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CARIBBEAN HOTEL & TOURISM ASSOCIATION CALLS FOR NEW CARIBBEAN BASIN INITIATIVE FOCUSED ON TOURISM

Challenges U.S. & Region's Leaders to Stimulate Economies, Reduce Unemployment

Through Tourism

THE CARIBBEAN (June 22, 2015) – The Caribbean Hotel & Tourism Association (CHTA), representing the private sector tourism interests of the region, is calling for the establishment of a Caribbean Basin Tourism Initiative (CBTI) to address the region's socioeconomic challenges and create new opportunities for stimulating trade, travel and investment throughout the region. The recommendation is presented in a position paper which CHTA released this week titled *Cuba: The Great Disruption for the Good of the Caribbean*.

A CBTI would be patterned off of the Caribbean Basin Initiative, a regional policy advanced by the United States in the 1980s, but this time focusing on tourism rather than manufacturing to strengthen the region's economies and stimulate trade and investments within the Caribbean and with the United States, its leading trading partner in goods and services. The United States is the region's leading market for tourists.

CHTA's paper outlines the need for a clear and proactive collaborative regional tourism development strategy by both the U.S. and the Caribbean public and private sectors. It is being distributed among regional leaders of both the public and private sector and also was presented to the U.S. International Trade Commission for their consideration, as it outlines issues facing the Caribbean with the U.S. preparing to allow American citizens to once again vacation in Cuba.

"CHTA has engaged its diverse membership in preparation for this position paper intended to advance a new direction for the hospitality and tourism industries in the region as well as provoking dialogue and a working strategy from which we can build upon," said Emil Lee, president of CHTA.

"We recognize that the opening of Cuba to American tourists will have an impact on both Cuba and the region and want to maximize the positive benefits for all stakeholders and, at the same time, set a tone for a new era of cooperation among Caribbean nations," Lee added.

"This is an opportunity to reunite the region under a broad-based effort to increase tourism for all Caribbean nations and also an opportunity to attract investments and developers throughout the Caribbean," Lee said. "In addition to policy and program initiatives by the region and the United States to strengthen the industry's competitiveness, there are also opportunities to take a hard look at the local public and private sectors marketing practices to determine what brings the best results to the destinations," added Lee.

In a letter to the U.S. International Trade Commission accompanying the position paper, Lee recently stated: "While we recognize fully that the lifting of the U.S. trade and travel embargo with Cuba will present our industry and the region with considerable challenges, we are also of the view that it presents the region's Government's, private sector interests, Cuba, the United States and other stakeholders with tremendous opportunities to improve the region's economies, reduce unemployment, control national debts, upgrade our industry's tourism product, increase investments and tourism arrivals, and stimulate U.S. and intra-Caribbean trade in goods and services.

CHTA CEO and Director General Frank Comito also stated that: "Taking advantage of the opportunities which are presented will require leadership and engagement by all stakeholders and in our view the United States must return to the stewardship role it played in the region's economic development several decades ago. The normalization of U.S.-Cuba relations can be the catalyst for advancing a new Caribbean tourism and economic development agenda.

"CHTA presents to the region's public and private sector leaders, the US International Trade Commission and by extension to the United States Government a single recommendation: the creation of a Caribbean Basin Tourism Initiative (CBTI). This would recognize tourism services as a way in which to support both Cuba and the region's development."

Similar to the original Caribbean Basin Initiative of the 1980s, CBTI contemplates policy and technical support to the region with partners like the CHTA and its Government counterpart, the Caribbean Tourism Organization engaged with the United States and other stakeholders in

the development and delivery of an economically sound, safe and stable Caribbean. "We believe tourism is a viable vehicle for advancing this," states Comito.

The position paper outlines an agenda for Cuba's reemergence as a destination for American visitors and provides a contextual backdrop of the various competitiveness issues facing Cuba and the region's tourism industry. It points to the broader ramifications facing Cuba and the region if these issues are not addressed. And, it speaks to the opportunities presented through trade liberalization.

The agenda urges heads of state, tourism ministers, industry executives and policymakers within the U.S. and Caribbean, to undertake a unified approach and a new era of cooperation between the private and public sectors. Beyond its role facilitating growth in tourism arrivals to the Caribbean, CHTA is reinvigorating its advocacy efforts as it relates to raising awareness for the impact of travel and tourism on the region's economies and employment rates and offering solutions.

"While U.S. tour, airline and cruise executives are eying the tourism potential of the long-forbidden paradise 90 miles south of Key West, Florida, conflicted stakeholders throughout the wider Caribbean have legitimate concerns whether there will be a level playing field and whether the rest of the region will grow tourism arrivals or lose tourism investments and arrivals as they divert to Cuba" said CHTA's President Emil Lee.

"As the voice of the Caribbean hospitality sector, we embrace the rich diversity of Cuba and what it adds to the Caribbean brand. We see Cuba's reemergence in the U.S. market as an opportunity to reunite the region under a broad-based developmental and marketing initiative with the potential to redefine the Caribbean brand in a profound way," states Lee.

"The impact Cuba will have on our ability to attract investment in much-needed tourism infrastructure and human resources, not just in Havana but throughout the entire Caribbean region, simply cannot be overstated," he added.

Caribbean Hotel & Tourism Association

The Caribbean Hotel & Tourism Association (CHTA) is a federation of 32 National Hotel Associations with more than 600 member hotels and over 300 allied members. CHTA is the largest representative of the private sector in the Caribbean hotel and tourism industry. We are the voice of the Caribbean hospitality industry for the development of the region in the highly competitive and sophisticated environment of international tourism. Today, tourism is widely recognized as a pivotal industry in the economy of the region – and CHTA functions as the

common denominator for this industry in a region of diverse nationalities, languages and styles, identifying mutual problems and marshaling the resources of the active and allied members to devise solutions.

CHTA, including the events staged by the association, is supported by Strategic Partners Cable & Wireless, HVS, Interval International, MasterCard, OBM International, Tambourine and TravelZoo.

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