

SECTORAL DEBATE PRESENTATION

2017/2018

AS PREPARED. PLEASE CHECK AGAINST DELIVERY.

Hon. Edmund Bartlett, C.D., M.P.

Minister of Tourism

***THEME: SUSTAINABLE TOURISM – A CATALYST FOR JOB CREATION AND
INCLUSIVE GROWTH***

April 4, 2017

ACKNOWLEDGEMENTS AND INTRODUCTION

Mr. Speaker, it is an honour to again rise in this esteemed house to speak to the direction and developments in inarguably our nation's foremost sector in driving job creation and prosperity – tourism. It is an even greater honour and also quite timely to have the opportunity to open the Sectoral Debate this year as this new administration, ably led by our dynamic Prime Minister, Andrew Holness, moves with speed to address the heavy weight of challenges we inherited and stay firmly committed to our growth and prosperity agenda.

Before I go any further, Mr. Speaker, I must begin by thanking our Almighty God, without whom I would not have had the resounding faith and courage to carry on and fight for the best interest of my constituents in East Central St. James, our tourism sector and the people of Jamaica on a whole.

Mr. Speaker, I again acknowledge my tremendous debt of gratitude to my dear wife of 43 years Carmen, my son and grandchildren – they have stuck by me through thick and thin and I am really glad that we continue to enjoy happiness and togetherness.

Mr. Speaker, to my constituents in East Central St. James, I say thank you for your support and patience in my continued stewardship of your affairs. I am absolutely delighted about the range of projects being instituted that will see improved roads, greater access to water, a deepening of community development and engagement activities, especially for our youth, housing, urban renewal through zinc removal projects led by the Jamaica Social Investment Fund (JSIF), effective developments in agricultural projects, improved sports initiatives, stronger avenues for job creation and, importantly Mr. Speaker, the fight against the scourge of crime and violence that must be a collective effort, not just by the government but each and every member of society.

I am absolutely keen, Mr. Speaker, to make East Central St. James a model constituency where people are happy, safe, prosperous and confident of the future. I salute my three Councillors, Mr. Mark McGann, Mr. Anthony Murray and Mr. Uvel Graham, for their hard and focused work in ensuring that we achieve this goal and I thank my broader team of leaders at every level in the constituency for their zeal and commitment.

Mr. Speaker, I also want to of course thank my superb team at the Ministry of Tourism and its supporting agencies, including the Jamaica Tourist Board (JTB), Tourism Enhancement Fund (TEF), the Tourism Product Development Company (TPDCo), and Jamaica Vacations Ltd. (JAMVAC), among others.

The governance structure and mission of the Ministry of Tourism is now in place and we have systematically rolled out a range of policies and programmes that is already leading to amazing buoyancy and a sense of direction in the tourism sector.

Mr. Speaker, I must acknowledge your steady handed leadership of the House and your commitment to maintaining good order and seamlessness. Your many years of public service have no doubt prepared you for this role and indeed you are doing a fine job.

Mr. Speaker, to my colleagues, on both sides of this noble House, I say thanks for the very good relations we enjoy, your encouragement and the advice you provide. I am always grateful.

Before I get into the meat of the matter, Mr. Speaker, please allow me to commend the leadership of Prime Minister Andrew Holness. I am absolutely proud of his growth over the years and join the many Jamaicans and non-Jamaicans who are imbued with confidence and assurance by his steady handed, visionary and vibrant leadership of our nation.

Let me also, Mr. Speaker, commend Finance Minister Audley Shaw for his strength and effective leadership of an undoubtedly difficult portfolio. Crafting the budget is not a simple 'bat up and catch' exercise and I know fully well that a broad, sensible and analytical approach is required to finalize a budget that is fair and at the same time effective and sound.

Mr. Speaker, I must underscore that the budget tabled this year was one of the most efficient and skilfully crafted in decades. It is indicative of the Minister's careful stewardship of the country's limited resources as we seek to ensure that they are skilfully deployed to ensure a high level of return. It was formulated in keeping with the longstanding Westminster tradition of ensuring optimal allocation for the best return on the dollar.

The \$8 billion allocated to tourism in the budget represents the largest allocation ever to the sector; which, Mr. Speaker, will allow us to generate the high growth levels that we are targeting. Today, I am going to outline how we are going to effectively achieve these growth targets.

STATE OF THE INDUSTRY

Global Perspective

Mr. Speaker, tourism is increasingly recognized the world over as a critical driver of strong economic growth and job creation and as a sector which has a broad and positive effect on the lives of billions globally.

Travel and Tourism generated 1 in 11 of the world's jobs in 2016, translating to a total of 292 million jobs, as the sector grew by 3.3 percent, outpacing the global economy for the sixth year in a row, according to the World Travel and Tourism Council's (WTTC) Economic Impact Report 2017, conducted in conjunction with Oxford Economics.

The report notes that Travel and Tourism generated US\$7.6 trillion worldwide, which represents 10.2 percent of global GDP when the direct, indirect and induced impacts are taken into account.

Additionally, global visitor exports, which is money spent by foreign visitors, accounted for 6.6 percent of total world exports, and almost 30 percent of total services exported. This stellar performance data speaks to the global economic impact of tourism and its ability to transform economies.

Caribbean Perspective

Mr. Speaker, we are all aware of the fact that the growing tourism industry represents the most important form of economic activity in the Caribbean today with earnings in excess of US\$27 billion, providing jobs for one out of every five employed persons and attracting just over 30 million visitors annually. Indeed, Mr. Speaker, we are the most tourism-dependent region in the world, recording on average 4.2 percent growth last year alone.

Tourism is the single largest earner of foreign exchange in 16 of the 28 countries in the Caribbean and also the sector receiving the most FDI. The region has a higher proportion of total employment and percentage of GDP derived from tourism than any other region in the world and the industry accounts for 41 percent of all exports and services in the region as well as 31 percent of all Gross Domestic Product.

Local Perspective

Now, Mr. Speaker, tourism will be the biggest driver for economic growth and prosperity in Jamaica for years to come and it is absolutely imperative that you are made aware of the work that we have been doing over the last year in repositioning the sector to achieve higher growth rates and, more importantly, improved distribution of the benefits of tourism to each and every Jamaican and stronger linkages through the economic fabric of this beautiful island nation.

