

# **ADDRESS BY HON. PETER DAVID**

## **MINISTER OF TOURISM, CIVIL AVIATION & CULTURE**

### **Tourism Conference**

#### **Grenada Trade Centre**

**Tuesday, November 29, 2011**

Mr. Chairman; Honourable Tillman Thomas, Prime Minister of Grenada, Carriacou and Petit Martinique; and other distinguished fellow government ministers; Tourism stakeholders; members of the media; participants all; honoured visiting guests.

Let me begin by thanking all those who have worked tirelessly over the last several months to make today's conference, and the organizing of Tourism Awareness Month, a resounding success.

Special mention must be made of the stakeholders who participated in the consultations that formed the basis for this document that is being unveiled today. It is truly reflective of the views of all Grenada on what our strategy should be for our tourism industry going forward. This document represents a new beginning for Grenada's tourism Industry, and I salute the hard work, strength and patience of everyone who was involved in its preparation. It is a platform which we intend to utilize to better prepare our industry to take advantage of the growth and prosperity projected for the coming years.

Before proceeding with the details of our plan, let me pause to thank my friend and Ministerial colleague Richard Sealy, Minister of Tourism of Barbados, for coming to Grenada today. Tomorrow is Independence celebrations in Barbados and I know the sacrifice you made to be with us. Let me also thank The Chair of the Caribbean Tourism Organisation and Minister for Tourism of St. Kitts and my friend, Ricky Skeritt, for joining us here this afternoon. This is a genuine demonstration of regional solidarity in the face of the economic challenges confronting all of us in this part of the world.

In my presentation today I want to do the following:

- Reemphasize the importance and impact of OUR tourism industry,
- Review the state of OUR industry,
- And announce new institutional/industry management arrangements and structures to ensure that OUR goals are achieved within set timeframes.

It is my belief that in order to achieve the goals we have set ourselves, we – the stakeholders – must take full responsibility for, and **MUST** be held accountable for, the implementation of this plan.

Today's event forms part of the observance of Tourism Awareness Month in Grenada. The theme of the month has been, "Embracing Tourism: It Impacts Every Sector". I want to congratulate those who chose the theme. It is most appropriate given the very real challenges facing the Grenada tourism industry and other segments of the local economy.

The Global Economy has had a severe impact on the economies of small island states throughout the world. This impact has been even worse on Caribbean Island economies heavily dependent on external factors, existing as we are so close to

developed economies of North America and having the traditional economic ties with Europe.

Traditional Agriculture products such as Bananas, Cocoa and Nutmegs have been severely impacted by the combined forces of natural disasters, removal of preferential treatment and low commodity prices. To compound these difficulties the recent financial and economic crises facing the developed economies have resulted in widespread economic and financial difficulties throughout the developed and developing world. We all know that when the developed economies of North America and Europe sneeze we catch the cold. And what a cold we have caught.

This new globalized world has shrunk the planet to the extent that everything is interconnected to the extent that the closure of a bank in NY or London can have a more serious impact on us in Grenada than it has on persons who live in those cities. The failure of a company on Wall Street can have a devastating impact on the lives of people in Rose Hill or Lamode. And so the challenges we face in our own tourism industry are intricately connected to matters far away from Grenada just as much as it is connected to issues here in Grenada.

I say this to recognize that we live in an interconnected world and to acknowledge that all our industries, not just tourism, are subject to the vagaries of the world economic climate. But does this mean that one must accept with fatalistic resignation that we do not have control over our destiny?

While it is my view that there are forces over which we do not have control, our own history has taught us that as a people we are capable of taking our destiny into our own hands and responding to crises with optimism and creativity.

Prime Minister Ralph Gonsalves of St. Vincent & the Grenadines, in a speech on the issue of the CLICO collapse here last year said that “a crisis is a terrible thing to waste;” a very profound statement that in the bowels of this crisis lay some opportunities that we must take advantage of. The economic and financial crisis facing the global economy has had some very real impacts on our economies in this region and in Grenada in particular. These include shortage of capital flows into the country, decline in tourism arrivals, lower spend for those who do come, resulting in severe economic pressure on our economy. What has been the net effect of this?

Several Tourism related projects in the pipeline and some already underway, particularly in hotel development, have had to stop because of shortage of capital. Many of these projects depended on financial institutions in Europe and North America which themselves faced financial ruin because of the crisis.

The economic problems facing Europe and North America have also seriously impacted on our main source markets for tourists. High unemployment, job insecurity and slow growth in the economies of the North have resulted in fewer persons travelling. And even though we continue to attract many visitors to our shores their ability to spend is now limited.

