



Kingdom of the Netherlands

*Report*

# The profile of the Panamanian Traveler

*Trends and insights in Panama's outbound travel market*

This is a report about the profile of Panamanian international travelers focused at the Dutch Caribbean of the Kingdom of the Netherlands. It serves as an overview of the foreign Panamanian travel market and attempts to showcase the different trends and insights of the recent years.

## The rise of the Panamanian traveler

Panama is a small country with **one of the strongest and most stable economies in Latin America**. The

economy has been outperforming the economies of other Latin American countries for multiple decennia now, and has become a regional hub of stability. The growth of the economy has created a wealthy group of people who are now, **supported by Panama's strong currency**, the US dollar, able to afford to travel abroad. As depicted in *figure 1*, the average Panamanian earns roughly 15000 US dollars per year<sup>1</sup>, but considering Panama's high GINI inequality index of 0.49<sup>2</sup>, **the most affluent group is expected to earn significantly more.**

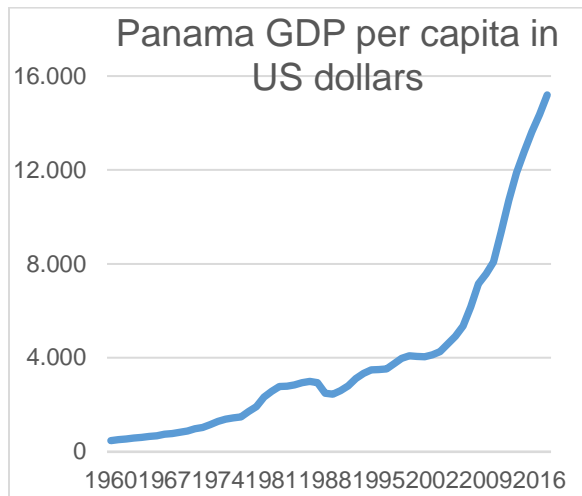
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<sup>1</sup> Worldbank 2017

<sup>2</sup> Worldbank

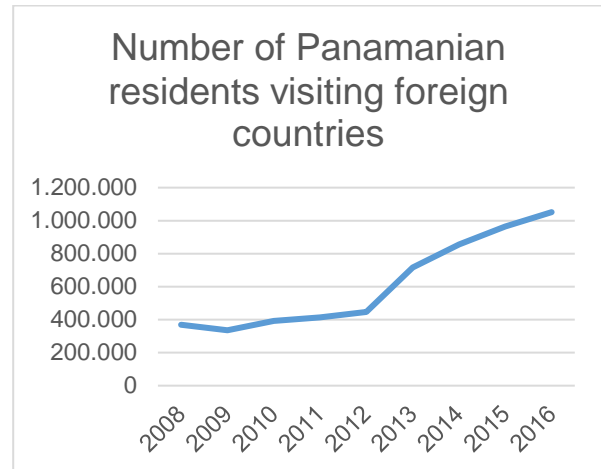
**Figure 1: GDP per capita of Panama in US dollars**

Source: Worldbank



**Figure 2: Amount of Panamanian residents travelling abroad**

Source: Panamanian Tourism Authority surveys, Controleria



**The rise in consumer purchase power of Panamanians has drastically increased the amount of Panamanian residents that are able to travel abroad** (figure 2); especially in the past decade, there has been a **quadrupling of Panamanian residents travelling abroad**. The rise of the Panamanian traveler creates interesting opportunities for countries from the Kingdom of the Netherlands who benefit much from tourism such as Curacao and Aruba. Therefore, the aim of this report is to provide an overview of the profile of Panamanian residents, especially with regards to the islands of the Kingdom of the Netherlands to highlight business opportunities for companies active in tourism within the Kingdom.