Our economic data indicate that the tourism sector has expanded by 36percent over the last ten years when compared with total economic growth of 6percent. Tourism remains one of Jamaica's few labour-intensive sectors and directly employs over 106,000 Jamaicans, while generating indirect jobs for another 250,000 Jamaicans (or one in every four Jamaicans) in linked sectors such as agriculture, the creative and cultural industries, manufacturing, transportation, finance and insurance, electricity, water, construction and other services.

The direct contribution of tourism to GDP is estimated at 8.4percent while total contribution is estimated at a 27.2percent of GDP. Tourism is also the single most important generator of foreign exchange for the Jamaican economy as it truly is the fastest way to transfer wealth from one country to another.

TOURISM SCORECARD

Mr. Speaker, as Minister of Tourism I am pleased to be here, once again, to report to all stakeholders that Jamaica enjoyed yet another phenomenal year in tourism. I can now confidently proclaim that the country remains firmly on track to achieving or even surpassing some of the benchmarks under our '5x5x5' growth plan, specifically the 5percent annual growth target that we have earmarked over the next five years even amid projections for tourism growth in the region to exceed no more than 3.5 percent up to 2020.

The stellar performance of the sector in 2016 underscores the resilience and dynamism of the country's tourism product and demonstrates its vitality to sustained economic and social prosperity. It represents a continuation of the dominance of the tourism industry as the main driver of foreign-direct investment, foreign exchange earnings, job creation and economic expansion in Jamaica – inclusive growth for all.

Better yet, Mr. Speaker, the latest figures show that from January to December 2016, we recorded total tourist arrivals of 3.84 million up by roughly 4 percent, with 2.2 million stopovers up 2.8percent and 1.66 million cruise passenger arrivals up 5.5percent. Solid growth, Mr. Speaker!

Mr. Speaker, even more importantly, estimated Gross Foreign Exchange Earnings for the period January to December 2016 amounted to US\$2.55 billion up 6.2 percent, with stopover arrival earnings of US\$2.4 billion up 6.1 percent and cruise passenger earnings of US\$148.6 million up 8 percent. Solid growth, Mr. Speaker!

To put this into context, Mr. Speaker, when 4 million visitors come to Jamaica that represents 4 million opportunities for Jamaicans to earn money!

Mr. Speaker, it would be remiss of me not to draw your attention to some of the outstanding awards that destination Jamaica received last year which demonstrate, in no uncertain terms, that the world recognizes us as trailblazers in international tourism.

At the 2016 World Travel Awards, destination Jamaica as well as several local resorts and tourism partners came away big winners, copping nine important awards, which included:

- World's Leading Cruise Destination
- World's Leading Wedding Destination
- World's Leading All-Inclusive Company (Sandals Resorts International)
- World's Leading All-Inclusive Family Resort Brand (Beaches Resorts)
- World's Leading Caribbean Attraction Company (Island Routes Caribbean Adventures)
- World's Leading Luxury Hotel Villa (Ian Flemming Villa at Golden Eye)
- World's Leading New Island Resort (Meliá Braco Village)
- World's Leading Villa Resort (Round Hill Hotel and Villas)

Even yours truly, Mr. Speaker, had the great fortune of being recognized at these awards as the World's Leading Personality for Outstanding Services to Travel for 2016.

In addition, Mr. Speaker, TripAdvisor® ranked Jamaica #12 Best Destination in the World in 2017 and one of the top three islands in the world in 2016.

NEW INVESTMENTS

Mr. Speaker, investment in the tourism sector is booming— with new construction projects in the works, including the renovation and upgrading of several properties. Over 3000 rooms are currently or are being made available, which we never had the winter before. Of that amount close to 2000 have already been added or will be coming on stream in coming weeks and months.

Mr. Speaker, things are looking pretty good so far. We are talking about investments in excess of US\$1 billion numbering in the thousands of hotel rooms actively engaged.

For this year, 2017, alone Mr. Speaker, we are looking at in excess of 1,000 new rooms coming on stream, including:

- Azul Beach Resort Negril – 150 rooms
- The Hide Away at Royalton & Royalton Negril Resort & Spa – 600 rooms
- Sandals Royal Caribbean "Over the Water Villas" Montego Bay – 12 rooms
- Breathless Resort & Spa Montego Bay – 150 rooms
- Spanish Court II Montego Bay – 124 rooms
- The R Hotel in Kingston – 58 rooms

In addition, Mr. Speaker, over the next year or so there will be construction and renovation at other properties such as:

- Oyster Bay (Excellence Group), Trelawny
- Oceana Hotel, Kingston
- Wyndham, Kingston
- Grand Palladium Lady Hamilton Resort and Spa, Negril
- China Harbour, Ocho Rios
- H10 Hotels Trelawny, Silver Sands
- Sugar Cane by Karisma – Phases I and II, Llandoverly, St. Ann
- Former Dragon Bay Hotel, Port Antonio
- Marriot AC (Sandals Int'l.), Kingston
- Lux, Navy Island, Portland

Mr. Speaker, on top of those developments, investment is flowing into the attractions sub-sector, including an over US\$7 million capital injection into the Appleton Estate Rum Tour in St. Elizabeth by J. Wray and Nephew, which is owned by Italian powerhouse, Campari.

SHOVEL READY

Mr. Speaker, we are doing everything to ensure that this momentum is maintained by facilitating investors through the implementation of a seamless process that takes them easily from the point of conception to construction.

The Ministry currently has several projects under its Shovel Ready Initiative ably led by Tourism Extraordinaire, John Lynch, who is also Chairman of the Jamaica Tourist Board. The Shovel-Ready Initiative has been undertaken jointly by the Tourism Enhancement Fund (TEF), Jamaica Promotions Corporation (JAMPRO), the National Environment and Planning Agency (NEPA), the Urban Development Corporation (UDC) and Commissioner of Lands to pre-package a number of investment offerings.

Mr. Speaker, the initiative also seeks to directly assist investors by obtaining preliminary development approvals, conducting carrying capacity studies, assessing appropriate land utilization and installing preliminary infrastructure. By doing this, the process of investing in Jamaica's vibrant tourism industry is streamlined and expedited.

