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TOURISM
COUNCIL

TRINIDAD AND TOBAGO

THE IMPACT OF TRAVEL & TOURISM
ON JOBS AND THE ECONOMY



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WORLD TRAVEL & TOURISM COUNCIL

THE WORLD TRAVEL & TOURISM COUNCIL (WTTC) IS THE BUSINESS LEADERS' FORUM FOR TRAVEL & TOURISM, WORKING WITH GOVERNMENTS TO RAISE AWARENESS OF THE IMPORTANCE OF THE LARGEST GENERATOR OF WEALTH AND JOBS WORLDWIDE.

With chief executives of more than 100 of the world's leading companies in membership, WTTC has a unique mandate on and overview of all matters related to success in Travel & Tourism.

WTTC is delighted to have collaborated with the Tourism and Industrial Development Company of Trinidad and Tobago to produce this report, which presents the first simulated Tourism Satellite Account for Trinidad and Tobago.

Undertaken by WTTC, together with our research partners Oxford Economic Forecasting, this report quantifies all aspects of Travel & Tourism Demand, from personal consumption to business purchases, capital investment, government spending and exports. It then translates this information into economic concepts of production, such as gross domestic product (GDP) and employment, which can be compared with other industries and the economy as a whole to provide credible statistical information that will assist in policy and business decision-making.

Given its prime location in the Caribbean, the world's most tourism-intensive region, Trinidad and Tobago is under no illusions as to Travel & Tourism's importance. The industry currently represents 13.8 per cent of total GDP and is expected to increase its share by nearly three percentage points to 16.5 per cent by 2015. Similarly, Travel & Tourism in Trinidad and Tobago today accounts for 16.7 per cent of total employment, and this is forecast to rise to 19.2 per cent by 2015. The industry's strong role as a generator of wealth and employment across all parts of the country is difficult to match by any other single sector. It also acts as a catalyst for growth in related areas such as retailing and construction, which would decline if demand for Travel & Tourism were reduced.

This significant contribution should not be underestimated, but neither should the industry's potential for growth be taken for granted. As illustrated in the Tourism Trends and Policy Framework sections of this report, several important challenges continue to limit Travel & Tourism's full potential for growth in Trinidad and Tobago. These must be addressed to ensure the long-term sustainable development of Trinidad and Tobago's Travel & Tourism, with maximum benefits for all stakeholders. Challenges include the development of much needed infrastructure and human capital, the enhancement of product and service quality, and raising awareness and support for the industry within government and the public at large.

This report also sets out WTTC's recommendations on policies that we believe will help optimize the potential benefits of Travel & Tourism in Trinidad and Tobago, ensuring longer-term sustainable development and spreading the benefits equitably across all levels of the economy and the country. Trinidad and Tobago's Travel & Tourism could do even better than the baseline forecasts suggest, as long as certain factors are assured. These include a favourable government fiscal policy, a climate that is conducive to business – offering incentives for investment – sustained and effective marketing and promotions, and policies that respect the environment and local cultures. WTTC stands ready to support the adoption and implementation of these policies.



Jean-Claude Baumgarten
President, World Travel & Tourism Council



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EXECUTIVE SUMMARY

THE IMPORTANCE OF TRAVEL & TOURISM TO TRINIDAD AND TOBAGO IS INDISPUTABLE, ALTHOUGH THE INDUSTRY'S POTENTIAL IS A LONG WAY FROM BEING FULLY TAPPED. HOWEVER, BOTH GOVERNMENT AND INDUSTRY WILL HAVE TO OVERCOME A NUMBER OF CHALLENGES TO ENSURE THAT MAXIMUM BENEFITS TO THE ECONOMY AND SOCIETY ARE ACHIEVED IN A WAY THAT IS SUSTAINABLE IN THE LONG TERM.

With successful energy and manufacturing sectors, Trinidad and Tobago is much less dependent on Travel & Tourism than many neighboring Caribbean countries. Nevertheless, it has been clearly identified by the government's *Vision 2020* as a means of creating sustainable employment and economic growth over the next 20 years. This recognition of the industry's potential economic contribution is a step in the right direction, although there is still insufficient understanding at all levels of government of Travel & Tourism's full potential.

In a separate analysis of Tobago, undertaken by WTTC and research partner Oxford Economic Forecasting (OEF), the results are even more striking. In 2005, Travel & Tourism in Tobago is expected to account for 46.0 per cent of the island's GDP and 56.8 per cent of total island employment. Furthermore, Travel & Tourism Visitor Exports are projected to account for nearly 96 per cent of Tobago's total exports. Clearly these figures make Tobago one of the most tourism-intensive economies in the world.

In 2005, Travel & Tourism in Tobago is expected to account for 46.0 per cent of the island's GDP and 56.8 per cent of total employment. Furthermore, Travel & Tourism Visitor Exports are projected to account for nearly 96 per cent of Tobago's total exports. Clearly these figures make Tobago one of the most tourism-intensive economies in the world.

In 2005, the wider Travel & Tourism Economy is expected to contribute 13.8 per cent of Trinidad and Tobago's GDP and account for 96,539 jobs, representing 16.7 per cent of total employment. Over the next ten years, Travel & Tourism in the country is forecast to achieve annualized real growth of 5.4 per cent, in terms of GDP, and 6.5 per cent in terms of Travel & Tourism employment. This would take the share of GDP and employment to 16.5 and 19.2 per cent respectively by 2015.

Moreover, the impact could be even greater than forecast if the underlying national policy framework is conducive to growth – ie if underlying conditions for investor confidence, dynamism and sustainability are created. However, this depends on government recognizing and supporting Travel & Tourism as a high-priority industry and employer, factoring it into all policies and decision-making.

With the delicate balance of tourism-intensive Tobago on the one hand and Trinidad's as yet largely unexplored tourism potential on the other, there is a need now to focus on increasing income through a quality and diversified tourism product, rather than simply increasing arrivals.

Past efforts, including the Tourism Master Plan of 1994 and the work of the Vision 2020 Tourism Subcommittee, have helped to put Travel & Tourism firmly on Trinidad and Tobago's political and development agenda. The main challenge that lies ahead is to gain support for the industry from all levels of the public and private sectors, as well as from the population at large, and then to ensure that recommendations are followed up by legislation and implementation.

Recent organizational developments, and the formation of the Tourism Development Company (TDC), which will take over responsibility for all

tourism development from the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO), augur well for the country's Travel & Tourism. With a strong and fresh mandate, the TDC has the power to co-ordinate and implement strategies for, among others things, marketing, product development, investment and public awareness – all of which are vital for the sustainable and equitable development of tourism.

As the Caribbean Single Market and Economy (CSME) comes into play, Travel & Tourism in Trinidad and Tobago will face increased competition, particularly in terms of employment, from neighbouring Caribbean countries. A highly trained workforce, and an industry that offers employment opportunities to match, will be critical to encouraging and safeguarding the sustainable employment created by Travel & Tourism. The Ministry

of Tourism and the TDC should work with private sector employers and training institutes to ensure that Trinidad and Tobago is prepared for the CSME.

Many board members of the TDC are representatives of private sector companies, which is a good base from which to develop public-private sector partnership. It is now important to ensure that the synergy between the two sectors is maintained and works effectively. This means ensuring that government authorities and the wider Travel & Tourism industry are closely involved in the decision-making process, so that full buy-in from all stakeholders is guaranteed for the future.

Additional measures recommended in this report are intended to set the stage to help ensure the larger rewards that Travel & Tourism can bring over the short, medium and longer term.

FUTURE PROSPECTS

THE BASELINE FORECASTS FOR TRINIDAD AND TOBAGO'S TRAVEL & TOURISM ARE GENERALLY VERY POSITIVE OVER THE NEXT TEN YEARS WITH GROWTH SET AT 5.2 PER CENT PER ANNUM UNTIL 2015.

Nevertheless, this research has highlighted several weaknesses that threaten to constrain this growth, if not addressed. At the same time, greater co-operation between all leading policy-makers and the private sector, as well as better management of tourism growth, could help Trinidad & Tobago to perform even better than the current forecasts suggest. This would ensure benefits are maximized and spread equitably across all levels of the population.

RAISING AWARENESS

Travel & Tourism clearly has the potential to become one of Trinidad and Tobago's most important economic sectors.

In Tobago, moreover, it accounts for nearly 96 per cent of total exports. Travel & Tourism has in the past been presented by consecutive governments in a very negative way. Although the current government has taken steps to rectify this, there is a long way to go to ensure that current negative perceptions of Travel & Tourism as a low-yield, high-cost industry in both economic and social terms are overcome. Government should undertake an industrial image campaign to ensure that all public and private stakeholders recognize Travel & Tourism's full impact across the national economy and factor Travel & Tourism into mainstream policies for employment, trade, investment, education

and environmental protection. Furthermore, the considerable spin-off benefits of tourism that filter down through all levels of the community should be highlighted, and the huge army of Travel & Tourism employees should be encouraged to help spread this message.

INDUSTRY MEASUREMENT

Trinidad and Tobago's economic and marketing-related Travel & Tourism research and forecasting are generally inadequate, both in terms of quality and quantity.

As a result, public sector analysis and related policies tend to overlook or underestimate the impact of the



industry, or deal only with its smaller components. This TSA research, developed by WTTC and OEF for Trinidad and Tobago, provides a significant tool for planning and policy development. Updating the TSA on an annual basis will help to ensure that adequate data is available to factor Travel & Tourism into economic and employment strategies. It will also provide the TDC with hard economic data on which to base decisions regarding marketing and promotions. This in turn will help raise awareness among public and private sector stakeholders of Travel & Tourism's full impact across the national economy – not just on hotels, restaurants and retail business, but also on construction, real estate, agriculture and other sectors.

TOURISM PLANNING & IMPLEMENTATION

The Tourism Master Plan, written in 1994, is a comprehensive document. It should now be updated, incorporating the recommendations from the Vision 2020 Tourism Sub-committee.

Past plans have floundered at the implementation stage due to lack of political will, and it is vital that any new plan is adopted as an Act of Parliament to ensure its implementation on a long-term basis. It is also important that a cohesive and co-operative approach to longer-term planning is adopted, involving all levels of government, local authorities and the private sector. The newly formed TDC should be given a strong and clear mandate to carry forward plans and make decisions.

SUSTAINABLE DEVELOPMENT

The successful growth of Travel & Tourism in Trinidad and Tobago will be highly dependent on the natural, social and cultural environments that surround it. In many instances, the natural environment is a central feature of the islands' tourism product.

Furthermore, the full potential of Travel & Tourism as an agent for economic growth will only be realized if its benefits flow through all levels of society and linkages between different sectors and local producers are maximized. Environmental management and tourism development plans must be integrated and

mutually supportive, and local community engagement is imperative if the full benefits of the industry are to be reaped.

HUMAN RESOURCES

In Trinidad and Tobago, the Travel & Tourism industry accounts for 5.8 per cent of the country's workforce. In Tobago, it represents 56.8 per cent of the island's employment.

However, Travel & Tourism is seen as a 'last resort' industry in which to work. The Ministry of Tourism should set in motion a concerted campaign, in partnership with the private sector, other ministries and training institutions, to raise the profile of the sector as a serious and desirable employment and career option. Training institutions and employers should work together to ensure that the supply of tourism employees meets employers' expectations, and vice versa. In addition, government should support the industry in bringing compensation in line with that in other sectors. Moreover, if Travel & Tourism is to become a valued and valuable employment and career option, qualified workers must be supported, encouraged and promoted.

INFRASTRUCTURE & INVESTMENT

The Travel & Tourism infrastructure in Trinidad and Tobago is barely able to serve current demand and could severely restrict growth.

The most pressing issue is the lack of quality accommodation stock, particularly in Port of Spain. Although the climate for investors is generally favourable, there are still considerable bureaucratic constraints to be addressed. WTTC recommends that a one-stop shop for tourism investors be established and that care should be taken to ensure that fiscal policies such as taxation are not harmful to investment.

AIR ACCESS

Airlift is critical to the existence of Trinidad and Tobago's tourism industry. Although BWIA West Indies Airways is locally owned, the majority of tourist traffic that comes into the country travels

on aircraft owned by or under the control of foreign companies.

Furthermore, questions have been raised as to the financial viability of BWIA, which has recently been returned to state control after privatization a decade ago. There is a strong argument that the Caribbean would benefit from a regional airline and, given its central geographical location and potential as a hub for business traffic, Trinidad and Tobago could be ideally placed to be the driving force behind such a carrier. Air access is also restricted by inadequate airport facilities. The recent upgrading of Piarco International Airport to Category 1 status is a considerable step forward and development of Crown Point Airport – so that it can meet current and future demand – should now be prioritized.

MARKET & PRODUCT DIVERSIFICATION

In the past, responsibility for tourism product development in Trinidad and Tobago has been unclear and, as a result, left somewhat to chance. Trinidad and Tobago has enormous potential to offer a diversified tourism product, which is a critical factor in ensuring sustainable tourism development.

The TDC must seize this opportunity to put in place a clear strategy to ensure that this potential is optimized. Specifically, WTTC has identified the following sectors as areas on which development should be focused:

- business and MICE tourism
- cruise tourism
- yachting and leisure-boat tourism
- adventure and ecotourism
- Carnival

Product diversification is particularly important for Tobago, which is extremely tourism dependent and whose product comprises mainly sun, sea and sand. Efforts should be made to increase the diversity and value of the tourism product and encourage higher visitor spend and a 'quality' rather than 'quantity' approach.

MARKETING & PROMOTIONS

Trinidad and Tobago does not enjoy a high profile in the global market, although it does benefit from its widespread diaspora, which can and does promote the country abroad.

Increased funding from government, coupled with the empowerment of the TDC to use that funding, should facilitate the creation of a quality brand 'Trinidad and Tobago'. All product sectors and niche markets should come under the umbrella of one brand to ensure a high-profile, recognizable image for tourism in the country, and should be promoted internationally. The website www.visitmnt.com provides a good overview of Trinidad and Tobago's tourism product but does not yet allow for online bookings, nor indeed include a detailed directory of services. The incorporation of such facilities should be a priority going forward.

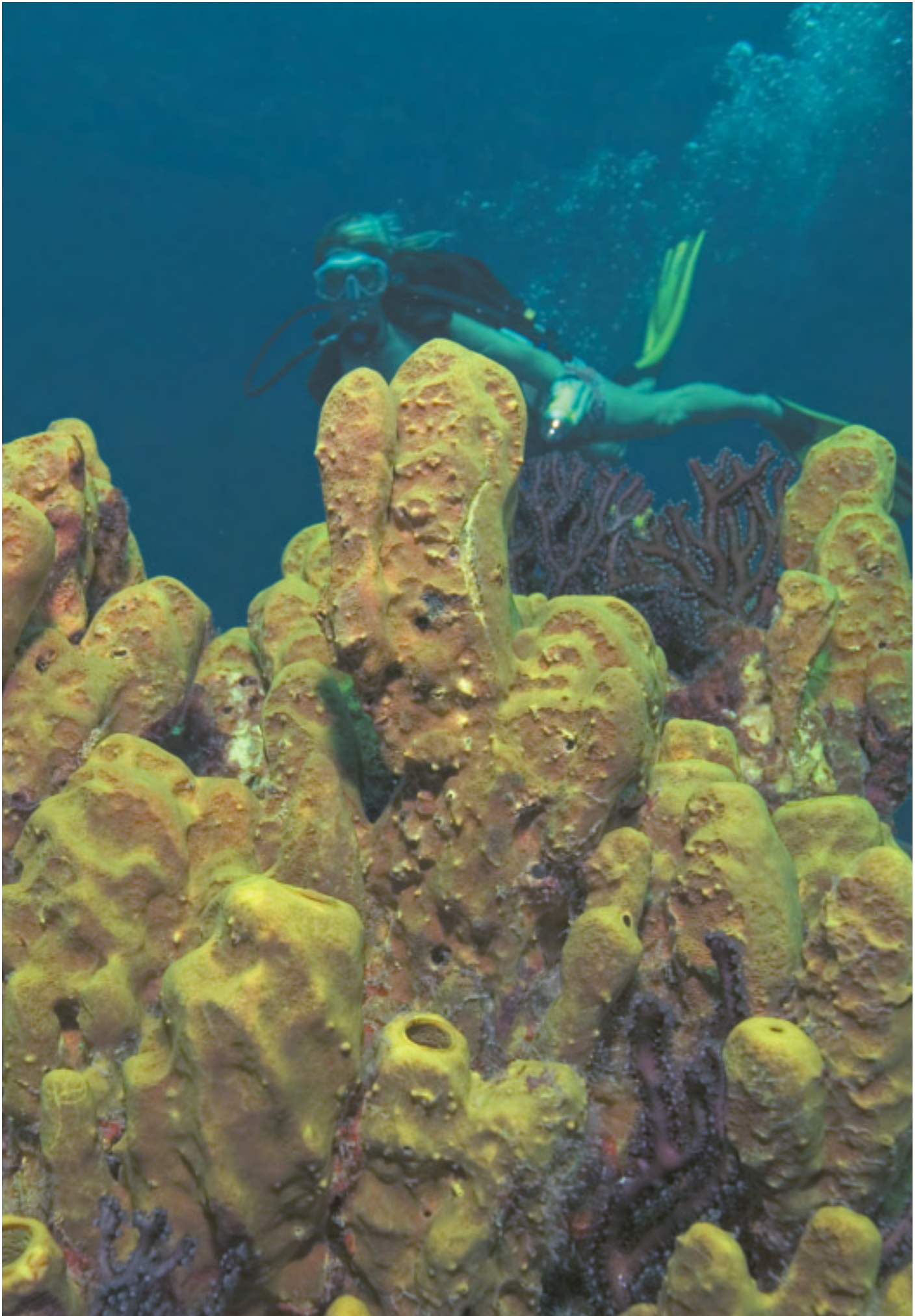
TOBAGO

Travel & Tourism is Tobago's largest employer and contributor to GDP, and it accounts for virtually all the island's exports.

It is therefore of the utmost importance that strategic plans reflect issues specific to Tobago. At present, the industry is fragmented and largely dominated by a few resorts which draw the many charter tourist arrivals.

Standardization of, and co-operation between, smaller operators would open up the industry to a wider segment of the population. The Tobago House of Assembly (THA) should be commended for its proactive approach to tourism. It should be supported by central government to improve product development and diversification and enhance education and training, so that valuable manpower is not lost.

Most importantly, perhaps, it should ensure that the air and sea links between the two islands are sufficient to meet tourist needs.



ECONOMIC IMPACT

IN 2005, TRINIDAD AND TOBAGO'S TRAVEL & TOURISM IS EXPECTED TO GENERATE TT\$16,481.2 MN (US\$2,616.1 MN) OF ECONOMIC ACTIVITY (TOTAL DEMAND). THE INDUSTRY'S DIRECT IMPACT INCLUDES:

33,771

jobs representing 5.8% of total
EMPLOYMENT.

TT\$ 4,209.9_{mn}
(US\$668.2 mn) of

GROSS DOMESTIC PRODUCT
(GDP) equivalent to 4.8% of total GDP..

HOWEVER, SINCE TRAVEL & TOURISM TOUCHES ALL SECTORS OF THE ECONOMY, ITS REAL IMPACT IS EVEN GREATER. TRINIDAD AND TOBAGO'S TRAVEL & TOURISM ECONOMY DIRECTLY AND INDIRECTLY ACCOUNTS FOR:

96,539

jobs representing 16.7% of total
EMPLOYMENT.

TT\$ 11,982.3_{mn}
(US\$1,902.0 mn) of

GROSS DOMESTIC PRODUCT
(GDP) equivalent to 13.8% of total GDP.

TT\$ 9,681.1_{mn}
(US\$1,536.7 mn) of

EXPORTS, SERVICES & MERCHANDISE
or 16.1% of total Exports.

