

THE ISLANDS OF THE BAHAMAS ARRIVALS REPORT



**Full Year 2011
Ministry of Tourism
Research and Statistics Department
February 10, 2012**

TABLE OF CONTENTS

	Page No.
1. TOURISM REVIEW	3
a. Market Analysis	3
2. MARKET FACTS	7
a. United States	7
b. Canada	11
c. Europe	12
d. Bahamas	17
3. MARKET INFORMATION	
a. Foreign Arrivals	18
b. Cruise Arrivals	19
4. APPENDICES	
a. Appendix A: Definitions	23
b. Appendix A: Type of Visitors	23
c. Appendix B: Cruise Arrivals All Ports of Entry	24

DO GLOBAL ECONOMIES HOLD A POWERFUL INFLUENCE OVER ARRIVALS?

The Islands of The Bahamas have always received stopover visitors from all over the world but the United States, the largest economy in the world has historically been the primary market for the island chain. For the last 10 years, 79% to 87% of stopover visitors to The Bahamas have come from the United States. Between 1991 and 2005, Europe held the honour of being the second primary market to provide stopovers visitors to The Bahamas. In 2006 however, Canada regained the honour of being the second biggest supplier of stopover business to The Bahamas as it raced past Europe and cruised to a speed that left Europe behind coughing in the dust. By 2010 and 2011 Canada had taken over more of the market share of stopover business to The Bahamas from other countries and held 9% of the market.

Arrivals to The Bahamas have always been affected by severe economic conditions around the world especially whenever these conditions occurred in the United States. Over the last 82 years since the Great Depression of 1929, the United States has been hit with at least one economic recession in every decade.¹ The Great Depression lasted from 1929 to 1939 in the United States and longer in some other countries around the world.² The recessions of the subsequent decades lasted between six months to a few years.³

Whenever there was a severe economic recession in the United States, stopover visitor arrivals to The Bahamas showed a notable decline within six months to a year following the beginning of that recession, for example, with the recessions of 1980, 1990, 2001 and 2007 this was very evident. With the recession of 1980 stopover arrivals to The Bahamas declined by 12.8% in 1981, the following year. With the recession of 1990, stopover arrivals declined by 8.6% in 1991, the following year. The recession of 2001 which occurred in part due to the September 2001 terrorists attacks was relatively shallow⁴ and stopover arrivals declined by only 0.4% during that year and 1.6% during the following year.

The economic recession which widely became known as the “Great Recession” began in December 2007 in the United States. Many people in the United States and especially The Bahamas were oblivious to the fact that the recession had actually begun in 2007 and only noticed this fact when the economic floor caved in and the financial markets crashed in September of the following year (2008). By September 2008, it was clear that this recession would not be whispering by as easily as a summer breeze as the collapse of major financial

¹ Source: “History of US Economic Recessions” Recession.org/history and “List of recessions in the United States”-Wikipedia, the free encyclopedia.

² Source: “History of US Economic Recessions” Recession.org/history and “List of recessions in the United States”-Wikipedia, the free encyclopedia.

³ Source: “History of US Economic Recessions” Recession.org/history and “List of recessions in the United States”-Wikipedia, the free encyclopedia.

⁴ Source: Kliesen, Kevin L. (2003). "The 2001 Recession: How Was It Different and What Developments May Have Caused It?" (<https://www.research.stlouisfed.org/publications/review/03/09/Kliesen.pdf>). *Review* (Federal Reserve Bank of St. Louis (September): 23–28. .

markets threatened the very structure of the global world economy. Stopover arrivals to The Bahamas declined by 4.2% in 2008 during the first year after this recession began.

This recession was not like the others of the past decades but was instead likened to the “Great Depression” of 1929 because of its severity and far reaching effects. The Great Recession was like a bad flu that left widespread devastation in its wake. It greatly weakened the US economy because as jobs were lost consumer spending declined as people had much less money to spend. It also augmented the problem of home foreclosures because as many people lost their jobs they also lost their ability to pay the mortgages on their homes.

When this recession began in 2007, the unemployment rate in the United States was 5.0% and the minimum wage was \$5.85.⁵ When this recession ended in June 2009 the unemployment rate in the United States had climbed to 9.5%.⁶

Although the recession “technically” ended in the US in June 2009,⁷ the United States and subsequently The Bahamas still felt the aftershocks of that economic meltdown in the subsequent months and years. Unemployment in the United States had not yet peaked when the recession “technically” ended and did not do so until October 2009 when it hit 10.1%.⁸ In The Bahamas, the unemployment rate at the start of the recession was 7.9% for The Bahamas overall.⁹ In October 2009, unemployment in The Bahamas climbed to 14.6%¹⁰ as the destination experienced the aftershocks that still spilled over from the United States.

Unemployment in the United States did have an effect on the stopover yield to The Bahamas even though the top producing markets did not change. The top 10 producing stopover markets to The Bahamas from the United States just before the recession began were still the top 10 producing markets in 2011 after the recession had ended. The yield from some of these markets of course had declined due to the weakened economy. Florida, New York, New Jersey, Texas, California, Pennsylvania, Massachusetts, Georgia, Virginia and Illinois were the top 10 producing US markets for The Bahamas in 2007 and they were still the top 10 producing US markets by 2011. Florida was not only the top producing stopover market for The Bahamas from the United States it was by far the top producing market for The Bahamas period and has been for many years.

Some of the top producing markets for The Bahamas like Florida, Texas, California, Georgia and Illinois have all been hit very hard by foreclosures since the recession began and even when it officially ended in 2009. Florida has been hit very hard by home foreclosures and unemployment since the recession began. In December 2007, the unemployment rate in Florida

⁵ Source: “The US Unemployment Rate January 1948 to December 2011, <http://www.miseryindex.us/URbymonth.asp>

⁶ Source: “The US Unemployment Rate January 1948 to December 2011, <http://www.miseryindex.us/URbymonth.asp>

⁷ Source: The Business Cycle Dating Committee of the National Bureau of Economic Research

⁸ Source: “The US Unemployment Rate January 1948 to December 2011, <http://www.miseryindex.us/URbymonth.asp>

⁹ Source: Labour Force Department, Department of Statistics, Nassau, Bahamas, 2011

¹⁰ Source: Labour Force Department, Department of Statistics, Nassau, Bahamas, 2011

stood at 4.7% and steadily climbed until 2010.¹¹ By December 2011 the unemployment rate in Florida finally fell to 9.9%¹² and the unemployment rate (8.5%) in the United States fell to the lowest level that it had been since February 2009.¹³ As unemployment fell in the United States it also fell in The Bahamas by the end of 2011 to 13.7%.¹⁴

The United States was not the only major supplier of stopover business to The Bahamas in 2011. Canada the 10th largest economy in the world based on GDP¹⁵ was the second largest supplier of stopover business to The Bahamas. The Canadian economy is heavily dependent on exports as 45% of its GDP is dependent on it.¹⁶ The United States is its biggest trade partner and accounts for approximately 79% of its exports.¹⁷ When the recession began in the United States, the effects shook the globe. Unemployment in Canada in 2008 stood at 6.2% but by 2009 it stood at 8.3%. In 2009, as unemployment in Canada climbed stopover arrivals from Canada to The Bahamas declined by 6.9% from the previous year. The economy of Canada quickly recovered and unemployment there fell to 8% in 2010 and 7.5% in 2011. When the Canadian economy began to add jobs again in 2010, stopover arrivals from Canada to The Bahamas also began to climb and increased by 11.5% in 2010 and an additional 2% in 2011. By 2011, stopover arrivals from Canada to The Bahamas were the highest that they have been since 1980. The top producing stopover markets to The Bahamas from Canada in 2011 were the provinces of Ontario, Quebec, Alberta and British Columbia.

