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Republic Bank

Main Highlights...

Geopolitics

Major Developments

Israel-Hamas War

On October 7, 2023, conflict erupted between Israel and Hamas forces, after the latter executed, what experts say was the largest attack on Israel since the Yom Kippur War of 1973. This crisis has created global insecurity risks as Anti-Semitic and Islamophobic incidents are beginning to rise in other parts of the globe. As of November 6, 2023, the Gaza death toll had already surpassed 10,000. In the meantime, the United Nations (UN) launched a US$1.2 billion humanitarian effort to aid the Gaza population and East Jerusalem. The US urged Israel to allow a humanitarian pause in Gaza, to facilitate the release of hostages, some of which are US citizens.

The war is likely to reverse the progress made regarding the enhancement of Israel's relations with neighbouring Arabic countries. For instance, there are growing fears that the Abraham Accords could be abandoned, with the governments in Morocco and the other Arabic nations that have signed on to the agreement, facing significant pressure from their citizens to not only condemn Israel's response but to sever ties with that country. The Abraham Accords are a series of treaties normalising diplomatic relations between Israel, the United Arab Emirates (UAE), Bahrain, Sudan, and Morocco. This treaty was facilitated by the US Administration between August and December 2020. Since the attack, Sudan has renewed its ties with Iran and only one Arab nation (UAE) has openly condemned the October 7th massacre. A dissolution of the Abraham Accords would lead to a more fractious Middle East, reducing trade and opportunities for economic growth and development in that region.

Ukraine-Russia Crisis

With the global attention now shifting to the ongoing Israel-Hamas conflict, there are fears that some of the support provided by Western countries to Ukraine may be diverted to the Middle East. Over the course of the last two months, Russia has been relentless in its attacks against Ukraine. During the period October 14-15, 2023, the Kherson region was shelled more than 200 times. Several attacks were also focused on Ukraine's energy infrastructure. Russian attacks have also continued in the Donetsk region and escalated in other regions.

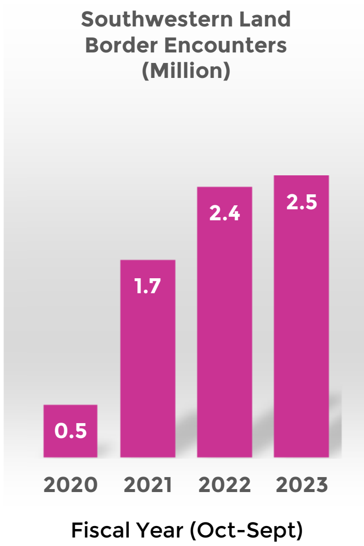
China-US Tensions Eased

The meeting between President Biden and President Xi Jinping during the Asia-Pacific Economic Cooperation (APEC) summit, which commenced on November 11, 2023, commanded significant attention. The meeting was seen as an opportunity for both leaders to take steps to ease tensions between China and the US. According to President Biden, both leaders agreed to resume military-to-military communications to help ease diplomatic strains. China severed military-to-military communications in 2022, following US House Speaker, Nancy Pelosi's visit to Taiwan. Both sides also announced plans to stem the flow of fentanyl into the US by significantly reducing the flow of precursor chemicals used in making the synthetic opioid and pill presses, from China to the Western Hemisphere. China was also hoping to address the US-China trade limitations, but the US only committed to continuing work on advancing a Pacific trade pact and strengthening workers' rights. The US was seeking to make progress on issues related to Taiwan, China's actions in the East and South China seas, the Green Technology Race and China's stance on the crises in both Ukraine and the Middle East. However, limited details on these matters were released. Based on the commitments made, the meeting could be viewed as a minor success. It remains to be seen how long the slight improvement in US-China relations holds and to what extent it can improve, given ongoing global events.

Geopolitics

Other Developments

US Migrant Crisis



380 percent increase in Southwestern Land Border Encounters for fiscal 2021 compared to fiscal 2020.

42,000 Indian migrants crossed the southern border illegally in fiscal 2023.

50,000 Illegal Venezuelans crossed the US-Mexico border in September 2023 which eclipsed the monthly record of 34,000 set in September 2022.

Families now constitute the majority of border arrests whereas this title was previously held by Single Adults. In 2023, border encounters with Family Units increased by 46.5 percent year-on-year (y-o-y), while that for both Single Adults and Accompanied Minors contracted by 9 percent and 14.4 percent, respectively.

Congo Conflict

6.9 Million
The number of people displaced due to conflict across the Congo.

80%
Approximately 80 percent of those displaced were from the eastern Congo provinces of North Kivu, South Kivu, Ituri and Tanganyika, which are being overpowered by armed forces seeking to profit from the region's gold and other resources.

