

Caribbean Tourism Organization

www.OneCaribbean.org | www.CaribbeanTravel.com

Leading Sustainable Tourism - One Sea, One Voice, One Caribbean



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

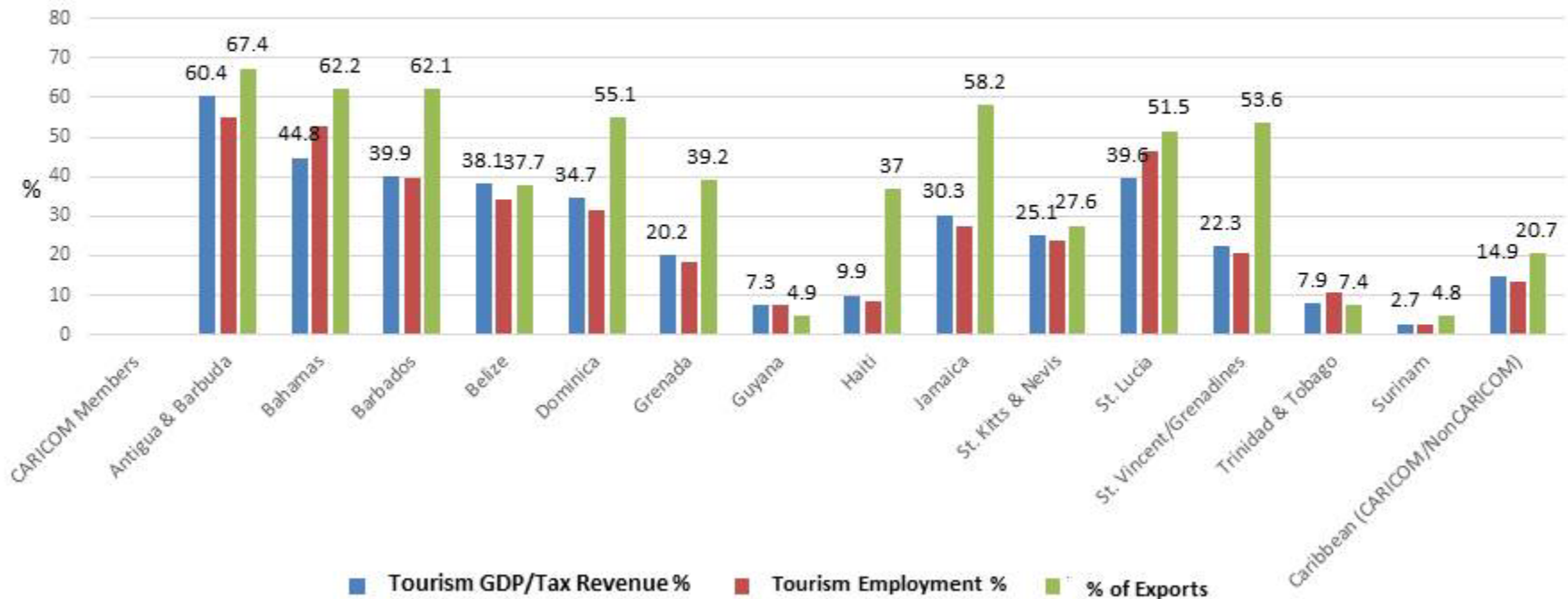
- Caribbean Hotel & Tourism Association (**CHTA**)
- UN World Tourism Organization (**UNWTO**)
- World Travel & Tourism Council (**WTTC**)
- Association of Caribbean States (**ACS**)
- Organization of American States (**OAS**)
- Organization of Eastern Caribbean States (**OECS**)
- Caribbean-Central 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



Source: World Travel and Tourism Council 2016



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;
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

