



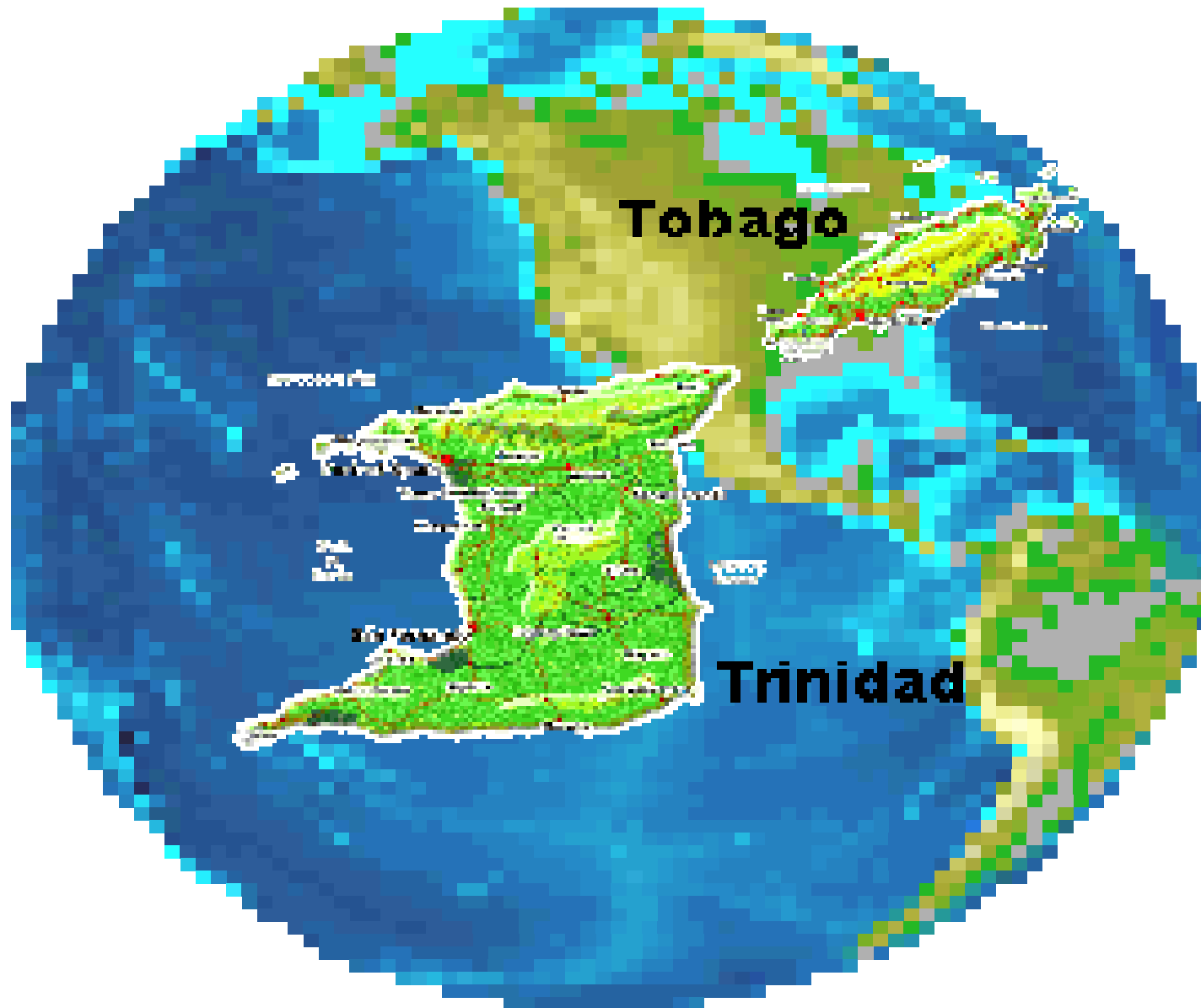
TRINIDAD AND TOBAGO'S TSA EXPERIENCE

Presented by Sharifa Ali-Abdullah
CTO TSA Workshop
February 7th-9th, 2007
Barbados

Presentation Format

- The Big Picture – Vision 2020
- Economic Structure
- Tourism's Contribution
- Search for Economic Impact Studies
- Chicken and Egg Situation
- WTTC's Simulated TSA Model
- Way Ahead

