



BHTA Fourth Quarterly Meeting 12th December, 2012

President's Remarks

Good morning ladies and gentlemen.

Protocol having been established I would like to especially welcome you to our 4th quarterly general meeting of 2012 and to thank you all for coming out this morning.

I cannot believe that six months of my Presidency has already past and what a whirl wind those months has been. I came into this position with a commitment to SPEAK UP for Tourism and with a keen desire to strengthen the understanding of the general public and of our private and public sectors partners to the critical importance of this industry to our Nation's survival. My hope, as I continue on my journey over the remainder of the next two years is that the public at large, companies, government agencies, communities across the island, service providers and regulatory bodies all become passionate about the tourism, recognise that we are all connected to the industry and that ALL of our actions impact in some way on the success or failure of this industry which is the lifeblood of the economy.

As we approach the end of 2012, we can certainly say that it has been a year full of opportunities and growth, challenges and frustration. We continue to be anxious over the decreases in airline seats and cruise ship visits into the island, closures of hotels, attractions and other tourism-related businesses, challenges of attracting capital investment, lagging tourism long stay arrivals and revenues, concerns over increasing taxation, decreased funding to market Barbados, and the erosion of Barbados's competitive position – these are all real concerns and are just some of the matters engaging the attention of the Association and all of the industry partners.

I am a strong believer in facing challenges head on, in not being afraid to address the difficult issues and in never letting the status quo dictate our ability to solve the issues that face us. The old adage “where there's a will there's a way” is one that I think bears thinking about each time we feel that the challenges we have will overcome us.

As hoteliers and tourism service providers we know that the secret to success is in the detail. It is in the attention we pay to a series of small, and sometimes larger actions that we take as a company or our staff take at an individual level, and how well we execute those actions, that ultimately defines the level of our success. Our nature of our industry and our businesses is such that we can afford to take a narrow, siloed approach and for this reason I am challenging all of our membership and the wider community to take a more engaged look at the locations

in which we operate and live, the areas around them, the communities in which they exist and determine what first we can do as private companies and citizens to improve the level of cleanliness, action

inexpensive but so effective acts of beautification like painting a wall or keeping the empty adjoining lot and the road in front of our business clean and REALLY being interested and aware of what is going on the area around us looking for the threats to like vagrancy, harassment, itinerant vending and drug pushing and not just complaining about them but take an active role in solving the issues. This is not a time to be passive or to wait for action to happen – as I said when last I spoke to this grouping we need to live the mantra of being the change we want to see in the world.

TOURISM AWARENESS

One of the goals I set out to obtain during my term in office was to find ways of educating and sensitizing both tourism workers and the general public on the importance of tourism. The recent completion and launch of the Tourism Awareness and Education Tool is one of the first steps towards this goal.

The development of a new Tourism Awareness and Information Tool was in direct response to the BHTA's 2009 study on the "Competitive Tourism Environment which Barbados Faces: Its Challenges and Solutions" which concluded that "the Barbados tourism product is not operating at optimal efficiency". A major revelation of the findings was the lack of understanding about the importance of tourism and one solution identified was that the public should be kept informed to achieve buy-in from the populace.

Therefore the creation of a Tourism Awareness orientation programme for all workers in tourism businesses as well as those in businesses and organizations that interface in any way with visitors was viewed as a necessary response to combat the human factor issues which are negatively impacting service in the industry.

The TDC was approached to collaborate with the BHTA to create a new Tourism Awareness orientation programme and May Hinds Consulting Inc. commissioned to carry out this work.

The integration of the tourism awareness and information tool at the organizational level in the orientation and re-orientation process is essentially rooted in the goal to ultimately create a well-informed and knowledgeable workforce that fully comprehends the importance of the tourism industry to the Barbadian economy and quality of life.

The core of the tool has been centred on the Tourism Vision for Barbados which is "Delivering an UNMATCHED EXPERIENCE that is truly Barbadian created by warm, welcoming, friendly people, ensuring benefits to the entire nation." The vision was crafted through a visioning workshop which was a collaborative effort between BTA, BHTA TDC and the Ministry of Tourism

when in the early stages of the development of the tool when it became very evident that there was in fact no clearly defined vision statement for tourism.