There is also intense competition for the traditional markets. The United States has embarked on a new campaign and so too has many other major economies. Cruise visitors are now heading to Europe and Australia in large numbers.

Given all these difficulties why do we continue to advocate for Tourism? Why do we argue that tourism is a critical sector, some arguing that it is the main economic driver?

Tourism is the largest annual contributor to Grenada's Gross Domestic Product or GDP. Every year millions of persons leave their home in search of unique experiences for which they are prepared to pay hard earned cash.

Grenada is one of those Caribbean destinations that offer these experiences.

The World Travel and Tourism Council (WTTC) estimates that more than 25% of Grenada's GDP is derived from Tourism. However, our national statistics Department estimates that Tourism contributes between 5-7% of Grenada's GDP. This difference is mainly because of the methods used to estimate the contribution. Our statistics is based on MAINLY the contributions of the restaurant and hotel sub-sectors. This makes it very difficult for policy makers and John public to appreciate the impact and importance of the industry.

Our statistics does not include the contribution of the cruise industry, the yachting sector, the dive sector, the tour operators, the taxi driver, the vendors, the attractions, the community projects, and festivals, like carnival that generate income and employment for our people.

We are convinced that the WTTC estimates are closer to what tourism contributes to our economy.

The indirect economic contribution is not measured.

We do not count the following indirect contributions of tourism to:

- the farmer
- the electricity company
- the telephone companies
- the banks who gain interest on the loans made to hotels, taxi tour operators
- the supermarkets
- NAWASA

- The laundries
- Market and spice vendors and others.

I hope that at the end of my presentation today more of us will understand that tourism is truly “Everybody’s Business”.

Our approach to tourism must not be a matter of one sector over another. The issue must be approached in terms of how we ensure that every sector is impacted by the tourism industry, bearing in mind that it is the sector in which we hold a comparative advantage. We must not approach our development today the way we approached our agricultural sector without paying the necessary attention to adding value to the product. We planted the nutmeg tree, weeded it for some time, and then waited for the nutmeg to fall. It is only recently that persons like Denis Noel added value with products such as “Nutmed”. Today’s global economy demands that we approach our tourism sector, and our development in general, in a much more scientific and planned way.

That is why we have spent such a long time and expended resources in developing this new strategic approach for our vital tourism industry. This approach must be embraced by all, government and opposition, Private sector and public sector, farmers, nurses, taxi men. Everyone in Grenada must embrace this for there to be success.

This is a results-oriented plan that emphasizes action and implementation. First, we are proposing an Implementation Task Force (ITF) or Tourism Strategy Implementation Body (TSIB), which I will chair. The ITF or TSIB will be responsible for the execution and delivery of the plan.

The ITF will have sub-committees comprising persons with a track record of success and who are drawn from a wide cross-section of Grenadian society.

As part of the overall plan we will also review the structure of the management of the industry with the aim of setting up a Tourism Authority to replace the present Board of Tourism. It is the view of most in the tourism sector that we need to revamp the present structure to be better able to do the two things that most affect the industry: Product Development and Marketing.

Product Development and Marketing cannot be separate from the issue of airlift into the country. We must spend on those areas but it's spending that ought not to be regarded as expenditure, but rather as an investment.

Take for example, monies paid out for Airlift into Grenada. Today we have what some consider as the best airlift ever into Grenada. Out of Europe we have British Airways, Virgin Atlantic and Monarch Airways. Out of the United States we have American Airlines, Eagle, Delta Airlines and Caribbean Airways. From Canada we have Air Canada, Sunwing Airways, and from December 15th Caribbean Airways. Out of Caracas we have Conviasa and from Trinidad Caribbean Airways, LIAT and Conviasa. And from the wider Caribbean we have LIAT. Just think about what it would be like if we were unable to shuttle these thousands of tourists to Grenada, especially on peak occasions such as at Christmas, Carnival, Regatta, and on Carriacou's hosting of the Maroon and String Band Festival.

At this point, I want to pay tribute to the Airlift Committee for its tremendous contribution especially its Chairman Mr. Michael McIntyre who has always given great service in that regard.

Under our newly unveiled strategic plan, recognition is given of the need to attract capital into Grenada for the purpose of infrastructure development, in particular for the expansion of our hotel room stock. With just over fifteen hundred rooms it is necessary to expand that sector. For this purpose it was the view that government needs to come up with creative strategies to attract investors. We have listened with interest to the proposal for Investment Incentive Package for qualified applicants. One component of the proposed package recommends that the Government set up a 30-day guarantee on Alien Landholding Licences. This means that an applicant for a licence will get an answer within 30 days. That answer either should be licence granted, licence denied or we have queries on your application and we need you to answer the following questions.

