



BHTA FIRST QUARTERLY MEETING: CEO'S REPORT

2ND March 2016



MEMBERSHIP



DTS x 3

- Lemongrass Noodle Bar
- Lime Bar and Restaurant
- Primo Bar & Bistro

Supporting Services x 6

- Aquavations Ltd
- Bushy Park Circuit Inc.
- Design landscapes Architect
- Harris Paints Barbados
- I Love This Rock
- Trusted Care Providers

Sustaining x 3

- Apex Caribbean Ltd.
- Chattel House Audio Tours
- Chic Concepts

STATE OF THE INDUSTRY



- 2015 closed with an increase of 14% for long stay arrivals over 2014
- The long stay arrivals for the month of January showed a provisional increase of **11%** over 2015 with significant growth in some of the major markets – 20.9%US %, 16.5% UK %, 16% Trinidad & Tobago & 70.9% Other Central and S America. (Columbia) Canada was flat at 0.8% increase and a decline of 49% from Brazil.
- Attractions are reporting flat to 5% increase in numbers and revenue across the winter period with a quieter January and strong February
- Restaurants and car rentals sales have been strong

STATE OF THE INDUSTRY



- Many tourists not taking advantage of the experiences on island
- The summer season pace of bookings has slowed and there is concern re some months
- The overall change of the global economy again. Chinese economy slowing
- The rate of exchange for the Canadian dollar and for pound sterling
- The referendum being called in the UK, Olympics in Brazil and the upcoming US elections
- Zika virus and Sargassum

SMITH TRAVEL RESEARCH (STR)



- To date 38 hotels are registered to be a part of the STR/BHTA initiative
- Average occupancy for running 12 months - 65% compared to 62%
- ADR running 12 months - US\$574 compared to US\$606
- RevPar running 12 months – US\$379 compared to US\$ 374
- Very useful tool for membership to be able to compare their performance with their comp set.

AIRLIFT



USA

- Jet Blue - New flight out of Fort Lauderdale April providing over 37K seats per year

Canada

- Air Canada adding over 6,700 seats with the addition of Rouge service from January 10th 2016 utilising a higher capacity aircraft

UK

- Thomas Cook again offering 3 flights per week from Manchester for next Winter.
- Concerns re the increase in rates being charged by hotels that have not upgraded their product
- Concern about the availability of an all inclusive lead in product next winter

AIRLIFT



Germany

- An additional weekly service out of Munich from November 2016. Excellent city to provide the right demographic for Barbados.

Caribbean

- Surinam to Barbados and Guyana
- Additional seat capacity as a result of LIAT's return to POS market

Latin America

- Avianca's service from Bogota – 2 flights per week supplying 9,600 seats

CRUISE UPDATE



- Projected increase of 6% for the 2015/16 season, visitors should top 800K. This is driven by rise in UK numbers, bigger ships calling more often and ships ex New York getting to Barbados faster
- Lower global fuel prices will assist the reach of the cruise lines
- There have been many multi ship days for 2015/16 season
- Port expansion was successfully completed resulting in the extension to Berth 5 North. This allowed for the bigger cruise ships to be accommodated and serviced at the port namely the Britannia and Mein Schiff 3.

CRUISE UPDATE



Air-Sea/Homeporting Business

- Overall Air –Sea business continues to grow with approx 10% for 2015/16, over 2014/15 projected
- Many of the upmarket ships include pre and post stay in Barbados – high-end hotels
- Barbados now the homeport for 13 ships
- Airport Gates 14-16 have been completed primarily for the increase in air sea business

PRODUCT UPDATE



- A new luxury villa project has commenced at Settlers
- Expansion of 220 additional rooms at Sandals is in progress
- The ground breaking for Hyatt Hotel is to be in the near future – 190 rooms opening winter 2017/8- EP
- Sam Lord's Castle – Ground breaking took place in fall and construction will commence next month - Wyndham Grand – 450 rooms to open in 2018 - EP

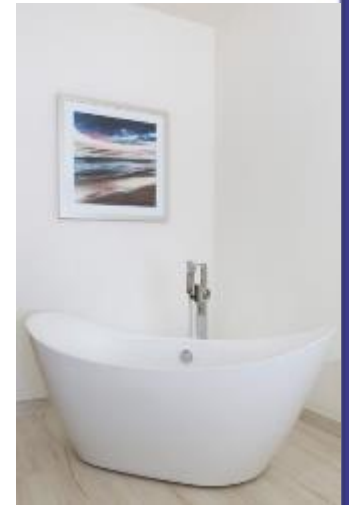


SUGAR BAY
B A R B A D O S



Sugar Bay Barbados

138 rooms all-inclusive resort opened November 2015. Resort features 5 restaurants including international, a steak house, an English pub and Asian-inspired dining. Bds\$10M Investment



South Beach Hotel

1.



The Sands Barbados

153 room all-inclusive resort offering a wide array of activities including Kid's Club, 2 restaurants, 2 bars, gym, games room, spa, salon, boutique, conference facility and non-motorised watersports. Estimated opening January 2016.

