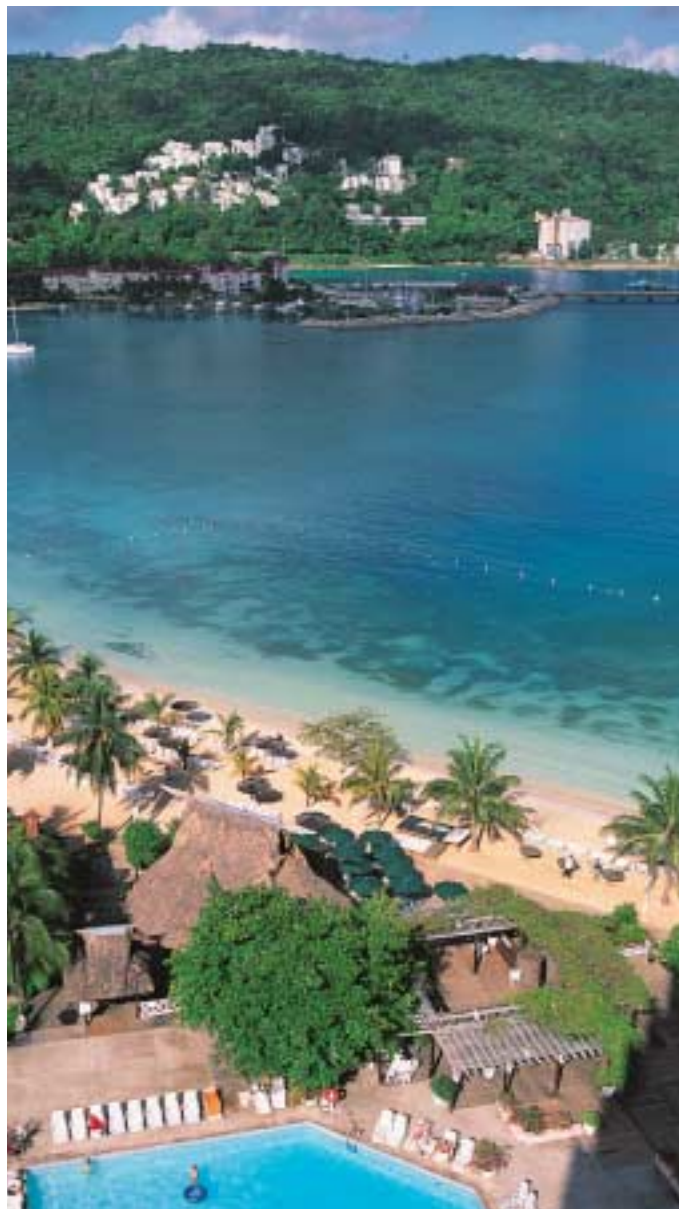
Increased tourist demand for adventure and romance is evident in the continuing trend of sexual interactions between visitors and host populations. Of concern, therefore, is the HIV/AIDS epidemic potential of this interaction and its negative impact not only on the tourism industry but also on public health and the national economy. The Caribbean Tourism Health, Safety and Resource Conservation Project (CTHSRCP) recognizes the importance of the Travel & Tourism industry to the Caribbean's economic development, and acknowledges that the growth and profitability of the industry are dependent on healthy and sustainable operating systems.

As part of its standards' development process and its education and training programmes, the CTHSRC project has begun to collaborate with key stakeholders in the tourism industry and health sector in the development of policies, procedures and practices that protect the health of visitors and host population, with particular reference to HIV/AIDS.

Supported by a German Technical Co-operation (GTZ) grant of US\$50,000 and technical assistance from CAREC's SPSTI Unit, the project team has developed a participatory initiative, the specific objective of which is to increase the capability of the tourism sector to respond proactively to the HIV/AIDS epidemic.

The high point of the HIV/AIDS tourism programme is the development of HIV/AIDS policy guidelines and educational material specific to the industry. This will be undertaken during two-day workshops for industry managers, human resource officers, hotel doctors and nurses and trade union representatives.

Source: [www.carec.org](http://www.carec.org)



## Quality Tourism for the Caribbean Workplace Programme

Quality Tourism for the Caribbean (QTC) is a joint venture project, which seeks to strengthen the overall quality and competitiveness of the tourism industry in the Caribbean through the establishment and dissemination of quality standards and systems designed to ensure healthy, safe and environmentally conscious products and services. The partners in the QTC project are the Caribbean Alliance for Sustainable Tourism (CAST), the environmental regional subsidiary of the Caribbean Hotel Association (CHA), the Caribbean Epidemiology Centre (CAREC), the Caribbean's health monitoring and disease prevention agency, and a specialized institution of the Pan American Health Agency (PAHO).

QTC has published HIV/AIDS Policy Guidelines for the Caribbean Tourism Industry to assist hoteliers and restaurateurs in protecting their workforces and in so doing, protect the viability of their businesses.

One of the two main components of the programme is the development of health, safety and resource conservation standards and systems supported by the establishment of a credible certification/registration process. It is expected that these standards will help:

- Address the concerns related to the health, hygiene, and environmental conditions for guests and staff at hotels and other tourism businesses;
- Provide greater market share for Caribbean hotels through decreased liability and improved profitability; and
- Contribute to the sustainability of the tourism industry and to economic development in the region.

A core set of draft standards has been developed and the Project Execution Unit is seeking to finalize these standards before implementation at industry level.

The Caribbean Tourism, Health, Safety and Resource Conservation project has taken up the call of the International Hotel & Restaurant Association for the global hospitality industry to address the issue of HIV/AIDS in the workplace.

Source: [www.businessfightsaids.org](http://www.businessfightsaids.org)

- human health issues, including the growing incidence of HIV/AIDS (which apart from being a personal tragedy is also threatening the stability of the Caribbean labour pool); the spread of food borne diseases; the quality of water for drinking, swimming and bathing; and the spread of vector borne diseases such as dengue, yellow fever, malaria, etc.

## HIV/AIDS

To cite the World Bank: “In the Caribbean, HIV/AIDS has become the major cause of death among men under the age of 45. Official figures show more than 360,000 people living with AIDS, but estimates place the number at over 500,000 due to under-reporting. More than 80,000 children have been orphaned by the epidemic, and the infection rate is estimated to have reached 12 per cent in some urban areas, spreading in many countries from high-risk groups to the general population.”

“AIDS threatens to reverse the social and economic gains that the men and women of the Caribbean have worked hard for decades to achieve,” said US Secretary of State, Colin Powell, noting that the HIV/AIDS infection rate in the Caribbean is growing at an “alarming” rate, second only to that found in sub-Saharan Africa. He continued: “Our Caribbean community shares the problem of HIV/AIDS, and all of us must work in partnership to address it... Our response to this crisis must be no less comprehensive, and no less relentless, than the AIDS pandemic itself.”

There is no question that the Travel & Tourism industry will need to act proactively to address the issue as well. Although the horrors of this disease and its impact can be quite overwhelming, there are some inspirational programmes in place in the Travel & Tourism industry that offer great hope. Two such examples are the work of the Caribbean Tourism Health, Safety and Resource Conservation Project (CTHSRCP) and Quality Tourism for the Caribbean (QTC). WTTC encourages all Travel & Tourism stakeholders to use CTHSRCP and QTC as leading examples, and address HIV/AIDS head on, seeking out help and assistance when and where necessary to make a difference for their employees, the industry and humanity.

## COMMUNITY DEVELOPMENT

*There is concern that the benefits from tourism in the Caribbean might not be reaching those who need them most and that, despite the impressive growth in visitor numbers and expenditures, tourism is not doing as much as it could to relieve existing problems of unemployment, poverty and social dislocation caused in part and exacerbated by the demise of traditional industries. Tourism, as the region’s leading industry, must be a key element of any national strategy to alleviate poverty and build resilience and sustainability into rural and urban communities. There is encouraging evidence that national planners are paying increasing attention to this aspect of tourism development and avoiding the pitfall of confusing growth for development, but mechanisms to implement such policies have been generally weak, poorly conceived or non-existent.*

*Sustainable tourism, if it is to become a reality, must be placed squarely within a national policy framework of social and economic development. Implementation of such a policy shift will require leaders to adopt and promote a new vision and way of thinking about the tourism industry. There is need for:*

- Research on measures to enhance community benefits from tourism, including the most appropriate incentives and concessions, institutional arrangements, target markets, import-substitution opportunities, etc;
- Technical assistance and training to local communities in the areas of business practice, marketing and complying with regulations for those providing bed and breakfast accommodation;
- Development of programmes of capacity building, both in terms of specific skills and financing for community-based tourism projects;
- Development of strategic partnerships between government, the private sector, NGOs, donor agencies and community organizations, both locally, nationally and regionally, to support a new agenda and vision for the future; and
- Identification and implementation of pilot projects (which is increasingly popular with international donors).

**Tourism, as the region’s leading industry, must be a key element of any national strategy to alleviate poverty and build resilience and sustainability into rural and urban communities.**

## LINKAGES

*The importance of creating stronger linkages between the tourism industry (land-based and cruise) and other sectors of the economies of the region has long been accepted. However, the debate on how this can be achieved is far from being resolved. Barriers to the creation of such linkages include: the acknowledged weakness in the goods producing sectors in the region in terms of volume, quality, price and consistency of production; and the absence of effective distribution and information systems to link the demand of the tourism industry with producers at national and regional levels. There is need for:*

- Improved methods of tracking and evaluating the linkages which actually exist;
- Potential producers and suppliers must be able to obtain early information on these developments and be organized to interface at the development stage of projects with investors, development planners and project architects;
- Greater interaction between major local distributors (who tend to import the bulk of the goods sourced locally by the industry) and local and regional producers;
- Targeted promotions to the decision-makers in the construction and distribution chains (in the same way that Export Promotion Agencies do for local producers in external markets);
- Structured promotion and demonstration activities aimed at hotel and cruise ship purchasing agents, food and beverage managers, and head chefs (many of whom may be unfamiliar with Caribbean sources of supply);
- Development and marketing of local produce to hotels and other tourism enterprises (eg cruise ships), a growing number of whom already recognize the contribution they can make to support local economies by purchasing local fruit and vegetables;

- *Development of programmes for the upgrading of the traditional skills and methods of craft producers to promote quality production (particularly in the small island developing states where there has been less of a tradition of craft compared to elsewhere in the Caribbean). Training is also required for promotion and marketing; and*
- *Development and implementation of an overall strategy in close collaboration with local musicians, dance schools and national cultural foundations to raise the overall standards of cultural performances, and thereby provide enhanced employment opportunities for Caribbean artistes in hotel and cruise ship cabaret shows.*

Many have argued that the know-how to create linkages between Travel & Tourism and the rest of the economy is well established, but that the largest weakness in the equation is in the implementation and execution of the effort. WTTC recommends that a dedicated effort and resources be organized by each national tourism organization (NTO) or tourism ministry to guarantee a focused approach to establishing effective linkages between Travel & Tourism and the rest of the economy.

## INVESTMENT

*Because of the fundamental importance of tourism to the economies and well-being of almost every Caribbean country, it is crucial to put in place an operating climate that will encourage growth and investment in the tourism sector. This in turn will generate the taxes with which to finance infrastructural and social programmes.*

*In 1997 investment needs in the tourism sector in the Caribbean were estimated at around US\$3-4 billion per annum, made up of circa US\$1 billion per annum to increase room numbers, US\$0.5 billion per annum for renovation (60 per cent of hotels are over 15 years old) and the remainder in investment in tourist attractions, leisure facilities, ancillary facilities, and development of infrastructure. These will have increased in 2002 (and 2003).*

*The present operating climate in many countries does not encourage growth or investment. This is at least partly due to the high operating costs (high cost of local and imported inputs, heavy import duties on both construction and consumable goods, punitive costs of distribution and marketing, the even higher cost of utilities and the broad-based levels of taxation which currently exist in most countries in the region), which reduce profitability and prospective returns on new investment. The partnership challenge for governments and the hotel and other sub sectors is to find ways to reduce operating costs, thereby increasing profitability and consequently stimulating new investment to further expand the industry and the taxes it generates. Another challenge faced by the industry is to find appropriate insurance against the risk posed by hurricanes.*

*Very uneven patterns of competitiveness exist in the region whereby many countries are experiencing stagnation and loss of market share, while others enjoy better results. The comparatively higher cost of doing business in CARICOM (cost of labour, taxation, utilities, cost of funds, construction and operating inputs) is responsible for faltering profitability and viability, which has been exacerbated by falling growth rates. There is a danger that CARICOM countries may not be able to meet their growth targets because of lack of investment (and lack of growth would in turn inhibit potential investors).*

*There is need to examine the availability of financing and to devise ways of improving access to finance, especially for the small hotels sector (and other*



sectors such as tour operators, restaurants, and attractions). *Commercial banks tend to view the hospitality industry as an above-average risk for lending with the result that loan terms are more onerous than they ought to be.*

*Consideration needs to be given to the creation of specialized financial intermediaries to unlock the very considerable funds tied up in Caribbean pension funds, national insurance funds, insurance companies, etc and make them available for investments in the hotel sector. However, to some extent, the problem is not so much the lack of investors but the lack of projects yielding a return of 15 per cent or greater. There is scope for public-private partnerships to provide new and upgraded infrastructure for the tourism industry.*

Many of the focus group participants interviewed in preparation for this research also identified the difficulties associated with incentive programmes as a major drawback or limiting factor for continuing investment in Travel & Tourism. Many pointed to the high and difficult bureaucratic barriers and red tape associated with new Travel & Tourism projects as a key factor in limiting economic development and job creation. They also suggested that there is a lack of knowledge among the development agencies about how Travel & Tourism functions and that, as a result, incentives and programmes have been misconstrued and misapplied.

In some cases, participants indicated that eligible and applied incentives were difficult, if not impossible to collect. They called for 'one-stop shopping' or 'fast-track' programmes to ease the process of establishing new businesses, and suggested that more attention should be paid to indigenous operators willing to re-invest in the community and allow them to compete fairly with the multinationals. The participants called for consistency of investment application, clarity and transparency of the incentive process. Surprisingly, they also called for greater policing of investment regulations, indicating that some operators were taking unfair advantage of the public's trust.

Due to the importance of attracting and supporting the proper mix of Travel & Tourism investment, as well as developing and applying attractive, effective and efficient incentive schemes, WTTC calls on NTOs working with national development agencies to produce a Travel & Tourism Investment Strategy that addresses these issues of concern. This should comprise a detailed ten-year plan that provides strategic guidance and operational direction for the industry.

Some mention should also be made of a new initiative to support tourism in the Caribbean from PRO€INVEST, an investment promotion agency that comes under the European Commission. Funds of €3 million are being made available to the tourism industry to support partnerships with the Caribbean and opportunities for investment. CHA has been a major driver in helping to launch this initiative, which is also being supported by WTTC and other international organizations.

**...there is a lack of knowledge among the development agencies about how Travel & Tourism functions and..., as a result, incentives and programmes have been misconstrued and misapplied.**

## WTTC Principles of Intelligent Taxation

A study of Travel & Tourism taxation policy by the London School of Economics for WTTC recommended five principles that public policy-makers should use to guide their review of tax policy proposals and legislation.

