

WILL BAHAMAS EVER FULLY RECOVER?



Vital source of Bahamian revenue, tourism, is suffering from the global economic crisis. It will probably get better when the crisis is over but will it fully recover? Competition in the Caribbean is growing every year.

The perspectives of Bahamian tourism became rather gloomy after the country has been influenced by the downturn. The USA is severely hit by the economic crisis which leads to lower numbers of tourists visiting Bahamas. According to the Minister of State for Finance, Zhivargo Laing, the **2008 tourism receipts were down 8 per cent**. The officials expect the economy and tourism to fall even more this year. Central Bank of The Bahamas expects further growth of unemployment. Some economists think the crisis may be over by the end of this year. The International Monetary Fund expects the global economy may slowly start to grow next year. There is, however, question who believes the IMF and the economists who have been wrong so many times before. They have not even predicted the crisis to emerge.

According to a former Bahamian minister, James Smith, there is a need to determine what they would do if the tourism industry does not completely recover after the end of the recession. It is **not sure whether the American tourists will come back in the same numbers** as before the crisis. Local competition is growing. There are important tourism destinations like Puerto Rico, Dominican Republic or Jamaica. Last but not least there is also Cuba.

Tourism industry is a vital source of income for the Bahamas. It represents approximately 40 per cent of the Bahamian Gross Domestic Product. It is thus an important tax player as well as foreign currency earner. Vast majority of Bahamas' visitors are from North America. The industry has directly or indirectly created more than half of all jobs in Bahamas.

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