

ADVANCING DESTINATION SUSTAINABILITY AND PROFITABILITY DURING ECONOMIC DOWNTURN

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Demographics

- **British Overseas Territory**
- **Ideally located in the Northern Caribbean in the Southernmost Bahamas archipelago**
- **Archipelago of islands in two groups with exquisite natural beauty, hence “Beautiful by Nature”**
- **Population 30,000 – 35,000**
- **Main industry pre-late 1980s: Fishing and Offshore Finance**
- **Main industry post-late 1980s: Tourism**

Tourism & Economy

- Middle-income country with average annual per capital income of \$16,400
- 2008 two major hurricanes, constitution suspension and global economic decline
- Revenue fell from \$270M in 2007/08 to less than \$140M 2009/10
- 2011/12 industrial unrest, Norovirus outbreak
- British direct rule, austerity measures and fiscal stabilization strategy with public sector financing facility of up to \$270M

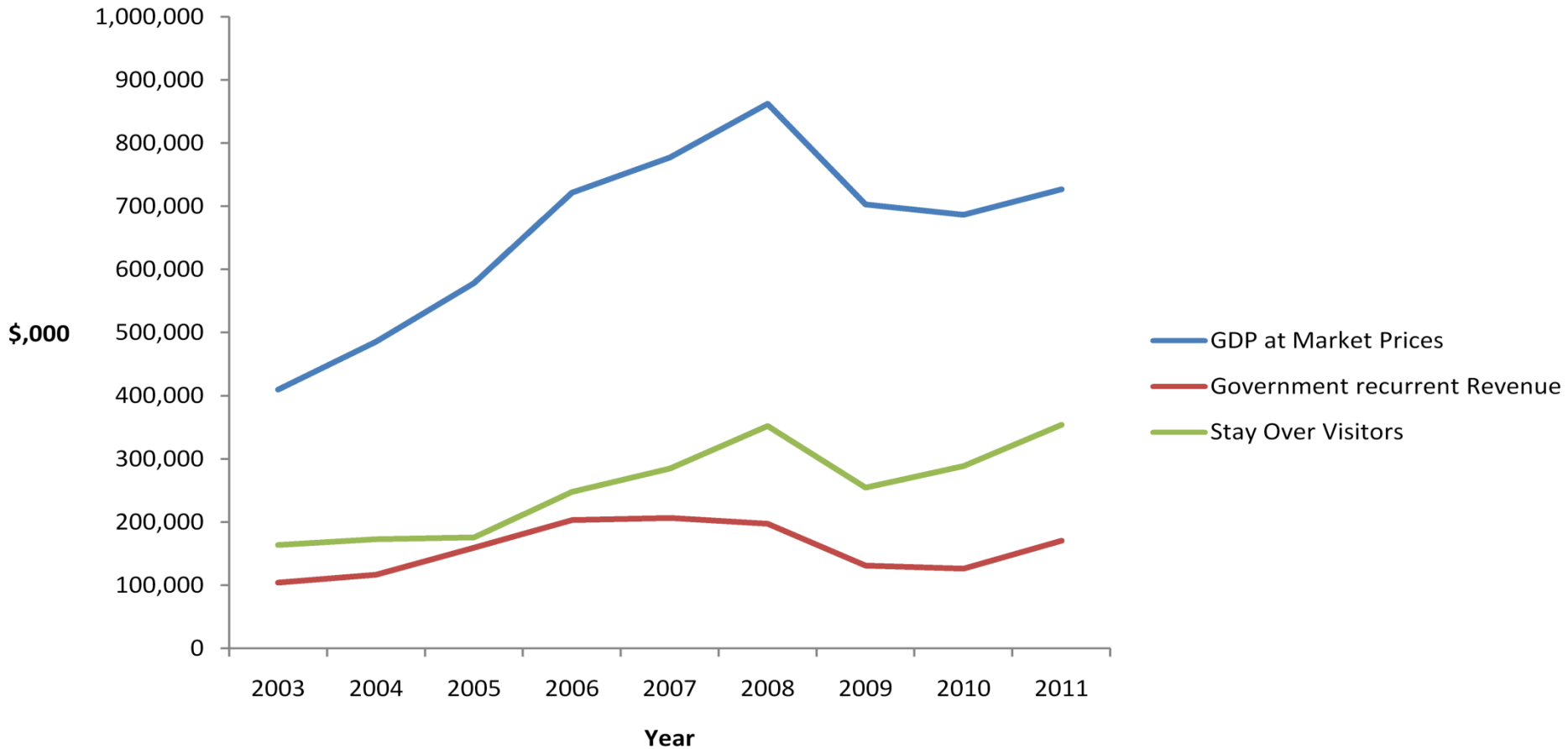


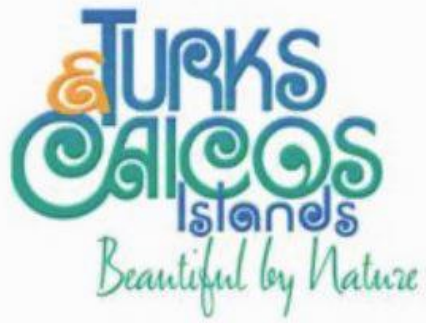
Tourism & Economy

- In 2011 Tourism sector accounted for 40% of GDP and major employer in economy
- Hotel room inventory is about 3000
- 90% of visitors originate from North American Source Market
- Recent long stay visitor arrival average annual growth of 10%, now 325,000 during 2012
- Country surpassing 1 million visitor arrival in 2011
- Cruise ship passenger arrivals increased from 320,000 in 2006 to 724,000 in 2011/12

