



PROJECT CONCEPT

**REGIONAL SYMPOSIUM ON CRUISE TOURISM AND
ENTREPRENEURIAL STRENGTHENING IN THE GREATER
CARIBBEAN: OPPORTUNITIES FOR WOMEN**

Association of Caribbean States (ACS)

**XXVII Special Committee Meeting on Trade Development and External
Economic Relations**

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ASSOCIATION OF CARIBBEAN STATES (ACS)

**23RD MEETING OF THE SPECIAL COMMITTEE ON SUSTAINABLE TOURISM AND
1ST PREPARATORY MEETING OF THE 3RD MEETING OF MINISTERS OF
TOURISM OF THE GREATER CARIBBEAN (TMM-3)**

Managua, Nicaragua, June 28th-29th, 2012

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**REGIONAL SYMPOSIUM ON CRUISE TOURISM AND ENTREPRENEURIAL
STRENGTHENING IN THE GREATER CARIBBEAN: OPPORTUNITIES FOR
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1. INTRODUCTION

In the Greater Caribbean Region, Tourism is fast becoming the most important industry spurred by the progressive decline of other sectors such as agriculture and manufacturing. In many of the member and Associate Member states of the Association of Caribbean States (ACS), tourism is being pursued not only for its contribution to economic development, but countries have also realized the industry's potential for addressing strategic objectives related to community development, entrepreneurship, social inclusion, gender equity, youth empowerment, and other sectoral linkages.

The tourism industry provides opportunities for diversifying local economies and promotes the formation of micro, small and medium enterprises. These enterprises promote better lives for poor entrepreneurs, particularly in rural areas where there may be few other livelihood options. Tourism traditionally, also employs higher proportions of women and young people than most other sectors due to a high preponderance of jobs available for the unskilled and semi-skilled.

Of the vast and multi-faceted tourism industry, Cruise tourism is one of the most dynamic shipping and tourism sectors and represents a viable and growing industry for the counties in the Greater Caribbean Region. Earnings from cruise ship tourism include cruise ship visitor expenditures, expenditures by crewmembers, agent fees and port charges. Even more importantly cruise tourism with its frequent (almost daily) influx of curious cultural enthusiasts, adventure-seeking nature lovers and history and heritage aficionados, has driven the growth and development of micro, small and medium enterprises (MSMEs), many of which are skills based service enterprises that are owned and operated by women. These range from entertainment services related to cultural art forms and expressions, to the production of arts and crafts, local cuisine/culinary arts and traditional skills such as hair braiding and basket weaving.

Research indicates that in the Greater Caribbean region there is need to strengthen the linkages between the tourism sector, and the opportunities for trade and entrepreneurship it generates. Growth in this regard remains largely under-utilised and has been informal and/or by osmosis at best. There is need therefore for targeted interventions to harness the entrepreneurial opportunities and other benefits offered by

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tourism in general and cruise tourism in particular for rural and indigenous communities and other disadvantaged groups, specifically for women in these communities.

Towards this end, the Directorate for Sustainable Tourism (DST) and the Directorate of Trade, Development and External Economic Relations (DTDEER) of the ACS proposes to host a Regional Symposium which will gather stakeholders related to Tourism, the Cruise Industry, International Trade, Business Development Organizations and Women's Interest Groups for 3 days of dialogue, networking and engagement to explore the issues of Cruise Tourism and Entrepreneurial Strengthening in the Greater Caribbean, with a specific focus on maximizing opportunities for women.

This initiative subscribes to be an innovative, market-driven approach in seeking to enhance the competitiveness of local women entrepreneurs while also engaging the 26 countries of the ACS, in an effort to grow and/or strengthen their cruise tourism sector.