The tool provides a necessary basic level of tourism awareness and a level of public relations education for the industry. It recognizes that workers are key stakeholders in the industry and that they play an essential role in its success. As such, there is a greater self appreciation of their role when there is “buy in” and a heightened sense of individual responsibility towards achieving national prosperity.

The tool has been developed to be very visual and practical, allowing persons to readily relate to the presentation. The development of the tool is not the end of the road it is just the beginning. There will be a need to survey the level of use of the tool, to review how effective the roll out of the tool has been, to review the tool after a three year period to ensure its relevance and to look at other media such as social media to spread the word further.

The effective implementation and roll out of the tourism awareness and information tool in organizations is very dependent on the attitudes and commitment of the business community and we appeal to you all today to take advantage of this tool and integrate it into your everyday operations. The tool is available from any one of the BHTA secretariat staff at the price of \$50.

We owe a great debt of gratitude to the TDC for their support and direction not only with this initiative but with the many other projects that they have supported and to May and all other parties who were involved in the development of this important resource.

NATIONAL TOURISM HOST PROGRAMME

The BTA and the Ministry of Tourism have over the past few months been working to develop a National Tourism Host Programme. This programme is one designed to realise Barbados’ potential as a tourism destination. It seeks to create a sustained culture of excellence in all aspects of the destination’s management. The programme is called “Barbados Together” and the goal of the programme is

“To enhance the knowledge base and raise the level of awareness of the importance of the various facets of the country, among those persons employed in or associated with the hospitality and tourism sector, as well as the general population”.

The main aims of the programme are to:-

- Improve the relationship between the Guest and the Barbadian public
- Improve the quality of the Guests experience

- Ensure Guests are provided with accurate and useful information
- Provide those persons employed in the sector with the information necessary to fully satisfy the needs of Guests
- Develop other systems to support the continued success of the industry; and
- Provide employers with the tools necessary to orient employees.

There are two components that will be utilised to implement “Barbados together” these are

- Barbados Together Component #1 - To improve the knowledge base of the hosts through educational and awareness building capacity building actions.
- Hosting Bajan Style Component # 2 - To improve the institutional and policy framework with government in an effort to ensure the destination retains and improves its competitive edge internationally and regionally.

Phases 1 which was the actual development of the National Host Programme has been completed and phase 2 which is the Transition and Implementation stage commenced on Tuesday, December 4th, with the Inaugural Meeting of the National Task Force set up to Guide the Implementation of the National Tourism Host Programme - Barbados Together.

The Chairperson of the National Task Force is Ms Shelley Carrington, Permanent Secretary, Ministry of Tourism. May Hinds sits in an advisory capacity on the National Task Force and there are representatives from the labour, private and public sectors and the church on the Task force.

The next major steps to move the process forward include the eengagement of Selected Strategic Partners, establishing Funding Sources, initiating Hiring Process and Performance Measures, completing the Facilitators’ Guide and Participants’ Workbook, the actual launching of Barbados Together, the Implementation of Barbados Together and the establishment of the HBS Unit.

This is a very exciting project and will again help to reinforce the importance of tourism to all Barbadians.

MEETINGS WITH THE PRIME MINISTER

As I informed at our last quarterly gathering, a representative group of Past Presidents and members met with the Prime Minister to discuss with him critical issues affecting the sector and discuss ways that we could work with his government to mitigate the effects of these issues. Subsequently, the Prime Minister set in place the opportunity for the BHTA to meet with him every six weeks to discuss any additional issues, review the ongoing challenges and to monitor the progress and for him to be able to update our grouping on the progress made on the matters raised in these discussions, this has occurred twice over the past few months.

Although there has been some positive feedback with respects to some of the challenges, namely the sanctioning of additional items to be added to the second schedule of the Tourism Development Act and the promise of an incentive to assist the hotels with the cost of electricity, the actual implementation of these, to date, not taken place. I would like to reiterate that whilst we are very appreciative of the assistance that the Prime Minister is working to offer the industry, it is imperative that solutions to obtain speedy implementation regarding these initiatives be put into place to ensure the continued viability of the industry.