4.8 Million
The International Organisation for Migration (IOM) revealed that the recent conflicts that commenced in October 2023, uprooted more people in less time than observed before. Unfortunately, more than two-thirds of the persons displaced (around 4.8 million) already live with host families. As a result, this crisis is negatively impacting the entire country but mostly the financially challenged citizens.

28%
Suffering among women and children is alarming as the International Rescue Committee (IRC) and local NGO partners launched an emergency response to protect children and survivors of gender-based violence (GBV). The international community is also being called upon to assist given that the Congo's GBV is only 28 percent funded.

COP28

With the 28th edition of the Conference of the Parties (COP) due to commence on November 30, 2023, the United Nations (UN) has highlighted that international public funding for adaptation in developing economies contracted by 15 percent in 2021.

15%

Based on World Bank estimates, approximately 132 million people will fall into poverty by 2030 due to direct health impacts of climate change.

132 Million

Little Hope of a Fossil Fuel Supply Gap

Although negotiators from both Africa and India are requesting that richer nations lower their production of fossil fuels, a 2021 UN report discovered that global governments intend to double fossil fuel production in 2030.

This is not in alignment with limiting global warming to 1.5° Celsius.

Republic Bank

Geopolitics

Implications

- Rising tensions in the Middle East, the ongoing Ukraine-Russia war and other conflicts around the world are likely to limit economic activity globally. Concerns related to these events may negatively affect demand and trade, resulting in slower growth.
- Geopolitical tensions could complicate climate change negotiations with the 28th Conference of the Parties (COP28) in Dubai due to run from November 30 to December 12, 2023. The Russian invasion of Ukraine and the Israel-Hamas war have contributed to an increasingly fractious global environment which will leave little room for collaboration among nations.
- Continued US-China tensions represent a threat to both economies and by extension, wider global economic activity. They will also fuel the further fragmentation of global trade and diplomatic relations, as allies of both countries are increasingly forced to choose sides.

Trade

Twenty Twenty-Three Trade Trends

The precursor
World trade and output slowed drastically in the fourth quarter of 2022 as the effects of tighter monetary policy were felt in the United States, the European Union and elsewhere. Declining energy prices and the abrupt end of Chinese pandemic restrictions raised the prospect of a quick recovery, however that did not happen as strained property markets prevented a stronger recovery from taking root in China and higher-than-desirable inflation persisted in the United States and the EU. Together with the after-effects of the war in Ukraine and the COVID-19 pandemic, these developments cast a shadow over the outlook for trade in 2023 and 2024.

Twenty twenty-three
The World Trade Organisation (WTO), in its Global Trade Outlook and Statistics – October 2023, expects world merchandise trade volume growth of 0.8 percent in 2023, less than half of its 1.7 percent growth projection in April. The trade slowdown appears to be broad-based, spanning many countries and a wide array of goods, specifically certain categories of manufactures such as iron and steel, office and telecom equipment, textiles, and clothing. Passenger vehicles, which saw strong sales in 2023, have been a notable exception. While the exact causes of the slowdown are unclear, inflation, high interest rates, US dollar appreciation, and geopolitical tensions are all contributing elements.

Fragmentation?
WTO economists do see some signs of trade fragmentation linked to geopolitical tensions, however, thus far, there is no evidence of a broader deglobalisation trend that could weigh more heavily on trade.

Black gold
In the first half of 2023, import growth was fastest in regions that disproportionately export fuels, as countries in these regions would have received almost windfall export revenues since the start of the Russia–Ukraine war. These include the CIS - Commonwealth of Independent States (33.7 percent), the Middle East (12.2 percent), and Africa (4.6 percent). Other regions registered import declines, including Europe (-1.9 percent), Asia (-2.0 percent), North America (-2.8 percent) and South America (-4.2 percent). Import volume growth is expected to turn positive in Asia and North America in the second half of 2023 while Europe's imports should remain weak.

Then and now
While one can only speculate about what might have been if COVID-19 never happened, a comparison of post-Pandemic trade (H1 2023) with pre-Pandemic trade (H1 2019), reveals what is. Following the estimated trade growth of 0.8 percent for 2023, WTO expects trade to expand by 3.3 percent in 2024.

