

THE ISLANDS OF THE BAHAMAS ARRIVALS REPORT



**January 2009
Ministry of Tourism
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TOURISM REVIEW

Market Analysis

The year 2009 gave birth to a brighter new day with January. Visitor arrivals to the Bahamas took a turn for the better and were up by 10.2%. Air arrivals which had been strong in January 2008 were weak in January 2009 (down 18.7%) but cruise arrivals to the Bahamas were very strong (up 22.5%) despite the challenges now facing the Cruise Industry. Cruise Arrivals which had been weak in the early part of 2008 would now in 2009 be the driving force behind the increase in visitor arrivals. The questions that would now be on the minds of many people would be “How well would the cruise arrivals to the destination be able to sustain and prevent the falloff in total visitor arrivals? And would The Bahamas be able to sustain the growth in Cruise arrivals for any length of time?”

With the dawn of a new year many people in the world had high hopes that the economies of the United States and the world would slow down their free fall into the depths of economic chaos. But that was not to be the case and by January 2009 the global economy was still in crisis.

In January 2009 alone, 741,000 persons (revised) lost their jobs in the United States bringing the unemployment rate up to 7.6%. In addition, to this sobering news, over 2.6 million people have been out of work for more than six months.¹ The amount of persons unemployed in the United States in January 2009 totaled 11.6 million.² The total number of persons in the United States who were unemployed would only grow over the next few months before any signs of recovery would become evident.

The economic linkages between the global world economies became clear after September 2008 when the financial markets in the United States fell apart at the seams and the effects spread to the rest of the world. Technically, the United States had already been in a recession from since December 2007 but many people had not noticed that fact because on the surface, the economy seemed strong. By January 2009, the United States was not the only economic giant facing an economic crisis. All of the largest economies of the world were also experiencing economic hard times. In addition to the United States, the largest economies of the world Japan (no.2), China (no.3), Germany (no.4), France (no.5), the United Kingdom (no.6), Italy (no.7), Russia (no.8), Spain (no.9), Brazil (no. 10), Canada (no. 11) and India (no 12) were all experiencing their own challenges as a result of the financial meltdown of September 2008 in the United States.

Japan, the second largest economy in the world based on GDP is suffering perhaps the worst economic crisis since World War II according to Karoru Yosano, the fiscal policy minister who made

¹ Source: “Job Loss: Worst in 34 years” by Chris Isidore, CNNmoney.com Senior writer, February 16, 2009.

² Source: “The Employment Situation: January 2009, econoindicators.com/2009/02/employment-situation-january-2009/. The 11.6 million does not include the persons who were not actively looking for work.”

this comment after GDP fell 12.7% in the last quarter of 2008. The economy of Japan is largely dependent on exports of autos and electronics.³ The countries dependence on exports meant that when the other world economies contracted, demand for its exports slipped accordingly.

China which has the 3rd largest economy in the world (based on GDP) is more fortunate than some of the other economic giants. Its economy is still expected to show some growth in 2009. The economic crisis however has had a toll on the export giant because sales have fallen off dramatically from US consumers. Unemployment in China is expected to reach 4.6% by the end of 2009 as more and more people are being laid off because of the global economic crisis and the subsequent decline in demand for exports.⁴

Germany is one of the largest economies in Europe and the 4th largest economy in the world. Almost 1% of the stopover business to the Bahamas comes from Germany. It is also purported to be the biggest exporter in the world. It is a large exporter of autos and the global economic crisis has naturally weakened the demand for this product and any others made by the export giant. This downturn in demand for German made goods has naturally affected the job market in that country and unemployment has risen as a result. Germany is expected to have a 6% drop in GDP in 2009.⁵

France is the 5th largest economy in the world. Almost 1% of the stopover business to the Bahamas comes from France. France which is also the 2nd largest country in Europe is now facing a very real recession. Job losses have escalated and the economy is expected to shrink by at least 2.9% in 2009.⁶ France is a big exporter of goods. Its biggest global export partners include Germany, Spain, Italy, the United Kingdom and the United States.⁷ All of these countries are suffering from an economic crisis at this time.

The United Kingdom is the 6th largest economy in the world. Almost 3% of the stopover business to the Bahamas comes from the United Kingdom. The United Kingdom like many other European countries is in a recession. In 2009, GDP in the UK was down and job losses were evident.

Canada is the 11th largest economy in the world and is the 2nd biggest supplier of stopover business to the Bahamas. Almost 8% of the stopover business to the Bahamas comes from Canada. In the early part of 2008, the economy of Canada was very strong and stopover arrivals from there

³ "Japan's Economy 'worst since end of WWII' cnn.com, February 16, 2009
edition.cnn.com/2009/WORLD/asiapcf/02/16/japan.economy/index.html?eref=rss_latest

⁴ "Economic Downturn and Instability in China: Time for Political Reform?" Brookings Northeast Asia Commentary | No. 28, The Brookings Institution.

⁵ "German cuts growth forecast, predicts 6% slump" by Richard Carter April 29, 2009,
news.yahoo.com/s/afp/20090429/bs_afp/financeeconomygermanygrowth

⁶ "Economy to shrink 1.5% in first quarter" AFP, March 20, 2009, france24.com/en/20090320-french-economy-expected-shrink-first-quarter-insee

⁷ "Economy of France-Wikipedia, the free encyclopedia, en.wikipedia.org/wiki/Economy_of_France

were very strong. Now in 2009, Canada is in a recession along with most of the rest of the world. The economic links between Canada and the United States are so strong that avoiding a recession would have been difficult for Canada as the recession in the United States continued. The United States is Canada's biggest trading partner. Eighty-five to eighty-seven percent (85% to 87%) of Canada's trade is with the United States which makes Canada vulnerable to the economy of the United States. As a result of the recession, Canada is not expected to have any growth in GDP in 2009. More job losses are also expected to happen as a result of the economic downturn. Arrivals to the Bahamas from Canada have fallen off since the financial meltdown in September 2008 and by January 2009 they had not yet recovered.

The linkage between global economies is evident. Many of the biggest economies in the world depend on global trading. The countries that depend on Tourism like the Bahamas are also linked to global trading. The global economy as it stands is so interconnected with various countries that if the largest player stumbles and then trips, the rest of the world all have to grab onto something tangible to stop themselves from falling too. Once the largest player has picked himself up and dusted himself off and gotten back into the game, it is hoped that the painful lesson of the fall has taught him and his teammates i.e., the rest of the world to watch more carefully where they are going next time.

MARKET FACTS

- In September 2008, the United States experienced a financial meltdown that sent the country into an economic tailspin. The rest of the world quickly followed suit.
- The United States and many countries in the world were and still are in an economic global recession.
- The US Dollar continued to be unstable and continued to fluctuate against the other currencies.
- By January 2009 many of the largest economies of the world were still experiencing recessionary symptoms.
- According to a 2008 list by the International Monetary Fund and a 2008 list by the CIA World Factbook, the largest economies of the world (based on GDP) include the United States (no.1), Japan (no.2), China (no.3), and Europe namely Germany (no.4), France (no.5), the United Kingdom (no.6), Italy (no.7), Russia (no.8) and Spain (no.9). Brazil is ranked 10th, Canada is ranked 11th and India is ranked 12th.
- Some of the largest economies of the world are responsible for providing the Bahamas with the greatest supply of visitors to the destination.
- The United States which is the largest economy in the world is the largest supplier of business to the Bahamas. Over 80% of the visitors to the Bahamas come from the United States.
- Japan which has the 2nd largest economy in the world only provides approximately 0.1% of the business to the Bahamas and China which is the 3rd largest economy in the world provides the Bahamas with approximately 0.01% of the stopover business.
- Germany which is the 4th largest economy in the world provides the Bahamas with approximately 0.5% of the stopover business while France which is the 5th largest economy in the world provides the Bahamas with approximately 0.8% of the stopover business.
- The United Kingdom which is the 6th largest economy in the world provides the Bahamas with approximately 2.6% of the stopover business and Italy which is the 7th largest economy in the world provides the Bahamas with approximately 0.5% of the stopover business.
- Russia which is the 8th largest economy in the world provides the Bahamas with approximately 0.03% of the stopover business while Spain which is the 9th largest economy in the world provides the Bahamas with approximately 0.13% of the stopover business.
- In 2008, Canada had the 11th largest economy in the world but provided the Bahamas with 8% of the stopover business. It is only 2nd to the United States in providing visitor arrivals to the Bahamas. In 2007, Canada was ranked 9th in the world with the size of its economy. Other countries in 2008 bumped Canada from its 9th position in the rankings.
- The Euro which is the common currency for many European countries experienced difficulties after the financial meltdown of September 2008. Many European countries were then faced with a credit crisis. Some European countries who used the Euro felt that they were hampered by the fact that they did not have their own currencies anymore while some of the Eastern European countries were trying to

desperately establish the Euro as their currency as their own currencies depreciated and caused economic instability.⁸

- By January 2009 the price of oil had not yet rebounded to previous highs, a good thing for the average consumer. When January 2009 rolled in oil prices had changed very little from December 2008 (\$41.12 avg. for the month) and stood at \$41.71 a barrel. In January 2008 oil prices were at \$92.97 a barrel. Oil prices in 2008 had 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. In July the price of oil averaged \$133.37. After the financial meltdown of September 2008, the price of oil plummeted to below \$70 in October and averaged \$76.61 for the month before it continued that downward spiral.⁹ The downward spiral in oil prices could be attributed to the falloff in world demand.
- 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. However the good news was that if the low oil prices were prolonged they could of course begin to assist the economy in its recovery.
- 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.”***¹⁰) was down from the revised 38.6 in December 2008 to 37.7 in January 2009.¹¹
- Consumer spending in the US was down for much of 2008 but was up slightly in January 2009 according to the Commerce Department.
- Job losses continued to rise in January 2009 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.
- Credit card interest rates in the United States are very high (some ranging from 8% to 25%).¹²
- The US manufacturing industry was still weak in January 2009. Many of the car manufacturers were experiencing deep financial problems. GM was almost to the point of bankruptcy.
- 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.

⁸ Source: forexblog.org/2009/01.

⁹ Source: *“Price of Petroleum”*, Wikipedia, the free encyclopedia, en.wikipedia.org/wiki/price_of_petroleum, Cushing, OK WTI Spot Price FOB (Dollars per Barrel)

¹⁰ Source: Wikipedia, the free encyclopedia

¹¹ Source: Consumer Index sinks to all-time low, by Catherine Clifford, CNNmoney.com staff writer, January 27, 2009

¹² Source: *“Credit card rates that jump overnight”* November 2008, consumerreports.org/cro/money/credit-loan/credit-cards/.

- Visitor Arrivals for the month of JANUARY 2009 were up when compared to the same period of 2008 because cruise arrivals were up for the month. Air arrivals for the month were down.
- Stopover arrivals to the Bahamas from all of the major markets were down in January 2009 except Europe, Latin America and the Middle East.
- Cruise arrivals to the Bahamas Overall were **up** during the month of JANUARY 2009 by 22% (1st Port of entry only).
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were up by 22% in JANUARY 2009.
- Cruise Arrivals to Grand Bahama (1st port of entry) were down by 8% for the month of January.
- The Out Islands were up by 29% (1st Port of Entry) in JANUARY 2009 compared to the same period of 2008.
- Air arrivals were weak in January 2009 but cruise arrivals were strong.
- By the end of JANUARY 2009, arrivals to The Bahamas Overall YTD were **up** by 10% because cruise arrivals were so strong for the month.

