



National Tourism Strategy

White Paper on Updating the Strategy

A Project of the BTB & CPEC

June 9, 2004



Agenda

- Presentation on Global Trends
 - The 1998 National Strategy
 - Global Trends & Implications for Belize
- Discussion on directions for updating the National Tourism Strategy
 - Small Group Sessions
- Summary of Suggested Directions
- Next Steps



The Role of CPEC

- CPEC focuses on competitiveness
 - Funding by the Canadian International Development Agency
- Provided funding support for a tourism and training project for Belize
 - Skills for Success training
 - International Tour operator survey



1998 Strategy

- Major changes in the global industry in the intervening years
 - 911, Iraq and Sars
 - Role of the internet
 - Industry consolidation
 - Attention on environment, biodiversity, community tourism, local involvement
 - Move by market towards experiential tourism
 - Competitiveness challenges
 - Destinations treating tourism as a “business”



Global Tourism Growth

Demand	\$5.5 trillion	4.5%
GDP	3.8%	10.4% with all impacts included
Employment	77 million (2.8%)	214.7 million with all impacts included



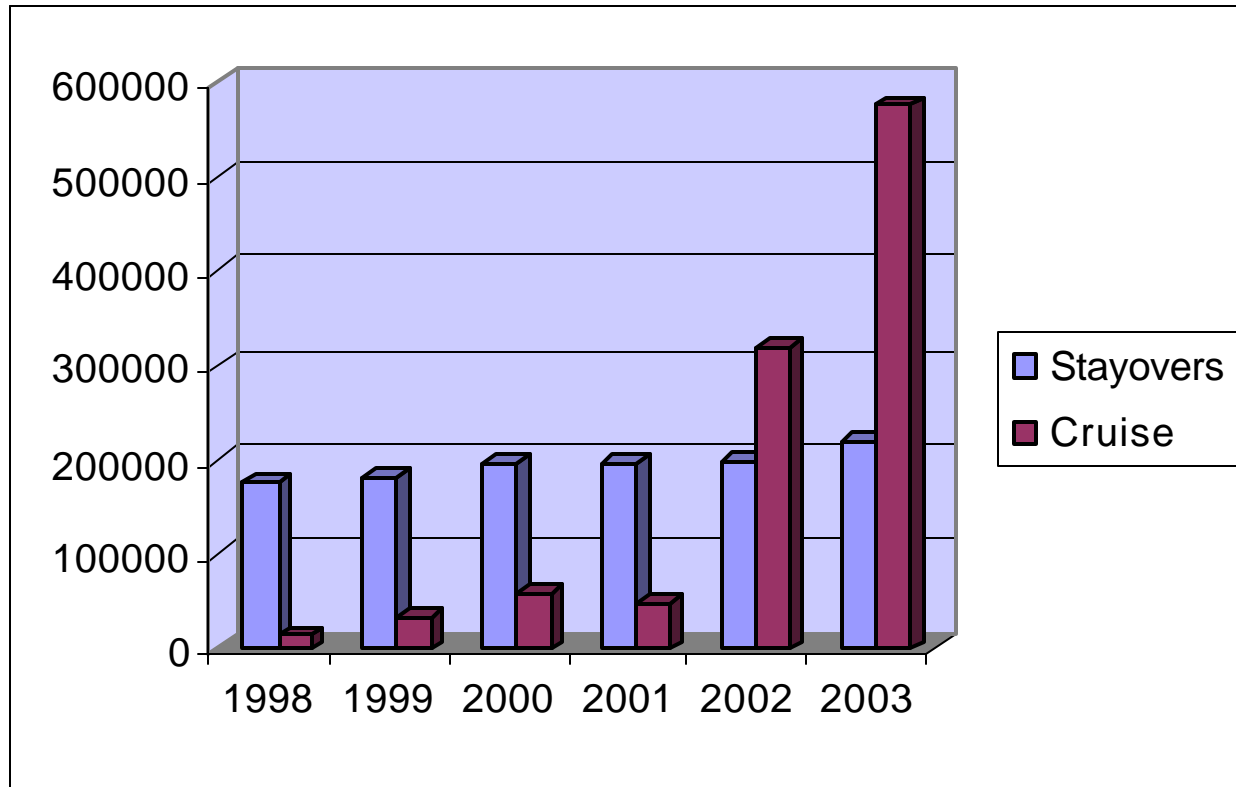
A Dominant Industry

- One of the top five exports for 83% of all countries
- Main source of foreign currency for 38%



Tourism in Belize

Arrivals





Visitor Expenditures

\$US 172 million (est.)

