

State of the Industry Conference 2015

General Session III: Facilitation: At Your Service – Making Travel Easier

Date: October 23, 2015

Time: 9:00 a.m. – 10:15 a.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. Carlos Vogeler, Executive Secretary, United Nations World Tourism Organization;
2. Christopher Thompson, President and CEO, Brand USA;
3. Lionel Van Der Walt, Area Manager, Caribbean, International Air Transport Association (IATA);
4. Isabel Hill, Director, National Travel and Tourism Office, U.S. Department of Commerce.

Key Summary:

- I. **The Caribbean is working hard on becoming the decisive tourism destination. There is a lot of willingness to move forward. SOTIC is an excellent opportunity and the place to be for engaging in these discussions and calling for action.**
- II. **Unless we make the travel facilitation process as seamless as possible and take away any possible negative perceptions, the money spent on marketing will be useless.**
- III. **The vision of travel facilitations is where travelers do not have to undertake burdens, but traveling is a pleasurable experience. We must market the welcome.**
- IV. **When discussing challenges and difficulties in facilitation, we need to talk about solutions to make the concept of facilitation really work.**
- V. **To make the facilitation process possible we need the data to support the case, the political will and public-private alignment. Realizing One-Stop security at airports requires trust in equal international security standards, and "futuristic" technology which is already here.**

Prior to the session the moderator recaps the conference highlights of the previous two days. She also presents a pre-recorded video message from Dr. Taleb Rifai (Secretary-General, UN World Tourism Organization) who could not be present due to prior commitments and is represented by Mr. Vogeler (the Executive Secretary). Main items brought forward by Dr. Rifai:

- 2015 is the 5th consecutive year of growth and there is still more growth potential.
- Working together to tackle these challenges, it needs to be a priority on the national and regional agendas.
- Rally support of all world leaders for promotion of travel as driver of economic growth.
- Help position the region as a year-round tourism destination.

The moderator starts the session with a question to the panelists. CTO enables leaders to be here at SOTIC. Symbolically the fact that they are coming here is a token of their commitment. Why is it important to be here?

Ms. Hill: Who would not want to come to Curaçao? It is not about one of us but about all of us. The facilitation process does not begin or end in one place. It is about creating systems to become One Caribbean and One World. The vision of travel facilitations where travelers do not have to undertake burdens, but traveling is a pleasurable experience.

Mr. Vogeler: Where else would we be? The Caribbean is working hard on becoming the decisive tourism destination. There is a lot of willingness to move forward. SOTIC is an excellent opportunity to discuss that. This is the place to be, engaging these discussions and calling for action. Tomorrow is the 70th anniversary of the United Nations; that calls for a celebration.

Mr. Thompson: Brand USA is promoting not only the continental USA but also Caribbean territories. We are here to share best practices and experience. As destination marketers we are story tellers and our business is to drive demand. Unless we make the travel facilitation process as seamless as possible and take away any possible negative perceptions, the money spent on marketing will be useless. We work on the demand side as well as with partners, realizing the security of our nations while making it easy for visitors to travel to our countries.

Mr. Van Der Walt: We actually get results from such events. We get to interact with many thought leaders during such events, e.g. during last year's SOTIC where on the side we held an aviation day. We already have some wins from last year's meetings. He encourages more leaders to attend SOTIC.

The moderator notes that talking about challenges and difficulties in facilitation we need to talk about solutions to make the concept of facilitation really work.

Mr. Van Der Walt: He notes how few people really understand the bigger picture and benefits to be harvested in terms of direct and indirect benefits. One of the wins we had was with one-stop security at airports. This is aimed to prevent consecutive screenings during transits at other airports within the same (overseas) territories e.g. the Netherlands. To implement this, there is need for political will. It requires trust. Countries must be able to rely that other countries have the same level and standard of security. This is a real example to be proud of and shows that the will is there.