### Equity

All economic sectors should be treated fairly with regard to taxation. Even-handed treatment of all sectors reduces imbalances that can result in political, social and economic difficulties.

### Efficiency

Taxes must generate revenue without a significant impact on the demand for a good or service (unless the tax is designed to modify behaviour). At a certain threshold, the benefits of a tax become less significant than the costs of reduced demand. The decrease in demand sends a debilitating wave throughout the economy as linked suppliers are affected. This negative cycle swells because of the subsequent loss of tax revenue in many sectors.

### Simplicity

Complicated taxation schemes eat up revenues through administrative costs. These costs include both those borne by government in the process of collecting and enforcing taxes, and those borne by taxpayers. An objective of good tax policy is to achieve the highest possible ratio of revenues generated per dollar invested in collecting the tax. Special note should be made to incorporate taxpayers' costs of compliance in calculating this ratio. Simplicity in taxing also dictates that it is clear what the tax rates are, and what the revenues are intended to be used for.

### Fair Revenue Generation

Fair revenue generation arises from the concept of equity. In the even-handed capturing of tax revenue, it is unreasonable to assess special fees or levies on specific goods or services. These taxes are often cloaked by language and terminology to hide their real intent. Special charges and fees may appear, on face value, to be modest. They aggregate, however, to become a cumulative and often unreasonable burden to a sector.

### Effective Stimulus to Growth

Tax incentives and disincentives should be imposed with the underlying goal of stimulating growth. Taxes that support infrastructure will ideally result in the attraction of investment and subsequent employment. When taxes become excessive, economic growth often grinds to a halt.

Many taxes on Travel & Tourism violate some or all of these Intelligent Tax Principles. The practical reality of these principles provides that taxes can be imposed to generate revenue, increase competitiveness, or change consumptive behaviour. If taxes follow the criteria above, they will result in both increased revenues for governments and strong competitive economies.



## WTTC Tax Policy Guidelines

In order to assist decision-makers in developing sound Travel & Tourism tax policies, WTTC has developed the following guidelines for taxing the world's largest industry:

- Tax officials should compile a complete picture of individual Travel & Tourism taxes and add-on charges, and compare this level with other economically strategic industries.
- The Travel & Tourism private sector should be an active participant in the formulation of tax policies affecting the industry. Policy-makers should seek input from the industry when considering any tax or fee on Travel & Tourism services, products or consumers.
- Taxes that directly inhibit the competitiveness and vitality of Travel & Tourism should be avoided. Consultation with the Travel & Tourism industry can help policy-makers raise needed revenue while sustaining the employment and revenue base of the industry.
- Policy makers should apply the same standards to Travel & Tourism exports that are applied to manufactured goods. International Travel & Tourism is essentially an export industry.

Taxing inbound travel is equivalent to taxing an export product.

- Growing the Travel & Tourism tax base should have priority over raising tax rates. Sustainable economic growth in the industry will yield increased public revenues if taxes do not hinder market processes.
- Travel & Tourism development policy must be consistent and synchronized with fiscal policy. This requires an examination of the tax vehicles used across all sectors comprising the Travel & Tourism Industry.
- Travel & Tourism taxes should be easily administered and collected. Imposing taxes that are difficult to administer and collect results in increased costs to government and industry, negating or reducing net proceeds to both entities.
- Education and research into the effects of Travel & Tourism taxes should be encouraged. Many policy-makers are not familiar with the scope and economic power of Travel & Tourism. Every effort should be made to familiarize policy-makers with the realities of Travel & Tourism tax economics.

## TAXATION

*The tourism sector is perceived as an attractive tax target for governments whose other tax sources are coming under threat. In addition to taxes imposed by Caribbean governments, tourists are also faced with an array of travel-related taxes that are now arguably the fastest-growing area of travel costs (currently representing, for example, almost one-third of the cost of an economy fare from London Heathrow to Miami).*

*While attractive for policy-makers because the bulk of the burden is perceived to fall on non-constituents, the net consequences of taxes on Travel & Tourism can be negative in terms of depressing demand when they pass a certain threshold. Taxing the tourist is like a self-imposed tariff on exports, unless the receipts are used for specific purposes that will assist the tourism industry, eg in marketing and product development. There is need for more research to measure and track the impact of both internal and external taxes on the tourism industry in the Caribbean, and whether or not they place the region at a competitive disadvantage.*

*However, with such a narrow tax base (other than the tourism sector), few governments could afford to make drastic cuts in the incidence of taxation on tourism establishments unless they were convinced that such measures would be quickly offset by the stimulus provided to sectoral growth and investment.*

This makes it even more important that taxes that are applied are equitable and, where possible, hypothecated. One of the most contentious issues in the region is the inequitable treatment of land-based tourists compared with cruise passengers. The former pay significant departure taxes while the latter pay only a token port charge, if anything.

With this said, it is important that Caribbean authorities recall the WTTC Principles and Guidelines of Intelligent Taxation and refer to these principles when they consider new taxes or adjustments to existing tax structures.

## AIR ACCESS

*The most critical aviation issues for the Caribbean are:*

### Lack of Control over Airlift

*Airlift is critical to the existence of the Caribbean tourism industry. However, only a very small proportion of tourism traffic that comes to the region comes in aircraft owned by or under the control of companies or states in the region. As a result of consolidation of international airline companies, regions (such as the Caribbean) with few airline services of their own will find themselves more and more at the mercy of a dwindling number of external airlines, both in respect of the services on offer and the price at which they are sold. This raises the issue of the vulnerability of the region's vital tourism industry to any decisions taken by these external carriers regarding cessation or curtailment of services, increases in fares, etc.*

*There is need for the creation of a viable Caribbean air transport system, to supplement the services being provided by the external carriers and to guarantee sustainability of air transport services for the region.*

### Viability of Regional Carriers

*A core prerequisite of airline sustainability is profitability unless shareholders value other components (eg tourism promotion) whose enhancement outweighs the airline losses.*

### Lack of Co-operation between Regional Carriers

*If the region is to solve some of its airlift problems and not be totally dependent on foreign carriers, there is a need for regional carriers to work more closely together, both to provide point-to-point service from some external markets to the region, and to distribute that traffic to the smaller destination countries which will otherwise be deprived of business. The Caribbean carriers should be encouraged by specific policy incentives to return to the blueprint for functional co-operation in regional transportation detailed in the 1993 CTO study, as well as to*

rationalize services both with each other and external carriers in the context of new 'hub and spoke' arrangements. The processes for cost reduction have been detailed and accepted, but will need to be updated. While regional airlines seem to prefer to focus on achieving revenue improvement through strategic alliances with extra-regional airlines, the two approaches are not incompatible.

## Airport Safety and Security

Very few Caribbean countries currently meet the ICAO safety oversight standards and have the International Air Safety Assessment Programme Category 1 classification. This situation is a serious impediment for air access. For example, the USA penalizes those countries that do not maintain appropriate safety oversight standards by restricting the operational flexibility and curtailing the expansion of their designated airlines to serve the USA. The US airlines are free to continue to expand services to Category 2 countries while BWIA, Suriname Airways, etc are not. A further significant restriction is the inability of any Category 1 airline that serves the USA to put its designator code on flights of Category 2 airlines in any part of the world even where the specific flights of the Category 1 airline do not serve the USA.

The inclusion of Annex 17 to the Convention on International Civil Aviation, which deals with aviation security, in the ICAO Universal Safety Oversight programme, will impose further obligations on states to significantly enhance aviation safety to satisfy revised international standards, including the commitment of additional financial resources. There is need to implement proposals for the formation of a Regional Safety and Security Oversight Authority to facilitate the cost effective attainment and maintenance of ICAO safety oversight standards.

## CRUISE TOURISM

Cruise tourism in the Caribbean has, over the past decade, generally grown faster than land-based tourism. This trend is likely to continue. Based on current trends and planned capacity increase, CTO projects the number of cruise passenger visits to Caribbean destinations to increase from just under 14 million visits in 2000 to 19.5 million visits by 2005. In line with its faster growth, the relative importance of cruise tourism expenditure (compared with expenditure of land-based tourism) has also grown in recent years, and currently accounts for around 10 per cent of the Caribbean's total visitor receipts.

While cruise tourism makes a significant economic contribution to Caribbean economies (and this is likely to increase in both absolute and relative terms), Caribbean destinations need to balance cruise tourism development with that of their land-based tourism (which, in every case, makes a larger economic contribution), and decide on the most appropriate mix. However, the two sub-sectors need to work together, especially in the area of tourism marketing, to regain declining market shares.

Critical issues include:

- Declining market share – while remaining a leading destination region, the Caribbean's share of cruise business has declined from a peak of 60 per cent of all bed-days marketed out of North America in 1991 to 48 per cent in 2000.
- Increasing dominance by a few players – a series of mergers and acquisitions over the past decade has led to the emergence of a few large companies which now dominate the industry, with two companies – Carnival and Royal Caribbean – now together accounting for almost 75 per cent of total capacity deployed in the region.



- *Trend towards bigger ships – there has been a marked increase in the average size of cruise ships visiting Caribbean destinations, with the result that most destinations are receiving an increasing number of cruise passengers on a declining number of ships; this is placing greater pressure on existing plant and creating a demand for new or expanded facilities to handle these larger ships. Larger ships also lead to increased levels of ‘bunching’ with high levels of congestion on some days and little business on other days; the result is less than optimal utilization of the available facilities.*
- *Visitor conversion – cruise tourism provides the region each year with a large number of short-stay visitors who would have already demonstrated their interest in the region by taking the decision to cruise in the Caribbean. This presents destinations with the opportunity to convert cruise visitors (many of whom admit to being on a familiarization tour of the Caribbean) into future stayover tourists. There is need for further research as to market perceptions of the two products, the degree of direct competition and demand substitution between them, or the extent of conversion to stayover visitor.*
- *Regional sourcing of goods and services – further concerted efforts are required to increase the level of regional sourcing of goods and services by cruise lines; the industry appears to be interested in working with Caribbean destinations in this area (eg supply of fresh fruit and vegetables), providing that their criteria of price, quality and delivery can be met, but quantities can be very large for a single Caribbean supplier*

In addition to the critical issues cited in the 2002 Strategic Plan, it is important to note that many industry players in the Caribbean – and in particular hoteliers – are concerned at what they see as an unfair playing field for cruise and land-based tourism. Despite the fast growth of cruise passenger arrivals, their contribution to the region’s economies is in many cases negligible, accounting for less than ten per cent of total international tourism receipts. Moreover, the cruise industry’s growth is largely due to its tax-free status. When some governments have dared to consider imposing head taxes on cruise passengers the result has usually been a pull-out from that particular country by the cruise ship operator.

Other criticism of cruise lines relates to the fact that they have always refused to contribute to the regional marketing campaign and other joint marketing initiatives, and they refused to pay the environmental levy that all land-based hotels were obliged to pay.

The regional authorities, public and private sector, should undertake to develop and agree a regional cruise line strategy that addresses these above-mentioned issues and many others that have created negative perceptions, attitudes and relations between the cruise lines, destinations and land-based operators. These include infrastructure development, port operation, carrying capacity, port and destination charges and cruise passenger fees. Closer co-operation could help pave the way for a more harmonious and sustainable relationship. In many respects the destinations need to understand that, although they are in competition with the cruise lines for visitor business, they are also partners. It is a difficult equation between destinations and the cruise lines, but some kind of balance must be achieved so all parties can benefit.



## TIMESHARE

Over the past few years, new product concepts like timeshare have begun to find their way into the landscape of Caribbean Travel & Tourism.

One of the world's largest timeshare operators, Interval International, has been following the market for timeshare opportunities for a number of years, and it reports that timeshare continues to be one of the fastest-growing segments of the global Travel & Tourism economy. Global membership growth has continued to increase over the past 22 years at a compound annual rate in excess of 17.5 per cent. Currently, over 5,000 resorts are located in over 110 countries and over nine million weeks of timeshare are owned.

In general, timeshare has matured as a Travel & Tourism product category and is now viewed as a mainstream hospitality product that neatly supplements hotels and other accommodation products. It appeals to growing middle-class visitors who appreciate the entry of larger companies with strong reputations, offering higher-quality resorts, at affordable prices, in great destinations. The industry has also seen increased quality exchange opportunities, more flexible alternatives, increased consumer protection and vacation/holiday ownership that is a good hedge against inflation.

At the same time, the public sector appreciates the sustainable development associated with timeshare, not to mention its significantly higher occupancies, longer visitor stays, more frequent and return visits, and higher spending. Timeshare is also seen as a successful product for softening down-cycles and directing traffic to new tourist areas, as well as alleviating problems of accommodation over-supply.

Since the outlook for timeshare in the Caribbean seems so positive, it is imperative that industry leaders work in partnership with governments to establish sound regulations that protect the consumer and allow legitimate timeshare developers to grow their businesses. The cornerstone of these regulations should be a seven-day cooling off period to allow the consumer time to think things over before a sale becomes final. Any money paid at the time of the sale will be held in an independent escrow account or trust during this seven-day cooling off period. Additional mechanisms that protect the consumer's rights over the life of the 'right to use' programme must also be instituted as another cornerstone of intelligent timeshare regulation. A number of countries, including the USA and members of the European Union, provide best-case examples of regulatory law for timesharing that Caribbean governments should consider in developing its regulatory structure.

## INFORMATION MANAGEMENT

*To successfully address the challenge from competing destinations in other parts of the world, the Caribbean needs to utilize the best available tools and technology to manage, develop and market the tourism industry. New information-related technologies are rapidly transforming the Travel & Tourism industry, which has been among the earliest and largest users of these new tools. The World Tourism Organization projects that transactions over the Internet will account for up to one quarter of all tourism sales in the main markets over the*

*next 4-5 years. This has posed many challenges for travel agents in their role as sources of information and as sales outlets. The use of new technologies should, however, also be seen as providing opportunities for agents to serve the consumer in new ways.*

*If managed properly, the revolution in information technology can be used to open new opportunities for Caribbean tourism, but this means that planners and decision-makers, in both the public and private sectors, are not only provided with access to timely, relevant and accurate information, but have the knowledge and tools to utilize it. National tourism organizations (NTOs) in the Caribbean, which in some cases have been slow to respond to changes in ways of doing business and of exploiting the potential of new technologies such as the Internet, must quickly become much more expert as information managers, ensuring that they have the facilities including the right personnel to collect, store and disseminate comprehensive, high-quality information about the tourism product.*

Mention should also be made of the Caribbean Society of Hotel Association Executives (CSHAE), comprising high-level representatives of all the islands' hotel associations, which is endeavouring to co-ordinate information technology efforts and Internet presence across the region.

*Critical issues for the future include:*

### Internet

*The ultimate success of the umbrella Internet system for the Caribbean, developed by CTO (called Caribbean Global Gateways), will depend not only on how well the umbrella system has been designed and executed, but also on the quality of the individual participating country sites. These must achieve some minimum quality standard in order to get maximum benefit from the new system. Otherwise, there will be a serious risk of skewing the benefits towards those countries with better-organized sites, not to mention the risk of compromising the effectiveness of the entire system. There is therefore a great need for training of personnel at all levels of the industry to ensure that they are equipped to deal with this new technology. To minimize costs, much of the training can be provided at regional seminars and workshops, attachments, etc.*

*At the regional level, there is need to develop and implement a programme for future self-sustainability for CGG, both through cost savings and income generation (eg via sponsorship, partnerships or sale of merchandising rights; information sales; sale of advertising; commission on third party sales, a CGG internet shop and the appointment of a commercial manager to develop and promote CGG commercial activity. It is also imperative that a booking and purchasing facility is developed for CGG.*

This above-mentioned project has, nevertheless, received strong criticism from travel agencies in the Caribbean.

