FINAL REPORT

BARBADOS TOURISM MASTER PLAN 2014–2023

REPORT IV: OUR VISITORS AND THE BARBADOS VISITOR ECONOMY

Environmental Planning Group Inc.

HLA Consultants

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REPORT IV: OUR VISITORS AND THE BARBADOS VISITOR ECONOMY

TABLE OF CONTENTS

1.0 Marketing, ICTs and New Media

Summary

Marketing and Promotion

Primary research, including consultant engagements with various stakeholders, suggests many observers and even experienced practitioners often conflate the notions of marketing, promotion, advertising, and public relations.[1] The lines become even more blurred should the concepts of image and branding also arise. In recent years, as national, regional and global outlooks on the economy have worsened, the resulting lack of clarity likely has combined to have an adverse impact on Barbados' tourism marketing and promotion efforts.

This Section and its core strategies and actions are crafted around the critical understanding that marketing and promotion are not the same, nor should they be expected to encompass the same objectives. Marketing is researching and understanding the needs of a demographic, seeing how those needs are changing over time, and discovering how best to respond to those needs. Promotion is simply a subset of marketing, one of the Four Ps[2] proposed by E. Jerome McCarthy (McCarthy, 1964) as part of what is now referred to as the Marketing Mix (http://en.wikipedia.org/wiki/Marketing_mix), namely:

1. Product: A tangible item or an intangible service that fulfills consumer wants or market needs

2. Price: The amount a consumer is willing to pay for a product or service

3. Promotion: Any communication technique a marketer might use to inform consumers about a product or service, including advertising, public relations, direct marketing, and sales promotion

4. Place: The method of distribution, supply, or delivery of a product or service

In a nutshell, a country (**place**) seeking to attract visitors including investors (**promotion**) is selling (**price**) an experience (**product** and/or associated **service**) that might be either pleasant or unpleasant for the visitor. If the experience is unpleasant, how might a country improve it? Is it possible to do so through promotional activities such as attendance at trade shows, public relations, or advertising? As marketing experts are often heard to say, "nothing kills bad product faster than good advertising." In other words, the most cutting-edge promotional strategy is of little value if the product or service being promoted is unappealing to the visitor or consistently fails to meet widespread expectations.

This gives rise to another of this Section's core tenets, which is that marketing and product development are inextricably linked. The idea that it is possible to separate marketing from product development and delivery is dangerously misleading. Any country successful at the business of tourism is likely to be selling what its market research suggests visitors desire or are likely to desire … what the country is best positioned to deliver as well as or better than

[1] Please see **Definitions and Acronyms** at the end of this Report for relevant meanings.
[2] Some perspectives add additional Ps to the Marketing Mix: packaging, physical evidence, people or personnel, positioning, performance, and process (http://marketingmix.co.uk and http://www.entrepreneur.com/article/70824.

its competitors at prices the visitor believes are acceptable when measured against the quality of the experience.

For this reason, Barbados' best tourism marketing efforts will fail if the product it is marketing does not continuously improve and meet the expectations of increasingly sophisticated, networked, well-informed, discerning and demanding visitors. There is simply no way around committing resources to market research, product development and world-class delivery as core elements of Barbados' tourism marketing efforts.

National Brand Image

Furthermore, a country's national brand image (NBI) in many ways determines how successful it will be in its marketing efforts. Simon Anholt puts it best when he notes:

> *"The rapid advance of globalisation means that whatever countries try to pull in (investors, aid, tourists, business visitors, students, major events, researchers, travel writers, and talented entrepreneurs) and whatever countries try to push out (products, services, policies, culture, and ideas) is done so with a discount if the country's image is weak or negative and at a premium if it's strong and positive*" (Anholt, 2011, pp. 8).

National brand image, in this sense, is a composite of people's **perceptions** of what a country actually produces in terms of ideas, innovations, experiences, amenities, products, services, policies, structures, attitudes, actions, and the like. This is not the same concept as "branding" or "nation branding". According to Anholt, the latter two notions are most often used to suggest "the images of countries can be directly manipulated using the techniques of commercial marketing communications," including "designed identity" in the form of livery, packaging, logos, tag lines and the like. Such an understanding and the approaches it engenders are, he notes, "dangerously misleading" (Anholt, 2011, pp. 6).

Anholt goes on to explain that "good products, services, culture, tourism, investments … produced by a good country also acquire a positive brand image, which eventually reflects on the country, and perhaps also becomes its principal asset." There are, he suggests, "no short cuts". Only a steady, coherent, harmonised flow of clear, effective, world-class ideas, strategies, experiences, products, and services might, gradually, improve the good name of the country producing them. What is more, he writes, modern nation-states need new, purpose-built structures to "coordinate, conceive, develop, maintain, and promote such an unbroken chain of proof. None of the traditional apparatus of trade or government is fit for such a purpose (Anholt, 2011, pp. 7, 8)."

So, while it is true that Barbados' current "designed identity" might benefit from rejuvenation based on strategies and actions included in the TMP 2014-2023, the more critical ones in the area of *Marketing, ICTs, and New Media* have to do with the structure of Barbados' traditional tourism sector and its impact on the country's marketing and promotional efforts, including in the areas of product development and efficient product delivery.

Limitations of Present Tourism Models

In this regard, the 2012 White Paper on Tourism Development (2012 TWP; Strategic Solutions Inc., 2012) suggests Barbados has come to a plateau in the lifecycle of its traditional tourism product, having reached a degree of stagnation from which it might either orchestrate a renaissance or enter into steep decline (Strategic Solutions Inc., 2012, pp. 106), depending on the choices Barbados makes now and in the near future. Additionally, the revolution in digital and social media technologies has brought about a seismic shift in the way in which the world works, with lasting implications for the structure of Barbados' traditional tourism sector and the Government's critical marketing function.

In lethal combination, these realities lay bare the countless issues requiring attention in the race to rejuvenate the industry. They, in turn, make it impossible within this *Marketing, ICTs, and New Media* analysis and plan of action to treat to every implication or potential strategy related thereto. Any attempt to do so would likely defeat the ultimate objective of the TMP, which is to discover and detail a set of insightful, compelling, and well-calculated strategic interventions capable of launching Barbados into a new dimension of excellence in this critical foreign-exchange-earning sector. In this regard, the 2012 TWP notes:

> "*The global economic recession of 2008, the worst recession since the Great Depression of the 1930's, has not only changed the world forever, but so too the customer. … the game has changed dramatically with respect to the global tourism industry. … any strategies or traditional beliefs and practices that brought success in the past will not necessarily bring success in the future. … The rapid changes … taking place in the global market require a new and innovative approach. A new compass needs to set a new destination and the mission must change to reflect what has transpired over the last few years. To confront these challenges, Barbados therefore has to exercise greater fiscal prudence and become more efficient, more productive and more innovative. It is a prerequisite that stakeholders must begin to think strategically, creatively and 'out of the box'. This paradigm shift in thinking that is required for tourism to survive and prosper in the "New Normal", must take place as a matter of urgency*" (Strategic Solutions Inc., 2012, pp. 28).

In fact, this TMP finds that Barbados' traditional tourism sector began its decline two years before the global recession that started in 2008. Beginning in 2006, Barbados saw significant job losses and declines in expenditure by visitors (refer Section 3.0). As a result of these changes and challenges, Barbados' traditional tourism sector cannot approach its marketing function in the "tried and true" manner of "acceptable" tradition and expect to bring about the turnaround the country so vitally requires. As Albert Einstein once cautioned, "We cannot solve our problems with the same thinking we used when we created them."

Perhaps the most significant findings with respect to *Marketing, ICTs, and New Media* is that Barbados is failing to maintain market leadership through continuous enhancement of its existing tourism infrastructure and product, creation of compelling new tourism infrastructure projects and products, and by a lack of imagination and currency in its tourism marketing efforts. These are being compounded by a genuine weakness in implementing policy decisions and a failure to create the enabling environment necessary for tourism development and investment to flourish, severely damaging the sector's ability to compete.

In fact, there is a new breed of visitor whose behaviours, interests, needs, motivations, and responses do not mirror the tourist of times long-passed. This new type of visitor is more knowledgeable, sophisticated, technologically savvy, discerning, and demanding. They seek out unique experiences that match their personal values, including in relation to respect for the environment and/or social justice.

Additionally, the number of fresh, competitive destinations operating at world-class standards is increasing while at the same time niche players and markets offering specialised, unique experiences proliferate.

In a word, visitors have more **choices** than ever before.

This means Barbados' habitual siloed approach to tourism cannot meet the country's future growth requirements in terms of foreign exchange, jobs, tax revenues, skills and knowledge transfer, increased productivity, or competitiveness. At the same time, the "tourism sector" is deeply embedded in the wider economy and society, so that if tourism declines, every sector in Barbados is likely to follow suit. As such, it would be a mistake to create conditions that support evolution of a well-resourced tourism silo without reference to what this TMP calls the Barbados Visitor Economy (BVE; refer Section 3.0 and Report I, Section 3.0) and wider national needs or implications.

Summary of Major Challenges

As a result of all of the above, Barbados' conventional tourism sector is facing several major challenges that impact on the TMP area of *Marketing, ICTs, and New Media*. These challenges are summarised as follows:

<u>Brand Image Perception</u>

In 2004, the BTA commissioned The Phillips Consulting Group to undertake a brand perception audit to ascertain how visitors to Barbados perceived the country's image and uncover what attitudes and beliefs shaped those perceptions. It concluded the Barbados Brand Image is multidimensional, with a high level of snob appeal that makes the country an aspirational destination for many of its visitors. Barbados' main brand attributes were identified as *safety and security*, *friendliness*, *relaxed environment*, *overall competence of Barbadians*, and *reliability of infrastructure* (The Phillips Consulting Group, 2004, 5-6). However, since the study is now almost ten years old, it is imperative that a new audit be undertaken to pinpoint the current perception visitors have of Barbados.

While it is true that in 2011, the BTA commissioned a study by G&A Communications Inc. designed to "develop a comprehensive understanding of how the Barbadian tourism brand was viewed by tourists, Barbadians and other stakeholders within the industry", the study did not receive favourable reviews from the key stakeholders interviewed by TMP specialists. Indeed, the consensus seemed to be that the 2004 brand perception audit presented a more nuanced understanding of the Barbados destination brand and its image. Nevertheless, the G&A Study observed that:

> "*For a small island state like Barbados to have the ability of being visible in an immensely large global marketplace, it is critical that every aspect of what*

Barbados does, expresses and creates, in some way reinforces the same fundamental concept or story, the same character and values, the same personality and the same tone of voice. Only when Barbados can truly understand and establish "how to be itself" can it start to create an impact on the perception and international reputation of its brand, and then truly reap the benefits from the potential of this very important asset" (G&A Study, 2011, pp. 26).

Tourism Competitiveness

The 2009 BHTA "Study on the Competitive Tourism Environment Which Barbados Faces: Its Challenges and Solutions" (PCS, 2009) is one of the more comprehensive and thoughtful analyses of the sector undertaken in recent years. As its title suggests, it examines a wide range of issues, from taxation and product development to access and accommodation.

The Study contains 18 key areas under four general classifications (The *"Human Factor"*, *Attracting Business*, *Financial Performance*, *Enabling Environment*) Barbados must address if its tourism product is to remain competitive. While all 18 impact Barbados' national brand image in the context not simply of a siloed "tourism sector" but of the Barbados Visitor Economy, those areas acutely affecting *Marketing, ICTs, and New Media* include:

1. Lack of innovation and variety in the entire Barbados experience
2. Dilapidated assets
3. Inconsistent branding of the island
4. Absence of a brand book, resulting in conflicting brand elements
5. Ineffective marketing
6. Existence of too many marketing entities operating in silos without the benefit of "joined-up" thinking on issues of importance
7. Ineffective use of social media and new digital technologies to improve tourism competitiveness
8. Bureaucratic inertia that has a deleterious effect on the visitor economy
9. Poor knowledge and research base that places private and public sector stakeholders in the position of reacting to events rather than proactively guiding the strategic development of the sector in a competitive marketplace

Though the BHTA study is now four years old, many of its recommendations linked to *Marketing, ICTs, and New Media* are sound, but most have not been fully or even partially implemented. Restating those recommendations here would be redundant. Among the strategies and actions that are a part of the TMP 2014-2023 is a Strategy Performance Review designed to operationalize the myriad recommendations contained in various studies undertaken over the last several years, a significant number of which are wholly relevant to the vitality of the Barbados Visitor Economy.

Tourism Policy

Government's 2012 *White Paper on the Development of Tourism in Barbados* provides the policy framework on which the TMP 2014-2023 is based. According to the 2012 TWP, critical success factors (CSFs) for tourism require "special and continual attention" with an emphasis on sustainable, people-centred, innovative tourism development predicated on 19 CSFs, several of which are central to *Marketing, ICTs, and New Media*. These include the need for Barbados to build its market research capabilities through the utilisation of "accurate, relevant and timely data" as the basis for evidence-based decision-making, planning, investment, and marketing; align product development with trends in the marketplace that are driven by the expectations of savvy visitors; and strengthen inter-sectoral linkages in order to reduce leakages and "create a greater multiplier effect of the tourism dollar, spur entrepreneurship and provide a differentiated, authentic experience to visitors" (Strategic Solutions Inc., 2012).

Marketing

Additionally, primary and secondary research uncover the following major challenges facing Barbados in the area of *Marketing, ICTs, and New Media*:

- Marketing and destination management structures that are not fit for purpose
- Use of marketing messages, channels and mechanisms not always appropriate to the market segments Barbados is attempting to reach
- Legacy dependence on outmoded marketing channels
- More savvy, world-class competitors
- More niche players and markets

Other Challenges

Finally, existence of the following inhibitors has the power to impact the success of Barbados' marketing and promotional efforts:

- Constrained air and sea access
- Airport and seaport inefficiencies and generally poor engagement with visitors
- Weak strategic implementation across the board
- Over regulated, unfriendly business environment
- Falling service levels and attitudes
- Need for upgrades re accommodations, infrastructure, attractions and product

The central point is this: effective marketing and the use of new digital technologies and networks are useless if the product being marketed is deficient in important ways. Similarly, if the brand image is not coherent, if the vision behind it is not clear or is obsolete, if brand values are nonexistent, objectives are scattered, and the people, structures and processes being deployed are not fit for purpose, it is impossible to achieve positive results.

This is the reason why any meaningful recent analysis in this area implies that the concept of a discrete "tourism sector" is obsolete as a conceptual framework around which to define, organise, understand and market economic activity. The Visitor Economy, defined and detailed in the TMP's introductory chapter (refer Report I), is a far more relevant concept, and is the basis on which this *Marketing, ICTs and New Media* analysis is undertaken.

The Visitor Economy: Key to Structural Transformation

The global economy is being reshaped in the face of new digital frameworks, technologies, products, and services, resulting in the creative destruction of traditional companies, industries and sectors and the rise of new players. Competition is fierce and consumers more discerning than ever. Simply put, in this increasingly complex, demanding, networked world, traditional notions of "tourism" allow little room for the expansiveness, complexity and interconnectedness of the visitor economy. In such an environment, the TMP 2014-2023 is best served with a move to language that captures the notion of the Barbados Visitor Economy and sets out the most effective way to expand its footprint over the next ten years (refer Section 3.2.2).

According to convention, the tourism sector encompasses those activities that directly service and engage with visitors such as airlines, hotels, and attractions. The visitor economy, on the other hand, is a more recent concept that includes the direct contribution of tourism activities, indirect tourism effects via supply chains, the impact of capital investment, and collective Government expenditure in relation to tourism and related services.

In a nutshell, it might be defined as things that attract visitors (products or unique attractions); the infrastructure (physical enablers) that supports their visit; and the services (economic and social enablers) that might be provided to them before, during, and/or after their visit. Furthermore, the visitor economy attracts the following customer segments that might, themselves, be divided into appropriate sub-segments: leisure, festival, and/or recreational tourists; conference, meeting, exhibition, student and/or commercial tourists; foreign investors and/or business tourists; and residents, nationals, and/or locals.

While a globally recognized definition has not yet emerged, the visitor economy takes into account broader economic activity than traditional tourism and related events. It encompasses the direct and indirect economic contribution of visitor's travelling outside their place of residence for holiday, leisure, events, festivals, business, conventions, exhibitions, education, to visit friends and relatives, and even for employment. In other words, the visitor economy accounts for a fuller value chain, including intrastate, interstate and international visitors (Visitor Economy Task Force, 2012).

In the final analysis, important decisions linked to the future of Barbados' marketing and promotional infrastructure and activities rest on whether it is business as usual for "tourism", or whether the Barbados Visitor Economy becomes the conceptual driving force behind which strategic choices and judicious change within the sector ultimately take place.

Key Premises

Given all of the above, the following premises lie at the heart of the TMP's strategic recommendations in the area of *Marketing, ICTs, and New Media*:

- **Premise #1**: If Barbados is to reach a more advanced dimension of economic development, the country's realignment of its approach to tourism must include a more expansive perspective designed around the Barbados Visitor Economy as the central driver of the sector's marketing efforts now and into the future.
- **Premise #2**: A safe, secure, beautiful, clean, natural environment; friendly people; gold-standard creative, culinary experience and sports sectors; an attractive environment for foreign investment that allows the international business sector to thrive; world-class education and health care sectors on the cutting edge of new knowledge and exceptional service delivery; top-notch accommodations, energy, transportation, and communications sectors that are the envy of the world; a vibrant national innovation system that attracts and fuels competitive enterprises and creative entrepreneurs; a buoyant philanthropic sector that incentivises the world's wealthy to develop new models for social change … all have the potential to draw people to Barbados for work and pleasure – this is the Barbados Visitor Economy (BVE).
- **Premise #3**: Continuous improvement of the BVE requires an agile, responsive product development cycle that integrates expert approaches from best-in-class destinations around the world, namely: imaginative marketing, including sophisticated niche market research, compelling design of new products and enhancement of those already existing, indigenous brand imaging, imaginative promotion and world-class delivery aimed at appropriate market segments that fit the national brand image, and superior destination management systems and structures.
- **Premise #4**: "Nation branding" and National Brand Image (NBI) are not the same. NBI is a composite of people's perceptions of what a country actually produces in terms of experiences, research, policies, ideas, inventions, products, services, experiences, attitudes, actions, amenities, attractions, etc. World-class marketing strategies for Barbados rest on the cultivation of a strong, authentic, coherent, and compelling National Brand Image.
- **Premise #5**: Understanding and improving Barbados' NBI by uncovering people's perceptions of the country's positioning against the best in class requires a holistic national plan of action that addresses the complete Barbados experience, including its policies, ideas, attitudes, products, infrastructure, and services, in the context of the Barbados Visitor Economy with a special emphasis on the latter's symbiotic relationship with virtually every other national economic activity.
- **Premise #6**: Based on primary and secondary research, Barbados' existing understandings of and approaches to NBI are not fit for purpose.
- **Premise #7**: Barbados requires coherence in marketing and promoting a National Brand Image through which the value of its unique ideas, products and services is bolstered by appropriate structures and substantive outcomes that deliver on the aspirational nature of that National Brand Image.
- **Premise #8**: Best-in-class approaches require a joined-up, custom-built, cutting-edge structural framework to create, harmonise, manage, and market an "unbroken chain of proof" that continuously verifies Barbados living up to its promise, and delivering what it promises.

Promoting an 'Unbroken Chain of Proof'

In order to design a framework that promotes this "unbroken chain of proof" for the Barbados Visitor Economy, the strategies and actions in this Section variously treat to improving Barbados' track record *vis-à-vis* strategic implementation; championing timely, targeted market research; engaging in innovative, compelling product design; uncovering, developing and maintaining a creative national brand image; identifying and shrewdly managing imaginative promotional interventions; identifying and appropriately targeting the market segments that are a fit for Barbados' national brand image; ensuring world-class delivery; and putting in place the ideal systems, structures, and people that enable superior management of the entire unbroken chain of proof.

Core Strategies and Actions linked to *Marketing, ICTs, and New Media* that will deliver in these regards are listed below and more fully described in Section 1.5. They are in support of Strategic Imperative #10 on '**Effectively Market Barbados**' and corresponding Strategy 10.1 which states: "*Improve the effectiveness and efficiency for marketing Barbados internationally and domestically in terms of product, price, promotion and place*". One of the Actions is also in support of Strategic Imperative #1 on '**Base Decisions on Comprehensive, Accurate, and Timely Data / Information**' and corresponding Strategy 1.2 which states: "*Promote ongoing monitoring of the BVE within the wider regional and global environment to evaluate Barbados' performance against best practice in order to position it for enhanced competitiveness*" (refer Report I, Sections 4.4 and 5.0).

1.2 - 1 Create a Digital Dashboard for TMP Implementation and Performance

10.1-1 Sharpen Barbados' National Brand Image

10.1-2 Refine Barbados' Promotional Activities

10.1-3 Audit Barbados' Implementation Deficits

10.1-4 Create a Mobile Applications Living Lab

10.1-5 Develop an Awareness Building Website With Mobile Extensions

10.1-6 Integrate Destination Management

Summary Conclusion

The TMP 2014-2023 is intended to chart not just the future of the Barbados Visitor Economy but also its entire make-up in the context of the national economy and the evolution of a networked global system. The goal is for Barbados to realign its overall approach to the conventional tourism sector: how it defines tourism, how tourism impacts the wider development strategy, and how Government organises the economy and society to conceptualise and effectively manage new, more appropriate configurations of tourism.

This analysis and its conclusions are intended to move Barbados towards definitions and approaches built around the value of the visitor economy as a conceptual framework around which to catapult Barbados to the next higher dimension of its economic and social development. Yet, in the context of the role of *Marketing, ICTs, and New Media* in what is traditionally referred to as the tourism sector, it is significant to note that TMP findings suggest Barbados faces a serious implementation deficit in all critical sectors. If Barbados is to build on the successes of its development since Independence, it must enable proficient, systematic implementation that leads to sustainable social and economic transformation.

This must be done not only in the context of tourism or foreign investment, for those who are visitors to the country. It must be done in the national interest. In a 21st century global context, Government cannot successfully promote and realise a compelling vision of Barbados' future if that vision fails to provide Barbadians with a sense of ownership and responsibility with respect to the country's largest foreign exchange earning sector.

Barbados requires a top-class service ethic, period. It requires systems that work for everyone. It requires responsive public and private sectors whose efficiencies are enabled by new technologies, digital frameworks, and engaging worker attitudes. It requires policies, laws and regulations that make sense in a modern society and economy, and that are interconnected in ways that create useful synergies, not unproductive silos.

The sector traditionally known as tourism has the potential to drive this transformation. It would be a mistake to create conditions that allow it to do so in its own well-resourced silo without reference to wider national needs or implications. Certainly, any tangible commitment on the part of key stakeholders to re-imagine the traditional tourism sector in Barbados, thus creating the conditions for its meaningful integration with the wider economy and society, would make it easier to achieve positive outcomes in the area of *Marketing, ICTs, and New Media*.

1.1 Introduction

1.1.1 Outline

This *Marketing, ICTs, and New Media* Section of the TMP is divided into six subsections, the first of which was the preceding Summary. The second is this general introduction that outlines the context in which this analysis and its strategies are taking place. It also sets out the central objective of Section 1.0, details areas of responsibility, and briefly outlines consultant activities undertaken in support of all key findings, analyses, and strategies.

Section 1.2 sets the stage and frames the current state of play as it relates to *Marketing, ICTs, and New Media*. It details the many key actors and their core functions within Barbados' complicated tourism marketing ecosystem. It outlines the main issues by undertaking a summarised literature review of key documents and perspectives. This bulleted synopsis of core issues emerging from various reports, research and strategy papers is used to summarise the major challenges facing the Barbados Visitor Economy in the area of *Marketing, ICTs and New Media*. The summary includes a chart presenting the strengths, weaknesses, opportunities and threats specific to this topic, as well as a visual representation of the area's circles of focus, influence and concern as suggested by the research and strategy papers under review.

Based on the foregoing, Section 1.3 suggests the way forward by presenting several conceptual frameworks that together lay the foundation for the *Marketing, ICTs, and New Media* strategies and actions. These best-practice criteria cover the Barbados Visitor Economy, Barbados' National Brand Image, and an Innovative BVE Product Development Cycle. Taken in concert, they provide a more nuanced understanding of *Marketing, ICTs, and New Media* strategies in the context of the new global realities with which Barbados is being faced. Collectively, they will assist in identifying the markets and niches that are an ideal match for Barbados' national brand image (refer Section 2.0), once perceptions surrounding that image are appropriately refreshed and understood.[3]

Section 1.4's conclusion poses several critical questions that simplify the challenges facing the BVE in the area of marketing. It summarises best practice criteria, refines the area's circles of focus, influence and concern, and introduces the strategies and actions in Subsection 6 that are the focus of the TMP's *Marketing, ICTs, and New Media* grouping.

1.1.2 Context

Under the TMP, *Marketing, ICTs, and New Media* connect to, and are integrated with every other subject. It is foundational and crosscutting, with findings closely linked to the core issues that either enhance or undermine the success of other areas. By itself, the foundational, crosscutting nature of *Marketing, ICTs, and New Media* speaks to the layers of complexity in the TMP, as well as within its accompanying recommendations, strategies and actions.

However, the 2012 White Paper on Tourism Development (2012 TWP) introduces added levels of intricacy by demonstrating that Barbados has come to a plateau in the lifecycle of its tourism product, having reached a degree of stagnation from which it might either orchestrate a renaissance or enter into steep decline (Strategic Solutions Inc., 2012, pp. 106), depending on the choices Barbados makes now and in the near future. Additionally, the revolution in digital and social media technologies has brought about a seismic shift in the way in which the world works, with lasting implications for tourism and its marketing function.

In lethal combination, these realities lay bare the countless issues requiring attention in the race to rejuvenate Barbados' tourism sector. This, in turn, makes it impossible within this *Marketing, ICTs, and New Media* analysis and plan of action to treat to every implication or potential recommendation related thereto. Any attempt to do so would likely defeat the ultimate objective of the TMP, which is to discover and detail a set of insightful, compelling, and well-calculated strategic interventions capable of launching Barbados into a new dimension of excellence in tourism. Indeed, the 2012 TWP notes (Strategic Solutions Inc., 2012, pp. 28):

[3] It should be noted, in this regard, that in the absence of updated information on Barbados national brand image as would be gleaned from a recent brand perception audit, this TMP in its marketing research section identifies markets and niches that are likely to be a fit given existing information on visitor perceptions of what Barbados has to offer.

> "*The global economic recession of 2008, the worst recession since the Great Depression of the 1930's, has not only changed the world forever, but so too the customer. … **the game has changed dramatically with respect to the global tourism industry**. **… any strategies or traditional beliefs and practices that brought success in the past will not necessarily bring success in the future**. Whether today's business environment is the "new normal," or the "not normal," the old approaches that preceded the recession may no longer relevant [sic]. The rapid changes … taking place in the global market require a new and innovative approach. **A new compass needs to set a new destination** and the mission must change to reflect what has transpired over the last few years. … It is a prerequisite that stakeholders must begin to think strategically, creatively and 'out of the box'. This **paradigm shift in thinking** that is required for tourism to survive and prosper in the "New Normal", must take place as a matter of urgency*" [emphases added].

In other words, Barbados' tourism sector cannot approach its marketing function in the "tried and true" manner of "acceptable" tradition and expect to bring about the turnaround the country so vitally requires. As Albert Einstein once cautioned, "We cannot solve our problems with the same thinking we used when we created them."

1.1.3 Central Objective

As a result, while the many and varied stakeholders in tourism have as many and varied opinions and recommendations on key areas of priority for *Marketing, ICTs, and New Media*, the central objective of this Section is to outline and prioritise those strategies and actions it believes are *sine qua non* for optimising Barbados' tourism marketing efforts within the context of that "New Normal" which has become Barbados' immediate and most challenging reality.

1.1.4 Areas of Responsibility

In seeking to achieve this central objective, what follows examines and/or outlines:

1. Barbados' past and/or present tourism marketing activities;
2. Best-in-class approaches from other jurisdictions and the reasons for their success;
3. Marketing approaches relevant to key markets and/or niches, i.e., travel agents, tour operators, web-based technologies, television, newspapers, new social media;
4. Types of messages appropriate for given tourism niches and/or markets;
5. Framework and/or systems approaches for tourism marketing, promotion and communications; tourist information services; information technology structures; and/or e-commerce, potentially including:
    a. A strategy and plan to enhance Barbados' future tourism marketing activities;
    b. A strategy and plan to incorporate the creative use of new media technologies, products and services to enhance the development and marketing of Barbados' tourism sector;
    c. An assessment of the institutional requirements for implementing the *Marketing, ICTs, and New Media* plan and associated strategies and actions; and

d. An assessment of the financial resources required to implement the overall *Marketing, ICTs, and New Media* plan and associated strategies and actions.

1.1.5 Consultant Activities

These findings, recommendations, strategies and actions are informed by meetings with TMP team leaders and other members of the consultant team, both individually and in group settings, with a view to understanding and mapping the likely *Marketing, ICTs and New Media* inputs relevant to their areas of specialisation.

Discussions touched on tourism market research, tourism policy and legislation, cruise and airlift, accommodation, cultural heritage, institutional strengthening and human resource development, tourism awareness, events, activities and experiences, attractions, community tourism, standards and best practice, sports tourism, creative industries, niche tourism, investment, sources of finance, linkages, leakages, and small and medium-sized businesses.

In addition, meetings were held with Ministry of Tourism officials and other key public and private sector stakeholders, conferences were attended, and island tours taken. Desk research was comprehensive and included studies of relevant reports, articles, web strategies and marketing plans.

1.2 The Setting

Given its small size and constrained resources, Barbados has been relatively successful in developing its tourism product and marketing itself as a world-class destination to high-end segments as the country's standard of living has steadily improved. Yet, signs point to a sea change on the horizon for the global tourism sector. According to Kuoni's Travel Trends Report 2013, there is a new norm in the world of travel and leisure (Kuoni, 2013):

> "*Set against the uncertain global economic outlook, aspirational consumers are becoming increasingly price sensitive and trading down. The need for recession-friendly products and services is key…. No longer satisfied with being one step removed from a destination, customers want to get under the skin of it and experience the place as an insider. They want authentic experiences. … The emergence of a new, planet-conscious consumer will colour holiday choices, so too Generation X and Y who are techno savvy and will draw on social media to help make their choices. … More sophisticated and knowledgeable consumers will demand more of their holidays, for one, and also expect improved customer service. … At the top end of the pile, luxury is being re-defined and will shape future hotel developments, in terms of incorporating facilities for children and what constitutes out-and-out luxury.*"

This at a time when, after years of standing out as one of the Caribbean's most exclusive and envied brands, Barbados' tourism marketing efforts and product are in a state of flux. In some quarters, they are perceived as being on an accelerated downward spiral.

1.2.1 Some Recent Developments

For example, according to the BHTA, long stay arrivals for the first quarter of 2013 declined by 8.1% compared to the same period for 2012, with double digit declines in the US and Canadian markets and a small decline in the UK market.

However, the German market did see 33% growth due to an additional Condor flight and, though it represents a very small slice of the market, Brazil grew by 14.7% up to the end of March. Not surprisingly, attractions reported a revenue decline of between 10% and 15% during the first quarter (BHTA, 2013).

There are those who believe this decline has something to do with the failure of the Barbados Tourism Authority (BTA) to adapt to a changing market driven, in part, by technological transformation. In one article, an outspoken hotelier wondered whether Barbados' "over reliance on tour operator generated business and prolonged periods of discounting [had] eroded margins to the point where so many … hoteliers are contemplating simply throwing in the towel" (Loveridge, 2013). Such persons argue that the BTA is too focussed on travel agents at a time when their storefronts and jobs are being shed at an alarming rate. Of course, the equation is a little different for cruise, where visitors respond to marketing from cruise lines. But by and large, "if you're putting your money into travel agents, you're going in the wrong direction" (Lefrancois, 2013).

On the positive side, the BHTA's booking engine www.bookbarbadosnow.com, operated by Regatta Travel Solutions, has a major new upgrade that is expected to make children and family bookings easier. In addition, hotels will be able to use third party rates to power the booking engine, allowing them to stop managing the extranet if they so choose and allow Regatta to do so on their behalf. According to the BHTA, Regatta has also launched a new division, Regatta Digital Marketing Services, which plans to use customer databases from Book Barbados Now to drive additional sales (BHTA, 2013).

Nevertheless, perhaps the most significant findings with respect to *Marketing, ICTs, and New Media* is that Barbados is failing to maintain market leadership through continuous enhancement of its existing infrastructure and product, creation of compelling new infrastructure projects and products, and by a lack of imagination and currency in its tourism marketing efforts.

These are being compounded by a genuine weakness in implementing policy decisions and a failure to create the necessary enabling environment for tourism development and investment to flourish, both of which have severely damaged the sector's ability to compete.

1.2.2 Key Actors

TMP research suggests that existing frameworks originally designed to manage Barbados' tourism product are no longer fit for purpose. At best, the sector is fragmented and lacks overall coordination. At worse, its siloed makeup has led to internal rivalry on the part of stakeholder organisations, resulting in dilution of the customer offer and brand message, and increasing confusion with respect to Barbados' strategic direction in its most critical foreign exchange earning sector.

Since this Section treats specifically to the country's tourism marketing and promotion efforts, it is useful to consider as a starting point the bevy of ministries, departments and institutions that play some part in those efforts. Each fills a key role in Barbados' tourism marketing value chain in the areas of **research** (trends, competitors, markets, visitor statistics), **policymaking**, **product development** (intangible assets like people or the environment and tangible assets like physical infrastructure, accommodation and attractions), **standards** (quality assurance, registration, licensing), **access** (air and sea), **investment** (incentives and facilitation), **communications** (public relations, public education, public awareness), and/or engagement with overseas markets via **direct marketing and promotional efforts** (tourism, investment). Table 1.1 details 17 key entities and their individual functions. The level of complexity their sheer numbers suggest is staggering to consider for such a tiny country.

Table 1.1. Barbados tourism marketing ecosystem.

BARBADOS' TOURISM MARKETING ECOSYSTEM								
Central Players	**Key Functions**							
	Research	**Policy**	**Product**	**Standards**	**Access**	**Investment**	**Communications**	**Marketing**
Ministry of Tourism	☑	☑	☑	☑		☑ Incentives	☑ Public Education Public Awareness	
BTA	☑		☑	☑ Quality Assurance Registration Licensing	☑			☑
Ministry of Tourism & International Transport		☑ Air & Sea Access	☑		☑			
GAIA			☑		☑			
Customs			☑		☑			
Immigration	☑ Tourism Statistics		☑		☑			
Barbados Statistical Department	☑		☑					
Barbados Tourism Investment Inc.			☑ Capital Works Urban Rehab.			☑ Facilitation		
TDC			☑					☑
Barbados Port Inc.			☑		☑			
Invest Barbados	☑		☑			☑		☑
BIDC	☑		☑					
Barbados Coalition Of	☑ Tourism-		☑ Tourism-	☑ Tourism-				☑

Barbados' Tourism Marketing Ecosystem								
Central Players	Key Functions							
	Research	Policy	Product	Standards	Access	Investment	Communications	Marketing
Service Industries	Related Services		Related Services	Related Services				
Barbados Agricultural Development & Marketing Corporation (BADMC)			☑					☑
BMA			☑ Tourism Products	☑ Tourism Products				☑
SBA	☑		☑				☑	
NISE	☑		☑	☑			☑	

1.2.3 Core Issues

Successful building and marketing of a world-class national brand image requires thoughtful engagement. It requires that the brand live up to its promises in the marketplace. If it does not, people will simply stop supporting the brand and it will eventually fail. The level of complexity in Barbados' tourism marketing ecosystem as evidenced by the preceding table simply does not support thoughtful visitor engagement. In order to design and implement effective strategies and actions for Barbados, there must be a radical review of the products, services and experiences that make up the country's customer offer in tourism and, as a consequence, a radical review of those functions, mechanisms and institutions tasked with efficient management and delivery of the country's marketing activities.

Trends in ICTs and New Digital Media

The reality is that there is a sea change taking place driven, in part, by technological and business model innovation. New technologies are challenging existing market structures, providing alternate routes to market, and fuelling more intimate, interactive connections with consumers. The Internet is breaking down silos, hierarchies and structures of control: blurring lines between industry sectors; creating dynamic relationships between content creators, service providers and audiences; and facilitating immediate feedback between consumers and producers (ACB Knowledge Consultants Inc., 2005, 2006).

What is more, the age of always-on social media is transforming the way people live, learn, play, work, socialise and effect change in a complex global environment. The future of business is personalisation: content, products, technologies and services built around the desires of individual corporations, small businesses and consumers (Babb, 2003, 2006, 2008, 2010, 2012, 2013).

Technology is also driving convergence at the consumer end, providing the ability to access multiple mobile services through a single device, including iPads, tablet PCs, mobile phones, and game consoles. This convergence is having a divergent effect for service providers, who can no longer focus on one type of sector, consumer, medium, or device, but must develop for and exploit services from diverse industries via the Internet and multiple digital media and communications channels. These changes represent an evolution from mass society and mass media to the digital, networked society and personalised, niche media. This has implications not just for media but for marketing of any kind (Ibid).

Over the years, several studies, reports and strategies have been undertaken for Barbados with significance in the context of this new order. They have covered tourism and tourism marketing, international business and investment promotion, and development of information and communications technologies (ICTs). Following is a summary of key findings and/or recommendations from several such assessments central to this analysis.

Brand Image Perception

In 2004, the BTA commissioned The Phillips Consulting Group to undertake a brand perception audit to ascertain how visitors to Barbados perceived the country's image and uncover what attitudes and beliefs shaped those perceptions. It concluded the Barbados Brand Image is multidimensional, with a high level of snob appeal that makes the country an aspirational destination for many of its visitors. Barbados' main brand attributes were identified as *safety and security*, *friendliness*, *relaxed environment*, *overall competence of Barbadians*, and *reliability of infrastructure* (Phillips Consulting Group, 2004, 5-6). However, since the study is now almost ten years old, it is imperative that a new audit be undertaken to pinpoint the current perception visitors have of Barbados.

While it is true that in 2011, the BTA commissioned a study by G&A Communications Inc. designed to "develop a comprehensive understanding of how the Barbadian tourism brand was viewed by tourists, Barbadians and other stakeholders within the industry", the study did not receive favourable reviews from the key stakeholders interviewed by TMP specialists. Indeed, the consensus seemed to be that the 2004 brand perception audit presented a more nuanced understanding of the Barbados destination brand and its image. Nevertheless, the G&A Study (2011, pp. 26) observed that

> "*For a small island state like Barbados to have the ability of being visible in an immensely large global marketplace, it is critical that every aspect of what Barbados does, expresses and creates, in some way reinforces the same fundamental concept or story, the same character and values, the same personality and the same tone of voice. Only when Barbados can truly understand and establish "how to be itself" can it start to create an impact on the perception and international reputation of its brand, and then truly reap the benefits from the potential of this very important asset*."

Tourism Competitiveness

The 2009 BHTA "Study on the Competitive Tourism Environment Which Barbados Faces: Its Challenges and Solutions" (PCS, 2009) is one of the more comprehensive and thoughtful analyses of the sector undertaken in recent years. As its title suggests, it examines a wide range of issues, from taxation and product development to access and accommodation. It contains 18 key areas under four general classifications (The *"Human Factor"*, *Attracting Business*, *Financial Performance*, *Enabling Environment*) Barbados must address if its tourism product is to remain competitive. While all impact Barbados' national brand image in the context of the Barbados Visitor Economy, those areas acutely affecting *Marketing, ICTs, and New Media* include:

- Lack of innovation and variety in the entire Barbados experience
- Dilapidated assets
- Inconsistent branding of the island
- Absence of a brand book, resulting in conflicting brand elements
- Ineffective marketing
    - BTA's perceived as failing to publish or communicate its marketing vision or strategies other than in an *ad hoc* manner
    - Strong disconnect between public and private sector tourism stakeholders built on a lack of open communication
    - Value of trade and tour operators in reaching consumers is eroding in all markets as people do their own bookings and Internet usage increases
    - General shift away from participation in large trade shows/exhibitions
    - Need to pursue consumer-led, Internet-based, peer-to-peer services like TripAdvisor which are exploding in popularity
- Existence of too many marketing entities operating in silos without the benefit of "joined-up" thinking on issues of importance
- Ineffective use of social media and new digital technologies to improve tourism competitiveness
- Bureaucratic inertia that has a deleterious effect on the visitor economy
- Poor knowledge and research base that places private and public sector stakeholders in the position of reacting to events rather than proactively guiding the strategic development of the sector in a competitive marketplace

Though the BHTA study is now four years old, many of its recommendations linked to *Marketing, ICTs, and New Media* are sound, but most have not been fully or even partially implemented. Restating those recommendations here would be redundant. Among the strategies and actions that are part of the TMP 2014-2023 is a Strategy Performance Review designed to operationalise the myriad recommendations contained in various studies undertaken over the last several years, a significant number of which are wholly relevant to the vitality of the Barbados Visitor Economy.

<u>Potentially Positive Indicators</u>: On the bright side, the BHTA, in collaboration with the BTA, launched the "Barbados Island Inclusive National Package" in Barbados' major source markets at the end of the first quarter. It is a value-added offer that can be linked to any deals hotels have in any of the markets. An individual booking a package for travel between April 15 and December 21, 2013, receives a cash coupon booklet with coupons totaling up to Bds$600 that can be redeemed at participating attractions, activities and restaurants in Barbados. Packages are to be sold through major tour operators and travel agents or through www.bookbarbadosnow.com (BHTA, 2013).

Marketing Trends: Findings indicate specialised trade shows aimed at niche markets are increasingly effective in reaching desired market segments. What is more, for certain segments, radio is a viable marketing medium although it is often seen as no longer on the cutting edge. It has the potential to deliver real value and increase brand awareness in a cost-effective manner (BHTA, 2009).

Tourism Policy

Government's 2012 *White Paper on the Development of Tourism in Barbados* provides the policy framework on which the TMP 2014-2023 is based. According to the **2012 White Paper**, critical success factors (CSFs) for tourism require "special and continual attention" with an emphasis on sustainable, people-centred, innovative tourism development predicated on 19 CSFs, several of which are central to *Marketing, ICTs, and New Media*. These include the need for Barbados to:

- Build its market research capabilities through the utilisation of "accurate, relevant and timely data" as the basis for evidence-based decision-making, planning, investment, and marketing
- Align product development with trends in the marketplace that are driven by the expectations of savvy visitors
- Strengthen inter-sectoral linkages in order to reduce leakages and "create a greater multiplier effect of the tourism dollar, spur entrepreneurship and provide a differentiated, authentic experience to visitors"
- Strengthen core brand elements to secure Barbados' reputation as a friendly, clean, safe, secure destination
- Streamline key tourism institutions to enable them to better respond to the requirements of the BVE in terms of planning, strategic marketing, product development, research, visitor needs, and destination management
- Improve Barbados' marketing strategy by incorporating an appropriate mix of promotional channels such as print, television, radio, Online Travel Agencies (OTAs), travel agents, social media, mobile applications, and creative direct marketing to the consumer
- Diversify marketing and promotional efforts to embrace the BRIC territories of Brazil, Russia, India, and China

1.2.4 Summary of the Major Challenges

Barbados' traditional tourism sector is under severe threat. All TMP findings suggest the country's market leadership is being eroded due to its failure to continuously enhance existing tourism infrastructure and products, create appealing new infrastructure, attractions, products, and services, and stay ahead of the tourism marketing curve through use of innovative media channels, technologies and messages in existing and new markets or niches.

The country's longstanding weakness in implementing agreed strategies and policy decisions, as well as its failure to create the necessary enabling environment for tourism development and investment to flourish have further damaged the sector's ability to remain competitive.

In fact, there is a new breed of visitor whose behaviours, interests, needs, motivations, and responses do not mirror the tourist of times past. This new type of visitor is more knowledgeable, sophisticated, technologically savvy, discerning, and demanding. They seek out unique experiences that match their personal values, including in relation to respect for the environment and/or social justice.

Additionally, the number of fresh, competitive destinations operating at world-class standards is increasing while at the same time niche players and markets offering specialised, one-of-a-kind experiences proliferate.

In a word, visitors have more ***choices*** than ever before.

This means Barbados' traditional siloed approach to tourism cannot meet the country's future growth requirements in terms of foreign exchange, jobs, tax revenues, skills and knowledge transfer, increased productivity, or competitiveness. At the same time, the "tourism sector" is deeply embedded in the wider economy and society, so that if tourism declines, every sector in Barbados is likely to follow suit. As such, it would be a mistake to create conditions that support evolution of a well-resourced tourism silo without reference to wider national needs or implications.

Based on these realities, following are the central issues impacting the area of *Marketing, ICTs, and New Media*:

- Weak strategic implementation across the board
- Airport/seaport inefficiencies, limited access over which Barbados has little control
- More savvy, world-class competition, more niche players and markets
- More sophisticated, demanding visitor using the mushrooming power of social media
- Ineffective use of digital media and technologies to improve tourism competitiveness
- Inconsistent Barbados Brand Image and messaging; absence of brand book resulting in conflicting brand elements
- Dated marketing strategies
- Marketing and destination management structures not fit for purpose
- Marketing messages, channels and mechanisms not always appropriate to markets
- Legacy dependence on outmoded marketing channels in certain cases
- Falling service levels and attitudes
- Limited, ageing attractions; needed asset and accommodation upgrades
- Unfriendly business environment with too many unproductive, bureaucratic silos
- Over-regulation
- Inadequate data mining/market research, weak evidence-based policymaking

Figure 1.1 is a visual summation of the strengths, weakness, opportunities, and threats the TMP views as central to *Marketing, ICTs, and New Media*. It reflects only those issues thought to give depth to the present analysis and its accompanying strategic choices. The 2012 TWP offers a more comprehensive SWOT analysis based on its own central findings.

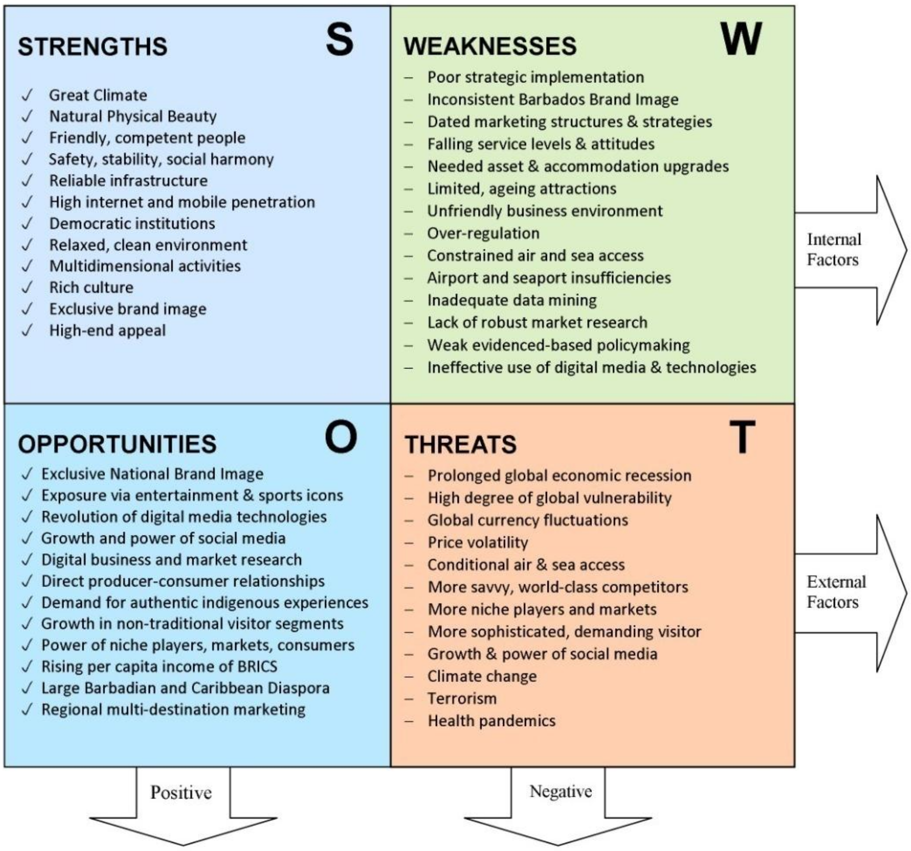


Figure 1.1. SWOT of the Barbados Tourism Sector (ACB Knowledge Consultants Inc., 2013).

Coming out of this SWOT analysis, Figure 1.2 illustrates circles of focus, influence and concern that are a visual representation of how national stakeholders currently view issues related to *Marketing, ICTs, and New Media*.

At the centre of Figure 1.2 is a circle of focus representing those matters TMP findings indicate stakeholders believe are urgently impacting the quality of the products, services and experiences that make up the Barbados Visitor Economy. To varying degrees, depending on the stakeholder questioned, these matters are also believed to have direct effects on the quality and success of the country's marketing and promotional efforts.

Around the circle of focus is a circle of influence, encompassing those subjects stakeholders see as affecting, either positively or negatively, the core elements within the circle of focus that determine the success of the marketing function. In most cases, the issues within both these circles have been assessed and solutions recommended in various studies commissioned by Government or undertaken by the private sector through the years. Implementation, in too many cases, remains elusive.

The outermost circle of concern illustrates those matters, in the judgement of this TMP, that while they impact the core marketing function, remain outside the direct focus or influence of key actors responsible for Barbados' tourism marketing performance.

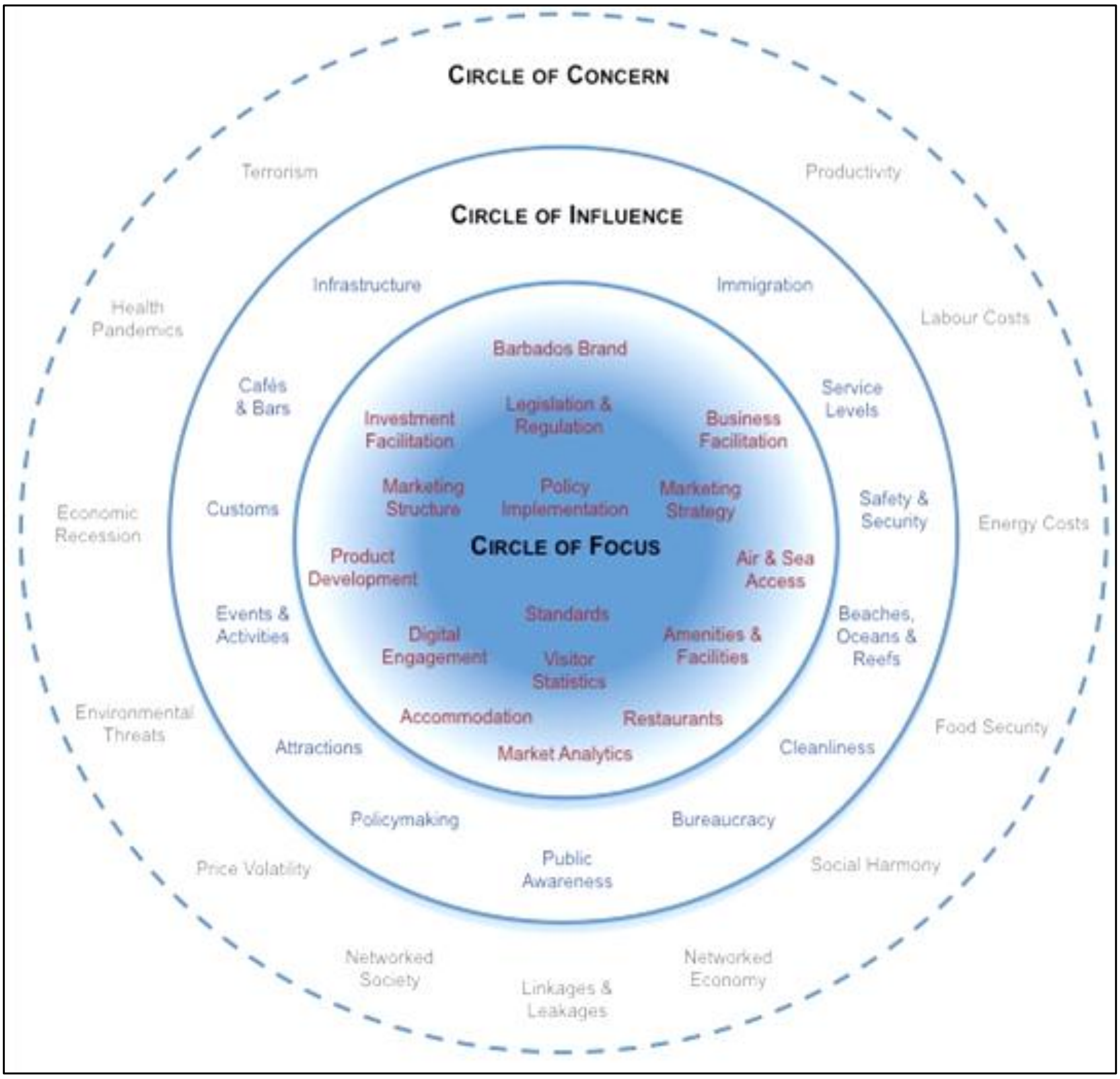


Figure 1.2. Circles of Focus, Circles of Influence, and Circles of Concern.

1.3 The Way Forward

> *"Imagination is the beginning of creation. You imagine what you desire, you will what you imagine and at last you create what you will"* – **George Bernard Shaw, Back to Methuselah, Part I Act 1 (1921)**.

The TMP 2014-2023 is intended to chart not just the future of the Barbados Visitor Economy but also its entire make-up in the context of the national economy and the evolution of a networked global system. The goal is for Barbados to realign its overall approach to the conventional tourism sector: how it defines tourism, how tourism impacts the wider development strategy, and how Government organises the economy and society to conceptualise and effectively manage new, more appropriate configurations of tourism.

For example, a clearer understanding of the existing ways in which agriculture and agro-processing, healthcare, the environment, education, sports, manufacturing, international business and financial services, foreign investment, entrepreneurship, philanthropy, the creative and culinary industries, commerce, and culture, among others, might draw or be driven by visiting populations is vital to imagining new ways of reconfiguring and revitalising the traditional tourism sector in Barbados.

A thriving international business and financial services sector; world-class education and health care sectors on the cutting edge of new knowledge and exceptional service delivery; top-notch energy, communications and transportation sectors that are the envy of many more-advanced economies; a vibrant national innovation system that fuels and attracts competitive enterprises and creative entrepreneurs from around the world; gold-standard creative, culinary, and sports sectors; a buoyant philanthropic sector that incentivises the world's wealthy to develop new models for social change, all have the potential to draw people to Barbados for business and pleasure. Once visitors are here, the beauty and cleanliness of the island, its sun, sea, sand, and the warmth of its people, its culture, food and music, safety, security and stability, well-organised events and festivals, compelling attractions, world-class hotels and amenities, and top-notch service will keep them coming back.

Yet, in the context of the role of *Marketing, ICTs, and New Media* in what is traditionally referred to as the tourism sector, it is significant to note that TMP findings suggest Barbados faces a serious implementation deficit in all critical sectors. If Barbados is to build on the successes of its development since Independence, it must enable proficient, systematic implementation that leads to sustainable social and economic transformation.

This must be done not only in the context of tourism or foreign investment, for those who are visitors to the country. It must be done in the national interest. Why should Government focus on tourism excellence or more efficient facilitation for the international business and financial services sector with a view to making life and business in Barbados easier for those from the outside while reserving mundane service, excessive bureaucracy, and disagreeable dispositions for Barbadians and long-term residents? What is more, in a 21st century global context, Government cannot successfully promote and realise a compelling vision of Barbados' future if that vision fails to provide Barbadians with a sense of ownership and responsibility with respect to the country's largest foreign exchange (FX) earning sector.

Barbados requires a top-class service ethic, period. It requires systems that work for everyone. It requires responsive public and private sectors whose efficiencies are enabled by new technologies, digital frameworks, and engaging worker attitudes. It requires policies, laws and regulations that make sense in a modern society and economy, and that are interconnected in ways that create useful synergies, not unproductive silos.

The sector traditionally known as tourism has the potential to drive this transformation. It would be a mistake to create conditions that allow it to do so in its own well-resourced silo without reference to wider national needs or implications. Certainly, any tangible commitment on the part of key stakeholders to re-imagine the traditional tourism sector in

Barbados, thus creating the conditions for its meaningful integration with the wider economy and society, would make it easier to achieve positive outcomes in the area of *Marketing, ICTs, and New Media*.

1.3.1 Best Practice Criteria

Having undertaken a thorough situation analysis, therefore, the core premise of this Section hinges on the critical need for Barbados to develop new conceptual frameworks or mental maps through which to think about and treat to what it traditionally calls the tourism sector. If Barbados fails to develop new ways of seeing and acting in this regard, its economic development strategies are guaranteed to fail in the "New Normal" that is now Barbados' immediate and most challenging reality. What follows is a summary of the most valuable conceptual frameworks the TMP has identified to underpin the *Marketing, ICTs, and New Media* strategies and actions designed to assist in the required internal transformation.

The Visitor Economy

The global economy is being reshaped in the face of new digital frameworks, technologies, products, and services, resulting in the creative destruction of traditional companies, industries and sectors and the rise of new players. Competition is fierce and consumers more discerning than ever. In such an environment, Government's new tourism policy and master plan would be best served with a move to language that captures the notion of the Barbados Visitor Economy (BVE) and sets out the most effective way to expand its footprint over the next ten years.

Simply put, in this increasingly complex, demanding and networked global economy, traditional notions of "tourism" allow little room for the expansiveness, complexity and interconnectedness of what some now call the visitor economy. The distinction between the two concepts is important because measures used to track what is traditionally known as the tourism sector are not keeping pace with real-world transformations. If it is true that what gets measured gets done, then what is properly defined is better understood.

According to convention, the tourism sector encompasses those activities that directly service and engage with visitors such as airlines, hotels, and attractions. The visitor economy, on the other hand, is a more recent concept that includes the direct contribution of tourism activities, indirect tourism effects via supply chains, the impact of capital investment, and collective Government expenditure in relation to tourism and related services.

While a globally recognised definition has not yet emerged, the visitor economy accounts for broader economic activity than traditional tourism and related events. It encompasses the direct and indirect economic contribution of visitors travelling outside their place of residence for holiday, leisure, events, festivals, business, conventions, exhibitions, education, to visit friends and relatives, and even for employment. In other words, it accounts for a fuller value chain, including intrastate, interstate and international visitors (Visitor Economy Task Force, 2012). Tourism Strategy Manager, Phil Reddy explains:

> "*The Concept of the Visitor Economy … covers: All of the things that attract visitors … the diverse range of destinations … the natural environment, the heritage and culture, iconic buildings, the retail, sport, leisure and cultural facilities, food, gardens,*

the events, the scenery …

The infrastructure that helps to reinforce and shape the sense of place and make it an easy place to visit; the signs, the transport, parking and orientation, interpretation, public space, amenities, etc. … The services that cater for the needs of visitors (and of residents), that create economic and social activity and increase spending; including the hotels and bars, pubs and restaurants, galleries, the everyday events and the day-to-day services that make the place clean, safe and welcoming" (Reddy, 2006).

Reddy goes on to explain that over the long term, a successful visitor economy manages its components in an integrated manner with a view to meeting the specific needs of the types of visitor the destination seeks to attract. This creates a persuasive destination brand that embodies and presents unique experiences to the marketplace in ways that influence the perceptions and expectations of visitors and potential visitors (Ibid).

In short, therefore, the Barbados Visitor Economy (BVE) is a useful way of thinking about and planning for tourism development, particularly as it relates to marketing and promotion. The BVE is things that attract visitors (**products** or **unique attractions**); the **infrastructure** (**physical enablers**) that supports their visit; and the **services** (**economic** and **social enablers**) that might be provided to them before, during, and/or after their visit. In the Barbados context, the visitor economy might be visually illustrated as shown in Figure 1.3.

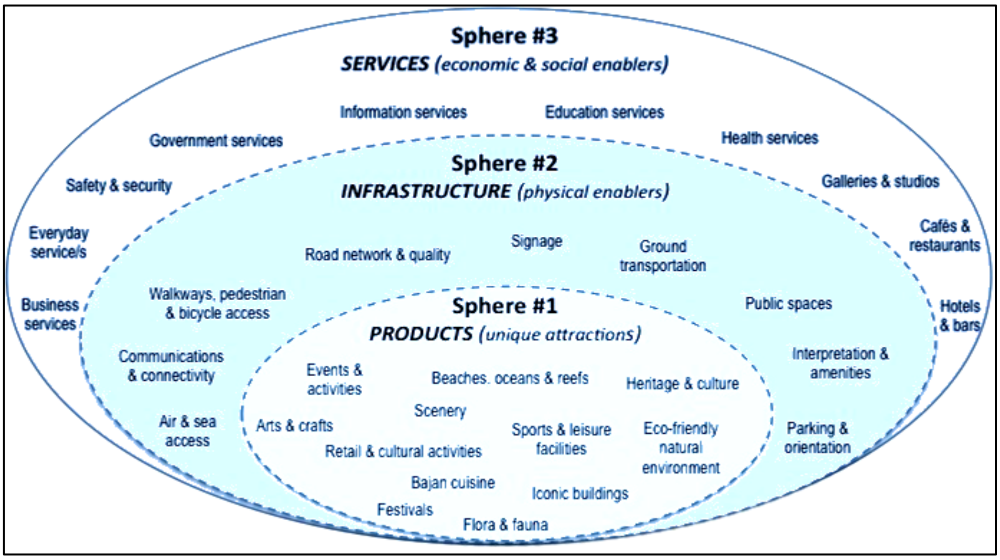


Figure 1.3. Potential spheres of the Barbados Visitor Economy.

Furthermore, the BVE attracts leisure, festival, and/or recreational tourists; conference, meeting, exhibition, student and/or commercial tourists; foreign investors and/or business tourists; and residents, nationals, and/or locals, each of which has its own sub-segments, as depicted in Figure 1.4.

Figure 1.4. Barbados Visitor Economy – broad market segments.

In the final analysis, important decisions linked to the future of Barbados' marketing and promotional infrastructure and activities rest on whether it is business as usual for "tourism" or whether the Barbados Visitor Economy becomes the conceptual driving force behind which strategic transformations within the sector ultimately take place.

Innovative Product Development Cycle

Beyond the strategic significance of the BVE, successful building and marketing of a brand requires thoughtful engagement with consumers and a nuanced understanding of the market trends driving their spending choices. It requires that the brand live up to its promises in the marketplace. If it does not, people will stop supporting the brand and it will eventually languish.

Simply put, Barbados' best tourism marketing efforts will fail if what it is marketing does not continuously improve to meet the expectations of discriminating consumers. What it is marketing is, essentially, the Barbados Visitor Economy; its products, infrastructure, and services, including novel niche offerings of interest to an increasingly multifaceted global traveller on the lookout for unique, compelling experiences.

Continuous improvement of the BVE requires that the country understand and properly nurture its product development cycle as visually represented in Figure 1.5 (Babb, 2012, 2013). Integrating the expert approaches taken by the best-in-class destinations around the world, this dynamic product development cycle includes the pursuit of targeted market research, innovative product design, creative brand imaging, imaginative promotional activities, and world-class delivery aimed at market segments that fit the national brand image. All this must be bolstered by superior destination management systems and structures that monitor and direct the operations of the visitor economy in a holistic, integrated and collaborative manner.

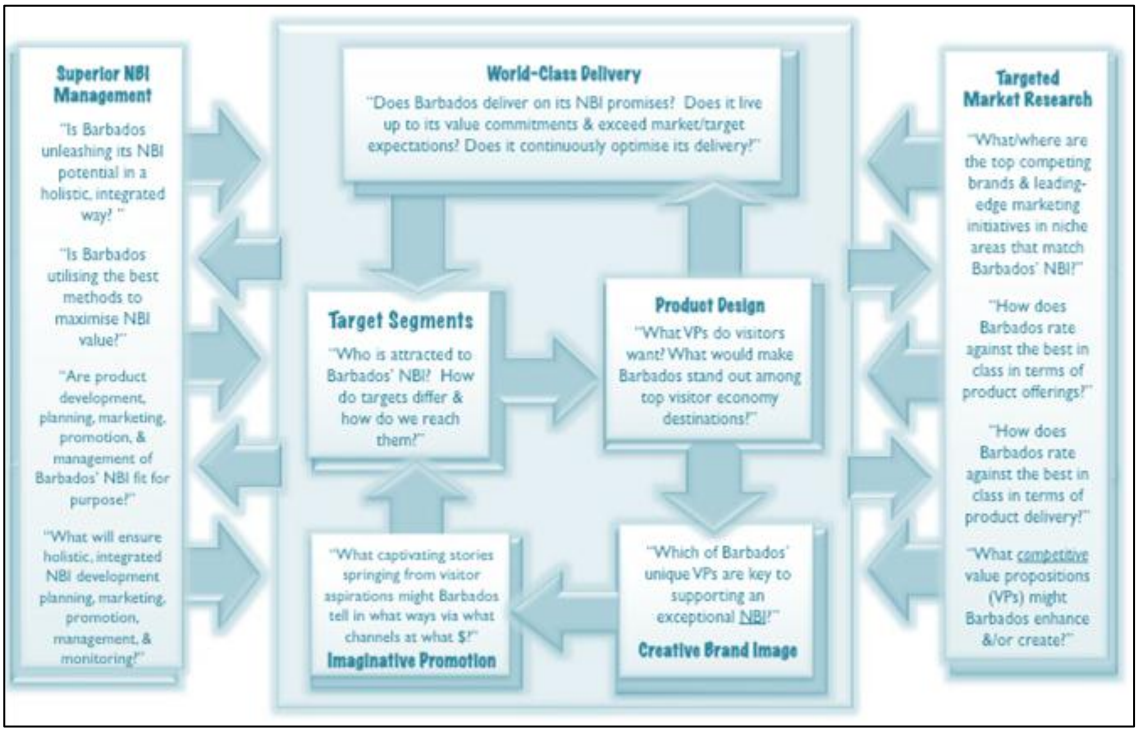


Figure 1.5. Innovative product development cycle (Babb, 2012, 2013).

National Brand Image (NBI)

If well executed, the steps in this innovative product development cycle will help Barbados achieve coherence in developing and promoting a National Brand Image through which the value of its products, infrastructure, and services is bolstered by appropriate frameworks and substantive outcomes that deliver on the aspirational promises of the country's value propositions in the wide-ranging visitor economy.

