

Time to look beyond the arrivals figures

Visitor arrivals to the Caribbean are again increasing. This is good news, but not the whole story.

As has now been widely reported, preliminary figures collated by the Caribbean Tourism Organisation (CTO) in their recent state of the industry report showed that a total of 26.3m visitors chose the Caribbean for a land based vacation in 2014. This was a 5.2% increase over the 25m who travelled to the region the year before.

According to CTO, the best performing Caribbean destinations, in terms of numbers, were the Dominican Republic with a 9.6% increase to 5.1m visitors in 2014, Aruba which was up by 9.5% to 1m arrivals, and Cuba up by 5.3% to just over 3m travellers. Jamaica's stay over arrivals increased by 3.6% to 2m visitors.

The figures do not include cruise ship arrivals which jumped by 8% in 2014 to 24m with the cruise destinations showing the greatest growth being the Bahamas, Cozumel, the Cayman Islands, St Maarten, Jamaica, and Puerto Rico.

Although the figures demonstrate that at last a stable region wide tourism led recovery is underway, the headline figures tells us little about what parts of the industry are prospering, whether it has returned to profitability, or the extent to which Caribbean hoteliers, service providers or the Caribbean economy is benefitting.

What appears to be happening is despite an only modest improvement in the global economy, visitors are getting their appetite back for the Caribbean. This appears to be because disposable income is growing again, particularly in the traditional markets in North America and Europe, as well as in new feeder markets in Latin America. It also coincides with the opening of important new gateways like Panama City and a 6% increase in airlift to the region as the carriers slowly move back into surplus.

Particularly noticeable in 2014, and reflecting for instance a greater willingness of the middle class to return to long haul travel, was the significant growth in arrivals in 2014 during the lower-cost summer period, when visitor numbers almost doubled on those the year before.

That said, Caribbean tourism is an industry crying out for greater public statistical analysis.

For instance what the CTO statistics, as important as they are, do not reveal in any detail is whether for example the heavy room rate discounting after 2008 has receded, whether the yield per bed night has increased to pre-2007 levels, and whether the increase in visitor arrivals is happening rapidly enough to return the industry to long term profitability.

CTO did report that an analysis of data provided by Smith Travel Research, the US company which tracks the overall performance of the hotel sector, revealed that Caribbean hotels earned more revenue in 2014, that room occupancy rates improved slightly, and average revenue per available room was up 5.7%. However, it did not indicate how this was spread across the industry or if these averages are enough to enable older or tired Caribbean properties to undertake the upgrades and training that some so badly need.

The figures also do not indicate the types of properties where visitors are now staying.

Over the past five to ten years there has been a dramatic growth in chain hotels across the region, in boutique hotels aimed at upscale visitors, and in the numbers of rooms available in condominiums, villas or apartments.

Anecdotal evidence suggests that chain hotels, boutique hotels, and city centre hotels in the case of Jamaica and Trinidad, are doing well, while in destinations like Barbados villas and condominiums are proving particularly popular and drawing visitors away from more traditional properties. If this is correct it suggests that some hotels in the region may not be prospering or able to take advantage of the upswing in arrivals.

Speaking after CTO had announced the 2014 tourism arrivals figures, the Organisation's Chair, Richard Sealy, Barbados' Minister of Tourism, noted that the Caribbean's tourism industry, was vital for the creation of opportunities for the people of the region, and critical to the promotion of economic development.

His message is an important one. As the industry recovers and stability returns this is why it is now so necessary to look beyond the arrival figures.