MARKET UPDATE JANUARY 2009

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS 1ST PORT OF ENTRY ONLY JANUARY 2009

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea		% Chg Air/Sea	Air Only		% Chg Air
Nassau/Paradise Island	228,677	212,854	7.4%	68,880	81,923	-15.9%
Grand Bahama	39,746	43,036	-7.6%	10,583	14,264	-25.8%
Abaco	19,181	18,417	4.1%	3,728	4,918	-24.2%
Andros	545	700	-22.1%	509	682	-25.4%
Berry Islands	44,271	29,374	50.7%	381	869	-56.2%
Bimini	1,957	1,568	24.8%	866	862	0.5%
Cat Cay	474	457	3.7%	292	284	2.8%
Cat Island	93	198	-53.0%	93	198	-53.0%
Eleuthera	34,067	30,141	13.0%	1,812	2,583	-29.8%
Exuma	1,700	2,702	-37.1%	1,666	2,643	-37.0%
Half Moon Cay	38,826	31,622	22.8%	-	-	0.0%
Inagua	61	128	-52.3%	9	15	-40.0%
Long Island	37	83	-55.4%	36	81	-55.6%
San Salvador	1,148	1,445	-20.6%	1,144	1,437	-20.4%
Bahamas Overall	410,783	372,725	10.2%	89,999	110,759	-18.7%

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

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (JANUARY YTD 2009)

ISLANDS UP



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

ISLANDS DOWN



- Grand Bahama
- Andros
- Cat Island
- Exuma
- Inagua

- Long Island
- San Salvador

**CRUISE ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
2009**

	January		
	2009	2008	2009/2008
	Cruise Arrivals		% Chg
Nassau/Paradise Island	159,197	130,312	22.2%
Grand Bahama	22,522	24,562	-8.3%
Abaco (Castaway Cay)	15,181	13,272	14.4%
Andros	-	-	0.0%
Berry Islands	43,834	28,469	54.0%
Bimini	-	-	0.0%
Cat Cay	-	-	0.0%
Cat Island	-	-	0.0%
Eleuthera (Princess Cay)	32,213	27,545	16.9%
Exuma	-	-	0.0%
Half Moon Cay	38,826	31,622	22.8%
Inagua	-	-	0.0%
Long Island	-	-	0.0%
San Salvador	-	-	0.0%
Bahamas Overall	311,773	255,782	21.9%

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 2009 1ST PORT OF ENTRY)



- Nassau/Paradise Island
- Abaco (Castaway Cay)
- Berry Islands
- Eleuthera
- Half Moon Cay



- Grand Bahama (1st port of entry)

CRUISE ARRIVALS (JANUARY 2009, 1ST PORT OF ENTRY)

- Cruise arrivals to Nassau/Paradise Island, Abaco, Berry Islands, Princess Cay (Eleuthera) and Half Moon Cay were all up for January 2009 and as a result cruise arrivals to the Bahamas as a whole were up for that month. Cruise arrivals to Grand Bahama by first port of entry were down for the month.
- Cruise arrivals to the Bahamas Overall were **up** during the month of JANUARY 2009 by 22% (1st Port of entry only). Cruise arrivals were up by so much because all of the major cruise lines like *Carnival Cruises* (especially Carnival Destiny, Carnival Freedom, Carnival Glory, Carnival Splendor, Fascination, Imagination and Carnival Valor), *Disney Cruises* (Disney Wonder), *Holland American Cruises* (especially the Eurodam, Noordam, Statendam, Prinsendam and Zuiderdam), *Norwegian Cruises* (especially the Norwegian Sky, Norwegian Dawn, Norwegian Majesty, and Norwegian Pearl), *Princess Cruises* (especially the Ruby Princess) and *Discovery Cruises* all brought in significantly more passengers in January 2009 compared to January 2008.
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were up by 22% in JANUARY 2009 because major cruise lines like *Carnival Cruises* (especially Carnival Destiny, Carnival Freedom, Carnival Glory, Carnival Splendor, Carnival Valor, and Imagination), *Norwegian Cruises* (Norwegian Sky), *MSC Cruises* (Orchestra), and *Celebrity Cruises* all brought in more passengers into Nassau as a first port of call in the Bahamas than in the same period of 2008.
- Cruise Arrivals to Grand Bahama (1st port of entry) were down by 8% for the month of January 2009 because many of the ships that called on the island went to Nassau/Paradise Island or one of the Out Islands first before going to the island. If you look at Grand Bahama by itself, cruise arrivals by 1st 2nd and 3rd port combined were up. Norwegian Cruises often went to Grand Bahama after it had already gone to Nassau/Paradise Island or Great Stirrup Cay (Berry Islands, Bahamas).
- The Out Islands were up 29% (1st Port of Entry) in JANUARY 2009 because many of the major cruise lines brought in more passengers than during the same period of 2008. Disney Cruise's Disney Wonder brought in more passengers to Castaway Cay, Abaco in January 2009 than in the same period of 2008. In January 2009, Royal Caribbean International's Mariner of the Seas, Monarch of the Seas, and Navigator of the Seas all brought in more passengers to Coco Cay (Berry Islands, Bahamas) as a first port of call than in the same period of 2008. In addition, Norwegian Cruise line's Norwegian Dawn, Norwegian Majesty, and Norwegian Pearl all brought in more passengers as a first port of call into Great Stirrup Cay (Berry Islands, Bahamas) than in the same period of 2008. Holland American Cruises brought in more passengers to Half Moon Cay as a first port of call in January 2009 than in the same period of 2008 on their ships the Eurodam, Maasdam, Noordam, Prinsendam, Statendam, Westerdam and Zuiderdam.

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.*
- *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.***

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TOURISM REVIEW

Market Analysis

Since the financial meltdown of September 2008, the Bahamas has indeed seen some recovery in the number of visitor arrivals to the destination. It is true that September and October are normally the slowest months for arrivals to the Bahamas but in September 2008, air arrivals to the Bahamas fell dramatically and were down by 52.6%. In October 2008 air arrivals were down by 32.5%. In November 2008 air arrivals were down by 15.6% and in December air arrivals were down by 9.2%. With the dawn of January 2009, The Bahamas had renewed hope that the visitor arrivals to the destination would continue the upward track to recovery but with the global uncertainty that existed many people were still too afraid to spend too much on travel and as a result air arrivals fell again and were down by 18.7% (arrivals in January were up by 10.2% because cruise arrivals were up by 22.5%).

February 2009 was not as fortunate as January 2009 and arrivals to the Bahamas were down by 10.3% (air was down 18% and sea was down 7%). One of the reasons for the decline in arrivals in February 2009 compared to the same period of 2008 was the fact that 2008 was a leap year with 29 days in the month instead of the regular 28 days. This one day difference did have an impact on visitor arrivals to the destination as the 29th day of February 2008 contributed almost 27,000 visitors (over 21,000 were cruise passengers) to the destination in that year. Another prime reason for the decline in arrivals to the Bahamas in February 2009 compared to the same period of 2008 was the global economic crisis that destabilized air arrivals to the destination.

With the dawn of a new year many people in the world had high hopes that the economies of the United States and the world would slow down their free fall into the depths of economic chaos. But that was not to be the case and by February 2009 the global economy was still in crisis.

In January 2009, 741,000 persons (revised again) lost their jobs in the United States. In addition, to this sobering news, by February 2009 another 651,000 jobs were lost and the unemployment rate climbed to 8.1% bringing the number of people out of work in the United States to 3.3 million over the last six months.¹³ The amount of persons unemployed in the United States in January 2009 totaled 12.5 million.¹⁴ The total number of persons in the United States who were unemployed would only grow over the next few months before any signs of recovery would become evident.

¹³ Source: "Unemployment hits 25 year high" by Chris Isidore, CNNmoney.com Senior writer, March 6, 2009.

¹⁴ Source: "Unemployment hits 25 year high" by Chris Isidore, CNNmoney.com Senior writer, March 6, 2009.
Source: "2 million jobs lost so far in '09" by Chris Isidore, CNNmoney.com Senior writer, April 3, 2009.

The economic linkages between the global world economies became clear after September 2008 when the financial markets in the United States fell apart at the seams and the effects spread to the rest of the world. The United States had already been in a recession from since December 2007 but many people had not noticed that fact because on the surface, the economy seemed strong.

Although the Bahamas has seen some recovery in the number of air arrivals to the destination, since September 2008, air arrivals to the destination continue to be weak especially from our primary market the United States. Stopover arrivals from all of our major markets with the exception of Latin America were down in February 2009.

The road to a global economic recovery is not an easy one. Many of the economies of the world are in crisis. When economies are not healthy and jobs are being lost, people have less discretionary income to spend. With less discretionary income people have to make crucial decisions on how they spend their money. Non-essential spending is of course reduced. There are those persons of course who feel that a vacation is a necessity, an entitlement. These persons of course will try to find the money to go on vacation; they may just not travel too far away from home. They may also look for special deals. These persons are the ones that The Bahamas has the best chance of influencing with its marketing efforts. There are other persons however who will just “hunker down” and try to ride out the economic storm at home.

MARKET FACTS

- In September 2008, the United States experienced a financial meltdown that sent the country into an economic tailspin. The rest of the world quickly followed suit.
- The United States and many countries in the world were and still are in an economic global recession.
- By February 2009 many of the largest economies of the world were still experiencing recessionary symptoms.
- According to a 2008 list by the International Monetary Fund and a 2008 list by the CIA World Factbook, the largest economies of the world (based on GDP) include the United States (no.1), Japan (no.2), China (no.3), and Europe namely Germany (no.4), France (no.5), the United Kingdom (no.6), Italy (no.7), Russia (no.8) and Spain (no.9). Brazil is ranked 10th, Canada is ranked 11th and India is ranked 12th.
- Some of the largest economies of the world are responsible for providing the Bahamas with the greatest supply of visitors to the destination.
- The United States which is the largest economy in the world is the largest supplier of business to the Bahamas. Over 80% of the visitors to the Bahamas come from the United States.
- The United Kingdom which is the 6th largest economy in the world provides the Bahamas with approximately 2.6% of the stopover business.
- In 2008, Canada had the 11th largest economy in the world but provided the Bahamas with 8% of the stopover business. It is only 2nd to the United States in providing visitor arrivals to the Bahamas. In 2007, Canada was ranked 9th in the world with the size of its economy.
- The Euro which is the common currency for many European countries experienced difficulties after the financial meltdown of September 2008. Many European countries were then faced with a credit crisis. Some European countries who used the Euro felt that they were hampered by the fact that they did not have their own currencies anymore while some of the Eastern European countries were trying to desperately establish the Euro as their currency as their own currencies depreciated and caused economic instability.¹⁵
- By February 2009, the price of oil was still relatively low a good thing for the average consumer. In February 2009 the average price of oil a barrel was \$39.09 compared to \$41.71 in January 2009 and \$95.39 in February 2008. Oil prices in 2008 had 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. In July the price of oil averaged \$133.37. After the financial meltdown of September 2008, the price of oil plummeted to below \$70 in October and averaged \$76.61 for the month before it

¹⁵ Source: forexblog.org/2009/01.

continued that downward spiral.¹⁶ The downward spiral in oil prices could be attributed to the falloff in world demand.

