

Tourism's recovery holds key to future Caribbean growth

The Business of Tourism

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The challenge that will soon face almost every Caribbean country will be the recovery of tourism, without which future economic growth will be all but impossible.

The COVID-19 pandemic has shuttered the industry globally, made hundreds of thousands of workers unemployed, pushed many hotels, airlines and cruise companies into financial meltdown, and caused travellers to fear placing themselves at risk in any situation where public health cannot be guaranteed.

For the Caribbean, the most tourism dependent region of the world, the obvious consequence is an urgent need to consider when it can reopen for business, how it positions itself when international travel again becomes possible, and if it should adapt its offering.

Some Caribbean countries, most notably Jamaica, are already well ahead of the curve. Its tourism ministry has put in place a multi-disciplinary task force to determine not just how and when to bring visitors back, but to review and ask difficult questions about its tourism model, if change is needed to respond to altered visitor sentiment, and to recognise long-term industry trends.

At a recent online press conference, Jamaica's Minister of Tourism, Edmund Bartlett, set out Government's thinking about the issues that need to be addressed.

He identified the key areas that a new task force will consider. In outline these are: to establish a realistic view of the tourism baseline that Jamaica has to recover from; give consideration to multiple alternative versions of the island's tourism future; establish as far as possible a time line; and to develop a strategic posture for the journey back the sector will have to make, taking account of national imperatives and scenarios. He also spoke about the need for strategies that create a much closer integration with agriculture and new data led thinking about market development.

It is an approach that recognises that tourism and the manner in which it recovers will not be as before and that thought needs to be given to forms of sustainability that go far beyond the arrivals numbers game that the industry likes to play.

Although it is early days yet, it is already possible to identify in general some of the challenges that post-COVID tourism recovery teams will have to consider in developing exit strategies.

One of the greatest but so far little spoken about issues, absent either a vaccine and/or some form of reliable health certification for every visitor, is that the virus could asymptotically be imported into the region from countries that have not done enough, have failed to deliver an efficient response, or are simply in denial.

Visitor receiving countries will then find themselves in the invidious position of having to take a political decision on which countries have done all that is necessary to restore public health and then in all likelihood having to agree bilaterally with the country concerned the basis on which visitors from those nations can travel.

Without a vaccine, such an eventuality will remain politically and electorally sensitive for several years and have xenophobic implications. It will also impact on the frequency of air and sea lift, foreign relations, public health policy, taxation, food security, insurance provisions, and much else, well before the marketing specialists are able to begin addressing consumer perception and willingness to travel.

Secondly it is likely that in the Caribbean's major source markets of North America and the EU, both region's hit hard by the virus, their governments may not immediately encourage external travel, preferring to incentivise staycations in an attempt to stimulate domestic economic growth and protect public health.

Thirdly, although industry optimists are hoping to see visitors return this coming winter season based on the statistics on recovery after 9/11 and the 2017/18 global financial crisis, these provide no guide to where the world economy and by extension tourism now is. At best the world is about to enter a recession and without concerted multilateral global cooperation on the edge of a depression.

It may also be the case that not every category of visitor the Caribbean has welcomed in the past will wish or be able to travel. While it is likely that least at risk higher spending categories such as millennials and their children will be the first to want to do so, older travellers may be reluctant and may no longer be able to obtain medical or travel insurance to visit markets or via nations deemed to be at higher risk. Moreover, hotels and other visitor facilities may be cautious about litigation should the virus reappear in a manner traceable to one of their properties or facilities.

There is also much to be considered in relation to the cruise lines, the need first to stimulate employment-generating long-stay land-based tourism, and the still missing regional response to the cruise company's divisive approach to destinations.

Addressing these and other issues will require much thought, joined up local and regional solutions, a high degree of realism about how markets will reopen, and most likely fierce global competition as all nations see visitors as the means to rapidly power economic growth.

It all suggests a time horizon for the start, not the end of Caribbean recovery, being as late as the fall or winter of 2021.

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