Trade

Regional Imports and Exports: H1 2023 compared to H1 2019

Imports		Exports	
Region	**Change**	**Region**	**Change**
CIS	19.1% increase	Asia	14.6% increase
Middle East	11.9% increase	South America	3.9% increase
North America	9.8% increase	North America	3.8% increase
South America	9.5% increase	Europe	2.8% increase
Asia	6.9% increase	Africa	1.7% increase
Europe	4.4% increase	Middle East	1.2% decrease
Africa	0.6% decrease	CIS	5.7% decrease

Source: WTO Global Trade Outlook and Statistics - October 2023

Present and Projected Developments

Developing countries' share of green tech exports fell

From 2018 to 2021, developed countries' green tech exports surged from $60 billion to $156 billion, while developing nations only saw an increase from $57 billion to $75 billion. Due to this, their global export share fell from over 48 percent to under 33 percent. UNCTAD emphasises the urgency for developing countries to grab this opportunity since early adoption of technology can yield lasting advantages.

Global market for green tech projected to reach $2.1 trillion by 2030

Green industries are projected to boom as countries increase their efforts to fight climate change and cut down on greenhouse gas emissions. Green technologies like electric cars, solar and wind energy, green hydrogen, and many more may reach $2.1 trillion in value by 2030.

Trade

U.S. imports from China dropped by around 25 percent

China may no longer be the leading exporter to the US In the first half of this year, for the first time in 15 years, US imports from China fell by about 25 percent from January to May, reaching $169 billion, a 19-year low at just 13.4 percent of total U.S. imports, down 3.3 percentage points from the previous year.

FAO's All Rice Price Index rose by 9.8 percent

After India introduced several export restrictions, the Food and Agriculture Organisation's All Rice Price Index rose by 9.8 percent. The country provides 40 percent of global rice exports, which accounts for the significant surge in the All Rice Price Index. India banned non-basmati white rice shipments in July and placed a 20 percent duty on exports of parboiled rice in late August.

AfCFTA is poised to create the world's biggest free trade area of 1.3 billion people.

The African Continental Free Trade Area (AfCFTA) is concentrating on trading 96 products and operationalising the agreement initially through eight nations. It is poised to create the world's biggest free trade area of 1.3 billion people. It is expected to boost intra-African trade by 52.3 percent by 2025.

Elimination of cross-border tariffs on 95 percent of African traded goods

The AfCFTA, covering 54 out of 55 nations, aims to remove cross-border tariffs on 95 percent of African traded goods. This will liberalise pan-African trade, promote continental sourcing, and boost coastal nations as potential trade and export hubs.

Trade

By 2050 a third of the world's ports may become inoperable

Because of the effects of climate change, about 1/3 of the world's ports may become inoperable by the year 2050. The Panama Canal has already started feeling this effect. Prolonged drought conditions have resulted in historically low water levels in the Canal, resulting in the need to reduce the number and size of ships passing through. The resulting delays will continue into late 2024.

Implications

- With some of the 'contributing elements' to 2023's lower-than-expected trade growth likely to continue into 2024, trade growth for that year could also fall short of WTO's expectations.
- Partly due to geopolitical as well as economic considerations, trade within regions seems likely to increase.
- The relatively weak export performance by some fuel-exporting regions, suggests that the non-energy exports of some energy-exporting countries may be falling behind those of other countries.
- Between high energy prices, reduced throughput at the Panama Canal and other aforementioned developments, imports to the Caribbean could remain costly with longer delivery times.
- Caribbean states need to boost their non-energy exports, intensify intra-regional trade and explore sourcing imports closer to home.

Banking and Finance

Global Interest Rates Update

The Federal Reserve

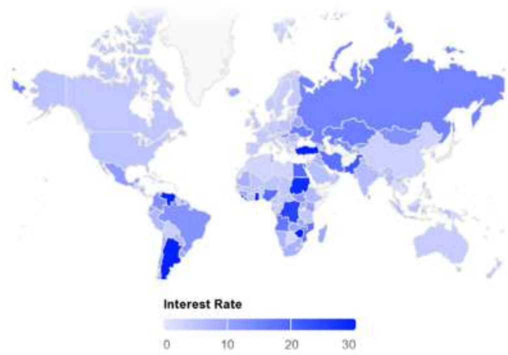


Photo: Trading Economics

With inflation down markedly from the 6.4 percent recorded in January, the Federal Reserve kept the target range for the federal funds rate at 5.25 percent-5.5 percent for a second consecutive time in November. Inflation reached 3.2 percent in October, down slightly from 3.7 percent in the previous month. The Fed is intent on returning inflation to the 2 percent target while averting unnecessary monetary tightening. Generally, prices are at their highest levels in 22 years. While there has been notable progress in the Fed's efforts to reduce the rate of inflation, volatility still exists due to geopolitical tensions and other factors. Food and energy prices remain the most threatening components of inflation to households, according to Fed Chair Jerome Powell.