TT\$ 1,786.8_{mn}
(US\$283.6 mn) of

CAPITAL INVESTMENT
or 12.6% of total Investment.

TT\$ 557.9_{mn}
(US\$88.6 mn) of

GOVERNMENT EXPENDITURES
or a 5.2% share.

GROWTH

IN 2005 TRAVEL & TOURISM IN TRINIDAD AND TOBAGO IS FORECAST TO SEE REAL GROWTH OF 8.0% IN TOTAL TRAVEL & TOURISM DEMAND TO TT\$16,481.2 MN (US\$2,616.1 MN) AND

-0.7%

in **TRAVEL & TOURISM INDUSTRY GDP**

TT\$4,209.9 mn (US\$668.2 mn) for the industry directly and 10.6% to TT\$11,982.3 mn (US\$1,902.0 mn) for the Travel & Tourism Economy overall (direct and indirect expenditures).

2.5%

in **TRAVEL & TOURISM**

INDUSTRY EMPLOYMENT (direct impact only), to 33,771 jobs, and 5.9% to 96,539 jobs in the Travel & Tourism Economy overall (direct and indirect).

OVER THE NEXT TEN YEARS, TRINIDAD AND TOBAGO'S TRAVEL & TOURISM IS EXPECTED TO ACHIEVE ANNUALIZED REAL GROWTH OF:

5.2%

in total

TRAVEL & TOURISM DEMAND, to TT\$32,154.9 mn (US\$4,713.2 mn) in 2015.

5.4%

in total **TRAVEL & TOURISM GDP**,

to TT\$8,335.0 mn (US\$1,221.7 mn) in 2015 for the industry directly and to TT\$24,447.8 mn (US\$3,583.5 mn) for the Travel & Tourism Economy overall.

2.9%

in **TRAVEL & TOURISM EMPLOYMENT**,

to 44,666 jobs directly in the industry, and 3.2% to 131,445 jobs in the Travel & Tourism Economy overall in 2015.

7.2%

in **VISITOR EXPORTS**,

rising to TT\$7,659.4 mn (US\$1,122.7 mn) by 2015.

4.6%

in terms of **CAPITAL INVESTMENT**,

increasing to TT\$3,278.2 mn (US\$480.5 mn) in 2015.

4.6%

in terms of

GOVERNMENT EXPENDITURES to TT\$1,023.5 mn (US\$150.0 mn) in 2015.



TRINIDAD AND TOBAGO'S TRAVEL & TOURISM

OVERVIEW OF RECENT TRENDS AND DEVELOPMENTS.



A lack of planned development

Located just off the coast of the South American mainland of which it was once part, Trinidad and Tobago comprises the southernmost islands of the Lesser Antilles chain. Despite its prime geographical situation at the crossroads of North, Central and South America, offering easy access to the major markets of North America and Europe, the country's Travel & Tourism growth has nevertheless been sluggish over past decades. Government policies have historically sought to limit and control tourism activity and the oil boom of the 1970s diverted attention away from tourism as a source of foreign exchange revenues.

Travel & Tourism development in Trinidad and Tobago has therefore been largely unregulated, unplanned and unsupported and, since the early 1990s, it has been driven more by regional and international trends and demand than by national policy.

As a tourism destination Trinidad and Tobago nonetheless has much to offer – from traditional sun, sea and sand holidays in Tobago, including excellent diving, to adventure and ecotourism on both islands, or business tourism and meetings, incentives, conferences and exhibitions (MICE travel) in Trinidad. Moreover, like many Caribbean

islands, the country remains relatively inexpensive. And Trinidad and Tobago has a strong advantage over many of its neighbours in that it has largely escaped the devastating hurricanes which have hit the region in recent years.

A rich and natural cultural heritage

Joined to the South American mainland during the Ice Age when sea levels were lower, Trinidad and Tobago only became islands when movements of the Caribbean tectonic plates submerged the Orinico Delta some 10,000 years ago. The islands owe their immense environmental diversity to this period of attachment, which has left them with many South American plants, animals and birds, as well as the flora and fauna found elsewhere in the Caribbean. More than 430 species of birds can be found on the two islands, and Tobago is home to the oldest protected rainforest in the Western hemisphere. The island is also internationally recognized for its drift dives – its seas are home to three hundred species of South Atlantic coral and a variety of spectacular multicoloured fish.

The varied ethnic groups that have made Trinidad and Tobago their home over the years – including Indians, Chinese, Portuguese, Syrians, Africans, English, French and Spanish – have all contributed to the rich multiculturalism which now defines the islands. This is reflected in the country's music, dance, sports and cuisine – all of which provide a colourful and interesting backdrop for any visitor, and which are showcased in the annual Carnival, the country's cultural highlight.

A business centre for the Caribbean?

The booming energy, manufacturing and financial services sectors in Trinidad and Tobago have resulted in a steady growth in business arrivals in the country. Trinidad and, in particular, Port of Spain has the potential to become one of the region's busiest business destinations and its central location in relation to the rest of the Americas puts the country in an ideal position to host the headquarters of the Free Trade Area of the Americas (FTAA) and become a regional hub. This depends, however, on infrastructure developing in line with the needs of a growing business community.

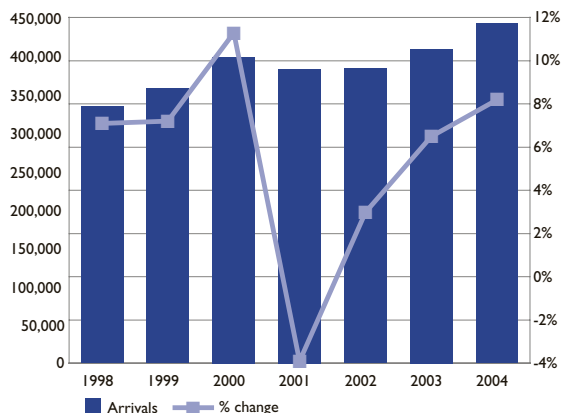
TOURISM PERFORMANCE

Stronger growth in arrivals than for much of the Caribbean...

Travel & Tourism in Trinidad and Tobago has grown by over 40 per cent, in terms of international arrivals, since the mid-1990s, equalling or exceeding the growth recorded by other Caribbean islands over the ten-year period.

Only two years bucked the growth trend. The downturn in 2001 was due not only to the terrorist attacks of 11 September that year (9/11) and the subsequent global downturn in travel demand, but also to the weakness of the euro against the US dollar, which discouraged visitors from Europe. Arrivals stagnated in 2002 but, by the following year, had once again surpassed 2000's peak. The recovery was consolidated by an 8.2 per cent rise in 2004 and is set to continue through 2005 and beyond as Trinidad and Tobago, not to mention the Caribbean region in general, benefit from the weaker US dollar and image of being a terrorist-free zone.

International tourist arrivals, 1998-2004



Sources: Central Statistical Office (CSO); Caribbean Tourism Organization (CTO)

...but the growth in receipts has been much lower

The healthy growth in visitor numbers is not, however, reflected in Trinidad and Tobago's international tourism receipts (excluding expenditure on transport). In 2002, receipts fell by 1.4 per cent over 2001 to US\$211.4 million – which also meant that, although arrivals increased, tourists spent less per capita. This trend mirrors that of the Caribbean region, which suffered a decline in international tourism receipts of 3.2 per cent over the same period.

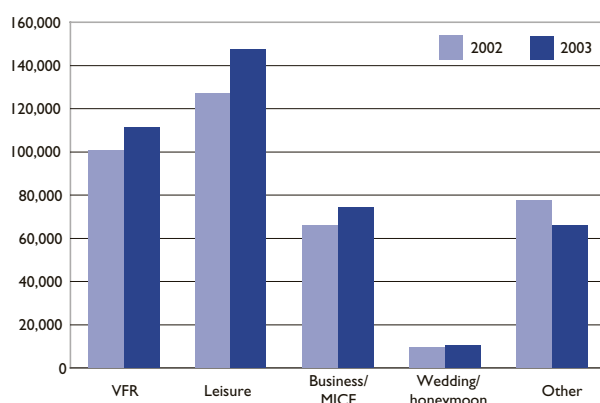
However, while Trinidad and Tobago accounted for 2.4 per cent of total international arrivals in the Caribbean in 2002, its share of the region's tourism receipts was only 1.1 per cent. This highlights one of the industry's major problems in the country – Travel & Tourism's full potential is not being tapped by ensuring that tourist arrivals are converted into maximum receipts.

Purpose of visit

Examination of the breakdown of arrivals by purpose of visit shows that, in 2003, over a quarter of arrivals were visiting friends and/or relations (VFR travellers), reflecting the wide diaspora of Trinidadians and Tobagonians overseas. The largest share of visitors, however (36 per cent of total arrivals), falls into the leisure/holiday category (officially termed 'leisure/beach/vacation'), primarily visiting Tobago. Business and MICE tourism, which is centred in Trinidad, accounted for an 18 per cent share.

In 2003, leisure generated the fastest growth for Trinidad and Tobago – up 13.5 per cent on 2002. This excluded tourists getting married or honeymooning in the islands, who accounted for a further 10,395 (+8 per cent). Business and MICE arrivals increased by 12 per cent, closely followed by VFR travellers, up 10 per cent.

International tourist arrivals by purpose of visit, 2002-03



Source: CSO

Given the dominance of VFR tourism in Trinidad and Tobago, it is not surprising that tourism receipts are lower than for some of the country's regional competitors. However, as business tourism continues to grow – in line with the expansion of the country's energy, manufacturing and financial services sectors – the ratio between arrivals and receipts should improve.

MAJOR SOURCE MARKETS

The USA generates more than one-third of total arrivals

The USA has consistently maintained its position as international market leader over the past five years, generating 36 per cent share of total arrivals in 2004, up from 34 per cent in 2003. This is primarily due to the large share of VFR travellers visiting from the USA. However, Trinidad and Tobago's dependence on the US market is relatively low compared with many other Caribbean countries, for which the USA accounts for as much as, or more than, 80 per cent of arrivals.

The Canadian market generated a 10 per cent share of arrivals in 2004 (down from 10.5 per cent). Again, many Canadian tourists fall into the VFR category. However, Trinidad and Tobago holds a 3 per cent share of the Caribbean's overall Canadian market, behind only Cuba (27 per cent), the Dominican Republic (25 per cent), Cancún (9 per cent), Jamaica (8 per cent), the Bahamas (5 per cent) and Barbados (4 per cent). Canada has shown slower growth than other markets and it is still well down on its 2000 peak.

International tourist arrivals by major markets, 1999-2004

	USA	Canada	UK	Germany	CARICOM	Rest of World
1999	118,390	43,459	49,480	10,306	91,789	44,796
2000	132,578	47,382	55,048	11,266	101,374	50,911
2001	118,962	43,291	48,570	11,371	94,808	66,099
2002	133,565	41,506	51,688	5,659	106,201	45,593
2003	138,935	43,036	57,566	7,491	115,557	46,484
2004	159,456	43,565	66,089	8,178	149,946	15,321

CARICOM = Caribbean Community

Source: CSO

Europe accounted for a 20 per cent share of total arrivals last year, up 13 per cent over the previous year, led by the UK, which is also one of Trinidad and Tobago's fastest growing sources. Even in 2002, which saw a 7.5 per cent fall in UK arrivals in the Caribbean region, arrivals in Trinidad and Tobago were up more than 6 per cent. This trend is expected to continue if the US dollar does not appreciate against sterling

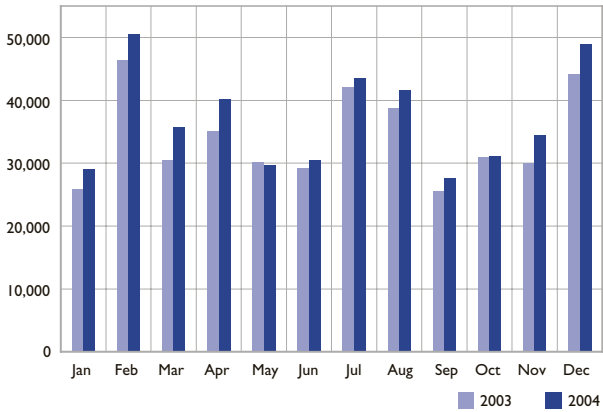
Although there is currently no statistical evidence to substantiate the trend, anecdotal evidence suggests that domestic tourism is an important contributor to the country's Travel & Tourism industry. Smaller guesthouses and hotels in Tobago, in particular, are dependent on weekend domestic tourism to survive.

SEASONALITY OF DEMAND

Two annual peaks

Tourism in Trinidad and Tobago is characterized by a relatively high seasonality of demand. Arrivals peak during the winter months with high VFR traffic at Carnival time, between February and March. There is also a second wave of visitors in July and August, which are holiday months in the North American and European markets. However, despite these peaks, the country does see steady arrivals throughout the year. In 2004 the month of January, which saw the lowest number of arrivals, accounted for just over 6.5 per cent of the annual total, as against 11 per cent for the busiest month, February.

Tourist arrivals by month



Sources: CSO; CTO

COMPETITION

Competition varies according to source market

Trinidad and Tobago faces competition from all other traditional destinations in the Caribbean. Its main competitors are Cuba and Jamaica in the Canadian and German markets, and Barbados and Jamaica in the UK market. Other significant competitors are the Dominican Republic, the Bahamas and Puerto Rico. Trinidad and Tobago's share of arrivals in the Caribbean currently stands at about 2 per cent. However, this is growing and, as more and more potential visitors see the country reasonably untouched by the hurricanes which have affected neighbouring islands over the past years, the trend is set to continue.

Nevertheless, growth will depend on the importance attributed to Travel & Tourism. For the moment, Trinidad and Tobago's expenditure

Trinidad and Tobago's share of arrivals is growing and, as more and more potential visitors see the country reasonably untouched by the hurricanes which have affected neighbouring islands over the past years, the trend is set to continue.

per visitor on advertising and promotion remains below the levels of spending of many of its competitors.

The good news is that, according to WTTC's 2004 *Caribbean Report*, Trinidad and Tobago has the seventh largest Travel & Tourism economy in the Caribbean with a Total Demand of US\$1,834 million and a contribution to the country's GDP of US\$1,147.5 million (2004 data).

Growth will depend on the importance attributed to Travel & Tourism. For the moment, Trinidad and Tobago's expenditure per visitor on advertising and promotion remains below the levels of spending of many of its competitors.

ACCOMMODATION

Tobago enjoys the greater hotel room capacity...

Over 2,200 rooms were added to Trinidad and Tobago's total accommodation stock between 1997 and 2003 – an increase of 63 per cent to 5,943. This growth has been concentrated in Tobago, which overtook Trinidad in terms of capacity in 1999. In 2003, 57.5 per cent of hotel rooms (3,415) were located in Tobago.

Tourist accommodation, 1997-2003

	No. of Rooms			
	Trinidad	Tobago	Total	Occupancy (%)
1997	1,839	1,813	3,652	50.0
1998	2,087	1,884	3,971	54.1
1999	2,062	2,174	4,236	59.5
2000	2,207	2,325	4,532	52.2
2001	2,362	2,488	4,850	42.9
2002	2,528	2,662	5,190	41.2
2003	2,528	3,415	5,943	44.5

Source: CSO

Occupancy rates hovered around the 50 per cent mark from 1997 to 2000, and fell to 41 per cent in 2002 as a result of the decline in arrivals post-9/11. 2003 saw a slight increase to 44.5 per cent and, according to preliminary indications from the Trinidad Hotels, Restaurants and Tourism Association, this should continue into 2004 and 2005. However, during the Carnival season, hotel capacity – especially in Port of Spain – tends to be over-subscribed.

Of the more than 100 accommodation establishments in Trinidad and Tobago, only seven have more than 100 rooms, and these provide fewer than 1,000 rooms of the total supply on the two islands. Facilities for business travel are still lagging behind international standards, although renovation of the government-owned Trinidad Hilton, and the opening of the mid-level Marriott Courtyard, will hopefully pave the way for additional business and convention centre hotel development in the future.

... but standards have yet to reach international levels

As yet there are no five-star facilities to serve either business or leisure travelers in Trinidad and Tobago. In Tobago, where leisure tourism is by far the most dominant sector, the up-market villa rental segment is the strongest growth market at present.

In 2003, the government introduced fiscal incentives for inhabitants wishing to convert residential houses into guesthouses by granting capital allowance in respect of the actual cost of building materials used in the conversion. This measure will encourage homeowners to venture into the tourism business, thereby providing additional accommodation to sustain tourism.

AIR ACCESS

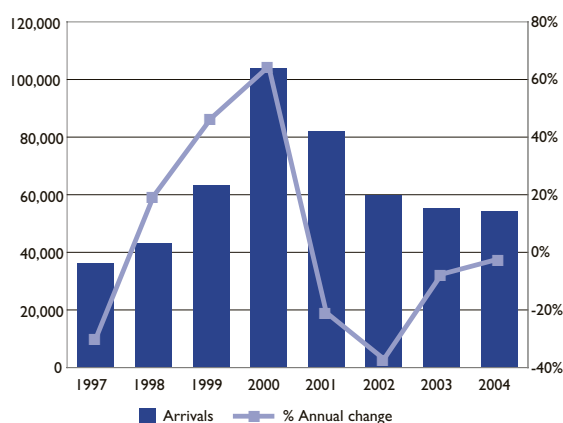
Trinidad and Tobago is home to two international airports – Piarco International in Port of Spain, Trinidad, and Crown Point International in Tobago. In 2003, 97 per cent of all arrivals in the country were by air. Piarco International is currently served by 12 local, regional and international carriers (including three cargo carriers) and Crown Point by nine, five of which are international charter airlines.

CRUISE TOURISM

The Caribbean is currently the leading destination for cruise ships in the world, yet Trinidad and Tobago attracts only 0.4 per cent of total demand. Cruise passengers account for 15 per cent of visitors to Trinidad and Tobago. The sharp downward trend since 2000 has been attributed to a number of factors including shorter itineraries, which have encouraged cruise lines to make calls at ports closer to the US mainland. Last year's decline was less significant than in previous years as a result of cruises being redirected to avoid Hurricane Ivan.

Cruise visitors spend an average of US\$42.25 in Trinidad and Tobago, which is much lower than for most other countries in the region.

Cruise arrivals, 1997-2004



Source: Port Authority of Trinidad and Tobago

CARNIVAL

Carnival is without doubt the cultural and tourism highlight of Trinidad and Tobago and generates approximately 10 per cent of the country's tourist arrivals each year. The trend in numbers of cruise passengers visiting Trinidad and Tobago have tended to mirror the trends in arrivals generally. However, following the 5 per cent increase in 2004, growth is expected to slow due to current capacity constraints in terms of accommodation and airlift to the islands.

Trend towards shorter stays

Nearly half of the arrivals linked to Carnival are from the USA with other important sources being CARICOM, the UK, Canada and Germany. Average length of stay is over two weeks (16 days), although this is falling, in line with the global trend towards shorter but more frequent trips. In 2004, the number of tourists staying for less than four nights increased by 104 per cent over 2002.

Average daily spending of a Carnival visitor was TT\$306 in 2004. Germans are the highest spenders during Carnival, averaging TT\$5,904 (or TT\$422 per day) on goods and services during their stays in 2004.

TOBAGO

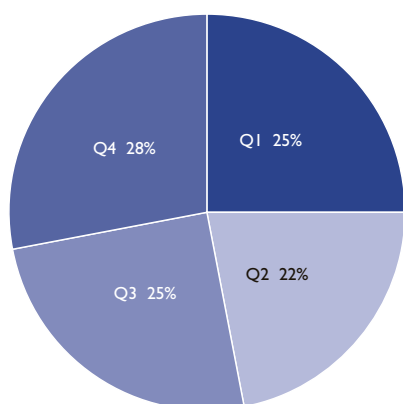
Demand dominated by sun, sea and sand

Travel & Tourism is centred on the traditional sun, sea and sand product and, although data quantifying the importance of Travel & Tourism to the island's economy is only now beginning to emerge, it is clear that the sector is the largest generator of employment and GDP for the island.