Tourism & Economy

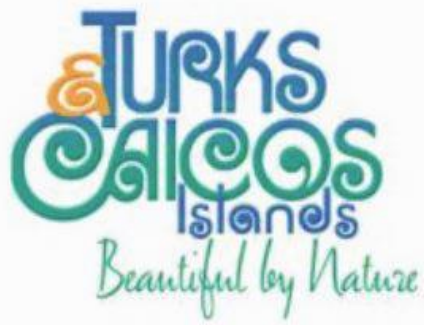
**Graph 1:
Key Economic Indicators 2003-2011**





How We Did It

- **Investing in the Destination**
- **Destination Product development**
- **Security, safety and Service**
- **Partnership in marketing and promotion**



How We Did IT

Infrastructure and Resort Development

Roads, Telecommunication, Cruise Port

Increase in Room Inventory – 3000

Development of high end resorts

Amanyara, Gansevoort, Parrot Cay, Regent Palms, Grace Bay Club, Beaches



Airlift

Critical to sustainability

American Airlines accounts for 40% of visitors and US Airways 16% - Impact

New entry of JetBlue -16% increase in visitor arrival

New Airport Development and access to new source Markets

Partnership in securing airlift – Airport Authority, Beaches Resort, TCHTA, REC, TCIG

How We Did IT

- **Marketing and Promotion**
 - Destination branding as the place for luxury travelers and families to visit
 - #1 in the list of top 10 place to visit among luxury travelers
 - 92% of visitors came for vacation/pleasure
 - 97% stayed on the main island of Providenciales
 - Average length of stay was 7 days
 - Recommendation by friend and family member and internet research accounted for 70% of visitor arrival
 - Government via Tourist Board in collaboration with Resorts (eg Beaches) and Hotel and Tourism Association and other tourism partners such as Culture Department, National Trust

How We Did IT

Chart 2: Average Hotet Occupancy

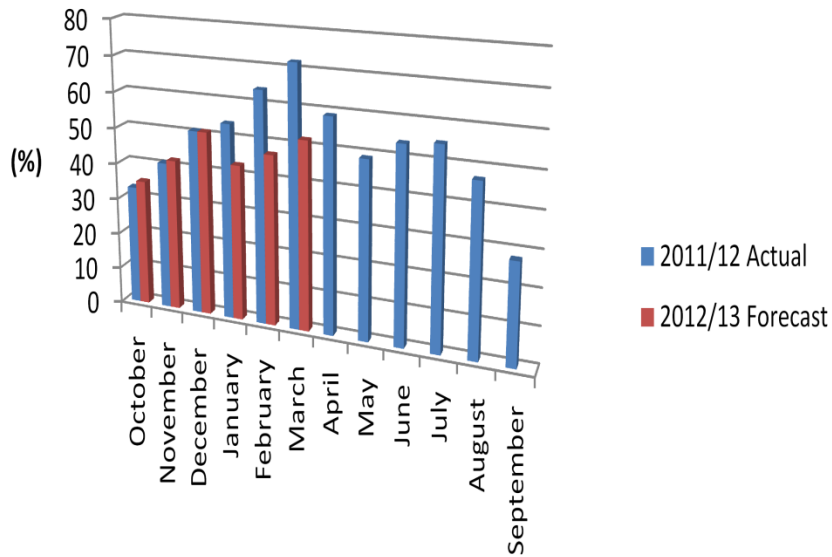
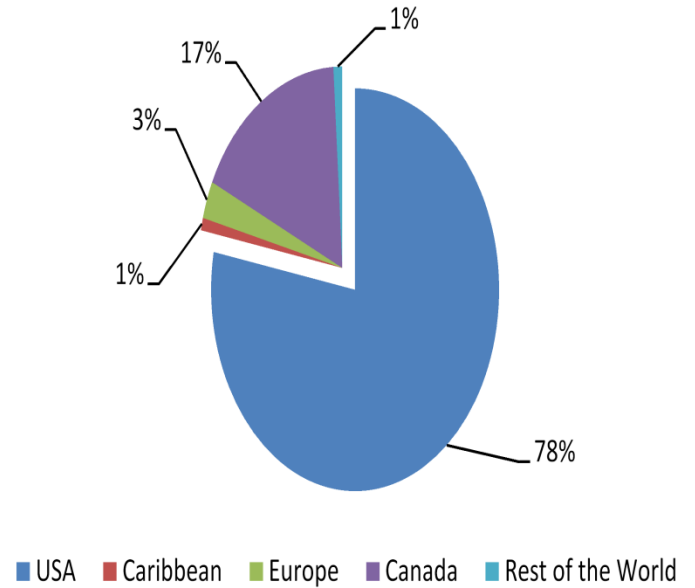


