



Press Release

Response to Government's 'Spin' On The Tourism Numbers

July 27th, 2023

(Video Link: https://youtu.be/wPYd_7vPV6E)

The Honourable Kenneth Bryan does not seem to understand what is happening in Cayman's tourism industry. He underestimates the difficulties and challenges that the sector faces and ignores the hardship being caused for those who work in tourism.

This was confirmed again by the Minister announcing just last week that:

'revenue collected from Tourism Accommodation Taxes and Fees in the first six months of this year has already exceeded revenue projections for the full 12 months of 2023.'

As good as that headline may sound, the real lesson from the half-year figures announced by the Minister is that:

"The Cayman Islands Stay-Over Tourism Is Down 16% Compared With 2019."

In his press release, "Hon. Kenneth Bryan stated that stayover arrivals between January and June 2023 stood at 235,370 visitors, equating to 84 per cent of visitor arrivals during the corresponding period in 2019." That fall of 16% equates to around 45,000 fewer visitors to our shores than in 2019.

In 2019 the stay-over visitor daily spend was about *\$1,814. Allowing for 10% inflation since 2019 gives 2023 a likely daily spend per head figure of \$2,000.

A loss of 45,000 visitors then amounts to a staggering \$90m fewer tourism dollars spent in the Cayman Islands economy in the first half of 2023 compared with the 2019 half-



year. This is \$90m lost to local tourism businesses, and wages lost to Caymanians working in the tourism industry.

Couple those losses with the damaging effect of the decline in cruise visitors that the Progressives highlighted last week, and the impact on Caymanians with tourism businesses and Caymanians working in the industry is significant.

And while Caymanians in the real economy are suffering, the Minister is boasting about government revenues.

The reason why government revenues are up is not due to the Minister's efforts. Instead, it is a consequence of inflation.

The Minister's press release claimed that *'this impressive growth can be attributed partly to the successful marketing strategies implemented by the Ministry.'*

But the reality is that visitor numbers are down from where they should be. What has gone up is the cost of hotel rooms.

As the Minister admits, increased tourism accommodation revenue was *'influenced by the increase in the Average Daily Rate of accommodations over the past year'*. That is certainly an understatement – as the increase in room rates is not just influencing but causing the jump in government revenues.

With fewer tourists arriving, Government's increased tourism accommodation revenues are actually due to hotel rooms costing about 20% more than in 2019.

Given the time that the Tourism Minister spends on regional issues rather than on fixing the obvious problems at home, he should have noticed that Cayman is receiving fewer stayover visitors when many of our regional competitors are ahead of their 2019 numbers.



According to data from **Tourism Analytics, for 2023, Jamaica, Anguilla, Grenada, Aruba, Cancun, Dominican Republic, The USVI, and San Juan all exceeded their year-to-date 2019 tourist air arrivals.

Other jurisdictions, including The Bahamas and Barbados, have reduced tourism numbers compared to 2019, but they have bettered what Cayman has done.

The Cayman Islands languishes in 16th place out of 18 in the league table of performance this year compared to 2019. Only Trinidad and Cuba are doing worse than Cayman.

The Minister and the Government must address this situation urgently and not gloss over the issue with throw-away statements such as *'Tourism performance over the first half of the year has surpassed expectations and underscores the significant rebound in our tourism industry.'*

Our tourism performance may have surpassed Minister Bryan's expectations, but we are lagging well behind many in the region. The Government might be celebrating its revenues, but hard-pressed Caymanians in the tourism sector are paying the cost.

We reminded the Minister just last week that Cayman needs to reimagine the future of our cruise industry as that sector declines. This week the Minister's own figures have made clear that there are also issues for our stay-over sector that need addressing.

Anyone can set a low target and then celebrate its achievement. As the former Tourism Minister, MP Moses Kirkconnell, recently advised in Parliament - the Tourism Ministry should raise its tourism projections. We must be more ambitious for our tourism product.

We need a Tourism Minister who sets ambitious goals and works hard to achieve them. There is no room for complacency with an industry responsible for 25% - 30% of our economy!



With stay-over tourism numbers below their potential and our cruise business falling, we must get away from the current pattern of unconnected initiatives and ill-thought-through policies. We need a proper cohesive strategy that charts a path back to prosperity for our entire tourism sector.

In closing, we remind Minister Bryan that the last Progressives Governments under the former Minister of Tourism worked with the tourism sector so that stayover tourism surpassed 500K visitors for the first time in 2019.

This is not to brag but to remind the Minister that we understand what it takes to make Cayman Islands tourism successful. Listening to free advice may pay off for him.

~ END~

(See Notes On The following page)



NOTES:

* Based on data in the DOT's 2019 Destination Snapshot:

\$700.9M in total spend, from 386,290 arrivals = average spend of \$1,814.44 per person.

<https://www.visitcaymanislands.com/Visitcaymanislands.com/media/Documents/2019-9Month-Snapshot.pdf>

** From Tourism Analytics – 2023 compared with 2019 tourism arrivals.

(<https://tourismanalytics.com/caribbean.html>)

Caribbean Stopover Visitors YTD 2023					
Ranked in order of % of 2019					
	2023	2019	% of 2019	Period	
1	San Juan Airport*	6,105,897	4,717,808	29.4%	Jan-Jun
2	Los Cabos**	2,603,500	2,019,200	28.9%	Jan-Jun
3	USVI	292,882	236,771	23.7%	Jan-Apr
4	Cancun**	11,035,502	8,995,343	22.7%	Jan-Jun
5	Curacao	272,870	237,772	14.8%	Jan-Jun
6	Dominican Republic	3,379,393	2,988,155	13.1%	Jan-May
7	Mexico***	9,363,286	8,690,651	7.7%	Jan-May
8	Aruba	610,582	575,649	6.1%	Jan-Jun
8	Montego Bay*	2,656,800	2,520,600	5.4%	Jan-Jun
9	Grenada	61,019	58,170	4.9%	Jan-Apr
10	Anguilla	50,184	48,091	4.4%	Jan-May
11	Jamaica	733,982	708,297	3.6%	Jan-Mar
12	Antigua & Barbuda	154,333	161,420	-4.4%	Jan-Jun
13	Saint Lucia	175,900	185,568	-5.2%	Jan-May
14	The Bahamas	640,147	708,711	-9.7%	Jan-Apr
15	Barbados	231,944	272,138	-14.8%	Jan-Apr
16	Cayman Islands	194,901	232,474	-16.2%	Jan-May
17	Trinidad & Tobago	153,956	197,700	-22.1%	Jan-Jun
18	Cuba	1,298,539	2,561,719	-49.3%	Jan-Jun
		40,015,617	36,116,237	10.8%	
	* Total Passenger Movements				
	** Total International Passenger Movements				
	*** International Air Arrivals				