## Where do Panamanians travel to?

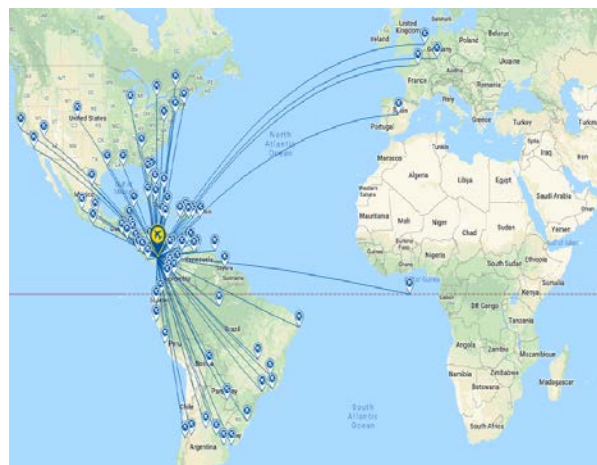
The majority of residents and foreign outbound commercial traffic leaves from Tocumen International Airport through air, **but recently smaller airports such as Panama Pacífico** have also started to increase their volume, by offering international (mainly regional) flights. Moreover, over 385,000 people travelled abroad from the marine ports of Panama, of which a large share with cruise ships<sup>3</sup>. Panama's Tocumen International Airport is one **of the most internationally connected airports** in the world. It serves 85 international destinations of which 71 have a frequency of more than 2 flights per week. Figure 3 attempts to visualize these destinations.

<sup>3</sup> Panamanian Tourism Authority surveys



**Figure 3: Destinations from Tocumen International Airport**

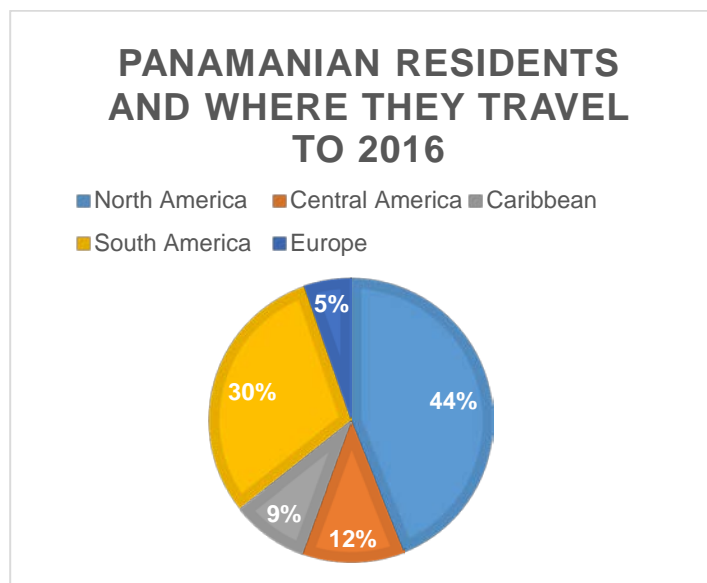
Source: Blue SwanDaily



Since the most recent data was provided by the Tourism Authority for the years up to 2016, information of Tocumen International Airport is used to provide more background information of recent figures of the locations where residents travel to. In figure 4 it is observable that Panamanian outbound travel mostly focuses on the Americas, especially the United States where more than 30% of Panamanians travel to. Moreover, South America is taking 30% of total outbound passengers, North America 44%, Europe 5%, and the Caribbean 12%. The amount of Panamanians leaving to Asia or Australia is negligible compared to the other regions. These numbers and proportions are all relatively similar to the destinations of total outbound traffic leaving from Tocumen as depicted in figure 5.

