BUILDING RESILIENCE IN THE TOURISM SECTOR
OUR VISION

A transformational, member-oriented tourism organization that champions excellence, global competitiveness and innovation, positioning the Caribbean as the most desirable year-round, warm weather destination.
DIVERSE MEMBERSHIP

• English, French, Spanish and Dutch speaking

• Independent sovereign countries

• Membership in political groupings
  – US Associated Territories
  – British Overseas Territories
  – Overseas Departments of France
  – The Kingdom of the Netherlands
Regional and International Partners

- Caribbean Hotel & Tourism Association (CHTA)
- UN World Tourism Organization (UNWTO)
- World Travel & Tourism Council (WTTC)
- Association of Caribbean States (ACS)
- Organization of American States (OAS)
- Organization of Eastern Caribbean States (OECS)
- Caribbean-Central American Action (CCAA)
- Caribbean Community (CARICOM)
- Caribbean Disaster Emergency Management Agency (CDEMA)
- Florida-Caribbean Cruise Association (F-CCA)
- A comprehensive range of development multilateral organizations
TOURISM’S ECONOMIC IMPACT IN THE CARIBBEAN
TOURISM:
REGION’S GREATEST DRIVER OF EMPLOYMENT, ECONOMIC ACTIVITY, FOREIGN EXCHANGE AND TAX REVENUE

Tourism’s Direct, Indirect and Induced impact in the Caribbean

- **Travellers**: Cruise Lines; Airlines; Accommodations; Rental Cars; Banks; Restaurants; Meeting Conventions; Retail Outlets; Sports Arenas; Recreation Facilities; Entertainment; Travel Agents
- **Wages; Salaries; Profits; Taxes**: Communication; Banks; Schools; Real Estate; Real Estate; Transportation; Infrastructure; Technology; Hospitals; Farms

Source: World Travel & Tourism Council
Tourism’s Direct, Indirect and Induced impact in the Caribbean

2016 Figures

- Total contribution to GDP – US$56.4 billion (14.9% of total GDP)
- Total contribution to employment – 2.3 million jobs (13.4% of total employment)
- Visitor exports – US$31.4 billion (20.7% of total exports)
- Travel and tourism investment – US$6.8 billion (12.3% of total investment)

Source: World Travel & Tourism Council
RESILIENCE: THE MULTI-PRONGED PERSPECTIVE
Sustainable Development

The foundation on which good business stands

- Establishing energy policies and observing protocols that improve the region’s climate resilience
- $1.00 spent on effective disaster risk management and risk reduction = $3.00 - $5.00 saved
- Enforcing and maintaining proper building codes
- Instituting policies to allow current populations as well as future generations to enjoy the benefits of nature’s gifts to the Caribbean
**Advocacy**

- Champion the cause on an international scale, at the highest levels
- Tourism destinations in the Caribbean and around the world have the public’s attention
- Effective advocacy speaks powerfully to the issues that facilitate the development of travel and tourism globally
- Enlist champions among celebs, public-sector and private-sector leaders to help generate support at home and abroad
Resource Mobilization

• Mobilize resources to sustain, develop, improve, *as well as to* rebuild

• Tourism – a rapid recovery, debt reducing, employment generating, poverty alleviating, foreign exchange earning tool

• Convert pledges to cash

• Implement, implement, implement

• Deliver results; exceed the funders’ expectations
Research & Market Intelligence

• Use Tourism Satellite Account (TSA) for accurate information on tourism’s contribution to the economy

• A TSA is neither simple nor inexpensive to institute, but it is essential

• Document lessons learned regionally and internationally

• Amazingly, TSAs help with advocacy
Human Capital Development

• Train, re-train, certify and equip
• Utilize internships, other markets and partnerships
• Create a nexus between traditional HCD and citizen host development
• Being good hosts is not the responsibility of a select few. As long as the region continues to boast that its people are its most sought-after tourism asset, every citizen has a role.
Brand Leadership