2. BACKGROUND

2.1 Tourism and Cruise Tourism in the Greater Caribbean – State of the Industry

The contribution of the Tourism Industry to the Countries of the Greater Caribbean Region is significant and growing. A report by the United Nations World Tourism Organisation (UNWTO) indicated that for the 2009 period, Travel and Tourism contributed an estimated 14.8 per cent of the region's GDP, contributing approximately 2.4 million jobs, this despite the impacts of the United States economic recession and the after-effects of 9/11. Furthermore UNWTO forecasts that these figures are expected to continue increasing. The report surmised that analysis of the contribution of Travel and Tourism to the region reveals that the Caribbean sub region, with only 1% of the world's population, consistently attracts approximately 3% of both global tourism arrivals and world tourism expenditure (UNWTO, 2009).

The United Nations World Tourism Organisation (UNWTO) reports that Cruise tourism generates an estimated \$18 billion a year in passenger expenditure and has been the fastest growing sector of the travel industry for the past twenty years with an average annual growth rate of passengers of 7.4%. Cruise Tourism has increased at almost twice the rate of growth of tourism overall and this growth is expected to continue in the future (UNWTO, 2010). According to the Florida Caribbean Cruise Association (FCCA), the Caribbean is the most popular cruise destination in the world accounting for **41.3%** of all itineraries in **2010**, versus 37.02% in 2009, 37.25% in 2008, 41.02% in 2007 and **46.69%** in **2006**. The North American cruise industry remains the dominant source market with an estimated 11.1 million passengers embarked in the US ports, from the 15 million passengers cruised in 2010 (FCCA, 2010).

The Greater Caribbean Region benefits from certain intrinsic qualities which have contributed significantly to the growth and sustainability of the tourism industry and cruise tourism in particular. The region is one of the most diverse in the world in terms of language, ethnicity, culture and biodiversity. The main languages: English, Spanish, French and Dutch are the most spoken in the world. In addition, the region has become renowned for its relative peace; economic and political stability. Even more importantly,

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the region offers a tropical and temperate climate year-round and also benefits from close proximity and in most cases direct access to most of the world's major source markets, all contributors to a competitive and viable tourism sector.

Despite these innate attributes however, there have been notable challenges with the development of tourism in the Region. From a social and economic perspective this includes problems with foreign ownership of tourism enterprises (hence repatriation of profits) and the concentration and monopolisation of the tourism value chain by large multi-national firms which has resulted in high imports and a lack of linkages with other local industries, to name a few. Additionally, many countries are faced with internal and external challenges that limit their tourism market share and growth potential. Some countries are constrained by the lack of resources for marketing (particularly to attend key industry events) to showcase the destination and access the market. Others are relatively new to the tourism arena and so lack the expertise and know-how to navigate the tourism industry channels and form the vital links with the international Travel Trade (Tour-operators, Airlines, Cruise lines, Global Distribution Networks and Travel agencies etc). Additionally, the lack of a cohesive Public Relations strategy, at the national and regional levels, hinders the formation of partnerships with key international travel media, necessary to project and maintain a positive and welcoming image of the countries and the region.

The cruise statistics above reflect the reality that despite the Regions' status as the #1 region for cruise tourism, the market share percentage has been slowly declining. A report by the United Nations Economic Commission for Latin American and the Caribbean (ECLAC) noted that the Regions' performance for the 2010 period (41.3%) was lower than the 46.69% recorded in 2006 and less than the 56% recorded 8 to 10 years prior. ECLAC attributed partial cause for this decline to increasing competition from established regions such as the Mediterranean, as well as emerging destinations in Asia and elsewhere. The report also noted that cruise travel to the region will continue to be threatened as the cruise lines expand to new localities and devise new extra-regional itineraries. Therefore there is need to adopt new and innovative strategies for marketing, branding and product diversification to more effectively maintain and grow individual countries and by extension the Regions market share and relative prominence in the tourism arena. In this regard, development of the 'Greater Caribbean Brand' concept, offers an opportunity to consolidate marketing efforts and so leverage opportunities for promotion and ultimately market penetration.

2.2 Entrepreneurship and MSME Development in the Greater Caribbean

Micro, Small and medium-sized enterprises (MSMEs) are seen as the engine of economic growth and employment creation throughout the world. These enterprises are at the nucleus of economic activity throughout the Greater Caribbean, they represent the central pillars for Caribbean success. Though there has been no clear decision on a common definition of what constitutes a small and medium enterprise, MSMEs remain at the core of sustained growth throughout the Region.

