



**BHTA**  
**QUARTERLY MEETING**  
**10<sup>TH</sup> SEPTEMBER 2014**

# Global perspective

- A state of perpetual geopolitical crisis remains – Russia, Ukraine, Europe, Middle East, Syria & Israel etc.
- International stock markets are fluctuating together in a manner seldom seen before
- Oil prices stable over the past three years - even with diminished production and inventory frozen by sanctions.
- Offset by increased oil production in the US and Canada
- A possible major concern is Russia – a critical source of energy for the Eurozone may retaliate due to sanctions placed from the US & EU

**US** - economy a mixed bag! – a slow recovery although spending is flat.

- Inflation is up to levels not seen since October 2013
- Increases in grocery and fuel prices are placing pressure on low & middle household budgets

# Global perspective cont'd

- On one hand the auto industry is doing well & on the other the gaming industry is suffering
- Low Interest rates are projected to be held & the rate of unemployment is improving

**Canada** – consumer confidence index gained 3.3 points in July 2014 versus July 2013

- Currency -

**UK** – economy projected to grow by 3.2% in 2014 up from 1.7% in 2013.

- Rapid growth is resulting in job creation – unemployment has fallen to its lowest level since the height of the financial crisis in 2008
- Inflation is expected to remain low
- The pound has been very strong against the dollar over the past three months

# Global Perspective

**Eurozone** – improving slowly – the Eurozone nations brought their combined budget deficits in line with targets for the first time in over 5 yrs. With the exception of France

- Projected modest growth of regional GDP of 1% with Germany at 1.8%

**Brazil** - economy forecast a 4<sup>th</sup> year of sub-par growth with 2014 GDP revised downwards to an avg. of 1.8%

- Election in October could cause a slow down in foreign investments
- LAN/TAM is now a member of Oneworld Alliance & code shares with AA. Looking to joint ventures with BA and Iberia
- GOL is expanding internationally & its joint venture partner Delta now has a 3% ownership investment.



# State of the Industry

- The long stay arrivals YTD to 30<sup>th</sup> August showed a minimal increase of 0.7% over 2013 which is considered as flat, with positive increases from the UK and German markets
- The month of July showed an decrease of 0.9% and up to 30<sup>th</sup> August there was a decrease of 5.5% long stay arrivals
- A number of hotels will be carrying out rebuild and refurbishment and the total projected investment for just 20 properties (excluding Sandals and Settlers beach) is approximately Bds\$40M.
- Concessions for the industry will assist these projects to materialise and expand to support the marketing efforts of the BTMI and the total standard of the product

# Airlift

- AC Rouge Barbados to Toronto route will revert to AC from 1<sup>st</sup> October
- In addition AC will introduce a 777 on the route from 1<sup>st</sup> Dec. through April 2015.
- Celebrating AC's 65<sup>th</sup> Anniversary of service to Barbados in Dec.
- Jet Blue has placed their newest aircraft A321 with 190 seats on the route for Barbados. An additional flight utilising an A320 with 150 seats will operate from mid June onwards
- Condor – three flights per week for the Winter season
- BA – increasing flights to 12 per week for winter
- Delta Airlines 2 flights per week originating New York and Atlanta from December 4<sup>th</sup>

# Cruise

- Cruise arrivals are almost even with last year with an increase of 1%
- The number of vessels calling increased by 3.6% from 252 to 260 ship calls
- Summer has seen 6 calls per month 2 Carnival & 2 RCL
- The projected passenger arrivals for the end of this year is 690K which will be an increase of 4% over the total for 2013.
- In 2015 the Britannia (UK) and the new Mein Schiff 3 (Germany) & Fred Olsen(UK) will be visiting Barbados. Two of the ships have a carrying capacity of 4K passengers each.
- These ships will Homeport in Barbados & this will increase the home porting numbers for Barbados significantly
- November 22<sup>nd</sup> and November 30<sup>th</sup> will see the first two big days for the Cruise Season with over 7,000 and 10,000 Cruise guests respectively on the Island – The Industry would like to see the retailers in Bridgetown open on November 30<sup>th</sup> day if at all possible

# Cruise cont'd

- In the next quarter - Barbados will welcome 4 Disney Ship calls
- A P/P delegation from Barbados will be participating at Sea Trade Med in Barcelona in the Caribbean Village next week and at FCCA in October in St. Maarten
- Norwegian Cruise Line has acquired Regent Cruises for US \$3 Billion which will now bring this company to a very close # 3 globally to Royal Caribbean. Barbados is well positioned and has all of the brands in this new company visiting Barbados.
- The Southern Caribbean Alliance is also continuing to move forward to encourage cruise ship calls to the area especially in light of fierce competition for cruise ship destinations throughout the Caribbean
- Position of a Cruise Director has been advertised for BTMI