Mr. Speaker, I want to give special commendation to Minister Daryl Vaz for his absolute determination and significant role in getting several of these projects moved through the maze of bureaucracy that continues to be a serious bugbear for major projects and having them executed on time.

I am also reassured by steps that have been taken by Prime Minister Holness to reduce bureaucracy so that we can meet internationally accepted standards of efficiency and speed.

So, Mr. Speaker, we are off to a solid start in pursuing our growth targets. Tourism is a sector that has the potential to stimulate wide-scale economic activity, foster new growth in our communities, generate the jobs and earn billions of dollars in foreign exchange. We are absolutely focused on positioning tourism to become a powerful catalyst for improving the socio-economic conditions of our people.

SHARING THE TOURISM PIE

Over the years tourism has been seen as an enclave industry that provides opportunities for only a few. However, the very dynamics of tourism run contrary to this view.

So, Mr. Speaker, people hear of these developments in the sector and some wonder what is in it for them. While I will give some further details later on in this presentation, let me just quickly point out just how we have focused on properly sharing the tourism pie with more and more Jamaicans, including at the community level, through the support of the **Tourism Enhancement Fund (TEF)**.

Pon Di Corner

Let us start with each and every Member of Parliament in this honourable chamber. Mr. Speaker, we are keen on spreading the benefits and potential of tourism across the entire island. Under our revamped **Spruce Up Jamaica programme** we will allocate to each Member of Parliament roughly \$4 million to go towards a TPDCo-approved tourism-related project.

More and more tourists are keen on going beyond the typical tourist spots and as such want to see more of Jamaica. These projects will be strictly monitored by TPDCo and we encourage fellow Members of Parliament to not hesitate in getting in touch with us to assist in selecting and or developing a community project that will aid us in achieving our tourism development goals.

Resort and Infrastructure Development

Mr. Speaker, some \$286 million will be spent as part of efforts to renew and improve the visitor experience in **Ocho Rios**. Of that amount, \$102 million has been earmarked for the redevelopment of the boardwalk/promenade from the Marina to the parking lot at Ocho Rios Bay Beach and \$184.7 million for the redevelopment of Main Street from Turtle River Road to the Ocean Village Shopping Centre.

Mr. Speaker, work on a billion dollar transformational project continues in earnest in **Falmouth**, Trelawny, and will enable residents of the town to benefit directly from tourism. The initiative includes the Hampden Wharf Development and a Streetscape Improvement Project.

Mr. Speaker, a lot has been said about public access to beaches, I take these concerns seriously and I am pleased to say that 12 beach parks are now under development around the island under the **National Beach Development Programme** that will continue to provide the public access to quality seaside recreational areas.

In addition, Mr. Speaker, our tourism stakeholders on the South Coast will be pleased to hear that we are in discussions with the Ministry of Transport and Mining to finalize arrangements for the upgrading of the **Lionel Densham Aerodrome**. This is essential as we position Treasure Beach and the rest of Jamaica's eco-friendly south coast as a premier visitor destination.

Supporting Small Tourism Businesses

Mr. Speaker, while it is recognized that Jamaica has been progressively improving its competitiveness levels, evidenced by its improved rankings in the World Economic Forum's Global Competitiveness Report, the results relating to the index which measures financial market development indicates there is still much room for improvement.

With the lowest Credit to GDP rating in the region (29percent), the Government of Jamaica is resolute in its commitment to implementing measures that broaden access to credit. Mr. Speaker, of particular concern is access to credit for the SME sector, which plays a critical role in effecting the Government's growth agenda.

Mr. Speaker, the tourism sector, with 8.4percent contribution to the nation's GDP, plays a significant role in driving economic development. Tourism continues to surpass targets in relation to investment, revenue generation and visitor

arrivals. Additionally, planned investment in the sector, over the near term, augurs well for the further development of the economy.

It is, however, internationally accepted that outside of these successes on the “production” side, Jamaica continues to underperform on the “consumption” side, which continues to experience significant levels of leakage.

Mr. Speaker, in order to improve these statistics, increased focus must be placed on developing the capacity of small and medium-sized tourism enterprises (SMTEs) that play a pivotal role in increasing consumption levels. Access to affordable and appropriately structured credit, being the largest perceived obstacle to growth by this sector, must therefore be addressed.

To that extent, my Ministry, through the Tourism Enhancement Fund, has established an important loan financing programme which will see \$1 billion being provided to entities operating in the key tourism sub-sectors with special emphasis on the five tourism linkages networks, i.e. Gastronomy, Health and Wellness, Shopping, Sports and Entertainment and Knowledge.

Mr. Speaker, a Memorandum of Understanding (MOU) for the National Export Import Bank (EXIM) to administer a revolving loan scheme and make disbursements to successful applicants was signed with the TEF in September 2016. Mr. Speaker, we all know that EXIM Bank has an excellent track record in managing loans to small and medium sized entities in the productive sector, including those operating in the tourism value chain.

Operators in the SMTE sector are now able to access from a minimum of \$5 million up to \$25 million at 5percent interest for five years. However, EXIM Bank will consider viable projects that might require more than the ceiling.

Mr. Speaker, the first tranche of \$300 million was recently disbursed and they have already recorded in excess of \$1.2 billion in loan enquiries, of which 15 loans totalling \$245 million have been approved from which 7 loans totalling \$132 million have been disbursed.

Additionally, Mr. Speaker, a special \$20 million revolving loan initiative launched in 2016 between TEF and JN Small Business Loans now provides financing options for community tourism enterprises at reasonable interest rates. This is intended to boost the compliance among small tourism properties, attractions and businesses in Treasure Beach, St. Elizabeth.

Jamaica Centre for Tourism Innovation

Mr. Speaker, as it relates to much needed specialist education in the tourism sector, work is already well advanced to establish the multi-million dollar Jamaica Centre for Tourism Innovation (JCTI), which will target training and certification for the hospitality industry's labour force.

The Centre will serve to accelerate the transformation of tourism enterprises by engaging institutions and persons to stimulate and initiate new ideas as well as harnessing science and technology to transfer knowledge into practice within the sector. The facility will offer a practical curriculum that complements existing hospitality programmes at several tertiary institutions and its programmes will target aspiring supervisors, managers and other hospitality professionals in areas such as culinary, spa and hospitality management.