- 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. However the good news was that if the low oil prices were prolonged they could of course begin to assist the economy in its recovery.
- 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."***¹⁷) stood at 25.3 in February 2009 compared to 37.7 in January 2009.¹⁸
- Consumer spending in the US was down for much of 2008 and by February 2009 it had still not stabilized.
- Job losses continued in February 2009 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.
- Credit card interest rates in the United States are very high (some ranging from 8% to 25%).¹⁹ The US government wants to pass legislature that will protect consumers from unfair rate hikes and practices.
- The US manufacturing industry was still weak in February 2009. Many of the car manufacturers were experiencing deep financial problems.
- The construction industry in the US was still weak in February 2009.
- 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.
- Visitor Arrivals for the month of FEBRUARY 2009 were down when compared to the same period of 2008 because air and sea arrivals were down for the month. One of the reasons for the decline in arrivals in February 2009 compared to the same period of 2008 was the fact that 2008 was a leap year with 29 days in the month instead of the regular 28 days. This one day difference did have an impact on visitor arrivals to the destination as the 29th day of February 2008 contributed almost 27,000 visitors to the destination in that year.
- Stopover arrivals to the Bahamas from all of the major markets were down in February 2009 except Latin America.

¹⁶ Source: "Price of Petroleum", Wikipedia, the free encyclopedia, en.wikipedia.org/wiki/price_of_petroleum, Cushing, OK WTI Spot Price FOB (Dollars per Barrel)

¹⁷ Source: Wikipedia, the free encyclopedia

¹⁸ Source: Consumer Index sinks to all-time low, by Catherine Clifford, CNNmoney.com staff writer, January 27, 2009, "Consumers slightly more confident," by Ben Rooney, CNNMoney.com staff writer, March 31, 2009.

¹⁹ Source: "Credit card rates that jump overnight" November 2008, consumerreports.org/cro/money/credit-loan/credit-cards/.

- Cruise arrivals to the Bahamas Overall were **down** during the month of February 2009 by 7.1% (1st Port of entry only).
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were down by 5% in FEBRUARY 2009.
- Cruise Arrivals to Grand Bahama (1st port of entry) were UP by 21% for the month of FEBRUARY.
- Cruise Arrivals to The Out Islands were down by 14.3% (1st port of entry) in FEBRUARY 2009 compared to the same period of 2008.
- Air arrivals were weak in February 2009, down 18.0%.
- By the end of February 2009 YTD (January to February), total visitor arrivals to The Bahamas Overall were **down** by 0.4% (air was down 18.4% and sea was up 7.0%).

MARKET UPDATE JANUARY TO FEBRUARY 2009

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS 1ST PORT OF ENTRY ONLY JANUARY TO FEBRUARY 2009

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea		% Chg Air/Sea	Air Only		% Chg Air
Nassau/Paradise Island	444,840	447,535	-0.6%	148,141	172,499	-14.1%
Grand Bahama	85,566	87,455	-2.2%	20,873	30,521	-31.6%
Abaco	34,533	39,657	-12.9%	8,952	12,480	-28.3%
Andros	1,247	1,583	-21.2%	1,200	1,550	-22.6%
Berry Islands	77,988	74,517	4.7%	820	1,654	-50.4%
Bimini	4,230	4,026	5.1%	1,773	1,874	-5.4%
Cat Cay	1,139	1,265	-10.0%	632	643	-1.7%
Cat Island	322	484	-33.5%	322	484	-33.5%
Eleuthera	72,909	69,100	5.5%	4,266	6,052	-29.5%
Exuma	3,908	5,878	-33.5%	3,850	5,760	-33.2%
Half Moon Cay	70,964	68,865	3.0%	-	-	0.0%
Inagua	120	255	-52.9%	21	18	16.7%
Long Island	104	173	-39.9%	103	171	-39.8%
San Salvador	2,197	2,870	-23.4%	2,193	2,859	-23.3%
Bahamas Overall	800,067	803,663	-0.4%	193,146	236,565	-18.4%

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

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (FEBRUARY YTD 2009)



- Berry Islands
- Bimini
- Eleuthera
- Half Moon Cay



- Nassau/Paradise Island
- Grand Bahama
- Abaco

- Andros
- Cat Cay
- Cat Island
- Exuma
- Inagua
- Long Island
- San Salvador

CRUISE ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
2009

	January to February YTD			February		
	2009	2008	2009/2008	2009	2008	2009/2008
	Cruise Arrivals YTD			Cruise Arrivals Febr. Only		
			% Chg			% Chg
Nassau/Paradise Island	295,261	273,533	7.9%	136,064	143,221	-5.0%
Grand Bahama	49,460	46,767	5.8%	26,938	22,205	21.3%
Abaco (Castaway Cay)	25,170	26,540	-5.2%	9,989	13,268	-24.7%
Andros	-	-	0.0%	-	-	0.0%
Berry Islands	77,069	72,800	5.9%	33,235	44,331	-25.0%
Bimini	-	-	0.0%	-	-	0.0%
Cat Cay	-	-	0.0%	-	-	0.0%
Cat Island	-	-	0.0%	-	-	0.0%
Eleuthera (Princess Cay)	68,570	62,990	8.9%	36,357	35,445	2.6%
Exuma	-	-	0.0%	-	-	0.0%
Half Moon Cay	70,964	68,865	3.0%	32,138	37,243	-13.7%
Inagua	-	-	0.0%	-	-	0.0%
Long Island	-	-	0.0%	-	-	0.0%
San Salvador	-	-	0.0%	-	-	0.0%
Bahamas Overall	586,494	551,495	6.3%	274,721	295,713	-7.1%

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 FEBRUARY 2009 YTD 1ST PORT OF ENTRY)

ISLANDS UP



- Nassau/Paradise Island
- Grand Bahama
- Berry Islands (Coco Cay & Great Stirrup Cay)
- Eleuthera (Princess Cay)
- Half Moon Cay

ISLANDS DOWN



- Abaco (Castaway Cay)

Despite the fact that cruise arrivals to the Bahamas were down in the month of February 2009, cruise arrivals for February YTD (i.e. January to February) were up by 5.9%. The reason for this was because cruise arrivals to the destination were very strong in January 2009.

CRUISE ARRIVALS (FEBRUARY 2009 ONLY, 1ST PORT OF ENTRY)

- One of the reasons for the decline in cruise arrivals in February 2009 compared to the same period of 2008 was the fact that 2008 was a leap year with 29 days in the month instead of the regular 28 days. This one day difference did have an impact on cruise arrivals to the destination as the 29th day of February 2008 contributed over 21,000 visitors to the destination in that year.
- Cruise arrivals to Grand Bahama and Princess Cay (Eleuthera) were up for the month of February 2009 compared to 2008 but cruise arrivals to Nassau/Paradise Island and the Out Islands were down.
- Cruise arrivals to the Bahamas Overall were **down** during the month of FEBRUARY 2009 by 7.1% (1st Port of entry only) because major cruise lines like Carnival Cruises (Carnival Glory, Carnival Liberty, Carnival Triumph, Carnival Victory, and Celebration), Disney Cruises (Disney Magic and Disney Wonder) and Royal Caribbean International's ships (Enchantment of the Seas, Jewel of the Seas, Liberty of the Seas, Mariner of the Seas, Radiance of the Seas, and Sovereign of the Seas) all brought in fewer passengers in February 2009 by 1st Port of Entry than in the same period of 2008.
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were down by 5% in FEBRUARY 2009 because major cruise lines like Carnival Cruises, Disney Cruises, Holland American Cruises, and Royal Caribbean Cruises all brought in fewer passengers to Nassau/Paradise Island as a first port of entry than in the same period of 2008.
- Cruise Arrivals to Grand Bahama (1st port of entry) were up by 21% for the month of February 2009 because the Discovery (Discovery Sun), Norwegian Cruises (Norwegian Sky) and Fred Olsen Cruises (Braemar) all brought in more passengers than in the same period of 2008.
- The Out Islands were down by 14.3% (1st Port of Entry) in FEBRUARY 2009 because many of the major cruise lines brought in fewer passengers than during the same period of 2008. Disney Cruises (Disney Magic) into Castaway Cay, Royal Caribbean International (Enchantment of the Seas, Sovereign of the Seas) into Coco Cay/Little Stirrup Cay, Norwegian Cruises (Norwegian Sun) into Great Stirrup Cay, Carnival Cruises (Carnival Triumph, Imagination) into Half Moon Cay, and Holland American Cruises (Veendam, Volendam, Zuiderdam) into Half Moon Cay all brought in fewer passengers to the Out Islands as a 1st port of call than in the same period of 2008.

Sea Landed Arrivals

- *Sea Landed arrivals to Grand Bahama also increased in both January and February 2009, because the Discovery offered reduced rates to the destination.*

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
FEBRUARY 2009**

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea			Air Only		
			% Chg Air/Sea			% Chg Air
Nassau/Paradise Island	216,163	234,681	-7.9%	79,261	90,576	-12.5%
Grand Bahama	45,820	44,419	3.2%	10,290	16,257	-36.7%
Abaco	15,352	21,240	-27.7%	5,224	7,562	-30.9%
Andros	702	883	-20.5%	691	868	-20.4%
Berry Islands	33,717	45,143	-25.3%	439	785	-44.1%
Bimini	2,273	2,458	-7.5%	907	1,012	-10.4%
Cat Cay	665	808	-17.7%	340	359	-5.3%
Cat Island	229	286	-19.9%	229	286	-19.9%
Eleuthera	38,842	38,959	-0.3%	2,454	3,469	-29.3%
Exuma	2,208	3,176	-30.5%	2,184	3,117	-29.9%
Half Moon Cay	32,138	37,243	-13.7%	-	-	0.0%
Inagua	59	127	-53.5%	12	3	300.0%
Long Island	67	90	-25.6%	67	90	-25.6%
San Salvador	1,049	1,425	-26.4%	1,049	1,422	-26.2%
Bahamas Overall	389,284	430,938	-9.7%	103,147	125,806	-18.0%

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

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (FEBRUARY 2009)



- Grand Bahama



- Nassau/Paradise Island down overall
- Abaco
- Andros
- Berry Islands
- Bimini
- Cat Cay
- Cat Island

- Eleuthera
- Exuma
- Half Moon Cay
- Inagua
- Long Island
- San Salvador

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.*
- *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.*

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THE ISLANDS OF THE BAHAMAS ARRIVALS REPORT



**March 2009
Ministry of Tourism
Research and Statistics Department**

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TOURISM REVIEW

Market Analysis

The United States of America has recently suffered some of the darkest days financially that it has seen since the Great Depression of 1929. There have been other recessions since the Great Depression, but none of them have had the staggering effects of the Great Recession of 2007-2009. There are many people in America and around the world who would not even remember the trauma of the Great Depression for they were to put it simply not born yet. According to the United States Census Bureau, only 12.1% of Americans are 65 years of age or older.²⁰ This means that there are very few people in America (69 and over) who actually remember how bad things had gotten during the Great Depression which lasted from 1929 to 1939 (10 years).

During the Great Depression that began in 1929, 50% of the banks failed between the months of January 1930 to March 1933 compared to 0.6% of the banks in the Great Recession of 2008. During the Great Depression unemployment reached an unprecedented level of 25% compared to 8.5% (as of March 2009) in the Great Recession. During the Great Depression the government had an “Emergency Spending Program” that was 1.5% of GDP for a period of 1 year and in the Great Recession the government had an “Emergency Spending Program” that was 2.5% of GDP for a period of approximately 2 years. During the Great Depression the Federal Reserve increased the money supply by 17% in 1933 compared to the Great Recession in which they raised it by 125% from September 2008.²¹ For the persons who are “matured” enough to remember the Great Depression, the Great Recession of 2008 must indeed seem mild. For the persons who are too young to remember the Great Depression however, the Great Recession is indeed the worst economic crisis they have ever experienced to date in their lifetimes.

