

Tourism in Dominica – Trends in Stay-Over Visitor numbers and expenditure

Dr. Maureen Paul – DAAS Economic & Development Committee

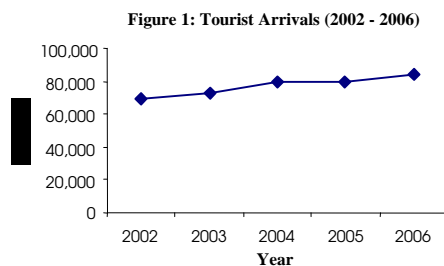
Tourism, which is currently high on the agenda in Dominica, is an important source of revenue for the island and is predicted to play a crucial role in the future development of the economy. However, among industry observers, there is a growing debate as to how much Dominica stands to benefit from tourism and how best it can position itself to make the most of this industry.

In this article, the Dominica Academy of Arts and Sciences (DAAS) presents a high level analysis of tourism data obtained from the Statistical Division. Focusing in particular on the way in which stay-over visitor numbers and expenditure are likely to progress in the future, the analysis provides an insight into how lucrative tourism might be for Dominica.

We begin the analysis by looking at the years 2002 to 2006 and then, due to space limitation, we narrow the focus to the years 2004 to 2006. In general, the results are encouraging. However, there are concerns that the number of visitors from the Caribbean, historically the backbone of Dominica's tourism, is showing a sustained decline.

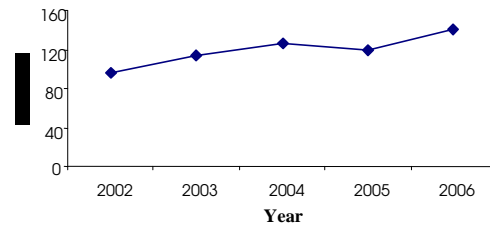
Stay-Over Tourist Numbers and Expenditure

The movements in tourist numbers and expenditure (which includes expenditure on accommodation) for the period 2002 to 2006 are shown in Figures 1 and 2 below. Save for a slight dip in 2005, the number of stay-over visitors to Dominica has been steadily increasing. This trend in numbers is reflected in the level of aggregate expenditure by stay-over visitors¹.



¹ To determine the proportion of total tourism expenditure attributable to stay-over visitors, we used information presented in the *Growth and Social Protection Strategy (GSPS)* April 2006 document (pg 34) on the share of total expenditure accounted for by stay-over visitors in 2004 and applied the reported percentage (i.e., 78 per cent) to all the other years.

Figure 2: Expenditure by Stay-Over Visitors (2002 -2006)



Looking more closely at average spending, which is summarised in Table 1, it can be seen that there has not been any marked change in average expenditure by stay-over visitor over the years². What this tends to suggest is that there are limited opportunities for visitors to spend while on the island. For instance, there are no large shopping malls or duty free complexes in Dominica. Another possibility is that visitors are unwilling to purchase goods in Dominica as prices are not competitive when compared to prices for similar goods in their home countries. Whatever the reason, this stickiness in average spending is an issue that ought to be addressed by the government if Dominica is to grow the profitability of its tourism industry.

Table 1: Average Expenditure Per Tourist

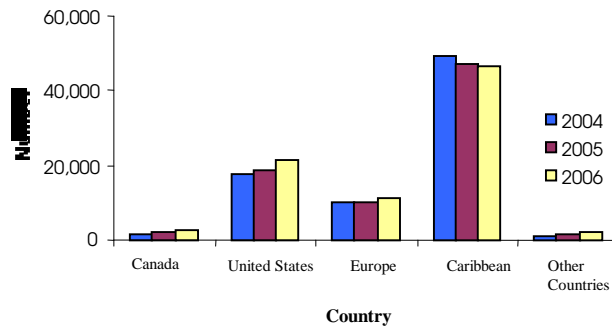
Year	Average Expenditure Stay-Over Visitors (\$EC)
2002	\$1,390
2003	\$1,551
2004	\$1,581
2005	\$1,495
2006	\$1,673

Geographic Distribution of Visitors

Historically, the majority of visitors to Dominica come from other Caribbean countries. However, as shown in Figure 3 below, while numbers from other geographic markets have been increasing, there has been a downward movement in the number of visitors coming from the Caribbean. Indeed, although the Caribbean continues to account for a large proportion of visitors to Dominica, its share of total visitors fell by 5% between 2004 and 2006 – from 61% to 60% between 2004 and 2005 and from 60% to 56% between 2005 and 2006.