Barbados' National Brand Image is not about logos, icons, flying fish, tag lines, trade show participation, or traditional multi-media advertising campaigns. These interventions work only to amplify strengths or expose weaknesses, depending on the context. National Brand Image is about living up to potential and delivering on promises. It is about people's perceptions of how Barbados is doing in these regards. As Simon Anholt explains, and as is depicted in Figure 1.6:

> "*Nation branding" [is] a dangerously misleading phrase which seems to contain a promise that the images of countries can be directly manipulated using the techniques of commercial marketing communications. … If people buy a product and it is good, this will begin to create a powerful brand image for the product; the product will earn a good reputation. … Good products, services, culture, tourism, investments, technology, education, businesses, people, policies, initiatives, and events produced by a good country also acquire a positive brand image, which eventually reflects on the country, and perhaps also becomes its principal asset. … There are no short cuts. Only a consistent, coordinated, and unbroken stream of*

useful, noticeable, world-class, and above all relevant ideas, products, and policies can, gradually, enhance the reputation of the country that produces them" (Anholt, 2011).

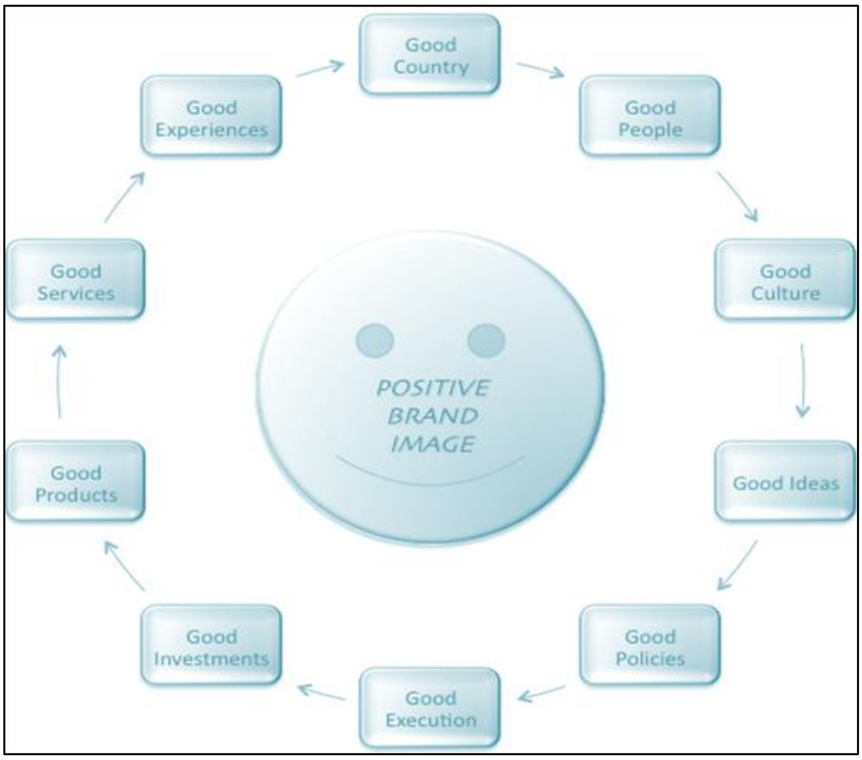


Figure 1.6. National Brand Image – a virtuous cycle.

So, what does Barbados' National Brand Image say about the country? What are visitors' perceptions about Barbados? Are their perceptions aligned with what Barbados intends its image to communicate? What are visitors' expectations and desires based on Barbados' image? Do their perceptions, expectations and desires line up with their experiences? Does the Barbados Visitor Economy live up to its promise and deliver on its promises based on an innovative Product Development Cycle?

The answers to these questions are vital to the success of the Barbados Visitor Economy because, as Anholt warns, "countries are judged by what they do, not by what they say, as they have always been (Anholt, 2011)." Indeed, he explains that:

"*Today, the world is one market. The rapid advance of globalisation means that whatever countries try to pull in (investors, aid, tourists, business visitors, students, major events, researchers, travel writers, and talented entrepreneurs) and whatever countries try to push out (products, services, policies, culture, and ideas) is done so with a discount if the country's image is weak or negative and at a premium if it's strong and positive. … In order to achieve a better reputation, as Socrates is said to* *have observed, we must endeavour to be as we desire to appear. … it is necessary to provide people with proof of one's virtues"* (Anholt, 2011).

In the final analysis, therefore, answers to the challenges facing Barbados' traditional tourism sector lie in the core conceptual frameworks visually integrated in Figure 1.7. It represents best-practice approaches to *Marketing, ICTs, and New Media*. Together, they inform the strategies and actions contained in this Section of the TMP 2014-2023.

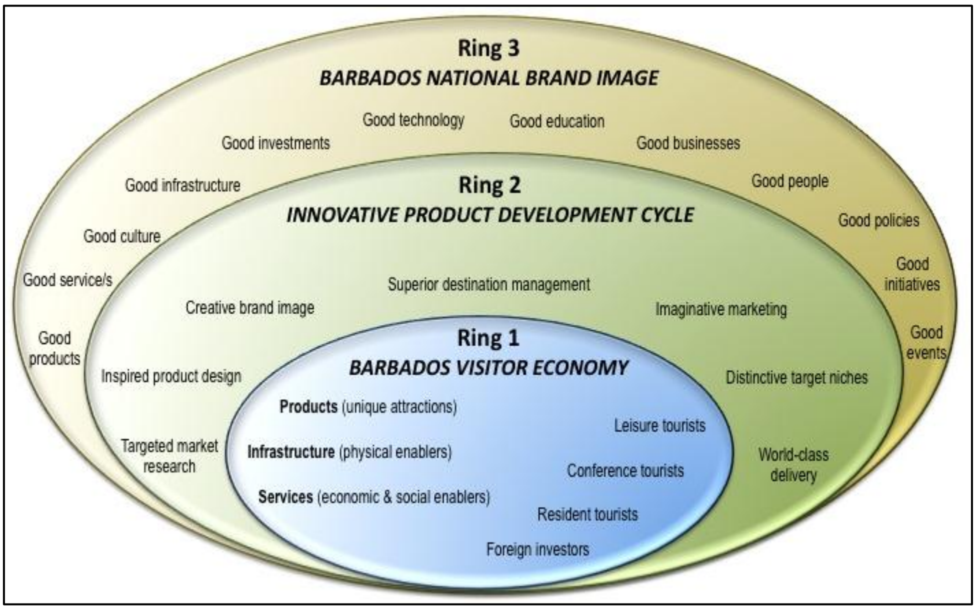


Figure 1.7. Integrated conceptual frameworks.

1.4 Conclusion

Based on the foregoing analysis, this TMP is designed to ensure Barbados unleashes its full potential and delivers what it promises in the context of the "New Normal" that is a part of the country's pressing contemporary reality. To assist in this regard, stakeholders responsible for *Marketing, ICTs, and New Media* have to be clear on what Barbados currently represents in and to the world. They have to agree whether what the country truly represents is what they want it to represent given a unified vision for its economic and social development. Equally important is having a grasp of what visitors are looking for when they look at Barbados, and whether or not their expectations match delivery on all levels, at all times, in all ways. And, where gaps exist, stakeholders have to work together to erase or overcome them. This is the only pathway to excellence for Barbados' marketing and promotional efforts.

The challenge is that *Marketing, ICTs, and New Media* connects to and is integrated with every other TMP subject, making it a critical foundational element for Barbados. Its essential nature is reinforced by the fact that Barbados has come to a plateau in the lifecycle of its traditional tourism product, having reached a degree of stagnation from which it might either orchestrate a renaissance or enter into steep decline. Additionally, the revolution in digital and social media technologies has brought about a seismic shift in the way in which the world works, with lasting implications for traditional tourism and its marketing function.

As a traditionally exclusive destination brand with significant "snob appeal", and as an upper-middle-income developing country with high production costs, Barbados charges premium prices. But does it still offer a premium product that matches its premium pricing? This is the dilemma to which the strategies and actions that follow are designed to respond.

Clearly, there is a horde of competing voices, opinions, perspectives, and approaches vying for pole position in the race to diagnose and correct what ails the Barbados Visitor Economy. The goal of this analysis is to ***simplify*** a complex and highly emotional area in order to bring strategic order to current and future implementation efforts. The TMP 2014-2023 simply cannot be all things to all people. It certainly cannot treat to every issue every stakeholder thinks is key to the success of *Marketing, ICTs, and New Media* in the complex global reality with which Barbados is being faced.

The world in 2014 is fundamentally different from the world that existed even a decade ago. Barbados' destination management stakeholders must respond in kind by sharpening their circle of focus to concentrate on those areas that matter most to improving the country's critical marketing function. Then, they must hone their implementation efforts within that defined circle of focus until every strategy box is ticked and every action item achieved.

Figure 1.8 is a visual representation of the *refined* circles of focus, influence, and concern that this analysis concludes are central to success in this regard. They reflect the trend towards holistic visitor "experiences" not limited to sun, sea, and sand but capturing the fullness of a compelling brand identity that differentiates itself from other destinations in the region and around the world.

By way of explanation, at the centre of this visual is a circle of focus representing issues that this analysis views as most urgently impacting the area of *Marketing, ICTs, and New Media*. These are the critical foundational themes for which Strategies and Actions have been proposed in Section 1.5, as well as in the Section 2.0 on Tourism Market Research.

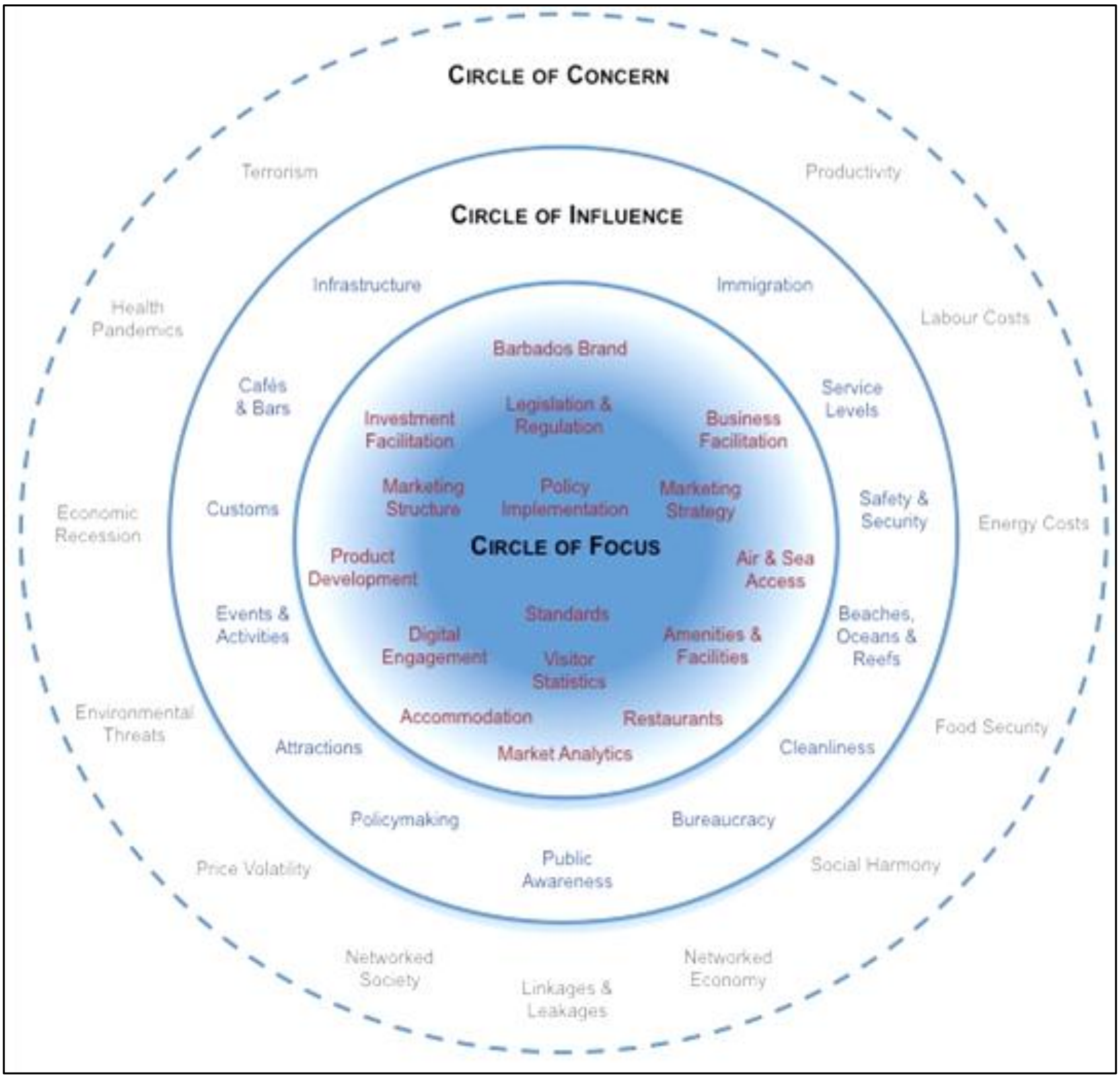


Figure 1.8. Refined Circles of Focus, Circles of Influence, and Circles of Concern.

Around the circle of focus is a circle of influence, which encompasses those subjects affecting, either positively or negatively, the core elements within the circle of focus that determine the success of the marketing function. In most cases, these issues have been analysed and solutions recommended in the numerous studies and strategic plans commissioned by Government or undertaken by various private sector entities through the years, but whose full implementation remains, in too many cases, incomplete. Elsewhere in its assessments, strategies and actions, the TMP treats to several of these issues.

Within the circle of influence, product development is highlighted in red to demonstrate its close affinity with the issues included in marketing's refined circle of focus. It is important to note that while the 2012 White Paper takes the policy position that the product development and marketing functions are to be separated and assigned to different institutions, such a move poses an interesting conundrum for efficient achievement of marketing targets since so much of what is contained within its circle of focus is intimately married to the product being developed and, by extension, to its intelligent design and delivery.

Indeed, this analysis has gone to great lengths to identify and illustrate the best-practice conceptual frameworks that inform the TMP's *Marketing, ICTs, and New Media* strategies and actions. These are the Visitor Economy, Innovative Product Development Cycle, and National Brand Image. To separate the product development and marketing functions without putting in place the requisite service level agreements to ensure ***integrated execution*** would be to create yet another silo in a sector where unproductive silos already predominate.

Nevertheless, the outermost circle of concern illustrates those matters, in the judgement of this TMP, that while they have the potential to impact the core marketing function, remain outside the direct focus or influence of key actors responsible for Barbados' tourism marketing performance.

Given all of the above, the following premises lie at the heart of this analysis:

- **Premise #1**: If Barbados is to reach a more advanced dimension of economic development, the country's realignment of its approach to tourism must include a more expansive perspective designed around the Barbados Visitor Economy as the central driver of the sector's marketing efforts now and into the future.
- **Premise #2**: A safe, secure, beautiful, clean natural environment; friendly people; gold-standard creative, culinary, experience and sports sectors; an attractive environment for foreign investment that allows the international business sector to thrive; world-class education and health care sectors on the cutting edge of new knowledge and exceptional service delivery; top-notch accommodations, energy, transportation, and communications sectors that are the envy of the world; a vibrant national innovation system that attracts and fuels competitive enterprises and creative entrepreneurs; a buoyant philanthropic sector that incentivises the world's wealthy to develop new models for social change … all have the potential to draw people to Barbados for work and pleasure – this is the Barbados Visitor Economy.
- **Premise #3**: Continuous improvement of the BVE requires an agile, responsive product development cycle that integrates expert approaches from best-in-class destinations around the world, namely: imaginative marketing, including sophisticated niche market research, compelling design of new products and enhancement of those already existing, indigenous brand imaging, imaginative promotion and world-class delivery aimed at appropriate market segments that fit the national brand image, and superior destination management systems and structures.
- **Premise #4**: "Nation branding" and National Brand Image (NBI) are not the same. NBI is a composite of people's perceptions of what a country actually produces in terms of experiences, research, policies, ideas, inventions, products, services, experiences, attitudes, actions, amenities, attractions, etc. World-class marketing strategies for Barbados rest on the cultivation of a strong, authentic, coherent, and compelling National Brand Image.
- **Premise #5**: Understanding and improving Barbados' NBI by uncovering people's perceptions of the country's positioning against the best in class requires a holistic national plan of action that addresses the complete Barbados experience, including its policies, ideas, attitudes, products, infrastructure, and services, in the context of the

Barbados Visitor Economy with a special emphasis on the latter's symbiotic relationship with virtually every other national economic activity.

- **Premise #6**: Based on primary and secondary research, Barbados' existing understandings of and approaches to NBI are not fit for purpose.
- **Premise #7**: Barbados requires coherence in marketing and promoting a National Brand Image through which the value of its unique ideas, products and services is bolstered by appropriate structures and substantive outcomes that deliver on the aspirational nature of that National Brand Image.
- **Premise #8**: Best-in-class approaches require a joined-up, custom-built, cutting-edge structural framework to create, harmonise, manage, and market an "unbroken chain of proof" that continuously verifies Barbados living up to its promise, and delivering what it promises.

Core Strategies and Actions linked to *Marketing, ICTs, and New Media* that will deliver in these regards are presented in Section 1.5.

1.5 Recommended Actions to Improve Marketing Effectiveness

Actions recommended to improve marketing effectiveness are in support of Strategic Imperative #10 on '**Effectively Market Barbados**' and corresponding Strategy 10.1 which states: "*Improve the effectiveness and efficiency for marketing Barbados internationally and domestically in terms of product, price, promotion and place*". One proposed action is also in support of Strategic Imperative #1 on '**Base Decisions on Comprehensive, Accurate, and Timely Data / Information**' and corresponding Strategy 1.2 which states: "*Promote ongoing monitoring of the BVE within the wider regional and global environment to evaluate Barbados' performance against best practice in order to position it for enhanced competitiveness*" (refer Report I, Sections 4.4 and 5.0).

Also included in this section is a demonstration project outline for Digital Media Acceleration, which is being recommended for exploration and implementation. This is a Proof of Concept initiative designed to create a robust Public-Private-Partnership (PPP) platform whose primary objective would be to commercialise digital content, media, services, and experiences, with linkages to tourism, foreign investment, international business, other economic sectors, and the cultural and creative industries in Barbados and the wider Caribbean.

1.2-1 Create a Digital Dashboard for TMP Implementation and Performance

Description:

Synopsis - This activity is designed to reduce and eventually eliminate Barbados' implementation deficit in terms of successful strategy execution in the Barbados Visitor Economy. Through use of open, accessible, transparent, and secure web-based applications and digital technologies, this activity will exponentially increase Barbados' track record in successful project execution and subsequently in managing "operational performance" by using the TMP as a test bed for improving the efficiency of the BVE.

TMP DIGITAL DASHBOARD: IMPLEMENTATION (within 6 mths of adoption of Master Plan):

a. To align Barbados' public rhetoric with its true performance
b. To create a web-based digital dashboard to improve accountability and increase public/private sector efficiencies in the monitoring and delivery of TMP strategies and actions
c. To digitise individual TMP strategies and actions, including but not necessarily limited to:
    i. TMP target areas, responsible agencies/individuals, objectives, outcomes, timelines, budgets, critical success factors (dependencies)
d. To enable access through varying levels of authorisation and permission
e. To ensure the dashboard is designed to the highest cyber-security standards to withstand potential threats and/or breaches

TMP DIGITAL DASHBOARD: OPERATIONAL PERFORMANCE (6 mths & ongoing for up to three years in the first instance):

f. To ensure allocation of appropriate resources to continuously monitor, improve and protect data, usability, efficiencies, and access
g. To manage effectiveness and continuously fine-tune the performance of the strategies and actions by monitoring and managing "operational performance" KPIs

Expected Outcomes:

- More efficient strategy and action execution linked to development of the BVE
- Increased transparency and openness
- Better access to information anywhere, any time, from any secure digital device
- Reduction in communications silos
- Higher levels of responsibility and accountability

Guidelines for Implementation:

1. Research and write appropriate Terms of Reference
2. Publish Terms of Reference and invite Expressions of Interest
3. Short-list capable firms/individual consultants and invite them to submit bids
4. Choose successful bid based on transparent tender process
5. Provide winning firm/consultant with appropriate metrics to build digital dashboard
6. Build, test, soft launch, and hard launch of TMP digital dashboard, starting with a focus on "implementation"

Challenges With Implemention:

- Financial resources
- Translating TMP strategies and actions into digital metrics
- Designing appropriate metrics able to efficiently and effectively (1) track successful implementation and (2) manage operational performance
- Willingness to participate of all key stakeholders

- Security, privacy, confidentiality, where appropriate or necessary
- Protecting levels and layers of access and authorisation

Recommended Implementation Agency:
Ministry of Tourism

Priority / Implementation Timeframe:
High/ Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0); delivery of implementation should be in stages linked to batches of 40 at a time, starting within 6 months of TMP implementation

Target Users (based on level of authorisation)**:**
BVE stakeholders, residents, App developers, visitors

Who Benefits:
Same as above

Risks:
Security, privacy, confidentiality

Estimated Costs:
BDS$160,000 for initial framework for implementation; Bds$80,000 for managing/monitoring operational performance up to a three-year cycle

Source Of Funds:
Government and potential private sector stakeholders

Revenue Generation Potential:
N/A

Further Development Work Required:
N/A

Other Considerations:

10.1-1 Sharpen Barbados' National Brand Image

Description:

Synopsis: This activity is a foundational one, in the absence of which attempts at effective marketing and promotion will ultimately fail. Based on documented best practice espoused by world-class authorities like **Simon Anholt** of **The Anholt-GfK Roper Nation Brands Index**, it is designed to bring greater clarity to key stakeholder notions of "country brands", "branding", "product development", "advertising", "marketing", "communications", and "tourism promotion". In so doing, it aims to generate national coherence in the marketing of a National Brand Image through which the value of all exports, led by tourism, is bolstered by appropriate structures and substantive outcomes that effectively deliver on the aspirational promises of the country's traditional value propositions in tourism and other key sectors.

NATIONAL BRAND IMAGE RATIONALISATION (within 6 months of TMP adoption):

a. Stakeholder agreement on the elements of Barbados' National Brand Image is central to strategy and action success. If Barbados is to grow its visitor economy in the current volatile global environment, it must definitively:

i. Achieve consensus on its true character as a nation (ethos and values)

ii. Pinpoint its current real standing in relation to ***global benchmarks*** of ***internal and external*** awareness (perceptions)

iii. Determine where it wants to go as a nation (objectives)

iv. Resolve how it plans to get there (strategies)

v. Achieve top-notch execution at all levels in all sectors (structures and processes)

Tourism White Paper 2012 (Strategic Solustions Inc., 2012): *"There has been much discussion about the Barbados Brand and what actually defines it … there exists no definitive statement of what the brand actually is and therefore, there is no ownership by the BTA of an actual Brand positioning for the island"* (p. 65)

White Paper 2012: "*Barbados needs to identify its core competencies and unique attributes to create a distinct brand identity and positioning in the market that will successfully differentiate the Barbadian product and make the brand sustainable and enduring"* (p.66)

White Paper 2012: *"Defining the Brand is the root of any strategic marketing plan. It assists in identifying the type of customer or niche markets the destination is trying to attract and allows for a more strategic and targeted approach to be taken. It also eliminates ad hocism and wastage of scarce financial resources"* (p. 66)

b. Rationalising Barbados' National Brand Image must involve moving beyond a siloed approach to tourism planning and development to truly integrated policy design and implementation that accounts for the ways in which the BVE has evolved, as well as its embedded, symbiotic relationship with virtually every national economic sector

Expected Outcomes:

a. A Barbados National Brand Image that is coherent, relevant and fashionable, with a clear, unified vision, persuasive brand story, compelling brand values, concise and realistic objectives, delivering outcomes that align with brand promises over time
b. A Barbados National Brand Image at the centre of the country's strategic marketing and promotion in tourism and all key BVE-related sectors, including principally investment, and international business and financial services
c. Rationalisation of the designed identity of the Barbados National Brand Image as well as its aligned BVE product, including with respect to look, brand imagery, icons, logo, livery, packaging, communications, media messages, Internet and digital media engagement

White Paper 2012: *[The Barbados Brand] "must be recognisable, memorable and impactful and resonate with the types of visitors the island is trying to attract in a way that results in increased brand recognition, market share and brand loyalty"* (p. 66)

Guidelines for Implementation:

1. **Stakeholder Sensitisation**: Invite a world-class nation brand image expert to deliver a lecture or series of lectures at the highest level in Barbados (Cabinet, key public sector managers in tourism and other sectors, key private sector players), to include one or two high-level workshops to reinforce key themes and global trends. This is designed to create greater awareness of the complexity associated with country brand image and expose critical actors to the thinking of the world's best minds on the subject.
2. **Global Blue-Ribbon Benchmarks**: Have Barbados assessed by **The Anholt-GfK Roper Nation Brands Index** or a similar blue-ribbon brand, as top tourism and nation brands around the world have done over the years. This would remove some of the subjectivity from Barbados' National Brand Image analysis by utilising a tested methodology that takes into consideration

the complexity of National Brand Image while also being candid about what Barbados can and cannot leverage to positively influence people's perceptions and enhance its national brand reputation

3. **National Targets**: Based on Stakeholder Sensitisation and Global Blue-Ribbon Benchmarking, outline a set of national targets designed to boost Barbados' National Brand Image, including but not limited to the following:
4. **Updated Brand Perception Study**: (See 2004 The Phillips Consulting Group Study & 2005 IMG Study) to include sense of brand ethos/values, perceptions, objectives
5. **Table-Top Dialogues**: Small talks in the right places to build critical mass around key issues
6. **Strategy**: Consensus on Barbados' character as a nation, "who" it is and where it presently stands (in real terms and also based on internal and external perceptions); agreement on a clear national vision for Barbados' development, including brand values, goals and objectives particularly as they relate to the BVE (where Barbados wants to get to); and agreement on how precisely it will get there (targets, timelines, resources, and levels of accountability).
7. **Signage**: Modernisation and streamlining of the designed identity of Barbados' National Brand Image as well as its aligned Barbados tourism product, including with respect to look, brand imagery, icons, logo, livery, packaging, messaging, communications, advertising, Internet and digital media engagement

Challenges With Implementation:

- Potential stakeholder fatigue concerning Barbados' prolonged efforts to rationalise marketing and promotional efforts linked to a national brand image, as evidenced by:
    - Stated dissatisfaction with 2011 BTA Brand Analysis Report
    - Apparent Government rebuff of 2004 BTA Brand Perception Report
    - Lack of clarity re current status or applicability of Barbados' National Strategic Plan 2005-2025, which sets out Barbados' National Brand Image
- Ambiguity with respect to Barbados' National Brand Image
- Widespread misperceptions related to the nature and significance of country brands, branding, image, identity, tourism marketing and promotion, and the complexity that results from such widespread misperceptions
- Multiplicity of entities responsible for product development/marketing/promotion
- National promotion and marketing players other than those in the tourism sector also charting their own paths with respect to the Barbados National Brand Image
- Resistance in practice to the notion that tourism has evolved beyond traditional definitions to encompass and impact other key economic sectors, requiring new models and modalities for policy planning, development, marketing and implementation

Recommended Implementation Agency:
Proposed Barbados Tourism Marketing Inc. (BTMI)

Priority / Implementation Timeframe:
High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0); implementation within 6 months of TMP adoption

Target Users:

- Cabinet
- Senior and supporting public sector players in the BVE and other key related sectors
- Key private sector actors
- Other designated players and sectors at the national level
- Visitors, potential visitors, target markets etc.
- All Barbadians

Who Benefits:
Same as above

Risks:
- "Reconciling the needs and desires of a wide range of different national actors into a more or less single direction (Anholt, 2011, p. 7)"
- "Finding a strategic goal [for Barbados' National Brand Image] that is both inspiring and feasible, since these two requirements are frequently contradictory (ibid.)"
- Policy and decision-makers at the national level ignoring or rejecting the findings of global assessments if those findings are not in keeping with what they might wish to hear
- Policy and decision-makers at the national level not following through on implementation targets, which is one of the fundamental weaknesses of Barbados' model of governance
- Failure of Barbados to "be as it desires to appear"

Estimated Costs:
BDS$1,000,000 for implementation steps 1-7

Source Of Funds:
Key public and private sector tourism and international business stakeholders

Revenue Generation Potential:
Unknown

Further Development Work Required:
- Clearer cost estimation based on assessment of resource needs, potential reallocation of resources, identification of additional resources where necessary
- Additional research on global blue-ribbon benchmarks for national brand image and/or tourism-related indices with a view to finding the appropriate match for Barbados

Other Considerations:

10.1-2 Refine Barbados' Promotional Activities

Description:

Synopsis: This activity is a foundational one, in the absence of which attempts at effective marketing will ultimately fail. Its aim is to achieve stakeholder consensus on competitive value propositions, niches, markets, and visitor profiles that are a match for Barbados' National Brand Image as defined by Action 10.1-1. It is then designed to take a lead role in uncovering and sharing supporting market research, preparing specific niche and visitor profiles, identifying geographical and consumer markets, and engaging directly with those markets via appropriate channels and media messages to build awareness of and high regard for the Barbados Visitor Economy and Barbados' National Brand Image.

<u>NATIONAL BRAND IMAGE VALUE PROPOSITION DEVELOPMENT</u> (within 6 to 12 months of TMP adoption and ongoing):

a. If Barbados is to grow its visitor economy, it must more efficiently undertake the activities detailed in the **Innovative BVE Product Development Cycle** visually represented by Figure 5 of the preceding analysis on The Way Forward, including:

i. Targeted, segmented niche, visitor and/or market research
ii. Innovative product design
iii. Creative brand imaging
iv. Imaginative marketing
v. Identification of market segments that fit Barbados' National Brand Image
vi. World-class delivery, and
vii. Superior destination management

Expected Outcomes:

a. Clear marketing strategies, including vision, mission, objectives, sales and other targets, resources, timelines in relation to Barbados' overseas marketing and promotional efforts

b. Targeted, segmented niche, visitor and/or market research and data:

   - Linkages to TMP 2014-2023 Market Research analysis, which identifies the following as priority niche markets that match the ***current perception*** of Barbados' NBI, which is itself in need of refreshing (see Action 10.1-1):
     - MICE
     - Culture & Heritage (BHTA includes epicurean in this segment)
     - Accessible
     - Diaspora
     - Domestic
     - Silver
     - Sports
     - Festivals

c. Updated positioning based on current data and brand perception analysis vis-à-vis markets, niches and visitor segments that are a match for Barbados' National Brand Image

d. Market profiles and/or data on matching NBI niches/segments, including:
   - Demographics
   - Travel planning habits/preferences
   - Travel patterns/preferences
   - Preferred activities and experiences
   - Other psychographic data uncovering expectations and preferences

e. Continuous feedback on Brand Image perceptions

f. A more rifled approach to Barbados' marketing and promotional efforts

Guidelines for Implementation:

1. **Targeted Market Segmentation Research**: Specific market and niche profiles based on visitor preference surveys and measurements that identify, catalogue, and target, via innovative media messages and channels, key geographical markets, specialised niches, and visitor categories that are a positive match for Barbados' Brand Identity

2. **Utilisation of Industry-Leading Systems & Players**: Utilisation of leading marketing and market research players such as Acorn Marketing in the UK and Nielsen's Prizm in the North American market (both used by BTA in the past) to undertake direct marketing and branding activities, as well as uncover detailed insights about customer lifestyle, demographics, preferences, behaviour, geographic data to help identify, understand and reach customers and prospects.

3. **Ongoing Brand Perception Visitor Engagement**: Regular deployment of surveys, questionnaires, and direct person-to-person engagement with visitors to remain ahead of the curve in terms of what they would like to see and experience, and to learn what they are saying about Barbados.

4. **Multi-Channel Marketing Programme**: Aimed at increasing the volume and value of the BVE by focusing on themed opportunities throughout the year, with specific events aimed at attracting visitors over the slower months of May/June and September/October. This Multi-Channel Marketing Programme would be inclusive of generic advertising, events inside and out of Barbados, publications, digital/Internet platforms, social media, mobile/smart phones engagement, e-communications, BVE Interactive Awareness Building Website (see Action 10.1-5) and tourist information centres located in key strategic markets.
5. **Overall Marketing and Promotion Strategy**: Defined marketing strategy, including vision, mission, objectives, sales and other targets, resources, target markets, niches and profiles, and timelines in relation to Barbados' overseas marketing and promotion efforts.

Challenges With Implementation:

Developing a reasonable plan of implementation that correctly reallocates resources where possible and identifies new ones where necessary to achieve acceptable results within known constraints and conditions

Recommended Implementation Agency:

Proposed Barbados Tourism Marketing Inc. (BTMI)

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0); within 6 to 12 months of TMP adoption, and ongoing

Target Users:
- Cabinet
- Senior and supporting public sector players in the BVE and other key related sectors
- Key private sector actors
- Other designated players and sectors at the national level
- Visitors, potential visitors, target markets etc.
- All Barbadians

Who Benefits:

Same as above

Risks:
- "Reconciling the needs and desires of a wide range of different national actors into a more or less single direction (Anholt, 2011, p. 7)"
- Failure of Barbados to "be as it desires to appear"

Estimated Costs:

Requires additional research based on the likelihood of implementation, particularly in light of potential reallocation of existing resources and proposed restructuring efforts

Source Of Funds:

Key public and private sector tourism and international business stakeholders

Revenue Generation Potential:

Unknown

Further Development Work Required:
- Cost estimation based on assessment of resource needs, potential reallocation of resources

where possible, identification of additional resources where necessary
- Additional research on industry-leading systems and players in market research segmentation, marketing and branding in overseas markets

Other Considerations:

10.1-3 Audit Barbados' Implementation Deficits

Description:

Synopsis: This activity is designed to review and detail recommendations made in every national public and/or private sector strategic analysis with implications for key areas affecting the Barbados Visitor Economy over the course of the last ten years. This strategic performance review will identify and treat to gaps, as well as the action items outlined since 2003 but never completed.

NATIONAL PERFORMANCE REVIEW (within 3 months of TMP adoption):

a. To undertake a full-scale audit of the implementation status of relevant national strategic plans since 2003, including but not limited to:
   i. National Strategic Plan 2005-2025
   ii. National ICT Strategic Plan 2006
   iii. "Working Together – Stronger Together": Recommendations on How to Improve Facilitation and Support for the International Business Sector in Barbados
   iv. "A Study on the Competitive Tourism Environment Which Barbados Faces: Its Challenges and Solutions"
b. To detail specific gaps in implementation
c. To prepare, by sector as appropriate, a comprehensive listing of unresolved issues
d. To detail timely steps for their resolution

Expected Outcomes:
- Comprehensive listing of unresolved issues critical to the wellbeing of the BVE
- Reasonable, timely steps for the resolution of still-relevant unresolved issues
- Higher levels of responsibility and accountability
- Higher levels of collaboration, trust and public sector credibility
- Increased efficiency

Guidelines for Implementation:
1. Research and write appropriate Terms of Reference
2. Publish Terms of Reference and invite Expressions of Interest
3. Short-list capable firms/individual consultants and invite them to submit proposals
4. Choose successful proposal
5. Provide winning firm/consultant with required strategy documents
6. Analyse, document, list, propose steps for timely resolution

Challenges With Implementation:
- Financial resources
- Collaboration between competing stakeholders
- Overcoming Government inertia
- Authority and responsibility to act

Recommended Implementation Agency:
Ministry of Tourism

Priority / Implementation Timeframe:
High/ Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0); delivery of implementation within 3 months of TMP adoption

Target Users: (based on level of authorisation)**:**
- Government
- Private sector
- Other tourism stakeholders
- Residents
- Visitors

Who Benefits:
Same as above

Risks:
- Overcoming Government inertia
- Authority and responsibility to act

Estimated Costs:
Estimated @ BDS$50,000 (@ 3-month consultancy)

Source Of Funds:
Government and potential private sector stakeholders

Revenue Generation Potential:
N/A

Further Development Work Required:
N/A

Other Considerations:

10.1-4 Create a Mobile Applications Living Lab

Description:

Synopsis: This activity is designed to unleash Barbados' untapped potential for the delivery of mobile technology innovations, experiences and services that enhance the Barbados product offering in tourism and related foreign exchange earning sectors. It is designed to support the creation of mobile applications that add value to the Barbados Visitor Economy, making it easier for locals and visitors to access and share information, communicate, navigate, and connect through the use of shared services. It has the potential to change the way visitors and nationals interact and collaborate with tourism stakeholders throughout the BVE value chain, before visitors arrive in Barbados, once they are on island, and long after they return home. It is intended to provide the resources and ecosystem for local developers to build and deliver innovative BVE-related services via mobile applications and the Internet.

- **Premise #1**: *Mobile phone or Smartphone adoption around the world is skyrocketing, and is fundamentally changing the way people get travel advice. As mobile devices proliferate, they* *are becoming the hub for all travellers' activity, replacing the PC, telephone, kiosk and boarding pass. The emerging mobile technologies will revolutionize each stage of the travel experience in the future* (White Paper: Strategic Solutions Inc., p. 155).

- **Premise #2**: *The BTA and local hoteliers and direct service operators need to urgently take advantage of this new trend in traveller behaviour, which is impacting the way consumers interact with the travel and tourism industry in general. The opportunities that mobile technology offers to engage the new, constantly "switched on" consumer, will enable the Barbados tourism industry to provide personalized service and updated digital content, showcase local attractions and 'things to do', generate commercial activity and drive revenue by increasing visitor expenditure. One of the major advantages of the new connectivity with guests that mobile technology provides is that it will provide unprecedented opportunities for the industry to gather valuable data which will result in better business intelligence to develop more customised product and deliver better guest service. The rise in mobile bookings will also be key to increasing bookings, especially from Asian travellers in the coming decade* (White Paper: Strategic Solutions Inc., p. 155)

MOBILE APPS LAB:

a. To enhance the Barbados experience, from travel confirmation, through arrival, during the stay in Barbados and after departure, potentially including but not limited to:
   i. Digital, interactive events calendar with potential for direct bookings
   ii. Weather updates (EX: sea conditions, safety)
   iii. Interactive information on attractions (including beaches)
   iv. GPS for easy navigation while touring the island
   v. Interactive data on the history, society, culture, economy of Barbados
   vi. Creative and culinary arts information (EX: engagement with local creators/specialised creative experiences via pre-appointments)
   vii. Any other compelling mobile technology innovations likely to enhance Barbados' tourism product offering

Expected Outcomes:

- Unleashing the power of mobile technology and open access data to showcase the innovation potential of Barbadians in the delivery of smarter tourism-related services
- eGovernment, tourism-related and other services designed around users' needs
- Better access to information
- Active citizen/visitor involvement in the creation of smart services
- Common architecture, shared services and standards
- Open access data in common formats, transparency and personal rights
- Mobile apps accessed easily and used anywhere

Guidelines for Implementation:

1. **Barbados Brand Mobile Apps Living Lab Contest**: To encourage the development of mobile tourism applications that facilitate visitor and citizen interaction and access to tourism-related services
   i. **Step #1**: Dialogue with the Barbados ICT Professionals' Association, the Barbados Small Business Association, the Barbados Coalition of Service Industries to agree to the contest parameters, structure, and prizes
   ii. **Step #2**: Development of contest rules and structure, including with respect to agreement on app ownership/profit sharing
   iii. **Step #3**: Contest launch
   iv. **Step #4**: Contest completion and judging of submissions
   v. **Step #5**: Award of prizes and launch of winning apps

2. **Widespread Apps Availability**: Via iTunes Store, Android Market, BlackBerry App World, etc.
   i. **Step #6**: Clarification/agreement re potential cost structures percentages that might go to Government to support the continued viability of the Mobile Apps Living Lab

Challenges With Implementation:
- Getting potential partners to come on board
- Getting contest parameters, structures and ownership/profit sharing right

Recommended Implementation Agency:
Barbados Tourism Marketing Inc.; in collaboration with the Barbados ICT Professionals' Association and/or the Barbados Small Business Association, the Barbados Coalition of Service Industries

Priority / Implementation Timeframe:
High/Short Term: This is viewed as a **sustaining** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:
Visitors, nationals, BVE stakeholders, App developers

Who Benefits:
Same as above

Risks:
- Developing a realistic strategy and action plan, as well as structures, targets and timelines that allow the Living Lab to become self-sufficient over time
- Security
- Privacy
- Confidentiality

Estimated Costs:
BDS$100,000 to $250,000 for first year of operations

Source Of Funds:
Government and potential private sector sponsors in the first instance

Revenue Generation Potential:
Present, but to be determined

Further Development Work Required:
Securing potential partners and development of living lab contest

Other Considerations:

10.1-5 Develop an Awareness Building Website with Mobile Extensions

Description:

Synopsis: This activity is designed to rationalise Barbados' online image into one engaging interactive web presence with mobile extensions that captivates visitors and builds awareness of the unique value propositions available within the BVE.

<u>NATIONAL BRAND IMAGE INTERNET ENGAGEMENT</u> (within 12 months of TMP adoption):

a. To be where visitors and potential visitors are in an era of mobile technology
   i. Web accessibility is not limited to computer desktops but can now be achieved through mobile devices and mobile phones using mobile applications
b. To align Barbados' National Brand Image with its online and mobile presence
c. To create a compelling and engaging web and mobile presence that showcases Barbados and Barbadians at their best;
d. To provide access to information on the following:
   ii. All TMP target areas, including accommodation, events, activities, attractions, people, culture, multi-media promotional videos and messages, current news, information and data, international rankings, etc.
   iii. BVE awareness building, Barbados' NBI, development plans, strategies, etc.
e. To enable access through varying levels of authorisation and permission, as necessary, with respect to secure e-commerce transactions
f. To ensure Barbados' web and mobile marketing presence is designed to the highest cyber-security standards to withstand potential threats and/or breaches
g. To ensure allocation of appropriate resources to continuously monitor, improve and protect data, usability, and access

Expected Outcomes:

- **Interactive BVE Presentations**: YouTube videos, social media feeds … presenting the BVE as a more digital, interactive, exciting experience linked to Barbados' National Brand Image
- **BVE Research and Interesting Factoids**: In all applicable areas
- **Interactive Barbados National Brand Image Presentations**: Introducing Barbados at the digital cutting-edge of new visitor experiences that enhance Barbados' National Brand Image
- **eCommerce Gateway:** Digital access to BVE products, services, experiences
- **Direct Connections to Social Media**: Facebook, Twitter, Instagram, LinkedIn, YouTube, Tumblr & other key social network feeds hosted directly on the website
- **Online Proposal Submissions**: EX: re the BVE Mobile Apps Living Lab
- **Live and Delayed Feedback**
- **BVE Live Blogs/Sessions**: Live & interactive questions & answers
- **Live Barbados Radio and/or TV**

Guidelines for Implementation:

1. Research and write appropriate Terms of Reference
2. Publish Terms of Reference and invite Expressions of Interest
3. Short-list capable firms/individual consultants and invite them to submit bids
4. Choose successful bid based on transparent tender process
5. Provide winning firm/consultant with appropriate metrics to build the website
6. Build, test, soft launch, and hard launch of TMP Interactive BVE and Barbados National Brand Image Website

Challenges With Implementation:

- Financial resources

- Willingness to participate of all key stakeholders
- Security, privacy, confidentiality; protecting levels/layers of access / authorisation

Recommended Implementation Agency:
Barbados Tourism Marketing Inc. (in collaboration with MTI and BHTA)

Priority / Implementation Timeframe:
High/Short Term: This is viewed as a sustaining priority action in the TMP Implementation Plan (refer Report I, Section 5.0); rationalised online image for Barbados by end of 2015

Target Users: (based on level of authorisation)
BVE stakeholders, residents, visitors

Who Benefits:
Same as above

Risks:
Security, privacy, confidentiality

Estimated Costs:
Estimated @ Bds$225,000 for design and initial launch; additional funds for support

Source Of Funds:
Government and potential private sector stakeholders

Revenue Generation Potential:
N/A

Further Development Work Required:
N/A

Other Considerations:

10.1-6 Integrate Destination Management

Description:

Synopsis: This activity calls for the complete restructuring of the Barbados Tourism Authority and its replacement with a custom-built destination management structure that integrates the tourism marketing, promotion, investment and product development functions to improve operational efficiencies within the Barbados Visitor Economy. This will support oversight of Barbados' National Brand Image by empowering appropriate structures and enabling substantive outcomes that deliver on the aspirational promises of the country's traditional value propositions in tourism, investment, and other linked BVE sectors.

NATIONAL BRAND IMAGE OVERSIGHT (immediately):

a. There is at present no structure in Barbados capable of successfully enabling the required National Brand Image rationalization outlined in this Section … existing structures are not fit for purpose

b. In order for the TMP to be successful, there must be realignment of existing tourism development, promotion and investment mechanisms such that there is a paramount framework for National Brand Image that transcends existing structures and acts as the corrective force against a currently entrenched silo mentality

c. The 2012 Tourism White Paper outlines Government's plans to restructure the Barbados Tourism Authority (BTA) and the Ministry of Tourism (MOT) as follows:
   i. Creation of Barbados Tourism Marketing Inc. (BTMI) to take over the tourism marketing activities of the BTA
   ii. Creation of Barbados Tourism Product Authority (BTPA) through a merger of the product development divisions of the BTA and the MOT, to oversee development, regulation and licensing of non-physical tourism assets
   iii. Barbados Tourism Investment Inc. (BTI) to retain responsibility for development of Government's physical tourism assets
   iv. MOT to retain general oversight of the industry and maintain responsibility for monitoring the performance of individual tourism institutions, with the added responsibility of providing greater strategic direction to the sector, including in terms of research, monitoring and planning

d. These moves pose the danger of reinforcing a siloed response that does little to leverage the increasingly networked nature of the BVE. To ensure effective product/ marketing integration and coordinated planning of these critical functions, the 2012 TWP mandates the following:
   i. Shared physical facilities
   ii. Cross-representation at Board of Directors level
   iii. Establishment of a Joint Technical Committee comprising representatives of BTMI and BTPA
   iv. Designation within each entity of a senior officer responsible for ensuring effective integration of BTMI and BTPA functions
   v. Utilisation of information technology to improve information sharing

e. It is unlikely, however, that d. above will prove sufficient to overcome competitive behaviour between the various entities. As such, the following is also recommended:
   i. Paramount Cabinet-level authority with the autonomy to act as the corrective force against an existing silo mentality to call into account BVE stakeholders in ways that streamline the BVE product offering
   ii. High-level International Advisory Board to give guidance to e (i) above
   iii. Service level agreements (SLAs) between all entities tasked with product development, marketing, promotion, investment and market research to operationalise seamless destination management systems and structures
   iv. Specific posts/units to deliver on critical functions:
      - Brand Standard Manager: to maintain the National Brand Image
      - Investment Facilitation Unit: to create an enabling BVE environment
      - Value Proposition Development Unit: to oversee market research
      - Destination Brand Specialists: to engage with key overseas markets
   v. Ministry of Tourism have additional responsibility for:
      - Strong research and data management unit
      - BTI (once removed from under the Ministry of Finance)
   vi. BTI have oversight of TMP implementation unit, to be staffed with savvy, agile private sector experts

Expected Outcomes:

a. Safeguarding of the BVE's unique value propositions and providing strategic direction for all activity concerned with growing the BVE

b. Nurturing of Barbados' National Brand Image

c. Evolving Barbados' brand message and determining how it is consistently communicated to customers and stakeholder in and outside of Barbados

Guidelines for Implementation:
1. International Advisory Board to the Cabinet: Eminent, well-connected, and/or wealthy people of influence in Barbados and key overseas markets to advise on matters related to Barbados' National Brand Image strategy and the BVE
2. Post of Brand Standard Manager
3. Posts of Destination Brand Specialists in key overseas markets
4. Creation of Investment Facilitation Unit
5. Creation of Value Proposition Development Unit

Challenges With Implementation:
- Multiplicity of entities in Barbados responsible for some aspect of product development and/or marketing and promotion
- Stakeholder fatigue with Barbados' prolonged efforts to restructure tourism
- Resistance to the notion that existing public sector silos must be removed; uncertainty regarding how to remove them effectively
- Securing of appropriate funding

Recommended Implementation Agency:
Cabinet via the Ministry of Tourism

Priority / Implementation Timeframe:
High/Short Term: Within 6 months of TMP adoption

Target Users:
- Visitors, potential visitors, target markets etc.
- All Barbadians

Who Benefits:
Same as above

Risks:
- Lack of political will
- Costs
- Resistance, infighting, competition among key players/sectors at the national level
- Failure to find consensus on key issues
- Policy and decision-makers not following through on implementation targets

Estimated Costs:
Requires additional research based on the likelihood of implementation, particularly in light of potential reallocation of existing resources and proposed restructuring efforts

Source Of Funds:
Key public and private sector BVE stakeholders

Revenue Generation Potential:
Unknown

Further Development Work Required:
Cost estimation based on assessment of resource needs, potential reallocation of resources where possible, identification of additional resources where necessary

Other Considerations:

DEMONSTRATION PROJECT CENTRE OF EXCELLENCE FOR DIGITAL MEDIA ACCELERATION	
CONTEXT	Barbados must evolve to meet the competitive demands of the global economy. One way is to unleash innovation through the ***cultural, creative & experience industries,*** with value-added ***linkages*** to more traditional economic sectors like ***tourism & international business***. This will not happen spontaneously, but will require specific strategic interventions & supports. The long-term goal is the country's structural transformation into a sophisticated innovation-driven creative space where value is embedded in the people & in their creative imagination
VISION	***Centre of Excellence for Digital Media Acceleration***: A private-sector-infused launch pad for creative firms and entrepreneurs that powers enterprise innovation by moving Caribbean digital content and creations to global markets quickly and efficiently
VALUE PROPOSITION	• Accomplished team of professionals in the Caribbean/UK/EU/USA/ Middle East dedicated to getting creative content to global markets • Developing Barbados' talent-hunting capacity to seek out/empower inventors/innovative individuals/firms with entrepreneurial ideas in digital spaces linked to cultural, creative, and experience industries • Commercialising new firms; supporting idea generation, product & business development; evaluating performance of high-expectation start-ups; enabling a responsive ecosystem for all businesses • Diffusing world-class Caribbean IP & services through the region to the world • Launching new initiatives in higher education, including by enabling entrepreneurial learning & programmes through development of synergies between domestic & foreign educational programmes
RATIONALE	• 1 in 2 people globally will soon use the Internet • 1 in 4 will belong to a social media network • The G-20's Internet economy will soon reach $4.2 trillion • Mobile devices will account for @ 80% of all broadband connections • Cloud computing, convergence & enhanced interoperability mean technology will soon be in place to link & exploit enormous amounts of data • Trends point to personalised, empowering, interactive, multicultural media • Players with Caribbean ties have perfected business models that produce & market top-quality film, entertainment, & new media content on small budgets • Major North American networks & studios present opportunities for distribution of world-class original Caribbean programming • Caribbean's Distinctive Value Proposition: Accessibility, creative talent, historical links to EU/North America, foreign investment climate that supports profit maximisation, stable economies, democratic traditions, multicultural history, beautiful natural environment
PROJECT GOAL	• PPP that properly provisions & separates social/public goods with a developmental focus that may/may not require institutional partners for efficient delivery from profit generating activities best left to private enterprise

2.0 Visitor Markets Research and Data Management

Summary

The subject area of *visitor markets research* in the context of the Barbados Tourism Master Plan 2014-2023 (TMP) addresses four broad aspects:

1. Visitor market activity in Barbados and as compared to the Caribbean & globally
2. International origin market trends and priority origin markets for Barbados
3. Visitor niche markets and priority niche markets for Barbados
4. Visitor research management in Barbados

This subject area encompasses all visitation (not just by tourists), and all visitor-related research (not just tourism markets research, but other aspects such as the economic benefits of tourism). This is because it is readily apparent that there is much need for improvement, great opportunity for attracting and serving a broader spectrum of visitors to Barbados, and a need to make research management more effective and efficient. The latter is considered especially critical as the availability of, and access to, accurate, reliable, timely and comprehensive tourism information is widely recognized as a fundamental prerequisite for the tourism sector to thrive in Barbados.

Situation Analysis

The most significant findings of the situation analysis with respect to visitor markets research are:

- Aside from a couple of years, Barbados has been performing poorly recently in terms of attracting overseas visitors, and the situation appears to be worsening. This is in contrast to activity across the globe and in many other parts of the Caribbean region.

- Global stayover arrivals have been increasing in recent years - by nearly 5% in 2011 and by 4% in 2012. As a result, a record level was reached in 2012 - the first year ever to exceed one billion international stayover arrivals. This is primarily due to strong growth in outbound travel from emerging economies in Asia, Latin America, the Middle East and Africa.

- Stayover arrivals to the Caribbean as a whole actually grew at a faster rate in 2012 (4.6%, excluding Cancun and Trinidad and Tobago) than globally but this followed from comparatively slower rates in 2011 (2.6%, excluding Trinidad and Tobago). The US territories, the Dutch islands and the Spanish-speaking Caribbean countries experienced the strongest growth rates - of 8.4%, 5.7% and 5.4% (excluding Cancun), respectively - in 2012. The Dutch islands have been particularly successful in achieving sustained growth over the past few years, and this appears to be largely due to their effectiveness in attracting visitors from the emerging South American origin markets.

- Barbados performed the worst among the Caribbean's reporting countries for 2012, experiencing a decline of 5.5% over 2011 when it had actually been one of the better performing regional destinations with stopover arrival growth of 6.7% in that year (2011). However, 2011 was an anomaly that followed an annual average rate of growth of -0.6% over the preceding five year period.

- In addition, many stayover visitors to Barbados are spending less money than in the past, such that total annual visitor expenditures in Barbados are declining. In 2012, annual expenditures of international stayover arrivals were estimated at US$872 million, the lowest level achieved since 2005 and close to a 5% decrease from the $915 million in 2011. This equated to an average of US$1,626 spent per international stayover arrival in Barbados in 2012.

- Little if any recognition is given to the potential of Barbados' *domestic* visitor market, as evidenced by the complete lack of information on the size and characteristics of this market segment. Yet the governments and tourism industries in many of the origin markets are aggressively targeting their own domestic markets to explore and spend within their own countries. This is the case for both countries experiencing difficult economic times (e.g. USA) as well as those currently prospering (e.g. Brazil).

- At the global level, international and domestic travel are bucking economic trends and this is due to a combination of reasons. Many countries experiencing strong economic growth are creating a growing middle class, one with more disposable income that permits travel. At the same time, residents of many developed countries undergoing difficult economic times are resistant to giving up travel, although they may not be traveling as far, going away for as long or spending as much while away.

- While international travellers take trips for a variety of reasons and to a range of destinations, patterns do emerge that help to determine which origin and niche markets may have greater potential for Barbados. They typically relate to the experiences travelers in that niche are seeking (which encompasses accommodations, attractions and activities) and what is referred to as a favourable product-market match. Other factors include: ease of access to a destination; strength of currency; the effectiveness of a destination's marketing efforts; and the types of ties that countries may have. These and other considerations have been taken into account when determining the priority origin and niche markets identified below for Barbados.

- Compared to many successful visitor destinations, Barbados performs poorly in terms of the nature and extent of the visitor market research that it conducts, stores and disseminates. Access to accurate, timely and useful information about the tourism sector and visitor economy and how they are performing is critical to stakeholders from government, industry and the non-profit sectors with a role and stake in their delivery and success. Consultation conducted to support the preparation of the Tourism Master Plan confirms that this is fundamental and must be improved. It was given top priority by stakeholders participating in the workshops.

As a whole, recent trends in visitation and visitor expenditure in Barbados are alarming and point to the urgent need to identify, better serve and more aggressively target priority markets for Barbados.

Target Markets for Barbados

The priority *origin* markets (i.e. countries) to be targeted by Barbados over the 2014-2023 period are listed by region and described in Section 2.3.1. Of note, the traditional source markets remained primary origin markets, with the addition of several others.

Sixteen *niche* tourism markets were identified for Barbados to target over the 2014-2023 period, eight of them being Primary Priority niche markets for particular focus (see Section 2.3.2). They are in addition to the traditional and significant sun, sea and sand tourism, weddings tourism, cultural heritage tourism, and cruise tourism markets that Barbados already attracts. These priority niche markets will become increasingly important to the future of tourism in Barbados and the BVE. A summary of the rationale used to assess each of the niche markets evaluated is presented in Section 2.3.2. They are also individually reviewed in Report V, Part 2, Section 3.0.

Strategies for Visitor Markets Research

Stakeholders consulted were very clear in delivering their message that accurate, adequate and timely data is required to inform their decisions, and that this is not the current situation in Barbados. The key strategies and actions to be pursued with respect to visitor markets research focus on improving the nature and effectiveness of visitor research management in Barbados. They serve to address the full spectrum of research from its undertaking to its storage and dissemination. Strategies and actions needed to improve Barbados' effectiveness in attracting and better serving the priority visitor markets are addressed from the perspectives of air access, accommodations, attractions, marketing and other broad areas that are covered elsewhere in this Master Plan.

Recommended Actions to improve visitor research management in Barbados are listed below, and more fully described in Section 2.5. They are in support of Strategic Imperative #1 on '**Base Decisions on Comprehensive, Accurate, and Timely Data / Information**' and corresponding Strategy 1.1 which states: "*Foster information-based decision-making through up-to-date research which is coordinated and integrated across the various stakeholder groups, and provide well archived, easily retrievable documentation which can support the BVE* " (refer Report I, Sections 4.4 and 5.0).

(1.1-1) Consolidate Responsibilities Within the Ministry of Tourism

(1.1-2) Assess Visitor Research Management Needs

(1.1-3) Build Capacity for Visitor Research Management

(1.1-4) Develop a Central Repository and Portal for Visitor

(1.1-5) Develop a Funding Model and Budget for Visitor Research Management

2.1 Introduction and Overview

2.1.1 Scope of Subject Area

The subject area of *visitor markets research* for Barbados and its Tourism Master Plan 2014-2023 (TMP) addresses four broad aspects:

1. *Visitor market activity* in Barbados and as compared to the Caribbean and globally
2. International *origin market* trends and priority origin markets for Barbados
3. Visitor *niche markets* and priority niche markets for Barbados
4. Visitor *research management* in Barbados

With respect to visitor market activity, the emphasis is on considering comparative trends in the total number of trips made to Barbados, the Caribbean and globally and their implications for Barbados. It also encompasses some of the more significant characteristics of visitation to Barbados such as leading origin markets, seasonality of visitation, accommodation occupancy, and total and average visitor expenditures. Recognizing the significance of revenue generation from visitor expenditures (or "spend"), key trends are covered in this report but more in-depth attention and strategy formulation is given in the Finance and Economics subject area report which is under separate cover.

Origin markets refer to the regions and countries where travellers reside and from where they make outbound trips. For the purposes of this assessment and master plan, residents of Barbados are considered a niche market segment, rather than an origin market segment. Thus, the focus of origin markets is on international travel trends and which origin markets are considered to be potential priority origin markets for Barbados over the next ten years.

Visitor niche markets reflect types of travellers distinguished by their specific characteristics and sets of interests. Individual niche markets earmarked by the Ministry of Tourism for special consideration in the development of the Tourism Master Plan are covered on a case by case basis in greater detail in Report V, Part 2. This Section focuses on the assessment undertaken to determine which of them should be targeted as priority markets for Barbados. It should be noted that cruise tourism and cultural heritage tourism are addressed separately, but are not part of this prioritization as they are considered to be tourism segments that are fundamental to Barbados.

This report also addresses visitor research management in Barbados, i.e. the approach to and nature of tourism research (i.e. its management) in and for Barbados, and how it can be improved to more effectively support the tourism sector towards future success. This encompasses how and what tourism markets research is and is not currently conducted, how it is stored, and how it is disseminated.

It is important to note that this subject area was initially referred to as "*tourism markets research*", but has since been broadened to encompass all visitation (not just by tourists) and all visitor-related research (not just tourism *markets* research but other aspects such as the economic benefits of tourism). This is because it is readily apparent that there is much need for improvement and great opportunity in attracting and serving a broader spectrum of visitors to Barbados, and in addressing research management in Barbados more effectively and efficiently. The latter is considered especially critical as the availability of and access to accurate, reliable, timely and comprehensive tourism information is widely recognized as a fundamental prerequisite for the tourism sector to thrive in Barbados.

2.1.2 Section Contents

The remainder of this subject area report consists of the following sections and subsections:

- Significant Trends and Characteristics of Visitation:
  - Comparison of visitor trends to Barbados, the Caribbean, and globally
  - Key characteristics of visitation to Barbados
- Priority Target Markets for Barbados:
  - Assessment and prioritization of origin markets
  - Assessment and prioritization of niche markets
  - Linkages and relationships between niche markets and experience delivery
- Visitor Research Management in Barbados:
  - Current approach to visitor research management
  - Recommended strategies and actions to improve visitor research management
- Appendix I:
  - Appendix Table 1: Supporting information for the assessment of origin markets considered
  - Appendix Table 2: Outbound travel of select origin markets – Recent trends and prospects

2.2 Significant Trends and Characteristics of Visitation

With respect to visitor market activity, the emphasis has been on comparing the more significant trends in the number of stayover trips made to Barbados, the Caribbean and globally, as well as on some of the more significant characteristics of visitation to Barbados and their implications for Barbados.

2.2.1 Comparison of Visitor Trends to Barbados, the Caribbean and Globally

Recent travel trends to Barbados, the Caribbean and across the world are presented in Table 2.1; significant findings for Barbados calling for serious attention are listed following the Table.

Table 2.1. Recent trends in stayover arrivals to the Caribbean and globally.

Select Destinations	Stayover Arrivals				Growth (%)			Standout Origin Markets (size, growth)
	2005	2010	2011	2012 (P)	AAC 05-10	2011	2012	
Global Trend	**807 M**	**949 M**	**995 M**	**1.035 B**	**3.3%**	**4.8%**	**4.0%**	BRIC
Total Caribbean (25 excl. Trinidad & Tobago)	**18.2 M**	**19.0 M**	**19.5 M**	**20.2 M** (Cancun Jan-Oct)	**0.9%**	**2.6%**	**4.6%**	Canada, USA
CARICOM (16 excl. Trinidad & Tobago)	5.7 M	6.1 M	6.3 M	6.4 M	1.4%	2.2%	2.6%	Canada, USA
Aruba, Curacao, St. Maarten	1.5 M	1.6 M	1.7 M	1.8 M	1.3%	4.6%	5.7%	South America, USA, Canada
Martinique only	484.1 K	476.5 K	496.5 K	487.4	-0.3%	4.2%	-1.8%	N/Av
Cancun, Cuba, Dominican Republic	8.4 M	8.8 M	9.0 M	9.2 M (Cancun Jan-Oct)	0.9%	2.3%	5.4%	Canada, USA, Europe
Puerto Rico, US Virgin Islands	2.1 M	2.1 M	2.1 M	2.3 M	0%	0%	8.4%	Europe, USA, Canada
Aruba	732,500	824,300	869,000	903,900	2.4%	5.4%	4.0%	Canada, Latin America, Netherlands
Bahamas	1,514,500	1,370,100	1,346,400	1,421,300	-2.0%	-1.7%	5.6%	USA, Canada, Latin America
Barbados	547,500	532,200	567,700	536,300	-0.6%	6.7%	-5.5%	UK, USA, Canada, Europe (Germany), CARICOM (esp. T&T)
Cancun (Mexico)	2,134,200	2,106,500	1,940,700	1,826,100 (Jan-Oct)	-0.3%	-7.9%	N/Av	
Cuba	2,319,300	2,531,700	2,716,300	2,838,200	1.8%	7.3%	4.5%	Canada
Dominican Republic	3,690,700	4,124,500	4,306,400	4,562,600	2.2%	4.4%	5.9%	USA
Jamaica	1,478,700	1,921,700	1,951,800	1,986,100	5.4%	1.6%	1.8%	Canada, USA, Europe, Latin
Martinique	484,100	476,500	496,500	487,400	-0.3%	4.2%	-1.8%	N/Av
Puerto Rico	1,465,300	1,369,200	1,448,700	1,569,500	-1.3%	5.8%	8.4%	USA, Europe
St. Lucia	317,900	305,900	312,400	306,800	-0.8%	2.1%	-1.8%	Canada
St. Maarten	467,900	443,100	424,300	456,700	-1.1%	-4.2%	7.6%	Canada, USA
Trinidad & Tobago	460,200	388,300	N/Av	N/Av	-3.3%	N/Av	N/Av	N/Av
US Virgin Islands	697,000	691,200	679,000	737,700	-0.2%	-1.8%	8.6%	Europe, Canada

AAC = Annual Average Change (as a %)

Colour key: Performance better than that of Caribbean overall in blue font; worse performance in red font

Sources: Caribbean Tourism Organization – Latest Tourism Statistics and Annual Tourism Reviews (June 2013); Integra Realty Resources – Caribbean Market Update (January 2013); and UNWTO – Tourism Highlights 2013 (June 2013)

- Aside from a couple of years, Barbados has been performing poorly recently in terms of attracting overseas visitors and the situation appears to be worsening. Further, this has been in stark contrast to activity across the globe and in many other parts of the Caribbean.

- At the global level, international and domestic travel are bucking economic trends and this is due to a combination of reasons. Many countries experiencing strong economic growth are creating a growing middle class, one with more disposable income that permits travel. At the same time, residents of many developed countries undergoing difficult economic times are resistant to giving up travel, although they may not be traveling as far, going away for as long or spending as much while away.

- This is demonstrated by the fact that global stayover arrivals have been increasing in recent years – by 4% in 2012 and by nearly 5% the previous year. As a result, a record level was reached in 2012 – the first year ever to exceed one billion international stayover arrivals. This is primarily due to strong growth in outbound travel from emerging economies in Asia, Latin America, the Middle East and Africa.

- Stayover arrivals to the Caribbean as a whole grew at a faster rate in 2012 (4.6%, excluding Cancun and Trinidad and Tobago) than globally, but this followed from comparatively slower rates in 2011 (2.6%, excluding Trinidad and Tobago). The US territories, the Dutch islands and the Spanish-speaking Caribbean countries experienced the strongest growth rates of 8.4%, 5.7% and 5.4% (excluding Cancun) respectively in 2012. The Dutch islands have been particularly successful in achieving sustained growth over the past couple years, and this appears to be largely due to their effectiveness in attracting visitors from the emerging South American origin markets.

- Barbados performed the worst among the Caribbean's reporting countries for 2012. It experienced a decline of 5.5% in stayover arrivals over 2011 when it had actually been one of the better performing regional destinations with positive stayover arrival growth of 6.7% in that year. However, 2011 was an anomaly that followed an annual average rate of decline, not growth, of 0.6% over the preceding five year period.

- Little if any recognition appears to be given by the Barbados Government or tourism industry to the potential of Barbados' domestic visitor market, as evidenced by the lack of information on this market segment or visible marketing effort. Yet governments and tourism industries in many of the origin markets are aggressively targeting their own domestic markets to explore and spend within their own countries. This is the case for both countries experiencing difficult economic times (e.g., USA) as well as those currently prospering (e.g., Brazil). Not only is its domestic market a potentially significant untapped market for Barbados, but the effectiveness of Barbados' traditional and emerging origin markets to grow their domestic tourism markets will further impact outbound travel to overseas destinations, including Barbados.