- **Cruise 15%**
- **Stayovers 85%**





Growth Rates

		Global	Caribbean	Belize
Demand	2005-2014	4.5%	4.5%	5.6%
GDP Cont'n	2004 % of total GDP	3.8%	4.0%	6.2%
	2005-2014	3.3%	4.0%	6.2%
Jobs	2004 % of total	2.8%	2.6%	9.4%
	2005-2014	1.7%	NA	5.3%

Belize, Travel and Tourism Forging Ahead, WTTC, February, 2004,



Global Market Trends

- Experiential tourism is a defining market trend for the industry
- WTO with its hot list; ecotourism, tourism, cultural, thematic and cruise tourism
- Pisa Forum – 2003 – tourists increasingly seeking experiential tourism offerings
- Express Travel and Tourism – 2003 – authentic experiences focusing on local culture, learning, closeness to nature, wellness



What is the Growth Rate?

- WTO says 37% of all international trips have a culture/heritage component
 - Growing at 15% per annum



How is Belize Positioned?

- iExplore ranks Belize 9th in world for adventure and experiential travellers

iExplore is an adventure travel web site developed in association with National Geographic Traveler



US Market – Overlapping Market Segments

- *Historic/Cultural* Tourists – 81% or 118 million
- *Heritage Tourism Enthusiasts* 34.5 million
 - Also interested in soft (1/3) and hard (1/5) adventure products
- *Geotourists* – identified by the US Travel Industry Association (TIA) and National Geographic Traveler as 55 million in 2002
- Who are Geotourists?
 - Consumers whose attitudes, behaviours and travel habits show a real preference for culturally and socially related travel. They tend to participate in educationally related activities and are socially and environmentally conscious
- This segment is growing rapidly



Geotourists – 55 million

- Urban Sophisticates
 - 21.2 million – large city destinations and cultural experiences
- Geo-savvys – 16.3 million
 - Interest well above the norm in environmentally oriented travel
- Geo-savvys survey:
 - Over 80% believe their experience is better when the destination preserves its natural, historic & cultural sites
 - 73% want an educational experience



Geotourist Profile

Key Preferences	Geotourists 55.1 million		
	Geo-Savvys 16.3 million	Urban Sophisticates 21.2 million	Good Citizens 17.6 million
Visit destinations with authentic historic and archaeological sites	81%	77%	63%
Travel to experience people, lifestyles, and cultures different from their own	81%	75%	52%
Important to learn about the destination's people, history, and culture	81%	75%	52%
Important that their visit to a destination does not damage its environment.	81%	83%	75%
Prefer small-scale accommodations run by local people	81%		



Adventure Tourism

- All markets strong
 - Hard and soft adventure
 - Growing along with tourism & reflects tendency toward active vacations
- Particularly “hot” markets are:
 - Mountain biking
 - Biking
 - Wilderness tours in vehicles



Community Tourism

- Harder to get a handle on
- Overlaps with heritage tourists, geotourists
- Recent (March, 2004) survey of 50 international tour operators already doing business in Belize found:
 - 34 who wanted to do more community tourism product
 - A validation of Belize's perceived market position by the travel trade in areas of nature, heritage/culture and adventure