In January 2009, 741,000 persons (revised) lost their jobs in the United States. In February 2009 another 651,000 jobs were lost and the unemployment rate climbed to 8.1% bringing the number of people out of work in the United States to 3.3 million over the last six months.²² By March 2009, the US economy was still weak and Americans were still losing their jobs. In March 2009, 699,000 (revised) Americans lost their jobs. By the end of March 2009, Americans were hoping with fervor that the number of job losses would begin to stabilize and that the economy would stop bleeding out so many jobs.

²⁰ Source:U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2006, Internet release date:July 27, 2007

²¹ Source:CNNMoney.com, “Great Depression vs. ‘Great Recession’” by David Goldman, CNNMoney.com staff writer

²² Source: “2 million jobs lost so far in ‘09” by Chris Isidore, CNNmoney.com Senior writer, April 3, 2009.

Although the Bahamas has seen some recovery in the number of air arrivals to the destination, since September 2008, air arrivals to the destination continue to be weak especially from the primary market the United States. Stopover arrivals from all of the major markets were down in March 2009. In addition, Easter 2009 did not fall in March as it had in 2008. Instead it fell in April 2009. It is a well known fact that many people travel and take vacations for the Easter Holidays.

Whether there is a holiday or not affecting arrivals to the Bahamas, the question on the minds of everyone in the world is “when will this recession end”. Some economists believe that the recession in America will end this year but that the recovery will take a little longer to trickle down and be noticed. This means that when the recession is technically over there will still be some loss of jobs and it may take months for the recovery to be realized throughout the whole country. The world is hoping that the recession will end soon in the United States for it would mean that the global economy would be able to get back to some degree of normalcy. The Bahamas is no exception in wishing the United States a quick recovery. With over 80% of the tourism business coming from the United States, an end to the recession in the United States would mean an end to the recession in the Islands of the Bahamas.

MARKET FACTS

- In September 2008, the United States experienced a financial meltdown that sent the country into an economic tailspin. The rest of the world quickly followed suit.
- The United States and many countries in the world were and still are in an economic global recession.
- By March 2009 many of the largest economies of the world were still experiencing recessionary symptoms.
- According to a 2008 list by the International Monetary Fund and a 2008 list by the CIA World Factbook, the largest economies of the world (based on GDP) include the United States (no.1), Japan (no.2), China (no.3), and Europe namely Germany (no.4), France (no.5), the United Kingdom (no.6), Italy (no.7), Russia (no.8) and Spain (no.9). Brazil is ranked 10th, Canada is ranked 11th and India is ranked 12th.
- Some of the largest economies of the world are responsible for providing the Bahamas with the greatest supply of visitors to the destination.
- The United States which is the largest economy in the world is the largest supplier of business to the Bahamas. Over 80% of the visitors to the Bahamas come from the United States.
- The United Kingdom which is the 6th largest economy in the world provides the Bahamas with approximately 2.6% of the stopover business.
- In 2008, Canada had the 11th largest economy in the world but provided the Bahamas with 8% of the stopover business. It is only 2nd to the United States in providing visitor arrivals to the Bahamas. In 2007, Canada was ranked 9th in the world with the size of its economy.
- The Euro which is the common currency for many European countries experienced difficulties after the financial meltdown of September 2008. Many European countries were then faced with a credit crisis. Some European countries who used the Euro felt that they were hampered by the fact that they did not have their own currencies anymore while some of the Eastern European countries were trying to desperately establish the Euro as their currency as their own currencies depreciated and caused economic instability.²³
- By March 2009, the price of oil was still relatively low compared to the same period of 2008, a good thing for the average consumer. In March 2009 the average price of oil a barrel was \$47.94 and \$105.45 in March 2008. Oil prices in 2008 had 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. In July the price of oil averaged \$133.37. After the financial meltdown of September 2008, the price of oil plummeted to below \$70 in October and averaged \$76.61 for the month before it continued that downward spiral.²⁴ The downward spiral in oil prices could be attributed to the falloff in world demand.

²³ Source: forexblog.org/2009/01).

²⁴ Source: "Price of Petroleum", Wikipedia, the free encyclopedia, en.wikipedia.org/wiki/price_of_petroleum, Cushing, OK WTI Spot Price FOB (Dollars per Barrel)

- 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. However the good news was that if the low oil prices were prolonged they could of course begin to assist the economy in its recovery.
- 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."*²⁵) stood at 26.0 in March 2009 slightly up over 25.3 in February 2009. In January 2009 it was 37.7.²⁶
- Consumer spending in the US was down for much of 2008. It was down in March 2009 according to the Commerce Department.
- Job losses continued in March 2009 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 still very high.
- Credit card interest rates in the United States are very high (some ranging from 8% to 25%).²⁷ The US government wants to pass legislature that will protect consumers from unfair rate hikes and practices.
- The US manufacturing industry was still weak in March 2009. Many of the car manufacturers were experiencing deep financial problems.
- The construction industry in the US was still weak in March 2009.
- 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.
- Visitor Arrivals for the month of MARCH 2009 were down when compared to the same period of 2008 because air and sea arrivals were down for the month. One of the reasons for the decline in arrivals in March 2009 compared to the same period of 2008 was the fact that the economy of the United States was still in crisis and many of the countries around the world were still having economic hiccups as a result of the US crisis.
- Stopover arrivals to the Bahamas from all of the major markets were down in March 2009.
- Cruise arrivals to the Bahamas Overall were **up** ever so slightly during the month of March 2009 by 0.2% (1st Port of entry only).
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were down by 10% in MARCH 2009.
- Cruise Arrivals to Grand Bahama (1st port of entry) were up by 39% for the month of MARCH.

²⁵ Source: Wikipedia, the free encyclopedia

²⁶ Source: Consumer Index sinks to all-time low, by Catherine Clifford, CNNmoney.com staff writer, January 27, 2009, "Consumers slightly more confident," by Ben Rooney, CNNMoney.com staff writer, March 31, 2009.

²⁷ Source: "Credit card rates that jump overnight" November 2008, consumerreports.org/cro/money/credit-loan/credit-cards/.

- Cruise Arrivals to The Out Islands were up by 7% (1st port of entry) in MARCH 2009 compared to the same period of 2008.
- Air arrivals were weak in March 2009, down 20.0%.
- By the end of March 2009 YTD (January to March), total visitor arrivals to The Bahamas Overall were **down** by 2.9% (air was down 19% and sea was up 4.3%).

MARKET UPDATE JANUARY TO MARCH 2009

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS 1ST PORT OF ENTRY ONLY JANUARY TO MARCH 2009

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea			Air Only		
			% Chg Air/Sea			% Chg Air
Nassau/Paradise Island	696,317	732,853	-5.0%	250,433	290,701	-13.9%
Grand Bahama	142,596	142,420	0.1%	33,647	50,305	-33.1%
Abaco	52,372	59,684	-12.3%	16,421	24,366	-32.6%
Andros	2,155	2,935	-26.6%	2,078	2,855	-27.2%
Berry Islands	137,384	122,028	12.6%	1,336	2,847	-53.1%
Bimini	6,679	7,510	-11.1%	2,921	3,624	-19.4%
Cat Cay	1,868	2,277	-18.0%	1,080	1,163	-7.1%
Cat Island	547	944	-42.1%	547	926	-40.9%
Eleuthera	112,050	115,121	-2.7%	7,656	11,669	-34.4%
Exuma	6,733	10,302	-34.6%	6,583	10,000	-34.2%
Half Moon Cay	103,315	102,726	0.6%	-	-	0.0%
Inagua	184	429	-57.1%	22	25	-12.0%
Long Island	230	326	-29.4%	212	316	-32.9%
San Salvador	3,680	4,672	-21.2%	3,633	4,616	-21.3%
Bahamas Overall	1,266,110	1,304,227	-2.9%	326,569	403,413	-19.0%

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

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (MARCH YTD 2009)



- Grand Bahama
- Berry Islands
- Half Moon Cay



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

- Inagua
- Long Island
- San Salvador

**CRUISE ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
2009**

	January to March YTD			March		
	2009	2008	2009/2008	2009	2008	2009/2008
	Cruise Arrivals YTD		% Chg	Cruise Arrivals March Only		% Chg
Nassau/Paradise Island	443,762	439,110	1.1%	148,501	165,577	-10.3%
Grand Bahama	81,781	70,066	16.7%	32,321	23,299	38.7%
Abaco (Castaway Cay)	35,282	34,362	2.7%	10,112	7,822	29.3%
Andros	-	-	0.0%	-	-	0.0%
Berry Islands	135,877	119,097	14.1%	58,808	46,297	27.0%
Bimini	-	-	0.0%	-	-	0.0%
Cat Cay	-	-	0.0%	-	-	0.0%
Cat Island	-	-	0.0%	-	-	0.0%
Eleuthera (Princess Cay)	104,261	103,384	0.8%	35,691	40,394	-11.6%
Exuma	-	-	0.0%	-	-	0.0%
Half Moon Cay	103,315	102,726	0.6%	32,351	33,861	-4.5%
Inagua	-	-	0.0%	-	-	0.0%
Long Island	-	-	0.0%	-	-	0.0%
San Salvador	-	-	0.0%	-	-	0.0%
Bahamas Overall	904,278	868,745	4.1%	317,784	317,250	0.2%

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.

CRUISE ARRIVALS (JANUARY TO MARCH 2009 YTD 1ST PORT OF ENTRY)



- Nassau/Paradise Island
- Grand Bahama
- Abaco (Castaway Cay)
- Berry Islands (Coco Cay & Great Stirrup Cay)
- Eleuthera (Princess Cay)
- Half Moon Cay



- none

CRUISE ARRIVALS (MARCH 2009 ONLY, 1ST PORT OF ENTRY)

- Cruise arrivals to the Bahamas Overall were up slightly in March 2009.
- Cruise arrivals to Grand Bahama, Abaco, and the Berry Islands were up for the month of March 2009 compared to 2008 but cruise arrivals to Nassau/Paradise Island, Eleuthera (Princess Cay), and Half Moon Cay were down as a 1st port of call.
- Cruise arrivals to the Bahamas Overall were **up** during the month of MARCH 2009 by 0.2% (1st Port of entry only). One of the reasons for the increase in cruise arrivals in March 2009 compared to the same period of 2008 was because cruise lines like Norwegian Cruises, Holland American Cruises, MSC cruises, Discovery Cruises and Disney Cruises all brought in more cruise passengers during the month than in the same period of last year.
- Despite the fact that cruise ships like Norwegian Cruises, MSC Cruises, and Disney Cruises all brought in more passengers in March 2009 than in March 2008 cruise arrivals to Nassau/Paradise Island were down (1st port of entry only). Cruise arrivals to Nassau/Paradise Island (1st port of entry) were down by 10% in MARCH 2009 because major cruise lines like Carnival Cruises, Costa Cruises, and Royal Caribbean International all brought in fewer passengers than in the same period of 2008. **NOTE:** If you look at Nassau/Paradise Island in isolation and not at the Bahamas as a whole you may then take all the ports of call for the island into consideration. Cruise arrivals to Nassau/Paradise Island as a 1st, 2nd and 3rd port of call were up by 1.4% as Norwegian Cruise lines ships (Norwegian Majesty and Norwegian Sky), Royal Caribbean International's ships (Monarch of the Seas and Majesty of the Seas) and Carnival Cruise lines ships (Sensation, Fascination, and Carnival Conquest) all made more calls to Nassau/Paradise Island as a second port of call than in the same period of 2008.
- Cruise Arrivals to Grand Bahama (1st port of entry) were up by 39% for the month of March 2009 because all of the major cruise lines to the island Carnival Cruises (Fascination, and Carnival Conquest), Discovery Cruises (Discovery Sun), and Norwegian Cruises (Norwegian Sky) all made more calls and brought in more passengers than in the same period of 2008. **NOTE:** If you look at Grand Bahama Island in isolation and not at the Bahamas as a whole you may then take all the ports of call for the island into consideration. Cruise arrivals to Grand Bahama Island as a 1st, 2nd and 3rd port of call were up significantly by 51.8%. Norwegian Cruise lines (Norwegian Majesty, and Norwegian Gem) had a significant impact on the number of cruise passengers to the island as a 2nd and 3rd port of call. Norwegian often made calls on Grand Bahama after visiting Nassau/Paradise Island or Great Stirrup Cay, Berry Islands.
- The Out Islands were up by 6.7% (1st Port of Entry) in MARCH 2009 because many of the major cruise lines brought in more passengers to these islands than during the same period of 2008. Disney Cruise's ship (Disney Magic to Castaway Cay Abaco), Royal Caribbean International's ships (Liberty of the Seas and Monarch of the Seas to Coco Cay, Berry Islands), and Norwegian Cruise line's ships (Norwegian Gem, Norwegian Majesty and Norwegian Pearl to Great Stirrup Cay, Berry Islands) all made more calls on the Out Islands

in March 2009 than in the same period of 2008. **NOTE:** If you look at The Out Islands in isolation and not at the Bahamas as a whole you may then take all the ports of call for the Out Islands into consideration.

