

MINISTRY OF TOURISM

**LAUNCH OF REPORT ON THE EXPORT POTENTIAL
OF THE SERVICES SECTOR
IN TRINIDAD & TOBAGO AND THE REGION**

FEATURE ADDRESS

**THE HONOURABLE SHAMFA CUDJOE
MINISTER OF TOURISM**

Date: Thursday October 20, 2017

Venue: Cascadia Hotel and Conference Centre

Time: 9.00am-11.30am

- Mrs. Frances Seignoret, Acting Permanent Secretary Ministry of Trade and Industry
 - Mrs. Angela Lee Loy, President of the Trinidad and Tobago Coalition of Services Industries (TTCSI)
 - Mr. Mark Edghill, TTCSI's Director and Vice President of the Association of Real Estate Agents
 - Mr. Courtenay Rooks, Managing Director Paria Springs Eco Community
 - Mr. Lyndrison Lincoln, Consultant and Lecturer at the University of the Southern Caribbean
 - Representatives from the business community
 - Members of the Media
 - Specially Invited Guests
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Allow me to firstly apologise for the absence of the Honourable Shamfa Cudjoe, the Minister of Tourism. Minister Cudjoe regrets not being able to join us this morning due to other official commitments in Parliament.

I am quite pleased to be here this morning to be part of what I consider to be quite a significant occasion; the presentation of the findings from a study showcasing the services sub-sector with the highest export potential for Trinidad and Tobago.

Data derived from this study identifies sub-sectors within the services sector with the highest export potential that are positioned to become viable foreign exchange earners for this country.

Ladies and gentlemen, access to accurate, reliable and dependable statistical data is critical for the measurement of the performance of any sector. It is for this very reason that the Ministry of Tourism congratulates the Trinidad and Tobago Coalition of Services Industries (TTCSI) for its visionary initiative in embarking on a project that will not only provide measurements that can guide policies and inform decisions about the services sector but will ultimately bring about a much better understanding of the contribution of this sector to the economy of Trinidad and Tobago.

The Government of Trinidad and Tobago has long identified tourism as one of the key sectors for diversifying the economy away from energy and at the same time creating new and sustainable jobs. The energy sector, whilst generating substantial revenues, is vulnerable to volatile market prices which can send shock waves within the local economy. The Government has understood that no longer can it rely on the hydrocarbon sector to buttress the economy but that it must seek alternative revenue streams that are sustainable. A good example of oil based economies pursuing new service sectors is the Middle East. Saudi Arabia and the United Arab Emirates were once almost completely dependent upon energy to fuel their economies but have since targeted other sectors namely Travel, Hospitality and Tourism to boost their economic performance.

In exploring the export potential of the services sector, in particular the tourism sector, Trinidad and Tobago has to forge a new economic space, be vigilant of new opportunities, strike up new partnerships and alliances and position itself to reap the benefits that can accrue with this focused approach.

Worldwide, the volumes of international travellers and the revenues derived from their trips are projected to grow steadily over the foreseeable future. In fact according to the UNWTO, destinations worldwide welcomed 598 million international tourists in the first six months of 2017, some 36 million more than in the same period of 2016. Worldwide, international tourist arrivals (overnight visitors) increased by 6% compared to the same six-month period last year, well above the sustained and consistent trend of 4% or higher growth since 2010. This represents the strongest half-year in seven years

Trinidad and Tobago can share in this growth but this growth can only be achieved if we work together to put in place the mechanisms and policies needed to ensure that our industry is both sustainable and successful.

If we are to exploit the potential opportunities and garner new business, then we must be able to compete on a global scale. We must become competitive, innovative, creative and, dare I say, imaginative. We must pursue strategies that lead to an increase in productivity and real growth so that our citizens realize an increase in their quality of life and the sector becomes more competitive. In addition, stabilizing mechanisms must be put in place so that during times of an economic downturn, the sector stands resilient.

Ladies and Gentlemen, the National Development Strategy 2016-2030 also referred to as Vision 2030 provides us with a comprehensive planning framework for achieving developed country status by 2030.

The five (5) themes articulated in that document are directly relevant to our services sector. However, as we are focusing on the export potential of the services sector, Theme 4: Building Globally Competitive Businesses must be paid added attention.