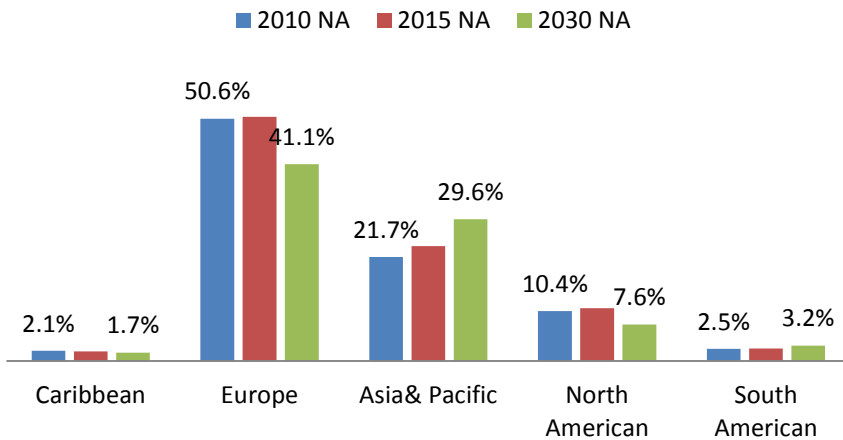


**“Brand leadership is a fundamental factor
in building Caribbean tourism sector
resilience.”**

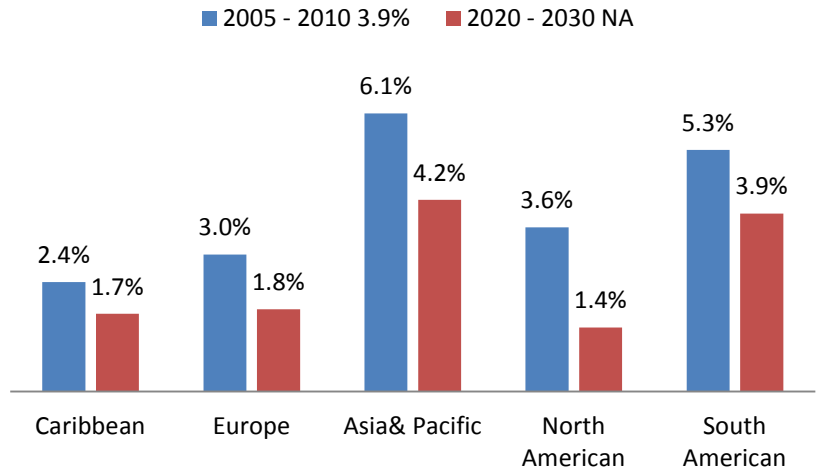


A Case for Building Brand Caribbean: The Caribbean is losing global market share and growth rate is slowing

Market Share



Average Annual Tourism Growth



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

National DMO	Budget (USD)	Annual Visitation	Approx. \$ per visitor
USA	\$164 million (100% intl.)	78.6 million	\$2
Australia	\$122 million (100% intl.)	7.7 million	\$15.85
Canada	\$75 million (100% intl.)	20 million	\$3.75
Caribbean*	\$0	30 million (stopovers)	\$0



Strongest motivators for supporting Brand Marketing are job creation and revenue generation

BRAND USA MARKETING DRIVES HIGH ROI

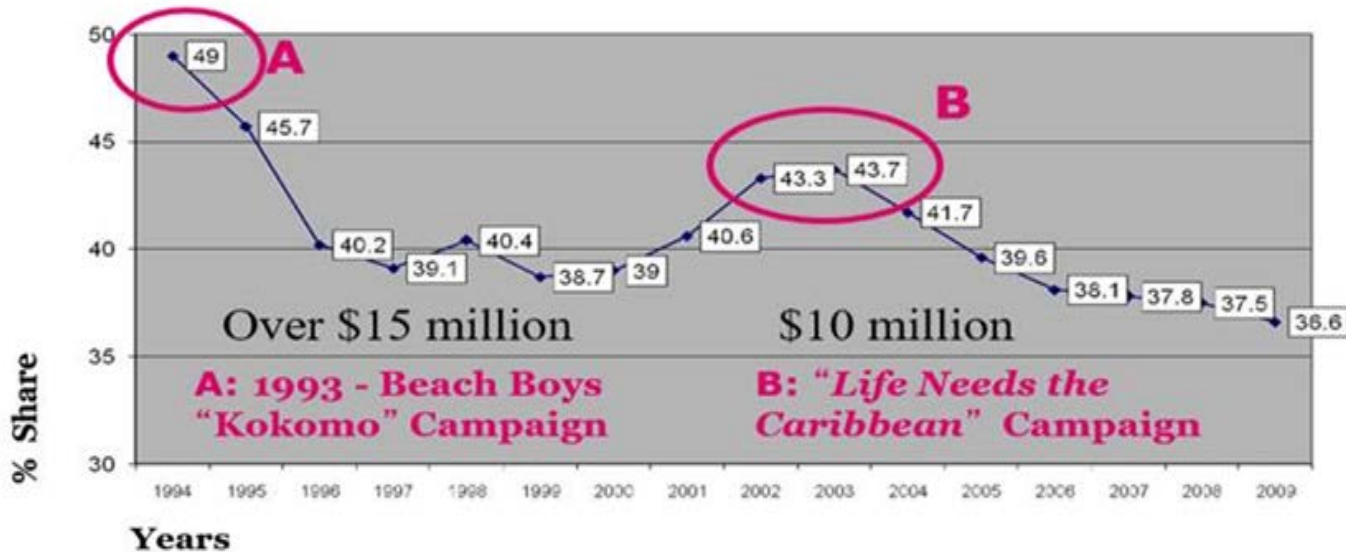
An independent analysis by Oxford Economics showed that:

- **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

Caribbean Share of US International Travelers
 (Source: CTO October 2010)



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!