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
MARCH 2009

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea		% Chg Air/Sea	Air Only		% Chg Air
Nassau/Paradise Island	251,477	285,318	-11.9%	102,292	118,202	-13.5%
Grand Bahama	57,030	54,965	3.8%	12,774	19,784	-35.4%
Abaco	17,839	20,027	-10.9%	7,469	11,886	-37.2%
Andros	908	1,352	-32.8%	878	1,305	-32.7%
Berry Islands	59,396	47,511	25.0%	516	1,193	-56.7%
Bimini	2,449	3,484	-29.7%	1,148	1,750	-34.4%
Cat Cay	729	1,012	-28.0%	448	520	-13.8%
Cat Island	225	460	-51.1%	225	442	-49.1%
Eleuthera	39,141	46,021	-14.9%	3,390	5,617	-39.6%
Exuma	2,825	4,424	-36.1%	2,733	4,240	-35.5%
Half Moon Cay	32,351	33,861	-4.5%	-	-	0.0%
Inagua	64	174	-63.2%	1	7	-85.7%
Long Island	126	153	-17.6%	109	145	-24.8%
San Salvador	1,483	1,802	-17.7%	1,440	1,757	-18.0%
Bahamas Overall	466,043	500,564	-6.9%	133,423	166,848	-20.0%

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

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (MARCH 2009)



- Grand Bahama
- Berry Islands



- Nassau/Paradise Island down overall
- Abaco
- Andros
- Bimini
- Cat Cay
- Cat Island
- Eleuthera
- Exuma

- Half Moon Cay
- Inagua
- Long Island
- San Salvador

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.*
- *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.*

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THE ISLANDS OF THE BAHAMAS ARRIVALS REPORT



April 2009
Ministry of Tourism
Research and Statistics Department

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TOURISM REVIEW

Market Analysis

When will the recession end? When will the blanket of doom that has covered the United States and ultimately the world in shrouds of economic chaos, and mental and emotional unrest be lifted? How many more jobs will be lost before the economy begins to stabilize? The month of April rolled in and the United States and most of the world were still facing one of the deepest recessions that they had experienced in years. The Great Recession which began in December 2007 has plunged The United States of America and many countries in the world into some of the darkest days economically that they have seen since the Great Depression of 1929. There have been other recessions since the Great Depression, but none of them have had the staggering effects of the Great Recession.

Some economists believe that the recession will technically end in 2009 but that the road to recovery will be hard and take months before it winds its way through the country and is noticed. Other persons think that the recession will not end for another one to two years. Some economists say that when you see the stock market rallying upwards that is a good sign that the economy is recovering. Some economists believe that when the banks start to lend money more freely again and credit is less difficult to get that is another good sign of recovery. Another good sign that the economy is recovering would be a slowdown in the number of housing foreclosures across the United States. Economists also say that one of the signs of recovery would be seen in the stabilization of the job market and the slowing of job losses throughout the country. Many economists say that even when the recession ends that there will still be some job losses but that the losses would be reduced. It would appear that the loss of jobs is slowing already as of April 2009.

In January 2009, 741,000 persons (revised) lost their jobs in the United States. In February 2009 another 651,000 jobs were lost and the unemployment rate climbed to 8.1% bringing the number of people out of work in the United States to 3.3 million over the last six months.²⁸ Some economists expect the unemployment rate is to increase to 10% before the recession finally ends. By March 2009, the US economy was still weak and Americans were still losing their jobs. In March 2009, 699,000 (revised) Americans lost their jobs. By April 2009, the number of job losses had slowed. In April 2009, 539,000 persons lost their jobs in the United States.²⁹ By the end of April 2009, Americans were even more hopeful than before that the number of job losses would begin to stabilize and that the economy would begin to see signs of recovery. But darkness still loomed and

²⁸ Source: "2 million jobs lost so far in '09" by Chris Isidore, CNNmoney.com, Senior writer, April 3, 2009.

²⁹ "Jobs: A little less bleak" by Chris Isidore, CNNmoney.com, Senior writer, May 8, 2009.

the number of housing foreclosures during the month soared and casted a shadow over the fact that less jobs had been lost during the month.

Although the Bahamas has seen some recovery in the number of air arrivals to the destination, since September 2008, arrivals to the destination continue to be weak especially from the primary market the United States. Air arrivals to the Bahamas in April 2009 showed remarkable improvement over April 2008 and showed marked improvement since the financial meltdown of September 2008, even though they were still down. Stopover arrivals from many of the major markets were still down in April 2009 except for the Caribbean and Latin America. The Easter Holidays fell in April 2009 instead of March like in 2008. This had an effect on the number of arrivals to the Bahamas during the month. It is a well known fact that many people travel and take vacations for the Easter Holidays.

In April 2009, in addition to the global recession another global challenge to the world powers developed and threatened to weaken the road to global economic recovery. The Swine Flu H1N1 virus became known to the world in April 2009. The words “Swine Flu” are well known now throughout the world. It has been postulated that it may have been around for some time in Mexico before it was identified and labeled as a new strain of virus. This new strain of a virus which is thought to be a mutation took deep roots in Mexico and had cruise ships clamouring to substitute alternate routes by the end of April 2009 and the beginning of May 2009. The Bahamas among other countries and places did reap some of the benefits of the cancelled Mexican vacations. These benefits did not occur largely in April but in May 2009. Major cruise lines like Carnival Cruises, and Holland American all re-routed their ships to other ports of call.

According to the UNWTO in 2009 “International Tourism is expected to decline by 2% to 3% due to the global economic crisis and swine flu.”³⁰ The UNWTO Secretary General Taleb Rifai also said that “international tourist arrivals fell 8% in the first two months of 2009.”³¹ Some of the regions or countries that seem hardest hit by the lost of tourism due to the economic crisis include “Northern Europe, Southern and Mediterranean Europe, South Asia and the Middle East.”³²

The Bahamas is a country that is heavily dependent on tourism especially arrivals from the United States. As the economy of the United States improves, the economy of the Bahamas will also improve. That is the expectation of many.

³⁰ Source: “Economic crisis, swine flu cause world tourism decline: UNWTO, Thursday, May 14, 2009

³¹ Source: “Economic crisis, swine flu cause world tourism decline: UNWTO, Thursday, May 14, 2009

³² Source: UNWTO World Tourism Barometer, Interim Update April 2009

MARKET FACTS

- In September 2008, the United States experienced a financial meltdown that sent the country into an economic tailspin. The rest of the world quickly followed suit.
- The United States and many countries in the world were and still are in an economic global recession.
- By April 2009 many of the largest economies of the world were still experiencing recessionary symptoms.
- According to a 2008 list by the International Monetary Fund and a 2008 list by the CIA World Factbook, the largest economies of the world (based on GDP) include the United States (no.1), Japan (no.2), China (no.3), and Europe namely Germany (no.4), France (no.5), the United Kingdom (no.6), Italy (no.7), Russia (no.8) and Spain (no.9). Brazil is ranked 10th, Canada is ranked 11th and India is ranked 12th.
- Some of the largest economies of the world are responsible for providing the Bahamas with the greatest supply of visitors to the destination.
- The United States which is the largest economy in the world is the largest supplier of business to the Bahamas. Over 80% of the visitors to the Bahamas come from the United States.
- The United Kingdom which is the 6th largest economy in the world provides the Bahamas with approximately 2.6% of the stopover business.
- In 2008, Canada had the 11th largest economy in the world but provided the Bahamas with 8% of the stopover business. It is only 2nd to the United States in providing visitor arrivals to the Bahamas. In 2007, Canada was ranked 9th in the world with the size of its economy.
- The Euro which is the common currency for many European countries experienced difficulties after the financial meltdown of September 2008. Many European countries were then faced with a credit crisis. Some European countries who used the Euro felt that they were hampered by the fact that they did not have their own currencies anymore while some of the Eastern European countries were trying to desperately establish the Euro as their currency as their own currencies depreciated and caused economic instability.³³
- By April 2009, the price of oil was still relatively low compared to the same period of 2008, a good thing for the average consumer. In April 2009, the average price of oil a barrel was \$49.65 compared to \$112.58 in April 2008. In March 2009 the average price of oil a barrel was \$47.94 and \$105.45 in March 2008. Oil prices in 2008 had 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. In July the price of oil averaged \$133.37. After the financial meltdown of September 2008, the price of oil plummeted to below \$70 in October and averaged \$76.61 for the month before it

³³ Source: forexblog.org/2009/01).

continued that downward spiral.³⁴ The downward spiral in oil prices could be attributed to the falloff in world demand.

- 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. However the good news was that if the low oil prices were prolonged they could of course begin to assist the economy in its recovery.
- 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."***³⁵) stood at 26.0 in March 2009 slightly up over 25.3 in February 2009. In January 2009 it was 37.7.³⁶
- Consumer spending in the US was down for much of 2008. It was down in March 2009 according to the Commerce Department.
- Job losses continued in April 2009 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 amount of persons laid off did slow down in April.
- 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 still very high.
- Credit card interest rates in the United States are very high (some ranging from 8% to 25%).³⁷ The US government wants to pass legislature that will protect consumers from unfair rate hikes and practices.
- The US manufacturing industry was still weak in April 2009. Many of the car manufacturers were experiencing deep financial problems.
- The construction industry in the US was still weak in April 2009.
- 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.
- Visitor Arrivals for the month of APRIL 2009 were UP when compared to the same period of 2008 because sea arrivals were UP for the month. Air arrivals although down, did well in comparison to previous months since the crisis of September 2008.
- The Easter Holidays fell in April 2009 and this had some impact on the increase in arrivals to the Bahamas for that month. It is a well know fact that many people travel and take vacations for the Easter break.
- All of the Islands of the Bahamas were **not up** for the month of April. Nassau/Paradise Island, which is the island that normally receives most of the visitors to the Bahamas was up significantly because of the fact that March and April are very big Spring-break months and the Easter Holidays fell in April. Air arrivals to

³⁴ Source: "Price of Petroleum", Wikipedia, the free encyclopedia, en.wikipedia.org/wiki/price_of_petroleum, Cushing, OK WTI Spot Price FOB (Dollars per Barrel)

³⁵ Source: Wikipedia, the free encyclopedia

³⁶ Source: Consumer Index sinks to all-time low, by Catherine Clifford, CNNmoney.com staff writer, January 27, 2009, "Consumers slightly more confident," by Ben Rooney, CNNMoney.com staff writer, March 31, 2009.