• Establishing a sustainable marketing fund
• Reinforcing the value and attributes of the Caribbean brand
• Educating the public and the travel industry on the geography and characteristics of the Caribbean
• Generating demand in old and new markets
• Every 1% decline in arrivals could mean the loss of $137 million
“Brand leadership is a fundamental factor in building Caribbean tourism sector resilience.”
A Case for Building Brand Caribbean: 
The Caribbean is losing global market share and growth rate is slowing

<table>
<thead>
<tr>
<th></th>
<th>Market Share</th>
<th>Average Annual Tourism Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caribbean</td>
<td>2.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Europe</td>
<td>41.1%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Asia &amp; Pacific</td>
<td>10.4%</td>
<td>7.6%</td>
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<tr>
<td>North America</td>
<td>2.5%</td>
<td>3.2%</td>
</tr>
<tr>
<td>South America</td>
<td>1.7%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

SOURCE: World Tourism Organization (UNWTO)
A natural or manmade disaster is a brand disaster....

In the minds of the public overseas, the entire Caribbean was devastated by the 2017 hurricanes.

Post 2017 Hurricanes....

- CTO and CHTA, individual destinations and hotel brands attempted damage control to minimize the impact on 70 Percent of the Region which was not in the hurricanes’ path. This included:
  - Hundreds of Media Interviews, Press Releases, Social Media Outreach
  - Training Nearly 1,000 Travel Agents and Travel Partner Briefings
  - Promotional Campaigns Undertaken with Limited Resources
- Lesson learned:
  - Having a dedicated, managed and funded Caribbean Brand Marketing and Communications Initiative in place would have pre-empted and countered the negative publicity, minimized the impact on the brand, and protected market share
# Growing investments in destination Branded Marketing by key global tourism destinations

<table>
<thead>
<tr>
<th>National DMO</th>
<th>Budget (USD)</th>
<th>Annual Visitation</th>
<th>Approx. $ per visitor</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>$164 million (100% intl.)</td>
<td>78.6 million</td>
<td>$2</td>
</tr>
<tr>
<td>Australia</td>
<td>$122 million (100% intl.)</td>
<td>7.7 million</td>
<td>$15.85</td>
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<tr>
<td>Canada</td>
<td>$75 million (100% intl.)</td>
<td>20 million</td>
<td>$3.75</td>
</tr>
<tr>
<td>Caribbean*</td>
<td>$0</td>
<td>30 million (stopovers)</td>
<td>$0</td>
</tr>
</tbody>
</table>
Strongest motivators for supporting Brand Marketing are job creation and revenue generation

BRAND USA MARKETING DRIVES HIGH ROI

An independent analysis by Oxford Economics showed that:

• Brand USA generated more than four times its budget in incremental federal taxes and another $552 million in state and local taxes.

• Brand USA generated $4.1 billion in incremental visitor spending to the US in FY2016. Including indirect and induced impacts, a total of $8.9 billion in economic activity was generated by Brand USA.

• Economic activity generated by Brand USA sustained 59,463 jobs earning $2.6 billion in personal income.
Caribbean’s share of US travelers jumped, following two brand marketing campaigns
Growing Caribbean Tourism Does Not Require Major Investments in Infrastructure and New Hotels

• On average the region has over 84,000 vacant hotel rooms each night
• Filling just 10% of the vacant rooms would inject nearly $2 billion annually into the Region
• $628 million in room revenue and additional spend per visitor
• Filling hotel rooms brings the highest spinoff impact in tax revenue, employment and economic activity

Source: STR and CHTA
In Summary...

- Economic resilience through tourism requires a multi-faceted approach.
- Growth rate is slowing; Region is losing global market share.
- Globally, investments in brand marketing are yielding handsome returns.
- Brand leadership requires visibility; visibility requires marketing; successful marketing requires consistency; consistency requires sustainable funding.
- An annual $20 million investment would achieve significant measurable results for the Region.
- Professional management through a PPP is essential.
- A Caribbean and Latin American approach would make this Region a powerful competitor.
- Specific action needs to occur to make this a reality.
For more information on the Caribbean Tourism Organization visit
www.OneCaribbean.org

Thank you!