

Tourism sector moves up-market

INTERVIEW WITH SIMÓN SUÁREZ

PRESIDENT, HOTEL AND TOURISM ASSOCIATION OF THE DOMINICAN REPUBLIC (ASONAHORES)



SIMÓN SUÁREZ

is a 40-year veteran of the tourism industry. A former president of the Caribbean Hotel and Tourism Association, he has long been at the forefront of developing the Dominican Republic's tourism product, and was elected President of the National Hotel and Tourism Association of the Dominican Republic (ASONAHORES) for the 2014-16 term. Since June 2014, Mr Suárez has also been Vice President of Grupo Puntacana, where he is responsible for new development projects and institutional relations.

Building on its position as the Caribbean's most popular tourism destination, the Dominican Republic is now pursuing a strategy to extend its appeal beyond beach and resort holidays, as investors and upscale hotel groups begin to further develop areas and cities beyond the Punta Cana resort area, which has traditionally relied on package and charter holidaymakers.

"We are seeing growth in higher-end tourism, away from the all-inclusive model, along with eco-tourism and culture-based visits," says Simón Suárez, President of Asonahores, the Dominican Republic's hotel and tourism association, explaining that part of the current strategy is to interest more visitors to the historic colonial capital Santo Domingo, a UNESCO World Heritage Site, where the government is completing a multi-million-dollar renovation of the oldest inhabited city in the Americas.

Punta Cana, on the eastern tip of the country, remains the country's most popular destination, with around 60 per cent of the 5.1 million travellers who visited the Dominican Republic in 2014 heading there. But now, after five years of sustained growth, during which tourist arrivals increased overall by more than 30 per cent, Mr Suárez says there is sufficient interest from investors to further develop new areas and niche segments.

"The private sector is playing a big role in this," explains Suárez, describing a "wave of investment"

reflecting new confidence in the sector, along with the appeal of attractive fiscal structures. He says that around 4,000 hotel rooms are expected to be added over the course of the coming year, a 15 per cent increase.

Of those new rooms, around a thousand are in Santo Domingo, where a new Embassy Suites by Hilton opened in June 2014. The JW Marriott Santo Domingo, which incorporates the high-end Blue Mall shopping centre, also opened last year, together with the newly-renovated Sheraton Santo Domingo. "International brands are acknowledging the importance of this market," says Mr Suárez.

New roads pave way for investment

The tourism sector's rude health is also due to public sector investment in infrastructure. A decade ago, the Dominican government began an ambitious road-building programme that now connects Punta Cana with Santo Domingo. The completion of an expressway between the two has cut the drive time to just under two hours and is viewed as instrumental in drawing travellers to the historic city.

Similarly, new roads link the capital, which sits on the south coast, with the Samaná region in the northeast. At the same time, upgrading is underway of the eastern and southwest regions' road networks. The government has also announced the extension of the Puerto Plata highway, on the north coast.

The country's north coast, which includes the city

Night on the town: Part of the current strategy is to attract more visitors to the DR's historic capital, Santo Domingo



of Puerto Plata and the resorts of Sosúa, Cabarete and Río San Juan, is also attracting high-end hotels, with the arrival of the US Ganservooort chain. Río San Juan recently opened the first phase of a residential/hotel project, while the luxurious six-star Aman Hotel will soon open its doors, complete with world-class golf course.

Puerto Plata's historic centre is currently undergoing major renovation, with new bars, restaurants and many other tourism-related facilities opening, along with a new cruise terminal, which is expected to begin receiving ships in October of this year. Several local all-inclusive hotels are also being refurbished.

Half way between Santo Domingo and Punta Cana, the La Romana-Bayahibe region is also undergoing a major overhaul, with chains like Iberostar upgrading their hotels, while Casa de Campo – one of the Caribbean's most important resorts – has again received major awards for its golf courses.

The country is also hoping to attract greater numbers of visitors to the mountainous interior: Santiago, the country's second most important city, is developing health tourism. By year's end, several eco-lodges will open their doors in the nearby colonial town of San José de las Matas.

On the north coast, Samaná is benefitting from some 500 new hotel rooms. The Bahia Principe chain of hotels will shortly open its Luxury Bahia Principe Samana Hotel. Three important beaches in Samaná close to the Bahia Principe hotels, have renewed their Blue Flag certification. The area is also served by a number of award-winning upscale boutique hotels.

The country's desert-like southwest region, toward the border with Haiti, is also to be developed. Construction of the Puntarenas tourism and residential complex, situated outside the southwest town of Bani, has begun, and will include two new hotels. Further west, several hotels are being refurbished and upgraded in and around Barahona, the region's most important city.

Developing new markets

At the same time as opening up new areas to tourism, the Dominican Republic has been successful in attracting visitors from new destinations, away from its traditional markets of the US and Europe.

Arrivals grew 9.6 per cent in 2014, exceeding the Caribbean's 6.6 per cent growth during the same period and representing "a historic growth record," according to Simón Suárez.

"The first quarter of this year makes us optimistic. In the past three months we have been growing at a 7.4 per cent rate, one of the highest in the Caribbean. These levels of activity reflect our public policy and the efforts of the private sector to reach new tourists. We have seen a high level of investment in the tourism sector. We

aspire to be the number one destination not only in the Caribbean but all of Latin America," he adds.

The country remains heavily dependent on the United States, however, which provides almost 40 per cent of visitors, most of them from the eastern seaboard, and the plan now is to push into the Mid-West by creating further links with airlines such as Delta, Frontier, and US Airways.

Europe, which once made up 60 per cent of arrivals, has fallen to 24 per cent, due to the financial crisis. But Mr Suárez says there are signs of recovery, with visitors numbers from countries like Spain and the UK up by around a third in the first quarter of 2015.

"Fortunately, we responded quickly to the downturn in Europe five years ago, and focused our energies on South America," says Suárez: the region now supplies just over 20 per cent of visitors.

Mr Suárez adds that a number of British investors who put real estate projects on hold five years ago are now taking another look at the Dominican Republic. "I would encourage them to revisit those projects: the opportunities are still there, but they need to act quickly," he says.

In light of the shift toward more up-market tourist segments, Mr Suárez believes that British airlines such as Virgin Atlantic (which flies to Cuba, the Caribbean's second-most popular destination) and British Airways need to take another look at the country. "I was involved a few years ago in trying to encourage British carriers to come here, but their concern at the time was that this was not a high-end, luxury destination. That might have been the case seven years ago, but not now: in those days, 75 per cent of flights here were chartered, and just 25 per cent were scheduled; now it's the opposite. There are a lot more five-star hotels in Punta Cana than before, which means this is now an attractive destination for British airlines like Virgin."

We aspire to be the number one tourism destination, not only in the Caribbean but all of Latin America

Shifting sands:
The country's desert-like southwest region is earmarked for development

