

## INDUSTRY INFORMATION

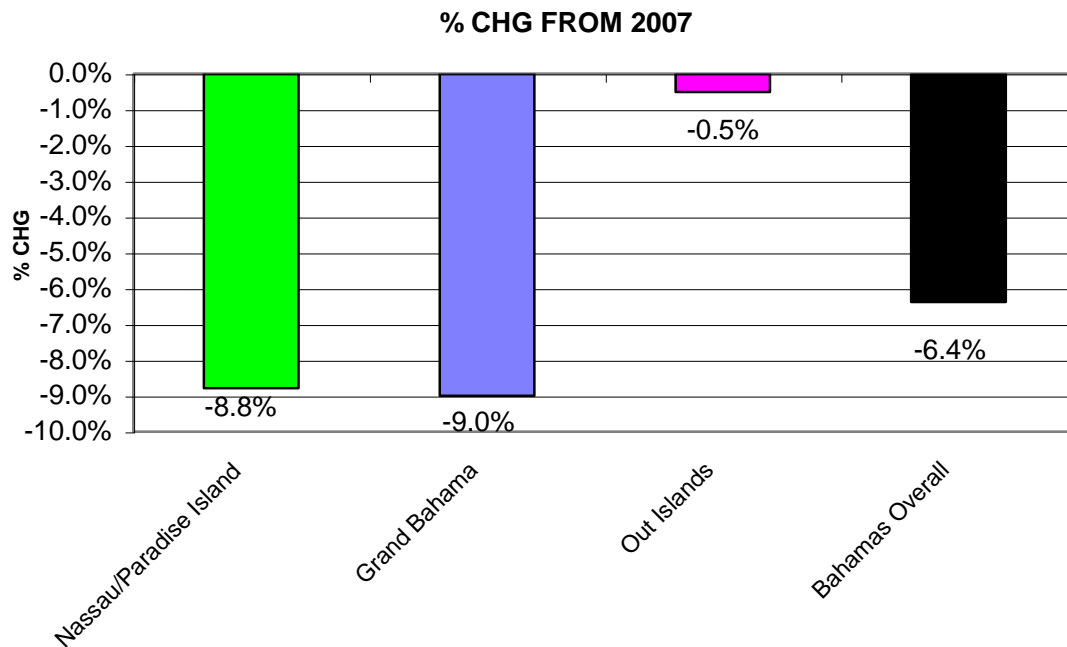
### Visitor Arrivals (JANUARY)

#### FOREIGN AIR & SEA ARRIVALS TO THE BAHAMAS

#### MONTH OF JANUARY 2008

|                        | 2008    | 2007    | % CHG FROM 2007 |
|------------------------|---------|---------|-----------------|
| Nassau/Paradise Island | 212,854 | 233,360 | -8.8%           |
| Grand Bahama           | 43,018  | 47,272  | -9.0%           |
| Out Islands            | 116,106 | 116,701 | -0.5%           |
| Bahamas Overall        | 371,978 | 397,333 | -6.4%           |

All numbers are subject to revision.



#### ISLANDS OF THE BAHAMAS

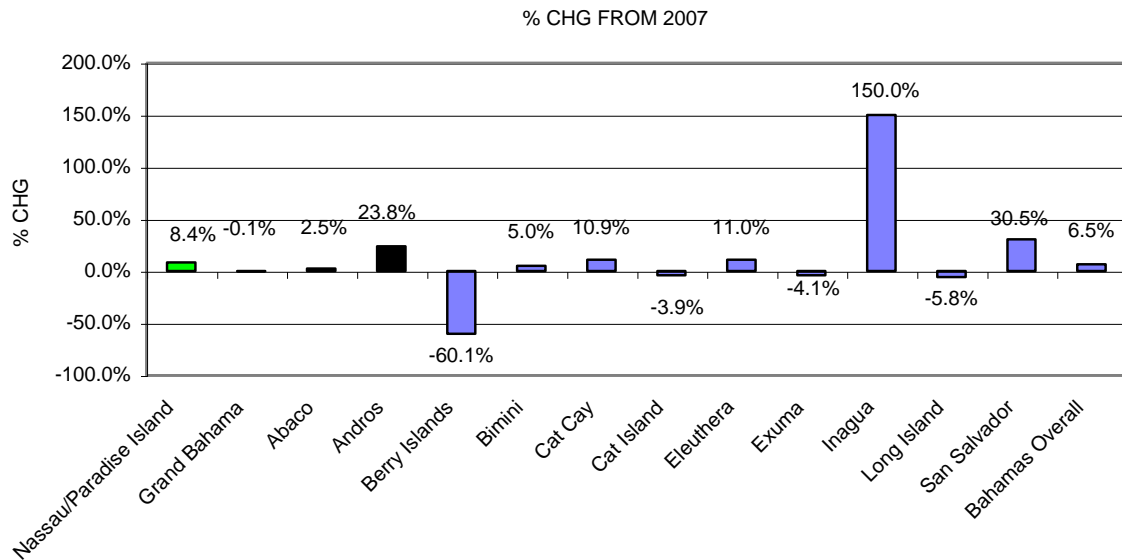
#### AIR AND SEA ARRIVALS: ISLANDS DOWN

- The Bahamas Overall was down by -6%.
- Nassau/Paradise Island was down -9%.
- Grand Bahama was down -9%.
- The Out Islands were down by -1%.

**FOREIGN AIR ARRIVALS TO THE BAHAMAS**  
**MONTH OF JANUARY 2008**

|                        | 2008           | 2007           | % CHG FROM 2007 |
|------------------------|----------------|----------------|-----------------|
| Nassau/Paradise Island | 81,923         | 75,574         | 8.4%            |
| Grand Bahama           | 14,246         | 14,255         | -0.1%           |
| Abaco                  | 4,905          | 4,785          | 2.5%            |
| Andros                 | 682            | 551            | 23.8%           |
| Berry Islands          | 284            | 712            | -60.1%          |
| Bimini                 | 862            | 821            | 5.0%            |
| Cat Cay                | 284            | 256            | 10.9%           |
| Cat Island             | 198            | 206            | -3.9%           |
| Eleuthera              | 2,583          | 2,326          | 11.0%           |
| Exuma                  | 2,643          | 2,755          | -4.1%           |
| Inagua                 | 15             | 6              | 150.0%          |
| Long Island            | 81             | 86             | -5.8%           |
| San Salvador           | 1,437          | 1,101          | 30.5%           |
| <b>Bahamas Overall</b> | <b>110,143</b> | <b>103,434</b> | <b>6.5%</b>     |

All numbers are subject to revision. Chub Cay arrivals are not included in the above numbers.



ISLANDS OF THE BAHAMAS

**AIR ARRIVALS (JANUARY): ISLANDS UP**

- Air arrivals to The Bahamas Overall were up by 7%.
- Air arrivals to Nassau/Paradise Island were up by 8%.
- Air arrivals to Abaco were up by 3%.
- Air arrivals to Andros were up by 24%.
- Air arrivals to Bimini were up by 5%.
- Air arrivals to Cat Cay were up by 11%.
- Air arrivals to Eleuthera were up by 11%.
- Air arrivals to San Salvador were up by 31%.

**AIR ARRIVALS (JANUARY): ISLANDS DOWN**

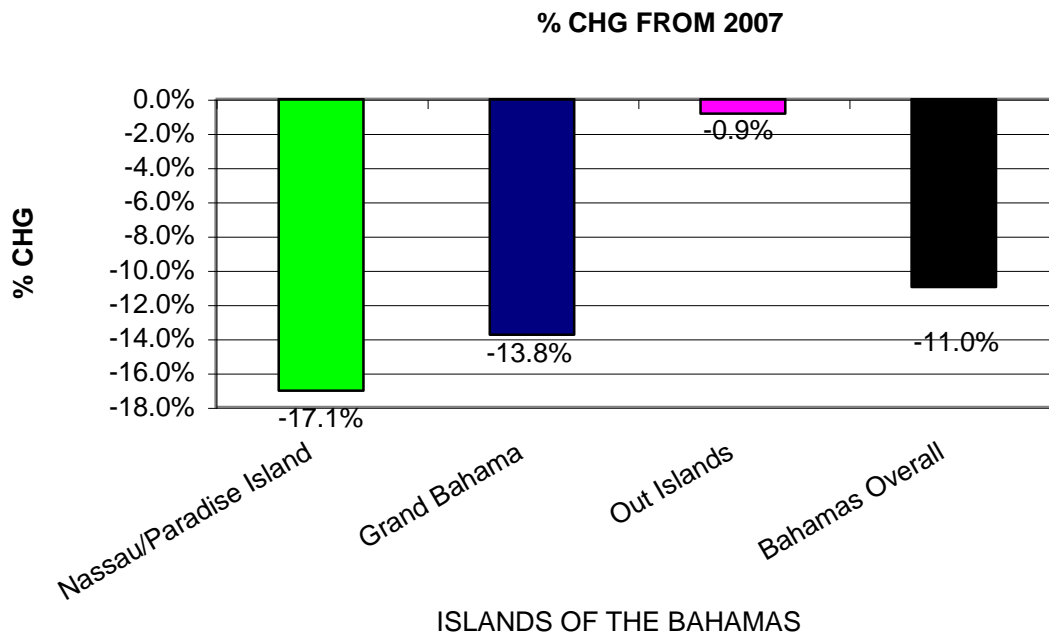
- Air arrivals to Grand Bahama were down slightly.
- Air arrivals to Cat Island were down by -4%.
- Air arrivals to Exuma were down by -4%.
- Air arrivals to Long Island were down by -6%.

**Cruise Arrivals**

**CRUISE ARRIVALS TO THE BAHAMAS  
FIRST PORT OF ENTRY  
JANUARY 2008**

|                        | 2008           | 2007           | % CHG FROM 2007 |
|------------------------|----------------|----------------|-----------------|
| Nassau/Paradise Island | 130,312        | 157,098        | -17.1%          |
| Grand Bahama           | 24,562         | 28,486         | -13.8%          |
| Out Islands            | 100,908        | 101,788        | -0.9%           |
| <b>Bahamas Overall</b> | <b>255,782</b> | <b>287,372</b> | <b>-11.0%</b>   |

All numbers are subject to revision.

**CRUISE ARRIVALS JANUARY 2007 (1<sup>st</sup> Port of Entry only): ISLANDS DOWN**

- Cruise arrivals to The Bahamas Overall were **down** by -11%.
- Cruise arrivals to Nassau/Paradise Island were **down** by -17%.
- Cruise arrivals to Grand Bahama were **down** by -14%.
- Cruise arrivals to The Out Islands were **down** by -1%.
- Cruise arrivals were down because Carnival Cruise lines, Celebrity Cruises, Holland American Cruises, Imperial Majesty Cruises, Princess Cruises, Radisson Seven Seas Cruises and Royal Caribbean all brought in fewer passengers (1<sup>st</sup> port of entry) in January 2008 than during the same period of 2007.

**APPENDIX**

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of The Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship.*
- ***In this report we have just included 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup> and 2<sup>nd</sup> port together.***

## INDUSTRY INFORMATION

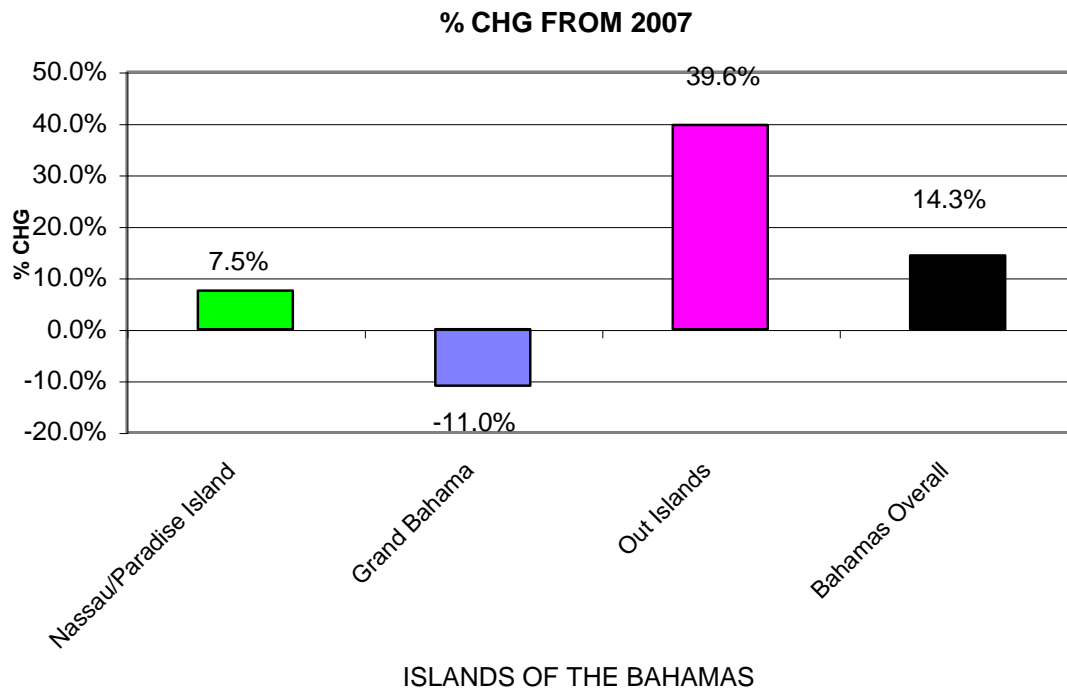
### Visitor Arrivals (FEBRUARY)

#### FOREIGN AIR & SEA ARRIVALS TO THE BAHAMAS

##### MONTH OF FEBRUARY 2008

|                        | 2008           | 2007           | % CHG FROM 2007 |
|------------------------|----------------|----------------|-----------------|
| Nassau/Paradise Island | 234,681        | 218,278        | 7.5%            |
| Grand Bahama           | 44,419         | 49,894         | -11.0%          |
| Out Islands            | 151,532        | 108,510        | 39.6%           |
| <b>Bahamas Overall</b> | <b>430,632</b> | <b>376,682</b> | <b>14.3%</b>    |

All numbers are subject to revision.



#### **AIR AND SEA ARRIVALS: ISLANDS UP**

- Bahamas Overall was up by 14%.
- Nassau/Paradise Island was up 8%.
- The Out Islands were up by 40%.

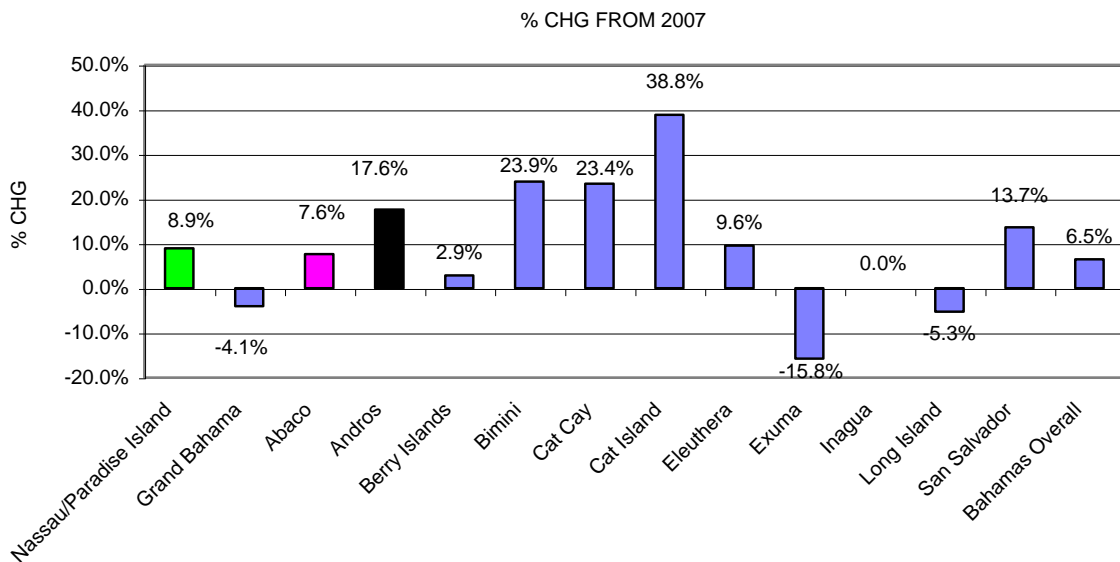
#### **AIR AND SEA ARRIVALS: ISLANDS DOWN**

- Grand Bahama was down -11%.

**FOREIGN AIR ARRIVALS TO THE BAHAMAS**  
**MONTH OF FEBRUARY 2008**

|                        | 2008           | 2007           | % CHG FROM 2007 |
|------------------------|----------------|----------------|-----------------|
| Nassau/Paradise Island | 90,576         | 83,163         | 8.9%            |
| Grand Bahama           | 16,257         | 16,946         | -4.1%           |
| Abaco                  | 7,523          | 6,991          | 7.6%            |
| Andros                 | 868            | 738            | 17.6%           |
| Berry Islands          | 785            | 763            | 2.9%            |
| Bimini                 | 1,012          | 817            | 23.9%           |
| Cat Cay                | 359            | 291            | 23.4%           |
| Cat Island             | 286            | 206            | 38.8%           |
| Eleuthera              | 3,469          | 3,166          | 9.6%            |
| Exuma                  | 3,117          | 3,702          | -15.8%          |
| Inagua                 | 3              | 3              | 0.0%            |
| Long Island            | 90             | 95             | -5.3%           |
| San Salvador           | 1,422          | 1,251          | 13.7%           |
| <b>Bahamas Overall</b> | <b>125,767</b> | <b>118,132</b> | <b>6.5%</b>     |

All numbers are subject to revision.



ISLANDS OF THE BAHAMAS

**AIR ARRIVALS (FEBRUARY): ISLANDS UP**

- Air arrivals to The Bahamas Overall were up by 7%.
- Air arrivals to Nassau/Paradise Island were up by 9%.
- Air arrivals to Abaco were up by 8%.
- Air arrivals to Andros were up by 18%.
- Air arrivals to Berry Islands were up 3%.
- Air arrivals to Bimini were up by 24%.
- Air arrivals to Cat Cay were up by 23%.
- Air arrivals to Cat Island were up by 39%.
- Air arrivals to Eleuthera were up by 10%.
- Air arrivals to San Salvador were up by 14%.

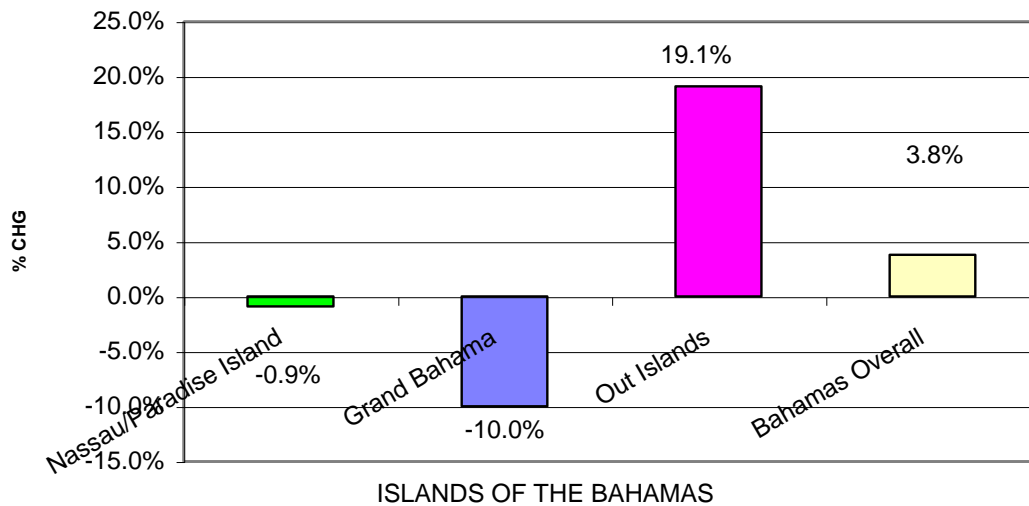
**AIR ARRIVALS (FEBRUARY): ISLANDS DOWN**

- Air arrivals to Grand Bahama were down by -4%.
- Air arrivals to Exuma were down by -16%.
- Air arrivals to Long Island were down by -5%.

**FOREIGN AIR & SEA ARRIVALS TO THE BAHAMAS  
JANUARY TO FEBRUARY YTD 2008**

|                        | 2008    | 2007    | % CHG FROM 2007 |
|------------------------|---------|---------|-----------------|
| Nassau/Paradise Island | 447,535 | 451,638 | -0.9%           |
| Grand Bahama           | 87,455  | 97,166  | -10.0%          |
| Out Islands            | 268,223 | 225,211 | 19.1%           |
| Bahamas Overall        | 803,213 | 774,015 | 3.8%            |

**% CHG FROM 2007**

**AIR AND SEA ARRIVALS (YTD FEBRUARY 2007): ISLANDS UP**

- The Bahamas Overall was up by 4%.
- The Out Islands were up by 18%.

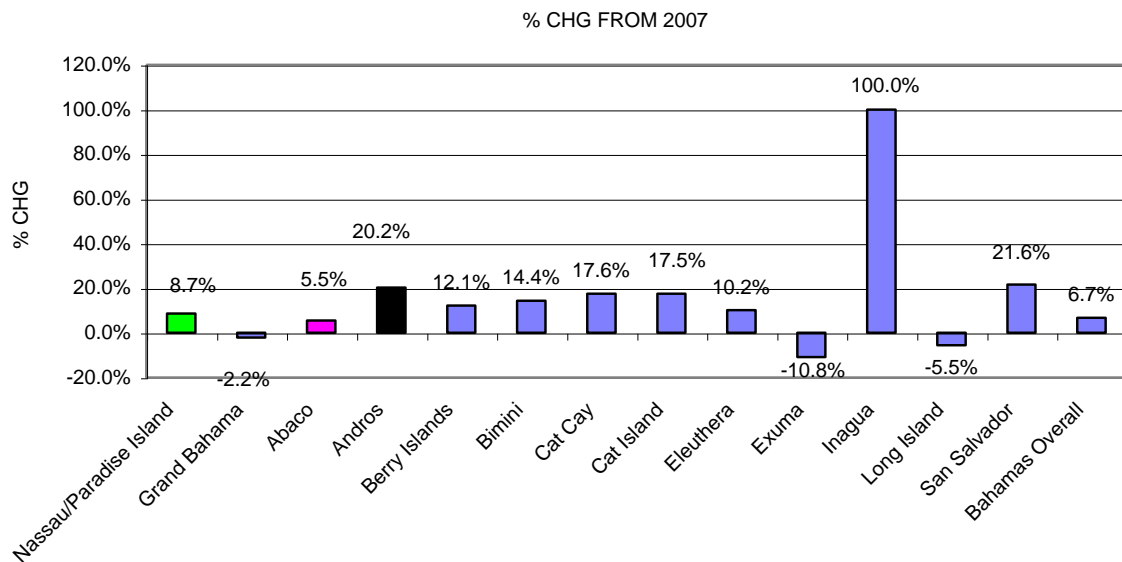
**AIR AND SEA ARRIVALS (YTD FEBRUARY 2007): ISLANDS DOWN**

- Nassau/Paradise Island was down by -1%.
- Grand Bahama was down by -10%.

**FOREIGN AIR ARRIVALS TO THE BAHAMAS**  
**JANUARY TO FEBRUARY YTD 2008**

|                        | 2008           | 2007           | % CHG FROM 2007 |
|------------------------|----------------|----------------|-----------------|
| Nassau/Paradise Island | 172,499        | 158,737        | 8.7%            |
| Grand Bahama           | 30,521         | 31,201         | -2.2%           |
| Abaco                  | 12,428         | 11,776         | 5.5%            |
| Andros                 | 1,550          | 1,289          | 20.2%           |
| Berry Islands          | 1,654          | 1,475          | 12.1%           |
| Bimini                 | 1,874          | 1,638          | 14.4%           |
| Cat Cay                | 643            | 547            | 17.6%           |
| Cat Island             | 484            | 412            | 17.5%           |
| Eleuthera              | 6,052          | 5,492          | 10.2%           |
| Exuma                  | 5,760          | 6,457          | -10.8%          |
| Inagua                 | 18             | 9              | 100.0%          |
| Long Island            | 171            | 181            | -5.5%           |
| San Salvador           | 2,859          | 2,352          | 21.6%           |
| <b>Bahamas Overall</b> | <b>236,513</b> | <b>221,566</b> | <b>6.7%</b>     |

All numbers are subject to revision.



ISLANDS OF THE BAHAMAS

**AIR ARRIVALS (JANUARY TO FEBRUARY YTD): ISLANDS UP**

- Air arrivals to The Bahamas Overall were up by 7%.
- Air arrivals to Nassau/Paradise Island were up by 9%.
- Air arrivals to Abaco were up 6%.
- Air arrivals to Andros were up by 20%.
- Air arrivals to Berry Islands were up by 12%.
- Air arrivals to Bimini were up by 14%.
- Air arrivals to Cat Cay were up by 18%.
- Air arrivals to Cat Island were up by 18%.
- Air arrivals to Eleuthera were up 10%.
- Air arrivals to San Salvador were up by 22%.



**AIR ARRIVALS (JANUARY TO FEBRUARY YTD): ISLANDS DOWN**

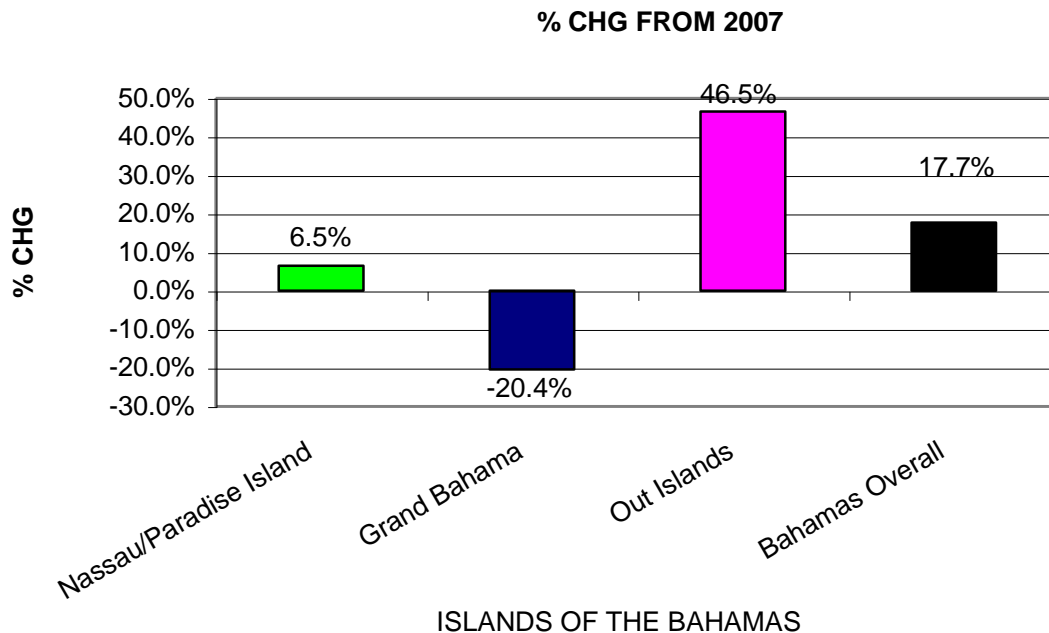
- Air arrivals to Grand Bahama were down by -2%.
- Air arrivals to Exuma were down by -11%.
- Air arrivals to Long Island were down by -6%.

## Cruise Arrivals

### CRUISE ARRIVALS TO THE BAHAMAS FIRST PORT OF ENTRY FEBRUARY 2008

|                        | 2008    | 2007    | % CHG FROM 2007 |
|------------------------|---------|---------|-----------------|
| Nassau/Paradise Island | 143,221 | 134,483 | 6.5%            |
| Grand Bahama           | 22,205  | 27,899  | -20.4%          |
| Out Islands            | 130,287 | 88,933  | 46.5%           |
| Bahamas Overall        | 295,713 | 251,315 | 17.7%           |

All numbers are subject to revision.