### Deficiencies in Existing Tourism Information Systems

*The events of 11 September highlighted the Caribbean's inability to quickly but accurately evaluate the immediate impact of this and similar manmade or natural catastrophes and their likely implications for the region's economies in the short and medium term. In particular, this underlined the need to improve the region's tourism information systems in the following areas: more timely visitor arrival statistics; improved hotel occupancy and performance statistics; improved market intelligence and market research; improved economic analysis (ie improved methods of measurement of the economic contribution made by tourism).*



## Research

*Research is needed to answer key questions about the performance and impact of the tourism industry in the Caribbean. In the past, the main part of the CTO research programme has been carried out on an irregular basis with assistance from donor agencies.*

Monitoring demand trends on a regular basis implies the provision of good quality statistical data on Caribbean Travel & Tourism, including data on international visitor arrivals and departures, intra-regional and domestic tourism, hotel operating performance, expenditure patterns, attitudes and preferences, as well as on the overall economic contribution of Travel & Tourism.

*The region needs to fund an ongoing comprehensive tourism research programme that should be undertaken jointly by CTO, CHA, the UWI and other tertiary institutions in the region, and national entities working together.*

A regional Tourism Forecasting Council (TFC) – established along the same lines as Australia’s successful TFC, in which all stakeholders are well represented and confidentiality and trust are present to encourage real private sector participation – could be a useful tool for ensuring the credibility of historical results and future demand forecasts. It could also help to anticipate future capital investment and infrastructure needs, mitigating serious supply shortages or oversupply.

## Implement Satellite Accounting on an Annual Basis

Travel & Tourism needs to be effectively measured in order to understand its full impact throughout the economy. As a new industry, Travel & Tourism is not discretely identified in charts of national or state accounts – its component parts are scattered throughout the accounts. Public sector analysis and related policies tend to overlook, or understate, the impact of the industry, or deal with its smaller individual components.

The technique of satellite accounting is designed to measure the new service sectors, and this Tourism Satellite Account (TSA) research developed by WTTC and OEF for the Caribbean should prove to be a significant tool for planning and policy development. WTTC urges the regional organizations in concert with national government agencies, possibly using the resources of the Tourism Forecasting Council discussed above, to update this TSA on an annual basis to ensure that adequate data is available to factor Travel & Tourism into economic and employment strategies.

## INTRA-CARIBBEAN TOURISM

*The Caribbean market is the third largest market for the Caribbean after the USA and Europe. Traditionally, many of the Caribbean visitors have travelled to other Caribbean destinations mainly for business or to visit friends and/or relatives (VFR) or to shop. More and more, however, Caribbean people travel to other Caribbean countries for events such as festivals and sports, as well as for leisure.*

*Long deprived of any form of active promotion and advertising by either governments or the land-based private sector, the intra-Caribbean market would appear to have a potential for growth that has not as yet been fully exploited. Recently, a few countries and a few Caribbean carriers have been addressing this market with some success. These efforts are now being bolstered by CTO, which in 2001 launched for the first time a dedicated intra-Caribbean marketing programme, with a budget of US\$200,000 and the recruitment of a marketing professional to manage the project. This effort needs to be fully supported at the national level. It is most important that the development of the intra-Caribbean travel market must be seen as a collaborative effort between CTO and its member countries.*

## Cultural Tourism

*The region's cultural heritage, encompassing its built heritage, monuments and historic sites, the performing, visual and literary arts, festivals, folklore, etc, can become an important component of the tourist product offering, and already, in certain countries, much has been done to exploit its potential.*

*However, strategies need to be formulated to ensure that the further development of the cultural heritage as a tourism product is undertaken in a responsible and co-ordinated manner, including:*

- *More research eg to create an inventory of cultural heritage sites, monuments, landscapes and cultural patrimony, including architecture, oral history, folk traditions, visual, literary and performing arts, archaeological resources and collective memory working with the Caribbean Monuments and Sites Organization (CARIMOS) and the Museums Association of the Caribbean (MAC);*
- *Development of realistic business plans by experts for any proposed heritage tourism project, including the need to ensure that all funding is in place at the outset of the project and that the project can generate sufficient demand from visitors to at least cover long-term maintenance costs;*
- *The need to provide co-ordinated and ongoing support to artistes and cultural heritage institutions in the development and effective marketing of the region's cultural products, including specific action to raise the quality of hotel shows to match those provided on cruise ships;*
- *A specific medium-term strategy to attract and support a limited number of 'hallmark' cultural, sporting and other events that are compatible with the destination and the type of tourists that the region wishes to target; and*
- *Support for the development of historic or cultural 'trails' which link common historical or cultural experiences; one such route, similar in concept to the Ruta Maya in Central America and the Silk Route in Central Asia, is the Slave Route which is being developed and implemented through UNESCO's Cultural Tourism Programme; and the rather similar African Diaspora Heritage Tourism Trail which being promoted by Bermuda. It is proposed to establish a Slave Route secretariat within CTO, but more human and financial resources need to be allocated to get this project more firmly underway.*

## HUMAN RESOURCE DEVELOPMENT<sup>3</sup>

*Tourism is a labour-intensive, quality-driven service profession. It depends crucially on the skills level and professionalism of the workforce to make the sector productive and competitive. The human resources requirements of the tourism sector require a systematic strategy and action that is responsive to the needs of the industry and relevant to national and regional experiences.*

In this regard, Travel & Tourism, by its very nature, requires greater flexibility of labour laws to accommodate the seasonality, daily flows and other operating characteristics of a 24-hour daily/7-day weekly industry.

*While a significant amount of tourism education and training activity is currently being provided throughout the region, much is still unco-ordinated and fragmented. For this reason, CTO spearheaded the setting up of the Caribbean Tourism Human Resource Council (CTHRC) in 1997 to serve as an overall co-ordinating agency for tourism human resource development.*

It should be noted that the CTHRC has not yet really found its stride – in fact, focus group participants said that it has generated a lot of talk, but little action to date. *The success of the Council as a co-ordinating agency depends on building strong partnerships with key stakeholders, particularly CHA, and for this it must be equipped with the necessary human and financial resources – in addition to that being provided by donors such as CIDA (for the development of a Tourism Learning System) and the EU (under the Caribbean Regional Tourism Sector Development Programme).*

*Other key HRD issues include:*

### Global Competition

*Increasing global competition and consolidation in Travel & Tourism are putting pressure on Caribbean hoteliers' profit margins while, at the same time, requiring them to improve and differentiate their products to meet international standards and to invest in training to upgrade the professionalism of the tourism workforce without being able to significantly improve rewards and compensation.*

### Public Perception of Tourism

*Worldwide, as well as in the Caribbean, the hospitality industry is having difficulty in attracting and retaining motivated employees because of its image as primarily offering low-pay, low-status jobs, with long demanding working hours and difficult conditions, with little to offer in terms of worthwhile careers or career advancement opportunities. Serious attention must be paid to the issues of employee and workforce sustainability: the pressure to improve efficiency and production must be balanced with the need for quality of work life and general quality of life for tourism workers.*

At the same time there is a real concern among some Caribbean operators and destinations that service quality has deteriorated and is becoming a real product delivery issue. In some cases this deterioration reflects a lack of awareness by employees regarding the difference between 'service' and 'servitude', which must be addressed to guarantee the sustainability of the tourism product.

### Tourism Workforce

*Being labour-intensive, the tourism sector has the potential to ease somewhat the growing burden of unemployed or underemployed persons in the region, particularly at the unskilled level, but it is imperative that some form of basic skills training and re-training is provided for unemployed/underemployed persons wishing to join the tourism workforce and become productive employees.*

### Tourism Education and Training Services

*There is need to give Caribbean nationals early exposure to tourism, beginning at the primary and secondary education levels and as a separate subject at the CXC and CAPE secondary levels of certification in order to help create a better understanding/appreciation of the importance of tourism, a greater social acceptance of the sector, and to attract young people to consider and choose tourism as a serious career option.*

*It is also necessary to raise the quality of tourism education and training programmes at the post-secondary level to prepare new entrants for the sector and to upgrade and refresh skills of tourism workers at all levels.*

<sup>3</sup>See 'Human Resource Development in the Caribbean: Competing with the Best' (Tourism Summit Paper prepared jointly by CTO/CHA/UWI/ACTI/ and the Caribbean Congress of Labour (CCL))

*Adequate resources need to be provided to enable local and regional tourism training institutions to provide quality education and training to develop a highly competent tourism workforce.*

*Education and development of management talent is also crucially important for raising standards to international levels; outmoded authoritarian or paternalistic management styles must be replaced by a more modern 'consultative' style which seeks out the opinions and ideas of the employees in the decision-making process. The new tourism manager must also understand how properly to recruit and retain staff who can add value to the business.*

Training also needs to continue into the workplace where 'cross training and cross flexibility' of jobs will provide additional opportunities and motivation to the workforce. Efforts to provide incentives for in-house training should be explored.

## INSTITUTIONAL STRENGTHENING

*National and regional tourism organizations, especially CHA and CTO, must be equipped with the human and financial resources necessary to fulfil their expanding mandates in the areas of product development, marketing, human resource development and information management. In particular, with the advent and impact of new technologies, such as the Internet, these organizations must ensure that they have the facilities and the right personnel to collect, store and disseminate comprehensive, high-quality information about the tourism product.*

One of the more frequent comments made during the private and public sector focus group sessions conducted in preparation of this report was that the roles and responsibilities of CHA and CTO were neither sufficiently clear nor effectively communicated. It was suggested that, in some instances, existing functions were no longer necessary, applicable or appropriate and should be reconsidered in light of this Strategic Plan.

WTTC recommends that, following the recently announced retirement of the current CTO Secretary General at the end of the year and the appointment of a new Secretary General, the CHA and CTO should convene a Caribbean Travel & Tourism Congress. This would involve both organizations and their respective members in designing, agreeing and establishing a permanent Caribbean Tourism Strategy Committee that would update and implement a public-private sector-endorsed Caribbean Tourism Strategic Plan.

The Caribbean Tourism Strategy Committee should be the region's leading demonstration of public-private sector partnership with a board of directors comprising the most influential private sector CEOs and professional tourism directors representing all segments of the industry, together with public sector tourism ministers from the broadest possible range of tourism destinations.

The Tourism Strategy Committee would allow the industry to speak regionally with one voice and provide a guiding vision to the tactical functionality of both CHA and CTO, while at the same time allowing them to maintain their individual mandates, personalities and independence.

## MARKETING AND FUNDING

Following the acceptance of the Caribbean Tourism Strategic Plan by the Caribbean Tourism Organization Board in 2002, the entire plan was sidelined by the disagreement of some important and influential players over the funding mechanism necessary and appropriate to implement the plan. Although the tourism ministers had unanimously agreed to implement a uniform head tax of US\$20 on cruise ship passengers at the June 2003 CTO Board meeting, the agreement quickly dissolved behind closed doors and the momentum for the Strategic Plan was lost.

It is the conclusion of WTTC, following discussions with many parties in this matter, that the failure to reach and maintain agreement on the funding mechanism is due to three reasons. First, there is insufficient consensus that regional marketing for Caribbean tourism is necessary, appropriate or feasible at this moment in time. Although many have argued in favour of a regional marketing programme – especially as it relates to the smaller destinations that have few local resources (financial and other) – there is still significant reluctance by a number of the more independent destinations to undertake a regional marketing effort. Second, although the arguments in favour of a cruise ship head tax were well intentioned, they completely ignored and underestimated the politics of the proposal and it was doomed to fail from the outset. Finally, in review of the proposed Tourism Development Fund expenditures, the marketing item accounted for more than three-quarters of the total expenditure, which is a major commitment for an unproven concept and unproven organization. For all these reasons, therefore, the momentum for the broader Strategic Plan was lost.

Given these circumstances, WTTC recommends that the marketing initiative be presented as an addendum in the Strategic Plan with consideration for possible later implementation. This treatment would allow the broader Travel & Tourism issues to become the focus of the Strategic Plan, allow immediate implementation of the plan, provide a basis for confidence building and require significantly lower funding.

The funding mechanism for this Strategic Plan should be revisited using hindsight as a guide, involving all players, public and private, and in this case provide for a more equitable and politically sound solution. WTTC recommends that the Caribbean Tourism Strategy Committee previously discussed, design, agree and establish a funding mechanism that balances the economics of supply and demand with the politics of operators and destinations. Although the task will not be easy, it is imperative that all players – public and private, land-based, cruise and aviation, small and large countries, tourism-intensive and diversified – build a consensus that works for the whole of the Caribbean.

Meanwhile, the region's Travel & Tourism's stakeholders could learn some valuable lessons from the successful brand campaigns undertaken by the Pacific Asia Travel Association (PATA). Its project Phoenix, PATA's most successful global consumer communications campaign to date, was designed to re-invigorate Travel & Tourism after the successive batterings the industry suffered over the past few years as a result of terrorist attacks, wars and the SARS outbreak.

