

CARIBBEAN DEPENDENCY

Travel and tourism is essential to the well being of the Caribbean economy, making up nearly 13 percent of its employment and bringing in annual revenues of US\$57 billion.

■ By Lauren Wolters | *Ascend* Contributor





Known for its white sand beaches and crystal-clear waters, the Caribbean has always been a favorite vacation destination of travelers around the globe.

A new study by the World Travel and Tourism Council projects a 2008 increase in travel and tourism to the Caribbean of 2.3 percent, and it estimates that growth to average 3.2 percent a year from 2009 to 2018.

This would bring the total number of annual Caribbean visitors to more than 48 million. According to the WTTC study, the Caribbean is the most dependent region globally on travel and tourism, accounting for 12.9 percent of the region's employment and US\$57 billion in yearly revenue.

The Caribbean relies on travel and tourism, and the aviation industry is responsible for bringing more than 54 percent of those tourists to the islands. The remaining balance of tourists comes from cruise ships, and many of them use air transportation to bring them to port. Thus, airlines

account for 19.5 million tourists of the projected 35.6 million total visitors.

Caribbean airlines have the same concerns as global carriers, but they have to face amplified affects.

The rising cost of fuel affects not only the airlines in the Caribbean but also the prices of every import. Since the islands don't produce many goods themselves, they rely on air transportation to import goods as well as export their natural resources, such as sugarcane in the Bahamas, which has driven up the costs of almost all goods in the Caribbean.

Furthermore, as Caribbean carriers act as feeders and regional carriers for the larger United States, European and Latin American carriers, the effect of reduced routes and higher ticket prices on the larger carriers is felt strongly.

For example, hurricane season can have devastating effects on the travel and tourism industry in the Caribbean — affecting more than 2 million jobs throughout the Caribbean. In most cases, Caribbean airlines are responsible for the safe return of travelers to the mainland and must bear the cost, an impossible expense for them to endure in this world of higher fuel prices as well as reduced and overbooked flights.





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With Caribbean carriers, the focus is not on the bottom-line success of an airline but rather the economic viability of 23 individual countries and the millions who reside in these island nations. These carriers, however, are in a unique position to not only serve leisure travelers but also have a direct affect on their local economy. Through their stable operations, Caribbean carriers can ensure that tourists continue to arrive in the islands and keep providing valuable tourist income for the Caribbean economy.

Sabre Airline Solutions® currently provides customer sales and services technology to Air Jamaica, Bahamasair, Caribbean Airlines and Cayman Airways as well as some flight operations solutions. These flexible, scalable and reliable solutions enable the airlines to react quickly to the needs of their customers and provide the highest level of customer service.

Though no one can predict what will happen with fuel prices or how the current hurricane season will unfold, it is clear that Caribbean carriers play a vital and important role in the travel and tourism industry in their territory, and its economy will be greatly affected should the region's airlines encounter financial difficulties. **✈**

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Not only do Caribbean carriers face these amplified affects, they also must deal with the challenges of seasonality.

As high fuel prices negatively impact the profit of an airline on an annual basis, it

is unclear if the revenues generated from the high season will offset the projected losses from the low season. The price sensitivity of the market adds another dimension of complexity.



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Travel and tourism is critical to the welfare of the Caribbean, accounting for 13 percent of employment and contributing US\$57 billion in annual revenues.