The third biggest supplier of stopover business to The Bahamas in 2011 was Europe. In 2008 stopover arrivals to The Bahamas from Europe increased to the highest level that they had been since 2001 but this was not to last. When the financial meltdown occurred in the United States in 2008, Europe did not remain unscathed and European countries across the continent began to see an increase in unemployment. In addition to the recession in the United States which affected the global economy, it became evident that Europe was about to be slapped with a crisis of its own. By 2009, there were rumours that a sovereign debt crisis was looming in Europe as investors lost confidence in the ability of certain countries to pay their debts because of their high level of government debt.¹⁸ With this loss of confidence it became much more difficult for some of these countries to borrow and European countries like Greece, Ireland and Portugal found themselves in a position where they could not re-finance their debts.¹⁹ By 2009, stopover arrivals from Europe had sank to the lowest level that they had been in 22 years (since 1987) as they began to reflect the uncertainty that was caused by the impending debt crisis. By 2010, Europe was indeed embroiled in a sovereign debt crisis that intensified in some European countries like Greece in 2011.

11 Source: Bureau of Labor Statistics, data.bls.gov.timeseries/LASST12000003

12 Source: Bureau of Labor Statistics, data.bls.gov.timeseries/LASST12000003

13 Source: "The US Unemployment Rate January 1948 to December 2011, <http://www.miseryindex.us/URbymonth.asp>

14 Source: Labour Force Department, Department of Statistics, Nassau, Bahamas, 2011

15 Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

16 Source: www.tradingeconomics.com/canada/exports, 2012-02-03

17 Source: www.tradingeconomics.com/canada/exports, 2012-02-03

18 Source: Wikipedia the free encyclopedia, "European Sovereign Debt Crisis," en.wikipedia.org/wiki/European_sovereign_debt_crisis

19 Source: Wikipedia the free encyclopedia, "European Sovereign Debt Crisis," en.wikipedia.org/wiki/European_sovereign_debt_crisis

In December 2011, unemployment in the top producing stopover markets to The Bahamas from Europe like France, Germany, Switzerland, Spain and the Netherlands began to see improvements in their unemployment rates which began to decline. With the decline in the unemployment rates in these countries in 2011, stopover arrivals to The Bahamas from some of them began to climb back up. In 2011, stopover arrivals from the United Kingdom the biggest supplier of stopover business to The Bahamas from Europe increased slightly but did not reach the pre-recession and pre Euro Crisis levels.

Since the recession in the United States began and the sovereign debt crisis intensified, The Bahamas has had to fight really hard to capture a piece of the shrunken global stopover market. The road to recovery has not been an easy one for the United States and ultimately The Bahamas. The Bahamas Ministry of Tourism in conjunction with its Industry Partners launched the Free Companion Airfare programme in 2009 and continued it into 2012 in order to capture a piece of that stopover market and attract business to the destination. The programme was very successful in 2010 and moderately successful in 2011.

The stopover business to The Bahamas is not the only game in town for the destination. The island nation has enjoyed a very healthy cruise business for many years. For the last three years (2009 to 2011) cruise arrivals to The Bahamas have soared year after year. One of the reasons for this tremendous growth was the fact that the Cruise Industry grew worldwide. Another major reason for the growth was the fact that there were many islands in The Bahamas which made it a perfect destination escape for two night, three night and four night cruises. The growth in cruise arrivals was propagated by larger cruise ships, more cruise calls to the destination and a renewed commitment to the destination by major cruise lines like Carnival Cruises, Holland American Cruises (Carnival is the parent company), Royal Caribbean International, Disney Cruises and Norwegian Cruises. The growth in the cruise business to the Bahamas was also due to the open communication between the Ministry of Tourism and the Cruise Industry partners, i.e. the cruise lines. Cruise arrivals to The Bahamas have been responsible for much of the growth in arrivals to the destination in 2011. In 2011, Cruise Arrivals to The Bahamas pulled the island nation through to a level that it has never been before.

Foreign air and sea arrivals to The Bahamas are made up of stopover, day, transit and cruise arrivals. In 2011, air arrivals to The Bahamas overall started off slow but the Out Islands started off with a bang. In January 2011 arrivals were up by 15% but the success of this month was in the sea arrivals (i.e., air arrivals were down by 11%, sea arrivals were up by 22%). Air arrivals to the Out Islands of The Bahamas were up by 12% during the month of January 2011 and much of that growth was driven by the Sandals Spa and Golf Resort @ Emerald Bay in Exuma. The Sandals Resort in Exuma (an all-inclusive resort) opened its doors in February 2010 and replaced the Four Seasons Resort which closed its doors in May 2009.

The Out Islands of Abaco, Berry Islands, Bimini, Cat Cay, Eleuthera and San Salvador all started off the year very well. Air arrivals to the Out Islands were “in the black” for much of the year. The successful upswing in arrivals to the Out Islands was interrupted during the month

of August 2011. Hurricane Irene passed through most of The Islands of The Bahamas in August 2011 and hit the South Eastern islands like Acklins and Crooked Island, Mayaguana, Long Island, Rum Cay and San Salvador really hard. Abaco, Exuma, Eleuthera and Cat Island, were also hit by Hurricane Irene. Nassau/P.I., Grand Bahama, Bimini and Andros were spared the brunt of the storm. Hurricane Irene ended the reign of growth in air arrivals in the Out Islands in August 2011. Air arrivals to the Out Islands did not regain momentum until December 2011 when they once again climbed back into the “black” with a growth of 4% over the same period of 2010. The Out Islands responsible for this 4% growth in December were: Abaco, Berry Islands, Bimini, Cat Cay, Cat Island and the recovery of Exuma from Hurricane Irene. By the end of 2011 air and sea arrivals to The Bahamas had climbed to 5.6 million, up by 6% (i.e., air - 2% and sea +9%). Cruise arrivals to the destination were largely responsible for this growth.

The growth in arrivals in 2011 was up but the upswing was driven primarily by cruise arrivals as the stopover arrivals were hindered by difficult global economic conditions. As the economy of the United States began to heal especially in the last quarter of 2011, the economy of The Bahamas began to heal too as more and more Americans and Bahamians went back to work. When global economies especially the economy of the United States, are healthy, arrivals to The Bahamas climb but when global economies are unhealthy arrivals tend to teeter on the edge of decline. It is clear to see that global economies do hold a powerful influence over arrivals.

MARKET FACTS

- The top 20 world economies based on GDP include: the United States, People’s Republic of China, Japan, Germany, France, the United Kingdom, Brazil, Italy, India, Canada, Russia, Spain, Australia, Mexico, South Korea, the Netherlands, Turkey, Indonesia, Switzerland and Poland.²⁰ The Bahamas is ranked at number 132 according to the lists prepared by two of these international bodies i.e., IMF and the World Bank.²¹ Differences in the cost of living are not taken into consideration in the lists provided by these international bodies and can vary considerably.
- The financial meltdown of September 2008 in the United States quickly spread around the world and had a negative impact on many countries around the world. Unemployment in the United States quickly began to climb. Unemployment in other global economies also began to climb. By the end of 2009 after the recession had technically ended (in June of that year) unemployment in the United States began to fall. By the end of 2010 and 2011 other global economies also began to see a decline in the rate of unemployment. In Europe, however recovery was not complete because as the recession ended in the United States a sovereign debt crisis began in the euro zone.