³⁷ Source: "Credit card rates that jump overnight" November 2008, consumerreports.org/cro/money/credit-loan/credit-cards/.

Nassau/Paradise Island had its best performance since the financial meltdown. Air arrivals to the island were down ever so slightly.

- The island of Grand Bahama has had good performances with sea arrivals especially cruise arrivals from the month of February 2009. Cruise arrivals to the island have been up solidly during that time. The reason that Grand Bahama has not been up overall for all of these months since February lies in the fact that air arrivals have not performed as well as sea arrivals to the island. The increase in sea arrivals to the island of Grand Bahama was not always enough to counteract the decrease in air arrivals to the island.
- Bimini and Cat Cay also had good performances in both air and sea arrivals for the month of April which were both up.
- Eleuthera was up because the sea arrivals namely cruise arrivals to the island were up enough to cancel out the fact that the air arrivals to the island were down.
- Long Island was up in April because the sea arrivals i.e. the boaters to the island were up enough to cancel out the fact that the air arrivals to the island were down.
- Stopover arrivals to the Bahamas from many of the major markets were still down in April 2009. Stopovers from the Caribbean and Latin America were actually up in April.
- Cruise arrivals to the Bahamas Overall were **up** significantly during the month of April 2009 by 11.5% (1st Port of entry only).
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were **up** by 21.9% in APRIL 2009.
- Cruise Arrivals to Grand Bahama (1st port of entry) were up by 30% for the month of APRIL.
- Cruise Arrivals to The Out Islands were down by 4.6% (1st port of entry) in APRIL 2009 compared to the same period of 2008.
- Air arrivals although down were the strongest that they have been since the September 2008 financial meltdown. Air arrivals were down by 5% in April 2009 compared to -52.6% in September 2008, -32.5% in October 2008, -15.6% in November, -9.2% in December, -18.7% in January, -18.0% in February, and -20% in March 2009.
- By the end of April 2009 YTD (January to April), total visitor arrivals to The Bahamas Overall were **down** by 1.2% (air was down 15.5% and sea was up 5.5%).

MARKET UPDATE JANUARY TO APRIL 2009

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS 1ST PORT OF ENTRY ONLY JANUARY TO APRIL 2009

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea		% Chg Air/Sea	Air Only		% Chg Air
Nassau/Paradise Island	952,706	961,308	-0.9%	348,332	389,014	-10.5%
Grand Bahama	180,572	182,756	-1.2%	47,517	66,875	-28.9%
Abaco	71,166	80,758	-11.9%	24,347	34,437	-29.3%
Andros	3,139	4,046	-22.4%	3,031	3,952	-23.3%
Berry Islands	172,100	162,451	5.9%	2,292	3,616	-36.6%
Bimini	10,893	10,520	3.5%	4,784	4,968	-3.7%
Cat Cay	3,125	3,180	-1.7%	1,642	1,498	9.6%
Cat Island	889	1,396	-36.3%	889	1,372	-35.2%
Eleuthera	144,977	144,529	0.3%	10,792	15,424	-30.0%
Exuma	9,272	14,030	-33.9%	8,987	13,568	-33.8%
Half Moon Cay	126,396	128,675	-1.8%	-	-	0.0%
Inagua	314	609	-48.4%	40	60	-33.3%
Long Island	338	422	-19.9%	288	409	-29.6%
San Salvador	4,933	6,398	-22.9%	4,873	6,307	-22.7%
Bahamas Overall	1,680,820	1,701,078	-1.2%	457,814	541,500	-15.5%

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

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (JANUARY TO APRIL YTD 2009)



- Berry Islands
- Bimini
- Eleuthera (Princess Cay)



- Nassau/Paradise Island
- Grand Bahama
- Abaco
- Andros
- Cat Cay
- Cat Island
- Exuma
- Half Moon Cay

- Inagua
- Long Island
- San Salvador

CRUISE ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
2009

	January to April YTD			April		
	2009	2008	2009/2008	2009	2008	2009/2008
	Cruise Arrivals YTD			Cruise Arrivals April Only		
			% Chg			% Chg
Nassau/Paradise Island	601,484	568,546	5.8%	157,722	129,436	21.9%
Grand Bahama	102,989	86,365	19.2%	21,208	16,299	30.1%
Abaco (Castaway Cay)	45,733	44,751	2.2%	10,451	10,389	0.6%
Andros	-	-	0.0%	-	-	0.0%
Berry Islands	169,511	158,697	6.8%	33,634	39,600	-15.1%
Bimini	-	-	0.0%	-	-	0.0%
Cat Cay	-	-	0.0%	-	-	0.0%
Cat Island	-	-	0.0%	-	-	0.0%
Eleuthera (Princess Cay)	133,935	128,992	3.8%	29,674	25,608	15.9%
Exuma	-	-	0.0%	-	-	0.0%
Half Moon Cay	126,396	128,675	-1.8%	23,081	25,949	-11.1%
Inagua	-	-	0.0%	-	-	0.0%
Long Island	-	-	0.0%	-	-	0.0%
San Salvador	-	-	0.0%	-	-	0.0%
Bahamas Overall	1,180,048	1,116,026	5.7%	275,770	247,281	11.5%

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 2009 YTD 1ST PORT OF ENTRY)



- Nassau/Paradise Island
- Grand Bahama
- Abaco (Castaway Cay)
- Berry Islands (Coco Cay & Great Stirrup Cay)
- Eleuthera (Princess Cay)



- Half Moon Cay

CRUISE ARRIVALS (APRIL 2009 ONLY, 1ST PORT OF ENTRY)

- Cruise arrivals to the Bahamas Overall were up in APRIL 2009.
- Cruise arrivals to all of the major islands Nassau/Paradise Island, Grand Bahama, Abaco, the Berry Islands and Eleuthera (Princess Cay), were up for the month of April 2009 compared to 2008. Cruise arrivals to Half Moon Cay however were down (1st port of entry).
- Cruise arrivals to the Bahamas Overall were **up** during the month of APRIL 2009 by 11.5% (1st Port of Entry Only). One of the reasons for the increase in cruise arrivals in April 2009 compared to the same period of 2008 was because cruise lines like Norwegian Cruises, Holland American Cruises, Celebrity Cruises, MSC cruises and Imperial Majesty Cruises all brought in more cruise passengers during the month than in the same period of last year.
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were up by 21.9% in APRIL 2009 because major cruise lines like Carnival Cruise's ships (Carnival Destiny, Carnival Freedom, Carnival Glory, Carnival Pride, Fascination, Imagination, and Sensation), Norwegian Cruise's ships (Norwegian Gem, Norwegian Majesty, and Norwegian Sky) , MSC Cruise's ship (Orchestra), Celebration Cruise lines formerly Imperial Majesty Cruises (Bahamas Celebration) and Royal Caribbean International's ships (Monarch of the Seas) all brought in more passengers and made more calls to the island than in the same period of 2008. **NOTE:** If you look at Nassau/Paradise Island in isolation and not at the Bahamas as a whole you may then take all the ports of call for the island into consideration. Cruise arrivals to Nassau/Paradise Island as a 1st, 2nd and 3rd port of call were up.
- Despite the fact that the Discovery Cruise lines was not in operation from April 4, 2009 to May 2, 2009, cruise arrivals to Grand Bahama (1st port of entry) were up by 30% for the month of April 2009 because all of the other major cruise lines to the island like Carnival Cruises (Sensation, Fascination, and Carnival Conquest), and Norwegian Cruises (Norwegian Sky) all made more calls and brought in more passengers than in the same period of 2008. **NOTE:** If you look at Grand Bahama Island in isolation and not at the Bahamas as a whole you may then take all the ports of call for the island into consideration. Cruise arrivals to Grand Bahama Island as a 1st, 2nd and 3rd port of call were up significantly by 56.2%.
- The Out Islands were down by 4.6% (1st port of Entry) in APRIL 2009 because many of the major cruise lines chose to go to either Nassau/Paradise Island first or Grand Bahama as a first port of call. In many instances the Out Islands were a third port of call for cruise lines like Norwegian Cruises who often went to Nassau/Paradise Island or Grand Bahama before going on to Great Stirrup Cay, Berry Islands. Carnival Cruise Lines on a number of occasions went to Nassau/Paradise Island or Grand Bahama Island first before going on to Half Moon Cay. Royal Caribbean International also went into Nassau/Paradise Island as a first port of call before going on to Coco Cay, Berry Islands more often in April 2009 than in 2008. **NOTE:** If you look at The Out Islands in isolation and not at the Bahamas as a whole you may then take all the ports of call for the Out Islands into consideration. Cruise arrivals to the Out Islands as a 1st, 2nd and 3rd port of call were up by 18% in April 2009.

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
APRIL 2009

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea			Air Only		% Chg Air
Nassau/Paradise Island	256,389	228,455	12.2%	97,899	98,313	-0.4%
Grand Bahama	37,976	40,336	-5.9%	13,870	16,570	-16.3%
Abaco	18,794	21,074	-10.8%	7,926	10,071	-21.3%
Andros	984	1,111	-11.4%	953	1,097	-13.1%
Berry Islands	34,716	40,423	-14.1%	956	769	24.3%
Bimini	4,214	3,010	40.0%	1,863	1,344	38.6%
Cat Cay	1,257	903	39.2%	562	335	67.8%
Cat Island	342	452	-24.3%	342	446	-23.3%
Eleuthera	32,927	29,408	12.0%	3,136	3,755	-16.5%
Exuma	2,539	3,728	-31.9%	2,404	3,568	-32.6%
Half Moon Cay	23,081	25,949	-11.1%	-	-	0.0%
Inagua	130	180	-27.8%	18	35	-48.6%
Long Island	108	96	12.5%	76	93	-18.3%
San Salvador	1,253	1,726	-27.4%	1,240	1,691	-26.7%
Bahamas Overall	414,710	396,851	4.5%	131,245	138,087	-5.0%

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

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (APRIL 2009 1st PORT OF ENTRY ONLY)

ISLANDS UP



- Nassau/Paradise Island
- Bimini
- Cat Cay
- Eleuthera
- Long Island

ISLANDS DOWN



- Grand Bahama
- Abaco
- Andros
- Berry Islands
- Cat Island
- Exuma
- Half Moon Cay
- Inagua

- San Salvador

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.*
- *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.*

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THE ISLANDS OF THE BAHAMAS ARRIVALS REPORT



May 2009
Ministry of Tourism
Research and Statistics Department

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TOURISM REVIEW

Market Analysis

In April 2009 the Swine Flu H1N1 virus became known to the world. Today, the words “Swine Flu” are well known throughout the world. It has been postulated that this potent potentially lethal virus may have been around for some time in Mexico before it was identified and labeled as a new strain of virus. As a result of this swine flu in Mexico, the Centers for Disease Control and Prevention (CDC) in the United States and the British Foreign and Commonwealth Office issued travel warnings about non-essential travel to Mexico to their citizens in late April 2009.³⁸ After these advisories went out, Mexican President Felipe Calderon on Wednesday April 29, 2009 told his countrymen that the country would be shutting down for 5 days from Friday May 1 (Labour Day Holiday) to Tuesday May 5, 2009 (Anniversary of Battle of Puebla Holiday) to control the spread of the Swine Flu epidemic. He said that all non-essential workers would be given this time off. Only essential businesses like supermarkets, hospitals and pharmacies would remain open.³⁹ The Centers for Disease Control and Prevention (CDC) did not maintain their advisory for a long time and by the middle of May 2009 they had lifted it.

