

# PUERTO RICO IS FALLING BEHIND



Puerto Rico has always been a sought-after tourism destination. It can offer numerous attractions for tourists ranging from diverse natural wonders and historical buildings to concerts and sporting events. The tourism industry is also a very important segment of the country's economy. However, today the industry is not growing as fast as it could.

The main reasons are two and they are interconnected - the lack of hotel rooms and fewer planes operated by airlines. The fact is that the Puerto Rico's capital is American Airlines' Caribbean hub. Approximately 60% of all passengers who move through Luis Munoz Marín International Airport (SJU) are transported by American Airlines or American Eagle. The airlines have made huge investments in their operation on the island. These days, however, officials from the American Airlines see the stagnation of the local tourism industry, as a major problem. Art Torno, managing director of American Airlines (AA) says, that they are concerned about the future of the huge investment they have made over the last two decades.

Since the hotel room inventory has become stagnant, they are concerned with their future in Puerto Rico. The fact is that they have eight gates that sit idle seven days of the week because there is no aircraft to occupy them. They have reduced the frequency of service to San Juan by 40% since its peak back in 1989. Nowadays there are only 36 daily flights. It is also possible that the days when San Juan was an important airline hub are gone. Many other destinations in the region are nowadays served by other airlines as well which is of no help to Puerto Rico. For example, a Londoner flying to Antigua does not have to go over San Juan anymore. British Airways will take him directly to the island since Antigua has now a nonstop service from London.

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