In contrast to the situation in Trinidad, Travel & Tourism is well established on Tobago and, in 2003, accounted for over 16 per cent of the country's tourism arrivals and 57 per cent of room stock. The growth in Tobago's arrivals was three times higher than for the country overall in 2003.

Seasonality is also less marked in Tobago, with arrivals spread fairly evenly across the four quarters of the year.

Arrivals in Tobago by quarter, 2003



Source: Department of Tourism, Tobago House of Assembly

Marked improvement in airlift

Airlift to Tobago improved considerably over the two-year period from 2001-03, which has contributed to the growth in arrivals. These improvements included:

- the introduction of a BWIA service between Washington DC and Tobago in October 2002;
- the reinstatement of Condor flights from Germany in November 2001;
- the inauguration of a Monarch service from London to Grenada and Tobago in December 2001;
- the introduction of a Caribbean Star service between Barbados, Grenada and Tobago in May 2002;
- securing the commitment of Excel, with its seating capacity of 260, to fly three times weekly to the island.

However, the decline in scheduled services operating to Tobago has resulted in increased dependence on the package tour market, which puts business in the hands of a few large players, leaving smaller operators at a considerable disadvantage.

While cruise arrivals in Trinidad and Tobago have declined over recent years, Tobago recorded an increase of over 50 per cent in cruise passengers in 2003, to 15,916.

Travel & Tourism is on the increase with new markets emerging and new technologies rationalizing the industry. Trinidad and Tobago is ideally placed to take advantage of these developments.

CURRENT OUTLOOK

Trinidad and Tobago is at an exciting stage in its Travel & Tourism development. Globally, Travel & Tourism is on the increase with new markets emerging and new technologies rationalizing the industry. Trinidad and Tobago is ideally placed to take advantage of these developments. It already benefits from a diversified economy, a relatively large population base, a thriving export sector and tourist-friendly natural and cultural heritage.

In addition, the Caribbean as a region is seen as a safe and secure haven far from the threats of terrorism that plague destinations in North America, Europe and other parts of the world. Even more importantly – although there has been a reverse shift in mid-2005 – the depreciation of the US dollar over the past few years has made the region even more attractive to visitors.

Left to its own devices, Travel & Tourism will no doubt continue to grow, but in order to ensure a sustainable industry with maximum returns for the country, the focus from government and the private sector must now be on ensuring a high-quality, well-marketed, product.

TRAVEL & TOURISM SATELLITE ACCOUNT

TOURISM SATELLITE ACCOUNTING

THIS REPORT FOLLOWS THE CONCEPT OF SATELLITE ACCOUNTING DEFINED IN THE *TOURISM SATELLITE ACCOUNT: RECOMMENDED METHODOLOGICAL FRAMEWORK (TSA:RMF)*, AND DEVELOPED UNDER THE AUSPICES OF THE WORLD TOURISM ORGANIZATION.

Over the last three decades, countries have estimated the economic impact of Travel & Tourism through a range of measures using a variety of definitions and methodologies. Such approaches have prevented meaningful comparisons among nations. Even for the same nation over different periods of time, they have frustrated business and government attempts to draw valid conclusions about the nature and course of Travel & Tourism demand in national economies. This regime has obscured the substantial, positive role the industry plays in national economies and has thwarted business and government attempts to optimize economic programmes and policies.

The World Travel & Tourism Council (WTTC) recognized the dearth of crucial Travel & Tourism intelligence from the time of its establishment in 1990 and it published the first detailed estimates of world tourism's economic impact that same year.

Since then WTTC has worked to improve its methodologies and to encourage individual countries to enhance their measurement and understanding of tourism's impact on their national economies. Furthermore, in the spirit of joining forces to enhance world comprehension of the role of Travel & Tourism in national economies, WTTC has strongly supported the programmes of the World Tourism Organization (WTO) to improve tourism statistics worldwide.

WTTC'S RESEARCH

WTTC and its economic/research partners – Oxford Economic Forecasting, (OEF), since 1999, and Global Insight (previously known as DRI•WEFA), from 1990-1999 – have developed and published research on the economic contribution of Travel & Tourism to the world, regional and national economies.

Starting in 1990, WTTC's research team has been working to develop practical, real-world models to illustrate Travel & Tourism's economic contribution based on the needs of private sector leaders, public sector policy-makers and industry researchers, and on the interpretation of the system of national accounts. The research is now firmly anchored in the international standard for tourism satellite accounting that was developed by WTO, OECD and Eurostat, and approved by the United Nations Statistical Commission in 2000. It was launched at the TSA Conference held in Vancouver in May 2001 and published as the *Tourism Satellite Account: Recommended Methodological Framework (TSA:RMF)* in 2001.

Since 1999, WTTC's research has assumed the conceptual framework of the UN-approved standard with a number of discretionary extensions, and it combines the most sophisticated economic modelling and forecasts available with the most up-to-date, publicly available data to generate a comprehensive implementation of Travel & Tourism satellite accounting.

This special simulated TSA for Trinidad and Tobago is the product of work commissioned by the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO) working in co-operation with the Central Statistical Office of Trinidad and Tobago. In carrying out the work, OEF has drawn extensively on the methodology developed over the years by WTTC to develop TSAs as operational tools, and has worked closely with TIDCO and its project steering committee to review the assumptions, models and results produced by this exercise.

WTTC'S APPROACH TO TOURISM SATELLITE ACCOUNTING

WTTC has endeavoured to implement and produce the most comprehensive TSA provided for within the TSA:RMF – by developing the narrow concept of the 'Travel & Tourism Industry' in addition to the broader concept of the 'Travel & Tourism Economy'. WTTC advocates full implementation of the TSA as defined in the TSA:RMF in order to achieve the highest level of benefits for industry and governments. These include:

- A wealth of customer and consumer information on tourism-related purchases (before, during and after trips – whether domestic or international, imported or exported – as well as services, durables and non-durables) that has never been identified until now;
- Comprehensive documentation and analysis of the full tourism-product service chain and government's ability to deliver quality and timely service to visitors;
- Linkages between Travel & Tourism and other sectors of the economy such as agriculture and manufacturing to illustrate the flow-through of spending;
- Complete outlook for public works that benefit visitors and Travel & Tourism companies in order to leverage public sector plans and priorities for growth;
- Focused opportunities for domestic production, as well as incentives from the public sector, to aid in

the growth of businesses that help alleviate trade balance issues;

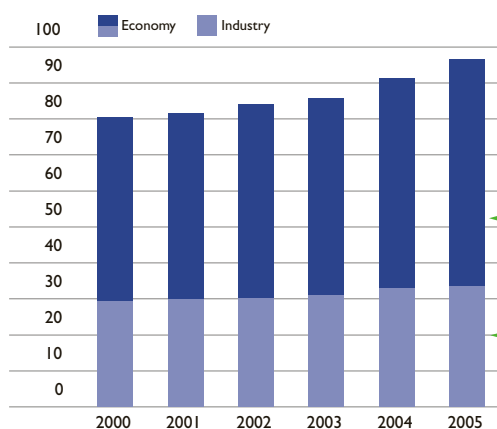
- Demand- and supply-side information on employment that allows for human resource planning and development.

WTTC has worked towards developing a comprehensive TSA – not because it is eager to exaggerate the size of Travel & Tourism's impact, but because the information that can be garnered from the exercise by governments and industry is crucial for making intelligent and informed policy and business decisions. WTTC believes that history will document its pioneering implementation of the simulated TSA as one of the most important turning points for Travel & Tourism's long overdue economic recognition.

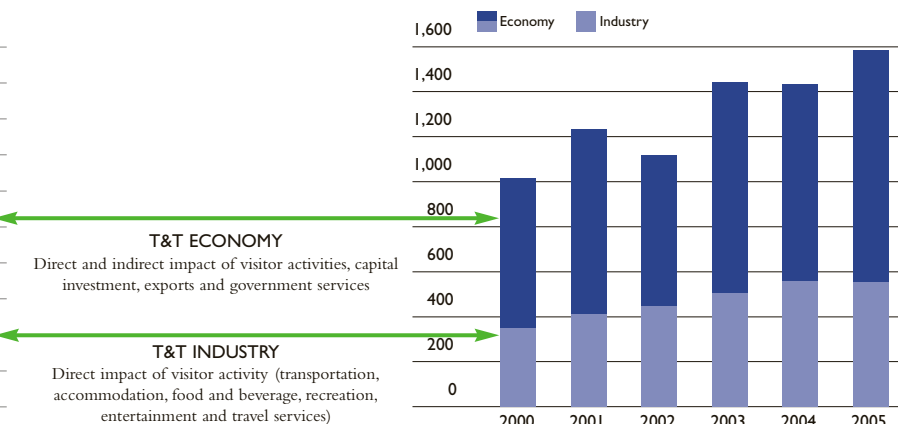
In the WTTC research, no country receives special treatment or favours. WTTC uses internationally available data sources and the same scope of tourism satellite accounting for all countries, as well as the same basic assumptions through the same system of models. WTTC's TSA research utilizes a universal and internally consistent modelling framework and generates harmonized results and forecasts for 175 countries around the world. Details of the methodology used by WTTC/OEF in its TSA research are available on WTTC's website (www.wttc.org).

TRINIDAD AND TOBAGO

Travel & Tourism Employment
('000 Jobs)

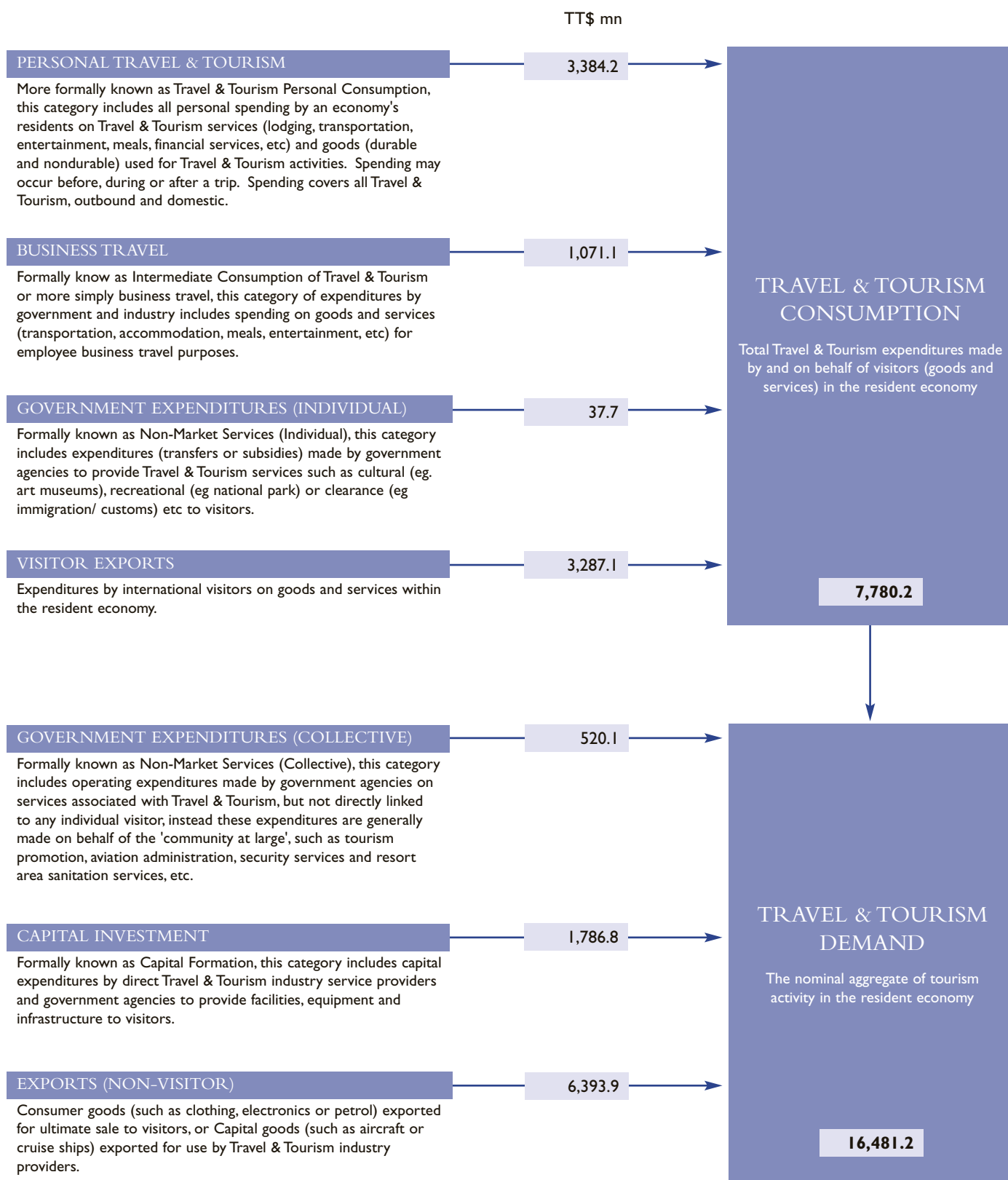


Travel & Tourism Gross Domestic Product
(2000 Constant US\$ mn)



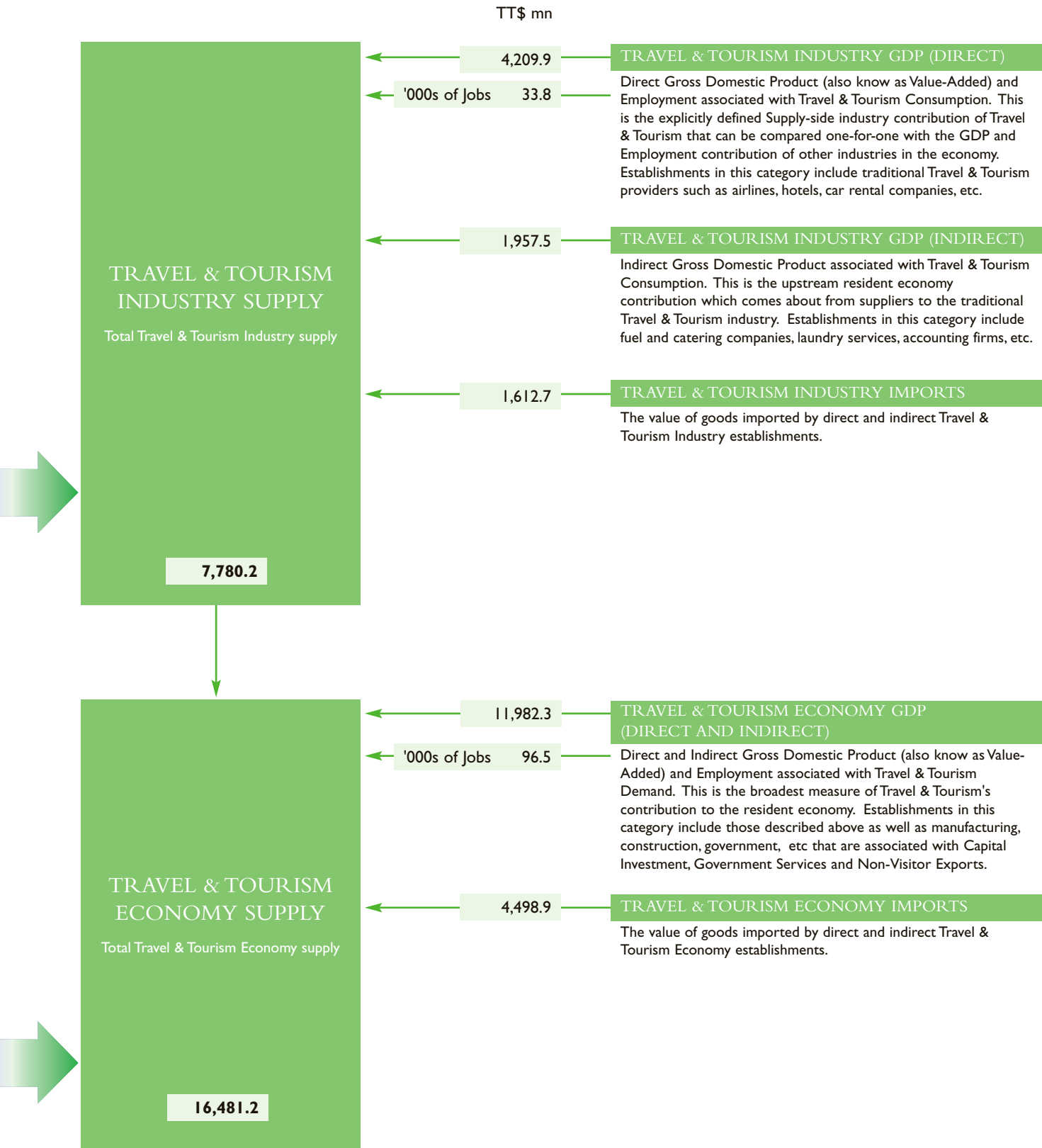
TSA CONCEPTS & STRUCTURE

Demand Side Accounts



The Travel & Tourism Satellite Account is based on a ‘demand-side’ concept of economic activity, because the industry does not produce or supply a homogeneous product or service like traditional industries (agriculture, electronics, steel, etc). Instead, Travel & Tourism is an industrial activity defined by the diverse collection of products (durables and non-durables) and services (transportation, accommodation, food and beverage, entertainment, government services, etc) that are delivered to visitors. There are two basic aggregates of demand (Travel & Tourism Consumption and Total Demand) and by employing input/output modelling separately (blue/green arrows) to these two aggregates the Satellite Account is able to produce two different and complementary aggregates of Travel & Tourism Supply: the Travel & Tourism Industry and the Travel & Tourism Economy. The former captures the explicitly defined production-side ‘industry’ contribution (ie direct impact only), for comparison with all other industries, while the latter captures the broader ‘economy-wide’ impact, direct and indirect, of Travel & Tourism.

Supply Side Accounts



TRAVEL & TOURISM'S ECONOMIC IMPACT

TRAVEL & TOURISM – TRANSPORT, ACCOMMODATION, CATERING, RECREATION AND SERVICES FOR VISITORS – IS ONE OF TRINIDAD AND TOBAGO'S HIGHEST PRIORITY INDUSTRIES AND EMPLOYERS.

Worldwide, in 2005, it is expected to post US\$6.2 trillion of economic activity (Total Demand) and this is forecast to grow to US\$10.7 trillion by 2015.

Travel & Tourism Demand in the Caribbean is expected to reach US\$45.5 billion this year, growing to US\$87.8 billion in 2015.

In Trinidad and Tobago, in 2005, Travel & Tourism is expected to post TT\$16.5 billion (US\$2.6 billion) of economic activity (Total Demand), growing to TT\$32.2 billion (US\$4.7 billion) by 2015. Tobago represents 5.7 per cent of Travel & Tourism (Total Demand) for the country.

In 2005, the Travel & Tourism Industry should contribute 3.8 per cent to worldwide GDP. The broader Travel & Tourism Economy should contribute 10.6 per cent to world GDP in 2005.

In the Caribbean, the Travel & Tourism Industry is expected to post a GDP contribution of 4.7 per cent in 2005, while the Travel & Tourism Economy contribution will be 15.4 per cent.

Trinidad and Tobago's Travel & Tourism Industry is expected to contribute 4.8 per cent to GDP in 2005 (TT\$4.2 billion or US\$668.2 million), rising in nominal terms to TT\$8.3 billion or US\$1.2 billion (5.6 per cent of total) by 2015. The Travel & Tourism Economy contribution (share of the total) should rise from 13.8 per cent (TT\$12.0 billion or US\$1.9 billion) to 16.5 per cent (TT\$24.4 billion or US\$3.6 billion) over this same period. In Tobago alone, Travel & Tourism Economy GDP currently represents 46.0 per cent of the island's economy and this share is expected to increase to 49.9 per cent in 2015.