Mr. Thompson: Travel facilitation was amplified to higher levels in terms of welcoming the world to the USA. The "aha" moment came during a Board meeting in Dallas where Marriott CEO indicated that we have to reach back out to the world and market the welcome. That statement was compelling. The promise of the experience starts right when visitors touchdown on the ground. If we do not deliver on that, the marketing dollars are wasted. The President of the United States instructed to make it a priority to be better in welcoming and processing our visitors from the moment they arrive at the airport.

The moderator asks if facilitation equals open skies. But we are talking here from the moment that passengers are on the ground. That is the bigger picture.

Ms. Hill: The National Travel and Tourism Office's strategy has the ambitious goal of reaching many millions of tourists by 2021. We have to make sure the government services keep up with that demand. Beaches and attractions are part of the facilitation experience but not all of it. It takes many people to work towards the common goal. To engage in the President's commitment to facilitation we have worked on public-private partnerships. Airlines have invested in technology, new passport check kiosks have been installed which were paid for between airlines and the government. Other private partners have met with us to peruse our data to enhance the customer experience, e.g. car rental companies. Her "aha" moment is that none of us can just sit in our offices and walk across the street to another governmental agency to ask for help. It is a joint effort, so unless we are all committed to doing our part nothing will happen.

Mr. Vogeler: He starts with an example of his experience as young tour guide bringing travelers from Spain to other European countries. He had to spend hours at each border check to clear passports of the tourists through immigration. Nowadays there is no border passport control in EU countries. It comes down to trust. We need to put mechanisms in place by means of which this can be realized in the Caribbean as well. Travel facilitation encompasses: visas, border crossing processes, taxes, connectivity, aviation, travel modality, hospitality (accommodations). If there is efficiency and if the tools are available it can be done.

The moderator points to the lifting of border restrictions during the Cricket World Cup.

Mr. Van Der Walt: If the countries had not lifted the restrictions then the World Cup would not have been possible. Regrettably this was terminated after the cup was over. But it shows that it can be done. The Caribbean is a complex region and we need a change of mindset, we need to see the bigger picture. Another example: Aruba has done an amazing job using futuristic technology starting a project named Happy Flow which turned out hugely successful. Aruba, the Dutch government, KLM, the airport, actually everybody: aligned and working together. Now they have a telemetric system in place with biometric passport control. On average they are processing 2.6 times more passengers in an hour through automated gates than what was possible in conventional boots with a border control officer. We do not have to build new airports and invest large sums. The technology is already here and can be implemented.

Mr. Thompson: In the USA travel and tourism is one of the largest export products. There is finally recognition for this in Washington with commitment by the legislative branch and support of the Federal government from the highest level downward. E.g. in 2012 the President called for an executive order to increase the efficiency in tourism processes. Waiting times amazingly went from 100 days to less than a week. This was possible due to political will.

Ms. Hill: To make the facilitation process possible we need the data and the will. Data supports making of a political case about security. Tourism is the most resilient industry in the world in terms of export and job creation. A lot of work went into convincing the leadership of the importance of the industry and the need for them to use their political capital and influence.

The moderator summarizes that talking about one voice means using the same data. Everyone should be saying the same thing which leads to credibility going up.

Mr. Van Der Walt: One of the pillars of the World Economic Forum mentions prioritization of travel and tourism in certain countries. Yet of all the competing destinations (seen from a Caribbean perspective) in the top 100 list there are only 3 Caribbean states. It paints the picture that there is a long way to go in getting people moved and aligned to prioritize travel and tourism. Only in the last few years we have seen results in the Caribbean, and that is due to the collaboration from stakeholders across the sector on matters of priority. We have a big issue with data in the Caribbean. We need to get this together. Without the data we cannot make/support the case and without that politicians are not going to be willing to drop visa/checkpoint restrictions.

The moderator points to the Champions of Tourism letter delivery held yesterday.