# SATELLITE ACCOUNT

CARIBBEAN	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	6,434.50	6,909.20	6,972.90	7,298.20	7,426.70	7,985.40	15,826.00
Business Travel & Tourism	1,392.40	1,454.20	1,384.20	1,231.80	1,215.20	1,301.70	2,545.40
Gov't Expenditures - Individual	474.08	512.35	555.55	590.64	568.96	577.39	1,109.80
Visitor Exports	15,919.00	16,753.00	16,449.00	15,602.00	16,502.00	19,013.00	40,653.00
Travel & Tourism Consumption	24,220.00	25,629.00	25,362.00	24,722.00	25,713.00	28,878.00	60,134.00
Gov't Expenditures - Collective	1,087.40	1,174.60	1,274.70	1,355.10	1,304.50	1,324.60	2,545.30
Capital Investment	6,054.10	6,542.30	6,826.90	7,103.60	7,234.10	7,390.90	13,712.00
Exports (Non-Visitor)	1,709.50	1,956.20	2,211.90	2,279.70	2,467.10	2,715.50	5,503.80
Travel & Tourism Demand	33,071.00	35,302.00	35,675.00	35,461.00	36,718.00	40,309.00	81,895.00
T&T Industry GDP	7,505.90	7,743.40	7,704.10	7,323.20	7,632.80	8,671.10	18,407.00
T&T Economy GDP	24,007.00	24,991.00	25,553.00	24,897.00	25,744.00	28,428.00	58,495.00
T&T Industry Employment ('000)	719.24	721.76	681.43	656.22	697.87	814.55	1,092.10
T&T Economy Employment ('000)	2,173.50	2,189.10	2,115.70	2,062.40	2,147.50	2,416.50	3,170.60

## Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	6.60	6.63	6.32	6.30	6.26	6.54	7.16
Gov't Expenditures	8.77	8.86	8.92	8.95	8.44	8.22	8.74
Capital Investment	21.98	22.31	21.98	21.85	21.77	21.67	22.41
Exports	22.45	21.34	19.78	18.13	17.77	18.39	18.75
Imports	10.06	10.58	9.83	9.72	9.56	9.69	9.91
T&T Industry GDP	5.29	5.15	4.76	4.17	4.13	4.50	5.21
T&T Economy GDP	16.92	16.62	15.79	14.17	13.93	14.75	16.55
T&T Industry Employment	4.99	4.92	4.56	4.34	4.55	5.22	5.88
T&T Economy Employment	15.08	14.91	14.16	13.63	13.99	15.48	17.06

## Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)

Personal Travel & Tourism	0.87	3.92	-3.86	0.67	-1.28	6.04	3.78
Business Travel & Tourism	8.62	1.27	-7.64	-12.29	-1.84	6.90	3.77
Gov't Expenditures	1.48	4.89	3.83	3.85	-4.76	1.19	3.31
Capital Investment	6.23	5.42	-0.13	1.52	0.39	1.65	3.11
Visitor Exports	2.72	2.12	-5.73	-7.58	5.05	16.81	4.41
Other Exports	16.08	11.60	3.57	-2.27	3.56	8.03	3.93
Travel & Tourism Demand	3.79	3.67	-3.42	-3.51	1.94	9.97	3.96
T&T Industry GDP	1.43	0.07	-4.25	-7.12	3.65	14.85	4.38
T&T Economy GDP	2.39	1.07	-1.87	-4.93	2.41	11.02	4.08
T&T Industry Employment	1.63	0.35	-5.59	-3.70	6.35	16.72	2.99
T&T Economy Employment	1.39	0.72	-3.35	-2.52	4.12	12.52	2.76

ANGUILLA	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	9.19	10.21	9.94	10.03	10.46	11.57	24.21
Business Travel & Tourism	1.41	1.45	1.28	1.15	1.22	1.38	2.85
Gov't Expenditures - Individual	0.45	0.57	0.55	0.63	0.64	0.65	1.40
Visitor Exports	57.50	56.63	59.99	56.51	60.18	67.81	152.22
Travel & Tourism Consumption	68.55	68.86	71.76	68.32	72.50	81.41	180.68
Gov't Expenditures - Collective	1.25	1.25	1.33	1.37	1.50	1.63	3.08
Capital Investment	7.16	7.37	7.70	8.13	8.67	9.25	17.63
Exports (Non-Visitor)	1.45	2.29	2.15	2.29	2.41	2.56	4.43
Travel & Tourism Demand	78.41	79.76	82.93	80.11	85.07	94.85	205.82
T&T Industry GDP	24.67	24.13	25.49	23.86	25.42	28.77	66.24
T&T Economy GDP	63.62	63.46	66.60	63.34	67.56	75.91	170.12
T&T Industry Employment ('000)	1.68	1.70	1.84	1.76	1.71	1.91	3.20
T&T Economy Employment ('000)	4.16	4.26	4.60	4.46	4.34	4.80	7.92



# TABLES

## Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	12.53	13.07	12.30	11.76	11.51	11.96	13.33
Gov't Expenditures	13.14	13.19	13.23	13.27	13.33	13.39	13.97
Capital Investment	55.36	53.45	53.95	54.04	54.12	54.20	55.03
Exports	51.35	50.19	50.01	47.25	47.15	48.48	53.47
Imports	11.68	12.10	11.71	11.39	11.30	11.61	13.02
T&T Industry GDP	28.59	27.91	29.05	26.95	25.41	27.26	36.34
T&T Economy GDP	73.74	73.40	75.91	71.55	67.54	71.94	93.31
T&T Industry Employment	33.16	32.38	33.70	31.27	29.47	31.63	38.30
T&T Economy Employment	82.14	81.42	84.29	79.12	74.67	79.69	95.00

## Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)

Personal Travel & Tourism	-1.55	10.62	-2.00	-3.50	1.73	7.91	5.07
Business Travel & Tourism	8.24	2.10	-11.28	-13.62	3.19	10.23	4.94
Gov't Expenditures	10.54	6.45	4.41	1.29	4.35	4.34	4.35
Capital Investment	3.72	2.33	5.15	1.08	4.07	4.05	4.06
Visitor Exports	-5.66	-1.98	6.60	-9.88	3.90	9.92	5.80
Other Exports	30.83	57.69	-5.60	1.98	2.50	3.80	3.06
Travel & Tourism Demand	-3.36	1.25	4.64	-7.60	3.61	8.77	5.44
T&T Industry GDP	-5.06	-2.63	6.31	-10.47	3.93	10.43	6.08
T&T Economy GDP	-3.80	-0.73	5.62	-9.02	4.07	9.60	5.78
T&T Industry Employment	-10.23	1.03	8.47	-4.24	-2.80	11.38	5.35
T&T Economy Employment	-9.42	2.58	7.87	-3.11	-2.67	10.77	5.17

## ANTIGUA AND BARBUDA

	1999	2000	2001	2002	2003E	2004E	2014P
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## Travel & Tourism - US\$ mn

Personal Travel & Tourism	51.06	49.31	49.02	50.52	52.68	57.98	100.73
Business Travel & Tourism	18.94	20.09	18.82	18.41	19.57	22.16	44.57
Gov't Expenditures - Individual	12.03	12.90	15.97	13.34	14.18	15.07	28.82
Visitor Exports	356.60	362.03	339.69	323.84	338.36	402.56	807.49
Travel & Tourism Consumption	438.64	444.34	423.50	406.12	424.79	497.77	981.61
Gov't Expenditures - Collective	27.67	29.37	36.32	30.73	32.45	34.73	65.99
Capital Investment	151.57	147.08	135.73	161.09	169.75	180.83	336.22
Exports (Non-Visitor)	1.03	1.76	1.42	1.50	1.62	1.79	3.39
Travel & Tourism Demand	618.90	622.55	596.98	599.43	628.61	715.12	1,387.21
T&T Industry GDP	169.33	172.48	163.68	155.43	162.59	192.61	388.24
T&T Economy GDP	548.52	553.79	529.72	529.67	555.55	635.85	1,253.50
T&T Industry Employment ('000)	10.26	10.42	9.64	8.88	8.96	10.38	12.91
T&T Economy Employment ('000)	26.79	27.05	27.22	25.98	26.25	28.31	32.05

## Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	12.86	13.42	13.55	11.70	11.49	11.90	11.31
Gov't Expenditures	27.07	27.18	27.52	27.19	27.29	27.40	28.55
Capital Investment	73.60	73.11	73.03	73.35	73.46	73.58	74.86
Exports	75.12	74.30	72.85	70.72	70.13	72.27	71.89
Imports	13.28	13.84	14.16	13.62	13.43	13.86	14.74
T&T Industry GDP	25.99	26.15	23.99	21.83	21.74	24.87	29.08
T&T Economy GDP	84.20	83.95	77.65	74.40	74.28	82.12	93.89
T&T Industry Employment	36.39	36.61	33.59	30.57	30.44	34.82	38.28
T&T Economy Employment	95.00	95.00	94.82	89.39	89.18	95.00	95.00

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	1.50	-2.24	-3.68	0.84	1.74	7.37	3.13
Business Travel & Tourism	2.92	7.39	-9.25	-4.29	3.74	10.44	4.64
Gov't Expenditures	3.21	7.80	19.84	-17.54	3.23	4.18	4.05
Capital Investment	5.13	-1.76	-10.60	16.12	2.81	3.93	3.80
Visitor Exports	10.10	2.78	-9.10	-6.72	1.94	16.06	4.62
Other Exports	17.72	72.75	-21.71	3.34	4.97	8.23	3.98
Travel & Tourism Demand	7.43	1.83	-7.10	-1.75	2.32	10.98	4.25
T&T Industry GDP	9.64	3.11	-8.06	-7.09	2.06	15.57	4.66
T&T Economy GDP	8.21	2.21	-7.33	-2.17	2.34	11.65	4.42
T&T Industry Employment	6.74	1.55	-7.48	-7.87	0.83	15.85	2.23
T&T Economy Employment	1.20	0.95	0.64	-4.56	1.02	7.86	1.25

**ARUBA**

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	171.37	182.83	172.00	162.37	164.42	181.65	384.41
Business Travel & Tourism	44.58	44.69	45.16	41.54	44.95	51.45	121.26
Gov't Expenditures - Individual	18.15	19.53	21.05	22.91	24.86	27.01	61.50
Visitor Exports	832.60	674.30	924.80	905.37	923.92	1,021.80	1,904.45
Travel & Tourism Consumption	1,066.70	921.35	1,163.00	1,132.18	1,158.14	1,281.92	2,471.62
Gov't Expenditures - Collective	41.45	44.79	48.43	52.51	57.03	61.90	141.04
Capital Investment	155.10	161.92	175.31	188.97	204.72	221.68	488.05
Exports (Non-Visitor)	39.60	44.67	75.50	56.19	62.63	66.95	127.21
Travel & Tourism Demand	1,302.84	1,172.74	1,462.24	1,429.84	1,482.52	1,632.44	3,227.90
T&T Industry GDP	363.83	281.82	400.38	398.45	404.78	448.43	872.35
T&T Economy GDP	1,016.95	833.59	1,152.22	1,150.25	1,185.47	1,305.76	2,620.05
T&T Industry Employment ('000)	14.85	11.05	15.01	14.43	14.12	14.99	18.99
T&T Economy Employment ('000)	38.04	29.38	39.18	37.75	37.29	39.43	50.99

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	14.63	14.53	12.72	11.12	10.42	10.66	10.43
Gov't Expenditures	20.35	20.45	20.55	20.66	20.76	20.87	21.98
Capital Investment	77.59	75.38	75.92	75.78	76.00	76.19	77.55
Exports	36.29	20.98	31.66	36.65	34.61	35.23	33.16
Imports	10.52	10.31	10.36	10.38	10.02	10.16	11.73
T&T Industry GDP	21.53	15.62	20.78	19.31	18.26	18.72	16.84
T&T Economy GDP	60.17	46.19	59.81	55.74	53.47	54.52	50.58
T&T Industry Employment	30.14	21.86	29.09	27.03	25.56	26.21	23.58
T&T Economy Employment	77.20	58.11	75.95	70.70	67.49	68.96	63.30

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	6.13	2.98	-9.09	-8.66	-2.30	6.03	3.45
Business Travel & Tourism	11.77	-3.23	-2.34	-11.01	4.41	9.85	4.58
Gov't Expenditures	7.99	4.17	4.39	5.01	4.76	4.21	4.21
Capital Investment	2.83	0.77	4.62	4.29	4.53	3.92	3.85
Visitor Exports	4.21	-21.83	32.53	-5.28	-1.54	6.14	2.14
Other Exports	42.40	8.90	63.32	-28.00	7.56	2.59	2.33
Travel & Tourism Demand	5.57	-13.11	20.49	-5.39	0.04	5.68	2.75
T&T Industry GDP	2.97	-25.23	37.29	-3.71	-1.99	6.32	2.58
T&T Economy GDP	3.81	-20.88	33.57	-3.41	-0.56	5.71	2.90
T&T Industry Employment	10.77	-25.56	35.78	-3.85	-2.15	6.14	2.40
T&T Economy Employment	11.35	-22.75	33.35	-3.66	-1.22	5.73	2.61

## BAHAMAS

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	616.48	612.18	640.11	655.19	689.53	745.97	1,427.94
Business Travel & Tourism	106.43	89.94	91.28	81.58	86.99	97.76	189.94
Gov't Expenditures - Individual	22.58	24.24	25.64	26.97	28.76	30.61	56.75
Visitor Exports	1,597.80	1,829.30	1,681.90	1,507.10	1,613.40	1,884.40	4,490.02
Travel & Tourism Consumption	2,343.29	2,555.66	2,438.93	2,270.84	2,418.68	2,758.73	6,164.64
Gov't Expenditures - Collective	51.92	55.36	58.85	61.90	65.96	70.15	130.02
Capital Investment	538.23	581.73	632.78	667.86	709.70	752.80	1,357.80
Exports (Non-Visitor)	23.47	21.22	18.55	27.68	29.36	31.40	59.78
Travel & Tourism Demand	2,956.91	3,213.98	3,149.11	3,028.29	3,223.71	3,613.07	7,712.24
T&T Industry GDP	838.34	920.66	884.26	801.67	858.54	990.45	2,296.32
T&T Economy GDP	2,431.41	2,645.57	2,623.74	2,473.15	2,644.02	2,986.82	6,555.23
T&T Industry Employment ('000)	38.77	40.28	39.26	35.30	37.57	42.08	67.28
T&T Economy Employment ('000)	101.71	105.03	104.57	96.48	102.56	113.29	174.70

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	21.24	19.82	19.60	19.13	18.97	19.37	20.80
Gov't Expenditures	13.58	13.64	13.69	13.74	13.79	13.85	14.40
Capital Investment	63.05	64.04	65.88	66.32	66.39	66.47	67.26
Exports	73.99	64.57	67.17	63.37	63.52	65.48	69.05
Imports	19.03	17.85	19.43	18.41	18.24	18.76	21.94
T&T Industry GDP	18.51	19.11	18.38	16.19	16.90	18.56	24.14
T&T Economy GDP	53.70	54.91	54.55	49.95	52.05	55.96	68.91
T&T Industry Employment	25.92	26.75	25.74	22.67	23.66	25.98	33.79
T&T Economy Employment	68.00	69.77	68.55	61.96	64.59	69.93	87.75

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	5.74	-2.48	2.54	0.14	3.49	5.54	4.11
Business Travel & Tourism	21.59	-17.01	-0.47	-12.57	4.85	9.64	4.28
Gov't Expenditures	5.21	4.93	4.08	2.91	4.80	3.77	3.77
Capital Investment	4.55	6.14	6.67	3.26	4.49	3.48	3.49
Visitor Exports	14.08	12.43	-9.84	-12.34	5.27	13.95	6.45
Other Exports	133.66	-11.20	-14.29	46.02	4.31	4.31	4.05
Travel & Tourism Demand	10.88	6.74	-3.92	-5.92	4.68	9.34	5.26
T&T Industry GDP	13.81	7.84	-5.81	-11.31	5.31	12.55	6.15
T&T Economy GDP	12.29	6.85	-2.75	-7.78	5.13	10.21	5.56
T&T Industry Employment	10.84	3.89	-2.51	-10.09	6.42	12.02	4.83
T&T Economy Employment	9.87	3.27	-0.44	-7.74	6.29	10.46	4.45