Travel & Tourism is a high-growth activity, which is forecast to increase its total economic activity by 4.6 per cent per annum worldwide in real terms over the next ten years.

In the Caribbean, Travel & Tourism is expected to post average annualized gains of 3.4 per cent between 2006 and 2015.

For Trinidad and Tobago, Travel & Tourism activity is expected to grow by 5.2 per cent per annum in real terms between 2006 and 2015. Tobago's growth is forecast to average 4.4 per cent per annum.

Travel & Tourism is human resource intensive, creating quality jobs across the full employment spectrum. In 2005, one in 12 jobs will be generated by the Travel & Tourism Economy. The Travel & Tourism Economy accounts for 8.3 per cent of global employment. Today there are 74.2 million Travel & Tourism Industry jobs and 221.6 million jobs in the Travel & Tourism Economy, and these will rise to 85.5 million Travel & Tourism Industry jobs and 269.6 million Travel & Tourism Economy jobs by 2015.

The Caribbean's Travel & Tourism Industry is expected to generate 781,470 jobs in 2005 (5.0 per cent of total employment), while the

broader Travel & Tourism Economy will account for 2.4 million jobs (15.1 per cent of total employment).

Trinidad and Tobago's Travel & Tourism Economy employment is estimated at 96,539 jobs in 2005, 16.7 per cent of total employment, or one in six jobs. By 2015, this should total 131,445 jobs, 19.2 per cent of total employment or one in every 5.2 jobs. The 33,771 Travel & Tourism Industry jobs account for 5.8 per cent of total employment in 2005 and are forecast to total 44,666 jobs or 6.5 per cent of the total by 2015. In Tobago, Travel & Tourism Economy employment is estimated at 14,800 jobs or 56.8 per cent of total employment in 2005.

Travel & Tourism is a major exporter, with inbound visitors injecting foreign exchange directly into the economy. Travel & Tourism exports in the Caribbean are expected to represent 19.7 per cent of total exports in 2005.

In Trinidad and Tobago, exports make up a very important share of Travel & Tourism's contribution to GDP. Of Trinidad and Tobago's total exports, Travel & Tourism is expected to generate 16.1 per cent (TT\$9.7 billion or US\$1.5 billion) in 2005, increasing to TT\$19.9 billion, or US\$2.9 billion (20.7 per cent of total exports), in 2015. In Tobago, Travel & Tourism exports currently represent 96.7 per cent of total island exports.

Travel & Tourism is a catalyst for construction and manufacturing. In 2005, the public and private sectors combined are expected to spend US\$918.0 billion on new Travel & Tourism capital investment worldwide – 9.4 per cent of total investment – rising to US\$1.7 trillion, or 10.0 per cent of the total, in 2015.

In the Caribbean, Travel & Tourism Capital Investment is expected to total US\$8.5 billion in 2005, or 20.7 per cent of total capital investment.

Trinidad and Tobago's Capital Investment in Travel & Tourism is estimated at TT\$1.8 billion (US\$283.6 million), or 12.6 per cent of total investment in 2005. By 2015, this should reach TT\$3.3 billion (US\$480.5 million) or a 13.0 per cent share of total capital investment. In Tobago, Travel & Tourism Capital Investment represents 82.4 per cent of total capital investment.

Travel & Tourism is both a generator and receiver of government funds. Globally, in 2005, Travel & Tourism is expected to garner US\$285.3 billion of government expenditures, or 3.8 per cent of total expenditures. By 2015, government spending on Travel & Tourism should increase to US\$417.4 billion – 4.1 per cent of total government expenditures.

Government's Travel & Tourism operating expenditures in Trinidad and Tobago in 2005 are expected to total TT\$557.9 million (US\$88.6 million), or 5.2 per cent of total government spending. In 2015, this is forecast to reach TT\$1,023.5 million (US\$150.0 million), or a 5.3 per cent share of total government spending.

TRINIDAD AND TOBAGO ESTIMATES AND FORECASTS

	2005			2015		
	TT\$ mn	% of Tot	Growth ¹	TT\$ mn	% of Tot	Growth ²
Personal Travel & Tourism	3,384.2	8.2	-0.3	6,074.5	8.2	4.4
Business Travel	1,071.1	---	-1.2	1,887.4	---	4.2
Government Expenditures	557.9	5.2	-2.4	1,023.5	5.3	4.6
Capital Investment	1,786.8	12.6	-2.4	3,278.2	13.0	4.6
Visitor Exports	3,287.1	5.5	-0.1	7,659.4	8.0	7.2
Other Exports	6,394.0	10.6	25.5	12,231.9	12.7	5.1
Travel & Tourism Demand	16,481.2	---	8.0	32,154.9	---	5.2
T&T Industry GDP	4,209.9	4.8	-0.7	8,335.0	5.6	5.4
T&T Economy GDP	11,982.3	13.8	10.6	24,447.8	16.5	5.7
T&T Industry Employment	33.8	5.8	2.5	44.7	6.5	2.9
T&T Economy Employment	96.5	16.7	5.9	131.4	19.2	3.2

¹2005 Real Growth Adjusted for Inflation (%); ²2006-2015 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

CARIBBEAN ESTIMATES AND FORECASTS

	2005			2015		
	US\$ mn	% of Total	Growth ¹	US\$ mn	% of Total	Growth ²
Personal Travel & Tourism	8,914.3	6.4	1.7	16,692.0	6.6	3.1
Business Travel	2,322.6	---	7.7	4,251.4	---	2.9
Government Expenditures	2,179.8	8.7	3.4	4,142.8	9.1	3.2
Capital Investment	8,531.0	20.7	7.5	15,317.0	20.6	2.7
Visitor Exports	20,742.0	17.3	2.2	41,679.0	17.2	3.9
Other Exports	2,844.8	2.4	0.0	5,690.5	2.4	3.8
Travel & Tourism Demand	45,535.0	---	3.3	87,772.0	---	3.4
T&T Industry GDP	9,949.5	4.7	3.6	19,776.0	5.1	3.7
T&T Economy GDP	32,647.0	15.4	4.5	63,354.0	16.3	3.5
T&T Industry Employment	781.5	5.0	-0.6	1,066.0	5.7	3.2
T&T Economy Employment	2,379.5	15.1	0.9	3,159.4	16.8	2.9

¹2005 Real Growth Adjusted for Inflation (%); ²2006-2015 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

WORLD ESTIMATES AND FORECASTS

	2005			2015		
	US\$ mn	% of Total	Growth ¹	US\$ mn	% of Total	Growth ²
Personal Travel & Tourism	2,833,110	10.4	5.1	4,601,960	11.0	3.9
Business Travel	652,898	---	4.6	962,707	---	3.1
Government Expenditures	285,287	3.8	2.9	417,368	4.1	2.8
Capital Investment	918,005	9.4	5.3	1,673,070	10.0	4.8
Visitor Exports	818,349	6.5	7.3	1,513,010	5.5	5.7
Other Exports	694,144	5.5	6.3	1,510,470	5.5	7.4
Travel & Tourism Demand	6,201,490	---	5.4	10,678,500	---	4.6
T&T Industry GDP	1,712,430	3.8	5.2	2,660,630	3.9	3.5
T&T Economy GDP	4,745,690	10.6	5.1	7,798,680	11.3	4.0
T&T Industry Employment	74,223.0	2.8	2.9	85,520.8	2.8	1.4
T&T Economy Employment	221,568.0	8.3	3.0	269,556.0	8.9	2.0

¹2005 Real Growth Adjusted for Inflation (%); ²2006-2015 Annualized Real Growth Adjusted for Inflation (%); '000 of Jobs

TOTAL DEMAND

TRAVEL & TOURISM IN TRINIDAD AND TOBAGO IS EXPECTED TO GENERATE TT\$16.5 BILLION (US\$2.6 BILLION) OF TOTAL DEMAND IN 2005, INCLUDING:

- TT\$3.4 billion (US\$537.2 million) of Personal Travel & Tourism consumption by residents of Trinidad and Tobago (8.2 per cent of total personal consumption);
- TT\$1.1 billion (US\$170.0 million) of Business and Government Travel by resident companies and government employees;
- TT\$557.9 million (US\$88.6 million) of Government Expenditures, or 5.2 per cent of total government spending in Trinidad and Tobago, to provide individual and collective services to Trinidad and Tobago's Travel & Tourism Industry and its visitors;
- TT\$1.8 billion (US\$283.6 million) of Capital Investment, or 12.6 per cent of total capital investment in Trinidad and Tobago, in personal, commercial and public Travel & Tourism facilities, equipment and infrastructure by residents, Travel & Tourism companies and government agencies;
- TT\$3.3 billion (US\$521.8 million) of Visitor Exports generated from international visitor markets, or 5.5 per cent of Trinidad and Tobago's total exports; and
- TT\$6.4 billion (US\$1.0 billion) of Merchandise Trade Exports, or 10.6 per cent of total exports.

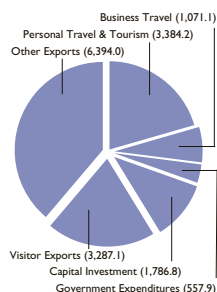
This breakdown of demand clearly illustrates the fact that Travel & Tourism Exports, both goods and services, account for nearly 59 per cent of the islands' Travel & Tourism Economy. Given how important Travel & Tourism is already, the sector must be accorded the highest priority by government so as to ensure sustainable growth in the future.

Over the past 15 years (1990–2005), Trinidad and Tobago's Travel & Tourism activity has enjoyed a period of strong growth (from 1995–2000) followed by a more modest performance (since 2000). But growth in Travel & Tourism activity has nonetheless exceeded 100 per cent since 1988. This compares with a more normalized 39 per cent cumulative growth over the same period for the Caribbean, and with 57 per cent growth for the world overall.

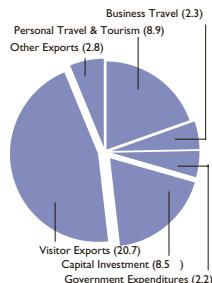
Overall, Trinidad and Tobago's Travel & Tourism is expected to grow by 8.0 per cent in 2005. Over the next ten years, growth in Trinidad and Tobago's Travel & Tourism Demand is projected to average 5.2 per cent per annum. This would comfortably exceed expected worldwide growth of 4.6 per cent per annum, as well as the 3.4 per cent annual average growth forecast for the Caribbean.

In Tobago, Travel & Tourism Demand is expected to total TT\$945.4 million (US\$150.1 million) in 2005, representing slightly less than 6 per cent of total demand. Between now and 2015, Tobago's Travel & Tourism demand is predicted to grow by 4.4 per cent per annum.

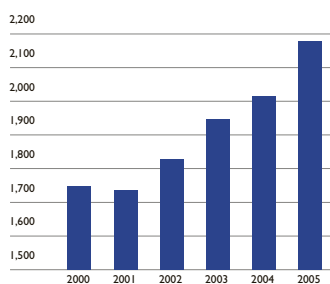
TRINIDAD & TOBAGO
Travel & Tourism Total Demand
(2005 Est. US\$ mn)



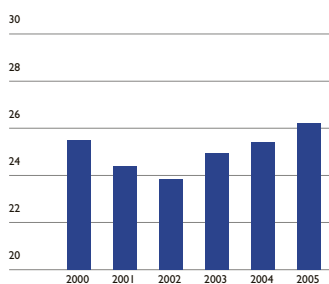
CARIBBEAN
Travel & Tourism Total Demand
(2005 Est. US\$ bn)



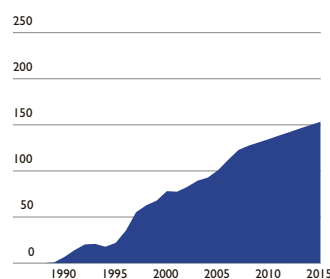
TRINIDAD & TOBAGO
Travel & Tourism Total Demand
(2000 Constant US\$ mn)



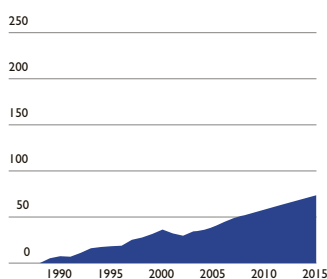
CARIBBEAN
Travel & Tourism Total Demand
(1990 Constant US\$ bn)



TRINIDAD & TOBAGO
Travel & Tourism Total Demand
(Cumulative Real Growth, %)



CARIBBEAN
Travel & Tourism Total Demand
(Cumulative Real Growth, %)



EMPLOYMENT

THE TRAVEL & TOURISM INDUSTRY IN TRINIDAD AND TOBAGO IS EXPECTED TO GENERATE DIRECTLY 33,800 JOBS IN 2005.

A total of 96,500 jobs (direct and indirect) are expected to be generated across the broader spectrum of the Travel & Tourism Economy, encompassing:

- travel company employment,
- government agency employment, and
- supplier company employment.

The first category represents Travel & Tourism Industry jobs, while all three represent Travel & Tourism Economy jobs.

Travel & Tourism Industry jobs in Trinidad and Tobago, which total 33,800 in 2005, represent 5.8 per cent of the country's workforce. By 2015, Travel & Tourism Industry employment is expected to increase by 10,900 jobs to 6.5 per cent of total employment in Trinidad and Tobago.

The 96,500 Travel & Tourism Economy jobs in Trinidad and Tobago in 2005 represent 16.7 per cent of the total workforce. By 2015, Travel & Tourism Economy employment is expected to increase by 34,900 jobs in Trinidad and Tobago to 19.2 per cent of total employment.

Over the past ten years, Travel & Tourism employment in Trinidad and Tobago has steadily increased – by nearly 30,000 jobs. In 2005, due to continued strong growth in non-visitor exports, the employment outlook for Travel & Tourism is very positive, with employment gains expected to approach nearly 5,400 jobs. Assuming that growth in the economy and visitor exports remains positive over the next few years, there is strong potential over the next decade to create 3,500 new jobs every year. The total number of jobs in Travel & Tourism is expected to increase by just over 3.2 per cent per annum between 2006 and 2015.

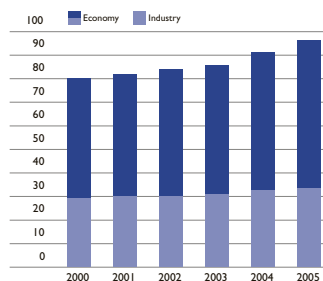
The charts (right) highlight a few points of interest. First, Trinidad and Tobago's Travel & Tourism employment growth has been consistently positive since the late 1980s.

Second, if Travel & Tourism employment in Trinidad and Tobago as a percentage of total employment is compared with the respective shares of neighbouring and competing destinations, Trinidad and Tobago ranks low down the listing. More importantly, though, it ranks favourably, in 44th position, among the list of 174 countries whose future performances are assessed by WTTC/OEF.

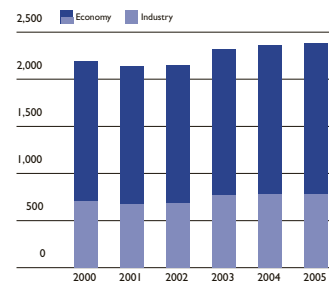
Finally, the growth rate projected for Trinidad and Tobago's Travel & Tourism employment over the next ten years places it high up the competitor/neighbour ranking and in 57th position among the 174 countries surveyed worldwide.

In Tobago, Travel & Tourism Economy employment is expected to account for 14,800 jobs in 2005, or 56.8 per cent of total employment on the island. By 2015, this figure is expected to increase to 17,600 jobs, or 61.6 per cent of total island employment. In general, Tobago's employment produced from Travel & Tourism is nearly four times (3.85) more intense than that of Trinidad.

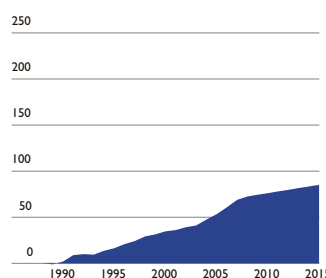
TRINIDAD & TOBAGO
Travel & Tourism Employment
(‘000 Jobs)



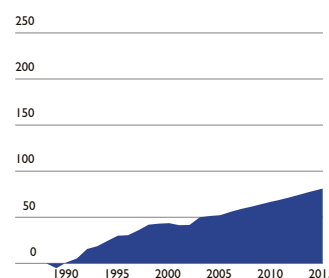
CARIBBEAN
Travel & Tourism Employment
(‘000 Jobs)



TRINIDAD & TOBAGO
Travel & Tourism Economy Employment
(Cumulative Real Growth, %)



CARIBBEAN
Travel & Tourism Economy Employment
(Cumulative Real Growth, %)



WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Economy Employment
(2005, % of Total Employment)

1	Antigua and Barbuda	95.0
3	Aruba	85.8
4	Anguilla	77.3
7	Bahamas	68.7
10	Saint Lucia	43.2
18	Saint Kitts and Nevis	29.1
23	Bermuda	24.5
28	Grenada	22.0
44	Trinidad and Tobago	16.7
89	Martinique	9.3

WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Economy Employment
(10-Year Real Growth, Annualized, %)

4	Grenada	5.1
44	Saint Lucia	3.5
57	Trinidad and Tobago	3.2
70	Anguilla	2.7
78	Aruba	2.6
84	Bermuda	2.4
91	Bahamas	2.3
111	Martinique	1.9
142	Antigua and Barbuda	1.3
166	Saint Kitts and Nevis	0.6

GROSS DOMESTIC PRODUCT

THE TRAVEL & TOURISM INDUSTRY IN TRINIDAD AND TOBAGO IS EXPECTED TO PRODUCE DIRECTLY TT\$4.2 BILLION (US\$668.2 MILLION), OR 4.8 PER CENT OF TOTAL GDP, IN 2005.

The broader Travel & Tourism Economy (direct and indirect) is expected to produce TT\$12.0 billion (US\$1.9 billion), or 13.8 per cent, of total GDP. The long-term expectations for Travel & Tourism GDP growth are positive, exceeding 5.4 per cent annualized real growth. By 2015, Travel & Tourism Economy GDP is forecast to have gained 2.8 percentage points to a 16.5 per cent share of total GDP, or TT\$24.5 billion (US\$3.6 billion).

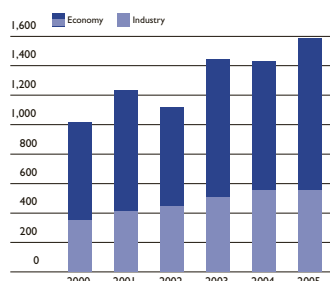
The Travel & Tourism results and forecasts illustrate the significant and sometimes massive economic stimulus of Travel & Tourism. They also demonstrate how, in Trinidad and Tobago, the two sides of value added (Travel & Tourism Industry and Travel & Tourism Economy) do not always grow at the same rate. The first set of charts (stacked bar) for Trinidad and Tobago illustrates how the tourism industry acts as a leading economic catalyst as its contribution permeates through Trinidad and Tobago's Travel & Tourism Economy. The only exception to this rule was in 2002, when Travel & Tourism Industry GDP increased while Travel & Tourism Economy GDP decreased. This can be explained by a fall in Other Exports defined and described later in this report.

In Tobago, Travel & Tourism Economy GDP is expected to total TT\$945.4 million (US\$119.7 million) in 2005, growing to TT\$1.6 billion (US\$239.3 million) in 2015. In 2005 this figure represents 46.0 per cent of the island's economy, growing to 49.9 per cent, or nearly one half the island's economy, in 2015.

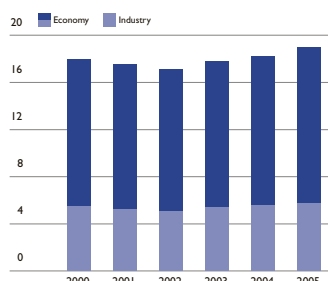
In the second set of charts (Cumulative Real Growth), Trinidad and Tobago's Travel & Tourism Economy shows significant growth post-1995 with mixed results following 9/11. Also evident is the strongly positive outlook for growth over the next ten years. Overall, this level of growth is much stronger (45 per cent stronger) than for the Caribbean regional average, which continues to post positive, but more modest gains.

