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# “Dollars & Sense”

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## The Tourism Perspective

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## ■ Defining the Role of the Sector:

- ❑ Rooms: 30,000
  - ❑ Approved Attractions: 40
  - ❑ Approved Destination Management Companies: 10
  - ❑ Approved Ground Transportation Companies: 15
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- Defining the Role of the Sector Cont.:
  - Foreign Exchange >U\$2B (2008)
    - Average Spend U\$70.2 per Arrival  
(Stop Over being higher than Cruise)
  
  - Direct Employment: > 61,000
    - Hotels: 45,000
    - Attractions: 9,000
    - Destination Mgmt/ Ground Transportation: 3,000
    - Local Airports/ Airlines: 3000
    - Craft: 1000
  
  - Indirect Employment: > 50,000
    - Construction, Trading, Suppliers, Security etc.



### STOP OVER AREA STAY

RESORT TOWN	% SHARE	CHANGE 2008/07
MONTEGO BAY	26.3	12.60
OCHO RIOS	20.7	-2.00
NEGRIL	18.7	2.60
KINGSTON	13.8	-9.00
MV. & S. COAST	8.0	7.80
PORT ANTONIO	1.2	1.80
OTHER	11.3	1.30
TOTAL	100.0	

N.B. RIU MOBAY/ IBEROSTAR



## STOP OVER VISITOR BY MARKET SHARE

COUNTRY	JAN-DEC 2008	% SHARE	JAN-DEC 2007	% SHARE	CHANGE 2008/07
U.S.A.	1,150,942	65.1	1,132,532	66.6	1.6
CANADA	236,193	13.4	190,650	11.2	23.9
U.K.	188,436	10.7	185,647	10.9	1.5
EUROPE	96,264	5.4	103,237	6.1	-6.8
CARIBBEAN	67,231	3.8	62,967	3.7	6.8
OTHERS	28,205	1.6	25,742	1.5	9.6
TOTAL	1,769,279	100.0	1,702,782	100.0	



## CRUISE PASSENGER ARRIVAL 2008

RESORT TOWN	# PASSENGERS	# CALLS	CHANGE 2008/07
MONTEGO BAY	405,999	151.0	-4.6
OCHO RIOS	675,885	233.0	-9.8
TOTAL	1,081,884	384.0	-7.7



## STOP OVER & CRUISE = TOTAL ARRIVALS 2008

	<b>STOP OVER</b>	<b>CRUISE</b>	<b>TOTAL</b>
	<b>ARRIVALS</b>	<b>ARRIVALS</b>	<b>ARRIVALS</b>
<b>2008</b>	<b>1,767,271</b>	<b>1,081,884</b>	<b>2,849,155</b>
<b>2007</b>	<b>1,700,785</b>	<b>1,179,504</b>	<b>2,882,296</b>
<b>Difference</b>	<b>66,486</b>	<b>-97,620</b>	<b>-33,141</b>
<b>% Change</b>	<b>3.91</b>	<b>-8.28</b>	<b>-1.15</b>



- Effects of the Economic Downturn
  - Drastic Discounting (up to 65% off)
    - Country Arrivals Up (Spurred by Deals)
    - Island Average Occupancies Down
    - Average Guest Spend Down
  - Cost of Advertising (Destination & Brands)
  - Booking Windows Shorter (Forecasting Off)
  - Business Cash Flow Disappearing (Collections, Financing)





- Effects of the Economic Downturn Cont.
  - Economic Activity of Linkages Severely Down
  - Operational Cost Cutting
    - Staff/Room Ratio being Trimmed
    - Product Changes vs. Price
    - “Conserve or Die”
  - Government Stimulus Package
    - GCT 50% (of Net Payments) Jan 1 – June 30 (6 mths.)
    - J\$500M Loan Facility (max. J\$30M ea)
    - T.E.F. (Revolving Loans



- General Concerns of the Sector:
  - High Interest Rate Policy
    - Running Counter to World Trends on Liquidity Support
    - Stifling the Productive Sector
    - Much of Government Debt is Local/ But moreover much of It is actually owned by Ministries and Govt. Agencies!!!!
    - No better than the Unregulated Scheme
      - Taking from the Bottom to pay the Top (Pyramid???)



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## **General Concerns of the Sector Cont :**

- ❑ Exchange Rate – Impedes Planning
  - ❑ With Businesses Closing/Downsizing – Business & Resort Security a Concern
  - ❑ Credit Card Fraud/ Lotto Scams (turning us into the Caribbean’s “Nigeria”).
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QUESTIONS?

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