The H1N1 virus appeared to be a new strain of virus. By May 2009, vaccines had not yet been developed to combat this potent virus and the potential for a pandemic was imminent. The Swine Flu is thought to be a mutation that took deep roots in Mexico. It had cruise ships clamouring to substitute alternate routes by the end of April 2009 and the beginning of May 2009. The Bahamas among other countries like Belize, Jamaica (Montego Bay), Grand Cayman, Honduras (Roatan), St. Thomas, St. Maarten, Florida (Key West) and others did reap some of the benefits of the cancelled Mexican vacations. By May 2009, the Bahamas namely Nassau/Paradise Island and Grand Bahama were some of the beneficiaries of this tragedy that plagued Mexico. Major cruise lines like Carnival Cruises, Disney Cruise lines, Royal Caribbean Int’l and Holland America all re-routed their ships to other ports of call other than Mexico. The Bahamas benefited primarily from the re-routing of ships done by Carnival Cruise lines. The re-routing of ships by Holland America had very little impact on the very significant increase in cruise arrivals to the Bahamas as these ships were re-routed outside of the Bahamas. In order to attract some of the cruise lines back to Mexico which was suffering as a result of the loss of these ships, the Mexican President Felipe Calderon announced in the early days of May that the Tourist Board in Mexico would temporarily reduce the port taxes.

³⁸ Source: “Cruise lines cancel Mexico calls due to Swine Flu” by Melissa Baldwin Paloti, Managing Editor, April 28, 2009, www.cruisecritic.com/news/news.cfm?ID=3196

³⁹ Source: “Swine Flu: Mexico economy facing five day shutdown” by Tom Leonard in Cancun and Loan Grillo in Mexico City, Telegraph.co.uk, published April 30, 2009.

The Swine flu coupled with the global recession has placed a heavy economic burden on the world economies. Now the major questions on the minds of many people are not only “When will the recession end?” but “How can I protect myself against the Swine Flu?” The recession which officially started in December 2007 has lasted longer than many people had hoped and so many people are asking when will the cloud of doom that has covered the United States and ultimately the world in shrouds of economic chaos, and mental and emotional unrest be lifted? When will signs of recovery be evident so that Americans and the rest of the world can begin to feel that they have a chance of recouping some of their lost economic paradise? How many more jobs will be lost before the economy begins to stabilize? The answers to these questions are beginning to form but of course nothing is yet written in stone.

Some economists believe that the recession will technically end in 2009 but that the road to recovery will be hard and take months before it winds its way through the country and is noticed. Other persons think that the recession will not end for another one to two years. Some economists say that when you see the stock market rallying upwards that is a good sign that the economy is recovering. Some economists believe that when the banks start to lend money more freely again and credit is less difficult to get that is another good sign of recovery. Another good sign that the economy is recovering would be a slowdown in the number of housing foreclosures across the United States. Some people say that when you see gas prices starting to go back up that that is a sign that the economy is beginning to recover as it shows that demand has increased. Economists also say that one of the signs of recovery would be seen in the stabilization of the job market and the slowing of job losses throughout the country. Many economists say that even when the recession ends that there will still be some job losses but that the losses would be reduced. It would appear that the loss of jobs slowed in April 2009 and continued to slow in May 2009.

In January 2009, 741,000 persons (revised) lost their jobs in the United States. In February 2009 another 651,000 jobs were lost and the unemployment rate climbed to 8.1% bringing the number of people out of work in the United States to 3.3 million over the last six months.⁴⁰ In March 2009, 699,000 (revised) Americans lost their jobs. By April 2009, the number of job losses had slowed. In April 2009, 504,000 persons (revised) lost their jobs in the United States.⁴¹ By May 2009 the number of job losses had slowed even more since April 2009. Approximately 345,000 jobs were lost in May 2009 bringing the unemployment rate in the United States to 9.4%. Since the beginning of 2008, 6 million jobs have been lost.⁴²

Although the Bahamas has seen some recovery in the number of air arrivals to the destination, since September 2008, air arrivals to the destination continue to be weak. Air arrivals to the Bahamas

40 Source: “2 million jobs lost so far in ‘09” by Chris Isidore, CNNmoney.com, Senior writer, April 3, 2009.

41 Source: “Jobs: A little less bleak” by Chris Isidore, CNNmoney.com, Senior writer, May 8, 2009.

42 Source: “Job losses slow dramatically” by Chris Isidore, CNNmoney.com, Senior writer, June 5, 2009.

in May 2009 showed remarkable improvement since the financial meltdown of September 2008, but there is still much room for improvement. Stopover arrivals from many of the major markets were still down in May 2009.

According to the UNWTO's revised outlook for 2009 International Tourism is expected to decrease by 4% to 6% instead of the 2% to 3% that they had previously thought due to the global economic crisis and other global conditions.⁴³ According to the UNWTO World Tourism Barometer, the June edition, international tourist arrivals fell 8% in the first four months of 2009. Most regions of the world have been affected. International arrivals to Europe were down by 10%. International tourist arrivals to the Americas, Asia and the Pacific, and the Middle East were down.⁴⁴

The Bahamas has seen some recovery in tourist arrivals since the financial meltdown of September 2008 but The Bahamas is still on a long road to recovery. Air arrivals continue to struggle but cruise arrivals have done well for the Bahamas. Cruise arrivals to the destination have been a major source of generating foreign exchange into the Bahamian economy. It has helped to keep many Bahamians employed during these hard economic times. Although the road to recovery may be long, the economy of The Bahamas will rebound; it is just a matter of time.

43 Source: "Testing Times for International Tourism":UNWTO, July 2, 2009

44 Source: "Testing Times for International Tourism":UNWTO, July 2, 2009

MARKET FACTS

- In September 2008, the United States experienced a financial meltdown that sent the country into an economic tailspin. The rest of the world quickly followed suit.
- The United States and many countries in the world were and still are in an economic global recession.
- The recession in the United States began in December 2007 although most people did not notice it until September 2008.
- By May 2009 many of the largest economies of the world were still experiencing recessionary symptoms.
- According to a 2008 list by the International Monetary Fund and a 2008 list by the CIA World Factbook, the largest economies of the world (based on GDP) include the United States (no.1), Japan (no.2), China (no.3), and Europe namely Germany (no.4), France (no.5), the United Kingdom (no.6), Italy (no.7), Russia (no.8) and Spain (no.9). Brazil is ranked 10th, Canada is ranked 11th and India is ranked 12th.
- Some of the largest economies of the world are responsible for providing the Bahamas with the greatest supply of visitors to the destination.
- The United States which is the largest economy in the world is the largest supplier of business to the Bahamas. Over 80% of the visitors to the Bahamas come from the United States.
- The United Kingdom which is the 6th largest economy in the world provides the Bahamas with approximately 2.6% of the stopover business.
- In 2008, Canada had the 11th largest economy in the world but provided the Bahamas with 8% of the stopover business. It is only 2nd to the United States in providing visitor arrivals to the Bahamas. In 2007, Canada was ranked 9th in the world with the size of its economy.
- The Euro which is the common currency for many European countries experienced difficulties after the financial meltdown of September 2008. Many European countries were then faced with a credit crisis. Some European countries who used the Euro felt that they were hampered by the fact that they did not have their own currencies anymore while some of the Eastern European countries were trying to desperately establish the Euro as their currency as their own currencies depreciated and caused economic instability.⁴⁵
- By May 2009, the price of oil was still relatively low compared to the same period of 2008, a good thing for the average consumer. In May 2009, the average price of oil a barrel was \$59.03 compared to \$125.40 in May 2008. In April 2009, the average price of oil a barrel was \$49.65 compared to \$112.58 in April 2008. In March 2009 the average price of oil a barrel was \$47.94 and \$105.45 in March 2008. Oil prices in 2008 had 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. In July the price of oil averaged \$133.37. After the financial meltdown of September 2008, the price of oil plummeted to below \$70 in October and averaged \$76.61 for the month before it

⁴⁵ Source: forexblog.org/2009/01).

- continued that downward spiral.⁴⁶ The downward spiral in oil prices could be attributed to the falloff in world demand.
- 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. However the good news was that if the low oil prices were prolonged they could of course begin to assist the economy in its recovery.
 - 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."***⁴⁷) stood at 54.9 in May (up over April), 40.8 in April, 26.0 in March 2009, 25.3 in February 2009 and 37.7 in January 2009.⁴⁸
 - Consumer spending in the US was down for much of 2008 and continued to show signs of strain in May 2009.
 - Job losses continued in May 2009 as thousands more persons were laid off in the troubled US economy. The number of persons being laid off however has stabilized and begun to fall. The amount of persons laid off did slow down in April and this slow-down continued in May 2009.
 - 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 still very high.
 - Credit card interest rates in the United States are very high (some ranging from 8% to 25%).⁴⁹ The US government passed legislature that will protect consumers from unfair rate hikes and practices. In February 2010, credit card companies will no longer be able to freely raise interest rates and make customers pay their bills via phone. This new legislature hopes to ensure that the credit card companies also make customers aware of how long it would take to pay off a credit card debt if they are only paying the minimum balance.⁵⁰ The legislature will include many features to protect the consumers.
 - The US manufacturing industry was still weak in May 2009 and job losses continued in this industry.
 - The construction industry in the US was still weak in May 2009 and job losses continued in this industry.
 - 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.

⁴⁶ Source: "Price of Petroleum", Wikipedia, the free encyclopedia, en.wikipedia.org/wiki/price_of_petroleum, Cushing, OK WTI Spot Price FOB (Dollars per Barrel)

⁴⁷ Source: Wikipedia, the free encyclopedia

⁴⁸ Source: The Conference Board, "Consumer Confidence:Biggest jump in 6 years," money.cnn.com/2009/05/26/news/economy/consumer_confidence.ret/index.htm May 26,2009, Consumer Index sinks to all-time low, by Catherine Clifford, CNNmoney.com staff writer, January 27, 2009, "Consumers slightly more confident," by Ben Rooney, CNNMoney.com staff writer, March 31, 2009.

⁴⁹ Source: "Credit card rates that jump overnight" November 2008, consumerreports.org/cro/money/credit-loan/credit-cards/.

