



Ministry of Trade and Industry
Republic of Trinidad and Tobago



SMALL STATES IN TRANSITION – FROM VULNERABILITY TO COMPETITIVENESS

ST LUCIA

STRATEGIC APPROACH TO TOURISM AS AN EXPORT AND DEVELOPMENT OPPORTUNITY IN SMALL STATES

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Introduction:

Saint Lucia as a small island state has witnessed positive growth in tourism in recent years to the extent that this sector has effectively replaced agriculture as the lead contributor to the Gross Domestic Product. However there is growing concern about the future of tourism both in terms of global developments and the need to safeguard and maximize its development potential.

The stated proposition signifies a major shift in the traditional approaches to tourism development in Saint Lucia. Moreover it challenges the current concepts and practices towards national development planning and export strategy formulation in particular.

Most Small States (Saint Lucia included) are still quite immature in export strategy formulation as a national development planning exercise even though strategic planning for tourism development has advanced significantly. The stated proposition therefore constitutes a threefold challenge to the small Island state. These challenges can be delineated as follows:

1. Refining and strengthening the strategic planning framework for export development to adequately integrate tourism.
2. Changing the existing strategic planning framework for tourism development to an export oriented approach
3. Finding the most appropriate mechanisms for fusing the above two endeavors or approaches so that tourism becomes the core of a national development strategy based on export development.

The ensuing sections of this Technical Paper addresses challenge number 2 above, by highlighting some of the critical issues that small islands like Saint Lucia must address in achieving the requisite paradigm shift in tourism planning i.e. to effectively establish a strategic approach to tourism as an export and development opportunity.

A. Balancing short-term commercial opportunities with long-term development and sustainability.

The following are some of the main elements of a national tourism strategy that addresses short-term commercial objectives with longer-term developmental and sustainability issues in the context of the small state.

- Formulating a shared national vision for tourism on terms of conceptualizing and creating a particular quality product. This will require effective binding mechanisms in terms of legislation and regulatory framework, to ensure that private agents adhere to the Vision and do not pursue alternative approaches that may appear more lucrative in the short- term but may compromise long term benefits.

The future success of tourism will depend largely on what is done now, in terms of conceptualising and creating a particular quality product with sufficient regulatory mechanisms to deliver such a planned product. Ensuring that the key stakeholders take ownership of a product plan will assist in ensuring that the product develops along pre-defined paths. In the words of Jean Holder (CTO), "The Caribbean tourism industry displays the unfortunate and haphazard consequences of purely private enterprise led initiatives and this is not best practice".

The lack of a common vision means that there is no agreement or understanding of how our tourism will develop. The costs and the consequences of this are dire. The consequences are that there is a lack of understanding of tourism at many levels of the public. Tourism cannot play the lead role as the platform for economic development until it is accepted as the lead industry. Amongst all industries, tourism has perhaps the most dramatic effect on the physical and social fabric of communities or countries where it plays the lead role. To succeed tourism requires national involvement and commitment. It is therefore imperative to define how it should be developed so that all can understand and support.

- Translation of the National Vision into a Policy and a Strategic Plan

Where there is no Tourism policy and plan the industry has not been adequately conceptualised. There must be an approach by the relevant public and private sector interests and stakeholders which utilizes their skills and insights to develop a conceptual view of the hotel plant and industry that will bring optimum social and economic benefits to St Lucia. In the absence of such a plan each investor has no choice but to seek solely his interests, which often militate against the interest of the nation.

- Introduction of principles for ensuring adequate land allocation and land use for tourism development is an important concern. Also the location of critical economic and social infrastructure in relation to tourism amenities must be adequately considered so that spatial development is in keeping with the long-term expectations for national development.

Associated with this concern is the need for balancing environmental concerns and protection with tourism development expansion. In Saint Lucia a National Land Policy and Coastal Zone Management Policy has been drafted with input from the tourism sector. A Systems of Protected areas has also been developed. The formulation of a national Physical Development Plan, which includes tourism development, and incorporates other existing environmental protection policies, is a matter to be addressed.

- Determining the appropriate allocation of marketing resources between promotion in existing markets and activities that lead to the development and penetration of new markets. The latter requires significant resource expenditure in areas such as market research and analysis.
- The cost of infrastructure to support tourism is a challenge for the small island state and balancing such expenditures within the Government Budget is difficult. The pursuit of tourism development within the context of a tourism centered national export development strategy could present new opportunities and innovative ways to finance infrastructure for the benefit of the export sector as a whole.
- Building upon tourism as a base for broadening the export base e.g. through the development of tourism related initiatives in other sectors such as Sports, Health, Education, Business and Religion. In this regard Saint Lucia has formulated and implemented an extensive heritage tourism development programme to foster greater linkages between tourism and the national heritage (historic assets, cultural resources and natural features). The programme has

led to the successful development of many such assets as amenities to the tourism industry.