Bank of England (BoE)

Similar to the decision taken by the Federal Reserve, officials from the BoE voted to maintain its benchmark interest rate at a 15-year high of 5.25 percent for the second consecutive time during its November meeting. The BoE emphasised that borrowing costs will remain high, despite the threat of a recession, as it underscored the importance of steering inflation back to the 2 percent target. Although inflation has fallen from 11.1 percent just over a year ago to 6.7 percent in September, it remains more than three times the BoE's target.

European Central Bank (ECB)

The ECB held rates steady at its October meeting, adopting a "wait and see" approach as fears mount of an impending recession in the eurozone. Departing from an extended period of steady hikes, the decision was also influenced by the gradual easing of price pressures. The main refinancing operations rate and the deposit facility rate soared to highs of 4.5 percent and 4 percent respectively as the central bank aims to have the inflation rate return to its 2 percent target over the medium term.

Bank of Canada

In its October meeting, the Bank of Canada held the target for its overnight rate unchanged at 5 percent, the highest in 22 years. The move was also a sign that future changes will be depenedent upon economic signals. This is the second time the rate has been paused as the the Governing Council noted that economic activity has been adversely affected by past interest rate hikes. Considering upside risks such as energy prices and wage growth, the apex bank expects inflation to remain unpredictable before withdrawing to 2 percent by 2025.

Banking and Finance

Bank of Japan (BOJ)

The BOJapan has removed the rigid 1 percent cap on the 10-year bond yield and is now using a 1 percent "loose bound", vowing to intervene to prevent the yield from moving significantly beyond that level. As anticipated, the BOJ maintained its short-term interest rate and its 10-year bond yields at -0.1 percent and 0 percent, respectively. In October, the central bank revised upward its inflation projections for both fiscal 2024 and 2025 to 1.9 percent. In an interview with Reuters in November, Eiji Maeda, a central bank executive, indicated that should negative rates end, Japan would see inflation stabilise near 2 percent, requiring the increase in short-term borrowing costs to levels seen as "neither stimulating nor cooling the economy."

Sustainable banking

Photo: Shutterstock

Environmental, social and governance (ESG) principles are increasingly shaping business models globally, including in the financial sector. The sector, especially banks, is required to play a leading role in the adoption and promotion of ESG principles, as a growing number of businesses recognise that profitability does not have to come at the expense of sustainable practices.

Top five banks for ESG 2023:

BNP Paribas

BNP Paribas is a French multinational universal bank and financial services holding company. The bank adopts an ESG-first approach as it relates to its investment strategies. BNP Paribas utilises six key pillars when constructing its approach: ESG integration, investment stewardship, responsible business conduct policies and sector-based exclusions, and a forward-looking perspective across energy transition, environmental sustainability, and inclusive/equitable growth.

Standard Chartered

Standard Chartered plc is a British multinational bank with operations in consumer, corporate and institutional banking, and treasury services. The bank offers a robust sustainable investment programme for its clients, which is customisable. As part of the bank's own sustainable investment plans, it invests in projects aimed at meeting UN SDGs, partnering with like-minded ESG-driven firms.

Citi

Citibank, N. A., better known as Citi, is the primary US banking subsidiary of financial services multinational Citigroup. Championing pay equity, increasing economic mobility, addressing racial wealth disparities, and confronting the climate crisis are key commitments made by Citi as it leverages its resources to address these societal challenges. Citi has also committed to reaching net zero by 2050, while providing support to its customers in their transitions to a low-carbon economy.

HSBC

Prioritising sustainability risk, climate strategies, people and communities, global banking giant HSBC manages a strong ESG programme. Some policies implemented by HSBC include forestry and agricultural commodities policies, equator principles, and chemicals industry policies. Additionally, HSBC has demonstrated a commitment to fighting financial crime, with a robust structure in place to protect against card fraud and identity theft.

JP Morgan

In 2022, the bank launched a Carbon Assessment Framework to help clients meet emissions intensity reduction targets as well as financed and facilitated US$70bn in support of its Sustainable Development Target. US$10m was committed by JPMorgan to support humanitarian relief in Ukraine in 2022 as well.

Photo: Adobe

An important component of sustainable banking is the continued integration of the latest appropriate technology into the operations of banks. Examples of some of these related developments are contained in Figure 1.