#### ***CRUISE ARRIVALS FEBRUARY 2007 (1<sup>st</sup> Port of Entry only): ISLANDS UP***

- Cruise arrivals to The Bahamas Overall were up by 18%.
- Cruise arrivals to Nassau/Paradise Island were up by 7%.
- Cruise arrivals to The Out Islands were up by 47%.

#### ***CRUISE ARRIVALS FEBRUARY 2007 (1<sup>st</sup> Port of Entry only): ISLANDS DOWN***

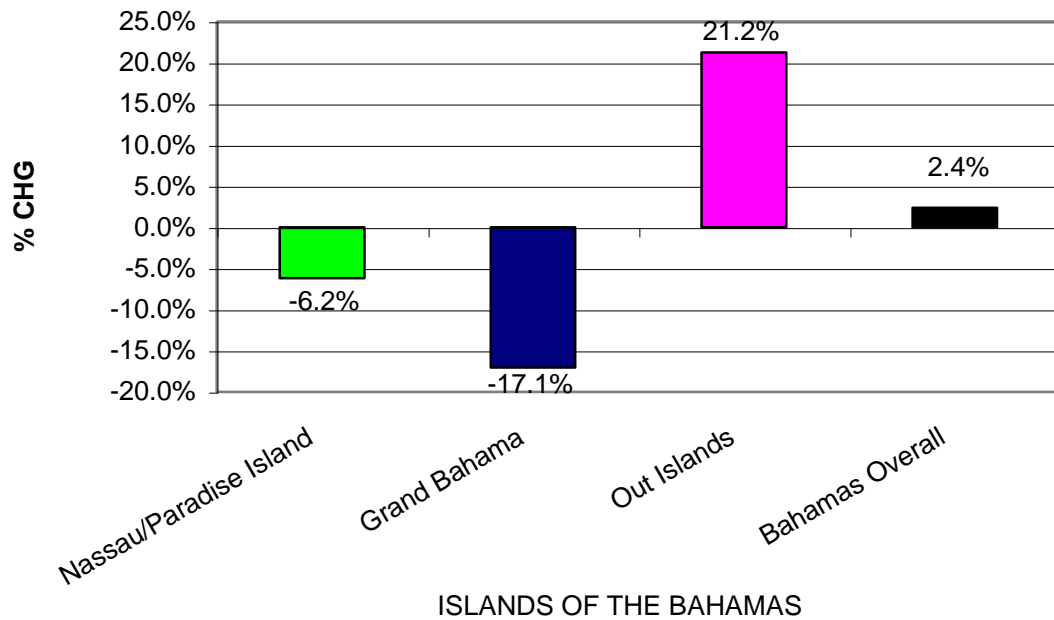
- Cruise arrivals to Grand Bahama were down by -20%.

**CRUISE ARRIVALS TO THE BAHAMAS  
FIRST PORT OF ENTRY  
JANUARY TO FEBRUARY YTD 2008**

|                        | 2008    | 2007    | % CHG FROM 2007 |
|------------------------|---------|---------|-----------------|
| Nassau/Paradise Island | 273,533 | 291,581 | -6.2%           |
| Grand Bahama           | 46,767  | 56,385  | -17.1%          |
| Out Islands            | 231,195 | 190,721 | 21.2%           |
| Bahamas Overall        | 551,495 | 538,687 | 2.4%            |

All numbers are subject to revision.

**% CHG FROM 2007**



ISLANDS OF THE BAHAMAS

**CRUISE ARRIVALS FEBRUARY YTD 2007 (1<sup>st</sup> Port of Entry only): ISLANDS UP**

- Cruise arrivals to The Bahamas Overall were up by 2%.
- Cruise arrivals to The Out Islands Overall were up by 21%.

**CRUISE ARRIVALS FEBRUARY YTD 2007 (1<sup>st</sup> Port of Entry only): ISLANDS DOWN**

- Cruise arrivals to Nassau/Paradise Island were down by -6%.
- Cruise arrivals to Grand Bahama were down by -17%.

Cruise arrivals for the month of February were up for Nassau/P.I. because Carnival Cruises, Costa Cruises, Disney Cruises, Holland American Cruises, Imperial Majesty Cruises, P & O Cruises and Radisson Seven Seas Cruises all brought in more passengers (1<sup>st</sup> Port of Entry) in February 2008 than in the same period of 2007.

Cruise arrivals for the month of February were down for Grand Bahama because Carnival Cruises brought in fewer passengers in February than in the same period of 2007. Carnival Cruises Elation and Liberty did not go into Grand Bahama in February 2008 as in the same period of 2007.

Cruise arrivals for the month of February were up considerably for the Out Islands because Disney Cruises (i.e. the Disney Magic), Royal Caribbean International, Norwegian Cruises, Holland American, Princess Cruises, and Carnival Cruises (especially the Carnival Triumph) all brought in more passengers to the Out Islands in February 2008 than in the same period of 2007. Royal Caribbean's Enchantment of the Seas and Majesty of the Seas made more calls on Coco Cay (Little Stirrup Cay) in February 2008 than in February 2007 and as a result brought in more passengers. Norwegian Cruise's Norwegian Dawn, Norwegian Gem and Norwegian Sun all made more calls on Great Stirrup Cay in February 2008 than in the same period of 2007. In fact the Norwegian Gem and the Norwegian Sun did not go to Great Stirrup Cay in February 2007.

### APPENDIX

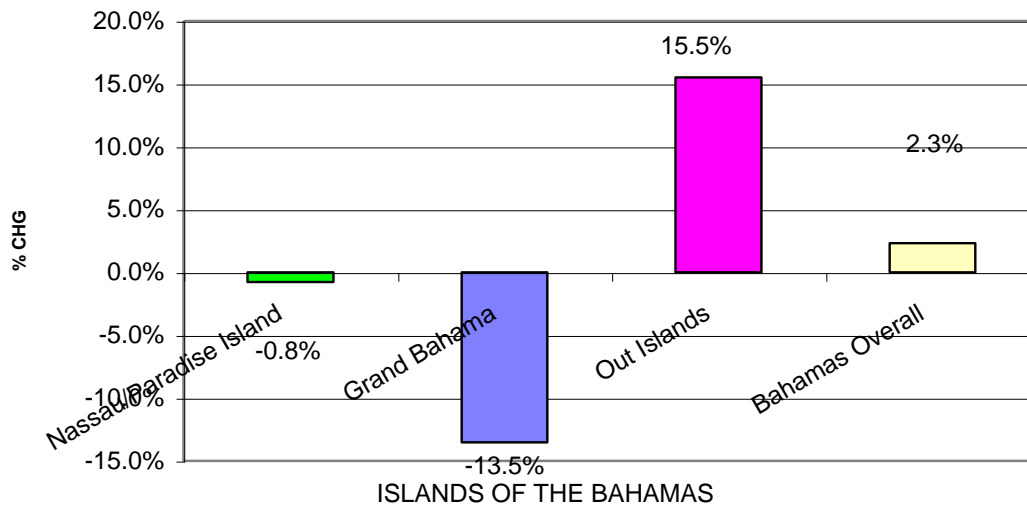
- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of The Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship.*
- ***In this report we have just included 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup> and 2<sup>nd</sup> port together.***

**INDUSTRY INFORMATION**  
**1<sup>ST</sup> QTR 2008**

**FOREIGN AIR & SEA ARRIVALS TO THE BAHAMAS**  
**JANUARY TO MARCH YTD 2008**

|                        | 2008      | 2007      | % CHG FROM 2007 |
|------------------------|-----------|-----------|-----------------|
| Nassau/Paradise Island | 732,853   | 738,579   | -0.8%           |
| Grand Bahama           | 142,420   | 164,679   | -13.5%          |
| Out Islands            | 428,328   | 370,843   | 15.5%           |
| Bahamas Overall        | 1,303,601 | 1,274,101 | 2.3%            |

**% CHG FROM 2007**



**AIR AND SEA ARRIVALS (1<sup>ST</sup> QTR 2008): ISLANDS UP**

- The Bahamas Overall was up by 2%.
- The Out Islands were up by 16%.

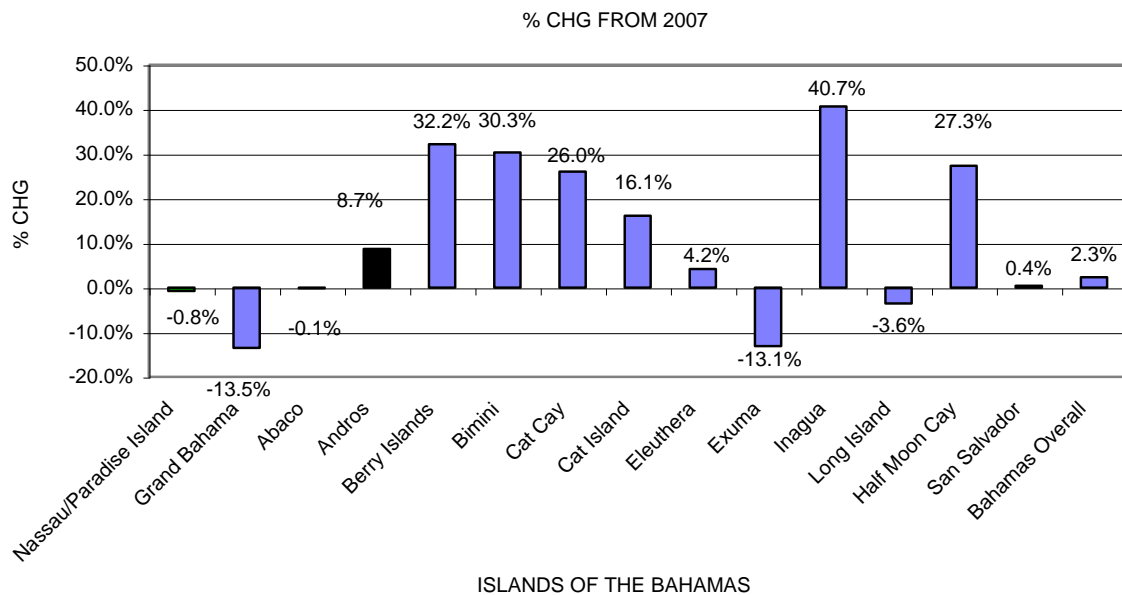
**AIR AND SEA ARRIVALS (1<sup>ST</sup> QTR 2008): ISLANDS DOWN**

- Nassau/Paradise Island was down by -1%.
- Grand Bahama was down by -14%.

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST QUARTER 2008 (MARCH YTD)**

|                        | 2008             | 2007             | % CHG FROM 2007 |
|------------------------|------------------|------------------|-----------------|
| Nassau/Paradise Island | 732,853          | 738,579          | -0.8%           |
| Grand Bahama           | 142,420          | 164,679          | -13.5%          |
| Abaco                  | 59,058           | 59,116           | -0.1%           |
| Andros                 | 2,935            | 2,700            | 8.7%            |
| Berry Islands          | 122,028          | 92,307           | 32.2%           |
| Bimini                 | 7,510            | 5,763            | 30.3%           |
| Cat Cay                | 2,277            | 1,807            | 26.0%           |
| Cat Island             | 944              | 813              | 16.1%           |
| Eleuthera              | 115,121          | 110,518          | 4.2%            |
| Exuma                  | 10,302           | 11,852           | -13.1%          |
| Inagua                 | 429              | 305              | 40.7%           |
| Long Island            | 326              | 338              | -3.6%           |
| Half Moon Cay          | 102,726          | 80,671           | 27.3%           |
| San Salvador           | 4,672            | 4,653            | 0.4%            |
| <b>Bahamas Overall</b> | <b>1,303,601</b> | <b>1,274,101</b> | <b>2.3%</b>     |

All numbers are subject to revision.

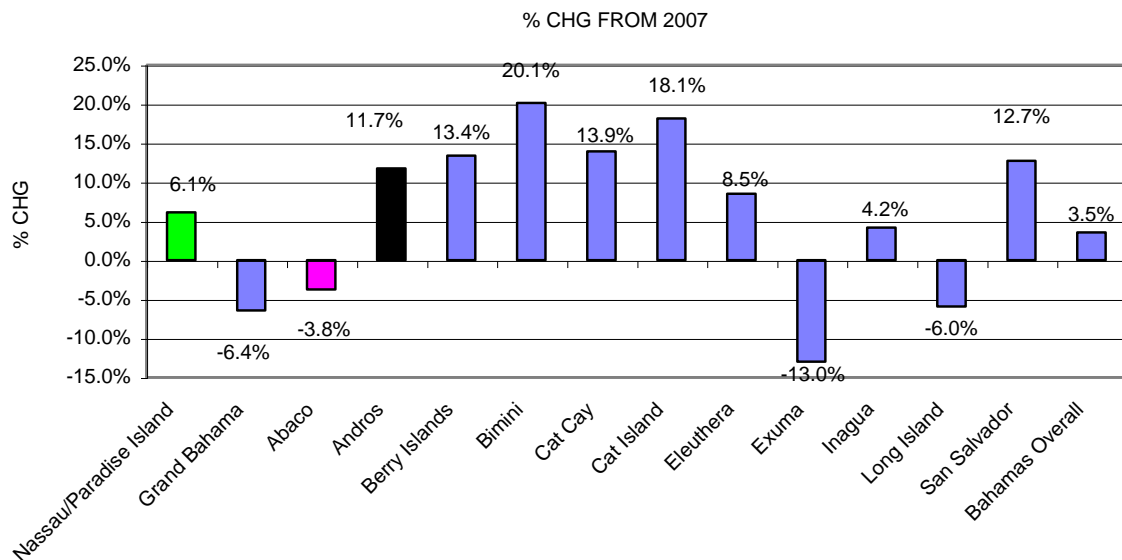


- Air and sea arrivals to the Bahamas were up by 2% by the end of 1<sup>st</sup> qtr. 2008.
- Air and sea arrivals were **up** in Andros, Berry Islands, Bimini, Cat Cay, Cat Island, Eleuthera, Inagua, Half Moon Cay and San Salvador.

**FOREIGN AIR ARRIVALS TO THE BAHAMAS**  
**1ST QUARTER 2008 (MARCH YTD)**

|                        | 2008           | 2007           | % CHG FROM 2007 |
|------------------------|----------------|----------------|-----------------|
| Nassau/Paradise Island | 290,701        | 273,995        | 6.1%            |
| Grand Bahama           | 50,305         | 53,771         | -6.4%           |
| Abaco                  | 24,286         | 25,237         | -3.8%           |
| Andros                 | 2,855          | 2,555          | 11.7%           |
| Berry Islands          | 2,847          | 2,511          | 13.4%           |
| Bimini                 | 3,624          | 3,017          | 20.1%           |
| Cat Cay                | 1,163          | 1,021          | 13.9%           |
| Cat Island             | 926            | 784            | 18.1%           |
| Eleuthera              | 11,669         | 10,754         | 8.5%            |
| Exuma                  | 10,000         | 11,496         | -13.0%          |
| Inagua                 | 25             | 24             | 4.2%            |
| Long Island            | 316            | 336            | -6.0%           |
| San Salvador           | 4,616          | 4,096          | 12.7%           |
| <b>Bahamas Overall</b> | <b>403,333</b> | <b>389,597</b> | <b>3.5%</b>     |

All numbers are subject to revision.



ISLANDS OF THE BAHAMAS

**AIR ARRIVALS ONLY (1<sup>ST</sup> QTR 2008): ISLANDS UP**

- Air arrivals to The Bahamas Overall were up by 4%.
- Air arrivals to Nassau/Paradise Island were up by 6%.
- Air arrivals to Andros were up by 12%.
- Air arrivals to Berry Islands were up 13%.
- Air arrivals to Bimini were up by 20%.
- Air arrivals to Cat Cay were up by 14%.
- Air arrivals to Cat Island were up by 18%.
- Air arrivals to Eleuthera were up by 9%.
- Air arrivals to San Salvador were up by 13%.

**AIR ARRIVALS ONLY (1<sup>ST</sup> QTR 2008): ISLANDS DOWN**

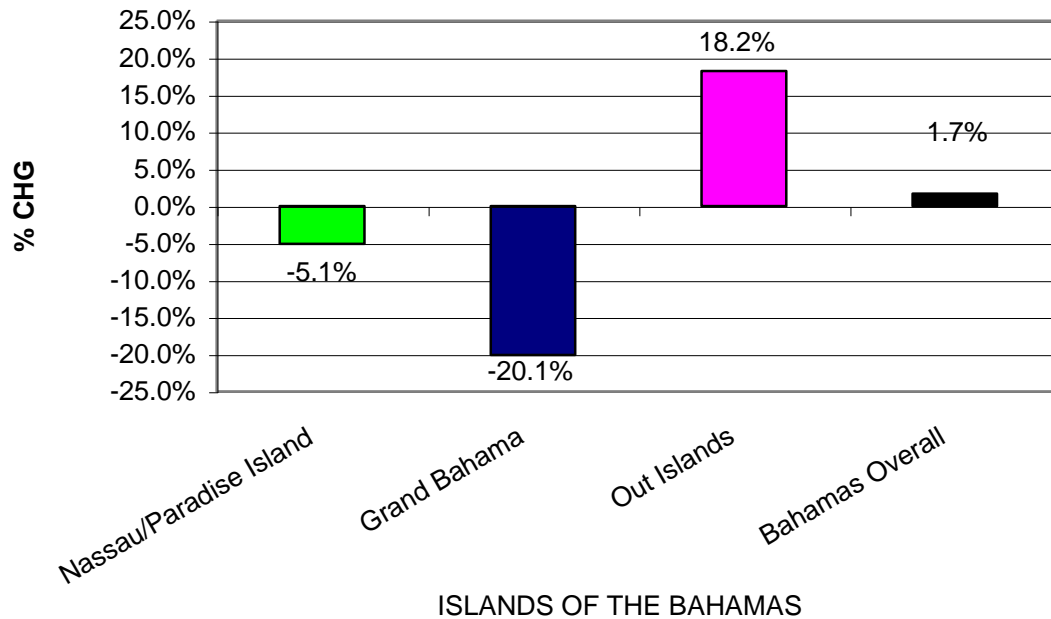
- Air arrivals to Grand Bahama were down by -6%.
- Air arrivals to Abaco were down by -4%.
- Air arrivals to Exuma were down by -13%.
- Air arrivals to Long Island were down -6%.

**CRUISE ARRIVALS TO THE BAHAMAS  
FIRST PORT OF ENTRY  
1ST QTR 2008 (MARCH YTD)**

|                        | 2008    | 2007    | % CHG FROM 2007 |
|------------------------|---------|---------|-----------------|
| Nassau/Paradise Island | 439,110 | 462,679 | -5.1%           |
| Grand Bahama           | 70,066  | 87,677  | -20.1%          |
| Out Islands            | 359,569 | 304,101 | 18.2%           |
| Bahamas Overall        | 868,745 | 854,457 | 1.7%            |

All numbers are subject to revision.

**% CHG FROM 2007**

**CRUISE ARRIVALS MARCH YTD 2008 (1<sup>st</sup> Port of Entry only): ISLANDS UP**

- Cruise arrivals to The Bahamas Overall were up by 2%.
- Cruise arrivals to The Out Islands Overall were up by 18%.

**CRUISE ARRIVALS MARCH YTD 2008 (1<sup>st</sup> Port of Entry only): ISLANDS DOWN**

- Cruise arrivals to Nassau/Paradise Island were down by -5%.
- Cruise arrivals to Grand Bahama were down by -20%.



**THE MONTH OF MARCH ONLY 2008**

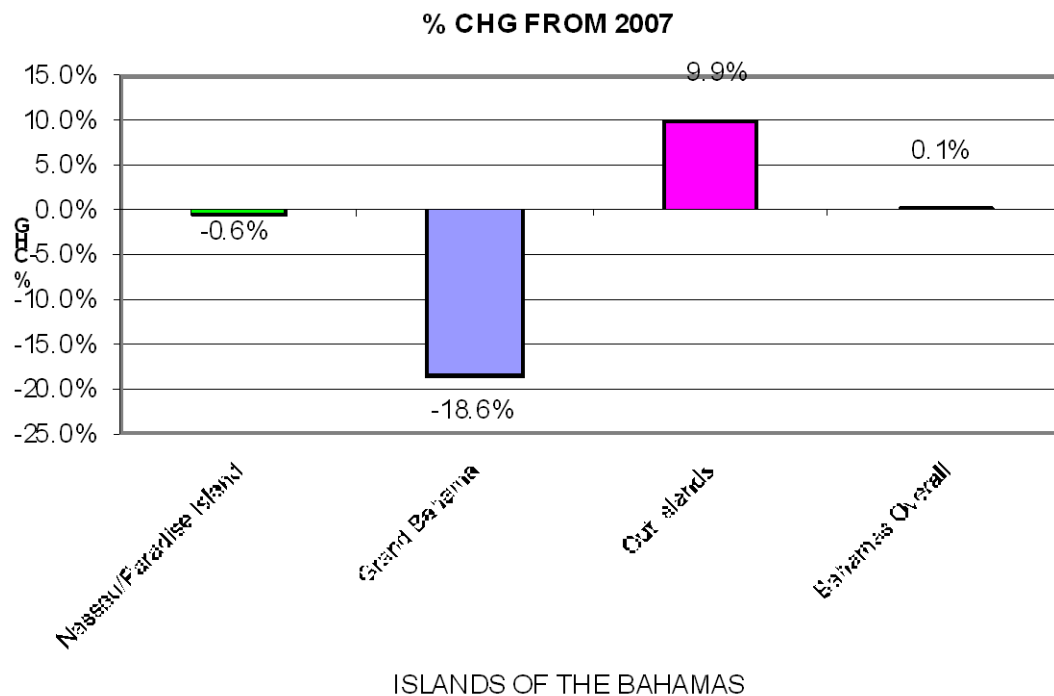
**Visitor Arrivals (MARCH)**

**FOREIGN AIR & SEA ARRIVALS TO THE BAHAMAS**

**MONTH OF MARCH 2008**

|                        | <b>2008</b>    | <b>2007</b>    | <b>% CHG FROM 2007</b> |
|------------------------|----------------|----------------|------------------------|
| Nassau/Paradise Island | 285,318        | 286,941        | -0.6%                  |
| Grand Bahama           | 54,965         | 67,513         | -18.6%                 |
| Out Islands            | 160,105        | 145,632        | 9.9%                   |
| <b>Bahamas Overall</b> | <b>500,388</b> | <b>500,086</b> | <b>0.1%</b>            |

All numbers are subject to revision.



**AIR AND SEA ARRIVALS (March 2008): ISLANDS UP**

- Bahamas Overall was up slightly.
- The Out Islands were up by 10%.

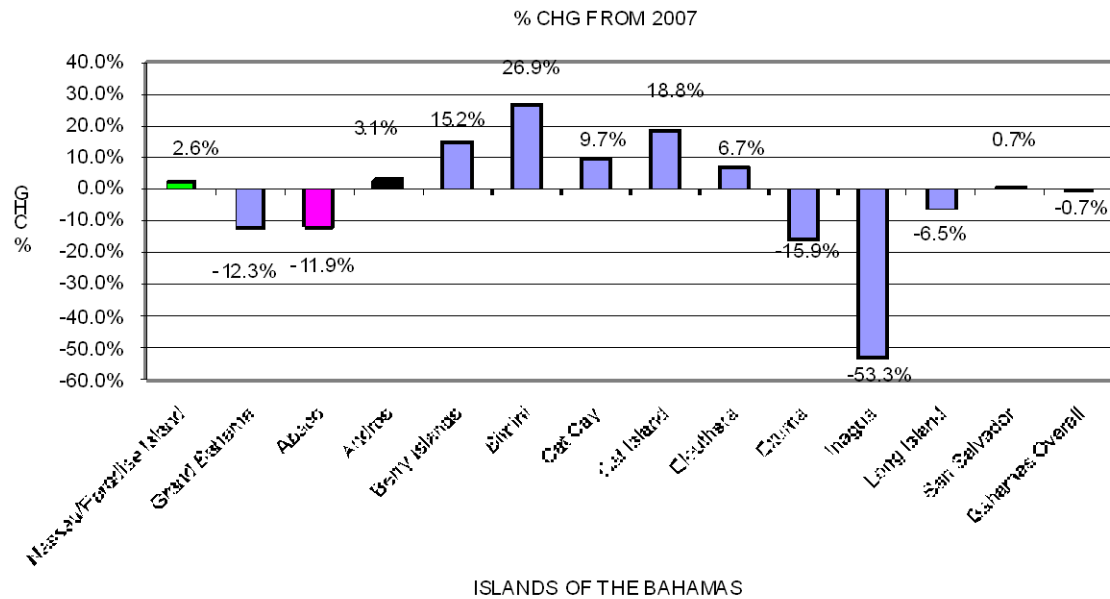
**AIR AND SEA ARRIVALS (March 2008): ISLANDS DOWN**

- Nassau/Paradise Island was down -1%.
- Grand Bahama was down -19%.

**FOREIGN AIR ARRIVALS TO THE BAHAMAS  
MONTH OF MARCH 2008**

|                        | 2008           | 2007           | % CHG FROM 2007 |
|------------------------|----------------|----------------|-----------------|
| Nassau/Paradise Island | 118,202        | 115,258        | 2.6%            |
| Grand Bahama           | 19,784         | 22,570         | -12.3%          |
| Abaco                  | 11,858         | 13,461         | -11.9%          |
| Andros                 | 1,305          | 1,266          | 3.1%            |
| Berry Islands          | 1,193          | 1,036          | 15.2%           |
| Bimini                 | 1,750          | 1,379          | 26.9%           |
| Cat Cay                | 520            | 474            | 9.7%            |
| Cat Island             | 442            | 372            | 18.8%           |
| Eleuthera              | 5,617          | 5,262          | 6.7%            |
| Exuma                  | 4,240          | 5,039          | -15.9%          |
| Inagua                 | 7              | 15             | -53.3%          |
| Long Island            | 145            | 155            | -6.5%           |
| San Salvador           | 1,757          | 1,744          | 0.7%            |
| <b>Bahamas Overall</b> | <b>166,820</b> | <b>168,031</b> | <b>-0.7%</b>    |

All numbers are subject to revision.



**AIR ARRIVALS (MARCH): ISLANDS UP**

- Air arrivals to Nassau/Paradise Island were up by 3%.
- Air arrivals to Andros were up by 3%.
- Air arrivals to Berry Islands were up by 15%.
- Air arrivals to Bimini were up by 27%.
- Air arrivals to Cat Cay were up by 10%.
- Air arrivals to Cat Island were up by 19%.
- Air arrivals to Eleuthera were up by 7%.
- Air arrivals to San Salvador were up by 1%.

**AIR ARRIVALS (MARCH): ISLANDS DOWN**

- Air arrivals to The Bahamas Overall were down by -1%.
- Air arrivals to Grand Bahama were down by -12%.
- Air arrivals to Abaco were down by -12%.
- Air arrivals to Exuma were down by -16%.
- Air arrivals to Long Island were down by -7%.