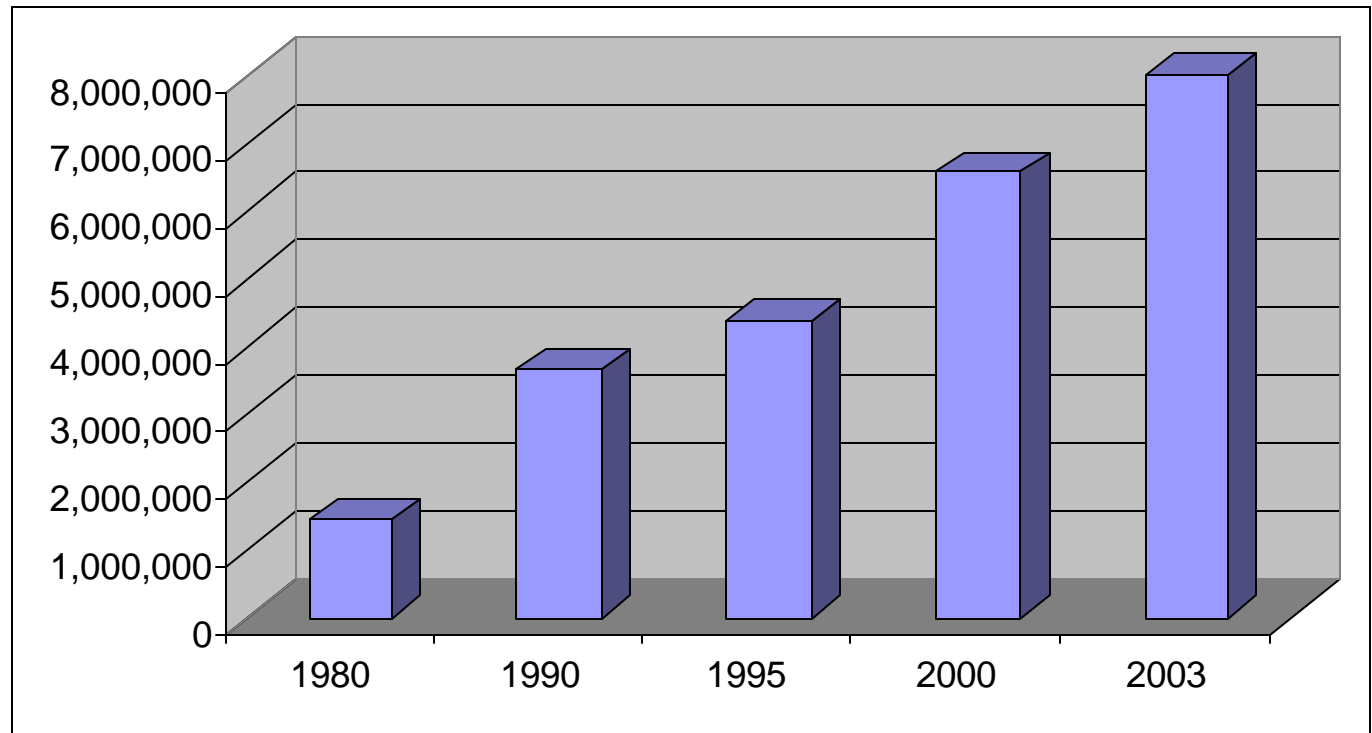
132 Operators ——— **Pre-Qualify 50** ——— **34 Interested**



Cruise Market Segment

North America – robust growth – forecast of 14% annually for revenues for next 3 years