T&T's GROWTH & DEVELOPMENT STRATEGY





Republic of Trinidad and Tobago

VISION 2020

OPERATIONAL PLAN 2007-2010

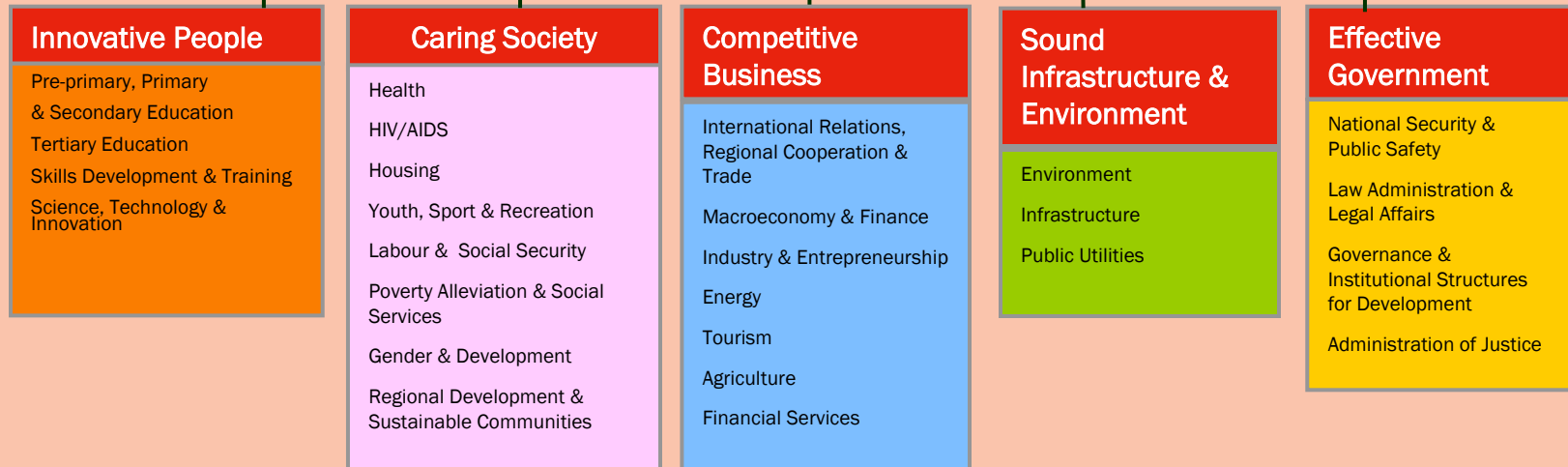


Five Development Pillars

VISION 2020

By the year 2020 Trinidad and Tobago will be a united, resilient, productive, innovative and prosperous nation with a caring, fun-loving society comprising healthy, happy well-educated people and built on the enduring attributes of self-reliance, respect, tolerance, equity and integrity

Guiding Vision
From Draft DNSP



Some Macroeconomic Goals

- Macroeconomic stability
 - Robust growth
 - Single digit inflation
 - Strategy of Full Employment

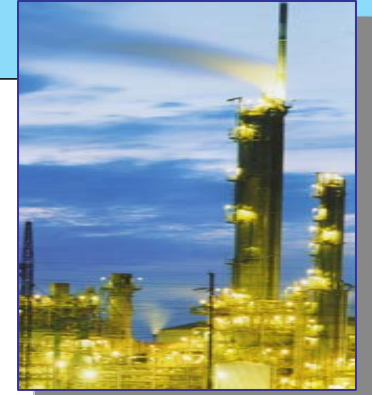
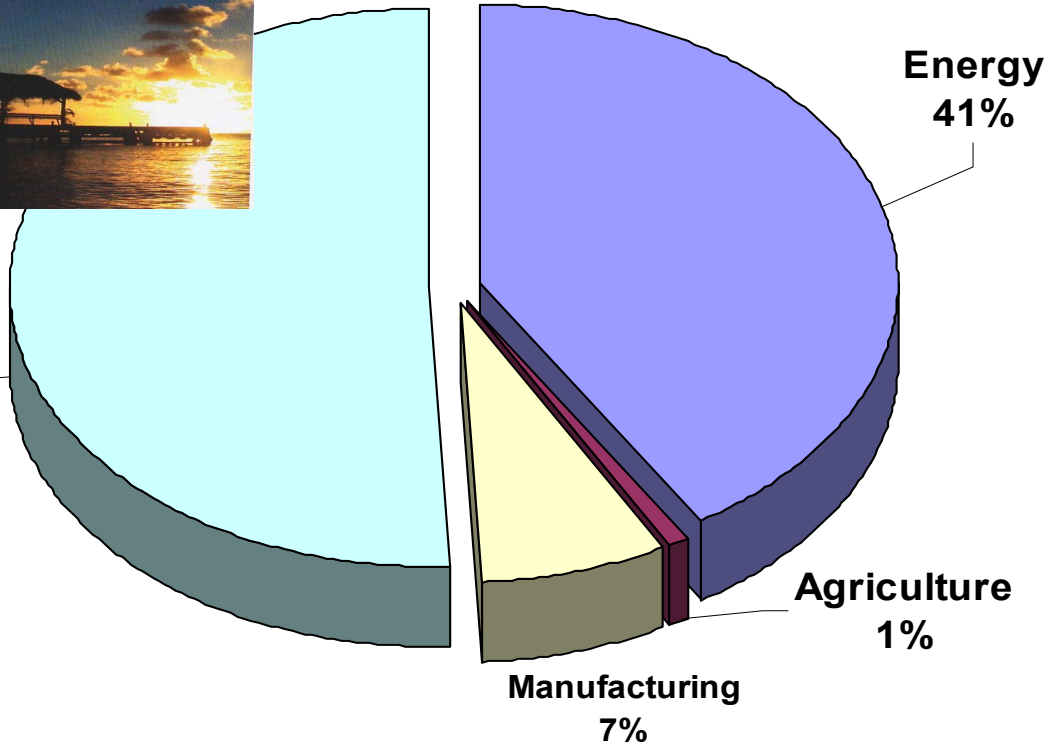
A light green thought bubble with a black outline, containing the text "Where are the jobs coming from?". The bubble has three smaller circles leading to it from the bottom left, suggesting a thought process.