Mr. Vogeler: Whatever we cannot measure we cannot defend, hence the importance of the data. Reason for the efforts as for tourism statistics going back to the 90's is to be able to measure tourism worldwide in the same way. Definitions are not clear. Countries must be able to produce statistics in accordance with certain defined methodology so that the data can be become available and be presented uniformly. Tourists coming in are a form of export. People moving in to consume the services are actually export. We need to understand that. UNWTO recommends committing to generating data else there will not be concrete figures to build the case on.

The Moderator recaps that tourism facilitation is bordering on areas of trust and enablement. How to work through that when governmental policy makers are continuously changing.

Mr. Thompson elaborates giving an example of attending a multi disciplinary group to inform elected and appointed government officials.

Ms. Hill: It is about players on the field. The government and private sector need to work well together to build trust. E.g. putting a Disney video in US airport arrival halls proved to be an ordeal due to established procedures (national security) hindering public-private collaboration. People working together at staff level have to be recognized and rewarded. There is not always agreement and sometimes discussions are necessary to come to an understanding. There is a multi-disciplinary taskforce consisting of over 12 governmental agencies working together with the industry associations and the government on the issues and over time trust is built and there is the institutional framework to get things going.

Mr. Van Der Walt: CHTA has been doing excellent work in bringing leaders together into a "coalition of the willing" to get things done. In the Caribbean it should be easy to get long term decisions made. He points at long lived entities as CARICOM. Yet he sees them failing a lot and not playing a role of leadership in these issues. This needs to be worked on. What is the role and purpose of CARICOM and how do we get them onboard? Getting decision and support from CARICOM seems to take forever. We are working on the Advance Passenger Information project now and it is a crucial aspect of tourism facilitation. It can speed up so many aspects of traveling, e.g. border security, processing, reduction of space necessary at airports because they have fewer checkpoints to go through. Not all countries are part of this project and for e.g. Curaçao it means that they have to

introduce their own biometric passport control system which is expensive whereas if they were part of this task force it would be more beneficial.

Mr. Vogeler: We need to start all over again with the message educating our society, the host community and the travel agents on what tourism means. If everyone understands what tourism really means, we make a much more tolerant world. Tourism education should start early in school.

The moderator indicates that it often takes a crisis for people to appreciate the importance of tourism because at such time they realize the recovery value for their country.

Mr. Van Der Walt makes a remark about unfriendliness/unpleasantness experienced by travelers when moving through customs or immigration. The officers make passengers feel as if they are criminals. He gives an example of changing dress code for officers at the airport to make passengers more comfortable. Many of the officers at a security or immigration desk do not understand the impact of their behavior on the tourism of their country.

Ms. Hill: They are not going to understand unless we tell them. It is a big challenge in the USA. E.g. there is a big tension between facilitation and the training that the security officials get. They are taught to ask tough questions and be rather heavy-handed in their approach. The government recognized that if passengers were calmer in line the process would be smoother and decided to change the color of officers' shirts. The sweet spot is to find the area where customs and border protection goals meet the tourists' goals.

The moderator asks the panelists to indicate what anyone in the audience can call on them for.

Mr. Vogeler: Join to look into the portfolio of activities that we carry out. We want to make a united world of tourism for the benefit of tourism.

Ms. Hill: She is happy to share best practices but it is a two-way street. She wants to hear more about Aruba.

Mr. Van Der Walt: Anything aviation related, talking and furthering and understanding the change that aviation brings to the Caribbean.

Mr. Thompson: He is happy to share institutional knowledge from his work experience as marketer.

The moderator recaps the session: The interesting matter in facilitation is that people need to visualize the links in the chain. Increasing efficiencies need not mean increasing investments but being smarter with what we have. The business case must be there and that will drive the political case. We need to be able to speak their language and see their objectives to reach goals. Why do people need to support the industry? Because it is their home! Tourism makes it better and secure. We need to tap into that lever. Use the networks, people, passion, and experience to move your goals forward.

