

ASSOCIATION OF CARIBBEAN STATES (ACS)

24TH MEETING OF THE SPECIAL COMMITTEE ON SUSTAINABLE TOURISM (SCST-24) AND 2ND PREPARATORY MEETING OF THE 3RD MEETING OF MINISTERS OF TOURISM OF THE GREATER CARIBBEAN Port-of-Spain, Trinidad, July 16-17, 2013

FORUM OF AIRLINE AND TOURISM EXECUTIVES FOR THE PROMOTION OF MULTI-DESTINATION TOURISM IN THE GREATER CARIBBEAN: Exploring Closer Ties & Opportunities for Connectivity

Discussion Brief

1. INTRODUCTION

The countries that comprise the Association of Caribbean States (ACS) in the Greater Caribbean embrace many cultures and have a wide variety of attractive natural resources. All the countries recognise the economic importance of tourism, an industry that is highly competitive and demands marketing innovation and superlative service to ensure long-term success. There is competition among the countries within the Region and competition with destinations outside of the Region. However, from a holistic perspective the Region may gain a competitive advantage and thus enhance sustainability, if it can package, market and deliver its varied attractions so to effectively entice the visitor or repeat visits whether resident within the Region or outside.

Tourism is by nature a fluctuant activity and events such as the terrorist attacks of September 11th and the more recent world economic crisis, have had severe impacts on the industry. In the Caribbean, as the most tourism dependant world destination, it seems necessary to strengthen tourism co-operation networks between countries so as to increase and better share the revenues generated by tourism. This movement must be accompanied by the effective involvement of the public and private sector who must play a key role in the shaping and directing of policies and strategies in order to sustain the region's share of the world tourism market, on which the economic development of the countries of the Greater Caribbean highly depends.

To address this issue, the ACS has been working in the development of a Multi-destination Tourism (MDT) Programme to facilitate and enhance cooperation and dialogue among the regional tourism and transport sectors and promote multi-destination tourism through developing a series of special interest multi-destination packages amongst the destinations in the Greater Caribbean. The objective of this programmatic area is to utilise MDT as a tool to preserve the "Caribbean" destination market share in extra-regional markets and increase intra-regional tourist flows.

2. BACKGROUND

The ACS Secretariat has identified MDT as having the potential to contribute to the promotion of the Greater Caribbean Brand concept and advancement of the realisation of the 'Sustainable Tourism Zone of Caribbean'. From a policy perspective, therefore it is

intended that member states pursue an integrated multi-sectoral approach that is responsible, sustainable and community driven. As such, the ACS in developing the MDT Programme has adopted the definition of MDT as:

"A potentially effective and *profitable* way of expanding and deepening economic activity in *more than one* community through the expansion of the population of those **communities** by **short stay** persons who are on *a single trip* and who have a disposition for expenditure on *services* that provide *value*."

Recognising the benefits to be gained from Multi-destination Tourism, several initiatives in this regard have been carried out in the Greater Caribbean Region.

In November 2005, a ***Forum of Airline and Tour Operators Executives*** was held in Martinique as part of the ACS' Multi-destination Tourism Programme. Subsequently as a component to the 2005 held Forum, the ***Greater Caribbean Multi-Destination Tourism Market Place*** was organised in July 2008. These projects, which were funded by Interreg through the cooperation of the Regional Council of Martinique, gave practical expression to the decision of the ACS Special Committee on Sustainable Tourism to promote the concept of Multi-Destination Tourism in the Region.

The Directorate as a follow-up has envisioned an expansion of the scope of this programmatic area by facilitating a dialogue between regional Caribbean based airlines and their counterparts in Central America, as well as National Tourism and Transport Authorities. In this regard, the convening of a High-level Forum is proposed, in which there would be participation from the afore-mentioned stakeholders, and other important sectors associated with tourism and air transportation, both regionally and internationally.

This Forum is intended to facilitate strategic alliances among key regional and international, public and private sector stakeholders, with the aim of identifying opportunities for meaningful dialogue that would lead to effective partnerships for the development of multi-destination tourism in the region.

3. BENEFITS OF MULTI-DESTINATION TOURISM

The tourism industry of the ACS Region historically has focused on single-destination tourism where only one country benefits from the visitor's travels. Currently, little multi-destination tourism activity exists in this region. Considering the potential size of the multi-destination tourism market, it is not being suggested as an alternative to single-destination tourism but as complementary to and supportive of it. A concerted effort to develop multi-destination tourism will bring *new* visitors to the Region benefiting all stakeholders in participating countries. With multi-destination tourism, the Region will be better prepared to accommodate visitors who want 'to experience' a single-destination vacation, as well as visitors who want a value-added vacation, or is seeking 'to explore' the wider region. This will result in diversification and enhancing of the region's tourism product and contribute to enhancing the competitiveness and growth potential of the industry, while also providing a more balanced environment for Caribbean operators through the diversification of the customer base and the type of tourism products being offered.