Passengers





Some Key Indicators

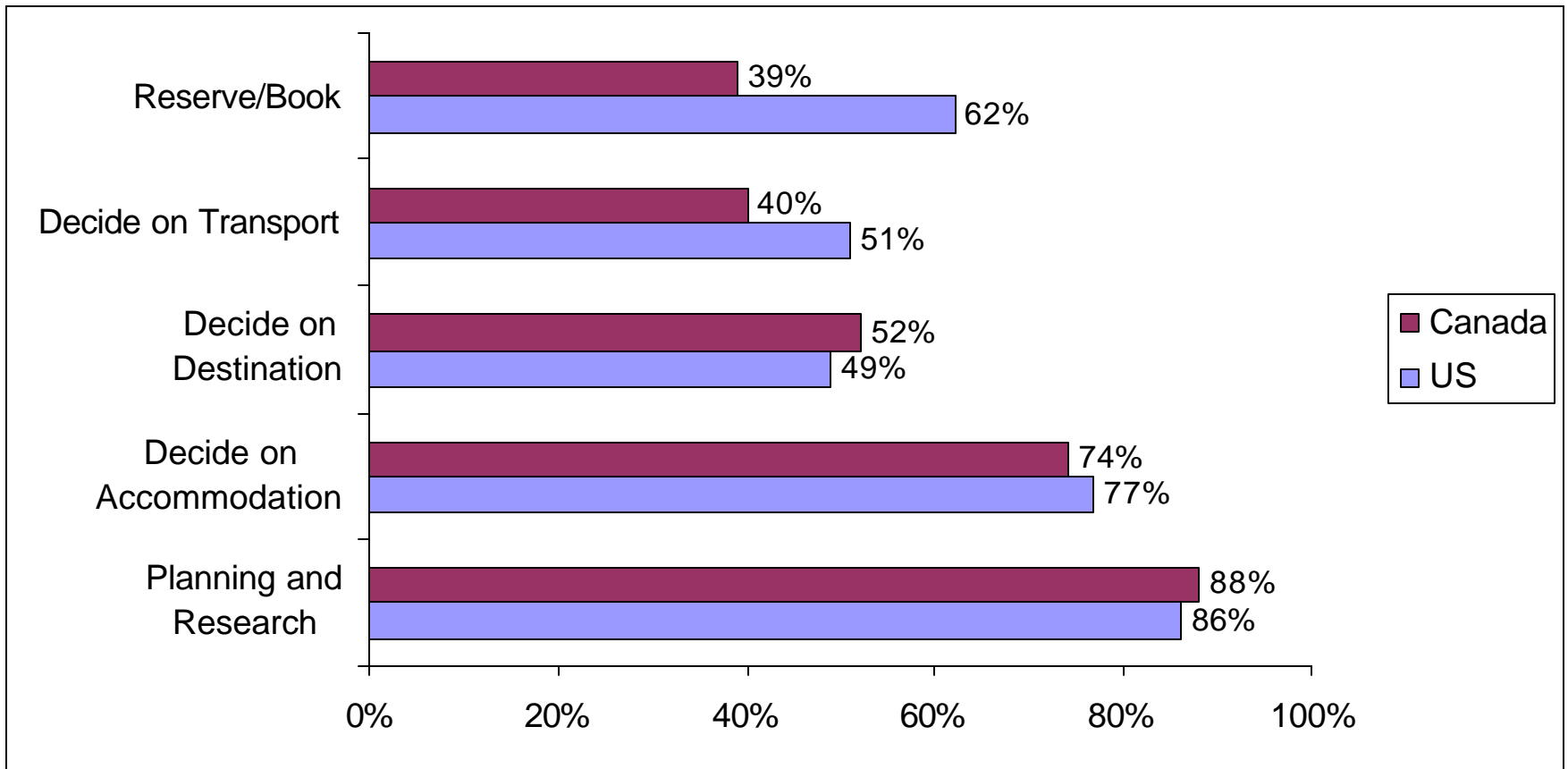
- Long cruises declining in favour of shorter cruises
- Discounting prevalent and filling capacity
- In 2002 a 2000 passenger ship with a crew of 950:
 - US \$180,000 in on-shore spending per US Port
 - Average port-of-call spend was \$US 82.
 - This compares with Caribbean ranging from \$US 15 in St. Vincent to US\$101 in Barbados (exceptions are Cayman's at US\$160, Bermuda at \$US226 and US Virgin Islands at US\$260)