Caribbean MSMEs span sectors and are proven to be major economic drivers. They (MSMEs) account for the majority of existing jobs, and are the generators of most new ones. In Latin America, MSMEs represent 95% of the establishments created in the manufacturing, trade and services sectors. In the Caribbean, 45% of the companies

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established are also classified in this category (MSME).

Facilitating capacity building for Micro, Small and Medium Enterprises (MSMEs) can be viewed as a viable approach to sustainable development. This sector mobilizes scarce resources and often provides a balance for domestic markets and economies in less developed countries (LDCs). For this reason, MSMEs have continued to be one of the most important sectors for most Caribbean countries. MSMEs represent one of the most realistic vehicles for confronting the challenge of unemployment and poverty in many countries, especially for the most disadvantaged – women and the youth, because they create the link that forms the full circle between productive enterprises and sectors, and offer increased potential for locally relevant product and service innovation.

In the Caribbean, small and medium enterprises can be found in the following sectors, listed from the highest to the lowest:¹

1. Services
2. Distribution
3. Food processing
4. Tourism and Hospitality
5. Building material and machinery and manufacturing
6. Agro-industry and fishing
7. Accounting, information technology and financial services
8. Printing, advertising, packaging and labelling
9. Wood and metal fabrication
10. Shipping and storage
11. Pottery, jewellery and handicraft
12. Textiles

The link between tourism and entrepreneurial/SME development is undeniable as a large percentage of the businesses found within the tourism industry can be classified as MSMEs. This further extends to the cruise tourism industry, where not only are the businesses categorized as MSMEs, but women comprise a large percentage of the production chain. As tourism continues to grow rapidly throughout the Region, the connectivity between MSMEs/Entrepreneurship and Cruise Tourism becomes even more important for economic growth and sustainability. The potential for enhanced sectoral linkages supported by a tourism industry bridge therefore depends largely on the ability of countries to realise capacity and to optimize upon opportunities.

In order to support the growth and potential of micro and small and medium enterprises in the Greater Caribbean, improved knowledge on their functioning in different sectors/settings and the constraints they face is needed. There is also need to draw conclusions from the existing constraints and develop new ideas for improved policy, regulatory and supporting frameworks. In order to achieve this, it requires the undertaking of appropriate analysis of the sector in a cross section of Caribbean countries and to propose solutions for addressing some of the limitations of the

¹ Brewster, E. (2006). Finance for small and medium-sized enterprises in the Caribbean. Commonwealth Secretariat, p. 5.

systems.

2.3 *Tourism, Entrepreneurship and Destination Competitiveness*

The local culture in its myriad forms and expressions is an important element of a destination's uniqueness and appeal, often differentiating one destination from another. This differentiation is increasingly more important given the increase in competition globally, as well as the changing consumer partners impacting tourism supply and demand, which requires a quick response from destinations, seeking to maintain and grow their market share. Among the most direct and tangible expressions of culture are the local patrimonies such as Arts and Crafts, Music, Dance and Cuisine which are often specific to a particular country, community or social grouping. For cultural performers and producers of handcrafts, furnishings, soaps, specialty foods and other hand-made products, the tourist market could offer unlimited opportunities, with a diverse range of sales venues and an annual influx of visitors eager for locally-created, culturally-linked products.

Despite this potential, market research conducted by Aid to Artisans (ATA), an international non-profit organisation serving the arts and crafts sector, indicate that the region has been largely unable to capitalize on the economic growth opportunities created by the tourism industry and thus the economic potential of this trade remains unrealized. This is most evident in the market for souvenirs, where currently, the majority of products available for purchase are sourced from China and other Asian nations. ATA reports that it is common to see the same souvenirs, trinkets and 'LOCAL' paraphernalia personalised with the country's name, flag or other insignia, while proudly displaying the 'Made in China' logo. The ability of international suppliers, and in particular China, Indonesia, and the Philippines to provide resorts, gift shops and street and beach vendors with inexpensive, generic product, has diminished the competitiveness of small and even large scale Artisans and Local Producers who according to ATA are constrained by limited information about buyer interests, consumer standards and purchasing practices; as well as the lack of capital and assistance needed to carry out product development, production expansion, and marketing to a fragmented and globalized supply sector.