**Figure 4: Share of passengers per region**

Source: Panamanian Tourism Authority surveys, Controleria



**Figure 5: outbound traffic and the shares per capita**

Source: Tocumen, S.A. Annual Report 2018

**Movement of Passengers per Region and City**

Offered Origin and Destination per Airline	2017		Offered Origin and Destination per Airline	2017		Offered Origin and Destination per Airline	2017	
	Total	Share %		Total	Share %		Total	Share %
<b>TOTAL</b>	<b>15,816,065</b>	<b>100%</b>	<b>NORTH AMERICA</b>	<b>4,507,703</b>	<b>28.87%</b>	<b>CARIBBEAN</b>	<b>1,920,433</b>	<b>12.30%</b>
EUROPE	772,543	4.95%	MIAMI	745,262	4.77%	HAVANA	581,741	3.73%
AMSTERDAM	245,383	1.57%	CANCUN	597,704	3.83%	SANTO DOMINGO	394,947	2.53%
PARIS	184,161	1.18%	MEXICO D.F.	524,404	3.36%	PUNTA CANA	373,965	2.36%
MADRID	175,538	1.13%	ORLANDO	387,325	2.54%	SAN JUAN	125,838	0.81%
FRANKFURT	152,236	0.98%	NEW YORK	332,532	2.13%	PUERTO ESPAÑA	92,953	0.60%
ISTANBUL	13,225	0.08%	CALIFORNIA	327,821	2.10%	ARIBA	85,697	0.55%
<b>SOUTH AMERICA</b>	<b>6,588,936</b>	<b>42.19%</b>	WASHINGTON DC	211,753	1.36%	PORT AU PRINCE	41,163	0.26%
BOGOTA	792,170	5.07%	HOUSTON	202,646	1.30%	MONTREAL	34,746	0.22%
SÃO PAULO	542,675	3.48%	CALIFORNIA	167,991	1.08%	SANTO DE LOS CABALLEROS	34,176	0.22%
SANTIAGO DE CHILE	505,180	3.24%	CHICAGO	147,287	0.94%	CUERAZAO	33,749	0.22%
LIMA	490,435	3.14%	NEWARK	140,160	0.90%	ST. MARKET	27,019	0.17%
MANAGUA	446,641	2.86%	TORONTO	110,556	0.71%	WINDSTON	28,738	0.18%
GUAYAGUIL	390,516	2.50%	ATLANTA	103,358	0.66%	SANTA CLARA	25,143	0.16%
RIO NEGRO, MDELLIN	394,695	2.53%	FT LAUDERDALE	99,560	0.64%	NASSAU	25,553	0.16%
QUITO	359,564	2.30%	BOSTON	96,223	0.62%	HOUSHIN	15,005	0.10%
BUENOS AIRES	269,915	1.73%	LAS VEGAS	95,258	0.61%			
CARTAGENA	233,723	1.50%	MONTREAL	55,321	0.35%			
CAI	226,355	1.45%	GUAYAGUIL	46,984	0.30%			
ASUNCION	223,737	1.43%	TAMPA	42,721	0.27%			
MONTEVIDEO	187,642	1.20%	NEW ORLEANS	32,025	0.21%			
RIO DE JANEIRO	181,539	1.16%	MONTEBAY	27,454	0.18%			
SANTA CRUZ	157,376	0.91%	DENVER	3,277	0.02%			
MANACABO	137,649	0.88%	*BOING FIELD	24	0.00%			
VALENCIA, VENEZUELA	137,933	0.88%	*SAN JOSE DEL CABO	57	0.00%			
BARANGUELLA	111,204	0.71%	<b>CENTRAL AMERICA</b>	<b>1,826,460</b>	<b>11.70%</b>			
BRASILIA	112,352	0.72%	SAN JOSE	863,035	5.53%			
CORDOBA	106,062	0.68%	GUATEMALA	272,911	1.75%			
PORTO ALEGRE	94,263	0.60%	MANAGUA	205,230	1.31%			
ROSAIO	95,308	0.61%	EL SALVADOR	200,914	1.29%			
BELO HORIZONTE	83,360	0.53%	DAVID	134,191	0.86%			
PEREIRA	81,148	0.52%	TEGUIGALPA	68,753	0.44%			
SAN ANDRES	73,549	0.47%	SAN PEDRO SULA	53,279	0.34%			
SIDRANA	50,367	0.32%	LIBERIA	14,821	0.09%			
BUCARANGA	32,330	0.21%	LADYVILLE	12,629	0.08%			
MANAOS	31,574	0.20%	PANAMA PACIFICO	160	0.00%			
RECIFE	21,782	0.14%	NO ESPECIFICADO	327	0.00%			
MEDEIOZA	4,317	0.03%						
CHICLATO	13,120	0.08%						
*BARCELONA, VENEZUELA	97	0.00%						
*ISLA MARCARITA	358	0.00%						

Furthermore, *table 1* and *table 2* showcase a short summary of the years 2015, 2016, and 2017, where we can observe the percentage and the amount of travelers to The Netherlands, Curacao and Aruba as a proportion of total Panamanian Resident travelers. The large share of outbound travelers to the Netherlands can be explained by the KLM direct flight to Amsterdam, many passengers fly through Panama or the Netherlands to other parts of Europe or Central America, so the proportion of connecting flights is high<sup>4</sup>.

