

CARIBBEAN Hotel & Tourism Association

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CUBA: THE CARIBBEAN'S WAKE-UP CALL

Caribbean Governments and Private Sector Cannot Afford To Be Complacent

THE CARIBBEAN (June 30, 2015) – For far too long the Caribbean has taken tourism for granted according to a white paper issued by the Caribbean Hotel and Tourism Association (CHTA) entitled *Cuba: The Great Disruption for the Good of the Caribbean.* The paper states that the country that many regard as the least capitalistic in the region is about to teach its neighbor governments, capitalists and free market adherents a lesson.

The white paper stresses that through the years, the Governments of the Caribbean have shown a preference for revenues from commodities and agriculture to revenues from tourism. Cuba has long recognized that the great advantages of tourism are that it not only brings much needed foreign exchange but also delivers broad-based employment, establishes linkages throughout the economy, depletes few, if any, natural resources and is sustainable over time.

The CHTA aims to raise awareness about both the challenges and the opportunities to the region with the pending removal of travel barriers to Cuba. The paper stresses that the anticipated increase of U.S. visitors to Cuba should prompt the region's public and private sector leaders to take positive steps to improve their global competitiveness or face negative economic and social consequences.

CHTA President and St. Maarten hotelier Emil Lee states that "We want to be clear that the CHTA welcomes the lifting of the U.S. travel embargo and Cuba participating with the rest of the Caribbean as a tourism partner. This would eliminate a significant barrier to improving regional cooperation and integration." The paper also describes trade and investment opportunities, how Cuba can learn from the region and how the region can learn from Cuba about improving destination and regional competitiveness.

Lee said: "Cuba should not be a point of fear for the region, rather it should be a rallying point for opportunity. Failure to act will result in a diversion of Americans and travelers curious to experience Cuba before it changes, many who would otherwise go elsewhere in the Caribbean."

According to Lee "Cuba is already well established as a destination for many direct long-haul flights and shows great potential to be a regional air hub, much like San Juan. By example, we believe travel to the Caribbean could be stimulated significantly by adopting policies and practices which eliminate visa and travel barriers, reduce regional and U.S.-based high air travel related taxes and fees, speed up the traveler's clearance and processing time, and support a more cooperative approach among industry stakeholders. Advancing these ease of travel and cost of travel strategies would drive more business to the region."

"The region can't blame Cuba for its success," said CHTA CEO Frank Comito, adding: "We need to look at those factors which have contributed to its success – product diversity, infusing culture and history into the visitor experience, investments in education and training, competitive pricing, lower operating costs. We need policies and practices which drive business, and not drive away business."

The paper candidly states that "relatively little effort has been spent on turning the most tourism dependent region in the world into the most tourism competent. The coming Cuban disruption just might be the tonic that the countries need individually and collectively to build the kind of strategic approaches to tourism development that will yield sustainable results for its citizens."

CHTA notes that the CARICOM heads of state are meeting in Barbados early in July. Comito notes: "It will be interesting to see if tourism is considered in their discussions. Tourism holds the key for reducing unemployment and national debts. Historically CARICOM has not placed tourism high on its agenda as a socio-economic development tool. We hope that our call for regional public-private sector collaboration on this will be given due consideration in their deliberations."

Comito continues: "There is a saying that 'tourism is everybody's business'. This is backed up by data showing the full impact of tourism on the lives and livelihoods of millions of people in the Caribbean. The CHTA believes that by working together, heads of government with heads of industry, hundreds of thousands of tourism-related jobs and hundreds of tourism-related businesses can be created. The indirect impact which tourism has on our broader economies cannot be understated. As tourism thrives, so do beauty parlors, banks, grocery stores, auto repair shops, contractors, street vendors and on and on." CHTA proposes that the US Government, the region's Governments, and public and private sector tourism industry stakeholders work together to create a Caribbean Basin Tourism Initiative which CHTA recommended recently to the United States International Trade Commission.

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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.

For more information, visit <u>http://www.caribbeanhotelandtourism.com</u>. Follow CHTA on Facebook <u>Facebook.com/CaribbeanHotelandTourismAssociation</u> and Twitter <u>Twitter.com/CHTAFeeds</u>.

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