2.2.2 Key Characteristics of Visitation to Barbados

Characteristics of visitation to Barbados that have been examined include types of visitors (stayover vs. cruise), leading origin markets of stayover visitors, seasonality of visitation, accommodation occupancy, and total and average visitor expenditures. Recognizing the significance of the accommodation sector, cruise tourism and revenue generation from visitor expenditures (or "spend"), key trends in these aspects are highlighted here but more in-depth attention is given in the Accommodation Sector, Cruise Tourism, and the Finance and Economics subject area sections which are under separate cover (refer Section 3.0, and Report V, Parts 1 and 2).

International Stayover Arrivals to Barbados

A closer look at the information released by the BSS reveals the following additional details about recent trends in international *stayover arrivals* to Barbados:

- In 2012, international stayover arrivals totalled 536,300, which was the third lowest annual volume over the past eight years. It was over 5% lower than 2011 (with 567,700 international stayover arrivals) and 2% lower than 2005 when the island attracted 547,500.
- This drop was due largely to a significant decrease in arrivals from the United Kingdom and the United States, each experiencing an 8% decrease from 2011.
- The peak year (ever) was 2007, with 572,900 stayover arrivals, and the slowest year since 2005 was 2009 (the height of the global economic crisis) with 518,600.
- In 2012, international stayover arrivals outnumbered international cruise passenger arrivals, and represented 51% of total international visitor arrivals, which is at the high end of the range experienced in recent years.
- The lowest representative shares were achieved in 2009 and 2010, at just below 45%.

International Cruise Passenger Arrivals to Barbados

Information provided by the BSS with respect to international cruise passenger arrivals to Barbados points to the following more alarming trends:

- While Barbados' recent performance with respect to international stayover arrivals has been poor, the situation is more critical with respect to international cruise passenger arrivals.
- Since peaking in 2010 with 664,700 such arrivals (and at 55% of total international arrivals), Barbados experienced annual declines of 8% in 2011 followed by 15% in 2012.
- As a result, it just closed out 2012 with only 517,400 international cruise passenger arrivals, which is the lowest annual volume over this eight-year period, and at the lower range of its share of the total international market, at 49%.

Leading International Origin Markets for Barbados

Recent trends in stayover arrivals from the more significant origin markets for Barbados are presented in Table 2.2, with highlights listed following the Table; origin country "standouts" are identified by major region of origin, along with the reason for being considered significant for Barbados.

Table 2.2. Recent trends in stayover arrivals to Barbados by major origin market.

By Major Origin Market	Stayover Arrivals to Barbados (% of total)				Growth (%)			Standouts by Region + Rationale
	2005	2010	2011	2012 (P)	AAC 05-10	2011	2012	
Total to Barbados	**547,500**	**532,200**	**567,700**	**536,300**	**-0.6%**	**6.7%**	**-5.5%**	
Americas								• Significant volume and growth – **Canada,** Trinidad + Tobago • Significant volume (but little/no growth) – **USA,** CARICOM
N. America								
USA	131,000 (24%)	134,970 (25%)	142,400 (25%)	130,800 (24%)	0.6%	5.5%	-8.1%	
Canada	47,700 (9%)	72,400 (14%)	72,000 (13%)	72,000 (13%)	10.3%	-0.6%	0.0%	
CARICOM	114,500 (21%)	86,200 (16%)	101,000 (18%)	96,500 (18%)	-4.9%	17.2%	-4.5%	
Trinidad & Tobago	30,900 (6%)	27,300 (5%)	36,800 (7%)	38,000 (7%)	-2.3%	N/Av	3.3%	
Other CARICOM	83,700 (15%)	58,900 (11%)	64,200 (11%)	58,500 (11%)	-5.9%	N/Av	-8.9%	
Europe								• Significant volume and growth – Europe (excl. UK), **Germany** • Significant volume (but little/no growth) – **UK**
UK	202,800 (37%)	181,100 (34%)	189,200 (33%)	173,500 (32%)	-2.1%	4.5%	-8.3%	
Europe excl. UK	28,300 (5%)	31,200 (6%)	35,900 (6%)	37,100 (7%)	2.0%	15.1%	3.3%	
Germany	6,995 (1%)	7,260 (1%)	8,400 (1%)	9,200 (2%)	0.8%	N/Av	9.5%	
Other Europe	19,900 (4%)	24,000 (5%)	27,500 (5%)	27,900 (5%)	4.1%	N/Av	1.5%	
Other	24,400 (4%)	26,400 (5%)	27,400 (5%)	26,400 (5%)	1.6%	3.8%	-3.6%	• None identified

AAC = Annual Average Change (as a %)
Colour code: **Favourable indicator in blue font**; **unfavourable indicator in red font**
(P)= Provisional (as of April 2013)
Source: Barbados Statistical Services

- The United Kingdom has long been and remains the most significant origin market for Barbados in terms of international stayover arrivals. However, its arrival numbers and market share have been slipping ever since peaking in 2007 (with 223,600) such that in 2012 it contributed its lowest number and share (less than one-third of Barbados' total arrival market for the first time) of visitor arrivals to the island.

- The United States has retained its second place position in terms of arrivals at a steady market share of 23%-25%. However, its peak year in terms of arrival numbers occurred in 2011 (with 142,400) and was followed by a notable drop of 8% in 2012.
- Canada is Barbados' third largest origin market and its representative share has been rising steadily from nearly 9% in 2005 to over 13% in 2012. However, its actual visitor arrival numbers have been fairly constant over the past three years at around 72,000.
- Even given the difficult economic climate in Europe over the past few years, its arrival numbers have recently surged such that they reached their highest level in 14 years in 2012. Europe's market share has been rising at a modest rate, from 5% of arrivals in 2005 to 7% in 2012.
- Germany is the largest source market from the European continent and experienced the fastest growth rate (of over 9%) between 2011 and 2012 among the individual countries and regions examined.
- The contribution of CARICOM as a whole has fluctuated in terms of arrival numbers and market share over the past eight years. Arrivals from the region peaked in 2006, reached a recent low in 2010, rose significantly in 2011 and dropped slightly in 2012. Its market share ranged between 16% and 21% of total arrivals over the eight years and was 18% in 2012.
- Trinidad and Tobago is the largest Caribbean source market for Barbados, currently representing nearly 40% of the regional market and 7% of the total arrival market. Increased arrivals from Trinidad helped temper the overall decrease in arrivals from the Caribbean in 2012 that was due to a nearly 9% drop from the remainder of the Caribbean, and the largest source market decrease in percentage terms in 2012 among the regions and countries examined for Barbados.
- The average length of stay of all stayover visitors to Barbados has ranged from 10.3 to 11.5 days over the past several years, with no clear direction (i.e. increase or decrease) observed. Stayover visitors from the UK have generally stayed slightly longer (at 11.4 to 12.4 days) than the other origin markets, followed by Canadians and other Europeans.

Seasonality of International Stayover Arrivals

Also according to assessment of information from the BSS:

- Although monthly occupancy rates for visitor accommodation may suggest otherwise, Barbados generally experiences modest to moderate seasonality variation from the perspective of international stayover arrivals.
- Peak periods are the months of December through March or April (depending on when Easter is celebrated) when the Northern Hemisphere is in winter and early spring, as well as the month of July (the middle of the Northern Hemisphere's summer). During each of these months, international stayover arrivals represent 9% to 10% of the annual total. Collectively, these five to six months contribute anywhere from 47% to 58% of the annual total.
- The slowest month of the year is September and this has been the case for the past several years, with 5% to 6% of international stayover arrivals occurring at that time.
- Shoulder months continue to be May and June, and October and November

- Comparing the distribution of monthly stayover arrivals in 2012 with earlier years to as far back as 2007 does reveal a recent increase in seasonal variation, with the winter peak months receiving an increasing share of international stayover arrivals and the shoulder and slowest months receiving a decreasing share. Efforts should be made to reverse this trend given the impact on capacity and utilization of tourism and other infrastructure.

Seasonality of Cruise Passenger Arrivals

By comparison, assessment of information on seasonality of cruise passenger arrivals from the BSS reveals that:

- Barbados experiences significantly greater seasonal variation in cruise passenger arrivals than in international stayover arrivals.
- Its six-month peak cruise season, which runs from November through April, generates between 75% and 82% of annual cruise passenger arrivals (81% in 2012), with individual months contributing between 9% and 19% since 2007.
- While December and January have typically been the two busiest months, since 2010 the differences across the peak months have been less pronounced. But it is too soon to say whether this is becoming what would be considered a favourable trend.
- Nevertheless, Barbados experiences a dramatic decrease in cruise passenger arrivals during the remaining months of the year, with individual months contributing no more than 2% to 5% to annual totals and this situation does not appear to be improving.

Accommodation Occupancy Rates

The Barbados Hotel and Tourism Association (BHTA) supplies information on the monthly performance of its member visitor accommodation properties to the Ministry of Tourism. Based on this limited data set, which is not all encompassing of the total supply of available visitor accommodation in Barbados, the following troublesome trends are observed. It should further be noted that as average annual occupancy rates have not been provided, they have been calculated using the available monthly rates and assumption of no monthly change in supply in any given year:

- In 2012, the average annual occupancy rate for all included properties, regardless of standard, was an estimated 61.8%. This was only marginally higher than the 60.5% achieved in 2011. For luxury class properties it was 60%, for “A” class 65% and for “B” class 61%.
- In 2012, average monthly rates across all properties ranged from a high of 83% in February (5% higher than in 2011) to a low of 42% in September (2% lower than in 2011).
- But there is some variation by class of property: luxury class properties reached a high of 82% in March, while “A” and “B” class properties peaked in February at 90% and 89% respectively.
- In most months in 2012, “A” and “B” class properties achieved higher monthly occupancy rates than luxury class properties and this is typical for the accommodation sector.

Visitor Expenditures

Total annual visitor expenditures reported by the BSS for Barbados are determined by extrapolating spending estimate responses of stayover visitors and cruise passengers in exit surveys conducted by the Caribbean Tourism Organisation (CTO) on behalf of the Government of Barbados and applying them to visitation levels. Based upon assessment of the information provided from this approach, the following trends should be noted with respect to recent total annual visitor expenditures in Barbados:

- Since 2007, total visitor expenditures and total stayover visitor expenditures have been declining steadily.
- Extrapolating from spending estimates of CTO survey respondents, total annual visitor expenditures of international stayover arrivals and cruise passengers combined to Barbados in 2012 is estimated at US$903.5 million. This is the lowest level achieved since 2005 and reflects a 5% decrease from the nearly $953 million in 2011 and just under a 2% increase from the almost $888 million in 2005.
- Given the nature of their visit (primarily due to length of stay and need for accommodation in Barbados), the overwhelming majority of these expenditures come from international stayover arrivals. In any given year, they contribute 96% to 97% of total expenditures while cruise passenger arrivals generate only 3% to 4%.
- Total annual visitor expenditures of international stayover arrivals to Barbados in 2012 are estimated at US$872 million. Also the lowest level achieved since 2005, this reflects close to a 5% decrease from the $915 million in 2011 and only a 2% increase from the $851 million in 2005.
- The peak year for visitor expenditures in Barbados - for the total international market and for its stayover component - was 2007 with $1.19 billion total annual visitor expenditures. This differs from the peak year for total arrivals of 2004 when 1.27 million total visitors came to Barbados.
- In 2012, 40% of total expenditure from stayover visitors was generated by those from the UK, followed by 21% from the US, 14% Canada, 12% Caribbean, 8% Other Europe and 5% Other origin.
- Also in 2012, 55% of total expenditure from stayover visitors was spent on accommodations, 16% meals and drinks, 8% entertainment and recreation, 7% transportation, 7% shopping, 3% souvenirs and 4% other.

Comparing BSS arrival data with CTO spending estimates further reveals the following trends in average spending (or what is commonly referred to as “spend”) among stayover arrivals and cruise passengers:

- In 2012, stayover visitors to Barbados each spent an average of US$1,626 in Barbados. This is only slightly higher than their average spending of US$1,612 in 2011.
- By comparison, cruise passengers only spent an average of close to US$61 in 2012 and this reflected a decrease from an average of approximately US$62 the previous year.

As a whole, *recent trends in visitation and visitor expenditure in Barbados are of concern and point to the urgent need to identify, better serve and more aggressively target priority markets for Barbados*. Section 2.3 serves to assist with this task.

2.3 Priority Target Markets for Barbados

While travellers take trips for a variety of reasons and to a range of destinations, patterns do emerge that help to determine which origin and niche markets may have greater potential for Barbados and should therefore be pursued with specific strategies in the Tourism Master Plan. These patterns typically relate to the types of experiences travellers are seeking (encompassing accommodations, attractions and activities) or what is referred to as a favourable “product-market match”. Other factors include strength of the origin country’s economy and currency, earning power and disposable income of residents, ease of access to a destination (e.g., distance, transport, visa requirements and cost), the effectiveness of a destination’s marketing efforts and the extent and types of ties that origin and destination countries may otherwise have. These and other considerations have been taken into account when determining the priority origin and niche markets for Barbados that are identified in this section.

2.3.1 Assessment and Prioritization of Origin Markets

This section identifies the priority origin markets (countries by region) that Barbados should target over the 2014-2023 period of the Tourism Master Plan, and provides a summary of the approach undertaken to assess and prioritize those considered. Appendix I includes two tables with reference information compiled on individual origin countries that has assisted with this effort and may be useful to others.

Prioritization of Target Origin Markets

The *Primary* and *Secondary* priority origin markets to be targeted by Barbados over the 2014-2023 period are listed by region in Table 2.3.

Table 2.3. Primary and secondary origin markets to be targeted by Barbados 2014-2023.

Primary **Target Origin Markets**	***Secondary*** **Target Origin Markets**
• UK/Europe – UK, Northern Europe (Germany, Sweden, Switzerland • North America – USA, Canada • CARICOM countries – Guyana, Suriname, Trinidad + Tobago • Latin America – Argentina, Brazil, Chile • Asia/Pacific – China, India, Japan, South Korea	• UK/Europe – Finland, France, BENELUX • CARICOM countries – Remainder • Latin America – Colombia, Ecuador, Panama, Peru • Asia/Pacific – Hong Kong, Indonesia, Malaysia, Taiwan
Source: Barbados Tourism Master Plan Consulting Team and sources referenced in more detailed tables	

Approach Undertaken for Assessment and Prioritization

The following broad approach was undertaken to assess and prioritize the origin markets considered for Barbados:

- A rationale of the factors that should be considered as part of the assessment of possible origin markets was developed
- Readily available and directly comparable information from respected third party sources on the recent and anticipated performance of origin regions and countries with respect to the factors considered was gathered and reviewed, and tabulated in summary tables
- The information obtained, particularly in terms of size/extent, recent trends and projections, and comparisons by origin region and country was assessed
- The collective findings to identify and prioritize those regions and countries likely to have the most potential as target origin markets for Barbados over the 2014-2023 time frame was taken into account

The rationale used to assess and prioritize the origin markets that were considered consisted of the following factors and their findings:

- **Broad socio/economic trends** – Whether population size and per capita gross domestic product (GDP) levels, GDP growth rates, unemployment and poverty rates, and degree of income distribution in the individual countries considered are currently favourable and anticipated to be so in the near future
- **International travel trends** – What the extent and nature of recent and anticipated trends in international travel from these origin market countries are in terms of outbound trips made (annual volumes, growth rates), top destinations visited, notable niche markets, recent trends in stayover visitation to Barbados, and air access to Barbados (distance, directness, frequency, cost), and whether these suggest a strong market-product match for Barbados
- **Ties with Barbados** – What the extent and nature of relationships between the governments of the origin countries considered and that of Barbados are (e.g., diplomatic relations, members in common organisations, social or economic development support provided to Barbados), historical and cultural ties (e.g., population migrations, temporary work pursuits, cultural exchanges, prominent figures), trade and investment (e.g., activity, agreements, business ownership), resident expatriate population, visitor visa requirements and the like

Summary of Assessment Findings

A summary of the origin country "standouts" for Barbados by region, broad rationale, and key factors is provided in Table 2.4. Origin countries identified in **bold blue text** are considered to have the greatest potential since they are prominent across several of the factors considered. A closer look at the findings of the assessments undertaken for each broad area then follows.

Table 2.4. Summary of origin market standouts for Barbados by region and rationale.

<table>
<tr><th rowspan="2">Major Regions</th><th colspan="3">Origin Market "Standouts" by Region and Rationale</th></tr>
<tr><th>Socio-Economic</th><th>Outbound Travel Trends</th><th>Travel/Access/Ties to Barbados</th></tr>
<tr><td>Americas</td><td>• Large population, high per capita GDP + average/steady projected GDP growth – USA, Canada
• Strong recent + projected GDP growth – Chile, Panama, Peru
• Strong recent and average projected GDP growth – Argentina, Brazil, Colombia, Dominican Republic, Ecuador, Guyana, Mexico, Uruguay</td><td>• Travel market size + growth – Argentina, Brazil
• Travel market size – USA, Canada
• Travel market growth – Chile, Colombia, Ecuador, Panama, Peru
• Travel to Caribbean – USA, Canada, South America</td><td><u>Stayover Arrivals:</u>
• Significant volume + growth – Canada, Trinidad and Tobago
• Significant volume (but little/no growth) – USA, CARICOM
<u>Air Access:</u>
• All short to medium haul
• Direct – USA, Canada, Argentina, Brazil, CARICOM
<u>Ties to Barbados:</u>
• N. America – Canada, USA
• S. America – Brazil, Panama,
• CARICOM – esp. Guyana, Suriname, Trinidad + Tobago</td></tr>
<tr><td>Asia Pacific</td><td>• Large population, high per capita GDP, strong recent and average projected GDP growth – Hong Kong, Singapore, South Korea, Taiwan
• Large population, high per capita GDP - Japan
• Large population, strong recent + projected GDP growth – China, India, Indonesia, Thailand, Vietnam
• Large population, strong recent + average projected GDP growth – Malaysia, Philippines</td><td>• Travel market size + growth – China, India
• Travel market size – Hong Kong, Japan, Malaysia
• Travel market growth – Indonesia, Philippines, Taiwan, Vietnam
• Growing interest in new cultures – Malaysia, Taiwan</td><td><u>Stayover Arrivals:</u>
• None identified
<u>Air Access:</u>
• All long haul; no direct flights
<u>Ties to Barbados:</u>
• Advanced – Japan
• Developing – China, India</td></tr>
<tr><td>Europe / Russia</td><td>• High per capita GDP + strong projected GDP growth – Norway
• High per capita GDP + strong recent GDP growth – Sweden
• Large population and high per capita GDP – UK, France, Germany
• High per cap GDP – Liechtenstein, Luxembourg, Switzerland</td><td>• Travel market size + growth – Russia
• Travel market size – UK, Germany
• Travel market growth – Denmark, Finland, Sweden, Switzerland
• Travel to Caribbean – UK, Europe</td><td><u>Stayover Arrivals:</u>
• Significant volume + growth – Europe (excl. UK), Germany
• Significant volume (but little/no growth) – UK
<u>Air Access:</u>
• All medium to long haul
• Direct – UK, Germany
<u>Ties to Barbados:</u>
• EU, UK, France (departments in Americas), Germany</td></tr>
<tr><td>Middle East / Africa</td><td>• Strong recent and average projected GDP growth – Kuwait, Oman
• High per capita GDP + strong recent + projected GDP growth – Qatar</td><td>• None identified</td><td><u>Stayover Arrivals:</u>
• None identified
<u>Air Access:</u>
• All long haul; no direct flights
<u>Ties to Barbados:</u>
• None identified</td></tr>
</table>

Note: Countries shown in bold are "Standouts" for Barbados according to several criteria considered.

Source: Barbados Tourism Master Plan Consulting Team and sources referenced in more detailed tables

Socio-Economic Factors

A number of socio-economic factors can be taken into account to help determine the potential for international travel by a country's population. Among them are population size and growth, per capita GDP levels, GDP growth rates, unemployment and poverty rates, and degree of income distribution.

Table 2.5 provides a comparison of recent and anticipated annual GDP growth between advanced and emerging/developing economies, major regions of the globe and some of the more significant countries within each region. Growth rates provided in blue text reflect those that are notably higher than the overall global trend while those in red text are significantly lower. Countries that stand out as performing particularly well according to this and the other key socio-economic factors considered are identified in the far right column. The primary sources relied upon for this information are the CIA's *World Factbook* and the International Monetary Fund's *World Economic Outlook*.

More detailed socio-economic information on the individual countries for which this information could be readily obtained is provided in Appendix I. Noteworthy observations include:

- Over the past few years, annual global GDP growth has been positive but slowing from a high of just over 5% in 2010 to a low of 3.2% in 2012. It is forecast to increase again modestly over the next five years, reaching a projected 4.6% for 2017.

- Generally speaking, emerging economies/developing countries have been experiencing higher annual GDP growth than the global average and significantly greater than advanced economies around the world and this is expected to continue over the next five years. This is particularly the case with developing countries in Asia such as China, India and the ASEAN 5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam) as well as in Sub-Saharan Africa.

- Regions and countries that have been performing above average recently with respect to GDP growth but are expected to slow done slightly to rates that are close to the global averages in the near future are Asia's newly industrialized countries (i.e. Hong Kong, Singapore, South Korea, Taiwan), much of Latin America (e.g., Brazil and Mexico), Russia and the Middle East/North Africa.

- Regions and countries that have been and are expected to continue to experience GDP growth below the global average – yet still positive growth – are North America (i.e. Canada, USA), Japan and parts of Europe (e.g., Germany, Central and Eastern Europe). The European Union (i.e. UK, euro zone) has been especially hard hit during this global economic crisis from which we are slowly emerging, with an actual decline in GDP experienced in 2012 and the possibility of it continuing into 2013.

Table 2.5. Annual GDP growth by origin market and socio-economic standouts.

Origin Market	Econ Type	Annual GDP Growth (%) 2010	2011	2012	2013	2014	2017 1/	Standouts by Region and Rationale
Global Trend		**5.1%**	**3.9%**	**3.2%**	**3.5%**	**4.1%**	**4.6%**	
By Type of Economy								
Advanced Economies	A	3.0%	1.6%	1.3%	1.4%	2.2%	2.6%	
Emerging/Developing	E/D	7.4%	6.3%	5.1%	5.5%	5.9%	6.2%	
By Region / Country								
Americas								• Large population, high per capita GDP + average/steady projected GDP growth – **USA, Canada** • Strong recent and projected GDP growth – **Chile, Panama, Peru** • Strong recent + average projected GDP growth – **Argentina, Brazil, Colombia,** Dominican Republic, **Ecuador, Guyana,** Mexico, Uruguay
- United States	A	2.4%	1.8%	2.3%	2.0%	3.0%	3.3%	
- Canada	A	3.2%	2.6%	2.0%	1.8%	2.3%	2.2%	
L. America/Caribbean	E/D	6.2%	4.5%	3.0%	3.6%	3.9%	4.0%	
- Brazil	E/D	7.5%	2.7%	1.0%	3.5%	4.0%	4.1%	
- Mexico	E/D	5.6%	3.9%	3.8%	3.5%	3.5%	3.3%	
Asia Pacific								• Large pop'n, high per cap GDP, strong recent + average projected GDP growth – **Hong Kong,** Singapore, South Korea, **Taiwan** • Large population, high per capita GDP - **Japan** • Large population, strong recent and projected GDP growth – **China, India, Indonesia,** Thailand, **Vietnam** • Large population, strong recent and average projected GDP growth – **Malaysia, Philippines**
- Japan	A	4.5%	-0.6%	2.0%	1.2%	0.7%	1.1%	
Newly Industrialized 2/	A	8.5%	4.0%	1.8%	3.2%	3.9%	4.3%	
Developing Asia 3/	E/D	9.5%	8.0%	6.6%	7.1%	7.5%	7.7%	
- China	E/D	10.4%	9.3%	7.8%	8.2%	8.5%	8.5%	
- India	E/D	10.1%	7.9%	4.5%	5.9%	6.4%	6.9%	
- ASEAN 5 3/	E/D	7.0%	4.5%	5.7%	5.5%	5.7%	N/Av	
C'wealth of Indep. States	E/D	4.8%	4.9%	3.6%	3.8%	4.1%	4.1%	• None identified
- Russia	E/D	4.3%	4.3%	3.6%	3.7%	3.8%	3.8%	
Europe								• High per capita GDP and strong projected GDP growth –Norway • High per capita GDP and strong recent GDP growth – **Sweden** • Large population + high per capita GDP – **UK, France, Germany** • High per cap GDP – Liechtenstein, Luxembourg, **Switzerland**
European Union	A	2.1%	1.6%	-0.2%	0.2%	1.4%	2.1%	
- United Kingdom	A	1.8%	0.9%	-0.2%	1.0%	1.9%	2.7%	
Euro Area	A	2.0%	1.4%	-0.4%	-0.2%	1.0%	1.7%	
- Germany	A	4.0%	3.1%	0.9%	0.6%	1.4%	1.3%	
Central/East. Europe	E/D	4.6%	5.3%	1.8%	2.4%	3.1%	3.8%	
Middle East /North Africa	E/D	5.0%	3.5%	5.2%	3.4%	3.8%	4.5%	• Strong recent + average projected GDP growth – Kuwait, Oman • High per cap GDP + strong recent + projected GDP growth – Qatar
Sub-Saharan Africa	E/D	5.3%	5.3%	4.8%	5.8%	5.7%	5.8%	• None identified

Colour code: Favourable indicator in blue font; unfavourable indicator in red font

1/ 2017 is the only long term projection provided by the source below.

2/ Newly Industrialized Asia consists of Hong Kong, Singapore, South Korea and Taiwan.

3/ All of Developing Asia, including China, India and ASEAN 5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam).

Source: International Monetary Fund – World Economic Outlook (October 2012 Report and January 2013 Update)

- However, it is important to recognize that even if a country is experiencing modest, stable or declining GDP growth, if its population is significantly large, its per capita GDP is relatively high and its residents have a history of international travel for business and/or leisure, then there is a propensity for such activity to continue. The identification of priority origin markets for Barbados also takes this into account.

International Travel Trends

The number of international trips made by residents of individual countries (i.e., measured as outbound trips) in recent years – that is, international travel market size – and their anticipated annual rates of growth are some of the most simplistic yet direct and significant indicators of propensity for future international travel. The ability to draw inferences from this information is further strengthened when coupled with consideration of recent and anticipated travel-related characteristics, patterns and trends as well as anticipated socio-economic conditions and shifts in a country.

Information on trends in international travel among origin markets is available in terms of number of outbound trips per year and associated growth rates from a variety of sources, ranging from international tourism bodies to government departments of individual countries. Often, however, information is only available to members or for purchase at significant cost. For the purposes of this assessment, only those sources covering multiple origin countries (and consistently so over several years) and providing recently prepared travel trends and forecasts – at no cost to the consumer – have been relied upon. Most significant of these are Euromonitor International's *Executive Summaries of Country Reports* on outbound travel, ITB Berlin/IPK International's recent annual *World Travel Trends Reports*, UNWTO's *Tourism Highlights (2012* and *2013*) and *Tourism Towards 2030 Global Overview*, and World Bank's "*International tourism, number of departures*" online tables.

Table 2.6 permits a comparison of international travel trends – in terms of recent and projected annual travel market size and growth – for the world, its regions and select countries within them. Favourable travel trends (e.g. large outbound travel volumes generated and/or rapid growth) are indicated in blue text while those in red text are considered unfavourable. Origin countries viewed as notable "standouts" for their outbound travel activity are identified in the column to the far right. Note that some discrepancies exist and several information gaps remain due to the method and sources used for this cursory examination. Additional travel-related information can be found for many of the countries examined in the more detailed tables provided in Appendix I.

Some of the more significant findings from this assessment are as follows:

- There is a positive correlation between a country's socio-economic conditions and its population's propensity to travel. Countries with higher per capita GDPs (and more disposable income) typically exhibit higher travel rates among their population and countries experiencing growth in GDP often report growth in travel, albeit sometimes delayed. This is useful, especially when GDP information is more readily available than that on travel trends.

Table 2.6. Annual outbound travel by origin market and travel-related standouts.

Origin Market	Total Outbound Trips (M's)					Growth (%)				Standouts by Region + Rationale
	2005	2010	2011	2012 (E)	2020 (P)	AAC 05-10	2011	2012 (E)	AAC 10-20	
Global Trend	**807**	**949**	**995**	**1.035B**	**1.36 B**	**3.3%**	**4.8%**	**4.0%**	**3.8%**	
Americas	136.5	156.3	164.2	171.5	212	2.7%	5.1	4.4%	2.9%	• Travel market size + growth – **Argentina, Brazil** • Travel market size – **USA, Canada** • Travel market growth – **Chile, Colombia, Ecuador, Panama, Peru**
- USA	63.5	60.3	58.7	60.5	-	-1.0%	-2.7%	3%	-	
- Canada	21.1	28.7	29.9	-	34	6.3%	4.3%	-	3%	
- Mexico	13.3	14.4	-	-	-	1.6%	-1.6%	-	-	
S. America	-	-	-	-	-	-	7%	12%	-	
- Brazil	3.5	5.3	5.4	-	-	8.9%	2%	-	3.4%	
Asia Pacific	153.2	206.4	222.5	236.4	358	6.1%	7.8%	6.2%	5.7%	• Travel market size + growth – **China, India** • Travel market size – **Hong Kong, Japan, Malaysia** • Travel market growth – **Indonesia, Philippines, Taiwan, Vietnam** • Growing interest in new cultures – **Malaysia, Taiwan**
- Japan	17.4	16.6	15.5	17.6	20	-0.9%	-7%	14%	4%	
Newly Industrialized [3/]										
- Hong Kong	72.3	84.4	-	-	-	3.2%	1%	10%	2%	
- Singapore	5.2	7.3	-	-	16	7.3%	-	4%	2%	
- S. Korea	10.1	9.5	-	-	-	-1.2%	-	7%	1%	
- Taiwan	-	-	-	-	-	-	-	6%	7%	
Developing Asia [4/]										
- China	31.0	57.4	66	83	-	13.1%	15%	26%	13%	
- India	7.2	13.0	-	-	-	12.6%	-	5%	>10%	
- Indonesia	4.1	6.2	-	-	-	8.7%	-	10%	-	
- Malaysia	>31	-	-	-	-	-	-	5%	5%	
- Philippines	2.1	-	-	-	6	-	9%	10%	11%	
- Thailand	3.0	5.5	-	-	-	12.3%	-	5%	-	
- Vietnam	-	-	-	-	-	-	11%	-	11%	
Europe	449.7	497.1	520.5	539.8	681	2.0%	4.7%	3.7%	3.0%	• Travel market size + growth – Russia • Travel market size – **UK, Germany** • Travel market growth – Denmark, Finland, **Sweden, Switzerland**
- UK	66.5	55.6	53.9	54.4	59.5	-3.5%	-3%	1%	2%	
- Germany	77.4	-	-	-	-	-1.4%	2%	0%	3%	
- Russia	28.4	39.3	-	-	-	6.7%	-	12%	7%	
Middle East	22.9	34.5	33.8	31.7	57	8.5%	-2.1%	-6.2%	4.4%	• None identified
Africa	19.3	28.1	29.8	30.8	53	7.8%	6.1%	3.3%	5.8%	• None identified
Not Specified	25.4	26.5	24.1	25.0		-	-	-	-	

Note: Limited to readily available data from respected third party sources identified below.

AAC = Annual Average Change (as a %)

Colour code: Favourable indicator in blue font; unfavourable indicator in red font

1/ Reflects USA only. 2/ Reflects Brazil only.

3/ Newly Industrialized Asia consists of Hong Kong, Singapore, South Korea and Taiwan.

4/ All of Developing Asia, including China, India, ASEAN 5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam)

Sources: Euromonitor International – Executive Summary of Country Reports on outbound travel (reports available for purchase only); ITB Berlin/IPK International – World Travel Trends Reports for 2010/2011, 2011/2012 and 2012/2013; UNWTO – Tourism Highlights 2013 and Tourism Towards 2030; World Bank – "International tourism, number of departures"

- International travel has continued to grow globally, even in the face of difficult economic times in much of the world over the past several years. In fact, it reached its highest level ever last year, with over one billion international trips made in 2012. It is projected to grow at an average annual rate of just under 4% and reach 1.36 billion by 2020.

- The developing economies collectively referred to as “BRIC” (Brazil, Russia, India and China) and others which make up Developing Asia (Indonesia, Malaysia, Philippines, Thailand, Vietnam) or are located in South America (e.g., Argentina) have generated some of the highest rates of growth in outbound travel in recent years. Many of them (but not Brazil) are also expected to experience above average growth rates over the next several years.

- While some of the Newly Industrialized Asia countries of Hong Kong, Singapore, South Korea and Taiwan have had strong recent growth in outbound travel, all but Taiwan are expected to experience a slowdown in upcoming years.

- The rates of growth in outbound trips for some of the developed countries such as the United States, the United Kingdom, several European countries and Canada have been and are expected to continue to be slower than the world averages. Some of these countries have actually experienced a decline in international travel recently (e.g., USA, UK). Nevertheless, their international travel volumes are so large that they will continue to be significant origin markets. A notable exception is Japan, which had a 14% increase in outbound trips in 2012, largely reflecting its recovery from the earthquake/ tsunami/ nuclear power plant disaster it experienced in early 2011.

- The Latin American origin countries offer much potential for Barbados, due to their proximity, improving air access, travel patterns and interests. A sizeable share of their outbound travellers is seeking sun, sand and surf experiences. And for those living in the Southern Hemisphere, their desire to escape winter at home means visitation during what is Barbados’ “off-season”, its summer months when demand is traditionally slower and discounts are offered. This is favourable for local operators and visitors alike.

- Several additional travel-related considerations have been taken into account with respect to international travel and the identification of priority origin markets for Barbados. They include preferred travel destinations, purpose of travel and travel interests, air access and cost. For instance, although outbound travel has been growing rapidly in many origin countries of Asia, it has been largely to regional destinations. Signs of change are slowly appearing among some of these origin markets; for example, Malaysians and Taiwanese are becoming more interested in experiencing new cultures. The tables in Appendix I record some of this information for those countries for which this information was readily available from the sources identified. Other considerations that affect the potential of origin markets but beyond this assessment relate to such characteristics and trends in travel as trip spending and duration.

Travel, Access, and Ties to Barbados

Trends in recent travel to the Caribbean and stayover arrivals to Barbados have also been taken into account in our identification and prioritization of origin markets for Barbados over the 2014-2023 period, as this serves as an indicator of product-market match. Significant findings and summary tables covering these trends were previously presented in Section 2.2, with standout origin countries based on these factors identified in Table 2.4.

Air access from these origin countries to Barbados has also been considered, from the broad perspectives of distance and directness of routes, frequency and general cost of flights. Air access is covered in depth in a separate subject area report, with major relevant findings taken into account in this assessment.

Other types of ties to Barbados also serve as important considerations for identifying potential origin markets for Barbados, as they can spur both business and leisure travel to Barbados. They include the extent and nature of relationships between the governments of the origin countries considered and that of Barbados (e.g. diplomatic relations, members in common organisations, social or economic development support provided to Barbados), historical and cultural ties (e.g. population migrations, temporary work pursuits, cultural exchanges, prominent figures), trade and investment (e.g. activity, agreements, business ownership), resident expatriate population, visitor visa requirements and the like. Table 1 in Appendix I lists examples of some of these ties that individual origin countries have with Barbados, with standout countries listed in Table 2.4.

2.3.2 Assessment and Prioritization of Niche Markets

At the onset of the assignment, the Ministry of Tourism and the TMP project team agreed on specific niche markets that would be researched, assessed and prioritized for their potential in Barbados and attention in the Tourism Master Plan. They are as follows:

- Accessible tourism
- Agricultural tourism
- Community tourism
- Conferences
- Creative/performing arts
- Culinary tourism
- Diaspora (returning Barbadians)
- Domestic tourism
- Education tourism
- Faith tourism
- Medical, health and wellness tourism* (subsequently separated into Medical tourism and Health and Wellness tourism)
- Shopping tourism
- Silver tourism
- Sports tourism
- Volunteer tourism

This section presents a summary overview of the priority niche markets that Barbados should target, the approach undertaken to determine them, findings of our assessment with supporting rationale for their prioritization, as well as linkages and relationships between them and other aspects of the visitor experience. Each priority niche market is more fully reviewed in Report V, Part 2, Section 3.0.

Note that these niche markets are in addition to the traditional and significant sun, sea and sand tourism, wedding stourism, cultural heritage tourism, and cruise tourism markets which Barbados already attracts.

Prioritisation of Target Niche Markets

Table 2.7 lists the niche markets considered according to determination of their priority as Primary or Secondary target niche markets for Barbados.

Table 2.7. Primary and secondary priority niche markets to be targeted for Barbados 2014-2023.

Primary **Niche Markets**	***Secondary*** **Niche Markets**
• Accessible tourism • Conference market • Culinary tourism • Diaspora • Domestic tourism • Health and wellness tourism* • Silver tourism • Sports tourism	• Agro- tourism • Creative and Performing Arts • Community tourism • Educational tourism • Faith tourism • Medical tourism* • Shopping tourism • Volunteer tourism

*The original Medical, Health and Wellness tourism niche was subsequently separated into Medical tourism and Health and Wellness tourism, given major differences in their potential for Barbados.

Source: Barbados Tourism Master Plan Consulting Team

Approach Undertaken for Assessment and Prioritization

The following approach was undertaken to assess and prioritize the niche markets considered:

- Research was conducted on each of the individual niche markets in terms of definitions, global trends, traveller profiles, offerings and market activity within Barbados, needed improvements and strategies to address them
- Linkages between individual niche markets were considered as well as their relationships with other aspects of visitor experience delivery in Barbados
- A rationale was developed to assess and prioritize potential niche markets for Barbados
- Potential niche markets for Barbados were assessed and prioritized
- Summary profiles for the *"Primary Priority"* niche markets were prepared

Several reference materials have been developed not only to assist with this effort but for future use by stakeholders seeking to better understand, attract and service these niche markets and implement the associated strategies and actions in the Tourism Master Plan. They include individual subject area reports for each of the niche markets considered (refer Report V, Part 2, Section 3.0, which also includes summary profiles for those niche markets considered to be of “Primary Priority” for Barbados), a matrix showing linkages between the niches, and a diagram demonstrating relationships between niche markets and other aspects of visitor experience delivery in Barbados (the latter two presented in section 2.3.3).

The rationale developed for assessing and prioritizing the niche markets considered encompasses the following perspectives (see also Table 2.8):

- **Supply** – Available and planned supply in Barbados (including facilities, services, information, marketing, provider support, etc.) and the nature and extent of competition elsewhere
- **Demand** – General niche market trends and characteristics globally, as well as recent and anticipated demand in Barbados
- **Match** – Whether there is currently or the potential for a favourable to strong product-market match in Barbados
- **Benefit** – What the general nature and extent of potential benefits to Barbados are from each niche market

Summary of Assessment Findings

The summary findings of the assessment and prioritization of niche markets considered for Barbados are presented in Table 2.8.

Table 2.8. Summary of niche market assessment and prioritization for Barbados.

Priority Assessment of Niche Markets Considered		
Niche Market	**Priority Assessment**	**Rationale** (supply, demand, match, benefits)*
Accessible Tourism	**Primary**	▪ Required facilities, services and information (e.g. accommodation, F+B) are not yet adequately provided in Barbados, although Fully Accessible Barbados (FAB) is aggressively making progress ▪ Nevertheless, **Accessible Tourism is fast becoming a “Must Serve” market (with regulations and standards) in a growing number of source countries and competing destinations, and Barbados should follow suit ahead of regional competitors** ▪ A large and fast growing niche market, especially in traditional origin markets (aging population); loyal repeat visitors and unofficial “ambassadors” when needs are well met ▪ Facilities, services and information also serve local population in need
Conference Tourism	**Primary**	▪ Barbados has new and renovated (e.g. Lloyd Erskine Sandiford Centre) meeting facilities and strong stakeholder support to target this niche, but lodging is not always adequate (re: size, standard, proximity) and target marketing is not aggressive enough ▪ **Barbados has a growing international business sector and international business/MICE markets are significant in size and rebounding,** although

Priority Assessment of Niche Markets Considered		
Niche Market	**Priority Assessment**	**Rationale** (supply, demand, match, benefits)*
		not as quickly as leisure markets ▪ Can complement leisure markets to reduce seasonality patterns; provides exposure to Barbados for return leisure visits
Culinary Tourism	**Primary**	▪ Barbados has an abundant supply of good quality restaurants, noteworthy chefs and related events ▪ **A major interest of the "new traveller" and a fast growing, often affluent niche market in itself (but still small), with great interest in local dishes and use of local ingredients** ▪ Interest in local dishes benefits cultural exchange, international understanding and preservation of cultural heritage; greater use of local ingredients increases demand for local agricultural production and helps reduce foreign imports
Diaspora	**Primary**	▪ The Government of Barbados is committed to attracting this already "vested" (i.e. family ties, roots) yet still largely untapped niche market, but current marketing mechanisms and strategies do not effectively reach it (e.g. database needed) ▪ **A large and growing market; dispersed geographically but with some key nodes to effectively target (e.g., in Canada, USA and UK)** ▪ Return visits and investment by Diaspora in Barbados strengthens pride and ties, generates social and economic benefits; become unofficial "ambassadors" for Barbados
Domestic Tourism	**Primary**	▪ Limited understanding and consideration of domestic market in Barbados historically by local tourism industry, but mind-set is slowly changing due to recent poor performance and greater appreciation of both necessity and opportunity such that a moderate and increasing number of tourism facilities and services are now geared towards this niche market ▪ Niche is recognized as an important segment of the visitor market by international tourism bodies (e.g. WTTC) and most countries, with several of Barbados' origin market countries (e.g. USA) aggressively and effectively targeting their domestic markets (e.g. staycations, weekend escapes) ▪ Barbados has a relatively large "captive" domestic market (i.e. already on-island), as compared to some other Caribbean islands with smaller populations ▪ **Generates social and economic benefits (e.g. pride, reduces exports); can help improve seasonality patterns**; in turn, more informed to become welcome ambassadors with Diaspora and tourists
Health & Wellness Tourism	**Primary**	*[Note that given the differences in the product-market match in Barbados for Medical Tourism vs. Health & Wellness Tourism, this niche is being considered as 2 distinct niche markets for Barbados]* ▪ Barbados has long been a destination for health & wellness, associated largely with its "sun, sea and sand" assets and its range of spa treatment offerings, and more recently through its alternative medicine, healthy food and meditation offerings; however there is a need to meet international certification standards (e.g. finalize and adopt standards now being developed through UWI) in order to become part of a new Caribbean-wide thrust and to compete effectively with other such destinations ▪ **A major interest of the "new traveller" and a fast growing, high spending niche market in itself** ▪ Facilities and services also benefit local population in need
Silver Market Tourism	**Primary**	▪ Barbados has a long history of serving older visitors from traditional origin markets (e.g. adequate accommodations and medical facilities) but it needs to improve facilities and services for the disabled, maintain and improve standards and safety, and offer more organized excursions to retain and grow this already significant repeat market in Barbados ▪ **A major segment of the international travel market and a fast growing niche market in itself (aging population in traditional origin markets due to longer lifespan, healthier, declining birth rate)** ▪ Ability to stay longer, improve seasonality and provide repeat visitation
Sports	**Primary**	▪ Barbados has a strong sporting events schedule, legendary sports figures and an

Priority Assessment of Niche Markets Considered		
Niche Market	**Priority Assessment**	**Rationale** (supply, demand, match, benefits)*
Tourism		established reputation for sports tourism, but needs facility upgrades ▪ **Barbados already has a significant sports tourism market (professional, amateur, youth), with great opportunity to further expand its range and reach** ▪ International sporting events and figures foster national pride; sporting facilities and programmes can also serve and benefit locals; this niche can help improve seasonality
Agricultural Tourism	Secondary	▪ Barbados has a strong, accessible agricultural sector, an international reputation for rum and sugar, and a range of related attractions and events (e.g. Agro Fest, markets) but market requirements are not always adequately met (e.g. service skills, facility standards, experiences, safety, cleanliness), nor are mechanisms to improve productivity and efficiency (e.g. cooperatives) ▪ A fast growing niche market (and large when the broader definition is assumed), especially in traditional origin markets, whose expectations can be met relatively easily in Barbados ▪ Strong potential for linkages, dispersal of economic benefits; helps sustain local agricultural production and food supply as well as lower food imports
Community Tourism	Secondary	▪ Community involvement in tourism is generally lacking (e.g. awareness of benefits, opportunities for involvement, capacity building) although Oistins is noteworthy and agencies exist to provide support to SMEs, youth, etc. ▪ A fast growing niche market in traditional origin markets, with expectations for interaction and minimum standards to be met ▪ Strong potential for dispersal of economic and social benefits; fosters community pride, cross-cultural understanding and helps retain population in smaller and remote communities
Creative & Performing Arts	Secondary	▪ Arts industry is growing in Barbados (with internationally-known talent) and it has a strong annual events calendar, but standards, venues and access/distribution need improvement and Government sponsorship has waned in recent years (e.g. for marketing and start-up funding) ▪ Regional competition is very strong ▪ A fast growing and high spending niche market that has great interest in local arts and talent ▪ Fosters pride and preservation of cultural practices; those performing or recognized internationally become unofficial "ambassadors" for Barbados
Education Tourism	Secondary	▪ Barbados is recognized globally for its high literacy rates and higher education, with UWI Cave Hill serving the region ▪ Barbados is already attracting foreign students for ESL training and university exchange, but shorter educational experiences are lacking or not well marketed; opportunity to "piggyback" on BTA's current marketing initiatives ▪ Major interest of the "new traveller", a fast growing and high spending niche market in itself (although very diverse, e.g. LOS), with great potential from the emerging origin markets in Latin America ▪ Fosters cross-cultural understanding; become Barbados "ambassadors"
Faith Tourism	Secondary	▪ Religion has long been an important foundation in Barbados (places of worship, faith-related events, strong beliefs and daily practices of local population) ▪ Historic places of worship are attractions in themselves, including of international significance (e.g. Nidhe Israel Synagogue, oldest in the Western Hemisphere); there is a strong year-round calendar of faith-based events, including parish reunions; tours already exist but more packaging and marketing is needed ▪ There is demonstrated growth in this niche market (especially group travel) internationally; Barbados has also seen a recent increase in this niche from the region, with additional potential from the domestic market and diaspora ▪ Generates local pride and cross-cultural understanding; strengthens linkages; helps preserve historic places of worship and traditional practices

Medical Tourism	Secondary	*[Note that given the differences in the product-market match in Barbados for Medical tourism vs. Health & Wellness Tourism, this niche is being considered as 2 distinct niche markets for Barbados]* ▪ Only a small number of existing and planned medical facilities and services meet international medical standards (practitioners, accreditation), with notable specializations (e.g. dentistry, fertility); there is room for improvement (e.g. recuperative hotel facilities) and it takes time to achieve recognition in this field ▪ A fast growing and lucrative niche market internationally, with a small number of visitors already coming to Barbados for this primary purpose (e.g. fertility treatments) ▪ However, Barbados is not yet recognized as well as other medical tourism destinations (e.g. Costa Rica, Mexico, India, Colombia, Cuba) ▪ Facilities and services also benefit local population in need and improve global reputation of Barbados
Shopping Tourism	Secondary	▪ Barbados has a wide array of retail venues and goods (e.g. duty free, local arts and crafts) for sale, more so than in many smaller competing destinations, but prices are perceived as high ▪ Shopping is a primary activity of all tourism segments; it is also a significant niche market in itself internationally (e.g. Latin Americans to Miami) but one that is typically shrewd re: price and value ▪ Through shopping in Barbados, international visitors bring in much needed foreign exchange and domestic travellers improve local spending multipliers
Volunteer Tourism	Secondary	▪ A few volunteer management organisations and volunteer tourism opportunities now exist in Barbados (e.g., Sea Turtle Project); additional ones could be formed and offered (e.g. faith-based) to meet existing needs A major interest of the "new traveller" and a fast growing niche market in itself; while they pay to volunteer, intensive management is required to coordinate and involve them and to provide continued programme delivery ▪ Typically intended to generate environmental or social benefits, depending on volunteer focus, but care is needed to ensure positive impacts result from good intentions; potential to become unofficial "ambassadors" for Barbados
Cultural Heritage Tourism	Addressed as part of Experience Delivery (but not as a niche market) for Barbados – see Report VI	▪ For Barbados, this is seen not as a niche market, but rather an overarching focus of tourism here ▪ Barbados has a rich cultural heritage but facilities (including maintenance), interpretation, packaging and marketing need improvement ▪ A major interest of the "new traveller" and a fast growing, high spending niche market in itself ▪ Protection/interpretation of heritage also fosters local pride and attracting this niche expands cross-cultural understanding
Nature Tourism	Addressed as part of Experience Delivery (but not as a niche market) for Barbados – see Report VI	▪ Barbados offers sea and land-based nature, with interesting fauna and features (e.g. sea turtles, gullies, caves) although few pristine natural areas remain ▪ Barbados currently attracts and serves tourists largely for "sun, sea and sand", but less so for its land-based nature assets, and could do more ▪ A fast growing niche market internationally for some time, with high expectations for resource quality and experience offered – but this is not yet well delivered in Barbados and natural resources are challenged by development ▪ Meeting standards and expectations of nature tourism helps protect Barbados' natural resources, for environmental and social benefit

* Rationale for priority assessment for each niche market considered is from the perspectives of:
- Supply – Available + planned supply in Barbados, including provider support, and competition
- Demand – Recent + anticipated demand in Barbados, general niche market trends globally
- Match – Favourable product-market match in Barbados, and
- Benefit – Nature + extent of potential benefits to Barbados from niche markets

Source: Barbados Tourism Master Plan Consulting Team and sources referenced in niche market summary profiles and niche market reports

2.3.3 Linkages and Relationships between Niche Markets and Experience Delivery

Another important consideration when assessing and prioritizing the niche markets for Barbados is the extent and nature of linkages between them and their relationships with other aspects of visitor experience delivery in Barbados. This is significant because by attempting to maximize such synergies, efforts to cater to and attract related niche markets through product and service delivery can prove more efficient and effective. Furthermore, attracting niche markets with similar needs and expectations can result in improved compatibility and reduced conflict and alienation among visitors to Barbados. The strategies and actions developed for priority niche markets in the Tourism Master Plan also take these relationships and linkages into account (see Report V, Part 2, Section 3.0). The linkages between the considered niche markets are indicated in the matrix in Table 2.9, with the "*Primary Priority*" target niche markets shown in **bold blue text**.

Table 2.9. Linkages between the Niche Markets considered for Barbados.

Niche Markets Considered for Barbados	**Accessible**	Agricultural	Community	**Conference**	Creative/Performing Arts	Cruise	**Culinary**	Cultural Heritage	**Diaspora**	**Domestic**	Educational	Faith-based	Medical / **Health + Wellness**	Nature	**Senior/ Silver**	Shopping	**Sports**	Volunteer
Accessible				✓	✓						✓		✔		✔	✓		
Agricultural			✔				✔	✔	✓		✓	✓		✔				✔
Community		✔			✔		✓	✔	✔	✔	✔	✔		✓			✓	✔
Conferences	✓				✔		✓				✓		✓			✓		
Creative and Performing Arts	✓		✔	✔		✔	✓	✔	✓		✓				✓	✔		
Cruise					✔		✓	✓						✓	✔	✔		
Culinary		✔	✓	✓	✓	✓		✔	✔		✔	✓	✔	✓	✔	✓		
Cultural Heritage		✔	✔		✔	✓	✔		✔	✔	✔	✔		✔	✔		✓	✔
Diaspora		✓	✔		✓		✔	✔		✔	✔	✔	✔		✓	✓	✔	✓
Domestic			✔					✔	✔		✓	✓	✓			✓	✔	
Educational	✓	✓	✔	✓	✓		✔	✔	✔	✓		✓	✓	✓	✓		✔	✔
Faith-based		✓	✔				✓	✔	✔	✓	✓				✓			✔
Medical / **Health & Wellness**	✔			✓			✔		✔	✓	✓			✓	✔			✓
Nature		✓	✓			✓	✓	✔			✓		✓		✓			✔
Senior/Silver	✔				✓	✔	✔	✔	✓		✓	✓	✔	✓			✓	✓
Shopping	✓			✓	✔	✔	✓		✓	✓								
Sports	✓		✓					✓	✔	✔	✔		✓		✓			✓
Volunteer		✔	✔					✔	✓		✔	✔	✓	✔	✓			

"*Primary Priority*" target niche markets are shown in **bold blue text**; *Source: Barbados Tourism Master Plan Consulting Team*

✔ **Strong link**

✓ **Link**

Key components of visitor experience delivery that influence niche market development and promotion are exemplified in Figure 2.1. Niche markets are grouped according to primary linkages and presented in the coloured circles, with *Primary Priority* niches shown in **bold**.

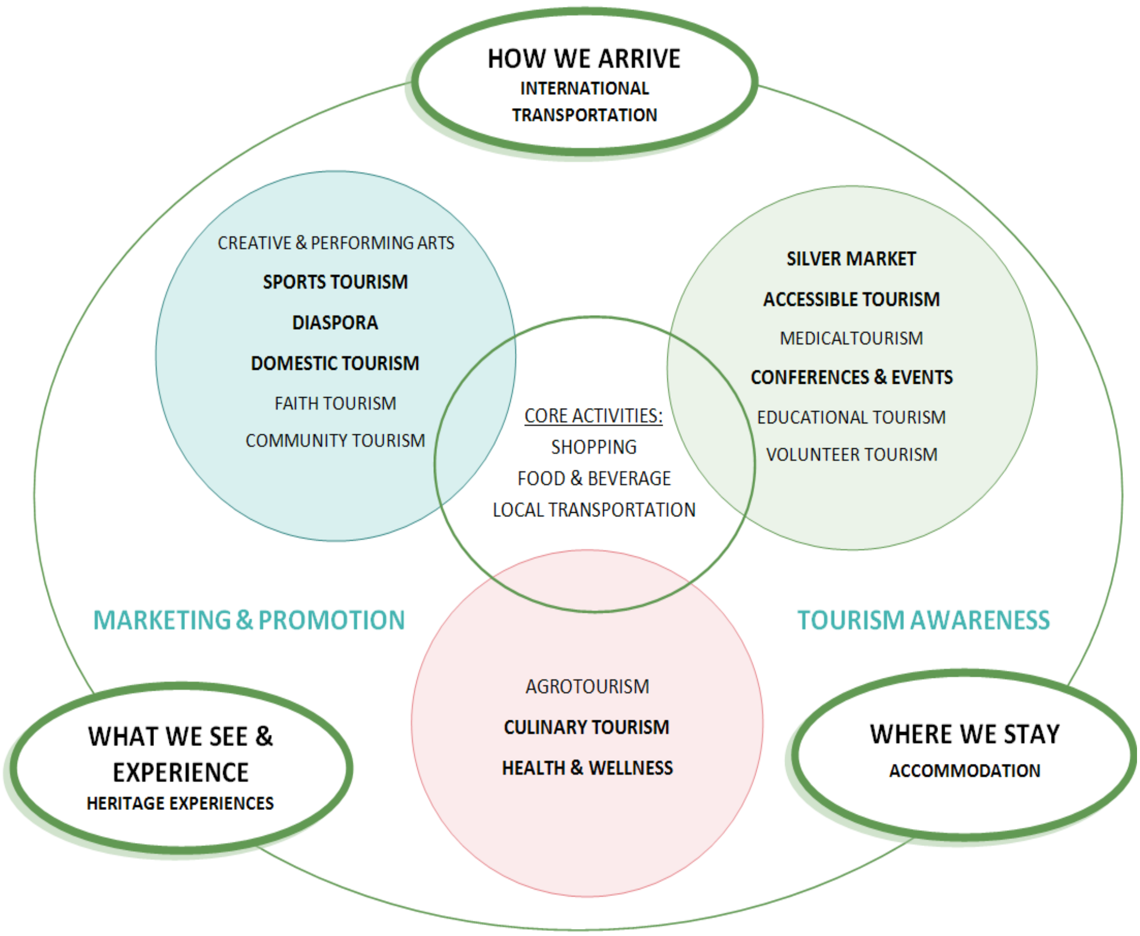


Figure 2.1. Visitor experience delivery (Source: TMP Consulting Team, 2013).

2.4 Visitor Research Management

This chapter provides a brief review and analysis of the current situation with respect to visitor research management in Barbados, and then sets out key strategies and actions for improvement.

2.4.1 Current Approach to Visitor Research Management in Barbados

Given the significance of tourism to the Barbadian economy, and as compared to many successful visitor destinations, Barbados performs poorly in terms of the nature and extent of the visitor market research that it conducts, stores and disseminates. Access to accurate, timely and useful information about the tourism sector and visitor economy and how they are performing is critical to stakeholders from government, industry and the non-profit sectors with a role and stake in their delivery and success. Consultation conducted to support the preparation of the Tourism Master Plan confirms that this is fundamental and must be improved.

Entities Involved and Associated Roles and Responsibilities

At least six entities are recognized as having a significant role and responsibilities associated with visitor research management for Barbados. In turn, each also relies on tourism-related information to fulfil other responsibilities associated with their mandates. They are:

- Barbados Hotel and Tourism Association (BHTA)
- Barbados Statistical Service (BSS)
- Barbados Tourism Authority (BTA)
- Caribbean Tourism Organisation (CTO)
- Central Bank of Barbados (CBB)
- Ministry of Tourism & International Transport (MTI)

In 2011, these entities formed the Tourism Working Group (TWG) with the purpose of serving as a forum for expanded and shared research. The Group maintains a web presence through the website of the Central Bank of Barbados that provides information on the TWG, its member agencies and their roles, its current focus and initiatives and how it can be contacted. Table 2.10 provides an overview of these entities in terms of their primary mandates and their roles and responsibilities relating specifically to visitor research management.

As at the preparation of the draft final version of this report, the TWG website indicated that it is still in its early stage of life and, as such, it is currently focused on identifying available research, highlighting perceived gaps and discrepancies, or what it specifically refers to as "… clarity, consistency, transparency and depth of data coverage".

Table 2.10. Entities involved in Visitor Research Management (VRM) in Barbados.

Entities Involved	Broad Mandate	VRM-Related Roles and Responsibilities
Barbados Hotel and Tourism Association (BHTA) www.bhta.org	"…to facilitate the sustainable growth and development of our local tourism sector, to the benefit of our members, our country and the people of Barbados"	▪ Non-profit trade association serving diverse membership of 300+ local and international tourism and non-tourism entities ▪ Promote importance and value of local tourism industry to all ▪ Collect and disseminate timely data and information ▪ Facilitate opportunities to enable members to achieve objectives ▪ Update MTI on average occupancy rates of members and on BHTA's marketing and product development initiatives
Barbados Statistical Service (BSS) www.barstats.gov.bb	"To provide reliable and timely key economic and social statistics which decision makers and other users need"	▪ Administer the Statistics Act ▪ Collect, compile, analyse, abstract and publish reliable and timely information on social and economic conditions ▪ Make available data on tourism's contribution to nominal GDP, tourist/cruise passenger/vessel arrivals, employment, retail prices ▪ Modernisation of the Statistical Service Project ▪ Tourism Satellite Account
Barbados Tourism Authority (BTA) www.visitbarbados.org	"To position Barbados as the premier competitive year-round warm weather destination, contributing to a sustainable quality of life for all Barbadians"	▪ Register, license and classify tourist accommodation and restaurants ▪ Advise TWG on tourism marketing strategies and promotions ▪ Updates TWG on changes to organisations registered and to air and sea passenger service
Caribbean Tourism Organisation (CTO) www.onecaribbean.org	"Region's tourism development agency"	▪ Provide specialized support and technical assistance to members including re: Research and IT, Human Resource Development, Sustainable Tourism Development ▪ Central repository for Caribbean Tourism Statistics ▪ Manager of the Visitor (Stay-Over & Cruise Passenger) Expenditure & Satisfaction Surveys on behalf of MTI, BTA and BSS (includes questionnaire design, field work, data processing, dissemination only to shareholders) ▪ Advise on implementation of regional approach to development of Tourism Satellite Accounts
Central Bank of Barbados (CBB) www.centralbank.org.bb	"… to foster an economic and financial environment conducive to sustainable economic growth and development"	▪ Provide accurate and timely statistical data to Government and the Public ▪ Estimate contribution of tourism to real GDP and to foreign exchange inflows, based on information from BSS, CTO & others
Ministry of Tourism (MTI) www.barmot.gov.bb	"To provide leadership in the sustainable development of Barbados' tourism industry through the formulation of policy, the provision of timely and quality research; the development and maintenance of industry-wide standards and the facilitation of appropriate product development whilst ensuring maximum economic benefits to Barbadians."	▪ Administer the Tourism Development Act, Cap. 341 ▪ Compile yearly statistics relating to stayover and cruise passenger arrivals and expenditures (by origin, month, spending item, average length of stay), employment (gender), accommodation occupancy (monthly), supplied by BHTA, BSS, CTO ▪ Collect relevant data to fill data gaps and enable better informed policy decisions to develop the tourism industry and grow the Barbados economy ▪ Inform TWG on policies, projects and initiatives being undertaken that relate to development of the tourism sector ▪ Policy, product development

Source: Tourism Working Group website and "The Roles of the Member Agencies" (undated)

Addressing Current Deficiencies and Challenges

Table 2.10 highlighted the types of visitor research currently conducted for Barbados and how responsibility for such research is allocated among the entities identified. The following deficiencies are observed with respect to visitor research and its management in Barbados at this time:

- **Multiple entities involved in tourism and visitor-related research** – While it is commendable that the identified entities have agreed to work together to improve visitor research management, the current multi-party approach to visitor research management remains ineffective with no apparent overall control, structure or set of priorities, data gaps and inconsistencies, release delays and limited sharing and dissemination of information. There is not always a "natural fit" between their mandates and their current research responsibilities. And it is confusing to external stakeholders and the public seeking to obtain information. Elsewhere, it is typical for authorities equivalent to the MTI to assume overall responsibility for this area, with support from others

- **One official source for public release of all statistics** – It is understood that through legislative act, the BSS is the only government agency with authority to release official government statistics. In theory, there are benefits (e.g. consistency, one-stop shop) to this. However, in practice, this authority, when followed, limits the scope of the extent of tourism data that can be collected and causes delays in making the information available, due to capacity limitations. Besides, it appears, that it is not consistently followed (see CBB website). It also results in lack of sharing of available information collected by other agencies, especially with the private sector and the general public. Also, not all stakeholders and external researchers are aware of this and approach the MTI, BTA or BHTA as the logical "go to" sources for tourism and visitor-related information requests

- **Data gaps –** With multiple entities involved in research and recognition that visitor research management must be improved upon, the TWG is understood to be working to identify tourism data needs and current gaps in available data. It would also benefit from looking to great examples of best practices in visitor research management and data collection/dissemination elsewhere, such as in Australia. It is our view that the extent of tourism markets research currently conducted and disseminated in Barbados is limited (i.e. scope, timing, trends), making it difficult for government and industry to make informed decisions, carry out TMP strategies relating to tourism markets, marketing and investment in tourism. Other significant data gaps observed during the preparation of the TMP relate to tourism supply (e.g., inventory, capacity, performance of visitor accommodation) and the impacts of tourism (e.g., economic, social and environmental)

- **Limited information made readily available to stakeholders and the general public** – Perhaps more important than the gaps in the types and detail of information researched and collected for Barbados are the gaps in what is then made available to stakeholders and the general public and the delays experienced in providing such information. This is easily observed by inspecting the websites of the identified entities (as last done in July 2013 for this report):

- **BHTA:** Statistics provided under "Resources" section accessible to public are limited to stayover + cruise arrivals and are not current (only through 2011). While the information is free, it is in PDF format which limits ease of use and manipulation. No public information is evident on accommodation or other facility type inventory or recent performance as might be expected;
- **BSS:** "Publications" and "Archives" sections have year-over-year monthly comparison of tourist arrivals by origin that is fairly current (i.e., one month lag time). While the information is free, it is in PDF format which limits ease of use and manipulation;
- **BTA:** Although the BTA has a Research Department, no research-related information is evident on its website. There are, however, an "Accommodation Locator", a "Restaurant Locator", and lists of Attractions and Meeting Facilities to assist in preparing supply inventories;
- **CTO:** It's "Statistics" section has summary tables with the latest arrival statistics for its member countries (two to four month lag time due to reporting by member countries), annual reviews and prospects for the region (most recent 2004), and individual country statistics (most recent 2010). While all of this information is free, it is in PDF format which limits ease of use and manipulation;
- **CBB:** The CBB appears most advanced among the entities with respect to the amount of tourism-related information made available on its website and its accessibility. In addition to market and economic data, publications and research, and although still in its early stages of development and not as user friendly as it could be, the CBB website now has an "Online Statistics" section that includes tourism data (under foreign trade) that can be downloaded as Word, PDF or EXCEL files, as well as information on relevant research initiatives;
- **MTI:** The "Research Unit" section of the MTI website only describes the unit's role, structure, documents prepared and current research being undertaken. Documents listed include the Annual Statistical Digest, Monthly Statistical Report and the CTO Surveys. It does not actually provide direct access to these documents or research findings. The "Publications and Resources" section does provide links to the Annual Statistical Digests (although the most recent available was for 2011), the Monthly Statistics (most recent August 2012), a newsletter (2007) and other publications (*Green Paper on Sustainable Tourism* dated 2001 and Tourism Development Act. Interestingly, the more recent *White Paper on the Development of Tourism in Barbados* (2012) is not accessible here, but a PDF copy can be accessed through the website of the Parliament of Barbados. While all of the information on the MTI website is free, it is in PDF format which limits ease of use and manipulation. There is also reference to the MTI Library and some of its reference materials, but this requires an in-person visit to access this information

- **Recent progress –** Progress made by the TWG with regard to visitor research management is unclear. The only update to the site noted since it was previously reviewed in May 2012 is that the MTI has assumed Chairmanship of the TWG from the CBB effective beginning September 2012 for one year. No results of previously identified data initiatives or collaborative research are shown, nor have any new items been added. Further, no major improvements in visitor research management have been observed among the entities. The effectiveness of the TWG in spearheading improvements and influencing government decision-making and action in this area as currently empowered, represented and operating is therefore questioned

- **Capacity limitations** – There appear to be human resource and budgetary limitations within the individual entities and across Government that restrict the ability to expand and consolidate research programmes and take on increased responsibilities. Research staff members likely also need additional training. All the more reason to bring efficiencies by consolidating responsibilities under one entity. But funds required to do so, including the planning and transition periods, are believed to be limited as the Government and local economy are currently facing severe financial constraints

These current deficiencies in visitor research management in Barbados present challenges for advancing the tourism sector and visitor economy in Barbados and implementing the TMP. However, there are ways to overcome or mitigate them (i.e. through potential strategies and actions), and strengths upon which to build. These are summarized in Table 2.11.