## BARBADOS

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	169.01	177.87	187.93	184.92	187.64	204.00	377.03
Business Travel & Tourism	58.59	63.96	62.25	55.89	56.12	62.27	124.13
Gov't Expenditures - Individual	24.66	26.90	28.39	27.87	28.19	29.57	55.85
Visitor Exports	686.50	721.50	696.30	670.94	699.43	843.21	1,687.78
Travel & Tourism Consumption	938.76	990.24	974.88	939.62	971.38	1,139.04	2,244.79
Gov't Expenditures - Collective	56.74	61.50	65.17	64.14	64.56	67.86	128.17
Capital Investment	311.61	329.10	347.04	364.84	383.66	402.35	742.25
Exports (Non-Visitor)	7.71	11.93	9.99	10.35	10.87	12.06	24.24
Travel & Tourism Demand	1,314.81	1,392.76	1,397.07	1,378.96	1,430.47	1,621.31	3,139.45
T&T Industry GDP	344.78	363.35	354.70	341.07	353.06	420.26	843.87
T&T Economy GDP	1,121.65	1,187.93	1,188.64	1,174.27	1,218.94	1,391.87	2,731.97
T&T Industry Employment ('000)	22.02	22.34	21.23	23.44	24.07	28.04	39.97
T&T Economy Employment ('000)	63.89	65.05	62.96	70.94	72.99	82.43	115.54

### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	10.79	11.06	11.07	10.52	10.60	11.00	11.21
Gov't Expenditures	14.43	14.50	14.56	14.54	14.55	14.59	15.20
Capital Investment	65.07	64.65	64.82	64.91	65.00	65.09	66.20
Exports	53.21	53.21	51.79	51.96	51.66	54.23	53.23
Imports	13.34	13.50	14.37	13.89	13.54	13.94	15.19
T&T Industry GDP	13.85	13.76	12.79	13.81	13.86	15.75	18.30
T&T Economy GDP	45.05	44.97	42.87	47.55	47.86	52.18	59.26
T&T Industry Employment	17.45	17.33	16.12	17.40	17.47	19.85	23.06
T&T Economy Employment	50.61	50.46	47.79	52.66	52.97	58.35	66.66

### Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)

Personal Travel & Tourism	2.34	6.31	2.14	-1.77	-0.03	6.18	3.76
Business Travel & Tourism	-1.46	10.28	-5.92	-10.38	-1.07	8.35	4.55
Gov't Expenditures	10.40	9.70	2.31	-1.83	-0.70	2.60	3.97
Capital Investment	5.22	6.68	1.94	4.95	3.60	2.42	3.72
Visitor Exports	-6.77	6.16	-6.71	-3.81	2.70	17.74	4.60
Other Exports	18.87	56.19	-19.02	3.43	3.50	8.34	4.61
Travel & Tourism Demand	-1.68	7.00	-3.03	-1.47	2.20	10.69	4.24
T&T Industry GDP	-5.10	6.45	-5.63	-4.01	1.98	16.26	4.63
T&T Economy GDP	-1.76	6.98	-3.28	-1.38	2.27	11.52	4.38
T&T Industry Employment	-3.48	1.45	-4.96	10.41	2.67	16.50	3.63
T&T Economy Employment	-1.00	1.82	-3.21	12.67	2.89	12.93	3.45

### BERMUDA

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	183.00	180.00	171.07	168.86	173.73	190.01	350.00
Business Travel & Tourism	37.57	40.03	34.88	30.71	32.16	36.02	68.09
Gov't Expenditures - Individual	17.92	18.79	18.88	19.95	21.16	22.40	40.12
Visitor Exports	479.00	431.00	351.00	315.50	338.49	394.79	905.50
Travel & Tourism Consumption	717.49	669.81	575.82	535.02	565.54	643.22	1,363.71
Gov't Expenditures - Collective	41.08	42.98	43.55	45.74	48.43	51.41	92.03
Capital Investment	222.50	228.84	231.06	240.14	252.70	267.42	468.26
Exports (Non-Visitor)	19.91	21.13	29.36	31.01	32.27	33.85	50.29
Travel & Tourism Demand	1,000.98	962.76	879.79	851.91	898.94	995.90	1,974.28
T&T Industry GDP	228.73	208.69	172.53	156.62	167.85	194.64	442.35
T&T Economy GDP	768.53	730.33	657.98	633.47	674.13	753.14	1,552.49
T&T Industry Employment ('000)	4.43	3.91	3.24	2.85	2.92	3.23	4.79
T&T Economy Employment ('000)	12.84	11.66	10.24	9.40	9.61	10.33	14.28

### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	8.85	8.51	7.95	7.59	7.47	7.73	8.25
Gov't Expenditures	18.09	18.14	18.15	18.21	18.28	18.35	19.04
Capital Investment	46.05	45.52	45.64	45.68	45.74	45.81	46.50
Exports	33.42	29.92	25.74	23.08	23.31	24.93	30.61
Imports	13.37	13.19	12.91	12.62	12.47	12.89	14.57
T&T Industry GDP	8.85	7.76	6.37	5.57	5.68	6.23	8.62
T&T Economy GDP	29.72	27.15	24.29	22.52	22.80	24.11	30.24
T&T Industry Employment	12.38	10.86	8.92	7.79	7.95	8.72	12.06
T&T Economy Employment	35.87	32.35	28.22	25.74	26.11	27.90	36.01

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	2.56	-4.04	-7.28	-3.70	0.08	6.10	3.23
Business Travel & Tourism	-7.82	3.93	-14.99	-14.10	1.89	8.62	3.49
Gov't Expenditures	5.59	2.14	-1.39	2.66	3.05	2.89	2.91
Capital Investment	2.95	0.34	-1.49	1.40	2.36	2.66	2.68
Visitor Exports	-5.13	-12.22	-20.55	-12.31	4.36	13.14	5.53
Other Exports	20.84	3.51	35.58	3.04	1.24	1.76	1.01
Travel & Tourism Demand	-1.14	-6.17	-10.85	-5.53	2.65	7.47	3.98
T&T Industry GDP	-4.55	-10.99	-19.34	-11.43	4.25	12.49	5.43
T&T Economy GDP	-1.62	-7.29	-12.10	-6.07	3.52	8.38	4.38
T&T Industry Employment	-5.25	-11.71	-17.33	-11.98	2.68	10.49	4.03
T&T Economy Employment	-3.26	-9.19	-12.16	-8.18	2.16	7.56	3.31

**BRITISH VIRGIN ISLANDS****Travel & Tourism - US\$ mn**

	1999	2000	2001	2002	2003E	2004E	2014P
Personal Travel & Tourism	56.97	60.22	61.52	63.33	66.57	74.06	162.12
Business Travel & Tourism	7.96	8.35	7.84	6.99	7.36	8.08	15.06
Gov't Expenditures - Individual	2.04	2.21	2.28	2.35	2.45	2.51	4.64
Visitor Exports	252.00	269.90	260.09	229.51	239.09	272.78	566.95
Travel & Tourism Consumption	318.97	340.68	331.72	302.19	315.46	357.42	748.77
Gov't Expenditures - Collective	4.86	5.00	5.13	5.37	5.64	5.75	10.43
Capital Investment	28.13	29.69	30.55	31.53	32.83	33.25	58.50
Exports (Non-Visitor)	4.78	3.72	4.35	4.48	4.55	4.65	5.71
Travel & Tourism Demand	356.74	379.08	371.75	343.57	358.49	401.07	823.41
T&T Industry GDP	114.67	121.35	116.92	103.00	107.46	122.78	259.67
T&T Economy GDP	290.70	305.73	297.43	267.29	278.90	313.74	648.68
T&T Industry Employment ('000)	3.14	3.18	3.25	3.29	3.33	3.37	3.79
T&T Economy Employment ('000)	7.77	7.83	8.08	8.17	8.27	8.36	9.29

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	47.67	48.02	47.21	46.36	46.26	49.74	63.69
Gov't Expenditures	26.34	26.41	26.46	26.53	26.61	26.64	27.68
Capital Investment	52.69	53.39	53.69	53.72	53.73	53.79	53.81
Exports	65.02	65.56	64.30	60.86	61.23	63.70	73.86
Imports	49.01	51.19	49.64	48.75	48.67	51.11	65.84
T&T Industry GDP	37.57	37.80	37.44	36.70	36.70	37.27	38.12
T&T Economy GDP	95.24	95.24	95.24	95.24	95.24	95.24	95.24
T&T Industry Employment	38.27	38.27	38.26	38.29	38.27	38.27	38.27
T&T Economy Employment	94.79	94.36	95.00	95.00	95.00	95.00	93.77

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	-4.07	3.27	-0.37	0.36	2.54	8.54	5.54
Business Travel & Tourism	8.41	2.41	-8.46	-13.10	2.83	6.99	3.85
Gov't Expenditures	-1.06	2.08	0.21	1.58	2.22	-0.38	3.62
Capital Investment	0.25	3.08	0.37	0.62	1.57	-1.21	3.24
Visitor Exports	3.11	4.63	-6.01	-13.98	1.63	11.31	5.03
Other Exports	-8.05	-24.05	14.17	0.42	-0.96	-0.19	-0.42
Travel & Tourism Demand	1.53	3.81	-4.35	-9.91	1.79	9.15	4.88
T&T Industry GDP	2.42	3.38	-6.03	-14.13	1.79	11.47	5.21
T&T Economy GDP	1.90	2.74	-5.12	-12.40	1.79	9.75	4.96
T&T Industry Employment	1.23	1.22	2.39	1.25	1.12	1.15	1.20
T&T Economy Employment	1.01	0.76	3.11	1.18	1.16	1.15	1.06

**CAYMAN ISLANDS**

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	54.52	58.60	63.44	68.03	72.09	80.04	205.44
Business Travel & Tourism	32.69	36.51	31.56	28.20	30.19	34.34	77.50
Gov't Expenditures - Individual	11.01	11.89	14.11	14.86	16.05	17.30	37.58
Visitor Exports	508.30	554.69	483.28	448.27	451.19	499.79	1,051.20
Travel & Tourism Consumption	606.52	661.69	592.38	559.37	569.52	631.46	1,371.72
Gov't Expenditures - Collective	25.19	27.41	32.47	34.23	36.71	39.60	86.12
Capital Investment	95.40	82.49	118.05	94.62	101.09	108.33	209.94
Exports (Non-Visitor)	15.30	22.89	81.98	26.88	27.34	28.34	27.79
Travel & Tourism Demand	742.41	794.48	824.89	715.10	734.66	807.73	1,695.57
T&T Industry GDP	220.68	245.00	207.55	196.37	197.91	220.27	479.65
T&T Economy GDP	610.24	663.46	662.05	573.27	584.25	644.40	1,358.40
T&T Industry Employment ('000)	5.49	5.75	4.64	4.20	4.00	4.18	4.71
T&T Economy Employment ('000)	13.95	14.44	12.97	11.06	10.62	11.03	12.17

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	5.29	5.26	4.86	4.96	4.91	5.08	6.30
Gov't Expenditures	28.09	28.23	28.53	28.62	28.75	28.89	30.34
Capital Investment	70.51	56.43	68.86	52.52	52.47	52.40	49.05
Exports	56.24	57.84	59.26	50.96	50.47	52.01	68.51
Imports	17.00	15.69	18.48	15.26	15.11	15.25	15.93
T&T Industry GDP	17.46	18.19	14.57	13.09	12.38	12.84	13.51
T&T Economy GDP	48.28	49.26	46.46	38.21	36.56	37.57	38.26
T&T Industry Employment	24.45	25.47	20.39	18.32	17.34	17.98	18.91
T&T Economy Employment	62.18	63.92	57.00	48.28	46.02	47.44	48.85

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	5.09	4.76	5.40	4.43	3.17	7.80	6.69
Business Travel & Tourism	11.66	8.87	-15.84	-12.98	4.23	10.42	5.34
Gov't Expenditures	5.32	5.83	15.42	2.61	4.65	4.69	4.93
Capital Investment	-12.70	-15.71	39.33	-21.95	4.01	4.05	3.73
Visitor Exports	6.65	6.37	-15.17	-9.68	-2.00	7.55	4.59
Other Exports	-40.25	45.85	248.73	-68.08	-0.94	0.62	-3.05
Travel & Tourism Demand	2.12	4.31	1.09	-15.59	0.03	6.75	4.57
T&T Industry GDP	9.93	8.22	-17.52	-7.87	-1.87	8.06	4.96
T&T Economy GDP	4.81	5.97	-2.84	-15.68	-0.77	7.09	4.61
T&T Industry Employment	5.54	4.91	-19.36	-9.52	-4.72	4.45	1.22
T&T Economy Employment	2.33	3.51	-10.20	-14.71	-4.02	3.83	1.00

**CUBA**

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	874.62	973.40	872.07	1,004.74	1,068.60	1,155.90	2,058.93
Business Travel & Tourism	128.70	134.92	119.29	106.41	112.34	125.22	227.39
Gov't Expenditures - Individual	36.21	38.18	40.23	42.81	45.71	48.30	82.44
Visitor Exports	1,879.80	1,926.40	1,876.50	1,864.60	2,038.00	2,458.60	4,901.95
Travel & Tourism Consumption	2,919.33	3,072.90	2,908.08	3,018.56	3,264.65	3,788.02	7,270.71
Gov't Expenditures - Collective	83.09	87.49	92.32	98.10	104.78	110.76	189.28
Capital Investment	675.56	714.69	737.09	781.34	832.38	877.97	1,469.00
Exports (Non-Visitor)	35.80	41.00	44.91	48.47	50.62	53.29	86.85
Travel & Tourism Demand	3,713.78	3,916.08	3,782.40	3,946.46	4,252.43	4,830.03	9,015.84
T&T Industry GDP	860.72	886.70	872.82	864.37	943.60	1,134.95	2,267.73
T&T Economy GDP	2,634.24	2,738.10	2,745.87	2,775.66	3,008.45	3,490.61	6,681.86
T&T Industry Employment ('000)	162.27	159.67	152.35	140.98	146.14	166.86	220.24
T&T Economy Employment ('000)	489.63	485.95	472.07	445.55	458.68	505.87	640.75

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	5.29	5.61	4.78	5.20	5.21	5.35	5.71
Gov't Expenditures	5.56	5.58	5.60	5.62	5.64	5.66	5.86
Capital Investment	15.05	15.16	14.88	14.89	14.92	14.94	15.14
Exports	44.44	42.16	41.18	39.31	39.93	42.90	45.57
Imports	21.58	21.08	18.21	20.33	20.40	20.94	22.65
T&T Industry GDP	4.42	4.32	4.04	3.78	3.91	4.45	5.71
T&T Economy GDP	13.53	13.33	12.72	12.15	12.46	13.68	16.83
T&T Industry Employment	3.87	3.78	3.54	3.31	3.42	3.89	5.00
T&T Economy Employment	11.67	11.49	10.96	10.46	10.73	11.79	14.53

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	-1.35	2.70	-12.23	7.67	1.30	4.01	2.87
Business Travel & Tourism	-1.54	-3.27	-13.38	-16.63	0.55	7.18	3.08
Gov't Expenditures	-1.18	-2.80	3.33	-0.65	1.72	1.63	2.43
Capital Investment	1.21	-2.38	1.04	-0.94	1.46	1.42	2.22
Visitor Exports	0.98	-5.44	-4.57	-7.14	4.10	16.00	4.04
Other Exports	-13.23	5.70	7.30	0.86	-0.53	1.22	1.95
Travel & Tourism Demand	0.15	-2.70	-5.37	-2.49	2.63	9.22	3.35
T&T Industry GDP	-0.62	-4.94	-3.56	-7.45	3.97	15.65	4.06
T&T Economy GDP	-0.76	-4.09	-1.75	-5.53	3.23	11.57	3.61
T&T Industry Employment	2.05	-1.60	-4.58	-7.47	3.66	14.18	2.82
T&T Economy Employment	1.91	-0.75	-2.86	-5.62	2.95	10.29	2.40

