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# Tourism Officials Say Outlook Rosy for USVI in 2023

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Janeke Simon **August 01, 2022**

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**American Airlines and Spirit Airlines on the runway at the Henry E. Rohlsen Airport on St. Croix. By. ERNICE GILBERT/ V.I. CONSORTIUM**

As hotels and resorts around the Caribbean continue trying to rebound from the Covid-related decimation of the industry, the U.S. Virgin Islands is running ahead of the pack. Figures from STR, a company that provides data solutions and insights for the global hospitality industry, show that from June 2021 to May 2022, the USVI had the highest hotel occupancy in the region.

Reports also indicate that the territory enjoyed the highest average daily rate in the region at \$637 during that same time period. USVI tourism also led in revenue per available room at \$461.61

In 2022, things look set to beat last year's performance. For the first quarter of the year, visitor arrivals were up 153 percent compared to the same period in 2021. According to Tourism

Commissioner Joseph Boschulte, over 450,000 people traveled to the USVI in the first three months.

There were significant increases in airlift capacity as well. Post-Covid travel demands combined with efforts put in by the Department of Tourism led to the USVI becoming the fastest growing destination in the Americas in airlift capacity between 2019 and 2021.

The cruise industry, Mr. Boschulte says, has also rebounded. Over 450 cruise ship calls and 1.4 million cruise passengers are expected in fiscal year 2023, up from around 250 port calls in the 2022 fiscal year.

Room capacity in the territory will also be expanded to accommodate additional stayover arrivals. As the V.I. Economic Development Authority gave testimony on the proposed Fiscal Year 2023 Budget, CEO Wayne Biggs spoke about some of their work on major hotel projects.

In regards to the Hotel Development Act Program, USVI EDA continues to work with two major projects on St. Croix. One hotel, RC Hotel Virgin Islands Inc., was approved for economic recovery fee, or ERF incentives, and is already in operation. The other, CREF3 USVI Hotel Owner, Inc. formerly known as Diamond Rock Frenchman's Owner, Inc., was approved by the USVIEDA Board for Designated Hotel Occupancy Tax incentives and ERF, and is expected to come online by the end of 2022, adding 415 more jobs to the local market.

Mr. Biggs said the Economic Development Authority would focus on specific strategies to boost infrastructure in the trade zone, ready the area for increased investment and provide a full picture to potential investors of the scope of services the territory can provide. This includes exploring the feasibility of building a large scale-conference facility.

"To achieve this goal, it is critical to have a hotel located within the trade zone. The USVI EDA will continue discussions with the Virgin Islands Port Authority and hotel developers to construct a hotel near the airport on the Port Authority's property," he said.

The V.I. Department of Tourism remains optimistic about what is ahead for the territory's hospitality industry.