

The COVID-19 Pandemic impact on Tourism Industry in St. Kitts and Nevis.



The COVID-19 Pandemic has hit the whole world significantly causing economic, social, and physical distress, and the Caribbean, in particular, has suffered greatly in all these respects. The greatest economic impact has been for those countries that depend heavily on tourism. The Federation of St. Kitts and Nevis is no different in this regard; its economy in which tourism touches many areas has been significantly impacted by the reduced travel due to the Covid-19 pandemic.

Tourism related activities is one of the biggest contributors to the Gross Domestic Product (GDP) for St. Kitts and Nevis, through a combination of activities such, but limited to condo/villa construction projects, activities of hotel and restaurants, retail trade of souvenirs and luxury goods, and tour and taxi operations. In fact, the Construction sector, which contributes approximately 14% to GDP, was for many years driven by projects that aim to increase the accommodations room stock and improve the air and sea ports infrastructure-fueled by prospects of a growing tourism industry. In recent years, there has been the construction of the Park Hyatt Hotel, construction of a new cruise pier and the renovation of the Robert Lewellyn Bradshaw airport.

The tourism expenditure estimate has been over 500 million dollars in both 2018 and 2019. This figure does not include estimates for international students which has a significant economic impact. These figures are directly related to the visitor arrival figures. See table below.

Table 1: Total Visitor Arrivals by Air and Sea

| Year | 2018 | 2019 | % Change | 2019 | 2020 | % Change |
|--|-------------|-------------|---------------------|-------------|-------------|---------------------|
| Visitor Arrivals by Air | 128,579 | 124,241 | -3% | 124,241 | 30,865 | -75% |
| Visitor Arrivals by Sea | 1,147,918 | 982,817 | -14% | 982,817 | 270,749 | -72% |
| Visitor Arrivals by Air and Sea | 1,276,497 | 1,107,058 | -13% | 1,107,058 | 301,614 | -73% |

Visitor arrivals by air between 2018 and 2019 fell slightly by 3 percent, moving from 128,579 to 124,241. However, in 2020, visitor arrivals decrease drastically by 75% to 30,865. The onset of the Covid-19 pandemic would have cause regular passenger flights to cease from the ending of March, and only recovering slightly with a partial reopening of the borders in October.

The COVID-19 Pandemic also affected the sea arrivals. In 2018, cruise ship and yacht passenger arrivals total 1,147,918, with a 14% decrease occurring in 2019 to 982,817. This decrease is minor compared to that of 2020- given the impact of the pandemic, in that passenger cruise has been halted since April. In 2020, cruise ship and yacht passenger arrivals declined by 72% to 270,749.

Overall, the Covid-19 pandemic resulted in a decrease in total air and sea visitor arrivals by 73% to a total of 301,614. This level of decline represents the most significant negative impact on the tourism sector on record. But notwithstanding, St. Kitts and Nevis has built itself as an

attractive tourism destination- to the benefit of visitors and residents. As such with a recovery in the global economy, St. Kitts and Nevis tourism industry is expected to fully rebound from drastic impact of the covid-19 pandemic.