This lack of originality and authenticity is most evident to the destination- savvy cruise ship visitors. Who are distinct from other tourists in that they visit more than one country during the 3 to 14 day cruise excursion, are limited by time constraints at each destination, and are most often repeat visitors to the destination, coerced by the varied itineraries offered by cruise ships.

There is thus an opportunity to provide the needed assistance to these Entrepreneurs many of whom are women, either through skills development, training to develop and/or diversify their businesses and providing access to micro-credit facilities, thus ensuring the viability of their businesses.

3. THE ROLE OF THE ACS

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The ***Symposium on Cruise Tourism and Entrepreneurial Strengthening in the Greater Caribbean*** being proposed complements the respective Work Programs of the Directorate for Sustainable Tourism and the Directorate of Trade, Development and External Economic Relations of the ACS. This initiative further fulfils Ministerial council mandates to strengthen intra-ACS co-operation and collaboration among the Directorates, and is in keeping with the overall mission of the Association to serve as Platform for **consultation, cooperation** and **concerted action** for the countries of the Greater Caribbean, in efforts towards the sustainable development of the Region.

The ACS through its Directorate for Sustainable Tourism has engaged in several initiatives to support the sustainable development of tourism in the countries of the Greater Caribbean. At present, the Sustainable Tourism Work Programme is supported by four major Programmatic Areas, under which projects are identified and executed, within the conceptual framework of a portfolio of projects that would form the basis for the establishment of the Caribbean as a Sustainable Tourism Zone.

The four ACS Sustainable Tourism Programmatic Areas are as follows:

- I. Establishment of the Sustainable Tourism Zone of the Caribbean (STZC)**
- II. Promotion of Multi-Destination Tourism**
- III. Promotion of Language and Cultures of the Greater Caribbean**
- IV. Establishment of the Regional Tourist Safety and Security Network**

The Symposium would complement the Program for the Promotion of Multi-Destination Tourism and also support efforts to promote the Language and Cultures of the Greater Caribbean.

The Directorate of Trade Development and External Economic Relations is geared towards developing an economically sustainable trading culture. The Directorate of Trade continues to work towards the creation and enhancement of an increased economic space for the economic actors, and stakeholders of the Greater Caribbean Region. The Work Programme for the Directorate of Trade, Development and External Economic Relations has at its core the specific goal areas of:

- **Gradual Reduction and Elimination of Obstacles to trade and investment in the Greater Caribbean.**
- **Promote and facilitate the Special and Differential Treatment for Small Economies in the Greater Caribbean.**
- **Promote and encourage trade relations in the Greater Caribbean and develop initiatives to integrate the ACS Region into other regional initiatives for trade convergence and infrastructure.**
- **Promote and encourage international trade negotiations and training on trade issues.**

This activity would form a vital part of the Trade Directorate mandate for strengthening the business environment and space for investment within the Region. The Trade Directorate understands the role played by MSMEs in the economic and social

development of countries. This research also extends to examining the impact of the SME sector on women in society, and their contribution to economic development in the Region.

4. SUMMARY OF OPPORTUNITY

4.1 Goals and Objectives

The primary purpose or goal of this initiative is to increase awareness of the potentialities and provide information, tools and strategies to maximise the entrepreneurial opportunities for women, generated by tourism in general and cruise tourism in particular.