Tourism and the Internet

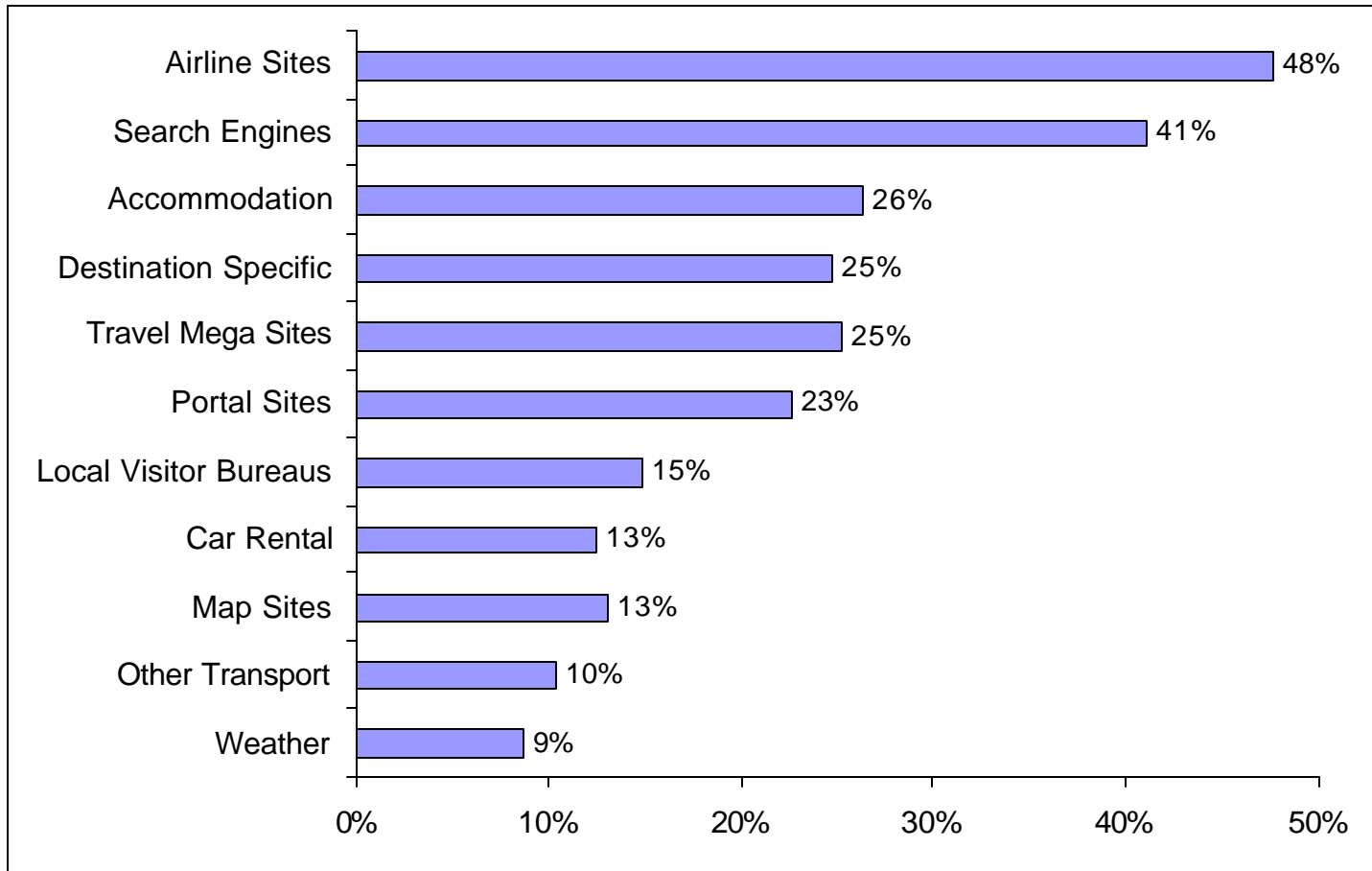
- The dominant travel industry influence today – survey of recent travelers in 2002 showed:
 - 35% of Americans research and/or book travel
 - 25% of Canadians

How do They Use the Internet?