As well, another proposal emanating from the discussions with stakeholders was that special consideration for citizenship be given to persons who are actually investing in the country. This investment by bona fide investors must be sizeable. It must come with certain conditions based on size of investment, numbers of Grenadians employed by the investor and the overall impact on the economy of the investment.

Additionally while there have been improvements in the business climate it is the view of many stakeholders that there needs to be a better streamlining and more efficient process with regard to investor procedure.

More efficient and targeted marketing of Grenada is a priority going forward. In this regard the Ministry and the GBT – and the soon-to-be-established Tourism Authority – will consider several options. These include the use of prominent Grenadians such as Kirani James, Rondell Bartholomew, Jason Roberts and Johnson Beharry as spokespersons in effectively marketing Grenada to the world.

The Ministry of Tourism has also proposed that our new marketing efforts will also involve setting up a Tourism Ambassadors' Program, such as exists in the Seychelles. Several prominent persons have indicated a willingness to assist in that regard. It is an inexpensive way of marketing this island. One person, for instance, will be appointed as Ambassador for International Marketing & Inward Investment. On a whole, the role of these Tourism Ambassadors would be to use their vast network and influence to facilitate investment into Grenada and also find opportunities for Grenadian goods and services on the international market.

The need to look for new source markets is also another feature of the road ahead. Already talks have begun with the Chinese, Brazilians and other South and Central American countries in that regard. In the upcoming period this will be treated as a priority.

Earlier, I mentioned the importance of linkages between tourism and other productive sectors. The tentacles of tourism also must reach into all communities throughout Grenada, Carriacou, and Petit Martinique. Both rural and urban communities must feel the impact of tourism. In this connection, the new strategy has a focus on Community Tourism. But for Community Tourism to be a success, a mechanism for micro-financing for small businessmen and women must be put in place. As indicated in the OECS Draft Common Tourism Policy Document, this also "requires minimizing constraints on the establishment of new businesses, particularly small ones that do not have the resources or experience to deal with a myriad of regulations."

But apart from the government the private sector must do more. I am of the view that large parts of our private sector still do not understand or appreciate the importance of the industry.

Our insurance companies, banks and other financial institutions must invest in the tourism industry. Local businessmen and women must form consortia to invest in our sites and other attractions. In this regard I want to compliment local businessmen and women, such as Hugh Dolland of Spice Basket, who have taken the risk and invested in the industry at a time when the economic climate is challenging.

Our most important asset is our people. Time and time again I am told that Grenada is renowned internationally for its friendly and warm people. Our crime rate is among the lowest in the world and our charm is legendary. But we must not take it for granted. We must be vigilant in preserving what is best in us and be very careful to rid our environment of threats to our cultural assets. Anti-social behavior must be treated not only as threats to our values but also as threats to our economic well being.

At the level of those who interact directly with visitors to our shores, there must be service improvement. As such, we plan on embarking on a total evaluation of customer service at our ports of entry. The exercise will be geared towards having the friendliest and safest ports of entry in the Caribbean, but also ports that eliminate all unnecessary delays in processing entry to the country of would-be visitors. I've met more than a few visitors who, while thoroughly enjoying Grenada, are wary of returning to have to spend sixty or ninety minutes to clear immigration and customs.

Along with setting up the system to monitor, evaluate and direct service quality, a complete re-training of all persons at the airport is needed. For example, we believe that as a matter of routine, our Immigration Officers should greet our

visitors with a, “Have a safe trip,” “Thank you for coming,” or, “We hope you enjoyed your vacation with us.”

We are also looking to the future in terms of creating greater appreciation for tourism and training a new cadre of sector workers. Tourism education is now being taught to students in 26 primary and secondary schools. It is a subject on the syllabus of our secondary schools and can be taken as part of the CXC Examinations.

In the interim, while work continues on setting up the proposed new Tourism Authority, we have restructured the Board of Tourism and appointed new directors to the board. This new Board, led by Mr. Colin Dowe, will lead the charge, along with the TPIT, in ensuring the efficient and comprehensive implementation of the new Strategic plan.

Again I would like to thank all the workers at the Grenada Board of Tourism; in particular, outgoing Chairman Mr. Richard Strachan for his wonderful stewardship; thanks to the current GBT Director Mr. Simon Stiell, the workers at the Ministry of Tourism, the Permanent Secretary, Mrs. Marilyn Austin-Cadore, and all those who worked hard to get us here. Together we can achieve the goals set by our new Strategic plan.

And to everyone present here today, and to all Grenada, we have a wonderful island; it is a beautiful place. Tourism is about enjoying the beautiful things in life. Let’s make Grenada even more beautiful for the world to enjoy.

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