**Table 1: summary of percentage of total Panamanian travelers**

Source: Panamanian Tourism Authority surveys and Tocumen, S.A. Annual Report 2018

Percentage of total travelers	2015 (ATP residents)	2016 (ATP residents)	2017 (TOCUMEN total passengers)
Netherlands	1.65%	1.93%	1.57%
Aruba	0.52%	0.37%	0.55%
Curacao	0.15%	0.13%	0.22%
St Maarten	No data	No data	0.17%

**Table 2: summary of total Panamanian travelers**

Source: Panamanian Tourism Authority surveys and Tocumen, S.A. Annual Report 2018

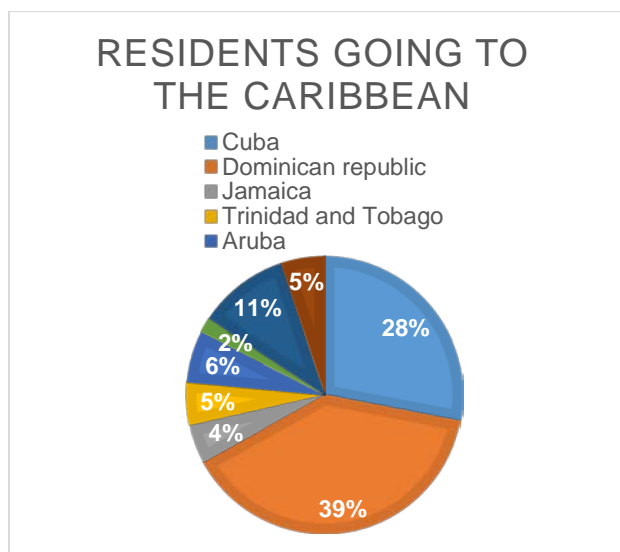
Amount of travelers	2015 (ATP residents)	2016 (ATP residents)	2017 (TOCUMEN total passengers)
Netherlands	15,877	20,341	245,383
Aruba	5,022	3,883	85,697
Curacao	1,471	1,330	33,749
St Maarten	No data	No data	27,019

In *appendix 1* there is a more detailed description of the distribution of Panamanian residents, since it provides information on all the countries where residents travel to. Notably, **the Caribbean countries of the Kingdom, Aruba and Curacao, only receive a small amount of Panamanians travelling to the Caribbean.** Aruba receives 6% of Panamanian Caribbean travelers, and Curacao receives 1,8% of Panamanian Caribbean travelers. Most Caribbean travelers go to the Dominican Republic, Cuba and Puerto Rico, followed by Aruba as shown in *figure 6*. However, in comparison to locations that are geographically similar to Curacao and Aruba, **the countries in the Kingdom are becoming less attractive due bigger price differences.**

<sup>4</sup> Tocumen, S.A. Annual Report 2018

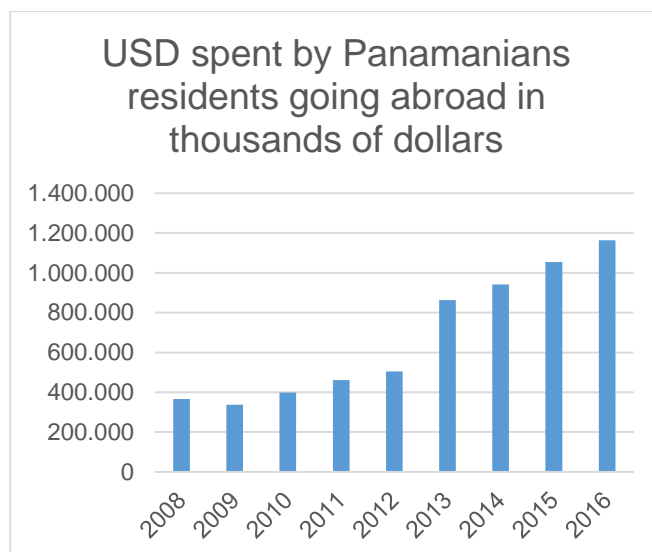
**Figure 6: Proportion of Panamanian travelers going to the Caribbean**