Figure 1

Implications

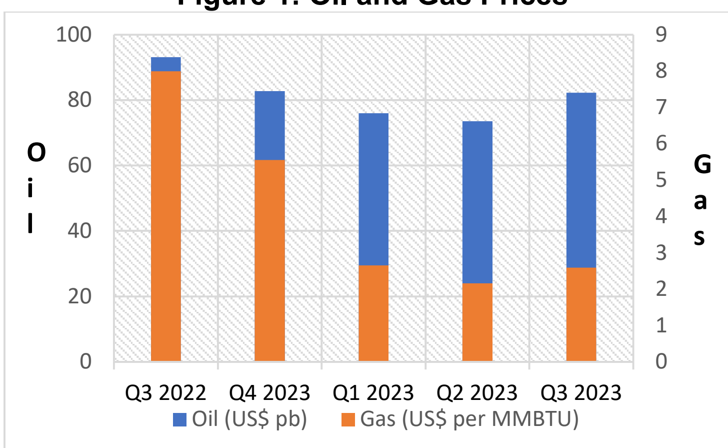
- **Central banks around the world are now easing interest rate hikes after consistently increasing rates for almost 2 years as more evidence point to slowdowns in their respective economies. Volatilities in the global economy and geopolitical conflicts make it difficult to navigate a clear path to achieving targeted rates, leading some banks to adopt a "wait and see" approach.**

Commodities

Energy

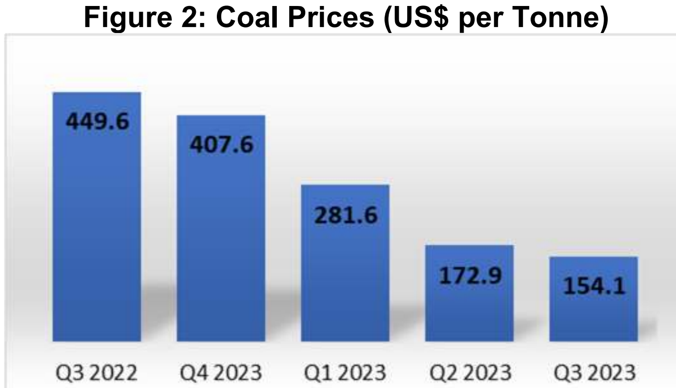
- West Texas Intermediate (WTI) oil prices increased by 11.9 percent to average US$82.25 per barrel in the third quarter of 2023 compared to the previous quarter. This occurred on the back of actions by key producers to limit supply.
- In June, OPEC+ members announced their decision to extend the group's productions cuts through to 2024.
- A month later, Saudi Arabia indicated that it will voluntarily cut its own supply by an additional 1 million barrels per day, for one month. In September, it was revealed that the reduction would be extended until the end of 2023.
- Henry Hub gas prices increased by 19.9 percent to average US$2.59 per million British thermal units (MMBTU) between July and September 2023 (Figure 1).
- Natural gas exports from the US continue to grow rapidly in 2023, with the Energy Information Administration (EIA) predicting a 20 percent increase compared to 2022.
- Contrarily, coal prices fell during the period, with rising supply. For instance, the Australian export price fell by 10.9 percent to US$154.10 per tonne from US$172.90 in the second quarter of 2023 (Figure 2).

Figure 1: Oil and Gas Prices



Source: EIA

Figure 2: Coal Prices (US$ per Tonne)