² It should be noted that the data on tourism expenditure are based on surveys conducted by the Dominica NDF. The latest survey was undertaken in 2005 and prior to that a survey was conducted in the late 1990s. Therefore, expenditure data for 2002 to 2004 are extrapolated based on data from the survey conducted in the 1990s and the expenditure figure for 2006 is extrapolated from expenditure data in the 2005 survey.

Figure 3: Stay-over visitor numbers by Geographic Markets



Change in the Number of Visitors

Further insight into the movement of stay-over visitor numbers can be gained by looking at the percentage change in the number of visitors coming from each geographic market.

Figure 4: Percentage Change in numbers between 2004 and 2005

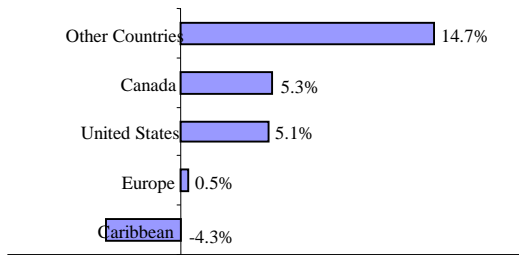
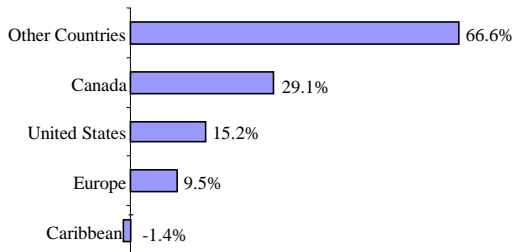


Figure 5: Percentage Change in numbers between 2005 and 2006



From Figure 4 and Figure 5 above, it is apparent that there was positive growth in the numbers for all geographic markets except for the Caribbean where numbers fell by 4.3% between 2004 and 2005 and a further 1.4% between 2005 and 2006.

The percentage change can be expressed as the monthly average increase/decrease in the number of stay-over visitors. This is presented in Table 2 for 2005 (relative to 2004) and 2006 (relative to 2005).

Table2: Average monthly increase/decrease in the number of visitors

Country	2005	2006
Canada	21	48
United States	75	235
Europe	4	81

Caribbean	-175	-54
Other Countries	6	78

In 2005, the average monthly change in the number of stay-over visitors to Dominica ranged from 175 less visitors from the Caribbean to 75 more visitors from the US. In 2006, the figures were 54 less coming from the Caribbean each month to 235 more visitors coming from the US each month.

Summary

Overall, tourism in Dominica is showing steady growth. However, a closer look at geographic markets reveal that while numbers from the key markets continue to increase, Dominica is losing ground in attracting people from other Caribbean islands. This is of concern as visitors from the Caribbean have traditionally been the backbone of Dominica's tourism industry. Indeed, the fall in total stay-over visitor numbers and expenditure in 2005 was due entirely to a fall in the number of stay-over visitors coming to Dominica from other parts of the Caribbean. This translated into an estimated average monthly revenue loss of EC\$132,273. The resulting cautionary advice is that, while seeking to penetrate other geographic markets, Dominica must not do so by neglecting its biggest market, the Caribbean.

The increase in the numbers coming from the other geographic markets, particularly the US where the increase has been relatively large, may hint at the success of marketing in increasing stay-over visitor numbers. However, it is not possible at this stage to determine with any certainty whether the additional income generated by the increase in the number of stay-over visitors to the island outweighs the cost of attracting them (i.e., the cost of marketing).