



**Statement by the
Deputy Premier and Minister for Tourism and Ports
on
The Cayman Islands Tourism Industry's Performance
2024 December Session of Parliament**

Mister Speaker, I rise today to provide Members of this Honourable House and the listening public with an update on the Cayman Islands tourism industry's performance for the first three quarters of 2024, and I thank you for affording me the privilege.

Stayover Arrivals:

Mister Speaker, I am pleased to report that stayover visitation has increased despite significant disruption from an active hurricane season, causing flight cancellations during the typically busy period in early July due to Hurricane Beryl; and again in September and October due to tropical storms, as well as in November for Hurricane Rafael.

Even so Mister speaker, the Cayman Islands tourism industry registered growth in stayover visitation, welcoming 351,248 tourists between January and October 2024, representing an increase of 2.2% from 2023.

Looking at where our visitors are coming from:

- The United States accounted for 82.9% of total visitation,
- Canada was the second-largest source market at 6.5%,
- And Europe followed at 4.7%, reflecting a marginal increase, up from 4.5% in 2023.

Projections for quarter 4 indicate a strong end to the year with close to 440,000 stayover arrivals, marking an increase of 2% over 2023.

Flight Capacity

Inbound airline seat capacity from the United States, Canada and the United Kingdom increased by 10.3%, rising from 570,308 seats in 2023 to 627,286 in 2024.

The addition of 398 more flights than in 2023 is the result of the Cayman Islands Department of Tourism's (CIDOT's) aviation strategy, which saw representatives from CIDOT attending a number of crucial aviation conferences worldwide, to engage directly with airlines to attract new service to our destination.

While inbound service has increased to our Islands, we are mindful that the aviation industry continues to face challenges with equipment, which is impacting global capacity. This could result in a reduction in services to the Cayman Islands from Jet Blue during the Summer of 2025.

Accommodations

The accommodations sector has shown significant growth in 2024, and currently includes 8,111 rooms, which is an increase of 487 rooms over 2023. Apartments and Condos account for 48% of the industry's room stock, Hotels 35% and Guesthouses 17%.

Between January and September 2024, the Average Daily Rate (ADR) of a hotel room in the Cayman Islands was \$682, which is an increase of 11.2% over 2023.

In the homesharing sector, more commonly known as AirBnB and Vacation Rentals by Owner (VRBO) the ADR was \$632, reflecting an increase of 1.7% over the same period in 2023.

Tourism Accommodation Charges

Revenue collected from Tourism Accommodation Charges has also increased bolstered by the 11.2% rise in the daily room rates.

For 2024 government revenue collected from the accommodations sector is projected to be \$44.1 million, which is \$3.9 million more than budgeted. This key performance indicator, as well as highlighting the strength of the industry, also reflects the Ministry's return on investment from marketing spend.

Funds spent on marketing the island - attract a high quality audience – who pay accommodation taxes and fees - that are returned to the government through revenue collection. Growth in ADR translates into growth in revenue collection delivering an additional boost to the local economy.

Developing People

Mister Speaker, the success of the tourism industry depends not only on numbers but also on people, and therefore developing Caymanians to play a meaningful role in the industry remains a priority.

I am pleased to share that the Ministry and Department of Tourism have invested over \$1.2 million in 2024 to support the professional development of Caymanians, through scholarship and degree programmes, the School of Hospitality Studies and other training activities. This is an increase of \$100,000 from 2023.

The breakdown per year is:

2023 - \$1,156,431.38

2024 - \$1,256,431.47

\$2,412,862.85.

By offering access to scholarships and training courses we are empowering Caymanians to pursue opportunities in hospitality, management, and other tourism-related fields; creating a pipeline of talent to sustain and grow the industry in the coming years.

Support for Local Entrepreneurs – VEDG

In September of this year, the Visitor Experience Development Grant Programme (or VEDG Programme) was launched by the Ministry of Tourism to help entrepreneurs, and micro and small businesses to bring new products to market to diversify our tourism offerings.

The grant provides funding of up to CI\$50,000 per successful applicant, and following the launch 110 applications were received.

After careful review by staff from the Ministry and from the Cayman Islands Centre for Business Development, 44 semi-finalists have been selected. I am advised that the first disbursements of funds are due to be issued this month (December) to the successful applicants.

Importantly, all applicants will receive constructive feedback on their proposals, and those who were not successful are encouraged to refine their business plans or ideas with assistance from the CIBD and can reapply for the grant next year.

Cruise Sector

Mister Speaker, while all of the results from the stayover sector are showing encouraging growth, results from the cruise sector are not as positive.

- Passenger arrivals between January and October 2024 are down by 14.6% compared to the same period in 2023.
- 848,872 passengers arrived in the first ten months of the year, which is 145,047 fewer passengers than 2023, and 41.3% or 596,705 less passengers compared to 2019.