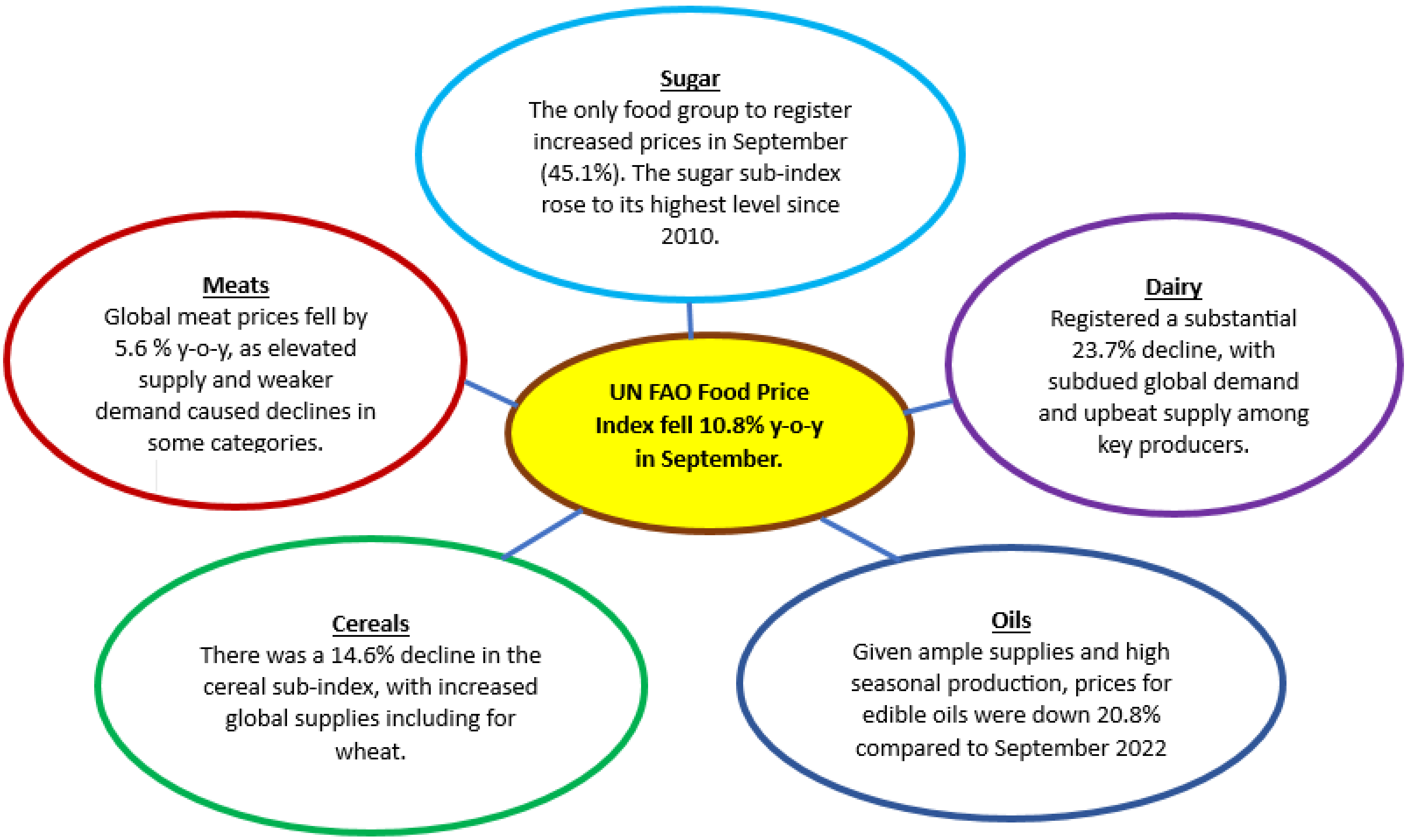


Source: IMF

Commodities

Food

Despite minor increases in April and July, global food prices as measured by the United Nations Food and Agriculture Organisation's Food Price Index, generally trended down in the first nine months of 2023.



Metals

Gold

- Despite the strengthening of the US dollar with rising interest rates since the first quarter of 2022, gold prices remain at encouraging levels for producers, driven in part by continued global economic uncertainty and geopolitical tensions.
- In the third quarter of 2023, gold prices fell to US$1,928.48 per troy ounce compared to US$1,975.93 in the previous quarter but were still 11.5 percent above third quarter 2022 levels.

- The outbreak of the latest major conflict between Israel and Hamas provided a slight boost to prices in October.
- This is illustrative of the precious metal's continued, strong safe haven appeal to investors.

- Geopolitical and other uncertainties are expected to keep gold prices at elevated levels heading into 2024, especially with the US Fed's decision, in November, to maintain the pause on its policy rate increases.

Steel

- The global steel industry faced strong headwinds in the first nine months of 2023, with slumping demand in key markets.
- In China, construction activity slowed against the backdrop of the ongoing real estate crisis, resulting in subdued demand for steel.
- The labour strike by thousands of US autoworkers, which began in the middle of September 2023, after failed wage negotiations between their representative union and three major automobile manufacturers, negatively impacted the industry and the demand for steel.
- With all the affected firms having agreed to new deals with the union by the end of October, the operations of the respective plants are expected to return to normal in the closing period of 2023.
- In the UK, British Steel is reportedly considering cutting 2,000 of its existing 4,500 workforce, faced with losses amounting to £30 million per month, as well as the company's ambition to switch to a greener production model.
- According to the World Steel Association, global steel output increased by 0.1 percent in the first three quarters of 2023 (Table 1).