Table 2.11. Challenges with Visitor Research Management in Barbados.

Challenges with Visitor Research Management (1)=Major, (2)=Significant, (3)=Minor	Ways to Overcome or Mitigate Challenges	Strengths to Build on
▪ **(2) Extent/scope of tourism markets research** currently conducted and disseminated in Barbados is **limited** (i.e. scope, timing, trends), making it difficult for government and industry to make informed decisions, carry out TMP strategies relating to tourism markets/marketing and invest in tourism	▪ Conduct needs assessment - identify information users and gaps to fill, suppliers and mechanisms for provision, frequency and turn-around time requirements, series data needs, one-off research needs, etc. ▪ Capacity building in research - hiring, training, job descriptions; mechanisms/ IT for data collection and analysis ▪ Creation of central portal for tourism research dissemination, with emphasis on electronic files and database access for users ▪ Development of funding model, e.g. agency budget item, user pays +/or allocation of a portion of tourism development fund to tourism markets research	▪ Some key aspects of tourism markets research have been and continue to be undertaken in Barbados on a regular basis by skilled staff ▪ The GOB and tourism consultancies have recently assembled and summarized available tourism markets research in publications and reports, providing recent visitor trends and current levels that can be used as benchmarks for measuring progress and effectiveness of TMP strategies ▪ Many other aspects of tourism markets research are available from others (e.g. CTO, origin countries, UNWTO) and applicable to Barbados ▪ Alliances and institutions are in place for information exchange (e.g. CTO, TWG)
▪ **(1)** Tourism *markets* research is currently set out in the TMP scope as a specific area of tourism research needing to be addressed, yet a broader, more comprehensive and **integrated focus of research on all aspects of tourism** (e.g. economics of tourism, social and environmental) is required for the successful implementation of many if not all TMP strategies. But this takes money and expertise	▪ Institutional strengthening - improved information capture within responsible agencies, information sharing between relevant agencies, IT systems for data management/ analysis/reporting ▪ Capacity building in research - hiring and training ▪ Allocation of a portion of relevant agency budgets and the tourism development fund to tourism research ▪ Creation of central portal for tourism research dissemination	▪ With tourism the leading economic sector in Barbados, economic aspects of tourism are already researched, analysed and reported on by skilled staff in various government agencies ▪ However, social and environmental aspects appear to be less understood

Challenges with Visitor Research Management (1)=Major, (2)=Significant, (3)=Minor	Ways to Overcome or Mitigate Challenges	Strengths to Build on
▪ **(1) Responsibilities for collecting and conducting** tourism markets research are currently **distributed among multiple agencies**, making it difficult not only to find/ obtain and use the information but also to address information gaps and effect change in how and what is researched	▪ Government restructuring ▪ Consolidation of responsibilities under 1 agency, preferably MTI ▪ Likely through a combination of formal (i.e. legislative) and informal (i.e. operational such as staff transfers) mechanisms	▪ There seems to be recognition of the need for and the political will to effect such change, as evidenced by the recent formation of the multi-agency Tourism Working Group. ▪ However, it is not clear whether this group can spearhead improvements and influence government decision making and action
▪ **(1)** The Barbados Statistical Service (BSS) is the only government agency that currently has legislative **authority to release/ disseminate official government data**, **including tourism-related statistics**. This limits the scope of the extent of tourism data that can be collected and creates delays in information dissemination, due to capacity limitations. It also results in lack of sharing of available information collected by other agencies, especially with the private sector and the general public	▪ Delegation of this responsibility as it specifically relates to tourism markets research (or better yet all tourism research) to one tourism agency, preferably the MTI ▪ This requires a change to the legislative act/powers of the BSS (and perhaps MTI) ▪ Also requires institutional strengthening and capacity building of the MTI	▪ The concept of having one government agency responsible for releasing data helps to ensure consistency ▪ BSS may as a result be able to share information more readily since it is currently undergoing a restructuring exercise
▪ **(1)** Current **capacity of** individual government **agencies and staff** to take on increased and consolidated responsibilities is questioned	▪ Organizational review and assessment ▪ Institutional strengthening, restructuring + contract-out services ▪ Capacity building – hiring, training, agency scope of services and supplier agreements, job descriptions	▪ Several research departments already operate among the relevant agencies, providing possible examples of best practices re: operating models, data systems, etc. ▪ Exemplary tourism research agencies exist elsewhere (e.g. Tourism Research Australia)
▪ **(1) Availability of funds** required to restructure responsibilities and take on additional tourism market research efforts required is unknown but assumed to be limited	▪ Development of funding model, e.g. user pays +/or allocation of relevant agency budgets and a portion of tourism development fund to tourism research	▪ None identified; GOB is currently faced with severe financial constraints

Source: Barbados Tourism Master Plan 2014-2023 project team

Support for the need to improve the current situation with respect to visitor research management in Barbados has been clearly demonstrated by the Ministry of Tourism and other agencies with a tourism mandate, as evidenced for example by the recent formation of the multi-agency Tourism Working Group to address this topic specifically. It was also identified as a major area of need in the 2012 *White Paper on the Development of Tourism in Barbados*. Several stakeholders have pointed to this need, with a very high ranking assigned to it among stakeholders participating in the TMP's November 2012 workshops.

Goals and Objectives for Visitor Research Management

Twelve overriding Strategic Imperatives have been set out for the Tourism Master Plan 2014-2023 (TMP) for Barbados (refer Report I, Section 4.4). Strategic Imperative #1 on 'Base Decisions on Comprehensive, Accurate, and Timely Data / Information' is considered the primary goal of visitor research management. It is a significant goal, ranked third by stakeholders attending the second round of TMP workshops in November 2012.

The following specific objectives for visitor research management have been developed to support this goal. They draw from the review of the current approach to visitor research management in Barbados, relevant goals and objectives set out in the 2012 *White Paper on the Development of Tourism in Barbados* (p. vii) and input received from stakeholders. In turn, they provide support to the overall vision of the TMP in the following ways:

- To manage tourism research for Barbados in a *comprehensive* manner such that it covers:
  - all stages (data collection, analysis, storage and dissemination) of research
  - all aspects of tourism (not just markets and demand, but supply and investment, economics and employment, performance and impacts, etc.)
- To address tourism research needs in a *timely, efficient and effective* manner such that:
  - research needs (i.e., subject matter) and research management needs (i.e., capacity) are identified, prioritized and met
  - research findings are accessible, accurate and reliable, timely and useful for decision-making and measurement
- To provide a *foundation for strategic thinking and action* by Government, industry and other stakeholders
- To help spur *product development* through the following channels:
  - identify product gaps, shortfalls, opportunities and areas of competitive advantage
  - determine the right types of products to develop and the right kinds of visitors to attract
  - secure appropriate and focused investment
  - convert opportunities into successes
- To help increase *visitation and "visitor spend"* for Barbados by researching and providing information on "how to" and measuring progress over time with such approaches and targets as attracting higher numbers of visitors, catering to new visitor markets (niches, origin), attracting more high yield visitors and maximizing visitor spending
- To measure and improve tourism's *contribution to national objectives* relating to economic growth, employment, social progress and environmental sustainability
- To measure and maximize the *benefits of tourism and their distribution* socially (e.g. poor and youth) and geographically, as well as measure and minimize its costs

2.5 Actions Recommended to Improve Visitor Research Management in Barbados

The key strategy and actions presented herein focus on improving the nature and effectiveness of visitor research management in Barbados across its full spectrum from the actual undertaking of research to the storage and dissemination of resulting information. [*Note*: Strategies and Actions needed to improve Barbados' effectiveness in attracting and better serving the priority visitor markets are addressed from several perspectives in other sections of the TMP, including air access, accommodation, attractions, marketing, etc. (refer Section 1.0; also Reports V, Part 1, Sections 1.0 and 2.0, and Report VI).]

Recommended Actions to improve visitor research management in Barbados are in support of Strategic Imperative #1 on '**Base Decisions on Comprehensive, Accurate, and Timely Data / Information**' and corresponding Strategy 1.1 which states: "*Foster information-based decision-making through up-to-date research which is coordinated and integrated across the various stakeholder groups, and provide well archived, easily retrievable documentation which can support the BVE* " (refer Report I, Sections 4.4 and 5.0). The Actions are:

1.1-1 Consolidate responsibilities within the Ministry of Tourism
1.1-2 Assess visitor research management needs
1.1-3 Build Capacity for visitor research management
1.1-4 Develop a central repository and portal for visitor research
1.1-5 Develop a funding model and budget for visitor research management

The implementation of these five *inter-related* Actions developed for visitor research management (see conceptual framework diagram in Figure 2.2) will serve to achieve the desired goals and objectives of this critical aspect of tourism in Barbados, build on existing strengths, and address aspects needing the most improvement.

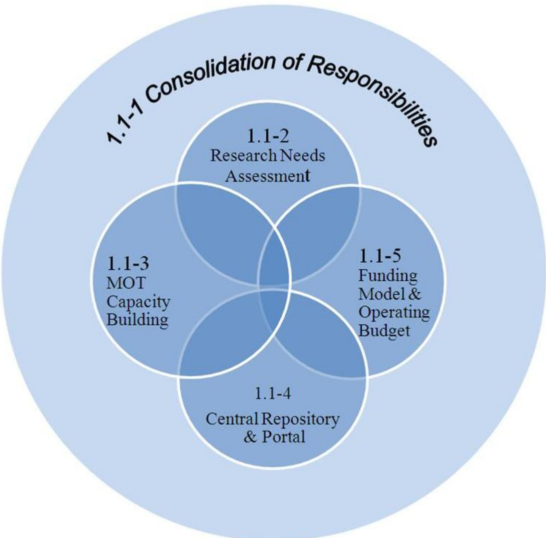


Figure 2.2. Visitor Research Management Strategy Framework.

1.1-1 Consolidate Responsibilities Within the Ministry of Tourism

Description:

- Seeks and employs the expertise of independent consultants to spearhead the approach to and implementation of the transition process that successfully consolidates the primary responsibilities for Tourism Markets Research/Visitor Research Management within the Ministry of Tourism (MTI)
- Extends the scope of tourism markets research to **visitor research management** by:
    - Enlarging the focus of research on tourism *markets* to research on *all aspects of the tourism sector* within and impacting Barbados (e.g. product inventory, performance and development; economic, social and environmental impacts)
    - encompassing *all phases* of visitor research management, from research and data collection and analysis, to reporting, information storage and dissemination
- Consolidates *primary* responsibilities relating to visitor research management for Barbados **within the Ministry of Tourism**, with the coordinated involvement / support of other relevant agencies and organizations
- This is the overriding Action for Tourism Markets Research / Visitor Research Management that also encompasses Action 1.1-2 to 1.1-5 under this subject area; but this Action focuses on the actual *consolidation* of responsibilities *within* the MTI (i.e. the transition process)
- In turn, this is one of a number of strategies and actions related to Institutional Strengthening and Capacity Building for the MTI and other tourism-related agencies and entities in Barbados

Expected Outcomes:

- MTI *attains the authority and capacity* to manage/oversee – on behalf of the Government of Barbados (GOB) and with the coordinated involvement and support of other agencies and organizations – all aspects of tourism-related research and information dissemination of relevance and importance to Barbados
- This tourism-related research *is conducted/collected, analysed, made available and otherwise managed under the primary responsibility of the MTI*, with the coordinated involvement and support of other agencies and organizations
- This tourism-related research is conducted/collected, analysed, made available and otherwise managed in a *comprehensive, need-based, reliable, consistent, efficient, timely and cost effective* manner
- This tourism-related research *is effective in supporting* the successful investment, development, management and operation in/of tourism initiatives and enterprises in and for Barbados.

Guidelines for Implementation:

- Minister/Permanent Secretary of Tourism presents current issues with respect to visitor research management in Barbados, along with this recommended Action for consolidation of responsibilities within the MTI, a budget request for assistance from consultants and any supporting documentation to the GOB for adoption and budget approval
- GOB reviews and formally amends the Act that currently assigns sole responsibility to the Barbados Statistical Service (BSS) for release of *any and all* official statistics and information relating to Barbados and any Acts outlining responsibilities of the MTI and other affected agencies such that responsibility for visitor research management (particularly release of statistics relating to tourism in Barbados) is transferred to the MTI
- GOB instructs all Government agencies with current responsibility for research, data collection, information storage and dissemination relating to the tourism sector to comply with and support the consolidation initiative, including but not limited to:
    - Barbados Tourism Authority (BTA)
    - Barbados Statistical Service (BSS)

- Central Bank of Barbados (CBB)
- Department of Immigration (re: entry cards)
- Ministry of Economic Affairs (MEA)

- GOB and MTI request the support of relevant professional associations and other outside agencies and authorities in this endeavour, such as BHTA and CTO
- MTI hires consultants with relevant expertise to spearhead the approach to and implementation of the transition process that successfully consolidates the primary responsibilities for Tourism Markets Research/Visitor Research Management within the MTI
- Consultants examine the current nature and allocation of tourism research activities undertaken by the various government and non-governmental agencies and authorities in and for Barbados
- Consultants work with the MTI and supporting agencies and authorities to determine tourism research needs and desired improvements to the scope and overall management of tourism research (see Action 1.1-2)
- Consultants assess the MTI's existing organizational framework and capacity/capability to assume primary responsibility for visitor research management (see Action 1.1-3)
- Consultants work in close association with MTI (and other impacted agencies) to develop a recommended organizational and capability framework for visitor research management at MTI, as well as a transition plan, and present to the GOB for adoption (see Action 1.1-3)
- Consultants work in close association with MTI to develop a funding model and budgets for the transition plan and the first few years of operation of the new Visitor Research Management Unit (if in fact a "unit" is recommended) (see Action 1.1-5)
- Consultants work in close association with IT experts called upon to design, develop and launch a new centralized repository and portal for tourism research and information (see Action 1.1-4)
- Consultants develop and oversee implementation of the transition plan
- MTI carries out expanded responsibilities with respect to visitor research management
- This Action is pursued in concert with the other Tourism Markets Research/ Visitor Research Management Actions 1.1-2 to 1.1-5
- This Action is pursued in concert with other Institutional Strengthening and Capacity Building strategies and actions for the MTI (refer Report III)

Challenges With Implementation:

- The number of agencies and entities currently responsible for some aspect of tourism research in Barbados is large, making it potentially more difficult to coordinate the consolidation of responsibilities
- The current capacity of the MTI to assume primary responsibility for visitor research management is limited and likely recognized as such by the other agencies and entities currently involved in tourism-related research, which could cause a potential reluctance to relinquish their existing responsibilities in this area
- The Barbados Statistical Service (BSS) currently has sole authority - mandated through legislative Act - to make statistics prepared by the GOB and its agencies available to the public, and the effort needed to modify this, so that the MTI has authority to release tourism-related statistics, could be significant. If this modification is not made in association with consolidation of visitor research management responsibility and capacity building at MTI, the long lag time currently experienced with respect to release of information by BSS will continue to not meet the need for timely information by target users
- Note that a Tourism Working Group has recently been formed, with representatives from six of the entities that undertake tourism-related research (i.e. BHTA, BSS, BTA, CBB, CTO, MTI), and is working to address the need for greater research, for "clarity, consistency, transparency and depth of data coverage" and to serve as a forum to share updates. This initiative is seen as positive; however, its ability to effect change and whether it supports this Action is unknown.

Recommended Implementation Agency:

- It is strongly recommended that the ***Ministry of Tourism*** assume *lead responsibility* for data collection, research, information storage and dissemination in all areas directly related to the tourism sector in and outside of Barbados as it impacts Barbados. It is common practice in many countries where tourism is a major economic sector for the government agency responsible for tourism development to assume this role and responsibility. The MTI has such responsibility. It is considered the preferred approach for Barbados given the MTI's overall mandate, its own need for timely information, and its potential capacity to take on such responsibility
- The actual *transition* effort to consolidate should be guided by an ***independent consultant*** with expertise and experience in this area
- It is further recommended that the Ministry of Tourism *receive* support and cooperation in matters directly and indirectly related to tourism research from ***associated agencies and organisations***
- This would primarily be with respect to tourism-related information generated under their primary areas of responsibility and as per their mandates
- In turn, it is also envisaged that the ***Ministry of Tourism*** will *provide* support and cooperation to associated agencies in matters directly and indirectly related to tourism research, as per its mandate and its specific areas of responsibility with respect to visitor research management.

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

- 12 months to obtain changes in relevant Acts and to have consultants develop transition plan
- 2 to 3 years to undergo actual transition through to full consolidation of visitor research management responsibilities within MTI (i.e. includes completion of Actions 1.1-2 to 1.1-5).

Target Users:

- Management and staff of the MTI requiring tourism research and information to support decision-making, initiatives, implementation of other Tourism Master Plan strategies and actions, etc.
- Management, staff and members of the associated agencies and authorities requiring tourism research and information to support decision-making, initiatives, implementation of other TMP strategies and actions, etc.
- Management, staff and membership of other public, private and non-profit agencies involved directly or indirectly in the tourism sector
- Investors, developers, owners and operators of existing, proposed and planned tourism initiatives, organizations, products and services
- Researchers, educators and students of tourism
- Other stakeholders in the Barbados tourism sector and industry
- The general public

Who Benefits:

- The primary beneficiaries will be each of the target users identified above who seek and make use of such tourism research and information in their work activities and decision-making, allowing them to take advantage of opportunities identified and to minimize risk and exposure
- Those with responsibility for carrying out other strategies and actions of the TMP, particularly those that relate to tourism markets, marketing and investment
- The Government and people of Barbados will also benefit as the improved availability and accessibility of tourism-related information will support the potential for better-informed decisions and more successful investments and developments that can generate direct and indirect benefits for them

- The visitors to Barbados will also benefit indirectly as information made available to tourism providers can be used to better meet the needs and expectations of visitors

Risks:
- The risks are closely associated with the "Challenges with Implementation" presented above
- The primary risk associated with this Action is that the GOB may not support the consolidation of responsibility for visitor research management under the MTI or amend the affected Acts that would enable the MTI to publish and disseminate tourism research findings

Estimated Costs:
- The costs involved with implementing this Action relate primarily to:
  - Securing GOB and other agency/organisational *support and legislative changes* to give MTI primary responsibility for visitor research management and the authority to disseminate tourism research and information - Absorbed in existing budgets
  - Commissioning a *consultancy* that helps develop and put in place a new organisational framework and transition plan for the MTI with respect to visitor research management - BDS$200,000 - $400,000
  - Augmentation of the current *annual operating budget* for the MTI's Research Unit to cover the MTI's increased visitor research management responsibilities and staffing (Note: Operating budgets can be reduced in other government departments relinquishing tourism research responsibilities) - Annual operating cost dependant on consultant recommendations
- Costs are also associated with the *time and expenses required for management and staff* of the MTI and other impacted agencies and organizations to assist and support the transition process

Source Of Funds:
- Government of Barbados
- International organizations that fund Institutional Strengthening and Capacity Building initiatives
- A designated portion of the TDC Fund (refer Action 5.1-3 in Section 3.0), especially to help support on-going and one-off tourism research initiatives undertaken once visitor research management is fully consolidated and operational within the MTI (e.g. annual operating revenue line item)

Revenue Generation Potential:
- No direct revenue generation to be derived from implementing this Action, although there is potential to do so through associated Actions (see Actions 1.1-4 and 1.1-5)
- GOB operating cost savings can be achieved through improved operating efficiencies resulting from the consolidation of responsibility for visitor research management
- Revenue (at least cost recovery) can be generated for tourism research efforts through a variety of mechanisms, e.g. contracts for one-off research studies conducted by MTI for others, releasing tourism research / information via a central portal (Action 1.1-4) through purchase arrangements, e.g. research subscriptions, fee-based database access and sales, etc. by users

Further Development Work Required:
- Review of the Act that restricts dissemination of Government-issued statistics and research to the Barbados Statistical Service to confirm and determine needed changes
- Working to secure the support of other agencies with existing responsibilities in this area
- Further discussion with the existing Tourism Working Group to determine its objectives and potential role in assisting with the consolidation of visitor research management responsibility within the MTI
- Refinement of cost estimates anticipated for implementing this Action
- Exploration into possible funding sources beyond the GOB for implementing this Action

Other Considerations:

1.1-2 Assess Visitor Research Management Needs

Description:

- MTI extends the scope of tourism markets research for Barbados to **visitor research management** in the following ways:
  - beyond a narrow focus of research on tourism *markets* to research on *all aspects of the tourism sector* within and impacting Barbados (e.g. product inventory, performance and development; economic, social and environmental impacts), and
  - to encompass *all phases* of visitor research management, from research and data collection and analysis, to reporting, information storage and dissemination
- In support of Action 1.1-1's consolidation of visitor research management responsibilities under the MTI, this Action involves the completion of *needs assessments* and development of recommendations regarding:
  - the tourism research and information needs of target users identified under Action 1.1-1
  - MTI's capacity-building needs to satisfy the research needs of target users
- In turn, the findings and recommendations from these needs assessments guide the focus and directions taken with respect to Action 1.1-1 and Actions 1.1-3 – 1.1-5
- This is also one of a number of strategies and actions related to Institutional Strengthening and Capacity Building for the MTI and other tourism-related agencies and entities in Barbados.

Expected Outcomes:

As part of MTI's consolidated responsibility for visitor research management (see Action 1.1-1):

- MTI *has the authority and capacity* to manage/oversee – on behalf of the Government of Barbados (GOB) and with the coordinated involvement and support of other agencies and organizations – all aspects of tourism-related research and information dissemination of relevance and importance to Barbados
- A *needs assessment and accompanying recommendations* addressing the *research needs of target users* have been prepared for MTI and incorporated in the Consolidation effort (Action 1.1-1), Capacity Building requirements (Action 1.1-3), Funding Model/Operating Budget preparation (Action 1.1-5) and Central Repository/Portal creation (Action 1.1-4)
- The tourism *research needs of target users* are satisfactorily met:
  - Tourism-related research and information of relevance and importance to Barbados is comprehensive in scope
  - Tourism-related research *is effective in supporting* the successful investment, development, management and operation in/of tourism initiatives and enterprises in and for Barbados
- A *needs assessment and accompanying recommendations* addressing *MTI's capacity-building needs* to satisfy the research needs of target users have been prepared for MTI and incorporated in the Consolidation effort (Action 1.1-1) and Capacity Building requirements (Action 1.1-3)
- MTI's *capacity needs* to effectively assume primary responsibility for visitor research management have been met:
  - Tourism-related research *is obtained, analysed, made available and otherwise managed under the primary responsibility of the MTI*, with the coordinated involvement and support of other agencies and organizations
  - Tourism-related research is obtained, analysed, made available and otherwise managed

in a *comprehensive, need-based, reliable, consistent, efficient, timely and cost effective* manner.

Guidelines for Implementation:

- MTI and Consultancy for Action 1.1-1 set up an inter-agency Working Group to conduct needs assessments and develop recommendations on how to address those needs with respect to:
  - the tourism research and information needs of the target users identified under Action 1.1-1
  - MTI's capacity-building needs to satisfy the research needs of target users
- MTI and Consultancy for Action 1.1-1 assess merits of using existing Tourism Working Group in this regard or forming another group, decide on best approach, assemble Inter-agency Working Group composed of senior research staff and authorize it to fulfil its specified mandate while working in close association with the Action 1.1-1 consultancy and management and staff of MTI and affected agencies and organisations
- Inter-agency Working Group conducts needs assessment for the *research needs of target users* by:
  - identifying *primary suppliers* of tourism research and information and nature of research and information currently supplied, (to also provide links to their published information for efficiency purposes)
  - identifying *primary users* of tourism research and information and nature of research and information currently demanded and sought in future
  - considering additional tourism research needs of relevance and importance to Barbados so that tourism research is comprehensive in scope
  - assessing identified needs re: research and information to continue or cease to provide, gaps to fill, priorities and best approaches for meeting needs
- It is anticipated that tourism research needs would relate but not be limited to:
  - collection/conduct, analysis, storage and dissemination of primary and secondary, quantitative and qualitative research that is reliable, consistent, timely and reasonable in cost
  - *an overall combination* of time series data collection (e.g. for comprehensive trends analysis, benchmarking and forecasting), on-going survey programmes and occasional/one-off research initiatives
  - *global tourism demand* – market size, trends, forecasts, profiles and characteristics of tourism demand by source, emerging and niche markets; including visitor profiles by origin and niche (especially for emerging markets)
  - *tourism market supply and demand in Barbados* – size, trends, forecasts, profiles and characteristics (aggregate, by sub-destination, product-type, origin and niche market, etc.); also including inventory and performance reporting of existing visitor accommodation, summary and status of planned tourism developments, product-market match/gap analysis, listings of new product/employment/entrepreneurship opportunities in tourism, etc.)
  - *surveys of visitors to Barbados* – at all stages of their trip (prior, during, post) regarding trip planning, trip activities, satisfaction, brand awareness, etc. and conducted on a regular, on-going basis
  - *surveys of residents* - to measure community awareness, attitudes, engagement and involvement in tourism and conducted on a regular, on-going basis
  - *economic aspects of tourism in Barbados* - size, trends, forecasts and characteristics (e.g. foreign exchange, investment, construction, revenues, taxes, income, labour market, employment, linkages and leakages); including creation of a Tourism Satellite Account (TSA)
  - *benefits, impacts and costs of tourism* – quantifiable and qualitative (economic, social,

environmental); including monitoring of import costs and costs to visitors and their change over time, monitoring of social media and consumer reviews re: Barbados, monitoring of marketing expenditures and their effectiveness
  - *disaster modelling* – including assessment of sector vulnerabilities and identification of approaches to minimize them
  - *competitor analysis* – comparisons of the above with competing destinations and globally (also including pricing differentials, productivity and market positioning)
  - *best practices* – examples and models in tourism carried out in Barbados and elsewhere, gathered and presented
- Inter-agency Working Group conducts needs assessment for *MTI's capacity-building needs* to satisfy the research needs of target users, including the expanded use of technology in data collection and research (e.g., use of mobile technology for data and feedback on visitor experience)
- Inter-agency Working Group prepares and presents findings and recommendations of both needs assessments to MTI and Consultancy for Action 1.1-1 (Consolidation) and Action 1.1-3 (Capacity Building)
- Consultancy for Actions 1.1-1, 1.1-3 and 1.1-5, and IT experts for Action 1.1-4 use the findings and recommendations from these needs assessments to guide the focus and directions taken with respect to those Actions

Challenges With Implementation:

- The current capacity of the MTI to assume primary responsibility for visitor research management is limited and likely recognized as such by other agencies and entities currently involved in tourism-related research, which could cause their potential reluctance to relinquish their existing responsibilities in this area
- The Barbados Statistical Service (BSS) currently has sole authority – mandated through legislative Act – to make statistics prepared by the GOB and its agencies available to the public, and the effort needed to modify this so that the MTI has this authority for tourism-related statistics could be significant. If this modification is not made in association with consolidation of visitor research management responsibility and capacity building at MTI, the long lag time currently experienced with respect to release of information by BSS will continue to not meet the need for timely information by target users
- Note that a Tourism Working Group has recently been formed, with representatives from six of the entities that undertake tourism-related research (i.e. BHTA, BSS, BTA, CBB, CTO, MTI, MIBIT), and is working to address the need for greater research, for "clarity, consistency, transparency and depth of data coverage" and to serve as a forum to share updates. This initiative is seen as positive and in likely support of this Action. The group should be considered for leading this Action. However, its support for consolidated visitor research management under MTI and its ability to effect change is unknown, and should be assessed before determining the best Working Group for carrying out this Action.

Recommended Implementation Agency:

- It is strongly recommended that the ***Ministry of Tourism*** assume *lead responsibility* for data collection, research, information storage and dissemination in all areas directly related to the tourism sector in Barbados and outside of Barbados as it impacts Barbados. It is common practice in many countries where tourism is a major economic sector for the government agency responsible for tourism development to assume this role and responsibility. The MTI has such responsibility. It is considered the preferred approach for Barbados given the MTI's overall mandate, its own need for timely information and its potential capacity to take on such responsibility
- The actual *needs assessment* should be conducted by an **Inter-agency Working Group** composed

of senior research staff at the agencies and organizations which currently undertake and disseminate tourism-related research for Barbados. This group should work *in close association with the consultancy* hired to spearhead Action 1.1-1 (and Actions 1.1-3 and 1.1-5). Consideration should be given to whether the existing Tourism Working Group – with the addition of a representative from the research area of the Ministry of International Business and International Transport (e.g., re: cruise statistics) – would be suitable or whether other agency representatives and a separate group with a mandate specifically related to this Action are more appropriate

- It is further recommended that the Working Group and MTI *receive support and cooperation* from the **GOB and leadership of the *associated agencies and organisations*** in accepting and carrying out the findings and recommendations of the *needs assessment.*

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

- Actions 1.1-3 – 1.1-5 all rely upon determination of tourism research needs
- *Immediate to short term start:*
  - in parallel with start of Action 1.1-1, but shorter
  - overlap with start of Actions 1.1-3 and 1.1-5
- *Duration:*
  - 3 to 6 months to identify *primary suppliers* of tourism research and information and nature of research and information currently supplied
  - 3 to 6 months to identify *primary users* of tourism research and information and nature of research and information currently demanded and sought in future
  - 6 to 12 months to conduct *needs assessment*, identifying research and information gaps to fill, priorities and best approaches for meeting needs (in parallel with assessment of MTI's existing research capacity and capabilities in Action 1.1-3 to help determine expanded capacity requirements to accommodate research needs and with Action 1.1-1's transition plan development)

Target Users:

Of the needs assessment and ensuing recommendations related to *research needs of target users*:

- Management, staff and members of MTI and associated agencies and authorities responsible for carrying out this Action's recommendations
- The consultants spearheading Visitor Research Management Actions 1.1-1, 1.1-3 and 1.1-5 so they can incorporate these recommendations in their work (since the identified needs of target users of tourism research should guide their focus)
- Management, staff and members of MTI and associated agencies and authorities responsible for implementing other Actions relating to Visitor Research Management (i.e. Actions 1.1-1, 1.1-3, 1.1-4 and 1.1-5) since the identified needs of target users of tourism research should guide their focus

Of the needs assessment and ensuing recommendations related to *MTI's capacity-building needs* to satisfy the research needs of target users:

- Management, staff and members of MTI and associated agencies and authorities responsible for carrying out these recommendations as part of Action 1.1-3
- The consultants spearheading Visitor Research Management Action 1.1-3 which focuses on Capacity Building so they can incorporate these recommendations in their work
- Management, staff and members of MTI and associated agencies and authorities responsible for

implementing Action 1.1-3.

Who Benefits:

- The direct beneficiaries will be each of this Action's target users identified above

Indirect beneficiaries include:

- the target users of tourism research and information, such as:
  - Management and staff of the MTI requiring tourism research and information to support decision-making, initiatives, implementation of other Tourism Master Plan strategies and actions, etc.
  - Management, staff and members of the associated agencies and authorities requiring tourism research and information to support decision-making, initiatives, implementation of other TMP strategies and actions, etc.
  - Management, staff and membership of other public, private and non-profit agencies involved directly or indirectly in the tourism sector
  - Investors, developers, owners and operators of existing, proposed and planned tourism initiatives, products and services
  - Researchers, educators and students of tourism
  - Other stakeholders in the Barbados tourism sector and industry
  - The general public
- The Government and people of Barbados, as the improved availability and accessibility of tourism-related information will support the potential for better-informed decisions and more successful investments and developments that can generate direct and indirect benefits for them
- The visitors to Barbados will also benefit indirectly as information made available to tourism providers can be used to better meet the needs and expectations of visitors

Risks:

- The risks are closely associated with the "Challenges with Implementation" presented above
- The primary risk associated with this Action is that the GOB may not support the consolidation of responsibility for visitor research management under the MTI, in which case MTI would be unable to effectively address the already identified need for more timely and comprehensive tourism research information dissemination
- The same limitation would also apply if the GOB supports consolidation but does not transfer authority for tourism research and information dissemination from BSS to MTI
- If the existing Tourism Working Group is chosen to lead this Action and its members do not support the move to consolidated visitor research management under MTI, then it will not likely be able to objectively determine the needs of MTI with respect to capacity building requirements for meeting the research needs of target users

Estimated Costs:

- The costs involved with implementing this Action relate primarily to *time and expenses required by the inter-agency Working Group* to conduct the needs assessments and make recommendations with respect to both:
  - the research needs of target users
  - the capacity needs of MTI to deliver on them
- Costs are also associated with the *time and expenses required for management and staff* of the MTI and other impacted agencies and organizations *to assist* with these efforts
- It is envisaged that the *consultancy* hired to spearhead Action 1.1-1 (and Actions 1.1-3 and 1.1-5) will also be called upon to *participate* in this Action's needs assessments as a

component of the consolidation effort. Accordingly, the time, fees and expenses required by the consultancy for its role in this Action are incorporated under Action 1.1-1

- Due to the nature of costs identified above, specific dollar amounts are not provided here

Source of Funds:

- Government of Barbados
- International organisations that fund Institutional Strengthening and Capacity Building initiatives (i.e. the needs assessment as a component of the transition process)

Revenue Generation Potential:

- No *direct* revenue generation to be derived from implementing this Action, although there is potential to do so through the types of research needs identified and consideration of imposing user fees, etc. for them under the associated Actions 1.1-4 to 1.1-5
- In addition, GOB operating cost savings can be achieved through improved operating efficiencies (e.g. reduce/eliminate duplication of effort) resulting from the consolidation of responsibility for visitor research management

Further Development Work Required:

- Working to secure the support of other agencies and organizations with existing responsibilities in tourism-related research, particularly with providing assistance with the needs assessment
- Further discussion with the existing multi-agency **Tourism Working Group** to determine its objectives, intentions and potential role in ***assuming responsibility for leading this needs assessment***
- Exploration into estimated costs for implementing this Action
- Exploration into possible funding sources beyond the GOB for implementing this Action

Other Considerations:

- None identified

1.1-3 Build Capacity for Visitor Research Management

Description:

- In support of Action 1.1-1's consolidation of visitor research management responsibilities under the MTI, this Action involves development and delivery of a *research-related organizational structure* (including staffing needs) and accompanying *capacity building and training programmes* for the MTI that reflect the findings and recommendations of the needs assessments conducted in Action 1.1-2
- The training provided as part of this Action includes training required under Action 1.1-4 for the operation of the Central Repository and Portal
- Is also one of a number of strategies and actions related to Institutional Strengthening and Capacity Building for the MTI and other tourism-related agencies and entities in Barbados

Expected Outcomes:

As part of MTI's consolidated responsibility for visitor research management (see Action 1.1-1):

- MTI *attains the authority and capacity* to manage/oversee – on behalf of the Government of Barbados (GOB) and with the coordinated involvement and support of other agencies and organizations – all aspects of tourism-related research and information dissemination of relevance and importance to Barbados

- An *organizational structure and accompanying capacity building and training programmes* have been designed and developed for MTI to support the consolidation effort (Action 1.1-1)
- The required *organizational structure has been successfully put in place* and *capacity building and training programmes have been carried out* to enable MTI to effectively assume primary responsibility for visitor research management

Guidelines for Implementation:

- MTI calls upon the same Consultancy spearheading Action 1.1-1 to lead the *design and development* of the research-related organizational structure (including staffing needs) and accompanying capacity building and training programmes for the MTI that reflect the findings and recommendations of the needs assessments conducted in Action 1.1-2
- Consultancy (in close association with MTI) conducts an organizational review of MTI and its existing tourism research responsibilities (and to a lesser degree, those of other affected agencies) and compares MTI's capacities with the research needs identified by Action 1.1-2
- Consultancy (in close association with MTI) designs, develops, finalizes and puts the organizational structure and staffing plan in place at MTI, including:
  - determine their staffing needs
  - define qualifications required and responsibilities for each position (i.e. job descriptions)
  - develop competitive salary and benefit packages for each position
- Consultancy designs, develops and puts in place at MTI the capacity building (e.g. staff hires/transfers) and training programmes (determine their training needs)
- Consultancy incorporates the capacity building (e.g., staff hires/transfers) and training programmes in its Action 1.1-1 transition plan and implements it
- Consultancy assists MTI and other agencies with carrying out:
  - restructuring,
  - search for and transfer/hire suitable candidates to fill available positions
  - contract service agreements, etc.
- Consultancy or other trainers deliver training programmes to MTI management and staff (existing staff and new hires) to enable MTI to effectively assume primary responsibility for visitor research management
- The training provided as part of this Action includes training required under Action 1.1-4 for the operation of the Central Repository and Portal

Challenges With Implementation:

- The current capacity of the MTI to assume primary responsibility for visitor research management is limited and likely recognized as such by other agencies and entities currently involved in tourism-related research, which could cause their potential reluctance to relinquish their existing responsibilities in this area
- Note that a Tourism Working Group has recently been formed, with representatives from six of the entities that undertake tourism-related research (i.e. BHTA, BSS, BTA, CBB, CTO, MTI), and is working to address the need for greater research, for "clarity, consistency, transparency and depth of data coverage" and to serve as a forum to share updates. This initiative is seen as positive; however, its ability to effect change and whether it supports this Action is unknown
- The Barbados Statistical Service (BSS) currently has sole authority – mandated through legislative Act – to make statistics prepared by the GOB and its agencies available to the public, and the effort needed to modify this so that the MTI has this authority for tourism-related statistics could be significant. If this modification is not made in association with consolidation of visitor research management responsibility and capacity building at MTI, the long lag time currently experienced with respect to release of information by BSS will continue to not meet the need for timely information by target users

Recommended Implementation Agency:

- It is strongly recommended that the ***Ministry of Tourism*** assume *lead responsibility* for data collection, research, information storage and dissemination in all areas directly related to the tourism sector in Barbados and outside of Barbados as it impacts Barbados. It is common practice in many countries where tourism is a major economic sector for the government agency responsible for tourism development to assume this role and responsibility. The MTI has such responsibility. It is considered the preferred approach for Barbados given the MTI's overall mandate, its own need for timely information and its potential capacity to take on such responsibility
- The actual *design and development of an organizational structure and accompanying capacity building and training programmes* to support the consolidation effort (Action 1.1-1) should be undertaken by ***the same independent consultant*** spearheading that, with close involvement of MTI and affected agencies
- It is strongly recommended that the consultants and MTI *receive support and cooperation* from ***associated agencies and organisations*** in developing the *organizational structure and accompanying capacity building programme*, so that tourism research responsibilities, best practices and lessons learned in their respective areas can be effectively conveyed

Priority / Implementation Timeframe:

High / Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

- To follow start of Action 1.1-1 and partial completion of Action 1.1-2 (once tourism research needs are clearly understood)
- In parallel with start of Action 1.1-5 but longer, to also be in parallel with Action 1.1-4 since both involve training
- *Duration*:
  - 6 to 12 months to design, develop and finalize organizational structure, staffing and training needs for consolidated visitor research management within MTI, that reflects research needs identified in Action 1.1-2
  - 6 to 12 months to carry out staff transfers and hires and provided needed training

Target Users:

- Management of MTI and other affected agencies will use this Action to determine:
  - restructuring requirements among them
  - responsibilities and associated staff positions to be closed, transferred, created, etc. within MTI and among the affected agencies
  - mechanisms for on-going support and interaction from the other agencies and others, such as supplier agreements for outside organizations and contract services providing tourism research
- Management and staff of the MTI responsible for visitor research management, in order to build capacity for and create a consolidated visitor research management unit/programme will use this Action and its organizational structure to:
  - determine their staffing needs
  - define qualifications required and responsibilities for each position (i.e. job descriptions)
  - develop competitive salary and benefit packages for each position
  - search for and hire suitable candidates to fill available positions
  - determine their training needs
  - train their existing staff and new hires
  - monitor and reward their performance

Who Benefits:

- The MTI will benefit from having sufficient and capable management and staff to effectively take on its expanded responsibilities in visitor research management
- The GOB will benefit from net savings in overall budget expenditures through efficiency gains resulting from consolidation of visitor research management under a capacity-enhanced MTI
- Those (e.g. MTI, others carrying out TMP strategies and actions, others involved in tourism) who rely upon tourism research and information in their work activities and decision-making will benefit from the enhanced capabilities of MTI to provide needed tourism research and information, allowing them to take advantage of opportunities identified and to minimize risk and exposure
- The Government and people of Barbados will also benefit as the improved availability and accessibility of tourism-related information will support the potential for better-informed decisions and more successful investments and developments that can generate direct and indirect benefits for them
- The visitors to Barbados will also benefit indirectly as information made available to tourism providers can be used to better meet the needs and expectations of visitors

Risks:

- The risks are closely associated with the "Challenges with Implementation" presented above
- The primary risk associated with this Action is that the GOB may not support the consolidation of responsibility for visitor research management under the MTI, in which case capacity building would not be required
- If the GOB supports consolidation but does not transfer authority for tourism research and information dissemination from BSS to MTI, then MTI's potential effectiveness in visitor research management will be severely constrained

Estimated Costs:

- It is envisaged that the consultancy hired to spearhead Action 1.1-1 (and Action 1.1-5) will also be called upon to *design and develop* this Action's organizational structure and capacity building and training programme requirements for the MTI as a component of that consolidation effort. Accordingly, the time, fees and expenses required by the consultancy for its role in this initial component of this Action are incorporated under Action 1.1-1.
- However, the actual *delivery of capacity building and training programmes to MTI* management and staff (including those required for Action 1.1-4) will be a direct cost of this Action. These may or may not be provided by the same consultancy commissioned for Action 1.1-1; a portion of them could potentially be delivered in-house by GOB (e.g. IT training) – Estimate of cost dependent on approach(es) selected
- Additional costs involved with implementing this Action also relate to the *time and expenses required for management and staff* of the MTI and other impacted agencies and organisations to work with the consultants in *developing the organizational framework and capacity building and training programme requirements* needed for visitor research management at MTI
- Costs will also be associated with the time and expenses of management and staff of the MTI *receiving training*
- Augmentation of the current *annual operating budget* for the MTI's Research Unit to cover the MTI's increased visitor research management responsibilities and staffing (Note: Operating budgets can be reduced in other government departments relinquishing visitor research responsibilities) – Annual operating cost dependant on adopted staffing plan

Source of Funds:

- Government of Barbados
- International organisations that fund Institutional Strengthening and Capacity Building initiatives (i.e. training)

Revenue Generation Potential:

- No *direct* revenue generation to be derived from implementing this Action, although there is potential to do so, particularly if capacity building permits more for-purchase tourism research to be conducted by MTI (see Actions 1.1-4 and 1.1-5)
- GOB operating cost savings can also be achieved through improved operating efficiencies (e.g. reduce/eliminate duplication of effort) resulting from the consolidation of responsibility for visitor research management (Action 1.1-1) that can occur as capacity is enhanced at MTI

Further Development Work Required:

- Working to secure the support of other agencies and organizations with existing responsibilities in tourism research and to explore opportunities for them to provide staff training, transfers and/or technical support to the consolidated visitor research management "unit" in the MTI
- Further discussion with the existing multi-agency Tourism Working Group to determine its objectives, intentions and potential role in assisting with capacity building needs associated with the consolidation of visitor research management responsibility within the MTI
- Exploration into estimated costs for implementing this Action, once preferred approaches are selected
- Exploration into possible funding sources beyond the GOB for implementing this Action.

Other Considerations:

- None identified

1.1-4 Develop a Central Repository and Portal for Visitor Research

Description:

- MTI extends the scope of tourism markets research for Barbados to **visitor research management** in the following ways:
  - beyond a narrow focus of research on tourism *markets* to research on *all aspects of the tourism sector* within and impacting Barbados (e.g. product inventory, performance and development; economic, social and environmental impacts), and
  - to encompass *all phases* of visitor research management, from research and data collection and analysis, to reporting, information storage and dissemination
- In support of Action 1.1-1's consolidation of visitor research management responsibilities under the MTI, this Action involves the development of a *central repository and portal* that effectively store and disseminate tourism research and information relating and of significance to Barbados and on behalf of the GOB
- Dissemination of tourism research and information is to be primarily through *electronic means*, permitting immediate, real-time updates and access (at least for information released to the general public free-of-charge) and reduced production/publication costs
- This Action takes into account:
  - the findings and recommendations of the needs assessment carried out in Action 1.1-2 with respect to research needs of target users

  - the capacity building requirements addressed in Action 1.1-3
  - the funding model and 5-year annual operating budget developed in Action 1.1-5
- This Action can only be implemented by the MTI if the GOB amends the Acts that would enable the MTI to publish and disseminate tourism research findings.
- In turn, this is one of a number of strategies and actions related to Tourism Awareness in Barbados

Expected Outcomes:

As part of MTI's consolidated responsibility for visitor research management (see Action 1.1-1):

- MTI *has the authority and capacity* to create and operate – on behalf of the Government of Barbados (GOB) and with the coordinated involvement and support of other agencies and organizations – a central repository and portal for all aspects of tourism-related research and information storage and dissemination of relevance and importance to Barbados
- A *central repository* that effectively *stores* tourism research and information relating and of significance to Barbados *has been created and is operated* by the MTI on behalf of the Government of Barbados (GOB) and with the coordinated involvement and support of other agencies and organizations
- A *central portal* that effectively *disseminates* tourism research and information relating and of significance to Barbados *has been created and is operated* by the MTI on behalf of the Government of Barbados (GOB) and with the coordinated involvement and support of other agencies and organizations
- The central portal is easy to find and access by users, as are the tourism research and information made available through it
- The central repository and portal are *integrated* with each other and linked with other related and relevant information sources
- The tourism research and information stored and made available *is comprehensive, need-based, reliable, consistent, and timely* and managed in an *efficient and cost effective* manner by MTI
- The tourism research and information stored and made available *is effective in supporting* the successful investment, development, management and operation in/of tourism initiatives and enterprises in and for Barbados
- Tourism research and information is made available not only to the agencies involved and their members but also the tourism industry at large and the general public, possibly through tiers of graduated access that reflect access rights, membership, purchase fees, etc.

Guidelines for Implementation:

- Under Action 1.1-1, the primary responsibilities for Tourism Markets Research/Visitor Research Management are consolidated within the MTI, and authorization for MTI to assume lead responsibility for tourism research and information storage and dissemination is attained before proceeding with this Action
- MTI calls upon IT experts to design, develop and create a *central repository* that effectively stores tourism research and information relating and of significance to Barbados
- MTI calls upon IT experts to design, develop and create a *central portal* that effectively *disseminates* (primarily electronically) tourism research and information relating and of significance to Barbados. Assessment will be made as to whether the central portal for tourism research should become part of "BIG", the Official Portal of the Government of Barbados (www.gov.bb/bigportal/big/, which requires LOGIN) or whether it should be independent and stand alone.
- The IT experts may be from within the GOB and/or MTI or from an external source such as consultants or a university department with expertise and experience in this area
- The IT experts may be the same or different for both tasks; if different, they must collaborate

- IT experts design, develop and set up the central repository and portal in close association with Action 1.1-1's Consultants, Action 1.1-2's Inter-agency Working Group, and management and staff of MTI and affected agencies. This includes transfer of existing information from other sources
- MTI calls upon IT experts to integrate both systems into an overall framework, that also includes linking them with other related and relevant information sources (again, consideration of working within "BIG")
- In association with training provided under Action 1.1-3, MTI employs trainers to prepare MTI staff to operate/maintain the central repository and portal
- MTI, supporting agencies and contractors conduct, contribute and disseminate tourism research and information, with MTI achieving *cost recovery and revenue generation* where possible and compensating research contributors outside of MTI as agreed
- MTI staff operate/maintain the central repository and portal to store and disseminate tourism research and information sought by target users identified in Action 1.1-1 and below
- Target users of tourism research easily find and access the portal and the tourism research and information provided within and linked to it, and according to the user pays schedule as appropriate

Challenges With Implementation:

- The current capacity of the MTI to assume primary responsibility for visitor research management, including storage and dissemination of information, is limited and likely recognized as such by the other agencies and entities that currently store and disseminate tourism-related information in Barbados, which could cause their potential reluctance to relinquish their existing responsibilities in these areas
- The Barbados Statistical Service (BSS) currently has sole authority – mandated through legislative Act – to make statistics prepared by the GOB and its agencies available to the public, and the effort needed to modify this so that the MTI has authority to release tourism-related statistics could be significant
- Note that a Tourism Working Group has recently been formed, with representatives from six of the entities that undertake tourism-related research (i.e. BHTA, BSS, BTA, CBB, CTO, MTI) and is working to address the need for greater research, for "clarity, consistency, transparency and depth of data coverage" and to serve as a forum to share updates. This initiative is seen as positive; however, its ability to effect change and whether it supports this Action is unknown

Recommended Implementation Agency:

- It is strongly recommended that the ***Ministry of Tourism*** assume *lead responsibility* for data collection, research, information storage and dissemination in all areas directly related to the tourism sector in Barbados and outside of Barbados as it impacts Barbados. It is common practice in many countries where tourism is a major economic sector for the government agency responsible for tourism development to assume this role and responsibility. The MTI has such responsibility. It is considered the preferred approach for Barbados given the MTI's overall mandate, its own need for timely information and its potential capacity to take on such responsibility
- The actual *creation* of a central repository and portal should be undertaken by ***IT experts*** – whether from within the GOB and/or MTI or from an external source such as *consultants or a university department* with expertise and experience in this area – on behalf of the MTI
- It is critical that the IT experts and MTI *receive support and cooperation* from ***associated agencies and organisations*** in developing the framework for the repository and portal and in providing tourism research and information content generated under their primary areas of responsibility and as per their mandates so that it can be stored and disseminated through the central repository and portal

Priority / Implementation Timeframe:

High / Short Term: This is viewed as a sustaining priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

- To follow completion of Actions 1.1-2 and 1.1-5
- To follow partial completion of Action 1.1-3 due to training requirements for both
- **Short duration** – 6 to 12 months to have IT specialists develop and set up central repository and portal frameworks, including transfer of existing information from other sources and training of MTI staff

Target Users:

- Management and staff of the MTI requiring tourism research and information to support decision-making, initiatives, implementation of other Tourism Master Plan strategies and actions, etc.
- Management, staff and members of the associated agencies and authorities requiring tourism research and information to support decision-making, initiatives, implementation of other TMP strategies and actions, etc.
- Management, staff and membership of other public, private and non-profit agencies involved directly or indirectly in the tourism sector
- Investors, developers, owners and operators of existing, proposed and planned tourism initiatives, organisations, products and services
- Researchers, educators and students of tourism
- Other stakeholders in the Barbados tourism sector and industry
- The general public

Who Benefits:

- The primary beneficiaries will be each of the target users identified above who seek and make use of such tourism research and information in their work activities and decision-making, allowing them to take advantage of opportunities identified and to minimize risk and exposure
- Those with responsibility for carrying out other strategies and actions of the TMP, particularly those that relate to tourism markets, marketing and investment
- The Government and people of Barbados will also benefit as the improved availability and accessibility of tourism-related information will support the potential for better-informed decisions and more successful investments and developments that can generate direct and indirect benefits for them
- Visitors to Barbados will also benefit indirectly as information made available to tourism providers can be used to better meet the needs and expectations of visitors

Risks:

- The risks are closely associated with the "Challenges with Implementation" presented above
- The primary risk associated with this Action is that the GOB may not support the consolidation of responsibility for visitor research management under MTI and/or amend the affected Act(s) that would enable the MTI to publish and disseminate tourism research findings
- If both changes are not made, it will be difficult to create and operate an effective central repository and portal for tourism research and information

Estimated Costs:

- The costs involved with implementing this Action relate primarily to:
  - Securing GOB and other agency/organisational *support and legislative changes* to give MTI the authority to disseminate tourism research and information – Absorbed in existing

budgets
- (If the GOB and/or MTI do not have the in-house IT capacity) commissioning an *IT consultancy* (or a university department) to design, develop and put in place the new central repository and portal for tourism research and information storage and dissemination – Dependent on approach used: through "BIG" or stand-alone.
- Augmentation of the current *annual operating budget* for the MTI's Research Unit to cover the MTI's increased visitor research management responsibilities and staffing needs related specifically to storage and dissemination of research and information (Note: Operating budgets can be reduced in other government departments relinquishing tourism research storage and dissemination responsibilities) – Annual operating cost dependant on consultant recommendations

- Costs are also associated with the *time and expenses required for management and staff* of the MTI and other impacted agencies and organizations to assist the IT experts and support the process to develop the central repository and portal
- NOTE that costs to train staff how to manage and operate the central repository and portal are to be covered under Action 1.1-3

Source of Funds:

- Government of Barbados
- International organisations that fund initiatives requiring Technical Support (i.e. designing and developing the central repository and portal)
- Possible cost reductions by using the GOB's and/or MTI's in-house IT department or by contracting university faculty and students to develop the central repository and portal as a university project
- A designated portion of the Tourism Development Fund (see Action 5.1-3 in Section 3.0), especially to help support the on-going operation and maintenance of the central repository and portal (e.g. annual operating revenue line item)

Revenue Generation Potential:

- *Direct* revenue (at least cost recovery) can be generated by releasing some of the tourism research and information via the central portal through a variety of purchase arrangements such as research subscriptions, fee-based database access and requested runs, data and document sales, etc. from target users
- Operating cost *savings* can also be achieved through improved operating efficiencies (e.g. reduce/eliminate duplication of effort) resulting from the consolidation of tourism research and information in a central repository and portal for storage and dissemination

Further Development Work Required:

- Review of the Act that restricts dissemination of Government-issued statistics and research to the Barbados Statistical Service to confirm and determine needed changes
- Working to secure the support of other agencies and organizations with existing responsibilities in these areas
- Further discussion with the existing multi-agency Tourism Working Group to determine its objectives, intentions and potential role in assisting with defining what tourism research and information should be stored in the central repository and made available through the central portal, as well as to whom and how it should be made available
- Exploration into estimated costs for implementing this Action
- Exploration into possible funding sources beyond the GOB for implementing this Action

Other Considerations: None identified

1.1-5 Develop a Funding Model and Budget for Visitor Research Management

Description:

- In support of Action 1.1-1's consolidation of visitor research management responsibilities under the MTI, this Action leads to the *design, development and operation of a funding model* as well as the *preparation, approval and adoption of a 5-year operating budget* for the MTI's visitor research management responsibilities
- This Action takes into account:
  - the findings and recommendations of the needs assessments carried out in Action 1.1-2 with respect to the costs associated with meeting those needs, potential funding sources and revenue generation and the like
  - the capacity building requirements being addressed in Action 1.1-3
  - preliminary indications of the potential costs and revenues associated with a central repository and portal for tourism research and information storage and dissemination being addressed in Action 1.1-4
- In turn, this is one of several strategies and actions related to Finance for the TMP

Expected Outcomes:

As part of MTI's consolidated responsibility for visitor research management (Action 1.1-1):

- MTI *receives the authority and support* to develop and put in place a funding model for consolidated visitor research management that helps to ensure its sustainability
- MTI *secures a GOB-approved 5-year annual operating budget* for consolidated visitor research management that also helps to ensure its sustainability
- The funding model is *effective in securing and allocating the financial resources required* for MTI to successfully carry out its consolidated visitor research management responsibilities with support from associated agencies and organisations
- The 5-year operating budget is *secure, sound and sufficient* for MTI to successfully carry out its consolidated visitor research management responsibilities
- *Cost recovery and revenue generation* from tourism research and information dissemination and other visitor research management efforts are achieved where possible by MTI and associated agencies and organizations (see Revenue Generation Potential below)

Guidelines for Implementation:

- MTI calls upon the same Consultant spearheading Action 1.1-1 to lead the *design and development of a funding model* for consolidated visitor research management that helps to ensure its sustainability (and includes compensation to other research providers)
- MTI calls upon the same Consultant spearheading Action 1.1-1 to lead the *preparation of a 5-year operating budget* for the MTI's visitor research management responsibilities that also helps to ensure its sustainability
- Consultant prepares both the funding model and 5-year operating budget in close association with MTI and affected agencies, taking into account findings and recommendations of Actions 1.1-1, 1.1-2 and 1.1-3, as well as preliminary indications from Action 1.1-4
- MTI approaches GOB and requests *approval of both* as well as GOB's *commitment of* needed funds and other support
- MTI *secures and allocates the financial resources required* to successfully carry out its consolidated visitor research management responsibilities
- Consultant assists MTI with putting approved funding model in place and make use of it:
  - set their priorities and workload
  - carry out their duties

- monitor their actual earnings and expenditures against the funding model and operating budget and make adjustments as needed
- enter into agreements and compensate those who have provided tourism research and information to be stored and disseminated through the central repository and portal administered by the MTI, if so set out in the funding model

- MTI, supporting agencies and contractors conduct, contribute and disseminate tourism research and information, with MTI achieving *cost recovery and revenue generation* where possible and compensating research contributors outside of MTI as agreed

Challenges With Implementation:

- The Barbados Statistical Service (BSS) currently has sole authority – mandated through legislative Act – to make statistics prepared by the GOB and its agencies available to the public, and the effort needed to modify this so that the MTI has authority to release tourism-related statistics could be significant. If such authority is not transferred to MTI (under Action 1.1-1), it cannot adopt a funding model for visitor research management that includes potential revenue from tourism research dissemination
- Note that a Tourism Working Group has recently been formed, with representatives from six of the entities that undertake tourism-related research (i.e. BHTA, BSS, BTA, CBB, CTO, MTI) and is working to address the need for greater research, for "clarity, consistency, transparency and depth of data coverage" and to serve as a forum to share updates. This initiative is seen as positive; however, its ability to effect change and whether it supports this Action is unknown

Recommended Implementation Agency:

- It is strongly recommended that the ***Ministry of Tourism*** assume *lead responsibility* for data collection, research, information storage and dissemination in all areas directly related to the tourism sector in Barbados and outside of Barbados as it impacts Barbados. It is common practice in many countries where tourism is a major economic sector for the government agency responsible for tourism development to assume this role and responsibility. The MTI has such responsibility. It is considered the preferred approach for Barbados given the MTI's overall mandate, its own need for timely information and its potential capacity to take on such responsibility
- The actual *design and development of a funding model and preparation of a 5-year annual operating budget* to support the consolidation effort (Action 1.1-1) should be guided by ***the same independent consultant*** spearheading that, with close involvement of MTI
- It is recommended that the consultants and MTI *receive support and cooperation* from ***associated agencies and organisations*** in developing the funding model, so that opportunities to compensate them for providing tourism research and information content stored and disseminated through the central repository and portal can be considered and incorporated

Priority / Implementation Timeframe:

- *High priority*
- *Medium term start*:
  - following start of Action 1.1-1 and partial completion of Action 1.1-2 (once tourism research needs are clearly understood)
  - in parallel with start of Action 1.1-3 but shorter
- *Short duration*:
  - 3 to 6 months to design, develop and finalize funding model and required operating budget for consolidated visitor research management within MTI, that reflects research needs identified in Action 1.1-2 and associated capacity requirements of Action 1.1-3
  - 3 to 6 months to seek and obtain GOB approval
  - 3 to 6 months to put funding model in place

Target Users:

- Management and staff of the MTI responsible for visitor research management, in order to:
    - set their priorities and workload
    - carry out their duties
    - monitor their actual earnings and expenditures against the funding model and operating budget and make adjustments as needed
    - compensate those who have provided tourism research and information to be stored and disseminated through the central repository and portal administered by the MTI, if so set out in the funding model
- Government agencies and others providing tourism research and information to be stored and disseminated through the central repository and portal administered by the MTI can refer to the funding model to determine and monitor their compensation for doing so and use this information in the preparation of invoices and their own operating budgets
- GOB can refer to MTI's funding model, annual operating budgets and actual earnings to assist in setting future year budgets

Who Benefits:

- The MTI will benefit from having an adequate, committed and on-going source of funds and operating budget to support its expanded responsibilities in visitor research management
- Other agencies and organizations that may continue their involvement in tourism research under the primary responsibility of MTI may be compensated for doing so as part of the funding model (e.g., if fees are received by MTI from users of the central portal and an agreed-upon share is distributed to the information provider)
- The GOB will benefit from net savings in overall budget expenditures through efficiency gains resulting from consolidation of visitor research management under MTI
- Those (e.g. MTI, others carrying out TMP strategies and actions, others involved in tourism) who rely upon tourism research and information in their work activities and decision-making will benefit from the financial support this Action provides to ensure the reliable provision of needed information on a timely basis over the long term
- The Government and people of Barbados will also benefit as the improved availability, accessibility and reliability of tourism-related information will support the potential for better-informed decisions and more successful investments and developments that can generate direct and indirect benefits for them
- The visitors to Barbados will also benefit indirectly as information made available to tourism providers can be used to better meet the needs and expectations of visitors

Risks:

- The risks are closely associated with the "Challenges with Implementation" presented above
- The primary risk associated with this Action is that the GOB may not support the consolidation of responsibility for visitor research management under the MTI.
- This could be confronted when seeking GOB approval by including a *preliminary* funding model and operating budget that also shows net savings in overall budget expenditures achieved by the GOB through efficiency gains resulting from consolidation under MTI

Estimated Costs:

- It is envisaged that the consultancy hired to spearhead Action 1.1-1 (and Action 1.1-3) will also be called upon to develop a funding model and operating budget for the MTI as a component of that consolidation effort. Accordingly, the time, fees and expenses required by the consultancy for its role in this Action are incorporated under Action 1.1-1
- The additional costs involved with implementing this Action relate primarily to the *time and*

expenses required for management and staff of the MTI and other impacted agencies and organisations to work with the consultants as they work *specifically on developing a long-term funding model and operating budget* that supports the new organisational framework for visitor research management at MTI

Source of Funds:

For development of the funding model and operating budget for MTI's expanded visitor research management responsibilities:

- Government of Barbados
- International organisations that fund Institutional Strengthening and Capacity Building initiatives (i.e. creating a sustainable funding model)

For possible inclusions as funding sources in the actual funding model for visitor research management:

- Government of Barbados
- Reallocation of budgets previously allocated to other agencies with shared responsibility in this area to MTI
- User pays mechanisms – Revenue generated from payments received for tourism research and information released to users on a fee basis
- A designated portion of the Tourism Development Fund (see Action 5.1-3 in Section 3.0), especially to help support the on-going and one-off tourism research initiatives undertaken once visitor research management is fully consolidated and operational within the MTI (e.g. annual operating revenue line item)

Revenue Generation Potential:

- The Consultants carrying out this Action will be tasked with identifying, vetting and putting in place a funding model for visitor research management and, in so doing, will determine revenue generation potential
- Initial thoughts are that direct revenue (at least cost recovery) can be generated for visitor research management through a variety of mechanisms including:
    - releasing *some* of the tourism research and information available through the central portal (Action 1.1-4) on a revenue-generating or cost-recovery basis via a variety of purchase arrangements such as research subscriptions, fee-based database access and requested runs, data and document sales, etc. from target users
    - fees from contracts for one-off research studies conducted by MTI for others
- GOB operating cost savings can be achieved through improved operating efficiencies (e.g. reduce/eliminate duplication of effort) resulting from the consolidation of responsibility for visitor research management (Action 1.1-1) and the consolidation of tourism research and information in a central repository and portal for storage and dissemination (Action 1.1-4)

Further Development Work Required:

- Exploration into estimated costs for implementing this Action
- Exploration into possible funding sources beyond the GOB for implementing this Action
- Exploration into viable and acceptable revenue-generating/cost-recovering mechanisms for research dissemination

Other Considerations: None identified

3.0 TOURISM ECONOMICS AND FINANCE

Summary

The subject area of *Tourism Economics and Finance* for the Tourism Master Plan 2014 - 2023 addresses the following inter-related aspects:

- Economic impacts of tourism and the Barbados Visitor Economy (BVE)
- Distribution of economic benefits, linkages and leakages of tourism
- Tourism investment, finance, micro-/small/medium-sized enterprises (MSMEs) and feasibility

The Significance of Tourism and the Visitor Economy to Barbados

Barbados is a small island developing state with a fragile, open economy and has a limited natural resource base. During the four decades since Independence, the Government of Barbados has been working towards a sustainable economy based on local human resources and education, strong physical infrastructure and investments in global trade in goods and services. However, the economy of Barbados is currently struggling.

Tourism in Barbados was a relatively minor activity in a sugar dominant economy until the 1950's with the introduction of the jet engine to commercial airplanes. Government recognized the critical importance of this sector as a foreign exchange earner and generator of employment, established the institutional framework to support the sector, and invested directly in tourism infrastructure. "*At the turn of the (21st) century, tourism accounted for two-thirds of foreign exchange earnings, with the international business and finance sector, which was born in the 1970's in second position*" (Worrell et al., undated).

The importance of the Barbados Visitor Economy is exemplified in the National Tourism Policy Statement found in the White Paper on the Development of Tourism in Barbados (Strategic Solutions Inc., 2012). It describes the importance of tourism in the country, stating it is:

- The leading foreign exchange earner
- A major contributor to Gross Domestic Product (GDP)
- A major employer
- Has a role in rural and urban development
- Facilitates inter-sectoral linkages
- Distributes benefits widely
- Promotes social interaction, peace, tolerance and cross-cultural understanding
- Promotes cultural development
- Ignites a sense of national pride
- Develops a country's image
- Brings social benefits to local communities

In addition, tourism is a source of investment in infrastructure and public goods that benefits all, and a means of preserving the environment, culture and heritage of Barbados.

Historically, tourism's impact on the national economy has been measured by counting numbers of tourists, the money they spend, and the jobs created in businesses that cater directly to tourists. However, this undervalues the contribution to the total economy. The "Visitor Economy" is a relatively new way of looking at this sector that considers and measures not only the direct impacts, but also the indirect and induced impacts as follows:

- **Indirect Effects:** These include the purchases made by frontline businesses for the provisions they require (e.g. the food purchases a hotel makes to feed its guests), and the purchases down the supply chain. Employment measures also include those of employees involved in the tourism supply chain
- **Induced Effects:** These are derived from the wages earned by employees of BVE businesses in direct and indirect receipt of visitor spending

The visitor economy also includes expenditures made by government in support of tourism (e.g. roads, ports, plans, attractions). Most important, it also measures the expenditures local residents make as visitors in their own country.

Situation Analysis

The most significant findings of the situation analysis with respect to tourism economics and finance are:

- The historical growth in number of visitor arrivals – stayover and cruise – to Barbados since 1960 has been impressive. However, in the last few years, arrivals in Barbados have declined, while globally and in other regions they have risen
- The World Travel and Tourism Council (WTTC) prepares annual tourism economic impact models for 181 countries, including Barbados. Their 2012 report reveals that between 2006 and 2012, the total contribution of tourism and travel to Barbados' GDP declined 24% to BDS$3.6 billion (constant 2011 dollars). With the BVE's total contribution to the Barbados GDP at close to 43%, this large reduction is felt throughout the economy. In parallel, total BVE employment went from 72,500 jobs to 59,700. This represents a reduction of 8% of all jobs in Barbados. The social consequences of this are significant
- The WTTC outlook for Barbados over the next 10 years shows an increase in tourism, but at a modest level. Their projection for 2022 is BDS $4.8 billion (constant 2011 dollars). However, their targets do not take into account implementation of this Master Plan
- Implementation of the TMP will have a large positive impact on the Barbados economy and residents of the country. **With a good level of Master Plan implementation**, it is reasonable to target 603,000 stayover visitors and 582,100 cruise visitors in 2022, a total contribution of the BVE to the national economy of an estimated BDS$5.2 billion annually (constant 2011 dollars) and 76,000 total jobs. **With a greater level of implementation**, visitor targets of 630,200 stayover visitors and 608,000 cruise visitors are reasonable to expect, as are a total contribution of BDS$5.9 billion annually (constant 2011 dollars) to

the national economy and 88,400 total jobs – or the creation of an additional 23,000 jobs in the BVE in the next 10 years over and above those forecast by the WTTC. (It is important to note these are not forecasts, but rather targets which might be achieved if the stakeholders in the BVE seriously consider the potential and invest through implementation of the TMP strategies and actions.)

