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Record breaking attendance, \$100 billion in investment highlight Caribbean hotel & tourism conference

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The 12th Annual Caribbean Hotel & Tourism Investment Conference (CHTIC) concluded with a very optimistic outlook for the Caribbean region as a record-breaking 522 delegates met at the newly opened Hyatt Regency Trinidad May 6-8 and heard that there is currently more than \$100 billion in investment in the region (according to the World Travel & Tourism Council) devoted to improving and expanding tourism facilities and infrastructure.

"The recent downturn in the U.S. economy is not impacting the interest in the Caribbean," said Alec Sanguinetti, Director General and CEO of the Caribbean Hotel Association (CHA). "As a matter of fact, our Caribbean Hotel & Tourism Investment Conference drew a record-breaking 522 delegates, up from 404 a year ago," he said, adding:

"This is a clear indication that there is strong interest in the Caribbean from the investment community that is looking at the future.

"Business on the books for the next 12 to 18 months throughout the region continues to be healthy. Advance sales for the summer in the vacation market remains strong at this time and interest by corporations and associations in planning future meetings and conferences is at an all time high, all based on discussions and negotiations that took place in late January at the annual Caribbean Hotel Association Marketplace."

In addition to investment opportunities, CHTIC focused on the "greening" of the Caribbean hospitality and tourism industry.

Sanguinetti said: "The Caribbean is very conscious about the need to protect its own environment. The region has always been a leader and innovator in the Green movement with the CHA Caribbean Alliance for Sustainable Tourism (CAST). Hotel participation continues to grow across the region and cooperation between the public and private sectors in the region is also at an all time high.

"We also just concluded the 10th Annual Caribbean Conference on Sustainable Tourism Development in the Turks and Caicos Islands with great enthusiasm from the participants consisting of both government officials and hoteliers."

Combining the growth of the progressive Greening of the hospitality and tourism industry with the capital investment in the region, Sanguinetti concluded that "CHA sees a high level of confidence and discipline in the marketplace that reaffirms the strength of the region as the leading warm weather vacation destination."

Peter Odle, president of CHA and owner and managing director of Mango Bay in Barbados told delegates: "Despite the prevailing economic outlook around the world where gas prices are going into stratospheric realms, followed by rising food prices and other commodities, the huge record number of attendees for our 12th Annual Caribbean Hotel & Tourism Investment Conference speaks volumes about the vibrant opportunities here in our region.

"We open this conference at a time when there is some concern in the marketplace for the immediate term business. I can assure you that tourism arrivals for 2008 across the region are up and summer advance sales in some countries are looking very good. We are optimistic that the Caribbean will be one of the bright spots in the global tourism picture.

"There is a surge of interest in the Caribbean region with developers looking to build and operate marinas to attract yachting enthusiasts and casinos to bring in gamblers. Another crucial part of the investment community has shown interest in the airports and other tourism related facilities and infrastructure. Many airports have now been expanded to accommodate the larger aircraft that the airlines are flying.

"And the cruise lines have been assisting several of our island nations with expansion of cruise ports to welcome the new larger fleet of ships."

CHTIC has attracted a wide variety of interested parties including new hotel and real estate developers, banks and other lenders, brand hotels, cruise lines, airlines, and tour operators that are now promoting and selling the region to travel agents and consumers worldwide.

CHTIC also has spurred development and growth of the timeshare industry, once considered a controversial segment of the hotel sector. "Timeshare now is seen as one of the more stable products in the tourism infrastructure because the timeshare vacationers return to the Caribbean each year to utilize their purchase and spend additional money while in the destination," Odle said, adding: "And we now see major hotels in the timeshare industry in the Caribbean including Marriott, Four Seasons, Ritz-Carlton and Starwood."

CHA, in recognizing the growth and importance of this segment of the hotel industry will be collaborating with the American Resort Development Association (ARDA), the worldwide timeshare industry association, to fortify their longstanding Caribbean Committee.

Sen. The Hon. Allen Chastanet, Minister of Tourism and Civil Aviation, St. Lucia and the Chairman of the Caribbean Tourism Organization (CTO), told the audience, "We come together at a time when all of our organizations are going through fundamental changes in order to maintain relevance in today's global tourism community. As a result of these changes we are experiencing a strengthening of the public and private sector relationships on both a regional level and within our individual countries.