UNITED STATES

- The United States has by far the largest economy in the world based on GDP according to lists prepared independently by the International Monetary Fund (IMF), the World Bank and the CIA World Factbook (2000-2010).²²

²⁰Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

²¹Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

²²Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

- In 2011, 79% of the stopover visitors to The Bahamas were from the United States. Of the stopover visitors who came from the United States 23% of them were from Florida 11% from New York, 6% from New Jersey, 6% from Texas, 5% from California, 4% from Pennsylvania, 4% from Massachusetts, 4% from Georgia, 3% from Virginia and 3% from Illinois. Florida, Texas, California, Georgia and Illinois have all been hit very hard by foreclosures since the recession began and even when it officially ended in 2009. Stopover arrivals from all of these states that were hard hit by foreclosures were down except Texas and California.
- In 2011, the GDP (rate of growth) in the United States grew at a rate of 0.4%²³ in first quarter, 1.0% in second quarter²⁴ and 1.8% in the third quarter.²⁵ By the end of the fourth quarter the GDP in the United States had grown by an annual rate of 2.8%.²⁶ It has been said that a growth rate below 2% in GDP is too low to encourage companies to start hiring on a large scale again.²⁷ According to preliminary GDP numbers the GDP grew by more than 2% in the fourth quarter of 2011.
(All GDP percentages are subject to change based on any new information from the Bureau of Economic Analysis).
- The US economy added 112,000 jobs (non-farm payroll jobs) in October 2011 (revised from previous estimate), 100,000 jobs in November 2011 (revised from previous estimate), and 200,000 in December 2011.²⁸
- The unemployment rate in the United States was 5.0% in December 2007 when the recession initially began and 7.3% by December 2008.²⁹ The unemployment rate in the United States continued to climb until it reached its peak of 10.10% in October 2009.³⁰ By November 2009, the unemployment rate began to fall as the recession which technically ended in June 2009³¹ began to send off less harsh aftershocks and the US economy began to heal. The unemployment rate fell to 9.9% in December 2009, 9.4% in December 2010, 9.0% in January 2011 and 8.5% in December 2011.³²
- In December 2007, unemployment in Florida stood at 4.7%. By December 2008, unemployment in Florida had climbed to 8.1%.³³ By December 2009, unemployment in Florida had risen to 11.2%.³⁴ By December 2010, unemployment in Florida had risen to 12.0%.³⁵ By December 2011, unemployment in Florida finally fell to 9.9%.³⁶

²³ Source: News Release:Gross Domestic Product:Second Quarter 2011 (Third Estimate), August 26, 2011, www.bea.gov/newsreleases/national/gdp/2011/gdp2q11_2nd.htm

²⁴ Source: News Release:Gross Domestic Product:Second Quarter 2011 (Third Estimate), August 26, 2011, www.bea.gov/newsreleases/national/gdp/2011/gdp2q11_2nd.htm

²⁵ Source: News Release:Gross Domestic Product: 4th Quarter and annual 2011 (Advance Estimate), January 27, 2012 www.bea.gov/newsreleases/national/gdp/2012/gdp4q11_adv.htm

²⁶ Source: News Release:Gross Domestic Product: 4th Quarter and annual 2011 (Advance Estimate), January 27, 2012 www.bea.gov/newsreleases/national/gdp/2012/gdp4q11_adv.htm

²⁷Source:“GDP report: Sharp slowdown in economic growth” by Chris Isidore, August 27, 2010, money.cnn.com/2010/08/27/news/economy/gdp/index.htm

²⁸ Source: The Employment Situation Summary, January 6, 2012, www.bls.gov/news.release/empsit.nr0.htm

²⁹ Source: “The US Unemployment Rate January 1948 to December 2011, <http://www.miseryindex.us/URbymonth.asp>

³⁰ Source: “The US Unemployment Rate January 1948 to December 2011, <http://www.miseryindex.us/URbymonth.asp>

³¹ Source: The Business Cycle Dating Committee of the National Bureau of Economic Research, [//l:cycles\sept2010.html](http://l:cycles\sept2010.html) September 20, 2010

³² Source: “The US Unemployment Rate January 1948 to December 2011, <http://www.miseryindex.us/URbymonth.asp>

³³ Source: Bureau of Labor Statistics, data.bls.gov.timeseries/LASST12000003

³⁴ Source: Bureau of Labor Statistics, data.bls.gov.timeseries/LASST12000003

³⁵ Source: Bureau of Labor Statistics, data.bls.gov.timeseries/LASST12000003

- The housing market was one of the major causes of the recession and subsequent financial meltdown of September 2008.
- One of the biggest impediments to the housing market recovery was the sluggish job recovery. If people did not have jobs, they could not buy homes.
- The housing market in the United States was still not on solid ground by the end of 2011. It is true that mortgage rates have gone down but that has not been enough to push the housing market back into a stable upswing. Lenders in the United States intensified their screening processes and required persons wishing to borrow to put down bigger down payments and have good credit, i.e. good credit scores.³⁷ This was a far cry from the years prior to the recession in 2007 when persons who were not necessarily qualified were given loans to buy homes.
- The number of available homes for sale on the market was still high by the end of 2011 and the number of qualified buyers (the demand) was much lower than the supply. This caused a significant reduction in the prices of homes in order to attract buyers. According to Mark Dotzour, chief economist and director of research at Texas A&M University's Real Estate Center, there are approximately 4.5 to 6 million homes that are in foreclosure or 90 days past due on mortgage payments.³⁸
- The demand for rental properties in the United States has gone up and as a result rental rates have soared.
- Home sales are expected to grow by 5% in 2012 according to The National Association of Realtors.³⁹
- According to RealtyTrac some of the hardest hit states with foreclosures in December 2011 were: California, Florida, Michigan, Illinois, Georgia, Ohio, Texas, Arizona, Nevada and Wisconsin.⁴⁰ All of these states with the exception of Arizona and Nevada have been in the top 20 producing states for The Bahamas for many years. Florida, Texas, California, Georgia, Illinois, Ohio, and Michigan have all produced fewer visitors to The Bahamas since the beginning of the recession in 2007.
- Consumer spending in the United States decreased by 0.1% in December 2011.⁴¹
- When the recession first began in December 2007 and before most of America even knew that they were in a recession, the consumer confidence index stood at 88.6.⁴² By December 2008, all of America knew that America was indeed in a deep recession and the Consumer Confidence Index fell to 38.6⁴³ one of the lowest consumer confidence indexes in the history of the United States. After the recession in the United States technically ended in June 2009, the Consumer Confidence Index slowly began to crawl

³⁶ Source: Bureau of Labor Statistics, data.bls.gov.timeseries/LASST12000003

³⁷ Source: The Fiscal Times, "The 2012 Housing Market: Time to Buy?" www.thefiscaltimes.com/Articles/2012/01/19/The-2012-Housing, by Anne Brennan, January 19, 2012

³⁸ Source: The Fiscal Times, "The 2012 Housing Market: Time to Buy?" www.thefiscaltimes.com/Articles/2012/01/19/The-2012-Housing, by Anne Brennan, January 19, 2012

³⁹ Source: The Fiscal Times, "The 2012 Housing Market: Time to Buy?" www.thefiscaltimes.com/Articles/2012/01/19/The-2012-Housing, by Anne Brennan, January 19, 2012

⁴⁰ Source: US Foreclosure Trends and Foreclosure Market Statistics | RealtyTrac, www.realtytrac.com/trendcenter/trend.html

⁴¹ Source: www.bea.gov/newsreleases/national/pi/pihighlights.pdf, January 30, 2012

⁴² Source: Stock Market Blog: Consumer Confidence Index (CCI) for December, www.nysw.tv/stocks/2007/12/consumer-confidence-index-cci-for.htm

⁴³ Source: "Consumer Confidence Index Sinks to All-Time Low in January" by Catherine Clifford, CNNMoney.com staff writer, January 27, 2009, money.cnn.com/2009/01/27/news/economy/consumer_confidence/index.htm

back up with a few hiccups up and down along the way. By December 2009, the Consumer Confidence Index stood at 53.6⁴⁴ and by December 2010 it stood at 53.3⁴⁵. By December 2011, the Consumer Confidence Index had risen considerably since December 2008 and stood at 64.8.⁴⁶ The closer the Consumer Confidence Index gets to 100 the stronger the economy is thought to be. The Consumer Confidence Index is highly influenced by consumer feelings. The Consumer Confidence Index measures attitudes about current and future economic conditions.⁴⁷

(“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.”⁴⁸)

- The CPI in the United States “rose 3% in 2011 after a 1.5% increase in 2010. This was the largest December-December increase since 2007.”⁴⁹

(According to the American Heritage Dictionary, the consumer price index (CPI) is “an index of prices used to measure the change in the cost of basic goods and services in comparison with a fixed base period. It is also called the cost-of living index.” According to Investopedia, “CPI is one of the most frequently used statistics for identifying periods of inflation or deflation. This is because large rises in CPI during a short period of time typically denote periods of inflation and large drops in CPI during a short period of time usually mark periods of deflation.”⁵⁰)