MARKETING



- Working in conjunction with the BTMI and BTPA, regarding plans for the celebration of Barbados' 50th anniversary of Independence, as it applies to the tourism sector
- BB50 package has been in the market since January and the travel window has now closed awaiting the results of bookings from this
- Barbados Connect 50 – save the date 11-15th May 2016. Will include tour operators globally.
- BTMI team working on the new exciting website
- Regatta in discussion with BTMI, re the booking engine for the site

MARKETING



MICE Product Club

- Update the MICE collateral for IMEX 1—13th October
- Explore the possibility of a road show in the UK
- Support CMITE in Barbados in 2016

Romance Product Club

- Launching a competition this month, inviting persons who were married in Barbados over the past 50 years to supply a photo and a brief description of their wedding in Barbados, to win a return visit to Barbados during 2016.

MARKETING



Trade Shows & Marketing Initiatives

- ITB – Germany 9-13 March
- UK Unite – 14 March
- IMEX America – October 18-20, 2016
- Birmingham Dive Show – October 22-23, 2016
- World Travel Market – November 7 -9, 2016



TOURISM FUND



- A part of the Articles of Association for **all** hotel members to participate in the Tourism Fund
- 8 more hotels have already registered and commenced collecting monies for the Fund
- Funding activities such as marketing for BBN.com, trade shows, Gimme 5 and Fly, Connect BGI, WTM, marketing consultant, Garrison, sporting activities, St. Lawrence Gap, Staycations, are being assisted financially through the Tourism Fund
- We especially wish to support the BTMI and BTPA with any initiatives to help promote Barbados and to improve the product offering
- YTD the total amount of funds collected for 2015 Bds\$689K. Compared to a total of Bds\$690K for 2014

ADVOCACY



Concessions for food and beverage for the hotel sector

- The concessions for alcohol appears to be working reasonably well
- The proteins have been entered into the Asycuda system thus allowing for hotels to now be able to apply for duty free concessions for meats and fish, however there have been a number of issues re this
- It has been agreed that a list of operating items for hotels will be created in addition to all items listed in the amended Second Schedule. This list will reflect items that are critical to the operation of the hotels thus speeding up the system

ADVOCACY



- Issues re the importation of equipment once every five years has also caused challenges e.g. counter fridge and an upright fridge
- It has been agreed that the BHTA will meet with the Ms Sivers the Revenue Commissioner of BRA every quarter until the system is working smoothly. The Association met in November and the next meeting will be in March
- A tutorial for the Tourism sector is to be organised. This tutorial is to educate and assist all parties as to how the system works and what is required for applications for special duty free items etc.

ADVOCACY



Reduction in the rate of VAT to 7.5% for DTS

- A new solution to make the application for the reduction in the rate of VAT for DTS members is currently being discussed
- It is thought that the attractions would register with the BTPA thus allowing them to receive the reduced rate of VAT – discussions re this will be on going and it is hoped that by the new financial year the arrangement can be implemented

ADVOCACY



Car Rentals

- Car Rentals is presently under the MTW. However, the sector is 90% tourism driven and it needs to be under the auspices of the MOT&IT and should be considered as a tourism service
- To this end a document is being developed to present to the Minister of Tourism and International Transport
- There are a number of challenges for this sector some of which are:
 - Legitimate “H” registered number plates
 - A availability of drivers permits
 - The number of years before changing of vehicles
 - This sector is a major tax income earner for the Government and could be bigger with the right environment

HUMAN RESOURCE DEVELOPMENT



Negotiations

- A settlement re wages for a 3 year period back dated to 15th December 2014 was negotiated. With the BWU.
- A number of terms and conditions of employment are still outstanding and meetings are on going under the chairmanship of the CLO.

Training

- “Leadership 21” Leading a world class workforce NVQ Level 3
- Revenue Management – Josea Brown
- Recertification for First Aid
- Food Handler Training with MOH
- Vector Training for Zika with MOH

MIF PROJECT



Linkages

- Official Launch and sector networking session for the project
- Established identity – Logo Agro Tourism Linkage Project (ATLP)
- Fulfilled awareness obligations partnering with 50th anniversary secretariat and IICA at Agrofest to bring awareness to emerging brands, small manufacturers and producers
- Widened the 15 products identified based on usage
- Consultants visited Trinidad to view the NAMDIVCO project

CHTA



CHTA has developed a number of excellent position papers

- **Cuba: the Great Disruption for the Good of the Caribbean** – paper looks at the challenges and opportunities which are presented to the region, including Cuba with the lifting of the US embargo,
- **Expedia-Orbits merger** - this was in response to concerns expressed by small and independent hotels to the duopolistic environment which the Expedia – Orbits merger would create
- **AirBnb, Uber and Other Sharing Economy.** Citing the need for standards, regularization and taxation & an even playing field
- **Sargassum Seaweed management guide**
- **Webinar Series** – Sargassum seaweed management, Sustainable pest control & Green cleaning techniques, Effective use of SME, Disaster recovery & business continuity planning, and Zika



- Wonderful industry that we all passionately believe in and want to ensure survives
- We must protect our 3 brand elements cleanliness, friendliness and safety all of which need our collective help

There is only one Tourism in Barbados and the need for true partnership is absolutely imperative especially in the current economic climate

- Let us be the meaningful catalyst for driving our economy forward, we cannot do it alone but we can certainly make a difference especially as we celebrate 50 years of Independence!

I THANK YOU