- Placing higher priority in areas that increase the local value added in tourism added such as:
 - Increasing the value of national resources invested in tourism plant, infrastructure and amenities. There is concern that without deliberate strategic intervention to address this concern the Saint Lucia tourism industry would be in danger of becoming a foreign enclave with nationals having only a marginal ownership at the bottom end of the industry.
 - Human resource development
 - Inclusion of all major activities and opportunities along the tourism value chain in the development strategy

- Creating linkages between Tourism and Other Sectors by strengthening the supply chain thus permitting it to operate as a pull sector that increases demand for goods and services

Tourism is by far the largest service export in the Caribbean. The Sector contributes a third to a half of GDP for most Caribbean Countries. Tourism is labour-intensive and has tremendous scope for encouraging entrepreneurship in a wide range of auxiliary activities including restaurants, entertainment, transportation, sports facilities, craft and related services.

The potential of Tourism to stimulate and facilitate growth and development in Agriculture and Manufacturing has also been the subject of much debate. The direct effects of the Tourism Industry are substantial in countries where hotels rely on local inputs in terms of food, furnishing and related inputs. Saint Lucia is currently working on a project to develop greater linkages between the Tourism Sector and the Garment and Fashion Sub-sector. In the Caribbean, Jamaica has had good success in linking its garment and fashion sector with its Tourism Industry.

The fostering of greater linkage between Tourism and other sectors of the economy particularly Agriculture and Manufacturing is of vital importance to Saint Lucia given the decline in the Banana Industry in terms of employment and export earnings. Appropriate policies and supportive mechanisms must however, be developed in order to exploit the opportunities which Tourism can create for social and economic growth.

Another dimension of the importance of linkages with the Tourism Industry is the need to ensure that the gains and opportunities created by Tourism can contribute to the maintenance of social and economic stability. A strategic approach to Tourism development is needed, which recognizes the benefits of linkages and ensures the existence of an appropriate framework for the creation of such linkages.

B. Identifying a “best practice” approach to tourism marketing and promotion through experience gained.

Having a shared pre-defined national vision of our future tourism is a pre-requisite to success. After having established such a vision the strategic focus must capture the three key aspects: Visualizing, Planning and Marketing

- National branding of the tourism to create a consistent image of high quality and uniqueness

The view has been expressed that there is significant potential for marketing Saint Lucia more successfully. Recognizing that budget constraints are a prime reason for the limitations in this regard, the following recommendations have emerged among the “best practice” methods and strategies to be employed.

Historically, the marketing of St Lucia has been guided, through the Tourist Board, by a series of advertising campaigns. This approach has been somewhat limited in many respects due in large part to budgetary constraints. This has not served St Lucia well and has resulted in inconsistent images and promises reaching the consumer so there is no particular reason for consumers to select St Lucia over the competitive set.

The word mark, St Lucia, is a simple but important mnemonic in marketing. Therefore it should be consistent. The fact that it has changed perhaps 15 times in 15 years demonstrates the inconsistency in St Lucia’s marketing.

The Tourism strategy should decide on niche markets to be targeted, describe the type of product that is best suited to these markets. The plan must be cognizant of the consumer marketing promise, ‘Simply Beautiful’ that is made by St Lucia to the market place.

- National branding through tourism can also successfully open the door for successful promotion of other goods and service products and joint marketing of such endeavors reduces the overall cost of tourism marketing and increases efficiencies
- Collaboration between public and private sectors in all aspects of tourism marketing including co-financing initiatives. Essentially tourism marketing must take place in a framework of public-private sector partnership.
- Marketing must embrace all major activities along the tourism value chain and should be integrated with internationally acceptable standards and quality assurance systems. Internationally recognized accreditation systems serve as avenues for marketing and promotion.
- Collaboration at regional and CARICOM level fundamentally augments national efforts and enhance efficiencies and enables the country to fully integrate into the international tourism industry.
- Development of a marketing strategy that goes beyond a tangible claim of beauty to create an experience based product.
- Develop strong product lines to meet consumer needs in niche markets

C. Institutional and operational implications of an export-oriented national tourism strategy.

Up till the present tourism and exports administration have been largely segregated. Consequently consideration for an export-oriented national tourism strategy will require supporting institutional and operational mechanisms such as:

- Creation of a National Export Council with the responsibility for formulation of the national export development strategy would create an umbrella body to effectively encompass the separate export and tourism agencies. It would also better encourage the paradigm shift towards export-oriented national tourism strategy by reducing the scope for conflicting agendas and perspectives that often hinder collaboration among agencies.
- Enhancement of national economic research and statistical analysis to effectively monitor and evaluate export development in relation to tourism. Competency in quantitative analysis of tourism development has traditionally been weak in small states where the greater influencing factors are external. However the available of such expertise would be of critical value for managing the export-oriented national tourism strategy.
- Collaboration among private and public sector agencies across sectors is essential and must be catered to at all levels of the strategic planning process including at the level of the proposed National Export Council.
- There must be mechanisms by which the export-oriented national tourism strategy is reviewed from time to time and there must be an element of flexibility within the strategy.
- The design of operation and institutional arrangements must to be sensitive to the intensified security needs of tourism and the export sector in recent times. The increased threat of terrorism (the human factor) and bio-terrorism (the product factor) must be addressed in an interrelated and satisfactory manner.