



Puerto Rico's tourism industry exceeds the billion-dollar mark in lodging income in just seven months

The first time the industry registered this income level was in 2021, and it took more than ten months to reach the amount.

San Juan, Puerto Rico, August 18, 2022 – During the first seven months of 2022, accommodations in Puerto Rico generated \$1 billion, a figure that was reached in the 2021 record-breaking year for the first time.

This year, the \$1 billion mark was reached in July, three months earlier than in 2021, a year that ended with about \$1.3 billion in accommodation revenue. That record reflected a growth of 37% compared to 2019, according to combined data from firms STR and AirDNA.

"We have hit that mark for only the second time in history, and we've done it three months earlier than last year. Despite the industry concerns, we've seen increased demand for lodging over last year's record-setting pace. Through the end of July, total lodging demand is 18% higher than a year ago, with hotels booking 17% more business and rentals 20% more," said Alisha Valentine, Director of Research and Analytics at Discover Puerto Rico, during a webinar presentation on the latest industry developments.

This development was despite the tourism industry confronting a volatile economic scenario, not only in Puerto Rico, but in international markets, due to concerns associated with inflation, air transport, high fuel prices, and the economy, explained Brad Dean, Chief Executive Officer of Discover Puerto Rico. The latest Destination Analysts' report estimates a reduction in consumers who think we are living in good times for traveling.

According to the U.S. Travel Association and Tourism Economics data, Puerto Rico enters this scenario in a position of strength compared to other jurisdictions, especially regarding visitor spending and demand. That demand is one of the factors driving an increase in the supply of lodging, estimated at 15.5% for the first six months of the year compared to 2021. All of this stabilized the average lodging rates.

Reservations in accommodations for the remaining two quarters of 2022 are outlined above pre-pandemic levels. The fourth quarter is the most promising, with bookings 6% higher than in 2021 in the case of hotels and 12% higher in short-term rentals.

"The outlook for tourism is a mixed bag of positives and negatives, creating a lot of uncertainty for many in our industry. We know that many factors are impacting our industry in the second half of 2022, not only here in Puerto Rico but throughout the U.S. and Caribbean. Demand for travel remains high, yet concerns about inflation and the economy are creating a lot of uncertainty for businesses and travelers alike. Employment is at its highest level ever in our local tourism industry, but most businesses are still understaffed and eagerly seeking to hire more people. And while cruisers are ready to resume cruising, the cruise line industry is still battling through the most difficult comeback of any segment within our industry," Dean said.



"Discover Puerto Rico is maintaining a close watch over data and trends so that we are prepared to react quickly and decisively as we seek out every opportunity to continue the momentum our Island's tourism industry has enjoyed," Dean added.

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