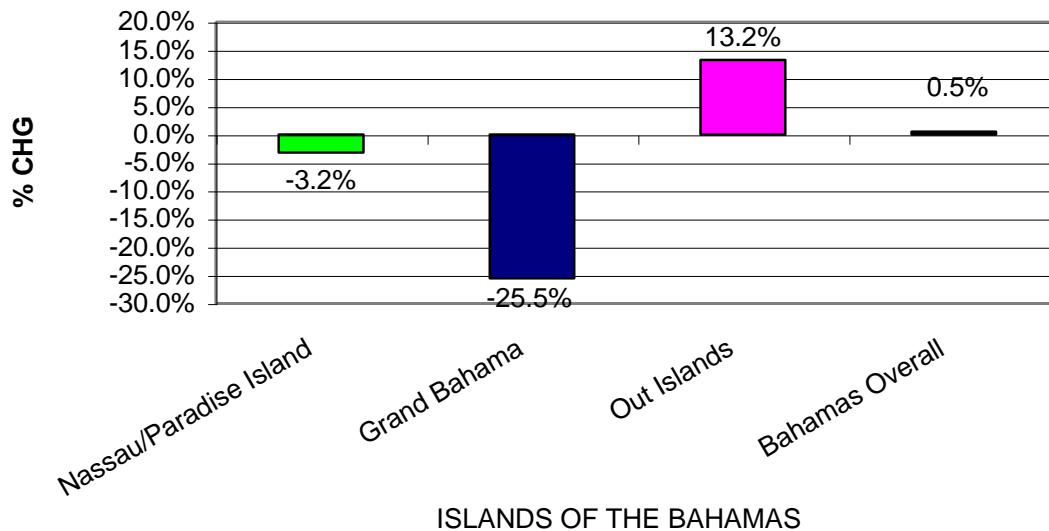
**Cruise Arrivals March**

**CRUISE ARRIVALS TO THE BAHAMAS  
FIRST PORT OF ENTRY  
MARCH 2008**

|                        | 2008    | 2007    | % CHG FROM 2007 |
|------------------------|---------|---------|-----------------|
| Nassau/Paradise Island | 165,577 | 171,098 | -3.2%           |
| Grand Bahama           | 23,299  | 31,292  | -25.5%          |
| Out Islands            | 128,374 | 113,380 | 13.2%           |
| Bahamas Overall        | 317,250 | 315,770 | 0.5%            |

All numbers are subject to revision.

**% CHG FROM 2007**

**CRUISE ARRIVALS MARCH 2008 (1<sup>st</sup> Port of Entry only): ISLANDS UP**

- Cruise arrivals to The Bahamas Overall were up by 1%.
- Cruise arrivals to The Out Islands were up by 13%.

**CRUISE ARRIVALS MARCH 2008 (1<sup>st</sup> Port of Entry only): ISLANDS DOWN**

- Cruise arrivals to Nassau/Paradise Island were down by -3%.
- Cruise arrivals to Grand Bahama were down by -26%.

### **REASONS FOR INCREASE IN OVERALL ARRIVALS 1<sup>ST</sup> QTR 2008**

- Visitor Arrivals for the 1<sup>st</sup> qtr. 2008 increased by 2% when compared to the same period of 2007.
- Stopover Arrivals from the United States were down by -3% in 1st qtr. 2008 compared to 1st qtr. 2007 but the stopovers from the other major countries made up for this loss. 1st qtr 2008 visitor arrivals were up because stopover arrivals from the following major countries were up: Canada (up 24%), Europe (up 7%), Latin America (up 16%), and the Caribbean (up 16%).
- Cruise Arrivals to the Bahamas for 1<sup>st</sup> qtr 2008 (1<sup>st</sup> port of entry) were up by 2% because major cruise lines like Carnival Cruise lines, Costa Cruise lines, Cunard Cruises, Discovery Cruises, Holland American, Imperial Majesty, MSC Cruises, Norwegian Cruises, P&O Cruises and Princess Cruises all brought in more passengers than in the same period of 2007. This increase in passengers from these major cruise lines was enough to offset the drop in cruise passengers by Royal Caribbean (1<sup>st</sup> port of entry).
- Most of the increase in cruise passengers in 1<sup>st</sup> qtr. 2008 came from the Out Islands which experienced a jump of 18% between 1<sup>st</sup> qtr. 2008 and 1<sup>st</sup> qtr. 2007. Coco Cay/Little Stirrup Cay, Great Stirrup Cay, Half Moon Cay, Princess Cay and Castaway Cay all experienced this growth. Castaway Cay suffered a decline in cruise passengers during the month of March which significantly reduced the increases for the months of January and February 2008.
- The increase in cruise passengers (1<sup>st</sup> port of entry) in 1<sup>st</sup> qtr. 2008 from the Out Islands was enough to counteract the declines in cruise passengers (1<sup>st</sup> port of entry) for both Nassau and Grand Bahama.
- The decline of -5% in cruise passengers in 1<sup>st</sup> qtr. 2008 to Nassau occurred primarily because major cruise lines like Celebrity Cruises, Disney Cruises, and Royal Caribbean brought in fewer passengers than in the same period of 2007.
- The decline of -20% in cruise passengers in 1<sup>st</sup> qtr. 2008 to Grand Bahama occurred primarily because Carnival Cruise lines a major supplier of cruise business to the island brought in fewer passengers than in the same period of 2007. This decline to Grand Bahama was not enough to offset the increase to the Bahamas Overall because of the significant increase in cruise passengers that the Out Islands enjoyed.

**APPENDIX**

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of The Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship.*
- ***In this report we have just included 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup> and 2<sup>nd</sup> port together.***

**MARKET UPDATE JANUARY TO APRIL 2008**  
**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**JANUARY TO APRIL 2008 YTD**

|                        | 2008             | 2007             | 2008/2007     | 2008           | 2007           | 2008/2007   |
|------------------------|------------------|------------------|---------------|----------------|----------------|-------------|
|                        | Air and Sea      |                  |               | Air Only       |                |             |
|                        |                  |                  | % Chg Air/Sea |                |                | % Chg Air   |
| Nassau/Paradise Island | 961,308          | 983,721          | -2.3%         | 389,014        | 372,364        | 4.5%        |
| Grand Bahama           | 182,756          | 223,856          | -18.4%        | 66,875         | 73,738         | -9.3%       |
| Abaco                  | 79,780           | 81,278           | -1.8%         | 34,317         | 36,745         | -6.6%       |
| Andros                 | 4,046            | 3,952            | 2.4%          | 3,952          | 3,792          | 4.2%        |
| Berry Islands          | 162,451          | 118,493          | 37.1%         | 3,616          | 3,088          | 17.1%       |
| Bimini                 | 10,520           | 10,070           | 4.5%          | 4,968          | 4,746          | 4.7%        |
| Cat Cay                | 3,180            | 3,005            | 5.8%          | 1,498          | 1,413          | 6.0%        |
| Cat Island             | 1,396            | 1,172            | 19.1%         | 1,372          | 1,143          | 20.0%       |
| Eleuthera              | 144,529          | 147,459          | -2.0%         | 15,424         | 15,132         | 1.9%        |
| Exuma                  | 14,030           | 15,951           | -12.0%        | 13,568         | 15,407         | -11.9%      |
| Half Moon Cay          | 128,675          | 101,377          | 26.9%         | -              | -              | 0.0%        |
| Inagua                 | 609              | 425              | 43.3%         | 60             | 34             | 76.5%       |
| Long Island            | 422              | 500              | -15.6%        | 409            | 493            | -17.0%      |
| San Salvador           | 6,398            | 6,038            | 6.0%          | 6,307          | 5,472          | 15.3%       |
| <b>Bahamas Overall</b> | <b>1,700,100</b> | <b>1,697,297</b> | <b>0.2%</b>   | <b>541,380</b> | <b>533,567</b> | <b>1.5%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

**VISITOR ARRIVALS (JANUARY TO APRIL YTD 2008)**

**ISLANDS UP**



- Andros
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay
- Inagua
- San Salvador

**ISLANDS DOWN**



- Nassau/Paradise Island down overall **however Air Only for the Island was UP.**
- Grand Bahama
- Abaco
- Eleuthera down overall **however Air Only for the Island was UP.**
- Exuma
- Long Island

**CRUISE ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**2008**

|                          | January to April YTD |                  |              | April Only                 |                |              |
|--------------------------|----------------------|------------------|--------------|----------------------------|----------------|--------------|
|                          | 2008                 | 2007             | 2008/2007    | 2008                       | 2007           | 2008/2007    |
|                          | Cruise Arrivals YTD  |                  |              | Cruise Arrivals April Only |                |              |
|                          |                      |                  | % Chg        |                            |                | % Chg        |
| Nassau/Paradise Island   | 568,546              | 608,486          | -6.6%        | 129,436                    | 145,807        | -11.2%       |
| Grand Bahama             | 86,365               | 119,576          | -27.8%       | 16,299                     | 31,899         | -48.9%       |
| Abaco (Castaway Cay)     | 44,751               | 43,764           | 2.3%         | 10,389                     | 10,197         | 1.9%         |
| Andros                   | -                    | -                | 0.0%         | -                          | -              | 0.0%         |
| Berry Islands            | 158,697              | 115,097          | 37.9%        | 39,600                     | 25,466         | 55.5%        |
| Bimini                   | -                    | 32               | -100.0%      | -                          | 11             | -100.0%      |
| Cat Cay                  | -                    | -                | 0.0%         | -                          | -              | 0.0%         |
| Cat Island               | -                    | -                | 0.0%         | -                          | -              | 0.0%         |
| Eleuthera (Princess Cay) | 128,992              | 132,206          | -2.4%        | 25,608                     | 32,540         | -21.3%       |
| Exuma                    | -                    | 56               | -100.0%      | -                          | -              | 0.0%         |
| Half Moon Cay            | 128,675              | 101,377          | 26.9%        | 25,949                     | 20,706         | 25.3%        |
| Inagua                   | -                    | -                | 0.0%         | -                          | -              | 0.0%         |
| Long Island              | -                    | -                | 0.0%         | -                          | -              | 0.0%         |
| San Salvador             | -                    | 489              | -100.0%      | -                          | -              | 0.0%         |
| <b>Bahamas Overall</b>   | <b>1,116,026</b>     | <b>1,121,083</b> | <b>-0.5%</b> | <b>247,281</b>             | <b>266,626</b> | <b>-7.3%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. Sea Landed arrivals are not listed above.

2nd and 3rd port of call cruise arrivals are not listed in the above table.

All numbers are subject to revision.

**CRUISE ARRIVALS (JANUARY TO APRIL YTD 2008 1<sup>ST</sup> PORT OF ENTRY)**

**ISLANDS UP**



- Abaco (Castaway Cay)
- Berry Islands (Great Stirrup Cay & Little Stirrup Cay/Coco Cay)
- Half Moon Cay

**ISLANDS DOWN**



- Nassau/Paradise Island
- Grand Bahama
- Bimini
- Eleuthera
- Exuma
- San Salvador

**CRUISE ARRIVALS (APRIL ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)**

- Abaco, Berry Islands and Half Moon Cay all **Up** for April
- Nassau/P.I., Grand Bahama, Bimini, Eleuthera, Exuma all **Down**.

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**APRIL 2008**

|                        | 2008           | 2007           | 2008/2007     | 2008           | 2007           | 2008/2007    |
|------------------------|----------------|----------------|---------------|----------------|----------------|--------------|
|                        | Air and Sea    |                | % Chg Air/Sea | Air Only       |                | % Chg Air    |
| Nassau/Paradise Island | 228,455        | 245,142        | -6.8%         | 98,313         | 98,369         | -0.1%        |
| Grand Bahama           | 40,336         | 59,177         | -31.8%        | 16,570         | 19,967         | -17.0%       |
| Abaco                  | 20,722         | 22,162         | -6.5%         | 10,031         | 11,508         | -12.8%       |
| Andros                 | 1,111          | 1,252          | -11.3%        | 1,097          | 1,237          | -11.3%       |
| Berry Islands          | 40,423         | 26,186         | 54.4%         | 769            | 577            | 33.3%        |
| Bimini                 | 3,010          | 4,307          | -30.1%        | 1,344          | 1,729          | -22.3%       |
| Cat Cay                | 903            | 1,198          | -24.6%        | 335            | 392            | -14.5%       |
| Cat Island             | 452            | 359            | 25.9%         | 446            | 359            | 24.2%        |
| Eleuthera              | 29,408         | 36,941         | -20.4%        | 3,755          | 4,378          | -14.2%       |
| Exuma                  | 3,728          | 4,099          | -9.1%         | 3,568          | 3,911          | -8.8%        |
| Half Moon Cay          | 25,949         | 20,706         | 25.3%         | -              | -              | 0.0%         |
| Inagua                 | 180            | 120            | 50.0%         | 35             | 10             | 250.0%       |
| Long Island            | 96             | 162            | -40.7%        | 93             | 157            | -40.8%       |
| San Salvador           | 1,726          | 1,385          | 24.6%         | 1,691          | 1,376          | 22.9%        |
| <b>Bahamas Overall</b> | <b>396,499</b> | <b>423,196</b> | <b>-6.3%</b>  | <b>138,047</b> | <b>143,970</b> | <b>-4.1%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

**VISITOR ARRIVALS (APRIL ONLY 2008)**

**ISLANDS UP**



- Berry Islands
- Cat Island
- Half Moon Cay
- Inagua
- San Salvador

**ISLANDS DOWN**



- Nassau/Paradise Island
- Grand Bahama
- Abaco
- Andros
- Bimini
- Cat Cay
- Eleuthera
- Exuma
- Long Island

**Market Analysis**



- Visitor Arrivals for the month of April 2008 declined by -6% when compared to the same period of 2007. The following are contributing factors affecting this decline:
  - The United States which is the biggest supplier of visitors to the Bahamas is suffering a few setbacks. Stopovers from the US were down by -7% in April 2008.
  - The US is experiencing a “slow down” in the economy.
  - The US Dollar is struggling vs. the Canadian dollar and the Euro.
  - Oil prices continue to fluctuate causing high fuel costs which has caused a strain on the airline companies who travel internationally.
  - Consumer spending in the US is down and the US govt. is having difficulty stimulating consumers to spend.
  - The US debt is high.
  - The US manufacturing industry is in a weakened condition as much of the goods for the United States were outsourced to countries with a cheaper labour force like China, etc.
  - The housing market in the United States is in crisis and people in our primary DMA markets and top producing states are losing their homes every day.
  - The US is presently engaged in “Election Fever”
  
- Visitor Arrivals from Canada for the month of April 2008 were up over the same period of 2007 and were still going strong and climbing to new heights. Stopover visitors from Canada were up by 27% during the month of April 2008. The following are contributing factors affecting this increase:
  - There is a fairly new office in Canada that has aggressively and successfully marketed the Bahamas to Canadians. They have worked closely with their marketing agency Punch Communications and have made their presence known in the provinces of Canada.
  - The Canadian dollar is strong.
  - The Bahamas is now cheaper than before for Canadians because of their strong dollar.
  - Canadians now have access to more direct flights from Canada to The Bahamas, for example Westjet.
  - Canada is not suffering from a housing crisis.
  - Their manufacturing industry is very diverse.
  - They have many industries that employ Canadians i.e. Forestry/Logging Industry. Agriculture, Fishing, Mining of “natural resources such as gold, nickel, uranium, diamonds and lead.” Source: Wikipedia, the free encyclopedia
  - Canada actually is an exporter of energy (oil, etc.) which makes energy costs in Canada fairly cheap. Source: Wikipedia, the free encyclopedia
  - Canada does have concerns of rising fuel costs though.

- The increase in the number of stopover visitors from Canada (27% increase) and Europe (7% increase) were not enough to offset the decline in arrivals to the Bahamas for the month of April. The decline of -7% in the amount of visitors from the biggest supplier of visitors to the Bahamas, the United States, was too much to offset this decline.
- Cruise arrivals to the Bahamas Overall were down during the month of April 2008 by -7% (1<sup>st</sup> Port of entry only). This decline was in part due to the fact that both Nassau/Paradise Island and Grand Bahama suffered declines in cruise arrivals during the month. The Out Islands received 14% more cruise passengers in April 2008 than in April 2007 but this increase was not enough to offset the declines experienced by Nassau/Paradise Island and Grand Bahama for the month. Cruise arrivals to Nassau/Paradise Island were down because cruise lines such as Carnival Cruise lines, Disney Cruises, Costa Cruises, especially Royal Caribbean brought in fewer passengers during the month of April 2008 than in April 2007. Cruise Arrivals to Grand Bahama were down because Carnival Cruise lines brought in fewer passengers (as a first port of call) to the island in April 2008 than in April 2007. The total number of calls to Grand Bahama declined in April 2008 compared to 2007 for all of the ports of entry as a whole to the island. Grand Bahama has been receiving a number of passengers during the last few months as a 3<sup>rd</sup> port of call. The Norwegian Cruise line has been sending their ships, e.g., the Norwegian Gem into one of the Out Islands first, then into Nassau/Paradise Island and then onto Grand Bahama.
- Grand Bahama is not as fortunate as Nassau/Paradise Island and the Out Islands as far as having a variety of cruise lines going to the destination. The Port Authority charges an extra \$5.00 per passenger (the extra funds are used to maintain the harbor, etc.) for the cruise head tax for ships entering as a first port of call, so many cruise lines choose not to go to that island first and clear their passengers. They go to Nassau/P.I. or the Out Islands first because they don't have to pay so much per person then they go on to Grand Bahama. Other Cruise lines such as Royal Caribbean used to go into Grand Bahama regularly but they dropped them off the itinerary a few years back. Royal Caribbean only goes to Grand Bahama now if the weather or some unforeseen circumstance changes their itinerary. Carnival Cruise lines, Discovery cruise lines, and now Norwegian Cruise lines are the primary cruise lines to that island.
- Cruise arrivals to the Out Islands were up because many of the major cruise lines such as Carnival Cruise lines, Holland American, Norwegian Cruise lines, Royal Caribbean, and Disney Cruises all brought in more passengers to the Out Islands (as a 1<sup>st</sup> port of call) in April 2008 than in April 2007.

- The decline in arrivals for the month of April put a strain on the YTD air and sea arrivals and pulled it down. By the end of April 2008, the Bahamas Overall YTD was up only slightly.

#### **APPENDIX**

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of The Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship.*
- ***In this report we have just included 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup> and 2<sup>nd</sup> port together.***

**MARKET UPDATE JANUARY TO MAY 2008**  
**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**JANUARY TO MAY 2008 YTD**

|                        | 2008             | 2007             | 2008/2007     | 2008           | 2007           | 2008/2007   |
|------------------------|------------------|------------------|---------------|----------------|----------------|-------------|
|                        | Air and Sea      |                  | % Chg Air/Sea | Air Only       |                | % Chg Air   |
| Nassau/Paradise Island | 1,154,600        | 1,199,544        | -3.7%         | 478,461        | 455,657        | 5.0%        |
| Grand Bahama           | 229,333          | 275,895          | -16.9%        | 81,701         | 91,523         | -10.7%      |
| Abaco                  | 105,973          | 100,327          | 5.6%          | 44,717         | 48,529         | -7.9%       |
| Andros                 | 5,237            | 5,324            | -1.6%         | 5,121          | 5,137          | -0.3%       |
| Berry Islands          | 194,191          | 142,575          | 36.2%         | 4,499          | 4,047          | 11.2%       |
| Bimini                 | 17,265           | 13,597           | 27.0%         | 6,938          | 6,519          | 6.4%        |
| Cat Cay                | 4,703            | 4,058            | 15.9%         | 2,075          | 1,915          | 8.4%        |
| Cat Island             | 1,812            | 1,585            | 14.3%         | 1,788          | 1,556          | 14.9%       |
| Eleuthera              | 161,484          | 172,938          | -6.6%         | 19,275         | 18,962         | 1.7%        |
| Exuma                  | 17,245           | 19,313           | -10.7%        | 16,673         | 18,597         | -10.3%      |
| Half Moon Cay          | 137,371          | 112,928          | 21.6%         | -              | -              | 0.0%        |
| Inagua                 | 768              | 527              | 45.7%         | 61             | 47             | 29.8%       |
| Long Island            | 511              | 587              | -12.9%        | 498            | 580            | -14.1%      |
| San Salvador           | 8,121            | 7,618            | 6.6%          | 7,984          | 7,027          | 13.6%       |
| <b>Bahamas Overall</b> | <b>2,038,614</b> | <b>2,056,816</b> | <b>-0.9%</b>  | <b>669,791</b> | <b>660,096</b> | <b>1.5%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (JANUARY TO MAY YTD 2008)**

**ISLANDS UP**



- Abaco (overall visitor arrivals up but air arrivals down)
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay
- Inagua
- San Salvador

**ISLANDS DOWN**



- Nassau/Paradise Island down overall however Air Only for the Island was UP.
- Grand Bahama
- Andros
- Eleuthera down overall however Air Only for the Island was UP.
- Exuma
- Long Island

**CRUISE ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**2008**

|                          | January to May YTD  |                  |              | May Only                 |                |               |
|--------------------------|---------------------|------------------|--------------|--------------------------|----------------|---------------|
|                          | 2008                | 2007             | 2008/2007    | 2008                     | 2007           | 2008/2007     |
|                          | Cruise Arrivals YTD |                  |              | Cruise Arrivals May Only |                |               |
|                          |                     |                  | % Chg        |                          |                | % Chg         |
| Nassau/Paradise Island   | 671,007             | 740,170          | -9.3%        | 102,461                  | 131,684        | -22.2%        |
| Grand Bahama             | 108,126             | 145,177          | -25.5%       | 21,761                   | 25,601         | -15.0%        |
| Abaco (Castaway Cay)     | 59,919              | 50,912           | 17.7%        | 15,168                   | 7,148          | 112.2%        |
| Andros                   | -                   | -                | 0.0%         | -                        | -              | 0.0%          |
| Berry Islands            | 189,422             | 138,136          | 37.1%        | 30,725                   | 23,039         | 33.4%         |
| Bimini                   | -                   | 79               | -100.0%      | -                        | 47             | -100.0%       |
| Cat Cay                  | -                   | -                | 0.0%         | -                        | -              | 0.0%          |
| Cat Island               | -                   | -                | 0.0%         | -                        | -              | 0.0%          |
| Eleuthera (Princess Cay) | 142,008             | 153,782          | -7.7%        | 13,016                   | 21,576         | -39.7%        |
| Exuma                    | -                   | 56               | -100.0%      | -                        | -              | 0.0%          |
| Half Moon Cay            | 137,371             | 112,928          | 21.6%        | 8,696                    | 11,551         | -24.7%        |
| Inagua                   | -                   | -                | 0.0%         | -                        | -              | 0.0%          |
| Long Island              | -                   | -                | 0.0%         | -                        | -              | 0.0%          |
| San Salvador             | -                   | 489              | -100.0%      | -                        | -              | 0.0%          |
| <b>Bahamas Overall</b>   | <b>1,307,853</b>    | <b>1,341,729</b> | <b>-2.5%</b> | <b>191,827</b>           | <b>220,646</b> | <b>-13.1%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. Sea Landed arrivals are not listed above.

2nd and 3rd port of call cruise arrivals are not listed in the above table.

All numbers are subject to revision.

**CRUISE ARRIVALS (JANUARY TO MAY YTD 2008 1<sup>ST</sup> PORT OF ENTRY)**

**ISLANDS UP**



- Abaco (Castaway Cay)
- Berry Islands (Great Stirrup Cay & Little Stirrup Cay/Coco Cay)
- Half Moon Cay

**ISLANDS DOWN**



- Nassau/Paradise Island
- Grand Bahama
- Bimini
- Eleuthera
- Exuma
- San Salvador

**CRUISE ARRIVALS (MAY ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)**

- Abaco, Berry Islands all **Up** for MAY
- Nassau/P.I., Grand Bahama, Bimini, Eleuthera, and Half Moon Cay all **Down**.

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**MAY 2008**

|                        | 2008           | 2007           | 2008/2007     | 2008           | 2007           | 2008/2007   |
|------------------------|----------------|----------------|---------------|----------------|----------------|-------------|
|                        | Air and Sea    |                | % Chg Air/Sea | Air Only       |                | % Chg Air   |
| Nassau/Paradise Island | 193,292        | 215,823        | -10.4%        | 89,447         | 83,293         | 7.4%        |
| Grand Bahama           | 46,577         | 52,039         | -10.5%        | 14,826         | 17,785         | -16.6%      |
| Abaco                  | 26,193         | 19,049         | 37.5%         | 10,400         | 11,784         | -11.7%      |
| Andros                 | 1,191          | 1,372          | -13.2%        | 1,169          | 1,345          | -13.1%      |
| Berry Islands          | 31,740         | 24,082         | 31.8%         | 883            | 959            | -7.9%       |
| Bimini                 | 6,745          | 3,527          | 91.2%         | 1,970          | 1,773          | 11.1%       |
| Cat Cay                | 1,523          | 1,053          | 44.6%         | 577            | 502            | 14.9%       |
| Cat Island             | 416            | 413            | 0.7%          | 416            | 413            | 0.7%        |
| Eleuthera              | 16,955         | 25,479         | -33.5%        | 3,851          | 3,830          | 0.5%        |
| Exuma                  | 3,215          | 3,362          | -4.4%         | 3,105          | 3,190          | -2.7%       |
| Half Moon Cay          | 8,696          | 11,551         | -24.7%        | -              | -              | 0.0%        |
| Inagua                 | 159            | 102            | 55.9%         | 1              | 13             | -92.3%      |
| Long Island            | 89             | 87             | 2.3%          | 89             | 87             | 2.3%        |
| San Salvador           | 1,723          | 1,580          | 9.1%          | 1,677          | 1,555          | 7.8%        |
| <b>Bahamas Overall</b> | <b>338,514</b> | <b>359,519</b> | <b>-5.8%</b>  | <b>128,411</b> | <b>126,529</b> | <b>1.5%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (MAY ONLY 2008)**

**ISLANDS UP**



- Abaco
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Long Island
- Inagua
- San Salvador

**ISLANDS DOWN**



- Nassau/Paradise Island down overall but air only was up
- Grand Bahama
- Andros
- Eleuthera down overall but air only was up.
- Exuma
- Half Moon Cay

**Market Analysis**

- Visitor Arrivals for the month of MAY 2008 declined by -6% (for the second straight month, 1<sup>st</sup> time in April) when compared to the same period of 2007. The following are contributing factors affecting this decline:
  - The United States the biggest supplier of visitors to the Bahamas is suffering a few setbacks. Stopovers from the US were down by -9% (preliminary no.) in MAY 2008.
  - The US is experiencing a “slow down” in the economy.
  - The US Dollar is struggling vs. other currencies
  - Oil prices continue to fluctuate causing high fuel costs which has caused a strain on the airline companies who travel internationally.
  - Consumer confidence in the United States is down. It has dropped to a 28 year low. (Source: the US Economy: “The Worst is Yet to Come” by Mark Weisbrot). Consumer spending in the US is down and the US govt. is having difficulty stimulating consumers to spend.
  - Job losses continue to be “thorns” in the US economy. Every month more and more persons join the rank of the unemployed in the US.
  - The US debt is high.
  - The US manufacturing industry is in a weakened condition as much of the goods for the United States were outsourced to countries with a cheaper labour force like China, etc.
  - The housing market in the United States is in crisis and people in our primary DMA markets and top producing states are losing their homes every day. “Home foreclosure filings are up over last year.” (Source: the US Economy: “The Worst is Yet to Come” by Mark Weisbrot).
  