Chart 1: Visitor Arrivals by Home Country



How We Did IT

- **Destination Product Development**
 - **High End Resorts and Spas**
 - **Dining**, shopping and Entertainment
 - High quality fine dining with local and international flavors
 - Limited shopping
 - **Activities based Products**
 - **Diving and water sports**
 - **Culture and Heritage Products**
 - Maskanoo, Conch festival and many island festivals
 - **Nature (Ecotourism, **Beautiful Beaches**) based Products**
 - **Events and Entertainment based Products**
 - **Weddings**

How We Did It

- **Safety, Security and Service**
 - Lowest crime rate in the region and expectation of such is high, very little room for shortcomings
 - Public Health safety a major threat
 - Hotels, cruise ships and ports of entry
 - Product delivery safety regulations lagging rate of product development
 - Service delivery at point of access to product excellent, but other areas need strengthening
 - Immigration, Customs, Taxis

Strategies for Sustainability

- **Development and implementation of source market and airlift strategy through Partnership**
 - National partnerships
 - Regional partnerships
- **Identification and development of Niche Products**
 - Identify what you are best known for and enhance it
 - High end Resort and Spa, Fine dining, family resort experience
 - Identify opportunities upon which to capitalize & maximize
 - Luxury private jets, Luxury Yachts, Events (weddings, sports etc)
 - Ecotourism, Culture and Heritage Tourism
- **Encouraging partnership in destination marketing and promotion**
 - Bilateral and multilateral agreements for niche product packaging and promotion (shopping, natural attractions, events etc)
 - Strategic partnerships with International travel agencies

Strategies for Sustainability

- **Strong emphasis on total visitor satisfaction, safety and security**
 - Crime and gang violence a growing problem that is a significant threat to sustainability
 - Stronger regulations within the industry to ensure visitor safety
 - Food safety, watersports regulations, aircraft and ship regulations, Port health regulations
 - High quality service delivery at every stage of the visit from source market to accessing destination product
 - Customs and Immigration reform programmes
 - National tourism ambassador programme (TCI Host) - Tourism is everybody's business

Strategies for Sustainability

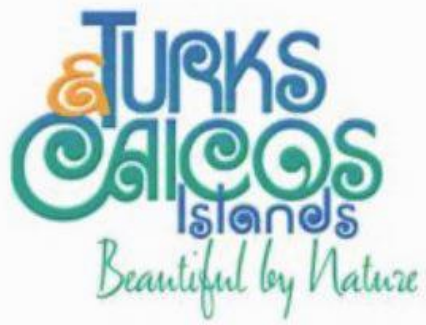
- **Targeted personalized marketing**
 - Market research to determine where the limited funds should be spent to maximize ROI
 - Develop incentive programmes that encourage word of mouth promotion
 - Invest in internet based marketing, websites and other social marketing tools
 - Promote niche product in appropriate source market
- **Balanced development**
 - Encouraging development that is geared at increasing room inventory
 - Development that is environmentally friendly but not totally at the expense of restricting economic diversification in other sectors
 - Encourage development and investment that enhances sustainability and profitability of the tourism product

Strategies for Sustainability

- **Invest in human capital**
 - Review and revision of the educational system to ensure that the system is meeting the needs of the industry
 - Development of institutions that cater to hospitality
 - Strong emphasis on heritage and culture to preserve national identity as a strategy for sustainability
 - Regional collaboration in identifying best practices in the industry and opportunities to share and experiences these best practices through exchange programmes

Summary

- **Encourage investment that facilitates balance development and congruent with Niche Product**
- **National and regional partnerships (One Caribbean) in the Marketing and Promotion of Destination Products**
- **Develop and implement airlift strategy through partnership**
- **Invest in Human Capital and advance regulations to ensure sustainability of high quality service delivery, safety and security**

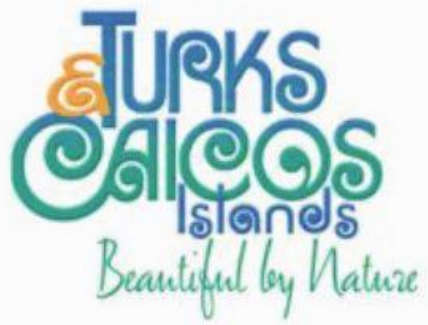


Partners In Tourism



**Office Of The Premier
Ministry of Tourism
Turks and Caicos Islands**





Thank You - Come Visit Us



Beautiful by Nature - Luxury by Design - Relaxing by Choice