In essence, it will operate like the Norman Manley Law School, which provides the requisite accreditation for lawyers across the region, as the centre will provide TedQual certification, the accreditation of the United Nations World Tourism Organization (UNWTO) and TedQual Themis Foundation. The team who has worked on putting together the business case for the JCTI is being ably led by Ms. Carol Rose Brown in consultation with international experts, Professor Donald Hawkins, Professor Tony Tse, Professor Kay Chon and Professor Larry Yu.

Tourism Workers Pension Act

Mr. Speaker, training is only one aspect of personal and professional development. Our tourism workers, like all workers, ought to be rewarded for their dedication and high-touch customer service which guarantees our high visitor return rate of 46percent.

Mr. Speaker, for our hardworking employees in the tourism industry, Cabinet approved the drafting of the **Tourism Workers Pension Act** to facilitate the creation of the much needed pension fund. The scheme will benefit all tourism workers, including Red Cap Porters, craft vendors, ground transportation operators and hotel workers.

This clears the way for the enactment of legislation for the establishment of the pension scheme and for the requisite steps to be taken to amend the TEF Act to allow for the disbursement of \$1 billion to facilitate the seeding of the pension scheme. The fund will attract the same kind of fiscal arrangement that established other pension funds in the country and contributions will be tax free.

Mr. Speaker I am pleased to announce that arrangements are being finalized for the introduction of the tourism pension scheme. Consultations are currently underway and we remain on track for implementation in September 2017.

Housing for Tourism Workers

Mr. Speaker, a housing survey was done and a subsequent report was prepared. The findings of the survey support the demand for housing by workers in the accommodations subsector. This is reflected in the fact that an estimated 85percent of total respondents (847) indicated that they do not own a house. This situation cannot go unnoticed and we intend to develop solutions that will allow hotel workers, in particular, to be able to access affordable housing.

Rewarding Excellence

Mr Speaker, this year we have also revived our **Tourism Service Excellence Programme**, where we recognize and award the top-performing individuals and organizations in the tourism sector. I would like to extend my personal congratulations to the winners of this year's iteration, Ms. Simone Folkes of Sandals Royal Plantation in the individual category (who journeyed from housekeeping to Spa Therapist) and Couples San Souci in the organisation category.

Mr. Speaker upon returning to office last year, I announced that the Tourism Enhancement Fund (TEF) will be repositioned to further drive the Ministry's mission to foster the significant growth and development of the industry's human capital. Earlier this year, at a **TEF Staff Awards** Dinner, I shared that we don't have oil, gold or precious stones, but millions of people across the globe still visit our shores to interact with our greatest resource – our people. So it is our duty to ensure that their needs are taken care of and that they receive the best opportunities for learning so that we can continuously improve the tourism industry here in Jamaica.

Craft Development Institute

Mr. Speaker, the Ministry has undertaken other key TEF-funded projects such as the Craft Development Institute (CDI), to be completed by September 2018; which forms part of our efforts to develop the human capital in the sector by targeting training and certification for the industry's labour force.

ADMINISTERING THE TEF

Mr. Speaker, the TEF is one of the better managed agencies in government. I am so proud of all the work they have done over the years to improve the country's tourism product.

So far, the agency has spent some \$30 billion to improve infrastructure, preserve our heritage sites and to enhance the country's overall visitor experience. I know that the work we will continue to do moving forward will be equally impactful, as we seek to harness those values which tourism has, to create the prosperity that we seek for our nation.

Mr. Speaker, I am fully aware and deeply involved in the discussions concerning TEF and its readjustment based on IMF stipulated public financial management requirements, more specifically Central Treasury Management guidelines, to

which the government is obligated. I have noted the very strong concerns from stakeholders here and overseas about the integrity of the Fund going forward.

I want to give you every assurance that under the new arrangement money from the Fund will be placed in a special subsidiary account of the Consolidated Fund and the money will only be used to cover tourism related expenditure, as approved by the TEF Board. Mr. Speaker, the Finance Minister has promised the JHTA and other stakeholders that this commitment will be put in writing.

In addition, Mr. Speaker, the requisite accounting and administrative systems will be put in place to enable the Ministry and other tourism interests to continue to have full access to project funding and financing for critical initiatives within the sector, as outlined in the Master Plan for Sustainable Tourism Development. This will allow for the greater transparency and accountability needed in the disbursement of the Funds.

Mr. Speaker, we have been given the commitment by the Ministry of Finance that regular meetings on the performance of the Fund will be held and monthly reports on expenditure will be provided by the Accountant General Department.

In addition, Mr. Speaker, a mechanism will be put in place to enable TEF to continue to monitor all projects which the agency funds even after TEF funds are placed in the broader Consolidated Fund. Mr. Speaker, discussions are still underway to concretize this arrangement.

THE LINKAGES INITIATIVE

You will recall, Mr. Speaker, that last year we put in place the strategic framework to drive the transformation of the sector based on the 5 pillars of growth – namely, tapping into new markets, developing new products, promoting investment, building new partnerships and strengthening human capital. You may also remember that the second pillar, which speaks to developing new products,

would be fuelled by the implementation of 5 networks – gastronomy; health and wellness; shopping; sports and entertainment and knowledge.

Mr. Speaker, this plan has worked beautifully and there is no doubt that we are on the right track as we seek to diversify our tourism offerings while building business opportunities and generating improvements in the competitiveness of our tourism product.

The **Gastronomy Network** has been doing some truly exciting work to foster the growth of culinary tourism as a niche area for Jamaica. Two weekends ago (March 26) our authentic Jamaican cuisine was on full display as we hosted the soft launch of the Blue Mountain Culinary Tour.

The tour currently features 15 participating eateries and attractions such as Café Blue, The Gap Café, RafJam Bed and Breakfast and Old Tavern Coffee Estate – with more expected to come on board before the tour is officially launched later this year.