"While we move in this regional direction, we will continue to recognize the individuality of each of our destinations and the vast differences in the region which includes culture, cuisine and languages based on our French, Spanish, Dutch and English heritages.

"We are currently enjoying a heightened awareness by CARICOM and the Heads of Government have declared that tourism is crucial to the economies of

the Caribbean and will be a permanent agenda item for all future meetings of the Heads of Government. In addition, CARICOM Heads of Government will devote one full day for tourism issues at their upcoming meeting in July.

"We are encouraged by the attention that tourism is getting, and we now need to focus on sustainability to ensure that our tourism product is financially viable, environmentally sustainable and socially acceptable in our respective nations."

The Hon. Patrick Manning, Prime Minister of the Republic of Trinidad and Tobago, opened the conference reaffirming the importance of tourism to the region, saying: "The tourism industry is the most important for the continuing development of the Caribbean. It represents over 30% of the Gross Domestic Product of the region and provides nearly three million jobs.

"This conference has in fact become one of the most important annual events for business persons and companies interested in investing in the Caribbean. It attracts investors from all over the world and presents an ideal forum for leaders of the industry to compare notes, share ideas, explore development and investment opportunities and generally chart a course for taking the sector forward in the Caribbean.

Prime Minister Manning urged the Caribbean community to "rise to the challenge and constantly improve our competitiveness in the Caribbean....We are now developing an increasingly multifaceted product and are adding to the traditional sun, sea and sand formula. We are also focusing on eco-adventure, business tourism, sporting events, health tourism, weddings and honeymoons, and religious and cultural festivals.

"We must therefore infuse our tourism industry with as much as possible of the full authentic Caribbean experience....We therefore need to bring the Caribbean history and culture as well as more of our natural environment to the forefront in our tourism development plan."

Prime Minister Manning also held up the torch for Green awareness of tourism and said: "We must deploy resources for their protection, preservation and development, primarily for our own spiritual nourishment, but also as a national and regional resource for economic and social development."

The Hon. Joseph T. Ross, Minister of Tourism for Trinidad and Tobago, told delegates that "Our people and our country have stepped onto the tourism center stage and that we stand ready and able to take our place on the world tourism stage....We are building a tourism industry that is people-centered, sustainability focused and private sector driven....We are open to discussions with regards to local public and private sector partnerships in the development of new tourism projects and sites and attractions."

Lyndall De Marco, executive director of the International Tourism Partnership, presented the keynote address focused on the growing Green movement in the travel and hospitality industry. "Going Green is no longer just a project, it's finally about the entire world we live in," De Marco said. "It's our entire life," she said, adding: "The time has come for a commitment from all parties and it must come from the top down with staff training and motivation."

In addition to De Marco's presentation, there was an entire track of seminars focused on the green movement within the hospitality industry that was well attended by delegates.

The CHA Lifetime Achievement Award was also presented at the conference posthumously to William "Bill" Bissell and will henceforth be known as the CHA Bill Bissell Lifetime Achievement Award in honor of one of the industry's hardest working volunteers.

Peter Odle, in presenting the award to Bill's wife, Edna Bissell, said: "My only regret is that Bill passed away in December and will not be here to accept this award and our gratitude for all that he did for the Caribbean region.

"Bill Bissell who died on December 1, 2007, at age 64, was the driving force behind the Caribbean architectural practice of Onions Bouchard & McCulloch. He developed the firm into OBM International, a property consultancy with a global presence. Bill was a steadfast defender of Caribbean design values. He provided design and development leadership throughout the Caribbean by introducing modern design with a Caribbean flair.

"In the Cayman Islands, Bill Bissell provided employment and personal growth opportunities for many of the region's current architects and designers. But he also enthusiastically supported many other people and organizations outside of architecture, including mentoring young Caymanians and serving on the board of the University College of the Cayman Islands.

"Bill also contributed his time and expertise to industry organizations such as the Urban Land Institute, Caribbean Hotel Association, Caribbean Alliance for Sustainable Tourism and in recent years, headed up the very important Advocacy Committee for CHA."

CHTIC sessions included presentations by a variety of industry experts including Warren Jestin, chief economist for Scotiabank, who told delegates "Don't expect business as usual as the global economic landscape is changing rapidly and emerging nations are shifting global demand and becoming a significant source of tourist dollars. They are also competing for tourist dollars." He showed how the growth in Asia, Europe and even South and Central America has outpaced the Caribbean in the period from 2000 to 2006 in tourism receipts.