Activities will be geared towards awareness creation, and developing basic tools for policy formulation, strengthening and adoption and will include analysis of case studies, presentation of best practises and discussions focussing on recommendations for policy approaches to achieve the following core objectives:

- (i) Highlight the importance of tourism more specifically cruise tourism as an engine for increased trade and the socio-economic development of women;
- (ii) Transfer knowledge and resources to contribute to the promotion, adoption and implementation of strategies for capacity-building geared towards entrepreneurial strengthening of women with MSMEs in the tourism industry;
- (iii) Promote the Greater Caribbean brand, showcasing the tourism products and attractions of the countries of Region;
- (iv) Enhance market access for Greater Caribbean destinations through facilitating interaction with the Travel media and Travel intermediaries operating in the Cruise Industry;
- (v) Showcase women-owned MSMEs to generate interest, exposure and opportunities for increased business.

4.2 Event Format

Duration: 3 days of Events

Location: Hosted in an ACS Member or Associate Member State

Date: September/October 2012

The Symposium will comprise as follows:

- Six (6) thematic plenary sessions featuring Regional and International experts.
- Four (4) workshops held on the sidelines pursuant to the plenaries which will include an activity to encourage participant's engagement and interaction.
- A Tourism Fair/ Destination Market-Place complemented by a matchmaking exercise utilising a process and methodology developed by the Trade Directorate.

The event will culminate in a meeting of the Ad Hoc Working Group developed to advance the establishment of an Association of Caribbean Cruise Ship Destinations (ACCD), an initiative being implemented by the Sustainable Tourism Directorate.

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Specific outputs from this activity will be the formulation of a document with recommendations for policy guidelines and indicators for strengthening women owned and operated MSMEs in the tourism industry in the countries of the Greater Caribbean, and the development of subsequent capacity-building national and/or regional interventions.

A draft Agenda for the event with detailed information on the activities and presenters is attached as **Annex 1**.

4.3 Target Audience

- **ACS Member and Associate Member States:** Ministers of Tourism, Destination Managers and/or Senior Tourism officials; Ministers of Trade and/or Senior officials from Ministries of Trade and Trade Agencies; High level representatives and policy officials for Women Interests Groups and National and Regional Trade and Industry Associations.
- **Tourism Industry and Cruise Sector:** Cruise lines Representatives, Cruise Associations, Tour Operator, Travel Agents, Travel media
- **Regional and International Organisations:** Caribbean Community (CARICOM); Caribbean Alliance for Sustainable Tourism (CAST); Caribbean Tourism Organization (CTO); Inter-American Commission on Women (CIM); Inter-American Development Bank (IDB); Global Foundation for Democracy and Development (FUNGLODE); IFC; IICA; Caribbean Association of Industry and Commerce (CAIC); Organisation of American States (OAS); Organisation of Eastern Caribbean States (OECS); OECD Tourism Programme, Centre for Entrepreneurship (CFE) and Local Economic and Employment Development (LEED) Programme; SICA; SICTA, The World Bank; United Nations Development Programme (UNDP), Economic Commission for Latin American and the Caribbean (UN-ECLAC); United Nations World Trade Organisation (WTO); United Nations World Tourism Organisation (UNWTO), UN Org on Women (TDB).
- **Academics:** Professors and Representatives of Regional Universities.

4.4 Benefits and Expected Outcomes

The principal benefits of this initiative are as follows:

- (i) To increase the awareness of the tourism product of the various countries including the activities, sites and attractions that would appeal to the tourism industry and cruise visitors in particular.
- (ii) To foster socio-economic growth through supporting small and medium-enterprise development, and the creation of alternative livelihoods.
- (iii) To support the creation of employment and business opportunities for women
- (iv) To enhance destination competitiveness and strengthening of the regional tourism industry through promotion of the Greater Caribbean brand and the adoption of pro-poor and sustainable tourism practises.

Expected outcomes of the successful execution of this initiative include:

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- Supporting member states in their efforts to develop a strong and viable tourism industry, particularly as it relates to the design and implementation of strategies beneficial to local communities, which emphasize among others the creation of an enabling environment for the growth and sustainability of the Cruise Sector.
- Promoting initiatives that support the development and productivity enhancement of Tourism MSMEs, more particularly those owned and operated by women, as a strategy for employment generation and poverty reduction.
- Enhancing countries marketing efforts to the Cruise Industry and the international travel market by generating interest and awareness amongst the various intermediaries, facilitating linkages between these target groups and the destinations.
- Promoting the concept of 'the Greater Caribbean Brand' and support regional cooperation and integration in that regard.