Where are the jobs
coming from?

T&T's Economic Structure



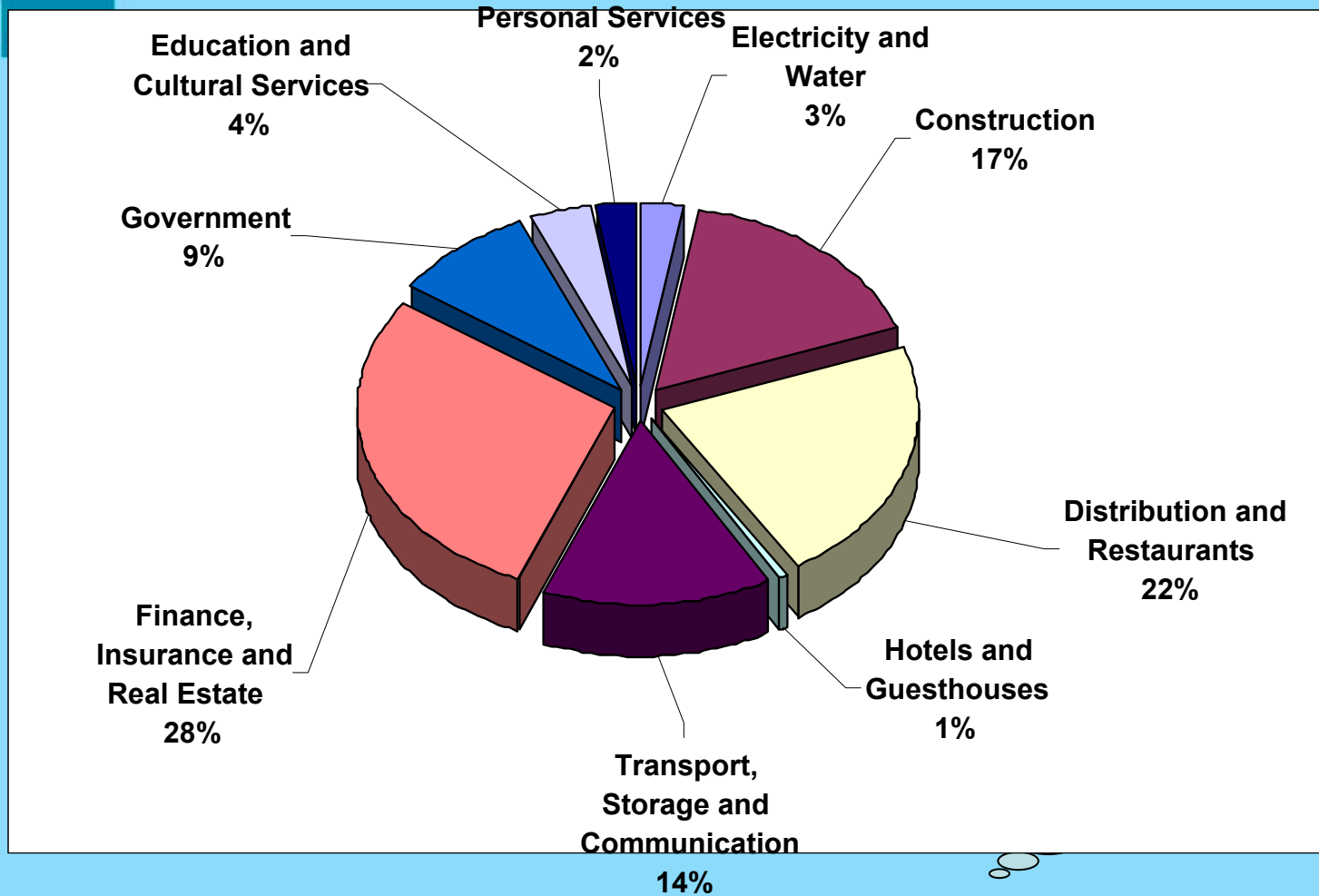
Services
51%