The third set of charts (bottom left) compares WTTC/OEF's estimates for Trinidad and Tobago and its neighbouring and competing destinations, showing respective Travel & Tourism Economy GDP as a percentage of total GDP. Ranked in 57th place among 174 countries – ahead of Martinique in 112th position and below Bermuda in 31st place – Trinidad and Tobago is clearly among the low-tier, tourism-intensive countries of the Caribbean. However, the second league table extract illustrates how Trinidad and Tobago's prospects for GDP growth are also better than that for most of its neighbours and competitors within the regional and world ranking – in second and 31st position respectively. If Tobago were listed separately among the countries in the ranking of tourism intensity with its 46.0 per cent GDP contribution, it would rank tenth out of the 174 countries, just ahead of St. Lucia.

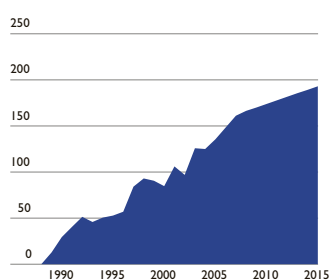
TRINIDAD & TOBAGO
Travel & Tourism GDP
(2000 Constant US\$ mn)



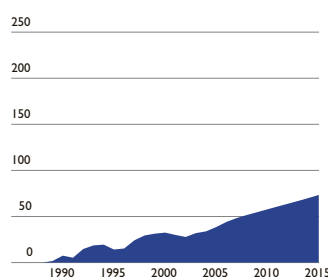
CARIBBEAN
Travel & Tourism GDP
(1990 Constant US\$ bn)



TRINIDAD & TOBAGO
Travel & Tourism Economy GDP
(Cumulative Real Growth, %)



CARIBBEAN
Travel & Tourism Economy GDP
(Cumulative Real Growth, %)



WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Economy GDP
(2005, % of Total GDP)

2	Antigua and Barbuda.....	86.0
3	Anguilla.....	71.4
4	Aruba	70.9
7	Bahamas	54.7
10	Saint Lucia	42.8
19	Saint Kitts and Nevis	28.6
26	Grenada	24.3
31	Bermuda.....	20.4
57	Trinidad and Tobago	13.8
112	Martinique	8.9

WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Economy GDP
(10-Year Real Growth, Annualized, %)

19	Grenada	6.2
31	Trinidad and Tobago	5.7
78	Martinique	4.7
93	Saint Lucia	4.3
120	Saint Kitts and Nevis.....	3.7
135	Antigua and Barbuda.....	3.4
138	Bermuda.....	3.3
145	Aruba	2.9
150	Bahamas	2.8
167	Anguilla.....	2.0

CAPITAL INVESTMENT

IN 2005, TRAVEL & TOURISM CAPITAL INVESTMENT IN TRINIDAD AND TOBAGO IS EXPECTED TO TOTAL TT\$1.8 BILLION (US\$283.6 MILLION), OR 12.6 PER CENT OF TOTAL INVESTMENT.

The largest component of capital investment originates from the private sector in new plant and equipment, while the public sector invests in new Travel & Tourism infrastructure.

This represents a return to a more normalized capital investment growth following several years of sharp increases. Over the next ten years (2006–2015), the contribution of Travel & Tourism to Trinidad and Tobago's capital investment account is expected to increase at an average rate of 4.6 per cent per annum in real terms.

Examination of Travel & Tourism Capital Investment results and forecasts lends greater insight into the market forces at work in a given economy and the expectations by the public and private sectors to meet the challenges and opportunities in the years ahead. For the most part, Travel & Tourism Capital Investment tends to be cyclical, with strong links to major public policy initiatives, the business/market cycle, major events (such as natural disasters) and significant socio-political changes.

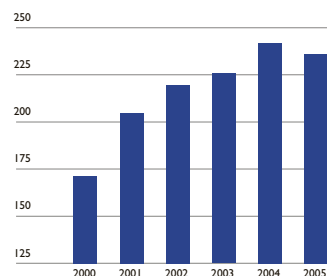
Worldwide, Travel & Tourism Capital Investment is expected to generate 9.4 per cent of total investment in 2005. The expectation for global growth from 2006–2015 is 4.8 per cent per year (in constant US dollars). In the Caribbean, the respective figures are 20.7 per cent of total capital investment in 2005 and 2.7 per cent real growth over the coming decade.

The charts below illustrate several interesting points. First, Trinidad and Tobago's Travel & Tourism Capital Investment is expected to show a more regular pattern following its recent jumps. Second, when compared with neighbouring and competing countries, Trinidad and Tobago's ranking is favourable – as it is in the broader listing of 174 countries in investment percentage terms for 2005. With Travel & Tourism estimated at 12.6 per cent of total investment, Trinidad and Tobago ranks 70th in the world listing, behind Martinique (39th place).

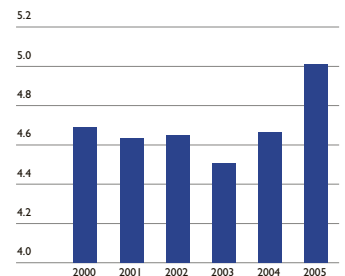
However, as is the case with its ranking in terms of GDP growth, Trinidad and Tobago's Travel & Tourism Capital Investment growth prospects for 2006–2015 place it within the top tier of the WTTC league tables – in first and 65th positions respectively in the regional and the world listings. This ranking sends a positive message to Travel & Tourism operators at home and abroad that Trinidad and Tobago is positioned to attract new business ventures.

In Tobago, Travel & Tourism Capital Investment is expected to total TT\$230.8 million (US\$36.6 million), or 82.4 per cent of total investment, in 2005, growing by 3.8 annually over the next ten years to 85.2 per cent of total capital investment by 2015.

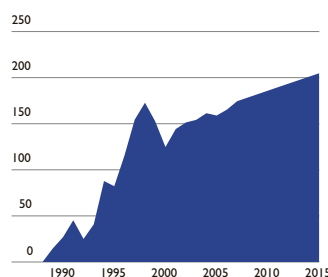
TRINIDAD & TOBAGO
Travel & Tourism Capital Investment
(2000 Constant US\$ mn)



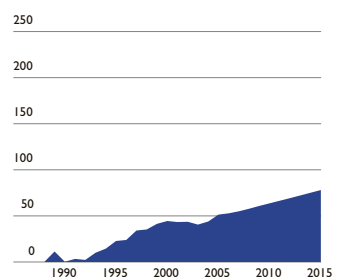
CARIBBEAN
Travel & Tourism Capital Investment
(1990 Constant US\$ bn)



TRINIDAD & TOBAGO
Travel & Tourism Capital Investment
(Cumulative Real Growth, %)



CARIBBEAN
Travel & Tourism Capital Investment
(Cumulative Real Growth, %)



WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Capital Investment
(2005, % of Total)

2	Aruba	76.4
4	Bahamas	66.1
8	Anguilla.....	54.4
9	Antigua and Barbuda.....	51.8
11	Bermuda.....	45.8
13	Saint Lucia	40.2
24	Saint Kitts and Nevis	25.2
28	Grenada	24.2
39	Martinique	17.6
70	Trinidad and Tobago	12.6

WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Capital Investment
(10-Year Real Growth, Annualized, %)

65	Trinidad and Tobago	4.6
83	Martinique	4.1
101	Aruba	3.9
127	Saint Lucia	3.2
134	Antigua and Barbuda.....	3.1
142	Saint Kitts and Nevis.....	2.8
150	Anguilla.....	2.6
159	Bermuda.....	2.1
168	Bahamas	1.5
171	Grenada	0.3

PERSONAL & BUSINESS

IN 2005, TRINIDAD AND TOBAGO IS EXPECTED TO GENERATE TT\$3.4 BILLION (US\$537.2 MILLION) OF PERSONAL TRAVEL & TOURISM CONSUMPTION BY RESIDENTS, OR 8.2 PER CENT OF TOTAL PERSONAL CONSUMPTION.

In Trinidad and Tobago, business travel in 2005 is expected to total TT\$1.1 billion, or US\$170.0 million (79 per cent corporate, 21 per cent government).

Unlike visitor exports, which depend on international markets for consumers, the business generated in these two categories depends on Trinidad and Tobago's economy itself. As the national economy grows, Trinidad and Tobago's consumer and business travel tends to follow suit. In the mid- to late 1990s, Trinidad and Tobago's Personal Travel & Tourism enjoyed a significant period of growth. Over the next decade (2005–2015), Personal Travel & Tourism in Trinidad and Tobago is expected to grow at an annual rate of 4.4 per cent, while Business/Government Travel is projected to grow at an annual rate of 4.2 per cent.

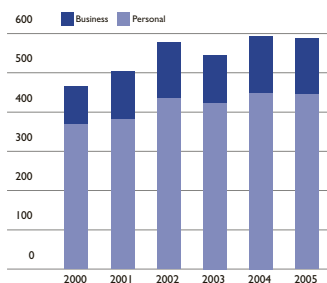
Although most of this Travel & Tourism occurs abroad, a part of it takes place within Trinidad and Tobago. When the spending does take place abroad, the satellite account generates a corresponding 'import credit', providing for an accurate assessment of Travel & Tourism 'produced' in Trinidad and Tobago and Travel & Tourism 'produced' by the rest of the world.

Analysis of Trinidad and Tobago's results highlights a few interesting points. First, Trinidad and Tobago's residents have recently been spending only about 8.2 per cent of their personal expenditures on Travel & Tourism. This percentage is well below the world average of 10.4 per cent, although much higher than the Caribbean average of 6.4 per cent. Generally, the level of personal Travel & Tourism spending is directly linked to the development of the resident economy. As per capita income increases, so does Travel & Tourism spending.

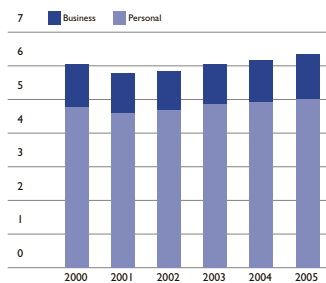
Trinidad and Tobago's overall macroeconomic situation since the mid-1990s has been reflected by the strongly positive trend of Trinidad and Tobago residents' spending on Travel & Tourism, as illustrated by the stacked bar and cumulative growth charts (top right).

Nevertheless, even discounting the late 1990s' surge, the cumulative growth charts for Trinidad and Tobago and the Caribbean illustrate the strong future growth outlook for Trinidad and Tobago – well above that for Caribbean Travel & Tourism spending. If, as expected, the economy continues to show positive growth, Trinidad and Tobago residents' spending on personal and business Travel & Tourism is also likely to accelerate. Finally, the league table extracts also suggest that, while Trinidad and Tobago ranks in the upper tier of Caribbean countries (third position in the ranking) in terms of future Travel & Tourism spending growth, it ranks fairly low in the worldwide listing (109th), which suggests there is much greater competition outside the region for personal Travel & Tourism growth.

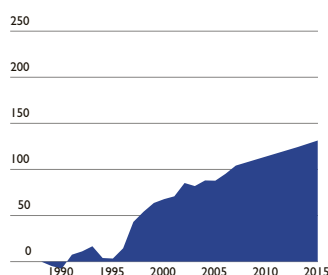
TRINIDAD & TOBAGO
Personal & Business Travel & Tourism
(2000 Constant US\$ mn)



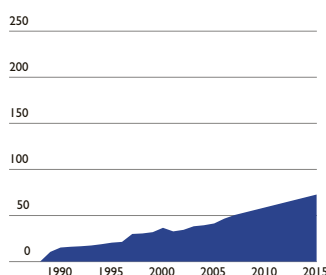
CARIBBEAN
Personal & Business Travel & Tourism
(1990 Constant US\$ bn)



TRINIDAD & TOBAGO
Personal Travel & Tourism
(Cumulative Real Growth, %)



CARIBBEAN
Personal Travel & Tourism
(Cumulative Real Growth, %)



WTTTC LEAGUE TABLE EXTRACT
Personal Travel & Tourism
(2005, % of Total Personal Consumption)

4	Bahamas	23.2
5	Antigua and Barbuda.....	22.5
6	Aruba	22.5
30	Saint Lucia	12.3
35	Grenada	11.8
47	Anguilla.....	10.9
48	Saint Kitts and Nevis	10.9
75	Trinidad and Tobago	8.2
85	Bermuda.....	7.5
131	Martinique	5.1

WTTTC LEAGUE TABLE EXTRACT
Personal Travel & Tourism
(10-Year Real Growth, Annualized, %)

107	Grenada	4.4
108	Martinique	4.4
109	Trinidad and Tobago	4.4
113	Anguilla.....	4.2
114	Saint Lucia	4.1
156	Aruba	2.4
157	Bermuda.....	2.4
159	Bahamas	2.3
161	Antigua and Barbuda.....	2.3
171	Saint Kitts and Nevis.....	1.6

EXPORTS

TRAVEL & TOURISM EXPORTS PLAY A STRONG AND VITAL ROLE IN TRINIDAD AND TOBAGO'S TRAVEL & TOURISM BUSINESS.

In 2005, Travel & Tourism services and merchandise exports for Trinidad and Tobago are expected to total TT\$9.7 billion, or US\$1.5 billion (34 per cent by visitors, 66 per cent by exported consumer and capital goods), representing some 59 per cent of total Travel & Tourism Demand. Without question, as this category grows and contracts, it will enhance the health and vitality of Trinidad and Tobago's Travel & Tourism sector.

Over the past 15 years, the gains for Travel & Tourism Visitor Exports in Trinidad and Tobago have been impressive, while two periods of decline (in the mid -90s and early 2000s) have tempered this march forwards. If considered over the total 16 year period, (1988–2004), Trinidad and Tobago's Visitor Exports have grown by 86 per cent in real terms. Over the next ten years, Trinidad and Tobago's Visitor Exports are expected to grow by a strong 7.2 per cent per annum, while Travel & Tourism Merchandise Exports (non-visitor exports) are expected to show healthy growth at 5.1 per cent per annum.

Globally and for the Caribbean, visitor exports are forecast to grow at 5.7 and 3.9 per cent per annum respectively over the next ten years (2006–2015).

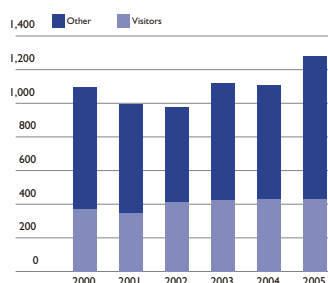
Clearly, based on these forecasts, Trinidad and Tobago's Travel & Tourism Visitor Exports' growth is excellent and well ahead of its regional and global peers.

Although long-term expectations for Trinidad and Tobago's Travel & Tourism export growth (2006–2015) are positive these forecasts, like any others, depend on future events and can therefore not be guaranteed. Hurricane Ivan in 2004, for example, which had a major negative impact on tourism in Grenada, is a perfect illustration of the uncertainty inherent in forecasting.

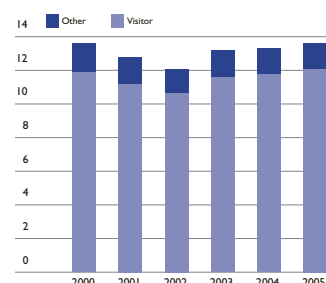
Examination of the WTTC league tables reveals that Trinidad and Tobago is lower on the scale of current visitor exports measured as a percentage of total exports. In the second league table, Trinidad and Tobago's visitor exports' growth illustrates the positive outlook ahead, since it ranks in second position regionally and 36th position globally. This ranking implies there is a need for the public and private sectors to pay significant attention to maintaining international visitor growth at these high levels.

In Tobago, Travel & Tourism visitor exports are expected to total TT\$257.3 million (US\$40.8 million), or 95.9 per cent of total exports, for the island, growing at an estimated annualized rate of 5.0 per cent over the next ten years. Clearly this figure makes Tobago one of the most tourism-intensive exporters in the world.

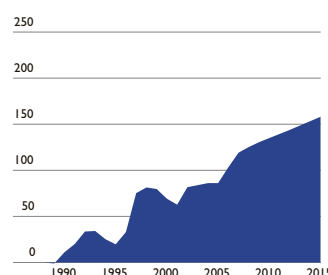
TRINIDAD & TOBAGO
Travel & Tourism Capital Investment
(2000 Constant US\$ mn)



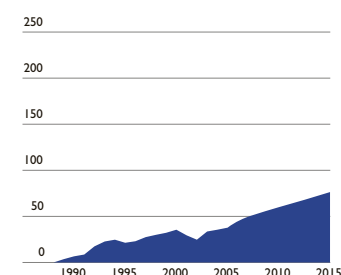
CARIBBEAN
Travel & Tourism Exports
(1990 Constant US\$ bn)



TRINIDAD & TOBAGO
Travel & Tourism Exports
(Cumulative Real Growth, %)



CARIBBEAN
Travel & Tourism Exports
(Cumulative Real Growth, %)



WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Visitor Exports
(2005, % of Total Exports)

1	Anguilla.....	79.2
2	Saint Lucia	77.4
3	Antigua and Barbuda.....	71.9
4	Bahamas	69.2
21	Saint Kitts and Nevis	38.5
33	Aruba	30.1
39	Bermuda.....	22.9
42	Grenada	21.7
78	Martinique	12.2
114	Trinidad and Tobago	5.5

WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Exports
(10-Year Real Growth, Annualized, %)

1	Grenada	12.8
36	Trinidad and Tobago	7.2
80	Martinique	5.9
121	Saint Lucia	4.8
145	Bermuda.....	3.9
149	Antigua and Barbuda.....	3.7
151	Saint Kitts and Nevis.....	3.6
161	Bahamas	3.3
169	Aruba	2.2
170	Anguilla.....	1.9

GOVERNMENT

IN 2005, GOVERNMENT AGENCIES IN TRINIDAD AND TOBAGO ARE EXPECTED TO SPEND TT\$557.9 MILLION (US\$88.6 MILLION) OF CURRENT OPERATING FUNDS FOR TRAVEL & TOURISM.

This represents 5.2 per cent of total government expenditures, which are allocated to providing individual and collective government Travel & Tourism services to visitors, travel companies and the community at large. Over the next ten years (2006–2015), Travel & Tourism Government Expenditures in Trinidad and Tobago are expected to increase by an average of 4.6 per cent per year in real terms.

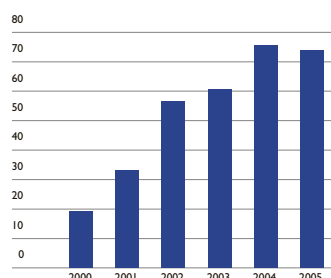
Globally, governments are forecast to allocate an average of 3.8 per cent of their expenditures to Travel & Tourism-related functions, and to increase this spending by 2.8 per cent per annum over the next ten years. The corresponding figures for the Caribbean are 8.7 per cent of total government spending and 3.2 per cent real growth for the coming decade. Based on these results, Trinidad and Tobago's 2005 government contribution of 5.2 per cent is currently just shy of its regional competition and slightly above the global average in terms of Travel & Tourism support and services.

In this WTTC report, 2005 government expenditures include individual expenditures of TT\$37.7 million (US\$6.0 million) that can be linked to individual visitors, such as immigration services. But they also include collective expenditures of TT\$520.1 million (US\$82.6 million) that are undertaken for the community at large – such as airport administration – but which have a logical service connection to Travel & Tourism.

