

More tourists head to Caribbean but spend less

SAN JUAN, Puerto Rico (AP) — It's a good news-bad news deal for tourism in the sun-soaked Caribbean. Visits are surging, but revenues are not keeping pace.

Analysts attribute the rising number of visitors to more cruise ships and flights to the region, and people taking trips they had postponed because of the economic crisis. But when they get to their destination, Caribbean officials say, tourists are spending less.

"The bodies are travelling, obviously, but the spending is clearly impacted," said Josef Forstmayr, president of the Caribbean Hotel & Tourism Organisation. "The larger destinations have it a little easier. They have more resources, they get better airlift, they have better products."

Caribbean countries such as the Bahamas, St Lucia and The Dominican Republic announced a record number of visitors last year. Caribbean tourism officials hope to surpass the more than 23 million visitors reported last winter season.

Registration for the Caribbean Marketplace, the region's largest marketing event that will be held in the Bahamas in late January and aims to create vacation packages, is up by nearly 50 per cent compared with last year, Forstmayr said.

"We expect a strong winter," he said. "Overall bookings from all the islands are up from last year."

New routes announced by the airline JetBlue from Puerto Rico to St Thomas and to St Maarten also could bring additional visitors, said Gilda Gumbs-Samuel, executive director of the Anguilla Hotel and Tourism Association.

Anguilla, a speck of an island in the Eastern Caribbean, saw a record double-digit increase in tourists last year.

The cruise ship industry also promises to draw in thousands of tourists this winter, said Carolyn Spencer Brown, editor-in-chief of CruiseCritic.com.

Last winter, cruise lines withdrew their ships from the Caribbean and placed them in the Mediterranean, hoping to attract a wealthy European market.

"That was a radical experiment, and it failed," Spencer Brown said. "So the ships are back in the Caribbean this year."

Puerto Rico, a cruise-ship hub, anticipates a 20 per cent increase in visits, bolstered by the new arrival of the Celebrity Silhouette line that is expected to generate \$3.6 million in revenue during the winter season, said Jose Perez-Riera, the US territory's Commerce and Economic Development Secretary.

But industry officials say the rising number of visitors is not converting into increased revenue.

Spencer Brown noted that tourists are demanding cheaper prices and scrutinising deals before buying anything.

"People are very quirky these days about value for money," she said. "They'll splurge for it, but it better be worth it."

Constance Knoll, 64, of St Louis, Missouri, said she and her husband saved up for an upcoming Caribbean cruise, paying less than \$3,000 for the weeklong trip in December.

But unlike many other tourists this winter, they agreed to not set a budget during the trip.

"When it's vacation, you don't have to think that way," she said. "If you want it, you can have <http://activepaper.olivesoftware.com/Default/Scripting/ArticleWin.asp?From=Archive&Source=Page&kin=JObserver&BaseHref=JMO%2F2011%2F11%2F27&ViewMode=HTML&PageLabel=28&EntityId=Ar02900&AppName=1>

it. Life is short. And we're in our 60s now, so life is even shorter.”

The economic crisis forced people to postpone their vacations for a few years, and while demand for travel has risen, tourists will not be able to afford much, said Evridiki Tsounta, an economist with the International Monetary Fund.

Spending is tight amid the ongoing economic crisis, and tourists are cutting back on transportation, food and entertainment, said Winfield Griffith, research director for the Caribbean Tourism Organisation (CTO).

Visitors, especially repeat ones, are increasingly choosing to board public buses instead of hailing taxis to visit popular attractions, and they are buying food and liquor at supermarkets instead of eating out, he said.

They also are booking outings through small, local operators instead of relying on hotels or buying pricey packages, Griffith said.

They know the drill,” he said. “In Barbados, for instance, you can pay \$2 by public transport to go anywhere in the country. To go around the country by taxi would probably run you in the neighbourhood of \$150. That’s a massive difference.”

Last year, tourists across the Caribbean spent \$22.3 billion, compared with a record \$27 billion spent in 2007, said Sean Smith, statistics specialist with the CTO.

The biggest drop in expenditures in the last decade was reported in 2002, with \$18.9 billion spent, he said.

The IMF has encouraged the Caribbean to diversify and seek other tourism markets, especially in Latin America, where the economy has been rebounding, Tsounta said in a phone interview.

“Given that both the US and the UK are not faring very well, and the outlook is not very rosy moving forward, it will be hard for things to revert quickly,” she said.



OLD SAN JUAN, Puerto Rico — tourist takes a photo of a cruise ship here last Wednesday, November 23, 2011. (Photos: AP)
OLD SAN JUAN, Puerto Rico — tourist takes a photo of a cruise ship here last Wednesday, November 23, 2011. (Photos: AP)



SAN JUAN, Puerto Rico — Two tourists sit in the sand on a beach here, Wednesday, November 23, 2011.