5. FUNDING REQUIREMENTS

5.1 Estimated Budget

Date (Sept / Oct, 2012)		
<i>Item</i>	<i>Description</i>	<i>Estimated Costs (USD)</i>
Meeting Preparation	Development of materials, communication and outreach to publicise the event	5,000
Conference/ Workshops	Meeting logistics and Travel, Per diem and Gratuity for Presenters, Panellists and facilitators	20,000
Tourism Fair	Booths, multi-media technology and logistics	30,000
ACCD WG-4 Meeting	Meeting expenses to include multi-media technology and other incidental expenditures	5,000
ACS Team	Coordination, Travel and per diem	5,000
TOTAL		65, 000

ANNEX 1 – DRAFT AGENDA

Regional Symposium on Cruise Tourism and Entrepreneurial Strengthening in the Greater Caribbean: Opportunities for Women

DAY ONE

8:30am - 9:00am	REGISTRATION
9:00am - 10:00am	OPENING CEREMONY: <ul style="list-style-type: none">• Host Country Representative• ACS Secretariat Representative• Keynote Speaker – Trade and Tourism – Opportunities for Growth
10:00am -10:15am	COFFEE BREAK
10:15am -11:15am	PLENARY SESSION 1: State-of-Play of the Cruise Tourism Sector in the Greater Caribbean Region <ul style="list-style-type: none">○ (CTO)○ (SITCA)
11:15am -12:15pm	PLENARY SESSION 2: <ul style="list-style-type: none">• Regional Perspective of Entrepreneurship and SME Development in the the Greater Caribbean Region.
12:15pm - 1:30pm	LUNCH
1:30pm - 2:30pm	PLENARY SESSION 3: <ul style="list-style-type: none">• Cruise Tourism Development in the Greater Caribbean – Opportunities and Challenges. (FCCA)• Entrepreneurship and MSME Development in the Greater Caribbean – Opportunities and Challenges
2:30pm - 4:00pm	WORKSHOPS: <ol style="list-style-type: none">1) Welcome in the Destination: Exchange of experiences, views and best practices.2) Innovation and Product Differentiation for MSMEs competitiveness in the Greater Caribbean.3) Marketing Strategies: From Cruise Passenger to Return Visitor
4:00pm - 5:00pm	PLENARY: <ul style="list-style-type: none">• Reporting on outcomes of Workshops
7:00pm - 9:00pm	<i>Welcome Cocktail and Opening Sustainable Tourism Fair and Market Place.</i>

DAY TWO

- 9:00am - 10:00am **PLENARY SESSION 4:**
- Exploring the Links Between Entrepreneurship/MSME Development and Cruise Tourism
- 10:00am - 10:15am **COFFEE BREAK**
- 10:15am -12:00pm **PLENARY PANEL DISCUSSION**
- Strategies for strengthening the capacities of woman entrepreneurs
- 12:00pm - 1:30pm **LUNCH**
- 1:30pm - 3:00pm **WORKSHOPS:**
Recommendations for Policy Approaches for:
- Capacity building for Women Entrepreneurs
 - Entrepreneurial strengthening and MSMEs Development
 - Public/Private Partnership for Development of the Cruise sector.
- 3:00pm - 4:00pm **PLENARY:**
- Reporting on outcomes of Workshops
- 4:00pm - 5:00pm **CLOSING CEREMONY**

DAY THREE

- 9:00am - 12:00pm • ACCD-WG-4 Meeting
- Matchmaking of Sustainable Tourism Fair and Market Place
- 12:00pm - 1:30pm **LUNCH**
- 1:30pm - 4:30pm • ACCD WG-4 Meeting Final Session
- 4:30pm - 5:00pm **CLOSING OF SUSTAINABLE TOURISM FAIR AND MARKET PLACE**
-