Therefore, multi-destination tourism can be considered one of the complementary means to overcome international competition and take advantage of the natural and socio-economic assets of the Caribbean region. The Greater Caribbean will have the opportunity to offer a wider range of tourism products to the unique destination markets.

From a visitors perspective, a Multi-destination tourism package will afford those who wish to maximize their vacations and gain several experiences in one trip, the opportunity to not only enjoy the natural habitats of the Greater Caribbean Region, but also experience an adventure, partake in the culture, as well as have a holistic rejuvenating experience, all done on one vacation, but visiting several territories of the Greater Caribbean Region, with each destination contributing to the fulfilment of a different desire of the visitor.

From a destination perspective, there are several benefits to be derived from MDT, economically and otherwise. From all accounts, the old cliché of labelling the Caribbean as the destination for sun, sea and sand, while not being fully representative of the uniqueness and diversity of the regions destinations, is also no longer sufficient to attract the more experiential and socially-conscious twenty-first century consumer.

With the gaining popularity of niche markets such as eco-tourism, adventure tourism and cultural-heritage tourism, there is an opportunity through co-marketing and branding, to position the region as a multi-destination vacation/travel option and attract new markets as the natural and historic sites, cultural festivities, sporting and other social events found in each destination is developed and promoted. This requires willingness and commitment on the part of the countries to **coordinate** marketing, product development and investment strategies as **'one destination'**, even while individual territories promote their specific qualities and the myriad of cultural, historical and natural attractions intrinsic in each.

From a regional perspective, facilitating dialogue and co-operation in the area of MDT is increasingly more important in view of the current threats and looming uncertainties facing the Tourism sector. This includes the rise in fuel costs and food prices, the announced reductions in flights to and from the region's premier hubs, and the reduction in travel from key source markets as a result of the US economic recession and introduction of the Air-Passenger Duty (APD) Tax imposed by the UK. As it relates to Regional aviation, significant changes have rendered the market relatively unpredictable and stable. On a positive note the region has witnessed the introduction of low-fare carriers and some regional carriers have been expanding their routes and destinations. On the opposite spectrum, severe financial constraints have resulted in down-sizing and mergers of some foundational and flagship airlines in an effort to improve performance, remain competitive and increase efficiency.

'Access' being one of the most fundamental elements for **tourism, trade and industry as well as commerce** is therefore needed for incentives and intervening strategies, particularly as it relates to strengthening the region's carriers, facilitating travel to and within the region and fostering partnerships and increasing linkages between regional and international based airlines.

Capitalizing on the benefits of Multi-destination Tourism, the Region's tourism industry has the potential to increase in competitiveness, by ensuring that each destination ensures maximum output from its tourism industry. It is expected that MDT will contribute to the long-term

sustainability and profitability of the tourism industry in the region. Hence highlighting the profile of the 'Sustainable Tourism Zone of the Greater Caribbean' will be more assured.

4. REGIONAL STATE OF PLAY

Support for the promotion of MDT has been received at the regional as well as sub-regional levels. Various high-level Government officials have advocated for the pursuit of multi-destination marketing and joint airlift agreements as part of a broad-based strategy to boost tourist arrivals. At several fora issues such as accessibility, visa/immigration policy and product diversification in terms of the relationship to promoting multi-destination tourism and enhancing intra-regional travel has been addressed. These were some of the issues also raised by former Guyana President Bharrat Jagdeo in his address at the **13th Annual Caribbean Tourism Organisation (CTO) Conference on Sustainable Tourism**, held in Georgetown Guyana, April 15-18, 2012. Similarly at the CTO's premier event, **Caribbean Week in New York**, held June 8 a special session was held with Regional Tourism Ministers, Commissioners and Board of Directors to examine issues affecting the future of regional aviation. Similarly the Caribbean Tourism Summit and Outlook Seminar 2012 held in Montego Bay, Jamaica on June 15-16, 2012, focussed on issues facing regional tourism to include examining the link between the region's aviation policy and its competitiveness.

On a national level, countries such as Jamaica for example have made strides by signing co-operative agreements with Columbia and Mexico, indicating that similar agreements would be signed with Cuba, Panama and the Dominican Republic to ensure that all six countries of the northern Caribbean are inter-connected.

On a sub-regional level, a multi-destination tourism initiative is being explored between the countries in the Southernmost Caribbean of Aruba, Bonaire, Curacao, Colombia, Grenada, Venezuela and Trinidad and Tobago. This initiative which is in the initial stages of development has as its objective, the formulation of a project proposal for a "Cruise-Ferry / Airline Hopping in the Southern Caribbean via a "one ticket multiple destinations" concept.