David Laron, PKF Consulting, said, "The slowdown in development may not be a bad thing and that there is considerable equity looking for a home." He suggested the investment opportunities are in commercial lodging, all-inclusive hotels, free-standing full-service hotels, condo title hotels and residential resorts.

Laron also predicted a shift in product focus to smaller boutique hotels as well as more luxury, upper, upscale resorts.

He noted that "Other parts of the world are not offering the same investment opportunities as the Caribbean and other parts of the world are getting oversupplied. The Caribbean is under developed partly because of the difficulty in some places to develop."

Laron also said that "It's a new environment where debt/liquidity is the issue and not equity and that a higher equity component is now required."

As for the outlook for the region Laron noted that "Developers are more bullish than lenders" but a positive outlook exists because of "the resiliency of Caribbean tourism."

Jan D. Freitag, vice president of Smith Travel Research, provided an overview of the hotel outlook in the region showing year end 2007 statistics with the room supply increasing slightly (0.8%) while decreases were experienced in room demand (-1.1%) and occupancy (-1.9%). However, the average daily rate

(ADR) was \$182 up 2.1% and Rev Par was at \$121, up 0.1% with overall room revenues at \$9.2 billion, an increase of 0.9%.

There was also good news with increases in the first quarter of 2008 in both room demand (up 3.5%) and occupancy (up 2%).

The Hotel Leaders Forum moderated by James E. Burba, president of BHN, provided a cross section of views from a boutique upscale hotelier, Sir Royston Hopkin, owner and chairman of Spice Island Beach Resort, Grenada; major worldwide hotel chain Wyndham Hotels and Resorts president Peter Strebel; and Ralph Taylor, chairman and CEO of Almond Resorts, a Caribbean-based chain.

The challenge of human resource development (a theme throughout the conference) focused on the critical shortage of Caribbean nationals available to work in hospitality and tourism. While the rise of food prices, gas and general cost of doing business was estimated to be increasing between 10% and 15% for the coming year.

Generally all three panelists said their companies had to work harder for business, constantly adjusting and placing a strong focus on looking for new business from emerging markets.

Sir Royston stressed sustainability issues and was passionate about having long term education plans for hospitality professionals in place to ensure sustainability of tourism in the region for Caribbean nationals. He also raised concerns about sustainable development because most new hotels were condo-style facilities with limited occupancy year-round which did not provide regular employment in the way that traditional resorts do.

The other key issue raised was Greening of the hotel and tourism industry and environmental protection, many quoting the European Market, where both tour operators and consumers are demanding their hotels have green practices in place. The U.S. market is lagging behind Europe, but is expected to follow. This was seen as the major opportunity for many hoteliers - both in terms of cost saving and in maintaining their competitive marketing position.

The general consensus from hoteliers, consultants, developers and construction companies is that if you don't address this now - you will be forced to down the line - as the consumer is making a positive choice towards Green or Sustainable Tourism. TUI, Europe's largest tour operator, is now only working with hotels that support its environmental standards.

Certification is important and there are a range of certifications you can get but the general perception is that the Caribbean Standard - Green Globe can be very expensive and time consuming to achieve. There are alternative certifications now being developed.

Many panelists pointed to the importance of planning development with environmental issues in mind from the outset rather than retrofitting which is much more expensive.

The most important underlying theme however was a simple one in that Green hospitality and tourism or sustainable tourism needs to be a mindset. If staff understand how being green impacts the cost of their own energy or water bill they are more likely to make cost savings for the hotel. One panelist said sustainable tourism is simply a matter of having a balance of economics, environment and culture.

Caribbean Hotel Association | The Caribbean Hotel Association aims to optimize the full potential of the Caribbean hotel and tourism industry by serving member needs and building partnerships. CHA was founded in 1962; it is the voice of the Caribbean hospitality industry for the development of the region in the highly competitive and sophisticated environment of international tourism. Today, tourism is widely recognized as a pivotal industry in the economy of the region - and CHA functions as the common denominator for this industry in a region of diverse nationalities, languages and styles, identifying mutual problems and marshalling the resources of the active and allied members to devise solutions. CHA represents all facets of the hospitality industry with more than 800 member hotels and 750 allied members. For more information, visit www.caribbeanhotelassociation.com.

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