- Over the 10-month period in 2024 there were 264 cruise calls – down 53 calls from 2023.
- The current projections forecast that we will end the year with 1.1 million passengers, which is 100,000 passengers less than 2023. Other than a bump in 2025 to 1.3 million, this downward trend is expected to continue at the rate of 5.2% annually going forward.

Until the question of the cruise pier has been definitively settled by referendum, there is very little the Ministry can do to increase passenger numbers other than continue to lobby cruise lines, which we continue to do at every opportunity.

As Members are aware the motion for a referendum was duly passed at the last sitting of Parliament in October. After being gazetted for 28 days in compliance with constitutional provisions, the Referendum Bill will be brought to Parliament at the next sitting in 2025.

I would like to note Mister Speaker, that the public education campaign is scheduled to begin once the Bill has successfully passed, and the

referendum is confirmed. It would be premature to start any public education initiatives prior to the Bill being passed.

Unprecedented Partnerships and Global Leadership

Mister Speaker, sustainably growing the Cayman Islands tourism industry cannot be achieved without effectively marketing the destination in the right places at the right time to the right audiences. I have to say Mister Speaker that the Department of Tourism continues to excel in this regard, scoring a number of ‘firsts for our Islands, by leveraging outstanding creative thinking and partnerships. I will highlight two examples:

Firstly, I am pleased to advise that the Cayman Islands has become the **first** Caribbean destination to launch an omni-channel advertising campaign with United Airlines’ whereby the Cayman Islands will be featured in a dynamic and interactive way across United Airlines' media channels, including:

- in-flight entertainment,
- airport out-of-home advertising,
- digital media,
- and on a dedicated page on the United.Com website.

This allows the Cayman Islands to reach travelers before, during and after their trips – and is something no Caribbean destination has been able to do with United Airlines before – in such an integrated way.

Mister Speaker, this is unprecedented and highlights the creativity, expertise and exceptional talent that we are fortunate to have within the DoT, under the leadership of Director Rosa Harris.

In another ‘first’ the Cayman Islands has been accepted as a destination member of the **World Travel & Tourism Council (WTTC)**, which is the global authority on the economic and social contribution of Travel & Tourism. Membership includes more than 200 CEOs, Chairpersons and Presidents of the world’s leading Travel & Tourism companies globally across all industries.

Being a destination member in the WTTC gives the Cayman Islands a global profile in the tourism arena along with access to regional forums and exclusive member events for networking and partnering with top executives from luxury hotel brands, credit card companies and tour operators, and more – all of which present business development opportunity for the destination.

Mister Speaker, the examples which I have cited are just two of many such accomplishments, which not only increase the visibility of the Cayman Islands globally, but enhance our ability to reach and influence our target markets more effectively. I wish to publicly applaud the Department of Tourism for these stellar achievements.

Recap of 2024 Accomplishments

Mister speaker, all of the key performance indicators for the Cayman Islands tourism industry tell a story of strategic success in repositioning the industry in the post-pandemic tourism landscape.

With stayover visitor numbers continuing to increase, the growth trend indicates strong market confidence supported by increased airlift and effective destination marketing particularly in high-value segments.

To recap, the key takeaways for the tourism industry's performance in 2024 are:

1. Steady growth in core markets – year end visitation up 2.2% over 2023
2. Growth in accommodations - Room stock up by 487 rooms over 2023
3. Average Daily Rates - up 11.2% over 2023
4. Increased airline capacity with total seats up 10.3% over 2023
5. Increased airline connectivity with 398 more flights than 2023

6. Growth in revenue collection - Tourism Accommodation Charges up 3.9 Million over budget.

All of this growth is supported by:

1. Effective, targeted marketing initiatives delivering strong performance particularly in the luxury sector.
2. Successful market diversification delivering growth in multiple regions.
3. Strengthened international presence through major trade show participation
4. Groundbreaking partnerships, including the first ever Caribbean marketing partnership with United Airlines.
5. Acceptance into the World Travel & Tourism Council.
6. Enhanced visitor experience initiatives.
7. Launch of VEDG programme offering up to 50,000 per applicant to support Caymanian entrepreneurs.

Mister Speaker, these achievements would not have been possible without the hard work, diligence and expertise of the staff of the Ministry and Department of Tourism. Their strategic planning,

innovative thinking, and tireless execution have been instrumental in delivering these impressive results.

As we look ahead to 2025, I am optimistic about the future of tourism in the Cayman Islands.

And on that note I am pleased to reveal that for the coming season, the DoT has invested an additional \$2 Million in marketing spend to provide an additional boost to the industry, reinforcing the government's ongoing commitment and support for the tourism industry.

On that very happy note I extend my heartfelt thanks to all of our partners and stakeholders for their perseverance and willingness to pivot at a moment's notice - as they have done several times this year - and for their dedication to the sustainable growth and prosperity of our tourism industry.

I look forward to accomplishing further growth, innovation, partnership and collaboration, as we continue to grow and strengthen this vital pillar of our economy.

Thank you Mister Speaker.