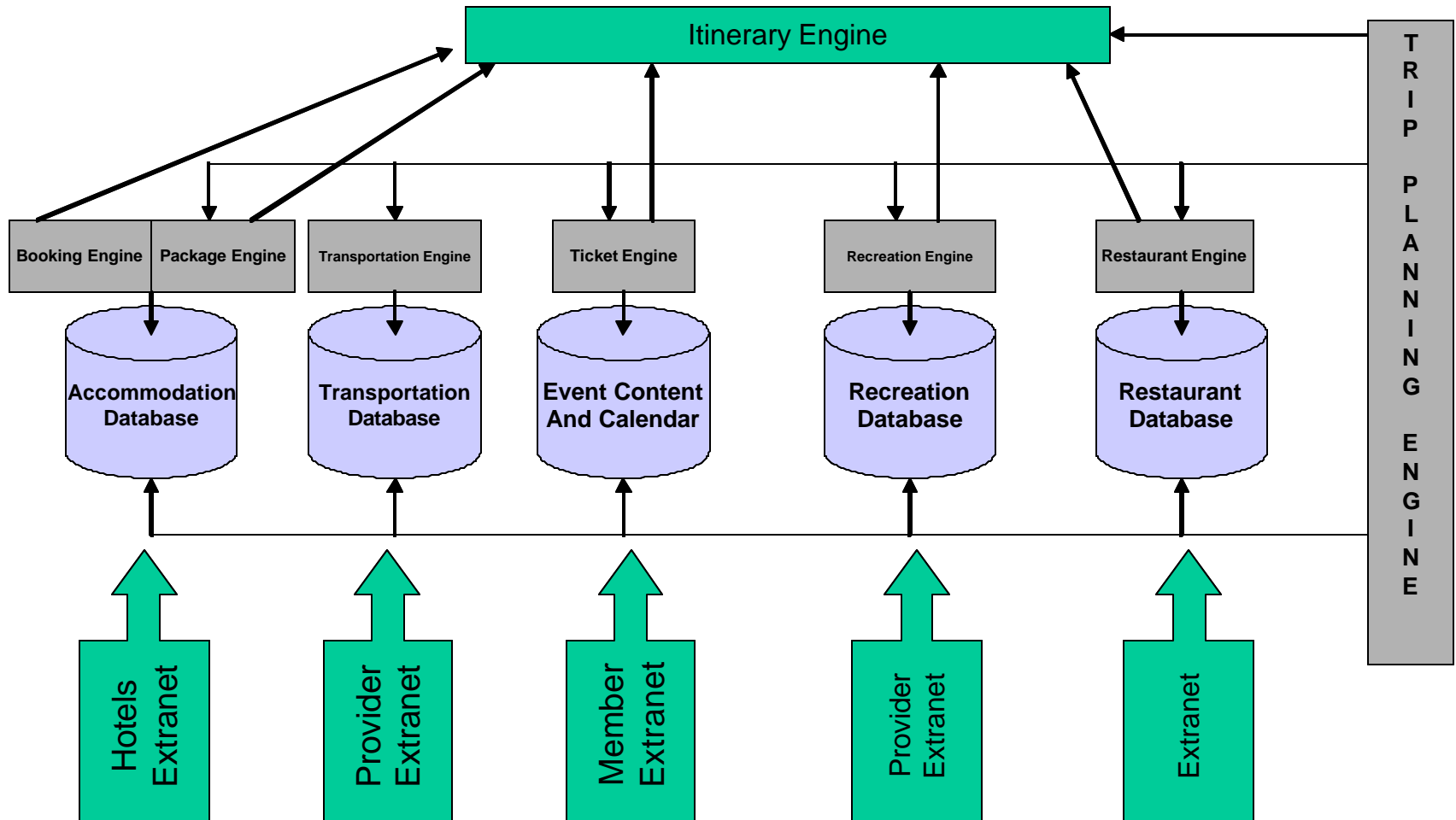


Where do They Start?





Destination Portal Design





Comparative Costs of Booking Engines - 2004

On Revenues of:	\$	98,175.00
<hr/>		
Cost of Revenue From		
Expedia	\$	24,543.75
Hotels.com	\$	29,452.50
CHARMS	\$	19,635.00
Tour Operator	\$	17,671.50
CE	\$	4,200.00



Tourism's Impacts

- As tourism has grown, so too has discussion of its impacts
 - Overuse of water resources, air pollution, land degradation, aesthetic pollution, habitat destruction, alteration of ecosystems
- Tourism planning integrated with land use planning is addressing many of these issues



What is the Current Focus?

- Biodiversity impacts
 - Estimated that 40% of global economy is on biological products and processes
 - Ongoing losses a major global concern
- One of the top five priority areas for the 2002 World Summit on Sustainable Development



Tourism's Impact on Biodiversity & Local Communities

- Unplanned tourism without standards, guidelines,
- High volume turnover creating resource depletion situations
- Lack of understanding of fragility of ecosystems

Caribbean Example – coral reef losses



A Growing Appreciation of Tourism's Responsibilities

- UNEP/International Conservation report
- WTTC Blueprint for New Tourism (2003)
 - Partnership approach between industry and government
 - Multi-stakeholder participatory planning processes
 - Enforcement, new professionalism, awareness, certification, research



Moving Forward

- Convention on Biological Diversity
 - Guidelines on Biodiversity & Tourism Development for Governments
 - Available on the web
- WTTC
 - Corporate Social Leadership in Travel and Tourism report
 - examining partnerships with IFTO, IHRA, and others to focus on issues



Leveraging Tourism Benefits

The Traditional Arguments

- Foreign exchange
- Jobs and businesses
- Investment

The New Rationale

- Source of revenues for attractions, sites
- Rationale for protecting parks, heritage, culture, upgrading downtowns, waterfronts
- Investing in culture, arts
- Structuring sector to support local entrepreneurship
- Linking tourism with investment promotion, exports