**CURAÇAO**

1999      2000      2001      2002      2003E      2004E      2014P

**Travel & Tourism - US\$ mn**

Personal Travel & Tourism	191.20	189.20	184.88	178.24	179.14	193.59	328.32
Business Travel & Tourism	69.31	67.67	72.84	64.20	67.27	73.98	115.87
Gov't Expenditures - Individual	6.13	6.73	7.34	8.06	8.80	9.08	13.52
Visitor Exports	267.00	227.00	253.00	232.97	223.29	266.63	528.88
Travel & Tourism Consumption	533.64	490.60	518.06	483.47	478.51	543.27	986.59
Gov't Expenditures - Collective	13.97	15.54	16.89	18.47	20.19	21.08	31.14
Capital Investment	85.38	97.72	106.86	100.13	108.30	112.45	164.82
Exports (Non-Visitor)	12.64	9.46	11.04	11.17	11.34	11.72	16.68
Travel & Tourism Demand	645.63	613.32	652.85	613.24	618.33	688.52	1,199.22
T&T Industry GDP	86.58	56.62	72.30	73.59	71.44	89.44	188.25
T&T Economy GDP	252.39	174.30	222.51	229.23	228.55	277.01	547.81
T&T Industry Employment ('000)	2.07	1.25	1.51	1.46	1.36	1.63	2.53
T&T Economy Employment ('000)	5.45	3.41	4.12	4.03	3.81	4.47	6.65

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	11.17	11.12	10.63	10.01	9.70	10.10	11.86
Gov't Expenditures	4.67	4.69	4.72	4.75	4.77	4.79	4.91
Capital Investment	21.62	22.48	22.71	19.54	19.45	19.47	19.76
Exports	21.61	18.11	18.96	17.00	15.63	17.11	18.62
Imports	22.40	25.17	24.14	21.40	21.19	21.61	23.02
T&T Industry GDP	2.79	1.72	2.08	1.99	1.83	2.16	2.91
T&T Economy GDP	8.13	5.28	6.39	6.20	5.84	6.69	8.48
T&T Industry Employment	3.90	2.40	2.91	2.79	2.56	3.02	4.08
T&T Economy Employment	10.27	6.56	7.93	7.67	7.16	8.29	10.73

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	-1.18	-6.47	-4.04	-4.00	-1.46	5.43	3.39
Business Travel & Tourism	39.82	-7.72	5.70	-12.23	2.73	7.28	2.56
Gov't Expenditures	5.40	4.70	6.88	9.05	7.09	1.47	1.97
Capital Investment	25.86	8.18	7.38	-6.70	6.04	1.31	1.86
Visitor Exports	1.92	-19.64	9.45	-8.31	-6.04	16.50	5.01
Other Exports	-6.41	-29.24	14.61	0.72	-0.47	0.83	1.57
Travel & Tourism Demand	6.64	-10.21	4.53	-6.47	-1.15	8.64	3.65
T&T Industry GDP	-2.11	-38.19	25.40	1.34	-4.82	22.15	5.66
T&T Economy GDP	0.05	-34.73	25.37	2.58	-2.25	18.25	4.99
T&T Industry Employment	-9.03	-39.61	20.90	-3.11	-7.02	19.96	4.52
T&T Economy Employment	-7.70	-37.40	20.90	-2.33	-5.35	17.38	4.08

**DOMINICA**

1999 2000 2001 2002 2003E 2004E 2014P

**Travel & Tourism - US\$ mn**

Personal Travel & Tourism	19.61	18.88	18.29	17.22	17.31	18.92	32.21
Business Travel & Tourism	3.73	3.98	3.94	3.30	3.48	3.96	6.93
Gov't Expenditures - Individual	1.13	1.09	1.10	1.05	1.11	1.17	1.97
Visitor Exports	50.41	48.59	46.93	41.88	37.57	44.00	91.07
Travel & Tourism Consumption	74.88	72.54	70.25	63.45	59.48	68.05	132.19
Gov't Expenditures - Collective	2.47	2.59	2.56	2.43	2.54	2.74	4.44
Capital Investment	12.04	11.61	12.83	13.26	13.87	14.79	23.80
Exports (Non-Visitor)	1.57	2.28	1.64	1.88	2.06	2.22	3.91
Travel & Tourism Demand	90.95	89.02	87.28	81.02	77.95	87.80	164.34
T&T Industry GDP	23.69	22.80	22.26	19.72	17.99	21.08	43.39
T&T Economy GDP	66.97	65.24	64.62	59.53	56.21	64.36	125.92
T&T Industry Employment ('000)	2.98	2.73	2.80	2.63	2.45	2.84	4.11
T&T Economy Employment ('000)	8.22	7.61	7.90	7.71	7.39	8.39	11.61

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	11.70	10.67	11.29	10.79	10.39	10.66	11.42
Gov't Expenditures	5.96	5.97	5.96	5.95	5.96	5.99	6.18
Capital Investment	17.90	17.45	17.55	17.55	17.57	17.60	17.82
Exports	33.15	32.80	33.99	30.57	27.34	29.27	31.88
Imports	13.28	12.99	13.57	13.13	12.84	13.28	14.71
T&T Industry GDP	8.85	8.46	8.46	7.80	7.15	8.21	11.32
T&T Economy GDP	25.02	24.19	24.56	23.54	22.34	25.08	32.85
T&T Industry Employment	8.28	7.91	7.91	7.29	6.69	7.68	10.59
T&T Economy Employment	22.83	22.05	22.36	21.36	20.21	22.73	29.91

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	5.31	-4.28	-4.95	-5.56	0.01	7.70	3.42
Business Travel & Tourism	6.27	6.09	-2.94	-15.98	5.01	12.07	3.72
Gov't Expenditures	3.26	1.68	-2.68	-4.17	4.24	5.37	3.01
Capital Investment	-1.71	-4.07	8.40	3.63	4.08	5.08	2.82
Visitor Exports	23.24	-4.16	-5.26	-10.49	-10.73	15.37	5.46
Other Exports	4.23	44.49	-29.62	15.20	9.03	6.28	3.75
Travel & Tourism Demand	13.31	-2.68	-3.83	-6.89	-4.28	10.98	4.40
T&T Industry GDP	23.08	-4.30	-4.25	-11.14	-9.20	15.41	5.41
T&T Economy GDP	18.06	-3.14	-2.84	-7.60	-6.04	12.81	4.86
T&T Industry Employment	20.58	-8.45	2.45	-5.91	-7.08	15.98	3.81
T&T Economy Employment	16.12	-7.43	3.82	-2.46	-4.14	13.59	3.32



DOMINICAN REPUBLIC	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	697.80	796.03	804.95	811.42	658.62	626.15	1,632.01
Business Travel & Tourism	256.79	292.78	286.04	245.19	189.58	157.61	347.30
Gov't Expenditures - Individual	90.34	107.29	125.58	133.56	89.34	68.94	146.72
Visitor Exports	2,550.30	2,931.30	2,756.10	2,806.30	2,965.60	3,196.90	5,890.46
Travel & Tourism Consumption	3,595.22	4,127.40	3,972.66	3,996.47	3,903.15	4,049.60	8,016.50
Gov't Expenditures - Collective	207.06	245.97	287.82	306.47	204.96	158.21	336.46
Capital Investment	1,014.40	1,151.40	1,218.80	1,219.00	1,008.40	794.25	1,641.00
Exports (Non-Visitor)	172.95	172.39	154.65	152.68	167.18	185.58	303.84
Travel & Tourism Demand	4,989.63	5,697.16	5,633.94	5,674.63	5,283.69	5,187.64	10,297.80
T&T Industry GDP	1,263.07	1,404.95	1,391.55	1,397.87	1,385.72	1,406.93	2,641.22
T&T Economy GDP	4,023.66	4,445.20	4,533.68	4,561.24	4,274.66	4,096.35	7,810.70
T&T Industry Employment ('000)	198.77	200.36	184.14	192.14	211.83	268.94	319.12
T&T Economy Employment ('000)	622.02	622.92	588.78	615.27	642.79	772.21	930.01

#### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	5.36	5.27	5.01	5.03	5.18	6.26	8.04
Gov't Expenditures	21.15	21.37	21.57	21.66	20.98	20.58	21.58
Capital Investment	24.42	24.81	24.91	24.91	24.84	24.87	25.33
Exports	34.10	34.44	34.60	35.32	34.57	34.24	35.19
Imports	10.40	11.54	10.93	10.95	10.62	10.75	12.28
T&T Industry GDP	7.29	7.17	6.56	6.60	7.12	8.76	7.54
T&T Economy GDP	23.21	22.69	21.37	21.55	21.97	25.50	22.30
T&T Industry Employment	6.42	6.32	5.78	5.82	6.28	7.72	6.65
T&T Economy Employment	20.10	19.66	18.49	18.64	19.05	22.17	19.37

#### Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)

Personal Travel & Tourism	0.39	8.28	-4.08	5.21	-13.46	15.74	5.36
Business Travel & Tourism	8.28	8.22	-7.33	-10.53	-17.56	1.21	3.60
Gov't Expenditures	-5.29	12.74	11.01	11.10	-28.69	-6.04	3.26
Capital Investment	1.25	7.73	0.41	4.39	-11.80	-4.11	2.96
Visitor Exports	13.58	9.09	-10.81	6.28	12.67	31.24	1.77
Other Exports	12.22	-5.39	-14.91	3.05	16.74	35.14	0.58
Travel & Tourism Demand	7.36	8.37	-6.20	5.13	-0.73	19.53	2.53
T&T Industry GDP	6.74	5.58	-6.05	4.85	5.69	23.60	1.96
T&T Economy GDP	3.73	4.86	-3.25	5.01	-0.08	16.66	2.12
T&T Industry Employment	2.79	0.80	-8.10	4.35	10.25	26.96	1.74
T&T Economy Employment	0.02	0.15	-5.48	4.50	4.47	20.13	1.89

GRENADA	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	27.82	30.73	26.80	29.18	30.83	33.89	67.45
Business Travel & Tourism	7.77	8.89	8.78	8.95	9.48	10.74	20.11
Gov't Expenditures - Individual	1.86	2.04	2.41	2.18	2.40	2.45	4.48
Visitor Exports	63.76	67.81	63.76	60.30	62.44	74.91	155.46
Travel & Tourism Consumption	101.20	109.48	101.75	100.61	105.17	121.99	247.50
Gov't Expenditures - Collective	4.34	4.71	5.54	5.10	5.33	5.85	10.32
Capital Investment	32.09	36.17	26.58	34.84	36.91	39.53	68.91
Exports (Non-Visitor)	2.08	2.20	2.34	2.66	2.87	3.12	5.92
Travel & Tourism Demand	139.71	152.56	136.22	143.21	150.28	170.48	332.64
T&T Industry GDP	31.24	33.27	31.70	30.62	31.93	37.98	79.07
T&T Economy GDP	103.95	112.13	101.11	105.87	110.93	127.85	253.84
T&T Industry Employment ('000)	3.20	3.21	3.20	3.10	3.15	3.58	5.39
T&T Economy Employment ('000)	10.05	10.20	9.68	10.09	10.27	11.35	16.42

### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	13.80	12.59	10.82	9.69	9.68	9.96	11.53
Gov't Expenditures	11.50	11.56	11.68	11.61	11.65	11.71	12.14
Capital Investment	21.19	20.96	20.85	20.95	20.98	21.02	21.33
Exports	30.20	29.36	30.74	28.15	27.36	29.25	29.65
Imports	13.60	13.27	13.10	12.94	12.89	13.34	15.90
T&T Industry GDP	8.27	8.18	7.96	7.50	7.45	8.27	10.02
T&T Economy GDP	27.53	27.58	25.39	25.94	25.87	27.84	32.16
T&T Industry Employment	8.25	8.16	7.94	7.48	7.42	8.25	9.99
T&T Economy Employment	25.91	25.92	24.03	24.32	24.23	26.17	30.40

### Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)

Personal Travel & Tourism	5.91	9.69	-15.15	5.69	3.11	7.24	5.04
Business Travel & Tourism	9.28	13.73	-3.93	-1.05	3.38	10.49	4.41
Gov't Expenditures	6.24	8.10	14.65	-11.14	3.59	4.76	3.88
Capital Investment	6.76	11.93	-28.49	27.25	3.37	4.47	3.65
Visitor Exports	6.07	5.61	-8.50	-8.19	1.03	17.04	5.49
Other Exports	93.83	4.88	3.73	10.22	5.37	5.78	4.54
Travel & Tourism Demand	7.10	8.43	-13.11	2.06	2.38	10.68	4.83
T&T Industry GDP	6.15	5.76	-7.31	-6.20	1.72	16.05	5.53
T&T Economy GDP	7.69	7.11	-12.26	1.65	2.22	12.44	5.02
T&T Industry Employment	1.22	0.33	-0.42	-2.92	1.42	13.59	4.22
T&T Economy Employment	2.52	1.47	-5.08	4.21	1.85	10.46	3.77

### GUADELOUPE

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	104.97	96.73	96.86	104.38	116.27	129.44	252.78
Business Travel & Tourism	42.18	37.80	32.31	29.19	32.23	36.74	63.99
Gov't Expenditures - Individual	13.76	12.54	12.64	13.99	15.49	16.76	27.68
Visitor Exports	375.00	418.00	365.71	365.21	394.91	454.54	1,001.76
Travel & Tourism Consumption	535.91	565.07	507.51	512.78	558.90	637.48	1,346.21
Gov't Expenditures - Collective	31.44	28.93	29.06	32.02	35.62	38.47	63.41
Capital Investment	97.79	90.11	90.42	99.69	124.64	135.66	191.73
Exports (Non-Visitor)	41.08	38.72	47.66	49.84	54.87	61.33	155.00
Travel & Tourism Demand	706.21	722.84	674.65	694.33	774.03	872.95	1,756.35
T&T Industry GDP	177.08	194.25	163.79	163.16	177.65	203.90	424.59
T&T Economy GDP	543.81	572.93	507.34	518.16	579.92	656.16	1,288.23
T&T Industry Employment ('000)	24.08	29.11	24.62	22.76	22.87	24.85	38.80
T&T Economy Employment ('000)	70.74	82.53	72.88	68.88	70.93	76.10	112.79

### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	6.38	6.38	6.35	6.44	6.50	6.73	8.22
Gov't Expenditures	20.13	20.01	20.02	20.14	20.27	20.37	21.03
Capital Investment	20.81	20.77	20.74	20.85	23.63	23.91	21.15
Exports	37.47	41.48	34.19	33.27	32.88	33.51	31.18
Imports	13.47	13.45	12.45	12.53	12.60	12.67	12.21
T&T Industry GDP	8.86	10.52	8.74	7.94	7.84	8.36	10.90
T&T Economy GDP	27.21	31.03	27.08	25.21	25.58	26.91	33.07
T&T Industry Employment	8.72	10.36	8.60	7.81	7.71	8.23	10.73
T&T Economy Employment	25.62	29.36	25.47	23.65	23.91	25.20	31.18