The Gastronomy Network's other initiatives include:

- Launching Devon House as a Jamaica's first Gastronomy Centre.
- Hosting the Jamaica Blue Mountain Coffee Festival– which following a soft launch recently will be introduced in March 2018.
- The mapping of a comprehensive list of restaurants, food festivals, food tours and other culinary information, which will allow visitors to easily locate and get information on the island's best culinary experiences.
- Strengthening of linkages with the Denbigh Agricultural and Industrial Show
- Developing an Agri-Tourism Access Point/Portal

Mr. Speaker, our achievement in sports and entertainment are enviable. Who doesn't yearn to visit the home of the world's most celebrated athlete and of the undisputed King of Reggae?

Our **Sports and Entertainment Network** is currently rolling out several innovative initiatives aimed at leveraging Jamaica's sports and entertainment offerings to attract visitors to our shores. Just last week, Mr. Speaker, along with my colleague Minister Grange, we launched the 'Carnival in Jamaica' Initiative and brought together all the Carnival bands for the first time to work together to create the biggest and best carnival experience Jamaica has ever seen. This, Mr. Speaker, will be marketed to visitors and locals alike.

This network is also focusing on:

- Developing a Top Ten Events Initiative
- Content Capture/Sizzle Reel
- Capacity building for entertainment within Hotels (Top Flight DJ Programme/DJ Tour)
- Enhancing seasonal events (Carnival and other activities)
- Conducting a Satisfaction Survey to assess the deficiency in entertainment offerings in local hotels

Health and wellness is an integral part of our tourism industry. The warmth of our climate, the development of nutraceuticals and natural hot springs are among the products that have become essential to a growing travel market.

So the **Health & Wellness Network** is:

- Building awareness surrounding Health and Wellness
- Developing the status of standards in relation to the health and wellness tourism product
- Undertaking Research and Inventory mapping of existing resources
- Exploring the development of Nutraceuticals (such as Ball moss, Ginger and Marijuana)

Mr. Speaker, the single, most popular pastime of any traveller is seeking out that unique or special item as a personal memento or as a gift for family or friend when he or she returns home. Tremendous potential exists in this area but the surface has not even been scratched. Through the **Shopping Network** we are

positioning Jamaica as a major duty-free shopping destination to give visitors more opportunities to spend.

Some of their initiatives include:

- Improving on transportation for visitors to shopping destinations
- Identifying designated shopping areas
- Researching Jamaican offerings to increase shopping variety
- Collaborating with Jamaica Customs officials to address importation challenges

Finally, we come to the **Knowledge Network**, which is very dear to my heart. For years I have been talking about positioning Jamaica as the place of choice for meetings, conventions and other events.

We have seen the construction of the International Seabed Authority building in downtown Kingston, the Montego Bay Convention Centre and meeting rooms established by a number of hotels, but we have not been fully capitalizing on the vast potential of the meetings and conventions market.

With this in mind, the Knowledge Network is working assiduously to:

- Develop a central information repository and an online tourism knowledge portal
- Conduct a Convention Centre Review
- Develop Edu-Tourism (Map, Package and Market best practices in Tourism)
- Host the United Nations World Tourism Organization's (UNWTO) Global Conference on Sustainable Tourism later this year.

Mr. Speaker, the real value of tourism is not in the numbers but in its flow through to the economy. That is, its enormous capacity to build linkages. Mr. Speaker, even before the implementation of the 5 new networks, the overarching Tourism Linkages Network was doing an excellent job of strengthening the connection between tourism and other sectors, such as manufacturing,

agriculture and the creative industries through various ground-breaking initiatives such as:

- Christmas in July Exhibitions
- Agro-Tourism Farmers' Markets
- Speed Networking Events

Mr. Speaker, just last week we hosted the fourth Tourism Linkages Speed Networking Event at the Hilton Rose Hall Resort & Spa in Montego Bay, which saw a massive turn out of some 172 representatives from 98 supplier companies and 79 buyer representatives from 55 tourism entities from across the island.

This initiative, Mr. Speaker, has become a calendar event that players in the tourism sector and associated industries look forward to as it provides buyers with the opportunity to tap into the wide range of locally produced goods and services, which can enhance the quality of service offered in the tourism sector. Mr. Speaker, the Tourism Linkages Speed Networking Event is an excellent example of what true public, private sector partnership can achieve.

The networks will build on these successes and expand our reach. In this way, Mr. Speaker, we will effectively position the sector to achieve our aggressive growth targets.

Through all the aforementioned initiatives by our Tourism Linkages Network, there has already been increased consumption of goods and services sourced locally paralleled by job creation, thereby involving more Jamaicans in the tourism value chain and increasing foreign exchange generation and retention.

Prime among them, Mr. Speaker, is the success story of local bedding company Therapedic Caribbean, which recently signed a \$60 million contract with the Sagacor-owned Hilton Rose Hall Resort and Spa to supply mattresses and box foundations for the refurbishing of the 489-room hotel. Solid growth, Mr. Speaker!

Diversifying Ground Transportation

Mr. Speaker, in addition to the manufacturing and agriculture sectors, growth in many other industries is being driven by the enhanced linkages with the tourism sector. The **ground transportation sub-sector** is a key example. We have taken bold steps, Mr. Speaker, to ensure that players within this sector also reap the many benefits of tourism's success

Mr. Speaker, I am pleased to announce that Cabinet has approved amendments to the Customs Tariff Regime, which will enable ground transportation operators to diversify, upgrade and refresh their fleets.

Mr. Speaker, the new framework will see an increase in the upper CIF value on motor vehicles for car rental and contract carriage operators to US\$41,000 with full duties payable on the first dollar in excess of this amount.

However, Mr. Speaker, the current cc rate restrictions on these operators will remain unchanged.

In addition, Mr. Speaker, this new Productive Inputs Relief facility will see an increase in the upper CIF value allowed for motor vehicles to US\$50,000 for tour operators. Other benefits of this facility for tour operators include the removal of the cc rate restrictions on imported motor vehicles and an increase of 20 additional vehicles.

This is a game changer, Mr. Speaker, as it will allow transportation operators to buy not just more vehicles but bigger and better vehicles.

The tour operators have been clamouring for this for years, Mr. Speaker, and we have delivered.

DESTINATION ASSURANCE COUNCILS

Mr. Speaker, before I delve further into issues surrounding sustainable tourism, allow me to speak to the development of Destination Assurance Councils around the island.