The Common Thread

- Improving the quality of life for the destination's citizens



Competitive Destinations

- Tourism planning involving local communities
- Standards development, adoption & enforcement program
 - Certification programs
 - Ethics programs (eg, WTO Global Code of Ethics for Tourism – 1999)
- Marketing
 - Destination marketing based on business plan and performance targets
 - Aggressive adoption of e-marketing
 - Specialty marketing
- Human Resources programs – internationally recognized
- Partnerships & collaboration



Destination Management

- Trends Driven by:
 - Desire to compete more effectively – increasingly more global competition
 - Economic development opportunities
 - Leverage tourism for spin-off social and economic benefits
 - Culture, arts and heritage
 - Waterfront and downtown developments
 - Community resource management
 - etc

Managing Tourism Sector as a Business



Like any
Business –
You need
a Business
Plan

- Determine the core business you are in – your competitive niche in which you have a comparative advantage
- Be responsive to the marketplace
- Invest in product including product upgrading to meet customer needs
 - This includes protecting the very resources that attract customers
- Invest in strategic marketing, and manage your image
- Keep competitive



Market-Driven Orientation

- This is more & more evident in destinations today
- Good example is here in Belize – related to community tourism
 - Survey in “pre-qualified” international operators to determine interest, requirements, issues, potential
 - Next step is to assess potential – is the investment worth it
 - Then put in place the mechanisms and relationships to close the deal with these operators



Another Example - Guyana

- Government, donors, banks, pundits, consultants – all said Guyana was a basket case as far as tourism goes
- No-one asked the specialty travel trade
- Brought in 10 nature, adventure operators – 8 are going back to do business if Guyana is responsive to their needs
 - Marketing materials, images, etc.



The Typical Questions

- What are our core values?
- What business are we in?
- What is our business model?
- How are our product lines doing (eg, cruise, stayover, and segments within stayover)?
- What is the market telling us?
- What are the key market trends to which we should be responding
- Do our products meet market expectations?
- How are we doing against the competition?
- How do we maximize benefits for our shareholders (i.e., citizens)?
- How do we access the market?
- Can we improve on how we manage our relationships with our tourism intermediaries?
- What is our image in the marketplaces we are targeting?
- How is our public relations?
- And so on



How Much Investment?

- There is no right answer
 - But the wrong answer is none!
- Destination marketing and being strategic about marketing today is essential.
- An illustration from the rest of the Caribbean.....

Destination	1990	1999	% Change (10-year)
Martinique	240.0	404.0	683.0
Turks and Caicos Islands	36.5	238.0	552.1
British Virgin Islands	132.1	299.9	127.0
Trinidad and Tobago	94.7	209.6	121.3
Aruba	353.4	773.5	118.9
Guadeloupe	197.1	400.2	103.0
St. Lucia	153.8	311.1	102.3
Dominica	25.0	48.8	95.2
Cayman Islands	235.7	439.4	86.4
Grenada	37.5	66.6	77.6
Jamaica	740.0	1,279.5	72.9
Anguilla	34.6	56.5	63.0
St. Maarten	315.5	449.4	42.4
St. Vincent & Grenadines	56.0	78.9	40.9
US Virgin Islands	697.0	954.9	37.0
Barbados	493.5	666.2	34.5
Belize	91.4	111.5	22.2
St. Kitts and Nevis	57.7	70.4	22.0
Bahamas	1,332.9	1,582.9	18.7
Antigua and Barbuda	298.2	290.0	-2.7

Ten Year Visitor Expenditure Growth Rates (\$US millions)



Source: CTO

Marketing Budgets

(1999 CTO Data)

Country	1999 Marketing Budget (\$US)
Bahamas	\$ 53,985,000
Bermuda	\$ 33,207,000
Jamaica	\$ 26,989,000
Cayman Islands	\$ 23,745,000
Aruba	\$ 20,293,000
Barbados	\$ 18,331,000
Martinique	\$ 7,540,000
St. Lucia	\$ 6,918,000
St. Maarten	\$ 5,077,000
Guadeloupe	\$ 4,500,000
BVI	\$ 4,115,000
Trinidad & Tobago	\$ 3,323,000
St. Kitts & Nevis	\$ 2,929,000
Belize	\$ 2,706,000
Bonaire	\$ 2,696,000
Grenada	\$ 1,693,000
St. Vincent	\$ 1,048,000
Dominica	\$ 773,000