- Visitor Arrivals from Canada for the month of MAY 2008 were up over the same period of 2007 and were still going strong. Stopover visitors from Canada were up by 20% (preliminary no.) during the month of MAY 2008. The following are contributing factors affecting this increase:
  - There is an aggressive and strong BTO in Canada.
  - The BTO works along with a marketing agency Punch Communications that has done well for The Bahamas.
  - The Canadian dollar is strong and this makes the Bahamas cheaper than before for Canadians.
  - Canadians have access to more direct flights from Canada to The Bahamas than in the past, for example Westjet.
  - Canada is not suffering from a housing crisis.
  - Their manufacturing industry is very diverse.
  - They have many industries that employ Canadians i.e. Forestry/Logging Industry. Agriculture, Fishing, Mining of “natural resources such as gold, nickel, uranium, diamonds and lead.” Source: Wikipedia, the free encyclopedia

- However, Canada does have concerns with regard to their non-commodity exports which have declined because Canada's most important trade partner, the United States is going through an economic "slow-down". (Source: Forex Blog: Canadian Dollar)
  - Canada does have concerns of rising fuel costs too.
- The increase in the number of stopover visitors from Canada (20% increase), The Caribbean and Latin America were not enough to offset the decline in arrivals to the Bahamas for the month of MAY. The decline of -9% in the amount of visitors from the biggest supplier of visitors to the Bahamas, the United States, was too much to offset this decline.
  - Cruise arrivals to the Bahamas Overall were down during the month of MAY 2008 by -13% (1<sup>st</sup> Port of entry only). This decline was in part due to the fact that both Nassau/Paradise Island and Grand Bahama suffered declines in cruise arrivals during the month (by 1<sup>st</sup> Port of Entry). The Out Islands received 7% more cruise passengers in MAY 2008 than in MAY 2007 but this increase was not enough to offset the declines experienced by Nassau/Paradise Island and Grand Bahama for the month (by 1<sup>st</sup> Port of Entry). Regardless of port of entry (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> port of call) the Bahamas Overall received fewer cruise passengers in the month of May 2008 than in the same period of 2007.
  - Cruise arrivals to Nassau/Paradise Island (1<sup>st</sup> port of entry) were down because cruise lines such as Carnival Cruise lines, Disney Cruises, Norwegian Cruises and Royal Caribbean International all made less calls on the destination and brought in fewer passengers to the island as a first port of call. Carnival Cruise line's Celebration and Elation did not visit Nassau/Paradise Island in May 2008 as in 2007. In addition, the Carnival Glory brought in fewer passengers than in the same period of 2007. When you look at Nassau/Paradise Island by itself regardless of port of call (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> port of call), the decline in cruise arrivals was evident but was not as sharp as if you looked at 1<sup>st</sup> port of entry only. The reason for this was that a number of major cruise lines sent their ships to the Out Islands first and then went to Nassau/Paradise Island as a 2<sup>nd</sup> port of call (as a 2<sup>nd</sup> port Nassau/Paradise Island was up).
  - Cruise arrivals to Grand Bahama were down by 1<sup>st</sup> Port of Entry because Carnival Cruise lines, the major cruise line to the island made less calls and brought in fewer passengers as a first port of call in May 2008 than in the same period of 2007. When you look at Grand Bahama by itself regardless of port of call (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> port of call), the decline in cruise arrivals actually disappears as the Norwegian



Spirit made several calls on the island as a 2<sup>nd</sup> port of call (as a 2<sup>nd</sup> port Grand Bahama cruise arrivals were up).

- Cruise arrivals to the Out Islands were up by 1<sup>st</sup> port of entry because many of the major cruise lines such as Disney Cruises, and Royal Caribbean all brought in more passengers to the Out Islands (as a 1<sup>st</sup> port of call) in MAY 2008 than in MAY 2007 despite the fact that Princess Cay which normally closes at the end of May closed early and did not receive any cruise passengers after the 14<sup>th</sup> of the month (according to Immigration/Customs and the agent RH Curry) hence the number of cruise arrivals to Eleuthera declined tremendously. The Princess ships that normally went to Princess Cay were re-routed to Europe. In addition, Great Stirrup Cay was not open in the month of May.
- The decline in arrivals for the month of MAY put a strain on the YTD air and sea arrivals and pulled it down. By the end of MAY 2008, the Bahamas Overall YTD was down by -1%.

#### **APPENDIX**

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of the Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship. If a cruise ship makes a third stop in the Bahamas this 3<sup>rd</sup> stop is the 3<sup>rd</sup> port of entry and refers to the third port of call in the Islands of the Bahamas.*
- ***In this report we have concentrated on 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port together.***

**MARKET UPDATE JANUARY TO JUNE 2008****FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS****1ST PORT OF ENTRY ONLY****JANUARY TO JUNE 2008 YTD**

|                        | 2008             | 2007             | 2008/2007     | 2008           | 2007           | 2008/2007   |
|------------------------|------------------|------------------|---------------|----------------|----------------|-------------|
|                        | Air and Sea      |                  | % Chg Air/Sea | Air Only       |                | % Chg Air   |
| Nassau/Paradise Island | 1,344,532        | 1,428,097        | -5.9%         | 575,341        | 548,845        | 4.8%        |
| Grand Bahama           | 281,398          | 329,691          | -14.6%        | 97,874         | 109,112        | -10.3%      |
| Abaco                  | 132,665          | 116,134          | 14.2%         | 57,622         | 63,532         | -9.3%       |
| Andros                 | 6,369            | 6,538            | -2.6%         | 6,211          | 6,328          | -1.8%       |
| Berry Islands          | 219,941          | 174,240          | 26.2%         | 5,404          | 5,032          | 7.4%        |
| Bimini                 | 23,671           | 20,156           | 17.4%         | 8,707          | 8,093          | 7.6%        |
| Cat Cay                | 6,325            | 5,444            | 16.2%         | 2,535          | 2,277          | 11.3%       |
| Cat Island             | 2,168            | 2,036            | 6.5%          | 2,144          | 2,007          | 6.8%        |
| Eleuthera              | 165,515          | 190,635          | -13.2%        | 23,217         | 23,317         | -0.4%       |
| Exuma                  | 19,840           | 22,629           | -12.3%        | 19,232         | 21,839         | -11.9%      |
| Half Moon Cay          | 159,524          | 119,769          | 33.2%         | -              | -              | 0.0%        |
| Inagua                 | 972              | 622              | 56.3%         | 85             | 52             | 63.5%       |
| Long Island            | 592              | 684              | -13.5%        | 571            | 677            | -15.7%      |
| San Salvador           | 9,700            | 9,463            | 2.5%          | 9,525          | 8,858          | 7.5%        |
| <b>Bahamas Overall</b> | <b>2,373,212</b> | <b>2,426,138</b> | <b>-2.2%</b>  | <b>808,468</b> | <b>799,969</b> | <b>1.1%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

Princess Cruises did not bring in any passengers to Eleuthera in June 2008 like they had in June 2007, hence the large decline in arrivals to the island of Eleuthera. Carnival brought in far more passengers to Half Moon Cay in June 2008 than in June 2007.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (JANUARY TO JUNE YTD 2008)****ISLANDS UP**

- Abaco (overall visitor arrivals up but air arrivals down)
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay
- Inagua
- San Salvador

**ISLANDS DOWN**

- Nassau/Paradise Island down overall however Air Only for the Island was UP.
- Grand Bahama
- Andros
- Eleuthera
- Exuma
- Long Island

**CRUISE ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**2008**

|                          | January to June YTD |                  |              | June Only                 |                |               |
|--------------------------|---------------------|------------------|--------------|---------------------------|----------------|---------------|
|                          | 2008                | 2007             | 2008/2007    | 2008                      | 2007           | 2008/2007     |
|                          | Cruise Arrivals YTD |                  | % Chg        | Cruise Arrivals June Only |                | % Chg         |
| Nassau/Paradise Island   | 763,100             | 875,052          | -12.8%       | 92,093                    | 134,882        | -31.7%        |
| Grand Bahama             | 132,650             | 169,238          | -21.6%       | 24,524                    | 24,061         | 1.9%          |
| Abaco (Castaway Cay)     | 72,926              | 50,912           | 43.2%        | 13,007                    | -              | 100.0%        |
| Andros                   | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| Berry Islands            | 214,103             | 168,542          | 27.0%        | 24,681                    | 30,406         | -18.8%        |
| Bimini                   | -                   | 104              | -100.0%      | -                         | 25             | -100.0%       |
| Cat Cay                  | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| Cat Island               | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| Eleuthera (Princess Cay) | 142,008             | 167,010          | -15.0%       | -                         | 13,228         | -100.0%       |
| Exuma                    | -                   | 56               | -100.0%      | -                         | -              | 0.0%          |
| Half Moon Cay            | 159,524             | 119,769          | 33.2%        | 22,153                    | 6,841          | 223.8%        |
| Inagua                   | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| Long Island              | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| San Salvador             | -                   | 489              | -100.0%      | -                         | -              | 0.0%          |
| <b>Bahamas Overall</b>   | <b>1,484,311</b>    | <b>1,551,172</b> | <b>-4.3%</b> | <b>176,458</b>            | <b>209,443</b> | <b>-15.7%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. **Sea Landed arrivals are not listed above.**

2nd and 3rd port of call cruise arrivals are not listed in the above table.

All numbers are subject to revision.

**CRUISE ARRIVALS (JANUARY TO JUNE YTD 2008 1<sup>ST</sup> PORT OF ENTRY)**

**ISLANDS UP**



- Abaco (Castaway Cay)
- Berry Islands (Great Stirrup Cay & Little Stirrup Cay/Coco Cay, **June only showed a decline**)
- Half Moon Cay

**ISLANDS DOWN**



- Nassau/Paradise Island
- Grand Bahama (**cruise arrivals for the month of June only were up by all ports of entry for the first time in the year.**)
- Bimini
- Eleuthera
- Exuma
- San Salvador

**CRUISE ARRIVALS (JUNE ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)**

- Abaco, Grand Bahama and Half Moon Cay were all **Up** for JUNE
- Nassau/P.I., Bimini, and Eleuthera all **Down**.

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**JUNE 2008**

|                        | 2008           | 2007           | 2008/2007     | 2008           | 2007           | 2008/2007    |
|------------------------|----------------|----------------|---------------|----------------|----------------|--------------|
|                        | Air and Sea    |                | % Chg Air/Sea | Air Only       |                | % Chg Air    |
| Nassau/Paradise Island | 189,932        | 228,553        | -16.9%        | 96,880         | 93,188         | 4.0%         |
| Grand Bahama           | 52,065         | 53,796         | -3.2%         | 16,173         | 17,589         | -8.1%        |
| Abaco                  | 26,692         | 15,807         | 68.9%         | 12,905         | 15,003         | -14.0%       |
| Andros                 | 1,132          | 1,214          | -6.8%         | 1,090          | 1,191          | -8.5%        |
| Berry Islands          | 25,750         | 31,665         | -18.7%        | 905            | 985            | -8.1%        |
| Bimini                 | 6,406          | 6,559          | -2.3%         | 1,769          | 1,574          | 12.4%        |
| Cat Cay                | 1,622          | 1,386          | 17.0%         | 460            | 362            | 27.1%        |
| Cat Island             | 356            | 451            | -21.1%        | 356            | 451            | -21.1%       |
| Eleuthera              | 4,031          | 17,697         | -77.2%        | 3,942          | 4,355          | -9.5%        |
| Exuma                  | 2,595          | 3,316          | -21.7%        | 2,559          | 3,242          | -21.1%       |
| Half Moon Cay          | 22,153         | 6,841          | 223.8%        | -              | -              | 0.0%         |
| Inagua                 | 204            | 95             | 114.7%        | 24             | 5              | 380.0%       |
| Long Island            | 81             | 97             | -16.5%        | 73             | 97             | -24.7%       |
| San Salvador           | 1,579          | 1,845          | -14.4%        | 1,541          | 1,831          | -15.8%       |
| <b>Bahamas Overall</b> | <b>334,598</b> | <b>369,322</b> | <b>-9.4%</b>  | <b>138,677</b> | <b>139,873</b> | <b>-0.9%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

Princess Cruises did not bring in any passengers to Eleuthera in June 2008 like they had in June 2007, hence the large decline in arrivals to the island of Eleuthera. Carnival brought in far more passengers to Half Moon Cay in June 2008 than in June 2007.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (JUNE ONLY 2008)**

**ISLANDS UP**



- Abaco
- Cat Cay
- Half Moon Cay
- Inagua

**ISLANDS DOWN**



- Nassau/Paradise Island down overall but air only was up
- Grand Bahama (***cruise arrivals were up for the month of June but air arrivals were down, hence GBI was down overall for the month.***)
- Andros
- Berry Islands
- Bimini
- Cat Island
- Long Island
- Eleuthera down overall but air only was up.
- Exuma
- Half Moon Cay
- San Salvador

### **Market Analysis**

- Visitor Arrivals for the month of JUNE 2008 **declined** by 9% when compared to the same period of 2007. The following are contributing factors affecting this decline:
  - The United States the biggest supplier of visitors to the Bahamas is suffering a few setbacks. Stopovers from the US were still down in JUNE 2008.
  - The US was still experiencing a “slow down” in the economy.
  - The US Dollar was still struggling vs. other currencies. In June 2008, the US dollar did not gain strength versus other currencies. (Source: Monthly Investment Report: June 2008-General Board of Pension and Health Benefits)
  - Oil prices continued to fluctuate causing high fuel costs which caused a strain on the airline companies who travelled internationally. In June, oil prices hit \$142 a barrel. (Source: Monthly Investment Report: June 2008-General Board of Pension and Health Benefits).
  - Consumer confidence in the United States was still down. It had already dropped to a 28 year low earlier in the year. (Source: the US Economy: “The Worst is Yet to Come” by Mark Weisbrot).
  - Consumer spending in the US was down and the US govt. was having difficulty stimulating consumers to continue to spend. In June 2008, consumer spending was still slow.
  - Concerns about inflation loomed as oil prices, the housing market and the rising cost of food struggled to stabilize and many Americans found themselves overwhelmed with debt.
  - Stocks on Wall Street plummeted in June 2008 reflecting the uncertainty in the ability of the oil prices to stabilize and a lack of consumer confidence.
  - Job losses continued to be “thorns” in the US economy. Every month more and more persons joined the rank of the unemployed in the US. June marked the 5<sup>th</sup> straight month of job losses in the United States. (Source: Monthly Investment Report: June 2008-General Board of Pension and Health Benefits)
  - The US debt is high and the debt of the regular American Consumer was also high.
  - The US manufacturing industry is in a weakened condition as much of the goods for the United States were outsourced to countries with a cheaper labour force like China, Mexico, etc.
  - The housing market in the United States was still in crisis and people in our primary DMA markets and top producing states were still losing their homes every day. “Home foreclosure filings are up over last year.” (Source: the US Economy: “The Worst is Yet to Come” by Mark Weisbrot). Home prices fell 15.9% in June 2008. (Source: Richard Leong, news.yahoo.com)

- Visitor Arrivals from Canada for the month of JUNE 2008 were up over the same period of 2007 and were still going strong. The following were contributing factors affecting this increase:
  - There is an aggressive and strong BTO in Canada.
  - The BTO works along with a marketing agency Punch Communications that has done well for The Bahamas.
  - The Canadian dollar is strong and this makes the Bahamas cheaper than before for Canadians.
  - Canadians have access to more direct flights from Canada to The Bahamas than in the past, for example Air Canada, Westjet.
  - Canada is not suffering from a housing crisis.
  - Their manufacturing industry is very diverse.
  - They have many industries that employ Canadians i.e. Forestry/Logging Industry. Agriculture, Fishing, Mining of “natural resources such as gold, nickel, uranium, diamonds and lead.”  
Source: Wikipedia, the free encyclopedia
  - However, Canada does have concerns with regard to their non-commodity exports which have declined because Canada’s most important trade partner, the United States is going through an economic “slow-down”. (Source: Forex Blog: Canadian Dollar)
  - Canada does have concerns of rising fuel costs too.
  
- The increase in the number of stopover visitors from Canada, The Caribbean and Latin America were not enough to offset the decline in arrivals to the Bahamas for the month of JUNE. The decline in the amount of visitors from the biggest supplier of visitors to the Bahamas, the United States, was too much to offset this decline.
  
- Cruise arrivals to the Bahamas Overall were **down** during the month of JUNE 2008 by 16% (1<sup>st</sup> Port of entry only). This decline was in part due to the fact that Nassau/Paradise Island suffered a decline in cruise arrivals during the month (by 1<sup>st</sup> Port of Entry). Regardless of port of entry (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> port of call) the Bahamas Overall received fewer cruise passengers in the month of June 2008 than in the same period of 2007.
  
- Cruise arrivals to Nassau/Paradise Island (1<sup>st</sup> port of entry) were down in JUNE 2008 because cruise lines such as Carnival Cruise lines, Disney Cruises, Norwegian Cruises and Royal Caribbean International all made less calls on the destination and brought in fewer passengers to the island as a first port of call. The reason for this was that a number of major cruise lines sent their ships to the Out Islands first and then went to Nassau/Paradise Island as a 2<sup>nd</sup> port of call (as a 2<sup>nd</sup> port Nassau/Paradise Island was up). Disney Cruises re-routed the Disney Magic outside of the Bahamas as in 2007 but they sent the

Disney Wonder which normally comes to Nassau/Paradise Island as a 1<sup>st</sup> port of call to Castaway Cay a number of times first instead. Carnival decreased the amount of passengers they took into Nassau/Paradise Island and increased tremendously the amount of passengers to the Out Islands (Half Moon Cay) as a 1<sup>st</sup> port of entry.

- Cruise arrivals to Grand Bahama were up for the first time in the year (up 2% by 1<sup>st</sup> Port of Entry) in June 2008 compared to June 2007 because the Discovery Cruise lines brought in more passengers than they had in 2007. Grand Bahama cruise arrivals were up in June 2008 regardless of Port of Entry. Air arrivals were down though and therefore, arrivals to the whole island were down.
- The Out Islands received 19% more cruise passengers in JUNE 2008 than in JUNE 2007 despite the fact that Royal Caribbean and Princess Cruises (Caribbean Princess) brought in fewer passengers. The Out Islands received more passengers from Disney Cruises (Disney Wonder to Castaway Cay 1<sup>st</sup> port of entry) and Carnival Cruises to Half Moon Cay (Carnival Liberty, Carnival Triumph and Carnival Imagination). Princess Cay which normally closes at the end of June closed early and did not receive any cruise passengers after the 14th of the month of May (according to Immigration/Customs and the agent RH Curry) hence the number of cruise arrivals to Eleuthera declined tremendously. The Princess ships that normally went to Princess Cay were re-routed. In addition, Great Stirrup Cay was not open in the month of June. The increase in cruise arrivals to the Out Islands was not enough to offset the declines experienced by Nassau/Paradise Island for the month (by 1<sup>st</sup> Port of Entry) and hence cruise arrivals to the Islands of the Bahamas were still down.
- The decline in arrivals for the month of JUNE put a strain on the YTD air and sea arrivals and pulled it down even more. By the end of JUNE 2008, the Bahamas Overall YTD was **down** by 2%.

#### APPENDIX

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of the Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship. If a*

*cruise ship makes a third stop in the Bahamas this 3<sup>rd</sup> stop is the 3<sup>rd</sup> port of entry and refers to the third port of call in the Islands of the Bahamas.*

- ***In this report we have concentrated on 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port together.***



## MARKET UPDATE JANUARY TO JULY 2008

### FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS

#### 1ST PORT OF ENTRY ONLY

#### JANUARY TO JULY 2008 YTD

|                        | 2008             | 2007             | 2008/2007     | 2008           | 2007           | 2008/2007   |
|------------------------|------------------|------------------|---------------|----------------|----------------|-------------|
|                        | Air and Sea      |                  |               | Air Only       |                |             |
|                        |                  |                  | % Chg Air/Sea |                |                | % Chg Air   |
| Nassau/Paradise Island | 1,542,908        | 1,649,432        | -6.5%         | 679,731        | 634,905        | 7.1%        |
| Grand Bahama           | 335,761          | 392,874          | -14.5%        | 113,287        | 128,754        | -12.0%      |
| Abaco                  | 158,503          | 133,276          | 18.9%         | 68,767         | 76,395         | -10.0%      |
| Andros                 | 7,244            | 7,256            | -0.2%         | 7,058          | 7,039          | 0.3%        |
| Berry Islands          | 248,804          | 209,286          | 18.9%         | 6,457          | 6,127          | 5.4%        |
| Bimini                 | 32,143           | 27,862           | 15.4%         | 10,864         | 10,255         | 5.9%        |
| Cat Cay                | 7,743            | 6,704            | 15.5%         | 3,024          | 2,628          | 15.1%       |
| Cat Island             | 2,382            | 2,320            | 2.7%          | 2,358          | 2,291          | 2.9%        |
| Eleuthera              | 168,829          | 210,277          | -19.7%        | 26,471         | 26,742         | -1.0%       |
| Exuma                  | 22,480           | 25,547           | -12.0%        | 21,837         | 24,740         | -11.7%      |
| Half Moon Cay          | 178,031          | 130,085          | 36.9%         | -              | -              | 0.0%        |
| Inagua                 | 1,073            | 735              | 46.0%         | 97             | 67             | 44.8%       |
| Long Island            | 645              | 796              | -19.0%        | 623            | 789            | -21.0%      |
| San Salvador           | 11,126           | 10,728           | 3.7%          | 10,933         | 10,111         | 8.1%        |
| <b>Bahamas Overall</b> | <b>2,717,672</b> | <b>2,807,178</b> | <b>-3.2%</b>  | <b>951,507</b> | <b>930,843</b> | <b>2.2%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

Princess Cruises did not bring in any passengers to Eleuthera in July 2008 like they had in July 2007, hence the large decline in arrivals to the island of Eleuthera

All numbers are subject to revision.

### OVERALL VISITOR ARRIVALS (JANUARY TO JULY YTD 2008)

#### ISLANDS UP



- Abaco (overall visitor arrivals up but air arrivals down)
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay
- Inagua
- San Salvador

#### ISLANDS DOWN



- Nassau/Paradise Island down overall however Air Only for the Island was UP.
- Grand Bahama
- Andros (down slightly air only was up)
- Eleuthera
- Exuma
- Long Island

**CRUISE ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**2008**

|                          | January to July YTD |                  |              | July Only                 |                |               |
|--------------------------|---------------------|------------------|--------------|---------------------------|----------------|---------------|
|                          | 2008                | 2007             | 2008/2007    | 2008                      | 2007           | 2008/2007     |
|                          | Cruise Arrivals YTD |                  | % Chg        | Cruise Arrivals July Only |                | % Chg         |
| Nassau/Paradise Island   | 856,181             | 1,009,884        | -15.2%       | 93,081                    | 134,832        | -31.0%        |
| Grand Bahama             | 160,972             | 201,129          | -20.0%       | 28,322                    | 31,891         | -11.2%        |
| Abaco (Castaway Cay)     | 83,507              | 50,912           | 64.0%        | 10,581                    | -              | 100.0%        |
| Andros                   | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| Berry Islands            | 241,801             | 202,256          | 19.6%        | 27,698                    | 33,714         | -17.8%        |
| Bimini                   | -                   | 104              | -100.0%      | -                         | -              | 0.0%          |
| Cat Cay                  | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| Cat Island               | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| Eleuthera (Princess Cay) | 142,008             | 183,184          | -22.5%       | -                         | 16,174         | -100.0%       |
| Exuma                    | -                   | 56               | -100.0%      | -                         | -              | 0.0%          |
| Half Moon Cay            | 178,031             | 130,085          | 36.9%        | 18,507                    | 10,316         | 79.4%         |
| Inagua                   | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| Long Island              | -                   | -                | 0.0%         | -                         | -              | 0.0%          |
| San Salvador             | -                   | 489              | -100.0%      | -                         | -              | 0.0%          |
| <b>Bahamas Overall</b>   | <b>1,662,500</b>    | <b>1,778,099</b> | <b>-6.5%</b> | <b>178,189</b>            | <b>226,927</b> | <b>-21.5%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. **Sea Landed arrivals are not listed above.**

2nd and 3rd port of call cruise arrivals are not listed in the above table.

The Disney Magic which normally goes to Castaway Cay, Abaco did not visit the island in July 2008 or July 2007. In July 2008 Disney Cruises however, divided the Disney Wonder between Nassau and Castaway Cay sometimes sending it to Nassau first and sometimes sending it to Castaway Cay first. In 2007, The Disney Wonder normally went to Nassau first and Castaway Cay second. All numbers are subject to revision.

**CRUISE ARRIVALS (JANUARY TO JULY YTD 2008 1<sup>ST</sup> PORT OF ENTRY)**

**ISLANDS UP** 

- Abaco (Castaway Cay)
- Berry Islands (*July only showed a decline*)
- Half Moon Cay

**ISLANDS DOWN** 

- Nassau/Paradise Island
- Grand Bahama
- Bimini
- Eleuthera
- San Salvador

**CRUISE ARRIVALS (JULY ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)**

- Abaco, and Half Moon Cay were all **Up** for JULY
- Nassau/P.I., Grand Bahama, Berry Islands and Eleuthera all **Down** for July 2008.

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**JULY ONLY 2008**

|                        | 2008           | 2007           | 2008/2007     | 2008           | 2007           | 2008/2007   |
|------------------------|----------------|----------------|---------------|----------------|----------------|-------------|
|                        | Air and Sea    |                | % Chg Air/Sea | Air Only       |                | % Chg Air   |
| Nassau/Paradise Island | 198,376        | 221,335        | -10.4%        | 104,390        | 86,060         | 21.3%       |
| Grand Bahama           | 54,363         | 63,183         | -14.0%        | 15,413         | 19,642         | -21.5%      |
| Abaco                  | 22,849         | 13,962         | 63.7%         | 10,877         | 12,589         | -13.6%      |
| Andros                 | 875            | 718            | 21.9%         | 847            | 711            | 19.1%       |
| Berry Islands          | 28,863         | 35,046         | -17.6%        | 1,053          | 1,095          | -3.8%       |
| Bimini                 | 8,472          | 7,706          | 9.9%          | 2,157          | 2,162          | -0.2%       |
| Cat Cay                | 1,418          | 1,260          | 12.5%         | 489            | 351            | 39.3%       |
| Cat Island             | 214            | 284            | -24.6%        | 214            | 284            | -24.6%      |
| Eleuthera              | 3,314          | 19,642         | -83.1%        | 3,254          | 3,425          | -5.0%       |
| Exuma                  | 2,640          | 2,918          | -9.5%         | 2,605          | 2,901          | -10.2%      |
| Half Moon Cay          | 18,507         | 10,316         | 79.4%         | -              | -              | 0.0%        |
| Inagua                 | 101            | 113            | -10.6%        | 12             | 15             | -20.0%      |
| Long Island            | 53             | 112            | -52.7%        | 52             | 112            | -53.6%      |
| San Salvador           | 1,426          | 1,265          | 12.7%         | 1,408          | 1,253          | 12.4%       |
| <b>Bahamas Overall</b> | <b>341,471</b> | <b>377,860</b> | <b>-9.6%</b>  | <b>142,771</b> | <b>130,600</b> | <b>9.3%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

Princess Cruises did not bring in any passengers to Eleuthera in July 2008 like they had in July 2007, hence the large decline in arrivals to the island of Eleuthera. Norwegian Cruises did not bring in passengers to Great Stirrup Cay in July 2008 as a 1st port and went to Great Stirrup only as a 2nd port of call hence Berry Islands by 1st port declined.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (JULY ONLY 2008)**

**ISLANDS UP**



- Abaco
- Andros
- Bimini
- Cat Cay
- Half Moon Cay
- San Salvador

**ISLANDS DOWN**



- Nassau/Paradise Island down overall but air only was up considerably
- Grand Bahama
- Berry Islands
- Cat Island
- Long Island
- Eleuthera
- Exuma

### **Market Analysis**

- Visitor Arrivals for the month of JULY 2008 **declined** by 10% when compared to the same period of 2007. The following are contributing factors affecting this decline:
  - The United States the biggest supplier of visitors to the Bahamas is suffering a few setbacks. Stopovers from the US were still down in JULY 2008. Stopovers from the US were down by 6%.
  - The US was still experiencing a “slow down” in the economy.
  - The US Dollar was still struggling vs. other currencies.
  - Oil prices continued to fluctuate causing high fuel costs which caused a strain on the airline companies who travelled internationally. In July, oil prices hit \$147.27 a barrel before falling to \$125 a barrel within the same month. (Source: Wikipedia, the free encyclopedia).
  - The Consumer Confidence Index which is highly influenced by consumer feelings, (***“The US Consumer Confidence Index (CCI) is defined as the degree of optimism on the state of the economy that consumers are expressing through their activities of savings and spending.”*** Source: Wikipedia, the free encyclopedia) in the United States was surprisingly up slightly in July 2008 to 51.9 up from a revised 51 in June 2008. (Source: ***“The consumer is often wrong”*** by Paul R. La Monica CNNMoney.com, July 29, 2008). Earlier in the year it had dropped to a 28 year low. (Source: the US Economy: ***“The Worst is Yet to Come”*** by Mark Weisbrot).
  - Consumer spending in the US was down in July 2008 according to Deloitte and Touche’s USA LLP Leading Index of Consumer Spending which measures spending based on tax burden, initial unemployment claims, real wages, and real home prices. The US govt. was having difficulty stimulating consumers to continue to spend despite giving them tax rebate checks. Many consumers appeared to have saved the money rather than spent it.
  - Concerns about inflation continued in July 2008.
  - Job losses continued to be “thorns” in the US economy. Every month more and more persons joined the rank of the unemployed in the US.
  - The US debt was high and the debt of the regular American Consumer was also high.
  - The US manufacturing industry was in a weakened condition as much of the goods for the United States were outsourced to countries with a cheaper labour force like China, Mexico, etc.
  - The housing market in the United States was still in crisis and people in our primary DMA markets and top producing states were still losing their homes every day. “Home foreclosure filings are up over last year.” (Source: the US Economy: ***“The Worst is Yet to Come”*** by Mark Weisbrot).