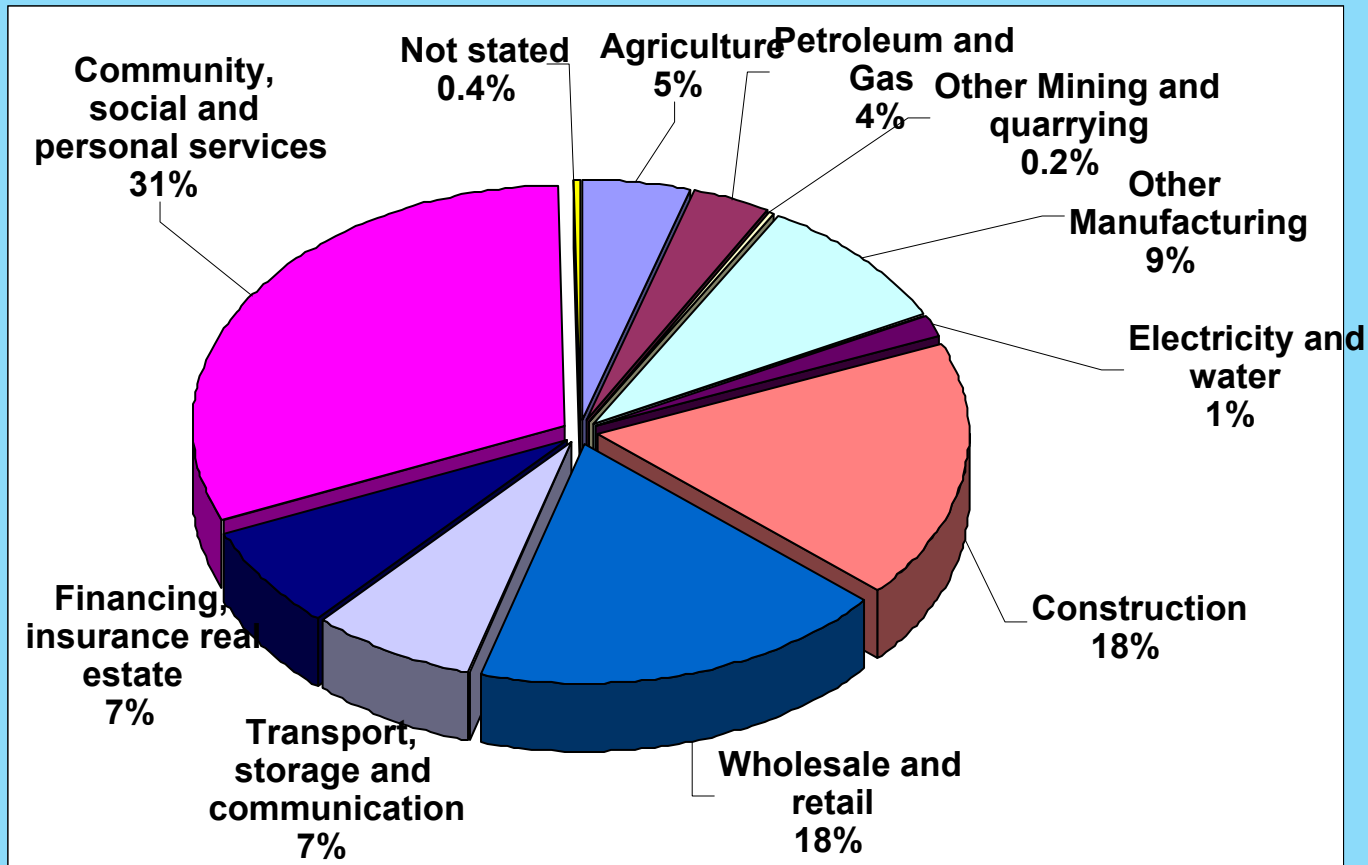
Agriculture
1%

Manufacturing
7%

Services



Energy Sector Does Not Create ...