- Not only are the types and levels of economic benefits generated by tourism important, but also their distribution within a country, the linkages that enhance their levels and the leakages which diminish them. Generally, the more broad reaching and equitable is their distribution, the greater is their positive impact
- Tourism linkages help to grow tourism and make it sustainable by cementing supply chains and securing market demand, creating economies of scale, and helping to both extend the distribution of tourism benefits and to minimize tourism leakages. Generally, the more firmly established and extensive that tourism linkages are, the greater and better distributed are the benefits of tourism
- Tourism leakages primarily relate to benefits lost to offshore entities and individuals such as foreign owners, operators and workers of tourism facilities and services as well as suppliers of goods and services (e.g. furniture, food) to the industry. Generally, the more curtailed the leakages are – through financial and technical support, training, import substitution, lower costs of materials, etc. – the greater and better distributed are the benefits of tourism

Moving forward, Barbados needs to adopt a more comprehensive approach to measuring and monitoring the distribution of tourism benefits, enhancing linkages and minimizing leakages. This will better enable the country to then actually aim for and achieve a wider and more equitable distribution of benefits from tourism not only in the present, but also over the long term through a sustainable use of its resources. The completion of the tourism satellite account (TSA) model now in progress in Barbados will greatly assist with this.

The Government of Barbados views the investment, finance, micro, small and medium enterprises (MSMEs) and feasibility facets of tourism as a critical force for the nation's economy, and has worked hard to provide a supportive enabling environment for them to succeed. With tourism such a dominant sector in the Barbados economy, ongoing support is important not only to the success of individual operators and businesses, but also to advancing the tourism sector overall, improving the distribution of its benefits and on the economy as a whole.

Because of how tourism in Barbados permeates throughout the economy and society, the impacts of the downturn in visitation to Barbados have been profound. Many businesses which cater to tourists are no longer profitable or as profitable, creating closures and job losses. However**, the potential is there for tourism to rebound and lead the Barbados economy out of recession. The implementation of the Barbados Tourism Master Plan 2014 - 2023 will go a long way in achieving this potential.**

Actions Recommended

Actions developed to improve the economics of tourism, distribution of benefits, linkages and leakages in Barbados are in support of Strategic Imperative #5 on '**Improve Financial**

Performance' and corresponding Strategy 5.1 which states: "*Through a better knowledge/information base, improve the distribution of benefits, investment sourcing/opportunities, business development, and understanding of the economic impacts, linkages and leakages with the economy, and support local production to reduce import dependency* " (refer Report I, Sections 4.4 and 5.0). The Actions are:

5.1-1 Mitigate Obstacles to Tourism Investment
5.1-2 Identify Opportunities from the Visitor Economy Supply Chain
5.1-3 Establish a Philanthropic Foundation
5.1-4 Retain a Professional Grant Writer
5.1-5 Develop Local Souvenirs Market
5.1-6 Strengthen Cross-Sectoral Linkages with Tourism Across Barbados
5.1-7 Strengthen Cross-Regional Linkages with Tourism Across the Caribbean
5.1-8 Identify and Assist Local Production
5.1-9 Identify Imported Provisioning for Potential to Supply Locally
5.1-10 Improve Awareness of the Economic Aspects of Tourism
5.1-11 Launch a Public Website on the Economic Impacts of Tourism
5.1-12 Identify Available Investment and MSME Opportunities in Tourism
5.1-13 Streamline the Application Process for Funding and Support Services
5.1-14 Expand Opportunities for Visitor-Serving Retailers and Street Vendors

Other strategies and actions in the TMP are essential to the financial well-being of Barbados (e.g. under Strategic Imperative #2 on Enhance the Visitor Experience"), and will serve to generate direct and indirect benefits, strengthen linkages, and minimise leakages for Barbados.

3.1 INTRODUCTION AND OVERVIEW

3.1.1 Scope of Subject Area

This Section presents a review of how the Barbados tourism sector has performed over the last few years. Performance targets are then presented regarding direct visitor expenditures in the Barbados Visitor Economy (BVE) to the year 2023. Employment targets are also presented for establishments directly operating in the BVE as well as employment for the entire sector (direct, indirect and induced). A more detailed presentation of Barbados national tourism is presented in Section 3.2.

Historically, tourism's impact on the national economy has been measured by counting numbers of tourists, the money they spend and the jobs created in businesses which cater directly to tourists (first-line businesses). While this provides valuable information, it undervalues the contribution to the total economy. The "Visitor Economy" is a relatively new way of looking at this sector; it is a more holistic approach in that it considers and measures not only the direct impacts, but also the indirect and induced impacts. Briefly described they are:

- **Indirect Effects:** These include the purchases made by frontline businesses for the provisions they require (e.g. the food purchases a hotel makes to feed its guests), and the purchases down the supply chain. Employment measures also include those of employees involved in the tourism supply chain
- **Induced Effects:** These are from wages earned by employees of BVE businesses in direct and indirect receipt of visitor spending

The visitor economy also includes expenditures made by government in support of tourism (e.g. roads, ports, plans, attractions). Most important, it also measures the expenditures that local residents make as visitors in their own country. This includes traveling for work purposes from a principal place of work, and going away from your residence for recreation or leisure (e.g. going to a restaurant for dinner, deciding to take a vacation at a beach resort, etc.).

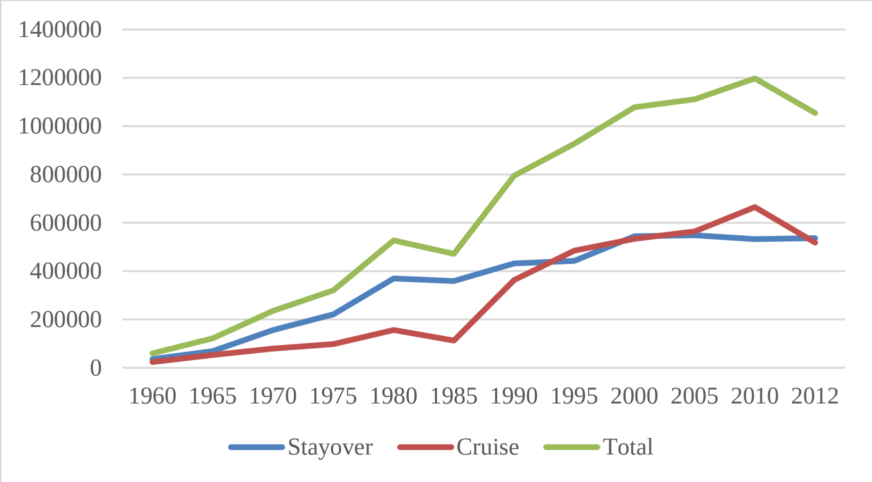
Figure 1.3 in Section 1.3.1 and Figure 3.9 in Section 3.2 of this report provide a comprehensive description of the Barbados Visitor Economy.

3.1.2 A Historical Look at the Barbados Visitor Economy

Section 2.0 provided a detailed analysis of the historical performance of tourism in Barbados. The following is but a brief summary. Figure 3.1 depicts visitor arrivals from 1960 to 2012 at 5 year intervals, plus 2012 (the most recent year). The historical growth in numbers of arrivals from 1960 on has been impressive. However, in the last few years arrivals have declined. Stayover visitors declined by an average of 1.4% per year from 2006 to 2010. In 2011 there was a remarkable increase in stayover arrivals (6.7%). Then in 2012, there was a decline of 5.5%. The decline continued in 2013 with about 7.2% fewer stayover arrivals than for the same period last year. Since stayover arrivals are worth much more than cruise arrivals in terms of expenditures, this decrease is especially difficult.

While cruise arrivals have shown a steady and substantial increase, peaking at over 721,000 in 2004, they have now declined to 517,436 in 2012. There was a very large decline of 15.2% in one year from 2011 to 2012.

While Barbados tourism has declined, globally and in other regions it has performed well. In 2012, it increased globally by over 4%, increased in the Americas by about 7%, and increased in the Caribbean by close to 6%. This compares to the comparable year decrease of 5.5% in Barbados.

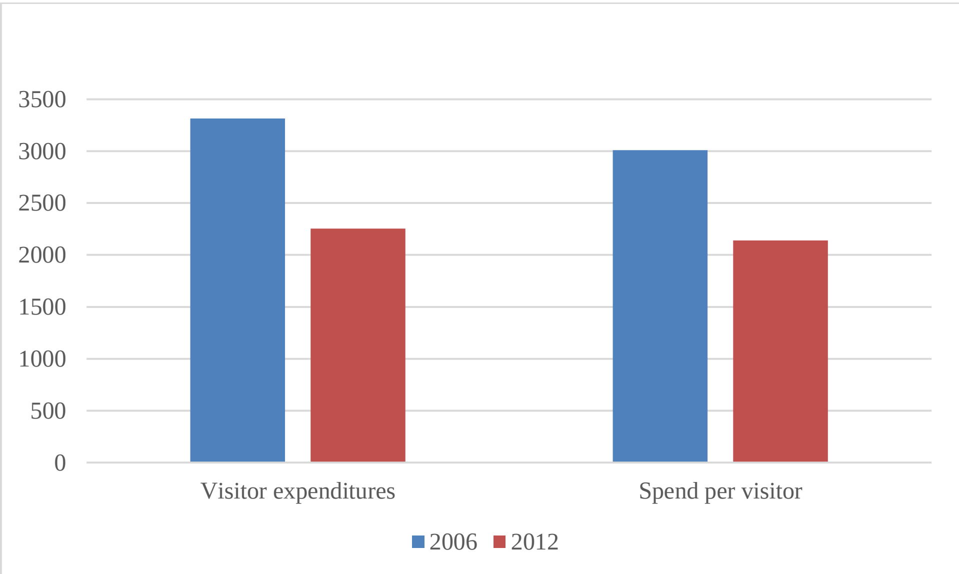


Source: Barbados Ministry of Tourism

Figure 3.1. Barbados Visitor arrivals (1960 – 2012).

The World Travel and Tourism Council (WTTC), on an annual basis, prepares tourism economic impact models for 181 countries, including Barbados. The following results are taken from the Barbados model. For some values it is used as a base from which to calculate (at this time not a made in Barbados model). The two following figures tell the story with respect to economic and employment impacts resulting from the BVE decline.

Figure 3.2 shows the economic impacts of the decline from 2006 (the peak year for the Barbados Visitor Economy) to 2012 (the most recent year for which data is available). To negate the effects of inflation, the data are in constant 2011 dollars. Visitor expenditures are presented in millions of Barbados dollars, and the spend data in actual dollars.



Source: WTTC base data used to calculate spend

Figure 3.2. Economic impacts in Barbados (BDS$ millions) 2006 – 2012.

The economic decrease is caused by more than just a reduction in numbers of visitors; it is compounded by a decrease in how much each visitor spends. With the tourism contribution to the Barbados GDP at close to 43%, this large reduction is felt throughout the economy. Some of the most recent data (3rd Quarter 2013), collected through the Caribbean Tourism Organization (CTO) quarterly surveys, shows a reversal towards an increase in total visitor spend.

Other data derived from the WTTC model include:

- Employment directly in tourism is estimated at 18,000 jobs in 2012
- Total jobs including direct, indirect and induced are estimated at about 60,000 in 2012, or about 42% of all jobs in Barbados
- In 2012, the total contribution of travel and tourism to the Barbados GDP was about BDS $3.6 billion
- Each stayover visitor contributes approximately BDS$6473 to the Barbados economy (direct, indirect, induced)
- According to the WTTC world rankings, out of 181 countries, tourism in Barbados ranks 10th in terms of its relative contribution to GDP; this is a strong indication of the importance of tourism to the total economy of Barbados

3.1.3 Barbados Visitor Economy Performance Targets

There are many considerations concerning the future number of visitors that are ideal for Barbados, including performance history, current numbers of visitors, the state of the economy, tourism capacity, infrastructure, the global economies, international tourism trends, Barbados competitiveness, etc. These variables are discussed in detail in Report IV "Our Visitors and the Barbados Visitor Economy".

Currently, there is no Barbados-produced tourism model that can be used to forecast the future performance of the visitor economy. However, as mentioned previously, a tourism model based on "Tourism Satellite Account" (TSA) methodologies is currently being developed in Barbados. In the meantime, there is a Barbados tourism model (TSA based) developed by the World Tourism and Travel Council (WTTC) and Oxford Economics. While it provides ten-year forecasts, they can only be used as rough indicators because much of the base data they utilize is inferred rather than calculated specifically within the country. While any model of this type has significant limitations, it will nevertheless provide an informed basis for looking at the future performance of the Barbados Visitor Economy.

The WTTC model presents a positive ten-year outlook for tourism in Barbados, in spite of its limitations, and the fact they do not build in an awareness of implementation of this 10 year Master Plan. Table 3.1 presents the WTTC projections.

Table 3.1. WTTC Tourism projections (2022).

WTTC Tourism Projections	2012	2022
Numbers of Visitors (stayover)	536,303*	638,000**
Numbers of Cruise Visitors *	517,436	NA
Visitor Exports (real 2011 BDS $ millions)**	2254.1	2903.8
Value of visitor exports per visitor	4203	4551
Direct contribution to GDP (visitor exports less purchases by tourism providers – real 2011 BDS $ millions)**	1072.2	1389
Value of direct contribution per visitor	1999	2177
Percentage contribution to GDP**	13.0	12.3
Total Contribution to the BVE (direct, indirect, induced, capital investment, government collective spending less imported goods from indirect sending-real 2011 BDS $ millions)**	3629.9	4800.2
Value of total contribution per visitor	6768	7524
Percentage contribution to GDP**	42.7	42.6
Direct contribution of travel and tourism to employment ('000)**	18.2	19.9
Total contribution of travel and tourism to employment ('000)**	60	66
Annual capital investment attracted by travel and tourism (real 2011 BDS $ millions)	414.1	768

**Source*: Barbados Statistical Services

***Source*: World Travel & Tourism and Council, Travel & Tourism Economic Impact 2012, Barbados – Visitor exports are defined as "spending within the country by international tourists for both business and leisure trips, including spending on transport".

While the WTTC model shows the substantial decline that has occurred in the BVE over the last few years (not presented here), their outlook for the future of tourism in Barbados is positive. They show an increase of over 100,000 annual stayover visitors over the next 10 years, representing a total of approximately 16%. This would bring total stayover visitors well beyond the near 573,000 experience in 2007. Similarly, they show substantial increases in per visitor value of exports, value of direct contribution, and value of total contribution to the year 2022, reversing the downward trend of the last few years.

Table 3.2 examines total visitor spend based on numbers of visitors as calculated by the Barbados Statistical Services, and the Caribbean Tourism Organization quarterly visitor exit surveys expenditure data. The table also presents a historical perspective going back to the year 2007, since the recovery of the Barbados visitor economy must include not only an increase in the number of visitors, but also a reversal of the decrease in expenditures per visitor.

Table 3.2. Barbados visitor expenditures (BDS$).

Item	2007	2012
Total number of stayover visitors	572,937	536,303
Total expenditure by stayover visitors ($,000)*	2,333,824	1,726,473
Total expenditure per stayover visitor	4,073	3,219
Total number of cruise visitors	616,354	517,436
Total expenditure by cruise visitors ($,000)	87,263	62,461
Total expenditure per cruise visitor	142	121
Percentage of total expenditure by stayover visitors	96.4%	96.5%
Percentage of total expenditure by cruise visitors	3.6%	3.5%

Source: Base data from Barbados Statistical Services & Caribbean Tourism Organization and consultant calculations
*All financial data are in actual dollars not adjusted for inflation

It is evident from Table 3.2 that there have been decreases in all categories. Not only have decreases in the total number of visitors contributed to the decline in the BVE, but so have the decreases in the average expenditures per visitor for both stayover and cruise visitors.

Based on the data presented in Tables 3.1 and 3.2, and the information, data, and analyses presented in all the reports that comprise the Barbados Tourism Master Plan 2013 – 2022, Table 3.3 provides the targets that the Government of Barbados, stakeholders, and planners should set for the next 10 years.

Table 3.3. Barbados annual Visitor Economy performance targets to 2022.

Item	Targets to 2022
Total number stayover visitors	750,000
Total number of cruise visitors	800,000
Total expenditures per stayover visitor (BDS actual dollars)	5,000
Total expenditures per cruise visitor $BDS	175
Total direct contribution to GDP (visitor exports less purchases by tourism providers - constant 2011 $BDS millions)	1,750
Percentage direct contribution to GDP	15
Total contribution to GDP (direct, indirect, induced, capital investment, government collective spending, all minus purchases by tourism providers and imported goods from indirect spending – constant 2011 $BDS)	7,000
Percentage total contribution to GDP	45
Direct contribution to employment	30,000
Total contribution to employment	90,000
Annual capital investment (real 2011 $ BDS millions)	1,000

Note: The above are targets and not forecasts. They are intended to guide achievement in growth of the Barbados Visitor Economy over the next 10 years. It is not intended that the growth in each of the variables should occur equally every year, as some may grow faster than others. The faster the realization, the better for the BVE.

The realization of these targets will occur through ongoing initiatives of the Government, stakeholders, investors and the people of Barbados, and through realization of the strategic imperatives and implementation of the strategies and actions presented in this Barbados Tourism Master Plan 2013 – 2022.

Periodic reviews to determine the level of achievement of the targets are recommended to obtain measures of their realization, and the need for updates to the targets, strategies and actions of the Tourism Master Plan.

3.1.4 Return on Investment

Investment for implementation of the TMP will be required to realize growth in the BVE. The sources of investment will come from combinations of:

- Government of Barbados
- The local private sector
- International investors
- Development banks
- Non-governmental organizations
- Philanthropic contributions

Mechanisms, such as a foundation dedicated to raising funds specifically for implementing tourism projects, will need to be established. This, as well as other strategies and actions designed to secure funds for Tourism Master Plan implementation, are presented in a standard format in Sections 4.0 and 5.0 of this report, and in Report IV on “Our Visitors and the Barbados Visitor Economy”.

While this TMP recommends many strategies and actions designed to realize specific strategic imperatives which will grow the Barbados Visitor Economy, at the time of implementing any one of the strategies, an assessment is required to examine the benefits and costs associated with its implementation. This was done at the cursory level and presented in the detailed strategy formats found in Reports II to VI.

Costs of implementation for most of the recommended strategies are estimated. Some estimates at this time are not possible, and can only be determined at the time of implementation when other variables such as the scope of the project and design specifics are determined. An estimate of the total costs of implementing the top priority strategies, which essentially form the TMP Implementation Plan, is presented in Section 5.0. This value should be considered as an estimate of costs that may be incurred, and which may vary based on decisions made with respect to which strategies and actions to implement, and the timing of implementation.

The proposed high priority actions, presented in Section 4.0, have a total estimated value of approximately BDS$132,000,000, plus additional costs for some strategies whose costs could not be estimated at this time (estimated at about BDS$50 million). As mentioned above, these funds would come from various sources.

It is important to note that the preferred timeframe for implementation of the priority actions is five years. However, this is a 10 year master plan whose implementation benefits will be realized from the day the initial actions are implemented, to well beyond the 10 year time frame.

An important question that financial planners will want to consider is: "what is the return on this investment?" This is an especially important question given the difficult economic times that Barbados is currently experiencing. The answer to this question is necessary since this will be difficult investment money to source, and yet critically important to driving the economy out of its current economic difficulties. As difficult as sourcing the investment may be, it is required to grow the economy based on the fact that tourism, as the dominant sector, contributes approximately 43% of GDP, and is the major foreign-exchange earner in Barbados.

At a macro level, Table 3.4 provides an estimate of potential returns on investment resulting from implementation of the priority TMP actions (a note of caution: this is at a macro level, based on order-of-magnitude assumptions, and with results that serve to indicate general levels of magnitude, but not precision).

Table 3.4. Potential Return on Investment.

Estimated timeframe of investment	5 years
Estimated timeframe of benefits	10 years +
Sources of investment	Varied
Distribution of returns	Varied within and outside Barbados
Total cost of investment (BDS $132 million) + undetermined costs (possibly BDS $50 million)	$182 million
Total number of annual stayover visitors estimated by WTTC in 2022 without TMP implementation	638,000
Total number of annual stayover visitors targeted by consulting team in 2022 with TMP implementation	750,000
Number of annual visitors attributable to TMP implementation [750,000-638,000] in 2022	112,000
Visitor growth timeframe assumed equally distributed from year 4 of implementation to year 10	16,000/yr. over 7 yrs.
Value of total contribution per visitor to the BVE (WTTC Table 3.1) – average over the benefit period (constant BDS 2011 dollars*)	7,000
Total accumulated return over 10 year benefit period based on WTTC contribution per visitor (BDS $millions)	3,136
Direct expenditure per stayover visitor averaged over 10 year benefit period & based on CTO expenditure exit surveys, and with an estimated 50% cost of purchases by providers subtracted (BDS$)	2,000
Total accumulated return over 10 year benefit period based on CTO expenditure surveys (BDS $millions)	1,792
Benefit to cost ratio based on WTTC total per visitor contribution	**17.23*****
Benefit to cost ratio based on CTO expenditure surveys**	**4.92******

*Both the benefits in terms of financial contribution per visitor and the costs estimated at current prices represent current dollars and not inflated dollars in future years.
**The ratios are not calculated from any particular accounting stance based on the source of funds and accrual of benefits to that particular source. Rather, they are broad-based to include a wide distribution of benefits regardless of the source of funds.

***The benefit cost ratios are not based on a standard cost-benefit analysis; they provide indicators rather than specific measures
****This ratio does not include any indirect or induced benefits; it includes only direct benefits from visitor expenditures as per CTO expenditure surveys.

It is also noted that the above do not include benefits that will accrue as a result of an increase in cruise tourism visitors attributable to implementation of the TMP. While these benefits, on a per visitor basis, are much smaller than those attributable to stay over visitors, they are nevertheless positive and would increase the benefit to cost ratios presented above. At this time, major developments at the port, independent of the Tourism of Master Plan, are underway and it would not be possible to separate changes in cruise tourism attributable to the Tourism Master Plan from those that will occur with the ongoing port development.

Precisely prepared cost-benefit analyses, on a project by project basis, would yield results that are different from the above, since they would take into account additional variables on both the costs and benefits side, including indirect, induced, social, and environmental; and all values would be discounted to a present value basis. They would also be prepared with the accounting stance from which the funds for implementation are sourced, and the distribution of benefits would be identified.

Regardless of how precisely the assumptions underlying the above model (Table 3.4) will be realized, **the magnitude of the benefits to cost ratios are such that investment in implementation of the strategies which comprise the Barbados Tourism Master Plan 2013 – 2022 will yield substantial returns distributed broadly.**

The ratios cannot be interpreted to imply that if you make only half the investment you will realize half benefits; they assume a level of investment sufficient to attract a significant number of additional visitors. In particular, there is an assumed level of investment related to attracting and serving the priority niche and origin markets, as well as substantial additions and improvements to the array of attractions in Barbados. In other words, increased numbers of visitors and increased spending will only occur if there is more for visitors to do and more for visitors to spend money on, than is currently the situation.

3.2 Economic Impacts of the Visitor Economy

This Section first looks at the importance of tourism to the Barbados economy in recent years and at the present time, including such measures as its contribution to the Gross Domestic Product (GDP), foreign exchange earnings and employment generation. Comparisons are made to other destinations. It next sets out the premise that, with tourism so significant to, and far-reaching across Barbados, the country actually has a Visitor Economy in which the components and impacts of tourism extend beyond those that are directly related to tourism, to also include indirect and induced impacts. It is these aspects that should also be included when measuring the economic benefits and impacts of tourism. On this basis, the remainder of this chapter assesses how the Barbados Visitor Economy (BVE) has been performing, the challenges it faces, its strengths and opportunities, and its potential over the next decade with and without implementation of the Barbados Tourism Master Plan 2014-2023 (TMP).

3.2.1 The Importance of Tourism in the Barbados Economy

Barbados is a small island developing state with a fragile, open economy and has a limited natural resource base. It supports one of the highest population densities in the world with over 280,000 residents occupying a total land area of 166 square miles. During the four decades since Independence, the Government of Barbados has been working towards a sustainable economy based on local human resources and education, strong physical infrastructure and investments in global trade in goods and services. However, the economy of Barbados is currently struggling.

Tourism in Barbados was a relatively minor activity in a sugar dominant economy until it emerged in the 1950's with the introduction of the jet engine to commercial airplanes. With the decline of the sugar industry, tourism gained more prominence. Government recognized the critical importance of this sector as a foreign exchange earner and generator of employment, established the institutional framework to support the sector and invested directly in tourism infrastructure. "*At the turn of the (21st) century, tourism accounted for two-thirds of foreign exchange earnings, with the international business and finance sector, which was born in the 1970's in second position*" (Worrell et al., undated).

Using a tourism satellite accounting methodology, the World Travel and Tourism Council (WTTC) and Oxford Economics identify the peak year for the total contribution of travel and tourism to GDP as 2006 when it peaked at BDS$4.8 billion (real 2011 dollars). This includes all direct, indirect and induced benefits. In that year:

- Visitor expenditures peaked at BDS$3.3 billion (real 2011 dollars)
- The total direct contribution of travel and tourism to GDP was over BDS$1.5 billion (real 2011 dollars) after purchases (imports) by tourism providers are subtracted
- There were 24,000 jobs directly in tourism
- There were a total of 72,500 jobs attributable to the visitor economy when indirect and induced employment were also factored in
- Between 2000 and 2006, Barbados was experiencing growth in its tourism economy

In the years since 2006, Barbados has experienced significant contraction of its tourism economy, except for 2011:

- Currently, direct, indirect and induced impacts in the visitor economy account for 42% of GDP
- Total jobs in the visitor economy were about 60,000 jobs in 2012 or about 42% of all jobs in Barbados
- In 2012, the total contribution of travel and tourism to the Barbados GDP was about BDS$3.6 billion according to the WTTC
- Each stayover visitor contributes about BDS$6,473 to the Barbados visitor economy (base: 2012 WTTC data)

According to the WTTC world rankings, out of 181 countries tourism in Barbados ranks:

- 109th in terms of the absolute size of its visitor economy
- 10th in terms of its relative contribution to GDP (this is a strong indication of the importance of the visitor economy to the total economy of Barbados)
- 139th in terms of the growth in travel and tourism projected for 2012 (this is a very low ranking
- 138th in terms of long term growth to the year 2022 (this demonstrates a pessimistic outlook on the part of the WTTC for Barbados tourism – this is in the absence of their knowledge of the TMP and its implementation)

The importance of the Barbados Visitor Economy is exemplified in the National Tourism Policy Statement found in the White Paper on the Development of Tourism in Barbados (Strategic Solutions Inc., 2012). It describes the importance of tourism in the country, stating it is:

- the leading foreign exchange earner
- a major contributor to Gross Domestic Product (GDP)
- a major employer
- has a role in rural and urban development
- facilitates inter-sectoral linkages
- distributes benefits widely
- promotes social interaction, peace, tolerance and cross-cultural understanding
- promotes cultural development
- ignites a sense of national pride
- develops a country's image
- brings social benefits to local communities

In addition, it is a source of investment in infrastructure and public goods that benefits all. Also, it is a means of preserving the environment, culture and heritage of Barbados.

Because of how tourism in Barbados permeates throughout the economy and society the results / impacts of the tourism downturn have been profound. Many businesses which cater to tourists are no longer profitable, or as profitable, creating closures and job losses. However, the situation is not without hope. The potential is there for tourism to rebound and lead the Barbados economy out of recession. The implementation of the Barbados Tourism Master Plan 2014-2023 will go a long way in achieving this.

3.2.2 The Barbados Visitor Economy

When we talk about the economics of tourism in Barbados, we talk about the Barbados Visitor Economy (BVE). This section briefly describes what the BVE encompasses.

Tourism is more than about international visitors to the country, especially in a relatively small economy, such as Barbados, where it reaches out to all segments of the economy and society. It is more than about business incomes, government revenues, and jobs; it is about people, their well-being, their sense of self and worth.

In the last couple of years, a new way of looking at tourism has emerged in many parts of the world. It originated in the United Kingdom and Australia; both leaders when it comes to tourism planning and development. We anticipate, in the next few years, the concept (and term) of the visitor economy will become common throughout the world. We have chosen to adopt the concept and approach in the preparation of this Tourism Master Plan.

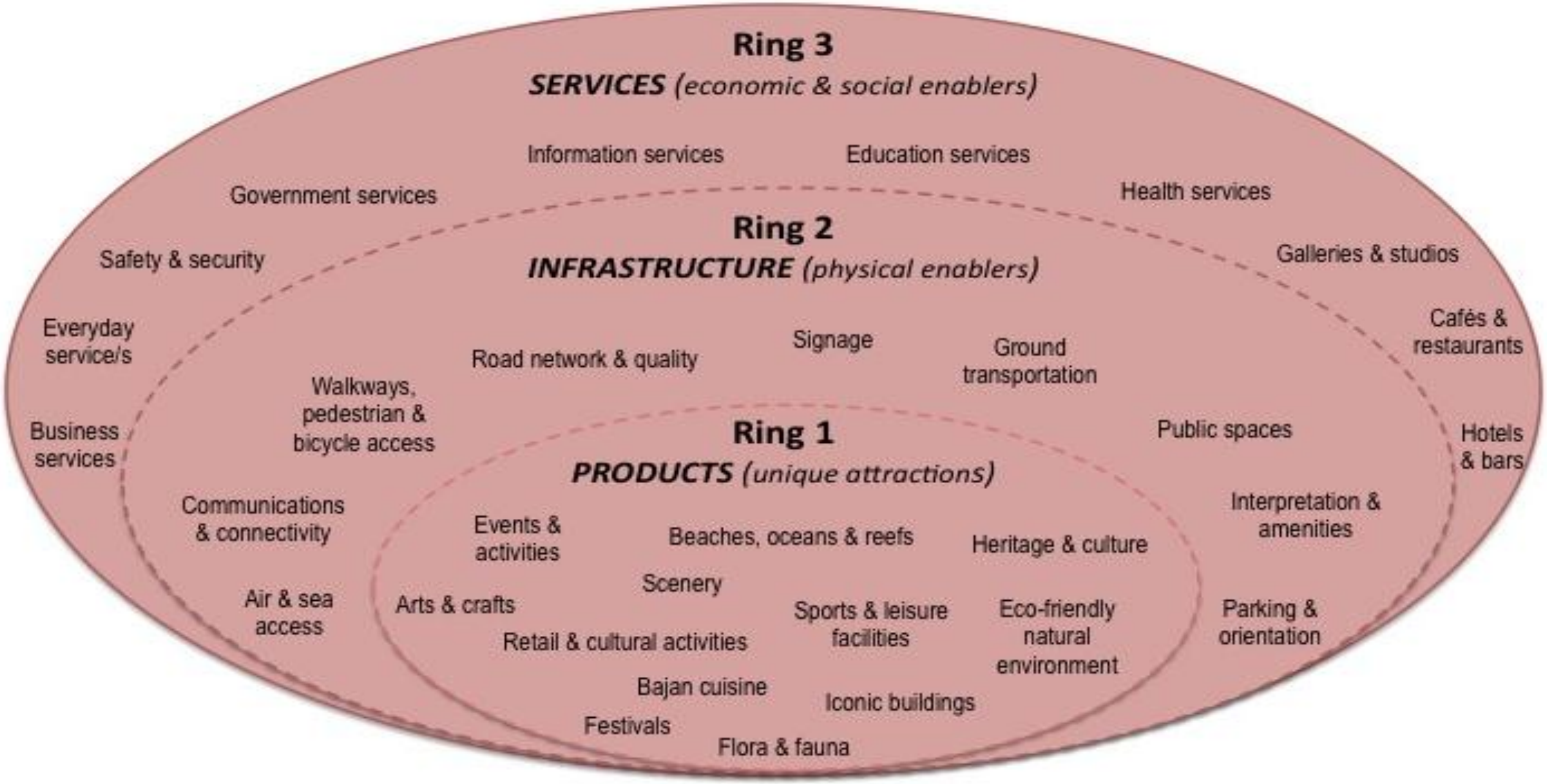
The Barbados Visitor Economy does not require a change in approach; it is essentially a more holistic way of looking at tourism. The WTTC model, presented below, is consistent with Tourism Satellite Account (TSA) approaches. **Barbados is in the initial stages, through IDB funding, of modelling its tourism sector using TSA methods.** This TSA model will then enable an accurate, made in Barbados, measure of the value of the BVE, including indirect and induced impacts.

The WTTC model, utilized in this report, provides measures consistent with the holistic nature of the Barbados Visitor Economy (BVE). In essence, the BVE is an enlightened, holistic and more comprehensive way of looking at tourism. It does not represent a shift in policy, nor approach.

In his 2006 paper "*Understanding the Visitor Economy*", Phil Reddy, Tourism Strategy Manager, Northwest Regional Development Agency, UK, explains:

> *"All tourists are visitors, but not all visitors are tourists. … The concept of the Visitor Economy … recognises the importance of the more qualitative factors and of the wider set of individuals and organisations, to the success of the destination. At the core of the concept of the visitor economy is the economic activity of visitors, but its meaning is broader than this, embracing all of the elements that make for a successful visitor destination, it covers:*
>
> - *All of the things that attract visitors; this means the diverse range of destinations of the region, the natural environment, the heritage and culture, iconic buildings, the retail, sport, leisure and cultural facilities, food, gardens, the events, the scenery; all the things that make the place special, distinctive and capable of engendering pride and interest and a place worth experiencing.*
>
> - *The infrastructure that helps to reinforce and shape the sense of place and make it an easy place to visit; the signs, the transport, parking and orientation, interpretation, public space, amenities, etc.*
>
> - *The services that cater for the needs of visitors (and of residents), that create economic and social activity and increase spending; including the hotels and bars, pubs and restaurants, galleries, the everyday events and the day-to-day services that make the place clean, safe and welcoming.*
>
> *To create a successful visitor economy, it is necessary to manage all of the components in an integrated and long-term way, with a clear focus on the needs of the visitors the destination is seeking to attract".*

As presented in Section 1.3.1, Figure 3.3 illustrates the holistic nature of a visitor economy. The figure is mostly taken from the WTTC model, with minor adaptation. Figure 3.4 demonstrates how the WTTC measures the Barbados Visitor Economy. It is important to note that the WTTC prepares tourism economic impact models for 181 countries that have visitor economies. The WTTC model used for Barbados is recent (2012).



Source: World Travel and Tourism Council, Travel and Tourism Economic Impact 2012 Barbados

Figure 3.3. The Barbados Visitor Economy.

DIRECT
Travel & Tourism
Contribution

COMMONDITIES

- Accommodation
- Transportation
- Entertainment
- Attractions

INDUSTRIES

- Accommodation services
- Food & beverage services
- Retail trade
- Transportation services
- Cultural sports & recreation services

SOURCES OF SPENDING

- Residents domestic travel & tourism (T&T) spending
- Businesses' domestic travel spending
- Visitor exports
- Individual government T&T spending

+

INDIRECT
Travel & Tourism
Contribution

- T&T investment spending
- Government collective T&T spending
- Impact of purchases from suppliers

+

INDUCED
Contribution
(spending of direct and indirect employees)

- Food & beverages
- Recreation
- Clothing
- Housing
- Household goods

=

TOTAL
TRAVEL &
TOURISM
CONTRIBUTION
TO THE ECONOMY

- To GDP
- To employment

Source: World Travel and Tourism Council (WTTC), Travel and Tourism Economic Impact 2012 Barbados (with minor adaptation)

Figure 3.4. How the economic contribution of Travel and Tourism is measured.

3.2.3 Economic Impacts

The measure and understanding of economic impacts is necessary for several reasons:

- Helps provide an understanding of the importance of the visitor economy
- Demonstrates the linkages between sectors and sub-sectors in the economy
- Provides a basis for policy makers to make informed policy decisions
- Guides planners in their activities, including the preparation of strategies
- Measures the contribution of the visitor economy to the total GDP
- Identifies strong areas and weaknesses which can be mitigated
- Guides the private sector with the basis for their investment decisions
- Provides the rationale for government to invest in support of the industry
- Assists outside agencies in making decisions about investment in, and support of, the sector
- Assists with monitoring results of investment and programmes
- Provides time-series benchmarks of performance

Economic impacts measure the following:

- The direct effects of visitor spending at hotels, restaurants, gift shops, attractions, etc.
- The indirect effects from establishments who serve visitors directly purchasing supplies and services from other providers (e.g. a restaurant purchasing produce from a farmer)
- Induced effects from the employees of the businesses utilizing their wages to purchase items in support of their living
- For the above, the measures are provided in dollar values enabling:
  - time series comparison of performance
  - setting targets for the future
  - comparison to other sectors in terms of contribution to GDP
  - Employment generated directly the frontline enterprises
- Employment generated indirectly and induced enabling:
  - a measure of the importance of the visitor economy to total employment
  - a basis for programmes to stimulate employment in this sector

3.2.3.1 How are the impacts measured?

The impacts are measured through the development and application of models which are fairly sophisticated, and by economists who specialize in this area. The base data to input the models are obtained through many surveys. The surveys must be well designed and the sampling representative to obtain reliable data. Surveys are administered, and data gathered relate to the following:

- Visitors – Number of visitors, demographic profiles, activities, length of stay, location, likes and dislikes, expenditures by type
- Residents – Their activities as visitors in their own country, expenditures, demographic profiles

- Businesses directly and indirectly involved in the visitor economy – Business characteristics, upstream and downstream expenditures, employees and characteristics of labour force

Additionally, data is obtained from national accounts, immigration cards, and other sources of economic data.

When data are not available for a specific type of information, proxies can be used. Proxies are typically developed by using data from a comparable location, or from inference using a comparable situation/location.

3.2.3.2 How accurate is the information provided by the models?

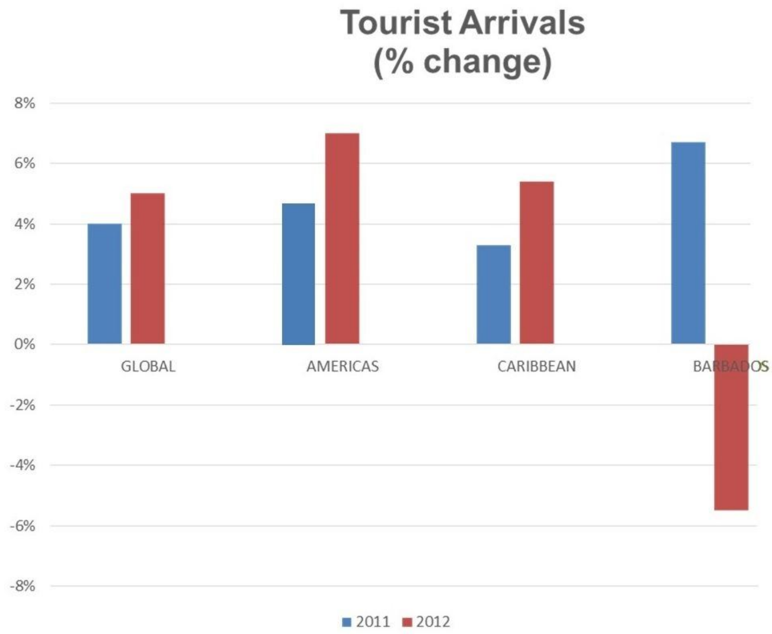
If the database is good, then the results will be good and reliable. While the model that professionals wish to use has the best and most accurate data possible, they will be the first to tell you that there is a margin of error associated with any model. The important thing is to have results that provide measures close to the real situation. For example, if we say that the visitor economy accounts for 47% of GDP, then we can expect that it might not be exactly that, but could be 45% or 50%. This is considered to be a good value for GDP contribution.

Whenever social science data is utilised, it is unlikely to ever be 100% accurate since it is obtained from people, and is about complex human behaviour patterns.

3.2.4 Changes in the Barbados Visitor Economy

In the context of global tourism, the Americas and the Caribbean have been doing quite well as evidenced in Figure 3.5. It shows strong growth in all geographic areas. Including transportation, the value of tourism globally is US$1.3 trillion (UNWTO, 2013).

However by comparison, Barbados has not done well and is losing market share globally and regionally. Between 2006 and 2012, visitor arrivals declined by an average of 0.6 % per year. The year 2011 showed a resurgence, with an increase of close to 7%. However, 2012 declined by about 5%, and 2013 year-to-date stayover arrivals have declined by 7.2%. More people from more countries are travelling now than ever before; this provides the potential for Barbados to regain the visitors it has lost.



Source: UNWTO, 2013

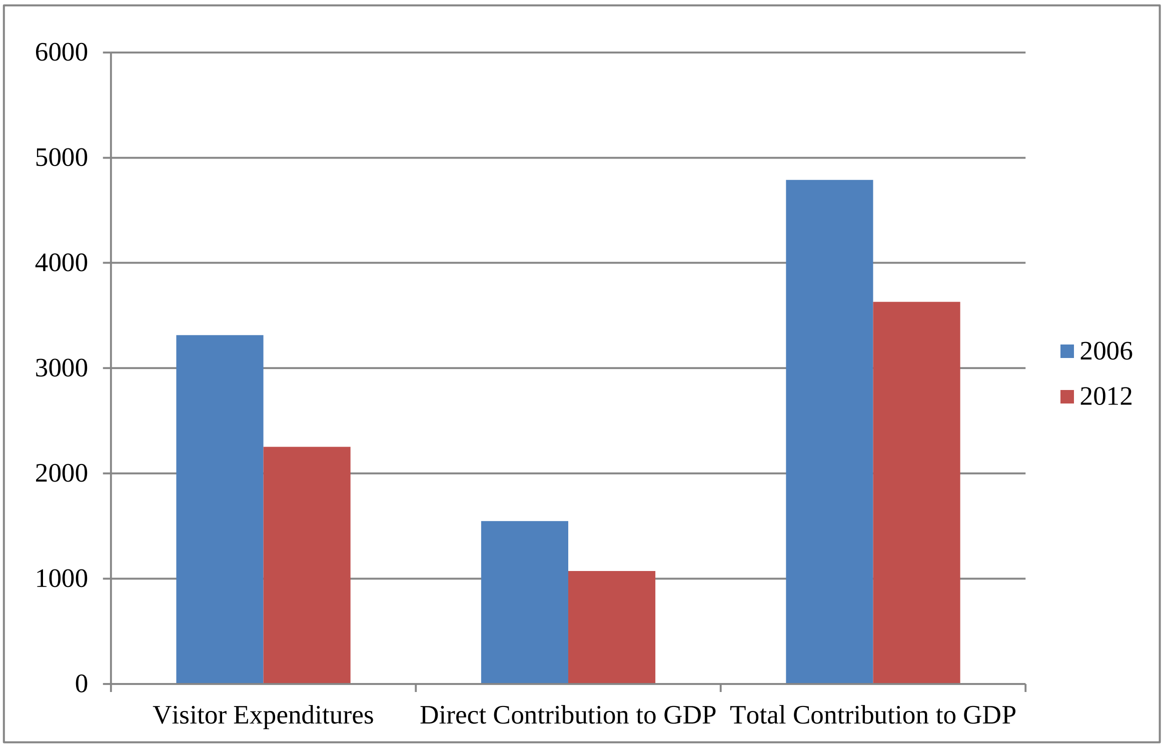
Figure 3.5. Comparative tourist arrivals for 2011 and 2012.

As mentioned above, and illustrated in Table 3.5 and Figure 3.6, the Barbados Visitor Economy declined substantially from 2006 to 2012.

Table 3.5. The Barbados Visitor Economy - 2006 & 2012 compared (real 2011 BDS$ millions)**.**

Components of the Barbados Visitor Economy	2006	2012
Visitor exports	3315.3	2254.1
Total international visitors	1,101,633	1,053,739
Visitor spend per visitor	3009.44	2139.145
Total stayover visitors	562,588	536,303
% change stayover visitors		-4.7%
% change visitor exports		-32.0%
% change total visitors		-4.3%
% change visitor spend per stayover		-28.9%
Total cruise visitors	539,092	517,436
% change cruise visitors		-4.0%

Source: WTTC model and Barbados country statistics

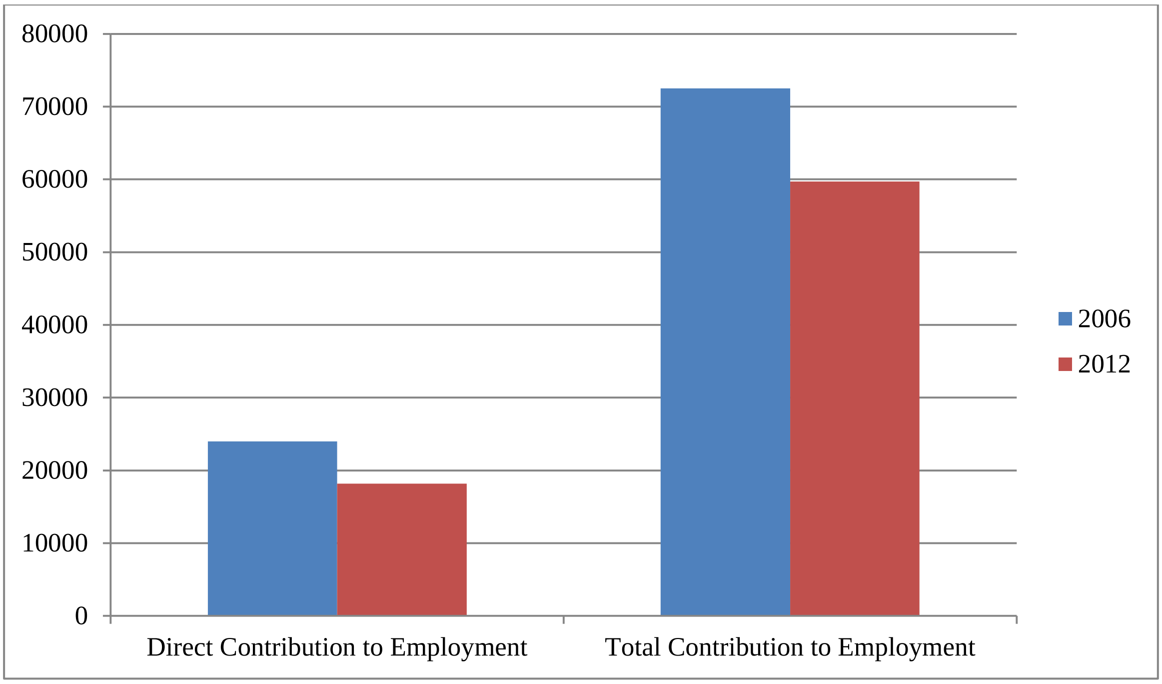


Source: World Travel and Tourism Council, Travel and Tourism Economic Impact 2012 Barbados

Figure 3.6. Changes in the Barbados Visitor Economy 2006 to 2012 (real 2011 Barbados dollars, in millions).

Direct visitor expenditures declined by a full BDS$1,061 million (real 2011 prices); that is over BDS$1 billion in 6 years, a decline of 32% over that period. The direct contribution to GDP declined by BDS$474 million (real 2011 prices), or 31%. And, the total visitor economy contribution to GDP (direct + indirect + induced) declined by BDS$1,160 million (real 2011 prices), or 24%. The removal of so much money from the economy has had profound impacts on all sectors, and on the social well-being of Barbadians.

Figure 3.7 shows the impacts of this decline on employment. From 2006 to 2012, 5,800 jobs directly employed in the Barbados tourism sector were lost; that represents 24% of total direct employment in the tourism industry. In terms of total employment in the Barbados Visitor Economy (direct + indirect + induced), a total of 12,800 jobs were lost. These are estimates of job losses as derived by the WTTC model. They are not directly comparable to any Barbados Statistics, since they are not collected locally to reflect total direct employment in tourism. The data from the WTTC model is intended to provide general magnitudes of job losses within the period 2006 to 2012.



Source: World Travel and Tourism Council, Travel and Tourism Economic Impact 2012 Barbados

Figure 3.7. Changes in Barbados Visitor Economy employment - 2006 to 2012 (real 2011 BDS$ millions).

3.2.5 Challenges Facing the Barbados Visitor Economy

Some of the major challenges facing the Barbados visitor economy include:

- The world recession of the last few years has had a major impact on the Barbados Visitor Economy. The number of international visitors dropped, but more significantly the average spend per visitor declined substantially
- Tourism marketing in Barbados has not been effective
- There is generally poor and uncoordinated delivery of the tourism product
- There is uncertainty with investment in the sector due to: a poor investment climate; a poor rate of return; negative publicity from closures; and a difficult regulatory process for investors to go through
- There is a need to understand the broader concepts of the Visitor Economy - of significance, this includes Barbadians as visitors in their own country
- Barbados is a “mature” destination with aged products which are not in good condition - this requires extensive product development (new and refurbished)
- There is a need to get the private sector and the public truly involved in tourism
- There is a need to reduce import dependency so the needed foreign exchange can be better retained in the country
- The country has become uncompetitive. The appeal of Barbados as a destination has decreased. Other destinations are overtaking, and Barbados is being outperformed
- The accommodation plant is not keeping up to needs and demands
- There is a need for brand consistency – Barbados needs to meet its promise to visitors

- There is a lack of good, timely information upon which to base planning and decisions (fragmentation, timing, confused mandates)
- Barbadians at all levels are not sufficiently recognizing the importance of tourism
- The visitor economy stakeholders, at all levels (those charged with delivery of tourism), operate with limited effective interaction and cooperation
- The time it takes to get things through the bureaucracy and legislature stifles projects
- International air service needs to improve – both in terms of capacity, and the greet at the airport needs major improvement. Visitors need to feel welcomed
- The cruise terminal needs substantial upgrading, and with new berths separated from cargo handling
- The reception of passengers needs to be improved, and passengers need to be better informed about Barbados: What it is? What it has to offer?
- There is limited enforcement of regulations
- Poor planning, in many cases, has resulted in lost windows to the sea, helter-skelter development, e.g. in St Lawrence Gap, and the unsightly garbage and abandoned buildings along the South Coast highway and the Boardwalk
- The tourism sector needs restructuring, but it cannot be done piecemeal
- It is necessary to have residents recognize they are part of the Visitor Economy, and through their activities and expenditures they contribute the same as international visitors

3.2.6 Strengths and Opportunities in the Barbados Visitor Economy

The major strengths and opportunities in the countries' visitor economy include the following:

- Barbados is relatively safe for visitors
- Barbadians are recognized as being friendly
- There is good level of education and training in the labour force
- Barbados is a former British Colony with great a history and many stories to tell; there is a strong and varied cultural product offer
- There is a long history of tourism in the country
- The UNESCO Inscription of Historic Bridgetown and its Garrison creates a new awareness of Barbados and, if well presented, can serve to attract visitors to the country
- There are many well recognized festivals and events
- There is a large and well organized diaspora
- There are well known 4 and 5 star resorts
- There are many great beaches
- There are many quality restaurants which make Barbados a culinary destination
- There is a generally well-developed visitor infrastructure
- The land and the sea provide an interesting and varied natural environment
- The country is readily accessed by air and water
- There is a stable government

3.3 Distribution of Economic Benefits, Linkages and Leakages

Not only are the types and levels of economic benefits generated by tourism in a visitor economy, and covered in the Section 3.2, important, but also their distribution within a country, the linkages that enhance their levels and distribution, and the leakages which diminish them. These are addressed in this Section. The social and environmental benefits generated by tourism are also important and are covered in other TMP reports under separate cover (refer Reports II and III).

The distribution of tourism benefits and the linkages and leakages associated with tourism are closely related. Tourism benefits are the positive impacts of tourism. Tourism linkages are also positive aspects of tourism. Tourism leakages are not desirable as they erode away the extent and distribution of benefits of tourism intended for a host destination. A key objective of the Barbados Tourism Master Plan is therefore the improved extent and distribution of tourism benefits, coupled with the maximization of linkages and the minimization of leakages with its tourism sector.

This Section takes a brief look at what is readily known about the current situation with respect to the distribution of tourism benefits and linkages and leakages, including the challenges faced in this regard. It then summarizes the key strategies and actions specifically intended to improve upon the current situation, including a better understanding. Implementation of many of the strategies and actions across the other subject areas of the TMP will also serve to generate direct and indirect benefits, strengthen linkages and minimize leakages for Barbados.

3.3.1 The Current Situation

3.3.1.1 Understanding the Distribution of Economic Benefits, Linkages and Leakages

The benefits of tourism are generally classified as economic, social and environmental in nature. Their distribution can be measured in various ways, such as geographic reach, socio-demographic spread, direct and indirect benefits, etc. Generally, the more broad reaching and equitable is their distribution, the greater is their positive impact.

Tourism has three broad types of linkages that enhance the economic benefits of tourism and their distribution. They typically relate to supply and demand activity as follows:

- Internally among the sub-sectors of tourism (e.g. accommodation and tours)
- Domestically with other economic sectors (e.g. agriculture supplying food and beverage needs of tourists and offering agri-tourism opportunities)
- Internationally with the travel and tourism industry in origin markets (e.g. outbound tour operators, airlines and cruise lines) and other destinations (e.g. through joint marketing and collaboration)

Tourism linkages help to grow tourism and make it sustainable by cementing supply chains and securing market demand, creating economies of scale, and helping to both extend the distribution of tourism benefits and to minimize tourism leakages. Generally, the more firmly established and extensive that tourism linkages are, the greater and better distributed are the benefits of tourism.

Tourism leakages primarily relate to benefits lost to offshore entities and individuals such as foreign owners, operators and workers of tourism facilities and services, as well as suppliers of goods and services (e.g. furniture, food) to the industry. Those most commonly identified and measured are economic in nature – earnings, employment, imports. Other tourism leakages relate to inefficiencies along the supply chain (e.g. higher than average energy costs). Generally, the more firmly established and extensive the domestic linkages are and the more curtailed the leakages are – through financial and technical support, training, import substitution, lower costs of materials, etc. – the greater and better distributed are the benefits of tourism.

3.3.1.2 Measuring the Distribution of Tourism Benefits in Barbados

The Government of Barbados gathers, analyses and releases data relating primarily to the economic benefits of tourism, but it is limited largely to visitor spending and employment, and only looks in a very limited way at their distribution. Other sources such as the WTTC, UNWTO and tourist destinations themselves also prepare economic impact models and Tourism Satellite Accounts (TSAs) that provide actual or benchmark information on the economic impacts (including direct, indirect and induced benefits) of tourism.

A TSA is currently in the initial stages of development for Barbados, with assistance from the Inter-American Development Bank (IADB). Until this is completed, the visitor spend and employment data available from the Government of Barbados and the economic impact reports prepared by WTTC about Barbados (and based on benchmarking from comparable destinations) – that were reported on in Section 3.2 – must be relied upon when examining the current situation with respect to the distribution of tourism benefits in Barbados. General observations of tourism activity in Barbados can also be used to gain a better understanding at this point in time. However, the distribution of tourism benefits in Barbados cannot be readily quantified in geographic or socio-demographic terms, other than as discussed below.

The Ministry of Tourism relies upon visitor expenditure information reported by visitors participating in exit surveys conducted by the Caribbean Tourism Organisation on behalf of Barbados. Average spending levels – total, by origin country, by category of spending, by season – drawn from this source are then applied to total visitor numbers to calculate total direct spending. This is done for both stay-over visitors and cruise passengers (not cruise crew members, which is an additional source of visitor revenue not currently obtained in Barbados). This information permits trend analysis – annual, seasonal, by origin market, etc. – but understanding of the distribution of this benefit is limited to the categories of spending (e.g. accommodations, meals, shopping, etc.) and to only direct spending from visitors. The key findings from this are:

- Stay-over visitor spending in Barbados is heavily concentrated on accommodation (55% in 2012), followed at some distance by spending on meals and drinks (16% in 2012) and much less so on the remaining categories, and this has been the case for quite some time

- By contrast, the distribution of cruise visitor spending in Barbados is much more equitable among the spending categories, with on-island transportation, tours (purchased on board) and duty free purchases receiving similarly large shares (each at 23% to 19% in 2012) among the spending categories
- With significantly higher levels of visitor spending contributed by stay-over visitors to Barbados, the overall result for both stay-over and cruise visitors is that the economic benefits related to visitor spending are not broadly or equitably distributed across the tourism spending categories

The employment information is gathered from the Barbados Statistical Service Labour Force Survey. The Ministry of Tourism draws from this information to prepare tables with quarterly and annual employment figures by gender and total for the major industry sectors. This permits comparison of employment distribution by gender among industry sectors as well as trends analysis. Tourism was one of the individual industries covered until 2010 when the categories were revised and tourism became absorbed into other sectors including the Accommodation and Food Services Sector. This now makes it difficult to measure this economic benefit of tourism and its distribution. In any event these figures only take into account direct employment, that is, *numbers* of jobs. It does not look at *who* fills those jobs, nor at the *level* of those jobs – are we training a more technically competent Barbadian labour force or are we still content with service jobs? What can be observed about the distribution of benefits from this source is that:

- In the three years prior to 2010, women held a larger share of employment in tourism (54%-58% between 2007-2009) than men
- This has continued since 2010 with more women than men employed in the accommodation and food services sector (63%-65% between 2010-2012);
- This is also true of some other sectors such as wholesale and retail trade and government services
- Therefore, in terms of gender distribution of direct employment in tourism, it is somewhat skewed towards women. However, when employment in other sectors that are closely associated with tourism (e.g. construction, which is very male-dominated) is also taken into account, gender distribution is more balanced

Other general observations on the current distribution of tourism benefits in Barbados and on aspects that impact the distribution of benefits include:

- Barbados is much like many other island destinations, in that the activity centers and benefits of tourism are not equitably distributed *geographically* across the island. Here, the tourism infrastructure is concentrated on the South and West Coasts where its international airport and the majority of the lodging, restaurants, shops, attractions, entertainment and activities can be found. The West Coast further distinguishes itself by having a high proportion of luxury properties catering to a wealthy clientele. By contrast, the East and North coasts currently have less tourism capacity. This in itself results in an imbalance of tourism benefits across Barbados

- Furthermore, there is a high incidence of foreign ownership of tourism facilities, particularly resort and accommodation properties. While the extent cannot be readily quantified, most island states have very substantial economic leakages from tourism activity of around 75%. Nevertheless, foreign ownership of tourism infrastructure in Barbados results in substantial leakages out of Barbados and a reduction in the benefits that it retains and can ultimately distribute
- The Government's use of various incentives to attract and encourage resort development. The expression is that with large resorts these incentives further erode potential benefits away from Barbadian stakeholders towards non-residents
- Fortunately for Barbados, the retention of benefits from tourism is not further eroded by reliance on illegal immigrants and foreign workers to work on tourism construction projects or in permanent tourism positions as is the case in many other island destinations, such as the Bahamas

3.3.1.3 Challenges, Possible Solutions and Strengths upon Which to Build

Reviews of published reports and articles regarding economic impacts of tourism in Barbados and their distribution, linkages and leakages, as well as interviews with, and workshop contributions from representatives of several entities identified in this report and of the tourism industry have revealed the more significant challenges, possible solutions and strengths upon which to build, which are summarized in Table 3.6.

Table 3.6. Challenges with economic impacts and distribution of benefits.

Strengths to Build upon	Challenges with Economic Impact Assessment	Ways to Overcome or Mitigate Challenges
▪ There is a good understanding of the types and extent of economic *benefits* of tourism to Barbados ▪ The UN's *TSAs* and WTTC/Oxford Economics have researched the economic impact of tourism for many years, with analysis of individual countries including Barbados, comparative analysis/rankings of countries and 10-year forecasts. This provides benchmarks to measure TMP strategy and action progress and effectiveness ▪ Economic impacts are generally easier to measure than social or environmental ones, as they tend to be quantifiable ▪ With such a large share of the Bajan population involved in the tourism industry, tourism's direct benefits are already widely distributed ▪ This is also inferred by the UNDP's Human Development Index and "misery index" (see CBB paper) ▪ An earlier economic input/output model (circa 1995) for tourism in Barbados exists and can also serve as a starting point, as can the UNWTO's more recent model (e.g. 2004 Guide, pgs 244-245) and those developed for other countries such as by the English Tourism Council (2002) ▪ A contract is currently in place with the IADB and the Barbados Ministry of Finance to re-do the I/O model ▪ Other major tourist destinations have excellent examples of assembling, assessing and *presenting* economic impacts and benefits of tourism to the public (e.g. follow hyperlinks to PowerofTravel.org in US, USA, Queensland (Australia), South Carolina (USA)	▪ The GOB and tourism industry associations in Barbados have not yet taken on the more difficult tasks of identifying and working to minimize/ mitigate the *negative* economic impacts (e.g. income disparity, seasonality of employment, price inflation, dependence on 1 industry, leakages, etc.) or improving the distribution of tourism benefits ▪ These require data collection from multiple agencies potentially resistant to participating and calling for the political will of government to expose and address such weaknesses ▪ Reduction of leakages from imports can be difficult due to international trade/business laws, agreements and incentives currently in place ▪ The existing economic input/output model for Barbados dates from the mid-1990s so its coefficients are dated. It is also limited in scope. This limits Barbados' understanding of how and to what extent tourism has a positive or negative impact, linkages and leakages occur and tourism benefits are distributed (directly and indirectly) ▪ While a contract is in place to re-do the model, it is a lengthy and challenging process that requires extensive data along the supply chain from suppliers who are often reluctant to relinquish such information and that is not well understood within Barbados ▪ Government and industry have failed to *present to the public the* economic impacts of tourism and how well tourism benefits are distributed in Barbados – to improve the public understanding of tourism's significance and the role of the public (even as ordinary citizens) to welcome visitors to Barbados, "buy into" the TMP and help implement its strategies and actions. Failure to present the negative aspects and efforts underway to address them also builds distrust.	▪ Formation of a multi-sector working group – empowered to identify and assess the negative economic impacts of tourism as well as develop a set of recommended actions to minimize/mitigate them ▪ Provide support to the IADB/MOF as they develop a new input/output model for Barbados and be informed about it ▪ Investigate whether there are any shorter term approaches to permit initial understanding, estimations and dissemination of information, even such tools as graphic representations of linkages, leakages, distribution of benefits, etc. that can be posted on government websites and make them available while the longer term I/O model is being developed in order to start a dialogue and improve understanding ▪ Tourism awareness campaign – that includes emphasis on its economic benefits, their wide distribution + the role citizens play to maintain/ increase them, and on efforts planned and underway to minimize/mitigate its negative impacts ▪ Consider introducing a modification of the US and other websites addressing these inter-related topics to the MTI website, with links to the websites of other leading tourism stakeholders in Barbados

Source: Barbados Tourism Master Plan 2014-2023 Project Team interviews and workshops with stakeholders and review of published reports and articles

3.3.2 Actions Recommended to Promote a Wider Distribution of Tourism Benefits

Moving forward, Barbados needs to adopt a more comprehensive approach to measuring and monitoring the distribution of tourism benefits. This will better enable the country to then actually aim for and achieve a wider and more equitable distribution of benefits from tourism not only in the present, but also over the long term through a sustainable use of its resources.

Mechanisms can be introduced to promote a wider and more equitable distribution of tourism revenues among local stakeholders in Barbados, including residents not directly involved in tourism. If stakeholders and residents benefit more equitably economically from tourism, then it is easier to bring about other social and environmental benefits of tourism as well.

The UNWTO has prepared the publication, *Tourism and Poverty Alleviation – Recommendations for Action* and maintains a website *Tourism and Poverty Alleviation* (http://step.unwto.org/en/content/tourism-and-poverty-alleviation-1) to assist destinations seeking to increase and better distribute the benefits of tourism. The publication identifies several methods for channelling tourism spending towards those who have less, through direct or indirect methods. The methods are identified, adapted to Barbados, and briefly discussed below:

- **Employment of locals in tourism enterprises** – Tourism does employ many people in Barbados. However, the poorer people are mostly employed in the lower paying jobs, requiring lower skill levels. To improve on this requires a focus on training programmes so more Barbadians can aspire to higher level positions.
- **Supply of goods and services to tourism enterprises by local people** – Much of what is currently imported to supply the tourism industry in Barbados could, at least in part, be supplied locally. This includes various products such as fruits, vegetables, fish, prepared foods, art and craft products, specialist services, entertainment, etc. Many of these products would be supplied by individuals who are in the lower income categories. Also, the provision of these locally contributes to sustainability. The direct and indirect income benefits from this could be substantial, and aid in reducing the extent of leakages out of the Barbadian economy. To make this happen effectively requires programmes and awareness aimed at both the purchasers and suppliers. All types of options are available, including financial incentives to encourage more production, creation of marketing agencies, creation of distribution networks, training locals in the provision of these products and services, and imposing local purchase quota systems on buyers. Always, a very important and necessary step is creating an awareness of these opportunities. Also, it is critical to have all the "steps" in place so suppliers are assured of a market if they are to invest their time and resources into gearing up for the provision of services and products. Similarly, purchasers will need to be assured of quality and consistency of supply.
- **Direct sales of goods and services to visitors** – This includes informal vendors of local products who temporarily set up a display at some location, or along a beach – the informal economy. This already occurs on a larger scale at Pelican Village in Bridgetown near the Port, and to a lesser extent at other locations such as Oistins. However, many

art and craft products and many other products are not primarily produced in Barbados. Much could be done to improve the variety of products sold, and much could be done to increase the local content for many products. Many of the approaches and programmes would be similar to those discussed above.