- In December 2007 when the recession first began the oil price per barrel was \$91.69.⁵¹ Just before the financial meltdown of September 2008, oil prices per barrel were \$125.40 (May 2008), \$133.88 (June 2008), \$133.37 (July 2008), and \$116.67 (August 2008).⁵² In September 2008, the month of the financial meltdown the oil price for a barrel of oil fell sharply to \$104.11.⁵³ By December 2008, the price of oil per barrel had fallen to \$41.12.⁵⁴
- Oil prices began to steadily climb again right after the recession in the United States technically ended in June 2009 (price of oil a barrel \$69.64).⁵⁵ By December 2009, it had climbed back up to \$74.47 per barrel.⁵⁶ Oil prices continued to climb in successive years as the economy of the United States began to heal, even though the economic recovery was very sluggish. By December 2010, the price of oil per barrel was \$89.15 and by December 2011, it was \$98.56 per barrel.⁵⁷

⁴⁴Source:www.conference-board.org, The Conference Board

⁴⁵ Source: “Consumer Confidence Jumps in January,” by Annalyn Censky, staff reporter, January 25, 2011, money.cnn.com/2011/01/25/news/economy/consumer_confidence/index.htm

⁴⁶ Source: www.conference-board.org, The Conference Board, January 31, 2012

⁴⁷ Source: Consumer Confidence Index by Kimberly Amadeo, About.com Guide

⁴⁸ Source: Wikipedia, the free encyclopedia

⁴⁹ Source:US Bureau of Labor Statistics, Economic News Release, Consumer Price Index Summary, January 19, 2012, data.bls.gov/cgi-bin/print.pl/news.release/cpi.nr0.htm

⁵⁰ Source:www.investopedia.com/tterms/c/consumerpriceindex.asp#axzz1Kx6zjDZ, “Investopedia Explains ‘Consumer Price Index-CPI’”

⁵¹ Source:Cushing, Ok WTI Spot Price FOB (Dollars per Barrel), <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=rwtc&f=M>

⁵² Source:Cushing, Ok WTI Spot Price FOB (Dollars per Barrel), <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=rwtc&f=M>

⁵³ Source:Cushing, Ok WTI Spot Price FOB (Dollars per Barrel), <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=rwtc&f=M>

⁵⁴ Source:Cushing, Ok WTI Spot Price FOB (Dollars per Barrel), <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=rwtc&f=M>

⁵⁵ Source:Cushing, Ok WTI Spot Price FOB (Dollars per Barrel), <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=rwtc&f=M>

⁵⁶ Source:Cushing, Ok WTI Spot Price FOB (Dollars per Barrel), <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=rwtc&f=M>

⁵⁷ Source:Cushing, Ok WTI Spot Price FOB (Dollars per Barrel), <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=rwtc&f=M>

CANADA

- Canada is the 2nd largest supplier of stopover arrivals to The Bahamas. Of the stopover arrivals from Canada in 2011, more than half (54%) of them were from the province of Ontario. Approximately two in ten (12%) of them were from Quebec, 6% were from Alberta and 5% were from British Columbia. Stopover arrivals from Ontario have nearly doubled since 2004.
- Although Canadians come to The Bahamas all year round, the high season for Canadian visitors to really come to The Bahamas are the cold winter months of November to April.
- Canada is the 10th largest economy in the world based on GDP.⁵⁸ In Canada GDP growth stood at 0.5% in 2008, -2.5% in 2009, 3.1% in 2010 and an estimated 2.8% in 2011.⁵⁹
- Exports are a very important part of the stability of the Canadian economy. Exports make up more than 45% of the Canadian GDP.⁶⁰ This means that the stability of the Canadian economy is largely dependent on the stability of other world economies. In December 2011, Canadian exports rose to \$40.1 billion CAD from \$38.8 billion in November 2011 and \$34.43 billion in December 2010.⁶¹ The United States is Canada's biggest trade partner. It accounts for about 79% of exports.⁶²
- In 2008, the unemployment rate in Canada was 6.2%.⁶³ The unemployment rate in Canada has trended upwards since 2008 before it began to fall in 2010. It stood at 8.3% in 2009 and 8% in 2010.⁶⁴
- The unemployment rate in Canada as of December 2011 was 7.5%.⁶⁵ The unemployment rate did vary by province. It was 12.7% in Newfoundland and Labrador, 11.2% in Prince Edward Island, 9.4% in New Brunswick, 8.7% in Quebec, 7.8% in Nova Scotia, 7.7% in Ontario, 7% in British Columbia, 5.4% in Manitoba, 5.2% in Saskatchewan and 4.9% Alberta.⁶⁶ Ontario, Quebec, Alberta, British Columbia, Nova Scotia, Manitoba, Saskatchewan and New Brunswick have been the top producing provinces with providing stopover visitors to The Bahamas for many years.
- The housing market in Canada is expected to slow in sales and prices are expected to be relatively flat in 2012 according to Scotiabank.⁶⁷ Even though Canada is experiencing record high prices, the very low interest rates are expected to assist in the housing affordability.⁶⁸

58 Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

⁵⁹Source: www.gfmag.com/gdp-data-country-reports/152-the-united-kingdom-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁶⁰ Source: www.tradingeconomics.com/canada/exports, 2012-02-03

⁶¹ Source: www.tradingeconomics.com/canada/exports, 2012-02-03

⁶² Source: www.tradingeconomics.com/canada/exports, 2012-02-03

⁶³ Source: www.gfmag.com/gdp-data-country-reports/152-the-united-kingdom-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁶⁴ Source: www.gfmag.com/gdp-data-country-reports/152-the-united-kingdom-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁶⁵Source: www40.statcan.gc.ca/101/cst01/1fss01a-eng.htm, Labour Force Characteristics, Seasonally adjusted, by province (monthly), Statistics Canada

⁶⁶ Source: www40.statcan.gc.ca/101/cst01/1fss01a-eng.htm, Labour Force Characteristics, Seasonally adjusted, by province (monthly), Statistics Canada

⁶⁷ Source: www.cbc.ca/news/canada/story/2011/09/27/housing-market-scotiabank.html

⁶⁸ Source: www.cbc.ca/news/canada/story/2011/09/27/housing-market-scotiabank.html

- The Canadian Housing Market is in a much better state than the one in the United States but it is not without problems. There are concerns that rising housing prices in certain markets could lead to future problems. "The bursting of housing bubbles is a rare event in Canada, but the steep rise in house prices in so many cities displays all the hallmarks of an accident waiting to happen," says the report's author, David Macdonald, a CCPA research associate."⁶⁹
- Business investments in Canada are expected to slow in 2012 due to the Euro Zone crisis.⁷⁰ In 2010 business investments were up. "The jump in business investment was led by commodity producers as the country benefited from rising demand for commodities from emerging economies such as India and China, helping it to recover from the slowdown better than other G-7 countries. Canada is the world's second-biggest exporter of natural gas, and sits on the largest pool of oil reserves outside the Middle East."⁷¹
- Consumer Confidence Index in Canada was 76.4 in December 2011.⁷²
- Government spending began to slow in 2010 and that trend is expected to continue. Government spending is expected to contract in Canada in 2012 in part due to the uncertainty of the Euro Zone crisis.⁷³ Consumer spending is expected to continue at the same levels by households going deeper into debt.⁷⁴
- The Consumer Price Index in Canada declined by 0.6% between November 2011 and December 2011. It did however show an increase of 2.3% between December 2010 and December 2011.⁷⁵

EUROPE

- 2010 did not bring the best news for Europe as it entered into a debt crisis that threatened to seriously drive down the value of the Euro. Greece was one of the countries at the centre of this crisis.
- In 2011 the Euro Crisis intensified as Greece sank deeper into its debt crisis and other European countries like Ireland, Portugal, Italy and Spain teetered on the edge of a financial precipice.
- According to the OECD (Organization for Economic Co-Operation and Development), the biggest threat to the global economy now is the euro area crisis. If the euro area crisis is not contained quickly, "concerns about sovereign debt sustainability" could have a negative impact on the global economy.⁷⁶ There is concern that the Euro area crisis with its sovereign debt uncertainty in conjunction with the lack of action necessary to "offset