In referring to the competitiveness and viability of Barbados within the market place, it is absolutely crucial that in an environment where there is an absence of any marketing spend for the destination that the quality of the product and service offered to the guest be EXCEPTIONAL and of the best possible standard. Hotels and attractions alike need to continually improve their offering by keeping it fresh and current for the discerning traveler, thus ensuring customer satisfaction. Items that are contained in the second schedule of the TDA need to be continually revisited so that the product can remain on the cutting edge. The core incentives that are currently offered are in serious need of revision to not only encourage investment but to assist the industry to survive in today's ever changing business atmosphere.

We are living in a "Now" generation where the customer's expectations are shaped by fabulous offerings from our competitors and the commodity that we offer is a perishable one – once the guest has gone the opportunity is lost to make a great impression. Our industry therefore must have the ability and the regulatory support and framework to be dynamic. We should be constantly studying our competitors and benchmarking against best practice and our accommodation and service providers must be aggressively committed to product excellence.

For this to occur all parties, and particularly the government agencies that support our industry and that write the relevant legislation, must be committed to being nimble, flexible and to providing a facilitative environment that is highly attractive to investment and that rewards product improvement through a well-crafted suite of incentives designed to ensure that

businesses can cost effectively upgrade, refresh and reinvent their product offering so that the destination remains a desirable one.

We have long discussed the benefits of a facilitation unit within the Ministry that ensures that challenges are efficiently routed to the relevant agencies/Ministries or decision makers for prompt solution and that assists potential investors in getting from a project plan submission to a functioning business without the burdensome and frustrating weight of bureaucracy and red tape that continues to strangle our growth.

Our industry is an international one and if we are looking to the success of tourism to sustain our island we cannot afford the luxury or high cost of "time" when effecting change. While we are grateful to Cabinet for the approval of additional items to the TDA over 2 months ago and to the Ministry for the collaboration with the private sector to complete the list, these items are still not available to the industry. This simply is not acceptable in a tourism based economy. We CAN do better – we MUST do better.

WORLD TRAVEL MARKET AND MEETINGS WITH OUR INDUSTRY PARTNERS

The BHTA attended meetings with the BTA and the Ministry of Tourism at World Travel market in London from November 8th – 11th. These meetings were very constructive and in general the indication was that the winter season was trading up as of November. However, as you are all aware, within the UK market a large percentage of the business for 2013 will be booked during the six week period after Christmas and it will be informative more informative to hear from the major tour operators at Market Place in Bahamas at the end of January how well this period has been selling and obtain an updated position for the whole of 2013.

It was concerning to note that Virgin Holidays had introduced three flights per week from last July to Mexico and Cancun and that their sales were already almost matching those for Barbados. They are also intending to increase the flights to four per week from April 2013.

APD (AIR PASSENGER DUTY) INCREASE

The APD continues to be a major concern for us as it is certainly affecting the arrivals from our number one source market - the UK. This concern was made more acute on December 5th when George Osborne, The Chancellor of the Exchequer, announced that the tax WILL rise again. He confirmed a 2.5 per cent APD increase that will come into play next year, this increase will once again affect long-haul flyers and for the first time passengers who use private jets.

The APD rate for economy class travellers on short-haul flights (of fewer than 2000 miles) will be unchanged at £13 per person.

From April 2013 onwards, the charge to persons travelling on airlines will go up by £2 per passenger on all flights that fall into bands B, C and D of the tax's four categories (flights of over 2000, 4000 and 6000 miles respectively).

For private jets, which were previously exempt from APD, passengers flying on aircraft of 18 seats or fewer will have to pay between £52 and £376 extra, depending on the length of their journey.

This news provoked fury in the ranks of the travel industry, with the Board of Airline Representatives (BAR) describing the move as 'self-destructive.'

The Tourism body ABTA also criticised the increase, with its CEO Mark Tanzer arguing that the government is 'strangling' the travel industry.