Table 1: Steel Production by Region

	Jan – Sep 2023 (Mt)	Year-on-year % Change
Africa	11.9	6.6
Asia and Oceania	1,055.7	1.6
EU	96.2	-9.1
Europe, Other	30.7	-9.3
Middle East	32.6	-0.6
North America	82.2	-3.3
Russia & other CIS + Ukraine	66.3	2.0
South America	30.9	-6.2
Total	**1,406.4**	**0.1**

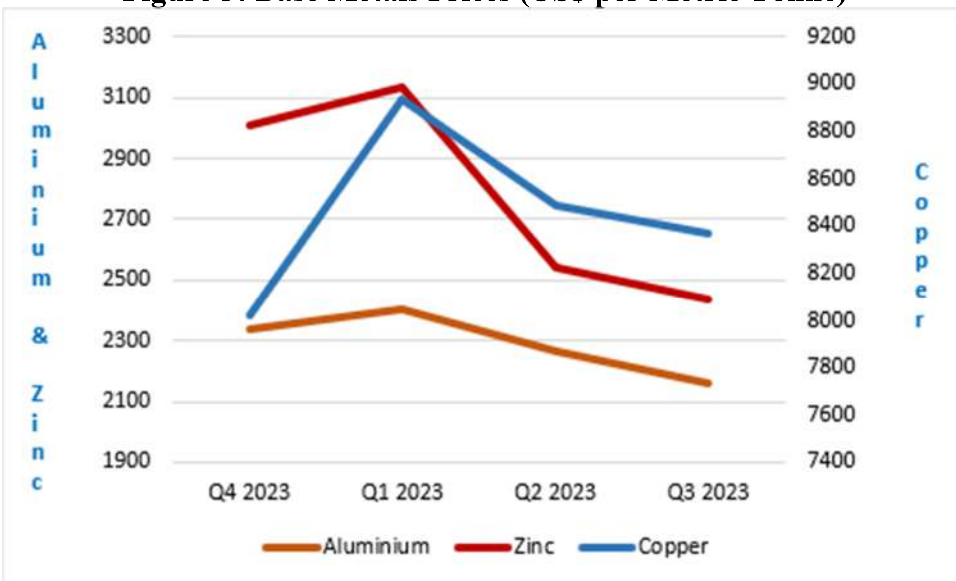
Source: World Steel Association

Commodities

Base Metals

- Base metals prices generally trended down between January and September 2023, under the weight of subdued demand from China and Europe, and elevated interest rates.

Figure 3: Base Metals Prices (US$ per Metric Tonne)



Source: IMF

Implications

- Continued geopolitical tensions are likely to keep commodity prices elevated heading into the first quarter of 2024. While the impact of the Israel-Hamas conflict on commodity prices has been limited thus far, any expansion of the war to include other nations may result in substantial increases in energy and gold prices, particularly. Besides the war, continued efforts by OPEC+ to bolster energy prices are expected to help prevent a significant fall in energy prices during the period.
- On the other hand, if economic activity in China continues to be muted, the demand for base metals will likely be contained along with prices.

Tourism

Impact of Israel-Hamas Conflict
The global travel industry has slowed by 5 percentage points since Hamas attacked Israel on October 7, 2023. On October 6th, global air travel bookings for Q4 2023 were expected to reach 95 percent of 2019 levels. However, by October 27th, the outlook fell by 7 percentage points to 88 percent.

The attack and the ensuing war have not only impacted tourism in the Middle East, but has had a ripple effect throughout the global industry. From a destination perspective, the growth in bookings to all regions has slowed, except for Africa, whose recovery continued towards 2019 levels.

<u>Outbound Airline Bookings:</u>
- ✓ Bookings from Middle Eastern countries fell by nine percent since October 2023
- ✓ Service from the Americas slowed by 10 percent
- ✓ Bookings from Asia Pacific, European and African regions all slowed by 2 percent

<u>Inbound Airline Bookings:</u>
- ✓ Bookings to the Americas fell by 6 percent
- ✓ Bookings to Europe fell by 3 percent
- ✓ Bookings to Asia Pacific trended downwards by 1 percent
- ✓ Bookings to the Middle East fell by 26 percent
- ✓ Countries bordering Israel were hit the hardest, with many airlines cancelling all flights to the region
  - Saudi Arabia declined by 67 percent
  - Jordan by 54 percent
  - Lebanon was down 45 percent
  - Egypt fell by 35 percent

<u>Travel Advisories for Israel and Palestine</u>
- ✓ On October 14th, the United States issued a level 3 or 'Reconsider Travel' warning for Israel and West Bank
- ✓ The US also issued a level 4 "Do Not Travel" warning to Gaza
- ✓ Britain advised against all but essential travel to Israel and Palestinian territories

The exodus of visitors was a big blow to Israel's lucrative tourism industry, just as it was recovering from the COVID-19 pandemic. In 2023, Israel's tourism sector accounted for 2.8 percent of its GDP and about 3.6 percent of its total employment, according to OECD data.

<u>Hotel Stock</u>
Israel's hotel stock consists of approximately 56,000 hotel rooms, 28,000 of which are being provided to evacuees with the state footing the bill.