Source: Panamanian Tourism Authority surveys, Contraloría



**Figure 7: total amount of US Dollars spent abroad by Panamanian residents**

Source: Panamanian Tourism Authority surveys, Contraloría

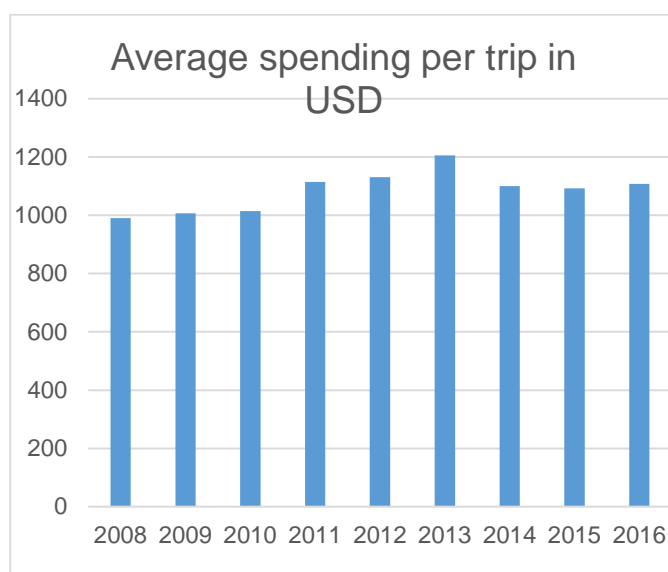


## How much do Panamanian residents spend on their trips?

With the increase in purchase power among Panamanian residents, more people are able to travel (figure 1). This is recognizable in the total amount of US dollars they spend on their trips. **Total spending in foreign countries quadrupled from 365 million US dollar in 2008 to 1.2 billion US Dollar in 2016 (figure 7).** Nonetheless, **average spending per trip stayed roughly the same compared to the previous years, swirling from around 1000 US dollar to around 12000 US dollars during the last decade (figure 8).**

**Figure 8: Average amount of US Dollar spent abroad by Panamanian residents**

Source: Panamanian Tourism Authority surveys, Contraloría



Panamanians that visit countries in the Kingdom also have different levels of average spending as seen in table 3. Panamanians travelling to **the Netherlands** are spending on average **1600 dollars per trip** while **Panamanians going to the Caribbean countries** spend on average **1058 US dollars per trip**. The average money spent in Curacao and Aruba is below the general global spending per trip, but in line with the average spending per trip for Panamanian travelers going to the Caribbean.

**Table 3: average money spent by Panamanian residents in relevant Kingdom countries**

Source: Panamanian Tourism Authority surveys, Controleria

Country/region	Average money spent by Panamanian residents in USD in 2016
The Netherlands	1600,02
Aruba	1058,46
Curacao	1058,65
The Caribbean	1058,55
The world	1107,47