Both the CTO and the CHTA have been stalwarts in lobbying the British Government for some five years now trying to ensure that the travel industry to the Caribbean is not discriminated against and to appeal to the UK government to relook at the bands and the levels of taxation. To date there has been very little success, however this issue needs to be taken to the highest level possible and all of the heads of state of the Caribbean should make this issue a number one priority before it destroys the lively hood of many thousands of tourism workers especially in the Eastern Caribbean where the British market is so very important.

MARKETING INITIATIVES

During the last quarter of 2012 the BHTA working with the BTA launched the Book Barbados Now Fall Special 2012. The initiative was put into the American and Canadian markets in an attempt to drive an additional 3,500 persons to the island. Although both the hotels and attractions came on board very quickly, the actual bookings for the special have been very disappointing. This was due to a number of issues, including the event of Super storm Sandy that caused such upheaval in the Tri state area, the Presidential elections, the lack of advertising due to diminished funds and the fact that the special really did not have any "teeth" within the highly competitive marketplace. However we did what we could with the resources available to us.

The Island Inclusive campaign which will be the national marketing campaign for Barbados for 2013 will be launched at Market Place in the Bahamas and will commence with travel from 1st April until 15th December. This campaign will offer a core element of discounts for travellers

whenever they visit the island and additional discounts will be offered for events, attractions and activities that are taking place on the island during the time of their stay. For example special rates for Polo matches or special rate for Tickets for Food and Wine and Rum festival etc.

BWU NEGOTIATIONS AND COOPERATION

As our hoteliers would be aware, we are currently in negotiations with the BWU for a new collective agreement as the current agreement expires on 14th December 2012.

At one of our early meetings with the Union, Sir Roy raised the excellent idea of reverting to the setting up of committees that would be given terms of reference to discuss the various issues that were affecting the industry and the workers. This idea came from a workshop that was held in 2000 facilitated by Dr. Basil Springer but was never fully implemented. Both parties are currently developing ideas for the various committees and these committees will be co-chaired by the BWU and the BHTA. It was felt by Sir Roy and agreed by the BHTA that working together we could create greater synergies particularly when dealing with national issues. We would like to sincerely thank Sir Roy for his facilitative and forward thinking approach to the negotiations. We will strive to work in partnership to ensure that this methodology is successful as we - and I quote Sir Roy - "Negotiate the survivability of the Industry."

CLOSING REMARKS

As 2012 draws to an end, one thing for sure is that business is NOT as usual and no one knows what 2013 holds for any of us. We have seen a number of hotels and attractions close and have seen, companies reducing their hours of operation. If we look to the North to Speightstown, we see a decline in business that has been catastrophic in major part due to the closure of Almond Beach Village and to the South look at what is happening in St. Lawrence Gap the one time hub of nightlight and entertainment for Barbados is now dying as a result of a blatant lack of attention to two of our three brand elements – cleanliness and safety and security.

Now more than ever it is imperative for us to ensure that we hone all our various skills and make full use of ITC (information technology and communication). We need to drill down to the REAL issues that are affecting the industry and to work together to ensure that all initiatives that the Association is working on to keep our members afloat are supported. We cannot work alone and the strength of success is in the participation of the whole.

I look forward to representing you in 2013 and I would like to sincerely thank you all for the support and encouragement that you have shown me during the past six months - it has certainly helped me along this journey so far.

In closing I wish to share with the following statement which was shared with us by the CTO and taken from UN Secretary General Ban Ki-Moon's address to the delegates as the United Nations began its General Assembly on September 25; with these profound words on the gravity of the world's problems – he said and I quote “This year, I am here to sound the alarm about our direction as a human family. This is a time of turmoil, transition and transformation – a time when time itself is not on our side.”

This comment bears careful consideration when thinking about our island Barbados and the state of our industry and should heighten our awareness of the transformation that needs to take place. If we are to survive as a global family, perhaps tourism is the last, best hope to lead us in the right direction. As we continue to look to tourism for the sustenance of our country let me re-sound my call to our membership – speak up for tourism, this is OUR industry, it is a reflection of who are as a people, we all have a part to play and a responsibility for its success – tourism is me, tourism is you, tourism is US!!

May I take this opportunity to wish you all and your families – both those at home and at work – all of the blessings of this most holy season. Merry Christmas and may you have a safe, happy and prosperous season.