Tourism

Airlines and Cruise Operators

Cruise operators such as Norwegian Cruise Line, Royal Caribbean Group, Carnival, MSC Cruises, Oceania and Viking have either adjusted their itinerary or cancelled stops to ports in, or in the vicinity of, Israel (Jordan and Egypt), well into 2024.

Major airlines extended temporary halts on flights into Israel through the end of the year, with Israel's national carrier, El Al being the exception - adding more flights to bring reservists back from around the world to assist in the country's immense mobilisation.

United Airlines has shown to be one of the more severely exposed airline carriers in the US, with Israel accounting for 1.9 percent of its planned global capacity in the quarter through December 2023.

On October 10th regulators including the Federal Aviation Administration (FAA), the European Union Aviation Safety Agency and the Civil Aviation Authority (CAA) – Israel, urged airlines to use caution in the region's airspace, but stopped short of suspending flights.

Impact on the Wider Middle East

- Tourism, a key source of scarce foreign currency for Egypt, was on track to earn more than US$13 billion in 2023 and hit a target of 15 million visitors.
- Ratings firm S&P Global warned that a fall in tourism due to the war could cause significant economic problems in Egypt, Jordan and Lebanon.
- Cancellation rates in Turkey and Cyprus have doubled for November and December 2023
- Countries as far as Oman are receiving cancellations

Caribbean Hotel Industry

Caribbean hotel occupancy continues to improve, according to data from analytics firm STR. Hotel occupancy stood at 70.2 percent in July 2023, 6.4 percentage points higher than in July 2022. Comparing the same periods, average daily rates increased by 12.7 percent to US$317.30, while RevPar was up by 19.9 percent to US$222.74, from the same period in 2022.

From a development standpoint, the region’s room stock continues to grow. All-inclusive resorts continue to dominate new openings, with the larger US hotel groups including Marriott, Hilton and Hyatt remaining at the forefront.

Although capital availability in the US has been constrained by rising interest rates, the Caribbean hotel industry benefitted from relatively cheap financing from lenders in Mexico and the Dominican Republic. As suggested by the number of new projects in Table 1, developers and hotel owners have a healthy appetite for investing in new projects in the region, with some also seeking to acquire existing properties.

In 2024, ground is expected to be broken on more new development projects and a handful of properties are expected to change hands in Puerto Rico, the Riviera

Tourism

Maya/Cancun area, the Dominican Republic and emerging markets like Curacao and St. Martin.

Table 1: New Hotel Openings by Caribbean Country 2023-2024			
Country	**Hotel**	**Opening Date**	**Room Stock**
Antigua and Barbuda	Royalton Chic	Q1 2024	230 rooms
Bahamas	Six Senses Grand Bahama	January 2024	45 waterfront and canal villas and 20 branded residences
	Montage Cay Abacos	2024	50 all-suite accommodations and a limited collection of Montage residences
British Virgin Islands (BVI)	Long Bay Beach Resort	Q1 2024	Adding 4 new beachfront buildings
	Blunder Bay Estates	2024	10 land parcels
Cayman Islands	VIDA Ocean Adventure Lodge	2023	18 bungalows
	Hotel Indigo Grand Cayman	Q2 2024	280 rooms
Grenada	Six Senses La Sagesse	2024	56 rooms, seven one-bedroom villas and five two-bedroom villas
	Silversands Beach House	December 2023	30 rooms
Jamaica	Sandals Dunn's River, Ocho Rios	2023	260 rooms
	Hideaway at Royalton Blue Waters	2023	352 rooms
	UNICO 18º77º Hotel Montego Bay	2024	451 rooms
St Lucia	Secrets St. Lucia Resorts and Spa	June 2024	351 rooms
	Cas en Bas Beach Resort – Hyatt	2024	Private residences that can be sublet
St Vincent and the Grenadines	Holiday Inn Express	2024	93 rooms
	Marriott	2024	250 rooms
	Sandals	March 2024	301 rooms
Trinidad and Tobago	Secrets Tobago	2026	500 rooms
	Elephant Tree Tobago	2024	126 villas, 40 rooms
	The Radisson Blu Trinidad	2024	72 rooms
	Four Points by Sheraton Hotel	2025	154 rooms
US Virgin Islands	The Morningstar Bouy Haus Beach Resort	2023	94 rooms
	The Westin Beach Resort & Spa	2023	392 rooms, 28 suites

Tourism

Implications

- The growing reluctance of travellers to book Middle Eastern, European and western Mediterranean trips could redound to the benefit of tourism in the Caribbean, with the region being positioned far away from the turmoil.

- The sustained interest of international hoteliers in the Caribbean has the potential to attract further investment to the region.