Country	1999 Marketing Budget (\$US)	Percent of 1999 Visitor Expenditures
Bahamas	\$ 53,985,000	3.41%
Jamaica	\$ 26,989,000	2.11%
Cayman Islands	\$ 23,745,000	5.40%
Aruba	\$ 20,293,000	2.62%
Barbados	\$ 18,331,000	2.75%
St. Lucia	\$ 6,918,000	2.22%
St. Maarten	\$ 5,077,000	1.13%
Guadeloupe	\$ 4,500,000	1.12%
Trinidad & Tobago	\$ 3,323,000	1.59%
St. Kitts & Nevis	\$ 2,929,000	4.16%
Belize	\$ 2,706,000	2.43%
Grenada	\$ 1,693,000	2.54%
St. Vincent	\$ 1,048,000	1.33%
Dominica	\$ 773,000	1.58%
Average		2.46%

Marketing as
a % of
"Revenues"



Source: CTO data for reporting countries



Managing Visitor Markets

Stayover and Cruise Markets

\$US 172 million

- **Cruise 15%**
- **Stayovers 85%**

Country	2002 \$US millions			% Cruise Expenditures Of Total
	Stayover Expenditures	Cruise Expenditures	Total	
Antigua and Barbuda	265	8.7	273.7	3.1%
Barbados	595	52.8	614.8	8.5%
Belize	120.6	12.2	132.8	9.2%
Dominica	40.9	3.8	44.7	8.5%
Grenada	120.1	3.4	123.5	2.8%
St. Lucia	236	20.2	256.2	7.9%
Average				6.7%

Source: CTO Data, 2002



Success Factors for Destination Management

- An industry/government partnership
- Industry operates with a single voice on priority issues (managing consensus within itself)
- There is a clear and shared vision for tourism
- There is consensus that destination management involves managing the tourism sector as a business
- There is an agreed tourism sector plan and strategy
- There are realistic budgets for destination marketing and it is guided by a business plan
- There are effective relationships with the international travel trade community



“A Tourism Crossroad”

- Global tourism growth & trends are very positive for Belize
 - Experiential tourism is going mainstream
- Belize has the resources markets are interested in
 - The recent international tour operator survey indicated this
 - iExplore puts Belize in top ten



What is the Vision For Tourism

- Key decisions to be made:
 - What kind of tourism?
 - What should tourism contribute to quality of life for Belize?
 - How do we get there?
 - Will there be political commitment?
- No better time given market dynamics



An Observation from Outside

- The quality of Belize City, the appeal of the waterfront, how pleasant the drive in from the airport, the hospitality feel of San Pedro and so on are all concerns for tourism
- How you manage cruise and stayover markets needs resolution
- Attracting investment to increase supply without compromising resource integrity needs attention



Key Constraints

- Product Quality & Tourism Infrastructure
 - Tourism areas need planning and investment, upgrading
 - Belize City downtown and waterfront
 - San Pedro, Placencia, Cayo, etc areas
- Growth Management is a key issue
 - Decisions need to be made on positioning given cruise growth
 - Designation of areas for tourism activity, management of visitation levels
 - Sustainable tourism, local community involvement
- Accommodation Plant
 - Need positive investment climate to add rooms, grow stayover, but all guided by the vision and a plan



A National Strategy Enough?

- No - A comprehensive tourism master plan is suggested at this stage to:
 - Set the vision and policies for the sector
 - Establish vision and roles for the tourism areas
 - Define the investment in tourism development & upgrading
 - Refine the destination marketing based on plan
- This increases confidence for all investors by setting the rules, improving key assets such as Belize City, reducing risk and enhancing the appeal of the destination



Next Steps

- Strategy or Full Master Plan?
 - What is the scope of work?
 - Tourism planning and Policy
 - Destination Marketing
 - Tourism Sector Investment and Economic Linkages
- How do we move forward?
 - Financing
 - Timing
- Who are the partners?

Master Plan Components

- The Plan Itself (Vision, Policies, Managing Tourism, Legislation, Regulations)
- Area Plans
- The Investment Program (projects, infrastructure, destination management)
- Tourism and Land Use, Resource Policies

Thank You