- **Establishment of tourism enterprises by local residents –** As tourism grows, and as there is more import substitution in favour of more local purchasing, so do opportunities for micro-enterprises owned and operated by locals increase. Similar to that described above, these enterprises are in many opportunity areas. Often those who would like to take advantage of the enterprise opportunities are those with lower trained skill levels. Fortunately, Barbados has a number of micro-enterprise programmes in place to assist individuals who would be suppliers to develop these on a sustainable basis. These programmes can make a positive impact on the distribution of tourism benefits through the geographic distribution of opportunities, setting of product parameters (e.g. use of local materials and labour, standards and price points), etc.
- **Tax or levy on tourism income with proceeds to benefit disadvantaged stakeholders** – This scenario initially would require a study to determine who the "local stakeholders" are who should benefit from distribution of this tax and what are the methods of taxation. An option here is to take a portion of an existing tax and dedicate it to sustainable tourism awareness.
- **Voluntary giving and support by enterprises and tourists –** There are a whole range of voluntary initiatives, globally, which are successful, however, in most instances, support from government or industry as a whole is more likely to contribute to success. Otherwise, individual efforts can be sporadic and less effective or widespread. Relying on voluntary giving either from "donation boxes", or from foundations, government programmes, NGOs, etc. can be difficult to achieve and even more difficult to sustain. On the other hand, support from key members of the tourism industry can contribute to substantial success in initiatives (e.g. agreement at major accommodations to enable local arts and craft sales with low mark-ups and profits going mainly to local suppliers).
- **Investment in infrastructure stimulated by tourism** – As tourism development extends increasingly beyond the South and West coasts of Barbados, there will be a corresponding development of infrastructure. This new infrastructure will benefit all stakeholder residents in those areas. This will be more so if the costs for the infrastructure are provided through charges to the developers.
- **Development of various types of incentives to tourism operators** – Incentives do not penalize industry, and are a stronger inducement than mere "encouragement" by governments. Incentives are particularly helpful elsewhere as a means to induce voluntary action by tourism enterprises, for example through marketing, tax incentives, geographic operational rights, or other preferences. Economic incentives are often most effective with the tourism industry, for "refitting" (e.g. through duty free, property tax, business license incentives), or with reference to the judiciary (e.g. via incentives or disincentives to tackle the gap between awareness and changing behaviour, in order to get more participation at all levels).

Actions being recommended that address the distribution of benefits, linkages and leakages are in support of Strategic Imperative #5 on '**Improve Financial Performance**' and corresponding Strategy 5.1 which states: "*Through a better knowledge/information base, improve the distribution of benefits, investment sourcing/opportunities, business* *development, and understanding of the economic impacts, linkages and leakages within the economy, and support local production to reduce import dependency*" (refer Report I, Sections 4.4 and 5.0). Of the 14 Actions being recommended for Tourism Economics and Finance, 8 are listed below that pertain to benefits distribution, linkages, and leakages. The 6 remaining Actions 5.1-1, 5.1-3, 5.1-4, 5.1-12, 5.1-13, and 5.1-14 relate specifically to tourism investment and finance, and are presented in Section 3.4.3.

5.1-2 Identify Opportunities from the Visitor Economy Supply Chain
5.1-5 Develop the Local Souvenirs Market
5.1-6 Strengthen Cross-Sectoral Linkages with Tourism Across Barbados
5.1-7 Strengthen Cross-Regional Linkages with Tourism Across the Caribbean
5.1-8 Identify and Assist Local Production
5.1-9 Identify Imported Provisioning for Potential to Supply Locally
5.1-10 Improve Awareness of the Economic Aspects of Tourism
5.1-11 Launch a Public Website on the Economic Impacts of Tourism

Action 5.1-2 is an overarching one for the subject area that will require the input of a variety of stakeholders, particularly to identify ways of increasing and better dispersing the economic benefits of tourism in Barbados. The other 7 Actions relate to it.

An example of a competing Caribbean destination where similar ideas were recommended during a 2005 Tourism workshop session in the Bahamas included the following information:

Questions posed during the session:

1. Identify the range of local stakeholders who should benefit from tourism
2. For each stakeholder group, identify mechanisms by which they could receive more economic benefits from tourism in the Bahamas (suggest what you can).

The responses to the first question demonstrated a strong and unanimous feeling that the stakeholders who should benefit from tourism in the Bahamas should encompass everyone. Specific responses about beneficiaries included:

- All residents are stakeholders and should benefit from tourism
- Foreign investors are stakeholders
- Government treasury (everyone)
- Hotels, restaurants, taxi/tour operators
- Auto/bike rentals, water sports, hair braiders, shops (e.g. craft shops and shops in general) services sector (e.g. banks), fishing community, musicians/entertainers.

The responses to the second question about mechanisms for distribution of benefits also showed a broad range of considerations, including the following:

- Education system
- Training system and approaches
- Need for life skill development not strong enough right now

- Support mechanisms need to be in place to guide and assist residents to tap into tourism opportunities
- Local residents
  - local jobs should have first dibs if skills available
  - incorporate local culture, crafts and building design in resort development and suit existing conditions and available natural resources
- Beach access needs to be maintained
- 25% of all development should be left natural and un-disturbed – create jobs for locals have nature tours, birding, green space
- Have resort size restrictions to suit the island
- Promote development of “TIAMO” type resorts – small eco-friendly locally staffed/owned, using renewable energy, sustainable waste management
- Mandate environmental certification by international certification organizations, ISO 14000, GG21, Blue Flag, etc.
- Training is a big issue but is part of the process
- Reduction in bureaucracy (red tape and protocols)
- Put more value on making investors accountable to standards set by the people (make foreign investors reach the standards set by the Government and the people rather than selling short – need to make Government realize that this is ours)
- More industry specific education in schools and stress the importance of industry related jobs. Need to teach in schools about the values of tourism
- Hotels to improve their product to make guests want to return

A full description of each Action put forth to improve the distribution of economic benefits of tourism in Barbados, linkages and leakages is presented on the following pages.

5.1-2 Identify Opportunities from the Visitor Economy Supply Chain

Description:

Design and conduct a study of the BVE supply chain. Identify all of the products along the supply chain, the sources of the goods and services, the degree of production Barbados, the need for imports and the import regulations, the quantities produced at home, the quantities imported, the adequacy of quality of home product, local product prices as well as import prices, and assurance of supply. Use the results to produce an opportunities' handbook to shop to organizations, individuals and the private sector to enhance production from existing firms, and to identify new business opportunities. This would also be used to identify where resources from government and agencies might be devoted to assist with more production in Barbados.

Expected Outcomes:

The results of this Action in terms of its outcomes / benefits are substantial in that this will lead to considerable more local production of products and services, stimulate spending, employment, and growth of the BVE, and reduce dependence on imports thereby reducing the very large foreign exchange leakages. Outcomes include:

- Identified new and existing business opportunities
- Growth of the BVE
- Reduced leakages through imports
- New opportunities for youth to get into business
- Greater visitor satisfaction through more opportunity to purchase local product
- Employment creation

Guidelines for Implementation:

Through MTI, retain economic consultants to design and conduct the supply chain analysis

Challenges With Implementation:

Obtaining the funds for implementation

Recommended Implementation Agency:

MTI (in collaboration with BTII, Central Bank, BHTA, and BSS)

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

- Existing businesses
- New businesses
- Government
- Agencies
- Planners
- IFI's
- Bankers

Who Benefits:

The very broad base of users, including the country in general

Risks:

Not finding sufficient funds

Estimated Costs:

BDS$800,000

Source of Funds:

- Government
- IFI's

Revenue Generation Potential:

With implementation, very large

Further Development Work Required:

- Approve funds
- Develop terms of reference
- Select consultants and conduct study
- Implementation

Other Considerations: Requires the input of a variety of stakeholders, particularly to identify ways of increasing and better dispersing the economic benefits of tourism in Barbados. Actions 5.1-5 through 5.1-11 each relate to this overarching Action.

5.1-5 Develop the Local Souvenirs Market

Description:

Many businesses sell small item souvenir products. These can be in high demand for visitors wishing an inexpensive souvenir item to give to someone back home or to keep themselves. Most often, we find these are made in other countries, usually where labor is cheap. In addition, the Government, agencies, companies and others often want a small item souvenir product to give as a token of appreciation. Again, these products made locally can be difficult to find, and tend to leave a negative impression when identified as made elsewhere.

This Action aims at identifying these types of products and how they could be made locally. In some cases, this may require some form of incentive because local production may not be viable. Nevertheless, it is very important that these products be sourced locally. While a subsidy may be required in the short term, eventually with more volume, the products may become viable.

Expected Outcomes:

- Products which can be sold as souvenirs, or given as tokens of appreciation, and which are truly made in Barbados
- Business development
- Employment creation
- Visitors with a greater appreciation of the products they purchase and/or receive
- Growth of the BVE

Guidelines for Implementation:

- Develop terms of reference
- Source funds
- Select and retain consultants

Challenges With Implementation:

Not finding sufficient funds to proceed

Recommended Implementation Agency:

BMA (in collaboration with BIDC)

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

- Visitors
- Residents
- All tourism stakeholders
- The private sector

Who Benefits:

- The BVE
- Visitors and residents
- Tourism stakeholders

Risks:

Not finding sufficient funds to proceed

Estimated Costs:

Approximately BDS$250,000

Source of Funds:

- Bank of Barbados
- MTI

REVENUE GENERATION POTENTIAL:

Substantial in that it leads to local business development, local employment, and growth of the BVE

FURTHER DEVELOPMENT WORK REQUIRED:

- Source funds
- Develop terms of reference
- Select and retain consultants

Other Considerations: Linkages with Action 5.1-2

5.1-6 Strengthen Cross-Sectoral Linkages with Tourism Across Barbados

Description:

The tourism sector has linkages with other sectors in Barbados, and efforts should made to strengthen them. This will help to increase the economic impacts of tourism and their distribution. Other sectors with which tourism has linkages include international business, financial services, health, education, agriculture, construction, town planning, culture, heritage, and the environment.

Expected Outcomes:

- Increase in economic impacts of tourism in Barbados and in their distribution
- A stronger Visitor Economy

Guidelines for Implementation:

- Convene inter-agency working group with Government and industry representatives from financial services, international business, health, education, agriculture, construction, town planning, culture, environment, etc.
- Inter-agency working group to identify, prioritise and adopt measures to strengthen *cross-sectoral* linkages with tourism across Barbados

Challenges With Implementation:

- Getting representatives of other sectors to see the value of, and assisting in, this effort
- Availability of data with which to measure the value of the economic impact currently and, as linkages are strengthened, over time
- Getting other agencies to undertake the tasks needed to implement adopted measures

Recommended Implementation Agency:

MTI (in collaboration with the Central Bank of Barbados)

Priority / Implementation Timeframe:

High/Short Term: This is viewed as a **sustaining** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

All tourism stakeholders

Who Benefits:

- All tourism stakeholders
- Visitors
- The BVE

Risks:

Not getting buy-in from representatives in other sectors

Estimated Costs:

- Staff time of existing personnel
- Research services contracted

Source of Funds:

Combined contributions from all participating agencies

Revenue Generation Potential: Very substantial among participating sectors
Further Development Work Required: None identified
Other Considerations: Linkages with Action 5.1-2

5.1-7 Strengthen Cross-Regional Linkages with Tourism Across the Caribbean

Description:

The tourism sector in Barbados has linkages with the tourism sector in other Caribbean destinations, but these linkages are could have greater potential. Regional transport exists but is limited and relatively costly, restricting the potential for intra-regional travel. Tourism offerings and experiences in Barbados and nearby island destinations such as Martinique (French culture) and Dominica (eco-tourism) are in many ways distinct from each other, yet complementary. They can be co-marketed and packaged together if access is improved. Major hotel operators have properties in multiple locations that they can promote to their customer base. Barbados is also a member of CARICOM, along with 14 other member states and five associate members from the region. Efforts should be made to strengthen these linkages and introduce more. This will help to increase visitation to Barbados and in turn the economic impacts of tourism in Barbados.

Expected Outcomes:

- Increase in visitation to Barbados
- Increase in economic impacts of tourism in Barbados
- A stronger Visitor Economy

Guidelines for Implementation:

- MTI and Barbados Tourism Authority to drive this effort, with MTI working to improve inter-regional access and BTA working to package and market cross-regional tourism offerings
- Identify, prioritise and adopt measures to strengthen *cross-regional* linkages in tourism in the Caribbean by working with Government and industry representatives from destinations, source market countries, and intermediaries (e.g. airlines) wishing to participate

Challenges With Implementation:

- Getting the representatives of other Caribbean destinations to see the value of, and participate in, this effort
- Getting other agencies to undertake the tasks needed to implement adopted measures

Recommended Implementation Agency:

MTI (in collaboration with the Barbados Tourism Authority)

Priority / Implementation Timeframe:

Medium/Medium - Long Term: Very dependent on airline and other transport connections

Target Users: All tourism stakeholders
Who Benefits: • All tourism stakeholders • Visitors • The BVE
Risks: Not getting buy-in from representatives in transport and tourism in other Caribbean destinations
Estimated Costs: • Staff time of existing personnel • Travel to Caribbean destinations to identify products and services to include in joint packages
Source of Funds: Combined contributions from all participating agencies
Revenue Generation Potential: Moderate to strong among participating destinations, including Barbados, as visitation increases due to satisfying market interest in intra-regional travel
Further Development Work Required: None identified
Other Considerations: Linkages with Action 5.1-2

5.1-8 Identify and Assist Local Production

Description:

One of the major problems in Barbados is the high degree of import dependency estimated at approximately 65 cents on every dollar. To effectively grow the economy of Barbados requires that this very high leakage of foreign exchange be reduced. Action 5.1-2 recommends a study that would trace all of the products and services in the supply-chain, and by that identifying opportunities for local production and business development. This Action recommends extending the findings from that research to specifically focus on the products and services in the supply-chain for which imports are the primary source.

On the basis of these findings, programmes would be developed to assist local production of the identified products and services. These would then be shopped around to interest parties in providing the products and services locally.

Expected Outcomes:

- Enhanced / new products and services produced locally rather than being imported
- A reduction in foreign exchange leakages
- Growth of the BVE

Guidelines for Implementation:

Extend the services of the consultants who are doing the supply-chain study to include this component. Ensure that the study extends to developing a methodology for an awareness programme with local businesses in Barbados.

Challenges With Implementation:

Finding the funds necessary to do this study and implement an awareness programme

Recommended Implementation Agency:

Central Bank of Barbados (in collaboration with the TMP implementation unit of MTI)

Priority / Implementation Timeframe:

High/Short Term: Immediate implementation recommended

Target Users:

- All tourism stakeholders
- Planners
- Existing and potential new businesses

Who Benefits:

- Private sector
- Government of Barbados
- The BVE

Risks:

Not obtaining funds to proceed

Estimated Costs:

Approximately BDS$300,000

Source of Funds:

Government of Barbados

Revenue Generation Potential:

Very substantial, given that this would result in a direct reduction in the high degree of leakages

Further Development Work Required:

- Finding the required funds
- Developing the terms of reference
- Retaining consultants to conduct the work

Other Considerations: Linkages with Action 5.1-2

5.1-9 Identify Imported Provisioning for Potential to Supply Locally

Description:

Various operators in Barbados and others with stopovers on the island require products delivered in Barbados for their operations. Examples of these include: cruise lines, airlines, resorts, and other large international firms. In many cases, they import the required products and services to Barbados, or take on extra provisions elsewhere than Barbados. There can be a variety of reasons why they choose to do this, including: price, convenience, loyalty, quality of product, assurance of supply. Being able to supply many of those needs could make a substantial difference to Barbados relative to reducing import dependency. Further, this would provide for job opportunities and business opportunities locally.

The recommendation is to identify all of the provisioning that is imported to determine which could be provided in Barbados. This requires a study identifying all of these products and services, their sources, their characteristics, and the potential to supply locally. Similar to Action 5.1-2, this requires a specific study and implementation plan.

Expected Outcomes:

- Increased provisioning from local sources
- Decreased import dependency
- Business development
- Employment creation
- Growth of the BVE

Guidelines for Implementation:

- Source funds
- Develop terms of reference
- Select consulting team

Challenges With Implementation:

Not finding adequate funds to proceed

Recommended Implementation Agency:

Central Bank of Barbados (in collaboration with the TMP implementation unit of MTI)

Priority / Implementation Timeframe: High / Short Term
Target Users: • All tourism stakeholders • Private sector
Who Benefits: • Local producers • Private sector • The labor force • Companies purchasing supplies and services • The BVE
Risks: Not obtaining sufficient funds to proceed
Estimated Costs: Approximately BDS$500,000
Source of Funds: • Central Bank of Barbados • GOB
Revenue Generation Potential: Very substantial adaptive results in new business development, employment creation, import reduction, and growth of the BVE
Further Development Work Required: • Source funds • Develop terms of reference • Retain consulting team
Other Considerations: Linkages with Action 5.1-2

5.1-10 Improve Awareness of the Economic Aspects of Tourism

Description:

- This is an *overriding* action for Tourism Economics that focuses on the actual *development of understanding of the economic impacts of tourism, their distribution, linkages and leakages and of how to improve upon them*. It is accompanied by sub-actions that address the specific aspects.
- Government of Barbados (GOB), through the MTI and related agencies, addresses the **economic impacts** of tourism in Barbados in a *holistic* way that encompasses:
  - *Economic impacts* of tourism in Barbados – focusing on what they are, how they are experienced, how they are monitored and reported upon, and how the actual impacts can be improved
  - *Distribution of tourism benefits* – emphasis on the 'distribution' (i.e. what, how, from/to whom) of the *economic benefits* of tourism
  - *Linkages* – the nature and significance of linkages within the tourism sector, between the tourism sector and other sectors, between the Barbadian and other international tourism sectors, and how they can be improved
  - *Leakages* – the nature and significance of leakages within the tourism sector (e.g. import-related) and with other industry sectors in Barbados, and how they can be addressed
- To aim for a *sustainable tourism sector* in Barbados, this takes place in close association with efforts to address the *social and environmental impacts* of tourism in Barbados (i.e. other strategies and actions described in Reports II and III)

Expected Outcomes:

- The economic impacts of tourism in Barbados, their distribution, linkages and leakages are better understood and quantified
- Ways to improve upon them are identified and carried out successfully
- This information, including advances made, is made available to stakeholders and the public

Guidelines for Implementation:

- Centralize responsibility for this undertaking under the MTI, and build capacity to assume this responsibility
- Form an inter-agency working group that includes other relevant agencies (e.g. BSS, CBB, MOF, IADB); MOF and IADB are currently preparing an input/output model for tourism in Barbados
- Design and implement an improved approach to research, measure, analyse and disseminate information on the economic aspects of tourism in Barbados on a systematic basis
- Review and adopt key elements of UNWTO's Sustainable Tourism Eliminating Poverty (STEP) Initiative (visit http://step.unwto.org/en/content/tourism-and-poverty-alleviation-1)
- Aspects to be covered should include:
  - Economic impacts, benefits and costs (e.g. foreign exchange, investment, construction, revenues, taxes, income, employment), quantifiable and qualitative
  - Distribution, linkages, and leakages
  - Opportunities to increase and improve benefits and linkages, convert leakages to opportunities (see other Actions in this Section)
  - Evidence of improvements achieved over time
  - Comparisons of the above with competing destinations and globally
  - Being reliable, consistent, timely and reasonable in cost
- Disseminate information through a public website (see Action 5.1-11)
- Add opportunities to list prepared for investors & MSMEs (see Action 5.1-12 in Section 3.4.3)

Challenges With Implementation: • The current capacity of the MTI to assume primary responsibility for tourism research management is limited • The Barbados Statistical Service (BSS) currently has sole authority – mandated through legislative Act – to make statistics prepared by the GOB and its agencies available to the public	
Recommended Implementation Agency: It is strongly recommended that the ***Ministry of Tourism and International Transport*** assume *lead responsibility* for data collection, research, information storage and dissemination in all areas directly related to the tourism sector in Barbados (in collaboration with an inter-agency working group that includes other relevant agencies, e.g. BSS, CBB, MOF, IADB)	
Priority / Implementation Timeframe: High / Short Term: As soon as input/output model is completed	
Target Users: • MTI and multiple other Government ministries and agencies, due to reach of economic impacts, linkages and leakages • Tourism industry, investors and MSMEs looking for opportunities • General public	
Who Benefits: • MTI and multiple other Government ministries and agencies, due to reach of economic impacts, linkages and leakages • Tourism industry, investors and MSMEs looking for opportunities • General public	
Risks: Same as Challenges	
Estimated Costs: Time and expenses required by MTI and Inter-Agency Working Group to implement	
Source of Funds: • Government of Barbados • International organisations that fund institutional strengthening and economic development initiatives	
Revenue Generation Potential: • Tourism industry – additional income, cost savings • Revenues earned by investors, developers, MSMEs pursuing identified opportunities • Increased taxes to Government from increased revenue generation and retention	
Further Development Work Required: None identified	
Other Considerations: Linkages with Action 5.1-2	

5.1-11 Launch a Public Website on the Economic Impacts of Tourism

Description:

Members of the general public of Barbados who are not directly involved in the tourism sector are not generally aware of the economic impacts of tourism and how they benefit from them. They are also not aware that they play a role in the tourism sector, be it indirectly through their work in industries that are part of its supply chain or even simply through their personal interaction with visitors to Barbados. Providing the general public with a better understanding of the value of tourism and the visitor economy, the benefits they derive from it, and the role they play will help generate support for the sector and in turn, greater benefits and distribution. The best way to do so is via a public website.

- In support of the holistic approach to addressing the economic impacts of tourism in Barbados, this specific Action involves the creation and maintenance of a *web portal* that provides information on the economic impacts of tourism in Barbados on behalf of the GOB in order to inform, assist and engage industry and citizens of Barbados, and provide transparency
- The web portal is modeled after others such as the USA's Power of Travel Coalition and PowerofTravel.org web portal
- This Action takes into account:
  - the findings and recommendations of the Inter-agency Working Group on economic impacts and the input/output model being developed by the Ministry of Finance and Inter-American Development Bank
  - the capabilities of MTI's new consolidated Tourism Research Management unit, especially the central repository and portal for tourism research created and operated by MTI (which this web portal on economic impacts can be linked to, integrated with, or part of)
- This Action can only be implemented by the MTI if the GOB amends the Acts that would enable the MTI to publish and disseminate tourism research findings (see Actions 1.1-1 and 1.1-4 in Section 2.5)

Expected Outcomes:

As part of the GOB's holistic approach to addressing the economic impacts of tourism in Barbados:

- MTI *has the authority and capacity* to create and maintain – on behalf of the Government of Barbados and with the coordinated involvement and support of other agencies and organizations – a web portal that provides information on the economic impacts of tourism in Barbados
- A *web portal* that effectively *disseminates* information on the economic impacts of tourism and their distribution in Barbados *has been created and is operated* by the MTI on behalf of the GOB and with the coordinated involvement and support of other agencies and organisations
- The portal is *easy to find and access* by users, as is the information made available through it
- The portal is *integrated* with the central repository and portal for consolidated Tourism Research Management (see Action 1.1-4) and linked with other related and relevant information sources
- The economic impact information made available *is comprehensive, reliable, consistent, and timely* and managed in an *efficient and cost effective* manner by MTI
- The economic impact and distribution information made available *is effective in supporting* the strategies and actions geared to improve economic impacts, in informing and engaging

businesses and citizens of Barbados, and in providing transparency
- The economic impact information is made accessible to industry and the public free of charge

Guidelines for Implementation:

- Prior to implementing this Action:
  - The primary responsibilities for Tourism Markets Research/Tourism Research Management (see Actions recommended in Section 2.5) – *including the economic impacts of tourism* – are consolidated within the MTI, and authorization for MTI to assume lead responsibility for tourism research and information storage and dissemination is attained
  - The Inter-agency Working Group is formed and spearheads the effort to understand, report on and improve the economic impacts of tourism, including this Action (and liaison with MOF and IADB preparing TSA account and input/output model)
- Inter-agency Working Group calls upon IT experts to design, develop and create a *web portal* that effectively *disseminates* information relating to the economic impacts of tourism in Barbados
- The IT experts may be from within the GOB and/or MTI, or from an external source such as consultants or a university department with expertise and experience in this area
- The IT experts may be the same or different to those developing the central repository and portal for Tourism Research Management (see Action 1.1-4 in Section 2.5); if different, they must collaborate
- IT experts design, develop and set up the web portal in close association with the Inter-Agency Working Group, management and staff of MTI and affected agencies. They consider models developed elsewhere, such as the USA's Power of Travel Coalition and PowerofTravel.org web portal. This includes transfer of existing information from other sources, including findings of MOF/IADB input/output model
- IT experts integrate portal for economic impacts of tourism with central repository and portal for consolidated Tourism Research Management (see Action 1.1-4), linking them with other related and relevant information sources
- IT experts and Inter-agency Working Group hand over control of web portal to MTI
- Through training provided under the recommended Tourism Research Management actions (see Section 2.5), MTI employs trainers to prepare MTI staff to operate/maintain the web portal
- MTI research staff maintain portal and update it based on ongoing research conducted by MTI and supporting agencies
- Target users of information on the economic impacts of tourism easily and freely find and access the portal and the information provided within and linked to it

Challenges With Implementation:

- The current capacity of the MTI to assume primary responsibility for tourism research management, including storage and dissemination of information, is limited and likely recognized as such by other agencies and entities that currently store and disseminate tourism-related information in Barbados, which could cause their potential reluctance to relinquish their existing responsibilities in these areas
- The Barbados Statistical Service (BSS) currently has sole authority – mandated through legislative Act – to make statistics prepared by the GOB and its agencies available to the public, and the effort needed to modify this so that the MTI has authority to release statistics related to the economic impacts of tourism could be significant

Recommended Implementation Agency:

- It is strongly recommended that the ***Ministry of Tourism and International Transport*** assume *lead responsibility* for data collection, research, information storage and dissemination in *all areas directly related to the tourism sector* in Barbados, including its economic impacts and their distribution
- The ***Inter-Agency Working Group*** created should take *lead responsibility for implementing this Action* given its focus on *economic* impacts and the related work already underway through the MOF and IADB
- The actual *creation* of a web portal on the economic impacts of tourism in Barbados should be undertaken by ***IT experts*** – whether from within the GOB and/or MTI or from an external source such as *consultants or a university department* with expertise and experience in this area – on behalf of the MTI. It could be advantageous to contract the same IT experts used to create the central repository and portal for tourism research management (see Action 1.1-4 in Section 2.5) AND to incorporate the repository and two portals together – in order to achieve efficiencies and ensure cohesiveness and consistency
- It is critical that the IT experts and MTI *receive support and cooperation* from ***associated agencies and organisations*** in developing the framework for and content of the portal, in contributing relevant information content, and enabling links to the pages of their websites that address these and related topics

Priority / Implementation Timeframe:

Medium / Long Term:

  - Following completion of TSA account and input/output model by the MOF and IADB
  - In parallel with Tourism Research Management Action 1.1-4 (see Section 2.5) to create a central repository and portal for tourism research information
- Short duration – 6 to 12 months to have IT specialists develop and set up web portal as part of or in close association with central repository and portal frameworks, including transfer of existing information from other sources and training of MTI staff.

Target Users:

- GOB, as an official information source and vehicle for transparency regarding the country's achievements and work yet to do in this area (for its own use and direction to others)
- Management and staff of the MTI and other tourism-related agencies and authorities requiring the information provided to support policy direction, decision-making and initiatives, to implement other Tourism Master Plan strategies and actions, monitor/assess progress, etc.
- Management, staff and membership of other public, private and non-profit agencies involved directly or indirectly in the tourism sector
- Investors, lenders, developers, owners and operators of existing, proposed and planned tourism initiatives, products and services
- Researchers, educators and students of tourism
- Other stakeholders in the Barbados tourism sector and industry
- The general public

Who Benefits:

- The target users identified above who seek and make use of such information in their work
- The Government and people of Barbados, as the improved availability and accessibility of this information will support the potential for better-informed decisions and more successful strategies and actions to generate direct and indirect economic impact improvements for

them
- The visitors to Barbados will also benefit indirectly

Risks:

- The GOB may not support the consolidation of responsibility for tourism research management under MTI and/or amend the affected Act(s) that would enable the MTI to publish and disseminate tourism research findings, both of which are being pursued under Tourism Research Management strategies and actions (see also Section 2.5)
- If the changes being recommended are not made in this regard, the MTI will not be able to create and operate a web portal addressing the economic impacts of tourism

Estimated Costs:

- The costs involved with implementing this Action relate primarily to:
  - Time and expenses required by MTI and the *Inter-Agency Working Group* to oversee this effort, seeking and commissioning IT experts and assisting in the development of this portal (e.g. content, framework) or this component of the consolidated tourism research portal
  - If the GOB and/or MTI do not have the in-house IT capacity, commissioning an *IT consultancy* (or a university department) to design, develop and put in place the web portal that provides information on the economic impacts of tourism in Barbados – this could be a component of the Tourism Research Management strategies and actions, or commissioned separately
  - Augmentation of the current *annual operating budget* for the MTI's Research Unit to cover the MTI's increased tourism research management responsibilities and staffing needs related specifically to managing this portal (*Note*: Operating budgets can be reduced in other Government departments relinquishing these responsibilities) – annual operating cost dependant on consultant recommendations
- Costs are also associated with the time and expenses required for management and staff of other impacted agencies and organisations to assist the IT experts and support the process to develop this portal (or this component of the consolidated tourism research portal)
- Note that costs to secure GOB and other agency/organisational *support and legislative changes* to give MTI the authority to disseminate tourism research and information are to be covered under the respective Tourism Research Management Action 1.1-4 (including costs to train staff how to manage and operate the portal; see Section 2.5)

Sources of Funds:

- Government of Barbados
- Businesses in the tourism sector in Barbados as they stand to benefit directly from greater understanding by others of their significance to Barbados
- International organisations that fund initiatives requiring Technical Support (i.e. designing and developing the web portal)
- Possible cost reductions by using the GOB's and/or MTI's in-house IT department or by contracting university faculty and students to develop the web portal as a university project
- A designated portion of the tourism development Foundation (see Action 5.1-3 in Section 3.4.3), especially to help support the ongoing operation and maintenance of the web portal (e.g. annual operating revenue line item)

Revenue Generation Potential:

- No *direct* revenue is anticipated from creating and operating this web portal on the economic impacts of tourism in Barbados, as such information should be made accessible to industry and the public free of charge

- However, with links provided to, and a user pays system for, the other types of tourism research and information made available on the central portal for tourism research, direct revenue (at least cost recovery) can be generated from them
- Operating cost savings can also be achieved through improved operating efficiencies (e.g. reduce/eliminate duplication of effort) resulting from the consolidation of tourism research and information – including that related to the economic impacts of tourism – in a central repository and portal for storage and dissemination

Further Development Work Required:

- Review of the Act that restricts dissemination of Government-issued statistics and research to the Barbados Statistical Service to confirm and determine if MTI can pursue this Action
- Working to secure the support of other agencies and organisations with existing responsibilities in these areas, including continuing to liaise with MOF and IADB regarding their development of an input/output model
- Exploration into estimated costs for implementing this Action
- Exploration into possible funding sources beyond the GOB for implementing this Action

Other Considerations: Linkages with Tourism Research Management (see Section 2.0) and Tourism Awareness (see Report III, Section 4.0)

3.4 Tourism Investment, Finance, MSMEs and Feasibility

The previous Sections emphasized the significance of tourism and the Visitor Economy in terms of economic impact, the importance of improving the benefits that this sector generates, and their distribution, and of doing so by maximizing linkages and minimizing leakages. This Section first looks at the current situation with respect to support for tourism investment, finance, micro, small and medium enterprises (MSMEs), and feasibility. It then highlights strengths and challenges faced before recommending strategies and actions for improvement. Not only is such support important to the success of individual operators and businesses, but also to advancing the tourism sector overall and improving the distribution of its benefits.

3.4.1 The Current Situation in Barbados

3.4.1.1 Support for Tourism Investment

The following incentive legislation is the most significant currently in place to encourage investment in tourism-related development and services (see also Report I, Section 2.6):

- **Tourism Development Act (2002)** – Replaces the outdated Hotels Aids Act to extend benefits beyond hotels to all tourism-related businesses and encourage local and foreign investment. Provides incentives (e.g. tax concessions) for the construction, renovation, alteration and furnishing of hotels (and villas and timeshare properties), restaurants, recreational facilities, attractions and properties in non-coastal areas; for restoration, preservation and conservation of natural sites; as well as for the provision of related services. Investor benefits include write-off of capital expenditure and 150% of interest, and exemption from import duty, value added tax and environmental levy in respect of furniture, fixtures and equipment as well as building materials, supplies and equity financing
- **Special Development Areas Act** – Provides tax concessions to developers for specific activities in Carlisle Bay Redevelopment Area, Speightstown, St. Lawrence Gap and the Scotland District, including hotels with conference areas, residential complexes, commercial or industrial buildings, other tourism facilities, water-based activities, tourism projects highlighting heritage and natural environment, arts and cultural investments, and agricultural-based activities. Developer and investor (excluding commercial banks) concessions include income tax exemptions and reductions, building allowances, and other exemptions (e.g. import duties, VAT, land tax)

While the Ministry of Tourism administers the Tourism Development Act, Barbados Tourism Investment Inc. (BTII) is the principal public authority responsible for facilitating investment in Barbados' tourism and hospitality sector. There are also a number of public, private and non-profit sector entities that serve to attract investment in the tourism sector. Each has its own mission and mandate, areas of emphasis, array of services, programmes and other offerings that are described in further detail on their respective websites and collateral materials. Many collaborate with each other; some of the more significant entities with respect to tourism investment are highlighted in Table 3.7.

Table 3.7. Entities attracting and supporting Tourism investment in Barbados.

Entity by Type	Tourism Investment Responsibilities
PUBLIC (including Statutory Corporations)	
Barbados Ministry of Foreign Affairs and Foreign Trade www.foreign.gov.bb	• Coordinates Barbados' relations with foreign governments, regional and international organisations • Seeks to create foreign trade opportunities through negotiation and monitoring of relevant agreements and treaties • **Council for Investment, Exports, Foreign Exchange and the Diaspora (CIEX)** – Coordinates efforts of Barbados' principal foreign exchange earning sectors (including Tourism and Investment), and explores creative new ways to attract *investment* into Barbados. Major priorities include: Team Barbados, Barbados Network (Diaspora), Centre for Philanthropy
Barbados Ministry of Tourism and International Transport (MTI) www.tourism.gov.bb	• Administers the Tourism Development Act (2002), its application and approval process for tourism development projects and granting of incentives and concessions
Barbados Tourism Investment Inc. (BTII) www.barbadostourisminvestment.com	• Development agency of the Government with responsibility for facilitating *investment in the tourism and hospitality sector*, including tourism product and property development • Services to investors – Identify investment opportunities and service providers, explain incentive legislation, provide information on investment environment, government liaison, proposal review • Executing agency of the Government's Urban Rehabilitation Programme
Barbados Ministry of Finance (MOF) www.economicaffairs.gov.bb	• Administers the Special Areas Development Act (2001) that defines specific zones where concessions are provided to approved investors / developers for tourism activities
Central Bank of Barbados (CBB) www.centralbank.org.bb	• Premier financial institution in the country with a mandate to foster an economic and financial environment conducive to sustainable economic growth and development • Monetary and fiscal policy development to support economic development • Regulates money supply, banker to Government and commercial banks • Manages the island's foreign exchange reserves and public debt • Oversight of financial institutions (especially commercial banks) • Numerous funding and financing schemes (see **Table 3.7**)
Invest Barbados (IB) www.investbarbados.org	• Economic development agency of the Government of Barbados responsible for attracting, winning and sustaining *foreign direct investment*, assisting foreign investors, developing new investment products • ***Indigenous Services Export Programme (ISE)*** – Facilitate promotion and export of Barbadian services, develop strategies with client, identify technical and financial assistance needed for implementation, grant assistance. Service Export Priorities: Creative Industries, Education, Health and Wellness, others • Helps to develop and manage the Barbados Business brand • Promotes international business via BIDC's International Business Division
Barbados Investment and Develoment Coporation www.bidc.com	• Enhance the capacity of businesses, including tourism-related ones, to respond to market opportunities • Services include a Small Business Centre, Crafts Development, Entrepreneurial Develop9ment, and Dexport Development and Promotion
PRIVATE and NON-PROFIT	
Barbados Chamber of Commerce and Industry (BCCI) http://barbadoschamberofcommerce.com	• Manages the ***Duty Free Scheme*** – Benefits both retailers in and visitors to Barbados, serves as a major incentive to encourage shopping among visitors and *investment* from local and international firms in the trade • ***Bridgetown Revitalization Initiative*** – To create a "Bridgetown Brand" (a must see, must do by visitors) that also attracts new businesses and investment
Barbados Hotel and	• Private sector trade association representing over 80% of accommodation stock, with

Entity by Type	Tourism Investment Responsibilities
Tourism Association (BHTA) http://bhta.org	over 60% of membership being non-accommodation entities • Serves to facilitate the sustainable growth and development of the local tourism sector to the benefit of members, nation and people of Barbados • Lobbied for the creation of a fast track model within Government to facilitate *investment* applications and entrepreneurship in the industry • Set up and manages ***The Tourism Fund***, providing funding support to marketing and product development projects that help enhance the tourism product (see **Table 3.7**) • Broad range of services and programmes for members and to connect with broader community – e.g. "Tourism, Education and Me" (TEAM), School Tourism Education Programme (STEP), The Culinary Alliance (CAB)
Barbados International Business Association (BIBA) www.biba.bb	• Private sector trade association representing and comprised of companies engaged in international business, working with Government to develop the international business sector for the benefit of Barbados and BIBA members • Provides advice and orientation to new *investors* to Barbados
Tourism Development Corporation (TDC) www.tdcbarbados.com	• ***Sponsorship support programme*** – A private sector fund for tourism promotion and product development supported by corporate member contributions that earn tax credits • ***Special Projects Account*** – For clearly defined projects lasting for a fixed time period

Source: Barbados Tourism Master Plan 2014-2023 Project Team interviews with entity representatives and/or review of their websites and collateral materials

3.4.1.2 Finance and Funding Support for the Tourism Sector in Barbados

Finance and funding support for the tourism sector is available from regional and national development banks, commercial banks, financial services corporations and trusts, member-based associations, international assistance agencies and NGOs.

Regional and national development banks are typically very supportive of tourism projects. Regional development banks, such as the Inter-American Development Bank (IADB) and the Caribbean Development Bank (CDB), offer loans and grants for tourism-related initiatives primarily to governments but also to the private sector. A recent example is construction of the new boardwalk between Rockley and Coconut Court on the South coast, which received technical and financial support from the IADB and has become very popular with locals and tourists. National development banks fund public- and private-sector projects largely through loans at one to two percentage points below commercial bank rates. The Central Bank of Barbados has loan, investment fund, guarantee, credit, grant and special financing schemes to assist the tourism sector (see Table 3.7).

Commercial banks and financial agencies provide loan financing for tourism projects that stand up to their assessment of financial viability and require collateral and owner equity. Interest charged is set at prevailing rates by the commercial banks; slightly lower by the financial agencies which may also offer grace periods. Commercial banks in Barbados currently include the Bank of Nova Scotia, Barbados National Bank, Citicorp, First Caribbean International Bank (Barclays/CIBC), First Citizens Bank, RBC Royal Bank, and Republic Bank. A major financial agency in Barbados, Caribbean Financial Services Corporation

(CFSC), has funded tourism developments (e.g. Barbados Wildlife Reserve). However, these entities are known for often turning down loan applications. Reasons cited include:

- capital costs exceed maximum allowed transaction sizes
- equity base (often only the land to be developed) insufficient to achieve a feasible debt/equity ratio
- cash flows and earning potential too low to achieve a reasonable return on equity and debt service profile
- term periods needed for loans exceed maximum allowed loan terms

Funds and trusts are somewhat more flexible with their lending parameters, particularly those oriented towards start-up enterprises (e.g. Caribbean Business Enterprise Trust), small businesses (e.g. Fund Access) and youth entrepreneurship (e.g. Barbados Youth Business Trust). However, in turn, their loan amounts tend to be lower.

Professional associations that serve members from the tourism sector are also known to establish funds to support projects and initiatives that help the sector. The Barbados Hotel and Tourism Association set up the Tourism Fund to do just that, drawing from voluntary contributions made by guests and patrons of its members.

International donor agencies and NGOs provide financial (i.e. grants) and technical assistance to tourism initiatives in Barbados and other Caribbean countries when national Government funding cannot meet the need. Agencies include the British Development Division in the Caribbean (BDDC), Canadian International Development Agency (CIDA), European Economic Community (EEC), Commonwealth Secretariats's Special Advisory Services Division (SASD), Organisation of American States (OAS), and United States Agency for International Development (USAID). They support research, feasibility studies, strategic planning, provision of infrastructure, and others.

However, in recent years these donors have reduced their foreign aid to the region. At the same time, development banks like the World Bank no longer classify Barbados as a low income country, making it ineligible to access funds. Major NGOs which have supported tourism initiatives in the Caribbean include the World Wildlife Fund (WWF), the World Conservation Union, the International Union for the Conservation of Nature (IUCN), and the Nature Conservancy.

Some of the more notable locally-based sources and schemes of funding and financing (non-commercial banks) available to the tourism sector in Barbados are highlighted in Table 3.8.

Table 3.8. Funding and Financing Sources and Schemes for the Tourism Sector in Barbados.

Source	Funding + Financing Schemes Offered + Administered
PUBLIC (including Statutory Corporations, companies wholly owned by the Government)	
Central Bank of Barbados (CBB) www.centralbank.org.bb)	• ***Tourism Loan Guarantee Scheme*** – CBB provides credit enhancements and guarantees to financial institutions for debt service, new short-term loans to hotels and enterprises providing tourist accommodation • ***Barbados Investment Fund (BIF)*** – See description under CFSC below • ***Enhanced Credit Guarantee Scheme*** – CBB provides security to credit institutions providing short + long term credit to SMEs, including tourism loan guarantees • ***Export Credit Insurance Scheme*** – CBB provides insurance cover against losses arising out of non-payment by overseas buyers for Barbadian manufactured goods • ***Export Finance Guarantee Scheme*** – Enables exporters to obtain liberal finance facilities from their bankers for the production of goods for export by offering pre-shipment and post-shipment coverage from loss • ***Export Rediscount Facility*** – Assists in the promotion of non-traditional exports from Barbados, allows exporters to obtain export finance at minimum cost • ***Industrial Credit Fund*** – Provides medium and long-term credit to productive enterprises (*including* ***tourism***) operating mainly in the private sector. Established by the Government of Barbados in 1983 with funding from the World Bank and the CBB. Since then, additional funding by the World Bank's Agricultural Development Project (1987) and the European Investment Bank (1990) under its Global Loan Contract. The fund, administered by the CBB, commenced operations with BDS$25 million and now has over BDS$65 million • ***Technical Assistance Grants*** – Up to $5000 or 50% of the cost of a business plan, market research, etc. prepared by a consultant • ***Special financing*** – To the sugar industry and other industries
Fund Access (FA) (Barbados Agency for Micro Enterprise Development Ltd.) www.fundaccess.org	• The only dedicated microfinance institution serving *micro-enterprises* • Wholly owned by Government, offering loans with lower than market interest rates (therefore unable to access funds from IADB to on-lend to microenterprises) • ***Small Business Loans*** – Loans from BDS$700 to $100,000 to finance fixed assets, stock, rent, advertising and renovations for business start-ups and expanding enterprises in tourism and select other sectors • ***Bed and Breakfast/Home Accommodation Loan Fund*** – A $5 million loan fund disbursed by FundAccess that supports the Home Accommodation Project of the MTI, BTA and FundAccess and assists individual property owners to make structural and FFE improvements, upgrades and additions by providing loans of BDS$700 to $100,000
Invest Barbados (IB) www.investbarbados.org	• ***Services Export Grant Assistance*** – Technical assistance funding support to indigenous service providers
PRIVATE and NON-PROFIT	
Barbados Hotel and Tourism Association (BHTA) http://bhta.org	• ***The Tourism Fund*** – A voluntary contribution fund set up by the BHTA in 2003, with contributions primarily made by hotel guests on a voluntary basis through an additional charge on their bill at check out (a nominal fee of between US$0.25 – US$2.00 per night. Managed under the BHTA by a separate Board of Trustees, with input from the Barbados BTA and TDC, the fund is spent on marketing and product development projects that help enhance the tourism product (e.g. beautification, beach rejuvenation, road signage, www.bookbarbadosnow.com)
Barbados Youth Business Trust (BYBT) www.youthbusiness.bb	• Start-up business loans as a "lender of last resort" of up to BDS$25,000 from an established loan fund of US$100,000 • Business support grants of up to BDS$1000 • Go and See, Feasibility Study, Education and Special Grants over BDS$1000 • Target audience of unemployed/underemployed *entrepreneurial* youth, ages 18-35 wanting to start viable businesses and unable to get start-up funding from traditional commercial entities, family or friends

Source	Funding + Financing Schemes Offered + Administered
Caribbean Business Enterprise Trust Inc. (CBET) www.cbetmodel.org	• Target audience – Start-up/emerging enterprises with potential to grow on global market • ***Barbados Entrepreneurs' Venture Capital Fund (BIM Ventures)*** – Launched in 2009 through a partnership between CBET, the Government and private sector of Barbados that is based on the CBET Shepherding Model™ and supported by the Barbados Revolving Seed Capital Fund • ***Barbados Quick Response Revolving Seed Capital Fund*** – CBET solicits investment funds from individuals, groups and private companies, and financial institutions for CBET-inspired initiatives and seeks complementary investment funding from other equity sources • Both managed by the Barbados Business Enterprise Corp. (BBEC)
Caribbean Financial Services Corporation (CFSC) www.cfsc.com.bb	• Limited liability company incorporated in 1984 by a special Act of Parliament in Barbados • Sources funds from local and international institutions for medium and long-term loans to commercially viable, export-oriented, employment generating SMEs for start-up and expansion projects • ***Barbados Investment Fund (BIF) –*** A close-ended equity fund established in July 1992 by the CBB and the CFSC providing equity financing for *SMEs* operating in Barbados and engaged in manufacturing, agro-industry, **tourism** and related services, or others which can make a worthwhile contribution to exchange earnings and employment. Provides funds for capital cost components, i.e. equipment and real estate, as well as working capital support for investee companies. Enables investors to avoid high levels of fixed financing costs through a mix of loan and equity financing. Initial capital of the fund was 5/6 from CBB and 1/6 from CFSC. CFSC is responsible for its day-to-day administration.
Enterprise Growth Fund Limited (EGFL) www.egfl.bb	• ***Tourism Loan Fund*** – Loans of $50,000 to $4.5 million to refurbish and upgrade eligible hotels (75 rooms or less) and attractions and/or to construct business-related facilities for historical, cultural and natural heritage attractions • ***Small Hotels Investment Fund*** (SHIF) – Loans of $50,000 to $5.25 million to assist Small Hotels of Barbados Inc. (SHBI) and its small hotel members whose properties comply with the minimum standards established by the European Travel Trade with marketing, management, procurement of joint services and refurbishment. The BHTA initially negotiated this $20 million fund to facilitate formation of the Small Hotels of Barbados Inc. group of small hotels. • ***Smart Fund*** – Financing and technical support for energy efficient and renewable energy solutions to businesses (and homeowners) in Barbados: Technical Assistance Grants (up to BDS$40,000 per business), Low-cost Loans (up to BDS$1.5 million per applicant), A/C Rebates (funded by the Inter-American Development Bank, IADB) • ***Agricultural Development Fund –*** Loan financing from $50,000 to $1 million to help farming and fishing communities • ***Industrial, Investment and Employment Fund –*** For Manufacturers • ***Innovation Fund*** – Seed capital financing of BDS$25,000 to $250,000 to entrepreneurs needing funds to commercialize their innovative ideas
Small Business Association (SBA) http://sba.org.bb	• ***Small Business Venture Capital Inc. (SBVCI)*** – SBA's financial and business development arm that was capitalized with a US$1 million dollar donation from Government and makes equity finance ($50,000 to $150,000) available to qualifying businesses (start-ups and existing)
Tourism Development Corporation (TDC) www.tdcbarbados.com	• ***Sponsorship support programme*** – A private sector fund for tourism promotion and product development supported by corporate member contributions that earn tax credits • ***Special Projects Account*** – For clearly defined projects lasting for a fixed time period

Source: Barbados Tourism Master Plan 2014-2023 Project Team interviews with entity representatives and/or review of their websites and collateral materials

3.4.1.3 Micro-, Small and Medium-Sized Enterprises (MSMEs) and Feasibility

The Government of Barbados views the business sector as a critical force for the nation's economy, with the small business sector in particular key to revenue generation, employment and economic growth. It also recognizes that entrepreneurship and innovation are vital to progress and must be encouraged. While there are distinctions among and between MSMEs and entrepreneurs, they often encounter similar experiences and share some common needs, and so are treated together in this Section. Feasibility is important to most tourism-related endeavours, but is included here as these segments often need assistance in assessing feasibility.

The Ministry of Industry, International Business, Commerce and Small Business Development (Ministry of Commerce and Trade) – under its **Business Development Unit** – has responsibility for facilitating commerce and entrepreneurship in Barbados. As stated on its website (www.commerce.gov.bb), its objectives include "*to promote the growth and development of the commercial and business sectors, especially the small business sector*".

The Ministry does so largely by administering the **Small Business Development Act** (1999-23), part of the Government's legislative framework for facilitating development and sustainability of the country's small business sector. The Act defines small businesses as:

- incorporated under the Companies Act
- not more than BDS$1 million as stated or paid up capital
- not more than $2 million in annual sales
- not more than 25 employees

There is some variation in the definition of small businesses among entities serving them, but there are no formal definitions for micro-enterprises or medium-sized enterprises. Barbados Investment and Development Corporation (BIDC) suggests that enterprises with 37 to 100 employees are medium-sized.

The Act provides for incentives, loan guarantees and technical assistance for small businesses that require the approval of the Minister once "satisfied that the business will be of significant or substantial socio-economic benefit to Barbados". The available incentives are listed in Table 3.9. Loan guarantees are covered under the Credit Guarantee Scheme for small business loans through a commercial bank or other financial institution approved by the Central Bank of Barbados (CBB). Technical assistance can be provided by government departments, agencies and private sector organizations approved by Cabinet to help small businesses commence, continue or expand operations. Such assistance can relate to:

- development of product design, package and label design, and quality control
- local and export marketing, including help to participate in overseas trade shows
- preparation of business plans to facilitate initial financing and business management
- financing of feasibility studies for new business or product development
- managerial accounting or budgetary analysis
- general or production management

Small businesses eligible for these incentives, loan guarantees and technical assistance can be involved in many activities, including Hotel, Restaurant and other Tourism related services. Many of the other eligible types are closely associated with and therefore support tourism directly or indirectly. They include:

- Agriculture, forestry and related service activities
- Arts and cultural activities
- Construction services
- Entertainment services
- Financial services
- Fishing, operation of fish hatcheries, fish farms and service activities incidental to fishing
- Health care services
- Manufacturing
- Personal care services
- Real estate, renting and other related business services
- Repair of personal and household goods and vehicles
- Sanitation, sewage and refuse disposal services
- Sporting and recreational services
- Transport, storage and communication services
- Wholesale and retail trade

As apparent in Table 3.8, micro-, small and medium-sized enterprises (MSMEs) and entrepreneurs in tourism and other sectors are well served by several private and non-profit organisations and government departments in Barbados. While none exclusively serve tourism MSMEs and several serve businesses of all sizes, with tourism so prevalent in the Barbados economy in effect many serve tourism MSMEs and entrepreneurs.

Collectively, they provide a broad range of MSME and entrepreneurial business support services including accounting services, business advisory services, business mentoring, business planning (including feasibility analysis), business services (meeting rooms, copying and printing, faxing), business transition/succession planning, coaching, export assistance, financing, labelling, location assistance, lobbying, marketing, market research, networking, product or services development, shepherding, social and personal development, technical assistance (incorporation, IT support, legal assistance) and training. These services are available to MSMEs and entrepreneurs at the different stages of their businesses from Seed to Start Up, Growth, Established, Expansion, Decline and Exit.

However, each entity has its own mission and mandate, target audiences, areas of emphasis, services, programmes and other offerings that are summarized in Table 3.10 (copied with permission from BYBT) and described in further detail on their respective websites and collateral materials. The Caribbean Financial Services Corporation (CFSC), the Enterprise Growth Fund Limited (EGFL) and the Small Business Association focus on SMEs. The Barbados Investment and Development Corporation (BIDC) and Fund Access focus on advancing micro-enterprises, entrepreneurship and innovation, while the Youth Entrepreneurship Scheme (YES) and the Barbados Youth Business Trust (BYBT) specifically target youth entrepreneurs.

Table 3.9. Support for Tourism MSMEs and entrepreneurs in Barbados.

Entity by Type	Support Provided to MSMEs + Entrepreneurs
PUBLIC (including Statutory Corporations)	
Barbados Investment and Development Corporation (BIDC) www.bidc.com	• Trade and business development institution that fosters innovation and *entrepreneurship*, provides strategic business intelligence and technical assistance to clients and stakeholders • Promotes the sustainable development of the manufacturing, industrial and *small business* sectors, the export of goods and its related services • **Barbados Small Business Centre (BSBC)** – Helps local *entrepreneurs* and *micro- and small businesses* improve efficiency, innovation, expansion and competitiveness via workshops and seminars, training, the Incubator Centre, office space, business services • **Entrepreneurial Development Division (EDD)** – Assists *entrepreneurs* seeking to establish new ventures, established businesses employing fewer than 25 persons, and developers of innovative products or processes (including crafts) through its Special Technical Assistance Programme, Innovation Support Programme, Mentorship Programme, and Training and Education Sessions • **Export Development and Promotion Division (EPDD)** – Coordinates special programmes and services for exporters of goods and services from Barbados through capacity building, overseas market development, promotion and certification • **Pelican Craft Centre** –Owns and operates this retail centre and workshop area
Barbados Ministry of Industry, International Business, Commerce, and Small Business Development (aka Ministry of Commerce and Trade) www.commerce.gov.bb	• **(Small) Business Development Unit:** Focus on formulation and implementation of policy for *small business* sector. Given responsibility for National Microenterprise Programme in 2008, giving grants of up to $10,000 to *micro-enterprises*. Application approvals for incentives through the Small Business Act (1999), including: – Corporation tax at the rate of 25% on the profits of the business – Exemption from import duty on plant and equipment – Exemption from withholding tax on dividends and interest earned on investment – Exemption from the payment of stamp duty – Deduction of corporation tax at 20% of expenditure on technology, market research and other that is directly related to the development of the business • Loan guarantee covered under the Credit Guarantee Scheme through a commercial bank or other financial institution approved by the CBB
Barbados Ministry of Youth, Family and Sports www.yes.gov.bb	• **Youth Entrepreneurship Scheme (YES)** – Business counselling, training, technical assistance and business counselling, mentoring, marketing and accounting services, facilitating access to financial assistance for a target audience of young entrepreneurs (18 to 35) living and operating legally in Barbados
Barbados Vocational Training Board (BVTB) www.bvtb.gov.bb	• Training institution for persons seeking technical/vocational education and training • Certificate Programmes – Apprenticeship, Evening, Skills Training (e.g. bar and restaurant services, computer applications, international cuisine, housekeeping)
Fund Access (FA) (aka Barbados Agency for Micro Enterprise Development Ltd.) www.fundaccess.org	• Target audience of entrepreneurs with business ventures • Provide small business loans, bed and breakfast/home accommodation loans, enterprise training, business development services (marketing assistance, accounting services), and a business centre with conference facilities • See **Table 3.7** regarding loans
Invest Barbados (IB) www.investbarbados.org	• **Indigenous Services Export Programme (ISE)** – Facilitate promotion and export of Barbadian services, develop strategies with client, identify technical and financial assistance needed for implementation, grant assistance. Service Export Priorities: Creative Industries, Education, Health and Wellness, others
PRIVATE and NON-PROFIT	
Barbados Chamber of Commerce and Industry (BCCI) www.bdscham.com	• Manages the Duty Free Scheme, with a target audience of local businesses and entrepreneurs

Entity by Type	Support Provided to MSMEs + Entrepreneurs
Barbados Entrepreneurship Foundation (BEF) www.barbadosentrepreneurshipfoundation.org	• Works with partners, stakeholders and sponsors with the goal of transforming Barbados into the #1 Entrepreneurial Hub in the World by 2020 ("The 2020 Highway") • Pursues strategic projects in 5 areas essential to enabling start-up and growing business enterprises in Barbados to flourish: Business facilitation, finance, mentorship, education/talent development, Government policy • Currently focused on Mentorship portal, Angel Investor network to support SMEs, Enterprise development embedded in school curriculum
Barbados Youth Business Trust (BYBT) www.youthbusiness.bb	• Target audience of unemployed/underemployed *entrepreneurial* youth, ages 18-35 wanting to start viable businesses and unable to get start-up funding from traditional commercial entities, family or friends • Business mentoring, start-up loan capital as "lender of last resort", grants, ongoing support (see also **Table 3.7**); coordinates closely with YES
Caribbean Business Enterprise Trust Inc. (CBET) www.cbetmodel.org	• Target audience – Start-up/emerging enterprises with potential to grow on global market • Provides services to facilitate the generation of business ideas and the promotion of business success, such as High Impact Growth Strategy Workshops, Strategic Visioning Retreats, Business Plan Development, Coordination Assistance, Implementation Assistance, Shepherding and Preventive Business Health, Lobbying Assistance • Provides venture and seed capital funds (see **Table 3.7**)
Caribbean Financial Services Corporation (CFSC) www.cfsc.com.bb	• Limited liability company incorporated in 1984 by a special Act of Parliament in Barbados • Sources funds from local and international institutions for medium and long-term loans to viable, export-oriented, employment generating *SMEs* for start-up and expansion projects • ***Barbados Investment Fund (BIF)*** – A close-ended equity fund providing equity financing for *SMEs* operating in Barbados and engaged in manufacturing, agro-industry, **tourism** and related services (see **Table 3.7**)
Enterprise Growth Fund Limited (EGFL) www.egfl.bb	• Created after the closure of the Barbados Development Bank, as a private sector led institution with Government seed capital and tax concessions for private equity capital • Target audience of SME businesses with at least two of: 1) Fixed assets of $25,000 to $1 million, 2) 5 to 200 employees, 3) Annual sales of $100,000 to $7.5 million • Venture capital, funding, fund management to *SME* sector (Tourism Loan Fund, Small Hotels Investment Fund, Energy Smart Fund, Innovation Fund, others, in **Table 3.7**)
National Cultural Foundation (NCF) www.ncf.bb	• **Business Development Department** – Enhances the entrepreneurial and professional capacity of cultural practitioners, primarily through training initiatives and the identification and support of showcase events and new creative enterprises • **Services Offered:** – **Advisory**: Information on opportunities for funding, technical support and small business development as well as advice on issues of Intellectual Property Rights – **Technical Assistance:** business planning, applications and proposal/grant writing – **Training and Education:** develop and deliver seminars, workshops and conferences designed to disseminate best practice and enable sustainable creative enterprise
National Initiative for Service Excellence (NISE) www.nisebarbados.org	• Organisation created by the Social Partners (The Trade Unions, the Private Sector and Government) for the people of Barbados • Part of its mandate is "to ensure that every person working in Barbados understands what service excellence is and the imperative for service excellence in a fast changing, competitive and increasingly globalised world" • NISE Leadership Programme for leaders in all sectors • Runs a workshop "Taking Personal Responsibility for Service Excellence"
Small Business Association (SBA) www.sba.org.bb	• Non-profit NGO that seeks to expand business opportunities for its members (legally established businesses), provides education and development services, and lobbies to ensure an enabling environment for the growth and sustainability of the *MSME* sector • Explores business financing possibilities for its members • **Small Business Venture Capital Inc. (SBVCI)** – SBA's financial and business development arm, makes equity finance available to qualifying SBA members (start-ups and existing) (see **Table 3.7**)

Source: Barbados Tourism Master Plan 2014-2023 Project Team interviews with entity representatives and/or review of their websites and collateral materials

Table 3.10. The Barbados Network of Business and Entrepreneurship Development Organizations (table key follows).

The Barbados Network of Business and Entrepreneurship Development Organisations

STAGES	Seed	Start Up	Growth	Established	Expansion	Decline	Exit
BUSINESS SUPPORT SERVICES	*I have an idea!*	*I am ready to start!*	*Increase in revenues and customers!*	*Secure in the market place!*	*Expanding markets and customers.*	*Negative Growth*	*Selling or closing the business.*
Accounting Services	YES,BYBT	FA,YES,BYBT	FA,YES,BYBT	FA,YES,BYBT	FA,YES,BYBT	FA,YES,BYBT	FA,YES,BYBT
Business Advisory Services	FA, YES, BIDC, SBA, BADMC, NCF,BCCI, BMA,CBET,BYBT	YES,SBA,BIDC,CBET,BYBT	FA,YES,BIDC,SBA,BYBT BADMC,NCF,BMA,CBET	FA,YES,BIDC,SBA,BYBT BADMC,NCF,BMA,BV	FA,YES,BIDC,SBA,BYBT BADMC,NCF,BMA,BV	FA,YES,BIDC,SBA,BYBT BADMC,NCF,BMA,BV	YES,CBET,BYBT
Business Mentoring	YES, BYBT, BMA,CBET	BYBT,BMA,CBET	BYBT, BMA,CBET	CBET,BYBT	CBET,BYBT	CBET CBET,BYBT	YES,CBET,BYBT
Business Planning	YES,BIDC,BYBT,NCF	YES,BYBT,BIDC	YES,BIDC,BYBT	YES,BYBT	YES,BYBT,BIDC,NCF	YES,BYBT	YES,SBA,BYBT
Business Services *(Photocopying, Faxing, Meeting Rooms, etc.)*	YES,SBA,BIDC,BYBT	BIDC,SBA,BYBT,FA	BIDC,SBA,BYBT,BCCI,FA	YES,SBA,BIDC,BCCI, BYBT,FA	YES,SBA,BIDC,BCCI, BYBT,FA	YES,SBA,BIDC,BCCI BYBT	YES,SBA,BIDC,BCCI, BYBT
Business Transition / Succession Planning	YES,BYBT	BYBT	YES,BYBT	YES,BYBT	YES,BYBT	YES,BYBT	FA,YES,BIDC, BADMC,BMA,BYBT
Coaching			BYBT	BYBT	BYBT	BYBT	BYBT
Export Assistance	BCCI	IB	YES,SBA,BIDC,BYBT, C. EX, IB	YES,SBA,BIDC	BIDC,BCSI,BYBT, IB,BMA,YES,SBA		
Financing	BV,BYBT	FA,BYBT,EGFL, BIDC,CBET	FA,EGFL,BIDC,CBET	BIDC,CBET,EGFL,FA	FA,EGFL,BIDC,BV	FA,EGFL,BIDC,CBET	CBET
Labelling	BYBT	BIDC	BIDC	BIDC	BIDC	BIDC	
Location Assistance	YES,BYBT	BIDC,BADM,BAS,YES,BYBT	YES,BIDC	YES,BIDC	BIDC,BADMC,YES	BMA,BCCI,BCSI, YES	YES
Lobbying	BCCI,BYBT	SBA,BMA,YES,BCCI,BYBT	SBA,BMA,BCCI, BAS,BCSI,YES	SBA,BMA,BCCI, BAS,BCSI,YES	SBA,BMA,BCCI,BCSI, YES	YES,SBA	YES,SBA
Marketing	BYBT	FA,SBA,BYBT,YES,BIDC BADMC,NCF,BMA,BAS	FA,SBA,BYBT,YES, BADMC,NCF,BMA,BAS	FA,SBA,BYBT,YES,BADMC, NCF,BMA,BCCI,BAS	FA,SBA,BYBT,YES, BADMC, NCF,BMA,BCCI	YES,SBA,BYBT	YES
Marketing Research	BIDC,YES,BYBT	YES,BYBT,BIDC	BIDC, YES,BYBT	YES	BIDC, YES	BIDC,YES	YES
Networking	YES,BCCI,BMA,BYBT,BCSI	YES,SBA,BYBT	BCCI,SBA,BCSI, NCF,JCI,BYBT,YES	YES,SBA,BCCI,BYBT	BCCI,SBA,BCSI, NCF,BMA,BYBT	YES,SBA,BCCI,BYBT	YES,BYBT
Product or Services Development	BIDC,YES,BYBT	YES,BYBT,BIDC	YES,BIDC,BYBT	YES	BIDC,BCSI,YES	YES	YES
Shepherding			CBET	CBET	CBET	CBET	CBET
Social and Personal Development	BYBT	BYBT	BYBT	BYBT	BYBT	BYBT	BYBT
Technical Assistance *(Incoporation, IT Support and Legal Assistance)*	FA, YES, BIDC, SBA,BYBT BADMC,NCF,BCCI, BMA	YES,BCCI,BYBT	YES,BIDC,BCCI,BYBT	YES,SBA,BCCI,BYBT,FA	YES,SBA,BIDC,BYBT,FA	YES,SBA,BYBT	YES,BYBT
Training	FA, YES, SBA, NCF, JCI, BVTB	YES,BYBT,SBA,FA	FA,YES,BCSI,SBA,NCF, BCCI,BAS,BYBT,BVTB	FA,YES,BCSI,SBA,NCF BCCI,BAS,BYBT,BVTB	FA,YES,BCSI,SBA,NCF, BCCI,BYBT,BVTB	YES,SBA,BYBT	YES,BYBT

Table Key:

Barbados Agricultural Development and Marketing Corporation (BADMC)
Barbados Chamber of Commerce & Industry (BCCI)
Barbados Investment and Development Corporation (BIDC)
Barbados Vocational Training Board (BVTB)
Caribbean Business Enterprise Trust Inc. (CBET)
Enterprise Growth Fund Limited (EGFL)
Invest Barbados (IB)
National Cultural Foundation (NCF)
Youth Entrepreneurship Scheme (YES)
Barbados Agricultural Society (BAS)
Barbados Coalition of Service Industries (BCSI)
Barbados Manufacturers' Association (BMA)
Barbados Youth Business Trust (BYBT)
Caribbean Export Development Agency (C. Ex)
FundAccess (FA)
JCI Barbados (JCI)
Small Business Association (SBA)

Source: Reprinted with written permission from Marcia Brandon, Barbados Youth Business Trust (2011).

Assessing the feasibility of a proposed tourism product, service or business proposal is critical to its success and feasibility analyses are common requirements for inclusion in applications for finance and funding. Typically, computer models are used to assess anticipated market performance and financial development and operating performance of a proposal over its start-up period through to a typical year of operation. Both the process of conducting the analysis and reviewing its findings help to fine tune the concept in terms of target markets, scale, inclusions, timing, operating model etc. They also help to identify and quantify resources required (e.g. capital and operating) and anticipated revenues, profit and return on investment. It is common for several refinements to be made to a proposal as a result of the findings of feasibility analyses before it is considered viable.

While not often explicitly stated on the websites and in the collateral material of the entities identified in Tables 3.6, 3.7, 3.8 and 3.9, many of them do assist investors, developers, small business owners / operators, and entrepreneurs with feasibility analyses of their tourism proposals. The type of assistance varies from advising their clients, members and applicants on how to conduct a feasibility study or on firms to approach (e.g. accounting firms) to commission an independent analysis, to actually providing technical assistance with preparing feasibility analyses and business plans. Many lenders (e.g. commercial banks, financial agencies, funds and trusts) require that independent analyses be prepared and undertake their own internal analyses as part of their due diligence in reviewing a loan or grant application.

