



Economic Letter August 2021



Tourist Economies Must Test Everyone, Regularly



One important lesson to be learnt from the Covid-safe measures put in place for the Tokyo Olympics is the vital importance of PCR testing. Everyone inside the Olympics bubble is tested daily; even though participants are fully vaccinated, there have been more than 200 persons who have tested positive for Covid, as of this writing. Thanks to daily testing, these cases were quickly isolated and the danger of Covid spread appears to have been suppressed. The virus is aggressive and deadly, and the tools we have are few: vaccination, distancing, tracing, isolation, and testing. We must employ them all, most importantly testing, because only by testing can we know the extent of Covid spread.

The revival of our economy depends on the restoration to 2019 levels, of the number of long-stay (i.e. excluding cruisers) visitors to the island and their associated spending. Most analysts do not now expect that to happen before next year, and maybe not even then. There are things that Caribbean countries can do to bring forward the revival, however. What these measures are becomes clearer as time goes by, and as we see what protocols and arrangements are effective in detecting and suppressing the Covid-19 virus.

It is clear that vaccination of the population is one measure that can be advertised as an attraction to potential visitors. The European Union has already developed a workable vaccine passport which ought to be looked into. On the vaccination front we are doing tolerably well, though no better than competing tourism destinations in the region. The countries that succeed in vaccinating their entire populations earliest will position themselves to steal a march on those that take longer to reach that goal.

A second measure that countries need to take is with respect to screening at ports of entry. Here the situation is less clear. Visitors do need to be tested, before they travel and on arrival, but there is debate about the need for quarantine, the length of the isolation period, and the quality and security of isolation procedures and facilities. As of now, there is a bewildering variety of practices, none of which is watertight.

What is very clear, however, is the need for universal testing, repeatedly. Routine PCR testing of the population is the only means of detecting and suppressing outbreaks of Covid-19 before cases explode within the population, necessitating damaging new shutdowns of economic activity. Laboratory capacity needs to be stepped up by orders of magnitude, so that all test results become available within hours, no matter the volume of samples submitted. The scarcity of lab testing capacity is now a critical bottleneck in the national effort to suppress Covid-19. Investing to create the needed testing capacity is essential to restoring tourist arrivals and earnings to pre-Covid levels, and to returning the GDP to the \$10.6 million recorded in 2019.