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**SMALL STATES IN TRANSITION – FROM VULNERABILITY TO COMPETITIVENESS**

## **ANTIGUA AND BARBUDA**

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

Port of Spain, Trinidad & Tobago – January 2004

When one speaks of strategic planning, it immediately communicates a long-term strategy. As such it is important to note, that along with the tourism boom experienced in Antigua and Barbuda during the early '80's, there were many short term plans put in place but there has been a serious lack of long term planning. Only in recent times has a decisive effort been made to put a strategic plan in place for tourism. The tourism industry on a whole has to be planned and managed better. It is no longer acceptable to perceive that the natural appeal of the country will automatically lure tourists to our island or that there are 'guaranteed' markets that will always procure their tourism experience from us.

The Ministry of Tourism and Environment is responsible for policy formulation and implementation; it is the industry's regulator, and is actively involved in promotion and development. A major objective of the Government is to increase the competitiveness of Antigua and Barbuda as a tourist destination by improving the quality of the tourism product offered, and to improve the quality of life of nationals of Antigua and Barbuda through sustainable development of the sector. Promotion and development activities are also carried out by the Antigua and Barbuda Hotels and Tourism Association, a private sector organization comprising most of the major hotels and other ancillary services of the tourism sector. There is a Tourism Development Corporation that was recently enforced, through the Tourism Development Act No. 6 of 1997, to regulate and market all aspects of Antigua and Barbuda's tourism industry. The Corporation is governed by a board comprised of nine members.

### **Relevant Issues**

Tourism is the mainstay of the economy. Although in terms of GDP, this sector's performance is currently measured using hotels and restaurants as a proxy, tourism is closely linked to a major portion of many other service sectors. Taking this into account, the authorities estimate that tourism contributes directly and indirectly to approximately 60% of GDP, accounts for about 75% of the Antigua and Barbuda's foreign exchange earnings, and 25% of the labour force. All players therefore need to come on board and realize that in this stage of Antigua & Barbuda's development, there is presently no viable alternative to replace tourism as the main industry. All sectors need to carry out their role in contributing to the sustainability of this industry and pull together to make it work. This is an important factor in the equation yet one that many persons misunderstand. The development of other industries such as manufacturing, agriculture and offshore banking will actually help in improving our tourism product. Tourism is unique in that it encompasses all areas since it is an intangible good and is all about the tourists' experience.

There is fierce competition from similar tourist destinations, including neighbouring small, island states like we. We therefore have to ensure that the tourism package we offer is very competitive. As a destination vying for consumers, we have to aim for quality. Antigua & Barbuda as with any other country is unique in our own way. We therefore have to maximize the product that we have to offer. We may not have what other destinations do, but they certainly do not have what we have – 365 beaches dotting every corner of the island; a first class tourism plant.

Antigua and Barbuda is not able to cater for the huge volumes, as Santo Domingo and Cuba but that should not be our target either. The masses always represent the lower end of the market but because of our size this would be an impractical aim. We therefore need to know our strengths and maximize them to provide the best service that we can offer. As such Antigua & Barbuda caters to the medium to upper end of the market and it is certainly not in our favour to build mega-hotels as in other tourist destinations. Our infrastructure among other things would not be able to deal with the many implications of this. Our focus is therefore to maximize the experience of each tourist that enters our shores. There are people who are willing to book in advance for a vacation because of the exclusiveness it offers, and return every year for the serenity and tranquillity not found at other destinations, which accommodate a larger clientele.

Visitor accommodation capacity, including hotels, villas, apartments and condominiums, and guesthouses reached a total of 3,185 rooms in 2000. Hotels account for approximately 56% of total visitor accommodation in Antigua & Barbuda. The number of total stay-over tourist declined slightly in the 90's; however, the authorities are estimating that tourist numbers in 2002 and 2003 have equalled or even exceeded those attained before the country was affected by hurricanes between 1995 and 1999. The number of passengers arriving on cruise ships has increased substantially.

The prevailing opinion of the majority of persons is that there is fewer earnings from cruise tourism. However, cruise tourism is the fastest growing sector within the industry, representing a significant aspect of consumer preferences. The consumers of today prefer the totality of the package offered by cruise tourism. Even within the hotel business, there is a rising trend in all-inclusive hotels.