Organizations identified in Table 3.9 under the business support services of Business Advisory Services, Business Planning, Financing, and Marketing Research are logical first contacts for seeking assistance with feasibility analysis of tourism proposals. Several of their websites (e.g. Invest Barbados) provide contact information for accountants, commercial banks, etc.).

3.4.2 Addressing the Challenges

The investment, finance, MSME and feasibility facets of tourism are closely intertwined and share common issues and challenges. With tourism as a significant sector of the Barbados economy, these challenges have a major impact not only on the delivery of tourism here, but on the economy as a whole, and therefore warrant serious attention. This Section highlights the major issues and challenges currently faced, priorities for improvement, possible solutions, and strengths upon which to build.

Serious attention has been given and progress made with respect to these aspects of the Barbados tourism industry over the past two decades. This is evidenced by the number of entities established, their technical and financial offerings, and incentive legislation put in place to support investors, developers, owners, operators, small businesses and entrepreneurs. These improvements also have been recognized in comprehensive reviews and assessments conducted in recent years, including those reported on in three notable reports and conference papers examined as part of the preparation of the TMP:

- "*A Study on the Competitive Tourism Environment which Barbados Faces: Its Challenges and Solutions*", report prepared by Property Consultancy Services Inc. for the Barbados Hotel and Tourism Association (December 2009);
- "*Final Report*" (no additional title provided on the copy obtained), report prepared by Lindsay Holder for the Barbados Private Sector Association (November 2011); and
- *"Economic Reform and Entrepreneurship in Barbados"*, conference paper prepared by Dr. Paul Pounder, Department of Management Studies, Cave Hill Campus, The University of the West Indies, Cave Hill Barbados as part of the Proceedings of 21st International Business Research Conference (July 10-11, 2013, Ryerson University, Toronto, Canada).

These reports have also identified a number of major challenges faced and some possible solutions. Given their comprehensiveness and continuing relevance, it is recommended that readers also refer to them for a more in-depth coverage than the summary provided here.

Issues and challenges do remain with respect to support for tourism investment, finance and funding, and MSMEs in Barbados at this time. They also present challenges for advancing the tourism sector and visitor economy in Barbados, and implementing the TMP. However, there are ways to overcome or mitigate them (i.e. proposed strategies and actions) and strengths upon which to build. Interviews with and workshop contributions from representatives of several of the entities identified in the preceding section and of the tourism industry, as well as reviews of published reports and articles regarding tourism investment, finance and MSME formation and success in Barbados have revealed the more significant challenges, possible solutions and strengths upon which to build that are summarized in Table 3.11.

Table 3.11. Challenges with Tourism Investment, Finance, MSMEs and Feasibility.

Strengths to Build upon	Challenges with Tourism Investment, Finance, MSMEs	Ways to Overcome or Mitigate Challenges
▪ Barbados has a strong reputation in the region for its education, human capital, quality of life and social services that provides a solid foundation ▪ High ranking of Barbados by the World Economic Forum for Travel and Tourism Competitiveness ▪ Serious attention has been given and progress made to provide a policy framework that supports tourism investment and MSMEs: – Incentivized Acts of legislation – Business development services and technical assistance – Multiple financing and funding mechanisms ▪ Financial success of FundAccess, EGFL, and BIDC's STAP here ▪ Proof that entrepreneurship causes economic development and vice versa, as witnessed by comparing GDP growth with the introduction of economic reforms to support entrepreneurship in Barbados (Pounder conference paper)	▪ Cumbersome and costly regulatory and bureaucratic framework (e.g. licensing, approval process, multiple entities providing similar services) ▪ Tightened availability of credit and increased risk of default in recent/ current global economic climate ▪ Limited access to finance (availability, terms and conditions, continued access for sustainability) by tourism and MSME sectors makes it difficult to seize opportunities and grow ▪ Limited financial resources available to FundAccess and EGFL due to ties to Government, affects reach ▪ Commercial banks are believed to/have limited confidence in the tourism and hotel sector, in MSMEs ▪ Commercial banks are/seen as charging too much on loans, adverse to risk and lending to MSMEs/Youth ▪ High costs of materials (often imports), labour and energy impact operating performance ▪ Limited availability of trained managers and staff ▪ Ability of hotels/tourism businesses to borrow is constrained by lower occupancies and revenues ▪ Hotel/tourism owners are reluctant to acquire more debt due to reduced cash flow, are postponing renovation and maintenance programmes ▪ MSMEs are especially sensitive to broad economic market conditions ▪ Absence of universal definitions for micro-enterprises, small and medium-sized businesses ▪ Many micro-enterprises operate informally, making them ineligible for financing and support services ▪ Shops Act restricts retail hours and street vendors, not suited to visitor market patterns and preferences ▪ Small number of small businesses being granted approved status under Small Business Development Act likely due to lack of awareness of eligibility, incorporation requirement ▪ Gaps in support for the transitioning and upward movement of enterprises ▪ Lack of a true entrepreneurial culture ▪ Recent decline in visitor levels, spend	▪ Improve the enabling environment by refining and expanding the existing framework, removing obstacles: – Improve information flow, coordination and integration – Streamline regulatory requirements, services and application processes – Clear targets and objective evaluation of effectiveness ▪ Improve research and information access in order to better identify and recognize needs, available support and opportunities (e.g. analyze MSME needs for and improvements to business/technical assistance, including cost recovery) ▪ Introduce a cohesive, transparent and user-friendly framework for fast-track investment, access to finance and business/technical assistance (e.g. clearly distinguish which entities provide financing/funding, what types and to whom, improve coordination/ collaboration among them) ▪ Introduce more flexible and innovative financial products and services, especially for MSMEs ▪ Train business development staff to better assess and assist investors, developers, MSMEs, entrepreneurs ▪ Develop a selection process to identify applicants with high potential, so as to better achieve objectives while resources are limited ▪ Ministries administering Acts and key stakeholder entities to improve Acts (e.g. Shops Act, Small Business Development Act to MSME Business Development Act) ▪ Clearly define each of MSMEs (see Holder report) ▪ Strengthen the Small Business Development Unit or an equivalent, with responsibility for overseeing business development services and technical assistance and coordinating stakeholder involvement ▪ Continue/raise capital injections from Government to its wholly owned companies (e.g. FundAccess, EGFL and improve the CBB's Loan Guarantee Scheme

Source: Barbados Tourism Master Plan 2014-2023 Project Team interviews and workshops with stakeholders and review of published reports and articles

3.4.3 Actions to Promote Tourism Investment, Finance, MSME Success and Feasibility

Several inter-related Actions have been developed to promote tourism investment, finance, MSME success and feasibility in Barbados. Some build upon recommendations made in previous reviews (e.g. the Holder report; White Paper); others are put forth by the TMP team and stakeholders consulted. Their implementation, hand-in-hand, will help to address the desired goals of this critical aspect of tourism, build on existing strengths, and address aspects needing the most improvement.

The key Actions identified here focus on encouraging investment and MSME formation in Barbados' tourism sector, helping to make it easier to access improved financing, funding and support services, better serve visitors, and achieve investment and operational success.

These Actions are in support of Strategic Imperative #5 on '**Improve Financial Performance**' and corresponding Strategy 5.1 which states: "*Through a better knowledge/information base, improve the distribution of benefits, investment sourcing/opportunities, business development, and understanding of the economic impacts, linkages and leakages within the economy, and support local production to reduce import dependency*" (refer Report I, Sections 4.4 and 5.0):

5.1-1 Mitigate Obstacles to Tourism Investment
5.1-3 Establish a Philanthropic Foundation
5.1-4 Retain a Professional Grant Writer
5.1-12 Identify Available Investment and MSME Opportunities in Tourism
5.1-13 Streamline the Application Process for Funding and Support Services
5.1-14 Expand Opportunities for Visitor-Serving Retailers and Street Vendors

The recommended Actions to support Tourism Investment, Finance, MSMEs and Feasibility are detailed on the following pages.

5.1-1 Mitigate Obstacles to Tourism Investment

Description:

While the confusing framework and processes for seeking finance and other support services for a variety of recipients and forms of tourism activity are addressed in Action 5.1-13, this Action 5.1-1 looks at addressing obstacles specific to tourism *investment* in Barbados. Previous reviews conducted and investigations by the TMP consulting team provide a good start on identifying such obstacles. They include tightened availability of credit, limited confidence of commercial lending institutions in the tourism and hotel sector and lending terms that are not suited to tourism development, slow turn-around time in applying for and obtaining financing and development approvals, high cost of inputs (materials, labour, energy), limited availability of information on market conditions and investment opportunities, and recent decline in visitor numbers and spending. A concerted effort is required to develop a comprehensive list, assign priorities and develop and carry out solutions to address them. This effort should come from Government, the private and non-profit sectors serving tourism investors under the primary leadership of Barbados Tourism Investment Inc.

Expected Outcomes:

- A more streamlined, transparent, user-friendly delivery framework and approval process for finance, support services and development approvals specifically for tourism investors that better enables them to successfully pursue available opportunities
- Accurate, timely and readily available information on potential investment opportunities
- More available credit (including from commercial banks), with lending terms better suited to the tourism sector
- More flexible and innovative financial products and funding mechanisms offered and utilized
- Agency staff who are better trained, equipped and able to assess and assist high potential investors
- Greater number of qualified investors identified and served, more timely support received, greater likelihood of successful pursuit of investment opportunities and improved satisfaction levels among investors
- Continued and timely budgetary and capital support from Government to to relevant Ministries, departments and wholly-owned lending companies (e.g. FundAccess) and service providers
- Potentially billions of dollars in tourism investment, development and services in Barbados that provide employment and better serve visitors and the Barbados Visitor Economy
- Higher levels of visitation to and spending in Barbados the direct result of increased investment
- Outcomes associated with other strategies and actions relevant to tourism investment, e.g.:
  - "One Barbados" Foundation (refer Action 5.1-3 and Appendix II) launched and effective in providing funds to investors that result in successful ventures and initiatives
  - Possibilities exist for import substitution for high cost items such as building materials and food that reduce costs and leakages in the economy as well as create additional opportunities
  - Availability of accurate, timely and readily available information on market conditions (e.g. tourism and economic trends)

Guidelines for Implementation:

- Appoint Implementation Agency to lead this initiative (e.g. Barbados Tourism Investment Inc.)
- Convene stakeholders – senior representatives of entities delivering funds and services to potential investors as well as major investors with existing experience in tourism investment

in Barbados – to work together to refine and augment relevant Acts, areas of responsibility, offerings and associated requirements, approval processes and for financing/ funding and support services for investors. This group should work in close association with (or be a subset of) the senior group formed to implement Action 5.1-13 on "Streamline the Application Processes for Funding and Support Services" in order to achieve consistency where applicable and minimize duplication of effort

- Survey representatives of provider agencies serving investors as well as major investors (existing and potential) to better understand the obstacles and to help identify solutions; draw upon findings when making improvements
- Prioritize the obstacles, develop solutions and implement them. Initial thoughts on improvements to make:
  - Develop a "live" list of investor opportunities in tourism and circulate widely; include updates on previous opportunities already being pursued to help convey existing momentum and potential synergies (see Action 5.1-12)
  - Develop and carry out a fast-track process (approval, funding and other services, as needed) for high priority initiatives that have investor support; assign senior "case managers" to them from the relevant support agencies
  - Develop a unified training programme and train relevant staff in all relevant agencies to better assess and assist high potential investors
  - Introduce more flexible and innovative financial products
  - Secure commitments from Government to provide continued and timely budgetary and capital support to relevant Ministries, departments and wholly-owned lending companies (e.g. FundAccess)
- Jointly develop informational materials for intended recipients that clearly describe the overall framework, highlight the new improvements and investment opportunities, and explain how to or lead investors through the actual process of seeking funding or assistance; provide this information on a central website and consistently across all provider websites (i.e. similar to the online application processes employed by higher education institutions for prospective students)
- Develop, adopt and follow mechanisms for ongoing communication and collaboration
- Define criteria for measuring effectiveness of delivery frameworks and processes, conduct routine assessments and continue to refine as needed

Challenges With Implementation:

- Stakeholder entities resisting to collaborate or change
- Diminishing availability of budgetary funds to take on additional tasks such as these

Recommended Implementation Agency:

Barbados Tourism Investment Inc. (in collaboration with BIDC, Invest Barbados and Central Bank

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **urgent** priority action in the TMP Implementation Plan (refer Report I, Section 5.0) - Immediate start , with improvements established within Medium Term timeframe

Target Users:

- Tourism investors, developers, owners and operators
- Entities providing financing and other support to them

Who Benefits:

- Tourism investors, developers, owners and operators

- Providers of investment support
- Visitors using tourism facilities and services resulting from new tourism investment
- The Barbados Visitor Economy

Risks:

Providers serving investors unable to agree on prioritization of obstacles to investment and on solutions to adopt

Estimated Costs:

Time of management and staff for required research, collaboration, determination of key obstacles and solutions, carrying out adopted solutions, production and circulation of information materials, staff training and ongoing oversight – approximately 1 to 2 years

Source of Funds:

Government of Barbados

Revenue Generation Potential:

Strong return on investment by investors

Further Development Work Required:

- Confirm willingness of Barbados Tourism Investment Inc. to assume primary responsibility
- Confirm commitment of stakeholder entities

Other Considerations:

5.1-3 Establish a Philanthropic Foundation

Description:

To establish an independent fund, the 'One Barbados Foundation', outside of Government to contribute to the implementation of TMP projects and other tourism projects.

There are many individuals in Barbados, born or residing here, who have accumulated substantial wealth. Discussions with some indicate they would consider contributing to an independent fund whose purpose is to implement specific tourism projects for the good of the country. Additionally, many of the Barbadian Diaspora may be interested in contributing to such a fund. Possibly NGOs may also contribute to the implementation and operations of dedicated projects that matched their mandates.

The Fund will need to be set up independent of Government and managed by a board appointed from stakeholders and the public. Ideally, legislation that allows tax exemptions for fund contributions will be enacted.

Specific project criteria will need to be established, along with an independent and efficient management system required for fund administration.

Expected Outcome:

An effective, sustainable Foundation that will raise funds from a broad base for the implementation of tourism projects in Barbados

Guidelines for Implementation:

- Retain the services of the fund development professional from The Development Group, Canada, who visited Babados in September 2012 to make a presentation on fund development and philanthropy (refer Appendix II for a copy of that presentation). The services would be to prepare a fund development plan and feasibility study for the Foundation
- Have Governemnt seed the Foundation with a contribution to support the initial year of overhead/operations
- TMP consulting team will take the initiative to establish the fund, since this needs to be done independent of Government. As soon as it is established, operations and control will be passed on to a volunteer board
- Legal advice through one of the TMP team members will guide fund set-up

Challenges With Implementation:

- Raising money to put into the fund
- Establishing the fund with the proper legal structure
- Having Government commit to tax deductible fund donations
- Convincing private sector individuals that the fund is independent of Government

Recommended Implementation Agency:

TMP consulting team for initial set up; then the Volunteer Board of the Foundation

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

Those who wish assistance to implement tourism projects for the public good and/or in partnership with the private sector

Who Benefits:

- Investors
- Residents of Barbados
- School children
- Businesses in all sectors
- Government through increased revenues
- Visitors

Risks:

The major risk is proceeding with the development planning and design, then not being able to obtain funds for implementation of tourism projects

Estimated Costs:

Three recommendations:

- Government contribute BDS$1 million as the initial contributor to the fund

- Govenrment pay the initial year of fund overhead estimated at BDS$250,000
- Government pay approximately BDS$200,000 to retain The Development Group from Canada to prepare the fund development/feasibility plan

Source of Funds:

- Government of Barbados
- Corporations
- Individuals
- IFIs
- NGOs
- Diaspora

Revenue Generation Potential:

Tremendous, given that the Foundation enables the implementation of tourism projects that will bring more visitors and increase visitor spend

Further Development Work Required:

- Design of fund
- Establishing fund criteria and protocols
- Establishing operations centre
- Selecting volunteer board
- Soliciting funds

Other Considerations:

5.1-4 Retain a Professional Grant Writer

Description:

There are many grants and financing programmes available from a wide range of organisations located throughout the world. It requires a person with special skills and experience in this area to be able to identify the myriad of available grants, grant criteria, and application processes. These grants can range in size from relatively modest for very specific, well-defined purposes to very substantial. The process of preparing applications is time-consuming and requires special knowledge and experience in grant writing. The recommendation is to retain a full-time experienced grant writer.

Expected Outcome:

Potentially millions of dollars in grants for purposes of growing the BVE as per the strategies and actions presented in the TMP.

Guidelines for Implementation:

- Draft terms of reference for the positon
- Secure funding
- Launch a local and international competition

Challenges With Implementation:

Not finding the seed funds required for the position

Recommended Implementation Agency:

BTII (in collaboration with the BHTA)

Priority / Implementation Timeframe:

High/Short Term: This is viewed as an **enabling** priority action in the TMP Implementation Plan (refer Report I, Section 5.0)

Target Users:

All tourism stakeholders

Who Benefits:

- All tourism stakeholders
- Visitors
- The BVE

Risks:

Not being successful in obtaining grants

Estimated Costs:

The salary for this position is estimated at approximately BDS$200,000 per year, most of which could be defrayed through grants

Source of Funds:

MTI

Revenue Generation Potential:

Very substantial

Further Development Work Required:

- Approved funding for this position
- Develop terms of reference for the position
- Launch a job search

Other Considerations:

5.1-12 Identify Available Investment and MSME Opportunities in Tourism

Description:

There are many investment and MSME opportunities in tourism in Barbados, including those already identified by the various entities serving investors and MSMEs and new recommendations made in the TMP. There are also many investors interested in investing in Barbados and its tourism sector but not well informed about what is most needed, what has strong potential and what matches their investment criteria. The same is true for MSMEs. What is needed is a better mechanism to raise awareness of available opportunities and to match investors and MSMEs with investment and business opportunities, in other words to to match supply with demand.

This should not be a major undertaking as there are many resources and references to draw upon to identify opportunities and as other complementary initiatives are to be rolled out that will make it easier to make this information more readily available (e.g. central portal for tourism research dissemination – see Action 1.1-4 in Section 2.5). What will be key is maintaining this information up to date and including the types of information needed by investors and MSMEs so that they can easily identify suitable opportunities for their needs and capabilities. Given its core function, Barbados Tourism Investment Inc. should assume primary responsibility for this function over both the start-up period and long term.

Expected Outcomes:

- Potentially billions of dollars in tourism investment
- New and expanded MSMEs and employment opportunities

Guidelines for Implementation:

- Assign responsibility to Barbados Tourism Investment Inc. (BTII)
- BTII to collaborate with other entities already identifying and circulating information on tourism investment and MSME opportunities (e.g. BIDC, Invest Barbados) to develop a comprehensive and shared list
- BTII to incorporate opportunities recommended in the TMP on the master opportunity list
- The list should include pertinent information sought by potential investors and MSMEs, including desired location and timing, estimated development and operating costs, offering and desired inclusions, target markets, requirements for approval, contact information for project liaison officers assigned to individual opportunities (across multiple entities) to provide assistance and direction to additional support, and the like
- The list should retain information on past opportunities that are recent successes or are already being pursued to demonstrate momentum underway and to identify potential synergies
- BTII to circulate the opportunity list for inclusion in the central web portal for tourism research information to be disseminated to the public as well as for inclusion on websites and other informational materials disseminated by associated entities
- BTII to update the list on a regular basis and circulate updates

Challenges With Implementation:

None identified

Recommended Implementation Agency:

Barbados Tourism Investment Inc.

Priority / Implementation Timeframe:

High/Short-Term: Immediate

Target Users:

- Tourism investors and MSMEs
- Entities serving them

Who Benefits:

- Tourism investors and MSMEs
- Entities serving them

- Visitors
- The Barbados Visitor Economy

Risks:

Not identified

Estimated Costs:

BTI staff time to develop and maintain

Source of Funds:

Government of Barbados

Revenue Generation Potential:

- None directly (while cost recovery should be employed where possible by Government services, it is considered inappropriate to charge investors and MSMEs for this information when the intent of supplying it is to spark interest and activity)
- Very substantial indirectly, through the investments and MSMEs pursued

Further Development Work Required:

None

Other Considerations:

5.1-13 Streamline the Application Processes for Funding and Support Services

Description:

Several public, private and non-profit entities provide finance and support services for tourism investment, development and services in Barbados. Because of this, it can be confusing trying to identify what funding and support services are available, which entities best serve whom, and what financing and support services offered by them best suit an individual investor's or developer's needs. This is then further complicated by the fact that each entity has its own approval process that must be followed. As a result, the time required to determine where best to seek such assistance, how to do so, and to then actually apply and be approved becomes quite lengthy. Frustrations arise and opportunities can be missed. This Action serves to make improvements to the current situation in this regard.

Expected Outcomes:

- More cohesive, streamlined, transparent, user-friendly delivery framework and approval processes, with improved information flow between and among providers and seekers/recipients of funding and services
- Improved coordination, collaboration, operating efficiencies and cost savings among providers
- Greater number of worthy recipients served, more timely support received, greater likelihood of successful pursuit of opportunities and improved satisfaction levels among them
- Growth in number of successful MSMEs and in their respective size (e.g. ideas of entrepreneurs becoming products or services, micro-enterprises becoming small businesses, etc.)

- Potentially billions of dollars in tourism investment, development and services in Barbados that provide employment and better serve visitors and the Barbados Visitor Economy

Guidelines for Implementation:

- Appoint an implementation agency to lead this initiative
- Convene stakeholders – senior representatives of entities delivering funds and services and of entities representing recipients (e.g. membership associations) – to work together to refine relevant Acts, areas of responsibility, offerings and associated requirements, approval processes and criteria, and target audiences (including consistent definitions of MSMEs) for financing/ funding and support services (for investment, business development, technical assistance, etc.)
- Conduct research to better understand needs and draw upon findings when making improvements to frameworks and processes (e.g. more flexible financial products)
- Jointly develop informational materials for intended recipients that clearly describe the overall framework and how to seek funding or assistance; provide this information on a central website location as well as consistently across all provider websites (including posting lending terms of finance and funding sources). Also Table 3.9 (see Section 3.4.1.3) available on websites of all entities with major role in assisting MSMEs
- Develop, adopt and follow mechanisms for ongoing communication and collaboration
- Develop improved approval and recipient selection processes and train staff to better assess and assist recipients (e.g. to identify those with high potential in order to achieve objectives with limited resources)
- Define criteria for measuring effectiveness of delivery frameworks and processes, conduct routine assessments and refine as needed

Challenges With Implementation:

- Stakeholder entities resisting change
- Diminishing availability of funds

Recommended Implementation Agency:

Ministry of Commerce and Trade: a strengthened MSME Development Unit within this Ministry, or equivalent

Priority / Implementation Timeframe:

High/Short Term

Target Users:

- Tourism investors, developers, owners and operators
- MSMEs and entrepreneurs

Who Benefits:

- All tourism stakeholders, including providers and recipients of funding and support services
- Visitors
- The Barbados Visitor Economy

Risks:

Not getting buy-in from or agreement among providers

Estimated Costs:

Time of management and staff for required research, collaboration, refinement of frameworks and approval processes, production and circulation of information materials, staff training and ongoing oversight – approximately 9 months - 1 year

Source of Funds:

Ministry of Commerce and Trade

Revenue Generation Potential:

- Cost savings among providers via more efficient and effective distribution of limited resources
- Strong revenue potential by recipients of funding and support services

Further Development Work Required:

- Confirm willingness of Ministry of Commerce and Trade to assume primary responsibility
- Confirm commitment of stakeholder entities

Other Considerations:

5.1-14 Expand Opportunities for Visitor-Serving Retailers and Street Vendors

Description:

According to a number of official tourism websites in Barbados, shops in Bridgetown are open Monday through Friday from 8:30 am to 4:30 pm and Saturday 8:30 am to 1 pm. Malls, out-of-town shops and boutiques are typically open Monday through Friday 9 am to 5 pm, and 9 am to 2 pm on Saturdays. Most shops are closed on Sundays, but some supermarkets and convenience stores are open. The Shops Act and the Public Holidays Act govern opening and closing hours which include, among others, restricting most businesses from opening on Sundays and public holidays. The Shops Act does grant licenses permitting shops to open for "tourist ship visits" outside of allowed shop hours, and also exempts harbor shops, airport shops and hotel shops from closing on closed days (no license required).

However, these permitted shop hours do not always coincide with visitor needs and preferences, and some relaxing of hours is needed. When tourists are on holiday, they are not restricted to shopping for groceries, souvenirs, gifts and the like during what would be their free time outside of working hours when at home. They prefer to do so as they need or wish, stocking up on necessities such as groceries soon after arrival, shopping for souvenirs and gifts as a leisure activity or when inclement weather limits them from pursuing other activities. Many arrive on weekends and want to purchase necessities shortly thereafter, including Sundays. Many want to spend their days in outdoor pursuits and be able to shop in the evenings. Accommodating these preferences would generate additional revenue for shop keepers, many of whom are MSMEs, and taxes for the Government.

Street and beach vendors sell a variety of items that appeal to tourists, including food, clothing, handicrafts and other souvenirs. Popular locations include St. Lawrence Gap and downtown Bridgetown, and beach kiosks such as at Dover, Worthing and Rockley beaches. There are some issues with such vendors that need to be addressed so that both professional, legitimate vendors and visitors are well served and protected. Some vendors operate illegally without licenses, some act too aggressively with visitors. It is reported that former small shop owners are closing their doors due to high rents and decreased sales and starting to operate as street vendors. Many are asking for better accommodations on the street to appeal to buyers.

Several authorities are responsible for regulating and overseeing vendors. For example, food vendors require food handler's certificates from the Ministry of Health. Beach vendors (also in public parks and gardens) are regulated under the National Conservation Commission Act and require licenses from the National Conservation Commission. In recent years, attempts have been made to "clean up" and relocate street vending activities so that they are more "appropriate" for tourists, with claims that this has hurt the vendors economically. Their concerns need to be better understood.

A concerted effort is required to address the issues associated with street and beach vendors to the benefit of both vendors and visitors. This will require the involvement of several parties and potentially the centralization of responsibility to ensure consistencies.

Expected Outcomes:

- Expanded hours of operation (e.g. Sundays) permitted through amended Shops Act so that retailers can better accommodate visitor activity patterns and shopping preferences
- Increased street vendor activity and "street life" in key tourist hubs, also properly managed
- Increased visitor satisfaction levels and spending
- Increased revenues earned by visitor-serving retailers responding to visitor demand for expanded hours of operation and street vendor locations as permitted
- Increased MSME and employment potential through expansion

Guidelines for Implementation:

- Convene stakeholders, including Government departments and other entities overseeing shops and vendors, the MTI and BTA for their understanding of visitor needs and preferences, Ministry of Labour, as well as associations and unions representing shopkeepers and vendors, to work together to investigate issues and potential solutions, then refine and augment relevant Acts, areas of responsibility, offerings and associated requirements, approval and licensing processes, etc.
- Initial thoughts on improvements to make:
  - Consider consolidating responsibility for administering the Shops Act and vendor licensing under one authority
  - Revise the Shops Act to permit relaxed and extended opening hours better suited to tourism demand (e.g. Saturday afternoons, Sundays, select evenings)
  - Refer shop keepers and vendors to available programmes for MSME assistance, including short training courses covering licensing and permitting requirements, customer service advice, basic business management, etc.
  - Permit and encourage street vendors to operate in key tourist hubs (e.g. landside of the Boardwalk in Hastings, along the walkway between the cruise port and downtown Bridgetown), using a system developed to set standards, retail mix, etc.
  - Add empowered enforcement personnel to monitor street and beach vendor compliance with regulations
- Define criteria for measuring effectiveness of improvements made and new processes, conduct routine assessments, and continue to refine as needed

Challenges With Implementation:

Agreeing on leadership and working together to resolve issues

Recommended Implementation Agency:

Ministry of Labour

Priority / Implementation Timeframe: Medium/Short to Medium Term
Target Users: Shop owners and operators, street and beach vendors serving visitors and tourists
Who Benefits: • Shop owners and operators, street and beach vendors serving visitors and tourists • Visitors frequenting their shops and stands • The Barbados Visitor Economy
Risks: None identified
Estimated Costs: • Time of stakeholders for collaboration, consultation, determination of key issues and solutions, carrying out adopted solutions, training staff for implementation and awareness programmes for shopkeepers and vendors • Budget for enforcement personnel for street and beach vendors compliance
Source of Funds: • Government of Barbados • Professional associations and labour unions serving shopkeepers and vendors
Revenue Generation Potential: Significant from perspective of shopkeepers and vendors
Further Development Work Required: Confirm whether shopkeepers and vendors are amenable to extended shop hours and more regulation of vendors, once the benefits are explained to them
Other Considerations:

APPENDIX I

Appendix Table 1:	Supporting Information for the Assessment of Origin Markets Considered
Appendix Table 2:	Outbound Travel of Select Origin Markets – Recent Trends and Prospects

Appendix Table 1: Supporting Information for the Assessment of Origin Markets Considered

Note: Refer to Rationale for Priority Assessment summarized on last page of this table for explanation of table content. Recognize that data shown was what was readily available from the identified third party sources at the time of preparation of the Draft Final Report (i.e. January-April 2013) and will not be further updated as part of the Barbados Tourism Master Plan 2014-2023 submission to reflect new information released by these sources after this time. It is common for such sources to frequently revise, update and add new information as it becomes available. It is strongly recommended that the Ministry of Tourism and other interested stakeholders monitor these sources on a regular basis in order to keep abreast of market trends in these and other origin markets of potential impact to Barbados.

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			**International Travel Trends**			**Ties with Barbados (Key examples)**
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
Global Trends *(benchmark)*	7.0B 1.1%	2012: $12.5K 2010: 5.1% 2011: 3.9% 2012: 3.2% 2013: 3.5% 2014: 4.1% 2017: 4.6%	U: 9.2% (2012) P: % N/Av G: 37.2 (1998) G: 39 (2007)	2005: 799 M 2011: 983 M (5%) 2012: >1 B (4%) 2013: 2% - 4% AAC (05-11): 3.3% AAC (11-16): 3.3-4%	2005: 547,500 2010: 532,200 2011: 567,700 (6.7%) 2012: 536,300 (-5.5%) AAC (05-10): -0.6% AAC (05-11): 0.6% AAC (05-12): -0.3%		
Traditional / Advanced Origin Markets							
- USA	313.8M 0.9% 3rd	2012: $49.8K 2010: 2.4% 2011: 1.8% 2012: 2.3% 2013: 2.0% 2014: 3.0% 2017: 3.3%	U: 8.2% (2012) P: 15.1% (2010) G: 40.8 (1997) G: 45 (2007)	2005: 63.503 M 2009: 61.419 M 2010: 60.3 M 2011: 58.7 M (-2.7%) 2012: 60.5 M (3%) 2013: 0% AAC (05-10): - 1.0% (Data set method changed in 2010)	2005: 131,000 2010: 135,000 2011: 142,400 (5.5%) 2012: 130,800 (-8.2%) AAC (05-10): 0.6% AAC (05-11): 1.4% AAC (05-12): -0.02%	Top destinations: ▪ Recent – Domestic, Mexico, Canada, UK, Europe, Dominican Republic ▪ Upcoming – Mexico, some Caribbean Top niche markets: ▪ "Staycations" ▪ Sun, Sand + Surf ▪ Seniors/Silver ▪ All-inclusives	▪ Direct flights ex-JFK, Miami, Dallas, Philadelphia, Charlotte ▪ US Embassy in Wildey, Barbados (8 agencies serve 24 countries + territories) ▪ Barbados Embassy in Washington, D.C. ▪ Barbados Consulate General in Miami + NYC ▪ Early 17th century – Large migration from Barbados to Carolinas ▪ 1751 – George Washington's visit ▪ 1956-78 – US naval facility on Barbados ▪ 1991 – Double Taxation Agreement ▪ 1993-94 – Barbados considered joining NAFTA

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
							▪ 1997 – 1st US-regional summit held in Bridgetown (regional cooperation - justice, counter-narcotics, finance, development, trade) ▪ 2011 – Barbados added to US work visa list ▪ Barbados is beneficiary of US Caribbean Basin Initiative (assistance via IADB, World Bank, USAID-Bridgetown office) ▪ Barbados receives counter-narcotics assistance + eligible for US military humanitarian assistance construction programme ▪ 3000 Americans live in Barbados
- Canada	34.3M 0.8% 35th	2012: $41.5K 2010: 3.2% 2011: 2.6% 2012: 2.0% 2013: 1.8% 2014: 2.3% 2017: 2.3%	U: 7.3% (2012) P: 9.4% (2008) < LICO G: 31.5 (1994) G: 32.1 (2005)	2005: 21.099 M 2010: 28.678 M 2011: 29.9 M (4.3%) 2016: 34 M AAC (05-10): 6.3% AAC (11-16): 3%	2005: 47,700 2010: 72,400 2011: 72,000 (-0.6%) 2012: 72,000 (0.0%) AAC (05-10): 8.7% AAC (05-11): 7.1% AAC (05-12): 6.1%	Top destinations: ▪ Recent – USA ▪ Upcoming – US, Europe	▪ Direct flights ex-Toronto, Montreal, Calgary ▪ 1907 – Canadian Trade Commissioner Service opened in Bridgetown to serve Caribbean ▪ 1967 – Canadian High Commission established in Bridgetown after independence ▪ Barbados High Commission in Ottawa ▪ Barbados Consulate in Toronto ▪ 1980 – Double Taxation Agreement ▪ 1996 – Bilateral Investment Treaty ▪ 2012 – Protocol to existing Double Taxation Agreement awaiting ratification

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
European Union	503.8M 0.2%	2012: $34.5K 2010: 2.1% 2011: 1.6% 2012: -0.2% 2013: -0.2% 2014: 1.0% 2017: 2.1%	U: 10.5% (2012) P: By country G: 31.2 (1996) G: 30.7 (2011)	2011: 4% 2012: 2% 2013: 2%	▪ Information not readily available	Top destinations: ▪ Recent – Americas, Asia Pacific, N. Africa Top niche markets: ▪ Sun, sand + surf ▪ City tourism ▪ Business ▪ Short escapes	▪ ACP-EU Joint Parliamentary Assembly ▪ CARIFORUM - EU economic partnership agreement ▪ Visa waiver agreement w/ 5 EU countries ▪ See also individual countries in EU included below
- UK	63.0M 0.6% 22nd	2012: $36.7K 2010: 1.8% 2011: 0.9% 2012: -0.2% 2013: 1.0% 2014: 1.9% 2017: 2.7%	U: 7.8% (2012) P: 14% (2006) G: 36.8 (1999) G: 34 (2005)	2005: 66.494 M 2010: 55.562 M 2011: 53.9 M (-3%) 2012: 54.4 M (1%) 2013: 54.94 (5%) 2016: 59.5 M AAC (05-10): -3.5% AAC (11-16): 2%	2005: 202,800 2010: 181,100 2011: 189,200 (4.5%) 2012: 173,500 (-8.3%) AAC (05-10): -2.2% AAC (05-11): -1.2% AAC (05-12): -2.2%	Top destinations: ▪ Recent – Domestic, value ▪ Upcoming – Value, mid-haul (non-euro zone)	▪ Direct flights ex- London, Manchester ▪ Unbroken shared history of 339 years (1627-1966), shared Head of State, Commonwealth of Nations. Both members of UN, ACP-EU Joint Parliamentary Assembly ▪ 1967 – British High Commission established in Bridgetown ▪ Barbadian High Commission in London, UK ▪ Holetown – 1 of oldest English settlements in West Indies ▪ Longstanding British military presence – signal stations, Garrison, current military alliance ▪ 1993 – Bilateral Investment Treaty ▪ 2008 – Barbados was Britain's 4th largest export market in region ▪ 2009 – BBC re-enter Barbados radio market (FM relay station) ▪ 2011 – British Foreign Office Minister visit to meet with tourism sector re: air tax duty ▪ 2012 – New (revised) Double Taxation Agreement

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
							▪ 4 bilateral agreements (offenders, air service, investment, social security) ▪ British Cable + Wireless (now LIME) is Barbados' phone service provider ▪ 27,000 British citizens living in Barbados + 21,000 (2001) Barbadian diaspora in UK (largest in world) ▪ British nationals at 75%-85% of BDS 2nd home market ▪ 3 sister cities with UK: Bridgetown - Hackney, Speightstown - Reading, Holetown - Haringey
Europe (excluding UK)		Euro Area: 2010: 2.0% 2011: 1.4% 2012: -0.4% 2013: -0.2% 2014: 1.0% 2017: 1.7%			2005: 28,300 2010: 31,200 2011: 35,900 (14.9%) 2012: 37,100 (3.5%) AAC (05-10): 2.0% AAC (05-11): 4.0% AAC (05-12): 3.9%	Top destinations: ▪ Recent – S. Europe: Spain, Portugal, Turkey, Croatia (short haul); USA/ Americas	▪ See individual countries
- Belgium	10.4M <0.1% 82nd	2012: $38.1K 2010: 2.4% 2011: 1.8% 2012: 0.0% 2013: 0.3% 2017: 1.5%	U: 7.6% (2012) P: 15.2% (2007) G: 28.7 (1996) G: 28 (2005)	2005: 9.327 M 2010: 10.17 M 2011: 10.78 (6%) 2012: 11.32 (5%) AAC (05-10): 1.7% AAC (11-16): Incr.	▪ Information not readily available	Top destinations: ▪ Uncertain with economy	▪ 2009 – Bilateral Investment Treaty (includes Luxembourg) ▪ 2012 – Double Taxation Agreement initialled + awaiting signature
- Denmark	5.5M 0.2% 110th	2012: $37.7K 2010: 1.3% 2011: 0.8% 2012: 0.5% 2013: 1.2% 2017: 1.8%	U: 6.4% (2012) P: 13.4% (2011) G: 24.7 (1992) G: 24.8 (2011)	2005: 5.469 K 2008: 6.347 M 2011: 2% AAC (05-08): 5.1%	▪ Information not readily available	Top destinations: ▪ Upcoming - Long haul, Exotic Top niche markets: ▪ Silvers/Seniors ▪ Sun, sand + surf	▪ Closest Danish Embassy in Mexico ▪ Closest BDS Embassy in Belgium ▪ 2012 – Tax Information Exchange Agreement in force
- Finland	5.3M	2012: $36.5K	U: 7.3% (2012)	2005: 5.902 M	▪ Information not	Top niche markets:	▪ 1989 – Double Taxation Agreement

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
	<0.1% 116th	2010: 3.3% 2011: 2.7% 2012: 0.2% 2013: 1.3% 2017: 1.9%	P: N/Av G: 25.6 (1991) G: 26.8 (2008)	2010: 6.633 M 2011: 5.5 M (2%) (EM) 2016: 6 M (EM) AAC (05-10): 3.0% AAC (11-16): 2%	readily available	▪ Silvers/Seniors ▪ Health/wellness	▪ 2012 – Protocol to existing Double Taxation Agreement awaiting ratification
- France	62.8M 0.5% 21st	2012: $35.5K 2010: 1.7% 2011: 1.7% 2012: 0.2% 2013: 0.3% 2014: 0.9% 2017: 1.9%	U: 9.8% (2012) P: 6.2% (2004) G: 32.7 (1995) G: 32.7 (2008)	2005: 22.48 M 2010: 21.609 M 2011: 22.0 M (2%) 2012: 22.3 M (1%) 2016: 24.3 M AAC (05-10): -0.8% AAC (11-16): 2%	▪ Information not readily available	Top destinations: ▪ Recent – Domestic ▪ Upcoming – Domestic	▪ Closest French Embassy – Port of Spain, Trinidad ▪ French Honorary Consulate in Bridgetown ▪ Closest BDS Embassy - Brussels, Belgium ▪ French government supports several programmes in BDS ▪ Increasing ties/trade w/ French Depts. in Americas ▪ Alliance Francaise in Bridgetown ▪ 2006 – Discussions to settle maritime boundary dispute between Martinique/France + BDS ▪ 2007 – CARIFORUM- EU economic partnership agreement ▪ 2009 – Visa waiver agreement w/ 5 countries, incl. France ▪ 2009 – Bastille Day festivities for French nationals at Brandon's Bch ▪ 2009 – BTA try to develop air links w/ French W. Indies ▪ 2010 – French officials from Martinique discuss formal cultural exchanges + industry collaboration ▪ 2011 – French officials from Guadeloupe visit Barbados to discuss student + teacher exchanges, English-French immersion + regional education approach with Min Ed ▪ 2012 – Tax Information Exchange Agreement

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
							awaiting signature
- Germany	81.3M -0.2% 16th	2012: $39.1K 2010: 4.0% 2011: 3.1% 2012: 0.9% 2013: 0.6% 2014: 1.4% 2017: 1.3%	U: 6.5% (2012) P: 15.5% (2010) G: 30 (1994) G: 27 (2006)	2005: 77.4 M 2009: 72.3 M 2010: 74.5 M 2011: 90 M (2%) (EM) 2012: 0% 2013: 3% 2016: 90.6 M (EM) AAC (05-10): -1.4% AAC (11-16): 1% (EM)	2005: N/Av 2010: N/Av 2011: 8,400 (% N/Av) 2012: 9,200 (9.3%) AAC (05-10): N/Av AAC (05-11): N/Av	Top destinations: ▪ Recent – Europe ▪ Upcoming – Short-haul Top niche markets: ▪ City breaks	▪ Direct flights ex-Frankfurt ▪ Closest German Embassy – Port of Spain, Trinidad ▪ German Honorary Consulate – Christ Church, BDS ▪ Closest BDS embassy - Brussels, Belgium ▪ German government major CDB stockholder ▪ 1994 – Reciprocal trade agreement ▪ 1994 – Bilateral Investment Treaty ▪ 1995 – Banks Brewery imported >BDS$1M in German computerized production equipment ▪ 2007 – CARIFORUM-EU economic partnership agreement ▪ 2009 – Visa waiver agreement w/ 5 countries, incl. Germany ▪ 2012 – Tax Information Exchange Agreement awaiting signature ▪ BDS exports agricultural products to Germany ▪ Rupee, soca musician, born in Germany to German mother + Bajan father in British armed forces, migrated to Barbados
- Ireland	4.7M 1.1% 119th	2012: $41.7K 2010: -0.8% 2011: 1.4% 2012: 0.4% 2013: 1.4% 2017: 2.9%	U: 14.6% (2012) P: 5.5% (2009) G: 35.9 (1987) G: 33.9 (2010)	2005: 6.113 M 2010: 7.047 M 2012: -3% AAC (05-10): 2.9%	▪ Information not readily available	Top destinations: ▪ Recent – None (recession) ▪ Upcoming – None (recession)	▪ Closest Irish Embassy in Washington, D.C., USA ▪ Irish Honorary Consulate in Bridgetown ▪ Closest BDS embassy in London, UK
- Italy	61.3M 0.4% 23rd	2012: $30.1K 2010: 1.8% 2011: 0.4%	U: 10.9% (2012) P: N/Av	2005: 24.796 M 2010: 29.823 M 2011: 18.6 M(2%)(EM)	▪ Information not readily available	Top destinations: ▪ Recent - Domestic ▪ Upcoming – Domestic	▪ 1995 - Bilateral Investment Treaty ▪ 2012 – Double Taxation Agreement initialled + awaiting signature

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2012: -2.1% 2013: -1.0% 2014: 0.5% 2017: 1.4%	G: 27.3 (1995) G: 31.9 (2011)	2012: -5% 2016: 19 M (EM) AAC (05-10): 3.8% AAC (11-16): Increase		Top niche markets: ▪ Low cost travel	
- Liechten-stein	37K 0.8% 213th	2012: $89.4K 2012: -0.5% 2017: N/Av	U: 2.8% (2009) P: N/Av G: N/Av	▪ Not readily available	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
- Luxem-bourg	509K 1.1% 173rd	2012: $80.7K 2010: 2.7% 2011: 1.6% 2012: 0.2% 2013: 0.7% 2017: 2.5%	U: 4.8% (2012) P: N/Av G: 26 (2005)	▪ Not readily available	▪ Information not readily available	▪ Information not readily available	▪ 2009 – Double Taxation Agreement
- Nether-lands	16.7M 0.5% 63rd	2012: $42.3K 2010: 1.6% 2011: 1.1% 2012: -0.5% 2013: 0.4% 2017: 1.9%	U: 6.8% (2012) P: 10.5% (2005) G: 32.6 (1994) G: 30.9 (2007)	2005: 17.039 M 2010: 18.43 M 2011: 19.17 M (4%) 2012: 19.55 M (2%) AAC (05-10): 1.6% AAC (11-16): 1%	▪ Information not readily available	Top destinations: ▪ Recent – W + E Europe	▪ 2006 – Double Taxation Agreement
- Norway	4.7M 0.3% 120th	2012: $55.3K 2010: 0.6% 2011: 1.5% 2012: 3.1% 2013: 2.3% 2017: 2.0%	U: 3.1% (2012) P: N/Av G: 25.8 (1995) G: 25 (2008)	2005: 3.166 M 2007: 3.395 M 2011: 2% 2012: 6% AAC (05-07): 3.6%	▪ Information not readily available	Top destinations: ▪ Recent – Europe ▪ Upcoming – Europe Top niche markets: ▪ Short trips ▪ Cheap flights ▪ City breaks	▪ 1990 – Double Taxation Agreement ▪ 2012 – Protocol to existing Double Taxation Agreement awaiting ratification
- Spain	47.0M 0.7% 27th	2012: $30.4K 2010: -0.3% 2011: 0.4% 2012: -1.4%	U: 24.9% (2012) P: 19.8% (2005)	2005: 10.464 M 2009: 12.844 M 2011: 4% 2012: -2%	▪ Information not readily available	Top destinations: ▪ Recent – Domestic, short-haul ▪ Upcoming – Domestic,	▪ 2010 – Double Taxation Agreement

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2013: -1.5% 2014: 0.8% 2017: 1.7%	G: 32.5 (1990) G: 32 (2005)	AAC (05-09): 5.3%		short-haul, Mexico Top niche markets ▪ Short breaks ▪ Cheap flights ▪ All-inclusive	
- Sweden	9.1M 0.2% 92nd	2012: $41.7K 2010: 5.9% 2011: 4.0% 2012: 1.2% 2013: 2.2% 2017: 2.4%	U: 7.5% (2012) P: N/Av G: 25 (1992) G: 23 (2005)	2005: 15.677 M 2010: 13.042 M 2011: 13.95 M (7%) 2012: 14.37 M (3%) AAC (05-10): -3.6% AAC (11-16): 5%	▪ Information not readily available	▪ Information not readily available	▪ 1991 – Double Taxation Agreement (DTA) ▪ 1995 – Bilateral Investment Treaty ▪ 2012 – Protocol to DTA entered
- Switzerland	7.9M 0.9% 95th	2012: $45.3K 2010: 3.0% 2011: 1.9% 2012: 0.8% 2013: 1.4% 2017: 1.9%	U: 3.0% (2012) P: 6.9% (2010) G: 33.1 (1992) G: 33.7 (2008)	2003: 8.774 M 2010: 10.453 M 2011: 11.4 M (9%) 2012: 12.5 M (10%) (EM) AAC (03-10): 2.5% AAC (11-16): 2% (EM)	▪ Information not readily available	▪ Information not readily available	▪ 1954 – Double Taxation Agreement (extended to Barbados from UK) ▪ 1995 – Bilateral Investment Treaty
Asia:		2012: 5.4% 2013: 5.9%				Top destinations: ▪ Recent – Intra-Asian, Greater Mekong Top niche markets: ▪ Cultural heritage ▪ Edutainment ▪ Soft adventure ▪ Luxury holiday ▪ Sports tourism	
- Japan	127.4M -0.1% 10th	2012: $36.2K 2010: 4.5% 2011: -0.6% 2012: 2.0%	U: 4.4% (2012) P: 16% (2010) G: 24.9 (1993) G: 37.6 (2008)	2005: 17.404 M 2010: 16.637 M 2011: 15.5 M (-7%) 2012: 17.6M (14% J-	▪ Information not readily available	Top destinations ▪ Recent + Upcoming– China, S. Korea, USA, Europe; Intra-Asia	▪ Closest Japanese Embassy – Port of Spain, Trinidad ▪ Japanese Honorary Consul in Bridgetown ▪ 1944 (WWII) – Japanese sub I-52 bombed off

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2013: 1.2% 2014: 0.7% 2017: 1.1%		S) 2013: 18.1 M (3%) 2016: 20 M AAC (05-10): -0.9% AAC (11-16): 4%		(Greater Mekong subregion) Top niche markets: ▪ Silvers/Seniors	Barbados coast ▪ 1999 – Talks held to diffuse tensions re: transhipment of nuclear materials through Caribbean Sea ▪ 2005 – Japan Barbados' 4th largest financial contributor in projects ▪ 2008 – High level discussions re: possible double taxation agreement to increase investment + trade, BDS support for Japan to be on UN Security Council + cooperation in climate change via Small Island Developing States organisation ▪ 2009 – Japan provided technical support for the Barbados-based Caribbean Disaster Emergency Response Agency ▪ 2009 – 13th CARICOM-Japan meeting held in Bridgetown ▪ 2011 – CBC/Barbados + TV Osaka create joint series "From Bridgetown to Tokyo" showcasing Japanese culture + Barbadians working in Japan (e.g. English teacher) ▪ Steady growth in economic trade, but favouring Japan
- Newly Ind'zed Asian Econ's		2010: 8.5% 2011: 4.0% 2012: 1.8% 2013: 3.2% 2014: 3.9% 2017: 4.3%					
- - - Hong Kong	7.2M 0.4%	2012: $50.7K 2010: 7.1%	U: 3.4% (2012) P: N/Av	2005: 72.3 M 2010: 84.442 M	▪ Information not readily available	Top destinations: ▪ Recent – New	▪ Information not readily available

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
	99th	2011: 5.0% 2012: 1.8% 2013: 3.5% 2017: 4.4%	G: 53.3 (2007)	2011: 33 M (1%) (EM) 2012: 10% (J-S) 2016: 36.4 M (EM) AAC (05-10): 3.2% AAC (11-16): 2% (EM)		destinations, Regional, China ▪ Upcoming – New destinations, Regional	
-- Singapore	5.4M 2.0% 114th	2012: $60.9K 2010: 14.8% 2011: 4.9% 2012: 2.1% 2013: 2.9% 2017: 3.9%	U: 2.0% (2012) P: N/Av G: 48.1 (2008) G: 47.3 (2011)	2005: 5.159 M 2010: 7.342 M 2011: Increased 2012: 4% (J-Jul) 2016: 16 M AAC (05-10): 7.3% AAC (11-16): 2%	▪ Information not readily available	Top destinations: ▪ Recent – Short-haul/regional, "dream destinations" ▪ Upcoming – Short-haul/ regional Top niche markets: ▪ Low-cost air	▪ 2012 – Double Taxation Agreement initialled + awaiting signature
--- South Korea	48.9M 0.2% 25th	2012: $32.4K 2010: 6.3% 2011: 3.6% 2012: 2.7% 2013: 3.6% 2017: 4.0%	U: 3.8% (2012) P: 15% (2006) G (2000): 35.8 G (2010): 31	2005: 10.08 M 2010: 9.494 M 2011: Increased 2012: 6.7% (J-A) AAC (05-10): -1.2% AAC (11-16): 1%	▪ Information not readily available	Top destinations: ▪ Recent – SE Asia; Intra-Asia (Greater Mekong subregion) ▪ Upcoming – SE Asia Top niche markets: ▪ Low cost air	▪ Information not readily available
--- Taiwan	23.2M 0.3% 51st	2012: $38.5K 2010: 10.7% 2011: 4.0% 2012: 1.3% 2013: 3.9% 2017: 5.0%	U: 4.3% (2012) P: 1.2% (2010) G: 32.6 (2000)	2012: 5.8% (J-S) AAC (11-16): 7%	▪ Information not readily available	Top destinations: ▪ Recent – Regional, Japan, S. Korea ▪ Upcoming – Short-haul, Japan, Europe (packages)	▪ Information not readily available
Emerging/Developing Origin Markets							
Latin America							
- Argentina	42.2M 1.0%	2012: $18.2K 2010: 9.2%	U: 7.2% (2012) P: 30% (2010)	2005: 3.894 M 2010: 5.307 M	▪ Information not readily available	Top destinations: ▪ Recent – South	▪ Direct flights - GOL (2010) ▪ Closest Argentinian Embassy – Port of Spain,

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	Socio-Economic			International Travel Trends				Ties with Barbados (Key examples)	
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets		Air access, foreign affairs, trade, development support, cultural exchange, etc.	
	32nd	2011: 8.9% 2012: 2.6% 2013: 3.1% 2017: 4.0%	G: 45.8 (2009)	AAC (05-10): 6.4%		America (Brazil, Uruguay), USA, Caribbean, Europe; new destinations ▪ Upcoming – Brazil Top niche markets: ▪ Upcoming – Sports tourism (World Cup + Olympics in Brazil)		Trinidad ▪ Barbados Honorary Consul in Buenos Aires ▪ Both members of OAS, UN, Group of 77	
- Brazil	199.3M 0.9% 5th	2012: $12.0K 2010: 7.5% 2011: 2.7% 2012: 1.0% 2013: 3.5% 2014: 4.0% 2017: 4.1%	U: 6.2% (2012) P: 21.4% (2009) G: 60.7 (1998) G: 51.9 (2012)	2005: 3.466 M 2010: 5.305 M 2011: 5.4 M (2%) 2012: 5.5 M (2%) 2016: 6.3 M AAC (05-10): 8.9% AAC (11-16): 3.4%	▪ Information not readily available	Top destinations: ▪ Recent - USA, Argentina, Europe (esp. France), long haul ▪ Upcoming – Domestic Top niche markets: ▪ Shopping ▪ Sustainable		▪ Direct flights ex-Sao Paulo ▪ Brazilian Embassy in Hastings, Barbados ▪ Barbados Embassy in Brasilia (2010) ▪ Both members of UNECLAC, CLACS ▪ 2010 – Agreements signed at Brazil-Caribbean Community Summit ▪ UWI research on Barbadian migration to Brazil in early 20th century ("Barbadianos")	
- Chile	17.1M 0.9% 62nd	2012: $18.4K 2010: 6.1% 2011: 5.9% 2012: 5.0% 2013: 4.4% 2017: 4.6%	U: 6.4% (2012) P: 15.1% (2009) G: 57.1 (2000) G: 52.1 (2009)	2005: 2.651 M 2010: 3.348 M 2011: 3.8 M (13.5%) 2016: 5.2 M AAC (05-10): 4.8% AAC (11-16): 7%	▪ Information not readily available	Top destinations: ▪ Recent – South America Top niche markets: ▪ Leisure ▪ Business		▪ Closest Chilean Embassy – Port of Spain, Trinidad ▪ Chile Honorary Consul in Bridgetown ▪ 1st Latin American country to establish diplomatic relations with Barbados	
- Colombia	45.2M 1.1% Rank N/Av	2012: $10.7K 2010: 4.0% 2011: 5.9% 2012: 4.3% 2013: 4.4% 2017: 4.5%	U:10.3% (2012) P: 37.2% (2010) G: 53.8 (1996) G: 56.0 (2010)	2005: 1.553 M 2009: 2.122 M 2011: 2.6 M (9%) 2016: 3.6 M AAC (05-09): 8.1% AAC (11-16): 8%	▪ Information not readily available	▪ Information not readily available		▪ Closest Colombian Embassy – Kingston, Jamaica ▪ Closest BDS embassy in Caracas, Venezuela	
- Costa Rica	4.6M	2012: $12.6K	U: 7.9% (2012)	2005: 487 K	▪ Information not	▪ Information not readily		▪ Closest BDS embassy in Washington, D.C.,	

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
	1.3% 121st	2010: 4.7% 2011: 4.2% 2012: 4.8% 2013: 4.3% 2017: 4.5%	P: 24.2% (2010) G: 45.9 (1997) G: 50.3 (2009)	2010: 662 K AAC (05-10): 6.3%	readily available	available	USA
- Ecuador	15.2M 1.4% 67th	2012: $8.8K 2010: 3.6% 2011: 7.8% 2012: 4.0% 2013: 4.1% 2017: 3.4%	U: 5.9% (2012) P: 28.6% (2011) G: 50.5 (2006) G: 47.3 (2011) Urban only	2005: 664 K 2010: 899 K 2011: AAC (05-10): 6.2% AAC (11-16): 10%	▪ Information not readily available	Top destinations: ▪ Recent – Panama (visa no longer required) ▪ Upcoming – Regional (trade) Top niche markets ▪ Leisure ▪ Business	▪ Information not readily available
- Guatemala	14.1M 1.9% 69th	2012: $5.2K 2010: 2.9% 2011: 3.9% 2012: 3.1% 2013: 3.2% 2017: 3.5%	U: 4.1% (2011) P: 54% (2011) G: 55.8 (1998) G: 55.1 (2007)	2005: 982 K 2010: 1.136 M AAC (05-10): 3.0%	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
- Honduras	8.3M 1.8% 93rd	2012: $4.6K 2010: 2.8% 2011: 3.6% 2012: 3.8% 2013: 3.6% 2017: 4.0%	U: 4.5% (2012) P: 60% (2010) G: 53.8 (2003) G: 57.7 (2007)	2005: 284 K 2010: 429 K AAC (05-10): 8.6%	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
- Mexico	115.0M 1.1% 11th	2012: $15.3K 2010: 5.6% 2011: 3.9% 2012: 3.8% 2013: 3.5%	U: 4.5% (2012) P: 51.3% (2010) G: 53.1 (1998) G: 51.7 (2008)	2005: 13.305 M 2010: 14.395 M 2011: 14.25 M (-1%, EM) (-1.6%, IPK) AAC (05-10): 1.6%	▪ Information not readily available	Top destinations: ▪ Recent – USA, Domestic ▪ Upcoming - Domestic	▪ Closest Mexican Embassy – Port of Spain, Trinidad ▪ Closest BDS embassy in Washington, D.C., USA ▪ 2008 – Double Taxation Agreement

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2014: 3.5% 2017: 3.3%					
- Nicaragua	5.7M 1.1% 108th	2012: $3.3K 2010: 4.5% 2011: 4.7% 2012: 3.7% 2013: 4.0% 2017: 4.0%	U: 7.4% (2012) P: 46.2% (2005) G: 60.3 (1998) G: 40.5 (2010)	2010: 908 K	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
- Panama	3.5M 1.4% 132nd	2012: $15.3K 2010: 7.6% 2011: 10.6% 2012: 8.5% 2013: 7.5% 2017: 6.0%	U: 4.4% (2012) P: 29.0% (2011) G: 56.1 (2003) G: 51.9 (2010)	2005: 285 K 2010: 392 K AAC (05-10): 6.6%	▪ Information not readily available	▪ Information not readily available	▪ Many Barbadians went to work on the construction of the Panama Canal ▪ 2010 – Double Taxation Agreement
- Paraguay	6.5M 1.3% 103rd	2012: $6.1K 2010: 13.1% 2011: 4.3% 2012: -1.5% 2013: 11.0% 2017: 4.7%	U: 6.9% (2012) P: 34.7% (2010) G: 57.7 (1998) G: 53.2 (2009)	2005: 188 K 2010: 313 K AAC (05-10): 10.7%	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
- Peru	29.5M 1.0% 42nd	2012: $10.7K 2010: 8.8% 2011: 6.9% 2012: 6.0% 2013: 5.8% 2017: 6.0%	U: 7.7% (2012) P: 31.3% (2010) G: 51 (2005) G: 46 (2010)	2005: 1.841 M 2010: 2.058 M AAC (05-10): 2.3%	▪ Information not readily available	Top destinations: ▪ Recent – Caribbean (June-July promos) Top niche markets: ▪ Sun, sand + surf	▪ Information not readily available
- Uruguay	3.3M 0.2% 134th	2012: $15.8K 2010: 8.9% 2011: 5.7% 2012: 3.5% 2013: 4.0%	U: 6.1% (2012) P: 18.6% (2010) G: 44.8 (1999) G: 45.3 (2010)	2005: 658 K 2010: 1.027 M AAC (05-10): 9.3%	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2017: 4.0%					
- Venezuela	28.0M 1.5% 45th	2012: $13.2K 2010: -1.5% 2011: 4.2% 2012: 5.7% 2013: 3.3% 2017: 2.5%	U: 8.0% (2012) P: 31.6% (2011) G: 49.5 (1998) G: 39 (2011)	2005: 1.067 M 2009: 1.651 M 2010: 1.37 M (-13%) 2011: 1.64 M (20%) AAC (05-09): 11.5%	▪ Information not readily available	▪ Information not readily available	▪ 1994 - Bilateral Investment Treaty ▪ 1954 + 1998 – Double Taxation Agreement
Caribbean							
- Antigua + Barbuda	89K 1.3% 198th	2012: $17.5 2010: -8.5% 2011: -5.5% 2012: 1.0% 2013: 1.5% 2017: 3.5%	U: 11% (2001) P:N/Av G: N/Av	2008: 434 K	▪ Information not readily available	▪ Information not readily available	▪ Both members of CARICOM ▪ 1994 – Double Taxation Agreement via CARICOM
- The Bahamas	316K 0.9% 178th	2012: $31.3K 2010: 0.2% 2011: 1.6% 2012: 2.5% 2013: 2.7% 2017: 2.5%	U: 14.2% (2009) P: 9.3% (2004) G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Both members of CARICOM
- Barbados (Domestic)	288K 0.4% 180th	2012: $25.5K 2010: 0.2% 2011: 0.6% 2012: 0.7% 2013: 1.0% 2017: 2.5%	U: 11.2% (2011) P: N/Av G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Both member of CARICOM
- Br. Virgin Islands	31K 2.4% 215th	2012: $38.5K 2012: N/Av 2017: N/Av	U: 3.6% (1997) P: N/Av G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Both members of CARICOM (BVI is an Associate member)
- Dominica	73K	2012: $14.6K	U: 23% (2000)	▪ Information not	▪ Information not	▪ Information not readily	▪ Direct flights

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
	0.2% 201st	2010: 1.2% 2011: 1.0% 2012: 0.4% 2013: 1.3% 2017: 2.0%	P: 29% (2009) G: N/Av	readily available	readily available	available	▪ Both members of CARICOM ▪ 1994 – Double Taxation Agreement via CARICOM
- Dominican Republic	10.1M 1.3% 85th	2012: $9.6K 2010: 7.8% 2011: 4.5% 2012: 4.0% 2013: 4.5% 2017: 5.0%	U: 14.7% (2012) P: 34.4% (2010) G: 47.4 (1998) G: 48.4 (2007)	2005: 419 K 2010: 401 K AAC (05-10): - 0.9%	▪ Information not readily available	▪ Information not readily available	▪ Closest DR Embassy in Caracas, Venezuela
- Grenada	109K 0.5% 189th	2012: $14.1K 2010: -1.3% 2011: 0.4% 2012: 0.5% 2013: 0.5% 2017: 2.5%	U: 25% (2008) P: 38% (2008) G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Direct flights ▪ Both members of CARICOM ▪ 1994 – Double Taxation Agreement via CARICOM
- Guyana	742K % ch N/Av Rank N/Av	2012: $8.0K 2010: 4.4% 2011: 5.4% 2012: 3.7% 2013: 5.5% 2017: 3.3%	U: 11% (2007) P: 35% (2006) G: 43.2 (1999) G: 44.6 (2007)	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Strong historical ties as British colonies ▪ Both founding members of CARICOM ▪ BDS migration to Guyana encouraged when Guyana was secured by UK + following BDS independence to seek work opportunities (Guyana seen as breadbasket of Caribbean) ▪ 1991 – Guyana, BDS + Trinidad/Tobago attempted to form tri-state confederation, dropped due to rocky relations on immigration issues ▪ 1994 – Double Taxation Agreement via CARICOM ▪ Recent effort by Guyanese Gov't to attract relocatees + agricultural investment from BDS

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
							▪ 2012 - Previous High Commissioner to BDS replaced by 1st resident Consul-General ▪ Rihanna of partial Guyanese parentage
- Haiti	9.8M 0.9% 88th	2012: $1.3K 2010: -5.4% 2011: 5.6% 2012: 4.5% 2013: 6.5% 2017: 5.3%	U: 40.6% (2010) P: 80% (2003) G: 59.2 (2001)	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Both members of CARICOM ▪ 1990s – BDS supported (via personnel on multinational force) US efforts to reinstate a democratically-elected government there
- Jamaica	2.9M 0.7% 139th	2012: $9.1K 2010: -1.5% 2011: 1.3% 2012: 0.9% 2013: 1.0% 2017: 1.5%	U: 14.2% (2012) P: 16.5% (2009) G: 37.9 (2000) G: 45.5 (2004)	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Both founding members of CARICOM ▪ Closest Jamaican Embassy - Port of Spain, Trinidad ▪ BDS Honorary Consul in Kingston, Jamaica ▪ 1994 – Double Taxation Agreement via CARICOM
- St. Kitts and Nevis	51K 0.8% 209th	2012: $15.5K 2010: -2.7% 2011: -2.0% 2012: 0.0% 2013: 1.8% 2017: 4.2%	U: 4.5% (1997) P: N/Av G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Both members of CARICOM ▪ 1994 – Double Taxation Agreement via CARICOM
- St. Lucia	162K 0.4% 186th	2012: $13.3K 2010: 0.4% 2011: 1.3% 2012: 0.7% 2013: 1.3% 2017: 2.3%	U: 20% (2003) P: N/Av G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Direct flights ▪ Both members of CARICOM ▪ 1994 – Double Taxation Agreement via CARICOM
- St. Vincent and the Grenadines	104K -0.3% 194th	2012: $11.9K 2010: -1.8% 2011: 0.0%	U: 15% (2001) P: N/Av G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Direct flights ▪ Both members of CARICOM ▪ 1994 – Double Taxation Agreement via

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2012: 1.2% 2013: 1.5% 2017: 3.0%					CARICOM
- Suriname	560K 1.2% 170th	2012: $20.3K 2010: 4.1% 2011: 4.2% 2012: 4.0% 2013: 4.0% 2017: 5.0%	U: 9% (2008) P: 70% (2002) G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Both members of CARICOM ▪ Closest Suriname Embassy - Port of Spain, Trinidad ▪ 1650 – Barbados started a colony in Surinam, captured by Dutch in 1667, became Suriname ▪ 2005 – Signed bilateral cooperation agreement ▪ 2007 – Discussed overlapping maritime boundaries ▪ 2009 – Formed Joint Commission to improve relations + expand cooperation; followed by 2nd meeting in 2011 re; agriculture, trade, investment, international transport ▪ Bunker 'C' grade fuel oil a major import from Suriname
- Trinidad and Tobago	1.2M -0.1% 158th	2012: $20.4K 2010: 0.0% 2011: -1.5% 2012: 0.7% 2013: 2.2% 2017: 3.0%	U: 6.3% (2012) P: 17% (2007) G: N/Av	▪ Information not readily available	2005: N/Av 2010: N/Av 2011: 36,800 2012: 38,000 AAC (05-10): N/Av AAC (05-11): N/Av 2010-11: N/Av 2011-12: 3.2%	▪ Information not readily available	▪ Direct flights ▪ Both founding members of CARICOM, both members of ACS, Commonwealth of Nations, CARIFORUM, CLACS ▪ Historically important ties – Both former parts of British Empire; Barbados + Tobago initially co-administered by Governor of Barbados, Barbados tried to unify with Tobago but went to Trinidad in 1889. Also strong cross-migration + trade union movements ▪ 1994 – Double Taxation Agreement via CARICOM ▪ 2006 – Landmark Award resolved maritime boundary between the two + committed them to