- Visitor Arrivals from Canada for the month of JULY 2008 were up over the same period of 2007 and were still going strong. The following were contributing factors affecting this increase:
  - There is an aggressive and strong BTO in Canada.
  - The BTO works along with a marketing agency Punch Communications that has done well for The Bahamas.
  - The Canadian dollar is strong and this makes the Bahamas cheaper than before for Canadians.
  - Canadians have access to more direct flights from Canada to The Bahamas than in the past, for example Air Canada, Westjet.
  - Canada is not suffering from a housing crisis.
  - Their manufacturing industry is very diverse.
  - They have many industries that employ Canadians i.e. Forestry/Logging Industry. Agriculture, Fishing, Mining of “natural resources such as gold, nickel, uranium, diamonds and lead.” Source: Wikipedia, the free encyclopedia
  - However, Canada does have concerns with regard to their non-commodity exports which have declined because Canada’s most important trade partner, the United States is going through an economic “slow-down”. (Source: Forex Blog: Canadian Dollar)
  
- The increase in the number of stopover visitors from Canada, Europe, The Caribbean and Latin America were not enough to offset the decline in arrivals to the Bahamas for the month of JULY. The decline in the amount of visitors from the biggest supplier of visitors to the Bahamas, the United States, was too much to offset this decline.
  
- Cruise arrivals to the Bahamas Overall were **down** during the month of JULY 2008 by 22% (1<sup>st</sup> Port of entry only). This decline was in part due to the fact that Nassau/Paradise Island suffered a decline in cruise arrivals during the month (by 1<sup>st</sup> Port of Entry). Regardless of port of entry (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> port of call) the Bahamas Overall received fewer cruise passengers in the month of July 2008 than in the same period of 2007.
  
- Cruise arrivals to Nassau/Paradise Island (1<sup>st</sup> port of entry) were down in JULY 2008 because cruise lines such as Carnival Cruise lines, Disney Cruises, and Norwegian Cruises all made less calls on the destination and brought in fewer passengers to the island as a first port of call. The reason for this was that a number of major cruise lines sent their ships to the Out Islands first and then went to Nassau/Paradise Island as a 2<sup>nd</sup> port of call (as a 2<sup>nd</sup> port Nassau/Paradise Island was up). Disney Cruises re-routed the Disney Magic outside of the Bahamas as in 2007 but they sent the Disney Wonder which normally comes to Nassau/Paradise Island as a 1<sup>st</sup> port

of call to Castaway Cay a number of times first instead. Carnival decreased the amount of passengers they took into Nassau/Paradise Island and increased tremendously the amount of passengers to the Out Islands (Half Moon Cay) as a 1<sup>st</sup> port of entry. Carnival Cruises also sent their ships to Grand Bahama as a first port of call.

- Cruise arrivals to Grand Bahama were down in July 2008 because Carnival Cruises brought in fewer passengers to the island than in July of 2007. In addition Royal Caribbean did not go into the island in July 2008 as they had in July 2007.
- The Out Islands also received fewer cruise passengers in July 2008 compared to the same period of 2007. Even though Disney Cruises and Carnival Cruises made more calls on the Out Islands than in the same period of 2007, Royal Caribbean made fewer calls to Coco Cay, Berry Islands. In addition, Princess Cay was closed in July 2008; Princess Cruises did not resume service to the Out Islands yet. Princess Cruises had brought passengers in July of 2007. In addition, Norwegian Cruises did not bring in any passengers as a 1<sup>st</sup> port of call to Great Stirrup Cay.
- The decline in arrivals for the month of JULY put a strain on the YTD air and sea arrivals and pulled it down even more. Although air arrivals were very strong in July cruise arrivals were weak and by the end of JULY 2008, the Bahamas Overall YTD was **down** by 3%.

#### **APPENDIX**

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of the Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship. If a cruise ship makes a third stop in the Bahamas this 3<sup>rd</sup> stop is the 3<sup>rd</sup> port of entry and refers to the third port of call in the Islands of the Bahamas.*
- ***In this report we have concentrated on 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port together.***

## MARKET UPDATE JANUARY TO AUGUST 2008

### FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS

#### 1ST PORT OF ENTRY ONLY

#### JANUARY TO AUGUST 2008 YTD

|                        | 2008             | 2007             | 2008/2007     | 2008             | 2007             | 2008/2007   |
|------------------------|------------------|------------------|---------------|------------------|------------------|-------------|
|                        | Air and Sea      |                  | % Chg Air/Sea | Air Only         |                  | % Chg Air   |
| Nassau/Paradise Island | 1,751,884        | 1,885,660        | -7.1%         | 774,067          | 726,770          | 6.5%        |
| Grand Bahama           | 389,066          | 438,947          | -11.4%        | 126,363          | 144,727          | -12.7%      |
| Abaco                  | 178,051          | 143,695          | 23.9%         | 74,673           | 83,780           | -10.9%      |
| Andros                 | 7,728            | 7,967            | -3.0%         | 7,530            | 7,721            | -2.5%       |
| Berry Islands          | 280,145          | 241,368          | 16.1%         | 7,172            | 7,066            | 1.5%        |
| Bimini                 | 37,878           | 34,583           | 9.5%          | 12,475           | 11,859           | 5.2%        |
| Cat Cay                | 8,837            | 8,063            | 9.6%          | 3,453            | 3,001            | 15.1%       |
| Cat Island             | 2,567            | 2,471            | 3.9%          | 2,543            | 2,442            | 4.1%        |
| Eleuthera              | 170,949          | 225,961          | -24.3%        | 28,543           | 28,938           | -1.4%       |
| Exuma                  | 24,564           | 28,111           | -12.6%        | 23,912           | 27,300           | -12.4%      |
| Half Moon Cay          | 196,540          | 152,547          | 28.8%         | -                | -                | 0.0%        |
| Inagua                 | 1,144            | 840              | 36.2%         | 107              | 83               | 28.9%       |
| Long Island            | 701              | 854              | -17.9%        | 678              | 847              | -20.0%      |
| San Salvador           | 12,292           | 11,897           | 3.3%          | 12,088           | 11,270           | 7.3%        |
| <b>Bahamas Overall</b> | <b>3,062,346</b> | <b>3,182,964</b> | <b>-3.8%</b>  | <b>1,073,604</b> | <b>1,055,804</b> | <b>1.7%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

Princess Cruises did not bring in any passengers to Eleuthera in August 2008 like they had in August 2007, hence the large decline in arrivals to the island of Eleuthera

All numbers are subject to revision.

### OVERALL VISITOR ARRIVALS (JANUARY TO AUGUST YTD 2008)

#### ISLANDS UP



- Abaco (overall visitor arrivals up but air arrivals down)
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay
- Inagua
- San Salvador

#### ISLANDS DOWN



- Nassau/Paradise Island down overall however Air Only for the Island was UP.
- Grand Bahama
- Andros
- Eleuthera
- Exuma
- Long Island

**CRUISE ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**2008**

|                          | January to August YTD |                  |              | August Only                 |                |               |
|--------------------------|-----------------------|------------------|--------------|-----------------------------|----------------|---------------|
|                          | 2008                  | 2007             | 2008/2007    | 2008                        | 2007           | 2008/2007     |
|                          | Cruise Arrivals YTD   |                  |              | Cruise Arrivals August Only |                |               |
|                          |                       |                  | % Chg        |                             |                | % Chg         |
| Nassau/Paradise Island   | 970,270               | 1,153,477        | -15.9%       | 114,089                     | 143,593        | -20.5%        |
| Grand Bahama             | 193,344               | 221,633          | -12.8%       | 32,372                      | 20,504         | 57.9%         |
| Abaco (Castaway Cay)     | 96,714                | 53,063           | 82.3%        | 13,207                      | 2,151          | 514.0%        |
| Andros                   | -                     | -                | 0.0%         | -                           | -              | 0.0%          |
| Berry Islands            | 272,353               | 233,275          | 16.8%        | 30,552                      | 31,019         | -1.5%         |
| Bimini                   | -                     | 104              | -100.0%      | -                           | -              | 0.0%          |
| Cat Cay                  | -                     | -                | 0.0%         | -                           | -              | 0.0%          |
| Cat Island               | -                     | -                | 0.0%         | -                           | -              | 0.0%          |
| Eleuthera (Princess Cay) | 142,008               | 196,656          | -27.8%       | -                           | 13,472         | -100.0%       |
| Exuma                    | -                     | 56               | -100.0%      | -                           | -              | 0.0%          |
| Half Moon Cay            | 196,540               | 152,547          | 28.8%        | 18,509                      | 22,462         | -17.6%        |
| Inagua                   | -                     | -                | 0.0%         | -                           | -              | 0.0%          |
| Long Island              | -                     | -                | 0.0%         | -                           | -              | 0.0%          |
| San Salvador             | -                     | 489              | -100.0%      | -                           | -              | 0.0%          |
| <b>Bahamas Overall</b>   | <b>1,871,229</b>      | <b>2,011,300</b> | <b>-7.0%</b> | <b>208,729</b>              | <b>233,201</b> | <b>-10.5%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. **Sea Landed arrivals are not listed above.**

2nd and 3rd port of call cruise arrivals are not listed in the above table.

In August, Disney Cruises however, divided the Disney Wonder between Nassau and Castaway Cay sometimes sending it to Nassau first and sometimes sending it to Castaway Cay first. In 2007, The Disney Wonder normally went to Nassau 1st and Castaway Cay 2nd.

All numbers are subject to revision.

**CRUISE ARRIVALS (JANUARY TO AUGUST YTD 2008 1<sup>ST</sup> PORT OF ENTRY)**

**ISLANDS UP**



- Abaco (Castaway Cay)
- Berry Islands (For the month of **August cruise showed a decline**)
- Half Moon Cay (For the month of **August cruise showed a decline**)

**ISLANDS DOWN**



- Nassau/Paradise Island
- Grand Bahama
- Bimini
- Eleuthera
- San Salvador

**CRUISE ARRIVALS (AUGUST ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)**

- Abaco, and Grand Bahama, were all **Up** for AUGUST
- Nassau/P.I., Berry Islands, Eleuthera, Half Moon Cay all **Down** for August 2008.



**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**AUGUST ONLY 2008**

|                        | 2008           | 2007           | 2008/2007     | 2008           | 2007           | 2008/2007    |
|------------------------|----------------|----------------|---------------|----------------|----------------|--------------|
|                        | Air and Sea    |                | % Chg Air/Sea | Air Only       |                | % Chg Air    |
| Nassau/Paradise Island | 208,976        | 236,228        | -11.5%        | 94,336         | 91,865         | 2.7%         |
| Grand Bahama           | 53,305         | 46,073         | 15.7%         | 13,076         | 15,973         | -18.1%       |
| Abaco                  | 19,548         | 10,419         | 87.6%         | 5,906          | 7,385          | -20.0%       |
| Andros                 | 484            | 711            | -31.9%        | 472            | 682            | -30.8%       |
| Berry Islands          | 31,341         | 32,082         | -2.3%         | 715            | 939            | -23.9%       |
| Bimini                 | 5,735          | 6,721          | -14.7%        | 1,611          | 1,604          | 0.4%         |
| Cat Cay                | 1,094          | 1,359          | -19.5%        | 429            | 373            | 15.0%        |
| Cat Island             | 185            | 151            | 22.5%         | 185            | 151            | 22.5%        |
| Eleuthera              | 2,120          | 15,684         | -86.5%        | 2,072          | 2,196          | -5.6%        |
| Exuma                  | 2,084          | 2,564          | -18.7%        | 2,075          | 2,560          | -18.9%       |
| Half Moon Cay          | 18,509         | 22,462         | -17.6%        | -              | -              | 0.0%         |
| Inagua                 | 71             | 105            | -32.4%        | 10             | 16             | -37.5%       |
| Long Island            | 56             | 58             | -3.4%         | 55             | 58             | -5.2%        |
| San Salvador           | 1,166          | 1,169          | -0.3%         | 1,155          | 1,159          | -0.3%        |
| <b>Bahamas Overall</b> | <b>344,674</b> | <b>375,786</b> | <b>-8.3%</b>  | <b>122,097</b> | <b>124,961</b> | <b>-2.3%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

Princess Cruises did not bring in any passengers to Eleuthera in August 2008 like they had in August 2007, hence the large decline in arrivals to the island of Eleuthera.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (AUGUST ONLY 2008)**

**ISLANDS UP**



- Abaco
- Cat Island
- Grand Bahama (air arrivals only for the island was down, but cruise arrivals made up for that)

**ISLANDS DOWN**



- Nassau/Paradise Island down overall but air only was up considerably
- Andros
- Berry Islands
- Bimini
- Cat Cay
- Eleuthera
- Exuma
- Half Moon Cay
- Inagua
- Long Island

➤ San Salvador

**Market Analysis**

- Visitor Arrivals for the month of AUGUST 2008 **declined** by 10% when compared to the same period of 2007. The following are contributing factors affecting this decline:
- The United States the biggest supplier of visitors to the Bahamas is suffering a few setbacks. Stopovers from the US were still down in AUGUST 2008. Stopovers from the US were down by 11%.
  - The US was still experiencing a “slow down” in the economy that was beginning to look more and more like it would become a recession.
  - The US Dollar was still struggling vs. other currencies.
  - Oil prices continued to fluctuate. In August 2008, oil prices fell even more since July. Oil prices fell from \$125 in July to \$112 in August. (Source: Wikipedia, the free encyclopedia).
  - The Consumer Confidence Index which is highly influenced by consumer feelings, (***“The US Consumer Confidence Index (CCI) is defined as the degree of optimism on the state of the economy that consumers are expressing through their activities of savings and spending.”*** Source: Wikipedia, the free encyclopedia) in the United States was surprisingly up slightly in August 2008 to 56.9, up from 51.9 in July 2008. (***Source: The Consumerist “Consumer Confidence Rises 5 Points”, by Ben Popken, August 27, 2008***). Earlier in the year it had dropped to a 28 year low. (***Source: the US Economy: “The Worst is Yet to Come” by Mark Weisbrot***). The consumer confidence index rose in part because of the fall in oil prices.
  - Consumer spending in the US was down in August 2008 according to the Los Angeles Times report “Consumer spending weak in August” (from the Associated Press, September 30, 2008). The US govt. was having difficulty stimulating consumers to continue to spend despite giving them tax rebate checks earlier in the year. Many consumers appeared to have saved the money rather than spent it.
  - Concerns about inflation continued but lessened by the fall in oil prices in August 2008.
  - Job losses continued to be “thorns” in the US economy. Every month more and more persons joined the rank of the unemployed in the US. In August 2008, thousands of persons joined the rank of the unemployed.
  - The US debt was high and the debt of the regular American Consumer was also high.
  - The US manufacturing industry was in a weakened condition as much of the goods for the United States were outsourced to countries with a cheaper labour force like China, Mexico, etc.

- The housing market in the United States was still in crisis and people in our primary DMA markets and top producing states were still losing their homes every day. “Home foreclosure filings are up over last year.” (Source: the US Economy: “The Worst is Yet to Come” by Mark Weisbrot).
- Visitor Arrivals from Canada for the month of AUGUST 2008 were up over the same period of 2007 and were still going strong. The following were contributing factors affecting this increase:
  - There is an aggressive and strong BTO in Canada.
  - The BTO works along with a marketing agency Punch Communications that has done well for The Bahamas.
  - The Canadian dollar in August 2008 was still strong and this made the Bahamas cheaper than before for Canadians.
  - Canadians had access to more direct flights from Canada to The Bahamas than in the past, for example Air Canada, Westjet.
  - Canada was not suffering from a housing crisis.
  - Their manufacturing industry is very diverse.
  - They have many industries that employ Canadians i.e. Forestry/Logging Industry. Agriculture, Fishing, Mining of “natural resources such as gold, nickel, uranium, diamonds and lead.” Source: Wikipedia, the free encyclopedia
  - However, Canada does have concerns with regard to their non-commodity exports which have declined because Canada’s most important trade partner, the United States is going through an economic “slow-down”. (Source: Forex Blog: Canadian Dollar)
- The increase in the number of stopover visitors from Canada, Europe, and Latin America were not enough to offset the decline in arrivals to the Bahamas for the month of AUGUST. The decline in the amount of visitors from the biggest supplier of visitors to the Bahamas, the United States, was too much to offset this decline.
- Cruise arrivals to the Bahamas Overall were **down** during the month of AUGUST 2008 by 11% (1<sup>st</sup> Port of entry only). This decline was in part due to the fact that Nassau/Paradise Island suffered a decline in cruise arrivals during the month (by 1<sup>st</sup> Port of Entry). Regardless of port of entry (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> port of call) the Bahamas Overall received fewer cruise passengers in the month of August 2008 than in the same period of 2007.
- Cruise arrivals to Nassau/Paradise Island (1<sup>st</sup> port of entry) were down in AUGUST 2008 because cruise lines such as Carnival Cruise lines, Disney Cruises, and Norwegian Cruises all made less calls on the destination and brought in fewer passengers to the island as a first port of call. The reason for this was that a number of major cruise lines

sent their ships to the Out Islands or Grand Bahama first and then went to Nassau/Paradise Island as a 2<sup>nd</sup> port of call (as a 2<sup>nd</sup> port Nassau/Paradise Island was up). The Disney Magic had been re-routed outside of the Bahamas prior to August as in 2007 but they sent the Disney Wonder which normally comes to Nassau/Paradise Island as a 1<sup>st</sup> port of call to Castaway Cay a number of times first instead. The Disney Magic returned to Castaway Cay on August 31, 2008. In August 2008, Carnival decreased the amount of passengers they took into Nassau/Paradise Island and increased the amount of passengers to Grand Bahama as a 1<sup>st</sup> port of entry.

- Cruise Arrivals to Grand Bahama were up for the month of August because Carnival Cruises, Discovery Cruises, Norwegian Cruises, and Sea Escape Cruises increased the number of calls and passengers into the island. The Carnival Glory called on Grand Bahama as a first port in August 2008 a number of times. This was not the case in August 2007. The Norwegian Cruise line made calls with the Norwegian Sky in August 2008 to Grand Bahama as a first port; this was not the case for August 2007.
- The Out Islands also received fewer cruise passengers in August 2008 compared to the same period of 2007 (1<sup>st</sup> Port of Entry). Even though Disney Cruises made more calls on the Out Islands than in the same period of 2007, Royal Caribbean brought in fewer passengers to Coco Cay, Berry Islands. In addition, Carnival Cruises brought in fewer passengers than during the same period of 2007. Moreover, Princess Cay was closed in August 2008; Princess Cruises did not resume service to the Out Islands yet. Princess Cruises had brought passengers in August of 2007. In addition, Norwegian Cruises did not bring in any passengers as a 1<sup>st</sup> port of call to Great Stirrup Cay.
- The decline in arrivals for the month of AUGUST put a further strain on the YTD air and sea arrivals and pulled it down even more. Air arrivals were weaker in August 2008 than in July 2008 and cruise arrivals although strong for Grand Bahama and Abaco were weak to the Bahamas Overall. By the end of AUGUST 2008, the Bahamas Overall YTD was **down** by 4%.

#### **APPENDIX**

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*

- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of the Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship. If a cruise ship makes a third stop in the Bahamas this 3<sup>rd</sup> stop is the 3<sup>rd</sup> port of entry and refers to the third port of call in the Islands of the Bahamas.*
- ***In this report we have concentrated on 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port together.***

**MARKET UPDATE JANUARY TO SEPTEMBER 2008****FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS****1ST PORT OF ENTRY ONLY****JANUARY TO SEPTEMBER 2008 YTD**

|                        | 2008             | 2007             | 2008/2007     | 2008             | 2007             | 2008/2007    |
|------------------------|------------------|------------------|---------------|------------------|------------------|--------------|
|                        | Air and Sea      |                  | % Chg Air/Sea | Air Only         |                  | % Chg Air    |
| Nassau/Paradise Island | 1,878,716        | 2,069,663        | -9.2%         | 807,982          | 805,924          | 0.3%         |
| Grand Bahama           | 426,741          | 470,627          | -9.3%         | 132,399          | 153,028          | -13.5%       |
| Abaco                  | 189,605          | 156,460          | 21.2%         | 76,359           | 86,262           | -11.5%       |
| Andros                 | 7,958            | 8,314            | -4.3%         | 7,756            | 8,064            | -3.8%        |
| Berry Islands          | 301,626          | 272,820          | 10.6%         | 7,429            | 7,446            | -0.2%        |
| Bimini                 | 39,277           | 37,741           | 4.1%          | 13,159           | 12,752           | 3.2%         |
| Cat Cay                | 9,222            | 8,739            | 5.5%          | 3,710            | 3,196            | 16.1%        |
| Cat Island             | 2,603            | 2,522            | 3.2%          | 2,579            | 2,493            | 3.4%         |
| Eleuthera              | 171,563          | 242,817          | -29.3%        | 29,156           | 29,777           | -2.1%        |
| Exuma                  | 25,190           | 29,188           | -13.7%        | 24,533           | 28,353           | -13.5%       |
| Half Moon Cay          | 204,712          | 171,733          | 19.2%         | -                | -                | 0.0%         |
| Inagua                 | 1,179            | 940              | 25.4%         | 118              | 102              | 15.7%        |
| Long Island            | 711              | 859              | -17.2%        | 687              | 852              | -19.4%       |
| San Salvador           | 12,855           | 12,916           | -0.5%         | 12,651           | 12,287           | 3.0%         |
| <b>Bahamas Overall</b> | <b>3,271,958</b> | <b>3,485,339</b> | <b>-6.1%</b>  | <b>1,118,518</b> | <b>1,150,536</b> | <b>-2.8%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

Princess Cruises did not bring in any passengers to Eleuthera in Sept. 2008 like they had in Sept. 2007, hence the large decline in arrivals to the island of Eleuthera

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (JANUARY TO SEPTEMBER YTD 2008)****ISLANDS UP**

- Abaco (overall visitor arrivals up but air arrivals down)
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay
- Inagua

**ISLANDS DOWN**

- Nassau/Paradise Island down overall however Air Only for the Island was UP.
- Grand Bahama
- Andros
- Eleuthera
- Exuma
- Long Island
- San Salvador

**CRUISE ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**2008**

|                          | January to September YTD |                  |              | September Only             |                |               |
|--------------------------|--------------------------|------------------|--------------|----------------------------|----------------|---------------|
|                          | 2008                     | 2007             | 2008/2007    | 2008                       | 2007           | 2008/2007     |
|                          | Cruise Arrivals YTD      |                  |              | Cruise Arrivals Sept. Only |                |               |
|                          |                          |                  | % Chg        |                            |                | % Chg         |
| Nassau/Paradise Island   | 1,063,042                | 1,258,086        | -15.5%       | 92,772                     | 104,609        | -11.3%        |
| Grand Bahama             | 223,483                  | 241,336          | -7.4%        | 30,139                     | 19,703         | 53.0%         |
| Abaco (Castaway Cay)     | 106,546                  | 63,164           | 68.7%        | 9,832                      | 10,101         | -2.7%         |
| Andros                   | -                        | -                | 0.0%         | -                          | -              | 0.0%          |
| Berry Islands            | 293,567                  | 264,325          | 11.1%        | 21,214                     | 31,050         | -31.7%        |
| Bimini                   | -                        | 104              | -100.0%      | -                          | -              | 0.0%          |
| Cat Cay                  | -                        | -                | 0.0%         | -                          | -              | 0.0%          |
| Cat Island               | -                        | -                | 0.0%         | -                          | -              | 0.0%          |
| Eleuthera (Princess Cay) | 142,008                  | 212,666          | -33.2%       | -                          | 16,010         | -100.0%       |
| Exuma                    | -                        | 56               | -100.0%      | -                          | -              | 0.0%          |
| Half Moon Cay            | 204,712                  | 171,733          | 19.2%        | 8,172                      | 19,186         | -57.4%        |
| Inagua                   | -                        | -                | 0.0%         | -                          | -              | 0.0%          |
| Long Island              | -                        | -                | 0.0%         | -                          | -              | 0.0%          |
| San Salvador             | -                        | 489              | -100.0%      | -                          | -              | 0.0%          |
| <b>Bahamas Overall</b>   | <b>2,033,358</b>         | <b>2,211,959</b> | <b>-8.1%</b> | <b>162,129</b>             | <b>200,659</b> | <b>-19.2%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. **Sea Landed arrivals are not listed above.**

2nd and 3rd port of call cruise arrivals are not listed in the above table.

Eleuthera (Princess Cay) is down considerably because Princess Cruises had not yet resumed service to the island in Sept. 2008 but they had visited the island in Sept. 2007.

Half Moon Cay was down for the month of Sept. 2008 because Carnival Cruises had brought in less passengers during that month to that island.

All numbers are subject to revision.

**CRUISE ARRIVALS (JANUARY TO SEPTEMBER YTD 2008 1<sup>ST</sup> PORT OF ENTRY)**

**ISLANDS UP**



- Abaco (Castaway Cay)
- Berry Islands (For the month of **September cruise showed a decline**)
- Half Moon Cay (For the month of **September cruise showed a decline**)

**ISLANDS DOWN**



- Nassau/Paradise Island
- Grand Bahama (for the month of Sept. 2008 cruise was up considerably for the island)
- Bimini (did not receive any cruise passengers in September 2008)
- Eleuthera
- San Salvador (didn't receive any cruise passengers in Sept. 2008)

**CRUISE ARRIVALS (SEPTEMBER ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)**

- Grand Bahama was **Up** for SEPTEMBER but down January to Sept. YTD 2008
- Nassau/P.I., Abaco, Berry Islands (but up YTD), Eleuthera, Half Moon Cay (but up YTD) all **Down** for September 2008.