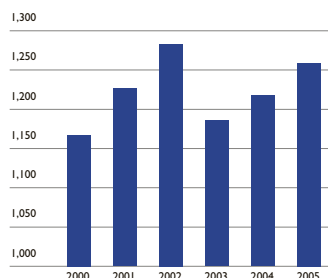
One would naturally assume there should be a direct link between the impact of an industry/sector like Travel & Tourism on the economy (in terms of GDP) and the amount of funding allocated by governments towards that industry/sector. In Trinidad and Tobago, the 2005 ratio of Travel & Tourism GDP (percentage of total GDP) to government expenditures is 2.7:1.0. Worldwide and in the Caribbean, this ratio is 1.8:1.0 and 2.8:1.0 respectively. This would suggest that the Trinidad and Tobago, as well as Caribbean government authorities in general, are giving significantly less back to Travel & Tourism than governments around the world generally.

The league tables (left) reinforces this particular point. First, Trinidad and Tobago's government expenditures for Travel & Tourism are currently reasonable, ranking the country 57th out of 174 worldwide. More encouraging is the outlook for growth – in this measure Trinidad and Tobago ranks first among its regional neighbours and 34th worldwide.

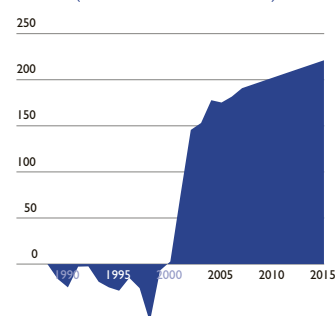
TRINIDAD & TOBAGO
Travel & Tourism Gov't Expenditures
(2000 Constant US\$ mn)



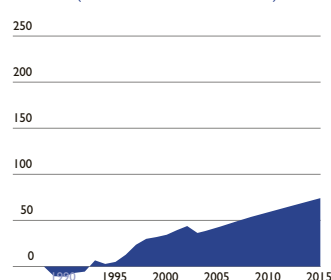
CARIBBEAN
Travel & Tourism Gov't Expenditures
(1990 Constant US\$ mn)



TRINIDAD & TOBAGO
Travel & Tourism Gov't Expenditures
(Cumulative Real Growth, %)



CARIBBEAN
Travel & Tourism Gov't Expenditures
(Cumulative Real Growth, %)



WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Gov't Expenditures
(2005, % of Total Gov't Expenditures)

1	Antigua and Barbuda.....	27.8
9	Bermuda.....	17.6
10	Saint Lucia	16.9
12	Aruba	16.3
16	Saint Kitts and Nevis	14.2
17	Bahamas	13.8
19	Anguilla.....	13.5
24	Grenada	11.9
37	Martinique	7.7
57	Trinidad and Tobago	5.2

WTTC LEAGUE TABLE EXTRACT
Travel & Tourism Gov't Expenditures
(10-Year Real Growth, Annualized, %)

34	Trinidad and Tobago	4.6
53	Martinique	4.3
55	Aruba	4.2
97	Antigua and Barbuda.....	3.3
102	Saint Lucia	3.2
107	Bahamas	3.0
132	Bermuda.....	2.3
139	Anguilla.....	2.3
141	Grenada	2.2
151	Saint Kitts and Nevis.....	1.9

THE POLICY FRAMEWORK

POLICY RECOMMENDATIONS

TRINIDAD AND TOBAGO LIES WITHIN ONE OF THE WORLD'S MOST TOURISM-INTENSIVE REGIONS, THE CARIBBEAN. YET, UNLIKE ITS NEIGHBOURS, IT HAS NOT RELIED HEAVILY ON INCOME FROM TRAVEL & TOURISM SINCE ITS ECONOMY IS DOMINATED BY THE ENERGY SECTOR.

Nevertheless, since the country is aiming for developed nation status by 2020, and the energy sector is unable to provide the sustainable jobs needed to achieve this, the role of Travel & Tourism is growing in importance.

The government's policy strategy, *Vision 2020*, identifies tourism as one of five sectors that should be developed to reduce dependence on the energy sector. While this demonstrates a recognition of the significant role Travel & Tourism can play in achieving robust economic and social development, the full scope of the industry as a catalyst for the development of other areas of economic activity – such as agriculture, manufacturing and financial services – is still underestimated.

Forecasts by WTTC and its research partner OEF are positive, pointing to an average annual growth in Travel & Tourism Demand of 5.2 per cent over the next ten years. If this growth is achieved, the wider Travel & Tourism Economy will contribute 16.5 per cent of Trinidad and Tobago's GDP by 2015. Moreover, the potential impact could be even greater if the underlying policy framework is conducive to growth – ie if the government makes a commitment to work with other stakeholders to create the underlying conditions for market confidence, dynamism and sustainability.

Looking ahead, Trinidad and Tobago is ideally placed to develop a really successful tourism model and to benefit from its energy-driven wealth and geographic location. If Port of Spain's bid to host the headquarters of the Free Trade Area of the Americas (FTAA) is successful, the impact on the Travel & Tourism industry will be huge.

However, several challenges lie ahead, and these must be addressed to ensure the long-term sustainable development of Travel & Tourism in Trinidad and Tobago, which will ensure maximum benefits for all stakeholders and at all levels of the economy. While the private sector can and must play an increasingly important role to develop quality products and competitive services geared towards rapidly changing demand, the government needs to show leadership by stimulating and facilitating investment, streamlining and clarifying regulations, and developing much needed infrastructure and human capital.

Against this background, WTTC recommends that the Government of Trinidad and Tobago:

- Highlight and communicate the strategic importance of tourism;

- Plan for the future;
- Ensure that national Travel & Tourism institutions are empowered to drive forward the development of the industry;
- Encourage business to balance economics with environment, people and cultures;
- Develop the human capital required for Travel & Tourism growth;
- Create a competitive business environment to encourage investment;
- Improve air access to and within Trinidad and Tobago;
- Favour technological advancement;
- Promote product diversification to spread demand;
- Provide new funding and co-ordination for marketing and promotions;
- Reflect issues specific to Tobago in strategic plans; and
- Ensure that quality statistics and information feed into policy and decision-making processes.

HIGHLIGHT AND COMMUNICATE THE STRATEGIC IMPORTANCE OF TOURISM

Recognize Travel & Tourism's Economic Importance

Travel & Tourism has the potential to become a major export sector in Trinidad and Tobago and to alleviate the underlying structural weakness associated with over-dependence on the energy sector. It possesses the inherent ability to diversify Trinidad and Tobago's economy, to stimulate entrepreneurship – particularly among small and medium-sized enterprises (SMEs) – catalyze investment, create large numbers of sustainable jobs, and help social development in local communities.

Tourism is one of the key sectors for development set out in *Vision 2020*. However, misunderstanding of the industry's impact and an underlying mistrust of the industry fostered over the years by the

country's leaders pervade all levels of public service and the population in general. More than any other issue, this lack of awareness – or reluctance to be aware – is responsible for many of the key limitations that Travel & Tourism faces in Trinidad and Tobago.

Overcome the traditional negative perception of Travel & Tourism

Historically, Travel & Tourism has been given a bad press in Trinidad and Tobago. Consecutive governments have hailed the success of the energy and agricultural sectors as keys to economic self-sufficiency while, at the same time, highlighting the negative impacts of increased tourism and, in some cases, actively discouraging the population to engage in tourism-related activities. Unfortunately, although the energy sector remains strong, it is not able to create the long-term employment necessary to sustain the economy. Furthermore, the globalization of agricultural commodities has made Caribbean agriculture uncompetitive and, as a result, it has lost market share and output which is reflected in the downturn in Trinidad and Tobago's agricultural sector.

In contrast, Travel & Tourism in Trinidad and Tobago has an enormous competitive advantage – not only within the Caribbean region, but also at a global level – to create new opportunities and employment. However, it requires a fair and level playing field to demonstrate its potential to create self-sufficiency and diversity. The government should recognize this potential and therefore facilitate its development.

Identify Travel & Tourism as an export sector

It is also time for the Government of Trinidad and Tobago to acknowledge one of the economic facts of life – that Travel & Tourism is an export sector just like agriculture, energy, manufacturing or pharmaceuticals.

It is rare for a country to impose taxes on its exports, since resulting price increases disadvantage its products in the global marketplace. Indeed, countries are prone to subsidize exports to gain export market share and/or to tax imports to protect a domestic industry. If a country taxes its own exports, a self-imposed tariff is created, prices are increased and demand naturally declines, thereby limiting development opportunities and job creation.

Implement an industrial image campaign

While the current government has taken steps to change the negative perception of Travel & Tourism, there is still much work to be done in this regard. Government needs to undertake an industrial image campaign to ensure that all public and private stakeholders recognize Travel & Tourism's full impact across the national economy – not just on restaurants and other food and beverage outlets, or retail business, but also on construction, real estate, manufacturing, agriculture and other sectors. Even more importantly, stakeholders should be made aware of Travel & Tourism's untapped potential and of the spin-off benefits that filter down through all levels of the community.



Factor Travel & Tourism into mainstream policies

Travel & Tourism should be factored into mainstream policies for employment, trade, investment, education and environmental protection. The strategic importance of Travel & Tourism should be communicated to all levels of government, industry and local communities. All government departments affected by, or impacting on, Travel & Tourism development should be closely involved in drawing up tourism policies and in planning and co-ordinating individual programmes.

Use Travel & Tourism employees as a voice for the industry

Another approach to raising the level of awareness and positive profile of Travel & Tourism is through the large army of Travel & Tourism employees. In many respects, these people should be – indeed *must* be – ambassadors of Travel & Tourism's contribution to the broader economy. Unfortunately, there is often a lack of communication between owners/employers and the people who take reservations, make beds, fly aircraft, wait on tables and guide visitors around the islands. It should be noted that these people have a great deal of personal influence within the communities in which they live.

If they are helped to understand the basics of Travel & Tourism and how the flow of visitor revenues and spending affects their lives, they can serve as emissaries to the rest of the community to help spread the message that Travel & Tourism is everybody's business. One important step in this effort is to open the lines of communication between owners/operators and their employees through direct contact or regular dialogue and news bulletins. Not only will this raise awareness, but it will also help galvanize employees into supporting and championing Travel & Tourism within their communities.

Focus media attention on industry issues

Lastly, Travel & Tourism needs to focus media attention on industry issues. The Caribbean Media Exchange (CMEEx) does a very good job of improving the quality of media coverage on Travel & Tourism issues for the region, largely through educating the media about these issues. It should be supported and encouraged to continue this critical line of awareness building in Trinidad and Tobago.

PLAN FOR THE FUTURE

Planning and implementation go hand in hand

Long-term tourism planning at national level is a prerequisite for generating investor confidence and organizing the successful development of Travel & Tourism in Trinidad and Tobago. However, planning is not sufficient to guarantee the future of the industry. Firm government commitment to plans and their implementation is crucial. It is on this latter point that consecutive governments of Trinidad and Tobago have failed in the past.



The Tourism Master Plan (1994) is a comprehensive document that clearly sets out the priorities for Trinidad and Tobago's tourism development. This document should be updated, incorporating the recommendations of the *Vision 2020* Tourism Sub-committee, and then adopted as an Act of Parliament to ensure its long-term implementation – regardless of the government in power.

Travel & Tourism development is so important that it cannot be used as a political tool. If its full growth potential is to be realized it should be incorporated into the country's legal framework and cease to be a political issue.

The current document, entitled the *2020 Strategic Tourism Development Plan*, which was drawn up by the *Vision 2020* Tourism Sub-committee, highlights the most pressing needs for the industry. However, it lacks specific targets based on statistical analysis which are vital for the monitoring of policy implementation. WTTC recommends using the *2020 Strategic Tourism Development Plan* as the basis of an in-depth policy Master Plan that incorporates the following basic elements:

- Clearly defined goals, objectives and responsibilities;
- Decisions based on quantitative input;
- Indications of best practice in tourism development;

- Measures to support existing industry, as well as for the promotion of new developments;
- An articulated strategy for product development and diversification;
- A long-term strategy for tourism marketing and promotions in line with the Policy's long-term goals and objectives; and
- Clear branding, supporting the brand 'Trinidad and Tobago', that reinforces the basic vision for the region's Travel & Tourism development.

Private sector input in planning and implementation

In order to ensure greater support and commitment from all stakeholders, the government should also initiate a cohesive and co-operative approach to longer-term planning and development, involving all levels of government, the private sector and local communities. Partnerships between the government, private sector and local authorities can be strengthened through the newly formed Tourism Development Company (TDC) which, as an institution, should provide direct private sector input into mission-critical policy and decision-making by the public sector with regard to Travel & Tourism.



ENSURE THAT NATIONAL TRAVEL & TOURISM INSTITUTIONS ARE EMPOWERED TO DRIVE FORWARD THE DEVELOPMENT OF THE INDUSTRY

Travel & Tourism is affected by, and affects, policy decisions made across the whole political and economic spectrum. Strong tourism institutions, with clearly defined mandates, are therefore vital for a co-ordinated and sustainable development of the industry

Empowered institutions

The position of the Minister of Tourism in Trinidad and Tobago is one of the few examples of a country in which the Ministry of Tourism is empowered and the Minister reports directly to the Prime Minister. This is an important step in ensuring that the Minister of Tourism has political weight and the obligation to ensure implementation of policies.

The new Tourism Development Company (TDC) must be in a position to guarantee continuity in Travel & Tourism development outside political spheres. It must have an agreed budget and the power to use it. Its board members must be proactive in driving the industry forward and ensuring its high profile within government, the media and general public.

Clear mandates

The role of the TDC must be clearly defined and communicated to all stakeholders. Responsibilities for product development, marketing, human resource development and information management must be clearly delineated and apportioned, and investment allocated for each area, so as to ensure optimum effectiveness of the TDC.

Prioritize product development

In the past responsibility for product development has been unclear and, as a result, largely ignored. In Trinidad and Tobago – more perhaps than any other Caribbean country – it is this aspect of tourism development which will be most critical to the success of tourism in the future. It is therefore imperative that clear guidelines and targets regarding product development are established and followed.

A champion for tourism

During stakeholder consultation it emerged that the energy sector in Trinidad and Tobago had benefited greatly from having a ‘champion’ – a highly regarded, well connected expert who lobbied on behalf of the sector at the highest levels of government and industry. Identification and instigation of such a champion for the Travel & Tourism sector could be an important means of raising awareness of the industry within both government and the population in general.

Use the benefit of experience in other sectors

Trinidad and Tobago has the benefit of several economic sectors that have been very successful over recent years. Institutional structures for Travel & Tourism can be based on similar structures that have worked well in the energy, manufacturing and financial services’ sectors.

ENCOURAGE BUSINESS TO BALANCE ECONOMICS WITH ENVIRONMENT, PEOPLE AND CULTURES

In Trinidad and Tobago, as already indicated, Travel & Tourism is a significant generator of sustainable jobs, whose impact on the economy and livelihoods will continue to grow over the coming years. If the industry is to offer a viable alternative to the energy sector, any threats to its sustainability must be firmly addressed and tackled. Its future depends on preserving the very precious combination of natural and cultural assets with which Trinidad and Tobago is richly endowed, as well as engaging the support of the communities who will be the life-blood of the industry.

It is therefore important that all segments of society participate in the planning and development of tourism and that its benefits are distributed widely. Integrated plans and planning processes should address issues such as carrying capacity, tourism supply and demand, resource utilization and economic, socio-cultural and environmental impacts. Key to this is ensuring that tourism development and environmental management are mutually supportive, and that integrated planning, policies and implementation provide for environmental impact assessments for all tourism projects and cultural impact assessment for all large tourism operations.

Natural environment

Trinidad and Tobago has a rich national resource base that is crucial to the country’s tourism product. These ecosystems and biodiversity must be protected as Travel & Tourism grows. The legal framework regarding protection of the environment and natural resources, with regard to construction and tourism development, is currently unclear. Government and private sector stakeholders should collaborate with the Environmental Management Agency (EMA) and Institute of Marine Affairs (IMA) to ensure that environmental concerns are taken into consideration at all times, particularly where land-use policy, and the sustainable use of resources and pollution are concerned.

Furthermore, the government should lead the way in raising public awareness of the importance of environmental management at all levels. This should be fed into the education system and represent an important part of any Travel & Tourism training.

Lying well within the hurricane belt, Trinidad and Tobago has in the past suffered its fair share of devastation at the hands of natural forces. Its leading position in the development of the energy and manufacturing sectors also presents a potential environmental risk. A well-structured crisis response and management unit should be established so that the effects of any disaster on the country – whether natural or man-made – can be minimized.

Community development

Travel & Tourism has significant potential to benefit many people, with its ability to generate jobs and its wide-reaching economic impact. Engagement by local communities in the industry is imperative if these benefits are to be maximized. The Government of Trinidad and Tobago



must incorporate sustainable tourism into the national social and economic policy framework with a focus on:

- local engagement with the industry;
- start-up support and technical assistance for entrepreneurs and SMEs;
- ensuring that money from Travel & Tourism benefits all stakeholders, rather than remaining in the hands of a few major players;
- partnership with the private sector so that developments, new and old, fulfil government targets for social and economic development.

There are several community-based tourism projects in Trinidad and Tobago, and these should be supported and encouraged. Examples of best practice both from inside and outside the country should be identified, so as to produce models for the further development of such projects in Trinidad and Tobago.

Linkages

Many have argued that the know-how to create linkages between Travel & Tourism and the rest of the economy is well established, but that there is a weakness in implementation and execution of the effort. WTTC recommends that efforts and resources be dedicated by the tourism ministry or the TDC to guarantee a focused approach to establishing effective linkages between Travel & Tourism and the rest of the economy. Such a focused approach could include:

- promoting public awareness of the potential linkages between Travel & Tourism and other sectors such as agriculture and manufacturing;
- educating those in other sectors of the needs of Travel & Tourism so that high-quality products can be sourced locally by the industry;
- encouraging the use of traditional skills and products in the development of the industry.

HIV/AIDS

Trinidad and Tobago has one of the highest annual HIV incidence rates in the Caribbean. Over the last decade, the number of reported HIV cases has doubled.

According to the Joint UN Programme on HIV/AIDS (UNAIDS), the potential economic impact of HIV/AIDS, which includes lost savings, investment, labour supply, employment and an increase in expenditure on health care, could amount to 5 per cent of Trinidad and Tobago's GDP by 2007.

The impact of HIV/AIDS on tourism development could therefore be significant, and the Travel & Tourism industry will need to act proactively to address the issue. Although the horrors of this disease and its impacts can be quite overwhelming, there are some inspirational programmes within the region's Travel & Tourism Industry that offer great hope. Two such examples are the work of the Caribbean Tourism Health, Safety and Resource Conservation Project (CTHSRCP) and Quality Tourism for the Caribbean (QTC).

WTTC encourages all stakeholders to use the CTHSRCP and

QTC as leading examples, and address HIV/AIDS head on, seeking out help and assistance when and where necessary to make a difference for their employees, the industry and humanity.

Safety & Security

Tourist safety and health are two of the strongest forces driving change in the Travel & Tourism industry today. Although crime is on the rise in Trinidad and Tobago, it generally takes place within a few high-risk areas, so the risk to most of the population and tourists remains low. However, perceptions of crime and harassment have a great power to damage a destination's image abroad. Just one high-profile incident could seriously hinder the country's tourism development and promotion.

Plans to reform the police service are already underway and WTTC would urge all Travel & Tourism stakeholders to continue to lobby government to ensure that change takes place as a matter of urgency. Increased manpower, more rigorous enforcement of the law, and investment in crime prevention programmes, are vital to the successful development of the Travel & Tourism industry.

Furthermore, the government and private sector stakeholders should work together to:

- communicate the importance of Travel & Tourism to the media so that crime stories are not sensationalized;
- undertake a public awareness campaign to dispel the image of the tourist as an easy target;
- put measures in place to minimize tourist harassment.

