

# Economic diversification: the role of the tourism sector

BY RICHARD BRIGHOUSE

With successful energy and manufacturing sectors, Trinidad and Tobago finds itself much less dependent on tourism than many of its Caribbean neighbours. This however has not stopped the government laying down a clear path for the sector in its Vision 2020 plan, intended to ensure that tourism plays its part in creating sustainable growth and employment over the next 10-15 years.

In the decade from 2005-15, the travel and tourism economy is projected to leap from contributing 4 per cent of GDP to around 15 per cent, according to Minister of Tourism, Joseph Ross. "We intend to develop a sustainable product which is differentiated from the other islands [in the Caribbean]. In a nutshell we are trying to give the visitor a unique experience, supported by strong brand recognition, the support of the public and private sectors, and what I would term 'positive cultural transformation'. We are moving very fast." Total employment in the sector is expected to grow from 16.7 per cent to 19.2 per cent. So while energy and manufacturing are important to Trinidad and Tobago, there is no avoiding the significance of tourism to the government and the private sector.

As Ernest Littles, President of the Tourism Development Company (TDC), observes: "Tourism will develop with a conscious effort to sustain and improve the natural and social

environments for the people of Trinidad and Tobago. Tourism is the fastest-growing sector in GDP around the world and it is a great contributor to jobs. This is one of the things that tourism can provide more effectively than the energy sector. Government recognises that the energy sector contributes great income, but its job creation ratios are much less than the tourism sector. Government and the private sector are going to work together to make the Trinidad and Tobago tourism sector successful. The government can create the environment that will encourage and facilitate tourism investment and development."

Separate analysis of Tobago undertaken by Oxford Economic Forecasting suggests that tourism on the island is expected to account for 46 per cent of its GDP and 56.8 per cent of total island employment. Travel and tourism visitor exports are projected to account for nearly 96 per cent of Tobago's total exports. These figures make Tobago one of the most tourism-intensive economies in the world.

The Tourism Master Plan of 1994 and the work of the Vision 2020 Tourism Sub-committee have helped to put travel and tourism firmly on Trinidad and Tobago's political and development agenda. The main challenge in the future is to gain support for the industry from all levels of the public and private sectors, as well as from the population at large. The

formation of the TDC four years ago, which took over responsibility for all tourism development from the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO), bodes well for the country's travel and tourism business. With a strong and relatively fresh mandate, the TDC has the power to co-ordinate and implement strategies for, among others things, marketing, product development, investment and public awareness – all of which are vital for the sustainable and equitable development of tourism on the islands.

As the Caribbean Single Market and Economy (CSME) exerts its influence, travel and tourism in Trinidad and Tobago will face increased competition, particularly in terms of employment, from neighbouring Caribbean countries. A highly-trained workforce, and an industry that offers employment opportunities to match, will be critical to encouraging and

safeguarding the sustainable employment created by travel and tourism. The Ministry of Tourism and the TDC is active with private sector employers and training institutes to ensure that Trinidad and Tobago is prepared for the CSME. A good proportion of board members of the TDC are representatives of private sector companies, which offers a good base from which to develop public-private sector partnership. What is now important is to ensure that the synergy between the two sectors is maintained and works effectively. This means ensuring that government authorities and the wider tourism industry are actively involved in the decision-making process, ensuring maximum buy-in from all stakeholders in the future.

Growth is expected to come from a number of different areas within the overall sector – including conferences and events, business tourism and festivals. Last year saw the successful hosting of the Caribbean Hotel and Tourism Investment Conference, with around 520 participants. The islands also hosted the Florida-Caribbean Cruise Convention which attracted approximately 800 delegates. 2009 sees a step change in the scale of events held on the islands, with the Commonwealth Heads of Government Meeting (CHOGM) expected to attract more than 5,000 delegates, and the Fifth Summit of the Americas (V-SOA) a similar number.

As Littles observes: "In 2008 we witnessed the coming on-stream of the 428-room Hyatt Regency Hotel and Conference Centre. The refurbishment of the 430-room Trinidad Hilton Hotel and Conference Centre is continuing apace. In mid-2009 the 165-room Carlton Savannah Hotel will open for business. The Star Hotel at Piaco, with 120 rooms, is nearing completion, whilst Cara Suites Hotel and Conference Centre at Claxton Bay has commenced an expansion which will add approximately 50 rooms to the existing plant. These new hotels and expansions will see our inventory of first-class rooms grow by almost 800 rooms."