⁶⁹ Source: "Canada reports square off over housing bubble risk," www.foxbusiness.com/markets/2010/08/31/canada-reports-square-housing-bubble-risk

⁷⁰ Source: www.newswire.ca/en/story/907215/restraint-by-governments-, January 18, 2012

⁷¹ Source: "Canada 2nd-Qtr Growth Slows to Less Than Forecast 2%," by Theophilos Argitis, Bloomberg Businessweek, August 31, 2010

⁷² Source: www.tradingeconomics.com/canada/consumer-confidence, 2012-02-03

⁷³ Source: www.newswire.ca/en/story/907215/restraint-by-governments-, January 18, 2012

⁷⁴ Source: www.newswire.ca/en/story/907215/restraint-by-governments-, January 18, 2012

⁷⁵ Source: www40.statcan.gc.ca/101/cst01/1fss01a-eng.htm, Labour Force Characteristics, Seasonally adjusted, by province (monthly), Statistics Canada

⁷⁶ Source: www.oecd.org/document/47/0,3746,en_21571361_44315115_49095919_1_1_1_1,00.html, OECD Calls for Urgent Action to Boost Ailing Global Economy," November 28, 2011.

the fiscal tightening implied by current law in the United States” could spur a recession.⁷⁷ In 2011, the GDP across OECD countries only increased by 1.9% and there is concern of more slowing in 2012.⁷⁸ *The OECD “is an international economic organization of 34 countries founded in 1961 to stimulate economic progress and world trade.”*⁷⁹

- In December 2007, the exchange rate of the Euro against the US dollar was \$1.45517 USD to 1 Euro i.e. for every euro that you had you got \$1.45517 USD for it if you exchanged it.⁸⁰ By December 2008, it was \$1.35311 USD to 1 Euro.⁸¹ After the recession in the United States technically ended in June 2009, the Euro rebounded that very month to \$1.40165 and enjoyed a steady climb until November 2009.⁸² By December 2009 it was 1.46136 USD to 1 Euro.⁸³ When the Euro Crisis began in 2010, the purchasing power of the Euro fell as well against the US dollar. By the end of December 2010 the exchange rate of the Euro against the US dollar was \$1.32201 USD⁸⁴ to 1 Euro and by 2011, it was \$1.3179.⁸⁵

United Kingdom:

- The United Kingdom was the number one provider of stopover business to The Bahamas from Europe in 2011 and has always held this position.
- In 2000, the United Kingdom held roughly half (46%) of the market share of stopover business from Europe to The Bahamas. In 2011, the UK’s market share of stopover business from Europe fell to 31%.
- Stopover business from the UK has fallen off over the years. After the effects of the recession started in the United States in 2007 spread to the UK, stopover arrivals from the UK slipped further. Stopover arrivals from the UK continued to fall until 2010. In 2011, stopover arrivals from the UK slowly began to climb again.
- The United Kingdom is the 6th largest economy in the world based on GDP.⁸⁶ In the United Kingdom GDP growth stood at -0.1% in 2008, -4.9% in 2009, 1.3% in 2010 and an estimated 1.7% in 2011.⁸⁷
- In 2008, the unemployment rate in the United Kingdom was 5.6%.⁸⁸ The unemployment rate in the United Kingdom has trended upwards since 2008. It stood at 7.5% in 2009, 7.8% in 2010 and an estimated 7.8% in 2011.⁸⁹

⁷⁷ Source: www.oecd.org/document/47/0,3746,en_21571361_44315115_49095919_1_1_1_1,00.html, OECD Calls for Urgent Action to Boost Ailing Global Economy,” November 28, 2011.

⁷⁸ Source: www.oecd.org/document/47/0,3746,en_21571361_44315115_49095919_1_1_1_1,00.html, OECD Calls for Urgent Action to Boost Ailing Global Economy,” November 28, 2011.

⁷⁹ Source: http://en.wikipedia.org/wiki/Organisation_for_Economic_Co-operation_and_Development

⁸⁰ Source: www.x-rates.com/d/EUR/USD/hist2007.html

⁸¹ Source: www.x-rates.com/d/EUR/USD/hist2008.html

⁸² Source: www.x-rates.com/d/EUR/USD/hist2009.html

⁸³ Source: www.x-rates.com/d/EUR/USD/hist2009.html

⁸⁴ Source: www.x-rates.com/d/EUR/USD/hist2010.html

⁸⁵ Source: www.x-rates.com/d/EUR/USD/hist2011.html

⁸⁶ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

⁸⁷ Source: www.gfmag.com/gdp-data-country-reports/152-the-united-kingdom-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁸⁸ Source: www.gfmag.com/gdp-data-country-reports/152-the-united-kingdom-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁸⁹ Source: www.gfmag.com/gdp-data-country-reports/152-the-united-kingdom-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

France:

- In 2011, France was the 2nd biggest supplier of stopover arrivals from Europe to The Bahamas and held 16% of the market share of stopover business. France has held this second place position for many years.
- France is the 2nd largest economy in Europe and the 5th largest in the world based on GDP.⁹⁰ In France, GDP growth stood at 0.1% in 2008, -2.5% in 2009, 1.5% in 2010 and an estimated 1.6% in 2011.⁹¹
- In 2008, the unemployment rate in France was 7.8%.⁹² The unemployment rate in France has trended upwards since 2008 before it fell in 2011. It stood at 9.5% in 2009, 9.7% in 2010 and an estimated 9.5% in 2011.⁹³

Italy:

- In 2011, Italy was the 3rd biggest supplier of stopover arrivals to The Bahamas from Europe and held 13% of the market share of stopover business.
- Italy is the 8th largest economy in the world based on GDP.⁹⁴ In Italy GDP growth stood at -1.3% in 2008, -5.2% in 2009, 1.3% in 2010 and an estimated 1.1% in 2011.⁹⁵
- In 2008, the unemployment rate in Italy was 6.7%.⁹⁶ The unemployment rate in Italy has trended upwards since 2008. It stood at 7.8% in 2009, 8.5% in 2010 and an estimated 8.6% in 2011.⁹⁷

Germany:

- In 2011, Germany was the 4th largest supplier of stopover arrivals to The Bahamas from Europe and held 10% of the market share of stopover business.
- “Germany is the largest national economy in Europe,”⁹⁸ and the 4th largest economy in the world based on GDP.⁹⁹ It is an integral part of the Euro Area. In Germany GDP growth stood at 1% in 2008, -4.7% in 2009, 3.5% in 2010 and an estimated 2.5% in 2011.¹⁰⁰

⁹⁰ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

⁹¹ Source: www.gfmag.com/gdp-data-country-reports/272-france-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁹² Source: www.gfmag.com/gdp-data-country-reports/272-france-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁹³ Source: www.gfmag.com/gdp-data-country-reports/272-france-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁹⁴ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

⁹⁵ Source: www.gfmag.com/gdp-data-country-reports/249-italy-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁹⁶ Source: www.gfmag.com/gdp-data-country-reports/249-italy-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁹⁷ Source: www.gfmag.com/gdp-data-country-reports/249-italy-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

⁹⁸ Source: http://en.wikipedia.org/wiki/Economy_of_Germany

⁹⁹ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

¹⁰⁰ Source: www.gfmag.com/gdp-data-country-reports/268-germany-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

- In 2008, the unemployment rate in Germany was 7.3% and in 2009 it was 7.5%.¹⁰¹ The unemployment rate in Germany has trended downward since 2009 despite the Euro Zone crisis and stood at 6.9% in 2010 and an estimated 6.6% in 2011.¹⁰²

Switzerland:

- In 2011, Switzerland was the 5th biggest supplier of stopover arrivals to The Bahamas from Europe and held 7% of the market share of stopover business.
- Switzerland is the 19th largest economy in the world based on GDP.¹⁰³ In Switzerland GDP growth stood at 1.9% in 2008, -1.9% in 2009, 2.6% in 2010 and an estimated 2.4% in 2011.¹⁰⁴
- In 2008, the unemployment rate in Switzerland was 2.5%.¹⁰⁵ The unemployment rate in Switzerland has trended upwards since 2008 before it fell in 2011. It stood at 3.6% in 2009, 3.6% in 2010 and an estimated 3.4% in 2011.¹⁰⁶

Spain:

- In 2011, Spain was the 6th biggest supplier of stopover arrivals to The Bahamas from Europe and held 3% of the market share of stopover business.
- Spain is the 12th largest economy in the world based on GDP.¹⁰⁷ In Spain GDP growth stood at 0.9% in 2008, -3.7% in 2009, -0.1% in 2010 and an estimated 0.8% in 2011.¹⁰⁸
- In 2008, the unemployment rate in Spain was 11.3%.¹⁰⁹ The unemployment rate in Spain has really trended upwards since 2008 before it fell in 2011. It stood at 18% in 2009, 20.1% in 2010 and an estimated 19.4% in 2011.¹¹⁰

Netherlands:

- In 2011, the Netherlands was the 7th biggest supplier of stopover arrivals to The Bahamas from Europe and held 2% of the market share of stopover business.
- The Netherlands is the 16th largest economy in Europe based on GDP.¹¹¹ In the Netherlands GDP growth stood at 1.9% in 2008, -3.9% in 2009, 1.7% in 2010 and an estimated 1.5% in 2011.¹¹²

¹⁰¹ Source: www.gfmag.com/gdp-data-country-reports/268-germany-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹⁰² Source: www.gfmag.com/gdp-data-country-reports/268-germany-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹⁰³ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

¹⁰⁴ Source: www.gfmag.com/gdp-data-country-reports/168-switzerland-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹⁰⁵ Source: www.gfmag.com/gdp-data-country-reports/168-switzerland-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹⁰⁶ Source: www.gfmag.com/gdp-data-country-reports/168-switzerland-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹⁰⁷ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

¹⁰⁸ Source: www.gfmag.com/gdp-data-country-reports/175-spain-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹⁰⁹ Source: www.gfmag.com/gdp-data-country-reports/175-spain-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹¹⁰ Source: www.gfmag.com/gdp-data-country-reports/175-spain-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹¹¹ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

- In 2008, the unemployment rate in the Netherlands was 2.8%.¹¹³ The unemployment rate in the Netherlands has trended upwards since 2008. It stood at 3.4% in 2009, 4.5% in 2010 and an estimated 4.4% in 2011.¹¹⁴

Greece:

- Although Greece was not in the top 10 providers of stopover arrivals to The Bahamas in 2011 and is ranked at number 18 among the most popular suppliers of stopover business from Europe, it is at the epicenter of the Euro Zone crisis and hence an important country for The Bahamas to watch.
- Greece is the 32th largest economy in Europe based on GDP.¹¹⁵ In Greece GDP growth stood at 2% in 2008, -2% in 2009, -4.5% in 2010 and an estimated -3% in 2011.¹¹⁶
- In 2008, the unemployment rate in Greece was 7.7%.¹¹⁷ The unemployment rate in Greece has trended upwards since 2008. It stood at 9.4% in 2009, 12.5% in 2010 and an estimated 14.8% in 2011.¹¹⁸

Portugal:

- Although Portugal is not in the top 10 providers of stopover arrivals to The Bahamas and is ranked at number 17 among the most popular suppliers of stopover business from Europe, it is another embroiled country at the epicenter of the Euro Zone crisis.
- Portugal is the 38th largest economy in Europe based on GDP.¹¹⁹ In Portugal GDP growth stood at 0.0% in 2008, -2.5% in 2009, 1.4% in 2010 and an estimated -1.5% in 2011.¹²⁰
- In 2008, the unemployment rate in Portugal was 7.7%.¹²¹ The unemployment rate in Portugal has trended upwards since 2008. It stood at 9.6% in 2009, 11% in 2010 and an estimated 11.9% in 2011.¹²²
- The European Union (EU) “is an economic and political union of 27 member states which are located primarily in Europe”¹²³

¹¹²Source:www.gfmag.com/gdp-data-country-reports/211-the-netherlands-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹¹³ Source:www.gfmag.com/gdp-data-country-reports/211-the-netherlands-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹¹⁴ Source:www.gfmag.com/gdp-data-country-reports/211-the-netherlands-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹¹⁵ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

¹¹⁶Source:www.gfmag.com/gdp-data-country-reports/266-greece-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹¹⁷ Source:www.gfmag.com/gdp-data-country-reports/266-greece-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹¹⁸ Source:www.gfmag.com/gdp-data-country-reports/266-greece-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹¹⁹ Source: [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal))

¹²⁰Source:www.gfmag.com/gdp-data-country-reports/196-portugal-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹²¹ Source:www.gfmag.com/gdp-data-country-reports/196-portugal-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

¹²² Source:www.gfmag.com/gdp-data-country-reports/196-portugal-gdp-country-report.html#axzz1lcbSVnre, Global Finance, Copyright 1987-2011

- Some of the members of the European Union are also a part of the Eurozone.
- The Euro zone (“is an economic and monetary union of 16 European Union member states which have adopted the euro currency as their sole legal tender”)¹²⁴
- “The Euro area is the area comprising those [European Union] Member States in which the euro has been adopted as the single currency in accordance with the Treaty and in which a single monetary policy is conducted under the responsibility of the Governing Council of the European Central Bank (ECB). In 2000 the euro area comprised Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. Greece became a member of the Euro area on 1 January 2001. Slovenia became a member of the Euro area on 1 January 2007.”¹²⁵

BAHAMAS

- In 2007, before the recession took control of the economy in the United States, the unemployment rate in the Bahamas was 7.9%.¹²⁶ In 2008, the unemployment rate in the Bahamas rose to 8.7%.¹²⁷ Unemployment in the youth appeared to be the most affected. In 2008, youth unemployment stood at 17.6%.¹²⁸
- By May 2009 the unemployment rate in the Bahamas stood at 14.2% and by October 2009 it was 14.6%.¹²⁹ In 2009, youth unemployment had risen to 26.2%.¹³⁰
- By 2011, the unemployment rate in The Bahamas began to fall and stood at 13.7%.¹³¹
- Average household income in The Bahamas declined from \$43,459 in 2008 to \$38,314 in 2009.¹³² By May 2011, the average household income in The Bahamas had risen slightly to \$38,512.¹³³
- By the end of December 2011, foreign air and sea arrivals to the Bahamas were up by 6.3% (air arrivals were down 2% and sea arrivals were up by 9%).
- Air arrivals to The Bahamas in 2011 started off the year slow in January 2011.
- By February 2011 air arrivals to The Bahamas had begun to show some improvements due to the re-introduction of the “Free Companion Airfare” program that had been used in the past to stimulate travel.
- While air arrivals to The Bahamas overall started off slow air arrivals to The Out Islands of The Bahamas started off the year very well and were up by 12% during the month of January 2011. Much of that growth was driven by the Sandals Spa and Golf Resort @ Emerald Bay in Exuma. The Sandals Resort in Exuma replaced the Four Seasons Resort.

¹²³ Source: en.wikipedia.org/wiki/European_Union

¹²⁴ Source: en.wikipedia.org/wiki/Eurozone

¹²⁵ Source: <http://stats.oecd.org/glossary/detail.asp?ID=862>

¹²⁶ Source: The Department of Statistics, Labour Dept.

¹²⁷ Source: The Department of Statistics, Labour Dept.

¹²⁸ Source: The Department of Statistics, Labour Dept.

¹²⁹ Source: The Department of Statistics Labour Dept.

¹³⁰ Source: The Department of Statistics Labour Dept.

¹³¹ Source: The Department of Statistics Labour Dept.

¹³² Source: The Department of Statistics, Labour Dept.

¹³³ Source: The Department of Statistics, Labour Dept.