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	5.48	4.27	2.10	0.34	-8.74	-3.01	7.12
Business Travel & Tourism	9.12	1.40	-12.86	-15.86	-9.54	-0.70	5.95
Gov't Expenditures	10.33	3.80	2.53	2.75	-9.02	-5.83	5.30
Capital Investment	10.30	4.27	2.31	2.66	2.43	-5.18	3.65
Visitor Exports	-7.19	26.12	-10.79	-7.02	-11.41	0.28	8.46
Other Exports	10.21	6.65	25.51	-2.63	-9.81	-2.63	9.87
Travel & Tourism Demand	-0.41	15.81	-4.83	-4.17	-8.67	-1.75	7.43
T&T Industry GDP	-5.67	24.12	-14.02	-7.25	-10.80	-0.01	7.85
T&T Economy GDP	-1.95	19.20	-9.71	-4.91	-8.31	-1.43	7.18
T&T Industry Employment	-7.86	20.90	-15.42	-7.54	0.49	8.65	4.58
T&T Economy Employment	-4.68	16.68	-11.70	-5.48	2.97	7.29	4.02

**HAITI**

1999 2000 2001 2002 2003E 2004E 2014P

**Travel & Tourism - US\$ mn**

Personal Travel & Tourism	136.11	134.02	126.82	115.75	111.56	113.60	166.15
Business Travel & Tourism	56.87	60.20	50.18	39.14	36.68	38.33	57.78
Gov't Expenditures - Individual	2.55	2.24	2.10	1.83	1.51	1.45	2.12
Visitor Exports	59.04	58.52	49.32	44.70	47.04	53.92	130.35
Travel & Tourism Consumption	254.57	254.98	228.41	201.42	196.78	207.30	356.40
Gov't Expenditures - Collective	5.75	5.27	4.80	4.36	3.34	3.35	4.69
Capital Investment	52.13	44.12	39.65	35.13	34.81	34.49	48.23
Exports (Non-Visitor)	11.67	10.69	9.72	10.83	11.69	12.95	26.77
Travel & Tourism Demand	324.11	315.07	282.59	251.73	246.62	258.08	436.08
T&T Industry GDP	76.64	73.23	65.43	55.46	52.54	54.93	104.20
T&T Economy GDP	224.93	208.70	186.65	160.36	152.49	158.48	293.36
T&T Industry Employment ('000)	43.99	47.76	43.83	41.79	41.68	40.36	60.84
T&T Economy Employment ('000)	131.25	138.17	126.90	122.73	122.93	118.28	173.75

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	4.01	4.23	4.06	4.04	4.12	4.24	4.47
Gov't Expenditures	2.97	2.95	2.94	2.92	2.86	2.86	2.93
Capital Investment	4.60	4.40	4.38	4.37	4.93	4.64	4.68
Exports	13.39	14.02	12.75	11.55	11.50	11.74	13.05
Imports	8.48	8.34	7.82	7.63	7.55	7.66	8.06
T&T Industry GDP	1.87	2.00	1.79	1.69	1.65	1.57	1.96
T&T Economy GDP	5.50	5.70	5.12	4.88	4.80	4.53	5.52
T&T Industry Employment	1.46	1.55	1.39	1.31	1.28	1.22	1.52
T&T Economy Employment	4.35	4.49	4.04	3.85	3.79	3.58	4.35

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	-4.11	11.09	-6.50	0.39	-0.38	-6.52	1.54
Business Travel & Tourism	-0.53	19.43	-17.63	-14.21	-3.13	-4.07	1.84
Gov't Expenditures	55.90	2.20	-9.25	-1.41	-19.01	-9.13	1.24
Capital Investment	14.93	-4.51	-11.20	-2.56	2.44	-9.03	1.09
Visitor Exports	-7.41	11.83	-16.73	-0.30	8.78	5.22	6.81
Other Exports	11.89	3.40	-10.16	22.57	11.54	1.66	5.11
Travel & Tourism Demand	0.04	9.67	-11.38	-2.02	1.27	-3.94	3.01
T&T Industry GDP	-7.38	7.80	-11.71	-6.77	-2.09	-4.03	4.21
T&T Economy GDP	-3.13	4.68	-11.63	-5.50	-1.70	-4.60	3.96
T&T Industry Employment	-7.67	8.57	-8.23	-4.65	-0.25	-3.17	4.19
T&T Economy Employment	-3.21	5.27	-8.15	-3.29	0.16	-3.79	3.93

JAMAICA	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	0.36	0.35	0.34	0.38	0.38	0.41	0.75
Business Travel & Tourism	0.18	0.19	0.19	0.16	0.14	0.15	0.30
Gov't Expenditures - Individual	0.06	0.06	0.06	0.07	0.06	0.06	0.11
Visitor Exports	1.49	1.58	1.49	1.48	1.59	1.87	4.23
Travel & Tourism Consumption	2.09	2.17	2.08	2.09	2.18	2.49	5.40
Gov't Expenditures - Collective	0.14	0.14	0.13	0.16	0.14	0.14	0.26
Capital Investment	0.58	0.67	0.81	0.69	0.63	0.64	1.14
Exports (Non-Visitor)	0.04	0.03	0.02	0.03	0.03	0.03	0.05
Travel & Tourism Demand	2.85	3.01	3.05	2.97	2.98	3.30	6.85
T&T Industry GDP	0.75	0.78	0.72	0.73	0.76	0.87	1.95
T&T Economy GDP	2.37	2.47	2.45	2.39	2.38	2.65	5.63
T&T Industry Employment ('000)	102.03	105.13	98.12	96.68	111.80	130.31	190.19
T&T Economy Employment ('000)	312.45	326.19	322.18	309.15	343.73	387.40	538.96

#### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	7.17	6.63	6.33	7.27	7.88	8.42	8.82
Gov't Expenditures	15.80	15.81	15.77	15.92	15.82	15.82	16.44
Capital Investment	30.91	31.85	34.98	32.00	32.13	32.25	32.91
Exports	43.89	43.97	43.59	45.02	46.04	47.87	51.61
Imports	11.95	12.18	12.97	12.02	11.91	12.13	12.71
T&T Industry GDP	10.01	10.08	9.31	9.04	10.29	11.82	14.85
T&T Economy GDP	31.43	32.08	31.48	29.70	32.45	35.95	42.90
T&T Industry Employment	9.07	9.13	8.44	8.19	9.33	10.71	13.45
T&T Economy Employment	27.78	28.33	27.70	26.18	28.68	31.84	38.12

#### Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)

Personal Travel & Tourism	7.93	-5.66	-1.54	11.34	11.05	8.76	2.64
Business Travel & Tourism	5.11	3.83	-1.36	-16.12	2.56	7.78	3.03
Gov't Expenditures	-3.52	-0.89	-2.98	15.46	1.75	1.73	2.55
Capital Investment	3.69	13.84	21.82	-16.23	1.79	2.10	2.36
Visitor Exports	6.52	4.34	-4.50	-2.51	20.42	18.48	4.82
Other Exports	15.23	-27.47	-27.23	15.49	19.24	12.23	2.44
Travel & Tourism Demand	5.37	4.17	1.80	-4.22	12.48	12.05	3.88
T&T Industry GDP	5.40	1.32	-5.99	-1.48	16.42	16.66	4.68
T&T Economy GDP	4.56	2.74	-0.17	-4.22	11.66	12.55	4.13
T&T Industry Employment	6.95	3.04	-6.66	-1.47	15.64	16.56	3.87
T&T Economy Employment	6.14	4.40	-1.23	-4.05	11.19	12.70	3.37

MARTINIQUE	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	308.42	320.79	333.68	348.72	358.83	381.03	776.89
Business Travel & Tourism	49.10	48.50	46.90	45.02	57.44	67.44	138.34
Gov't Expenditures - Individual	12.46	11.68	12.13	13.81	17.79	19.82	36.61
Visitor Exports	404.00	302.00	245.00	251.99	287.17	352.66	595.75
Travel & Tourism Consumption	773.98	682.98	637.71	659.54	721.23	820.94	1,547.58
Gov't Expenditures - Collective	28.74	26.67	27.75	31.56	40.97	45.34	84.04
Capital Investment	217.71	198.91	208.79	236.16	302.43	333.94	604.02
Exports (Non-Visitor)	38.58	41.66	56.49	59.95	62.68	66.07	108.99
Travel & Tourism Demand	1,059.01	950.22	930.74	987.20	1,127.31	1,266.29	2,344.64
T&T Industry GDP	184.89	137.71	113.39	117.18	142.09	174.98	313.54
T&T Economy GDP	653.69	522.58	482.48	519.56	647.91	760.15	1,372.11
T&T Industry Employment ('000)	11.17	8.67	6.71	6.09	5.82	6.53	6.86
T&T Economy Employment ('000)	34.40	28.18	23.83	22.34	21.81	23.56	24.88

### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	7.16	7.69	7.58	7.00	5.65	5.41	5.84
Gov't Expenditures	7.71	7.67	7.69	7.75	7.87	7.92	8.24
Capital Investment	18.47	18.04	18.17	18.21	18.28	18.32	18.60
Exports	20.86	16.43	14.05	13.56	13.69	15.03	13.78
Imports	13.86	13.82	13.84	13.80	13.52	13.64	16.60
T&T Industry GDP	3.71	2.85	2.18	1.96	1.85	2.06	1.95
T&T Economy GDP	13.12	10.82	9.29	8.70	8.46	8.95	8.55
T&T Industry Employment	4.72	3.62	2.78	2.49	2.36	2.62	2.48
T&T Economy Employment	14.52	11.77	9.85	9.15	8.83	9.45	9.01

### Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)

Personal Travel & Tourism	2.18	12.68	0.17	-5.49	-16.62	-0.37	4.83
Business Travel & Tourism	9.04	7.02	-6.90	-13.17	3.38	10.16	4.88
Gov't Expenditures	4.64	0.84	0.14	2.88	4.95	4.04	3.79
Capital Investment	0.28	-1.02	1.09	2.29	3.77	3.60	3.54
Visitor Exports	-5.31	-19.02	-21.88	-6.98	-7.66	15.22	2.89
Other Exports	24.48	16.98	30.57	-4.02	-15.27	-1.11	2.62
Travel & Tourism Demand	-0.19	-2.80	-5.67	-4.07	-7.47	5.39	3.81
T&T Industry GDP	-2.91	-19.31	-20.71	-6.54	-1.74	15.54	3.48
T&T Economy GDP	-0.44	-13.40	-11.09	-2.61	1.05	10.08	3.54
T&T Industry Employment	-6.58	-22.36	-22.60	-9.22	-4.54	12.24	0.53
T&T Economy Employment	-4.81	-18.09	-15.44	-6.23	-2.40	8.02	0.56

### PUERTO RICO

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	1,816.90	2,014.37	2,143.63	2,206.19	2,311.45	2,533.06	5,032.28
Business Travel & Tourism	100.89	110.18	100.71	89.41	95.00	107.01	216.32
Gov't Expenditures - Individual	91.71	100.34	108.83	115.19	123.07	131.45	254.69
Visitor Exports	2,235.40	2,498.30	2,831.30	2,480.00	2,620.30	3,040.60	7,464.86
Travel & Tourism Consumption	4,244.90	4,723.18	5,184.47	4,890.79	5,149.83	5,812.11	12,968.20
Gov't Expenditures - Collective	210.59	230.18	249.78	264.14	282.17	301.51	584.45
Capital Investment	999.50	991.03	1,068.10	1,127.70	1,202.00	1,281.20	2,425.80
Exports (Non-Visitor)	962.90	1,063.26	1,269.65	1,358.53	1,474.60	1,637.34	3,397.65
Travel & Tourism Demand	6,417.89	7,007.65	7,772.00	7,641.16	8,108.59	9,032.16	19,376.10
T&T Industry GDP	932.28	1,052.39	1,164.75	1,015.48	1,071.22	1,239.37	2,941.78
T&T Economy GDP	3,545.89	3,913.56	4,359.54	4,047.54	4,298.57	4,881.61	10,881.00
T&T Industry Employment ('000)	24.46	27.50	28.53	21.15	20.95	23.30	36.93
T&T Economy Employment ('000)	84.67	92.70	96.35	76.91	76.65	83.19	121.53

### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	5.20	5.30	5.23	5.10	5.03	5.18	5.54
Gov't Expenditures	3.82	3.85	3.87	3.88	3.90	3.91	4.08
Capital Investment	11.43	10.43	10.41	10.43	10.45	10.47	10.66
Exports	7.69	7.80	7.64	6.59	6.46	6.66	7.21
Imports	5.97	6.09	5.97	5.84	5.76	5.85	5.93
T&T Industry GDP	1.61	1.72	1.72	1.29	1.26	1.36	1.69
T&T Economy GDP	6.13	6.41	6.42	5.16	5.05	5.34	6.26
T&T Industry Employment	1.95	2.12	2.12	1.54	1.49	1.63	2.15
T&T Economy Employment	6.76	7.14	7.16	5.58	5.46	5.82	7.07

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	-3.64	6.94	-4.32	-4.97	-1.16	5.37	3.00
Business Travel & Tourism	4.21	5.33	-17.82	-18.02	0.25	8.30	3.18
Gov't Expenditures	4.54	5.46	-2.45	-2.33	0.78	2.73	2.73
Capital Investment	14.58	-4.36	-3.10	-2.51	0.56	2.48	2.49
Visitor Exports	-7.32	7.80	1.89	-19.12	-0.32	11.57	5.23
Other Exports	8.59	6.51	7.36	-1.20	2.40	6.76	3.43
Travel & Tourism Demand	-0.38	5.32	-0.29	-9.22	0.11	7.10	3.79
T&T Industry GDP	-7.17	8.88	-0.49	-19.50	-0.48	11.24	4.87
T&T Economy GDP	-1.51	6.46	0.15	-14.27	0.19	9.19	4.20
T&T Industry Employment	0.82	12.42	3.73	-25.85	-0.95	11.23	4.76
T&T Economy Employment	0.71	9.48	3.94	-20.17	-0.34	8.53	3.89

**SAINT KITTS AND NEVIS**

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	22.44	24.60	21.62	22.11	22.81	24.90	54.44
Business Travel & Tourism	8.45	9.22	9.12	8.51	9.27	10.90	28.03
Gov't Expenditures - Individual	2.78	3.43	3.46	3.31	3.63	4.05	9.59
Visitor Exports	70.00	58.00	62.00	55.96	54.29	63.73	135.48
Travel & Tourism Consumption	103.67	95.25	96.20	89.89	90.00	103.59	227.55
Gov't Expenditures - Collective	6.32	8.08	7.79	7.79	8.41	9.26	22.04
Capital Investment	28.51	39.42	40.97	42.44	45.78	50.18	112.72
Exports (Non-Visitor)	1.50	1.30	1.58	1.68	1.76	1.91	3.27
Travel & Tourism Demand	140.00	144.05	146.54	141.80	145.96	164.93	365.58
T&T Industry GDP	31.93	25.41	27.26	24.54	24.47	29.44	72.51
T&T Economy GDP	100.81	92.10	98.71	92.96	95.76	112.12	278.42
T&T Industry Employment ('000)	2.22	1.76	1.85	1.53	1.44	1.70	2.59
T&T Economy Employment ('000)	6.45	5.72	6.00	5.15	4.98	5.75	8.82