It is also worth noting that on an organisational level; both the CTO and the Secretariat for Tourism Integration of Central America (SICTA) have been utilising methods for joint marketing and promotion of their member countries.

Thus, there have been several attempts by diverse sub-regional groupings to adopt the 'One Destination' model, which have been met with varying degrees of success. What is consistently lacking however is the necessary packaging and establishment of support mechanisms to facilitate travel between the countries.

With its proposed project, the ACS has sought to tap into existing and potential synergies between the tourism and air transport sectors by increasing collaboration among economic operators in both sectors through a process of alliances and partnerships, particularly between international and regional airlines. Recognising that development and marketing of regional multi-destination packages can potentially increase the market share within the Caribbean as well as in the existing North American, European, and emerging Chinese and Japanese markets,

the Greater Caribbean can exploit the potential for profitable diversification and rebranding of the Caribbean tourism product.

5. SUMMARY OF OPPORTUNITY

- **Phase 1**

With the aim of facilitating strategic alliances among key regional and international stakeholders to create enhanced connectivity, the ACS has partnered with the Caribbean Tourism Organisation (CTO) and the Latin American and Caribbean Air Transport Association (ALTA), a private, non-profit organization representing the interests of Latin American and Caribbean commercial airlines and industry affiliates. In this regard, an **Aviation Day Meeting of Airline Executives and Regional Transport and Tourism Authorities** will be hosted on November 13th, 2013 in Cancun, Mexico. This meeting is proposed as the first phase towards facilitating dialogue between these respective stakeholder groups and would include representatives of ALTA, CARICOM and insular based airlines and tourism executives.

A related objective is the identification of opportunities for meaningful dialogue among important tourism public and private sector stakeholders that would lead to strategic partnerships for the development of multi-destination tourism in the region. The meeting therefore is purposed to explore the options and parameters to develop a sustainable mechanism for the establishment and subsequent hosting of an annual **Forum of Airline and Tourism Executives for the Promotion of Multi-destination Tourism in the Greater Caribbean**. It is proposed that this meeting explore the opportunities, challenges and identification of next steps in this regard.

About ALTA

Founded in 1980, ALTA's membership is comprised of approximately 40 member airlines representing over 90 percent of the region's commercial air traffic. ALTA has as its primary objective to coordinate the collaborative efforts of its members in order to facilitate the development of safer, more efficient and environmentally friendly air transport in the Latin American and Caribbean region for the mutual benefit of the association's members, their customers and the air transport industry.

About CTO

The Caribbean Tourism Organization (CTO) is the tourism development agency for the Caribbean Region, and one of the Founding Observers of the ACS. The CTO's membership comprises of over 30 Dutch, English, French and Spanish countries and territories as well as private sector allied members. The primary objective of the Caribbean Tourism Organization is to provide to and through its members, the services and information necessary for the development of sustainable tourism for the economic and social benefit of the Caribbean people.

- **Phase 2**

As a follow-up to Phase 1, it is recommended as the second phase, that a study be commissioned which collates the diverse regional and sub-regional approaches to MDT, with recommendations for the formulation and adoption of a **Greater Caribbean MDT Strategy indicative of Policy considerations**.

The study is intended to serve as a best practise model and guide to improve efficiency, reduce duplication of efforts and devise a comprehensive and cohesive strategy that would inform and direct the development of the Greater Caribbean MDT programme.

- **Phase 3**

As the third phase the institutionalising of MDT and its support mechanisms is recommended. This phase is envisioned to build on existing regional and sub-regional initiatives that can support MDT with the aim of being more consistent and cohesive, and not necessarily to invent new mechanisms where there is no need. In that capacity, it is proposed that activities focus on developing and promoting MDT packages; standardising MDT systems and processes; coordinating mechanisms to facilitate intra-regional travel; airlines connectivity and connectivity fares (incentives and discounts); and consensus on issues pertaining to visa and exit/entry requirements etc.

6. CONCLUSION

The ACS recognizes that most of the factors that will enhance MDT will also positively impact on the development of intra-regional tourism and single destination tourism. Hence the implementation of the factors leading to the promotion and growth of MDT will have a synergistic effect on the overall tourism industry in the Region thus facilitating its long-term profitability.

The success of MDT in the Greater Caribbean however is directly related to the commitment to create an enabling environment for its development from both a private and public sector perspective. The afore-mentioned strategies are suggested as a possible framework to encourage the ACS Member States in the Greater Caribbean to maximize efficiency and leverage the benefits that can be gained through co-operation.

As in all endeavours with multi-lateral benefits, the success of this initiative requires leadership and participation from ACS Member and Associate Member States such that subsequent implementation of multi-destination tourism within the Greater Caribbean is assured.