*** The session was adjourned at 10:43 a.m. However, right after that the IATA's back-office was overwhelmed by an influx of information requests via telephone calls and e-mails. After the coffee break a spontaneous Q & A after-session was opened at 11:15 a.m. ***

Shivam de Kok (Development Bank of Curaçao): *Talking about the ease of travel, he asks why the IATA proposed in June to decrease the size of carry-on luggage.*

- Mr. Van Der Walt indicates that it is not correct. The IATA partnered with industry groups producing luggage and they put a seal of approval on certain luggage that meets the requirements of carry-on compliance. IATA does not institute policy, they work on creating standards and best practices to be shared globally. IATA features these standards on their website.

Nicolle Libert (Ministry of Tourism, Navis): *The panelists brought up a suggestion for friendlier arrival procedures in Caribbean. Many of the directives we have in place now are directed on countries outside the region. Have we done enough based on those requirements?*

- Mr. Van Der Walt indicates that each IATA standard has to apply to ICAO standards. There are also other standards e.g. U.S. Federal standards to be observed when implementing measures. Within ICAO standards IATA looks at the minimum requirements a passenger has to observe. We want to prevent travelers to get confused. We have a global project for standards in travel and egress procedures and analyzed what policies are in place. We have helped them review small changes that facilitate the passenger experience. E.g. when passengers have to pass their carry-on luggage through an x-ray machine there is a very short roller band and everyone is standing in line carrying their luggage. We recommended implementing a longer conveyor belt. Another example is providing signage. We often tend to assume that travelers know what we know; that is a misassumption. Now there are video screens and signage to inform passengers what they need to do.

Earlson McPhee (Ministry of Tourism, The Bahamas) *shares a point of view: He supports the idea of having data for Ministers of tourism to support the political case. In the early 90's we developed the first econometric model to see the impact of tourism. The Minister said based on this model that every 5% in government spending will increase revenues by 20%. If you give to tourism sector more money it will increase government revenue. It is important to have reliable data, to see trends and make forecasts. It is important to have the data at hand when discussing matters in a political setting. Mr. Van Der Walt mentioned the World Economic Forum, looking at the region this is the most tourism dependent region in the world. He is surprised that local governments have not prioritized this sector. This is a sector with a lot of potential in terms of having an impact on labor in this region that has such a large group of young people.*

Fedin King (Ministry of Tourism of St. Vincent and the Grenadines) *shares a point of view: Tourism satellite accounts (TSA) was implemented 6 years ago in St. Vincent and the Grenadines under EU regulations. We needed cooperation from several agencies. We had assistance and funding but did not get full cooperation. We recognized how critical it is, as a multi-island state, to assess the true impact of tourism on our economy. We are glad that we can get the data now. When talking about facilitation for the cruise and yacht segment, sometimes the external agencies significantly influence*

what happens at our ports of entry. E.g. the International Ship and Port Facility Security Code (ISPS) was introduced and this brought particular challenges for our yachting sector to implement rules that we were not accustomed to. It was mandatory. We would love to say to tourists that they are free to come but the ISPS requirements prevented that and we could not do anything about it.

Emil Lee (in the audience): *Tourism Satellite Account is a pinnacle of where we need to be in terms of tourism facilitation data. Assuming we are data-bankrupt in the Caribbean, what would be practical solution for us as for the next steps to be taken in the Caribbean?*

- Mr. Vogeler: To get on the tourism satellite account level we need institutions to provide and analyze the data for a TSA. We are now using cards and receipts to analyze the data. Maybe we could look at it in terms of the export it generates and make a comparison. What are the expenses versus the exports? Tourism is contributing to alleviate that. A tourism satellite account takes the multiplier effect for all other sectors in consideration; that is why it is called a satellite account. We do not stop analyzing purely the impact of tourism but the multiplier interaction with other sectors.
- Ms. Hill: E.g. South Carolina had the same situation, no satellite accounts for data. The recommendation was to analyze the data from the multiplier effect. It would be best to harmonize the kind of equations being used. It is also very powerful to stop talking about expenditures when discussing the budget but to consider these as investments related to the expected return on investment.

*** The Q & A session was adjourned at 11:34 a.m. ***