Mr. Speaker, since coming into office, I have had no shortage of complaints from stakeholders and the general public about the state of our resort towns. Complaints range from: poor collection of garbage and poor aesthetics to a lack of coordination among critical state agencies and poor consultation processes; the whole nine yards.

Mr. Speaker, the situation is unacceptable and needs a fix right now. We have been working tirelessly towards that fix and are now ready to roll out our Destination Assurance Councils. These Councils will replace the current Resort Boards.

Mr. Speaker, the establishment of these Destination Assurance Councils in the main towns will ensure that the quality, standards and integrity of the tourism product are maintained.

We will be appointing a Destination Manager in each resort town who will work with the Destination Assurance Council. The Destination Managers will be responsible for delivering on our commitment to destination assurance – which is to ensure that we provide the attractive and secure tourism product which we market to visitors. They will report directly to TPDCo.

The Destination Assurance Council in each resort town will consist of key individuals such as the Mayor and representatives of the health department; the National Water Commission; the Fire Brigade; National Environment and Planning Agency (NEPA) and all agencies needed to secure the integrity of the destination.

BOOSTING SAFETY AND SECURITY IN RESORT AREAS

Mr. Speaker, crucial to delivering on our promise of destination assurance is providing a safe environment for visitors and locals alike. We recognize that public insecurity has become a major concern in resorts towns such as Montego Bay and Negril.

It is our aim to boost the safety of these towns for the benefit of both visitors and locals alike. We have already invested over one billion Jamaican dollars (JMD) from the Tourism Enhancement Fund in supporting the security forces and intend to invest another 1 billion JMD over the next four years to strengthen partnerships between the Jamaica Constabulary Force (JCF), the Tourism Product Development Company (TPDCo) and the Tourism Enhancement Fund (TEF) to boost safety and security in all the island's resort areas.

Mr. Speaker, TEF contributions to the JCF go towards: the acquisition of vehicles; rehabilitation of police stations and other buildings; acquisition of equipment to upgrade marine resources; and the commissioning of closed-circuit television (CCTV) systems.

The new District Constables Training Programme is also funded by TEF to the tune of \$106 million, which covers training, uniforms, salaries and other resources for some 100 constables who are currently deployed in resort areas. This initiative has added an entirely new layer of security that will strengthen the formal security arrangements in resort communities and help to effectively tackle the issue of visitor harassment.

A RENEWED FOCUS ON SUSTAINABLE TOURISM

Mr. Speaker for the coming years I pledge a renewed commitment to promoting sustainable tourism in Jamaica. The United Nations World Tourism Organization (WTO) defines sustainable tourism as: *“Tourism that meets the needs of present tourists and host regions while protecting and enhancing opportunity for the*

future. Rather than being a type of product, it is an ethos that underpins all tourism activities. As such, it is integral to all aspects of tourism development and management rather than being an add-on component.”

Mr. Speaker, the main goal behind promoting sustainable tourism in Jamaica is to ensure that the country’s tourism product will not only generate prosperity for large hotel owners or the “big man” but will also help to preserve the country’s natural and cultural resources and stimulate economic growth for the wider domestic economy.

Our National Community Tourism Policy and Strategy envisions an invigorated tourism sector in communities that enrich quality of life through social, cultural, economic and environmental benefits, exemplifies sustainable livelihoods, and strengthens Jamaica's national policy values and interests. Mr. Speaker, I will provide more details on this initiative later in my presentation.

Mr. Speaker, to vigorously pursue sustainable tourism in Jamaica, the main objectives of our Strategic Business Plan for 2016-2019 are to:

- Strengthen linkages with other sectors of the economy particularly the agricultural and manufacturing sectors;
- Increase the benefits derived from the industry by local residents and communities including those in rural Jamaica;
- Promote broader participation by all Jamaicans; and
- Ensure the safety, security and sustainability of the natural and built environments.

Mr. Speaker, you can see from what I have outlined previously that we are definitely on the right track to creating a truly sustainable tourism sector.

HISTORIC UNWTO CONFERENCE

Additionally, Mr. Speaker, in recognition of 2017 as the “International Year of Sustainable Tourism for Development” Jamaica, through the Ministry of Tourism, its agencies and industry partners, will host various activities throughout the year which will culminate with the hosting of the *UN World Tourism Organization, Government of Jamaica and World Bank Group Global Conference on Partnerships for Jobs and Inclusive Growth through Sustainable Tourism*, which will be held at the Montego Bay Convention Centre from November 27 - 29, 2017.

Mr. Speaker, this is a huge feat for our Knowledge Network and demonstrates our first step towards becoming the “Davos” of tourism, as promised. I am also pleased to say, Mr. Speaker, that the initiative has received the full backing of the Caribbean Tourism Organization (CTO) and by extension our sister nations within the region.

Mr. Speaker, this is of great historical importance because it signals the first time that the UNWTO and its affiliate members will stage a world conference on tourism in the Caribbean or the Americas.

Mr. Speaker, we look forward to showcasing our destination but more so within the context of sustainability and the building of public-private-partnerships.

Mr. Speaker, as the Chairman also of the Board of Affiliate Members of the UNWTO, this is a very unique opportunity, as it will also allow the world’s spotlight to be on Jamaica, and by extension the Caribbean, which is heavily dependent on the economic power of tourism.

As I stated earlier, Mr. Speaker, Jamaica is a part of the Caribbean archipelago of states which is the most tourism-dependent region on earth. It means therefore, that to be positioned to invite the world to see us in practice of sustainability tendencies, embracing best practices, and showcasing how we have been able to manage, and grow and build the economic well-being of our people is something that, for us, is a once in a lifetime opportunity.

Mr. Speaker, two of the expected deliverables from this conference will be an Outcome Declaration and the publication of the second UNWTO Affiliate Members Global Report on Public-Private-Partnerships. The UNWTO will also present a report to the UN General Assembly in 2018, with regards to the activities of the International Year of Sustainable Tourism for Development, of which the conference will play a major role.

COMMITMENT TO IMPROVING THE WELFARE OF TOURISM WORKERS

Mr. Speaker I want to take this opportunity to express my gratitude to the thousands of diligent tourism workers all across Jamaica. I am fully cognizant that the country would not have been able to sustain an award-winning and globally-competitive tourism product without their invaluable input.