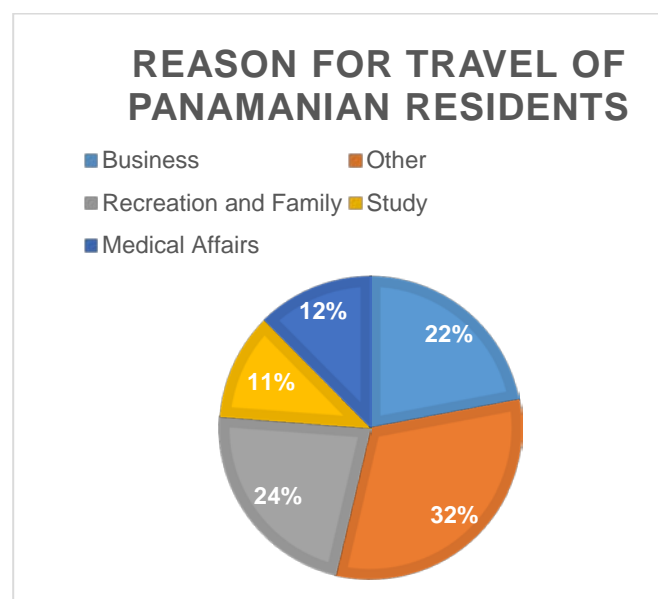
## What is the reason for travel for Panamanian residents?

Panamanians travel abroad for various reasons, but these purposes are rather evenly distributed according to survey data from the Customs services in Panama (figure 9). **The largest proportion of residents travelling abroad had recreation and family affairs**

**as their main purpose of travel.** In second place comes business travel with 22 percent, while study and medical affairs distantly follow with 11 and 12 percent respectively.

**Figure 9: Motivation for travel of Panamanian residents**

Source: Panama customs



On average, **Panamanians traveling for recreational purposes spend the most** during their trips due to the high costs generally incurred during holiday. This group is followed by the travelers who go abroad for medical purposes, who generally stay abroad for longer periods of time, and thus, incur more costs. Panamanians that travel for business follow with a lower average because of shorter stays. Moreover, **business travelers usually fly within the region of Central America and South America for short periods of time**, which limits their expenses according to the

Autoridad del Turismo<sup>5</sup>. Students spend the least as a result of their low income. Nonetheless, most visitors to the Dutch Caribbean have the purpose of recreation<sup>6</sup>.

**Table 4: average spending per reason for travel**

Source: Panamanian Tourism Authority surveys, Controleria

Reason for travel	Average spending in USD
Business	1116,76
Other	1114,96
Recreation and Family	1301,49
Study	953,64
Medical Affairs	1292,29

International travel agency Despegar claims **that Latin American locations are the most popular for Panamanian recreational visitors**<sup>7</sup>. Colombia, Mexico and Costa Rica are all relatively cheap destinations for Panamanians, and thus are in the top choice for Panamanian residents with Cancun, Mexico, leading the list. Furthermore, **an increasing number of Panamanians are travelling with package deals to their destinations**<sup>8</sup>. These package deals target an audience of 30+ adults with families. The deals generally range from 500-600 US dollars per person for places in central Colombia such as Medellin or Bogota and 800-900 US dollars for places

such as Cancun, Punta Cana and Cartagena for 5-7 nights. **The wealthier couples with children go to more distant places** such as Orlando for Disneyworld where a package deal usually costs between 1200 - 1300 US dollars for an all in package of 5 days. More recently, leisure travel to Europe has started to pick up as a result of cheaper tickets and more airlines operating between Panama and Europe, such as budget airline Air Europe according to the board of tourism agencies in Panama. For Panamanians interested in European travel, package deals exist averaging between 1300-1400 US dollars for a week.

## Concluding remarks

**The decrease in volume of Panamanian tourists that are travelling to the Dutch Caribbean** are, according to the President of the board of Tourism agencies in Panama (APAVIT), Michelle de Guizado, **due to the relative expensiveness of the Dutch Caribbean islands**. The Dutch Caribbean islands have, according to Guizado, become more expensive partly as a result of the monopoly that Copa airlines has over the Dutch Caribbean. Therefore, **potential passengers go to other destinations which are similar or cheaper with low budget airlines**. According to numerous travel agencies the Panamanian consumer has been **getting more cost conscious** during the past couple of years.

