

**ADDRESS**

**BY THE**

**HON NOEL A LYNCH**

**MINISTER OF TOURISM AND INTERNATIONAL TRANSPORT**

**ON THE OCCASION OF THE**

**INTER-AMERICAN PORT PROGRAMME**

**SEMINAR**

**AT**

**GRAND BARBADOS BEACH RESORT**

**MONDAY SEPTEMBER 25, 2006**

Good Morning, Mr. Master of Ceremonies, Senator Rudy Grant, Parliamentary Secretary, Ministry of Tourism and International Transport, Mr. Carlos Gallegos, Executive Director of the Inter-American Committee on Ports, Mr. Wendell Goodin, Director, Organisation of American States, Barbados, Mr. Larry Tatem, Chairman, Barbados Port Inc., Mr. Everton Walters, Chief Executive Officer, Barbados Port Inc., Ms. Sue Springer, Executive Vice President, Barbados Hotel and Tourism Association.

The skills of the workforce are going to be the key competitive weapon in the 21<sup>st</sup> century. Brain power will create new technologies, but skilled labour will be the arm and legs that allow us to employ the new product and process technologies that are being generated.

Skilled people become the only sustainable competitive advantage.

The words of Lester Thurow in his text “Head to Head”.

Words that as I continue I hope that you will come to appreciate.

First, let me express my gratitude to Organization of American States – particularly the Committee of Ports, for your very kind invitation to join you this morning on the occasion of this the first course in managing cruise ports and destinations.

Our Government and our people warmly welcome you to Barbados. Today’s event is another tangible example of the very fine and focused work that is ongoing in the area of shipping and maritime administration in our region – an area, that is both in our opinion much underestimated and relatively misunderstood in its contribution to our socio-economic fortunes and thus by extension to our overall positive standard of living.

The high quality of living that we enjoy in these jurisdictions has been much enhanced in recent time by the positive work of the Organisation of American States Committee on ports – just one of the subgroupings within the wider body which has done so much to contribute to raising the socio-economic standard of people of this hemisphere.

Although this Committee has in the past traditionally focused its efforts on cargo activity – particularly in the spanish-speaking territories of this region, the body as exemplified by today’s gathering is becoming increasingly more relevant to us in the English speaking territories and I encourage you to continue to do so, for no where is a region crying out more for new and innovative ideas in all areas of maritime and administration transport than is the Caricom region, as we advance the work of the Caribbean Single Market and Economy.

In our opinion, no area is more crucial and critical to achieving true common market status than improving and enhancing our options in this arena. The movement of people and cargo intra-regionally is easily the area most under-exploited and therefore potentially our fastest growth area.

Your body on ports has also primarily focused your efforts on and developed a reputation for training and capacity building for member countries, mostly so in the area of security enhancements and instruction in port operations and although we clearly understood the critical role that these areas play in overall maritime sector improvements, we must continue to enhance our efforts in other areas of this vital industry.

Many of our territories have in recent time made huge investments in improving the security aspects and capabilities of their ports, as both first points of entry for people and cargo and transshipment points and clearly the global war on terror has forced many of us to step up our efforts in this area, but we must never lose sight of the overall development. Let me therefore caution that although we understand and appreciate the crucial importance of eliminating this scourge from the global landscape, and its critical importance to our own development, fortunes now and in the future, we must now surrender all our efforts to fighting this ill.

Many of the resources utilized and expended, must be focused on other aspects of our development and must ever be concentrated on those other scourges which continue to burden our people – poverty, environmental degradation, inaccessibility to proper health care and sound education – areas when fully addressed will create the human and physical capital needed to continue to assist in the fight of terror.

Thus our efforts here today are both timely and welcomed. This course of instruction being organized by the sub-committee on cruise tourism, which our country has the privilege to chair, seek to educate members on all aspects of the sector, but more critically, to open up an avenue for the exchange of information amongst members.

Any effort on improving our regional fortunes in cruise tourism is also timely as it brings sharply into focus the very dynamic nature of the sector and the more recent challenges and uncertainty our industry faces, particularly in light of ever fluctuating global oil prices, sub-regional competition, consolidation amongst shipping lines, congestions at ports and the ongoing challenge of managing cargo and cruise at many of our ports – situations to which we must continue to find solutions if we are to survive, let alone thrive in this crucial area.