⁵⁰ Source: "Credit Card Fees Curbed" by Sudeep Reddy, Wall Street Journal, May 21, 2009

- Visitor Arrivals for the month of MAY 2009 were UP when compared to the same period of 2008 because sea arrivals were UP considerably for the month. Air arrivals although down, did better than most of the previous months since the crisis of September 2008.
- Nassau/Paradise Island, which is the island that normally receives most of the visitors to The Bahamas was up significantly because of the fact that many cruise ships were re-routed to the island because of the Swine Flu H1N1 epidemic in Mexico. Nassau/Paradise Island received many calls by Carnival Cruise lines in May 2009.
- Air arrivals to Nassau/Paradise Island although down performed better than most of the other months since the financial meltdown of September 2008.
- The island of Grand Bahama has had good performances with sea arrivals especially cruise arrivals from the month of February 2009. Cruise arrivals to the island have been up solidly during that time. Arrivals to Grand Bahama Island were also up in part because of the re-routing of cruise ships to the island because of the Swine Flu epidemic in Mexico. Air arrivals to the island continue to struggle and arrivals to the island were only up because of the favourable increase in cruise arrivals.
- All of the Islands of the Bahamas were **not up** for the month of May.
- Stopover arrivals to the Bahamas from most of the major markets were still down in May 2009.
- Cruise arrivals have done well for the Bahamas. Cruise arrivals to the Bahamas were only down in September 2008 and February 2009.
- Cruise arrivals to the Bahamas Overall were **up** significantly during the month of MAY 2009 by 33.5% (1st Port of entry only).
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were **up** by 60.5% in MAY 2009.
- Cruise Arrivals to Grand Bahama (1st port of entry) were up by 53.2% for the month of MAY.
- Cruise Arrivals to The Out Islands were down by 13.7% (1st port of entry) in MAY 2009 compared to the same period of 2008.
- Air Arrivals for May 2009 were still weak down by 11.7%. Even though air arrivals were weak in May they still showed improvement since the fateful financial meltdown in the US of September 2008 (-52.6% in September 2008, -32.5% in October 2008, -15.6% in November, -9.2% in December, -18.7% in January, -18.0% in February, -20% in March 2009 and -5% in April). However, air arrivals were better in December 2008 and April 2009 than in May 2009.
- By the end of May 2009 YTD (January to May), total visitor arrivals to The Bahamas Overall were **up** by 1.2% (air was down 14.7% and sea was up 9.0%).

MARKET UPDATE JANUARY TO MAY 2009

**FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
JANUARY TO MAY 2009**

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea			Air Only		
			% Chg Air/Sea			% Chg Air
Nassau/Paradise Island	1,201,171	1,154,600	4.0%	431,566	478,461	-9.8%
Grand Bahama	232,995	229,333	1.6%	59,728	81,701	-26.9%
Abaco	87,130	107,710	-19.1%	32,227	44,909	-28.2%
Andros	4,319	5,237	-17.5%	4,168	5,121	-18.6%
Berry Islands	197,243	194,191	1.6%	3,020	4,499	-32.9%
Bimini	17,233	17,265	-0.2%	6,270	6,938	-9.6%
Cat Cay	4,773	4,703	1.5%	2,212	2,075	6.6%
Cat Island	1,105	1,812	-39.0%	1,097	1,788	-38.6%
Eleuthera	147,814	161,484	-8.5%	13,497	19,275	-30.0%
Exuma	11,144	17,245	-35.4%	10,729	16,673	-35.7%
Half Moon Cay	153,088	137,371	11.4%	-	-	0.0%
Inagua	391	768	-49.1%	46	61	-24.6%
Long Island	385	511	-24.7%	330	498	-33.7%
San Salvador	6,509	8,121	-19.8%	6,425	7,984	-19.5%
Bahamas Overall	2,065,300	2,040,351	1.2%	571,315	669,983	-14.7%

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

Princess Cay, Eleuthera which normally closes in May for a few months closed at the end of April & was closed in May 2009.

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (JANUARY TO MAY YTD 2009)



- Nassau/Paradise Island
- Grand Bahama
- Berry Islands
- Cat Cay
- Half Moon Cay



- Abaco
- Andros
- Bimini
- Cat Island
- Eleuthera (especially Princess Cay)

- Exuma
- Inagua
- Long Island
- San Salvador

CRUISE ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
2009

	January to May YTD			May		
	2009	2008	2009/2008	2009	2008	2009/2008
	Cruise Arrivals YTD			Cruise Arrivals May Only		
			% Chg			% Chg
Nassau/Paradise Island	765,925	671,007	14.1%	164,441	102,461	60.5%
Grand Bahama	136,335	108,126	26.1%	33,346	21,761	53.2%
Abaco (Castaway Cay)	53,070	59,919	-11.4%	7,337	15,168	-51.6%
Andros	-	-	0.0%	-	-	0.0%
Berry Islands	193,812	189,422	2.3%	24,301	30,725	-20.9%
Bimini	-	-	0.0%	-	-	0.0%
Cat Cay	-	-	0.0%	-	-	0.0%
Cat Island	-	-	0.0%	-	-	0.0%
Eleuthera (Princess Cay)	133,935	142,008	-5.7%	-	13,016	-100.0%
Exuma	-	-	0.0%	-	-	0.0%
Half Moon Cay	153,088	137,371	11.4%	26,692	8,696	206.9%
Inagua	-	-	0.0%	-	-	0.0%
Long Island	-	-	0.0%	-	-	0.0%
San Salvador	-	-	0.0%	-	-	0.0%
Bahamas Overall	1,436,165	1,307,853	9.8%	256,117	191,827	33.5%

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.

Princess Cay, Eleuthera which normally closes in May for a few months closed at the end of April & was closed in May 2009.

All numbers are subject to revision.

CRUISE ARRIVALS (JANUARY TO MAY 2009 YTD 1ST PORT OF ENTRY)

ISLANDS UP



- Nassau/Paradise Island
- Grand Bahama
- Berry Islands (Coco Cay & Great Stirrup Cay)
- Half Moon Cay

ISLANDS DOWN



- Abaco (Castaway Cay)
- Eleuthera (Princess Cay)

CRUISE ARRIVALS (MAY 2009 ONLY, 1ST PORT OF ENTRY)

- Cruise arrivals to the Bahamas Overall were up significantly in MAY 2009.
- The Bahamas benefited primarily from the re-routing of ships done by Carnival Cruise lines (namely Fantasy, Carnival Holiday, Carnival Freedom, Carnival Imagination, Carnival Glory and the Carnival Destiny). The Bahamas also benefited from the Disney Cruise line's Disney Magic which normally goes only to Castaway Cay (Abaco, Bahamas), Mexico and other ports, etc. which visited the port of Nassau/Paradise Island in May 2009 as a result of the Swine Flu. Royal Caribbean's Enchantment of the Seas made calls on Nassau/Paradise Island as a result of the Swine Flu. The re-routing of ships by Holland America had very little impact on the very significant increase in cruise arrivals to the Bahamas as these ships were re-routed outside of the Bahamas.
- Cruise arrivals to many of the major islands in the Bahamas like Nassau/Paradise Island, Grand Bahama, the Berry Islands and Half Moon Cay were up for the month of May 2009 compared to 2008. Cruise arrivals to Castaway Cay, Abaco and Princess Cay, Eleuthera however were down (1st port of entry). The cruise port in Princess Cay, Eleuthera is normally closed sometime in May as Princess Cruises' ships are always re-routed out of the Bahamas during that month. In 2009, the port closed at the end of April earlier than in 2008.
- Cruise arrivals to the Bahamas Overall were **up** during the month of MAY 2009 by 33.5% (1st Port of Entry Only). One of the reasons for the increase in cruise arrivals in May 2009 compared to the same period of 2008 was because cruise lines like Carnival Cruise lines, and Disney Cruise Lines both re-routed ships that were originally supposed to go to Mexico to the ports in the Bahamas instead because of the Swine Flu epidemic. In addition, Norwegian Cruise lines (Norwegian Sky) made more calls in the Bahamas in May 2009 than when they operated the Norwegian Spirit in May 2008.
- Cruise arrivals to Nassau/Paradise Island (1st port of entry) were up by 60.5% in MAY 2009 because major cruise lines like Carnival Cruise's ships (Carnival Destiny, Carnival Freedom, Carnival Glory, Carnival Holiday, Carnival Pride, Fantasy, and Imagination), Disney Cruise Line's ships (Disney Magic and Disney Wonder), Norwegian Cruise's ship (Norwegian Sky), MSC Cruise's ship (Orchestra), Celebration Cruise lines formerly Imperial Majesty Cruises (Bahamas Celebration) and Royal Caribbean International's ships (Monarch of the Seas and Enchantment of the Seas) all brought in more passengers and made more calls to the island than in the same period of 2008. Many of the calls on Nassau/Paradise Island by some of Carnival Cruise Line ships, Royal Caribbean International's "Enchantment of the Seas" and the Disney Magic were made as a result of the re-routing of ships from Mexico because of the Swine Flu epidemic in Mexico. **NOTE:** If you look at Nassau/Paradise Island in isolation and not at the Bahamas as a whole you may then take all the ports of call for the island into consideration. Cruise arrivals to Nassau/Paradise Island as a 1st, 2nd and 3rd port of call were up.

- Cruise Arrivals to Grand Bahama (1st port of entry) were up by 53.2% for the month of May 2009 because major cruise lines to the island like Carnival Cruises (Sensation, Fantasy, Carnival Triumph, Carnival Holiday and Carnival Conquest), Norwegian Cruises (Norwegian Sky) and Discovery Cruises (Discovery Sun) all made more calls and brought in more passengers than in the same period of 2008. The Swine Flu epidemic in Mexico contributed to the significant increase in cruise arrivals to Grand Bahama as many cruise ships were diverted to that port instead. **NOTE:** If you look at Grand Bahama Island in isolation and not at the Bahamas as a whole you may then take all the ports of call for the island into consideration.
- The Out Islands were down by 13.7% (1st port of Entry) in MAY 2009 because many of the major cruise lines chose to go to either Nassau/Paradise Island first or Grand Bahama as a first port of call. In many instances the Out Islands were a third port of call for cruise lines like Norwegian Cruises who often went to Nassau/Paradise Island or Grand Bahama before going on to Great Stirrup Cay, Berry Islands. Carnival Cruise Lines on occasion went to Nassau/Paradise Island first before going on to Half Moon Cay. Royal Caribbean International also went into Nassau/Paradise Island as a first port of call before going on to Coco Cay, Berry Islands often in May 2009. **NOTE:** If you look at The Out Islands in isolation and not at the Bahamas as a whole you may then take all the ports of call for the Out Islands into consideration. Cruise arrivals to the Out Islands as a 1st, 2nd and 3rd port of call were up by 8.5% in May 2009.

FOREIGN AIR AND SEA ARRIVALS TO THE BAHAMAS
1ST PORT OF ENTRY ONLY
MAY 2009

	2009	2008	2009/2008	2009	2008	2009/2008
	Air and Sea		% Chg Air/Sea	Air Only		% Chg Air
Nassau/Paradise Island	248,465	193,292	28.5%	83,234	89,447	-6.9%
Grand Bahama	52,423	46,577	12.6%	12,211	14,826	-17.6%
Abaco	15,964	26,952	-40.8%	7,880	10,472	-24.8%
Andros	1,180	1,191	-0.9%	1,137	1,169	-2.7%
Berry Islands	25,143	31,740	-20.8%	728	883	-17.6%
Bimini	6,340	6,745	-6.0%	1,486	1,970	-24.6%
Cat Cay	1,648	1,523	8.2%	570	577	-1.2%
Cat Island	216	416	-48.1%	208	416	-50.0%
Eleuthera	2,837	16,955	-83.3%	2,705	3,851	-29.8%
Exuma	1,872	3,215	-41.8%	1,742	3,105	-43.9%
Half Moon Cay	26,692	8,696	206.9%	-	-	0.0%
Inagua	77	159	-51.6%	6	1	500.0%
Long Island	47	89	-47.2%	42	89	-52.8%
San Salvador	1,576	1,723	-8.5%	1,552	1,677	-7.5%
Bahamas Overall	384,480	339,273	13.3%	113,501	128,483	-11.7%

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

All numbers are subject to revision.

OVERALL VISITOR ARRIVALS (MAY 2009 1st PORT OF ENTRY ONLY)

- Nassau/Paradise Island
- Grand Bahama
- Cat Cay
- Half Moon Cay



- Abaco
- Andros
- Berry Islands
- Bimini
- Cat Island
- Eleuthera
- Exuma
- Inagua
- Long Island
- San Salvador

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.*
- *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.*

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



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