The Four Seasons closed its doors in May 2009 and the Sandals Resort (an all-inclusive resort) opened its doors in February 2010.

- Air arrivals were also up in January 2011 to Out Islands like Abaco (+1%), Berry Islands (+47%), Bimini (+21%), Cat Cay (+39%), Eleuthera (+4%) and San Salvador (+5%).
- Air arrivals to the Out Islands were “in the black” for much of the year.
- Hurricane Irene passed through most of The Islands of The Bahamas in August 2011 and hit the South Eastern islands like Acklins and Crooked Island, Mayaguana, Long Island, Rum Cay and San Salvador really hard. Abaco, Exuma, Eleuthera and Cat Island, were also hit by Hurricane Irene. Nassau/P.I., Grand Bahama, Bimini and Andros were spared the brunt of the storm.
- Hurricane Irene ended the reign of growth in air arrivals in the Out Islands in August 2011. Air arrivals to the Out Islands in August 2011 were down by 5%. Air arrivals to the Out Islands did not regain momentum until December 2011 when they once again climbed back into the “black” with a growth of 4% over the same period of 2010.
- The Out Islands responsible for this 4% growth in December were: Abaco (+4%), Berry Islands (+5%), Bimini (+11%), Cat Cay (+15%), Cat Island (+19%) and Exuma (+19%).

FOREIGN ARRIVALS

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS

1ST PORT OF ENTRY ONLY

JANUARY TO DECEMBER 2011

	2011	2010	2011/2010	2011	2010	2011/2010
	Air and Sea			Air Only		
			% Chg Air/Sea			% Chg Air
Nassau/Paradise Island	3,004,486	2,922,752	2.8%	970,467	986,296	-1.6%
Grand Bahama	816,052	781,009	4.5%	99,807	111,613	-10.6%
Abaco	240,159	173,910	38.1%	75,596	77,202	-2.1%
Andros	9,275	8,220	12.8%	9,116	8,000	14.0%
Berry Islands	616,587	546,977	12.7%	8,609	7,392	16.5%
Bimini	53,216	47,781	11.4%	17,025	15,269	11.5%
Cat Cay	11,472	11,354	1.0%	5,246	5,176	1.4%
Cat Island	952	1,155	-17.6%	921	1,149	-19.8%
Eleuthera	296,938	312,697	-5.0%	33,815	33,551	0.8%
Exuma	30,584	30,821	-0.8%	30,017	30,048	-0.1%
Half Moon Cay	488,925	400,188	22.2%	-	-	0.0%
Inagua	779	966	-19.4%	251	307	-18.2%
Long Island	1,306	1,746	-25.2%	1,259	1,679	-25.0%
San Salvador	15,551	15,230	2.1%	15,411	15,122	1.9%
Bahamas Overall	5,586,282	5,254,806	6.3%	1,267,540	1,292,804	-2.0%

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

All numbers are subject to revision.

- By the end of December 2011, foreign air and sea arrivals to The Bahamas had reached 5.6 million and were up by 6.3% (air arrivals were down 2% and sea arrivals were up by 9%) over the previous year.

CRUISE ARRIVALS
FULL YEAR 2011

CRUISE ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
2011

	January to December YTD		
	2011	2010	2011/2010
	Cruise Arrivals YTD		% Chg
Nassau/Paradise Island	2,025,975	1,927,951	5.1%
Grand Bahama	628,886	574,500	9.5%
Abaco (Castaway Cay)	152,593	90,377	68.8%
Andros	-	-	0.0%
Berry Islands	602,373	538,260	11.9%
Bimini	-	-	0.0%
Cat Cay	-	-	0.0%
Cat Island	-	-	0.0%
Eleuthera (Princess Cay)	262,517	278,531	-5.7%
Exuma	-	-	0.0%
Half Moon Cay	488,925	400,188	22.2%
Inagua	-	-	0.0%
Long Island	-	-	0.0%
San Salvador	-	-	0.0%
Bahamas Overall	4,161,269	3,809,807	9.2%

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.

ALL BAHAMAS

- For the last three years (2009 to 2011) cruise arrivals to The Bahamas have soared year after year. One of the reasons for this tremendous growth was the fact that the Cruise Industry grew worldwide. Another major reason for the growth was the fact that The Bahamas had many islands which made it a perfect destination escape for two night, three night and four night cruises. Moreover, the number of calls made to The Bahamas by the various cruise lines increased by 2%.
- In addition to the additional cruise calls that were made in 2011 compared to 2010, cruise lines continued to bring in larger ships which carried more passengers than in the past. In 2009, the Government of The Bahamas dredged the Nassau Harbour in order to accommodate the larger ships that many of the major cruise lines wanted to bring in.¹³⁴

¹³⁴ Source: Cruise Development Dept. Ministry of Tourism, Festival Place

- Cruise arrivals to The Bahamas have also grown as a result of the fact that the Government of The Bahamas through the Ministry of Tourism has always ensured that the lines of communication were always kept open with the Cruise Industry partners.
- Cruise arrivals to The Bahamas overall grew by 9% between 2011 and 2010. This growth was brought on by the following:
 - Aida Cruise's ship the Aidaaura came to The Bahamas in 2011 and brought in 6,521 cruise passengers. This ship did not visit in 2010. Aida Cruise's ship the Aidaluna brought in 335% more cruise arrivals to the Bahamas in 2011 than in 2010.
 - Carnival Cruise lines brought in 13% more cruise arrivals in 2011 than in 2010. The Carnival Magic cruise ship was added to The Bahamas itinerary for the first time in 2011 and brought in over 12,000 cruise arrivals to the destination. The Carnival Ecstasy was re-introduced to the Bahamas itinerary after many years of absence and brought in over 29,000 cruise arrivals. The Carnival Dream (+15%), Carnival Freedom (+27%), Carnival Liberty (+4%), Carnival Valor (+520%), Fantasy (+67%), Fascination (+8%), Imagination (+6%) and Sensation all brought in more cruise arrivals into The Bahamas in 2011 than in 2010.
 - Disney Cruises brought in 38% more cruise arrivals to The Bahamas in 2011 than in 2010 via the Disney Magic and the Disney Dream which replaced the Disney Wonder.
 - Holland American Cruises brought in 18% more cruise arrivals to The Bahamas in 2011 than in 2010. Two of their ships, the Nieuw Amsterdam and the Prinsendam came to The Bahamas in 2011 but not in 2010. Together these two ships brought in an additional 6,088 cruise arrivals to the destination. All of the following Holland American Cruise ships brought in more cruise arrivals to the Bahamas in 2011 than in 2010: Amsterdam (+108%), Maasdam (+61%), Ms. Ryndam (+112%), Noordam (+4%), Westerdam (+7%), and Zuiderdam (+6%).
 - Royal Caribbean International brought in 9% more cruise arrivals to The Bahamas in 2011 than in 2010. The Royal Caribbean Ships Allure of the Seas, Mariner of the Seas and Radiance of the Seas all came to the Bahamas in 2011 but not in 2010. All of the following Royal Caribbean International's ships brought in more cruise arrivals to The Bahamas in 2011 than in 2010: Enchantment of the Seas (+139%), Freedom of the Seas (5%), and the Majesty of the Seas (+3%),

NASSAU/PARADISE ISLAND

- In 2009, the Government of The Bahamas dredged the Nassau Harbour in order to accommodate the larger ships that many of the major cruise lines wanted to bring in.¹³⁵ Years later The Port of Nassau reaped the benefits of the dredging with additional cruise visitors.
- Cruise arrivals to Nassau/Paradise Island grew by 5% (1st Port of Entry Only) in 2011 compared to 2010 despite the fact that the number of calls by 1st port of entry to Nassau/Paradise Island declined. This growth in cruise arrivals was stimulated by the fact that cruise lines like Carnival Cruises and Royal Caribbean brought in more cruise visitors on larger ships than they had done in the past.
- The Port of Nassau when considered independently of the rest of the Bahamas received over 3 million cruise visitors (3,079,088) in 2011 by 1st, 2nd and 3rd Port of Entry.