There is no doubt that cruise tourism has its own unique features and character and this is why this particular sub-committee was established with its stated mandate of addressing an area which both compliments and is made more

complicated by cargo operations which has hitherto been the ports Committee's focus and rightly so, because of the dominance of cruise at our ports and its relative importance to our economies.

One aspect of the course of instruction which should be pleasing to all both organizers and participants is the fact that collaborative approach to problem solving and capacity building in our society is being so positively played out here as exemplified by the cross section of individuals drawn from both the public and private sector. The Barbados delegation alone comprises some 25 participants including representatives from border control, regulatory agencies, tour companies and agents, emphasizing and underscoring our need for ongoing dialogue and cooperation if we are to succeed. As we look ahead and engineer for success in all aspects of our national development, it is becoming increasingly more clear that if we are to fulfil our mission to be the global leaders in the sector, that partnership and collaboration are the most essential ingredients. But these partnerships between government and other members of civil society can only be successfully brokered in an environment in which we embrace only the highest standards, mutual respect, reciprocity and a shared national vision.

A shared vision that clearly embraces the notion that we must continue to be the global leaders in a sector that we have so long dominated and that our physical characteristics and God given attributes make us prime candidates for continued global leadership. Leadership however, comes at a cost and we must make the investment today, if we are to reap the desired successes in the future. We must as deliberate objectives of policy invest more in enhancing our research capacity, enquiring more into all aspects of the industry's complex make and in creating a much more stable platform for improvement and growth.

Specific to this structured inquisition must be constantly assessing the true economic impact of cruise tourism on our region and individual territories, identifying our security demands in an era that demands the same, our administrative and management capacity, specifically in marketing and services delivery, areas that will set us apart from the competition, creating the type of comparative and absolute advantages so needed in an age of global competition, enhanced global communication and overall global product reach. The continued and enhanced use of the most modern information technology as another fine broker setting us apart from the rest of the world in the only industry in which we continue to display global dominance.

It must ever be frontal in our minds that the Caribbean as a whole still accounts for approximately 50% of the global market share. However, recent sub-regional shifts have been recognized as the sector responds to global demand and supply issues occasioned by the shift in availability of many of the inputs on which cruise has been established. Fuel, labour, capital, physical infrastructure in destinations are all demanding of us that we rethink our strategies relative to our growth prospects.

I say to you this morning, no longer is it simply a matter of having a warm climate, friendly people or even a great port, it takes much more than that to make a great cruise destination.

In Barbados we have had huge success with our cruise sector in recent time. Our 2004 arrivals figure of 700 thousand was certainly unprecedented in the history of the industry in Barbados and although in 2005 our figures showed decline to 600 thousand plus as a result of fuels prices increases, growth in other territories closer to the United States mainland and demand for newer and emerging destinations, the future is more than bright for our cruise sector.

We are now even more convinced and have been steadily engaged over the past year in programming the industry for success, incorporating a series of push and pull strategies to induce greater demand for Barbados in our major market places. Additionally, our efforts in the area of homeporting have reaped significant benefits for our country and the prospects for growth in this area are phenomenal. In 2000, 57,438 homeporting passengers accounted for 10% of total arrivals, by 2005 we had welcomed 101,621 or 15% of total cruise passenger visits.

Homeporting offers Barbados a unique opportunity to promote the concepts of cruise and stay and the oft discussed cruise conversion, for it is clear that there is much more benefit to be derived nationally from a strategy that puts cruise in a better position to combine with land based tourism than the previous antagonistic existence that seemingly was the norm for these two central components of our tourism industry.

Also, our innovative efforts at negotiating long term contracts with our major cruise partners to remove much of the uncertainty and peak and trough scenario that has too long dominated this sector.

I take this opportunity to congratulate and to thank the principals of the Barbados Port Inc for their outstanding leadership in this regard and in particular, Mr Everton Walters.

I also want to thank the Organisation of American States for your continued investment in our overall development. Finally, to you the participants in this very important course, I challenge you to use this instruction to find new ways and methods to improve our destinations for optimum benefit from this vital cruise sector.

**2006-09-25**