DEVELOP THE HUMAN CAPITAL REQUIRED FOR TRAVEL & TOURISM GROWTH

In 2005, Travel & Tourism in Trinidad and Tobago will account for some 96,539 jobs – around 33,771 jobs directly with the industry and a further 62,768 jobs in sectors linked to Travel & Tourism, such as real estate, construction and retail. Travel & Tourism has the potential to create jobs at all levels of society and the economy – from bar staff and chamber maids in hotels, to guides and taxi drivers, as well as top-level management in tourism enterprises. It is a labour-intensive, quality-driven service profession, which depends crucially on the skills level and professionalism of the workforce to make the sector productive and competitive.

However, while Travel & Tourism growth provides the opportunity for the creation of sustainable jobs, the current negative perception of employment in tourism, plus training facilities that do not match supply to demand, provide a severe threat to this opportunity. Moreover, as the Caribbean Single Market and Economy (CSME) comes into force, Trinidad and Tobago will face increased competition from other labour markets.

It is also important that the government understands the impact of the social welfare schemes it has put in place over the past few years. These schemes, such as the Community-based Environmental

Protection Enhancement Programme, provide jobs that are not sustainable either economically or socially and are, in fact, draining industries such as Travel & Tourism of potential employees.

Public awareness of the opportunities offered by Travel & Tourism

A major public awareness campaign must be undertaken with the Ministry of Tourism, the TDC and the industry working in partnership with the Ministry of Education and media to redress this negative perception. The campaign should reach out to the whole population and could incorporate:

- integration of Travel & Tourism examples in the school curriculum and recognition of its value as a subject in its own right, as is the case with agriculture;
- the promotion of specialist Travel & Tourism courses within primary and secondary education;
- television and radio shows highlighting the benefits of working in tourism and the many different career opportunities offered by the sector.

The Trinidad and Tobago Hospitality Training Institute (THTI), and the tourism departments of The University of the West Indies (UWI) and University of Trinidad and Tobago (UTT) – all of which offer a variety of vocational and theoretical Travel & Tourism courses – must engage in proactive recruitment programmes, supported by the Ministry of Tourism, the TDC and the industry. Case studies of alumni working in a variety of roles in the sector should be publicized to attract applicants.

Match supply and demand

Most importantly, however, the training institutions and the industry must work together and communicate with each other to ensure that courses and training are relevant to the industry's needs. The industry can provide support to institutions and students in this regard by participating in training schemes, offering internships and communicating the importance of high standards of quality service.

Training institutions must produce a wide spectrum of qualified employees, who are capable of filling the many different positions required by the Travel & Tourism industry so that the human resources supplied meet industry needs for bar staff, waiters, chefs and management, etc.

Compensation in line with other sectors

Compensation in the Travel & Tourism sector must be brought in line with other sectors so that a potential workforce can benefit fully from employment in the sector, and so that the value of top-quality employees is not undermined. The government can assist the industry in achieving this by implementing labour laws which take into account the need for greater flexibility – to accommodate the seasonality, daily flows and other operating characteristics of a 24/7 industry.

Support for qualified Travel & Tourism workers

Finally, government and industry must ensure that high standards are maintained by actively supporting and promoting those employees who have worked hard to gain certification. Awareness of such programmes must be promoted within the industry, to tourists and to the general public so that their value, and that of Travel & Tourism in general, is maintained.

CREATE A COMPETITIVE BUSINESS ENVIRONMENT THAT ENCOURAGES INVESTMENT

The general investment climate in Trinidad and Tobago is favourable with a number of tax incentives and open encouragement of private enterprise and foreign investment. The Tourism Development Act 2000 provides the framework for such incentives.

However, as the report by the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO) on investor perceptions in the country points out, several factors are greatly hindering potential investors. Government bureaucracy is at the heart of this, highlighted in the *Strategic Tourism Development Plan: Towards Vision 2020*, which refers to the “multiple bureaucratic constraints that obstruct and retard the development process” and plans to “convert the existing negative culture into a responsive, ‘can do’ attitude”. WTTC endorses this approach and would go a stage further to suggest that a dedicated, one-stop shop for Travel & Tourism investors be established.

Taxation

There is an increasing tendency worldwide for governments to target Travel & Tourism as a revenue generator to meet short-term budget objectives, with little thought to the longer-term consequences on demand and job creation. WTTC urges the Government of Trinidad and Tobago to ensure fiscal regimes that encourage tourism growth, exports, investment, infrastructure, business innovation and job creation. The ‘User Pays – User Benefits’ principle should be given priority, with funding collected earmarked for Travel & Tourism infrastructure and promotion.

Furthermore, it is vital that taxes applied are equitable and, where possible, hypothecated. One of the most contentious issues in the Caribbean region is the inequitable treatment of land-based tourists compared with cruise passengers. In Trinidad and Tobago, the former pay TT\$100 departure tax while the latter pay only a token port charge, if anything.

With this said, it is important that the authorities in Trinidad and Tobago recall the *WTTC Principles and Guidelines of Intelligent Taxation* and refer to these principles when they consider new taxes or adjustments to existing tax structures.

WTTC Principles of Intelligent Taxation

A study of Travel & Tourism taxation policy by the London School of Economics for WTTC recommended five principles that public policy-makers should use to guide their review of tax policy proposals and legislation.

Equity

All economic sectors should be treated fairly with regard to taxation. Even-handed treatment of all sectors reduces imbalances that can result in political, social and economic difficulties.

Efficiency

Taxes must generate revenue without a significant impact on the demand for a good or service (unless the tax is designed to modify behaviour). At a certain threshold, the benefits of a tax become less significant than the costs of reduced demand. The decrease in demand sends a debilitating wave throughout the economy as linked suppliers are affected. This negative cycle swells because of the subsequent loss of tax revenue in many sectors.

Simplicity

Complicated taxation schemes eat up revenues through administrative costs. These costs include both those borne by government in the process of collecting and enforcing taxes, and those borne by taxpayers. An objective of good tax policy is to achieve the highest possible ratio of revenues generated per dollar invested in collecting the tax. Special note should be made to incorporate taxpayers' costs of compliance in calculating this ratio. Simplicity in taxing also dictates that it is clear what the tax rates are, and what the revenues are intended to be used for.

Fair revenue generation

Fair revenue generation arises from the concept of equity. In the even-handed capturing of tax revenue, it is unreasonable to assess special fees or levies on specific goods or services. These taxes are often cloaked by language and terminology to hide their real intent. Special charges and fees may appear, on face value, to be modest. They aggregate, however, to become a cumulative and often unreasonable burden to a sector.

Effective stimulus to growth

Tax incentives and disincentives should be imposed with the underlying goal of stimulating growth. Taxes that support infrastructure will ideally result in the attraction of investment and subsequent employment. When taxes become excessive, economic growth often grinds to a halt.

Many taxes on Travel & Tourism violate some or all of these Intelligent Tax Principles. The practical reality of these principles provides that taxes can be imposed to generate revenue, increase competitiveness, or change consumptive behaviour. If taxes follow the criteria above, they will result in both increased revenues for governments and strong competitive economies.

IMPROVE AIR ACCESS TO AND WITHIN TRINIDAD AND TOBAGO

Efficient and effective air access to and within Trinidad and Tobago is crucial to the development of the country's Travel & Tourism industry. At present, there are several critical issues which are threatening to undermine investment and development in other areas. These are:

Airlift

Although BWIA West Indies Airways is locally owned, the majority of tourist traffic that comes into the country travels on aircraft owned by, or under the control of, foreign companies. Airlift is the life-blood of tourism in Trinidad and Tobago, and lack of control over traffic leaves the industry vulnerable to any decisions taken by these external carriers regarding cessation or curtailment of services or increases in fares.

Nevertheless, questions have been raised as to the financial viability of BWIA, recently returned to state control after privatization a decade ago. As a result of this, the carrier's efficiency and quality have been compromised. The government and other stakeholders must therefore ask whether BWIA in its current structure is sustainable and beneficial to the industry and the country as a whole.

In the *Caribbean Report*, published in 2004, WTTC highlighted the problems of airlift on a Caribbean basis and called for more co-operation between regional carriers. There is a strong argument that the Caribbean would benefit from a regional, rather than national, carrier. Trinidad and Tobago, with its advantageous geographical location and, as the leading candidate for the FTAA headquarters, could be a driving force in establishing such a regional carrier and position itself as a regional hub.

Air links between Trinidad and Tobago

Airline connections between the two islands are currently operated by BWIA and Tobago Express. The latter, which operates the majority of flights, is not linked to global booking systems so international visitors are unable to book through tickets if their international flight arrives on one island and their ultimate destination is the other. The implementation of such a facility would greatly improve visitor connections between the islands.

Airport safety and security

Thanks to considerable investment and development over recent years, Piarco International Airport has recently been cleared for Category 1 status by the US Federal Aviation Authority. However, since its downgrading in 2001, BWIA has been prevented from opening new routes or flying new aircraft to the USA. The opportunities offered by this recent upgrade should be used to their potential both for the airport and the national carrier.

Goal 4, Action Point 4 of the *Strategic Tourism Development Plan: Towards Vision 2020* is to "maintain the existing Piarco Air Terminal to the highest operational standards, and expand with additional gates on an as needed basis, as the increase in airlift warrants." WTTC commends this recognition of the problem and suggests that increased capacity and improved facilities could be a catalyst in increasing airlift and improving the overall standard of the tourism product.

The terminal at Crown Point Airport is currently inadequate to service existing airlift demands, and investment and improvement are vital if Tobago is to be positioned as a high-quality leisure tourism destination.

FAVOUR TECHNOLOGICAL ADVANCEMENT

Telecommunications

Trinidad and Tobago has seen increased telecommunications' facilities over the past ten years. As this growth continues, it is important the government recognizes that, as a technology-intensive industry, Travel & Tourism can help Trinidad and Tobago to apply information technology systems and telecommunications at a competitive pace.

Telecommunications Services of Trinidad and Tobago (TSTT) currently holds the monopoly on the country's telecommunications. High international and local call charges, and the inability to provide new connections to businesses or individual customers in line with demand, threaten the sector's development which, in turn, has major implications on Travel & Tourism. Government's attempts to push for a competitive regime, which have been thwarted in the past, must be reinvigorated. Open telecommunications' markets will help to lower costs and enhance services for travellers and tourism companies.

E-marketing and distribution

In today's increasingly competitive global marketplace, there is a real need for a strong national leadership branding which optimizes resources, focuses the myriad of interests – public and private sector, national, regional and local – and attracts the attention of travellers. This will require particular emphasis on a co-ordinated approach to internet marketing and distribution to maximize Trinidad and Tobago's visibility.

The destination website www.visittnt.com provides a good overview of Trinidad and Tobago's tourism product. However, it does not yet allow for online bookings, nor indeed include a detailed directory of services. The new TDC should prioritize the development of an online database, making visitors aware of the full range of tourism services in the country and, in time, allowing for online booking of such services. A co-ordinated approach will help to increase exposure for smaller businesses and increase the spread of international visitors across the industry. WTTC understands that the THA Department of Tourism is already undertaking such a project for Tobago. This should be supported and encouraged by central government.

PROMOTE PRODUCT DIVERSIFICATION TO SPREAD DEMAND

Trinidad and Tobago has a great potential for a high-quality, diverse tourism product that can tap into several different markets. Trinidad already caters to large business/corporate and markets and tourists visiting friends and/or relations (VFR), whereas Tobago offers a more traditional sun, sea and sand product. However, specific product development has not been a focus of either TIDCO or the Ministry of Tourism in the past and has, instead, been left more or less to chance. As with any small island state, the carrying capacity of Trinidad and Tobago is limited. Product development should therefore be aimed at targeting the high-spending markets rather than simply increasing arrivals.

Business tourism and the MICE market

The majority of non-VFR arrivals in Trinidad are business travellers. The importance of the energy sector and ever-growing manufacturing and financial services means that international business visitors are on the increase. However, current occupancy rates are high and it is apparent that hotel stock, particularly at the higher end of the market, is vastly inadequate to cope with demand. Coupled with the lack of high-quality conference facilities on the island, this is greatly hindering the development of business tourism, especially the meetings, incentives, conventions and exhibitions (MICE) sector.

Trinidad and Tobago is ideally located to position itself as a business hub of the Western hemisphere, as is reflected in its proposal to be the seat of the FTAA. However, investment in infrastructure – hotel capacity, road links from the airport to Port of Spain, conference facilities, etc – is imperative if this is to be achieved. The planned Waterfront development should be a central focus of developing Port of Spain as the conference capital of the Caribbean.

Crucial also to the development of business and MICE tourism on the island is the provision of adequate room stock and hotel facilities. At present, both are barely able to support demand. While the recent opening of the Marriott Courtyard and planned renovation of the Trinidad Hilton over the coming months will go a certain way to alleviating this, government should make it a priority to invest in more high-quality hotels able to cater to an increase in business tourism.

Finally, a National Congress Bureau should be established to oversee the co-ordinated development of the country's business and MICE tourism.

Cruise tourism

Cruise arrivals in Trinidad and Tobago have been in decline since 2000. In 2004 they had fallen to just 52 per cent of 2000's level. While both government and the private sector recognize that the cruise sector can and must be developed, it must be done in a way which ensures that sufficient income can be guaranteed to make investment worthwhile.

TIDCO's Cruise Passenger Profile survey showed that the average expenditure of a cruise visitor was US\$42.25, over half of which is spent on taxis and tours. In order to make investment in cruise tourism viable, strategies must be implemented to increase this per capita expenditure. These could include widening the range of goods and services for passengers to purchase, improving tours, developing museums, entertainment venues and restaurants, and encouraging a quality selection of local arts and crafts.

Nevertheless, cruise tourism in Trinidad and Tobago has a good basis on which to develop. The satisfaction rating among cruise visitors to the island is generally higher than among land-based visitors, and the TIDCO survey showed that international cruise visitors rated Port of Spain's facilities as some of the best in the Caribbean. Trinidad and Tobago is also able to benefit from its competitive fuel advantage and the fact that it is largely outside the hurricane belt.

A feasibility study should be undertaken to evaluate the potential of a cruise terminal at Chagaramas. However, current road infrastructure

would not be able to support such a terminal so any development needs to include a full cost-benefit analysis.

Yachting and leisure-boat tourism

The yachting sector in Trinidad and Tobago developed at an unprecedented rate in the 1990s, yet the full potential of this sector has still not been realized. Since 2000 growth has fallen sharply in contrast to the trend in other Caribbean countries. In the past development has been unplanned and unstructured and the report currently being undertaken by The Economic Commission for Latin America and the Caribbean (ECLAC) highlights the reasons for this and sets out clear recommendations as to how to move forward.

It is estimated that yachting generates at least TT\$130–150 million and generates direct employment for at least 1,100 people. Recognition of the importance of the sector within the wider tourism industry and a clear strategy to develop it are vital if Trinidad and Tobago is to offer a high-quality product which can compete with those of other Caribbean countries.

The Yachting Services Association of Trinidad and Tobago (YSATT) has been active and effective in the past and should be supported by other private and public stakeholders to enhance the yachting product offered by Trinidad and Tobago.

WTTC commends ECLAC on its report *Trinidad and Tobago: The Yachting Sector* and urges the government to include its recommendations in any tourism policy, in particular:

- the need for improved data collection in the sector;
- more investment in training schemes tailored to the needs of yachting;
- a more integrated approach to governance in marina areas, especially Chagaramas.

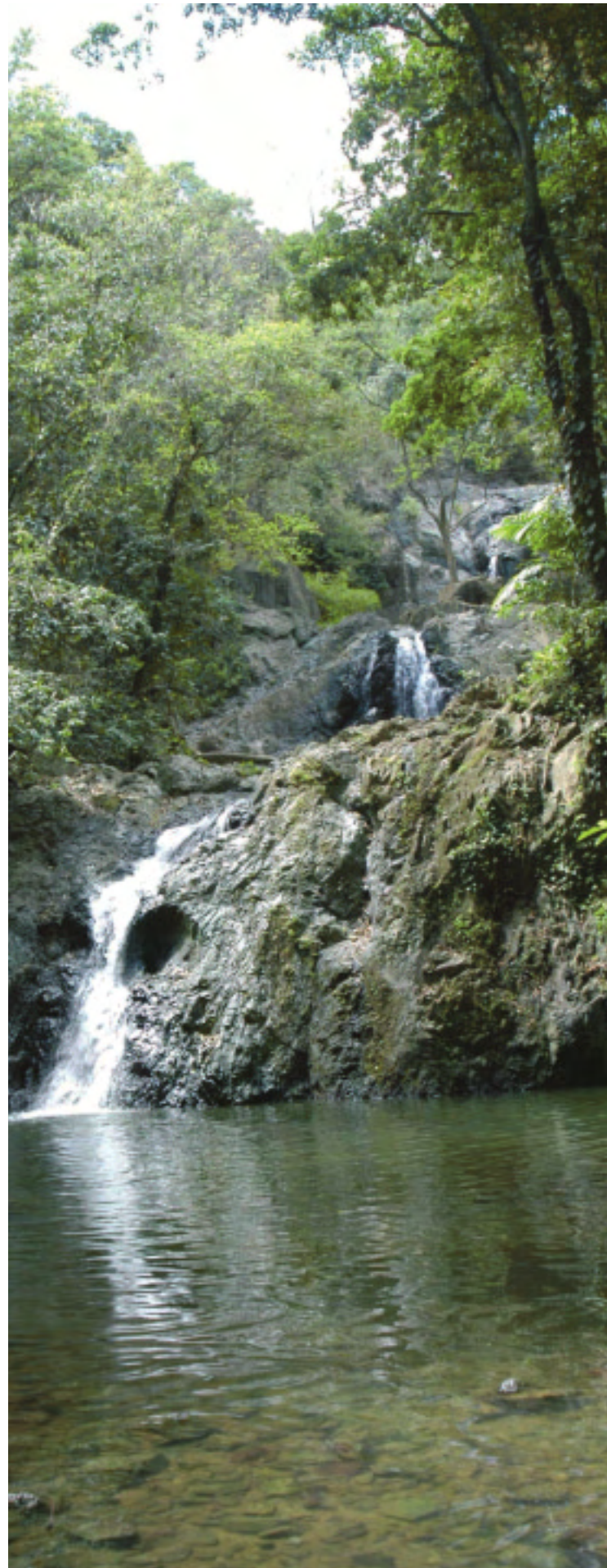
Adventure and ecotourism

The global tourism market is experiencing increased demand for adventure and ecotourism – both of which Trinidad and Tobago is well equipped to supply. With rainforest, diving and over 400 species of birds, the country has already made inroads into this market. Adventure and ecotourism, which to a large extent rely on small businesses and local involvement if developed in a monitored and co-ordinated way, can increase benefits to communities and enhance environmental protection.

After consultation with the relevant stakeholders, government and the TDC should make a concerted effort to continue development of these sectors – offering quality products and experiences that will help differentiate Trinidad and Tobago from its regional and global competitors.

Carnival

Carnival is the main cultural event of the year in Trinidad and Tobago and it attracted over 40,000 visitors in 2004, or around 10 per cent of total arrivals. At present, the majority of Carnival visitors fall into the VFR category and marketing the annual event internationally is mainly by word of mouth.



While there is obviously a great potential to capitalize on Carnival to attract more visitors – which could be easily done through a co-ordinated international marketing campaign – current tourism infrastructure in Trinidad and Tobago, and in Port of Spain in particular, is not sufficient to support this. Increased visitors during Carnival time would also have implications for safety and security.

WTTC therefore recommends that, in order to maximize income from the annual event, priority be given to the following areas:

- ensuring a safe and secure environment for visitors;
- upgrading and improving accommodation stock in Port of Spain;
- providing wide-ranging quality services (restaurants, crafts, tours) to stimulate increased visitor spending.

Improved infrastructure throughout the country will also have a positive impact on Carnival. As the cultural highlight of Trinidad and Tobago's annual calendar, Carnival should be central to the country's promotional image and branding and any international marketing campaign.