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**SEPTEMBER ONLY 2008**

|                        | 2008           | 2007           | 2008/2007     | 2008          | 2007          | 2008/2007     |
|------------------------|----------------|----------------|---------------|---------------|---------------|---------------|
|                        | Air and Sea    |                | % Chg Air/Sea | Air Only      |               | % Chg Air     |
| Nassau/Paradise Island | 126,832        | 184,003        | -31.1%        | 33,915        | 79,154        | -57.2%        |
| Grand Bahama           | 37,675         | 31,680         | 18.9%         | 6,036         | 8,301         | -27.3%        |
| Abaco                  | 11,554         | 12,765         | -9.5%         | 1,686         | 2,482         | -32.1%        |
| Andros                 | 230            | 347            | -33.7%        | 226           | 343           | -34.1%        |
| Berry Islands          | 21,481         | 31,452         | -31.7%        | 257           | 380           | -32.4%        |
| Bimini                 | 1,399          | 3,158          | -55.7%        | 684           | 893           | -23.4%        |
| Cat Cay                | 385            | 676            | -43.0%        | 257           | 195           | 31.8%         |
| Cat Island             | 36             | 51             | -29.4%        | 36            | 51            | -29.4%        |
| Eleuthera              | 614            | 16,856         | -96.4%        | 613           | 839           | -26.9%        |
| Exuma                  | 626            | 1,077          | -41.9%        | 621           | 1,053         | -41.0%        |
| Half Moon Cay          | 8,172          | 19,186         | -57.4%        | -             | -             | 0.0%          |
| Inagua                 | 35             | 100            | -65.0%        | 11            | 19            | -42.1%        |
| Long Island            | 10             | 5              | 100.0%        | 9             | 5             | 80.0%         |
| San Salvador           | 563            | 1,019          | -44.7%        | 563           | 1,017         | -44.6%        |
| <b>Bahamas Overall</b> | <b>209,612</b> | <b>302,375</b> | <b>-30.7%</b> | <b>44,914</b> | <b>94,732</b> | <b>-52.6%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

Princess Cruises did not bring in any passengers to Eleuthera in Sept. 2008 like they had in Sept. 2007, hence the large decline in arrivals to the island of Eleuthera.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (SEPTEMBER ONLY 2008)**

**ISLANDS UP**



- Grand Bahama (air arrivals only for the island was down, but cruise arrivals made up for that)
- Long Island

**ISLANDS DOWN**



- Nassau/Paradise Island down overall
- Andros
- Abaco
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Eleuthera
- Exuma
- Half Moon Cay
- Inagua



- San Salvador

### Market Analysis

In September 2008, the Bahamas had to deal with the effects on visitor arrivals from two major catastrophes, a hurricane and a global financial meltdown. Hurricane Ike threatened the Islands of the Bahamas in the first week of September and finally slammed into Inagua on September 7, 2008. Hurricane Ike also slammed into Texas where it left mass devastation.

During the same month on September 15<sup>th</sup>, The United States of America experienced a major blow to its financial market sector when Lehman Brothers, a 158 year old financial services bank said that they would file for bankruptcy. Lehman Brothers had invested too much in the wrong real estate deals (e.g. the buying of subprime mortgages from banks) and collapsed as a result. Lehman Brothers founded in 1850 was also a global investment bank that catered to corporations, institutions, governments, and high-net worth investors. Source: [www.lehman.com](http://www.lehman.com). "In 2007, non-US subsidiaries of Lehman Brothers were responsible for over 50% of global revenue produced" according to the Lehman Brothers 2007 Annual Report. In addition to the bankruptcy filing of Lehman Brothers, Merrill Lynch was sold to Bank of America. Moreover, during this month on September 16<sup>th</sup>, AIG (American International Group) one of the major insurance companies that also operates globally experienced liquidity problems when their credit rating was downgraded. (**Source: Wikipedia, the free encyclopedia**). In addition, Washington Mutual Inc. (WaMu) was closed by the US government and the assets were sold to JP Morgan Chase. (Source: "Wamu is largest U.S. Bank Failure" by Elinor Comlay and Jonathan Stempel, September 25, 2008, news.yahoo.com). Earlier on in the year Bears Sterns, Countrywide (Real Estate Company), Fanny Mae and Freddie Mac all experienced major problems. Fanny Mae and Freddie Mac had to be bailed out. "Fannie Mae and Freddie Mac are very important entities within the US economy. They guarantee approximately \$US 6 trillion in outstanding home loans and service 50 million mortgage customers. The value of their loans is equal to 2/3 of the current national debt!" (**Source: The ABC's of the Fannie Mae and Freddie Mac's Problems" by Kathy Lien, Foreign Exchange Currency Expert**).

All of these factors contributed to the financial meltdown that occurred in September 2008. Global stock markets began to tumble not only in the United States but worldwide. Suddenly, as a result of the domino effect spurred by this financial crisis in the United States, not only was the US in a recession but most of the world was well on its way there too.

- Visitor Arrivals for the month of SEPTEMBER 2008 **declined** considerably when compared to the same period of 2007. The following were also contributing factors affecting this decline:
  - Stopovers from the US to the Bahamas were up in the months of January and February of 2008. The number of stopovers from the US began to fall from March 2008 and continued into September 2008. Stopovers from the US were down considerably in September.
  - With the financial meltdown of September 2008, The White House could no longer deny what others had seen months prior to the

September financial crisis, the US was now in one of the worse recessions since the stock market crash of 1929 and the great depression that had followed.

- The US Dollar is not stable against the other currencies.
  - Oil prices had already started to fall in August 2008 and continued that downward spiral in September but after wreaking havoc in the global economy, it was just a little too late to prevent the global crisis that ensued in September 2008.
  - The Consumer Confidence Index which is highly influenced by consumer feelings, (***“The US Consumer Confidence Index (CCI) is defined as the degree of optimism on the state of the economy that consumers are expressing through their activities of savings and spending.”*** Source: *Wikipedia, the free encyclopedia*) in the United States was surprisingly up slightly in September 2008 to 61.4 from 56.9 in August 2008. However, by the beginning of October it had fallen to 38.0. (Source: **“Consumer Confidence at All Time Low By Ben Rooney”**, *CNNMoney.com staff writer*). Earlier in the year it had dropped to a 28 year low. (Source: **the US Economy: “The Worst is Yet to Come”** by **Mark Weisbrot**).
  - Consumer spending in the US was down in September 2008 according to the Commerce Department.
  - Concerns about inflation continued.
  - Job losses continued to be “thorns” in the US economy. Every month more and more persons joined the rank of the unemployed in the US. In September 2008, thousands of persons joined the rank of the unemployed.
  - The US debt was high and the debt of the regular American Consumer was also high.
  - The US manufacturing industry was in a weakened condition as much of the goods for the United States were outsourced to countries with a cheaper labour force like China, Mexico, etc.
  - The housing market in the United States was still in crisis and people in our primary DMA markets and top producing states were still losing their homes every day. “Home foreclosure filings are up over last year.” (Source: **the US Economy: “The Worst is Yet to Come”** by **Mark Weisbrot**).
- The Visitor Arrival growth from Canada ( a major exporter of goods to the US) and the rest of the world experienced by the Bahamas throughout all of the months prior to August 2008 stagnated in SEPTEMBER 2008 because of the domino effect of the financial services meltdown in the US that culminated in September 2008.
- Cruise arrivals to the Bahamas Overall were **down** during the month of SEPTEMBER 2008 by 19% (1<sup>st</sup> Port of entry only). This decline was in

part due to the fact that Nassau/Paradise Island suffered a decline in cruise arrivals during the month (by 1<sup>st</sup> Port of Entry). Regardless of port of entry (1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> port of call) the Bahamas Overall received fewer cruise passengers in the month of September 2008 than in the same period of 2007.

- Cruise arrivals to Nassau/Paradise Island (1<sup>st</sup> port of entry) were down in SEPTEMBER 2008 because Carnival Cruise lines made less calls on the destination and brought in fewer passengers to the island as a first port of call. In September 2008, Carnival decreased the amount of passengers they took into Nassau/Paradise Island and increased the amount of passengers to Grand Bahama as a 1<sup>st</sup> port of entry.
- Cruise Arrivals to Grand Bahama were up for the month of September because Carnival Cruiselines, increased the number of calls and passengers into the island. The Carnival Sensation, the Carnival Imagination, the Carnival Miracle and the Carnival Glory all made calls on Grand Bahama in September 2008. In addition, Norwegian Cruises made calls with the Norwegian Sky in September 2008 to Grand Bahama as a first port; this was not the case for September 2007.
- The Out Islands also received fewer cruise passengers in September 2008 compared to the same period of 2007 (1<sup>st</sup> Port of Entry). All of the major cruise lines to the Out Islands made less calls and brought in fewer passengers in September 2008 than in the same period of 2007 as a first port of entry. Moreover, Princess Cay was still closed in September 2008. Princess Cruises had brought passengers in September of 2007. In addition, Norwegian Cruises did not bring in any passengers as a 1<sup>st</sup> port of call to Great Stirrup Cay. Norwegian shared its calls between Nassau/P.I. and Grand Bahama.
- The decline in arrivals for the month of SEPTEMBER put a further strain on the YTD air and sea arrivals and pulled it down even more. Air arrivals were weak in September 2008 and cruise arrivals although strong for Grand Bahama were weak to the Bahamas Overall. By the end of SEPTEMBER 2008, the Bahamas Overall YTD was **down** by 6%.

#### **APPENDIX**

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*

- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of the Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship. If a cruise ship makes a third stop in the Bahamas this 3<sup>rd</sup> stop is the 3<sup>rd</sup> port of entry and refers to the third port of call in the Islands of the Bahamas.*
- ***In this report we have concentrated on 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port together.***

### **Market Analysis**

In September 2008, the Bahamas had to deal with the effects on visitor arrivals from two major catastrophes, a hurricane and a global financial meltdown. Hurricane Ike threatened the Islands of the Bahamas in the first week of September and finally slammed into Inagua on September 7, 2008. Hurricane Ike also slammed into Texas where it left mass devastation.

By October 2008, The Bahamas was still reeling under the effects of the global financial meltdown that had occurred in September and thrown the world into an economic crisis. The US market was far from recovery and the world was unsure of how far they would sink in the quagmire of an economic recession. (See appendix at the end of this report for more information on this).

The economic crisis and ultimately the recession did not just happen overnight. It was a culmination of months and even years of factors such as the housing crisis in the United States, high oil prices which influenced high food prices, global inflation, and an unregulated financial sector.

### **Market Facts:**

- Visitor Arrivals for the month of OCTOBER 2008 actually increased when compared to the same period of 2007 despite the fact that air arrivals for the month were down considerably. Visitor Arrivals for October 2008 were up because cruise arrivals for that month were up considerably for Nassau/Paradise Island, Grand Bahama and the Out Islands.
- Stopovers from the US to the Bahamas were up in the months of January and February of 2008. The number of stopovers from the US began to fall from March 2008 and continued into October 2008. Stopovers from the US were down significantly in October. By October 2008, stopovers from the US were down over 13%.
- The United States and many countries in the world were in an economic global recession.
- The US Dollar continued to be unstable and continued to fluctuate against the other currencies.
- Many banks tightened up their lending policies and borrowing became more difficult in many global financial markets. This tightening in lending policies made it difficult for companies to sustain liquidity. The IMF (International Monetary Fund) was of course ready to assist their member countries if they were in dire need of funding.
- Oil prices had already started to fall in August 2008 and continued that downward spiral in September but after wreaking havoc in the global economy, it was just a little too late to prevent the global crisis that ensued in September 2008. By October, 2008 oil prices had sunk to below \$90.00 a barrel. (Source: "U.S. Calls for Unity as

- Crisis Wrecks Markets” by Daniel Trotta, news.yahoo.com). The price of oil hit several price points during the month of October.
- In October 2008, Consumer confidence sank to one of the lowest monthly levels ever. The Consumer Confidence Index which is highly influenced by consumer feelings, (***“The US Consumer Confidence Index (CCI) is defined as the degree of optimism on the state of the economy that consumers are expressing through their activities of savings and spending.”*** **Source: Wikipedia, the free encyclopedia**) in the United States fell from 61.4 in September 2008 to 38.0 in October 2008. (**Source: “Consumer Confidence at All Time Low By Ben Rooney”, CNNMoney.com staff writer**).
  - Consumer spending in the US was down by 1% in October 2008 according to the Commerce Department. (Source: “Americans keep tighter grip on cash.” Cnnmoney.com)
  - Concerns about inflation continued.
  - Job losses continued to rise in October 2008 as thousands more persons were laid off in the troubled US economy. Every month more and more persons joined the rank of the unemployed in the US.
  - The US debt was and still is high and the debt of the regular American Consumer was also high.
  - The US manufacturing industry was in a weakened condition as much of the goods for the United States were outsourced to countries with a cheaper labour force like China, Mexico, etc.
  - The housing market in the United States was still in crisis and people in our primary DMA markets and top producing states were still losing their homes every day.
- The Visitor Arrival growth from Canada ( a major exporter of goods to the US) and the rest of the world experienced by the Bahamas throughout all of the months prior to August 2008 stagnated in SEPTEMBER 2008 because of the domino effect of the financial services meltdown in the US that culminated in September 2008.
  - Stopover arrivals to the Bahamas from The United States and Europe continued to struggle in October 2008.
  - ***However, the number of stopover visitors from Canada, rebounded and was once more up by October 2008.***
  - ***Stopover arrivals from The Caribbean, Latin America and some other major countries were also up in October 2008.***
  - Cruise arrivals to the Bahamas Overall were **up** during the month of OCTOBER 2008 by 23% (1<sup>st</sup> Port of entry only). This increase was in part due to the fact that Nassau/Paradise Island, Grand Bahama and the Out Islands all had solid increases in cruise arrivals during the month.

- Cruise arrivals to Nassau/Paradise Island (1<sup>st</sup> port of entry) were up by 22% in OCTOBER 2008. The increase in cruise arrivals to Nassau/Paradise Island was due to the fact that major cruise lines like Carnival, Norwegian Cruises, Holland America Cruises, and Disney Cruises all brought in more passengers and made more calls on the destination than during the same period of 2007. In addition, Aida Cruises came into Nassau/Paradise Island in October 2008 something it had not done in October 2007. Carnival Cruises Carnival Destiny, Carnival Liberty, Carnival Valor, Carnival Victory, Fascination, Imagination and Sensation all brought in more passengers in October 2008 than during the same period of 2007. The Disney Magic also came into Nassau/Paradise Island in October 2008 it had not done this in October 2007. Holland America's Eurodam also called on Nassau/Paradise Island as a 1<sup>st</sup> port of call in October 2008 but not in October 2007. This contributed to the increase in cruise arrivals to Nassau/Paradise Island during the month.
- Cruise Arrivals to Grand Bahama were up by 19% for the month of October because the Discovery Cruises (Discovery Sun) and Norwegian Cruises (Norwegian Sky) all brought in more cruise passengers during this month of 2008 than in the same period of 2007.
- The Out Islands received 27% more cruise passengers in October 2008 than in the same period of 2007 (1<sup>st</sup> Port of Entry). Every Out Island port, Castaway Cay, Coco Cay/Little Stirrup Cay, Half Moon Cay and Princess Cay showed an increase in cruise arrivals during the month of October 2008. Both the Disney Magic and the Disney Wonder made more calls on Castaway Cay in October 2008 than in the same period of 2007. Royal Caribbean International's Majesty of the Seas, and Mariner of the Seas all made more calls on Coco Cay/Little Stirrup Cay in October 2008 than in the same period of 2007. Carnival Cruise lines Destiny, Liberty, and Fascination all made more calls on Half Moon Cay in October 2008 than in 2007. Holland America Cruises (Eurodam, Noordam, and Veendam) also made more calls on Half Moon Cay in October 2008 than in the same period of 2007.
- Air arrivals were weak in October 2008 and cruise arrivals although strong for The Islands of The Bahamas during the month were not strong enough to counteract the decline in air arrivals for the month. By the end of OCTOBER 2008, the Bahamas Overall YTD was **down** by 5.4% despite the large increase in cruise arrivals for the month.

**MARKET UPDATE JANUARY TO OCTOBER 2008**  
**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**JANUARY TO OCTOBER 2008 YTD**

|                        | 2008             | 2007             | 2008/2007     | 2008             | 2007             | 2008/2007    |
|------------------------|------------------|------------------|---------------|------------------|------------------|--------------|
|                        | Air and Sea      |                  | % Chg Air/Sea | Air Only         |                  | % Chg Air    |
| Nassau/Paradise Island | 2,053,985        | 2,256,090        | -9.0%         | 862,961          | 892,904          | -3.4%        |
| Grand Bahama           | 467,174          | 506,470          | -7.8%         | 140,655          | 162,921          | -13.7%       |
| Abaco                  | 208,388          | 170,908          | 21.9%         | 79,569           | 90,156           | -11.7%       |
| Andros                 | 8,423            | 8,717            | -3.4%         | 8,219            | 8,462            | -2.9%        |
| Berry Islands          | 328,119          | 290,516          | 12.9%         | 7,831            | 7,796            | 0.4%         |
| Bimini                 | 40,760           | 39,137           | 4.1%          | 13,952           | 13,521           | 3.2%         |
| Cat Cay                | 9,707            | 9,180            | 5.7%          | 4,033            | 3,426            | 17.7%        |
| Cat Island             | 2,664            | 2,570            | 3.7%          | 2,640            | 2,541            | 3.9%         |
| Eleuthera              | 188,240          | 259,651          | -27.5%        | 30,074           | 30,972           | -2.9%        |
| Exuma                  | 26,554           | 30,958           | -14.2%        | 25,895           | 30,114           | -14.0%       |
| Half Moon Cay          | 230,328          | 193,662          | 18.9%         | -                | -                | 0.0%         |
| Inagua                 | 1,245            | 1,056            | 17.9%         | 134              | 134              | 0.0%         |
| Long Island            | 734              | 895              | -18.0%        | 709              | 888              | -20.2%       |
| San Salvador           | 14,277           | 14,141           | 1.0%          | 14,008           | 13,478           | 3.9%         |
| <b>Bahamas Overall</b> | <b>3,580,598</b> | <b>3,783,951</b> | <b>-5.4%</b>  | <b>1,190,680</b> | <b>1,257,313</b> | <b>-5.3%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (JANUARY TO OCTOBER YTD 2008)**

**ISLANDS UP**



- Abaco
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay
- Inagua
- San Salvador




**ISLANDS DOWN**


- Nassau/Paradise Island down overall (although Cruise arrivals for Oct. 2008 were up)
- Grand Bahama down overall (although Cruise arrivals for Oct. 2008 were up)
- Andros
- Eleuthera
- Exuma
- Long Island

**CRUISE ARRIVALS TO THE BAHAMAS  
1ST PORT OF ENTRY ONLY  
2008**

|                          | January to October YTD |                  |              | October Only              |                |              |
|--------------------------|------------------------|------------------|--------------|---------------------------|----------------|--------------|
|                          | 2008                   | 2007             | 2008/2007    | 2008                      | 2007           | 2008/2007    |
|                          | Cruise Arrivals YTD    |                  | % Chg        | Cruise Arrivals Oct. Only |                | % Chg        |
| Nassau/Paradise Island   | 1,183,081              | 1,356,848        | -12.8%       | 120,039                   | 98,762         | 21.5%        |
| Grand Bahama             | 252,228                | 265,422          | -5.0%        | 28,745                    | 24,086         | 19.3%        |
| Abaco (Castaway Cay)     | 121,841                | 73,601           | 65.5%        | 15,295                    | 10,437         | 46.5%        |
| Andros                   | -                      | -                | 0.0%         | -                         | -              | 0.0%         |
| Berry Islands            | 319,617                | 281,630          | 13.5%        | 26,050                    | 17,305         | 50.5%        |
| Bimini                   | -                      | 104              | -100.0%      | -                         | -              | 0.0%         |
| Cat Cay                  | -                      | -                | 0.0%         | -                         | -              | 0.0%         |
| Cat Island               | -                      | -                | 0.0%         | -                         | -              | 0.0%         |
| Eleuthera (Princess Cay) | 157,765                | 228,303          | -30.9%       | 15,757                    | 15,637         | 0.8%         |
| Exuma                    | -                      | 56               | -100.0%      | -                         | -              | 0.0%         |
| Half Moon Cay            | 230,328                | 193,662          | 18.9%        | 25,616                    | 21,929         | 16.8%        |
| Inagua                   | -                      | -                | 0.0%         | -                         | -              | 0.0%         |
| Long Island              | -                      | -                | 0.0%         | -                         | -              | 0.0%         |
| San Salvador             | -                      | 489              | -100.0%      | -                         | -              | 0.0%         |
| <b>Bahamas Overall</b>   | <b>2,264,860</b>       | <b>2,400,115</b> | <b>-5.6%</b> | <b>231,502</b>            | <b>188,156</b> | <b>23.0%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. **Sea Landed arrivals are not listed above.**

2nd and 3rd port of call cruise arrivals are not listed in the above table.

All numbers are subject to revision.

**CRUISE ARRIVALS (JANUARY TO OCTOBER YTD 2008 1<sup>ST</sup> PORT OF ENTRY)**


**ISLANDS UP**


- Abaco (Castaway Cay)
- Berry Islands
- Half Moon Cay


**ISLANDS DOWN**


- Nassau/Paradise Island (but for the month of Oct. 2008 cruise was up considerably for the island)
- Grand Bahama (but for the month of Oct. 2008 cruise was up considerably for the island)
- Bimini (did not receive any cruise passengers in October 2008)

- Eleuthera (although Cruise Arrivals for the month of October 2008 were up slightly).
- San Salvador (didn't receive any cruise passengers in October 2008)

#### **CRUISE ARRIVALS (OCTOBER ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)**

- All of the major cruise ports of entry were up (1<sup>st</sup> port of entry) for the month of October. Nassau/Paradise Island, Grand Bahama, Abaco, Berry Islands, Eleuthera and Half Moon Cay were all **Up** for the month of October 2008
- In some instances this increase in cruise arrivals for the month of October was not enough to counteract the YTD decline in cruise arrivals.

### **FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS 1<sup>ST</sup> PORT OF ENTRY ONLY OCTOBER ONLY 2008**

|                        | 2008           | 2007           | 2008/2007     | 2008          | 2007           | 2008/2007     |
|------------------------|----------------|----------------|---------------|---------------|----------------|---------------|
|                        | Air and Sea    |                | % Chg Air/Sea | Air Only      |                | % Chg Air     |
| Nassau/Paradise Island | 175,269        | 186,427        | -6.0%         | 54,979        | 86,980         | -36.8%        |
| Grand Bahama           | 40,433         | 35,843         | 12.8%         | 8,256         | 9,893          | -16.5%        |
| Abaco                  | 18,483         | 14,448         | 27.9%         | 3,119         | 3,894          | -19.9%        |
| Andros                 | 465            | 403            | 15.4%         | 463           | 398            | 16.3%         |
| Berry Islands          | 26,493         | 17,696         | 49.7%         | 402           | 350            | 14.9%         |
| Bimini                 | 1,483          | 1,396          | 6.2%          | 793           | 769            | 3.1%          |
| Cat Cay                | 485            | 441            | 10.0%         | 323           | 230            | 40.4%         |
| Cat Island             | 61             | 48             | 27.1%         | 61            | 48             | 27.1%         |
| Eleuthera              | 16,677         | 16,834         | -0.9%         | 918           | 1,195          | -23.2%        |
| Exuma                  | 1,364          | 1,770          | -22.9%        | 1,362         | 1,761          | -22.7%        |
| Half Moon Cay          | 25,616         | 21,929         | 16.8%         | -             | -              | 0.0%          |
| Inagua                 | 66             | 116            | -43.1%        | 16            | 32             | -50.0%        |
| Long Island            | 23             | 36             | -36.1%        | 22            | 36             | -38.9%        |
| San Salvador           | 1,422          | 1,225          | 16.1%         | 1,357         | 1,191          | 13.9%         |
| <b>Bahamas Overall</b> | <b>308,340</b> | <b>298,612</b> | <b>3.3%</b>   | <b>72,071</b> | <b>106,777</b> | <b>-32.5%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

#### **OVERALL VISITOR ARRIVALS (OCTOBER ONLY 2008)**

**ISLANDS UP**



- Grand Bahama (air arrivals only for the island were down, but cruise arrivals made up for that for Oct. 2008. It did not make up for the YTD falloff though).
- Abaco
- Andros
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay
- San Salvador

## ISLANDS DOWN



- Nassau/Paradise Island down overall despite the large increase in cruise arrivals in October because air was down too much during the month.
- Eleuthera
- Exuma
- Inagua
- Long Island

### APPENDIX

On September 15<sup>th</sup>, The United States of America experienced a major blow to its financial market sector when Lehman Brothers, a 158 year old financial services bank said that they would file for bankruptcy. Lehman Brothers had invested too much in the wrong real estate deals (e.g. the buying of subprime mortgages from banks) and collapsed as a result. Lehman Brothers founded in 1850 was also a global investment bank that catered to corporations, institutions, governments, and high-net worth investors. Source: [www.lehman.com](http://www.lehman.com). "In 2007, non-US subsidiaries of Lehman Brothers were responsible for over 50% of global revenue produced" according to the Lehman Brothers 2007 Annual Report. In addition to the bankruptcy filing of Lehman Brothers, Merrill Lynch was sold to Bank of America. Moreover, during this month on September 16<sup>th</sup>, AIG (American International Group) one of the major insurance companies that also operates globally experienced liquidity problems when their credit rating was downgraded. (**Source: Wikipedia, the free encyclopedia**). In addition, Washington Mutual Inc. (WaMu) was closed by the US government and the assets were sold to JP Morgan Chase. (Source: "Wamu is largest U.S. Bank Failure" by Elinor Comlay and Jonathan Stempel, September 25, 2008, news.yahoo.com). Earlier on in the year Bears Sterns, Countrywide (Real Estate Company), Fanny Mae and Freddie Mac all experienced major problems. Fanny Mae and Freddie Mac had to be bailed out. "Fannie Mae and Freddie Mac are very important entities within the US economy. They guarantee approximately \$US 6 trillion in outstanding home loans and service 50 million mortgage customers. The value of their loans is equal to 2/3 of the current national debt!" (**Source: The ABC's of the Fannie Mae and Freddie Mac's Problems" by Kathy Lien, Foreign Exchange Currency Expert**).

All of these factors that contributed to the financial meltdown that occurred in September 2008 still affected the Bahamas in October 2008. Global stock markets began to tumble not only in the United States but worldwide. Suddenly, as a result of the domino effect spurred by this financial crisis in the United States, not only was the US in a recession but most of the world was well on its way there too. By October 2008, there was no visible end in sight to the recession that had taken the world by storm.

### APPENDIX: DEFINITIONS

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship*

for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.

- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of the Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship. If a cruise ship makes a third stop in the Bahamas this 3<sup>rd</sup> stop is the 3<sup>rd</sup> port of entry and refers to the third port of call in the Islands of the Bahamas.*
- ***In this report we have concentrated on 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port together.***

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### NOVEMBER MARKET ANALYSIS

In September 2008, the Bahamas had to deal with the effects on visitor arrivals from two major catastrophes, a hurricane and a global financial meltdown. Hurricane Ike threatened the Islands of the Bahamas in the first week of September and finally slammed into Inagua on September 7, 2008. Hurricane Ike also slammed into Texas where it left mass devastation.

By November 2008, The Bahamas was still reeling under the effects of the global financial meltdown that had occurred in September and thrown the world into an economic crisis. The US was far from recovery and the world was unsure of how far they would sink in the quagmire of an economic recession. *(See appendix at the end of this report for more information on this).* All economic indicators suggested that the US economic crisis was indeed getting worse. In the United States, unemployment was up, new building permits were down, consumer spending was down even on durable manufactured goods, consumer confidence though surprisingly up during the month was still low, consumer debt was up, credit card debt was up, and credit card interest rates were up.