Vision for Tourism

By the year 2020, the Trinidad and Tobago's tourism product will be:

- A significant economic sector contributing significantly to the nation's GDP, through job creation and increased revenues;
- Driven by a uniquely differentiated, internationally competitive product,
- Complemented by comprehensive, fully functional physical infrastructure and a modern, competitive institutional framework
- Supported by the people of Trinidad and Tobago.



Vision 2020

- Need to quantify the impact of tourism on the economy more accurately
- Traditional proxy of hotel and guest house sector underestimated impact of tourism resulting in low investment, little credibility for the sector
- Intuitively knew contribution was higher
- Tobago – tourism one of the leading sectors – no economic impact studies

Search is on...

- CSO
 - Started some preliminary work but TSA not a priority – tourism not a priority!
 - Resource constraints
 - Ongoing project – no timelines
- CTO
 - **TSA's not done**
 - **Some assistance with exit survey**
 - **Pointed to some preliminary work done on economic impact of tourism**
- Stats Canada
 - Advised that the UNWTO model was the best
 - Indicated that it took 5 years for Canada to produce its first TSA



Expediency

- Central Statistical Office had started some preliminary work in 2003
- Need for measurement was critical to inform the Vision 2020 project – national development agenda – national strategic plan
- Dedicated ministry for tourism
- Minister of Tourism with training in tourism
- Tourism no longer “ the outside child”



Attitudes about Tourism

- Energy sector dominates
- Tourism was viewed as servitude
- Not taken seriously
- Not given the prominence and acceptance
- Available stats indicated that it contributed 1% of the country's GDP!!!
- Why bother with tourism at all?
- Government ministers dismissing tourism in Trinidad



Chicken and Egg Situation

Dilemma

Work on full TSA and get results in five years and not have information for advocacy?

Implement an interim measure to quantify the contribution of tourism to the economy and negotiate for more resources?



Solution

- Search for interim measure
 - Public statement
 - Participation at UNWTO TSA Conference
- World Travel and Tourism Council and Oxford Economic Forecasting
- Simulated model
- Could be done in six months
- Needed for Vision 2020 at national level and tourism industry



Process

- Set up inter-agency team
 - Central Statistical Office
 - Tobago House of Assembly – PRDI
 - Ministry of Tourism
 - Central Bank
 - TIDCO



Process

- Agree on Methodology
 - Stats Canada indicated that the WTTC's methodology was applied to their tourism industry and the results were close to the UNWTO's RMF
 - Policy decision – second best option
 - Part of problem was limited knowledge of the UNWTO's RMF



Process

- Launch
- Data Inventory – CSO, CB, TIDCO, MOT
- Policy Meetings – all stakeholders
- Preliminary Results – reviewed by team
- Assumptions modified
- Some triangulation attempted – employment from CSO's labour force surveys
- Final results presented



WTTC's Methodology

- Conceptually follows the UNWTO's RMF for TSA development
- Not use the 10 TSA Tables
- Model the tourism economy similar to that of the national economy using the national income equation

$$NI = C + I + G + X - M$$

Tourism GDP is calculated for each of the components of NI using appropriate ratios



WTTC's Methodology

- Ratios derived from basic input-output table produced by CSO
- Extensive data used – T&T sources
- Assumptions were finalised by inter-agency team
- Triangulation of results



Benefits

- Advocacy
 - THA used document in negotiating with the Prime Minister for resources for Tobago
 - Tobago quotes frequently from document
- Budget tripled in first year
- Investment increased substantially
- New hotels, investment in tourism infrastructure
- Industry re-positioned and acceptance increased
- TSA awareness enhanced



Some Caveats

- Of course – it is a model and assumptions and in some cases estimation can produce less than robust results
- Limitations to cross country comparisons since methodologies differ
- Models need to be updated – by skilled and trained personnel - update currently being done
- No one from original team is involved in the update



Way Forward

- Support the full TSA using the UNWTO RMF
- Set up inter-agency platform
- Ensure CSO has the resources
- Develop clear implementation strategy
- Develop separate TSA for Tobago