If Trinidad and Tobago is to become more competitive and productive then certain factors must be present. We need to determine if we:

- Have the proper skillset and know how
- Have the capabilities to perform at the required level
- Are we attracting the right investors and entrepreneurs
- Are our people creative and able to seize opportunities
- Do we have an investor- friendly climate
- Do we have an environment that minimises risks and instills investor confidence
- Have a financial system that is sound and keeping with international standards

These are just some of the questions that we need to ask if we are considering an export thrust in our services sector and by extension our tourism sector.

The Ministry of tourism is quite aware that in order to achieve the outcomes of:

- high value-added competitive exports, and
- an enhanced environment for investment and trade

that there must be a review and a revision to its existing suite of tourism incentives and the development of tourism products and experiences that attract higher spending visitors such as from the Meetings, Incentives, Conferences and Exhibitions (MICE) market. It is an accepted fact that tourism incentives can indeed serve as a catalyst for development of the tourism sector and Government has intensified its commitment to provide the most attractive investment environment that would result in favourable conditions for investment in the tourism sector.

With the Government's focus on the tourism sector to buffer our foreign exchange revenues and to provide a more meaningful contribution to the overall economy, the Ministry of Tourism has developed and implemented a Tourism Baseline Survey project. The project is designed to collect baseline data on employment, income earned, skills and training in the tourism sector, and tourism revenue/visitor spend. In the second quarter of fiscal 2018, the Ministry of Tourism will release its findings on the Trinidad component of the Baseline Study.

Executed in collaboration with the Immigration Division of the Ministry of National Security and the Central Statistical Office in both Trinidad and in Tobago, the project is already amassing data that will make us better equipped to scientifically determine the existing contribution of the tourism sector to key priority areas of the national economy and further develop policies and programs to improve the overall contribution of the tourism sector.

Moreover, at the Ministry of Tourism, we will be undertaking within this financial year, in collaboration with other tourism partners and the relevant state agencies, a Tourism Satellite Accounting (TSA) project that will, when completed, provide a working economic model that will measure the contribution of tourism to the economy, not only in terms of dollars but also the number of jobs that tourism creates. Tourism satellite account systems have been adopted in several countries and provide for a scientific measurement of the tourism industry's contribution to the country's earnings and can guide the strategic planning and marketing strategy for the tourism industry.

Ladies and Gentlemen, there is a new energy in our country's Travel and Tourism, with the newly formed execution agency of the Ministry of Tourism, the Tourism Trinidad Limited. The mandate of this agency includes the following:

- developing and marketing the Trinidad tourism offering
- attracting investment; and
- promoting tourism business development in Trinidad

Cabinet also approved the establishment of a Tobago Tourism Agency to provide the dedicated focus necessary for the development and marketing of tourism in Tobago.

Moreover, the Ministry of Tourism is working apace on the development of a Regulatory and Licensing Authority that will focus on establishing and monitoring tourism standards for the sector.

It is my understanding that the services sector study, undertaken by the Trinidad and Tobago Coalition of Services Industries, clearly shows the wider potential of tourism for developing the economy of Trinidad and Tobago. This is because tourism, as all of you will know, is able to quickly stimulate income and employment growth and, bring in foreign exchange earnings and revenue for the government.

Shop owners, transport operators, restaurant owners, suppliers of goods to restaurants and hotels, our soca and chutney artistes, farmers, the people walking up and down the beach plying their handicrafts, all of these and so many more depend to a greater or lesser extent on a vibrant and healthy tourism sector. It is a known fact that the multiplier effect of tourism is greater than for most other sectors. So many others benefit, from the spending power of the international visitor.

There is now an urgent need to put direct adequate resources towards establishing deeper and more sustainable linkages with other economic sectors, improving product quality and service standards, marketing, and human resource best practices. For our part, at Government level, we are in the process of making the policy and institutional changes to help address the challenges ahead.

The day is swiftly coming when our tourism sector will take its rightful place as a powerhouse on the economic horizon of Trinidad and Tobago!

Once again, the TTCSI must be commended on the completion of Phase I of the Registry project which showcases the services sub-sectors with the highest export potential for Trinidad and Tobago and provides the appropriate scientific data.

I urge the TTCSI to continue hosting awareness programs and outreach sessions, such as this one, to raise the national conversation about the services sector and the invaluable role it is playing in the economic future of Trinidad and Tobago.

I thank you.

October 20, 2017