In November 2008, unemployment in the US was increasing at a very rapid pace. In this month alone, 584,000 persons lost their jobs.<sup>1</sup> New building permits were down by 16%.<sup>2</sup> Consumer confidence was low at 44.9 in November even though it was up over October 2008.<sup>3</sup> Consumer debt was high with credit cards as many Americans had not paid off purchases from the last holiday season of 2007. "Consumers' credit card balances are up from \$825 billion at the end of 2005 to \$971 billion as of September 2008."<sup>4</sup> Some states in the US have no restrictions on credit card limits or the interest rates charged to the consumers.<sup>5</sup> Interest rates had skyrocketed in the United States on credit cards, etc. which were being used by millions of Americans, some of whom were using them just to get by. The increase in interest rates was raised by credit card companies all over the United States whether persons had good or bad credit because of the fear of default. Some credit card rates in the United States went from 8% to 25% overnight.<sup>6</sup> Consumer spending which helps to stimulate an economy was down by

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<sup>1</sup> (Source: "Worst year for jobs since 1945" by David Goldman, CNNMoney.com staff writer, January 9, 2009).

<sup>2</sup> (Source: econoindicators.com, United States Department of Commerce).

<sup>3</sup> (Source: "Consumer Confidence index rebounds" By Ben Rooney", CNNMoney.com staff writer, November 25, 2008).

<sup>4</sup> (Source: "Credit card rates that jump overnight" November 2008, [consumerreports.org/cro/money/credit-loan/credit-cards/](http://consumerreports.org/cro/money/credit-loan/credit-cards/)).

<sup>5</sup> (Source: CBSNEWS Report by Trish Regan reporting from New York).

<sup>6</sup> (Source: "Credit card rates that jump overnight" November 2008, [consumerreports.org/cro/money/credit-loan/credit-cards/](http://consumerreports.org/cro/money/credit-loan/credit-cards/)).

0.6%.<sup>7</sup> Spending on durable manufactured goods had declined by 1% in November 2008.<sup>8</sup>

The economic crisis and ultimately the recession did not just happen overnight. It was a culmination of months and even years of factors such as the housing crisis in the United States, high oil prices which influenced high food prices, global inflation, an unstable US dollar, and an unregulated financial sector. All of these factors would have further exacerbated any travel plans of the average American.

The economies of Canada and Europe were also hit after the financial meltdown of September 2008. Leaders from countries all over Europe began to feverishly do what they could to stop what happened in the United States from spreading like a virus over the ocean and into their countries. That would be difficult however as the United States was a big importer of goods from all of these industrialized nations and what happened there ultimately affected the global world economy.

#### **Market Facts:**

- Visitor Arrivals for the month of NOVEMBER 2008 actually increased when compared to the same period of 2007 despite the fact that air arrivals for the month were down considerably by 16%. Visitor Arrivals for November 2008 were up because *cruise arrivals* for that month were up considerably for Nassau/Paradise Island, and the Out Islands (1<sup>st</sup> Port of Entry).
- Stopovers from the US to the Bahamas were up in the months of January and February of 2008. The number of stopovers from the US began to fall from March 2008 and continued into November 2008. Stopovers from the US were down significantly in November. In November 2008, stopovers from the US were down by 18%.
- After the crisis of September 2008, many banks tightened up their lending policies and borrowing became more difficult in many global financial markets. This tightening in lending policies made it difficult for companies to sustain liquidity. The IMF (International Monetary Fund) was of course ready to assist their member countries if they were in dire need of funding.
- By November 2008 oil prices continued on its downward spiral. Oil prices had already started to fall in August 2008 and continued that downward spiral in September but after wreaking havoc in the global economy, it was just a little too late to prevent the global crisis that ensued in September 2008. By October, 2008 oil prices had sunk to below \$90.00 a barrel. (Source: “U.S. Calls for Unity as Crisis Wrecks Markets” by

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<sup>7</sup> (Source: “Americans keep tighter grip on cash by David Goldman, CNNMoney.com staff writer, December 24, 2008. See appendix for more information).

<sup>8</sup> (Source: “Americans keep tighter grip on cash by David Goldman, CNNMoney.com staff writer, December 24, 2008).

- Daniel Trotta, news.yahoo.com). The price of oil hit several price points during the month of October.
- Concerns about inflation continued.
  - The US debt was and still is high and the debt of the regular American Consumer was also high.
  - The US manufacturing industry was in a weakened condition as much of the goods for the United States were outsourced to countries with a cheaper labour force like China, Mexico, etc.
  - The housing market in the United States was still in crisis and people in our primary DMA markets and top producing states were still losing their homes every day.
- The Visitor Arrival growth from Canada ( a major exporter of goods to the US) and the rest of the world experienced by the Bahamas throughout all of the months prior to August 2008 stagnated in SEPTEMBER 2008 because of the domino effect of the financial services meltdown in the US that culminated in September 2008.
  - The number of stopover visitors from Canada, rebounded in October 2008 and was once more up. In November 2008 however, stopover arrivals from Canada slipped off again slightly. By November 2008, stopover visitors from the Canadian Market had already significantly surpassed the number of stopovers for 2007 and that was indeed some good news.
  - Stopover arrivals to the Bahamas from The United States and Europe continued to struggle in November 2008.
  - Stopover arrivals from Europe like stopovers from Canada were up significantly enough in the first eight months of the year to counteract the falloff in arrivals from September onwards.
  - Cruise arrivals to the Bahamas Overall were **up** during the month of NOVEMBER 2008 by 9% (1<sup>st</sup> Port of entry only). This increase was in part due to the fact that Nassau/Paradise Island, and the Out Islands all had solid increases in cruise arrivals during the month.
  - Cruise arrivals to Nassau/Paradise Island for the month of November 2008 were up. Major Cruise lines like Carnival Cruises (especially the ships Imagination, Carnival Destiny, Fascination, Carnival Splendor, Carnival Glory), Celebrity Cruises (the ship Constellation), Holland American Cruises (Zuiderdam), Norwegian Cruises (Norwegian Sky, Norwegian Majesty and the Norwegian Dawn), and P & O Cruises (Oriana) all brought in more passengers into the island than in the same period of 2007. Nassau/Paradise Island would have been up more significantly if the island had received the Imperial Majesty's Regal Empress which used to come into the island every two days during the month.
  - Cruise arrivals to Grand Bahama Island for the month of November 2008 were down slightly by 1<sup>st</sup> port of entry because Carnival Cruise lines one of the major suppliers of cruise business to the island sent their ships to other ports in the Bahamas like Nassau/P.I. before going to Grand Bahama. If you

look at 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port for Grand Bahama Island in isolation, cruise arrivals to that island were actually up significantly.

- Cruise arrivals to the Out Islands for the month of November 2008 were up significantly by 1<sup>st</sup> port of entry. Cruise arrivals to Castaway Cay, Abaco were up significantly as Disney Cruise lines brought in more passengers to the island in November 2008 than in the same period of 2007. In addition, cruise arrivals to Great Stirrup Cay, Berry Islands were up significantly for November 2008 when compared to the same period of 2007 because Norwegian Cruises (especially the Norwegian Pearl) brought in more passengers to the island as a 1<sup>st</sup> port of entry.
- Air arrivals were weak in November 2008 and cruise arrivals although strong for The Islands of The Bahamas during the month were not strong enough to counteract the decline in air arrivals for the month. It did manage to close the gap however in the YTD overall arrivals. By the end of NOVEMBER 2008, visitor arrivals to the Bahamas Overall YTD were **down** by 5%.

### **MARKET UPDATE JANUARY TO NOVEMBER 2008**

#### **FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**

#### **1ST PORT OF ENTRY ONLY**

#### **JANUARY TO NOVEMBER 2008 YTD**

|                        | <b>2008</b>        | <b>2007</b>      | <b>2008/2007</b>     | <b>2008</b>      | <b>2007</b>      | <b>2008/2007</b> |
|------------------------|--------------------|------------------|----------------------|------------------|------------------|------------------|
|                        | <b>Air and Sea</b> |                  |                      | <b>Air Only</b>  |                  |                  |
|                        |                    |                  | <b>% Chg Air/Sea</b> |                  |                  | <b>% Chg Air</b> |
| Nassau/Paradise Island | 2,260,847          | 2,465,397        | -8.3%                | 931,559          | 973,983          | -4.4%            |
| Grand Bahama           | 505,797            | 547,792          | -7.7%                | 150,917          | 174,970          | -13.7%           |
| Abaco                  | 228,339            | 187,155          | 22.0%                | 84,182           | 95,901           | -12.2%           |
| Andros                 | 9,004              | 9,508            | -5.3%                | 8,792            | 9,242            | -4.9%            |
| Berry Islands          | 355,784            | 320,564          | 11.0%                | 8,356            | 8,299            | 0.7%             |
| Bimini                 | 42,868             | 41,260           | 3.9%                 | 14,942           | 14,517           | 2.9%             |
| Cat Cay                | 10,458             | 10,054           | 4.0%                 | 4,468            | 3,907            | 14.4%            |
| Cat Island             | 2,761              | 2,776            | -0.5%                | 2,737            | 2,747            | -0.4%            |
| Eleuthera              | 221,838            | 280,433          | -20.9%               | 32,162           | 33,547           | -4.1%            |
| Exuma                  | 28,067             | 32,915           | -14.7%               | 27,357           | 32,048           | -14.6%           |
| Half Moon Cay          | 261,305            | 228,755          | 14.2%                | -                | -                | 0.0%             |
| Inagua                 | 1,280              | 1,233            | 3.8%                 | 138              | 139              | -0.7%            |
| Long Island            | 818                | 989              | -17.3%               | 792              | 982              | -19.3%           |
| San Salvador           | 15,652             | 15,612           | 0.3%                 | 15,383           | 14,940           | 3.0%             |
| <b>Bahamas Overall</b> | <b>3,944,818</b>   | <b>4,144,443</b> | <b>-4.8%</b>         | <b>1,281,785</b> | <b>1,365,222</b> | <b>-6.1%</b>     |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

### **OVERALL VISITOR ARRIVALS (JANUARY TO NOVEMBER YTD 2008)**

#### **ISLANDS UP**



- Abaco
- Berry Islands
- Bimini
- Cat Cay



- Half Moon Cay
- Inagua
- San Salvador

### ISLANDS DOWN



- Nassau/Paradise Island down overall (although Cruise arrivals for Nov. 2008 were up)
- Grand Bahama Island down overall
- Andros
- Cat Island
- Eleuthera (although cruise arrivals were up significantly for Nov. 2008 by itself)
- Exuma
- Long Island

### CRUISE ARRIVALS TO THE BAHAMAS 1ST PORT OF ENTRY ONLY 2008

|                          | January to November YTD |                  |              | November Only             |                |             |
|--------------------------|-------------------------|------------------|--------------|---------------------------|----------------|-------------|
|                          | 2008                    | 2007             | 2008/2007    | 2008                      | 2007           | 2008/2007   |
|                          | Cruise Arrivals YTD     |                  | % Chg        | Cruise Arrivals Nov. Only |                | % Chg       |
| Nassau/Paradise Island   | 1,320,765               | 1,484,157        | -11.0%       | 137,684                   | 127,309        | 8.1%        |
| Grand Bahama             | 276,899                 | 290,441          | -4.7%        | 24,671                    | 25,019         | -1.4%       |
| Abaco (Castaway Cay)     | 136,858                 | 83,902           | 63.1%        | 15,017                    | 10,301         | 45.8%       |
| Andros                   | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| Berry Islands            | 346,714                 | 311,116          | 11.4%        | 27,097                    | 29,486         | -8.1%       |
| Bimini                   | -                       | 104              | -100.0%      | -                         | -              | 0.0%        |
| Cat Cay                  | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| Cat Island               | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| Eleuthera (Princess Cay) | 189,253                 | 246,460          | -23.2%       | 31,488                    | 18,157         | 73.4%       |
| Exuma                    | -                       | 56               | -100.0%      | -                         | -              | 0.0%        |
| Half Moon Cay            | 261,305                 | 228,755          | 14.2%        | 30,977                    | 35,093         | -11.7%      |
| Inagua                   | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| Long Island              | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| San Salvador             | -                       | 489              | -100.0%      | -                         | -              | 0.0%        |
| <b>Bahamas Overall</b>   | <b>2,531,794</b>        | <b>2,645,480</b> | <b>-4.3%</b> | <b>266,934</b>            | <b>245,365</b> | <b>8.8%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. **Sea Landed arrivals are not listed above.**

2nd and 3rd port of call cruise arrivals are not listed in the above table.

All numbers are subject to revision.

### CRUISE ARRIVALS (JANUARY TO NOVEMBER YTD 2008 1<sup>ST</sup> PORT OF ENTRY)

### ISLANDS UP



- Abaco (Castaway Cay)

- Berry Islands
- Half Moon Cay

## ISLANDS DOWN



- Nassau/Paradise Island (but for the month of Nov. 2008 cruise was up for the island)
- Grand Bahama Island

## CRUISE ARRIVALS (NOVEMBER ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)

- Nassau/Paradise Island, Abaco and Eleuthera were all **Up** for the month of November 2008.
- Grand Bahama, the Berry Islands and Half Moon Cay all suffered declines in cruise arrivals for the month of November 2008. (1<sup>st</sup> port of entry only, does not include 2<sup>nd</sup> or 3<sup>rd</sup> ports).

### FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS 1ST PORT OF ENTRY ONLY NOVEMBER ONLY 2008

|                        | 2008           | 2007           | 2008/2007     | 2008          | 2007           | 2008/2007     |
|------------------------|----------------|----------------|---------------|---------------|----------------|---------------|
|                        | Air and Sea    |                |               | Air Only      |                |               |
|                        |                |                | % Chg Air/Sea |               |                | % Chg Air     |
| Nassau/Paradise Island | 206,862        | 209,307        | -1.2%         | 68,598        | 81,079         | -15.4%        |
| Grand Bahama           | 38,623         | 41,322         | -6.5%         | 10,262        | 12,049         | -14.8%        |
| Abaco                  | 19,951         | 16,247         | 22.8%         | 4,613         | 5,745          | -19.7%        |
| Andros                 | 581            | 791            | -26.5%        | 573           | 780            | -26.5%        |
| Berry Islands          | 27,665         | 30,048         | -7.9%         | 525           | 503            | 4.4%          |
| Bimini                 | 2,108          | 2,123          | -0.7%         | 990           | 996            | -0.6%         |
| Cat Cay                | 751            | 874            | -14.1%        | 435           | 481            | -9.6%         |
| Cat Island             | 97             | 206            | -52.9%        | 97            | 206            | -52.9%        |
| Eleuthera              | 33,598         | 20,782         | 61.7%         | 2,088         | 2,575          | -18.9%        |
| Exuma                  | 1,513          | 1,957          | -22.7%        | 1,462         | 1,934          | -24.4%        |
| Half Moon Cay          | 30,977         | 35,093         | -11.7%        | -             | -              | 0.0%          |
| Inagua                 | 35             | 177            | -80.2%        | 4             | 5              | -20.0%        |
| Long Island            | 84             | 94             | -10.6%        | 83            | 94             | -11.7%        |
| San Salvador           | 1,375          | 1,471          | -6.5%         | 1,375         | 1,462          | -6.0%         |
| <b>Bahamas Overall</b> | <b>364,220</b> | <b>360,492</b> | <b>1.0%</b>   | <b>91,105</b> | <b>107,909</b> | <b>-15.6%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

## OVERALL VISITOR ARRIVALS (NOVEMBER ONLY 2008)

## ISLANDS UP



- Abaco overall (although air arrivals were down significantly in the Nov. 2008).
- Eleuthera overall (although air arrivals were down significantly in the Nov. 2008).

## ISLANDS DOWN



- Nassau/Paradise Island down overall despite the increase in cruise arrivals in November because air was down too much during the month.
- Grand Bahama
- Andros
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Exuma
- Half Moon Cay
- Inagua
- Long Island
- San Salvador

### APPENDIX

On September 15<sup>th</sup>, The United States of America experienced a major blow to its financial market sector when Lehman Brothers, a 158 year old financial services bank said that they would file for bankruptcy. Lehman Brothers had invested too much in the wrong real estate deals (e.g. the buying of subprime mortgages from banks) and collapsed as a result. Lehman Brothers founded in 1850 was also a global investment bank that catered to corporations, institutions, governments, and high-net worth investors. Source: [www.lehman.com](http://www.lehman.com). “In 2007, non-US subsidiaries of Lehman Brothers were responsible for over 50% of global revenue produced” according to the Lehman Brothers 2007 Annual Report. In addition to the bankruptcy filing of Lehman Brothers, Merrill Lynch was sold to Bank of America. Moreover, during this month on September 16<sup>th</sup>, AIG (American International Group) one of the major insurance companies that also operates globally experienced liquidity problems when their credit rating was downgraded. (**Source: Wikipedia, the free encyclopedia**). In addition, Washington Mutual Inc. (WaMu) was closed by the US government and the assets were sold to JP Morgan Chase. (Source: “Wamu is largest U.S. Bank Failure” by Elinor Comlay and Jonathan Stempel, September 25, 2008, news.yahoo.com). Earlier on in the year Bears Sterns, Countrywide (Real Estate Company), Fanny Mae and Freddie Mac all experienced major problems. Fanny Mae and Freddie Mac had to be bailed out. “Fannie Mae and Freddie Mac are very important entities within the US economy. They guarantee approximately \$US 6 trillion in outstanding home loans and service 50 million mortgage customers. The value of their loans is equal to 2/3 of the current national debt!” (**Source: The ABC’s of the Fannie Mae and Freddie Mac’s Problems” by Kathy Lien, Foreign Exchange Currency Expert**).

All of these factors that contributed to the financial meltdown that occurred in September 2008 still affected the Bahamas in November 2008. Global stock markets

began to tumble not only in the United States but worldwide. Suddenly, as a result of the domino effect spurred by this financial crisis in the United States, not only was the US in a recession but most of the world was well on its way there too. By November 2008, there was no visible end in sight to the recession that had taken the world by storm.

#### **APPENDIX: DEFINITIONS**

- **Consumer Confidence Index:** *In November 2008, consumer confidence actually increased to 44.9 up from 38.0 in October. (Source: “Consumer Confidence index rebounds” By Ben Rooney, CNNMoney.com staff writer, November 25, 2008). It is possible that the outcome of the presidential election of November 4<sup>th</sup> may have had some influence on this increase. Consumer Confidence Index which is highly influenced by consumer feelings, (“The US Consumer Confidence Index (CCI) is defined as the degree of optimism on the state of the economy that consumers are expressing through their activities of savings and spending.” Source: Wikipedia, the free encyclopedia) in the United States was 61.4 in September 2008. (Source: “Consumer Confidence at All Time Low” By Ben Rooney, CNNMoney.com staff writer).*
- **Consumer spending** which is the purchase of goods and services by individuals fell 0.6% in November 2008 in the United States. (Source: “Americans keep tighter grip on cash by David Goldman, CNNMoney.com staff writer, December 24, 2008). Consumer spending in the US was down by 1% in October 2008 according to the Commerce Department. (Source: “Americans keep tighter grip on cash.” Cnnmoney.com)
- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes. Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of the Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship. If a cruise ship makes a third stop in the Bahamas this 3<sup>rd</sup> stop is the 3<sup>rd</sup> port of entry and refers to the third port of call in the Islands of the Bahamas.*
- *In this report we have concentrated on 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port together.*

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# **THE ISLANDS OF THE BAHAMAS ARRIVALS REPORT**



**2008**  
**Ministry of Tourism**  
**Research and Statistics Department**

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## **TOURISM REVIEW**

### **Market Analysis**

With the dawn of 2008, the Bahamas was poised to begin the year right and recapture some of the market share it had lost to its global competitors in 2007. All of the major markets to the Bahamas were up in January and February 2008 only cruise arrivals showed signs of stumbling. By the end of February 2008, stopover visitors from the United States which is the biggest supplier of visitors (81% of stopovers are from the US) to the Bahamas were up by 3.6%, Canada was up by 28.3%, Europe (8.0%), Caribbean (16.2%), Latin America (16.7%) and the rest of the world (8.1%) were all up too. By March 2008, arrivals from the US market began to hiccup, by August they were wheezing and by September 2008 they were gasping for breath. As many visitors to the Bahamas book their travel plans the same month of travel or one to three months in advance of travel, the effects of September 2008 were immediately evident in the falloff in arrivals. By October 2008, both air and sea arrivals to the Bahamas began to see some signs of a limp towards recovery as all of the major markets like Canada, Europe, Latin America and the Rest of the World rebounded somewhat and the falloff from the United States slowed up after the terrible fall of September 2008. However, by November and especially the end of December it was clear that the world was definitely still experiencing global market uncertainty and that uncertainty had spilled over into the travel plans of visitors to the destination.

With the beginning of the New Year, stopover visitors from Canada and Europe were happily climbing up the scales until that fateful month of September 2008 when the bottom fell out of the US economy and the world began to follow suit. Alas, the dawn of a new year did not bring with it the long lasting fresh and flavourful fruits of yesteryear. By the end of 2007, visitor arrivals were down by 2.8% but 2008 was not as fortunate as it was fraught with the trembling fingers of global destiny that made it close the year even worse, down 4.5%.

Visitor arrivals from Canada were up prior to September 2008 because the Canadian dollar was strong making the Bahamas cheaper for Canadians and they had more access to direct flights to the Bahamas on Westjet and Air Canada. In addition, Canada was not suffering from a housing crisis and the negative effects of the US housing crisis had not yet spilled over into its economy. Canada also had a diverse Manufacturing Industry and



was an exporter of energy which helped to reduce their energy costs.<sup>9</sup> The combined marketing efforts of the Bahamas Tourist Office, the all inclusive resorts and Punch Communications (Marketing Agency) had also done well to stimulate demand in Canadians for the Bahamas.

Before that fateful month of September 2008, at the end of 2007, the economy of the United States was experiencing what some were saying at that time, was a softening or “slow down” in the economy. Some persons at that time were saying that the US was in a mild recession but others namely persons in the reigning US government refused to agree that things were that dramatic. From 2007, oil prices were fluctuating, energy costs were high, the US debt was high, the US manufacturing industry was weak and consumer spending was down. From before 2007 the housing market in the United States was on a downward spiral and was affecting the American home owners in both lower and higher income brackets. The housing crisis which ultimately helped to spur the events of September 2008 was brought about by the fact that many people were allowed to borrow money for homes, etc. that many of them simply could not afford or were not qualified to purchase if they were being judged by conventional mortgage policies and guidelines. These sub-prime mortgages were usually given to people with poor credit histories and ratings. Because of the high risk involved for the mortgage company for sub-prime loans some persons got those loans at high sub-prime rates. Some of these rates were higher than the prime rates and some were adjustable mortgage rates.<sup>10</sup> The foreclosures on homes that had been bought under these shaky sub-prime conditions did not happen overnight but had begun prior to 2007 as persons who had bought these homes began to default on their mortgage payments. Many of the foreclosures on homes were in some of our top US DMA’s (Designated Market Areas), e.g. DMA’s in Florida. All of the factors affecting the US economy in 2007 intensified in 2008.

In September 2008, the Bahamas had to deal with the effects on visitor arrivals from two major catastrophes, a hurricane and a global financial meltdown. Hurricane Ike threatened the Islands of the Bahamas in the first week of September and finally slammed into Inagua on September 7, 2008. Hurricane Ike also slammed into Texas where it left mass devastation.

During the same month on September 15<sup>th</sup>, The United States of America experienced a major blow to its financial market sector when Lehman Brothers, a 158 year old financial services bank said that they would file for bankruptcy. Lehman Brothers had invested too much in the wrong real estate deals (e.g. the buying of subprime mortgages from mortgage companies and banks) and collapsed as a result. Lehman Brothers founded in 1850 was also a global investment bank that catered to corporations, institutions, governments, and high-net worth investors.<sup>11</sup> “In 2007, non-US subsidiaries of Lehman Brothers were responsible for over 50% of global revenue produced”

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<sup>9</sup> Source: *Wikipedia, the free encyclopedia*

<sup>10</sup> Source: *investopedia.com/ask/answers/07/subprime-mortgage.asp* and Source: *Richard Cook, Global Research, July 7, 2007.*

<sup>11</sup> Source: [www.lehman.com](http://www.lehman.com).

according to the Lehman Brothers 2007 Annual Report. In addition to the bankruptcy filing of Lehman Brothers, Merrill Lynch was sold to Bank of America. Moreover, during this month on September 16th, AIG (American International Group) one of the major insurance companies that also operates globally experienced liquidity problems when their credit rating was downgraded.<sup>12</sup> AIG had also invested in shaky real estate deals (bad mortgages) that caused them to suffer massive losses. They had to receive large sums of money from the government to bail them out. In addition, Washington Mutual Inc. (WaMu) was closed by the US government and the assets were sold to JP Morgan Chase.<sup>13</sup> Earlier on in the year Bears Sterns, Countrywide (Real Estate Company), Fanny Mae and Freddie Mac all experienced major problems. Fanny Mae and Freddie Mac had to be bailed out. “Fannie Mae and Freddie Mac are very important entities within the US economy. They guarantee approximately \$US 6 trillion in outstanding home loans and service 50 million mortgage customers. The value of their loans is equal to 2/3 of the current national debt!”<sup>14</sup>

With this financial meltdown of September 2008 global stock markets tumbled not only in the United States but worldwide. Suddenly, as a result of the domino effect spurred by this financial crisis in the United States, not only was the US in a recession but most of the world was well on its way there too. The economic crisis and ultimately the recession did not just happen overnight. It was a culmination of months and even years of factors such as the housing crisis in the United States, high oil prices which influenced high food prices, rising inflation (as a result of the high food prices, the housing market and high oil prices), an unstable US dollar, and an unregulated financial sector. The unpopular war in Iraq did not help matters as the government was spending huge sums of money sustaining it. All of these factors helped to trigger the recession and the subsequent massive loss of jobs and decline in consumer spending as Americans began to tighten their belts because of the fear of losing their jobs. All of these factors dealt a serious financial blow to the economy of the United States and further exacerbated any travel plans of the average American to the Bahamas.

After the financial meltdown of September 2008 unemployment increased at a very rapid pace in the United States. In September 2008, 284,000 persons in the United States lost their jobs and many people thought that that was really bad. In October, one month after the meltdown, the US economy suffered another blow when 240,000 jobs were lost.<sup>15</sup> In November 2008 alone, 584,000 jobs in the United States were lost and in December 2008, 524,000 jobs were lost. By the end of 2008, job losses for the year alone totaled 2.6 million. In the final four months of 2008 the US reported 1.9 million

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<sup>12</sup> Source: Wikipedia, the free encyclopedia

<sup>13</sup> Source: “Wamu is largest U.S. Bank Failure” by Elinor Comlay and Jonathan Stempel, September 25, 2008, news.yahoo.com.

<sup>14</sup> Source: *The ABC’s of the Fannie Mae and Freddie Mac’s Problems*” by Kathy Lien, Foreign Exchange Currency Expert.

<sup>15</sup> Source: “Jobs lost in 2008: 1.2 million”, by David Goldman, CNNMoney.com staff writer, November 7, 2008.

job losses after the market crash of September 2008, the largest loss of jobs since 1945.<sup>16</sup> In 2008, job losses in the United States were prevalent in industries such as manufacturing, leisure and hospitality and construction.<sup>17</sup>

In addition to the job losses the consumer confidence index was low at 38 in December<sup>18</sup> and consumer debt was high with credit cards as many Americans had not paid off purchases from the last holiday season of 2007. Interest rates had skyrocketed in the United States on credit cards, etc. which were being used by millions of Americans, some of whom were using them just to get by. The increase in interest rates was raised by credit card companies all over the United States whether persons had good or bad credit because of the fear of default. Some credit card rates in the United States went from 8% to 25% overnight.<sup>19</sup> Consumer spending which helps to stimulate an economy was not stable in 2008 and was often down.

By October 2008, The Bahamas was still reeling under the effects of the global financial meltdown that had occurred in September and thrown the world into an economic crisis. The US market was far from recovery and the world was unsure of how far they would sink in the quagmire of an economic recession. Although arrivals to the Bahamas had seen some recovery from all of the primary markets in October, it would not be enough to reverse the effects of September 2008. By November 2008, The Bahamas was still reeling under the effects of the global financial meltdown that had occurred in September and thrown the world into an economic crisis. By November 2008, all economic indicators suggested that the US economic crisis was indeed getting worse. In the United States, unemployment was up, new building permits were down, consumer spending was down even on durable manufactured goods, consumer confidence though surprisingly up during that month was still low, consumer debt was up, credit card debt was up, and credit card interest rates were up.