(Please refer to the Appendix for further information on the definitions of 1st, 2nd and 3rd Port of Entry. In addition, cruise arrivals by all of the ports of entry are also in the Appendix).

GRAND BAHAMA

- Cruise arrivals to Grand Bahama Island grew by 10% (1st Port of Entry Only) in 2011 compared to 2010 despite the fact that the number of calls by 1st port of entry declined and despite the loss of the Discovery Cruise line's Discovery Sun during the month of September 2011. The reason for the increase is primarily due to the fact that Carnival Cruise lines brought in 27% more cruise visitors to the island in 2011 than in 2010. Carnival ships like the Carnival Dream (large ship), the Carnival Inspiration, Carnival Liberty, Carnival Magic, Carnival Pride, Ecstasy and the Imagination all called on Grand Bahama as a 1st Port of Call in 2011 but not in 2010. In addition, the Carnival Triumph (42%), Fantasy (72%) and the Sensation (2%) all brought in more cruise visitors in 2011 to the island than in 2010.
- In 2011, Costa Cruise's (Parent Company is Carnival Cruise Lines) Costa Atlantica brought in 189% more cruise visitors to the island than in 2010.
- Other cruise lines that aided in the increase in cruise arrivals to the island of Grand Bahama in 2011 included Celebration Cruise Lines (Bahamas Celebration ship), MSC Cruises (Msc Poesia) and Saga Cruises (the Saga Pearl II) all brought in more cruise visitors in 2011 than in 2010. Cruise ships like the Explorer, MV Discovery and Balearia

¹³⁵ Source: Cruise Development Dept. Ministry of Tourism, Festival Place

Bahamas Express all added to the increase in cruise visitors to the island in 2011 as they did not visit in 2010.

- The Port of Grand Bahama when considered independently of the rest of The Bahamas received 843,307 cruise visitors in 2011 by 1st, 2nd and 3rd Port of Entry. (This figure does not include cruise stopover visitors who may have come by ship but did not use their ship for accommodation but stayed in a hotel or other type of accommodation).

(Please refer to the Appendix for further information on the definitions of 1st, 2nd and 3rd Port of Entry. In addition, cruise arrivals by all of the ports of entry are also in the Appendix).

OUT ISLANDS

- Cruise arrivals to the Out Islands grew by 15% (1st Port of Entry Only) in 2011 compared to 2010 primarily because of the increase in the number of calls by 1st port of entry.
- The increase in cruise arrivals to the Out Islands (1st Port of Entry) was primarily due to the following Cruise lines:
 - Disney Cruises increased cruise arrivals to Castaway Cay, Abaco by 69% in 2011 by sending the Disney Dream there in 2011. Disney Dream which replaced the Disney Wonder did not go to Castaway Cay in 2010. In addition, the Disney Magic which normally stops service to Castaway Cay every year for a period of a few months to go on a different route e.g. Europe, was absent from The Bahamas for fewer months in 2011 than in 2010 i.e., the Disney Magic did not travel to the island from May 2010 to September 2010 (5 months not in service to Castaway Cay; returned in October 2010 to Castaway Cay) and from June 2011 to August 2011 (3 months not in service to Castaway Cay; returned in September 2011). Because the Disney Magic travelled to Castaway Cay for an additional 2 months in 2011 it was able to bring in 21% more cruise visitors to the destination.
 - Norwegian Cruises increased cruise arrivals to Great Stirrup Cay, Berry Islands by 43% in 2011 by sending the Norwegian Gem, Norwegian Sky and Norwegian Sun to the island.
 - Carnival Cruises and Holland American Cruises (Carnival Cruises is the parent company) both increased the number of cruise arrivals to Half Moon Cay in 2011 compared to 2010.
- Ports in the Out Islands of The Bahamas when considered independently of Nassau/Paradise Island and Grand Bahama received over 2 million cruise visitors (2,365,248) in 2011 by 1st, 2nd and 3rd Port of Entry.

(Please refer to the Appendix for further information on the definitions of 1st, 2nd and 3rd Port of Entry. In addition, cruise arrivals by all of the ports of entry are also in the Appendix).

APPENDIX A: DEFINITIONS

- *“The gross domestic product (GDP) or gross domestic income (GDI) is a measure of a country's overall economic output. It is the market value of all final goods and services made within the borders of a country in a year. **It is often positively correlated with the standard of living.**” Sources: Wikipedia, the free encyclopedia and Sullivan, Arthur; Steven M. Sheffrin (1996). *Economics: Principles in action*. Upper Saddle River, New Jersey 074589: Pearson Prentice Hall. pp. 57, 305. ISBN 0-13-063085-3.*
- **Cruise Stopover:** *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.*
- **Port of Entry:** *1st 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 2nd 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 3rd stop is the 3rd port of entry and refers to the third port of call in the Islands of the Bahamas.*
- **In this report we have concentrated on 1st 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 1st, 2nd and 3rd port together in order to accurately reflect the number of cruise visitors to that island destination alone. For example, if you were thinking of each island destination as an independent entity and you only wanted to know how many cruise visitors came to Nassau/Paradise Island and you did not care about how many came to the Bahamas Overall you would need to use the 1st, 2nd and 3rd port totals for Nassau/P.I. which gives the count of cruise visitors to the destination regardless of whether or not a cruise ship went to Grand Bahama 1st or Great Stirrup Cay 2nd and Nassau last.*

TYPE OF VISITORS

Visitors to the Islands of The Bahamas can come to the Bahamas by air or by sea.

- ⇒ Air arrivals are visitors who come to the destination by air and may include stopover visitors, day visitors, and transit visitors.
- ⇒ Sea arrivals are visitors who come to the destination by sea, i.e. cruise arrivals. Sea arrivals also include stopover visitors like boaters/yachters.

Main Types of Visitors

- ⇒ Stopovers, defined as persons staying for 24 hours or more, hotel visitors help to make up the stopover visitors. Boaters/yachters are also stopover visitors even though they may come to the islands by sea.
 - Cruise Stopover Visitors are a special category of visitors that we have for Grand Bahama primarily. These visitors come to The Bahamas on a cruise ship but stay in land based accommodations and stay 24 hours or more.

- ⇒ **Cruise Visitors**, defined as persons visiting The Islands of The Bahamas by cruise ship and using the cruise ship for their accommodation.
- ⇒ **Day Visitors**, defined as persons visiting The Islands of The Bahamas for less than 24 hours
- ⇒ **Transits** defined as persons in transit from one country to another.

APPENDIX B:

CRUISE ARRIVALS ALL PORTS OF ENTRY

**CRUISE ARRIVALS TO THE BAHAMAS
ALL PORTS OF ENTRY (1st, 2nd and 3rd)
2011**

	January to December YTD		
	2011	2010	2011/2010
	Cruise Arrivals YTD		% Chg
Nassau/Paradise Island	3,079,088	2,790,193	10.4%
Grand Bahama	843,307	787,356	7.1%
Abaco (Castaway Cay)	486,990	331,066	47.1%
Andros	-	-	0.0%
Berry Islands	1,081,107	1,103,308	-2.0%
Bimini	-	-	0.0%
Cat Cay	-	-	0.0%
Cat Island	-	-	0.0%
Eleuthera (Princess Cay)	262,517	278,531	-5.7%
Exuma	-	-	0.0%
Half Moon Cay	534,634	450,076	18.8%
Inagua	-	-	0.0%
Long Island	-	-	0.0%
San Salvador	-	-	0.0%
Bahamas Overall	6,287,643	5,740,530	9.5%

Source: Immigration and Customs various ports of entry in the Bahamas. Sea Landed arrivals are not listed above. Many ships to The Bahamas visited more than one port during their trip. All numbers are subject to revision.

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

Georgina Delancy
Research & Statistics Dept.

The Bahamas Ministry of Tourism
Reginald Court, George Street
P.O. Box N-3701 Nassau, Bahamas
Phone: 242-302-2094 Fax: 242-328-7991
www.tourismtoday.com www.bahamas.com

