

STATEMENT BY THE HONOURABLE MOSES I KIRKCONNELL, JP, MLA
MINISTER FOR DISTRICT ADMINISTRATION, TOURISM AND TRANSPORT
to the LEGISLATIVE ASSEMBLY OF THE CAYMAN ISLANDS
on the TOURISM INDUSTRY ARRIVALS FOR OCTOBER 2018

Mr. Speaker: I would like to provide the Members of Honourable House with information regarding the Cayman Islands tourism industry and share our most recent tourism arrivals stats.

Combined air and cruise arrivals

The tourism sector continues to deliver a solid performance and is maintaining consistent growth.

Total visitation which includes both air and cruise arrivals for the period January to October 2018 was 1,928,534. This represents an increase of **18.13%** or 296,018 additional visitors over the same period in 2017.

Combined visitation for the first ten months of this year was the highest in our recorded history; and has surpassed 2006 when the previous combined visitation record was established.

It is worth highlighting that in 2006, 88% of our visitors arrived by cruise ship. This has decreased to 81% in 2018.

Year-to-Date Air Arrivals

Focusing just on stayover arrivals for the moment, 372,812 visitors arrived by air during the first ten months of 2018. This is 11.49% higher than the corresponding period in 2017 and equates to an increase of **38,411** more stayover arrivals.

Once again, this is the highest number of stayover visitors ever recorded for the first ten months of any year, and has surpassed the previous record established in 2017.

Air Arrivals - October 2018

Turning our attention now to arrivals for the month of October 2018:

While air arrivals registered a nominal increase of 1%, visitation from the USA was up by 4.05%. This equates to 711 additional visitors and is the 19th consecutive month of growth.

The USA continues to dominate market share for our islands and is holding at 84%, up from 82 % last year.

Cruise Passenger Arrivals - Year-to-Date

As the Members in this Honourable House are aware, from August 2017 the Cayman Islands began receiving cruise calls from ships that had been diverted from ports in the Eastern Caribbean. This unexpected boost in passenger arrivals allowed us to end 2017 at 1% up over the previous year's arrivals. Had this not occurred, cruise arrivals for 2017 would have registered a significant decline.

In 2018, Grand Cayman has continued to benefit from additional cruise calls while Ports in the Eastern Caribbean incrementally come back on stream. For the ten month period between January and October 2018 - 1,557,307 cruise passengers arrived in Grand Cayman, reflecting an increase of 19.84% compared to the same period in 2017.

The CI Port Authority is forecasting that we will receive approximately

1.94M cruise passengers by year end.

For 2019 as more ships return to their original schedules, cruise arrivals are forecast to drop by 5% to 1,848,511 passengers.

Economic Contribution - Stayover Visitor Spend:

The increase in tourism arrivals has delivered a corresponding increase in revenue collection. For the first nine months of this year, the economic contribution from both the stayover and cruise sectors have both increased.

According to statistics compiled by the CI Department of Tourism, the economic contribution from stayover visitor spending has increased from CI\$366.6M in 2017 to CI\$421.9M in 2018, between January and September 2018. This represents an increase of CI\$53.3M or 15.1%. (9 months)

Individual spend per stayover visitor has gone up by 5.3% from CI\$183.5 to CI\$193.9.

Economic Contribution of Cruise Tourism Expenditures

The BREA 2018 destination report for the Cayman Islands outlines the economic benefits of cruise tourism arising from three principal sources:

1. Onshore expenditures by passengers;
2. Onshore spending by crew; and
3. Cruise lines expenditures for supplies, such as food and beverages, and Port services and fees.

Cruise passengers spend:

According to the 2018 BREA report Cruise passenger spending has decreased from US\$115 per person in 2015 to US\$105.17 in 2018.

Year 2017 – 1.74M passengers x US\$105.17 = \$182.7M

Mr. Speaker, outside of the obvious economic benefits and impact on employment, tourism delivers a strong multiplier effect and is a key driver of development in other industries such as real estate and construction.

Several tourism-related developments are in various stages of development and are expected to boost capacity within our tourism accommodations sector by 20% over the next 2 years.

As the Minister with responsibility for Tourism I am very satisfied with the industry's growth which has been on an upward trajectory since 2013. This growth has been achieved through a mix of Government activity, public-private collaboration and community participation, all working together to keep the Cayman Islands high on the global list of top performing leisure destinations.

The increase in stayover arrivals in particular has been accomplished by the wide exposure our islands receive in international print and digital media, as a result of the hard work by the Department of Tourism and other industry partners.

The Ministry of Tourism values those partnerships and I would like to publically thank all our public and private sector contributors who work tirelessly to attract the attention of potential visitors, and ensure they have a memorable experience on our Islands when they arrive.

In closing Mr. Speaker, I would like to end on an even higher note than our double digit growth in tourism arrivals. I am very pleased to announce that Southwest airlines will be adding seasonal service on Saturdays between Baltimore/Washington and Grand Cayman effective June 15, 2019.

We look forward to including this new route to our growing list of international gateways and welcome the opportunities it will provide for our tourism industry by expanding our reach in new markets.

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