The economies of Canada and Europe were also hit after the financial meltdown of September 2008. Leaders from countries all over Europe began to feverishly do what they could to stop what happened in the United States from spreading like a virus over the ocean and into their countries. That would be difficult however as the United States was a big importer of goods from all of these industrialized nations and what happened there would ultimately affect the global world economy.

The economy of The Islands of the Bahamas was also affected by the financial meltdown of September 2008. Air arrivals which were strong for the first two months of the year fell off dramatically in the final quarter of 2008. Cruise arrivals which had begun the year off weakly, fortunately did not copy the wayward ways of air arrivals and

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<sup>16</sup> Source: "Worst year for jobs since 1945" by David Goldman, CNNMoney.com staff writer, January 9, 2009.

<sup>17</sup> Source: "Jobs lost in 2008: 1.2 million", by David Goldman, CNNMoney.com staff writer, November 7, 2008.

<sup>18</sup> Source: "Consumer Confidence at all time low," by Julianne Pepitone, CNNMoney.com)

<sup>19</sup> Source: "Credit card rates that jump overnight" November 2008, [consumerreports.org/cro/money/credit-loan/credit-cards/](http://consumerreports.org/cro/money/credit-loan/credit-cards/).

actually increased in the last quarter to The Bahamas. Arrivals were down enough however to spur major hotels in the Bahamas to lay-off employees. Like leaders from many other countries, the government of the Bahamas had to also take measures to minimize the impact of the spreading recession. The Islands of the Bahamas closed out the year down by 4.5%.

### RECESSIONS IN US HISTORY

|    |  | Duration of Crisis | Dates     |
|----|--|--------------------|-----------|
| 1  | Panic of 1797  | 3 years            | 1797-1800 |
| 2  | Depression of 1807   | 7 years            | 1807-1814 |
| 3  | Panic of 1819  | 5 years            | 1819-1824 |
| 4  | Panic of 1837  | 6 years            | 1837-1843 |
| 5  | Panic of 1857  | 3 years            | 1857-1860 |
| 6  | Panic of 1873  | 6 years            | 1873-1879 |
| 7  | Long Depression 1873-1896  | 23 years           | 1873-1896 |
| 8  | Panic of 1893  | 3 years            | 1893-1896 |
| 9  | Panic of 1907  | 1 year             | 1907-1908 |
| 10 | Post World I Recession 1918-1921                                 | 3 years            | 1918-1921 |
| 11 | Recession of 1926 Oct. 1926-Nov. 1927 started overseas in Europe | 13 months          | 1926-1927 |
| 12 | The Great Depression 1929 to 1939                                | 10 years           | 1929-1939 |
| 13 | Recession of 1945 (Feb. 1945 to Oct. 1945)                       | 8 months           | 1945      |
| 14 | Recession of the early 1950's i.e. 1953                          | 1 year             | 1953-1954 |
| 15 | Recession of the late 1950's i.e. 1957                           | 1 year             | 1957-1958 |
| 16 | Recession of the early 1960's i.e. 1960                          | 1 year             | 1960-1961 |
| 17 | Recession of the late 1960's i.e. Dec. 1969-Nov. 1970            | 11 months          | 1969-1970 |
| 18 | 1970's Oil Crisis i.e. 1973<br>1973-1974 Stock Market Crash      | 2 years            | 1973-1975 |
| 19 | Recession of the 1980's  | 2 years            | 1980-1982 |
| 20 | Recession of the 1990's  | 1 year             | 1990-1991 |
| 21 | Recession of the early 2000's i.e. 2001                          | 6 months           | 2001      |
| 22 | Recession of the late 2000's i.e. Dec. 2007                      | Current Recession  | Ongoing   |

Source: "History of US Economic Recessions" [Recession.org/history](http://Recession.org/history)

Source: "List of recessions in the United States-Wikipedia, the free encyclopedia

\*In some countries the Great Depression which affected the world did not end until the 1940's.

The 1926 recession appeared to have its roots in Great Britain.

The United States of America is no stranger to hard times brought on by "Economic Panics" and recessions. Over the last 212 years the United States has been through a number of panics and recessions that have left it weakened for determined periods of time.<sup>20</sup> The shortest recorded recession in American history was the Recession of 2001

<sup>20</sup> Source: "List of recessions in the United States"-Wikipedia, the free encyclopedia and "History of US Economic Recessions" [Recession.org/history](http://Recession.org/history).

after terrorists attacked the World Trade Center on September 11, 2001.<sup>21</sup> This terrorist attack coupled with other serious pre-existing market conditions like the “dot-com” bubble that had already burst helped to spur a recession that lasted 6 months.<sup>22</sup> Some of the incidences of economic downturns have lasted for periods as short as 6 months, i.e. The Recession of 2001 and some have lasted for as much as 23 years, the Long Depression of 1873 to 1896 (the Panic of 1873 was a part of this long depression).<sup>23</sup>

All of the recessions in American History did not originate on American soil. The very first one that is mentioned in recorded history in 1797 started in the United Kingdom and lasted 3 years. It was apparently triggered by “the effects of the deflation of the Bank of England.”<sup>24</sup> Many of the recessions in American History appeared to have been heavily influenced by failures in banks and the underlying banking sector. Many of the recessions were also influenced by failures in insurance companies, stock exchanges, excessive oil prices (influenced by OPEC), and high government spending on a war (Vietnam War).<sup>25</sup> The stock market crash of 1973 was spurred by high oil prices and high government spending on the Vietnam War. The Great Depression of 1929 which lasted for approximately 10 years and was felt World Wide, was spurred by a weakness in the financial sector that caused the stock markets around the world to crash and the banking system in the US to fail.<sup>26</sup>

The current recession which started in 2007, could possibly be the most severe one in American History. This recession has all of the colicky symptoms that plagued many of the past recessions over the last 212 years all rolled into one. The current recession was influenced by a weakness in the financial sector which caused widespread bank system failure, a stock market crash, instability on Wall Street, very high oil prices that kept on climbing, insurance company failures (e.g. AIG one of the largest insurers), and very high government spending on wars (1<sup>st</sup> Afghanistan War and then the Iraqi War). In addition to these colicky symptoms, the United States had a housing bubble that burst and helped to cause the financial meltdown.

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<sup>21</sup> Source: “List of recessions in the United States”-Wikipedia, the free encyclopedia and “History of US Economic Recessions” [Recession.org/history](http://Recession.org/history).

<sup>22</sup> Source: “List of recessions in the United States-Wikipedia, the free encyclopedia

<sup>23</sup> Source: “List of recessions in the United States-Wikipedia, the free encyclopedia

<sup>24</sup> Source: “List of Recessions in the United States” Wikipedia, the free encyclopedia

<sup>25</sup> Source: “List of Recessions in the United States” Wikipedia, the free encyclopedia

<sup>26</sup> Source: “List of Recessions in the United States” Wikipedia, the free encyclopedia

### **MARKET FACTS**

- Visitor Arrivals for the month of DECEMBER 2008 were down when compared to the same period of 2007 despite the fact that cruise arrivals were up for the month, i.e. For Grand Bahama.
- Arrivals to Eleuthera were down for 2008 because Princess Cay, Eleuthera which normally closes at the end of May closed early and did not receive any cruise passengers after the 14<sup>th</sup> of the month (according to Immigration/Customs and the agent RH Curry) hence the number of cruise arrivals to Eleuthera declined significantly between May and September 2008. The Princess ships that normally went to Princess Cay had been re-routed to Europe.
- Arrivals to Abaco were up in 2008 because although Disney Cruises had re-routed the Disney Magic outside of the Bahamas as in 2007, they sent the Disney Wonder which normally comes to Nassau/Paradise Island as a 1<sup>st</sup> port of call to Castaway Cay, Abaco a number of times first instead which meant that the island was able to receive a significant amount of cruise visitors despite the fact that the Magic had been sent elsewhere for a few months. In addition, air arrivals to Abaco in January and February 2008 were also strong.
- Visitor Arrivals for December 2008 were down because stopover arrivals from the United States, Canada, Europe and the Caribbean were down.
- Stopovers from the US to the Bahamas were up in the months of January and February of 2008. The number of stopovers from the US began to fall from March 2008 and continued into December 2008. Stopovers from the US were down significantly in December.
- The United States and many countries in the world were in an economic global recession.
- The US Dollar continued to be unstable and continued to fluctuate against the other currencies.
- After the financial meltdown of September 2008 many banks tightened up their lending policies and borrowing became more difficult in many global financial markets. Borrowing for small business owners also became much more difficult. This tightening in lending policies made it difficult for companies to sustain liquidity.

- The IMF (International Monetary Fund) was of course ready to assist their member countries if they were in dire need of funding.
- Oil prices in 2008 fluctuated like a rollercoaster with highs and lows. In July 2008 before the fateful financial meltdown of September 2008 the price of oil per barrel was at a high of \$147.27 before it slipped to \$125 during the same month. By August 2008 oil prices had already fallen some more to \$112 a barrel. In September 2008 the price of oil rose to \$130 before it slid back down to \$120.92. After the financial meltdown of September 2008, the price of oil plummeted to below \$70 in October and continued that downward spiral (oil hit several price points in October) in November (below \$60) and December 21, 2008 (\$33.87 a barrel).<sup>27</sup> The decline in oil prices that occurred after the financial meltdown was just a little too late for high oil prices had already helped to weaken and wreak havoc in the global economy.
- The Consumer Confidence Index which is highly influenced by consumer feelings, (*“The US Consumer Confidence Index (CCI) is defined as the degree of optimism on the state of the economy that consumers are expressing through their activities of savings and spending.”*<sup>28</sup>) fluctuated considerably during the latter half of 2008 in the United States. In June 2008 it was 51, July (51.9), August (56.9), September (61.4), October (38.0), November (44.7 revised) and December (38.0).<sup>29</sup>
- Consumer spending in the US was down for much of 2008.
- Concerns about inflation continued.
- Job losses continued to rise in December 2008 as thousands more persons were laid off in the troubled US economy. Every month more and more persons joined the rank of the unemployed in the US.
- The US debt was and still is high and the debt of the regular American Consumer was also high.
- Credit card debt in the United States is very high. “Consumers’ credit card balances are up from \$825 billion at the end of 2005 to \$971 billion as of September 2008.”<sup>30</sup> Some states in the US have no restrictions on credit card limits or the interest rates charged to the consumers.<sup>31</sup>
- Credit card interest rates in the United States are very high (some ranging from 8% to 25%).<sup>32</sup>

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<sup>27</sup> Source: “Price of Petroleum”, Wikipedia, the free encyclopedia, [en.wikipedia.org/wiki/price\\_of\\_petroleum](http://en.wikipedia.org/wiki/price_of_petroleum)

<sup>28</sup> Source: Wikipedia, the free encyclopedia

<sup>29</sup> (Source: “Consumer Confidence at all time low,” by Julianne Pepitone, CNNMoney.com, Market Updates July 2008, August 2008, September 2008, October 2008 and November 2008, Research & Statistics Dept. Ministry of Tourism).

<sup>30</sup> Source: “Credit card rates that jump overnight” November 2008, [consumerreports.org/cro/money/credit-loan/credit-cards/](http://consumerreports.org/cro/money/credit-loan/credit-cards/).

<sup>31</sup> Source: CBSNEWS Report by Trish Regan reporting from New York.

<sup>32</sup> Source: “Credit card rates that jump overnight” November 2008, [consumerreports.org/cro/money/credit-loan/credit-cards/](http://consumerreports.org/cro/money/credit-loan/credit-cards/).

- The US manufacturing industry was in a weakened condition as much of the goods for the United States had already been outsourced to countries with a cheaper labour force like China, Mexico, etc.
- The housing market in the United States was still in crisis and people in our primary DMA markets and top producing states were still losing their homes every day.
- The Visitor Arrival growth from Canada (a major exporter of goods to the US) and the rest of the world experienced by the Bahamas throughout all of the months prior to August 2008 stagnated in SEPTEMBER 2008 because of the domino effect of the financial services meltdown in the US that culminated in September 2008.
- Stopover arrivals to the Bahamas from all of the major markets were down in December 2008 except Latin America.
- Cruise arrivals to the Bahamas Overall were **up** during the month of DECEMBER 2008 by 1% (1<sup>st</sup> Port of entry only).
- Cruise arrivals to Nassau/Paradise Island (1<sup>st</sup> port of entry) were down by 2% in DECEMBER 2008.
- Cruise Arrivals to Grand Bahama (1<sup>st</sup> port of entry) were up by 68% for the month of December.
- The Out Islands were down 5% (1<sup>st</sup> Port of Entry) in DECEMBER 2008 compared to the same period of 2007.
- Cruise arrivals for the last quarter of 2008 were good as they were up by 9.1%.
- Air arrivals were weak in December 2008 and cruise arrivals although strong for Grand Bahama during the month were not strong enough to counteract the decline in air arrivals for the month.
- By the end of DECEMBER 2008, arrivals to The Bahamas Overall YTD were **down** by 4.5% despite the increase in cruise arrivals for the month.



**MARKET UPDATE JANUARY TO DECEMBER 2008****FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS****1ST PORT OF ENTRY ONLY****JANUARY TO DECEMBER 2008 YTD**

|                        | 2008             | 2007             | 2008/2007    | 2008             | 2007             | 2008/2007    |
|------------------------|------------------|------------------|--------------|------------------|------------------|--------------|
|                        | Air and Sea      |                  |              | Air Only         |                  |              |
|                        | % Chg Air/Sea    |                  |              | % Chg Air        |                  |              |
| Nassau/Paradise Island | 2,496,058        | 2,708,780        | -7.9%        | 1,015,597        | 1,062,278        | -4.4%        |
| Grand Bahama           | 558,177          | 588,571          | -5.2%        | 161,714          | 188,579          | -14.2%       |
| Abaco                  | 247,808          | 206,575          | 20.0%        | 90,594           | 104,317          | -13.2%       |
| Andros                 | 9,747            | 10,401           | -6.3%        | 9,523            | 10,111           | -5.8%        |
| Berry Islands          | 411,615          | 376,632          | 9.3%         | 9,108            | 9,143            | -0.4%        |
| Bimini                 | 45,716           | 44,078           | 3.7%         | 16,183           | 15,778           | 2.6%         |
| Cat Cay                | 11,322           | 10,852           | 4.3%         | 4,931            | 4,319            | 14.2%        |
| Cat Island             | 3,080            | 3,064            | 0.5%         | 3,056            | 3,035            | 0.7%         |
| Eleuthera              | 260,987          | 327,046          | -20.2%       | 34,860           | 37,345           | -6.7%        |
| Exuma                  | 30,262           | 35,932           | -15.8%       | 29,482           | 35,002           | -15.8%       |
| Half Moon Cay          | 299,792          | 270,159          | 11.0%        | -                | -                | 0.0%         |
| Inagua                 | 1,347            | 1,352            | -0.4%        | 151              | 154              | -1.9%        |
| Long Island            | 946              | 1,122            | -15.7%       | 918              | 1,115            | -17.7%       |
| San Salvador           | 16,715           | 16,774           | -0.4%        | 16,435           | 16,102           | 2.1%         |
| <b>Bahamas Overall</b> | <b>4,393,572</b> | <b>4,601,338</b> | <b>-4.5%</b> | <b>1,392,552</b> | <b>1,487,278</b> | <b>-6.4%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (JANUARY TO DECEMBER YTD 2008)****ISLANDS UP**

- Abaco
- Berry Islands
- Bimini
- Cat Cay
- Cat Island
- Half Moon Cay

**ISLANDS DOWN**

- Nassau/Paradise Island down overall
- Grand Bahama down overall (although cruise arrivals were up for December 2008).
- Andros
- Eleuthera
- Exuma
- Inagua
- Long Island
- San Salvador

**CRUISE ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**2008**

|                          | January to December YTD |                  |              | December Only             |                |             |
|--------------------------|-------------------------|------------------|--------------|---------------------------|----------------|-------------|
|                          | 2008                    | 2007             | 2008/2007    | 2008                      | 2007           | 2008/2007   |
|                          | Cruise Arrivals YTD     |                  |              | Cruise Arrivals Dec. Only |                |             |
|                          |                         |                  | % Chg        |                           |                | % Chg       |
| Nassau/Paradise Island   | 1,471,835               | 1,638,174        | -10.2%       | 151,070                   | 154,017        | -1.9%       |
| Grand Bahama             | 312,780                 | 311,762          | 0.3%         | 35,881                    | 21,321         | 68.3%       |
| Abaco (Castaway Cay)     | 149,389                 | 94,511           | 58.1%        | 12,531                    | 10,609         | 18.1%       |
| Andros                   | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| Berry Islands            | 401,718                 | 366,231          | 9.7%         | 55,004                    | 55,115         | -0.2%       |
| Bimini                   | -                       | 104              | -100.0%      | -                         | -              | 0.0%        |
| Cat Cay                  | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| Cat Island               | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| Eleuthera (Princess Cay) | 225,626                 | 289,173          | -22.0%       | 36,373                    | 42,713         | -14.8%      |
| Exuma                    | -                       | 56               | -100.0%      | -                         | -              | 0.0%        |
| Half Moon Cay            | 299,792                 | 270,159          | 11.0%        | 38,487                    | 41,404         | -7.0%       |
| Inagua                   | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| Long Island              | -                       | -                | 0.0%         | -                         | -              | 0.0%        |
| San Salvador             | -                       | 489              | -100.0%      | -                         | -              | 0.0%        |
| <b>Bahamas Overall</b>   | <b>2,861,140</b>        | <b>2,970,659</b> | <b>-3.7%</b> | <b>329,346</b>            | <b>325,179</b> | <b>1.3%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas. **Sea Landed arrivals are not listed above.**

2nd and 3rd port of call cruise arrivals are not listed in the above table.

All numbers are subject to revision.

**CRUISE ARRIVALS (JANUARY TO DECEMBER YTD 2008 1<sup>ST</sup> PORT OF ENTRY)**



**ISLANDS UP**

- Grand Bahama (cruise was up for the month but overall arrivals were still down by the end of the year).
- Abaco (Castaway Cay)
- Berry Islands
- Half Moon Cay



**ISLANDS DOWN**

- Nassau/Paradise Island
- Bimini (did not receive any cruise passengers in December 2008)
- Eleuthera
- San Salvador (didn't receive any cruise passengers in December 2008)

**CRUISE ARRIVALS (DECEMBER ONLY 2008, 1<sup>ST</sup> PORT OF ENTRY)**

- Cruise arrivals to Grand Bahama, Abaco and Half Moon Cay were all up for December 2008 and as a result cruise arrivals to the Bahamas as a whole were up for that month. Cruise arrivals to the Bahamas as a whole were up in December 2008 but this was not enough to counteract the YTD 2008 decline in cruise arrivals which were weak in the earlier part of the year.

- Cruise arrivals to the Bahamas Overall were **up** during the month of DECEMBER 2008 by 1% (1<sup>st</sup> Port of entry only). This increase was in part due to the fact that Grand Bahama received a significant increase in the amount of cruise passengers to the island during the month.
- Cruise arrivals to Nassau/Paradise Island (1<sup>st</sup> port of entry) were down by 2% in DECEMBER 2008. A number of cruise ships went to Nassau/Paradise Island as a second port of call however rather than as a 1<sup>st</sup> port of call. Cruise arrivals to Nassau/Paradise Island as a 2<sup>nd</sup> port of call were up by 45% for the month of DECEMBER. If you look at Nassau/Paradise Island in isolation without including the rest of The Islands of The Bahamas, cruise arrivals to the island would have been up by 8% for the month of December. Although major cruise lines like Carnival Cruise lines, Norwegian Cruise lines and Royal Caribbean Int'l brought in more cruise passengers in December 2008 as a first port of call than in the same period of 2007, the smaller cruise lines like Celebrity Cruises, Costa Cruises, Imperial Majesty Cruises (Regal Empress), MSC Cruises, Holland American Cruises, Hapag Lloyd Cruises, Radisson Seven Seas Cruises and Disney Cruises all brought in fewer passengers in December 2008.
- Cruise Arrivals to Grand Bahama (1<sup>st</sup> port of entry) were up by 68% for the month of December because Discovery Cruises (Discovery Sun) and Norwegian Cruises (Norwegian Sky and Norwegian Majesty) all brought in more cruise passengers during this month of 2008 than in the same period of 2007. In addition, the Imperial Majesty's (Regal Empress) operated service to the island in December 2008 and this helped to increase the number of cruise passengers to the island.
- The Out Islands were down 5% (1<sup>st</sup> Port of Entry) in DECEMBER 2008 compared to the same period of 2007. Disney Cruise lines (the Disney Magic) brought in more cruise passengers to Castaway Cay in December 2008 when compared to 2007. Norwegian Cruise lines' ships (Norwegian Gem, Norwegian Pearl, Norwegian Majesty, Norwegian Dawn and the Norwegian Sky) all brought in more passengers in December 2008 as a 1<sup>st</sup> port of call to Great Stirrup Cay than in the same period of 2007. In addition, Carnival Cruise line's ship (i.e., Fascination) and Holland America's ships (Eurodam, Noordam, Rotterdam, Statendam, and Prinsendam) all brought in more passengers to Half Moon Cay than during the same period of 2007. Despite the fact that all of these major cruise lines brought in more passengers to the Out Islands as a first port of call, cruise arrivals to the Out Islands were down because Royal Caribbean Cruise Lines and Princess Cruise lines all brought in fewer passengers (1st Port of Entry). If you look at The Out Islands in isolation without including the rest of the islands of the Bahamas (i.e., Nassau/Paradise Island and Grand Bahama) by 1<sup>st</sup> 2<sup>nd</sup> and 3<sup>rd</sup> ports of call, cruise arrivals to The Out Islands would have been up by 11% for the month.

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS**  
**1ST PORT OF ENTRY ONLY**  
**DECEMBER ONLY 2008**

|                        | 2008           | 2007           | 2008/2007     | 2008           | 2007           | 2008/2007    |
|------------------------|----------------|----------------|---------------|----------------|----------------|--------------|
|                        | Air and Sea    |                | % Chg Air/Sea | Air Only       |                | % Chg Air    |
| Nassau/Paradise Island | 235,211        | 243,383        | -3.4%         | 84,038         | 88,295         | -4.8%        |
| Grand Bahama           | 52,380         | 40,779         | 28.4%         | 10,797         | 13,609         | -20.7%       |
| Abaco                  | 19,469         | 19,420         | 0.3%          | 6,412          | 8,416          | -23.8%       |
| Andros                 | 743            | 893            | -16.8%        | 731            | 869            | -15.9%       |
| Berry Islands          | 55,831         | 56,068         | -0.4%         | 752            | 844            | -10.9%       |
| Bimini                 | 2,848          | 2,818          | 1.1%          | 1,241          | 1,261          | -1.6%        |
| Cat Cay                | 864            | 798            | 8.3%          | 463            | 412            | 12.4%        |
| Cat Island             | 319            | 288            | 10.8%         | 319            | 288            | 10.8%        |
| Eleuthera              | 39,149         | 46,613         | -16.0%        | 2,698          | 3,798          | -29.0%       |
| Exuma                  | 2,195          | 3,017          | -27.2%        | 2,125          | 2,954          | -28.1%       |
| Half Moon Cay          | 38,487         | 41,404         | -7.0%         | -              | -              | 0.0%         |
| Inagua                 | 67             | 119            | -43.7%        | 13             | 15             | -13.3%       |
| Long Island            | 128            | 133            | -3.8%         | 126            | 133            | -5.3%        |
| San Salvador           | 1,063          | 1,162          | -8.5%         | 1,052          | 1,162          | -9.5%        |
| <b>Bahamas Overall</b> | <b>448,754</b> | <b>456,895</b> | <b>-1.8%</b>  | <b>110,767</b> | <b>122,056</b> | <b>-9.2%</b> |

Source: Immigration and Customs various ports of entry in the Bahamas.

All numbers are subject to revision.

**OVERALL VISITOR ARRIVALS (DECEMBER ONLY 2008)**

**ISLANDS UP**



- Grand Bahama (air arrivals only for the island were down, but cruise arrivals made up for that for Dec. 2008).
- Abaco
- Bimini
- Cat Cay
- Cat Island

**ISLANDS DOWN**



- Nassau/Paradise Island
- Andros
- Berry Islands
- Eleuthera
- Exuma
- Half Moon Cay
- Inagua
- Long Island
- San Salvador

**STOPOVER VISITORS TO THE BAHAMAS**

**STOPOVER VISITORS  
2008**

|                | 2008      | 2007      | % CHG  |
|----------------|-----------|-----------|--------|
| USA            | 1,176,683 | 1,263,678 | -6.9%  |
| Canada         | 114,947   | 100,340   | 14.6%  |
| United Kingdom | 34,564    | 40,261    | -14.2% |
| France         | 14,422    | 12,081    | 19.4%  |
| Italy          | 10,866    | 8,201     | 32.5%  |
| Germany        | 10,526    | 7,244     | 45.3%  |

Stopover arrivals for 2008 are preliminary and subject to revision.

**STOPOVER VISITORS  
2008**

|               | 2008             | 2007             | % CHG        |
|---------------|------------------|------------------|--------------|
| USA           | 1,176,683        | 1,263,678        | -6.9%        |
| Canada        | 114,947          | 100,340          | 14.6%        |
| Europe        | 93,799           | 87,170           | 7.6%         |
| Latin America | 16,257           | 17,450           | -6.8%        |
| Caribbean     | 22,535           | 22,526           | 0.0%         |
| Other         | 38,183           | 36,562           | 4.4%         |
| <b>Total</b>  | <b>1,462,404</b> | <b>1,527,726</b> | <b>-4.3%</b> |

Stopover arrivals for 2008 are preliminary and subject to revision.

- Stopover visitors from the USA were *down* by 7% for 2008.
- Stopovers from Latin America in 2008 were *down* by 7% over 2007.
- Stopovers from Canada in 2008 were *up* by 15% over 2007.
- Stopovers from Europe in 2008 were *up* by 8% over 2007 despite the fact that stopovers from the UK were down.
- Some of the primary source markets for the Bahamas from Europe were up in 2008:
  - Stopovers from France were up by 19% in 2008.
  - Stopovers from Italy were up by 33% in 2008.
  - Stopovers from Germany were up by 45% in 2008
- Stopovers from the Caribbean in 2008 were *up* slightly over 2007.

**APPENDIX: DEFINITIONS**

- *A cruise stopover is a person who comes to the destination on a cruise ship, stays in the destination for 24 hours or more and does not use the cruise ship for accommodation (primarily seen in Grand Bahama). A cruise stopover is not the same as a cruise arrival who does use the ship for accommodation purposes.*

- Cruise stopover visitors, other sea landed visitors/sea stopovers [i.e., boaters/yachters] and cruise arrivals make up the sea arrival numbers.*
- *1<sup>st</sup> Port of Entry refers to the first port of call in the Islands of the Bahamas for a cruise ship. Some ships make more than one stop in the Islands of the Bahamas. The second stop is the 2<sup>nd</sup> Port of Entry and refers to the second port of call in the Islands of the Bahamas for a cruise ship. If a cruise ship makes a third stop in the Bahamas this 3<sup>rd</sup> stop is the 3<sup>rd</sup> port of entry and refers to the third port of call in the Islands of the Bahamas.*
  - ***In this report we have concentrated on 1<sup>st</sup> port of entry numbers, because the report is based on the Overall Bahamas. If a person wanted to get a total count of the number of cruise visitors to the island of Nassau/Paradise Island only, they would have to add 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> port together.***

If you have any questions regarding this report, please contact:



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