

REMARKS FOR HEAD OF DELEGATION OF THE  
COMMONWEALTH OF THE BAHAMAS

**MOVING UP THE VALUE CHAIN  
THE FUTURE FOR TOURISM IN THE CARIBBEAN**

The tourism industry has always been the 'bread and butter' industry of most Caribbean countries. In a global study conducted on the market share of the tourism industry in local economies, it was found that of the ten most "tourism dependent" economies in the world, seven of these economies are Caribbean countries.

In the Caribbean region, this vibrant industry and its associated manifestations are primary providers of jobs, new investment and a powerful and sustaining medium for the empowerment of citizenry, especially to the social and economic benefit of young persons. Revenues from tourist activities are a key source of foreign exchange for the foreign exchange reserves of the central banks of the region.

It is well known that Caribbean governments now raise revenue through tourism taxation from hotels, their support services, transport, tourism shops, food suppliers, entertainment and restaurants. In The Bahamas, the tourism industry accounts for approximately sixty-six per cent of national gross domestic product.

Our friends in the United Kingdom would recall that as the banana and sugar industry in the Caribbean began to wane due, *inter alia*, to a reduction in the preferential arrangements being received, more Caribbean countries turned to the service producing industries to replace lost incomes, with tourism taking the lead. In many instances the former client markets for agricultural produce became actively producing markets for tourist travel to the Caribbean.

The somewhat impersonal term "tourism product" may sometimes cause us to overlook the fact that positive experiences are at the core of a successful visitor's experience and, as often as not, human interaction is at the heart of such experiences. Therefore commitment to a development path through tourism entails sustained commitment to human resource development, as much as it does to attracting foreign direct investment.

In The Bahamas, we have long been aware of this and the public and private sectors have committed to a sustained level of investment in human resource

development to enable us to provide a qualified workforce, even as we seek and encourage investment in new hotels.

Throughout the region, there has been a plethora of efforts aimed at transforming and enhancing the quality of the tourism product. These have included intensive government/private sector collaborative programmes and policies frequently aimed at improving the built infrastructure, or “tourism plant” to use another industry term.

In The Bahamas, as in the rest of the Caribbean, continuous review of legislation has been necessary to meet the changing needs and demands of the private sector in their tourist-related facilities. Legislative amendments are necessary from time to time to keep pace with changing trends and consumer preferences and demands. In the Bahamas’, case reviews of the Hotels Encouragement Act have broadened the scope of opportunities for developers to receive concessions and incentives. This legislation has also been used to stimulate development in specific areas of the archipelago that need a developmental boost.

Of current interest is the effect that the enactment of the City of Nassau Revitalization Act has already had in stimulating important investments in the process of transformation of our capital. This has included the upgrade and beautification of hotel properties, beach restoration, restaurants, shopping facilities and public areas for the benefit and enjoyment of residents and visitors alike..

At the gateway to our city, the Lynden Pindling International Airport , more than \$400 million dollars have been invested to transform the facility to make it capable of accommodating the large increases in traffic that current and future resort development will bring. While LPIA is also being positioned and prepared to better function as a domestic hub to support connecting traffic to the picturesque destinations of our Family Islands, improvements are also being made to some of our 16 (yes 16!) international airports to keep pace with the consumer’s ability to select a destination and book travel to it on-line.

In this and many other way, the Internet is having a transformative effect on the way travel is marketed and consumed. Accessing the more frequently used tourism marketing sites of onecaribbean.org, caribbean.co.uk and bahamas.com provide easy access to travel information on resorts large and small and on various destinations.

Throughout the region, we constantly strive to revive or improve the tourism product to ensure that potential travellers can be offered a high quality, yet affordable vacation experience. Visitors can have magical stays at the region's many fine resorts or opt for stays at smaller boutique hotels and villas.

More and more, successful tourism marketing caters to people's passions and interests. Also, as time goes by, shifts in popular concerns create viable niches for us to exploit. Ecotourism is one such example, providing a new demographic for marketing, one that provides opportunities to cater to academic and scientific interests. Similarly, we have begun serious pursuit of religious tourism, sports tourism, health and wellness tourism, the later being distinct from medical tourism.

The current recessionary environment helped add new appeal to a Caribbean cruise for consumers. Cruise lines, with their new mega-ships, filled their berths with attractively priced three, four and five day cruises to the Caribbean. In that the region exploits an advantage that it can never lose: its ports are with a radius that is conveniently served by ships sailing out of points on the eastern seaboard of the USA.

In this respect, The Bahamas has been exceptionally fortunate. Bahamas only cruises between Bahamas and Fort Lauderdale have multiplied.

While this is so, we are all mindful that the stopover visitor is the one that stays in the hotel beds and contributes several hundred percent more per capita to the economy. Thus, we continue to build more and better air bridges between our countries and our major markets.

But, returning to the point on which I opened for emphasis, it is good to see the extent to which local hotel and tourism associations have been able to facilitate the engagement of hundreds of hospitality industry professionals in a range of industry and betterment activities. A number of valuable initiatives have been taking place, including training programmes, scholarships, outreach programmes in primary, secondary and tertiary institutions; training of graduates, existing employees and the unemployed; participation of police officers in tourism security courses; energy efficiency and environmental awareness initiatives; and support programmes for small businesses.

For decades Caribbean destinations have received a substantial amount of visitors from the United Kingdom and Europe, due in part to colonial and historical ties reaching back centuries.

Additionally, the significant amount of UK residents are of Caribbean descent , a Diaspora that has generated a lucrative tourist market for many countries in the region. Baroness Benjamin in her delivery to the House of Lords on 18<sup>th</sup> May 2011, estimated that the UK is home to around 800,000 members of the Caribbean Diaspora. Because of this demand for travel to the Caribbean, Virgin Atlantic, British Airways, Air Jamaica, Caribbean Airlines to name a few, offer a number of weekly services to the Caribbean.

The UK therefore, as a hub, plays a vital role in growing tourism in developing nations. London also acts as a transit point for visitors from China, India, Central Europe and Russia. For these reasons, we continue to be alarmed and deeply concerned about the adverse implications of the recently enacted Air Passenger Duty (APD) in the UK, which promises to make travel to the region prohibitive for a large number of the people who have been able to afford it before.

The tourism industry is the number one industry in the region. It is our bread and butter industry. The Caribbean has a comparative advantage in this industry, the only industry in which we are globally competitive. Helping to keep this industry strong and vibrant, will be helping to keep the region's economies strong and vibrant. Thankfully, Caribbean governments are doing everything in their institutional power to upgrade and maintain the high value of the tourism product.

God Bless our nations. Thank you.