According to APAVIT, the islands of the Kingdom **are competing** with destinations such as Miami and Cartagena for cruise passengers, and **with locations**

<sup>5</sup> Autoridad del Turismo and Panama Customs surveys

<sup>6</sup> Tourism boards Aruba, Curacao

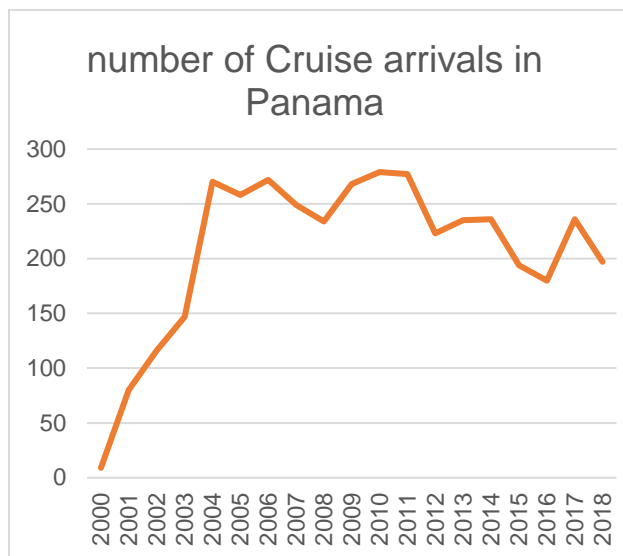
<sup>7</sup> La Estrella de Panama

<sup>8</sup> Capital Financiero

like Cancun, Punta Cana and Colombia for passengers that are using air transport. This is evident as the amount of Panamanian passengers going to Colombia, the Dominican Republic and Mexico has been increasing considerably, with increases in total amount of passengers of 38%, 26% and 5% respectively while the amount of Panamanians that are going the Dutch Caribbean **has been decreasing**<sup>9</sup>. The number of cruise ships leaving Panama are, on the other hand, also diminishing in terms of departures and arrivals as shown in *figure 10*. In addition, there have been **government programs that are trying to promote domestic holidays** instead of international holidays, which has been a decreasing factor in foreign travel demand.<sup>10</sup>

**Figure 10: Cruise ship arrivals**

Source: Panamanian Tourism Authority surveys, Controleria



In conclusion, the Panamanian tourist has become more cost conscious, and markets can respond to this by effectively lowering the costs. This can be partly done by putting **more emphasis on package deals with competing prices**, in which progress can be made especially with regards to cheaper flights. Low budget airlines such as Wingo offer good deals for international travel. These air craft carriers can also be considered for flights to Curacao or Aruba from Panama.

Lastly, places like Orlando, Miami and other locations that compete with the Dutch Caribbean, are relatively cheap to go to and also have plenty of amenities to offer such as Disneyland or the Everglades National Park respectively. Due to the relatively similar characteristics of the Dutch Caribbean islands with Panama and other destinations in the region, **the islands should market their visibility more towards specific features** that only their islands have, such as seeing Flamingos in Aruba or walking around in the picturesque Willemstad with its unique combination of heritage, beaches and shopping. **This would work at its best when targeted to middle aged couples (30+)**, who currently usually go to the United States, the Dominican Republic and Mexico. Marketing and price efforts such as these could increase the amount of tourists visiting from Panama.

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<sup>9</sup> Autoridad del Turismo and Controloria

<sup>10</sup> Capital Financiero



## Appendix 1

País visitado	Residentes de Panamá	
	2015	2016
	Número	Número
	de	de
	personas	personas
TOTAL	965.038	1.051.449
<b>América del Norte</b>	<b>423.967</b>	<b>381.219</b>
Groenlandia	30	26
San Pedro y Miguelón	0	0
Canadá	6.301	6.962
Estados Unidos de América	353.744	307.867
Bermudas	23	9
México	63.869	66.355
<b>América Central</b>	<b>111.567</b>	<b>151.327</b>
Guatemala	20.224	20.294
Belice	86	1.087
El Salvador	15.801	19.062
Honduras	7.844	9.020
Nicaragua	14.341	15.534
Costa Rica	53.271	86.330
<b>Antillas</b>	<b>84.115</b>	<b>91.709</b>