# Advocacy

- **Concessions for the hotel sector-** Major initiative for the past 9 months - working closely with the Ministers of Finance and Economic Affairs, Tourism and International Transport and technical advisors to work to find a resolution that is beneficial to all. As has been announced the industry is to obtain these concessions but to date this has not become a reality
- **Reduction in the rate of VAT to 7.5% for DTS** – It was verbally agreed that the criteria to register for this reduction should be calculated on 75% revenue from tourism rather than 75% revenue in foreign exchange. The actual registration process is being sort from BRA and to date no official notification for this process has been obtained

# Advocacy

- **TDA revision** -the core of the act is to be revised not just the second schedule and the BHTA has submitted suggestions regarding additions and subtractions and to date there has been no further communication
- **Municipal Solid Waste Tax** – The Government amended the period of time to pay the tax however this has caused challenges with hotels wanting to obtain land tax clearance and the Association is working to obtain clarity
- **National Tourism Host Program “Barbados Together”** – the BHTA has been involved with this program from its inception some 2 years ago. The full program to be launched on 4<sup>th</sup> October 2014

# Advocacy cont'd

- **Linkages** – MIF linking MSE's to anchor companies in the Barbados Hotel Value Chain. This is a 4yr. project
- Project seeks to integrate local MSEs farmers into the supply chain of hotels & restaurants

# Marketing

- **BII Package** – was re-launched in August 2014 - spotlight
- **VIP card** for the UK market has been launched. Visitors to buy one attraction and get the other at 50% off.
- **“Barbados – Summertastic 2014”** - took place from 30<sup>th</sup> June to 27<sup>th</sup> July 2014. The bus visited 12 cities in the UK culminating in Glasgow at the Commonwealth games. This was trade and consumer orientated & gave major exposure to the island
- **Connect Barbados** - 90 Tour operators from around the globe visited Barbados last week. B2B meetings, an attractions day and inspections were part of the itinerary



# Marketing cont'd

- **“Barbados in Town”** – 27<sup>th</sup> to 31<sup>st</sup> October. One day will be dedicated to each of the 4 major tour operators during the week – BA, Virgin Holidays, Kuoni & Caribtours - Sales meetings, res training & competitions etc. Mini Unite will be held in London to meet with other tour operators.
- **WTM** –Barbados will be in attendance this year at a smaller stand & it is pay to play!
- **“Forever Begins in Barbados”** -wedding package has been launched details are available on the website

# Marketing cont'd

- **Food and Wine and Rum Festival – 20 - 23 November**  
Marks the 5<sup>th</sup> year. Showcasing international & local chefs, mixologists, demos, restaurants & rum trails
- **Classical Pops – 11<sup>th</sup> to 14<sup>th</sup> December** – music celebration showcasing various musical genres, Jazz, pop Caribbean and Latin sounds with innovative collaboration with a classical inspiration. Over 80 musicians from Boston Pops & New York Phil. Making Barbados their winter home
- **Race of Champions – (ROC)** at Bushy Park – ROC is the world renowned knockout motor sport event featuring some of the world greatest drivers from all racing events