Indeed, Mr. Speaker, there would be no hospitality sector without workers. Our workers are the bedrock of the tourism industry; going above and beyond the call of duty every day to ensure that visitors to the island have the most satisfying experiences. They are the reason why Jamaica enjoys such a high rate of repeat guests and why some of our hotels have won numerous international awards for hospitality.

As the Minister of Tourism, I reaffirm my commitment to enhancing the welfare of all categories of tourism workers. It is my intention to translate my commitment into action by rolling out a comprehensive Tourism Worker Welfare Programme which will have two main components: A Pension Scheme for Tourism Workers & Housing for Tourism Workers, both of which I spoke to earlier.

TRAINING INITIATIVES

Mr. Speaker, over the last year, mainly through the TPDCo, we have undertaken a number of initiatives, to boost the quality of our training programmes as part of

our efforts to facilitate **Human Capacity Building** within the tourism sector. These include:

Craft Training

Mr. Speaker, the agencies monitoring craft development across the Island (JBDC, JAMPRO, JSIF, SDC and TPDCo) estimate that there are possibly over 8,000 artisans producing craft. Additionally, there are some 2,000 craft vendors (not all of whom are artisans) and their assistants in 14 designated craft markets island-wide, with other informal craft vendors and sites from which craft are sold.

Mr. Speaker, the potential of the craft industry as a driver for growth in the earnings from tourism has long been acknowledged, in spite of its largely informal structure and other challenges to structured development. Our Craft Development Programme is committed to training local vendors in customer services, language, entrepreneurship and craft sales and helping to build the capacity of craft producers in craft enhancement and business planning.

Mr. Speaker, from 2016 up to March 2017, 357 craft traders were trained in craft skills upgrading using straw, wood, and “reusable materials” and all 14 craft markets were sensitized to basic marketing strategies and merchandizing skills.

Plans are already afoot to start craft skills training in the more technical areas namely like batik; screen printing and sculpturing and to establish five Artisan Villages, which will provide a platform for producers of art and craft to market their products to visitors and locals alike and increase their income-generating potential.

DEVELOPING COMMUNITY TOURISM

Mr. Speaker, a critical focus of our Ministry and its agencies will be to strengthen community tourism in Jamaica in keeping with the mandate of our **National Community Tourism Policy and Strategy**. The policy provides a framework to support local community tourism enterprises to develop their business models,

navigate formalization procedures and operate sustainably in such a way that does not compromise culture or the environment.

Mr. Speaker, community-based tourism is an alternative tourism product that has been and is being developed in Jamaica and, to some extent, in the Caribbean region, to meet the varying needs of the locals by creating entrepreneurship in their communities, and also those of visitors, by offering an alternative to the traditional hotel experience.

It is widely known, Mr. Speaker, that the global impact of Jamaica's rich culture and heritage vastly transcends the country's relatively small geographical and population size. This provides the country with a competitive advantage in terms of attracting the large number of tourists who are interested in more than just vacationing when they choose their destinations.

Mr. Speaker, international tourism trends are pointing to a shift from the traditional 'sun, sea and sand' offering towards interactive experiential tourism, one of tourism's fastest growing sub-sectors, appealing to markets interested in gastronomy, nature, heritage and cultural experiences in the destinations they choose.

Mr. Speaker, community-based tourism enterprises (CTEs) in Jamaica pursue sustainable tourism and return economic, cultural, social and environmental benefits to the communities in which they operate, either in whole or through joint ventures. They promote the local tourism value chain through linkages, where appropriate, to agriculture, arts and crafts, food services and related small businesses in communities including those in rural Jamaica.

We are committed to helping community-based enterprises to develop their marketing and business capabilities by mitigating challenges such as lack of formality, lack of access to credit and inappropriate business models.

A critical output of the Policy was the development of a **Toolkit** to guide local enterprises through the official licensing processes and providing strategic support for the development of community tourism enterprises. The toolkit will

be completed in the coming months and upon completion will be distributed to local community tourism enterprises and training will commence on the use of the toolkit shortly thereafter.

Mr. Speaker, in September of 2016, the **Community Tourism Portal** was also launched which we believe will be an excellent marketing tool which will help local community-based tourism enterprises to keep pace with the competition by building awareness of community tourism in Jamaica; providing comprehensive and engaging information on Jamaica's community tourism product; providing an easy means for making community tourism bookings; and providing Community Based Tourism Enterprises (CBTEs) with affordable and cost effective e-marketing service .

We provided training in the use of the Community Tourism Portal for key members of various community tourism enterprises across the island in September 2016. Twenty one (21) persons from eleven (11) communities benefited from this venture.

Additionally, Mr. Speaker, the JTB now has a dedicated marketing programme for community tourism enterprises. Five targeted community tourism enterprises have been licensed by JTB and are receiving support from TPDCo. These are:

- Trench Town Culture Yard, Kingston
- Cockpit Country Adventure Tour, Trelawny
- Rastafarian Indigenous Village, Montego Bay
- BREDS Black River Operation, Treasure Beach
- Treasure Beach Fisher Folk Co-operative, Treasure Beach

TOURISM GOING FORWARD

Aggressive Campaign Targeting New and Emerging Markets

Mr. Speaker, to increase the country's global market share of international tourists we are seeking to tap further into existing and new markets. To this end,

we have already initiated discussions with several airlines and tour companies to introduce new locations to their Jamaican itinerary, and we also plan to aggressively target promising markets such as Asia (China, South Korea, and Japan), Latin America, Eastern Europe and also the Caribbean. We will also continue to aggressively pursue a multi-destination marketing arrangement with Cuba and the Dominican Republic.

As a matter of fact, working in partnership with Delta Airlines, we will be hosting a familiarization trip from Korea in early May.

Mr. Speaker, we have also been in discussions with China with the aim of concretizing another tripartite agreement between China, Jamaica and Cuba, which will allow us to tap into the Chinese market substantially.

We also recognize that Cuba is strategically positioned to help fuel the growth of tourism in the Caribbean, which would augur well for Jamaica. We are taking proactive steps to leverage our longstanding relationship with Cuba to boost our arrivals.

