

## **Cruise ship tourism in the Caribbean Is the tail wagging the dog?**

The Caribbean is one of the most tourism dependent regions in the world with a contribution of the broader travel and tourism economy estimated at 14.8 percent of the region's GDP and contributing a possible 2.4 million jobs. In the short to medium term steady and sustainable growth of the tourism sector will impinge on the development prospects of many countries of the region.

Tourism in the Caribbean has three main components. Land-based tourism where tourists spend the night on land, yachting where tourists spend the night on a yacht and cruise ship tourism where the tourists stay on a cruise ship. Of these categories land based tourism could provide up to 90 percent of the tourism earnings and employment. Hence the continued existence of a competitive land based tourism sector should be a primary policy concern of the countries of the region.

Yet what we are seeing is a shift from land based tourism towards cruise ship tourism. While reliable estimates of the total number of cruise ship tourists visiting the region are non existent, ECLAC estimates that between 6.5 and 7 million cruise ship tourists visited the region in 2004. This total differs from the sum of the number of cruise ship visitors that pass through individual ports, mostly because most cruise tourists will visit more than one port.

Over the last decade cruise ship tourism has shown high and steady rates of growth although growth rates in cruise ship visitor arrivals in individual ports can and have been much more erratic and even, as in the case of Guadeloupe, may have shown a decline. Other observable trends include the increase in the size of ships, the increase in the number of available berths and a shift from the Eastern and Southern Caribbean to the Western Caribbean including Mexico.

In brief the three main trends are:

- \* Increased market share of cruise ship tourism at the cost of land based tourism
- \* Increased capacity
- \* Shift from the Eastern and Southern Caribbean to the Western Caribbean.

These trends may have several implications for the region's tourism earnings and employment.

The increased market share of the cruise ship tourism stems partly from clients who would not have visited the Caribbean otherwise but also of clients who would have taken a land-based holiday at some point in time. It is the latter category that is a cause of concern because the decision to take a cruise ship holiday implies a loss of tourism earnings and employment for the region.

In a growing market the implications of an increased market share may not be directly noticeable since, after all, each tourism sub sector continues to grow. The problems will arise when there is either a crisis or stagnation of growth similar to that following the economic recession and the after effects of 9/11.

The increased market share would then result in a loss of tourism earnings and tourism employment as cruise ship visitors spend less per visit than hotel or yachting tourists. Also cruise ships provide only limited opportunities for employment for West Indians since most of the staff tends to be Asian and officers and senior staff tend to be European or North American.

The implications of the increased capacity stem both from ever-larger ships (the average number of berths per ship stood at 1252 for the existing North American fleet, while it stood at 2764 for ships on order) and from the increase in total berth capacity. To accommodate the larger ships most ports will need investment in infrastructure.

The ever-larger ships can cause overcrowding of urban setting and attractions. Such overcrowding will only get worse when three to five large ships are in port at the same time, a state of affairs that is common in the more popular cruise ports like St. Thomas, St. Maarten, Nassau or Cozumel. Congestion has two components. The first is exceeding of environmental thresholds such as waste disposal or sewage treatment or more difficulty in managing the physical impacts on natural areas.

Another aspect of congestion is the perception of overcrowding by residents, tourists and cruise ship visitors alike. As a result residents and tourists may avoid visiting certain attractions, facilities or even islands because of anticipated overcrowding by throngs of cruise ship visitors. This may be one of the root causes that underlie sluggish growth in tourist arrivals in the Cayman Islands, St Thomas or St Maarten in the years up to 2002, but further research is needed.

The lack of research is common to many if not most of the aspects of cruise ship tourism. Reliable data on the total number of cruise ship tourists visiting the Caribbean region are not available. Cruise ship visitor expenditure surveys exclude estimates of expenditures by crew and exclude port and similar fees charged by port authorities thereby resulting in an underestimate of cruise ship receipts. Economic impact studies are largely missing and, crucially for land based tourism national studies on the implications of cruise ship tourism on hotel and other tourists are not available. Available data include cruise ship visitor arrivals by country, cruise ship visits and the studies carried out by associations formed by the cruise ship companies. Despite the lack of research most governments promote the growth of cruise ship tourism.

Overcoming this lack of research is one of the challenges that the regions faces in attempting to gain more insight in cruise ship tourism and its impact on the regions employment and economy and in establishing tourism policies that take cognizance of the different impacts that the various components of tourism have on foreign exchange earnings and employment.