Cruise tourism also complements stay-over visits in that it is everyone within the industry responsibility to make sure that they participate. Cruise ship tourists also use taxis, utilize restaurants, go for tours and visit attractions around the island. Many tourists book way in advance not only for the cruise, but also for the activities done during their stay on the island. Therefore, the prevailing opinion as to less earnings from cruise ship tourists *may* be a myth since although they may not be contributing to one sector they are in another. It is all about supply and demand.

It is a stark reality that the Caribbean in general and Antigua & Barbuda in particular are susceptible to hurricanes. However, this fact does not negate the viability of tourism as a major contributor to the economy. We are not the only country prone to natural disasters. As such the onus is on us to prepare for the worse but expect the best and not refrain from reaping the benefits of a strong tourism industry because of a time immemorial probability.

### **Approach to Addressing the Issues**

The foundation of any successful plan knows whom you are catering for and what their needs are. The major origin of tourists to Antigua and Barbuda is the United Kingdom, followed by the United States, and Canada (Table I). The Government has established tourism offices in Canada, France, Germany, Italy, the United Kingdom, and the United States, to promote Antigua and Barbuda as a tourist destination in those markets.

**Table I**  
**Visitor Arrivals to Antigua and Barbuda 1994-1999**

	1994	1995	1996	1997	1998	1999
Type of arrival						
Air stay-over	234,745	191,401	202,433	211,444	203,958	207,862
Sea stay-over	19,963	20,262	18,042	20,697	22,163	23,852
Total stay-over	254,708	211,663	220,475	232,141	226,121	231,714
Total arrivals by sea						
Cruise ship	235,665	227,443	270,461	285,489	333,455	328,038
Windjammer	10,607	11,187	9,547	4,585	10,649	11,756
Yacht	19,773	20,682	21,955	18,558	22,949	17,358
Naval ship	1,798	969	3,210	1,954	2,264	3,980
Ferry <sup>a</sup>	n.a.	n.a.	n.a.	n.a.	18,575	20,142
Country of residence						
United States	78,972	62,703	64,789	60,852	65,995	64,953
Canada	16,698	12,153	15,837	18,580	14,783	11,758
United Kingdom	64,147	47,106	50,417	57,737	57,500	71,313
Other Europe	31,415	25,238	28,099	23,196	19,663	15,554
Caribbean	39,226	36,522	39,199	38,772	37,270	33,797
Total	234,745	191,401	202,433	211,444	203,958	207,862

*n.a.* Not applicable.

*a* Ferry figures for 1994-1997 are included in yachts.

Source: Information provided by the authorities of Antigua and Barbuda.

The USA and Canada since the early '80s have been the traditional markets for our tourism package. A conscious effort was made on the part of Antigua & Barbuda to target 'non-traditional' markets even before 9/11. This initiative has brought tremendous results. Antigua and Barbuda pursued the United Kingdom (UK)/ London market, for more than one reason. This relationship has worked since for one thing, there has been a long, historical relationship. Therefore, this new focus came as second nature. The tourists from the UK and London stay longer and they spend more.

However it is important to note that all the links have to be made to achieve success. Airlifts are tied to numbers, because their profits are tied to numbers. Arrangements were therefore made with air carriers such as British Airways and Virgin Atlantic who have now more than doubled the number of weekly flights to Antigua.

The total package offered is very important. Therefore, the mix is important. Attractions, tours, the friendliness of the service providers and natural beauty of the island all go hand in hand to distinguish the experience from any other. We have already identified the part of the market that we are going for. However, within this market a particular niche also has to be identified.

We live in an era where a lot of persons are becoming very environmentally conscious and as such micro sectors such as eco-tourism have flourished in the last few years. It is very tempting to get caught up in the 'wave'. However, in any strategic plan, the resources available have to be taken into account. As such Antigua & Barbuda, as a twin island state offers eco-tourism to a small extent through the resources found on Barbuda. However, our primary marketing niche is soft adventure, which includes safari tours, horseback riding, kayaking, para sailing, yachting and numerous other activities, which appeal to the majority of the visitors to the island.

