

# CARIBBEAN TOURISM GROWTH RATE SLOWS DOWN



Caribbean Travel Trends 2024, prepared by ForwardKeys and The Caribbean Hotel & Tourism Association (CHTA), has revealed a series of aspects to be taken into account by the countries that make up the region. These findings were shared by Olivier Ponti, director of Intelligence and Marketing at ForwardKeys, during an event held in Jamaica.

The report highlights the following major travel trends for Caribbean tourism in 2024:

## Caribbean Tourism Experiences a Slowdown in Growth

The report states that international arrivals to the Caribbean have increased by 10% year-over-year during the first half of 2024 (and by 13% over 2019). **On the other hand, the rest of the Americas has exhibited 15% growth over the same period.**

The best-performing destinations in terms of year-on-year growth in the first half of the year are Puerto Rico (with an 18% increase), the Dominican Republic (12% increase), and Cancun (7% increase). These destinations have succeeded due to effective marketing campaigns, improved infrastructure, and unique attractions. The Bahamas (6% increase) and Jamaica (2% increase) also show more moderate growth, which can be attributed to their established reputation and loyal customer base.

## Mid-tier Destinations Are Gaining Ground in Strategic Segments

In this context, Caribbean destinations seek to solidify their growth in the post-pandemic era. A long-term marketing strategy is crucial, focusing on key markets and strategic segments:

- Family group travel
- Business travel
- Premium, high-end travelers

In the first segment, Curaçao is the top family destination, with a 38% increase in arrivals. This growth is driven by strong demand from South American countries such as Colombia (+97%), Ecuador (+76%), Peru (+75%), and Brazil (+71%). Other destinations that stand out in this market are Belize (+35%), Aruba (+26%), and Sint Maarten (+23%).

The Caribbean tourism recovery is primarily driven by leisure travel, which has seen an 11% increase year-on-year in the first half of 2024. However, the business traveler segment, while showing a lower performance with only a 3% increase, is also showing signs of recovery. This is encouraging news, as business travelers tend to spend more and contribute significantly to the local economy. The report shows promising growth in this segment for three destinations: the U.S. Virgin Islands (+29%), the Cayman Islands (+23%), and the Dominican Republic (+14%).

The report also highlights the influence of premium travelers, who significantly contribute to the Caribbean tourism industry. While international arrivals to the Caribbean by air grew 9% compared to the first half of 2023, bookings in high-end cabins (First and Business Class) increased 39% for the same period. This underscores the economic impact of premium travelers and the importance of

attracting them to the region.

In the luxury travel segment, Turks and Caicos Islands (+73%), Cayman Islands (+68%), and U.S. Virgin Islands (+57%) show the best performance, together accounting for almost 10% of all premium class arrivals to the region.

### **Intra-Caribbean Connectivity Opens the Door to Multi-destination Travel**

The detailed air capacity data analysis shows that connectivity to the Caribbean has experienced exponential growth (+13%) in the first half of 2024 compared to the previous year.

Canada (+17%) is now the most important source market for the region, followed by the United States (+13%). Additionally, intra-Caribbean connectivity expanded by 20% annually, a critical factor in enabling multi-destination travel within the region. There have been notable increases from Cancun (+78%), Barbados (+56%), and the U.S. Virgin Islands (+50%).

Intra-Caribbean connectivity is a game-changer, attracting more travelers and enabling regional destinations to target growth in high-value segments.

### **Travel from Latin America to the Caribbean Exceeds Pre-pandemic Levels**

Latin America is an important market for the Caribbean, and it showed significant growth in the first half of 2024. The growth was 17% higher than in 2019 and 10% higher than in 2023.

Ecuador and Colombia are the top source markets, with arrivals increasing by 20% yearly.

**Ecuadorian travelers contribute to growth in destinations like Aruba (up by 136%) and Curaçao (up by 70%).** Colombian visitors are driving Cuba's recovery, with arrivals increasing by 221% compared to the same period in 2023.

The best-performing Latin American destinations are Brazil (up by 12%), Argentina (up by 9%), Chile (up by 7%), and Uruguay (up by 3%). However, it's important to note that Peru is the only source market in the region with a significant decrease, showing a 13% drop. This fall can be attributed to economic conditions, travel restrictions, or changes in traveler preferences.

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