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
							resolving fisheries dispute ▪ Trinidadian companies are major share owners of Barbadian businesses ▪ Recent agreement to construct undersea 177-mile oil or LNG pipeline from Tobago to Barbados
- Turks and Caicos	46K 3.2% 211th	2012: $11.5K 2012: N/Av 2017: N/Av	U: 10% (1997) P: N/Av G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
Commonwealth of Independent States							
- Russia	142.5M 0.0% 9th	2012: $17.7K 2010: 4.3% 2011: 4.3% 2012: 3.6% 2013: 3.7% 2014: 3.8% 2017: 3.8%	U: 6.2% (2012) P: 13.1% (2010) G: 39.9 (2001) G: 42 (2010)	2005: 28.416 M 2010: 39.323 M 2012: 12% 2013: 9% AAC (05-10): 6.7% AAC (11-16): 7%	▪ Information not readily available	Top destinations: ▪ Recent – Ukraine, Europe (esp. Finland), Kazakhstan, Thailand, UAE, Spain, Italy, Turkey (+ Egypt before troubles) Top niche markets: ▪ VFR ▪ Sun, sand + surf (budget packages) ▪ Shopping ▪ Sustainable	▪ Closest Russian Embassy in Georgetown, Guyana
Developing Asia (All, including China, India, ASEAN 5)							
- China	1,343.2 M 0.5% 1st	2012: $9.1K 2010: 10.4% 2011: 9.3% 2012: 7.8% 2013: 8.2% 2014: 8.5%	U: 6.4% (2012) P: 13.4% (2011) < US$363 G: 41.5 (2007) G: 48 (2009)	2005: 31.026 M 2010: 57.386 M 2011: 66 M (15%) 2012: 20% (J-Jun) 2013: 12% 2016: 71 M	▪ Information not readily available	Top destinations: ▪ Recent – Domestic, Intra-Asia (Hong Kong, Macau, S. Korea, Taiwan, Thailand, Singapore, Malaysia,	▪ Both are members of UN, CDB + Group of 77 ▪ Chinese Embassy in Rockley, Christ Church, BDS ▪ 2011 – Barbados opened Embassy in Beijing ▪ Steady growth in diplomatic + economic relations over 3 decades, including bilateral

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2017: 8.5%		AAC (05-10): 13.1% AAC (11-16): 13%		Vietnam, Greater Mekong); USA, Europe (France, Germany) ▪ Upcoming – China-ready Top niche markets: ▪ Young (20s) ▪ FITs ▪ Shopping ▪ Gambling in Hong Kong + Macau ▪ Business + VFR to USA ▪ Luxury to France ▪ Group tours to Europe	agreements ▪ Barbados building projects with Chinese government + construction industry assistance for Sir Garfield Sobers Gymnasium (1986), Sir Lloyd Erskine Sandiford Conference + Cultural Centre (1994), renovation of Cheapside Market (2005), Wildey gymnasium, Home Vegetable Growing Experimental Centre, embroidery, grass weaving + feather handicraft ▪ 1998 - Bilateral Investment Treaty ▪ 2000 – Double Taxation Agreement ▪ 2004 – 2 Chinese construction firms in BDS – ChinaDOS Construction Ltd + China Construction Barbados Co. Ltd ▪ 2004 – Barbados obtained Approved Destination status from Chinese Gov't ▪ 2005 – China exported US$19M in goods to Barbados, but only imported $211,000 from it ▪ 2008 – Barbados-based Caribbean Export + China sign deal to increase regional export capacity to China ▪ 2009 – Military units of both countries agree to strengthen cooperation ▪ 2010 – Protocol to China treaty ▪ China given consideration to assist with new cruise ship facility in Barbados ▪ Chinese Premier Wen expressed interest in increased cooperation in trade, tourism, architecture, cultural exchange
- India	1,205.1 M 1.3%	2012: $3.9K 2010: 10.1% 2011: 7.9%	U: 9.9% (2012) P: 29.8% (2010)	2005: 7.185 M 2010: 12.988 M 2012: 5% (J-Jun)	▪ Information not readily available	Top destinations: ▪ Recent – Singapore, Thailand, UAE, Europe	▪ Closest Indian Embassy in Suriname ▪ Indian consulate in Holetown ▪ 1966 – On day of BDS independence, Gov't of

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
	2nd	2012: 4.5% 2013: 5.9% 2014: 6.4% 2017: 6.9%	G: 37.8 (1997) G: 36.8 (2004)	AAC (05-10): 12.6% AAC (11-16): >10%		Top niche markets: ▪ Shopping ▪ Holiday packages ▪ Sustainable	India gifted the throne for the BDS House of Assembly ▪ 3000 (est.) persons from India live in Barbados, 2/3rd are Suratis (trading), rest are mainly Sindhis
- ASEAN 5							
- - - Indonesia	248.6M 1.0% 4th	2012: $5.0K 2010: 6.2% 2011: 6.5% 2012: 6.0% 2013: 6.3% 2017: 6.9%	U: 6.7% (2012) P: 12.5% (2011) G: 39.4 (2005) G: 36.8 (2009)	2005: 4.106 M 2010: 6.235 M 2012: 10% (J-Jn) AAC (05-10): 8.7%	▪ Information not readily available	Top destinations: ▪ New destinations	▪ Information not readily available
- - - Malaysia	29.2M 1.5% 43rd	2012: $16.9K 2010: 7.2% 2011: 5.1% 2012: 4.4% 2013: 4.7% 2017: 5.0%	U: 3.0% (2012) P: 3.8% (2009) G: 49.2 (1997) G: 46.2 (2009)	2004: 30.761 M 2012: 5% (J-Jun) AAC (11-16): 5%	▪ Information not readily available	Top destinations: ▪ Recent – Intra-Asia (Greater Mekong subregion) ▪ Upcoming – Foreign cultures	▪ Information not readily available
- - - Philippines	103.8M 1.9% 12th	2012: $4.3K 2010: 7.6% 2011: 3.9% 2012: 4.8% 2013: 4.8% 2017: 5.0%	U: 6.9% (2012) P:26.5% (2009) G: 46.6 (2003) G: 45.8 (2006)	2005: 2.144 M 2007: 3.066M 2010: 13% 2011: 9% 2012: 10% (J-Jn) 2016: 6 M AAC (05-07): 19.6% AAC (11-16): 11%	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
- - - Thailand	67.1M 0.5% 20th	2012: $10.0K 2010: 7.8% 2011: 0.1% 2012: 5.6% 2013: 6.0%	U: 0.9% (2012) P: 8.1% (2009) G: 42 (2002) G: 53.6 (2009)	2005: 3.047 M 2010: 5.451 M 2012: 5% (J-Jun) AAC (05-10):12.3%	▪ Information not readily available	Top destinations: ▪ Recent –Hong Kong, Korea, Singapore, Malaysia, India (short haul); Intra-Asia	▪ Information not readily available

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2017: 5.0%				(Greater Mekong subregion); Europe (off season) ▪ Upcoming – New + existing	
- - - Vietnam	91.5M % ch N/Av Rank N/Av	2012: $3.5K 2010: 6.8% 2011: 5.9% 2012: 5.1% 2013: 5.9% 2017: 7.5%	U: 4.3% (2012) P: 14.5% (2010) G: 36.1 (1998) G: 37.6 (2008)	2011: 11% AAC (11-6): 11%	▪ Information not readily available	Top destinations: ▪ Recent – ASEAN (no visa) ▪ Upcoming – USA, Europe Top niche markets ▪ Nature, Culture, Culinary	▪ 2012 – Double Taxation Agreement initialled + awaiting signature
Middle East / North Africa							
- Kuwait	2.6M 1.9% 140th	2012: $43.8K 2010: 2.5% 2011: 8.2% 2012: 6.3% 2013: 1.9% 2017: 3.9%	U: 2.2% (2004) P: N/Av G: N/Av	2005: 2.173 M 2007: 2.649 M AAC (05-07): 10.4%	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
- Oman	3.1M 2.0% 136th	2012: $28.5K 2010: 5.0% 2011: 5.4% 2012: 5.0% 2013: 3.9% 2017: 3.7%	U: 15% (2004) P: N/Av G: N/Av	2005: 2.018 M 2009: 1.672 M AAC (05-09): -4.6%	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available
- Qatar	2.0M 4.9% 147th	2012: $103K 2010: 16.7% 2011: 14.1% 2012: 6.3% 2013: 4.9%	U: 0.5% (2012) P: N/Av G: N/Av	▪ Information not readily available	▪ Information not readily available	▪ Information not readily available	▪ 2012 – Double Taxation Agreement signed + awaiting ratification

	Indicators* (favourable in blue text, unfavourable in red text)						
	Socio-Economic			International Travel Trends			Ties with Barbados (Key examples)
Origin Market	Pop'n, % ch, rank (2012)	Per cap GDP (US$K) + annual GDP % growth	% Unempl'ed % ≤ Poverty Gini index** (low = best)	Total outbound (# rounded, % change)	Stayover visitors to Barbados (# rounded, % change)	Top destinations + niche markets	Air access, foreign affairs, trade, development support, cultural exchange, etc.
		2017: 7.3%					
- United Arab Emirates (UAE)	5.3M 3.1% 115th	2012: $49K 2010: 1.3% 2011: 5.2% 2012: 4.0% 2013: 2.6% 2017: 3.6%	U: 2.4% (2001) P: 19.5% (2003) G: N/Av	▪ Information not readily available	▪ Information not readily available	Top destinations: ▪ Upcoming – Saudi Arabia (new highway) Top niche markets ▪ Leisure ▪ Business, MICE	▪ Information not readily available
Sub-Saharan Africa							
- South Africa	48.8M -0.4% 26th	2012: $11.3K 2010: 2.9% 2011: 3.5% 2012: 2.3% 2013: 2.8% 2014: 4.1% 2017: 4.1%	U: 24.4% (2012) P: 50% (2000) G: 59.3 (1994) G: 65.0 (2005)	2006: 4.339 M 2010: 5.165 M 2016: >6 M AAC (06-10): 4.5%	▪ Information not readily available	Top destinations: ▪ Recent – Global	▪ 2012 – Tax Information Exchange Agreement awaiting signature

AAC = Annual Average Change (as a %)

* Rationale for priority assessment for each origin market considered is from the perspectives of (with sources in parentheses):

- **Socio-Economic** – Population, GDP, income, unemployment and poverty (CIA The World Factbook – Online, with Demographic and Economic Overviews by country; IMF World Economic Outlook – October 2012 + January 2013 Update)
  Note: The Gini Index is a measure of the distribution of family income within a country. It measures the degree of inequality in the distribution of family income in a country. The index is calculated from the Lorenz curve, in which cumulative family income is plotted against the number of families arranged from the poorest to the richest. The index is the ratio of (a) the area between a country's Lorenz curve and the 45 degree helping line to (b) the entire triangular area under the 45 degree line. The more nearly equal a country's income distribution, the closer its Lorenz curve to the 45 degree line and the lower its Gini index, e.g., a Scandinavian country with an index of 25. The more unequal a country's income distribution, the farther its Lorenz curve from the 45 degree line and the higher its Gini index, e.g., a Sub-Saharan country with an index of 50. If income were distributed with perfect equality, the Lorenz curve would coincide with the 45 degree line and the index would be zero; if income were distributed with perfect inequality, the Lorenz curve would coincide with the horizontal axis and the right vertical axis and the index would be 100.
- **Travel** – International travel trends and patterns (including to Barbados and competing destinations), significant niche markets (Barbados Ministry of Tourism and Statistical Services – unpublished files; Euromonitor International – Executive Summary of Country Reports on outbound travel (report available for purchase only); ITB Berlin/IPK International – World Travel Trends Reports for 2010/2011, 2011/2012 and 2012/2013; UNWTO – Tourism Highlights 2012; and World Bank – "International tourism, number of departures", using UNWTO's 2012 Yearbook of Tourism Statistics + Compendium of Tourism Statistics only available to members or by purchase).
- **Ties** – Air access, diplomatic/consular relations, social or economic development support, cultural exchanges, etc. (Ministry of Foreign Affairs + Foreign Trade - Website; Ministry of International Business and International Transport (Barbados), "*Barbados' Bilateral Treaty Network as at January 11, 2013*". Wikipedia – Foreign relations of Barbados)

Source: Barbados Tourism Master Plan Consulting Team and sources referenced above

Appendix Table 2: Outbound Travel of Select Origin Markets – Recent Trends (up through 2011) and Prospects (2011-2016)

Source (quoted): Euromonitor International – Country Report (Outflows) - Executive Summaries (free; individual country reports at US$900)

Note: The text provided in this table is quoted directly from the identified sources for ease of reference. Use caution, especially with references made below to GDP and economic growth, as more recent results and forecasts have since been released by respected sources such as the International Monetary Fund (IMF) in its World Economic Outlook Updates.

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
Traditional / Advanced Origin Markets		
- USA	"In July 2010 the US Department of Commerce changed the source used for reporting US citizen outbound non-stop air passenger traffic data from the paper-based, manually processed DHS I-92 form to a paperless, automated Advance Passenger Information System (APIS). Due to the change in methodology for outbound tourism flows, there is a new baseline. The 2009 data is legacy I-92 data. The 2010 data is a combination of legacy I-92 and APIS data. The 2011 data is APIS data. As a result, data sets for the three years are not comparable. In addition, Canadian market flights were captured for the first time beginning in 2011."	"Growth in outbound travel is expected to continue throughout the forecast period. Local destinations, such as Mexico and some islands in the Caribbean are best positioned for growth in the short term, due to their proximity and all-inclusive properties, which appeal to leisure travellers."
- Canada	"Despite the uncertainty surrounding economic recovery in 2011, Canadians sought to take advantage of increasingly favourable exchange rates and an increasing number of discounts and deals to travel abroad. The majority of outbound travel continued to be to the US, representing 69% of all outbound overnight trips in 2011. The 21 million trips made by Canadians to the US in 2011 was a 6% increase compared with the previous year, as the Canadian dollar became more valuable than the US dollar during the course of 2011. This was an unprecedented situation, and drove greater numbers of Canadians to go south of the border in search of bargains, as the on-going malaise in the US economy spurred the promotion of numerous value deals and packages amongst US tourism operators."	"The number of outbound travellers from Canada is forecast to increase by a CAGR of 3% between 2011 and 2016. The recovery in outbound travel is expected to be faster than previously anticipated, due for the most part to the strength of the Canadian dollar relative to other currencies, most notably the US dollar and the euro. With the Canadian currency expected to remain strong for the duration of the forecast period, the number of Canadian outbound travellers is expected to reach 34 million by 2016."
Europe		
- UK	"The uncertainty regarding the UK economy combined with the government austerity measures and the rising level of unemployment continues to create consumer cautiousness about how to spend money on travelling abroad. The number of trips fell in 2011, down by 3%; however, there was a slight uplift in	"Over the forecast period, outbound tourism volume is likely to recover slightly with a projected 2% CAGR, whilst expenditure is also expected to increase at 3% constant value CAGR. Whilst consumers will continue to spend smartly on holidays, it is anticipated that they will be specific in their

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
	sales value of these trips. A number of factors have contributed to this, including consumers seeking value for money, which does not necessarily mean the lowest price, but the best value for the price paid. Consumers are travelling abroad less frequently, but when they go, they are opting for the best they can afford. Furthermore, the increase in demand for all-inclusive holidays is increasing the average price per holiday as food, drink and entertainment are prepaid in the price of the holiday, rather than at destination."	requirements, opting for the best value for money, not necessarily the cheapest options, such as more all-inclusive trips or more mid-haul trips rather than those to the Eurozone which have traditionally cost less to get to, but will often cost more at the destination for expenditures on food, drink or entertainment. These factors will play a part in driving value growth in the forecast period."
- Belgium	"Outbound travel bounced back in 2011, and registered an increase after negative development the previous year. The fragile economy continued to limit growth, as many travellers were still careful, and outbound travel had not yet reached its previous level. However, there was a positive development, as the first signs of economic recovery were evident, and consumer confidence was improving. This meant that many people decided to go for a holiday abroad, and many companies and organisations also became more willing to let their employees go on business trips abroad. Another positive factor was the poor summer weather, which inspired many to look for sunnier destinations."	"Healthy growth is expected for outbound travel over the forecast period. Outbound travel has already started to see a significant improvement, and the expectation is that this positive development will continue over the forecast period. Despite the positive outlook, it will take some time before the total number of outbound trips equals that of the pre-credit crunch period. It is expected that Belgian travellers will remain cautious about their spending on travel, and will be careful in selecting their trips abroad. The reason for this is that the economic situation could remain shaky, and there will be uncertainty surrounding the threat of a new recession."
- Denmark	"The average winter temperature of 2010/2011 was strongly below the yearly average. Even though the Easter period can be described as satisfying, July – the main holiday month in which 24% of the Danes take a holiday – was affected by very rainy weather. Danish consumers wanted sun and warmth and this absolutely influenced growth of outbound travel in 2011. Furthermore, more it seems that outbound tourism is one of the most recession-proof travel categories. Consumers spend money on holidays, despite the general saving habit due to financial uncertainty. Even consumers with a limited budget spend on holidays, even though if they have to borrow money to do so."	"The key forecast trend is that the number of longer trips to more exotic places and long-haul flights will increase because of the increasing number of pensioners. The trend can have a jump upwards, if long-haul low-cost flights will reach Denmark."
- Finland	"Departures grew by 2% reaching 5.5 million in 2011. The strong growth in departures in 2010 was slowing down by 2011. This was quite a natural development as outbound tourist flows were not impacted negatively by the economic downturn, but only saw stagnation in growth in 2009 and therefore the number of departures was reaching maturity."	"The number of outgoing trips from Finland is expected to continue growing over the forecast period at 2%, reaching 6.0 million trips by 2016. At the same time, outbound tourist expenditure will record a constant value CAGR of 3% over the forecast period. This means that Finns will keep making more trips but, more importantly, they will be willing to spend more on their outbound trips. This will be reflected in upgraded travel accommodation and special services bought at destinations, including health and wellness services, for example, as the share of older tourists increases."

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
- France	"The number of outbound trips increased by 2% for the second year in a row after strong declines both in 2008 and 2009."	"French GDP is expected to remain positive, with growth rates of between 1.8% and 2.1% between 2012 and 2016."
- Germany	"Departures increased by 2% from 2010 to reach 90 million trips in 2011, with growth thus slowing from almost 3% in 2010. After a good start at the beginning of 2011, Germany's real GDP growth slowed considerably in the second half of the year. This had an impact on consumer economic confidence and resulted in slower growth in departures. The majority of Germans are however unwilling to give up on holidays, with many continuing to have an annual foreign holiday even during the recession. An annual holiday is highly important to most Germans and considered to be remuneration for working hard throughout the year. The relatively high savings ratio in Germany in comparison with other Western European countries also enables many to afford holidays during difficult economic times, further contributing to the good performance of outbound tourism."	"Tourism outbound flows are expected to remain relatively flat over the forecast period. Departures are expected to increase by around 1% for the overall forecast period to reach 90.6 million trips in 2016. With a less positive economic outlook, it is likely that Germans will reduce the number of holidays they take and the duration of these holidays. Germans love to go on holiday and are expected to continue to do so in the future while cutting down on the frequency and length of trips. Shorter trips such as outbound city breaks are expected to remain popular over the forecast period, allowing consumers to escape everyday life for a few days. A declining population over the forecast period will also limit growth in outbound departures."
- Ireland	"In 2011, tourism flows outbound was impacted by the on-going economic problems in Ireland as the country fell back into recession. A broad spectrum of austerity measures remains in place which badly affected consumers as they are faced with spending cuts, rising taxes, job uncertainty and falling disposable income. While the economic forecast continues to be pessimistic, consumers remained wary of spending as they anticipated further deterioration in financial conditions. People are removing luxuries and non-essential items and activities from their domestic budgets, including holidays and particularly trips abroad."	"The economic situation in Ireland remains unclear as the country fell into recession again in March 2012. Although the official position indicates that Ireland will see a return to growth in 2012 with a GDP increase of 1.3%, most analysts expect that actual performance will be far worse and that the country will remain in recession. This comes at a time when consumer confidence is already low, following years of austerity measures and uncertainty making it likely that consumers will cut back further on spending. Holidays abroad are expected to be one of the worst hit areas meaning that tourism flows outbound will remain suppressed."
- Italy	"In 2011 outbound tourism increased in terms of number of trips by 2% in volume terms to reach 18.6 million. This positive trend has been driven mainly by the slight economic recovery as well as by an increase in the confidence of Italians."	"It is expected that outbound tourism will strongly increase in the forecast period, reaching 19 million trips by 2016. This trend will be driven mainly by the foreseen economic recovery as well as by the increased development of low cost travel."
- Liechtenstein	*Not Available*	*Not Available*
- Luxembourg	*Not Available*	*Not Available*
- Netherlands	"In 2011 Dutch outbound tourists continued to look for holidays close to home, whether to neighbouring countries, or to cheaper destinations in Eastern Europe."	"Overall, the number of departures is expected to show positive growth throughout the forecast period to 2016, with a CAGR of 1%, although growth will be highest towards the end of the period."
- Norway	"Short trips are becoming very popular in Norway. In 2011 Norwegian tourists wanted to travel more often for a shorter period of time. Europe was the target destination for short trips. Norwegian consumers travelled on city	"Norwegian tourists are expected to travel more frequently for short term trips. Low-cost airlines are making the biggest contribution to increasing number of city breaks. A few years ago Norwegians were travelling for a

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
	breaks due to the possibility to travel at a lower cost. Low-cost airlines offered low prices for travel within European countries. Low fares was the main factor when considering taking a trip to a European city. City breaks were usually for 2-3 days. This length of trip was very attractive to Norwegian tourists. Short trips of 0-3 days showed growth in share, and remained in the leading position with a 53% share. The other factor which had a large influence in terms of increasing the number of city breaks was the many offers from which to choose, and usually at very good prices due to the time factor. Last-minute offers and low-cost pricing led to very reasonable prices. Even though Norwegian tourists are not particularly price-sensitive, they were very pleased to get lower costs for travelling, because they wanted to take more frequent short trips."	week or two to make the flight prices worthwhile, but the situation is changing. For trips to Europe, Norwegian tourists are very happy to choose low-cost airlines, due to the low fares. Even if the travel conditions are not the same as regular airlines, this is not considered important because of the short flight time. Large fees for luggage on low-cost airlines are also not a factor when taking a city break. For example, low-cost airline Ryanair's allowance for hand luggage is 10kg per person, whilst SAS Scandinavian Airlines allows only 8kg. 10kg per person is considered to be a convenient allowance for taking personal belongings, necessary clothing and other items for a city break."
- Spain	"In 2011, the number of departures made by Spanish tourists increased significantly. However, expenditure per trip declined showing as Spanish travellers opted for shorter holidays and less expensive travel products."	"Spain is expected to take several years to regain economic stability. In this climate of uncertainty, demand for leisure travel abroad is likely to remain limited. In addition, Spanish tourists are likely to opt for destinations served by cheap flights or all-inclusive packages. Operators in some countries such as Mexico are already increasing promotional activity in order to attract Spanish tourists."
- Sweden	"The Swedish economy continued to show strong growth rates in 2011, which stimulated outbound travel. As a result of these favourable developments, the Swedish currency remained strong against currencies in important destination countries."	"In the forecast period, outbound departures is forecast to grow by a CAGR of 5%. Growth in the number of departures may however be threatened by a deteriorating Swedish economy. As a result of the economic problems in Europe and the US, the favourable growth rates of the Swedish economy are under threat."
- Switzerland	"Swiss airlines Swiss International and Edelweiss Travel continued their strategy of improving quality and flight comfort as an incentive to win customers, rather than entering in the price wars. Swiss holiday-makers as well as business travellers traditionally prefer to book on traditional scheduled airlines and value sales of these flights increased 2% in 2010."	"Growth over the review period was 10%. Growth in outbound trips over the forecast period is previewed at 11%, as there is no major change in sight for the exchange rate of the Swiss currency."
Asia Pacific		
- Japan	"The March 11 earthquake and ensuing tsunami caused by the earthquake brought immeasurable devastation to the northeast coast of Japan, including the meltdown of Fukushima Daiichi nuclear power station. Japanese restrained leisure activities for the first few months to show respect for people who were suffering and had suffered from the catastrophe. Japanese began to feel extremely unsure about their future and consumer confidence deeply	"Supported by growing population of people in age 60+, who are the core outbound travellers, number of departures will show healthy growth over the 2011-2016 forecast period, increasing by 20% and reaching 20 million trips in 2016. China will be the most popular destination with 4.7 million trips, followed by the former top destination, South Korea with 3.4 million trips. The US dollar will remain weak, which will bring back the popularity of the US.

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
	went down during that period. As a result, the number of departures decreased by 9% during March-May, compared with the same period in the previous year."	The US will rank third with 2.5 million visitors."
- Australia	"Outbound travel from Australia boomed in 2011 as departures increased by 10%. However, this still represented a slowdown from the 13% growth in departures recorded during 2010. Nevertheless, the second consecutive year of double digit growth in departures demonstrates that the Australian economy has largely escaped the worst effects of the global economic crisis and also that the high exchange value of the Australian dollar has made overseas travel considerably cheaper for Australians. Those destinations which have benefited the most from this situation are a mixture of those countries which were previously considered too expensive for Australians to visit such as the US and certain European countries and countries such as Thailand and Indonesia which are rapidly becoming the default choice for large numbers of Australians looking for an inexpensive holiday in an exotic location. In particular, cashed-up workers in Western Australia's booming mining industry are opting to travel to Thailand and Indonesia. Outbound travel is increasingly being considered by Australians as a smart move and a means of taking advantage of the good fortune that Australia is currently enjoying as the high exchange value of the Australian dollar makes the rest of the world considerably cheaper."	"As outbound departures continued to derive much of its growth from leisure travel in 2011 in spite of the effects of Australia's on-going economic slowdown, the urge to take an overseas holiday remains very strong among Australians and this is an indication of the direction in which outbound travel is set to head during the forecast period. As long as the exchange value of the Australian dollar remains high, Australians can be expected to continue taking the opportunity to holiday abroad. Although the exchange value of the Australian dollar is likely to remain strong throughout the forecast period, it is unlikely to appreciate much further and 2010 and 2011 are likely to have marked the peak of the outbound departure boom. What is considered normal in terms of outbound departures in Australia is now considerably higher than earlier in the review period as the popularity of overseas holidays has risen dramatically at the cost of domestic holidays. Unless Australians decide to increase the numbers of holidays they take—and it must be noted that developing concerns about the future of the Australian economy are currently discouraging Australians from taking extra holidays—outbound travel will not be able to sustain double-digit growth rates similar to what was recorded during 2010 and 2011 throughout the forecast period. Growth in outbound departures is instead expected to be rather subdued over the forecast period, with a CAGR of 7% expected."
- New Zealand	"Outbound tourism represented the second highest growth category when compared to inbound tourism and domestic tourism during 2011. New Zealand holidaymakers found that with the strong New Zealand dollar and discount travel deals, overseas trips were more enticing than travelling domestically."	"The number of outbound trips in New Zealand is expected to grow at a CAGR of 2% over the forecast period. The strength of the New Zealand dollar will help to maintain this growth as more New Zealanders take advantage of favourable exchange rates to head overseas on holiday. In addition to this, New Zealanders will start to engage in more long-haul travel as low-cost carriers start to provide services to destinations in Asia."
Newly Industrialized Asian Economies		
- - - Hong Kong	"In 2011, due to sustained economic recovery, departures continued to achieve growth, of 1%, in number to trips, to reach 33 million trips. However, there was a slowdown in growth on 2010 for various reasons. Firstly, growth in 2010 was inflated by the effect of the Shanghai EXPO 2010, secondly, the nuclear leakage accident in Japan impacted departures to Japan in 2011 and	"Departures is expected to grow by a CAGR of 2% in terms of number of trips over the forecast period in line with continued recovery of the Hong Kong economy."

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
	thirdly there was depreciation of the Hong Kong dollar against currencies in the main destination countries for departures in 2011."	
- - - Singapore	"Tourism flows outbound also observed a fast increase in Singapore. During the bi-annual travel fair organised by the National Association of Travel Agents Singapore (NATAS) in August 2011, 67,000 visitors spent a record S$100 million, an 18% increase on the corresponding period in 2010. Higher airfares did not stop people from travelling to their "dream" destinations."	"Travelling is increasingly becoming a necessity for Singaporeans given the small size of the country. This limits the number and range of attractions for Singaporeans, who are expected to continue to take multiple short haul trips overseas each year. Furthermore, the continued development and growth of low cost carriers will reduce the cost of travel for Singaporeans. Tourism flows outbound is set to grow by a 2% CAGR over the forecast period to reach 16 million trips by 2016."
- - - South Korea	"Since late 2009, outbound tourism from South Korea has shown on-going growth and is expected to sustain positive growth over the forecast period. There are three major reasons why this growth trend was sustained over the last two years of the review period: the increased strength of the won, expansion of low-cost carrier routes and increased access to travel information and travel products through the internet and social media."	"Outbound tourist flows in South Korea are expected to increase at a CAGR of 1% over the forecast period. Increasing numbers of routes by low-cost carriers in the Southeast Asia region, strong won against the US dollar, and over 4% of real GDP growth rate expectation over the forecast period is likely to spur sustainable growth in outbound tourism in South Korea."
- - - Taiwan	"The key trend in departures in 2011 was the effect of the earthquake and tsunami disaster in Japan. As the disaster in Japan deterred Taiwanese tourists from travelling to Japan, various tourists chose to travel to other countries instead. Also, economic recovery over the first half of 2011 raised consumer confidence and purchasing power; however, the economy slowed down over the second half of 2011. Also, fewer vacation days and more expensive flights to favoured destinations, such as South Korea, resulted in a slowdown in growth in number of trips in departures in 2011."	"Departures from Taiwan are expected to register growth in number of trips of 38% over the forecast period. Trips to short-haul destinations are expected to remain attractive to tourists. On the other hand, long-haul trips to Europe are also expected to increase in popularity and demand in the long term as Taiwanese consumers become more exposed to Western culture and as travel retailers start to offer attractive packages."
Emerging/Developing Origin Markets		
Latin America		
- Argentina	"As a consequence of the high inflation rate of around 30% in 2011 and an exchange rate almost fixed around ARS4 per US dollar, Argentina is becoming more expensive in terms of dollars; this situation has boosted outbound tourism. Increasing salaries in Argentina have been trying to compensate the inflation rate since 2009 but not devaluation. In this context, Argentineans chose to travel to Brazil, Uruguay, the Caribbean, the US or Europe. These destinations competed with domestic destinations, showing the growing lack of competitiveness of Argentina. Besides, the availability of long-term financing without interest to buy air tickets or touristic packages represented a big incentive to travel abroad. During 2010, Aerolineas	"Sporting events are expected to boost leisure departures in the forecast period. Dakar Rally 2012 will take place in Argentina, Chile and Peru and it is expected it will have the success of previous years whilst the 2014 Football World Cup and 2016 Olympic Games in Brazil are expected to highly increase departures to Brazil. According to the Brazil Tourism Office (EMBRATUR), there are expected 600,000 visitors during the Football World Cup. Argentineans are also expected to attend these events, especially since they are able to go by land."

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
	Argentinas credit card sales in 3, 6 or 12 instalments grew 432% against 2009 according to the company. Additionally, tools such as the internet boost outbound tourism flow because consumers have real-time and in-depth information about destinations and many of them decide to explore new destinations."	
- Brazil	"Driven by a strong currency and a desire to shop abroad, Brazilians continued to explore international destinations in 2011. Overall, a total of 5.4 million Brazilians travelled abroad in 2011, recording 2% growth from the previous year."	"Departures are expected to increase at a slower rate over the forecast period than over the review period, rising by 17% over the forecast period, compared with 38% growth recorded over the review period, as Brazilians are being encouraged to explore domestic destinations rather than travelling abroad."
- Chile	"Outbound tourism continued growing in Chile during 2011, rising to 3.8 million departures. Much of this growth can be ascribed to the strength of the Chilean peso, the exchange value of which increased against the US dollar throughout 2011. This constituted a strong incentive for many Chileans to travel abroad during the year. Momentum in outbound departures began building during the second half of 2010 as the negative effects of the devastating earthquake which struck central Chile in February dissipated, and the pace of growth picked up during 2011 as many Chileans decided to take outbound trips which they had postponed in 2010. In addition, outgoing tourism expenditure increased by 6% in 2011, a situation which reflects the fact that Chileans are taking advantage of their higher purchasing power to travel abroad and are spending their pesos on products and services. Better access to more flexible consumer credit also contributed to growth in outbound trips, especially for middle income segments."	"Outbound departures is set to increase at a CAGR of 7% over the forecast period, rising to 5.2 million trips in 2016. Chile's positive economic prospects and the favourable exchange rates for the Chilean peso are expected to support growth in outgoing departures during the forecast period, both for leisure travellers and business travellers. The sustained growth in the influence of demand aggregators in Chile is expected to boost outbound departures during the forecast period as the number of deals offered on the country's leading demand aggregator websites for outbound travel continues to increase. Moreover, rising confidence in credit cards as a payment method is another important factor set to continue influencing outbound tourism during the forecast period."
- Colombia	"Colombia's outbound trips grew by 9% to 2.6 million in 2011. In 2009, departures fell by 7% as a result of the global recession, but quickly bounced back by 2010, with 22% growth that year. Colombia's strong economic growth, at 5% in 2011, resulted in rising consumer incomes and helped encourage outbound travel."	"The number of Colombians travelling abroad will continue to increase in the forecast period due to the continued growth of the country's economy. In 2016, 3.6 million Colombians are expected to travel abroad, an increase of 39% over 2011."
- Costa Rica	*Not Available*	*Not Available*
- Ecuador	"Growth in outbound departures from Ecuador slowed down in 2011 following the 13% increase recorded during 2010. One major factor pushing leisure and business departures in Ecuador during 2011 was the agreement signed between Ecuador and Panama which eliminated visa restrictions between the two countries."	"Tourism flows outbound in Ecuador is expected to increase by 50% over the course of the entire forecast period as the commercial relationships between Ecuador and countries such as Colombia, Argentina, Chile and Peru strengthen. Fierce competition in air transportation is also likely to boost outbound departures by air during the forecast period as more competitive

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
		prices for air tickets will combine with higher flight frequency and a wider range of routes."
- Guatemala	*Not Available*	*Not Available*
- Honduras	*Not Available*	*Not Available*
- Mexico	"In 2011 outgoing tourism observed a contraction of 1% compared to the previous year. This decrease is explained primarily by the uncertainty created by the global economic performance but also by the increase in domestic tourism. During 2011 more travellers preferred to stay within the country."	"Outbound tourism is expected to see continued growth, driven by further economic recovery. The expected growth in real GDP for 2012 is 3.6%. This will boost consumer confidence, increasing their propensity to spend on discretionary items such as foreign travel."
- Nicaragua	*Not Available*	*Not Available*
- Panama	*Not Available*	*Not Available*
- Paraguay	*Not Available*	*Not Available*
- Peru	"The main driver in outgoing destinations was the increase in spending power among Peruvians, as salaries increased and the national currency strengthened, up 4% in value in 2011 over the previous year. Access to credit has helped to promote travelling, since a large portion of packages are bought with credit cards. It is common to see promotions during June and July to the Caribbean."	"During the forecast period, the on-going growth in the Peruvian economy will lead to increments in tourism flow outbound. The growth projections for the Peruvian economy will remain positive throughout the forecast period at over 5% of GDP growth."
- Uruguay	*Not Available*	*Not Available*
- Venezuela	"In 2011, a 20% increase in the number of outbound trips contrasts sharply with the 13% decline recorded in 2010. It is apparent that the adverse effects of the 2010 devaluation have faded away, while the economy seems to be pulling out of recession. The de facto dual exchange rate in place in Venezuela causes heavy distortions in the consumption patterns of travellers. On the one hand, there is an official fixed exchange rate that is largely overvalued – in spite of the 100% devaluation in January 2010 – coupled with a system of quotas. On the other hand, there is a black market exchange rate, which is around double that of the official rate."	"An adjustment of the official exchange rate is unlikely in 2012 because it is an election year. The incumbent administration's chances of re-election would be negatively affected if a devaluation of the domestic currency were to occur."
***Caribbean* - Not Available**		
Commonwealth of Independent States		
- Russia	"The number of outbound trips from Russia increased to all destinations in 2011, with the exception of Egypt, which recorded a 30% decline in the number of outbound trips. Political instability and widespread civil unrest were the main reasons for the declining demand for outbound travel to Egypt among Russian people in 2011. Moreover, the Russian government	"The number of outbound trips in Russia is expected to increase at a CAGR of 7% over the forecast period. This growth is set to be driven by rising consumer income levels and higher consumer expenditure, with constant value CAGRs of 4% and 5% expected in each of these measures respectively over the forecast period. The numbers of outbound Russian

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
	announced a travel ban on trips from Russia to Egypt during February and March 2011. Egypt has traditionally been one of the most popular outbound destinations for Russian tourists during the Northern Hemisphere winter, mainly due to affordable prices of package tours to Egypt's beach resorts. As a result, Russian tourists were forced to switch their beach holiday plans to other warm countries such as Thailand, the UAE, Spain, Italy and Turkey, while many decided to stay at home as these other destinations are more expensive than Egypt and were therefore out of the budgets of many Russians."	travellers going to visit friends and relatives in neighbouring CIS countries will remain stable during the forecast period, while the number of Russians travelling abroad to beach resorts or for shopping trips is set to increase. One of the major reasons for these two trends is the weak state of travel and tourism infrastructure in neighbouring countries such as Kazakhstan and Ukraine and the high price of travelling there, while beach tourism destinations such as Egypt and Turkey are able to offer high quality budget package holidays."
Developing Asia (All, including China, India, ASEAN 5)		
- China	"In June 2011, individual tourism to Taiwan was officially permitted, with Shanghai, Xiamen and Beijing being the initially approved cities in mainland China, from which tourists can apply individual permits to Taiwan. Citizens living in the three cities were no longer required to travel in groups to Taiwan; instead, they are able to apply for individual permits. As a result, an increasing number of younger consumers, particularly those preferring to travel as a single independent traveller started to travel to Taiwan in 2011, which in turn led to the 35% growth in outbound trips to Taiwan in 2011."	"Over the forecast period, departures will continue to register strong growth, due to on-going improvements in the country's disposable income level and consumers' increasing desire for high-quality outbound trips, as well as the growing segment of affluent middle-income consumers in China. As a result, the total number of trips is projected to grow at a CAGR of 13%, to reach 71 million by 2016."
- India	"India represented one of the fastest growing markets for outbound travel in 2011. Increased holidaying and affordable international packages are encouraging India's rising middle class to make international trips. Leisure trips by more affluent Indian consumers are growing at the fastest rate, and are expected to continue driving the outbound market in the near future."	"Fuelled by a surge in per capita income outbound travel has a bright future and is expected to grow in double-digits in coming years."
ASEAN 5		
- - - Indonesia	"The abolition of the fiscal tax which was previously levied on Indonesians leaving the country encouraged more outbound travel during 2011. Previously, the fiscal tax was levied on all Indonesians, with exceptions for those who were able to produce a NPWP or personal tax identification number. However, from January 2011, all Indonesians are now able to travel abroad without the need to pay the fiscal tax. As such, travelling abroad is now easier and cheaper for the majority of Indonesians."	"As the Indonesia's economic situation is set to continue improving during the forecast period, the country's middle-income population are expected to become increasingly interested in overseas travel. This is set to lead to on-going positive growth in outbound departures over the forecast period. Going overseas for a leisure holiday remains a more appealing option for many Indonesians in comparison with domestic travel and to some extent overseas travel represents a major status symbol for Indonesia's middle classes. Rising demand for outbound travel and tourism is now being fuelled by Indonesia's airlines, many of which have opened up new routes linking several Indonesian cities with popular overseas destinations. Moreover, very affordable promotional tickets are now available on many of these routes."

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
- - - Malaysia	*Not provided*	"The number of outbound trips is expected to grow by a 5% CAGR over the forecast period, despite the slow recovery from economic and financial crises. Players are looking to navigate the difficult economic situation by devising strategies such as price discounting to stimulate the demand for outbound travel. This will help travel and tourism operators to exploit the growing interest in and exposure to foreign cultures via the internet and media."
- - - Philippines	"The number of outbound tourists grew by 9% in 2011, thanks to stable economic growth, higher employment rate, promotional fares offered by low cost carriers, holiday economics (referring to the shift of holiday celebrations to the nearest Friday or Monday) and the growing awareness of the importance of tourism. However, growth was lower than the 13% in 2010 due to the better economic performance in that year, new international routes and increased flight frequencies to many international destinations."	"Tourism flows outbound is expected to grow by 11% CAGR in the forecast period to reach six million by 2016. The forecast period growth is higher than the review period growth of 8% and higher than the 2011 growth as a result of the higher than expected 7% annual performance in 2010 and 2011. The expected economic recession in 2012 and 2013 will have a minimal impact on outbound tourism as air and other transport modes and travel accommodation will offer discounts and promotions more frequently to stimulate demand. They will therefore support the healthy growth of outbound tourism growth in 2012-2013. Outbound tourism will subsequently start to register double digit growth from 2014-2016 when the local and global economies recover from the second recession."
- - - Thailand	"In 2011 outbound tourism recorded moderate growth in the number of trips. Favourable conditions such as the new government, no protesters and the appreciation of the Thai baht all stimulated departures. Thai travellers usually like to travel and when the economy and the political situation become more certain. However, events such as the massive earthquake and tsunami in Japan and Bali, as well as protesters in London, resulted in Thai travellers becoming more careful when choosing their destinations. Short haul destinations to Asian countries such as Hong Kong, Singapore, Korea, Malaysia and India were amongst the most popular. Package tours and airline ticket prices to Europe during the off-peak tourism period from June to September became more affordable and led to many trips. Thai Airways introduced half price for point redemption during June-August to some destinations, such as Malaysia, India, Australia and Russia."	"Outbound tourism is expected to post moderate growth over the forecast period. Thai travellers usually plan outbound trips in advance, notably for long holidays. Newsletters from credit card players are sent by mail and e-mail to their customers every month along with the bills to promote spending, and one important category for promotion is travel – attractive tickets and package tours abroad. Therefore, more than 14 million credit cardholders in 2011, which is the target group for outbound travel, receive new offers every month. Moreover, travel agencies usually record customers' details and send package tour promotions to their homes and email addresses regularly. Therefore, the repeat rate of Thai travellers to new and existing destinations is high."
- - - Vietnam	"Although the Vietnamese economy suffered some negative impact of inflation, the number of outbound tourists still saw the healthy growth of 11% in 2011. It was thanks to rising disposable household income and improvements on living standards. Vietnamese tended to pay more not only for basic needs but also for tourism and leisure. Vietnamese travelled abroad	"The number of tourists travelling abroad will grow at a projected CAGR of 11% over the forecast period. Middle-class and upper-class families continue to account for the largest percentage of outbound tourists. Vietnamese tourists are likely to choose more expensive destinations such as Europe or the US for their trips in order to enjoy new experiences in line with their rising

Origin Market	Recent Travel Trends (up through 2011)	Prospects (2011 – 2016)
	to experience the new landscapes, cultures and cuisines from other countries. It should be noted that Vietnamese can travel easily to the other ASEAN countries without visa requirements, which also contributed to the rising number of departures in 2011."	disposable income in the forecast period."
Middle East / North Africa		
- Kuwait	*Not Available*	*Not Available*
- Oman	*Not Available*	*Not Available*
- Qatar	*Not Available*	*Not Available*
- United Arab Emirates (UAE)	"On-going economic recovery supported an increase in departures in 2011 over the previous year. Economic growth in 2010 and 2011 reassured many consumers and encouraged them to spend money on holidays once more. Economic recovery also resulted in businesses spending more on meetings and conferences and thus boosted business departures in 2011 over the previous year."	"On-going development in air transportation and road infrastructure is expected to support strong growth in departures during the forecast period. Land departures are expected to be boosted by the construction of the Mafraq-Ghweifat motorway from 2012, with this linking Abu Dhabi to the Saudi Arabian border. This will be a three lane 327km motorway and will be lit, while the current road is largely unlit and is known for its poor accident record. This route is thus likely to encourage more consumers to travel by road between the United Arab Emirates and Saudi Arabia."
Sub-Saharan Africa		
- South Africa	"Travelling outside South Africa was relatively cheap during the early months of 2011. The South African rand was very strong against the major currencies such as the US dollar and the British pound and many South Africans took advantage of this development and travelled to various parts of the world."	"Over six million departures are expected from South Africa by 2016. Departure growth is expected to be driven by an improved economic climate and subsequent consumer spending power in South Africa."

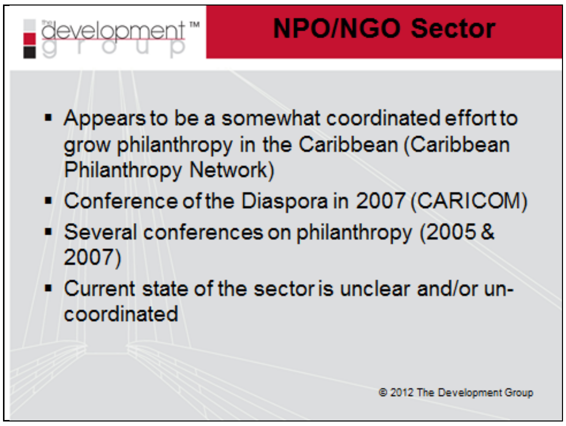
Source: Tourism Master Plan 2013-2022 Consulting Team, quoting from Euromonitor International – Country Reports (Outflows) - Executive Summaries, 2012 (free; individual country reports at US$900)

APPENDIX II

BARBADOS TOURISM MASTER PLAN 2014-2023:

FUND DEVELOPMENT IMPLEMENTATION

Barbados TMP – Fund Development Implementation (Presentation by Andrea McManus, The Development Group, September 6, 2012)



Trends in Giving

- Sophistication of donors apparent in giving patterns
- Sophistication of donors increase expectations (accountability & transparency)
- Corporate giving meshing with marketing
- 'Investing' as opposed to 'charity'
- Emergence of social enterprise / entrepreneurship

Fund Development Trends

- Increased strength and professionalism of organizations
- Major gift explosion
- Leadership focus
- Use of social media
- Online and mobile giving
- Creativity and innovation

Why Do People Give?

- To improve or save lives
- To people
- The most money when they are involved
- Because they believe in the mission of the organization
- Out of a personal responsibility to others

- To make an investment in creating a better world
- Because they want to
- Because they are asked
- To experience the joy of the results of their gift

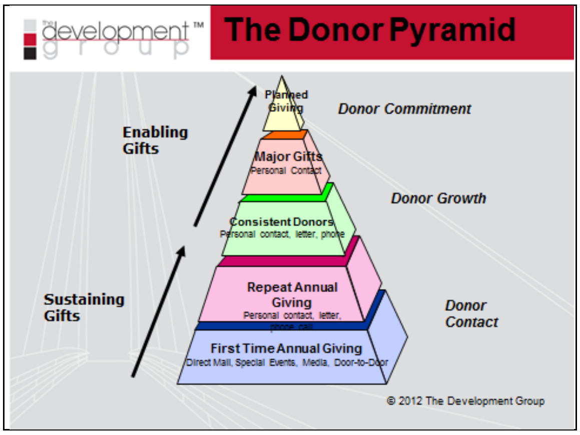
Giving Is About…

- Families
- Community
- The donor and what they are looking for
- Opportunity

IT'S ABOUT BUILDING RELATIONSHIPS

Nonprofit organizations exist to *fulfill* community needs. People do not give because an organization *has* needs. They give because your organization *meets* needs.

Kay Sprinkel Grace


The Donor Pyramid
Planned Giving
Donor Commitment
Enabling Gifts
Major Gifts
Personal Contact
Donor Growth
Consistent Donors
Personal contact, letter, phone
Repeat Annual Giving
Personal contact, letter,
Sustaining Gifts
Donor Contact
First Time Annual Giving
Direct Mail, Special Events, Media, Door-to-Door
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10 Steps to Donor Development
1. Identify/qualify
2. Develop initial strategy
3. Cultivate
4. Involve
5. Evaluate and determine final strategy
6. Assign
7. Solicit
8. Follow-through and acknowledge
9. Steward
10. Renew
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Methodologies
Direct Mail
Mass marketing (newsletters & ads)
Telemarketing
Door-to-door
On-street
Major gifts
Special Events
Social Media
Mobile / text giving
Clubs, societies
Planned giving
Special Appeals
Capital Campaigns
Grants
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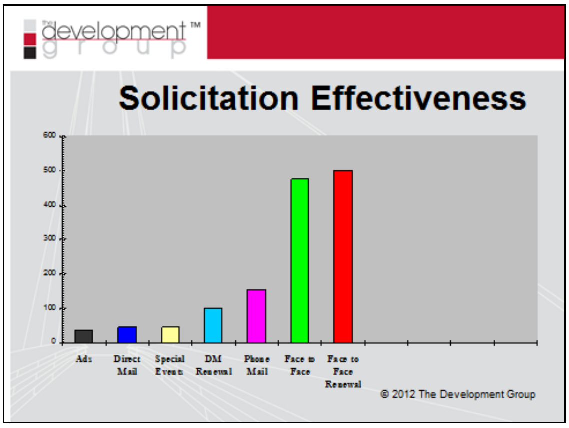
Solicitation Effectiveness
600
500
400
300
200
100
0
Ads
Direct Mail
Special Events
DM Renewal
Phone Mail
Face to Face
Face to Face Renewal
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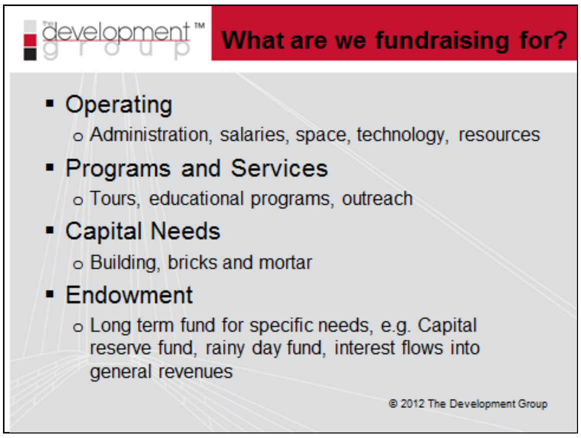
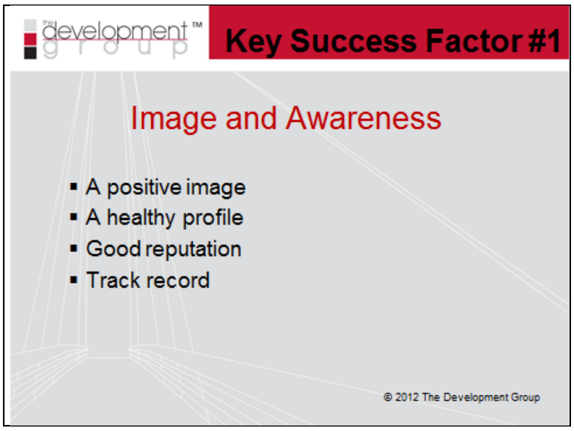

What are we fundraising for?
Operating
Administration, salaries, space, technology, resources
Programs and Services
Tours, educational programs, outreach
Capital Needs
Building, bricks and mortar
Endowment
Long term fund for specific needs, e.g. Capital reserve fund, rainy day fund, interest flows into general revenues
© 2012 The Development Group


Key Success Factor #1
Image and Awareness
A positive image
A healthy profile
Good reputation
Track record
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Key Success Factor #2
Strong, committed, passionate, active leadership
▪ Staff
▪ Board
▪ Other volunteers
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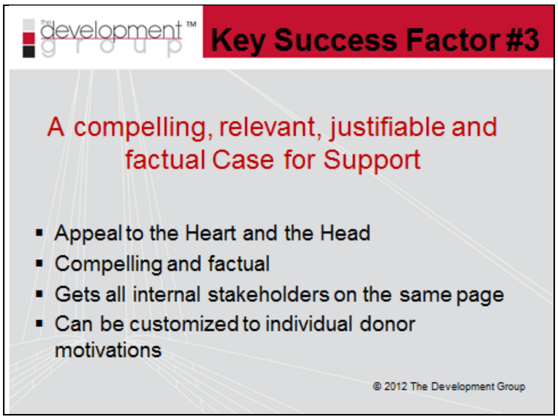
Key Success Factor #3
A compelling, relevant, justifiable and factual Case for Support
▪ Appeal to the Heart and the Head
▪ Compelling and factual
▪ Gets all internal stakeholders on the same page
▪ Can be customized to individual donor motivations
© 2012 The Development Group


Key Success Factor #4
A solid, diverse pool of prospects that can be developed from the inside out
▪ Corporations and businesses
▪ Individuals (native and ex-pat)
▪ Clubs and Societies
▪ The Diaspora
▪ Foundations and other NGO's
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Key Success Factor #5
Commitment of Appropriate Resources
▪ Fund Development / Campaign Plan
▪ Professional Staff
▪ Support Staff
▪ Training and technology
▪ Communications and marketing
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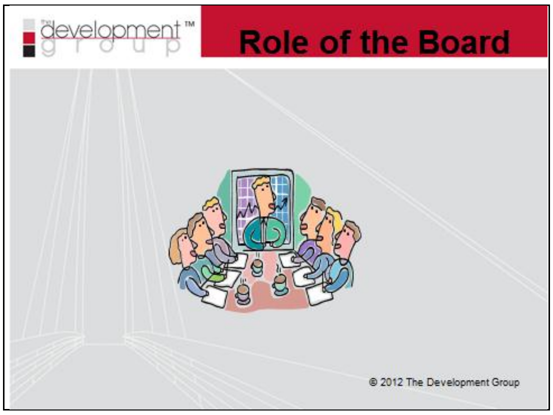
Role of the Board
© 2012 The Development Group


Three Main Roles
▪ Keeping your organization clean, legal and financially health
▪ Defining its future
▪ Being the link with the community
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AAA Board Roles
Ambassadors
Making friends
Building relationships
Advocates
Making the case (formal and informal)
Key to solid board recruitment
Askers
Making the ask
Front line fundraisers
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Specific Roles
As donors
As strategic planners
As identifiers
As qualifiers
As cultivators
As door openers
As note writers
As event attendees
As stewards
As advocates
As solicitors
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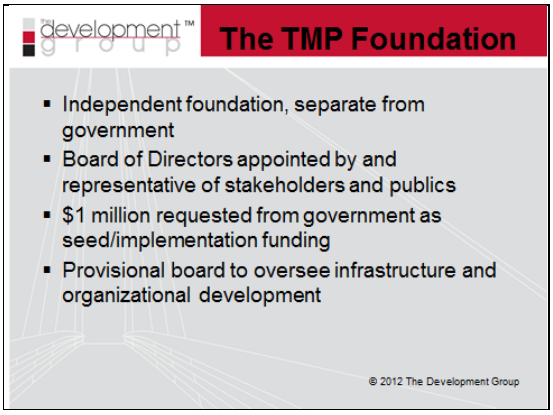
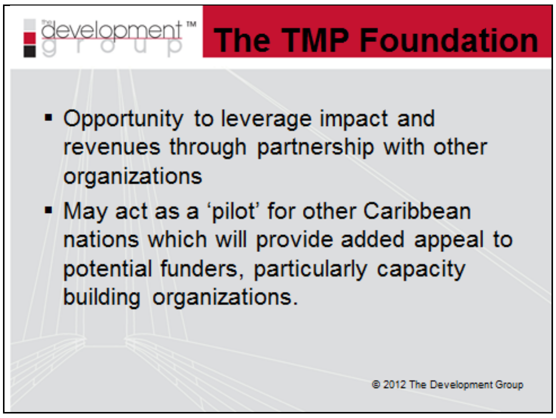

The TMP Foundation
Independent foundation, separate from government
Board of Directors appointed by and representative of stakeholders and publics
$1 million requested from government as seed/implementation funding
Provisional board to oversee infrastructure and organizational development
© 2012 The Development Group


The TMP Foundation
Opportunity to leverage impact and revenues through partnership with other organizations
May act as a 'pilot' for other Caribbean nations which will provide added appeal to potential funders, particularly capacity building organizations.
© 2012 The Development Group


Next Steps
Current Activities:
Testing foundation concept with key influencers
Obtaining input from people in public sector, other NGO's and individuals
Establish foundation with Ministerial approval
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Next Steps
To be completed later:
Recruit foundation provisional board
Create mission / vision
Design foundation infrastructure
Design foundation granting process and parameters
Develop business / fund development plan
Develop budget, hire staff
Identify priority items for the next 5 – 7 years
Create 'Case for Support'
Raise money!!!
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List of Acronyms

A	Advanced Economies
AAC	Average Annual Change (as a percentage)
A/C	Air Conditioning
ACP-EU	African, Caribbean and Pacific Group of States – European Union
ACS	Association of Caribbean States
APIS	Advance Passenger Information System
ASEAN 5	Association of Southeast Asian Nations (namely Indonesia, Malaysia, Philippines, Thailand and Vietnam)
B	Billion(s)
BBC	British Broadcasting Corporation
BBEC	Barbados Business Enterprise Corp.
BDDC	British Development Division in the Caribbean
BDS	Barbados
BDS$	Barbados Dollar
BEF	Barbados Entrepreneurship Foundation
BENELUX	Belgium, The Netherlands and Luxemburg
BHTA	Barbados Hotel and Tourism Association
BIBA	Barbados International Business Association
BIDC	Barbados Investment and Development Corporation
BIF	Barbados Investment Fund
BIG	Barbados Integrated Government Portal (Official Portal of the Government of Barbados)
BPSA	Barbados Private Sector Association
BRIC	Brazil, Russia, India and China
BSBC	Barbados Small Business Centre
BSS	Barbados Statistical Service
BTA	Barbados Tourism Authority
BTII	Barbados Tourism Investment Inc.
BVE	Barbados Visitor Economy
BVTB	Barbados Vocational Training Board
BYBT	Barbados Youth Business Trust
CAB	Culinary Alliance of Barbados (BHTA programme)
CAGR	Compound Annual Growth Rate
CARICOM	Caribbean Community (currently consisting of 15 Member States and 5 Associate Members)
CARIFORUM-EU	Caribbean Forum – European Union (a base for dialogue between CARIFORM, a subgroup of ACP States, and the European Union)
CBB	Central Bank of Barbados
CBC	Caribbean Broadcasting Corporation
CBET	Caribbean Business Enterprise Trust Inc.
CDB	Caribbean Development Bank
CFSC	Caribbean Financial Services Corporation
CIA	Central Intelligence Agency (USA)
CIDA	Canadian International Development Agency
CIEX	Council for Investment, Exports, Foreign Exchange and the Diaspora

CIS	Commonwealth of Independent States
CLACS	Center for Latin American and Caribbean Studies
CTO	Caribbean Tourism Organisation
DR	Dominican Republic
(E)	Estimate (includes "Provisional" data in Barbados)
ECLAC	Economic Commission for Latin America and the Caribbean
E/D	Emerging Economies/ Developing Countries
EDD	Entrepreneurial Development Division (of BIDC)
EEC	European Economic Community
EGFL	Enterprise Growth Fund Limited
EM	Euromonitor International
EPDD	Export Development and Promotion Division (of BIDC)
ESL	English as a Second Language
FA	Fund Access
FAB	Fully Accessible Barbados
FFE	Furniture, Fixtures and Equipment
FIT(s)	Free and Independent Travelers (a visitor market segment)
F+B	Food and Beverage sector
G	Gini Index
GDP	Gross Domestic Product
GOB	Government of Barbados
IADB	Inter-American Development Bank
IB	Invest Barbados
IFI	International Financial Institution (e.g. World Bank)
IMF	International Monetary Fund
I/O	Input-Output
ISE	Indigenous Services Export Programme (of Invest Barbados)
ISO	International Organization for Standardization
IT	Information Technology
ITB	International Tourism Exchange (or Internationale Tourismusbörse)
IUCN	International Union for Conservation of Nature
LICO	Low-Income Cut-Off
LNG	Liquefied Natural Gas
LOS	Length of Stay
M or M's	Million(s)
MEA	Ministry of Economic Affairs (Barbados)
MFEA/RPU	Ministry of Finance and Economic Affairs – Research and Planning Unit
MIBIT	Ministry of International Business and International Transport (Barbados, prior to 2013)
MICE	Meetings, Incentives, Conferences and Conventions, Events and Exhibitions (Conference Tourism)
MOF	Ministry of Finance
MOT	Ministry of Tourism
MSME	Micro-, Small and Medium-Sized Enterprise
MTI	Ministry of Tourism and International Transport
NAFTA	North American Free Trade Agreement
NATAS	National Association of Travel Agents Singapore

N/Av	Not Available
NCF	National Cultural Foundation
NGO	Non-Governmental Organization
NISE	National Initiative for Service Excellence
NPO	Non-Profit Organization
NYC	New York City
N/Av	Not Available
OAS	Organization of American States
OTTI	Office of Travel and Tourism Industries (USA)
P	Poverty
(P)	Projected or Provisional
PCS	Property Consultancy Services Inc.
PM	Prime Minister
SBA	Small Business Association
SBVCI	Small Business Venture Capital Inc.
SHBI	Small Hotels of Barbados Inc.
SHIF	Small Hotels Investment Fund
SME	Small and Medium Enterprise
STAP	Special Technical Assistance Programme (of BIDC)
STEP	School Tourism Education Programme (BHTA programme)
TAC	Tourism Advisory Council
TDC	Tourism Development Corporation
TEAM	Tourism, Education and Me (BHTA programme)
TMP	Tourism Master Plan 2013-2022
TSA	Tourism Satellite Account
T&T	Tourism and Travel
TWG	Tourism Working Group (in Barbados)
U	Unemployed
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
UNECLAC	United Nations Economic Commission for Latin America and the Caribbean
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization
US	United States (same as USA)
USA	United States of America (same as US)
USAID	United States Agency for International Development
US$K	in thousands of US dollars
UWI	University of the West Indies
VAT	Value Added Tax
VFR	Visiting Friends and Relatives (a visitor market segment)
VRM	Visitor Research Management
WEF	World Economic Forum
WTTC	World Travel and Tourism Council
WWF	World Wildlife Fund
WWII	World War Two

Definitions

Advertising: Communication for marketing purposes used to persuade, encourage, influence, and/or manipulate a target audience

Application (app or software application): "All the computer software that causes a computer to perform useful tasks beyond the running of the computer itself. https://en.wikipedia.org/wiki/Application_software

Brand: A distinctive design, sign, symbol, phrase, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors

Branding: The marketing practice of creating a design, sign, symbol, phrase, or a combination of these, that identifies and differentiates a product from its competitors

BTMI: Barbados Tourism Marketing Inc.

BTPA: Barbados Tourism Product Authority

BVE: Barbados Visitor Economy

Direct marketing: Selling products and/or services directly to consumers by mail order, telephone, catalogs, and/or fliers, rather than through retailers or other middlemen

ICTs: Information and Communications Technologies provide access to information through telecommunications networks, including the Internet, wireless networks, mobile communications devices such as phones and tablet PCs, and other communications mediums. They integrate telephone lines, wireless signals, computers, enabling enterprise software, middleware, storage, and audio-visual systems to allow end-users to access, store, transmit, and manipulate information

Image: The general impression a person, organisation, product, or country presents to the public, driven by individual and/or collective perceptions

Marketing: Researching and understanding the needs of a demographic, seeing how those needs are changing over time, and discovering how best to respond to those needs. Specifically, "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (American Marketing Association, 2007)"

Marketing Mix: The Four Ps: Product, Price, Promotion, Place

MICE: Meetings, Incentives, Conventions, Exhibitions tourism segment/market

NBI: National Brand Image

New Media: On-demand access to content any time, anywhere, on any digital device making it possible to have interactive user feedback, creative participation and community formation around the media content. This encompasses the potential for "democratisation" in the creation, publishing, distribution and consumption of media content, as well as the real-time generation of new, unregulated content (Wikipedia)

Old Media (Legacy Media): "…traditional means of communication and expression that have existed since before the advent of the new medium of the Internet. Industries that are generally considered part of the old media are broadcast and cable television, radio, movie and music studios, newspapers, magazines, books and most print publications" http://en.wikipedia.org/wiki/Old_media

Packaging: The process of design, evaluation, and production of packages. http://en.wikipedia.org/wiki/Packaging_and_labeling

Place: The method of distribution, supply, or delivery of the product or service

Positioning: "A marketing strategy that aims to make a brand occupy a distinct position, relative to competing brands, in the mind of the customer. Companies apply this strategy either by emphasising the distinguishing features of their brand (what it is, what it does and how, etc.) or they may try to create a suitable image (inexpensive or premium, utilitarian or luxurious, entry-level or high-end, etc.) through advertising. Once a brand is positioned, it is very difficult to reposition it without destroying its credibility. Also called product positioning." http://www.businessdictionary.com/definition/positioning.html#ixzz2TmFkGQH2

PPP: Public-Private-Partnership

Price: The amount a consumer is willing to pay for a product or service

Product: A tangible item or an intangible service that fulfills consumer wants or market needs

Promotion: Any communication technique a marketer might use to inform consumers about a product or service, including advertising, public relations, direct marketing, and sales promotion

Psychographics: The study of personality, values, attitudes, interests, and lifestyles. http://en.wikipedia.org/wiki/Psychographic

Public relations: The practice of managing the spread of information between an individual or organisation and the public. https://en.wikipedia.org/wiki/Public_relations

Sales Promotion: One of the seven elements of the promotional mix, which also includes advertising, personal selling, direct marketing, publicity/public relations, corporate image, and exhibitions. Sales promotions can be directed at customers, sales staff, or distribution channel members (EX: retailers). http://en.wikipedia.org/wiki/Sales_promotion

Social Media: The mechanisms by which people interact to create, share, and/or exchange information, ideas, and/or user-generated content in virtual communities and networks. http://en.wikipedia.org/wiki/Social_media.

TMP: Tourism Master Plan

Tourism: Travel for recreational, leisure, or business purposes

Tourists: People "travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (World Tourism Organisation)"

TWP: Tourism White Paper

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Note: *The sources relied upon in the preparation of this report are listed below, with hyperlinks to their online locations, if any.*

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