Cuba	23.508	29.676
República Dominicana	33.024	34.680
Haití	1.623	1.775
Barbados	44	41
Bahamas	2.243	3.251
Jamaica	3.809	3.330
Antigua y Barbuda	13	6
Trinidad y Tobago	4.238	4.217
Guadalupe	21	31
Dominica	25	126
San Vicente y Las Granadinas	0	0
Islas San Cristóbal y Nieves	2	0
Aruba	5.022	3.883
Curazao	1.471	1.330
Islas Vírgenes	17	12
Puerto Rico	8.944	9.274
Islas Caimán	27	10
Otros	84	67
<b>América del Sur</b>	<b>292.755</b>	<b>357.543</b>
Colombia	128.045	176.165
Ecuador	21.304	23.267
Venezuela	37.931	54.300
Brasil	35.652	30.646
Uruguay	5.738	6.066
Argentina	15.145	15.285

Bolivia	5.067	5.069
Paraguay	4.048	4.778
Perú	22.482	24.159
Chile	16.698	16.579
Guyana	570	1.151
Guayana Francesa	67	71
Otros	8	7
<b>Europa</b>	<b>51.418</b>	<b>67.234</b>
Albania	5	4
Alemania	310	8.554
Andorra	10	6
Austria	7	6
Bélgica	19	60
República Checa	1	5
Bulgaria	0	0
Luxemburgo	1	8
Dinamarca	11	4
<b>Europa: (Continuación)</b>		
España	21.347	23.688
Finlandia	5	28
Francia	10.739	13.386
Gibraltar	24	8
Grecia	12	7
Hungría	26	9
Irlanda	3	6

Islandia	6	3
Italia	65	55
Liechtenstein	4	2
Noruega	9	2
Polonia	7	3
Portugal	1.641	513
Reino Unido	29	45
Rumania.	0	23
Suecia	9	7
Suiza	16	25
Bosnia y Herzegovina	196	29
Croacia	4	3
Eslovenia	5	6
Estonia	225	8
Letonia	0	5
Ucrania	1	0
Bielorrusia	26	4
Escocia	5	20
Holanda	15.877	20.341
Moldavia	2	0
Rusia	7	7
San Marino	26	25
Otros	738	329
<b>Asia</b>	<b>558</b>	<b>1.871</b>



Afganistán	18	15
Bahrein	28	3
Sri Lanka	0	0
Corea del Sur	0	15
China	64	141
Malasia	0	0
Filipinas	25	12
Hong Kong	15	25
India	65	304
Indonesia	26	20
Israel	21	12
Japón	4	2
Emiratos Árabes Unidos	7	13
Líbano	2	12
Macao	3	1
Nepal	2	0
Omán	0	0
Palestina	9	6
Qatar	10	7
Pakistán	6	5
Arabia Saudita	44	19
Singapur	0	2
Tailandia	18	27
Turquía	0	1.027

Vietnam	11	13
Georgia	7	38
Asia: (Continuación)		
Otros	173	152
<b>África</b>	<b>482</b>	<b>407</b>
Angola	11	8
Argelia	8	6
Benín	17	4
Comoras	55	123
Cabo Verde	23	15
Eritrea	3	2
Gabón	28	8
Gambia	10	5
Guinea Bissau	14	2
Liberia	0	9
Marruecos	42	45
Malawi	1	0
Mauricio	0	1
Mozambique	0	0
Somalia	2	1
Uganda	6	3
Santo Tomé y Príncipe	23	2
Lesotho	9	0
Namibia	10	0
Mauritania	1	3

Níger	3	4
Togo	0	3
Sudáfrica, República de	4	7
Sahara Occidental	0	3
Otros	212	153
<b>Oceanía</b>	<b>176</b>	<b>139</b>
Australia	15	17
Micronesia	59	37
Nueva Zelanda	2	0
Papúa Nueva Guinea	6	3
Samoa Occidental	0	0
Islas Marshall	1	4
República de Nauru	1	10
Isla Salomón	2	1
Islas Cook	3	1
Islas Heard y McDonald	6	4
Islas Marianas	10	6
Polinesia Francesa	0	0
Otros	71	56