The competitive advantage that the oil sector has given Trinidad and Tobago in conferencing and business tourism is crucial to this growth, as is the flagship Port of Spain Waterfront development, which houses a number of government ministries



The opening of the Hyatt Regency Trinidad has further enhanced the island's competitive advantage in business and convention tourism

as well as the embryonic Trinidad and Tobago International Financial Centre (TTIFC).

In September 2008 the government approved the formation of a Conventions Bureau, administered by the TDC, to oversee the development of the sector designed to ensure that the facilities created attract further convention business. "We anticipate anywhere in the vicinity of ten additional conferences and a similar amount of business meetings per year from the first year of establishment", says Ross. "We looked at our position – how close we are to the USA, which is the largest meeting and conventions area worldwide – hence the reason for setting up the Bureau. We have the best convention facilities in the entire South Caribbean, and there is demand for meetings and conferences in this part of the world."

Some have questioned the wisdom of hosting two such major events in the same year, but Ross draws a charming analogy: "If you do one certainly you could do two. It's just a matter of timing. People have children – I had mine five years apart, but some people have all theirs in two or three years. And they

Mayaro Beach on Trinidad's unspoilt East Coast



Photograph by Alastair Harris



handle it. The conference momentum will be there, and we can build on that momentum.”

Aside from conference and business tourism, other parts of the tourism sector also thrive in Trinidad and Tobago. Cruise and yachting /leisure boat tourism and adventure and ecotourism make significant contributions to the overall economy, as of course does Carnival (of which more later). According to figures from the Port Authority, between 1995 and 2000 cruise passenger arrivals more than doubled from 54,000 to 104,000, with the figure levelling off at 75,000 by 2007. Stopover tourist arrival numbers are as impressive, rising from 260,000 in 1995 to 460,000 in 2006 (Central Statistical Office figures). On average, stopover visitors from the USA represent just fewer than 40 per cent of total stopover tourists. This is followed by visitors from the United Kingdom and Canada with 13 per cent and 10 per cent respectively. Barbados follows with 8 per cent. Other main markets for Trinidad and Tobago tourism include Guyana, Grenada, Venezuela and Germany.

The TDC has initiated a raft of improvement plans in response to such extraordinary growth. Upgrading of key sites such as Maracas Bay and the Gasparee Island caves began last year. Roads are being improved and a road-building project initiated. Trinidad and Tobago’s infrastructure is well above the regional average, and a new international airport at Piarco in Trinidad was constructed in 2001. There is an extensive network of paved roads with several good four and six-lane highways including one controlled access expressway.

The country’s Carnival is rightly famed across the world, and indeed much imitated. As Ross says: “What makes us unique is our music. Steel pan originated here, and we have taken it a step further with the introduction of the ‘G-pan’ [a patent-approved type of steel pan]. Each September we have the Pan Yard Sensations, where visitors can really see the versatility of the pan men. Other islands have been jumping on the steel bandwagon, but there’s not one island that can really compete with Trinidad and Tobago in terms of the steel pan and Carnival.”

The annual Carnival steel pan competition, known as the National Panorama Festival, is held in the weeks preceding Carnival with the finals held on the Saturday before the main event. Pan players compete in various categories such as ‘Conventional Steel Band’ or ‘Single Pan’ by performing renditions of the current year’s calypsoes. While it is difficult to put a precise figure on the value of Carnival to Trinidad and Tobago (it is said to generate 10 per cent of the country’s tourist arrivals each year), the value in terms of international profile and prestige is inestimable.

The community spirit that underpins the success of Carnival is something that the government is keen to tap for the development of the tourist sector as a whole. As Ross explains: “We have the systems in place to ensure that these places are protected. And

the educational programme is involving the communities so that the community itself, not just on the north coast but throughout the islands, will recognise that their survival depends on the preservation of the environment. This is why we are emphasising a community-based type of tourism.”

Trinidad and Tobago is at an exciting stage in its tourism development. Globally, travel and tourism is on the increase with new markets emerging and new technologies rationalising the industry. The country is ideally placed to take advantage of these developments. It already benefits from a relatively large and increasingly well-educated population base, a diversified economy, a thriving export sector and tourist-friendly natural and cultural heritage.

Tourism will undoubtedly continue to grow, even if left to its own devices. The trick for Trinidad and Tobago, if it is to have a sustainable industry with maximum returns for the country, is to ensure that both the government and the private sector continue to focus on developing and maintaining a well-marketed, high-quality product. The signs thus far are promising. □



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