

State of the Industry Conference 2015

General Session I: Our Leaders Say "Visioning the Future - Tourism 2025"

Date: October 22, 2015

Time: 10:05 a.m. – 12:05 p.m.

Place: Exhibition Hall, World Trade Center, Curaçao

Conference Anchor: Anita Mendiratta

Rapporteur: Mike Samson

MODERATOR: Anita Mendiratta, Founder & Managing Director, CACHET Consulting

PANELISTS:

1. Dr. the Hon. Rufus Ewing, Premier, Turks & Caicos Islands;
2. Hon. Clyde Van Putten, Leader of Government, St. Eustatius;
3. Hon. Richard L. Sealy, Minister of Tourism and International Transport, Barbados;
4. Helen Marano, Vice President, Government & Industry Affairs, World Travel and Tourism Council;
5. Gordon "Butch" Stewart, Chairman, Sandals International;
6. Robin Hayes, President and CEO, JetBlue Airways;
7. Carlos Vogeler, Director – Executive Secretary of Member Relations, UN World Tourism Organization;
8. Emil Lee, President, Caribbean Hotel and Tourism Association;
9. Hugh Riley, Secretary General and CEO, Caribbean Tourism Organization.

Key Summary:

- I. **Areas to work on: raise awareness in mainstream tourism, policy alignment, and competitiveness by innovation, facilitation, capacity building, reasonable taxation, proper infrastructure, sustainable tourism.**
- II. **Policymaking as One Caribbean with room for differences.**
- III. **Involve the whole society in the tourism industry.**
- IV. **Educate: prepare for tourism as a career.**
- V. **Identify growth potential like cultural heritage.**

The moderator offers each panelist a chance to give an opening statement:

- Mr. Vogeler identifies four areas as call to action for governments: (1) The need to raise awareness in mainstream tourism, e.g. policy alignment in the government between

ministries, and necessity to let society clearly understand the importance of tourism by early education; (2) Competitiveness, e.g. innovation and responding to the needs of consumers, facilitation and tapping into areas beyond the well-known sun & beach such as culture, gastronomy and enhancing capacity building (people to people relationships), adequate, proper and reasonable taxation and proper infrastructure; (3) The UN declared 2017 the international year of sustainable tourism; (4) Keeping track of changing consumers seeking for experiences rather than services.

- Requested by the moderator, Ms. Marano gives an overview of the WTTC's area of work which mostly revolves around facilitation, incentives (awards program), sustainable development and policymaking.
- Mr. Vogeler: The Caribbean region is very dependent on tourism yet only captures 2.5% of the global tourism market. In terms of growth rate this figure is fine but not in terms of market share. Culture and diversification are main opportunities for the future of tourism. Capacity building i.e. preparing young people to perceive tourism as a career opportunity.
- Hon. Richard Sealy: When talking about growth one needs to define it first. Tourism spending, arrivals, investment and airlift have increased in the region. The macroeconomic indicators are good. The region is relatively young in the tourism business. Are all stakeholders benefiting from tourism? Start getting visitors from non-traditional source markets. Ferret out opportunities to put tourism on more sustainable footage. Overreliance on a single market can get you into trouble when that market goes into a deep recession.
- Mr. Stewart: The tourism industry is dependent on partnerships. The Caribbean is a widely dispersed region with various players across the sectors. Partnerships are instrumental to moving forward.
- Mr. Lee: The Caribbean operates slightly different than other regions. There is a misalignment between politics and the business sector. Benefits do not trickle down to the community at large. The alignment of currencies (mutual ties) is crucial. Correlate revenues of specific sectors (budget-wise) to the performance of tourism. This provides a powerful bridge.
- Hon. Rufus Ewing: Moving tourism forward starts at home. We need to look at the barriers and vulnerabilities. Political will is necessary to come to agreements. Challenges include security, ensuring that opportunities are created and protected within the labor market, seeking alternative revenue bases. E.g. one point of entry (visa facilitation) allowing visitors to travel freely throughout the whole Caribbean, though we would need to have proper screening measures in place. Analyze development of new infrastructure using public-private partnerships. Solving tax levying to finance infrastructure.
- Hon. Clyde Van Putten: There are challenges in terms of slow development, infrastructure and air-lift limitations. Educating the people and making all aware of the importance of tourism. To move forward we need to tackle such challenges. On the other hand we have a blend of different cultures (eclecticism) which offers the uniqueness in the Caribbean.

- Mr. Riley: The Caribbean can learn from JetBlue that we ought not to be afraid of the competition or to do things differently. Creativity and innovation will lead us to success. We are the most tourism dependent region in the world and need to care more about the success factors. One Caribbean does not mean that we are all identical. We are proud of the identity and uniqueness of the product. Oneness does not mean that we need to wait for approval from the whole region; we need to be able to take advantage of the significance of the moment to implement now.
- Mr. Hayes: His message for growth is that the market from the USA to the Caribbean should be bigger than it presently is. Affluence of communities coming from taxation revenues is important but JetBlue wants to help grow tourism together with the government. Tax reduction will lead to larger overall tax revenue benefits due to market growth. The US Open Sky agreement is fueling JetBlue's growth. Take the next step as Caribbean to think about the significance/potential of truly open skies.