The Jamaica Tourist Board will continue to identify new and emerging markets, cultivate new relationships with travel partners and disseminate timely and useful marketing information to its offices and travel partners across the world.

Targeting Europe

Mr. Speaker, very special efforts are being made to expand our reach into Europe and we have already registered success.

After participating in the largest tourism trade show in the world, ITB Berlin, and the International Hotel Investment Forum recently I am pleased to inform this honourable house that:

- One of Europe's leading airlines, Eurowings, a subsidiary of Lufthansa, will begin operating twice weekly scheduled service between Germany's largest populated metropolitan region (Bonn/Cologne) and Montego Bay, beginning July 3 this year.

- We plan to more than double to 50,000 the number of German tourist arrivals into the island by 2020. The Tourism Ministry and the JTB will be working closely with TUI, the world's largest tour operator, and other partners to achieve this target. TUI Group brought over 150,000 visitors to Jamaica's shores in 2016.
- Weekly charter flights between Spain, Portugal and Jamaica will begin in June of this year. The Portugal flights will be operated by Orbest from June 9 to September 29 and goes out of their capital city Lisbon. Meanwhile, the Spain flights will be operated by Evelop non-stop out of their capital city, Madrid, into Montego Bay from June 4 to October 28.
- Several of Jamaica's honorary consuls in Europe will be appointed as unpaid tourism advisors to the Tourism Ministry, in an effort to significantly boost Jamaica's market share for European tourists. This is pending consultations with Foreign Affairs Minister, Senator Kamina Johnson Smith.
- Among the roles of the tourism advisors, most of whom reside in cities and countries where Jamaica has little or no presence, is to work closely with the JTB and the Ministry of Tourism in marketing the destination, attracting investments for the sector, assist in coordinating increased airlift arrangements from several European destinations into Jamaica and be the point of contact for all government-related tourism activities in their respective countries and cities.

Cruise Tourism

Mr. Speaker, we believe that Jamaica is poised to become the leading cruise ship destination in the region. Earlier this year Jamaica hosted six of the world's largest ships. The Falmouth Pier hosted the largest cruise ships in the world – Harmony of the Seas, Allure of the Seas and Oasis of the Seas, which are all Royal Caribbean Cruise Lines (RCCL) vessels; while Ocho Rios hosted the Norwegian Epic, the

Norwegian Pearl and the Carnival Vista. This was indeed a rarity for any destination globally.

Mr. Speaker, over the next five years we will significantly boost our capacity to receive luxury cruise lines in the country's major resort towns. My colleague, Dr. Horace Chang, is overseeing an initiative being undertaken by the Port Authority of Jamaica (PAJ) to transform Kingston's port into a world-class multipurpose point of entry.

Similarly the Reynolds Pier in Ocho Rios, St. Ann, is to be renovated at a cost of \$230 million, boosting ground transportation arrangements for visitors and other stakeholders and bringing the facility on par with the Falmouth Pier. The PAJ is also currently carrying out transformation work, funded by the TEF, at the Ocho Rios Fishing Village to complement the Reynolds Pier project.

Mr. Speaker, this thrust is to ensure that we have modern top-class facilities to attract more of the type of luxury ships that are being built nowadays; thereby making Jamaica a first choice on the cruise itineraries.

I strongly believe that Falmouth has the capacity to become the largest distributor of cruise passengers in any given destination within the region. Indeed, I am projecting that cruise arrivals to Falmouth's port should reach 1.5 million by 2021 and the town will earn US\$180 million or \$2 billion from tourism spending. This will entail increasing the average spend by each cruise passenger to US\$120, up from the \$90 dollars now being spent.

To ensure the readiness of Falmouth for the projected growth in cruise tourism, I have set a target date of 2018 to complete several projects aimed at transforming Falmouth into a premiere destination in the region. A total of \$1.4 billion will be taken from the TEF to finance the projects that include the renovation and restoration of buildings and the development of an artisan village.

Planned Construction of Five Artisan Villages

Mr. Speaker, to ensure that growth in cruise tourism benefits our artisans and craft merchandisers we will be constructing three of five artisan villages at major ports: one in Ocho Rios, St. Ann, transforming the old Reynolds Pier; another in the Freeport, next to the Montego Bay Cruise Pier and replacing the existing craft market in the heart of the city; and the third in Falmouth, Trelawny, by the old wharf building.

CLOSING

Mr. Speaker, we are firmly on track with our plans to transform the tourism sector and induce significant growth. I am proud of my dynamic and hardworking leadership team that spans young and old here and overseas.

Mr. Speaker, this is not a time for excuses and given my desire for more robust growth and ensuring that targets are achieved, I have no choice but to continue to make changes and reforms in how we conduct our affairs in the Ministry and its agencies. Look out for more developments as we continue to shape a tourism governance infrastructure to take Jamaica out of mediocre targets and put us on a pedestal.

Mr. Speaker, we are already in line with our targets, as a matter of fact, I would not be surprised if we exceed them. Our targets are clear – secure 5 million visitors by 2021, by that timeline we also intend to generate US\$5 billion in tourism earnings, increase the total direct jobs to 125,000 and add 15,000 new hotel rooms.

Mr. Speaker, we have outlined our vision to achieve economic development, job creation and inclusive growth.

Critical to this will be building capacity:

- Human capital development – training (Artisan Villages, JCTI)
- The supply and demand component (economic side)
- Infrastructural development

We have also outlined a strategy to target new markets and boost airlift. We have embarked on efforts to expand and diversify our tourism product by adding new rooms and attractions. In addition to that we are also strengthening the linkages between tourism and other sectors.

Mr. Speaker, in effect we have outlined our mission to build out the architecture for a solid, seamless and sustainable tourism economy. With God's guidance and careful stewardship we will achieve the outcomes of economic growth and development for our people.

Mr. Speaker, the potential for Tourism transforming Jamaica in many positive ways is undeniable. Many of our people including persons in rural Jamaica have a huge opportunity to play their part. So Mr. Speaker, to every Jamaican I say: you don't need a degree, you don't need connections and you don't need an affluent background. All you need is energy, creativity, ideas and a will to excel. Bring that energy, creativity, and ideas and let us move from poverty to prosperity.

God bless you!