PROVIDE NEW FUNDING AND CO-ORDINATION FOR MARKETING AND PROMOTIONS

Marketing and promotions has traditionally fallen under the remit of TIDCO and it is understood that this will continue under the new TDC. Trinidad and Tobago does not enjoy a high profile in the global market, although it does benefit from its widespread diaspora, which can and does promote the country abroad. Increased funding from government, coupled with the empowerment of the TDC to use that funding, should permit the creation of a quality brand 'Trinidad and Tobago'. All product sectors and niche markets should come under the umbrella of one brand to ensure a high-profile, recognizable image for tourism in the country.

Once created, this brand should be exported on a global basis – using international travel fairs such as London's World Travel Market (WTM) and Berlin's ITB, as well as region specific events.

Research should continue into identifying and targeting specific regional and demographic markets in line with the industry's projected development.

Over recent years a 'chicken and egg' situation has emerged regarding product development and marketing. This cycle must be broken. A comprehensive marketing plan has recently been drawn up by the Ministry of Tourism. If it is accepted by Travel & Tourism stakeholders, WTTC would urge the TDC to implement the plan as soon as possible so that the two stalwarts of Travel & Tourism development – product development and marketing – can work in synergy.

REFLECT ISSUES SPECIFIC TO TOBAGO IN STRATEGIC PLANS

Tobago has traditionally been seen as the country's main tourism destination, although it only accounts for just under 6 per cent of total demand for the country. It is, however, extremely tourism intensive and

the industry accounts for 56.8 per cent of total employment and 46 per cent of GDP on the island. The Tobago House of Assembly (THA) is the driving force behind tourism development and marketing on the island and should be commended for its leadership in this regard.

However, since it is so dependent on Travel & Tourism, the island risks increased social and economic difficulties if the industry is not underpinned by effective infrastructure, a quality workforce and sustainable environmental practice. A clear vision is needed, on the part of central government, THA and industry stakeholders, to enhance the quality of the tourism product in Tobago and generate increased earnings from it.

Previous sections of this report have highlighted various weaknesses in Trinidad and Tobago's tourism product – inadequate airlift and training of tourism employees, and poor public perceptions of tourism – all of which are particularly pertinent for Tobago. However, there are some issues that need to be underlined in a specifically Tobagonian context. These are:

Standardization

The vast majority of room stock on Tobago is in the form of independently owned hotels and guesthouses. At present there are no internationally, or nationally, recognized standards to which these establishments must comply. Previous attempts at voluntary grading systems have not been successful so it is imperative that, through the THA and Ministry of Tourism, a star-grading system be implemented and adhered to. This will help ensure that the smaller enterprises reach internationally recognized standards and will assist them in competing, not only with other Caribbean islands but also the larger accommodation facilities on Tobago.

Co-operation

The small Travel & Tourism businesses on Tobago, of which there are many – ranging from hotels and guesthouses to dive shops and restaurants – should work together to build a tourism network which is accessible to tourists. At present, many of these businesses are not well advertised, so a newly arrived tourist is dependent on information given by the larger hotels or tour operators. Current industry bodies, such as the Tobago chapters of the Trinidad and Tobago Hotel and Tourism Association and Trinidad and Tobago Incoming Tour Operators Association, already go some way to achieving this. However, they are hampered by an unwillingness to break down competitive instincts and work together for the good of the island's industry as a whole – which will, in turn, provide significant benefits to individual enterprises.

Product development

Tobago's tourism product is firmly based on the traditional sun, sea and sand product which is so widespread throughout the Caribbean. Given the small size of the island, and the relatively high level of arrivals, it is vital that new, quality tourism products are developed to encourage more high-spending tourists. This will boost income from tourism without challenging carrying capacity of the island.

Significant attempts have been made to promote ecotourism in the

rainforest, bird-watching and diving, and these should be pursued. Tobago has an amazing natural diversity which tourism, if developed in an environmentally sensitive way, can help to protect and enhance. In addition, there should also be investment in niche markets such as weddings and honeymoons, which already have a small presence on the islands.

Human resources

Despite the importance of Travel & Tourism in Tobago, public perceptions of the industry as a contributor to the economy and employment are extremely low. As a career choice, the industry is seen as a 'last resort', with employees enduring low salaries, long hours and few career prospects. Misunderstanding of the differences between service and servitude are widespread and also contributes to the negative image of Travel & Tourism. The THA, in collaboration with central government and the industry, should embark on a concentrated public awareness campaign to rectify this situation.

Air and sea bridge

Tobago is affected by the airlift issues already outlined earlier in this report. However it is necessary to underline the considerable risk the island is running by depending on a few foreign-owned charters to feed the tourism industry. At present, seats on these carriers are directly linked to the large hotels, which is having a detrimental effect on the many smaller guesthouses and hotels that have to rely on domestic weekend tourism to survive. Assistance should be given to these smaller operators so that they can benefit from international tourism.

The ferry service between Trinidad and Tobago is a vital means of linking the two islands. Government, which currently subsidizes the service, has leased a ferry to increase capacity, speed up the connection and improve service. However, this lease was signed on a short-term basis and the government must find a long-term, sustainable solution to this problem.

ENSURE THAT QUALITY STATISTICS AND INFORMATION FEED INTO POLICY AND DECISION-MAKING PROCESSES

A culture of statistics

High-quality research and data are crucial to identifying the specific needs and directions of tourism development in Trinidad and Tobago. A culture of statistics, co-ordinated by the Central Statistical Office (CSO) in consultation with the TDC, should be encouraged throughout the industry and comprehensive statistics compiled for all aspects of Travel & Tourism. In particular, there is a need for comprehensive statistics on domestic tourism.

Once compiled, data must be linked to desired objectives. Clear targets and a statistical basis will lend legitimacy and practicability to a Master Plan and will allow for careful monitoring of the implementation of such a plan.

Implement the TSA on an annual basis

Travel & Tourism needs to be effectively measured in order to understand its full impact through the economy. As a new industry, it is not discretely identified in charts of national accounts – its component parts are scattered throughout the accounts. Public sector analysis and related policies tend to overlook, or understate, the impact of the industry, or deal with its smaller individual components.

The technique of satellite accounting is designed to measure the new service sectors and this Tourism Satellite Account (TSA), developed by WTTC and OEF for Trinidad and Tobago, should prove to be a significant tool for planning and policy development. WTTC urges the Government of Trinidad and Tobago and the TDC to update this TSA on an annual basis to ensure that adequate data is available to factor Travel & Tourism into economic and employment strategies.



SATELLITE ACCOUNT

TRINIDAD AND TOBAGO

	2000	2001	2002	2003	2004E	2005E	2015P
Travel & Tourism - TT\$ mn							
Personal Travel & Tourism	2,334.70	2,469.09	2,657.00	2,750.51	2,956.88	3,384.25	6,074.48
Business Travel & Tourism	594.62	789.50	854.35	783.77	944.40	1,071.11	1,887.41
Corporate	498.10	656.98	717.01	641.06	758.48	849.52	1,558.58
Government	96.52	132.53	137.34	142.71	185.92	221.58	328.84
Gov't Expenditures - Individual	16.11	11.01	28.65	24.87	26.63	37.73	69.22
Visitor Exports	2,351.64	2,262.52	2,522.49	2,763.48	2,866.80	3,287.11	7,659.37
Travel & Tourism Consumption	5,297.06	5,532.13	6,062.49	6,322.63	6,794.71	7,780.19	15,690.49
Gov't Expenditures - Collective	104.87	202.97	313.92	368.60	471.45	520.14	954.26
Capital Investment	1,079.34	1,323.06	1,333.63	1,466.98	1,595.34	1,786.84	3,278.22
Exports (Non-Visitor)	4,530.08	4,167.11	3,391.27	4,508.67	4,438.34	6,393.98	12,231.93
Travel & Tourism Demand	11,011.34	11,225.26	11,101.32	12,666.87	13,299.84	16,481.15	32,154.90
Travel & Tourism Industry Aggregates (Direct Impact Only)							
Employment ('000)	29.56	30.09	30.38	31.34	32.96	33.77	44.67
Gross Domestic Product	2,214.94	2,670.98	2,736.98	3,294.82	3,694.53	4,209.92	8,334.97
Travel & Tourism Economy Aggregates (Direct and Indirect Impacts)							
Employment ('000)	80.40	81.66	84.14	85.82	91.15	96.54	131.45
Gross Domestic Product	6,398.82	7,972.22	6,798.25	9,386.87	9,439.05	11,982.29	24,447.78
Travel & Tourism Accounts as % of National Accounts							
Personal Travel & Tourism	7.95	7.95	7.95	7.95	7.95	8.17	8.22
Gov't Expenditures	1.97	2.83	4.27	4.11	5.14	5.17	5.32
Capital Investment	12.59	12.57	12.57	12.57	12.57	12.64	12.99
Exports	22.62	21.26	20.90	19.63	16.42	16.09	20.69
T&T Imports	19.81	13.27	17.09	12.17	11.91	11.46	11.56
Travel & Tourism Industry Aggregates (Direct Impact Only)							
Employment	5.88	5.85	5.79	5.87	5.86	5.83	6.53
Gross Domestic Product	4.31	4.86	4.94	4.98	5.14	4.84	5.63
Travel & Tourism Economy Aggregates (Direct and Indirect Impacts)							
Employment	15.98	15.88	16.02	16.07	16.21	16.65	19.21
Gross Domestic Product	12.46	14.49	12.28	14.19	13.13	13.76	16.53
Travel & Tourism Real Growth (per annum except 2015 = 10-year annualized)							
Personal Travel & Tourism	4.05	3.01	14.61	-3.33	6.00	-0.28	4.36
Business Travel & Tourism	-2.64	29.33	15.25	-14.33	18.81	-1.18	4.16
Gov't Expenditures	9.87	72.29	70.51	7.26	24.82	-2.41	4.58
Capital Investment	-27.76	19.40	7.36	2.72	7.23	-2.41	4.58
Visitor Exports	-10.52	-6.29	18.74	2.30	2.29	-0.09	7.20
Other Exports	57.29	-10.40	-13.32	24.15	-2.94	25.52	5.05
Travel & Tourism Consumption	-3.65	1.73	16.72	-2.61	5.96	-0.23	5.17
Travel & Tourism Demand	10.48	-0.70	5.33	6.55	3.53	7.97	5.25

TABLES

	2000	2001	2002	2003	2004E	2005E	2015P
Travel & Tourism Industry Aggregates (Direct Impact Only)							
Gross Domestic Product	-21.65	17.46	9.14	12.41	10.56	-0.71	5.42
Employment	3.77	1.79	0.97	3.15	5.17	2.47	2.86

Travel & Tourism Economy Aggregates (Direct and Indirect Impact)							
Gross Domestic Product	-5.93	21.35	-9.18	28.94	-0.85	10.61	5.74
Employment	3.18	1.56	3.05	1.99	6.21	5.91	3.16

Travel & Tourism - US\$ mn

Personal Travel & Tourism	370.60	396.12	425.21	436.93	469.56	537.18	890.38
Business Travel & Tourism	94.39	126.66	136.73	124.50	149.97	170.02	276.65
Corporate	79.07	105.40	114.75	101.83	120.45	134.85	228.45
Government	15.32	21.26	21.98	22.67	29.52	35.17	48.20
Gov't Expenditures - Individual	2.56	1.77	4.58	3.95	4.23	5.99	10.15
Visitor Exports	373.29	362.98	403.68	438.99	455.26	521.76	1,122.69

Travel & Tourism Consumption	840.83	887.52	970.20	1,004.37	1,079.03	1,234.95	2,299.87
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Gov't Expenditures - Collective	16.65	32.56	50.24	58.55	74.87	82.56	139.87
Capital Investment	171.33	212.26	213.43	233.03	253.35	283.63	480.51
Exports (Non-Visitor)	719.08	668.53	542.72	716.22	704.83	1,014.92	1,792.92

Travel & Tourism Demand	1,747.89	1,800.88	1,776.59	2,012.18	2,112.07	2,616.06	4,713.18
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Travel & Tourism Industry Aggregates (Direct Impact Only)							
Employment ('000)	29.56	30.09	30.38	31.34	32.96	33.77	44.67
Gross Domestic Product	351.59	428.51	438.01	523.39	586.71	668.24	1,221.72

Travel & Tourism Economy Aggregates (Direct and Indirect Impacts)							
Employment ('000)	80.40	81.66	84.14	85.82	91.15	96.54	131.45
Gross Domestic Product	1,015.72	1,278.99	1,087.95	1,491.14	1,498.96	1,901.95	3,583.49

Travel & Tourism - 2000 Constant US\$ mn

Personal Travel & Tourism	370.60	381.75	437.53	422.95	448.33	447.10	683.67
Business Travel & Tourism	94.39	122.07	140.69	120.52	143.19	141.51	212.42
Gov't Expenditures - Individual	2.56	1.70	4.72	3.82	4.04	4.98	7.79
Visitor Exports	373.29	349.81	415.38	424.95	434.67	434.26	862.05
Travel & Tourism Consumption	840.83	855.34	998.32	972.25	1,030.24	1,027.85	1,765.93
Gov't Expenditures - Collective	16.65	31.38	51.69	56.68	71.48	68.72	107.40
Capital Investment	171.33	204.56	219.61	225.58	241.89	236.06	368.96
Exports (Non-Visitor)	719.08	644.29	558.45	693.31	672.96	844.72	1,376.68
Travel & Tourism Demand	1,747.89	1,735.57	1,828.08	1,947.82	2,016.57	2,177.35	3,618.97

Gross Domestic Product							
Travel & Tourism Industry	351.59	412.97	450.70	506.65	560.18	556.18	938.09
Travel & Tourism Economy	1,015.72	1,232.61	1,119.48	1,443.45	1,431.18	1,583.00	2,751.55

SATELLITE ACCOUNT

TOBAGO

	2000	2001	2002	2003	2004E	2005E	2015P
Travel & Tourism - TT\$ mn							
Personal Travel & Tourism	39.95	59.82	64.59	63.75	64.88	73.34	140.35
Business Travel & Tourism	24.96	33.31	36.21	33.35	40.34	46.03	119.57
Corporate	20.91	27.72	30.39	27.28	32.40	35.28	72.49
Government	4.05	5.59	5.82	6.07	7.94	10.75	47.08
Gov't Expenditures - Individual	1.71	0.57	1.34	1.03	0.90	1.14	2.09
Visitor Exports	210.74	116.89	155.06	186.60	226.60	257.28	593.70
Travel & Tourism Consumption	468.47	326.41	430.11	530.68	628.44	696.77	1,543.90
Gov't Expenditures - Collective	11.13	10.58	14.73	15.33	15.95	15.69	28.78
Capital Investment	147.07	180.28	181.72	199.89	217.38	230.76	474.15
Exports (Non-Visitor)	2.00	2.00	2.00	2.00	2.00	2.20	4.00
Travel & Tourism Demand	628.67	519.27	628.56	747.89	863.77	945.41	2,050.83
Travel & Tourism Industry Aggregates (Direct Impact Only)							
Employment ('000)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Gross Domestic Product	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Travel & Tourism Economy Aggregates (Direct and Indirect Impacts)							
Employment ('000)	11.47	7.96	11.66	11.14	14.78	14.84	17.63
Gross Domestic Product	477.93	422.26	497.04	595.13	692.82	754.25	1,632.34
Travel & Tourism Accounts as % of National Accounts							
Personal Travel & Tourism	6.97	6.97	6.97	6.97	6.97	7.21	6.94
Gov't Expenditures	3.91	2.53	3.32	2.81	2.04	2.04	2.10
Capital Investment	82.01	74.45	74.21	77.82	82.21	82.43	85.21
Exports	95.73	92.88	94.83	96.02	96.68	96.69	97.28
T&T Imports	22.36	14.82	17.83	18.60	20.05	20.49	20.56
Travel & Tourism Industry Aggregates (Direct Impact Only)							
Employment	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Gross Domestic Product	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Travel & Tourism Economy Aggregates (Direct and Indirect Impacts)							
Employment	73.46	36.57	50.76	46.29	57.11	56.84	61.64
Gross Domestic Product	57.26	33.36	38.89	40.86	46.26	46.04	49.93
Travel & Tourism Real Growth (per annum except 2015 = 10-year annualized)							
Personal Travel & Tourism	-32.39	34.96	11.13	-8.72	-4.22	6.94	3.07
Business Travel & Tourism	5.71	20.29	11.90	-14.83	13.84	7.95	6.27
Gov't Expenditures	42.66	-21.71	48.38	-5.90	-3.06	-5.54	2.65
Capital Investment	-21.98	10.47	3.76	1.73	2.35	0.43	3.80
Visitor Exports	-4.81	-50.01	36.55	11.29	14.29	7.42	5.02
Other Exports	-3.88	-9.88	2.94	-7.52	-5.88	4.12	2.53
Travel & Tourism Consumption	-8.93	-37.21	35.64	14.10	11.46	4.89	4.69
Travel & Tourism Demand	-11.80	-25.56	24.60	10.04	8.70	3.55	4.37

TABLES

	2000	2001	2002	2003	2004E	2005E	2015P
Travel & Tourism Industry Aggregates (Direct Impact Only)							
Gross Domestic Product	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Employment	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Travel & Tourism Economy Aggregates (Direct and Indirect Impact)							
Gross Domestic Product	-15.58	-20.38	21.16	10.73	9.57	3.00	4.35
Employment	0.45	-30.61	46.45	-4.45	32.67	0.42	1.74

Travel & Tourism - US\$ mn

Personal Travel & Tourism	6.34	9.60	10.34	10.13	10.30	11.64	20.57
Business Travel & Tourism	3.96	5.34	5.80	5.30	6.41	7.31	17.53
Corporate	3.32	4.45	4.86	4.33	5.14	5.60	10.62
Government	0.64	0.90	0.93	0.96	1.26	1.71	6.90
Gov't Expenditures - Individual	0.27	0.09	0.22	0.16	0.14	0.18	0.31
Visitor Exports	33.45	18.75	24.82	29.64	35.99	40.84	87.02

Travel & Tourism Consumption	74.36	52.37	68.83	84.30	99.80	110.60	226.30
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Gov't Expenditures - Collective	1.77	1.70	2.36	2.43	2.53	2.49	4.22
Capital Investment	23.35	28.92	29.08	31.75	34.52	36.63	69.50
Exports (Non-Visitor)	0.32	0.32	0.32	0.32	0.32	0.35	0.59

Travel & Tourism Demand	99.79	83.31	100.59	118.81	137.17	150.07	300.61
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Travel & Tourism Industry Aggregates (Direct Impact Only)							
Employment ('000)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Gross Domestic Product	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Travel & Tourism Economy Aggregates (Direct and Indirect Impacts)							
Employment ('000)	11.47	7.96	11.66	11.14	14.78	14.84	17.63
Gross Domestic Product	75.86	67.74	79.54	94.54	110.02	119.72	239.26

Travel & Tourism - 2000 Constant US\$ mn

Personal Travel & Tourism	6.34	8.56	9.51	8.68	8.32	8.89	12.03
Business Travel & Tourism	3.96	4.77	5.33	4.54	5.17	5.58	10.25
Gov't Expenditures - Individual	0.27	0.08	0.20	0.14	0.12	0.14	0.18
Visitor Exports	33.45	16.72	22.83	25.41	29.04	31.20	50.89
Travel & Tourism Consumption	74.36	46.69	63.33	72.27	80.55	84.49	132.33
Gov't Expenditures - Collective	1.77	1.51	2.17	2.09	2.04	1.90	2.47
Capital Investment	23.35	25.79	26.76	27.22	27.86	27.98	40.64
Exports (Non-Visitor)	0.32	0.29	0.29	0.27	0.26	0.27	0.34
Travel & Tourism Demand	99.79	74.28	92.56	101.85	110.71	114.64	175.78

Gross Domestic Product							
Travel & Tourism Industry	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Travel & Tourism Economy	75.86	60.41	73.19	81.04	88.80	91.46	139.91



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