## **Associated Obstacles and Constrains**

One major obstacle in the ultimate development of the tourism package is the lack of education. There is a need for formal education. The Ministry of Tourism has had some level of success in getting the message out that '*tourism is everybody's business*', but there is yet a ways to go. For tourists, the friendliness of the natives goes a long way in making their visit one to remember. The average man on the street therefore needs to be informed as to his role in the ultimate aim of boosting the economy. The removal of all the other 'road blocks' is hinged on this very important element.

Community involvement, cross-sectoral relationships and regional partnerships are other important elements which if lacking can place a strain on the provision of an ideal tourism product. They are all linked directly to education. A deficiency in any of the above elements leads to waste and inefficiencies.

Community involvement speaks to the people factor. It is a reality that the human resource is the most powerful tool in any organization. Once people feel involved, then there is no limit to what can be achieved. This inclusiveness will lead to a quality in service on all levels that will distinguish the total package from any other. However, awareness has to be done to ensure this competitive edge.

Partnerships, on a local as well as regional level also have to be established to ensure that all the needed inputs are on target. Unfortunately many of these links have not yet been established. For example, there needs to be better linkages between agriculture and tourism, which would be mutually beneficial to both sectors. This link would enable farmers to have a stable supply of locally grown produce for the hotels which would in turn ensure that the tourist has the best island-experience possible. However the link is much more intertwined since there are sectors, which would need to link with agriculture to ensure that they are able to produce at full potential. One readily available example is a link with the water authority to ensure that farmers are not negatively affected with the droughts, which are common in our country. These linkages also expand to the Department of Culture, in the forming of partnerships with local vendors to enhance the authenticity of their 'local souvenirs' and move away from the generic molds, which can be found throughout the Caribbean.

A constrain which hampers these linkages from being formed is that our research capability is limited. We are making plans based on poor information. Therefore it is important that proper and up-to-date statistics are kept so that authorities can make the best-informed decisions when making long term plans.

We also need to develop a tourism caring environment, with a view to preservation, conservation and sustainability.

## **Level of Success of the Strategic Actions Taken**

In order to be successful, tourism needs to be strategically looked at as a business. Therefore quality of accommodations and attractions, quality of service and quality of human resources, standards, safety and security all need to be administered at optimum levels. Just as any business the end result will be to earn a profit, which is foreign exchange. There needs to be employment of all the factors of production to ensure that the end product is of a high quality. Viewed as such the business of tourism in Antigua &

Barbuda has met with success over the years although more can and will be done to achieve greater returns.

The unique nature of tourism is that it is a product that is 'indirectly exported' although it is consumed on site. The tourists take with them an experience that will last a lifetime and if it is a satisfactory experience they become your marketing personnel for they will surely tell others. In addition, for the small manufacturers, vendors and service providers, any goods produced locally (even for the local market) is also indirectly exported.

The tourism package offered by the Antigua & Barbuda is definitely working for us. Even with a lack of finance for marketing and promotion, recommendations, return visitors and word of mouth have gone a long way in recreating the experience for many first time visitors to our tropical paradise.

### **Lessons Learnt**

In looking back at the successes of the past and looking ahead to even greater achievements, one of the most important elements of making tourism work for Antigua & Barbuda is the involvement of people on all levels. It is not just about the tourists and the people who may come in direct contact with them but it is about the people even from the grass roots. A program therefore must be established to get them involved.

Partnership, as mentioned before is a vital element in the strategic plan of tourism. It helps to deal with problems such as capacity, which are serious issues that cannot be ideally solved by the Tourism authorities alone. Just as 'it takes an entire village to raise a child', the input of all factors are needed to ensure that the tourism product reaches its full potential.

Another important lesson learnt is to ensure that a country finds the right fit. There is something to be said for a destination that knows its market and tailors what it has to offer to its clientele base as opposed to searching out 'quick fixes' that seem to work for everyone else only to find out later that you don't have the capacity or resources to accommodate it. It is of utmost importance to avoid the proverbial '*square peg in round hole*' scenario.

Finally but of no less importance is avoiding the abuse of the environment. It would be a shame to deplete the very lifeblood of what we have to offer. Therefore measures have to be put in place to ensure that the beaches, forestry, corals, mangroves – the natural resources that keep the wheels of tourism turning – are protected to be of a long term benefit to all.