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	11.90	9.89	10.54	9.77	9.35	9.30	9.03
Gov't Expenditures	14.08	14.27	14.25	14.24	14.31	14.40	15.21
Capital Investment	25.37	25.92	25.98	26.01	25.99	25.95	25.89
Exports	49.49	41.67	41.84	38.27	36.38	38.46	40.63
Imports	17.77	21.00	20.11	19.78	19.62	19.91	22.95
T&T Industry GDP	10.62	7.74	7.95	6.95	6.76	7.90	10.91
T&T Economy GDP	33.52	28.04	28.79	26.35	26.45	30.09	41.87
T&T Industry Employment	12.06	8.79	9.04	7.90	7.68	8.98	12.39
T&T Economy Employment	35.04	28.54	29.31	26.60	26.56	30.35	42.18

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	21.55	5.76	-14.38	0.15	1.76	7.56	6.02
Business Travel & Tourism	4.19	5.29	-3.62	-8.62	7.39	15.94	7.77
Gov't Expenditures	9.65	22.02	-4.82	-3.30	6.98	8.82	6.91
Capital Investment	13.89	33.35	1.27	1.45	6.38	7.99	6.30
Visitor Exports	-8.99	-20.08	4.15	-11.60	-4.33	15.65	5.75
Other Exports	-5.83	-16.89	19.08	3.76	3.43	6.81	3.48
Travel & Tourism Demand	1.14	-0.76	-0.88	-5.23	1.51	11.33	6.17
T&T Industry GDP	-10.75	-23.25	4.54	-11.85	-1.64	18.52	7.32
T&T Economy GDP	-6.07	-11.88	4.42	-7.76	1.58	15.36	7.39
T&T Industry Employment	-12.00	-20.65	4.91	-17.28	-5.88	18.06	4.34
T&T Economy Employment	-8.36	-11.31	4.80	-14.13	-3.34	15.43	4.40

## SAINT LUCIA

	1999	2000	2001	2002	2003E	2004E2014P
<b>Travel &amp; Tourism - US\$ mn</b>						
Personal Travel & Tourism	51.33	50.99	41.81	41.38	41.64	91.42
Business Travel & Tourism	19.10	20.14	20.46	16.80	18.04	41.59
Gov't Expenditures - Individual	7.75	7.98	8.49	7.84	8.39	17.19
Visitor Exports	311.01	277.01	232.01	217.68	222.23	549.97
Travel & Tourism Consumption	389.19	356.12	302.77	283.69	290.29	700.16
Gov't Expenditures - Collective	17.55	18.45	19.55	17.96	19.22	39.41
Capital Investment	78.15	74.04	59.79	79.42	84.91	171.89
Exports (Non-Visitor)	2.04	1.59	1.49	2.51	3.21	11.01
Travel & Tourism Demand	486.93	450.20	383.60	383.57	397.62	922.47
T&T Industry GDP	136.13	117.96	102.34	91.79	93.31	227.75
T&T Economy GDP	388.51	341.11	296.21	285.94	294.59	686.85
T&T Industry Employment ('000)	12.43	11.40	10.49	9.28	9.50	16.84
T&T Economy Employment ('000)	33.76	31.31	28.84	27.12	28.06	47.88

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	11.48	9.90	8.50	8.59	8.11	8.25	9.09
Gov't Expenditures	23.54	23.60	23.69	23.56	23.66	23.78	24.76
Capital Investment	42.16	42.94	43.03	43.02	43.17	43.28	44.62
Exports	81.95	79.49	79.40	69.86	65.29	66.02	57.51
Imports	21.97	24.80	23.77	22.94	22.58	22.86	23.31
T&T Industry GDP	20.16	17.17	15.47	13.43	13.48	15.57	19.22
T&T Economy GDP	57.53	49.66	44.77	41.85	42.54	47.90	57.96
T&T Industry Employment	21.36	18.20	16.40	14.24	14.28	16.50	20.37
T&T Economy Employment	58.04	49.98	45.06	41.59	42.19	47.70	57.92

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	-1.20	-1.65	-18.02	-2.60	-1.34	7.36	5.14
Business Travel & Tourism	1.32	4.39	1.59	-19.18	5.26	12.43	5.16
Gov't Expenditures	0.92	3.41	6.10	-9.46	4.93	6.13	4.51
Capital Investment	4.82	-6.20	-19.25	30.73	4.82	5.87	4.40
Visitor Exports	1.46	-11.82	-16.25	-7.66	0.09	17.18	5.47
Other Exports	-22.57	-22.84	-6.17	65.55	25.29	14.13	9.25
Travel & Tourism Demand	1.53	-8.46	-14.80	-1.59	1.63	12.73	5.18
T&T Industry GDP	-0.86	-14.21	-13.24	-11.73	-0.33	17.87	5.27
T&T Economy GDP	-0.46	-13.07	-13.17	-4.99	1.01	14.84	5.05
T&T Industry Employment	2.47	-8.28	-7.96	-11.52	2.32	17.86	4.19
T&T Economy Employment	2.82	-7.28	-7.89	-5.95	3.47	15.33	4.01

## ST VINCENT AND THE GRENADINES

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	19.64	18.39	17.64	18.68	19.22	20.83	36.63
Business Travel & Tourism	8.62	9.46	9.54	9.81	10.16	11.23	16.97
Gov't Expenditures - Individual	2.17	2.29	2.47	2.57	2.68	2.86	4.56
Visitor Exports	77.18	78.47	83.32	76.94	75.61	87.94	148.59
Travel & Tourism Consumption	107.62	108.61	112.97	108.00	107.67	122.86	206.75
Gov't Expenditures - Collective	5.03	5.25	5.70	5.96	6.25	6.50	10.43
Capital Investment	34.24	34.13	35.28	44.47	47.19	50.61	95.68
Exports (Non-Visitor)	1.66	1.30	1.32	1.39	1.44	1.51	2.37
Travel & Tourism Demand	148.55	149.29	155.27	159.81	162.56	181.49	315.23
T&T Industry GDP	32.72	33.37	35.73	33.86	33.39	39.11	67.57
T&T Economy GDP	104.91	106.25	113.07	116.24	117.45	133.77	239.32
T&T Industry Employment ('000)	4.08	4.07	4.21	3.91	3.80	4.28	4.75
T&T Economy Employment ('000)	12.67	12.56	12.91	12.94	12.85	14.10	16.17

### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	9.37	10.24	8.65	7.37	7.15	7.23	6.78
Gov't Expenditures	8.45	8.48	8.52	8.54	8.57	8.59	8.86
Capital Investment	36.40	36.57	36.92	36.64	36.67	36.68	36.95
Exports	44.97	44.13	46.26	43.08	41.54	43.76	41.28
Imports	17.92	20.93	20.00	19.69	19.54	19.80	20.55
T&T Industry GDP	9.91	9.89	10.12	9.27	8.92	9.96	10.10
T&T Economy GDP	31.78	31.50	32.02	31.82	31.37	34.07	35.79
T&T Industry Employment	9.18	9.16	9.37	8.58	8.25	9.22	9.36
T&T Economy Employment	28.49	28.25	28.73	28.38	27.93	30.40	31.86

### Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)

Personal Travel & Tourism	-0.59	-6.41	-8.89	5.02	2.55	6.30	3.75
Business Travel & Tourism	5.68	9.61	-4.16	1.96	3.29	8.32	2.19
Gov't Expenditures	6.05	4.59	3.02	3.43	4.50	2.76	2.76
Capital Investment	12.20	-0.38	-1.83	25.02	5.81	5.13	4.49
Visitor Exports	4.29	1.62	0.84	-8.41	-2.03	14.04	3.34
Other Exports	-6.64	-21.49	-4.22	4.77	3.64	2.80	2.54
Travel & Tourism Demand	5.34	0.44	-1.22	2.09	1.41	9.46	3.61
T&T Industry GDP	-0.20	1.91	1.69	-6.00	-1.70	14.84	3.58
T&T Economy GDP	1.43	1.22	1.07	1.97	0.73	11.67	3.92
T&T Industry Employment	-4.14	-0.21	3.33	-7.04	-2.95	12.72	1.07
T&T Economy Employment	-2.70	-0.83	2.75	0.23	-0.71	9.81	1.39

### TRINIDAD AND TOBAGO

	1999	2000	2001	2002	2003E	2004E	2014P
<b>Travel &amp; Tourism - US\$ mn</b>							
Personal Travel & Tourism	279.10	334.67	343.35	386.90	405.10	443.72	842.07
Business Travel & Tourism	102.49	100.87	91.60	94.00	98.01	110.25	196.65
Gov't Expenditures - Individual	8.88	9.12	11.84	12.85	13.70	14.58	24.64
Visitor Exports	364.70	371.20	361.20	337.20	350.43	407.66	859.48
Travel & Tourism Consumption	755.17	815.86	807.99	830.95	867.23	976.22	1,922.84
Gov't Expenditures - Collective	20.32	20.82	27.16	29.42	31.37	33.48	56.67
Capital Investment	254.69	399.46	242.54	360.59	385.24	411.55	769.45
Exports (Non-Visitor)	226.26	374.20	321.32	347.17	377.35	412.77	932.74
Travel & Tourism Demand	1,256.44	1,610.35	1,399.01	1,568.13	1,661.19	1,834.01	3,681.70
T&T Industry GDP	213.74	187.77	220.09	208.53	215.77	244.71	435.47
T&T Economy GDP	851.50	925.63	939.01	981.35	1,033.26	1,147.50	2,115.54
T&T Industry Employment ('000)	17.43	13.41	14.75	13.40	13.32	14.42	19.09
T&T Economy Employment ('000)	61.54	56.78	55.19	54.49	54.98	58.47	79.78

### Travel & Tourism Accounts as % of National Accounts

Personal Travel & Tourism	6.76	7.44	7.34	6.86	6.90	7.11	8.25
Gov't Expenditures	3.95	3.96	4.02	4.04	4.06	4.07	4.21
Capital Investment	17.76	26.87	14.44	18.15	18.26	18.37	20.99
Exports	17.28	15.07	13.69	13.20	12.84	13.16	12.33
Imports	13.38	18.46	11.63	13.89	13.78	13.97	13.85
T&T Industry GDP	3.15	2.34	2.50	2.22	2.17	2.30	2.50
T&T Economy GDP	12.53	11.54	10.68	10.46	10.37	10.78	12.13
T&T Industry Employment	3.51	2.62	2.80	2.48	2.42	2.57	2.79
T&T Economy Employment	12.41	11.07	10.46	10.10	9.99	10.42	11.66



**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	7.43	8.53	-1.73	8.47	1.95	6.63	4.68
Business Travel & Tourism	20.25	-10.91	-13.02	-1.21	1.52	9.51	4.05
Gov't Expenditures	-9.06	-7.20	24.79	4.32	3.81	3.82	3.48
Capital Investment	25.10	41.96	-41.84	43.11	4.03	4.00	4.52
Visitor Exports	-1.36	-7.88	-6.79	-10.13	1.19	13.25	5.80
Other Exports	61.35	49.69	-17.75	4.01	5.83	6.49	6.52
Travel & Tourism Demand	15.20	16.01	-16.78	7.90	3.15	7.48	5.27
T&T Industry GDP	-7.85	-20.49	12.28	-8.80	0.75	10.41	4.02
T&T Economy GDP	4.56	-1.61	-2.83	0.60	2.52	8.11	4.38
T&T Industry Employment	-11.08	-23.05	9.99	-9.20	-0.60	8.29	2.86
T&T Economy Employment	-1.25	-7.74	-2.81	-1.27	0.89	6.35	3.16

**US VIRGIN ISLANDS**

1999 2000 2001 2002 2003E 2004E2014P

**Travel & Tourism - US\$ mn**

Personal Travel & Tourism	211.70	228.67	246.83	266.51	287.76	310.68	669.63
Business Travel & Tourism	50.82	55.15	53.95	49.12	52.65	59.76	129.50
Gov't Expenditures - Individual	27.71	30.15	32.07	34.53	37.19	40.03	83.30
Visitor Exports	955.00	1,014.40	931.17	826.81	864.59	992.35	2,398.85
Travel & Tourism Consumption	1,245.24	1,328.38	1,264.02	1,176.98	1,242.20	1,402.82	3,281.28
Gov't Expenditures - Collective	63.59	68.95	73.68	79.18	85.15	91.62	190.88
Capital Investment	380.15	417.57	446.41	478.18	513.00	550.04	1,104.10
Exports (Non-Visitor)	45.45	36.98	43.43	45.45	47.64	50.77	92.45
Travel & Tourism Demand	1,734.43	1,851.88	1,827.54	1,779.79	1,887.98	2,095.25	4,668.71
T&T Industry GDP	396.15	402.77	370.47	324.37	338.95	393.49	1,002.67
T&T Economy GDP	1,292.59	1,316.52	1,273.79	1,191.34	1,255.73	1,421.44	3,397.55
T&T Industry Employment ('000)	7.43	7.08	6.21	5.14	5.08	5.58	8.12
T&T Economy Employment ('000)	21.08	20.13	18.27	15.85	15.76	17.00	23.66

**Travel & Tourism Accounts as % of National Accounts**

Personal Travel & Tourism	9.41	9.41	9.56	9.65	9.73	9.80	10.63
Gov't Expenditures	19.09	19.19	19.27	19.36	19.44	19.54	20.46
Capital Investment	60.01	61.03	61.40	61.45	61.57	61.63	62.22
Exports	43.24	42.36	39.94	36.37	36.09	37.68	43.15
Imports	22.50	25.24	24.87	24.91	24.88	24.90	25.02
T&T Industry GDP	12.51	11.77	10.19	8.34	8.14	8.82	11.30
T&T Economy GDP	40.81	38.49	35.04	30.62	30.14	31.85	38.29
T&T Industry Employment	17.51	16.48	14.27	11.67	11.39	12.34	15.82
T&T Economy Employment	49.70	46.85	41.99	35.97	35.32	37.60	46.09

**Travel & Tourism Real Growth (per annum except 2014 = 10-year annualized)**

Personal Travel & Tourism	3.86	3.86	3.79	3.82	3.82	3.82	3.83
Business Travel & Tourism	6.92	4.34	-5.94	-12.44	3.05	9.15	3.91
Gov't Expenditures	4.39	4.37	2.61	3.39	3.44	3.48	3.48
Capital Investment	7.96	5.61	2.80	2.99	3.15	3.10	3.10
Visitor Exports	-0.29	2.13	-11.73	-14.62	0.54	10.37	5.07
Other Exports	-2.24	-21.77	12.91	0.63	0.78	2.48	2.10
Travel & Tourism Demand	2.31	2.66	-5.11	-6.36	2.00	6.72	4.19
T&T Industry GDP	-3.45	-2.24	-11.56	-15.81	0.47	11.63	5.64
T&T Economy GDP	-1.58	-2.07	-6.97	-10.07	1.35	8.85	4.94
T&T Industry Employment	-5.84	-4.65	-12.33	-17.15	-1.17	9.76	3.87
T&T Economy Employment	-4.59	-4.54	-9.23	-13.24	-0.55	7.83	3.39



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