# BookBarbadosnow.com

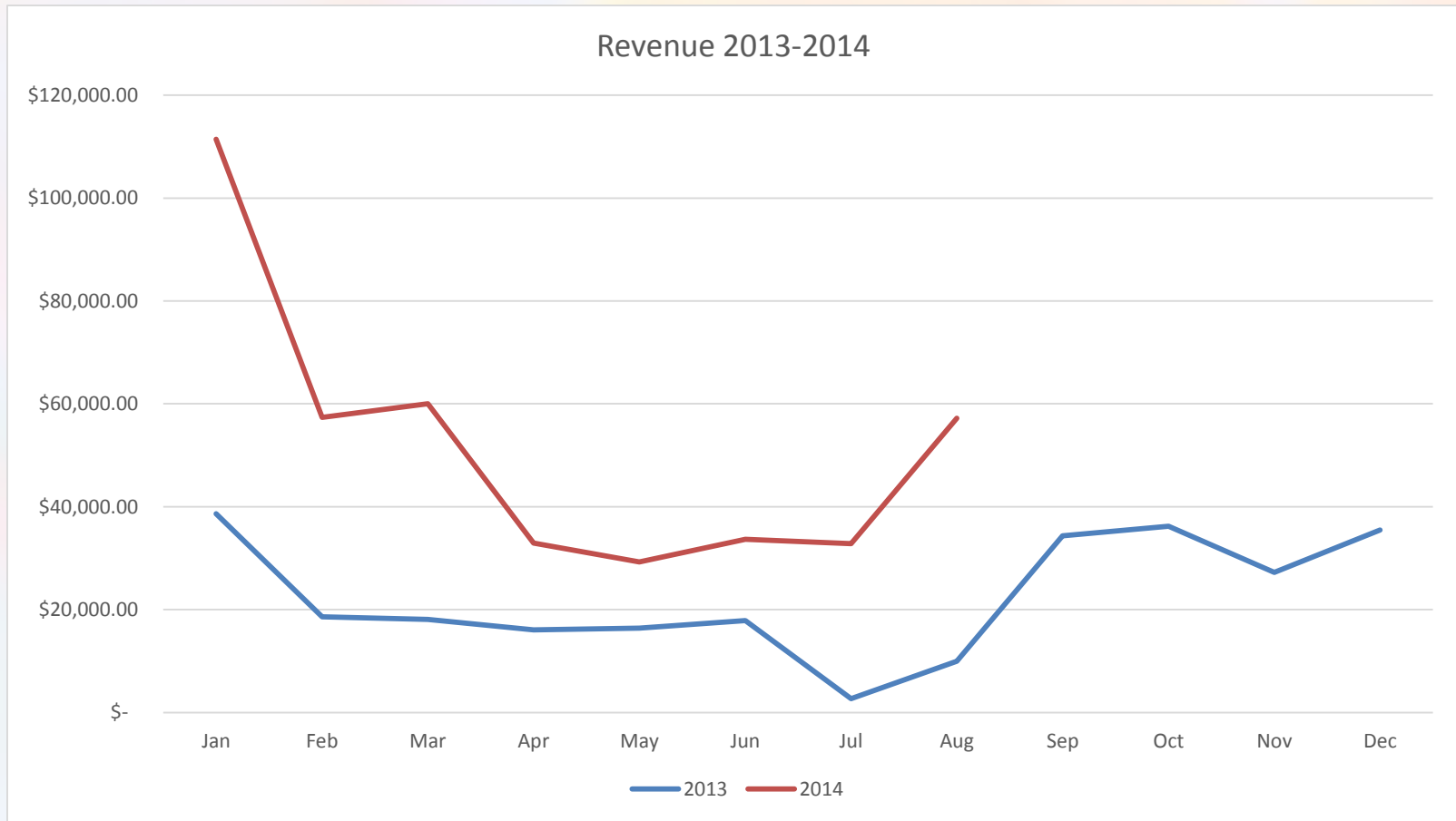
- **Travel Agent Portal** – where travel agents can book reservations for their clients is now complete.
- Members are asked to go into the Regatta Extranet & load rates for the rate plan named Travel Agents.
- The Travel Agent rate plan comes with added incentives for travel agents that should encourage more online bookings!
- The Booking Rewards program where an agent can get a free visit for every 5 bookings & bring along a companion for every 10 bookings will be extended to the BookBarbadosNow.com portal.
- This is a great double incentive for agents to book BII 2014 and Barbados in general!

# BBN servicing the industry

- **Online Marketing**—Marketing campaigns launched on Tripadvisor & Facebook. New marketing plan is being developed
- **Hotels' Extranet**— Soft Launch in July, still making improvement.
- **Attractions' Extranet**— launched in August improvements still being made. Emails sent to all persons booking hotels to remind them to book attractions
- **Packaging Tool**— Development is on track with a soft launch by December.



# BookBarbadosnow.com



# Research

- **MOU** being developed with UWI and the BHTA – this will allow the Association to have a greater knowledge base when advocating for the industry & at the same time expose future employees to the workings of the sector
- Study re **St. Lawrence Gap** – Completed by Averil Byer of Aplomb360. Looking to develop and work with an association for the Gap to upgrade and create a better commercial and recreational environment
- The Association is working with **Smith Travel Research (STR)** to obtain a reduced group rate for the accommodation membership to allow for improved com set information

# Membership

We welcome 6 new members in this quarter

- Savannah Beach Hotel
- Santosha Barbados
- Apsara Samudra
- Billfisher Charter
- Aplomb360
- NX Technologies

# Human Resource Development

- On going discussions with the BWU re the productivity based pay scheme and the current collective agreement
- **“Leadership 21” – Leading a world class workforce”**
- A competency-based leadership development initiative of the BHTA & The Potter centre funded by the CBTF
- The overall goal of the programme is to significantly enhance the leadership competencies & effectiveness of managers & supervisors in the Barbados hospitality industry, enabling sustained excellence in service delivery, assuring the country’s generation of income from the sector
- The participants will be prepared for CVQ Management level 3 assessment and certification



# Tourism Fund

- Level of participation is still low
- We need every property to come on board it is simple!
- Now more than ever the necessity of maximising the collection of funds is critical
- Funding activities such as marketing for BBN.com, trade shows, WTM, marketing consultant, garrison, sporting activities, St. Lawrence Gap, staycations etc.

# CHTA

- Patricia Affonso-Dass has been voted into the position of 4<sup>th</sup> VP for the executive board of CHTA
- CSHAE – regional surveys on various aspects of the industry
- Monthly conference calls with Jeff Vasser the new CEO of CHTA to discuss region advocacy issues

I thank you!