Panelists are challenged by the moderator to summarize their vision for "One Caribbean in 2025" in a 140 character Twitter sentence:

- Mr. Lee: "Citizens of the Caribbean are engaged, supportive and benefiting from the tourism industry."
- Ms. Marano: "Share the pride of where you live and enjoy to be able to show everyone how wonderful your country and this region is."
- Mr. Vogeler: "A joined sustainable tourism plan benefiting the local communities."
- Hon. Richard Sealy: "A tourism sector where the benefits are enjoyed by as many as we possibly can see, particularly the younger generation who should be the new captains of industry."
- Hon. Rufus Ewing: "Well developed, sustainable and diversified in the cultural tourism industry."
- Mr. Hayes: "#Increased affluence for the citizens, improved sustainability and more entrepreneurship from local businesses. #CaribbeanRocks."
- Mr. Stewart: "A single Caribbean sea, a single Caribbean sky, the ability to move freely between 42 countries, connecting those countries with each other and the rest of the world for the benefit of the Caribbean people." (A Caribbean Open Sky).
- Hon. Clyde Van Putten: "Free movement of people, more education, seeing the benefits of sustainable development of tourism in the Caribbean region."

The moderator asks panelists to share their views on increasing tourism in the region:

- Mr. Riley: Accept the concept of One Voice, One Caribbean. In this increasingly competitive business it is hard to make our voices heard unless we are unified. Understanding the connection between desirability, success and profitability is key.
- Mr. Stewart: Bring down the barriers that are preventing us to achieve our goals.
- Mr. Lee: Less corruption, increased transparency and accountability to the people is the best way to increase tourism to this region.
- Ms. Marano: Educate and inspire. Entrepreneurship is the opportunity in this region. Remove the barriers, e.g. VISA facilitation does not mean loss of revenue.
- Hon. Clyde van Putten: Education and exploiting the year-round natural resources that the region has and which our competitors do not have.
- Hon. Richard Sealy: The tourism industry is about people, they are ultimately the beneficiaries - not the bystanders - in the vision of tourism for 2025. Airlift, RevPar, etcetera are just means to the end.
- Hon. Rufus Ewing: This is a unique region beyond sun and sky. Increase the focus on our cultural heritage to grow our tourism product.
- Mr. Hayes: The community comes in the first place, they should understand the value and importance of tourism and preserving the habitat. Public-private collaboration to invest in the community.
- Mr. Vogeler: A combination of public-public, private-private and public-private partnerships.

Questions From The Audience:

The President of the Safe Power Youth Curaçao foundation: *When we finish school there are no jobs, and when looking for a job we are told that we have no experience. He asks to look into the opportunities for the youth and people with disabilities in the tourism vision 2025, enabling them to participate too. E.g. A request to grant 10 meters of beach for use by disabled people sent to the local government is still being studied upon after seven years. He asks how other Caribbean governments go about dealing with people with disabilities.*

- Hon. Richard Sealy: Barbados has assigned governmental entities for the physically challenged. A tourism program "Accessible Barbados" is being pushed to make hotels and attractions more accessible. This is not only important for tourists but also for local people.
- Mr. Riley: More needs to be done looking at obvious ways to make tourism more accessible. E.g. a wheel chair with air-filled tires enabled someone to actually get to the waterline for the first time.

- Mr. Vogeler: Accessibility is a high concern for the UN. 15% of world population has some sort of disability and yet they are eager to travel. They have the right, we have the moral responsibility and this is also a business opportunity. The UN offers manuals on the subject empowering countries to develop resources.

Chris Entakin (Barbados): *Where do we start, seeing that we want to be as one?*

- Mr. Riley: Being one is not necessarily being the same. Bringing people into the region and putting resources together to achieve that is the key to success. The product is not unique, but it is the collection of diversity which makes the Caribbean unique. One Caribbean has the potential to be the most successful spot on the planet.

Eleanor Garby (Media): *She notes a continuous conversation about ports and terminals but no one has addressed the matter of public transportation. It can be costly to get around on the islands. What are plans for developing viable public transportation?*

- Hon. Richard Sealy: There are different levels of public transportation on the islands. There is no immediate solution at hand. However, visitors will want to experience public transportation. It is a part of our tourism product and tourism experience. He also points to the Uber phenomenon in terms of transportation.
- Hon. Rufus Ewing: We should ensure that the transportation system is well developed and is a unique part of the tourism experience and is also safe for our guests. We want to offer a memorable experience from a good perspective. So called Experiential Tourism.

Max de Groot (Curaçao): *How do the panelists see Cuban tourism growth's effect on the region's growth?*

- Mr. Hayes: JetBlue Airways sees Cuba as an opportunity for growth in the region.
- Hon. Rufus Ewing: There will be an initial surge of visitors going to Cuba but he does not feel that it will come at the expense of regional growth.
- Mr. Lee: Either it will have an impact or not on the rest of Caribbean. The Caribbean action would be to collectively pull resources to attract visitors to the Caribbean to mitigate the effects of the Cuban pull on the market. It is a clarion call for the region to promote itself together to increase the total amount of visitors to the region. Wherever the tourists go they will benefit the region anyway.
- Mr. Riley: Recent statistics in the region show an increase in arrivals from the USA in just a few (19%) Caribbean countries but that is not the case for the majority of countries.
- Mr. Vogeler: He is positively convinced that Cuba's opening up will have a positive effect on the Caribbean region but this will not happen at once. Cuba's infrastructure is not ready to

receive a flood of tourists. Cuba's entering into the US market will lead to a better positioning of the region in terms of attracting tourists.

- Hon. Richard Sealy: Cuba is already getting a lot of visitors from markets other Caribbean islands draw on heavily. Cuba is going to do good for the Caribbean, it is not an evil omen to be afraid of at all.

Donald St. Clair (Guyana): *He would like to see creation of a link between innovation and cultural agenda and he suggests redefining the Caribbean to incorporate the northern part of South America. The Caribbean would have a better position marketing-wise if it would take care of its continental backyard.*

- Hon. Richard Sealy: He understands that the diversity of the tourism product is important. We have to pay equal attention to all different characteristics of all CTO member countries. Therein lays the strength of what we promote.

*** The session is adjourned around noon (12:05 p.m.) ***